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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS
FIRST SESSION

## VOLUME 125—PART 22

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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

## HOUSE OF REPRESENTATIVES—*Monday, October 15, 1979*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Eternal Lord, we thank You for Your creative handiwork for You have made all peoples to dwell as one. We confess the divisions among us and our lack of understanding toward one another. Even as we admit that we have made barriers where You have created none, help us to marvel at the glory of Your creation and the power of Your redemption so that we may worship and work in unity and mutual respect. Enable us to experience the joy of reconciliation with those with whom we are at enmity and help us establish trust and common purpose with all people, so that together in resolve and friendship we may better know Your will and serve our neighbors. Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2515. An act to authorize on a temporary basis certain business and agricultural loans, notwithstanding interest limitations in State constitutions or statutes, and for other purposes.

The message also announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1728. An act to designate the U.S. Federal Courthouse Building located at 655 East Durango, San Antonio, Tex., as the "John H. Wood, Jr., Federal Courthouse"; and

S.J. Res. 113. Joint resolution relative to salaries of Members of Congress.

### ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Friday, October 12, 1979, he did on that day sign the following enrolled joint resolution:

H.J. Res. 412. Joint resolution making continuing appropriations for the fiscal year 1980, and for other purposes.

### CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar.

The Clerk will call the first bill on the Consent Calendar.

### SIDNEY L. CHRISTIE FEDERAL BUILDING

The Clerk called the bill (H.R. 1298) to designate the U.S. Post Office and Federal Building in Huntington, W. Va., as the "Sidney L. Christie Federal Building."

There being no objection, the Clerk read the bill, as follows:

H.R. 1298

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the United States Post Office and Federal Building located in Huntington, West Virginia, is hereby designated as the "Sidney L. Christie Federal Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the Sidney L. Christie Federal Building.

● Mr. JOHNSON of California. Mr. Speaker, I rise in support of H.R. 1298, a bill to designate the U.S. Post Office and Federal Building in Huntington, W. Va., as the "Sidney L. Christie Federal Building."

Sidney Christie, distinguished son of West Virginia, after a distinguished career as a lawyer, became a judge of the U.S. district court for the northern and southern districts of West Virginia. He served with distinction and honor in his various official positions throughout his long career and this bill pays him a well-deserved tribute.●

● Mr. McCORMACK. Mr. Speaker, I rise in support of H.R. 1298, a bill to designate the U.S. Post Office and Federal Building in Huntington, W. Va., as the Sidney L. Christie Federal Building.

Sidney L. Christie was born on April 17, 1903, at Sinks Grove, W. Va., the son and the youngest child of 13 children born to Lewis F. and Malinda Christie. He was educated in the public schools, graduated from Dunsmore Business College in Staunton, Va., and received his law degree in 1928 from Cumberland University in Lebanon, Tenn.

Judge Christie practiced law at Keystone, W. Va., from September 1928 until December 31, 1960, when he entered his judicial service as judge of the Circuit Court for the Eighth Judicial Circuit of West Virginia, having been elected to that office in November of 1960. Judge Christie resigned from the State bench in 1964 to accept appointment as judge of the U.S. district court for the northern and southern districts of West Virginia, and entered upon his Federal service on June 8, 1964.

Judge Christie was dedicated to the work of the court and the administration of justice. Initially, his official station was in Bluefield, but he also addressed himself to the work of the Huntington division in this district as well as the Fairmont division in the northern district. When it became apparent that the growing caseload at Huntington required the greater part of his time, he moved his residence from Keystone to Huntington, where he and Mrs. Christie resided until his death in 1974.

In view of his long and distinguished career, and of his many years of outstanding service to the people of West Virginia, and to the Nation, it is fitting and proper that the U.S. Post Office and Federal Building in Huntington, W. Va., be named in his honor as the "Sidney L. Christie Federal Building."●

The bill was order to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### JOHN H. WOOD, JR., BUILDING

The Clerk called the bill (H.R. 4619) to designate the Federal Building located at 727 East Durango, San Antonio, Tex., as the "John H. Wood, Jr., Building."

There being no objection, the Clerk read the bill, as follows:

H.R. 4619

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Federal Building located at 727 East Durango, San Antonio, Texas, shall hereinafter be called and designated as the "John H. Wood, Jr., Building". Any reference in law, map, regulation, document, record, or other paper of United States to such building shall be held to be a reference to the John H. Wood, Jr., Building.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or inserti ons which are not spoken by the Member on the floor.

● Mr. McCORMACK. Mr. Speaker, I rise in support of H.R. 4619, a bill designating the Federal building located at 727 East Durango, San Antonio, Tex., as the "John H. Wood, Jr., Building."

Judge Wood was born in Rockport, Tex., on March 31, 1916. He attended the University of San Antonio and St. Mary's University of San Antonio, and received an LL.B. degree from the University of Texas in 1938. Judge Wood was appointed U.S. district judge for the western district of Texas on December 1, 1970, and entered duty January 15, 1971.

In the area of narcotics control, Judge Wood was feared by drug dealers throughout the district for his swift and certain justice. He was honored as the country's most vigorous defender of law and order.

In view of his distinguished career of service to the people of his community, the State of Texas, and the Nation, it is only fitting and proper that the Federal building in San Antonio, Tex., be named in his memory and honor as the "John H. Wood, Jr., Building".●

● Mr. JOHNSON of California. Mr. Speaker, the untimely death by an assassin's bullet of Judge John H. Wood on May 29 last took from the ranks of the judiciary one of its most distinguished and able members. Judge Wood had served with distinction as a member of the Federal court for the western district of Texas.

His record fighting crime, corruption, and in particular narcotics was second to none. He epitomized the best in our Federal judiciary. Designating the Federal building in San Antonio, Tex., as the "John H. Wood, Jr., Building" is indeed a tribute not only to Judge Wood but to all those who have fought for better government and stronger law and order.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1728) to designate the U.S. Federal Courthouse Building located at 655 East Durango, San Antonio, Tex., as the "John H. Wood, Jr., Federal Courthouse", and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There being no objection, the Clerk read the Senate bill, as follows:

S. 1728

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the United States Federal Courthouse Building located at 655 East Durango, San Antonio, Texas, shall hereafter be called and designated as the "John H. Wood, Jr., Federal Courthouse". Any reference in law, map, regulation, document, record, or other paper of the United States to such building shall be held to be reference to the John H. Wood, Jr., Federal Courthouse.

MOTION OFFERED BY MR. M'CORMACK

Mr. McCORMACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McCORMACK moves to strike out all after the enacting clause of S. 1728 and insert in lieu thereof the provisions of H.R. 4619, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, and was read the third time and passed.

The title was amended so as to read: "A bill to designate the Federal Building located at 737 East Durango, San Antonio, Tex., as the 'John H. Wood, Jr., Building'."

A motion to reconsider was laid on the table.

A similar House bill, H.R. 4619, was laid on the table.

## BOB CASEY FEDERAL BUILDING—U.S. COURTHOUSE

The Clerk called the bill (H.R. 4792) to name a certain Federal building in Houston, Tex., the Bob Casey Federal Building—U.S. Courthouse.

There being no objection, the Clerk read the bill as follows:

H.R. 4792

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Federal building located at 515 Rusk Avenue, in Houston, Texas, shall hereinafter be known as, and is hereby designated as, the "Bob Casey Federal Building—U.S. Courthouse". Any reference in any law, regulation, document, record, map, or other paper of the United States to such a building shall be considered to be a reference to the Bob Casey Federal Building—U.S. Courthouse.

● Mr. JOHNSON of California. Mr. Speaker, it was my great privilege to serve side by side for most of the Congressional career of a great Texan and a great American, Bob Casey. Prior to his service in the Congress, he had served with distinction in various official positions in this native State of Texas. Throughout his service in the U.S. Congress where he served for more than 15 years, Bob Casey fought for his people, his district, his State and his country. He left behind him a distinguished record as a member of the House Appropriations Committee culminating with his service as chairman of the Legislative Subcommittee of the House Appropriations Committee.

Bob Casey's public career is a model for all of us. This bill is a true tribute to a fine American.●

● Mr. McCORMACK. Mr. Speaker, I rise in support of H.R. 4792, a bill to designate the Federal Building located at 515 Rusk Avenue in Houston, Tex., as the Bob Casey Federal Building—U.S. Courthouse.

Congressman Robert (Bob) Casey was born in Joplin, Mo., July 27, 1915. His family moved to Houston, Tex., in 1930 and he graduated from San Jacinto High School He attended the University of Houston and the South Texas School of Law at night and was admitted to the State Bar of Texas in 1940.

Bob Casey began his public career as city attorney of Alvin, Tex., and served as a member of the school board. He went on to become assistant district attorney of Harris County and in 1948 was elected to the Texas House of Representatives where he served in the regular and special sessions of the 51st legislature. Subsequently, in 1950, he was elected county judge of Harris County for a 2-year term and was reelected in 1952 and again in 1954 for a 4-year term. During this time, he nurtured his deep interest in education by serving as a member of the Board of Regents of the South Texas College of Law and the Board of Directors of the Speech and Hearing Center.

The people of Houston elected Bob Casey to the 86th Congress in 1958 where he served the public interest for more than 15 years. In Congress, Bob Casey fought for anticrime legislation; he pursued his concern for education as a member of the House Appropriations Committee and its Labor, Health, Education, and Welfare Subcommittee, becoming one of the most respected members of the House of Representatives. He also worked diligently on the Subcommittee on Agriculture, Environmental and Consumer Protection of the House Appropriations Committee.

With a deep dedication to the law, Bob Casey served as chairman of the Legislative Subcommittee of the House Appropriations Committee, where he brought his expertise to bear on the appropriations for the legislative branch of the Government.

In recognition of his long and faithful public service, it is appropriate and fitting to name the Federal Building located at 515 Rusk Avenue in Houston, Tex., as the Bob Casey Federal Building—U.S. Courthouse.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the three bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

## AUTHORITY FOR CITIZENS OF NORTHERN MARIANA ISLANDS TO ENLIST IN THE ARMED FORCES OF THE UNITED STATES

The Clerk called the bill (H.R. 4627) to permit citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States before becoming citizens of the United States upon the establishment of the Commonwealth of the Northern Mariana Islands.

There being no objection, the Clerk read the bill as follows:

H.R. 4627

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That any individual—

(1) who is a citizen of the Northern Mariana Islands within the meaning of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (approved on March 24, 1976, by Public Law 94-241); and

(2) who under section 304 of such Covenant is entitled to all privileges and immunities of citizens in the several States of the United States;

is entitled, if otherwise qualified therefor, to enlist in any of the Armed Forces of the United States without regard to the citizenship of such individual.

SEC. 2. This Act shall expire upon the establishment of the Commonwealth of the Northern Mariana Islands.

● Mr. WHITE. Mr. Speaker, the Committee on Armed Services unanimously reported H.R. 4627, a bill that will permit citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States. The sponsor of this legislation is our distinguished colleague, Mr. WON PAT, from Guam.

Since the passage of Public Law 94-241—the joint resolution approving the covenant establishing the Commonwealth of the Northern Mariana Islands and the plebiscite in the Northern Marianas on June 17, 1975, it is only a matter of time until the citizens of the Northern Mariana Islands become citizens or nationals of the United States. In this interim period, however, an unexpected situation has arisen in that while citizens of the Northern Marianas are not yet actually considered U.S. citizens, the Immigration and Naturalization Service has determined that citizens of the Northern Marianas should be treated generally as American citizens and permitted the privilege of entering, traveling, and residing in the United States without being accorded the status of aliens admitted for permanent residence.

Unfortunately, under the enlistment statutes for the military only those who are citizens or those who are admitted for permanent residence are eligible for enlistment. Because of this anomaly, citizens of the Northern Marianas are no longer permitted to enlist in the Armed Forces today.

H.R. 4627 will simply correct the anomaly and authorize the enlistment of citizens of the Northern Marianas during the interim period before the President proclaims the termination of the trusteeship.

The Departments of Defense and State support the legislation. The committee also received testimony from the elected representative of the Commonwealth of the Northern Marianas to the United States who strongly urged passage of the legislation.

There is no cost to this legislation.

Mr. Speaker, I urge passage of H.R. 4627.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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## PERSONS ELIGIBLE FOR MEDICAL CARE UNDER THE CHAMPUS PROGRAM NOT TO BE DENIED SUCH CARE BECAUSE OF ELIGIBILITY FOR SUCH CARE IN FACILITIES OF THE VETERANS' ADMINISTRATION

The Clerk called the bill (H.R. 5025) to amend title 10, United States Code, to provide that any person eligible for medical care under the civilian health and medical program of the uniformed services (CHAMPUS) who is a veteran with a service-connected disability may not be denied care and treatment for such disability under CHAMPUS solely because such person is eligible for care and treatment for such disability in Veterans' Administration facilities.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. Speaker, I ask unanimous consent to withdraw H.R. 5025 from the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

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## UNITED SERVICES ORGANIZATIONS, INC.

The Clerk called the bill (H.R. 600) to incorporate United Service Organizations, Inc.

There being no objection, the Clerk read the bill, as follows:

### H.R. 600

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following persons, to wit:

Robert L. Adler, Chicago, Illinois;

Mrs. Arthur Forrest Anderson, Wilton, Connecticut;

Miss Lita Baron, Palm Springs, California;

Alfred D. Bell, Junior, San Francisco, California;

W. Nelson Bump, New York, New York;

Marvin E. Cordoza, San Francisco, California;

J. Robert Carey, Silver Spring, Maryland;

Mrs. Sylvester J. Carter, New York, New York;

Commissioner William Chamberlain, Atlanta, Georgia;

Mrs. Francis T. Christy, Wilton, Connecticut;

Louis J. Cohen, Newark, New Jersey;

Honorable Frederick M. Coleman, Cleveland, Ohio;

Solon Cousins, Wellesley, Massachusetts;

Lieutenant Colonel Peter M. Dawkins, Alexandria, Virginia;

Mrs. Amedco Giordano, Bronx, New York;

Jacob Goodstein, New York, New York;

Mrs. Eric H. Haight, Bedford, New York;

Doctor Maurice M. Hartmann, Washington, District of Columbia;

Herbert D. Harwood, Chestnut Hill, Massachusetts;

Mrs. Bartlett B. Heard, Oakland, California;

Peter A. Hersee, Boston, Massachusetts;

Charlton Heston, Beverly Hills, California;

Mrs. Ethan Allen Hitchcock, New York, New York;

Commissioner Ernest W. Holz, Atlanta, Georgia;

Commissioner Richard E. Holz, San Franciso, California;

Commissioner Paul S. Kaiser, San Franciso, California;

Henry Kohn, New York, New York;

Herbert Millman, New York, New York;

Reverend Robert V. Monticello, Washington, District of Columbia;

Mrs. Arthur Lord Nash, Chappaqua, New York;

Thomas M. Simmons, Boston, Massachusetts;

Joseph H. Singer, Mount Vernon, New York;

Mrs. Robert Six, Beverly Hills, California;

Doctor Elvis J. Stahr, Greenwich, Connecticut;

Lieutenant Commissioner Bramwell Tripp, NewYork, New York;

Doctor Seymour Weisman, New York, New York;

and their successors are hereby created and declared to be a body corporate of the District of Columbia having the name United Service Organizations, Incorporated (hereinafter the "corporation"). The said corporation shall have perpetual existence and the powers, limitations, and restrictions herein contained.

SEC. 2. OBJECTS AND PURPOSES OF THE CORPORATION.—The objects and purposes of the corporation are to provide a voluntary civilian agency through which the people of this Nation may, in peace or war, serve the religious, spiritual, social, welfare, educational, and entertainment needs of the men and women in the Armed Forces within or without the territorial limits of the United States, and in general, to contribute to the maintenance of morale of such men and women; to solicit funds for the maintenance of the organization and the accomplishment of its responsibility; to accept the cooperation of and to provide an organization and a means through which the National Board of Young Men's Christian Associations, National Board of Young Women's Christian Associations, National Catholic Community Service, the Salvation Army, the National Jewish Welfare Board, the Travelers Aid-International Social Service of America, and other civilian agencies experienced in specialized types of related work, which may be needed adequately to meet particular needs of the members of the Armed Forces, may carry on their historic work of serving the spiritual, religious, social, welfare, educational, and entertainment needs of such men and women and be afforded an appropriate means of participation and financial assistance; to coordinate their programs, and to accept the cooperation of individual citizens in accomplishing its purposes. The corporation shall have such other objects and purposes as are consonant with the above.

SEC. 3. CORPORATE POWERS.—The corporation shall have all the powers necessary and proper to accomplish the objects and purposes set forth in section 2. Without limiting the generality of the foregoing, the corporation shall have the following specific powers:

(a) To enact and amend bylaws, rules, and regulations for its internal governance and management, not inconsistent with this Act or other provisions of law.

(b) To establish, regulate, and terminate State, regional, local, and overseas councils, organizations, chapters, or affiliates in such manner and by such rules as it deems appropriate so as to enable it to carry out its powers and accomplish the objects and purposes set forth in section 2.

(c) To solicit and raise funds for the accomplishment of its purposes, and to accept gifts, legacies, devises, and support in furtherance thereof.

(d) To acquire, hold, and dispose of such real and personal property as may be necessary to carry out the corporate purposes; to sell, mortgage, or lease any of its real property if authorized by its board of governors.

(e) To make and enter into contracts.

(f) To borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, subject in every case to all applicable provisions of Federal and State law.

(g) To adopt and alter a corporate seal, emblems, and marks.

(h) To choose such officers, representatives, and agents as may be necessary to carry out the corporate purposes.

(i) To establish and maintain offices for the conduct of the affairs of the corporation.

(j) To publish a newspaper, magazine, or other publications.

(k) To sue and be sued in any court.

(l) To do any and all acts and things necessary and proper to accomplish the foregoing specifically enumerated purposes.

SEC. 4. RESTRICTIONS ON CORPORATE POWERS.—(a) The corporation shall be nonpolitical and, as an organization, shall not furnish financial aid or assistance to, or otherwise promote the candidacy of, any person seeking elective public office. No substantial part of the activities of the corporation shall involve carrying on propaganda, or otherwise attempting to influence legislation.

(b) The corporation shall have no power to issue any shares of capital stock, or to declare or pay any dividends. It shall also have no power to engage in any business activity for pecuniary profit unless the activity is substantially related to the carrying out of its objects and purposes, as set forth in section 2, or the raising of funds for the accomplishment of said purposes.

(c) The property of the corporation is irrevocably dedicated to charitable purposes. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, its remaining assets, if any, shall be distributed in accordance with the determination of its board of governors, in compliance with its bylaws and all Federal and State laws applicable thereto: *Provided, however,* That its property shall not, in any event, inure to the benefit of any private person except a fund, foundation, association, or corporation operated exclusively for charitable purposes.

(d) No part of the income or assets of the corporation shall inure to any member, governor, officer, or employee of the corporation or be distributable to any person during the life of the corporation or upon its dissolution or liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of reasonable compensation for services rendered to officers and employees of the corporation and other persons, or to prevent their reimbursement for actual necessary expenses in amounts approved by the corporation's board of governors.

(e) The corporation shall not make loans to its members, officers, governors, or employees.

SEC. 5. GOVERNANCE OF THE CORPORATION.

(a) MEMBERS OF THE CORPORATION.—The persons listed in section 1 are the present members of United Service Organizations, Incorporated, a corporation organized under the Not-for-Profit Corporation Law of the State of New York (hereinafter "the New York Corporation"). Upon the enactment of this charter, and for not more than one year thereafter, the said persons shall be the members of the corporation hereunder. They shall adopt bylaws and perform all other acts necessary to complete the organization of the corporation. Thereunder, the members of the corporation shall consist of nine persons designated by the President of the United States, and such representatives of the organizations listed in section 2 of this Act and of the public at large as shall be specified in the bylaws. The rights, privileges, and designations of the classes of members shall also be as specified in the bylaws.

(b) BOARD OF GOVERNORS.—The Management of the corporation shall be entrusted to a board of governors, which shall be responsible for the general policies and program of the corporation and for the control of its affairs and property. Upon the enactment of this charter and for not more than one year thereafter, the membership of the initial board of governors of the corporation created hereunder shall consist of the present members of the board of governors of the New York corporation. Thereafter, the board of governors shall be elected by the members of the corporation for such terms and in such classes as shall be specified in the bylaws, and shall include the following persons:

(1) Six members appointed by the President of the United States.

(2) The Secretary of Defense, or his designee.

(3) Such representatives of the organizations listed in section 2 of this Act and of the public at large as shall be specified in the bylaws.

(c) OTHER GOVERNING BODIES.—The corporation shall have such other governing bodies and committees as may be provided for in its bylaws.

(d) OFFICERS.—The office of honorary chairman of the corporation shall be tendered to the President of the United States. Upon acceptance of such office, the honorary chairman shall be invited to preside at such meetings of the corporation as he may deem appropriate and convenient. The corporation shall have such other officers as may be designated in its bylaws.

SEC. 6. DISSOLUTION OF THE NEW YORK CORPORATION.—Upon the enactment of this charter, the corporation shall acquire the assets and assume liabilities of the New York corporation. At such time as the liabilities of the New York corporation have been fully discharged, the corporation shall cause the New York corporation to be dissolved.

SEC. 7. USE OF NAMES "UNITED SERVICE ORGANIZATIONS, INCORPORATED" AND "USO".—The corporation, its regional, State, and local councils, organizations, chapters, and affiliates shall have the sole and exclusive right to use the names "United Service Organizations, Incorporated" and "USO" and such distinctive insignia, emblems, and badges as the corporation may lawfully adopt in carrying out its purposes.

SEC. 8. ASSISTANCE BY GOVERNMENT AGENCIES.—The Department of Defense may make its resources available to the USO, to the extent compatible with the primary mission of the Department of Defense and in accordance with guidelines promulgated by the Secretary of Defense, in order to facilitate the accomplishment of the USO mission.

SEC. 9. MISCELLANEOUS PROVISIONS.—(a) The principal office of the corporation shall be located in New York, New York, or in such other place as may be later determined by the board of governors, but the activities of the corporation shall not be confined to that place. The said activities may be conducted throughout the various States, territories, and possessions of the United States, and in foreign countries.

(b) The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation. Service upon, or notice mailed to the business address of, such agent, shall be deemed notice to or service upon the corporation.

(c) The corporation shall file in the office of the secretary of each State, territory, or possession of the United States in which the corporation or its local, State, or regional councils, organizations, chapters, or affiliates may have activities, the name and post office address of an authorized agent upon whom local process or demands against the corporation may be served.

(d) The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, and of its board of governors, or any committee having any of the authority of the board of governors; and shall keep at its principal office a record giving the names and addresses of its members entitled to vote; and shall permit all books and records of the corporation to be inspected by any member or his agent or his attorney for any purpose at any reasonable time.

(e) The corporation shall make public an annual report concerning its proceedings and activities for the preceding calendar year.

(f) The provisions of sections 1102 and 1103 of title 36 of the United States Code shall apply with respect to the corporation.

(g) Section 1 of Public Law 88-504 (78 Stat. 635; 63 U.S.C. 1101) is amended by adding a new item 50 as follows:

"(50) United Service Organizations.".

(h) The right to alter, amend, or repeal this Act is hereby expressly reserved to the Congress.

With the following committee amendments:

Page 1, strike line 4; page 2, strike lines 1 through 25; and page 3, strike lines 1 through 22, and insert the following:

Col. Paul Akst, USAF Ret., New York, New York.
Robert C. Andrews, Nashville, Tennessee.
Mary Louise Austin, Atlanta, Georgia.
Alden G. Barber, Menlo Park, California.
James E. Barrett, Washington, D.C.
Alfred D. Bell, Jr., Burlingame, California.
Mr. Andrew J. Bennett, Jr., Baton Rouge, Louisiana.
Rocky Bleier, Pittsburgh, Pennsylvania.
Frank J. Brennan, Ft. Washington, Pennsylvania.
N. Brewster Broder, Southfield, Michigan.
Mr. Edward G. Brown, Millbrook, New York.
Mrs. Joseph O. Butcher, Bloomington, Indiana.
Marvin E. Cardoza, San Francisco, California.
Zebedee C. Chaney, Jr., New York, New York.
Louis J. Cohen, Newark, New Jersey.
John B. Coleman, Chicago, Illinois.
Gilbert Colgate, Jr., New York, New York
Robert K. Corn, Papillion, Nebraska.
Kathryn Grant Crosby, Beverly Hills, California.
Edward J. Daly, Oakland, California.
Richard J. Davis, Jr., Arlington, Virginia.
Gen. Michael S. Davidson, USA Ret., Washington, D.C.
Col. Parker Dawkins, USA, Fort Campbell, Kentucky.
John W. Dixon, Dallas, Texas.
Mikki Ehrenfeld, Lincoln, Massachusetts.
E. Stanley Enlund, Chicago, Illinois.
Kimball C. Firestone, Potomac, Maryland.
Mrs. Maxine Flournoy, Alice, Texas.
Robert G. Geib, New York, New York.
RADM Lawrence R. Geis, USN Ret., Jacksonville, Florida.
Jacob Goodstein, New York, New York.
Theodore J. Hagans, Jr., Washington, D.C.
Mrs. Henry E. Harriman, Jr., San Diego, California.
John Halliburton, Kerrville, Texas.
Ronald E. Herington, New Bedford, Massachusetts.
Mrs. Margaret Howard Ismaila, Cleveland, Ohio.
Eugene Jelesnik, Salt Lake City, Utah.
Maj. Gen. Orris E. Kelly, USA, Washington, D.C.
Robert P. Kelsey, Jr., Boston, Massachusetts.
Donald R. Keough, Atlanta, Georgia.
Ralph B. Kohnen, Jr., Cincinnati, Ohio.
James J. Lazarus, Kearny, New Jersey.
Hon. John Davis Lodge, Westport, Connecticut.
Hon. Al G. Loehr, St. Cloud, Minnesota.
Morgan Maxfield, North Kansas City, Missouri.
Mrs. Andrew M. McBurney, New York, New York.
Fred M. McCahey, Winnetka, Illinois.
Brig. Gen. Martin Menter, USAF Ret., Chevy Chase, Maryland.
Ms. Mary Wells Milam, Miami, Florida.
Nick J. Mileti, Gates Mills, Ohio.
Donald L. Miller, New York, New York.
Dr. Ron Miller, Brooklyn, New York.
Fred Much, Houston, Texas.
Dr. Frank L. Myers, Avenel, New Jersey.
CSC Robert A. Nolan, USN Ret., Washington, D.C.
Leo Perlis, Washington, D.C.
Robert B. Pirie, Washington, D.C.
Joseph Robbie, Miami, Florida.
Vincent J. Romeo, Flat Rock, North Carolina.

LTC James H. Ryan, USA Ret., Mt. Rainier, Maryland.
Theodore R. Serrill, Edgewater, Maryland.
Mrs. Charles H. Sethness Jr., Chicago, Illinois.
Joseph H. Singer, Somerville, New Jersey.
Col. C. Haskell Small, USA Ret., Washington, D.C.
Robert A. Staub, New York, New York.
Dorothy C. Stephens, Washington, D.C.
Warren Titus, Boston, Massachusetts.
Martin Tucker, New York, New York.
Mrs. Pearl Scott Tyler, Boston, Massachusetts.
Mrs. Audrey Ullman, Arlington, Virginia.
Mrs. Paula Unruh, Tulsa, Oklahoma.
Jeff Wald, Beverly Hills, California.
Dr. Seymour S. Weisman, Norwalk, Connecticut.
William G. Whyte, Washington, D.C.
Clifford R. Williams, Milwaukee, Wisconsin.
Julius E. Williams, New York, New York.
Michael Collins, Washington, D.C.

Page 8, line 4: Strike "of the District of Columbia".

Page 14, lines 4 and 5: Strike "Dissolution of the New York Corporation." and insert "State of Incorporation."

Page 14, lines 7, 8, 9, and 10: Strike "At such time as the liabilities of the New York Corporation have been fully discharged, the corporation shall cause the New York corporation to be dissolved." and insert:

The United Service Organizations, Incorporated shall retain and maintain its existing status as a corporation incorporated under the laws of the State of New York, another State, or the District of Columbia.

The committee amendments were agreed to.

• Mr. DANIELSON. Mr. Speaker, the purpose of the bill, H.R. 600, is to incorporate the United Service Organizations, Inc. Under the bill the USO would continue as a voluntary civilian organization which would serve the religious, spiritual, social, welfare, organizational, and entertainment needs of members of the Armed Forces.

The committee amendment would add the additional requirement that there be an annual audit and report to Congress. In addition, the USO would be required to maintain its present State incorporation status.

In a report to the committee dated October 2, 1979, the Department of Defense supported the incorporation of the United Service Organizations, Inc.

During the 94th Congress the bill H.R. 7462 and companion measures were the subject of a subcommittee hearing. At that hearing it was pointed out that the United Service Organizations, Inc., provides for a means for contact between the civilian and military communities wherever the organization serves. The USO is a voluntary, nonprofit, civilian organization with the purpose of serving the religious, spiritual, social, welfare, educational, and entertainment needs of the men and women of the armed services in the United States and overseas.

These are the objects and purposes of the corporation as set forth in section 2 of the present bill, H.R. 600. For more than 30 years, the organization has made this sort of valuable contribution to the morale and welfare of service members throughout the world. This work has been accomplished by the organization through the support of the public at large. The USO is not funded by the Government but is supported financially by funds contributed in the form of voluntary donations through local United Way drives or independent USO campaigns.

The organization is civilian in character and this is reflected in the language of the bill which has been drafted to bar any inference that the organization would be subject to governmental direction or financial support.

The bill in section 9(f) requires reports of annual audits to be filed with the Congress as provided in Public Law 88-504 (78 Stat. 635; 36 U.S.C. 1102, 1103). By an amendment to section 1 of the same law, the United Service Organizations are specifically referred to in the amended statute by name.

In view of the considerations outlined above, it is recommended that the amended bill be considered favorably.•

Mr. MOORHEAD of California. Mr. Speaker, this legislation would give long-overdue, and appropriate, recognition to an organization that has assisted the American military and their families both in wartime and in peacetime. For nearly 40 years the USO—United Service Organizations—has served the spiritual, social, educational, and recreational needs of our armed forces personnel. H.R. 600 would grant a Federal charter of incorporation to this world-renowned organization.

USO receives no congressional appropriations. It is a privately financed, nonprofit, voluntary action agency. It is totally civilian run. Relying primarily on some 40,000 volunteers, the USO operates 62 facilities in the United States and 55 facilities overseas. Included among the USO worldwide services are community involvement programs; assistance to young military families; assistance in finding temporary and permanent housing; minority programing, cultural interchange programs; adult education classes; crisis counseling in a civilian atmosphere; information and assistance for GI's and dependent travelers; and recreation programs. In addition, the USO reaches out to hospitalized veterans in VA medical centers with a variety of programs. The USO is, perhaps, best known for its USO shows program, featuring noted entertainers such as Bob Hope.

Its world headquarters are now located in Washington, D.C., and the USO is incorporated as a nonprofit organization under the laws of the State of New York.

I am pleased and privileged to be the sponsor of this legislation, proposing Federal charter status for USO. When the Subcommittee on Administrative Law and Governmental Relations of the House Judiciary Committee considered this bill on June 26, the vote was 5-0 in favor of the bill. Later, the full Judiciary Committee unanimously endorsed the action of our subcommittee. No opposition has been evidenced.

Granting the USO a Federal charter will not alter its nongovernmental nature. The Federal Government would not be committing any funds. Its tax status would not change. Its structure and operations would continue as before. The enactment of H.R. 600 would symbolize a congressional recognition of the unique services provided to our Nation by this fine organization. It would serve to remind Americans that USO needs and deserves our support in peacetime, as well as wartime. It would be an honorary recognition of services rendered. I urge your support.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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## AMENDING SECTION 12 OF THE CONTRACT DISPUTES ACT OF 1978

The Clerk called the bill (H.R. 3909) to amend section 12 of the Contract Disputes Act of 1978.

There being no objection, the Clerk read the bill as follows:

H.R. 3909

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 12 of the Contract Disputes Act of 1978 (92 Stat. 2389), is amended to read as follows:

"Sec. 12. Interest on amounts found due contractors on claims shall be paid to the contractor from the date the contracting officer receives the claim pursuant to section 6(a) from the contractor until payment thereof. The interest provided for in this section shall be paid at a rate which the Secretary of the Treasury shall specify as applicable to the period beginning on July 1, 1979, and ending on December 31, 1979, and to each six-month period thereafter. Such rate shall be determined by the Secretary of the Treasury, taking into consideration current private commercial rates of interest for new loans maturing in approximately five years. The Secretary of the Treasury shall publish each such rate in the Federal Register. Interest with respect to a particular claim shall be paid at the rate determined pursuant to this section for the period which includes the date on which interest begins to run.".

Sec. 2. This act shall be effective July 1, 1979.

With the following committee amendment:

Page 2, line 17: Strike "Sec. 2. This Act shall be effective July 1, 1979."

The committee amendment was agreed to.

• Mr. DANIELSON. Mr. Speaker, the bill H.R. 3909, amends section 12 of the Contract Disputes Act of 1978 to strike a reference to the recently disestablished Renegotiation Board in the provision making interest rates established by the Secretary of the Treasury applicable to contract claims. The bill further requires the Secretary of the Treasury to publish each rate in the Federal Register. The new language would require the Secretary of the Treasury to fix interest rates for the period beginning July 1, 1979, and for each 6-month period thereafter and, in fixing such rates, the Secretary of the Treasury would be required to take into consideration the current private commercial rates of interest.

The bill H.R. 3909 was introduced as recommended by the Comptroller General of the United States in a letter to the chairman of the House Committee on the Judiciary on April 10, 1979.

The Comptroller General recommended that section 12 of the 1978 Contract Disputes Act be amended. Interest on contract claims is authorized by that section which states that interest is to be paid at the rate established by the Secretary of the Treasury pursuant to Public Law 92–41 (85 Stat. 97) for the Renegotiation Board. The 92d Congress law provided that the Secretary of the Treasury was to establish interest rates for the Renegotiation Board. Currently, the Secretary has established the interest rate for the period July 1 through December 31, 1979. The Comptroller General pointed out that since the Renegotiation Board was terminated as of March 31, 1979, it is not clear that the Secretary of the Treasury would be required to continue setting interest rates under Public Law 92–41. For this reason, the Comptroller General recommended that section 12 of the Contract Disputes Act be amended as provided in H.R. 3909. The bill provides for a revised requirement that the Secretary of the Treasury will fix and publish interest rates applicable to contract claims at 6-month intervals in the Federal Register. The Secretary of the Treasury is to take into consideration current private commercial rates of interest for new loans maturing in approximately 5 years. Interest is to be paid at the rate fixed under section 12 for the period which includes the date on which the interest begins to run on a claim.

The amendments in the bill are designed merely to incorporate the existing requirement concerning interest rates in restated language, it closely follows both the concept and the language of section 2(a) of Public Law 92–41, the law relating to the Renegotiation Board. The only new element is the requirement that the Secretary of the Treasury publish the rates in the Federal Register.

The bill, as originally recommended by the Comptroller General and as reported by the subcommittee in May, contained an effective date of July 1, 1979. The Comptroller General has now recommended the change embodied in the committee amendment striking that effective date. As amended, the effective date of the bill would be the date of its approval. The reference in the amendment to the Contract Disputes Act to the 6-month period beginning July 1, 1979, and ending December 31, 1979, would be appropriate since the Secretary of the Treasury has fixed the interest rate and published notice for the current 6-month period in accordance with the authority provided by the previous law.

The bill clarifies the authority of the Secretary of the Treasury to fix interest rates to implement the provisions of the Contract Disputes Act of 1978. As I have indicated above, this is a bill recommended by the Comptroller General to implement the purposes and intent of that act. It is recommended that the amended bill be considered favorably.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PERSONS ELIGIBLE FOR MEDICAL CARE UNDER THE CHAMPUS PROGRAM NOT TO BE DENIED SUCH CARE BECAUSE OF ELIGIBILITY FOR SUCH CARE IN FACILITIES OF THE VETERANS' ADMINISTRATION

Mr. WHITE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5025) to amend title 10, United States Code, to provide that any person eligible for medical care under the civilian health and medical program of the uniformed services (CHAMPUS) who is a veteran with a service-connected disability may not be denied care and treatment for such disability under CHAMPUS solely because such person is eligible for care and treatment for such disability in Veterans' Administration facilities.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

H.R. 5025

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 1086 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding subsection (d) of any other provisions of this chapter, no person eligible for health benefits under this section may be denied benefits under this section with respect to care or treatment for any service-connected disability which is compensable under chapter 11 of title 38 solely on the basis that such person is entitled to care or treatment for such disability in Veterans' Administration facilities.".

SEC. 2. The amendment made by the first section of this Act shall take effect on October 1, 1979.

Mr. WHITE. Mr. Speaker, the Committee on Armed Services has favorably reported H.R. 5025, a bill that will permit retired service personnel to receive care for service-connected disabilities under the civilian health and medical program of the uniformed services (CHAMPUS).

H.R. 5025 is a clean bill reported by the committee which corrects some technical deficiencies in H.R. 1430, the bill as originally introduced.

H.R. 5025 will insure that retired veterans with service-connected disabilities, otherwise eligible for care under the CHAMPUS program, are not denied care or treatment under CHAMPUS solely because such care or treatment would be available at a Veterans' Administration medical facility.

Veterans retired with pay are of course eligible for care under the CHAMPUS program, and presently also are covered by the CHAMPUS program for care related to a service-connected disability. However, the Department of Defense has determined recently that section 1086(d) of title 10, United States Code, prohibits CHAMPUS coverage for CHAMPUS beneficiaries if they are eligible for care under another health program provided by law. Because retired veterans with service-connected disabilities are eligible for care related to their service-connected disability from the Veterans' Administration, these individuals will soon be forced to seek treatment related to their disability from the Veterans' Administration. For all other care, the veteran must then return to his personal physician.

Such a situation makes no sense. H.R. 5025 will clarify the retired veteran's access to all necessary medical care under the CHAMPUS program.

Hearings were held on similar legislation in the 95th Congress, but no action was taken because of the committee's intention to look at the CHAMPUS program in general.

The Committee on Armed Services favorably reported this legislation on September 11, 1979 by a voice vote.

The Department of Defense does not object to the passage of this legislation. The costs are estimated to be approximately $480,000 in the first year.

On behalf of the Armed Services Committee, I urge the Members to support H.R. 5025.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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□ 1210

## AMENDING TITLE 28 OF THE UNITED STATES CODE TO ALLOW THE U.S. ATTORNEY AND ASSISTANT U.S. ATTORNEYS FOR THE EASTERN DISTRICT OF NEW YORK TO RESIDE WITHIN 20 MILES OF THE DISTRICT

The Clerk called the bill (H.R. 3959) to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorneys for the eastern district of New York to reside within 20 miles of the district.

There being no objection, the Clerk read the bill as follows:

H.R. 3959

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 545(a) of title 28, United States Code, is amended by striking out "Columbia and the Southern District of New York" and inserting in lieu thereof "Columbia, the Southern District of New York, and the Eastern District of New York".

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 567) to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorneys for the eastern district of New York to reside within 20 miles of the district.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the Senate bill, as follows:

S. 567

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 545(a) of title 28, United States Code, is amended by striking out "Columbia and the Southern District of New York" and inserting in lieu thereof "Columbia, the Southern District fo New York, and the Eastern District of New York."

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3959) was laid on the table.

## TRIBUTE TO MAJORITY LEADER JIM WRIGHT ON HIS 25 YEARS SERVICE IN CONGRESS

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I had the great privilege last Saturday night of joining over 5,000 persons at a dinner in Fort Worth, Tex., who had gathered to do honor to our distinguished majority leader, the gentleman from Texas, the Honorable Jim Wright, on the occasion of his having served 25 years in the House of Representatives.

Mr. Speaker, evidence of the high regard in which Jim Wright is held by the people of the district he has so brilliantly represented for a quarter of a century was the outpouring of citizens of every background, both Democrats and Republicans, from his home community.

Further testimony to the great respect in which Jim Wright is held by leaders in the executive branch of Government was the presence at the dinner of Secretary of State Cyrus Vance, Secretary of Energy Charles Duncan, Secretary of Labor Ray Marshall, Assistant to the President Sara Weddington, and Assistant to the President for Congressional Relations Frank Moore.

From the leadership of the House of Representatives there were present, in addition to myself, our distinguished colleague, the chief deputy majority whip, the Honorable Dan Rostenkowski of Illinois, and the distinguished chairman of the Democratic Caucus, the Honorable Thomas Foley of Washington.

Mr. Speaker, the distinguished junior Senator from Texas, the Honorable Lloyd Bentsen, was one of the speakers at the event which was also attended by nearly all of the Democratic Members of the House of Representatives from the State of Texas.

In addition, our Republican colleague, the gentleman from Ohio, the Honorable William H. Harsha, the distinguished ranking minority member of the Committee on Public Works and Transportation, who served with Mr. Wright on that committee for many years, also paid tribute to the majority leader.

Of course, Mr. Speaker, no one will be surprised when I say the most moving speech made on the occasion was that of the distinguished Speaker of the House, Speaker O'Neill.

Mr. Speaker, during the course of the program a film was shown illustrating the life and achievements of Jim Wright and one of the highlights of the film was a series of statements by Presidents John F. Kennedy, Lyndon B. Johnson, and Jimmy Carter paying tribute to Mr. Wright.

Our distinguished colleague, the gentleman from Arizona, Morris K. Udall, chairman of the Committee on Interior and Insular Affairs, did his customarily brilliant job as toastmaster on the occasion.

Mr. Speaker, I join, as I am sure my colleagues on both sides of the aisle do, in saluting Jim Wright on his 25 years of service in the House of Representatives and in expressing the confidence that for many more years to come he will serve with great distinction the people of the 12th District of Texas and of the United States.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I would be very pleased to yield to my friend, the distinguished minority leader.

Mr. RHODES. I want to join the distinguished majority whip in extending my congratulations to the distinguished majority leader on the 25 years of great service to his district and to his State and to the Nation in the Congress of the United States.

Mr. BRADEMAS. I thank the distinguished minority leader.

## GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considerd.

The SPEAKER. Is there objection to the gentleman from Indiana?

There was no objection.

## CONSIDERATION OF APPROPRIATION BILLS TO PRECEDE DEBATE ON SALT II IN SENATE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I think there is no other Member of this body who is as interested as I am in the Senate taking up SALT II and moving that expeditiously. I also know it is a little dangerous to stand here and give the Senate advice. However, I am hoping we can advise the Members of the other body to please schedule the appropriations bills we have already considered in this body before they proceed to SALT II.

I think we do not want to go through any more fiascoes like we saw last week. If we do not do that fairly shortly, within a month, we will get to reproduce the whole three-ring circus we had here before.

Mr. Speaker, as much as I hate to give the Senate advice, I hope the Members of the Senate will listen and take up the appropriations bills first.

## SUPPORT OF FAMILY UNIT

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, the pressure of competition to come up with a different gimmick to advertise products produced a sad result on CBS–TV on Sunday, October 14. "Flesh and Blood," a story of a boy from a broken home, was perceived by the writers and producers to have more allure in attracting viewers if a sexual relationship could be developed between a son and his mother. This frontal assault on the family unit is claimed to be justified because it deals with reality.

We Americans believe in freedom of speech and expression. It is fundamental in our society. It is absurd to even think about censorship, governmental or otherwise, to screen what Americans may view, no matter that the material may only be trash. However, in searching for a balance between freedom and license, we should not despair for want of a remedy. Citizens who want to support the family unit, decency, and morality can demonstrate their objection to this type of programing by avoiding the purchase of those products which commercially depict human relationships which undermine the family as the basic unit of our society.

The following products were touted to the viewers so as to make the program possible:

Riunite Wine, Carpet Fresh deodorizer, Air Wick deodorizer, Quasar electronics, Ray-O-Vac batteries, K-Tel records, Subaru automobiles, RC Cola, Miller Beer, Tums stomach aid.

Karastan carpets, Dexatrim diet pills, Vidal Sassoon hair products, VO 5 hair spray, Fresh Start soap, Oodles of Noodles, FDS feminine deodorant spray, Unisom sleep tablets, Esoterica skin ointment, English Leather cologne.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Brademas). Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceeding were postponed.

Such rollcall votes, if postponed, will be taken on Tuesday, October 16.

## GOLD MEDAL FOR RED CROSS

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4259) authorizing the President of the United States to present a gold medal to the American Red Cross.

The Clerk read as follows:

### H.R. 4259

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) the President is authorized to present in the name of Congress, an appropriate gold medal to the American Red Cross, in recognition of its unselfish and humanitarian service to the people of the United States. For such purposes, the Secretary of the Treasury shall cause to be struck a gold medal with suitable emblems, device, and inscriptions to be determined by the Secretary. There are authorized to be appropriated not to exceed $15,000 after October 1, 1980, to carry out the purposes of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal, and the appropriation used for carrying out the provisions of this Act shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this Act are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. STANTON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4259 authorizes the presentation of a gold medal to the American Red Cross in honor of its unselfish and humanitarian service to the people of the United States. This medal would be presented to the American Red Cross during its contennial celebration culminating on May 21, 1981, with the 100th anniversary of the founding of the American Red Cross.

The American Red Cross has served the people of our land both in times of war and peace. Victims of recent disasters such as Hurricane David and recent tornadoes can give eyewitness testimony to the prompt response of Red Cross volunteers to their plight.

The history of this service goes back to the Civil War when Clara Barton left the safety of a job at the Patent Office to provide voluntary nursing assistance to wounded soldiers. Her example inspired others and she became known to both sides as "the Angel of the Battlefield." Her interest in humanitarian services did not end with the Civil War. She went to Europe to aid unfortunate victims of war and disaster. While there she learned of the Red Cross movement and upon her return to the United States in 1881, she founded the American Red Cross. Since that date, victims of calamity have been comforted and helped by the prompt appearance of the Red Cross.

It is important to note that the Red Cross has done all this without receiving a single dollar from the Federal Government. Virtually everyone who works for the Red Cross is a volunteer and the few who are paid receive low wages and work long hours. Nearly every town in America has a Red Cross chapter. As someone once said, "The Red Cross is this country's only ready militia against acts of God and damn fools."

This bill will not result in any additional cost to the Government. While the gold presentation medal will cost between $12,000–$15,000, that money will be recovered through the sale of bronze duplicates. The duplicates will be priced to recover their cost and the cost of the gold medal. I am certain that interest in the Red Cross centennial will be sufficient to result in ample sales to completely recover the cost of the gold medal.

Mr. Speaker, it is time for the Congress to recognize the services performed by these 1.4 million volunteers. I urge the passage of H.R. 4259 to honor the American Red Cross on its 100th birthday.

Mr. STANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, May 21, 1981, is the 100th anniversary of the founding of the American Red Cross. We in the Congress are acting today on a bill that will authorize the President to present a gold medal to the American Red Cross in recognition of 100 years of outstanding humanitarian service to the people of the United States.

The Red Cross has been a federally chartered organization since 1900. Under that charter, its responsibility is to provide services to the members of the armed services as well as relief to disaster victims. Such services date as far back as 1881 when the American Red Cross was first founded by Clara Barton.

Today, the Red Cross is ready to respond to disaster wherever it may strike. In recent flood disasters, we saw rescue teams at work all across the Nation.

Although it is federally chartered, the Red Cross does not receive Federal appropriations for its services. It relies solely on contributions and a work force of 1.4 million volunteers across the country from almost every town in the United States.

Besides disaster relief, the Red Cross instructs millions in first aid classes and water safety and collects roughly 60 percent of this country's blood donations.

The Congress indeed recognizes the extraordinary humanitarian service that the American Red Cross has offered millions of people over the years. Such dedicated service should not be taken for granted.

Mr. Speaker, today, we have chosen, therefore, to honor the American Red Cross with a gold medal. To defray the cost of the gold medal, we are also voting to authorize the sale of bronze duplicates.

I am pleased to support this proposal and I am certain that our colleagues will join in its immediate passage.

□ 1220

Mr. ANNUNZIO. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. HYDE), a member of the subcommittee.

Mr. HYDE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I just want to salute the gentleman from Illinois for his leadership in this very important area. He is able to effectuate legislation commending organizations like the Red Cross and John Wayne, I might add, with flair and with facility in the same manner in which the gentleman leads the Columbus Day Parades in Chicago.

Mr. ANNUNZIO. Mr. Speaker, I thank my good friend, the gentleman from Illinois, for those kind words.

Mr. Speaker, I have no further requests for time.

Mr. STANTON. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHARP). The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 4259.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

## VETERANS REHABILITATION AND EDUCATION AMENDMENTS OF 1979

Mr. HEFNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5288) to amend title 38, United States Code, to improve and modernize the vocational rehabilitation program provided veterans under chapter 31 of such title, to improve the veteran's educational assistance program, and for other purposes, as amended.

The Clerk read as follows:

### H.R. 5288

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Veterans Rehabilitation and Education Amendments of 1979".

### TITLE I—REVISION OF VOCATIONAL REHABILITATION PROGRAM

SEC. 101. (a) Chapter 31 of title 38, United States Code, is amended to read as follows:

### "Chapter 31—VOCATIONAL REHABILITATION

"Sec.
"1500. Purpose.
"1501. Definitions.
"1502. Basic entitlement.
"1503. Periods of eligibility.
"1504. Scope of services.
"1505. Duration of services.
"1506. Subsistence allowances.
"1507. Counseling.
"1508. Vocational rehabilitation plan.
"1509. Leaves of absence.
"1510. Regulations to promote satisfactory conduct and cooperation.
"1511. Revolving fund loans.
"1512. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans.
"1513. Training outside the United States.
"1514. Unpaid training and work experience.
"1515. Rehabilitation resources.
"1516. Development of employment and on-job training opportunities.
"1517. Employment assistance.
"1518. Staff training and development.
"1519. Rehabilitation research and special projects.
"1520. Veterans' Advisory Committee on Rehabilitation.

"§ 1500. Purpose

"The purpose of the program created by this chapter is to provide all services necessary to enable veterans with service-connected disabilities to attain maximum independence, to become employable, and to obtain and maintain suitable employment.

"§ 1501. Definitions

"For the purposes of this chapter—

"(1) The term 'vocational rehabilitation' means those services which provide assistance needed for the accomplishment of the purposes of this chapter, as set forth in section 1500 of this title. Such services include such diagnostic, medical, social, psychological, economic, and vocational services as are determined by the Administrator to be needed to render a veteran who has an employment handicap because of a service-connected disability employable and employed and to enable the veteran to achieve maximum independence.

"(2) The term 'employment handicap' means a disability the limiting effects of which impair an individual's ability to prepare for, obtain, or retain employment consistent with such individual's abilities, aptitudes, and interests.

"§ 1502. Basic entitlement

"(a) A veteran is entitled to vocational rehabilitation under this chapter if the veteran—

"(1) has a service-connected disability which is compensable under chapter 11 of this title and which was aggravated or incurred in service on or after September 16, 1940;

"(2) was released from active duty under conditions other than dishonorable or is hospitalized in a military hospital pending final discharge; and

"(3) is determined by the Administrator to be in need of vocational rehabilitation because of an employment handicap.

"(b) A previously rehabilitated veteran whose condition has changed to the extent that the veteran requires vocational rehabilitation to enter employment more suitable to the veteran's abilities and aptitudes may receive such additional vocational rehabilitation under this chapter as the Administrator considers appropriate.

"§ 1503. Periods of eligibility

"(a) Unless a longer period of eligibility is authorized pursuant to subsection (b) or (c) of this section, vocational rehabilitation may not be afforded to a veteran after the end of the nine-year period beginning on the date of the veteran's discharge or release.

"(b) If a veteran is prevented from entering, or having entered, from completing, vocational rehabilitation training within the period of eligibility prescribed in subsection (a) of this section because—

"(1) the veteran had not timely attained, retained, or regained medical feasibility for training because of disability;

"(2) the veteran had not timely met the requirement of a discharge or release under condlitions other than dishonorable, but the nature of such discharge or release was later changed by appropriate authority; or

"(3) the veteran had not timely established the existence of a compensable service-connected disability,

such training may be afforded the veteran during a period not to exceed four years beyond the period of eligibility otherwise applicable to the veteran.

"(c) A veteran who is found to be in need of vocational rehabilitation to overcome the handicap of blindness, or other serious disability, resulting from a service-connected disability which affords basic eligibility for vocational rehabilitation under section 1502 of this title may be afforded such vocational rehabilitation after the termination date otherwise applicable to the veteran when such action is determined by the Administrator to be necessary for such veteran based upon such veteran's disability and need for vocational rehabilitation, if—

"(1) the veteran had not previously been rehabilitated as the result of training furnished under this chapter, or

"(2) such serious disability (whether blindness or otherwise) has developed from, or as a result of, the worsening of the veteran's service-connected disability since the veteran was declared rehabilitated to the extent that it precludes the veteran performing the duties of the occupation for which the veteran was previously trained under this chapter.

"§ 1504. Scope of services

"Vocational rehabilitation services which may be provided by the Administrator under this chapter to a veteran entitled to such services include the following:

"(1) Evaluation of the potential for rehabilitation of the veteran, including diagnostic and related services to determine whether the veteran's service-connected disability causes a handicap to employment and whether a rehabilitation goal is feasible for the veteran and to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve the rehabilitation potential of the veteran, as appropriate.

"(2) Educational, vocational, and personal adjustment counseling.

"(3) A vocational rehabilitation plan for the veteran under section 1508 of this chapter.

"(4) Vocational and other training services, including individualized tutorial assistance, personal adjustment and work adjustment training, tuition, fees, books, supplies, licensing fees, and other training materials.

"(5) Treatment for mental and emotional disorders.

"(6) Medical diagnosis, care, treatment, and hospitalization.

"(7) Prosthetic appliances, eyeglasses, and other corrective devices.

"(8) Placement services to effect suitable placement in employment, and postplacement services to ensure satisfactory adjustment in employment.

"(9) Services to the veteran's family as necessary for the rehabilitation of the veteran.

"(10) Special rehabilitation services, including the following services for the blind and deaf:

"(A) Services such as language training, speech and voice correction, training in ambulation, and one-hand typewriting.

"(B) Orientation, adjustment, mobility, and reader services for the blind, and interpreter and other services for the deaf.

"(C) Telecommunications, sensory, and other technological aids and devices.

"(11) A subsistence allowance as authorized by section 1506 of this chapter.

"(12) For the most severely disabled veterans requiring homebound training, self employment, essential equipment, supplies, and minimum stocks of materials determined necessary to begin employment. The Administrator shall, by regulation, establish criteria and cost limitations for the furnishing of such materials.

"(13) Transportation, as authorized in section 111 of this title, plus a special transportation allowance during training, job seeking, and the initial employment stage for veterans who, because of their handicap, have transportation expenses above those incurred by persons not so handicapped.

"(14) Work study allowance, as authorized by section 1685 of this title.

"(15) Loans as authorized by section 1511 of this chapter.

"(16) Other incidental goods and services, including necessary books, supplies, and equipment determined by the Administrator to be necessary to accomplish vocational rehabilitation in the individual case.

"§ 1505. Duration of services

"Unless a longer period of time is prescribed by the Administrator—

"(1) the period of services to evaluate and improve rehabilitation potential of veterans for whom the feasibility of attainment of rehabilitation is indeterminate may not exceed twelve months; and

"(2) the period of vocational rehabilitation training and associated services authorized under this chapter following a finding of feasibility of vocational rehabilitation may not exceed forty-eight months.

"§ 1506. Subsistence allowances

"(a) Each veteran shall be paid a subsistence allowance in accordance with this section during a certified period of (1) evaluation of vocational rehabilitation potential, (2) vocational rehabilitation training, and (3) postvocational rehabilitation training (not to exceed two months).

"(b) Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

| "Column I | Column II | Column III | Column IV | Column V |
|---|---|---|---|---|
| Type of program | No dependents | One dependent | Two dependents | More than two dependents |
| Institutional training: | | | | The amount in column IV, plus the following for each dependent in excess of two: |
| Full-time | $282 | $349 | $412 | $30 |
| Three quarter-time | 212 | 262 | 309 | 23 |
| Half-time | 141 | 175 | 206 | 15 |
| Farm cooperative, apprentice, or other on-job training: Full-time | 246 | 297 | 343 | 23 |
| Unpaid on-job training or work experience in Federal agency: Full-time | 282 | 349 | 412 | 30 |
| Evaluation and improvement of vocational rehabilitation potential: Full-time | 282 | 349 | 412 | 30 |

"(c) If the vocational rehabilitation training consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to the veteran during the month, directly or indirectly. Based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just.

"(d) The Administrator shall define full-time and part-time status in the case of all eligible veterans undergoing vocational rehabilitation under this chapter.

"(e) If the veteran pursues a program on a residential basis in a specialized rehabilitation facility, the Administrator is authorized to pay to such facility the cost of the veteran's room and board and, in addition, to pay to the veteran that portion of the allowance for dependents payable, as determined by the veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

"(f) During the two-month period following a determination that a veteran is employable, the veteran shall be paid at the rate provided in subsection (b) of this section for the full-time benefits payable for the type of vocational training pursued.

"(g) A veteran pursuing an unpaid program of vocational rehabilitation training or work experience in a Federal agency under the provisions of section 1514 of this chapter shall be paid the subsistence rate provided in subsection (b) of this section for a full-time institutional program.

"(h) A subsistence allowance under this section may not be paid to a veteran who is incarcerated in a Federal, State, county, or local prison or jail.

"(i) Payment of a subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

"§ 1507. Counseling

"Subject to regulations which the Administrator shall prescribe, each eligible veteran shall be provided initial counseling and necessary counseling during any period which the veteran is undergoing vocational rehabilitation evaluation, vocational rehabilitation training, or posttraining assistance. Such counseling may include vocational, educational, rehabilitation, psychological, personal adjustment, and employment counseling. If appropriate, family counseling may be provided.

"§ 1508. Vocational rehabilitation plan

"(a) Each veteran pursuing a program of vocational rehabilitation shall participate in the planning and decision process in formulating a comprehensive, individualized written rehabilitation plan for such veteran. Such plan shall include (1) a statement of long range goals and intermediate objectives for the rehabilitation of such veteran, (2) a statement of the specific services to be provided to such veteran and a time schedule for the providing of such services, (3) a projected date for completion of necessary rehabilitation, and (4) objective criteria for evaluating the veteran's progress under the plan.

"(b) Each rehabilitation plan shall be reviewed at least annually and, if determined necessary, modified to meet the needs of the veteran.

"§ 1509. Leaves of absence

"The Administrator shall prescribe such regulations as the Administrator considers necessary for granting leaves of absence to veterans pursuing vocational rehabilitation training. During authorized leaves of absence, a veteran shall be considered to be pursuing vocational rehabilitation training.

"§ 1510. Regulations to promote satisfactory conduct and cooperation

"The Administrator shall prescribe such rules and regulations as the Administrator considers necessary to promote satisfactory conduct and cooperation on the part of veterans who are receiving services under this chapter. If the veteran fails to maintain satisfactory conduct or cooperation in the rehabilitation process, and the Administrator determines that discontinuance of rehabilitation on that account is necessary, rehabilitation benefits and services will be terminated until such time as it is determined that the basis for the unsatisfactory conduct or lack of cooperation has been removed.

"§ 1511. Revolving fund loans

"The revolving fund established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of $400 in any case, to veterans pursuing vocational rehabilitation. Such advances, and advances from such fund made before the effective date of the Veterans' Rehabilitation and Education Amendments of 1979, shall bear no interest and shall be repaid in such installments as may be determined by the Administrator, by proper deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

"§ 1512. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans

"(a) Vocational rehabilitation may be provided under this chapter to any person who is hospitalized pending final discharge from the active military, naval, or air service, if such person is otherwise eligible. In such cases, no subsistence allowance shall be payable.

"(b) Vocational rehabilitation may be provided under this chapter to veterans who are hospitalized at Veterans' Administration hospitals or domiciliaries or, where feasible, at any other hospital or medical facility.

"§ 1513. Training outside the United States

"Pursuant to such regulations as the Administrator shall prescribe, vocational rehabilitation training under this chapter may be provided outside the United States if it is determined that such training is necessary in the particular case to provide the preparation needed to render the veteran employable in a suitable occupation and as is determined to be in the best interest of the veteran and the Federal Government.

"§ 1514. Unpaid training and work experience

"Notwithstanding any other provision of law, the facilities of any Federal agency may be used to provide unpaid training or work experience as part of all of a veteran's program of vocational rehabilitation when the Administrator determines such training or work experience is necessary to accomplish vocational rehabilitation. While pursuing such training or work experience, an uncompensated veteran shall be deemed an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

"§ 1515. Rehabilitation resources

"(a) For the purpose of providing services under this chapter, the Administrator may—

"(1) use the facilities, staff, and other resources of the Veterans' Administration;

"(2) employ such additional personnel and experts as the Administrator considers necessary; and

"(3) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals.

Use of facilities and services under clause (3) may be procured through contract, agreement, or other cooperative arrangement.

"(b) A program of vocational rehabilitation (including individual courses) to be pursued by the veteran under this chapter shall be subject to the approval of the administrator.

"§ 1516. Development of employment and on-job training opportunities

"(a) The Administrator shall actively promote the development and establishment of on-job training and employment opportunities for veterans with service-connected disabilities through direct Veterans' Administration staff outreach to employers and through Veterans' Administration coordination with Federal, State, and local governmental agencies and appropriate nongovernmental organizations.

"(b) Under regulations the Administrator may prescribe, payments may be made to employers for providing on-job training to veterans in individual instances when the Administrator determines payments to be necessary to obtain the needed on-job training.

"§ 1517. Employment assistance

"(a) A veteran who is determined to be employable shall be furnished assistance in obtaining employment suitable to the veteran's handicap, interests, and aptitudes. Such assistance may include (1) direct placement of the veteran in employment, and (2) utilization of placement services of (A) the Rehabilitation Services Administration of the Department of Health, Education, and Welfare, (B) the State employment service and the Veterans Employment Service of the Department of Labor, (C) the Office of Personnel Management, and (D) any other public or nonprofit organization having placement services available.

"(b) If a veteran has trained for self-employment under this chapter, the Administrator shall cooperate with the Small Business Administration to assist the veteran to secure a loan for the purchase of equipment needed to establish the veteran's own business. The Administrator may provide license fees required by the veteran to operate the business as authorized by section 1504(4) of this chapter and, where deemed appropriate, may provide the initial tools and equipment required as authorized by section 1504(12) of this chapter.

"(c) The Administrator may furnish an eligible veteran who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies needed by the veteran but not supplied through the State program or other sources.

"§ 1518. Staff training and development

"(a) The Administrator shall provide a program of on-going professional training and development for Veterans' Administration counseling and rehabilitation staffs engaged in providing vocational rehabilitation services under this chapter. The objective of such training shall be to ensure that vocational rehabilitation services for veterans are provided in accordance with the most advanced knowledge, methods, and techniques available for the vocational rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to, and contract with, public or private agencies (including institutions of higher learning) to conduct such training.

"(b) The Administrator shall coordinate with the Commissioner, Rehabilitation Services Administration, Department of Health, Education, and Welfare, in planning and carrying out staff training in areas of joint program concern.

"§ 1519. Rehabilitation research and special projects

"(a) The Administrator shall carry out an ongoing program of activities to advance the knowledge, methods, techniques, and resources available for use in vocational rehabilitation of veterans. For this purpose, the Administrator shall conduct and provide support for the development or conduct, or both the development and conduct, of—

"(1) studies and research concerning the psychological, social, vocational, industrial, and economic aspects of vocational rehabilitation of handicapped veterans, including new methods of rehabilitation; and

"(2) projects which will provide increased resources and potential for accomplishing the vocational rehabilitation of handicapped veterans.

"(b) For the purpose specified in subsection (a) of this section, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

"(c) The Administrator shall cooperate with the Secretary, Department of Health, Education, and Welfare, regarding vocational rehabilitation studies, research, and special projects of mutual agency concern.

"§ 1520. Veterans' Advisory Committee on Rehabilitation

"(a) The Administrator shall appoint an advisory committee to be known as the Veterans' Advisory Committee on Rehabilitation. The members of the committee shall be appointed by the Administrator and shall serve for terms to be determined by the Administrator not to exceed three years. The Administrator may designate one of the members of the committee as the chairman of the committee. In addition to the members appointed by the Administrator, the membership of the committee shall include the Commissioner of Education and the Director of the National Institute for Handicapped Research as ex officio members.

"(b) The Administrator shall advise and consult with the committee from time to time with respect to the administration of veterans' rehabilitation programs under this title.

"(c) The committee shall make such reports and recommendations to the Administrator and the Congress as it considers desirable. Among these reports shall be an annual review and report to the Administrator on the vocational, physical, and psychological rehabilitation activities of the Veterans' Administration. The annual report shall include an assessment of the rehabilitation needs of veterans and a review of the plans of the Veterans' Administration to meet such needs.".

(b) The items relating to chapter 31 in the table of chapters at the beginning of title 38, United States Code, and at the beginning of part III of such title, are amended to read as follows:

"31. Vocational Rehabilitation........1500".

Sec. 102. Section 1795 of title 38, United States Code, is amended—

(1) by inserting "(a)" before "The aggregate";

(2) by striking out clause (4) and inserting in lieu thereof the following:

"(4) chapters 32, 34, 35, and 36 of this title and the former chapter 33;";

(3) by striking out ", but this section" and all that follows and inserting in lieu thereof a period; and

(4) by adding at the end thereof the following new subsection:

"(b) No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section in excess of forty-eight months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits under chapter 31 of this title are required to accomplish the purposes of vocational rehabilitation as set forth in that chapter.".

Sec. 103. Section 1781 of title 38, United States Code, is amended by inserting ", or subsistence allowance granted under chapter 31 of this title," after "of this title".

## TITLE II—GI BILL EDUCATIONAL ASSISTANCE PROGRAM AMENDMENTS

### Part A—Educational Assistance for Veterans

Sec. 201. The second sentence of section 1671 of title 38, United States Code, is amended to read as follows: "The Administrator shall approve such application unless the Administrator finds that (1) such veteran or person is not eligible for or entitled to the educational assistance applied for, (2) the veteran's or person's selected educational institution or training establishment fails to meet any of the requirements of this chapter or chapter 36 of this title, (3) the veteran's or person's enrollment in, or pursuit of, the program of education selected would violate any provision of this chapter or chapter 36 of this title, or (4) the veteran or person is already qualified.".

Sec. 202. (a) Subsection (a) of section 1673 of title 38, United States Code, is amended by adding at the end thereof the following flush sentence:

"The provisions of clause (2) shall not apply to any course offered by an educational institution if the total number of veterans and eligible persons enrolled in the institution during the two-year period does not exceed 35 per centum and the course had met the requirements of this clause for two consecutive reporting periods.".

(b) Subsection (c) of such section is amended by striking out ", if the major portion of the course requires conventional classroom or laboratory attendance".

(c) The first sentence of subsection (d) of such section is amended—

(1) by striking out the comma after "institution" and inserting in lieu thereof "or"; and

(2) by striking out "and/or by grants from any Federal agency".

Sec. 203. Section 1674 of title 38, United States Code, is amended by striking out the second sentence thereof.

Sec. 204. The text of section 1676 of title 38, United States Code, is amended to read as follows:

"(a) An eligible veteran may not enroll in any course at an educational institution which is not located in a State unless such veteran enrolls in an approved course leading to a standard college degree (or the equivalent of a standard college degree) to be pursued at an educational institution of higher learning so recognized by the foreign government's commissioner of education, or the equivalent, and approved by the Administrator.

"(b) The Administrator, in the Administrator's discretion, may deny or discontinue the educational assistance under this chapter of any veteran in a foreign educational institution if the Administrator determines that such enrollment is not in the best interest of the veteran or the Government.".

Sec. 205. (a) Subsection (b) of section 1682 of title 38, United States Code, is amended—

(1) by striking out "or" at the end of clause (1);

(2) by adding "or" at the end of clause (2); and

(3) by inserting after clause (2) the following new clause:

"(3) in the case of a veteran who is incarcerated in a Federal, State, county, or local prison or jail,". (b) Paragraph (1) of subsection (d) of such section is amended to read as follows:

"(1) Notwithstanding the provisions of section 1671 of this title prohibiting the enrollment of an eligible veteran in a program of education in which such veteran has already qualified, an otherwise eligible veteran shall be allowed educational assistance for up to six months (or the equivalent thereof in part-time assistance) for (A) the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service, and (B) the pursuit of continuing education or training required by Federal, State, or local law either to attain professional or vocational relicensure or to retain employment in a particular profession or vocation.".

(2) Paragraph (2) of such subsection is amended by striking out "refresher" and inserting in lieu thereof "education or".

(3) Such section is further amended by adding at the end thereof the following new subsection:

"(f) The educational assistance allowance of an eligible veteran pursuing a course in part by open circuit television, as provided in section 1673 of this chapter, shall be computed in the same manner as for an independent study program as provided in subsection (e) of this section.".

### Part B—Educational Assistance for Dependents and Survivors of Veterans

Sec. 211. The text of section 1721 of title 38, United States Code, is amended to read as follows:

"The Administrator shall finally approve an application if the Administrator finds that—

"(1) section 1720 of this title has been complied with;

"(2) the proposed program of education constitutes a 'program of education' as that term is defined in this chapter;

"(3) the eligible person is not already qualified, by reason of previous education or training, for the educational, professional, or vocational objective for which the courses of the program of education are offered;

"(4) the eligible person's proposed educational institution or training establishment is in compliance with all the requirements of this chapter and chapter 36 of this title; and

"(5) it does not appear that the enrollment in or pursuit of such person's program of education would violate any provisions of this chapter or chapter 36 of this title.".

Sec. 212. (a) Subsection (a) of section 1723 of title 38, United States Code, is amended by adding at the end thereof the following flush sentence:

"The provisions of clause (2) shall not apply to any course offered by an educational institution if the total number of veterans and eligible persons enrolled in the institution during the two-year period does not exceed 35 per centum, and the course had met the requirements of this clause for two consecutive reporting periods.".

(b) Subsection (c) of such section is amended to read as follows:

"(c) The Administrator shall not approve the enrollment of an eligible person in any course to be pursued by open circuit television (except as herein provided) or by radio. The Administrator may approve the enrollment of an eligible person in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through the medium of open circuit television.".

(c) Such section is further amended by adding at the end thereof the following new subsection:

"(e)(1) An eligible person may not enroll in any course at an educational institution which is not located in a State or in the Republic of the Philippines, unless such person enrolls in an approved course leading to a standard college degree (or the equivalent of a standard college degree) to be pursued at an educational institution of higher learning so recognized by the foreign government's commissioner of education, or the equivalent, and approved by the Administrator.

"(2) The Administrator, in the Administrator's discretion, may deny or discontinue the educational assistance under this chapter of any eligible person in a foreign educational institution if the Administrator determines that such enrollment is not in the best interest of the eligible person or the Government.".

Sec. 213. Section 1724 of title 38, United States Code, is amended by striking out the second sentence thereof.

Sec. 214. The text of section 1731 of title 38, United States Code, is amended to read as follows:

"(a) The Administrator shall, in accordance with the applicable provisions of this section and of chapter 36 of this title, pay to each eligible person (or to the parent or guardian of the eligible person where applicable) who is pursuing a program of education under this chapter an educational assistance allowance to meet, in part, the expenses of the eligible person's subsistence, tuition, fees, books, equipment, and other educational costs.

"(b) The educational assistance allowance of an eligible person pursuing a program of education at an educational institution shall be paid as provided in chapter 36 of this title.".

SEC. 215. Section 1732 of title 38, United States Code, is amended—

(1) by inserting the following new paragraph at the end of subsection (c):

"(4) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing a course in part by open circuit television, as authorized in section 1723(c) of this title, shall be computed in the same manner as for an independent study program as provided in section 1682(e) of this title."; and

(2) by adding at the end of such section the following new subsection:

"(e) In the case of an eligible person who is incarcerated in a Federal, State, or local prison or jail, the educational assistance allowance shall be at the same rate as prescribed in section 1682(b)(3) of this title for incarcerated veterans.".

### PART C—AMENDMENTS RELATING TO ADMINISTRATION OF EDUCATIONAL BENEFITS

SEC. 221. (a) Subsection (a) of section 1780 of title 38, United States Code, is amended—

(1) by inserting "in, and pursuit of, such program" after "enrollment" in the second sentence thereof;

(2) by inserting ", the provisions of such regulations as may be promulgated by the Administrator pursuant to subsection (f) of this section," in clause (1) after "institution"; and

(3) by striking the semicolon at the end of such clause and inserting in lieu thereof ", and if the actual period of time for pursuit of one or more unit subjects is for a period of time shorter than the enrollment period at the educational institution, payment may be only for the actual period of such pursuit;".

(b) Subsection (g) of such section is amended by inserting "and define" after "determine" in the first sentence thereof.

SEC. 222. (a)(1) The hearing of section 1784 of title 38, United States Code is amended to read as follows:

"§ 1784. Reports by veterans, eligible persons and institutions; reporting fee".

(2) Subsection (a) of such section is amended—

(A) by striking out "Educational" and inserting in lieu thereof "Veterans, eligible persons, and educational"; and

(B) inserting "such" after "each".

(3) Subsection (b) of such section is redesignated as subsection (c).

(4) Such section is further amended by inserting atfer subsection (a) the following new subsection:

"(b) Educational institutions shall, without delay, report to the Administrator any fact which the educational institution knows or through the exercise of reasonable diligence should know which indicates the course or educational institution does not, or has not, met any of the requirements of chapters 34, 35, or 36 of this title.".

(b) The item relating to such section in the table of sections at the beginning of chapter 36 of such title is amended to read as follows:

"1784. Reports by veterans, eligible persons and institutions; reporting fee.".

SEC. 223. The text of section 1785 of title 38, United States Code, is amended to read as follows:

"(a) Whenever the Administrator finds that an overpayment has been made to an eligible person or veterans, the amount of such overpaymnt shall constitute a liability of the eligible person or veteran to the United States.

"(b) Whenever the Administrator finds that an overpayment has been made to an eligible person or veteran as the result of (1) the willful or negligent failure of an educational institution to report, as required by this chapter or chapter 34 or 35 of this title and applicable regulations, to the Veterans' Administration excessive absences from a course, or discontinuance or interruption of a course by the eligible person or veteran, or (2) false certification by an educational institution, the amount of such overpayment shall constitute a liability of the educational institution to the United States.

"(c) Any overpayment referred to in subsection (a) or (b) may be recovered, except as otherwise provided in section 1784(b) of this title, in the same manner as any other debt due the United States.

"(d) Any such overpayment may be waived as to the eligible person or veteran as provided by section 3102 of this title. Waiver of any such overpayment as to the eligible person or veteran shall in no event release the educational institution from liability under subsection (b).

"(e)(1) Any amount collected from the eligible person or veteran shall be reimbursed to the educational institution which is liable pursuant to subsection (b), to the extent that collection was made from the educational institution.

"(2) This section shall not preclude the imposition of any civil or criminal liability under this or any other law.

"(3) Nothing in this section or any other provision of this title shall be construed as requiring any institution of higher learning to maintain daily attendance records for any course leading to a standard college degree.".

SEC. 224. (a) Section 1788(a)(4) of title 38, United States Code, is amended—

(1) by inserting "in residence" after "university" the first place it appears;

(2) by inserting "standard" after "on a";

(3) by inserting "per semester" after "fourteen semester hours" tthe first place it appears; and

(4) by striking out "and which the educational institution considers to be quarter or semester hours for other administrative purposes" after "deficiency".

(b) Section 1788 of such title is further amended by adding at the end thereof the following new subsection:

"(c) For the purposes of subsection (a)(4) of this section, the term 'in residence on a standard quarter- or semester-hour basis' means study at a site or campus of a college or university, or off-campus at an official resident center, requiring pursuit of regularly scheduled weekly class instruction at the rate of one standard class session per week throughout the quarter or semester for one quarter or one semester hour of credit, and a standard class session is defined as one hour (or one fifty-minute period) of academic instruction, two hours of laboratory instruction, or three hours of workshop training.".

(c) Such section is further amended by inserting "(a)(1)" in clauses (1) and (2) of subsection (a) after "1775".

SEC. 225. Section 1631(a)(1) of title 38, United States Code, is amended by adding at the end thereof the following new sentence: "The number of monthly benefit payments to which a participant is entitled is subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration."

SEC. 226. (a) Section 1780(a)(2) of title 38, United States Code, is amended by striking out the semicolon at the end of such section and inserting in lieu thereof ", intervals between terms which do not exceed fifteen calendar days, and periods when the institution is not in session because of teacher conferences or teacher training sessions (not to exceed five days in any twelve-month period);".

(b) Section 1780(a)(C) of such title is amended by inserting "in excess of fifteen calendar days" after "periods" the third place it appears.

SEC. 227. The text of section 1792 of title 38, United States Code, is amended to read as follows:

"(a) There shall be an advisory committee formed by the Administrator which shall be composed of persons who are eminent in their respective fields of education, labor, and management, and of representatives of institutions and establishments furnishing education to eligible persons or veterans enrolled under chapter 32, 34, or 35 of this title. The committee shall also include veterans representatives of World War II, the Korean conflict era, the post-Korean conflict era, the Vietnam era, and the post-Vietnam era. The Commissioner of Education and the Assistant Secretary of Labor for Education and Training shall be ex officio members of the advisory committee.

"(b) The Administrator shall advise and consult with the committee from time to time with respect to the administration of this chapter and chapters 32, 34, and 35 of this title. The committee may make such reports and recommendations as it deems desirable to the Administrator and the Congress.

"(c) The committee shall remain in existence until December 31, 1989.".

### TITLE III—REPEAL OF AUTHORITY TO PURSUE PREDISCHARGE EDUCATION TRAINING (PREP) UNDER CHAPTER 32

SEC. 301. Section 1631 of title 38, United States Code, is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c) and (d) as ssubsections (b) and (c), respectively.

SEC. 302. (a) Subchapter VI of chapter 34 of title 38 United States Code, is repealed.

(b)(1) Section 1661(c) of such title is amended by striking out "subchapters V and VI" and inserting in lieu thereof "subchapter V".

(2) The table of sections at the beginning of such chapter is amended by striking out the item relating to subchapter VI and the items relating to sections 1695, 1696, 1697, and 1698.

SEC. 303. (a) Subsection (d) of section 1780 of title 83, United States Code, is amended—

(1) in paragraph (2)—

(A) by striking out "(other than under subchapter VI of chapter 34)"; and

(B) by striking out "paragraphs 5 (B) and (C) and 6" and inserting in lieu thereof "paragraphs 4 (B) and (C) and 5";

(2) by striking out paragraph (3);

(3) by redesignating paragraph (4) as paragraph (3);

(4) by redesignating paragraph (5) as paragraph (4) and striking out "paragraphs (2) and (3)" in such paragraph and inserting in lieu thereof "paragraph (2)"; and

(5) by redesignating paragraph (6) as paragraph (5) and striking out "paragraph (5)" in such paragraph and inserting in lieu thereof "paragraph (4)".

(b) Subsection (e) of such section is amended by striking out "subsection (d) (2) and (3)" and inserting in lieu thereof "subsection (d)(2)".

(c) Subsection (f) of such section is amended by striking out "(except as provided by subsection (d)(3) of this section)".

(d) Section 1784(c) of such title is amended by striking out "section 1780(d)(5)" and inserting in lieu thereof "section 1730(d)(4)".

(e) Section 1788(a)(6) of such title is amended by striking out "or 1696(a)(2)".

(f) Section 1789(b)(5) of such title is amended by striking out "or VI".

(g) The second sentence of section 1798(c) of such title is amended by striking out ", or PREP".

(h) Section 1798(f)(2) of such title is amended by striking out "section 1780(d)(5)" and inserting in lieu thereof "section 1780(d)(4)".

### TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. (a) The first sentence of section 3301(f) of title 38, United tSates Code, is amended—

(1) by striking out "or" at the end of clause (1); and

(2) by striking out the period at the end of such sentence and inserting in lieu thereof a comma and "or (3) to a consumer reporting agency, as such term is defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)), for the purpose of locating any such member or former member or dependent, (A) if the member or former member or dependent is administratively determined to be indebted to the United States by virtue of participation in any Veterans' Administration benefits program, or (B) when reasonably necessary to conduct any study authorized by section 219 of this title or by any other Federal law pertaining to evaluation of veterans' benefit programs. When the Administrator determines that any person has failed to respond to administrative efforts to collect moneys owed by such person to the United States by virtue of participation in any Veterans' Administration benefits program, the Administrator may disclose such information to a consumer reporting agency. Disclosure of information under the preceding sentence shall be made only for the purpose of obtaining consumer reports in order to assess the ability of any person to repay the debt and to give notice of the outstanding obligation. Disclosure which gives notice of the outstanding obligation shall be made only after thirty days have elapsed after completion of reasonable efforts to notify the person of the Administrator's intention to disclose debt information. When the person disputes the accuracy of the information held by the Administrator or alleges a valid defense to paying the debt, disclosure of information shall not be made by the Administrator until the accuracy of the information can be determined or until the Administrator has reviewed the defense raised by the person. Records disclosed to a consumer reporting agency pursuant to clause (3) of this subsection are not subject to section 552a of title 5, and may not be used for any purpose other than the purposes provided for in this subsection. The Administrator may also disclose such names and addresses for use in connection with proceedings for collection of indebtedness owed to the United States by virtue of participation in any Veterans' Administration benefits program.".

(b) The last sentence of such subsection is amended—

(1) by striking out "the preceding sentence" and inserting in lieu thereof "this subsection"; and

(2) by striking out "such sentence" and inserting in lieu theerof "this subsection".

SEC. 402. (a) Subsections (c) and (g) of section 2024 of title 38, United States Code, are amended by striking out "three consecutive months" and inserting in lieu thereof "twelve consecutive weeks".

(b) Subsection (f) of such section is amended to read as follows:

"(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 502, 503, 504, or 505 of title 32 is considered active duty for training. For the purposes of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or section 206, 301, 309, 402, or 1002 of title 37 is considered inactive duty training.".

SEC. 403. (a) Section 1740 of title 38, United States Code, is amended by inserting "(as defined in section 1701(a)(1)(A) of this chapter)" after "person".

(b) Section 1790(b)(2) of title 38, United States Code, is amended by striking out "therefor" and inserting in lieu thereof "for".

(c) The GI Bill Improvement Act of 1977 (Public Law 95–202) is amended—

(1) by striking out "paragraph (1)" in section 305(b)(3) and inserting in lieu thereof "paragraph (2)"; and

(2) by striking out "honorand" in section 401(a)(1)(B) and inserting in lieu thereof "honorable".

### TITLE V—EFFECTIVE DATE

SEC. 501. The amendments made by this Act shall take effect on the first day of the second month beginning after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina (Mr. HEFNER) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. HEFNER).

### GENERAL LEAVE

MR. HEFNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill H.R. 5288.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HEFNER. Mr. Speaker, I am pleased to present to the House, a comprehensive education and training bill developed and recommended by the Subcommittee on Education, Training, and Employment, of which I am privileged to serve as chairman.

H.R. 5288 is the end result of a number of hearings held by the subcommittee in Washington and in the field, to review veterans' education and training programs. These hearings included legislative proposals recommended by the administration to modernize and update the vocational rehabilitation program for service-connected disabled veterans, to improve the administration of veterans' education and training programs, to terminate the predischarge education program (PREP) currently authorized under the contributory education program for persons who have entered the military service since January 1, 1977, and a proposal to help the Veterans' Administration collect a sizable amount of debt, most of which is represented by educational overpayments of approximately $400 million, by permitting the Veterans' Administration to use consumer reporting agencies to encourage such veterans to pay debts owed the U.S. Government.

Witnesses appearing before the subcommittee included representatives of the Veterans' Administration, the General Accounting Office, the Department of Labor, national veterans organizations, representatives of national associations of education institutions, and individuals.

Most of the provisions contained in H.R. 5288 are supported by the administration as reflected in their legislative recommendations. I will not go into great detail, nor take the time to explain every single provision of H.R. 5288. The report accompanying the bill contains a detailed section-by-section analysis of each and every provision of H.R. 5288, so I will limit my remarks to some of the major provisions of the bill. H.R. 5288 carries out the revisions to the vocational rehabilitation program as outlined in a study conducted by the Veterans' Administration on this program mandated by Public Law 95–202. As stated in the bill, the purpose of modernizing the vocational rehabilitation program for service-connected disabled veterans is to insure that the veteran has all necessary assistance, including diagnostic, medical, social, economic, and vocational services as may be deemed necessary to overcome the veteran's vocational handicap caused by the veteran's disability. Most important, the bill provides that the veteran must not only be employable, but also that the veteran shall become employed, or if such is not possible, as may be the case in seriously disabled veterans, at least such veteran shall achieve maximum independence.

Mr. Speaker, the main purpose of the vocational rehabilitation amendments is to assure that we not only rehabilitate and educate the service-connected disabled veteran, but also place the veteran on a job so that he or she can become a permanent employee in the community.

Mr. Speaker, the bill would also provide a cost-of-living increase in the subsistence allowance payable to disabled veterans going to school under the vocational rehabilitation program. This cost-of-living adjustment is the first since October 1, 1977. According to the Congressional Budget Office, the estimated cost of this provision of the bill would be about $17.9 million.

The bill also includes a number of administrative amendments which are intended to improve the administration of education and training programs. Most of these amendments are intended to clarify and strengthen the program. As the Members know, our subcommittee is deeply concerned with abuses of the program and the continuing high level of educational overpayments which have not been recovered by the Veterans' Administration. The current indebtedness exceeds $400 million. H.R. 5288, as reported, would permit the Veterans' Administration to disclose the names and addresses and certain other information to credit rating bureaus to assist the Agency in locating veterans who for various reasons have not paid off their long overdue debts. The General Accounting Office strongly recommended the enactment of this provision of the bill. According to the Congressional Budget Office, the cost savings to taxpayers will be about $10 million in fiscal year 1980, should this provision be enacted.

The first year net cost of the reported bill will be about $12.5 million. The total cost, if fully implemented by the Veterans' Administration as intended by the committee, would be about $26 million during the next fiscal year; however, there are a number of cost saving provisions in the bill, including the one previously mentioned, bringing the net cost to only $12.5 million.

Mr. Speaker, I want to express my deep appreciation to the distinguished chairman of the full committee the gentleman from Texas, Mr. ROBERTS, and the distinguished ranking minority member of the full committee, the gentleman from Arkansas, Mr. HAMMERSCHMIDT, for their cooperation and assistance in helping shape this legislation. I am also very grateful to the ranking minority member of the subcommittee, Mrs. MARGARET HECKLER of Massachusetts, for her assistance as well. I want to thank every other member of the subcommittee who worked with us in getting this bill before the House. It will provide substantial help to our Nation's service-connected disabled veterans, especially those with severe disabilities. The bill was reported unanimously by the full committee.

Mr. Speaker, this is a good bill and I urge that it be adopted.

### UPDATING VOCATIONAL REHABILITATION PROGRAMS

The vocational rehabilitation program for disabled veterans originated with the National Defense Act of 1916. Public Law 78–16, approved March 24, 1943, provided vocational rehabilitation for disabled World War II veterans. Later laws extended benefits to eligible disabled veterans who served after World War II. This program pays a monthly subsistence allowance, now $241 a month for a single veteran in full-time institutional training, plus an allowance for tuition, books, supplies, and equipment.

As of September 30, 1978, more than 821,900 disabled veterans had trained under the vocational rehabilitation program since July 1943, and nearly 100,000 of these were disabled Vietnam era veterans. It is estimated that more than 30,000 veterans will train under this program during fiscal year 1979.

The current vocational rehabilitation program, referred to as the chapter 31 program, title 38, United States Code, is a progressive and responsible program that has generally served disabled veterans well for more than 30 years.

Title I of the bill follows the recommendations made in a study of the provisions for veterans' vocational rehabilitation as mandated by Public Law 95–202, and printed in House committee print No. 167. A hearing was held on the study on April 3, 1979, which was followed by the introduction of H.R. 4117, a bill introduced at the request of the administration to implement the study of this program. On July 31, 1979, hearings were held on H.R. 4117.

The purpose of the vocational rehabilitation program is to provide all services necessary to enable veterans with service-connected disabilities to attain maximum independence, become employable, and obtain and maintain suitable employment. While current law states that the purpose of the program is to restore employability, the effect has been to restrict the application in terms of services which could be made available to the service-disabled veteran and restrict the number of veterans who could be assisted. Under the new purpose, as provided in H.R. 5288, veterans whose disability or disabilities are so severe as to prevent them from attaining employability may, nevertheless, be aided to the extent feasible in attaining maximum independence in today's society. In addition, the benefits to be provided under the new provisions in the bill would not be restricted to the employability level as prescribed in current law. Instead, they would be extended beyond that point to obtaining employment for the veteran and assuring that he or she can maintain that employment. Thus, the Veterans' Administration would be permitted to accomplish the broader goals which would be assigned to it.

Another provision of the bill provides that "vocational rehabilitation" would be a much broader term than that applicable in current law. It would encompass all of the services to be provided the veteran including diagnostic, medical, social, psychological, economic, and vocational services. Veterans would be given the opportunity, where they are severely handicapped and are unable to train to employability, of attaining the level of maximum independence consistent with their capabilities. Assistance would be provided by the Veterans' Administration in obtaining employment for the veteran and in assuring that he or she retained the job as well. While the primary role in job placement would remain with the Department of Labor, the Administrator would be granted explicit authority to assist in this area. Followup procedures to assure that the rehabilitated veteran maintains suitable employment are included.

Vocational rehabilitation benefits would be extended a qualified veteran only if the veteran has an employment handicap. This is defined as a disability the limiting effects of which impair a veteran's ability to prepare for, obtain, or retain employment consistent with the veteran's abilities, aptitudes, and interests. The key elements are that the limitations must exist at present, there must be a disability which is service-connected—although this impairment to employment may result in combination with other factors such as prior education, work history, or non-service-connected disabilities—and operate to prevent the veteran from being suitably employed, or once employed from remaining suitably employed.

Further, the bill provides that if a veteran reaches the point of being rehabilitated, the veteran may receive further rehabilitative services, if new conditions warrant. Occupational requirements or conditions may change or a veteran may have an improved or reduced capacity to train or adjust due to a change in physical or mental condition. Even though the veteran has already been trained and found employment, the VA will retrain or assist the veteran to find employment consistent with his or her present capacity and aptitudes. Under existing law such training would not normally be given, because the law only contemplates that the veteran will be trained to employability, at which time further VA responsibility ends.

In the VA's study of chapter 31, "A Study of the Provisions for Veterans' Vocational Rehabilitation," mandated by Public Law 95–202 (House committee print No. 167, 95th Congress, 2d session), an analysis of the services provided under chapter 31 was made in comparison to those offered under the Rehabilitation Act of 1973. The latter is a program available to nonveterans. The analysis revealed that the VA program is more narrowly structured. As a result, some services available under the Rehabilitation Services Act are not permitted under the VA program. This is due in part to the fact that chapter 31 is much less specific concerning the services to be provided, indicating only broad categories of service, such as training, medical care, and treatment. It has been necessary to specify the available services through VA regulations and the problem has been to interpret the legislative intent with respect to the coverage of the phrase "other necessary incidental services"; that is, incidental to training.

Therefore, the intent of the scope of services to be provided is to more clearly indicate the full range of services contemplated and to show that they only need to be necessary for rehabilitation, not training per se. For example, under the current chapter 31 provisions, if a veteran is found not to be feasible for training, no services are provided.

Recently, the cost of daily transportation to and from the place of training is paid by the veteran from the monthly subsistence allowance, even if costs above normal are involved, because of special transportation problems associated with the disability. The bill authorizes the VA to pay transportation costs during training, job seeking, and the initial employment stage for those veterans who, because of their handicap, have transportation expenses above those not so handicapped.

The bill also includes a 17-percent increase in subsistence rates. This reflects the increase in the Consumer Price Index which has occurred since the last rate increase was made by Public Law 95–202, effective October 1, 1977.

Present law provides that during the 2-month period following a determination that the veteran is employable, the veteran shall be paid at the full-time rate for the type of vocational training being pursued. This provision will permit those veterans who are training on less than a full-time basis to be paid the full-time rate during the period following the determination of employability. For the veteran who has been in part-time training and working concurrently, the part-time subsistence allowance is not likely to be sufficient to allow the veteran to leave the job and devote full time to looking for suitable employment in the objective for which rehabilitation has been provided.

Counseling services are expanded to include person adjustment counseling, and counseling for veterans found infeasible for rehabilitation, which is not presently permitted by the statute. In addition, family counseling, psychological counseling, and employment counseling are also made explicitly available although such aid has been given to a limited extent as a part of vocational counseling under existing law. The general intent is to make clear that the whole veteran must be considered in effecting rehabilitation and not just the veteran's educational or vocational needs.

Under current practice, a vocational rehabilitation plan for the veteran has been limited to the training services to be provided. Under the bill, all of the services necessary for the veteran's rehabilitation will be included, rather than only training.

The veteran will be furnished a vocational rehabilitation plan or program as may be prescribed by the Administrator The veteran has the opportunity for full participation in the planning and decision process. The bill makes explicit the present practice of providing a plan and emphasizes the veteran's need to have a voice in its determination.

Presently a trainee under chapter 31 is eligible for a revolving fund loan of $200. The bill increases the amount of such loans to $400. These loans are made when a veteran sometimes has economic problems in regard to maintenance while in training.

The bill takes note of the need for more on-the-job training opportunities to provide that the VA shall assist in the development of on-job training opportunities for veterans. To that end, the VA may make incentive payments to employers to induce them to create more such opportunities. No such authority presently exists in chapter 31 for undertaking such programs.

A key provision in this bill is new authority for employment assistance by the VA. In keeping with the expanded concept of the role of rehabilitation for the service disabled, it is necessary to give the Administrator an active role in the employment area in conjunction with the Department of Labor.

Vocational rehabilitation is not accomplished until the veteran has become a satisfactory and satisfied employee in a suitable occupation. Given the continuing high rates of unemployment, disabled veterans need all possible help in obtaining suitable jobs. Rehabilitation staff who have worked with the disabled veteran throughout the rehabilitation process are in the best position to serve as his or her advocate with prospective employers and to insure proper selective placement in a suitable job.

The bill also authorizes an advisory committee expressly concerned with the rehabilitation needs of veterans, which has always been a priority interest within the Veterans' Administration. An advisory committee concerning strictly the issue of rehabilitation will insure that the quality of rehabilitation services within the Veterans' Administration is constantly under review.

Title II of the bill proposes a number of amendments to the education and training program administered by the Veterans' Administration. Among these are:

First. To eliminate continued reporting under the so-called 50 percent employment requirement by schools to justify their having met this requirement, provided they have 35 percent or less veteran-dependent enrollment and can show a history of compliance with the employment requirement for the preceding two consecutive reporting periods. This change would be consistent with one of the recommendations made by the Veterans' Administration in its study entitled "Study of Vocational Objective Programs Approved for the Enrollment of Veterans', submitted to the Congress on July 11, 1978, and printed as House committee print No. 147, 95th Congress.

Second. Rescinds the requirement that recipients of BEOG or SEOG benefits shall be considered in computing 85–15 ratios.

Third. Carries out a study mandated by Public Law 95–202 and removes the provision linking satisfactory progress with course completion time. The statutory standard for satisfactory progress contained in section 1674 has proved unworkable. It has imposed significant administrative burdens on schools, led to some anomalous and unjust results for students (requiring exercise of VA discretionary waiver authority), and has been a source of friction between the VA and the collegiate educational community.

This amendment is consistent with the findings, conclusions, and recommendations contained in the study, required by section 305 of Public Law 95–202 entitled "Progress or Abuse—A Choice." This study investigated the need for legislative and administrative actions regarding standards of progress provisions of the GI bill and class session requirements of the Veterans' Administration regulations, and was transmitted to the Congress on December 6, 1978 (House committee print No. 170, 95th Congress).

Fourth. Clarifies the requirements under which foreign training may be pursued. Current law provides that an eligible veteran may pursue a program of education at an educational institution not located in a State only if such institution is an approved institution of higher learning. However, the statutory definition of the term "institution of higher learning" does not embrace schools located in a foreign country.

Fifth, Would limit the amount which would be payable to an incarcerated veteran to the cost of the individual's tuition and fees. The incarcerated veteran would be paid on the same basis as a serviceperson who is pursuing a program of education under the GI bill while still in service and those training on a less than half-time basis. The word incarcerated generally means confinement by competent public authority or under due legal process. Confinement can be in a prison, or it may take place without the actual application of any physical agencies of restraint such as locks or bars.

In this regard, the American Correctional Association has brought to the attention of the committee instances where veterans are under a work release program of a correctional facility are required to pay board and room as part of the work release program. It is not the intent of the committee that veterans under the jurisdiction of a prison or a correctional facility who are paying a weekly housing and food allowance under a work release program shall have their educational assistance limited to tuition and fees as provided in this section.

Sixth. Permits payment of educational assistance to otherwise eligible veterans for continuing education required by Federal, State or municipal law for relicensure or continued employment.

Seventh. Provides a method of payment of benefits where a veteran is pursuing a program of education in part by open circuit television.

Eighth. Requires educational institutions to report facts of which they have knowledge, or for which they, through the exercise of reasonable diligence, should know, which indicate that the course or the school does not comply with the requirements of the law.

Ninth. Requires of veterans and eligible persons the same duties to report changes in status that are now required of educational institutions.

Tenth. Clarifies the Veterans Administration's full-time measurement standard and the category of courses which such standard is intended to embrace generally referred to as "seat time." It should be emphasized that the VA has not imposed and has stated it has no intention of imposing its determination of what constitutes full-time training on any school. It does, however, have both the right and the responsibility to determine the proper statutory rate of benefits which the Congress intended would be paid a veteran based on the nature and extent of such veteran's pursuit of an approved program of education.

Eleventh. Provides for payment to veterans and eligible persons attending courses not leading to a college degree during periods between terms which do not exceed 15 calendar days and periods when the school is not in session because of teacher conferences or teacher training sessions. The latter would be limited to a maximum of 5 days in any 12-month period.

Twelfth. Makes it clear that the Education and Rehabilitation Advisory Committee to the Administrator is a continuing and permanent committee which will terminate on December 31, 1989, the same date as the termination date for education benefits for veterans under Public Law 89–358, as amended.

Title III of the bill would provide for termination of the predischarge education program (PREP) provided under the chapter 32 contributory education program for servicepersons. The bill would terminate the predischarge education program prior to the enrollment of any potentially eligible individuals to pursue such courses. The continued need for PREP is no longer apparent. Today the Department of Defense operates viable inservice education programs. These benefits, which range all the way from vocational training through graduate work, are available in the military service. The committee understands that the Department of Defense concurs in the repeal believing that adequate inservice education programs are available and the continuance of PREP would duplicate efforts of these programs and contribute little to the military mission.

Title IV would amend section 3301 of title 38, United States Code, to permit disclosure of names and addresses and other information maintained by the Veterans' Administration to a consumer reporting agency for certain debt collection purposes. This section is almost identical to H.R. 4764. That bill was introduced at the request of the administration, which transmitted a draft of this legislation to the Speaker on July 10, 1979. This section includes a prohibition against using information provided by the VA for a purpose other than that intended by the VA when it made the disclosure. This provision is intended to prevent credit bureaus from utilizing information disclosed for locator purposes, or in order to obtain a credit report, for any other purposes. Disclosure to give notice of an outstanding obligation may be made for any of the legitimate business purposes permitted by the Fair Credit Reporting Act. Any other knowing use of VA information would be subject to the criminal penalties presently found in subsection (f).

The president of Associated Credit Bureaus, Inc., has informed the committee that the credit bureaus represented by this trade association are interested in cooperating with the Veterans Administration in accomplishing the purposes of this legislation, but that they would be unwilling to do so if they had to set up special procedures to accommodate this one Federal agency. He made specific reference to that portion of the bill beginning on page 37, line 19, which states that records disclosed to credit bureaus "may not be used for any purpose other than the purposes provided for in this subsection."

Mr. Speaker, it is the position of the committee that the language of title IV is comprehensive enough to permit credit bureaus to treat VA inquiries and credit data in the same manner as private-sector inquiries and credit data. Accordingly, the committee would like the record to show that first, the primary objective of the legislation is to enable the Veterans' Administration to utilize commercial credit bureaus under the same terms and conditions as private-sector creditors to locate debtors, assess the ability of persons to repay their debts, and to give notice of outstanding obligations pursuant to the provisions of the Fair Credit Reporting Act; and second, nothing in the legislation should be interpreted as requiring credit bureaus to modify or otherwise change their operating and disclosure procedures in order to do business with the Veterans' Administration as long as the credit bureaus are in full compliance with the requirements of the Fair Credit Reporting Act.

A question has also been raised as to whether the Veterans' Administration's disclosure of information to commercial credit bureau would constitute "a contract for the operation by or on behalf of the agency of a system of records to accomplish an agency function," 5 U.S.C. 552a(m), requiring that the Privacy Act be applied to the credit bureau's record system. Under these contracts, the Veterans' Administration would provide certain information from its own system of records to private-sector systems operated by commercial credit bureaus in order to aid it in collecting delinquent debts.

Mr. Speaker, it is the position of the committee that such contracts between a credit bureau and the Veterans' Administration, or any other Federal agency for that matter, would not be subject to subsection 552a(m) of the Privacy Act because the contract would not require the credit bureau to operate a system of records on behalf of the agency. Rather, the Veterans' Administration would contract to provide information to and receive information from a private-sector system of records previously established by the contractor for its own purposes. Moreover, our position on this matter is supported by a legal opinion contained in a September 27, 1979, letter from GAO's General Counsel to the Justice Department's Office of Legal Counsel.

Nevertheless, because there is still some uncertainty on the part of the Office of Management and Budget concerning this matter, we have included a clarifying statement in the bill to the effect that records disclosed to commercial credit bureaus pursuant to subsection 3301(f) of title 38, United States Code, are not subject to section 552a of title 5. However, we do not want anyone to infer from this, that subsection 552a (m) is applicable to contracts between other Federal agencies and commercial credit bureaus. All of these provisions are discussed in more detail in the report on the bill. In addition a number of other provisions, some of which are technical in nature, are explained in the section-by-section analysis.

Lastly, the committee agrees with the revised cost estimate of the bill submitted to the committee by the Congressional Budget Office dated September 24, 1979. It is estimated that the net cost of the proposed bill will be $12.5 million in new budget authority for fiscal year 1980. The 5-year cost is estimated at $41.2 million. The required estimate by the Veterans' Administration for the modification of the vocational rehabilitation program, which was accepted by the Congressional Budget Office, includes authorization for the hiring of additional vocational rehabilitation specialists, psychologists, counselors, and others to provide for the expansion of services under this program. Although the overall cost of the reported bill, if fully implemented as intended by the committee, will be $26.3 million in fiscal year 1980, a number of cost savings also included in the bill will require a Federal outlay of only $12.5 million during the next fiscal year. The second concurrent budget resolution, as passed by the House, has earmarked $41.0 million in new entitlement authority for the vocational rehabilitation program.

Again, this is a good bill, and I urge its adoption.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the Veterans Rehabilitation and Education Amendments of 1979—H.R. 5288—now before us. I commend Representative BILL HEFNER of North Carolina, chairman of the Education, Training, and Employment Subcommittee of the House Committee on Veterans' Affairs, and the Gentlelady from Massachusetts, Representative MARGARET HECKLER, the subcommittee's ranking member, for the hard work and conscientious analysis they put into this measure.

The hearings on the bill developed solid evidence that the vocational rehabilitation program of the Veterans' Administration was often a smooth, escorted, trip to nowhere. Veterans with service-connected disabilities were being carefully counseled and guided through educational preparations for a career. Once the educational goal was reached, however, in too many cases the veteran was left on his own. The help he received in actually getting a job usually did not go beyond best wishes.

Section 1500 of this bill, however, declares its purpose to be, "to enable veterans with service-connected disabilities to attain maximum independence, to become employable, and to obtain and maintain suitable employment."

This takes us far beyond the existing program by giving the Veterans' Administration specific authority to accomplish broader goals. I consider it a kind of declaration of independence for disabled veterans. It outlines a destination for that smooth, escorted trip—the goal of maximum independence.

In addition to broadening the scope and purpose of the vocational rehabilitation program, Mr. Speaker, this bill increases by 17 percent the subsistence rate to reflect increases in the Consumer Price Index since October 1, 1977, the date of the last increase.

There are numerous other provisions that, taken together, constitute the first major renovation of the program since its inception in 1943. Most of the changes were recommended by the Veterans' Administration following their study of the vocational rehabilitation program mandated by Public Law 95-202.

Title II of H.R. 5288 clarifies the VA's relationship with institutions of higher learning where veterans attend classes under the GI bill. They, too, were included upon recommendation by the VA.

Title III terminates the predischarge education program. Since the Department of Defense operates its own inservice education programs, this benefit is no longer needed. The Department of Defense agrees with this assessment.

Title IV includes miscellaneous provisions, among them one that permits the VA to reveal to credit bureaus a veteran's indebtedness to the Government because of defaulted loans or uncollected educational overpayments. The Veterans' Administration has been unable, over the year, to collect most of these just debts. While the great majority of veterans has used GI bill benefits for the purpose intended, a few have simply taken the money and run, knowing there was very little the VA could do about it. This bill gives VA an appropriate method of collection—the threat of bad credit rating. It is an inducement used by every private business in this country.

Mr. Speaker, this is an excellent bill that will enhance existing programs devoted to the education and training of eligible veterans. I support it and recommend it to our colleagues.

### Veterans Rehabilitation and Education Amendments of 1979—H.R. 5288

Title: To amend title 38, United States Code, to improve and modernize the vocational rehabilitation program provided veterans under chapter 31 of such title, to improve the veteran's educational assistance program, and for other purposes

### SUMMARY OF PROVISIONS TO UPDATE THE VOCATIONAL REHABILITATION PROGRAM

(1) Authorizes all services, including diagnostic, medical, social, psychological, economic, and vocational, to enable veterans with service-connected disabilities to attain maximum independence, become employable, and obtain and maintain suitable employment.

(2) Assures that if a veteran reaches the point of being "rehabilitated,' the veteran may receive further rehabilitative services, if new conditions warrant.

(3) Provides authority to effect job placement and to give postplacement services.

(4) Authorizes certain supplies to severely disabled veterans who either trained in the home or who are becoming self-employed.

(5) Includes a 17-percent increase in subsistence rates payable which reflects the increase in the Consumer Price Index for fiscal years 1978–79.

(6) Provides that during the 2-month period a determination that the veteran is employable, the veteran shall be paid at the full-time rate, including veterans who are training on less than a full-time basis.

(7) Increases the amount of revolving fund loans from $200 to $400.

(8) Provides development of on-job training opportunities and incentive payments to employers to induce them to create more such opportunities.

(9) Authorizes the Veterans' Administration to utilize all available job placement resources to carry out its job development activities in a coordinated effort with other concerned departments and agencies.

(10) Establishes a Veterans' Advisory Committee on Rehabilitation.

### SUMMARY OF AMENDMENTS TO OTHER VETERANS' ADMINISTRATION EDUCATION AND TRAINING PROGRAMS

(1) Eliminates continued reporting under the so-called 50 percent employment requirement by schools to justify their having met this requirement, provided they have 35 percent or less veteran-dependent enrollment and can show a history of compliance with the employment requirement for the preceding two consecutive reporting periods.

(2) Rescinds the requirement that recipients of BEOG or SEOG benefits shall be considered in the computing of 85-to-15 ratios.

(3) Removes the provision linking satisfactory progress with course completion time.

(4) Allows enrollment only in a foreign school which is recognized to be comparable essentially to a fully recognized degree-granting institution by the appropriate foreign education authority.

(5) Limits the amount of assistance payable to an incarcerated veteran to the cost of the individual's tuition and fees.

(6) Permits payment of educational assistance to otherwise eligible veterans for continuing education required by Federal, State, or municipal law for relicensure or continued employment.

(7) Requires educational institutions to report facts of which they have knowledge, or of which they, through the exercise of reasonable diligence, should know, which indicate that the course or the school does not comply with the law.

(8) Requires of veterans and eligible persons the same duties to report changes in status that are now required of educational institutions.

(9) Clarifies the law to provide that the veteran or eligible person and the educational institution are jointly and severally liable to the VA for overpayments.

(10) Codifies and clarifies the full-time measurement standard, and the category of courses which such standard is intended to embrace to be considered full-time pursuit for entitlement to Veterans' Administration educational benefits.

(11) Includes chapter 32, post-Vietnam era veteran education assistance program, in the overall limitation of 48 months, where the individual is eligible under multiple VA education programs.

(12) Would provide for payment to veterans and eligible persons attending courses not leading to a college degree during periods between terms which do not exceed 15 calendar days and periods when the school is not in session because of teacher conferences or teacher training sessions.

(13) Deletes chapter 31 and adds chapter 32 as part of the responsibilities of the Education and Rehabilitation Advisory Committee to the Administrator and sets a termination date of December 31, 1989 for the advisory committee.

(14) Provides for termination of the predischarge education program (PREP) provided under the chapter 32 contributory education program for servicepersons.

(15) Would permit disclosure of names and addresses and other information maintained by the Veterans' Administration to a consumer reporting agency for certain debt collection purposes.

(16) Provides reemployment rights after initial duty for training of not less than 12 weeks in lieu of present 3 months.

Mr. Speaker, I have no further requests for time, and reserve the balance of my time.

Mr. HEFNER. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. DASCHLE), who is a very distinguished and able member of our subcommittee.

Mr. DASCHLE. Mr. Speaker, I want to join in the commendations of our chairman and the subcommittee for handling this bill in a very meritorious manner.

I think that most frequently we overlook the needs that our veterans are having as far as rehabilitation goes, as far as the GI bill goes. This bill deals with the long overdue changes that I think are going to make equitable distributions of benefits to those veterans actually occur; so I think that it is coming at a good time.

Mr. Speaker, aprpoximately 9 million persons served in the Armed Forces during the Vietnam era. Of that number, over 56,000 were killed or died while on active duty, of which 46,616 died in Southeast Asia as a result of action by hostile forces. Over 300,000 received the Purple Heart for wounds received in action of which approximately 30,000 were totally disabled. Today, there are over 500,000 Vietnam era veterans who are receiving compensation from the Veterans' Administration for service-connected injuries or disabilities.

Down through the years, the highest priority has always been accorded the service-connected disabled veteran. Helping to carry out this priority is the vocational rehabilitation program for the service-connected disabled. The present vocational rehabilitation program was approved for World War II veterans on March 24, 1943 (Public Law 78–16). Subsequent wars have extended these benefits to eligible disabled veterans of the Korean conflict and the Vietnam era. Since 1943, over 821,000 disabled veterans have been trained under this program, of which nearly 100,000 have been disabled Vietnam era veterans.

Notwithstanding that the Congress has amended and improved the vocational rehabilitation program over the years, the 95th Congress mandated that the program be studied for the purpose of comparing the assistance being provided veterans as compared to handicapped persons under Rehabilitation Act of 1973 which is a State/Federal program of vocational rehabilitation. The study was delivered to the committee in October of 1978.

In addition, a Presidential message on veterans was sent to the Congress dated October 10, 1978. In this message, the President stated:

> Individuals with service-connected disabilities are especially in need of greater assistance from the Government. That is particularly true for Vietnam-era veterans, who suffered a 300 percent greater loss of lower extremeties than veterans of any other war. Altogether, 512,000 have sustained some kind of disability.
>
> Our vocational rehabilitation programs must reflect our paramount concern for those veterans who have service-connected disabilities. The current VA program is based on a 1943 model and requires major updating. I will submit legislation to the next Congress that will modernize and improve that program.

Title I of the bill before the House contains a majority of the revisions and recommendations the President requested in order to update the vocational rehabilitation program.

Briefly, Mr. Speaker H.R. 5288 assures that an eligible veteran will be authorized all necessary services to become employable and obtain and maintain suitable employment. Presently, for example, the Veterans' Administration has a number of restrictions embodied by the law which make it difficult to provide the assistance deemed necessary to overcome the veterans employment handicap caused by the veteran's service-connected disabilities. Most distressing is the lack of authority and manpower on the part of the Veterans' Administration to place the veteran in a suitable and satisfactory job in the goal for which the veteran is rehabilitated.

It has been more than 2 years since veterans have received a cost-of-living increase in education and training rates. Budgetary restrictions have made it impossible for a general cost-of-living increase for all veterans education and training programs. However, H.R. 5288 provides a cost-of-living increase of 17 percent in the subsistence allowances for veterans under the vocational rehabilitation program to reflect the increased cost-of-living for fiscal years 1978 and 1979. I only wish that the concurrent budget resolution contemplated a cost-of-living increase for all veterans education programs, but at least there is enough in the budget resolution to take care of the disabled veteran taking training under the vocational rehabilitation program.

Mr. Speaker, the balance of the bill relates to a number of amendments to veterans education and training programs. I would like to comment on one of these provisions which would permit disclosure of names and addresses and other information maintained by the Veterans' Administration to a consumer reporting agency for certain debt collection purposes. The bill would authorize the Veterans' Administration to disclose names and addresses of veterans for debt collection purposes in these instances: First, to locate a debtor, second, to discover the existence and the amount of the debt, and third, to obtain credit reports in order to determine the ability of the debtor to repay the debt or satisfy a judgment. The Veterans' Administration assured our subcommittee that if the Veterans' Administration is given the authority to use consumer reporting agencies for these circumstances, that there will be certain safeguards to provide reasonable protection for the veteran's privacy.

Each debtor, for example, shall be apprised of the Veterans' Administration's new authority if H.R. 5288 is enacted, and will be given every reasonable opportunity to resolve the debt to the Veterans' Administration before that information becomes a part of the veteran's credit record. In other words, the reporting of a debt to a consumer reporting agency by the Veterans' Administration will be done so as a last resort, with opportunity being provided the veteran to verify the accuracy of the Veterans' Administration's determination that there is a debt and to resolve payment of that debt by waiver or compromise if warranted.

The magnitude of unrecovered educational overpayments is staggering. As of June 30, 1979, there were 600,000 debts totaling $186 million that had been written off by the VA as unrecoverable. As of June 30, 1979, the VA was still trying to recover another $400 million. The General Accounting Office did a study for the committee on these unpaid educational overpayments which showed that 83 percent of the 1,200 interviewed were paying their private debts, but ignoring VA laws to pay the debt to the VA. Most of these 83 percent were below $600, therefore the VA is powerless under the present law to collect these debts, since it is a policy of the U.S. attorneys to not sue for a debt under $600. These, Mr. Speaker, are some of the reasons justifying this new authority for the VA which, it is hoped, would encourage veterans to come forward and pay their long-overdue educational overpayments.

Mr. Speaker, I will not discuss in detail the other provisions of the bill. At this time, however, I would like to provide the Members with a brief summary of the provisions of the vocational rehabilitation program and the amendments to other veterans' education and training programs as provided in an information sheet which includes a summary of the amendments proposed in H.R. 5288:

### SUMMARY OF PROVISIONS TO UPDATE THE VOCATIONAL REHABILITATION PROGRAM

(1) Authorizes all services, including diagnostic, medical, social, psychological, economic, and vocational, to enable veterans with service-connected disabilities to attain maximum independence, become employable, and obtain and maintain suitable employment.

(2) Assures that if a veteran reaches the point of being "rehabilitated," the veteran may receive further rehabilitative services, if new conditions warrant.

(3) Provides authority to effect job placement and to give postplacement services.

(4) Authorizes certain supplies to severely disabled veterans who either trained in the home or who are becoming self-employed.

(5) Includes a 17-percent increase in subsistence rates payable which reflects the increase in the Consumer Price Index for fiscal years 1978–79.

(6) Provides that during the 2-month period a determination that the veteran is employable, the veteran shall be paid at the full-time rate, including veterans who are training on less than a full-time basis.

(7) Increases the amount of revolving fund loans from $200 to $400.

(8) Provides development of on-job training opportunities and incentive payments to employers to induce them to create more such opportunities.

(9) Authorizes the Veterans' Administration to utilize all available job placement resources to carry out its job development activities in a coordinated effort with other concerned departments and agencies.

(10) Establishes a Veterans' Advisory Committee on Rehabilitation.

### SUMMARY OF AMENDMENTS TO OTHER VETERANS' ADMINISTRATION EDUCATION AND TRAINING PROGRAMS

(1) Eliminates continued reporting under the so-called 50 percent employment requirement by schools to justify their having met this requirement, provided they have 35 percent or less veterans-dependent enrollment and can show a history of compliance with the employment requirement for the preceding two consecutive reporting periods.

(2) Rescinds the requirement that recipients of BEOG or SEOG benefits shall be considered in the computing of 85-to-15 ratios.

(3) Removes the provision linking satisfactory progress with course completion time.

(4) Allows enrollment only in a foreign school which is recognized to be comparable essentially to a fully recognized degree-granting institution by the appropriate foreign education authority.

(5) Limits the amount of educational assistance payable to an incarcerated veteran to the cost of the individual's tuition and fees.

(6) Permits payment of educational assistance to otherwise eligible veterans for continuing education required by Federal, State, or municipal law for relicensure or continued employment.

(7) Requires educational institutions to report facts of which they have knowledge, or of which they, though the exercise of reasonable diligence, should know, which indicate that the course or the school does not comply with the law.

(8) Requires of veterans and eligible persons the same duties to report changes in status that are now required of educational institutions.

(9) Clarifies the law to provide that the veteran or eligible person and the educational institution are jointly and severally liable to the VA for overpayments.

(10) Codifies and clarifies the full-time measurement standard, and the category of courses which such standard is intended to embrace to be considered full-time pursuit for entitlement to Veterans' Administration educational benefits.

(11) Includes chapter 32, post-Vietnam era veteran education assistance program, in the overall limitation of 48 months, where the individual is eligible under multiple VA education programs.

(12) Would provide for payment to veterans and eligible persons attending courses not leading to a college degree during periods between terms which do not exceed 15 calendar days and periods when the school is not in session because of teacher conferences or teacher training sessions.

(13) Deletes chapter 31 and adds chapter 32 as part of the responsibilities of the Education and Rehabilitation Advisory Committee to the Administrator and sets a termination date of December 31, 1989 for the advisory committee.

(14) Provides for termination of the predischarge education program (PREP) provided under chapter 32 contributory education program for servicepersons.

(15) Would permit disclosure of names and addresses and other information maintained by the Veterans' Administration to a consumer reporting agency for certain debt collection purposes.

(16) Provides reemployment rights after initial duty for training of not less than 12 weeks in lieu of present 3 months.

The vocational rehabilitation program is intended to help disabled veterans make a successful readjustment to civil life, notwithstanding their vocational handicaps. Approval of H.R. 5288 will be a giant step toward helping these veterans obtain the necessary services and assistance to achieve this goal.

H.R. 5288 is a meritorious bill and I urge its adoption.

Mr. HEFNER. Mr. Speaker, I yield such time as he may consume to my distinguished colleague, the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I would like to commend the chairman of the committee and the members of the Veterans Committee particularly for the efforts that have been made with regard to legislative savings in this legislation. As chairman of the legislative savings task force of the Budget Committee, we have emphasized the efforts by every committee to look into areas where legislative savings can be made. Indeed, in the budget resolution adopted by this House, there is close to $3 billion in legislative savings included.

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In this bill the overall cost of the bill is $26.3 million, but as a result of savings initiatives by the Committee on Veterans' Affairs, we have savings in the amount of $13.8 million, which leaves a net cost in this bill of $12.5 million. These savings are not only present now but they are going to recoup to this country in the future.

Mr. Speaker, I want to commend the committee for its effort in this area.

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 5288, the Veterans' Rehabilitation and Education Amendments of 1979.

I wish to commend the members of the House Committee on Veterans' Affairs for having decided to rescind once and for all the requirement that recipients of BEOG or SEOG benefits shall be considered in computing the commonly known 85-15 ratio formula. There is no doubt in my mind that the integrity of the program can be maintained without inclusion of BEOG and SEOG students. This is highly commendable and was long overdue.

I am very pleased by the other objectives of this bill. The improvement and modernization of the vocational rehabilitation programs for the veterans of this Nation as well the improvement of the veterans' educational program are important features of this legislation. I am positive that those in need of these programs will develop new hopes to improve themselves and become more adjusted to civilian life.

I fully support this bill and I urge you to vote for it.●

● Mr. MONTGOMERY. Mr. Speaker, I want to commend the very able gentleman from North Carolina, BILL HEFNER, the chairman of our Subcommittee on Education, Training, and Employment for bringing to the House a comprehensive revision of the vocational rehabilitation program for service-connected disabled veterans. This is a good bill and I strongly support it.

As the gentleman from North Carolina has so well described, the bill is designed to provide authority for the Veterans' Administration to seek out jobs for disabled veterans, and to place the service-connected disabled veteran on that job. In addition, the measure provides counseling throughout the employment period to assure that the veteran becomes a productive permanent employee. We expect the Administrator to fully implement this provision of the bill through a very aggressive employer outreach program.

In addition, the bill provides for a cost-of-living increase in the subsistence allowance provided for veterans going to school under the chapter 31 progam. The increase in the rate is about 17 percent although the consumer price index has risen more than 23 percent since the last increase in October 1977.

As the distinguished chairman of the subcommittee has already explained, the bill also provides the Administrator with authority to move more aggressively against those veterans who have for various reasons refused to repay the Federal Government for overpayments made in the education and training programs. According to the General Accounting Office, the outstanding indebtedness now exceeds $400 million. This bill would permit the Administrator to disclose the names and addresses to the major credit rating bureaus throughout the country for debt collection purposes.

It will accomplish two things. First, it will help the agency locate those veterans who no longer have a valid address with the Veterans' Administration. The agency can then attempt to collect the money owed by the veteran once located. If such veteran continues to ignore his or her outstanding debt to the Government, the Veterans' Administration will then disclose to the credit rating bureau that the veteran has refused to pay the debt and this information can be made available to other lenders who may be contacted by the veteran in the future for a line of credit. The Congressional Budget Office has estimated that more than $10 million will be saved in fiscal year 1980 by the enactment of this provision of the bill.

Finally, Mr. Speaker, section 402(b) of the reported bill would carry out the purpose of H.R. 1426 which I introduced earlier this year along with Congresswoman MARJORIE HOLT of Maryland. Members of Reserve components who are ordered to active duty for training are entitled to be reemployed by their private employers following their release from that duty. Full-time training or duty by members of the National Guard under sections 503–505 of title 32, United States Code, is treated like active duty for training for this purpose. It is now possible to perform full-time training or duty under section 502 of title 32, United States Code, as well as under sections 503–505. In order to reflect this, section 502 should be added to the enumeration in section 2024(f) of title 38, United States Code. Therefore, section 402(b) of the reported bill would provide the same reemployment rights following periods of full-time training or duty under section 502 of title 32 as current law provides following duty under sections 503–505 of title 32, United States Code. There would be no additional Federal outlays involved with the enactment of this provision of the bill.

Mr. Speaker, this is a good measure. I again want to compliment the gentleman from North Carolina, the very able chairman of the Subcommittee on Education, Training, and Employment, for his tremendous insight in these education and training programs administered by the Veterans' Administration. It is a very complex area of the law and he has mastered it well. I support the bill and urge that it be adopted by the House.●

● Mr. ROBERTS. Mr. Speaker, the reported bill will benefit thousands of service-connected disabled veterans, many of whom served in Vietnam. I shall not go into great detail concerning the bill in that the distinguished and very able chairman of the Subcommittee on Education, Training, and Employment, Mr. HEFNER of North Carolina, will provide such explanation to the Members of the House.

Basically, it does three things: First, we have totally revised the vocational rehabilitation program to accomplish a goal we have sought for many years. The major problem has been finding suitable jobs for our disabled veterans and assisting them in getting these jobs. This bill will go a long way in accomplishing this goal. The bill will provide the assistance necessary to rehabilitate the disabled veteran; provide him substantial education and training benefits, and provide the Administrator of Veterans' Affairs the authority to actually seek out jobs for the veteran and provide counseling once the veteran obtains employment so that he can become a permanent employee.

Second, the bill provides an increase in the subsistence allowance for veterans going to school under the vocational rehabilitation program. This cost-of-living adjustment will help to offset the rise in inflation that has occurred since the last increase in October 1977.

The bill also strengthens the GI bill program in that it will tighten the program to assure that Federal dollars being spent for education purposes are spent wisely.

Finally, the bill will provide substantial cost savings to the Nation's taxpayers in the future. If enacted, the bill will give the administrator authority to recover some of the bad debts that have occurred in the education and training program over the past several years. The outstanding dollar amount now exceeds $400 million. This bill will give the Administrator authority to work with our Nation's major credit rating bureaus to help locate veterans with outstanding debts to the Government so that these funds can be collected. Once located, if the veteran refuses to pay his debt, he may not be able to obtain credit in the future until the Federal debt is paid. This provision of the bill is expected to save some $10 million in fiscal year 1980. This provision has been strongly endorsed by the General Accounting Office who has done extensive investigative work in this area.

Mr. Speaker, H.R. 5288 is a good bill and I want to commend the distinguished gentleman from North Carolina, (Mr. HEFNER) for the many hours he spent in developing this legislation. This is BILL HEFNER's first year as chairman of the Subcommittee on Education, Training, and Employment and I can tell the Members of the House that no one has done a better job or worked harder than he has in assuming the leadership role given him by his colleagues on the Committee on Veterans' Affairs. This is landmark legislation and I want to commend the gentleman from North Carolina for his vision and for his commitment to our Nation's veterans. He has brought to the House a comprehensive bill in a short period of time. I also commend the gentlelady from Massachusetts, the ranking minority member of the subcommittee, Mrs. HECKLER, for her assistance in working with Mr. HEFNER to develop this bill. Of course, as always, I am grateful to the very able gentleman from Arkansas, the ranking minority member of the full committee, for his cooperation, hard work, and most of all, his leadership.

I strongly support the bill and urge its adoption by the House.●

● Mr. ANDERSON of California. Mr.

Speaker, I want to express my support for H.R. 5288, the Veteran Rehabilitation and Education Amendments of 1979. The purpose of this bill is to improve the vocational rehabilitation program and the program for educational assistance for veterans.

I have stated in the past the importance I attach to veterans' programs. Recent studies have indicated that the vocational rehabilitation program needs major overhaul. The House Veterans' Affairs Committee has, I am pleased to note, approved a majority of the improvements suggested by the Veterans' Administration.

One of these improvements is to increase the subsistence allowance payable under the vocational rehabilitation program. Another is to broaden the stated purpose of the program to include, in addition to restoring employability, the goals of aiding the severely disabled to attain maximum independence and helping the veteran obtain and maintain suitable employment. The bill would provide authority to effect job placement and to give postplacement services and additional counseling and guidance to veterans.

The contributions that veterans have made to our Nation must never be forgotten. I feel that H.R. 5288 is a laudable effort to improve existing programs and to insure that our veterans are appropriately remembered.●

● Mr. BONKER. Mr. Speaker, as reported, the bill H.R. 5288 has a serious flaw that I would like to bring to the attention of this body. In title II of the committee bill is contained one of the most controversial, and least appreciated, provisions relating to the administration of educational benefits under the GI bill. This is the so-called seat-time rule.

Congress has determined that in order for a veteran to receive full educational benefits under the GI bill, he or she must be involved in a course of study of at least 12 semester hours at an accredited institution of higher education. That is fine. The controversy arises from the Veteran's Administration's measurement criteria for a full-time program. In regulations, the VA has determined that a full-time course of study consists of a program at the site of a college or university requiring regularly scheduled weekly classroom instruction at the rate of one standard class session per week throughout the quarter or semester for each hour of credit. The VA goes on to define a standard class session as 1 hour (or 50-minute period) of academic instruction, 2 hours of laboratory instruction, or 3 hours of workshop training.

All of this means that in order for an academic program to be considered full-time for purposes of VA educational benefits it must offer, on campus, a minimum of 12 hours of traditional classroom instruction each week of the semester.

The seat-time regulation, which has been the subject of several court challenges, would be codified by the committee bill.

While I cannot argue with the purported intent of the seat-time rule—to minimize abuse of GI bill assistance—it is simply a bad way to attack this problem.

The seat-time rule measures the quantity of traditional classroom sessions; but it does nothing to measure the quality of education or the amount of time a student in a nontraditional class arrangement actually spends with his or her professor or instructor.

What is considered "non-traditional" or otherwise outside the scope of programs eligible for full benefits? Anything that deviates from the narrow and archaic definition used by the VA for standard class sessions. Seminars and tutorials not regularly scheduled on a weekly basis would not qualify. Senior thesis classes would not qualify. Most of the programs at an institution like Oxford, which employs the tutorial method, would not qualify. Many of the honors programs at some of the Nation's finest universities would not qualify. Many of my colleagues would find that some of the programs of the best schools in their districts would not qualify for full educational benefits under a uniform application of the seat-time rule.

The Senate Veteran's Affairs Committee has carefully addressed the seat-time issue and has come to the conclusion that it does not recognize the needs of modern higher education or the needs of the veterans it seeks to serve. And the Senate committee has approved language that attempts to recognize the need for more flexible oversight of the GI bill. The higher education community is firmly opposed to a narrow application of the seat-time rule and the unnecessary encroachment of the VA into educational policy setting and the determination of what constitutes a legitimate course of study.

I would like to recognize the excellent work of my friend from North Carolina, Chairman HEFNER, and the committee on other provisions of this bill. But I do not believe the seat-time rule is a reasonable or effective means of reducing abuse of GI educational benefits. The rule fails to serve the legitimate expectations of veterans and puts the VA in the field of determining educational policy. This is best left to the educational community and the State approving and accrediting agencies.●

● Mr. BIAGGI. Mr. Speaker, I rise in support of H.R. 5288, the Veterans Rehabilitation and Education Amendments of 1979. This legislation would improve the vocational rehabilitation program and the program for educational assistance for veterans.

As one who has long advocated the need to increase employment opportunities for our Nation's service-connected disabled veterans—particularly those from the Vietnam era—I am very pleased with the broader vocational rehabilitation program goals established by this bill.

Evidence clearly shows that while veterans with service-connected disabilities are being carefully counseled and guided through educational preparations for a career, there is very little assistance being offered once the education goal is complete. This legislation seeks to remedy that situation by authorizing the VA to seek out jobs for the veterans and provide counseling and guidance to insure that he or she can maintain that employment.

Further, the bill provides for a 17-percent cost-of-living increase in the subsistence allowance paid to vocational rehabilitation trainees. This adjustment is essential due to the inflation that has occurred since the last increase in October 1977.

The bill also includes a number of administrative amendments which are intended to strengthen the GI bill educational assistance program. These changes include restricting the educational benefits to a veteran in prison to tuition and fees, and clarifying the standards constituting full-time enrollment with regard to payment of veterans' educational benefits.

Finally, this legislation provides an effective means to reduce Federal spending and increase efficiency. As a result of defaulted loans or uncollected educational overpayments, the outstanding dollar amount in VA debts now exceeds $400 million. This bill permits the VA to utilize a consumer reporting agency for the purpose of debt collection—a practice which is expected to save an estimated $10 million in fiscal year 1980.

Mr. Speaker, this bill is the result of recommendations by the Veterans' Administration and extensive congressional hearings. It is responsible legislation that seeks to significantly benefit our Nation's veterans and increase Government efficiency. I urge my colleagues to join me in supporting the passage of H.R. 5288.●

● Mr. GILMAN. Mr. Speaker, I rise in support of the legislation, H.R. 5288, the Veterans Rehabilitation and Education Amendments and I commend the House Committee on Veterans' Affairs for their dilligent efforts on behalf of our Nation's veterans.

Mr. Speaker, I need not stress the importance of recognizing the special needs of veterans and need not overplay the importance of maintaining a quality program for rehabilitation and education. Prior to this legislation, the VA was charged only with the responsibility of restoring a veteran's employability; this bill would encourage the VA to establish more comprehensive and long-range programs which insure that a veteran's employment is obtained and maintained. This indicates a further, deeper commitment to the needs of our veterans on the part of our Government, and signals to veterans a more serious and purposeful effort to alleviate some of the problems that veterans face yearly.

I am disappointed, however, that the committee did not look more closely at the problems that veterans are having with meeting their educational needs. Many veterans, particularly Vietnam-era veterans were not able to take advantage of the educational benefits guaranteed them after their terms of service were expired. I have introduced legislation, H.R. 1370, in several Congresses, and will be reintroducing this bill with 30 cosponsors next week. My legislation proposes to eliminate the time limitation placed on veterans' educational benefits and would increase to 54 months the allotment of benefits allowed veterans. We have discovered that poor economic conditions, extended readjustment periods and the need for veterans to support a family discouraged many returning veterans from completing their educational courses. These veterans subsequently lost their entitlement and as a result have no recourse.

Mr. Speaker, I urge the House to adopt this legislation and further affirm our Nation's commitment to the sacrifices made by our Nation's veterans.●

Mr. HEFNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. HEFNER) that the House suspend the rules and pass the bill, H.R. 5288, as amended.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

## HIGHER EDUCATION ACT AMENDMENTS

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5386) to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States.

The Clerk read as follows:

H.R. 5386

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 103 of the Higher Education Act of 1965 is amended—

(1) by inserting "(a) (1)" after "SEC. 103"; and

(2) by adding after paragraph (1) of subsection (a) (as so redesignated) the following new paragraph:

"(2) From the sums appropriated pursuant to section 101(a) for fiscal year 1980 which are not reserved under section 106(a) or section 111(a), the Commissioner shall allot to each State an amount equal to the product of—

"(A) the amount of such State's allotment under paragraph (1) for fiscal year 1979; and

"(B) a fraction, the numerator of which is the amount appropriated pursuant to section 101(a) for fiscal year 1980 (less any amount reserved under section 106(a) or section 111(a)) and the denominator of which is the amount appropriated pursuant to section 101(a) for fiscal year 1979 (less any amount reserved under section 106(a) or section 111(a)).".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kentucky (Mr. PERKINS) will be recognized for 20 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset, let me point out that this bill does not increase in any way authorization levels. The bill relates only to the method of distribution of presently authorized funds for title I of the Higher Education Act.

H.R. 5386 was reported from the Committee on Education and Labor unanimously. I know of no objection to the legislation and I urge all of my colleagues to vote for the bill.

I want to compliment BILL FORD, the distinguished chairman of our Subcommittee on Postsecondary Education; JIM JEFFORDS, of Vermont; the principal sponsor of the bill; and also members of the committee on both sides of the aisle for their work on the bill. I particularly want to compliment our colleague, JOHN BUCHANAN, the ranking minority member of the subcommittee, who is managing the bill for the minority today.

As many of my colleagues know, the Committee on Education and Labor has recently completed action on a comprehensive higher education bill. That legislation which has wide support from the higher education community, is the product of extensive work by Chairman FORD and Congressman BUCHANAN over the last year and a half. The chairman of the subcommittee and the gentleman from Alabama have provided outstanding leadership in this area and I want to pay special tribute to them here today.

H.R. 5386 amends title I of the Higher Education Act, which provides support for continuing education, university extension, and community service programs. The fiscal year 1980 appropriations bill provides only $10 million for the program—$4,250,000 less than the fiscal year 1979 level. The appropriations measure also in effect nullifies provisions in the authorizing statute governing the distribution of money.

As it presently stands, the $10 million would be distributed on the basis of adult population only. This will result in a severe loss for many community service and continuing education programs. The loss is so severe in 23 States and 3 territories that there is a serious question as to whether a program could be operated.

H.R. 5386 corrects this problem by requiring a different distribution of the $10 million. Under the bill, any reduction in fiscal year 1980 appropriations for community service and continuing education programs would be borne equally by all States. Nationally there is a 37.5-percent decrease in appropriations. Under the bill each State will receive 37.5 percent less than they received for fiscal year 1979. This will insure that all States—both large and small—will share the loss of appropriations according to an equal percentage drop in funds from fiscal year 1979 to fiscal year 1980.

I urge my colleagues to support the bill.

Mr. BUCHANAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the distinguished chairman for his gracious remarks. I, too, rise in support of H.R. 5386, a bill to amend title I of the Higher Education Act of 1965. As the chairman of the Education and Labor Committee made clear, this is emergency technical legislation to correct a problem arising from an amendment to the Labor-HEW fiscal year 1980 appropriations conference report.

Last Friday evening both bodies passed the continuing resolution, making provision for programs to continue at the fiscal year 1980 appropriations level through November 20, 1979. The continuing resolution provides for funding of programs as outlined in the fiscal year 1980 Labor-HEW appropriations conference report. H.R. 5386 was necessitated by the inclusion of an amendment in the fiscal year 1980 Labor-HEW appropriations conference report which instructs the Commissioner to distribute title I funds solely on the basis of the adult population in the States. This method of distribution will result in a severe loss of program funds in many States and the termination of title I programs in 23 States and three territories.

H.R. 5386 provides for a more equitable method for distribution of funds by instructing the Commissioner to reduce each State's fiscal year 1979 award by a percent equal to the percentage drop in total program appropriations from fiscal year 1979 to 1980. This would insure that each State shares fairly the reduction in appropriations for title I.

Unlike most education programs, title I of the Higher Education Act is not forward funded. This means that fiscal year 1980 appropriations, fund title I programs for academic year 1979–80. H.R. 5386 truly is emergency legislation because HEW now has authority to distribute fiscal year 1980 title I funds according to the instructions in the Labor-HEW appropriations conference report.

Although the continuing resolution is effective only through November 20, it is the clear intent that the method for distribution of funds under title I as provided for in H.R. 5386 apply to the distribution of all fiscal year 1980 funds—both during the period in which the continuing resolution is in effect and at the time the Labor-HEW fiscal year 1980 appropriations bill becomes law.

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It is my understanding that the Committee on Appropriations agrees that this is the intent of the legislation. It has been discussed with the chairman of the Labor-HEW Appropriations Subcommittee and he also concurs with this interpretation of what this bill does.

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Speaker, I also want to state that I have just talked with the ranking minority member on the Labor-HEW Appropriations Subcommittee, the gentleman from Illinois (Mr. MICHEL), and he agrees that the intent of H.R. 5386 applies to the distribution of funds throughout all of fiscal year 1980, rather than for just the brief period between the adoption of the continuing resolution and the fiscal year 1980 Labor-HEW appropriations bill. To read the intent of H.R. 5386 in any other way would make no sense at all.

**Mr. BUCHANAN.** I thank the gentleman for that contribution.

Mr. Speaker, I believe the understanding is clear between the two committees.

No objection to his bill is known, and it is the understanding that if the House passes this legislation the other body is prepared to accept these provisions at the desk.

Mr. Speaker, I urge my colleagues to adopt H.R. 5386.

Mr. Speaker, I yield such time as he may consume to the author of this legislation, the gentleman from Vermont (Mr. JEFFORDS), a very valuable member of the committee.

**Mr. JEFFORDS.** Mr. Speaker, I would also like to commend the chairman of the full committee, the gentleman from Kentucky (Mr. PERKINS), and the chairman of the subcommittee, the gentleman from Michigan (Mr. FORD), for recognizing the urgent need for this legislation, as well as my good friend, the gentleman from Alabama (Mr. BUCHANAN), the ranking minority member on the subcommittee.

Mr. Speaker, it has already been noted—and I will not go into this at length—that this legislation is essential to insure that the continuing education programs in many States will be able to function.

In conversations with the Office of Education, we learned that at least $100,000 would be needed to run a program of any kind in a State.

This legislation will insure that, with the State matching funds, the minimum amount will be reached in some 23 States which otherwise would have their programs extinguished.

I also would like to reemphasize the intent of this legislation because we are in an unusual situation, and I can assure the Members that none of us wanted to impose this little problem in the middle of the continuing resolution last week. Nor do we probably want to impose it in the conference report when that is brought up. We would prefer to correct it by the method of special legislation. The intent has to be clear; otherwise, we are going to have a seesaw back and forth. After passing the continuing resolution, and if the conference report is passed, if this intent is not carried forward we whipsaw back to the old formula. And, obviously, the intent on everyone's part—and I understand that the bill will be accepted at the other party's enrolling desk—is to insure that all funds for fiscal year 1980 will be distributed relative to this bill and not in accordance with the continuing resolution or the conference report.

**Mr. BUCHANAN.** Mr. Speaker, I yield myself an additional 2 minutes.

Mr. Speaker, as the chairman of the Committee on Education and Labor has made plain, our committee has reported out very comprehensive higher education legislation, which I hope will be before us in the near future. In the interim, we need to take this emergency action today. In connection with the meaning and the intent of that action I would be pleased to yield at this point to the distinguished minority whip and ranking minority member on the Labor-HEW Appropriations Subcommittee.

**Mr. MICHEL.** I thank the gentleman for yielding.

The gentleman from Alabama described correctly the intent of this legislation, in that it should apply to the distribution of funds under title I of the Higher Education Act during the period for which the continuing resolution is in effect and after the fiscal year 1980 Labor-HEW appropriations bill is enacted into law.

**Mr. BUCHANAN.** I thank the gentleman for his remarks and his support in clarifying the intent of this legislation. Passage of H.R. 5386 should facilitate the equitable distribution of funds under title I of the Higher Education Act for fiscal year 1980 in its entirety.

**Mr. JEFFORDS.** Mr. Speaker, will the gentleman yield?

**Mr. BUCHANAN.** I yield to the gentleman from Vermont.

**Mr. JEFFORDS.** Mr. Speaker, I would also like to point out that if any Member is interested in the particular impact of this legislation on their State, the figures are available for any Member to review.

### GENERAL LEAVE

**Mr. BUCHANAN.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation.

**The SPEAKER** pro tempore (Mr. ROBERTS). Is there objection to the request of the gentleman from Alabama?

There was no objection.

**Mr. BUCHANAN.** Mr. Speaker, I yield back the balance of my time.

**Mr. PERKINS.** Mr. Speaker, I have no further requests for time.

**The SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and pass the bill, H.R. 5386.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## GENERAL ACCOUNTING OFFICE PERSONNEL ACT OF 1979

**Mrs. SCHROEDER.** Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5176) to establish an independent personnel system for employees of the General Accounting Office, as amended.

The Clerk read as follows:

H.R. 5176

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SHORT TITLE

SECTION 1. This Act may be cited as the "General Accounting Office Personnel Act of 1979".

### GENERAL PERSONNEL AUTHORITY

SEC. 2. The Comptroller General may appoint, pay, assign, and direct the personnel which the Comptroller General determines necessary to discharge the duties and functions of the General Accounting Office.

### ESTABLISHMENT OF PERSONNEL MANAGEMENT SYSTEM

SEC. 3. (a) The Comptroller General shall, not later than the effective date set forth in section 9(a), promulgate regulations establishing a personnel management system which shall apply to the General Accounting Office and which shall meet the requirements of subsections (b) through (h) of this section. Before promulgating regulations (or any amendment thereto) under this section, the Comptroller General shall provide notice and an opportunity for public comment. No reprisal (or threat of reprisal) shall be made against any employee of the General Accounting Office for comments provided with respect to any proposed regulation (or amendment) under this section.

(b) The personnel system shall—

(1) embody the merit system principles of section 2301 of title 5, United States Code;

(2) prohibit the personnel practices described in section 2302 of title 5, United States Code;

(3) prohibit the political activities prohibited under subchapter III of chapter 73 of title 5, United States Code;

(4) assure that all employees of the General Accounting Office are appointed, promoted, and assigned solely on the basis of merit and fitness, but without regard to the provisions of title 5, United States Code, governing appointments and other personnel actions in the competitive service; and

(5) in the case of any individual who would be a preference eligible in the executive branch, provide preference for that individual in a manner and to an extent consistent with preference accorded to preference eligibles in the executive branch.

Nothing in this section shall be construed to prohibit or restrict any otherwise lawful effort to achieve equal employment opportunity through affirmative action.

(c) The personnel system shall provide for the pay of the employees of the General Accounting Office to be fixed by the Comptroller General consistent with the principles of section 5301(a) of title 5, United States Code. Under that system—

(1) the Comptroller General shall publish a schedule of pay rates which shall apply to employees of the General Accounting Office and the highest rate under which does not exceed the highest rate of basic pay payable for GS-15 under the General Schedule (except as provided in paragraph (3) of section 5);

(2) the pay of the employees of the General Accounting Office shall be adjusted at the same time and to the same extent as rates of basic pay are adjusted for the General Schedule (except as provided in section 5);

(3) such schedule may provide for rates which do not exceed the maximum rate payable for grade GS-18 of the General Schedule for up to one hundred employees (reduced by the number of employees who are in the GAO Senior Executive Service established under section 5, other than by reason of section 5(a)(4)); and

(4) employees of the General Accounting Office shall be entitled to grade and pay retention, consistent with the principles of subchapter VI of chapter 53 of title 5, United States Code.

(d) The personnel system shall include a system for performance appraisals of employees of the General Accounting Office which meets the requirements of section 4302 of title 5, United States Code. The Comptroller General shall have the same responsibility with respect to the performance appraisal system under this subsection as the Office of Personnel Management has with respect to the performance appraisal systems under section 4302 of such title 5. The Comptroller

General shall implement such system as soon as practicable, but not later than October 1, 1981.

(e) The personnel system shall provide for procedures to ensure that each employee of the General Accounting Office has the right, freely and without fear of penalty or reprisal, to form, join, and assist an employee organization, or to refrain from such activity, and shall provide for a labor-management relations program, consistent with chapter 71 of title 5, United States Code.

(f) The personnel system shall provide for the reduction in grade or removal of employees based on unacceptable performance consistent with section 4303 of title 5, United States Code, and the taking of other personnel actions consistent with chapter 75 of title 5, United States Code.

(g) (1) Under the personnel system all personnel actions affecting employees or applicants for employment in the General Accounting Office shall be taken without regard to race, color, religion, age, sex, national origin, political affiliation, marital status, or handicapping condition.

(2) The personnel system shall include a minority recruitment program consistent with section 7201 of title 5, United States Code.

(3) Nothing in this Act shall be construed to abolish or diminish for employees or applicants for employment in the General Accounting Office any right or remedy granted them by section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16), by sections 12 and 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 631, 633a), by section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)), by section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791), or by any other law prohibiting discrimination in Federal employment on the basis of race, color, religion, age, sex, national origin, political affiliation, marital status, or handicapping condition; except that, with respect to employees and applicants for employment in the General Accounting Office, authorities granted thereunder to the Equal Employment Opportunity Commission, the Merit Systems Protection Board, or any other agency in the executive branch—

(A) involving oversight appeals, shall be exercised by the General Accounting Office Personnel Appeals Board established by section 4 of this Act; and

(B) involving other responsibilities, shall be exercised by the Comptroller General.

(h) The personnel system shall provide procedures for the processing of complaints and grievances which are not otherwise provided for under subsections (e), (f), and (g).

### GENERAL ACCOUNTING OFFICE PERSONNEL APPEALS BOARD

SEC. 4. (a) (1) There is hereby established within the General Accounting Office a board to be known as the General Accounting Office Personnel Appeals Board (hereinafter in this Act referred to as the "Board"). The Board shall be composed of five members appointed by the Comptroller General in accordance with this subsection.

(2) Each appointment made by the Comptroller General under paragraph (1) shall be made—

(A) from a written list of candidates submitted to the Comptroller General by any organization eligible to make such a submission under paragraph (4); and

(B) after consultation with organizations which represent employees of the General Accounting Office and with the member or members of each standing committee of the Congress having legislative jurisdiction over the personnel management system of the General Accounting Office, who are designated by the Chair of each committee to consult with the Comptroller General.

(3) An individual shall be eligible for appointment as a member of the Board only if such individual—

(A) has a total of three years of full-time or part-time experience in the adjudication or arbitration of personnel matters;

(B) is not a current or former officer or employee of the General Accounting Office;

(C) has the demonstrated ability, background, training, and experience necessary to be especially qualified to serve as a member of the Board; and

(D) demonstrates a capacity and willingness to devote sufficient time to service as a member of the Board in order to enable the Board to dispose of cases under this section in a timely manner.

(4) An organization shall be eligibile to submit a list of candidates to the Comptroller General under paragraph (2) (A) if, in the opinion of the Comptroller General, the membership of the organization is composed primarily of individuals who are experienced in the adjudication or arbitration of personnel matters. The submission of any list under this paragraph shall be made in the form, at the time, and according to the procedures, which the Comptroller General may require.

(b) (1) Except as provided in paragraph (2), members of the Board shall be appointed for terms of three years.

(2) Of the members first appointed to the Board—

(A) two shall be appointed for terms of three years;

(B) two shall be appointed for terms of two years; and

(C) one shall be appointed for a term of one year;

as designated by the Comptroller General at the time of appointment.

(3) Members of the Board shall not be eligible for reappointment.

(4) Any vacancy in the membership of the Board shall be filled in the same manner as the original appointment. Any individual appointed to fill a vacancy shall serve only for the unexpired portion of the term with respect to which such vacancy has occurred, except that, if the unexpired portion is less than one year, the Comptroller General may appoint the individual for a term which is equal to three years plus that unexpired portion.

(5) A member of the Board may continue to serve after the expiration of the term for which the member was appointed until a successor has taken office, except that the member may not so continue to serve for more than six months after the date on which the term for which the member was appointed otherwise would expire under this subsection.

(c) (1) A member of the Board may be removed from membership—

(A) by majority vote of the members of the Board (other than the member who is the subject of the proposed action of removal); and

(B) only for inefficiency, neglect of duty, or malfeasance in office.

(2) Any member of the Board who is the subject of any proposed action of removal under this subsection shall be given notice and opportunity for a hearing before the Board prior to any vote of the members of the Board under paragraph (1) (A). The Board may dispense with the opportunity for a hearing only upon the submission of a written waiver of the hearing to the Chair by the member subject to the proposed action.

(d) Members of the Board, not otherwise employed by the Federal Government, shall be paid for days worked at the daily rate payable for GS–18 of the General Schedule.

(e) The members of the Board shall select, from among the members of the Board, a Chair who shall be the chief executive and administrative officer of the Board.

(f) (1) The Chair shall select and the Comptroller General shall appoint an individual to serve as general counsel of the Board. The general counsel shall be eligible for reappointment and shall serve at the pleasure of the Chair.

(2) The Chair shall fix the rate of pay of the general counsel, except that the rate of pay shall not exceed the maximum rate payable for GS–15 of the General Schedule.

(g) The general counsel of the Board shall—

(1) investigate any allegation concerning prohibited personnel practices referred to in section 3(b) (2) of this Act to the extent necessary to determine whether there are reasonable grounds to believe that any such practice has occurred, exists, or is to be taken by any employee of the General Accounting Office;

(2) investigate any allegation concerning prohibited political activities referred to in section 3(b) (3) of this Act;

(3) investigate matters under the jurisdiction of the Board if so requested by the Board or any member of the Board; and

(4) otherwise assist the Board in carrying out its functions.

(h) The Board may consider, decide, and order corrective or disciplinary action (as appropriate) in cases arising from—

(1) employee appeals concerning any removal, suspension for more than fourteen days, reduction in grade, reduction in pay, or furlough of thirty days or less;

(2) prohibited personnel practices referred to in section 3(b) (2) of this Act;

(3) prohibited political activities referred to in section 3(b) (3) of this Act;

(4) determination of appropriate units of employees for collective bargaining;

(5) elections and certifications of collective bargaining representatives;

(6) any labor practice prohibited under the labor-management system established under section 3(e) of this Act and any other matter appealable to the Board under that system;

(7) actions involving discrimination prohibited under section 3(g) of this Act; and

(8) any other issue relating to the personnel of the General Accounting Office which the Comptroller General, by regulation, determines is most appropriately resolved by the Board.

(i) The Comptroller General shall promptly implement any corrective action ordered by the Board, in cases in which the Comptroller General has the authority to do so.

(j) The Board shall have authority to designate a panel of its members, or an individual member, to take any action which the Board is authorized to take under subsection (h). Any decision made under subsection (h) by a panel or individual member designated under this subsection shall be considered to be a final decision of the Board unless the decision is reopened and reconsidered by the Board under subsection (k).

(k) The Board may, on the motion of any party or on its own motion, reopen and reconsider any decision under subsection (h) within thirty days after the decision is rendered.

(l) (1) Final decisions of the Board (or of any panel or individual member designated under subsection (j)) under subsection (h) (1), (2), (3), (6), and (7) may be appealed to the United States court of appeals for the appropriate circuit. Any appeal under this subsection shall be in accordance with the procedures of chapter 158 of title 28, United States Code. Notwithstanding any other provision of law, any petition for review shall be filed within thirty days after the date the petitioner receives notice of the final decision of the Board.

(2) In any case filed under paragraph (1), the court shall review the record and set

aside any agency action, findings, or conclusions found to be—

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

(B) obtained without procedures required by law, rule, or regulation having been followed; or

(C) unsupported by substantial evidence.

(m) The Board shall promulgate regulations—

(1) providing for employee appeals, consistent with the principles of chapter 77 of title 5, United States Code; and

(2) establishing its operating procedure.

### GAO SENIOR EXECUTIVE SERVICE; MERIT PAY SYSTEM

SEC. 5. (a) (1) The Comptroller General may promulgate regulations establishing a General Accounting Office Senior Executive Service (referred to in this Act as the GAO Senior Executive Service) which—

(A) meets the requirements set forth in section 3131 of title 5, United States Code, for the Senior Executive Service;

(B) provides that positions in the GAO Senior Executive Service meet requirements which are consistent with those in section 3132(a)(2) of title 5, United States Code;

(C) provides rates of pay for the GAO Senior Executive Service which are not in excess of the maximum rate or less than the minimum rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, and which are adjusted at the same time and to the same extent as rates of basic pay for the Senior Executive Service are adjusted;

(D) provides a performance appraisal system for the GAO Senior Executive Service that conforms to the provisions of subchapter II of chapter 43 of title 5, United States Code;

(E) permits the Comptroller General to award ranks to members of the GAO Senior Executive Service consistent with the provisions applicable to the Office of Personnel Management and the President under section 4507 of title 5, United States Code;

(F) provides for removal consistent with section 3592 of title 5, United States Code, and removal or suspension consistent with section 7543 of such title 5; and

(G) permits the Comptroller General to pay performance awards to members of the GAO Senior Executive Service consistent with the provisions applicable to the heads of agencies under section 5384 of title 5, United States Code.

(2) Except as otherwise provided in paragraph (1), the Comptroller General may make applicable for the GAO Senior Executive Service any of the provisions of title 5, United States Code, applicable to applicants for or members of the Senior Executive Service.

(3) Employees in the GAO Senior Executive Service shall not be subject to the provisions of the personnel system established under section 3 (c), (d), (e), and (f).

(4) The GAO Senior Executive Service may include positions referred to in—

(A) section 203(c) of the Federal Legislative Salary Act of 1964 (31 U.S.C. 51a);

(B) section 203(i) of the Federal Legislative Salary Act of 1964 (31 U.S.C. 52b); and

(C) section 204(d) of the Legislative Reorganization Act of 1970 (31 U.S.C. 1154(d)).

(b) The Comptroller General may promulgate regulations establishing a merit pay system for such employees of the General Accounting Office as the Comptroller General considers appropriate. The merit pay system shall be designed to carry out purposes consistent with those set forth in section 5401(a) of title 5, United States Code.

### NONCOMPETITIVE APPOINTMENTS; TECHNICAL ASSISTANCE

SEC. 6. (a) Notwithstanding any other provision of law, any employee of the General Accounting Office who has completed at least one year of continuous service under a nontemporary appointment under the personnel system established pursuant to section 3 acquires a competitive status for appointment to any position in the competitive service for which the employee possesses the required qualifications.

(b) The Director of the Office of Personnel Management shall, on request from the Comptroller General, provide technical and consulting services to the Comptroller General in the establishment of the personnel system for the General Accounting Office.

### COORDINATION WITH CERTAIN OTHER PROVISIONS OF LAW

SEC. 7. (a) Except as provided under section 5(a)(4), nothing contained in this Act shall be construed as repealing, amending, or otherwise affecting the provisions of—

(1) sections 302 and 303 of the Budget and Accounting Act, 1921 (31 U.S.C. 42 and 43), or section 203 (a) and (b) of the Federal Legislative Salary Act of 1964 (31 U.S.C. 42a (a) and (b));

(2) section 203(c) of the Federal Legislative Salary Act of 1964 (31 U.S.C. 51a);

(3) section 203(i) of the Federal Legislative Salary Act of 1964 (31 U.S.C. 52b);

(4) section 204(d) of the Legislative Reorganization Act of 1970 (31 U.S.C. 1154(d)); or

(5) section 401 of the General Accounting Office Act of 1974 (31 U.S.C. 52c).

(b) Except as specifically provided in this Act, nothing contained in this Act shall be construed to repeal, amend, or limit the application of any provision of law applicable to employees of the General Accounting Office.

### TECHNICAL AND CONFORMING AMENDMENTS

SEC. 8. (a) Section 2108(3) of title 5, United States Code, is amended by inserting "or the General Accounting Office" after "the Senior Executive Service".

(b) Subsection 5102(a)(1) of title 5, United States Code, is amended by striking out "or" at the end of paragraph (vii), by inserting "or" at the end of clause (viii), and by adding at the end thereof the following:

"(ix) the General Accounting Office;".

(c) Section 5108(c) of title 5, United States Code, is amended by striking out paragraph (1) and redesignating the following paragraphs accordingly.

(d) Subsection 5342(a)(1) of title 5, United States Code, is amended by striking out "or" at the end of paragraph (H) and by adding at the end thereof the following:

"(J) the General Accounting Office;".

(e)(1) Subchapter III of chapter 73 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 7328. General Accounting Office employees

"The preceding provisions of this subchapter shall not apply to employees of the General Accounting Office."

(2) The chapter analysis for chapter 73 of title 5, United States Code, is amended by adding after the item relating to section 7327 the following new item:

" 7328. General Accounting Office employees."

(f) Section 311 of the Budget and Accounting Act, 1921 (31 U.S.C. 52) is amended—

(1) by striking out subsections (a), (b), and (d) and inserting in lieu thereof the following:

"(a) The Comptroller General shall appoint, fix the pay of, and remove employees of the General Accounting Office under the General Accounting Office Personnel Act of 1979.

"(b) All officers and employees of the General Accounting Office shall perform such duties as may be assigned to them by the Comptroller General."; and

(2) by redesignating subsections (e) and (f) as subsections (c) and (d), respectively.

(g) Section 13 of the Act of May 24, 1946 (31 U.S.C. 46a) is hereby repealed.

(h) Section 717(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-16) is amended by striking out "(other than the General Accounting Office)".

### EFFECTIVE DATE

SEC. 9. (a) This Act (other than section 3) shall take effect on—

(1) October 1, 1980, or

(2) if later, the one hundred and twentieth day after the date of the enactment of this Act.

(b) The provisions of section 3 shall take effect on the date of the enactment of this Act, except the personnel system established under that section shall take effect on the effective date prescribed under subsection (a).

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Colorado (Mrs. SCHROEDER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5176 establishes an independent personnel system for the General Accounting Office. The bill, thereby, eliminates a serious conflict of interest which has plague GAO, and that is why GAO supports it.

Currently, GAO audits, oversees, and investigates the operations and financial management of executive branch agencies. In the case of nearly every agency, GAO has the independence and freedom to subject programs to exacting scrutiny. This intense scrutiny is precisely what Congress demands of GAO. In the case of the civil service agencies, however, this independence and freedom is lacking, because GAO is subject to regulation and control by these agencies. In its relations with the civil service agencies, GAO is both the overseer and the overseen, both the policer and the policed, both the investigator and the investigated.

The Subcommittee on Civil Service did not find any instances where this conflict affected the content of a GAO report. Nevertheless, the apparent and potential conflict can and should be eliminated. Reports of the GAO in the field of personnel management should be free from any suspicion that their conclusions were altered under pressure from the Office of Personnel Management or the Merit Systems Protections Board.

Hence, the first thing H.R. 5176 does is to remove the General Accounting Office from the laws, rules, and regulations of the competitive civil service. The bill cuts off the jurisdiction of the Office of Personnel Management, the Merit Systems Protection Board, and the Equal Employment Opportunities Commission over the General Accounting Office.

The Post Office and Civil Service Committee did not feel comfortable with giving GAO management an absolutely free hand in designing its own personnel system. Therefore, the second thing the bill does is to reimpose the most important employee protection and management control laws to the GAO. The Comptroller General is required by this legislation to promulgate regulations embodying the merit principles, outlawing prohibited personnel practices, providing for merit selection and promotion, assuring preference to veterans, establishing pay and classification standards, creating a performance appraisal system, ensuring the right to organize and bargain collectively, forbidding discrimination, and setting out appeal rights. The Comptroller General is free to establish a Senior Executive Service and a system of merit pay, if the Comptroller General wants to do so. If GAO does establish a Senior Executive Service of a system of merit pay, it must follow certain basic guidelines, parallel to those existing in executive branch agencies.

The committee was very concerned that the rights of GAO employees be safeguarded. To assure that these rights are protected, the bill establishes a GAO Personnel Appeals Board, which will perform the functions that the Merit Systems Protection Board, the Federal Labor Relations Authority, and the Equal Employment Opportunities Commission would otherwise perform. Further, the bill establishes a General Counsel to the Board who performs the duties of the Special Counsel, in investigating and prosecuting allegations of prohibited personnel practices. The General Counsel will also investigate labor and employment discrimination cases.

The bill makes clear that the General Accounting Office is covered by title 7 of the Civil Rights Law of 1964, forbidding employment discrimination. Up until now, GAO's coverage under this law has been unclear.

Today, we are considering H.R. 5176, as reported by the Committee on Post Office and Civil Service, with one amendment. The amendment cures a technical defect in the bill as reported. As I explained a moment ago, the bill is drafted to remove GAO from the provisions covering the competitive civil service and then to reapply the same provisions of substantive law to GAO. Well, we neglected to do this for the provisions of title 5 concerning political activities of Federal employees, known as the Hatch Act. This was just an oversight. So, the amendment removes GAO from Special Counsel enforcement of the Hatch Act and transfers enforcement to the General Counsel established by the bill. No substantive change in the provisions of the Hatch Act are made.

I urge your support for H.R. 5176.

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5176, which establishes as independent personnel system for employees of the General Accounting Office.

The bill is a result of a compromise between our committee and the GAO. The GAO supports this bill reported from our committee on a voice vote.

Historically, the GAO has been both independent and nonpartisan and minority support of the bill is premised on the notion that it helps bolster these two principles.

The distinguished chair of the subcommittee Mrs. Schroeder, is to be complimented for her efforts in fashioning a bill which adequately protects the employment rights of GAO employees and also provides GAO with the needed authority to establish and administer a personnel system which is truly independent. Since Mrs. Schroeder has already explained the provision of the bill in detail, I will not elaborate further except to say that the GAO requested this legislation because of an apparent conflict of interest in the area of Federal personnel management. As Mr. Staats, Comptroller General of the United States, said in his testimony before our committee:

> The GAO is regulated by executive branch administered programs that GAO must review and evaluate objectively.

While the GAO has not had any such problems with the Office of Personnel Management or its predecessor, the Civil Service Commission, the situation has a dangerous potential for adversely affecting, and compromising the integrity of the GAO's work.

Mr. Speaker, I believe this bill insures against an inherent conflict of interest and the appearance of such a conflict of interest, and properly distinguishes the unique roles of the GAO and executive branch agencies. I strongly support its enactment.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. SCHROEDER. Mr. Speaker, I certainly want to commend the gentleman from Iowa (Mr. Leach), who was very, very conscientious and came to many hearings on this less than all-consuming and exciting topic but a very needed piece of legislation. I want to thank the gentleman and the other Members on the minority side for their help.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Mrs. Schroeder) that the House suspend the rules and pass the bill, H.R. 5176, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1250

## GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material, on H.R. 5176, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

## AUTHORIZING THE PRESIDENT TO AWARD A MEDAL OF HONOR POSTHUMOUSLY TO WILLIAM JAMES TSAKANIKAS

Mr. WHITE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3407) authorizing the President to award a Medal of Honor posthumously to William James Tsakanikas.

The Clerk read as follows:

H.R. 3407

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the time limitation contained in section 3744 of title 10, United States Code, with respect to the awarding of certain medals to persons in the Army shall not apply with respect to the awarding of any such medal to individuals who served as members of the Intelligence and Reconnaissance Platoon of the 394th Infantry Regiment, 99th Infantry Division, for acts of valor performed by such individuals engaged in combat operations in Lanzerath, Belgium, during the Battle of the Bulge, but the awarding of any such medal is within the sole discretion of the President.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas (Mr. White) will be recognized for 20 minutes, and the gentlewoman from Maryland (Mrs. Holt) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. White).

Mr. WHITE. Mr. Speaker, the Committee on Armed Services has favorably reported H.R. 3407, with an amendment in the nature of a substitute for the original text and title.

In its original form, H.R. 3407 would have authorized the President to award a Medal of Honor posthumously to Mr. William James Tsakanikas for his actions on December 16, 1944, during the Battle of the Bulge. The committee amendment would alter the text and the title to reflect the committee's judgment that the statuory time limitations for the award of military decorations should be waived with respect to all of the 18 members of the unit involved in the Battle of the Bulge—and not just the late Mr. Tsakanikas for the Medal of Honor only.

Mr. Speaker, the committee has generally tried to refrain from acting on legislative recommendations for military awards because it is the President's responsibility to make such awards and not the Congress. However, there are in existence statutory time limitations on the period within which certain awards must be made that restrict the President's authority to make the awards. In this case, after hearing evidence of the courageous actions of the 18 members of the intelligence and reconnaissance platoon of the 394th Infantry Regiment, 99th Infantry Division, who substantially delayed the progress of a major German attack force during a critical point in the Battle of the Bulge, it appears that special consideration is warranted. Although the actions of this unit were unquestionably heroic, only one member of the platoon was decorated. The evidence suggests that the unusual circumstances under which the surviving members of the platoon were captured by the enemy and liberated, only to find their division had been deactivated, contributed to the possibility that the normal procedures for determining appropriate military awards may have disadvantaged the members of this unit.

Because of the unique circumstances of the unit's capture and liberation and because it appeared that all members of the platoon acted in a gallant manner, the committee amended the legislation to remove the statutory time limitations on the military awards for the whole unit to permit the President to make awards as he considers appropriate. It may be that upon evaluating the evidence, the Department of the Army—acting for the President—will determine that no awards are appropriate and that is their responsibility. But at this time it appeared to the committee that there was sufficient evidence to warrant waiving the time limitations of the statute.

Mr. Speaker, I would like to reiterate that it is not the committee's judgment that the award of a medal is appropriate at this time because that is not the Congress responsibility. Rather, it was our judgment that the statute might prevent the President from making such an award after reexamination of these unusual facts and we considered some relief appropriate.

Mr. Speaker, the Committee on Armed Services approved this bill, as amended, by a vote of 24 to 6.

I urge the Members of the House to suspend the rules and pass H.R. 3407, in its amended form.

Mrs. HOLT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3407, as amended. I commend the chairman, the gentleman from Texas for moving with a great deal of caution in the area of awards and decorations for military actions from the past.

The statutory authority for awarding military decorations resides with the President and that is appropriate because it is the executive branch which has access to the necessary evidence and the investigative structure to insure that awards are appropriately made. In order to maintain the integrity of these awards for valorous conduct, the statutes do contain limitations on the time within which such awards must be made. In general, these statutes of limitations provide ample opportunity for recognition.

In the case at hand, however, the committee has received evidence that the individuals in the intelligence and reconnaissance platoon of the 394th Infantry Regiment, 99th Infantry Division, became involved in a unique set of circumstances that may have hampered appropriate recognition for their gallantry. H.R. 3407 simply waives the time limitations for military awards to these individuals. The committee has been very careful not to make any judgment as to whether an award should be made to any of these individuals. That responsibility rests with the President.

H.R. 3407, as amended, will simply permit the President to use his authority as the circumstances warrant.

Mr. Speaker, I urge the Members of the House to vote to suspend the rules on H.R. 3407, as amended by the Committee on Armed Services and pass this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. WHITE. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, the bill H.R. 3407, before the House today, is the culmination of the efforts of more than 2 dozen Members of this body, to recognize the epic stand of 18 men against overwhelming odds 35 years ago at the Battle of the Bulge. The bill, as I originally introduced it, authorized the President of the United States to award the Medal of Honor posthumously to William James Tsakanikas—known as Will James—for various acts performed at the risk of his life, above and beyond the call of duty, while serving as a private first-class in the U.S. Army in World War II.

The bill being considered today was amended by the House Armed Services Committee and is offered in the nature of a substitute to my bill. It waives the statutory time limitation with respect to Army decorations and awards to permit the award of an appropriate medal to members of the intelligence and reconnaissance platoon of the 394th Infantry Regiment, 99th Infantry Division, for acts of valor performed by such individuals while engaged in combat operations on December 16, 1944, during the Battle of the Bulge in Lanzerath, Belgium. In effect, all members of Pfc. Tsakaniskas' platoon would become eligible for certain medal awards, but the amendment does not recommend nor make any judgment as to the type of award, or indeed whether any award should be made by the President. Testimony during the hearings before the Military Personnel Subcommittee suggested that circumstances may well have prevented the normal procedures for recognition of these individuals from functioning.

There has been a ground swell of support for the bill in its original form, authorizing the Medal of Honor award to William James Tsakanikas, following the Jack Anderson feature article in Parade magazine of Sunday, March 25, 1979, and the appearance of the article and my original bill, H.R. 3225, in the Monday, March 26, 1979, CONGRESSIONAL RECORD. "Why Private Tsakanikas Should Get the Medal of Honor," told the story of the events that took place 35 years ago in World War II. The massive confusion following this major battle, the capture and imprisonment of the unit members, and a reorganization of the parent division appears to have prevented the normal procedures for recognition of William James Tsakanikas and other members of his unit. Just since the House held hearings on the bill, Tsakanikas' commanding officer has indicated that he will make the formal recommendation for the award.

I urge the House to take affirmative action, by passing H.R. 3407, to insure that there is an opportunity for consideration of the Medal of Honor award to William James Tsakanikas, as well as appropriate awards to other members of the platoon.

In recognizing and applauding the House Armed Services Committee for its role in bringing this legislation to the House floor for a vote, I must also recognize Judge Basil Filardi, of White Plains, N.Y., who inspired my interest in this matter. Judge Filardi felt that William James Tsakanikas—also known as Will James—did not receive proper recognition for acts described by the commanding officer of his platoon as "acts of conspicuous personal bravery." He and Barry Hoffman, editor of the White Plains, N.Y., Reporter Dispatch, have championed the effort to obtain the Congressional Medal of Honor for Will James for many years, both before and since James' death.

Following favorable action by the House, I will again urge the other body to proceed with immediate consideration of the counterpart measure (S. 135) in the Senate. Senators JAVITS, MOYNIHAN, SARBANES, and MATHIAS are sponsors of that measure.

Once again, I urge my colleagues to support this worthy legislation.

● Mr. BARNES. Mr. Speaker, I am pleased to support H.R. 3407, waiving provisions of existing law to permit the awarding of a medal to William James Tsakanikas and other members of the Intelligence and Reconnaissance Platoon of the 394th Infantry Regiment, 99th Infantry Division, for their heroism during the Battle of the Bulge in 1944. The legislation would make it possible for us to further recognize the great service these men provided for the cause of freedom in one of the most crucial hours of World War II. They exemplified to the highest degree the qualities of duty and honor that are the fabric of this nation's character and tradition.●

● Mr. MONTGOMERY. Mr. Speaker, I rise to clarify a matter with respect to H.R. 3407, which I consider quite important.

As originally introduced, H.R. 3407 would have authorized the President to award a Medal of Honor to the late William James Tsakanikas. It is my strong feeling that it is not appropriate for Congress to make a decision on awards to specific individuals for military conduct. The Medal of Honor, this Nation's highest military decoration, is not a matter for consideration in the political process.

Because of concerns such as these, the committee has amended H.R. 3407 in both its title and the text to provide that it will waive the time limitations to permit awards to be made if and only if the President considers such awards appropriate. Since the committee amendment is now being considered, the title of the bill does not reflect the committee amendment until it is adopted by the House. The title is misleading in that it specifies the award of a Medal of Honor to one individual. The committee did not consider such action to be appropriate and amended the bill to remove the statutory limitations on future awards for all 18 members of this unit for their actions in 1944.

Mr. Speaker, I repeat again that the selection of awards should be done by the Defense Department and reporting of this bill is only to remove dates and does not make recommendations in any way.●

□ 1300

Mr. WHITE. Mr. Speaker, I yield back the balance of my time.

Mrs. HOLT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. White) that the House suspend the rules and pass the bill, H.R. 3407, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to waive the time limitation on the award of certain military decorations to members of the intelligence and reconnaissance platoon of the 394th Infantry Regiment, 99th Infantry Division, for acts of valor performed during the Battle of the Bulge.".

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. WHITE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. This concludes the call of the bills on the Suspension Calendar.

## DEPARTMENT OF JUSTICE AUTHORIZATION ACT, FISCAL YEAR 1980

Mr. DANIELSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3303) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. Danielson).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3303, with Mr. White in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. Danielson) will be recognized for 30 minutes, the gentleman from Illinois (Mr. McClory) will be recognized for 30 minutes, the gentleman from California (Mr. Waxman) will be recognized for 15 minutes, and the gentleman from Kentucky (Mr. Carter) will be recognized for 15 minutes.

The Chair recognizes the gentleman from California (Mr. Danielson).

Mr. DANIELSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am making these remarks in the absence of, and on behalf of, our chairman, the gentleman from New Jersey (Mr. Rodino), though I am informed and believe and thereon state he would have made these remarks had he been present.

Mr. Chairman, the bill before the Committee today—H.R. 3303—reflects an important continuing change in the attitude of the Congress.

The Department, as my colleagues may know, was created by act of Congress 109 years ago. And under rule X of the rules of the House, legislative jurisdiction over nearly every activity within the Department reposes in the Judiciary Committee. Yet the Department, before 1 year ago, had never been required to come before the Judiciary Committee, nor indeed before this House, for authorization of its annual appropriations.

Rather, the act of 1870 that created the Department, and the subsequent creation of Department subdivisions and the authorization of certain Department activities have for more than a century been treated in themselves as the requisite authorization of appropriations. But no more.

Three years ago the Congress enacted Public Law 94-503, title II of which explicitly states that beginning with fiscal 1979 no moneys may be appropriated for the Department unless specifically authorized by law. Under the terms of the 1976 statute, without specific prior authorization the Justice Department cannot qualify for the appropriating process. In other words, the Department—like much of the rest of the executive branch—must now abide by the terms of clause 2 of rule XXI.

Early in 1979, the Department of Justice submitted a fiscal 1980 budget request of approximately $2.4 billion. Of that money, more than $546 million is for the Office of Justice Assistance, Research, and Statistics—primarily LEAA. Because the committee considered the LEAA reauthorization legislation separately, it excluded the OJARS budget request from H.R. 3303.

Thus, of the Department's total $2.4 billion submission, H.R. 3303 addresses only about $1.86 billion.

Section 2 of the bill authorizes appropriations in the following amounts:

First. For general administration, $25.9 million;

Second. For the U.S. Parole Commission, $5.5 million;

Third. For general legal activities, $101.1 million;

Fourth. For the Antitrust Division, $46.9 million;

Fifth. For U.S. attorneys, marshals, and trustees, $234.6 million;

Sixth. For support of U.S. prisoners, $25.1 million;

Seventh. For fees and expenses, $27 million;

Eighth. For community relations, $5.4 million;

Ninth. For the FBI, $575.6 million;

Tenth. For the Immigration and Naturalization Service, $320 million;

Eleventh. For the Drug Enforcement Administration, $193.8 million (separately and previously authorized prior to fiscal 1980); and

Twelfth. For the Federal Prison Service, $334 million.

In addition to the moneys specifically authorized by section 2 of the bill, there are authorized to be appropriated $5.7 million to improve the quality of medical services within the prison system and $30,000 to improve the quality of legal services within the system.

An additional $376,000 is authorized to establish an Office of Inspector General within the Immigration Service.

The bill also contains one open-ended authorization "such sums as may be necessary" for fiscal 1980. But those are for nondiscretionary increases in salary, pay, retirement, and other employee benefits authorized by law.

□ 1310

Mr. McCLORY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the legislation before us. I want to commend the Judiciary Committee on its assumption of this new responsibility of undertaking authorizations for the entire Department of Justice.

It concerns me that we are taking this action at a time after the appropriation bill has been enacted into law and at so late a date that a continuing resolution has had to be adopted, which extends the authorization for the expenditure of funds. It was my hope that when we changed our fiscal year from the 1st of July to the 1st of October, we would be through with all the authorization bills before we began to process appropriations legislation, and that we would not find ourselves authorizing the expenditures of funds after the expenditures had already been approved. But, somehow or other, we seem to have gotten bogged down.

I think it is an unfortunate commentary on this body. I hope that we can improve our operation so that we can undertake in a more orderly fashion to authorize first and appropriate second. I think the impasse that we experienced last week is most unfortunate. It is a bad commentary on this body, and we richly deserve the criticism that is heaped on us when we conduct our business in that way.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the distinguished chairman of the full committee, the gentleman from New Jersey.

Mr. RODINO. Mr. Chairman, I want to thank the distinguished ranking minority member for yielding at this point. The gentleman is making a very important statement. He is calling to the attention of the House of Representatives what is a glaring mistake for us to continue making, and that is, for the House to consider appropriations measures prior to the time that the authorization proposals come before the House, especially when the authorizing committees have already acted.

Without repeating myself, because I have included it in a portion of my prepared statement, I will only say that the Committee on the Judiciary was ready before May 15, the day that the Budget Act has set as the last day for authorizing legislative committees to present authorizations. Thereafter I addressed myself to the leadership of this House time and again in order to assure that we would be given the opportunity to present our proposal after we had gone to the Rules Committee. I think this is certainly not a way for us to legislate, to consider appropriations before we authorize. The Department of Justice, for a long period, has been able to come to the Congress of the United States for an appropriation without having to go before the proper legislative authorizing committee. The Department for years went straight to the House after it had gone to the Appropriations Committee, without the proper legislative committee considering an authorization.

The House acted wisely a few years ago in assuring that jurisdiction would now repose in the proper legislative committee, the Judiciary Committee in this case. Notwithstanding that fact, we are still going through the authorization procedure after the appropriation has been voted. I think that is the wrong way to legislate, and I would hope that we can correct the error we have been making.

Mr. Chairman, H.R. 3303 is a sound bill and members of the Judiciary Committee with expertise in various of the department's activities are available to respond to issues that may arise today. But what is most significant about this legislation is that it continues the new era in Justice Department/congressional relations.

The Congress enacted the 1976 statute we implement today largely because the Judiciary Committee believed the Congress could not adequately or responsibly discharge its oversight responsibilities without the lever of budgetary authorization. I believe that both the Department and the Congress will, in the long run, benefit greatly from the new, healthier arrangement.

But, Mr. Chairman, there is another issue we need to think about as we debate this bill today. The process of authorization cannot work—it simply cannot work—if the House does not better manage and plan for its own schedule in the future.

A year ago when the process first began, it was unfortunately and inadvertently undermined by the floor schedule. Despite the fact that the Judiciary Committee met its May 15 Budget Act deadline, the appropriations bill was long enacted—passed and signed by the President—before the authorization bill conference report reached the floor during the marathon windup weekend last October. And perhaps even more disturbing, the appropriations bill was basically written by the Senate because rule XXI points of order lay against the justice appropriations in the House.

Now, again this year we have appropriated the Justice Department's budget before considering the bill to authorize it. The Judiciary Committee reported its authorization bill well in advance of the May 15 Budget Act deadline. The Rules Committee reported a rule. And still we follow the illogical scheduling approach that confronts us today.

We have waived the points of order against appropriations, but we have not corrected the basic problem.

Rule XXI is designed to enhance the capability of the Congress to review the performance and to check the priorities of the executive branch. It gives legislative committees the opportunity to establish the policy and spending boundaries for the areas of government within their rule X jurisdiction, and it allows for important guidance to the Committee on Appropriations. But we must, next year, authorize before we appropriate.

Mr. McCLORY. Mr. Chairman, I thank the chairman for his statement. I want to commend the chairman and the other members of the committee on the very responsible way in which they met and considered the entire subject of the Department of Justice authorization. It was not always convenient, but we provided the necessary majorities, the necessary quorums at the meetings in order to expedite consideration. We heard from the Department of Justice representatives, the Director of the FBI, and others who have an interest in the authorization as well as the appropriation legislation. And we acted promptly. We reported this measure on April 23.

Mr. Chairman, the most important changes in the operation of the Department were made with respect to the Immigration and Naturalization Service. Clearly, this service is in need of reform. To this end, the bill authorizes creation of a fully automated nonimmigrant control system. It creates within the service the Office of Inspector General so that there might be independent review of Immigration and Naturalization Service operations and candid reports to the Congress on those areas in need of reform. Finally, the bill authorizes a substantial increase in our border patrol capabilities rather than the substantial reduction asked by the administration.

For the FBI, the bill authorizes the amount requested by the Department. I understand some amendments will be offered to change the allocations and increase the total, all in conformity with the needs of this most capable law enforcement agency.

Section 9 of the bill requires progress evaluations to be undertaken by the Attorney General for all elements of the Department. The provision is stronger than last year, and emphasizes the need that reports be submitted to facilitate the authorization process.

Mr. Chairman, with the inauguration of the authorizing process in the Judiciary Committee last year, new authorizations handled by the Appropriations Committee are now handled by the Judiciary Committee. Thus, without an authorization for the fiscal year 1980, there is some doubt about the Department's authority to carry out certain activities. Some of these relate to the FBI's undercover operations, FBI protection of the President, the payment of informers, and providing criminal record identification. These important activities need to be continued.

Mr. Chairman, I might just say that in the course of the 5-minute rule it may be that an amendment will be offered with respect to the after use of the extensive facilities that have been established at Lake Placid for the benefit of the Olympic competitors. We did authorize a substantial amount of money for the development of this facility first, to house the Olympic competitors so that they would be safe and secure—which is necessary in these times of international terrorism; and, second, to provide that following the Olympic games, this facility will be available to be used by our correctional and prison system. Such amendments might ask us to restudy that or to do something else with regard to this facility and its utilization following the Olympic games. I hope that amendments of that type will be resisted, because it was primarily on the basis of the subsequent use of the Olympic games facilities that we authorized and appropriated funds for the development of this housing compound for the Olympic athletes. For us to reverse ourselves and restudy this matter would only cause confusion and waste.

☐ 1320

I might say further that the Olympic facilities are intended to be used for young adult offenders so that they might thereby be separated from repeat and older offenders. It was that objective that prompted us to act favorably on the authorization of that facility.

I hope, Mr. Chairman, that the House will act expeditiously on this important legislation. It is long overdue.

Mr. RODINO. Mr. Chairman, I have no further requests for time and yield back the remainder of my time.

Mr. McCLORY. Mr. Chairman, I have no further requests for time. I would yield back my time unless there were some occasion to utilize time following the time used by the Representatives of the Committee on Interstate and Foreign Commerce. At any rate, I yield back the remainder of my time at this time.

Mr. WAXMAN. Mr. Chairman, I yield myself so much time as I may consume.

Mr. Chairman, this year, for the first time, the Committee on Interstate and Foreign Commerce and the Committee of the Judiciary are both reviewing the authorization of appropriations for the administration of the Controlled Substances Act by the Drug Enforcement Administration (DEA). Beginning in 1970 with the enactment of the Controlled Substances Act, the Committee on Interstate and Foreign Commerce has authorized appropriations for the administration of the Controlled Substances Act. However in 1978, pursuant to Public Law 94-503, the Committee on the Judiciary was required to authorize appropriations for all programs within the Department of Justice. The Drug Enforcement Administration is within the Department of Justice; so the Committee on the Judiciary was required to authorize appropriations for the Drug Enforcement Administration beginning in fiscal year 1980. Those authorizations are included in H.R. 3303.

The Judiciary Committee is properly concerned with the Drug Enforcement Administration because it is an agency of the Department of Justice and carries out criminal law enforcement activities. The Interstate and Foreign Commerce Committee is properly concerned with the Drug Enforcement Administration for several reasons. First, drug abuse is a serious public health problem. Second, to control abusable drugs we must control medically useful and lawfully prescribed drugs, like Valium, as well as illegal drugs like heroin. Third, the scheduling of controlled substance by the DEA is based upon the recommendations of the Secretary of HEW. And fourth, the control of medically useful drugs involves difficult and delicate questions of good medical practice, of proper prescribing and dispensing by health practitioners, and of the medical usefulness of certain drugs

Dr. Carter and I will be offering the text of the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce and now printed in the bill H.R. 3987 as an amendment to H.R. 3303. While the provisions of our bill and section 2, paragraph 11 of H.R. 3393 are similar, both provisions need to be enacted. H.R. 3303 provides authorization of appropriations for 1 fiscal year for the Drug Enforcement Administration—$193,836,000. H.R. 3987 also authorizes appropriations for 1 fiscal year for the Drug Enforcement Administration—$194 million—but it does so by amending the Controlled Substances Act. In addition, H.R. 3987 amends the Controlled Substances Act with two minor changes in the administration of the Act.

By amending the text of H.R. 3987 to H.R. 3303, consideration of this matter by the House can be consolidated; and since the Senate-passed bill, S. 1157, includes provisions similar to H.R. 3987 and section 2, paragraph 11 of H.R. 3303, consideration by any committee of conference will be simplified and expedited.

Mr. Chairman, in enacting the Controlled Substances Act in 1970, Congress found that there were many drugs with a useful and legitimate medical purpose which were necessary to the American people but which also were subject to abuse. Congress also found that the illegal importation, manufacture, distribution, possession, and use of those drugs as well as other substances with no useful medical purpose had substantial and detrimental effect on the health and general welfare of the American people. Congress resolved in 1970 that we must have an effective drug abuse law enforcement and regulatory program. I believe that resolve has not diminished.

While we have had some encouraging results from our efforts to control the use of narcotics, psychotropics, and other abusable substances, we must constantly reassess our efforts and search for better methods to carry out drug abuse activities. Both the Interstate and Foreign Commerce Committee and the Judiciary Committee have proposed a 1-year extension of the authorization of appropriations for the DEA in order to permit our committees to carefully review the current activities of the DEA.

Mr. Chairman, the two committees and their distinguished chairmen, Mr. Staggers and Mr. Rodino, have jointly requested approval of the Speaker of a jurisdictional arrangement which allows both committees to exercise their legislative and oversight responsibilities for the Drug Enforcement Administration. I wish to commend the two chairmen and all members of our committees for the high degree of cooperation which they have displayed.

Mr. CARTER. Mr. Chairman, I yield myself so much time as I may consume.

Mr. CARTER. Mr. Chairman, I strong- authorizations for the Drug Enforcement

Mr. Chairman, I strongly support the Administration and the amendments to the Controlled Substances Act approved by the Commerce Committee. The authorization levels in our bill are virtually the same as in the Judiciary Committee bill, while the two other amendments are simply housekeeping amendments needed to improve the effectiveness of the agency. I would hope that my colleagues will support these provisions.

Mr. Chairman, I support the authorizations for DEA because of my strong belief that the best way to combat drug abuse is to cut off the supply of dangerous drugs. However, I do not believe that every individual who mistakenly becomes involved one time in the abuse of dangerous drugs should be put in jail. We must continue to view drug abuse as a serious and continuing public health problem, one in which law enforcement is seen as a preventive health measure. Our focus in the drug abuse field should always be on designing the most appropriate strategy which improves health.

I wish to commend Mr. Peter Bensinger, Administrator of DEA, for his tireless work in trying to stamp out drug traffic.

For this reason, I am particularly pleased that the Interstate and Foreign Commerce Committee and the Judiciary Committee have been able to appropriately work out their respective jurisdictions in regard to drug abuse matters. I certainly believe it important that we maintain the focus on health when dealing drug abuse, while insuring that the law enforcement aspects of DEA's mission are subjected to scrutiny by the committee with expertise in this area.

I want to commend the chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. Rodino) and my good friend, the chairman of the Committee on Interstate and Foreign Commerce, the gentleman from West Virginia (Mr. Staggers) for their good work and cooperation. I believe it is important, Mr. Chairman, that we maintain the focus on health when dealing with drug abuse while insuring that the law enforcement aspects of DEA's mission are subjected to scrutiny by the committee with expertise in this area.

Mr. WAXMAN. Mr. Chairman, I have no further requests for time and yield back the remainder of my time.

Mr. CARTER. Mr. Chairman, I have no further requests for time. Mr. Chairman, I make an inquiry. I ask the distinguished gentleman from California (Mr. Waxman) if he has an amendment to offer.

Mr. WAXMAN. If the gentleman will yield, the amendment will be offered tomorrow, even though the rule provided for us to exercise general debate at this time. I would point out to the House that we will be offering that amendment.

Mr. CARTER. I thank the distinguished gentleman.

Mr. Chairman, I yield back the remainder of my time.

● Mr. STAGGERS. Mr. Chairman, the abuse of narcotics and other controlled substances is one of the most intractable public health problems our Nation faces. The importation of illegal narcotics and marihuana has continued despite our best efforts. After successful operations in foreign countries to erradicate the sources of these drugs we find that other sources develop in other foreign countries. Illegal manufacture of dangerous drugs and illegal diversion of licit drugs also has continued despite the efforts of Federal, State, and local authorities. The DEA has done a commendable job in our battle against illegal narcotics and other illegal controlled substances. I believe we must pay constant attention to our drug abuse problems and continue to take whatever steps are necessary to insure that we have an effective drug abuse law enforcement and regulatory program. This legislation will provide the necessary authorizations of appropriations for the DEA to continue this work.

I hope all members will give it their full support.●

☐ 1330

Mr. WAXMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore. (Mr. Bennett) having assumed the chair, Mr. White, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3303) ot authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes, had come to no resolution thereon.

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## PERMISSION FOR SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT THIS WEEK DURING 5-MINUTE RULE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce be permitted to meet during the 5-minute rule this week for hearing purposes only, for hearings that are scheduled and for which the members of the subcommittee have received notice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California.

There was no objection.

## EXTENSION OF ALCOHOLISM AND DRUG ABUSE PREVENTION

Mr. WAXMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3916) to extend for 1 fiscal year the current authorization of appropriations for programs of assistance under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN.)

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideratin of the bill, H.R. 3916, with Mrs. SCHROEDER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill will be dispensed with.

Under the rule, the gentleman from California (Mr. WAXMAN) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, it is with pleasure I present H.R. 3916, extension of alcoholism and drug abuse prevention and treatment authorizations to the House of Representatives. This bill would extend through fiscal year 1980, the authorization of appropriations for the programs of assistance administered by the National Institute on Alcohol Abuse and Alcoholism (NIAAA) and the National Institute on Drug Abuse (NIDA).

The bill provides a funding authorization of $221.5 million for NIAAA which includes: $85 million for State formula grants, $102.5 million for community service project grants and contracts, $28 million for alcohol research, and $6 million for support of the national alcohol research centers. The authorization level is identical to that requested in fiscal year 1979.

With respect to NIDA, the bill provides a funding authorization of $206 million which includes: $45 million for State formula grants and $161 million for community service project grants and contracts. The authorization level is $23 million less than requested in fiscal year 1979 and more closely approximates anticipated appropriations.

Madam Chairman, the committee is recommending a limited 1-year authorization because it believes certain institute activities warrant closer scrutiny. The committee is concerned that deficiencies in contracting and program management may exist—particularly with respect to NIDA—which require further review prior to the Congress approving an extended authorization. Furthermore, because the authorization of appropriations for community mental health centers administered by the National Institute on Mental Health is also due to expire in 1980, a 1-year extension will afford the committee the opportunity to simultaneosly consider issues common to all three institutes within the Alcohol, Drug Abuse Mental Health Administration (ADAMHA).

There are numerous areas in which the National Institute on Mental Health, National Institute on Drug Abuse and National Institute on Alcohol Abuse and Alcoholism Interact. The committee believes an assessment is necessary of the extent to which these activities are coordinated at the Federal, State, and local level.

A 1-year authorization will allow the committee the opportunity to thoroughly and deliberately review NIDA and NIAAA programs as well as evaluate the effect of recent leadership changes on their respective activities. It is the committee's intent to consider a multiple year extension for drug and alcohol abuse programs next year.

Madam Chairman, the bill also requires that both institutes pay closer attention to the special needs of women and the elderly—two particularly high risk and underserved populations. In the past, women and the elderly have been sorely neglected by federally sponsored drug and alcohol abuse programs. The committee intends this policy to stop and that serious initiatives be developed specifically tailored to their special needs.

The committee bill also places special emphasis upon drug abuse prevention. H.R. 3916 requires that 10 percent of funds appropriated under section 410 of the Drug Abuse Office and Treatment Act of 1972 be used to sponsor drug abuse prevention programs. This provision restores a measure of balance to NIDA funding priorities and insures that greater attention is focused on programs to identify and treat the early manifestations of drug abuse.

The prevention set aside is intended as a floor and not a ceiling on prevention spending.

The committee expects that NIDA meet the fiscal year 1980 prevention funding level through increased efficiency in other NIDA sponsored community service projects. It is not the committee's intention that increased prevention funding be obtained by across-the-board reductions in other NIDA activities. The committee would take exception to such action and strongly urges NIDA to carefully look instead at streamlining and eliminating inefficient or underutilized programs.

Madam Chairman, this legislation is cosponsored by a bipartisan majority of the Subcommittee on Health and the Environment and on May 9, 1979, was reported by voice vote to the House by the Committee on Interstate and Foreign Commerce. Similar legislation, S. 440 (alcohol abuse programs) and S. 525 (drug abuse programs) passed the Senate on May 7, 1979.

Madam Chairman, passage of this legislation is critically important. Alcohol and drug abuse continue to be one of this country's greatest public health threats. While the human toll in lives lost and families destroyed is enormous, the economic cost to our society from substance abuse is staggering.

Today an estimated 9.3 to 10 million Americans are problem drinkers and the incidence of alcohol abuse among women and youth is increasing at an alarming rate. The economic cost to our society from alcohol abuse is estimated to exceed $42.75 billion annually with over $12 billion directly attributable to related health care costs.

The impact of drug abuse is no less grave. Despite noticeable reduction in injuries and deaths related to heroin, the committee has witnessed a dramatic upsurge in the number of injuries associated with prescription medicines and illicit drugs like PCP and cocaine.

In many ways, drug abuse is a more serious and complicated problem today than it was a decade ago. Drug abuse is no longer understood solely in terms of illicit drugs like heroin. In fact, in New York City, an area generally regarded as America's "narcotics caldron," recent emergency room data indicates that the tranquilizer valium—not heroin—is the No. 1 drug of abuse.

Drug abuse is clearly a changing phenomenon. It is characterized not only by narcotics addicts on the streets of our cities, but by teenagers combining drugs and alcohol, older Americans unknowingly misusing prescription medicines, and by men and women relying on mind altering chemicals to cope with the stresses of day to day living.

Madam Chairman, the serious social and health injuries associated with the abuse of drugs and alcohol are real. No race, no age group, no economic stratum is immune from their corrosive, dehumanizing effects. The need for Federal leadership in this field continues to be strong.

I urge my colleagues' support for continuation of these necessary public health programs.

Mr. CARTER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, we are all aware that the abuse of alcohol and drugs can lead to serious and debilitating effects to health. Moreover, both of these problems can lead to the breakup of families, loss of employment, and even crime. For these reasons, I believe there is a good case for a strong Federal role in combating these problems, and I am happy to have an opportunity to support an appropriate Federal response to these problems.

The twin problems of alcohol abuse and drug abuse have shown little sign of abating in the shortrun, and therefore it is clear that more effort could be beneficial in this area. However, I believe that our first responsibility is to insure that the resources we are committing now to these programs are used as effectively as possible. I know that in regard to the National Institute on Drug Abuse there have been allegations of inadequate management as highlighted by an investigation conducted last year by the Subcommittee on Oversight and Investigations. I would also note in this regard that both programs were without a director for some period of time. I submit that given the difficult nature of these serious health problems, we need to be concerned about the effectiveness of the leadership and management provided to them. Although I support the goals of the programs, I believe that both deserve close scrutiny to insure that they are doing the job which we expect of them. That is why I believe that this simple extension with minimal substantive amendment is the best course. Moreover, the committee has mandated a detailed report on research activities, the area where problems appear to have occurred, in order to assist us in the oversight to which we are committeed. I would urge my colleagues to support our efforts in this area.

Thank you, Madam Chairman.

Mr. WAXMAN. Madam Chairman, I yield such time as he may consume to a distinguished member of our subcommittee, the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. I thank the chairman of our subcommittee.

I take this time to pose a question to the chairman of our subcommittee. I understand the Senate has passed a bill on this subject which contains a warning label on alcoholic beverages. I would like to ask the subcommittee chairman what is his reaction to such an amendment.

Mr. WAXMAN. Madam Chairman, the Senate has passed such a proposal as part of their reauthorization of Federal alcohol abuse prevention and treatment programs. However, if such a proposal were offered on the House side, it is my opinion it would not be germane to this authorization bill.

Our subcommittee has not held hearings on this subject. I am sure we will all want to look at that issue very carefully. However, if such a proposal were offered at this time in the House, I would consider it nongermane and would make a point of order that it would not be germane to our bill.

Mr. PREYER. I thank the subcommittee chairman.

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Mr. WAXMAN. Madam Chairman, I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Madam Chairman, I thank the gentleman for yielding.

I rise to commend the gentleman from California, the gentleman from Kentucky and all members of the committee for bringing forth this very necessary piece of legislation and for especially recognizing the problems of alcoholism among the young men and women and among the elderly and for providing for the uses of having some of the formula grants, particularly those going to some of the States that will be used for programs in these regards.

I particularly commend them for making certain that the persons who are very familiar with the problems of alcoholism in young men and women and the elderly will now be represented on State councils.

Mr. CARTER. Madam Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Madam Chairman, I rise in support of H.R. 3916, a bill to extend the authorization for appropriations for two of the institutes of the Public Health Service—the National Institute on Alcohol Abuse and Alcoholism (NIAAA), and the National Institute on Drug Abuse (NIDA).

I wish to congratulate the chairman of the Subcommittee on Health, Mr. WAXMAN, and the ranking minority member, Mr. CARTER, for their comprehensive review of these two institutes. In my service as the ranking minority member of the Select Committee on Narcotics Abuse and Control, I have become very familiar with the work of these Institutes. The select committee has worked very closely with these two Institutes, particularly with NIDA over the past 3 years, and in general, I, and I think my colleagues on the committee are satisfied with much of what the Institute has accomplished to date.

When NIDA was first established in 1972, Congress and the President realized that the drug abuse problem in America was reaching crisis proportions. At that time we hoped that the extensive resources of the Federal Government could help reduce drug abuse rapidly. We now know that there are no short-term solutions and a continued effort on the part of all levels of Government and community organizations is necessary to combat this problem.

The use and abuse of drugs in America has changed significantly since 1972. Drug use no longer is restricted to the poor and the economically disadvantaged. Drug use by young people, women, and the elderly has risen dramatically in the past few years. Moreover, there has been a substantial shift in the types of drugs which are being abused. Through successful efforts by DEA and extensive education of the public concerning its dangers, heroin is no longer the most abused drug. However, use of marihuana, cocaine, PCP, and prescription drugs has skyrocketed, particularly among young people.

I share the committee's dismay and concern with the administration's initial budget request of $4.7 million for prevention activities, which consist of project grants and contracts, for the National Institute on Drug Abuse for the new fiscal year. Last year NIDA obligated $5 million for this purpose and $7.2 million during fiscal year 1978. During May, June, and July of this year the select committee held a series of oversight hearings on the Federal strategy on drug abuse and traffic prevention. It is fair to say that we concluded that prevention programs, particularly those directed at young people are an effective tool in the war on drug abuse. The Committee on Interstate and Foreign Commerce has recognized this and has mandated that 10 percent of the drug abuse project grant appropriations to NIDA be used to develop primary prevention programs. This, approximately $16 million rather than the requested $4.7 million will be directed where I believe it is most needed.

Finally, the committee has voted wisely in seeking an authorization for 1 year only. This will enable the Subcommittee on Health and the Environment and the Select Committee on Narcotics Abuse and Control to continue to monitor the overall thrust of the two Institutes.

● Mr. PEPPER. Madam Chairman, I lend my strong support to H.R. 3916, and congratulate my distinguished colleague from California (Mr. WAXMAN), for his efforts in bringing this measure to the floor. As fellow members of the House Select Committee on Aging, both Mr. WAXMAN and myself are well aware of the increasing percentage of alcohol and drug abuse among America's aged.

In April of this year, our committee held a National Conference on Mental Health and the Elderly. Mrs. Rosalynn Carter delivered the keynote address to the 300 delegates from nearly all 50 States who were in attendance. As Mr. Carter pointed out—the need is compelling. Experts agree that of the 22 million people in this country who are over 65 years of age, 1.6 million of them may be alcoholics. Equally astounding is the fact that one out of every five Americans suffering from alcoholism may be elderly. In spite of these large figures, few older people are being adequately treated. They are either misdiagnosed, considered too old to help, or are simply overlooked.

Similarly, the extent to which older Americans misuse prescription and over-the-counter medication is exceedingly high. Twenty-five percent of all prescribed medication are used by the elderly and consequently the risk of abuse is significant. Older persons have characteristically low tolerance to drugs and thus are subject to overmedication. Clearly, some education is needed to inform the elderly on drug abuse, particularly drug misuse.

H.R. 3916 seeks to bring the problems of the elderly in these matters out in the open so they can be dealt with effectively. Many of the provisions directly deal with problems brought out in the National Conference. By surveying their needs in alcohol and drug abuse, and giving special consideration to contracts and grants establishing programs in these areas, we are taking a major step in combating this problem. I urge all of my colleagues to join me in supporting this important piece of legislation and I commend Chairman WAXMAN and all the members of the Subcommittee on Health and the Environment for their special sensitivity in adding these new provisions to respond to the special problems of the elderly.●

● Mr. CORRADA. Madam Chairman, I rise in support of H.R. 3916, the extension of alcoholism and drug abuse prevention and treatment authorities. In Puerto Rico we have the department of addiction services which is the single state agency responsible for the formulation and implementation of an adequate social response to the problem of use and abuse of alcohol and drugs. This department has been directing all of our treatments, preventive and supportive efforts to accomplish a significant reduction in the casualties of this dual problem.

In Puerto Rico the community has been our best resource to combat these problems. I feel proud of it. We have been encouraging individual participation at all levels and it has been the department's policy to integrate the family into all treatments, prevention and supportive efforts.

I welcome the extension of this Federal program, which I believe to be of great importance in assisting the States in planning and developing an effective prevention, treatment and rehabilitation program dealing with alcoholism and drug abuse. I also commend the member of the committee in recognizing that the elderly are becoming involved in drug related injuries.

These programs supplement the States as well as Puerto Rico's efforts in dealing with these problems. In the case of Puerto Rico I might say that our accomplishments can be classified as outstanding. More has to be done and more will be done. For this reason the States need the Federal assistance in this endeavor and I urge to support and vote in favor of this bill.●

● Mr. WOLFF. Madam Chairman, I rise in support of the bill. This legislation would extend for 1 fiscal year the authorizations under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972. The drug abuse funds authorized in this bill, $45 million for section 409 State formula grants, and $161 million for section 410 project grants, are desperately needed if we are to seriously continue our efforts to control drug abuse in this country.

Since late 1976, under its mandate from the House, the Select Committee on Narcotics Abuse and Control has been carefully studying the multifaceted problem of drug abuse. As chairman of this committee, I can inform my colleagues that there are two key fronts in our battle against drug abuse both of equal importance. The first consists of our efforts to reduce the supply of drugs entering the United States. The second concerns our ability to provide treatment and rehabilitation to those suffering from drug abuse and, more importantly, our ability to prevent the spread of drug abuse among our people. It is this second front which is addressed by this bill.

The incidence of drug abuse in the United States continues to increase, and the select committee is in complete agreement with the Committee on Interstate and Foreign Commerce when it states that "the upward trend in drug abuse among the young is one of the most serious health problems facing our Nation." The use of marihuana by high school seniors has increased some 20 percent since 1975. The use of cocaine and inhalants has also significantly increased during this brief period of time.

But in many respects the drug problem we face today is unlike the one we faced only a few years ago. Our efforts to reduce both the supply of heroin and the number of our citizens addicted to it have been largely successful. Today, instead of heroin, the abuse of legitimately prescribed drugs is perhaps our greatest problem. The skyrocketing popularity of the animal tranquilizer PCP may be an ominous sign that basement chemists may soon dominate our trafficking patterns. And while there is some element of supply reduction involved in the abuse of these substances, of even more importance is the element of prevention. Our youth must be made aware of the harmfulness of drugs. We must dispel the glamorous myths that promote the use of drugs.

It was with deep concern I noted in the administration's budget request that only $4.7 million was requested for NIDA's prevention activities under section 410, an amount which is roughly equivalent to only 3 percent of the section 410 authorization. This level of prevention funding is totally inadequate in view of the rising incidence of drug abuse. And I hasten to point out that the administration's prevention request for fiscal year 1980 is less than actual obligations in both fiscal years 1978 and 1979.

Under the strong leadership of full committee Chairman STAGGERS and subcommittee Chairman WAXMAN, this inadequacy has been addressed. The bill will require that at least 10 percent of section 410 appropriations will be targeted toward primary prevention activities. Because of this action NIDA can be expected to devote approximately $16 million—instead of less than $5 million—for these purposes.

The bill also recognizes the particular problems which women and the elderly have with respect to drug abuse. By requiring that representatives of these groups be participating members in the State advisory councils, this legislation will help insure that State drug abuse programs adequately address the special needs of both women and the elderly.

In short, this legislation is nothing less than vital to our drug control efforts. I cannot too strongly urge its adoption.●

● Mr. ST GERMAIN. Madam Chairman, I rise in support of H.R. 3916. The Federal program to combat alcohol and drug abuse has been in existence for only 10 years, yet, in spite of some difficulties, during that time projects funded through NIAA and NIDA have met with significant successes. Through the efforts of NIAA, our society has become increasingly aware that rather than being a question of morality, alcoholism is an illness which can be treated and which exists among every group within our society.

Truly, alcoholism is something which touches almost everyone in some way. Who can say that he has not had a friend or family member who has suffered from this disease? Yet too often, rather than being encouraged to seek help, the alcoholic is made to feel ashamed, and attempts to hide his problem, instead of finding the necessary care which will enable him to lead a productive life.

Not only has the Federal Government been attempting to address this problem, but also the private sector has been active in initiating alcohol-treatment programs. In my own district, I have been very impressed with the work of Edgehill Newport, Inc. The Edgehill Newport Alcoholism Treatment Center in Newport, R.I., is a unique proprietary comprehensive rehabilitation and research center for alcoholism and alcohol abuse initiated by leaders of the business community with local citizen support. It has recently laid the cornerstone for a new 160-bed facility and will use an approach which will include family involvement and posttreatment support. Edgehill Newport is directed by Dr. LeClair Bissell, whose professionalism, enthusiam, and concern I am confident will enable Edgehill Newport to fulfill its praiseworthy goals.

In addition to her commitment at Edgehill Newport, Dr. Bissell has offered her expertise to the Federal Government in whatever way she can be of assistance. In view of the success of several private facilities across the Nation, I believe it is important that Federal programs draw on this resource of private expertise in order that tax dollars may be spent productively.

Let me urge that H.R. 3916 be passed today so that the Federal alcohol and drug abuse programs may be continued. But let me also urge that the directors of these programs look carefully at what the private sector has done successfully so that wherever possible the methods which have proved successful for private programs may be adopted for public programs as well.●

● Mr. JOHN L. BURTON. Madam Chairman, I rise in support of H.R. 3916, especially for the special emphasis it places on identifying and aiding the alcohol and drug problems of women.

Last May during the hearings on midlife women before the Subcommittee on Retirement Income and Employment of the Select Committee on Aging, I was saddened to hear testimony concerning the great dependency midlife women have formed on drugs and alcohol. Presently, the National Institute on Drug Abuse estimates that 2 million women are dependent on drugs and 5 million women on alcohol. The statistics are both staggering and frightening. According to statistics of the Drug Abuse Warning Network, women comprise approximately 70 percent of the users of the top two prescribed and manufactured drugs in this country, valium and librium. The National Institute on Drug Abuse estimates that 32 million women, opposed to 19 million men, have used doctor prescribed drugs, while the number of male users displayed no similar increase.

Testimony elicited from the midlife women's hearing show that these midlife women are, perhaps, the most affected by the changing roles of men and women in our society. They want to change their roles in the home and in employment, but many of them lack education or current job experience. The redefinition of men and women in society has left them frustrated and in search of an escape. Too many have turned to drugs and alcohol.

A special knowledge of women's needs is fundamental to the treatment of their addiction and dependency on alcohol and drugs, many of which are legally doctor-prescribed drugs. Through the authorization of special programs for prevention and treatment, H.R. 3916 is a needed step toward eliminating this problem. I strongly urge you to join me in supporting this bill.●

● Mr. STAGGERS. Madam Chairman, the abuse of drugs and alcohol is one of this Nation's most pressing public health problems. By all reports, drug and alcohol abuse is a problem of growing complexity and dimension—it impacts harshly on all levels of our society.

Each year, tens of thousands of deaths and injuries occur as a result of substance abuse. Countless millions of other Americans are indirectly affected due to injuries incurred by family members or other loved ones.

The $427.5 million authorized by H.R. 3916 is critically important to maintaining the many useful community service and research activities of the National Institute on Alcohol Abuse and Alcoholism (NIAAA). Many Americans look to these programs for assistance in dealing with their drug and alcohol abuse problems.

In addition to placing emphasis upon prevention, the committee's bill encourages the institutes to pay particular attention to the unique needs of the elderly, women, and youth. This is an important focus which I believe should be pursued vigorously.

Madam Chairman, in this regard, one special concern of which the committee continues to receive disturbing reports, is the continuing upward trends in drug and alcohol abuse among our Nation's youth. The NIAAA estimates there may be as many as 450,000 teenage alcoholics in this country. Even more shocking, one study has indicated that as many as 19 percent of teenagers can be classified as problem drinkers. Tragically this percentage shows no sign of declining. With compelling evidence suggesting that early drinking habits increase the risk of more serious abuse problems later in life, the drinking patterns of today's youth are problems we dare not neglect.

Madam Chairman, I want to commend the distinguished subcommittee chairman, Mr. Waxman, and the ranking minority member, Dr. Carter, as well as the other members of the Subcommittee on Health and the Environment for their diligence in bringing this important legislation to the floor. H.R. 3916 is vital to the health of our country and I urge my collegues' support.●

Mr. CARTER. Madam Chairman, I yield back the balance of my time.

Mr. WAXMAN. Madam Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Fascell) having assumed the chair, Mrs. Schroeder, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3916) to extend for 1 fiscal year the current authorization of appropriations for programs of assistance under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972, had come to no resolution thereon.

## GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3916, now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

## DEDICATION OF HÉBERT HALL, TULANE UNIVERSITY, NEW ORLEANS, LA., HONORING FORMER CONGRESSMAN HÉBERT

(Mr. DAN DANIEL was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, on Saturday last, it was my opportunity and pleasure to attend a ceremony in New Orleans along with my colleagues Lindy Boggs and Bob Livingston. The purpose of the ceremony was to dedicate the Eddy Hébert wing at Tulane University, which will house the Department of History, Arts, and Sciences.

It was good to see our former colleague, Eddy Hébert, looking so well and with his keen and alert mind continuing to assess the affairs of Government and especially those pertaining to the defense of our country.

The dedication address was delivered by Saceur General Bernard Rogers, who expressed the imperative need for strengthening NATO and particularly the nuclear theater aspects of NATO.

I would like at this time to put in the Record the address of General Rogers, as follows:

### Address at Dedication of Hébert Hall, Tulane University, New Orleans, La., October 13, 1979

Congressman Hébert, President Hackney, Archbishop Hannan, Distinguished Guests, Ladies and Gentlemen.

I am deeply honored to have been asked to speak at this dedication ceremony for Hébert Hall. In all candor, I must confess that it is indeed more comfortable to be here on the dais with F. Edward Hébert than it ever was testifying before his committee and various subcommittees about the Army and its challenges. But the long years he and I spent working together on our nation's defense problems lead me to call Mr. Eddie—as I always call him—not only a friend, but also a comrade-in-arms. And yet, nothing could be more difficult than to pay full and complete tribute to the service of this dedicated public servant and devoted patriot.

Few men in public life merit the accolade of "Titan" which has been justifiably bestowed upon Mr. Eddie. It is a term that in every respect describes the life and career of public service of this man. Truly he has been a giant among men. Intellect, political instinct and skill, intense interest in ensuring that the truth be published, an insistence upon fair play, and an unrelenting desire to ensure that our nation's defenses remained second to none have been the hallmarks of his long and distinguished career since he departed from this University some 55 years ago.

That he is both a skillful debator and an articulate spokesman for national security interests is well known, and I suspect that these personal skills were honed and calibrated during the 20 years he spent as a newspaperman. I think that those years were particularly instructive for Mr. Eddie, for they were the post-World War I years—years that saw the United States retreat from its idealistic intervention in World War I to "make the world safe for democracy" to the comfortable "normalcy" of Main Street America. It was an America which would reject participation in the League of Nations, enjoy the benefits of unprecedented economic gain in the early twenties, witness the Crash of '29, suffer during the Depression of the 1930's and ultimately become involved in a war which would be fought on three continents.

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It would be a war that would ultimately be won by a combination of American technological achievements and the ability to mobilize an entire society and its industrial base, but it would be paid for with the lives of the youth of many nations and with valuable national treasures.

Mr. Eddie, observing the changes in these troubled times, decided to run for Congress in 1940—it was to be only a brief sabbatical from the world of newspapers and city desks to gain some broader insights into the rapidly changing world around him. It was a sabbatical that would last until 1976, when he would finally retire as the Chairman of the House Armed Services Committee after serving seven consecutive American Presidents in a world which would see the United States emerge as a world power armed with a technological superiority and nuclear monopoly, hopefully never again to revert to the isolationist stance which followed World War I.

But it was also a world which would see not only the dawn of the nuclear age, but an intense competition that would ultimately spread from the two superpowers to other nations seeking local or regional superiority over traditional rivals. It was a world which would be characterized by the Cold War and East-West competition driven by the long shadow of superior Soviet conventional power which would initially occupy Eastern Europe and leave a divided Germany and the city of Berlin an island of freedom behind the Iron Curtain. It was a world which would witness the Soviet Union evolve from a power that was continental in character and Eurasian in scope to one which was global, making use of proxy forces on numerous occasions to challenge the interests of the United States, which had become the guarantor of Western values. It was a world in which an Alliance, NATO, would secure Western Europe from Soviet domination for thirty years.

It was the first SACEUR, General Eisenhower, who once described this collective effort called NATO as having been organized under the "scent of fear." In 1949 when we signed the North Atlantic Treaty, NATO was essentially characterized by predominant American power with its military-industrial complex unscathed from the ravages of WWII. Ours was a nation which wanted to help friends and former enemies alike, and which would ultimately cause a young American President to say to his own people at the dawn of the sixties that Americans would fight any battle, support any friend, oppose any foe where liberty was challenged throughout this globe.

But much has changed during the 30 year existence of the Alliance. The mood of impending conflict at the demarcation line between East and West has been replaced by the so-called atmosphere of detente. * * * Rebounding European prosperity has reduced America's strategic and economic superiority in the Alliance, and West European partners have begun to carry a proportionately heavier share of the collective burdens of defense, as they must. And at the same time, the fabric of a true European community, which many statesmen sought amidst the rubble of war's end, has been woven ever stronger.

Despite all this change in Europe, we should recognize that some things have not changed.

—Western Europe remains free of Soviet domination. It is a freedom maintained at considerable cost, but a freedom upon which a price tag cannot be placed.

—The longing for freedom in the hearts of many behind the Iron Curtain continues to exist in contrast with their governments' placing the value of the state higher than the freedoms of the individual.

And the Soviet threat remains, manifested in an ongoing military buildup which clearly exceeds any defensive or deterrent requirements. Though some perceive that the shadow of imminent conflict in Europe, which precipitated our NATO Alliance, has receded, the ultimate goal and more subtle dangers of Soviet domination have not. In a world marked by continuing competition between East and West, by impending leadership changes in the East, and by rapid change in the world beyond NATO's boundaries, we cannot be complacent that crisis and confrontation will not again challenge the fundamental security of Europe, and hence the security interests of the US.

In the first instance, this danger derives from the continuing adverse force balances between the Warsaw Pact and the nations of NATO. The risks and opportunities which face us in NATO must be assessed against the backdrop of an unabated growth in Soviet military power—power that has accumulated over the last 15 years as a result of 4–5% real increases in the defense budget each year.

And what has been the overall effect of this sustained growth of military power by the Soviets?

In the conventional area, the traditional Soviet numerical superiority has been supplemented by qualitative technological gains which give the Warsaw Pact weapons systems which are equal to or superior to any now fielded or planned for deployment by NATO forces. And these gains have been achieved with great rapidity.

With regard to theater nuclear forces, whose role is to link credibly the strategic deterrent to the conventional defense of Europe, the West has belatedly begun to understand the implications of the continued growth of Soviet theater nuclear forces, a growth which has transformed former Western superiority into Soviet advantage at all ranges. The Alliance faces a crucial decision in the near future concerning the modernization of its Theater Nuclear Forces if it is to deter the threat from the East, a threat which now contains the SS–20 missile and the BACKFIRE bomber. There is no question in my mind about the military requirement for this modernization. There is an active campaign—witness the Brezhnev speech of a week ago—to try and turn our nations from this modernization. We must proceed with the vital Alliance decision to deploy long range theater nuclear systems, coupled with the parallel arms control approval, if we are to demonstrate the cohesion and solidarity of the Alliance in the face of the threat.

I would hope that our member nations will never permit propaganda and pressures from the East—especially the Soviet Union—from keeping the Alliance from taking whatever actions it deems necessary—to include the deployment of appropriate theater weapons systems—to deter the threat for which the Soviet Union itself is responsible.

Surely the West must not put itself in the position of letting the Soviet Union decide for us the means we should use to deter the growing threat which the Soviet Union herself has created.

Finally, in the strategic area, the Soviets have now overcome their position of marked inferiority in the mid-1960's to achieve a present condition of essential equivalence. This means that the West can no longer rely on American strategic nuclear superiority as the ultimate arbiter in every crisis which directly or potentially involves the Soviet Union.

* * * * *

It is clear that our Alliance faces an awesome aggregation of military power—power which far exceeds any conceivable Soviet defensive requirements. And we must keep in mind the historical fact that nations, possessing excessive levels of military power and rent by internal pressures, have often been tempted to resort to external diversions in the Third World, or repression in those areas already under their control.

Thus, in the fall of 1979, some 30 years after its inception, NATO once again finds itself drawn into the deepest and most intimate consultations, perhaps again under the "scent of fear." It is derived from the sober recognition that the Soviets have methodically isolated and addressed their force weaknesses and vulnerabilities which previously enabled the West to counterbalance traditional Soviet strengths without matching them. As a result of that concentrated effort no single facet of the Soviet military effort is now susceptible to unilateral Western exploitation.

The challenge we face today is to continue to provide the requisite forces, conventional and nuclear, to implement NATO strategy. We can neither rely on rhetoric nor promised peace offensives and fail to provide an adequate deterrent force in the face of the Soviet threat. As in all aspects of our security policy, we must maintain a judicious balance in our efforts—balance between our hopes for tomorrow and the realities of today.

Thus we must maintain and improve the necessary means of Western defense while continuing to pursue the visionary and desirable goals of arms control. These essential improvements in our deterrent and warfighting capabilities are not in conflict with legitimate aspirations for arms control. For it is only by tending to our essential defensive and deterrent needs that NATO can achieve a security environment in which equitable arms control agreements are possible.

The concerns which I have outlined to you today have perhaps been heightened by my town activities over the past several weeks that have found me in Deauville, France, near the beaches of Normandy, and visiting large NATO field exercises of our 1979 Autumn Forge exercise series. And I think that it is the stark contrast between the realities of the Autumn Forge field exercises, where our nations work together in peace to deter war, and the necessities of the landings at Normandy to defeat aggression 35 years ago that highlights the fundamental challenges we in NATO face today. For it is a challenge to the unreserved commitment of each of our member nations to our collective effort—a challenge to share not only the benefits of our undertaking but also to share the risks and burdens of our security arrangements.

Whether you participated in those landings on Normandy's beaches, or have visited the sites, one cannot help but be impressed—perhaps "depressed" is a better word—by the folly, futility and waste of war as a primary means of resolving man's problems. A generation of European youth has all but forgotten the tragedies of war and Americans are only vaguely aware of the many grim reminders that dot the European countryside—cemeteries of all nationalities, and monuments raised to the courage, bravery and staunchness of the various national forces.

Never again must there be new landing sites to visit, new cemeteries filled with nations' youth, and new monuments to view. But if there are to be no more wars, then the North Atlantic Alliance must be strong and prepared to stand up to the threat of Soviet military power we now face.

If we have learned anything through the flow of history, it is that equivalence and readiness of the forces of an alliance threatened by an adversary's excess accumulation of military power are not provocative but are essential to the preservation of peace with security. Weakness, unpreparedness and equivocation are provocative. Equivalence, force readiness and determination are protective.

Congressman Eddie Hébert understands that kind of language, firmly believing, as he has stated: "Power is the only language that Russia knows and respects." He understands—and has always insisted—that national security must be our number one priority and that national security requires sufficient forces, properly trained and equipped and ready for dispatch to any threatened area. Or as Mr. Eddie has put it:

"The peril of being unprepared to put trained citizens into the field of battle on short notice has been sounded by military men and statesmen from the time of Washington. To send our men untrained into war to meet equally good men, well trained and disciplined, was once described . . . as murder. This perhaps is too strong, but it is certainly a gross disregard for human life."

That statement was made by a young Eddie Hébert of 15 while debating, as a member of the local Jesuit High Debating Team, the affirmative side of the subject: "Resolved: That military instruction in high schools should be a compulsory part of education." Fifty years later, Congressman Hébert stood on the parade fields of that same Jesuit High School and reviewed the first Junior ROTC unit in the nation to be activated. This event typifies the consistency of his beliefs, ideals and principles through the years.

It is particularly significant that we dedicate this Hébert Hall on the eve of the decades of the eighties—a decade during which our deterrent must be met through a sufficiency of ready forces provided by necessary national commitments, commitments of both resources and will. This critical time period allows us little margain for error if our deterrent is to remain credible in a vastly changed world from that which existed at the start of our collective defense effort some 30 years ago.

Mr. Eddie once wrote: "I believe I have played a major role in keeping America safe, and free. I have always sought to leave the world a better place than I found it." This example of dedication to our nation and our shared values of freedom and justice is worthy of emulation. If there are to be no more wars, if we expect to secure our peace and our freedom, then we must have the strength of character and sense of duty to insure that our country remains strong in the face of danger.

We who follow could do no better than to look to Mr. Eddie's career of distinguished service as a beacon to guide our way. His nation and the Free World owe him a debt of deep gratitude for his having devoted a lifetime to guaranteeing our freedoms.

I believe we in the United States can face the future buoyed by the confidence derived from 30 years' success in our endeavor of collective security by NATO to which Mr. Eddie has contributed so much. And, just as we know the tasks which must be fulfilled if such success is to continue, so we know that we can perform those tasks provided we have the collective will within the Alliance to face up to them. Hébert Hall, with its replica of Mr. Eddie's Congressional office, will offer both a reminder of the burdens we must assume and a place for our successors to determine if our confidence was misplaced. I don't believe that it is.

Mr. Eddie, we are proud of you and grateful to you for the many and the great contributions you have made to your city, your State, your nation and to the free world. You are missed in Washington.

Hébert Hall will stand as a vibrant symbol of your many, meaningful accomplishments. All of your many friends around the world rejoice in this honor being paid to you today, an honor shared by your lovely lady, Gladys, who has been at your side for so many years and by your daughter, Dawn. I am delighted and humbled to have been the one to represent a of those here today.

## CONFERENCE ON GASOHOL IN NORTH AND SOUTH AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. Boggs) is recognized for 5 minutes.

● Mrs. BOGGS. Mr. Speaker, I rise to call attention to a very important meeting scheduled to be held in New Orleans next month. The First InterAmerican Conference on Renewable Sources of Energy will take place November 25 through 29.

The Conference will focus on the reality of alcohol fuels, the incentives that Government should provide for private enterprise, the economic benefits of various crop sources and their byproducts, the creation of an efficient marketing system, and the necessity for rapid implementation of programs to encourage the development and use of alcohol fuels. This forum will be of great interest to the agricultural interests of America, to the Nation's consumer, and to the many countries of the Western Hemisphere that are dependent upon imported petroleum.

The participants and the invitees to the Conference will include people of varied backgrounds and interests: Economists, researchers, representatives of participating countries, officials of State and regional organizations, chemical and industrial engineers, representatives of marketing companies for equipment for sugar mills, factories, distilleries, and processors.

The goal of the First InterAmerican Conference on Renewable Sources of Energy is to draw together all of these interests and to conclude with a consensus for the implementation of the objective of developing viable sources of renewable energy resources in the Western Hemisphere.

Last week the organizers of the Conference issued "A Call to Action for Alcohol Fuel Production." I insert the call for action at this point in the Record:

### A Call To Action For Alcohol Fuel Production

The First InterAmerican Conference on Renewable Sources of Energy, to be held in New Orleans, Louisiana (U.S.A.) November 25–29, will bring together policy-makers in government and industry from throughout North and Latin America to formulate a plan of action for alcohol fuels (gasohol) production.

"The latest technologies and most relevant set of economics will be presented as a foundation on which to base a specific alcohol fuels policy", said Louisiana State Representative deLesseps S. Morrison, Chairman of the Conference.

The State of Louisiana is joined as sponsor of the Conference by the Organization of American States (OAS), United Nations Development Program, Cordell Hull Foundation, and the U.S. Agency for International Development (AID).

"This Conference will bring together the very best expertise with prominent government and industry leaders who are in a position to influence policies in their respective states and nations", Morrison added. "They will have an opportunity to exchange knowledge and experiences."

Ranking members of the United States Congress and Senate will discuss "The Political and Economic Realities of Alcohol Fuels" as well as current and future U.S. policies on renewable sources of energy. The challenge of the Conference is to forge a policy of "Energy Interdependence in the Western Hemisphere".

Industry and government officials from Brazil, Central America, India, Austria and the Caribbean will share their expertise and plans for alcohol fuel production. On the smaller scale, the benefits of "Appropriate Rural Technology" as it applies to farmers and farm co-ops in the U.S. and Latin America will be reviewed.

Experts from throughout the world will discuss the "Cost Effectiveness of Alcohol Fuel Production" and "The State of Technology" as it pertains to sugar, starch, and cellulose based fermentation alcohols.

The $385 registration fee includes all luncheons, a banquet, reception, and a Dixieland Jazz-Dinner Cruise on the Mississippi River. For further information concerning the First InterAmerican Conference, contact: Mrs. Marguerite Ricks, Coordinator, 1111 Sixth Street, New Orleans, Louisiana 70115, U.S.A. Phone: (504) 891-3731. Telex: 6821186.●

## ENERGY ARTICLE NO. 3: OCEAN ENERGY—A COOPERATIVE CIVIL-NAVY EFFORT IS ESSENTIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, last Thursday, October 11, I was scheduled to be the guest speaker at the Marine Technology Society's annual conference in New Orleans at the Hyatt Regency Hotel. Unfortunately, changes in the congressional schedule prevented my attendance. While I remained in Washington to vote on the Department of Energy authorization, the oil price decontrol issue, and other matters, my special assistant, Stewart Nelson, delivered my speech to the conference attendees. If we are to secure the Nation's energy future, the national strategy must be based on developing a multiple energy source mix. The oceans represent an important element in that strategy. But, the ocean environment is a hostile one and if we are to realize the oceans' energy potential it will be because of a cooperative effort between the Federal agencies, both civil and Navy, industry, and academia. Mr. Speaker, I would like to share with my colleagues the speech that I prepared for the Marine Technology Society:

### Remarks by the Honorable Bill Alexander

The invitation to be the principal speaker at the annual conference of the Marine Technology Society posed somewhat of a problem for me. First, what could I tell an assemblage of ocean experts about ocean energy. It is, for example, a waste of our respective times for me to try to tell you what you already know—that the oceans and seabed resources have enormous potential for contributing to energy, food and mineral needs. And, secondly, I would offer that a discourse on the technological aspects of ocean energy systems can be dealt with by others in a far more eloquent and knowledgeable fashion.

However, what perhaps struck me most about this particular conference was the very active presence of the Navy in a subject matter which tends to be associated more with the civil sector. I am sure that there are many who would find this a very strange relationship. I, however, find it a most appropriate involvement. But before I expand on this thought, let me try to put the energy issue into some kind of an overall perspective.

One hundred and twenty years ago, Colonel Drake discovered oil in Titusville, Pennsylvania and so began the age of industrialization. Having acquired the power, we have been determined to fully engage in one of the rights set forth in the Bill of Rights—specifically, the "pursuit of happiness." No one could argue that we haven't pursued it with unbounded enthusiasm and zeal. . . . Especially behind the wheel of an automobile.

It has become fashionable in some quarters to point an accusing finger at the U.S. because we represent only 6 percent of the world's population yet consume more than 30 percent of the world's energy. Certainly, this country enjoys an enviable standard of living but this country also produces agricultural surpluses upon which most of the world depends. But therein lies the dilemma. While we possess the technology and productive capability to be the world's foremost trader in the international marketplace, the U.S. is headed next year for a trade deficit of more than $60 billion. How did we get ourselves into this bind? Very simply, we became a nation of oil gluttons hooked on a cheap energy habit. When confronted with the true cost of energy reality, we responded by imposing oil price controls.

We have, in effect, stymied the expansion and development of domestic energy sources by erecting economic disincentives. We put trust in the continuing flow of foreign oil and while the 1973 Arab oil embargo should have been the warning to heed, we, instead, allowed ourselves to be lulled into a false sense of security. This year's Iranian revolution and oil squeeze were needed reminders of just how vulnerable we have become. I believe the message is beginning to get through. A recent nation-wide Harris poll indicates 60 percent of Americans now believe the energy crisis is real. And, speaking on behalf of my constituents in the great inland coastal state of Arkansas, I can tell you that they are tired—

Tired of being vulnerable to the political and economic whims of foreign oil producing and exporting countries;

Tired of bureaucratic institutions that appear capable only of facilitating energy shortages;

Tired of the ever growing outpouring of U.S. dollars to pay for foreign oil—which this year will total 70 billion dollars, an increase of 27 billion dollars over 1978;

Tired of double-digit inflation which is fueled by a widening trade deficit;

Tired of the rhetoric of popular appeal for the reimposing of oil price controls, and

Tired of policy-makers and administrators who look for easy-outs and short-term simple solutions to long-range problems.

I have repeatedly spoken out for a national energy strategy which is based on a multiple energy source mix. This strategy must include accelerated exploration and development of domestic oil and gas resources in mature and frontier areas, especially in the offshore regions. A crucial factor in this regard is enhancing the recovery of oil. For example, it is estimated that as much as 305 billion barrels of previously discovered oil is still unrecovered in this country and up to 20 percent of this oil could be recovered by known enhanced recovery methods—if it were economically feasible.

We can also speak all we want about synthetic fuels, solar, and unconventional energy sources. But, there is no question that for the near-term this country will continue to remain overwhelmingly dependent on fossil fuels. Nuclear power could play a substantial role in our energy profile but the way it now stands we mobilized and fought World War II in less time than it now takes to get a nuclear plant on-line. And, I would note that the administrative and approval cycle for offshore oil production is not much better. It is the vital need to restore some balance between the energy and environmental forces that dictates the establishment of an Energy Mobilization Board.

There is, however, one energy source that can be brought to bear right now—and that is alcohol fuels derived from biomass, especially agricultural products. As a member of the legislatively-established National Alcohol Fuels Commission, I see two major contributions for alcohol fuels. One, it can be used to extend our gasoline resources, particularly by the use of the gasoline/alcohol blend known popularly as gasohol. And, secondly, the use of on-farm alcohol fuel production can provide some degree of energy self-sufficiency for the farmer. To underscore this second point, I would note that last year the Bureau of Alcohol, Tobacco and Firearms received about 100 license applications for producing alcohol fuel. So far this year, the Bureau has received more than 3,000 applications.

Ocean energy development is not characterized by such a grassroots enthusiasm. The ocean is a high stake environment and the rules are dictated by an inflexible Mother Nature. The question is often raised as to the proper role of the Federal Government in the ocean technology area. Generally speaking, the government should foster the research, engineering, and development which advances the national technology base. The technology edge is an essential factor concerning national security. And, by national security, I mean economic, political, industrial, academic and defense. In terms of marine technology, the federal agency with the longest involvement and greatest vested interest in the oceans is the U.S. Navy.

However, as more and more civil ocean interests began to develop during the 1960 and 70's, the role of the federal civil agencies expanded accordingly. It is important to remember that federal bureaucracies are not unlike industrial competitors. Federal agencies compete against one another for dollars, for programs, and for power. They are not known for willingly yielding their hard won gains to other agencies—in spite of the national good which might result. The Navy's need to understand the ocean environment is fundamental to its ability to operate on, under and over the oceans.

If anything, this need continues to increase as the Navy must now and for the immediate future, do more with fewer fleet assets. Yet, in terms of a consolidated national ocean effort, we see a distinct division drawn between civil and Navy activities. This division of effort continues to be a costly situation. The Navy's $40 billion a year budget enables advanced ocean engineering and technology pursuits, including a mixed bag of independent research at its various laboratories. In fact, the on-going giant kelp ocean energy farm off the west coast—which is of high interest to the national alcohol fuels commission—was originally conceived of and demonstrated by Navy laboratory personnel.

The point of all of this, is that it is foolhardy to think that growing demands for taxpayers dollars will allow the federal civil sector to duplicate the ocean engineering facilities and capabilities existing within the Navy infrastructure. We can no longer afford the "we need one because they have one" syndrome. The National Oceanic and Atmospheric Administration has attempted to assume the mantle of federal leadership in ocean engineering.

I support this civil focus but, lets face it—no matter what we may personally prefer, an agency with an 800 million dollar annual budget can't effectively progress in the high stakes ocean engineering arena. Lacking the equity and capital assets, the best you can do is try to give the appearance of action. Federal agencies, and yes, even the Congress. are quite good at this approach. Very simply, you do study upon study, either in-house or under contract, you set-up commissions and advisory boards and get inundated with reports. This is exactly the situation now developing in ocean engineering.

Studies are starting up by the National Academy of Engineering, National Oceanic and Atmospheric Administration, Department of Commerce; the congressional office of technology assessment, the White House office of Science and Technology policy, and the Presidentially-appointed National Advisory Committee on Oceans and Atmosphere. I am anxious to see whether any of these studies will face the hard fact that new money is not going to be made readily available and that choices will have to be made and priorities set among federal ocean technology efforts. If you, the ocean community, cannot reason among yourselves and make those tough judgments then you will leave the decision to be made by other less expert.

Only a short while ago, the Secretary of the Navy told the Congress that the Navy was ready to lend its support and strength to the civil ocean effort. It is time to accept that offer. It is also time for the government—both civil and military—together with industry and academia to join together in a true cooperative commitment to strengthen the Nation's national oceans posture.

You here tonight hold the technological keys which can eventually help secure our energy future. It is a challenge the magnitude of which must transcend federal agency, industrial and political self-interest.

It is a challenge which must be boldly faced and which, I believe, we are more than capable of meeting.●

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## MONETARY-FISCAL TOUGHNESS NOT ENOUGH TO LICK INFLATION; NEED STRUCTURAL CHANGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, following are excerpts from my remarks to a Milwaukee forum Sunday, October 14, 1979:

Our current fiscal and monetary policies are obviously not working. Joint inflation and recession is a disgrace.

The truth of the matter is that fiscal and monetary policies by themselves cannot cure inflation and recession. If you have a booming inflation, tight monetary and fiscal policies can end it: by causing recession. If you have a wrenching recession, tax cuts and easy money can end it: at the cost of renewed inflation.

Over time. stop-go fiscal and monetary policies, like the bloodletting of the barber-surgeons, sap our economic strength, weaken our institutions, and destroy faith in the ability of government to assure a stable business climate. Investment flees overseas, our vital industries age and falter, our competitive position declines. Sensible fiscal policy becomes impossible; a sensible attack on deep-rooted social problems becomes unpassable; inflation and unemployment worsen together.

What this country needs now is a structuralist economic approach—a fundamental commitment to rebuild our economic base, our productive capacity, our cities which house these capacities, and our transportation networks which service them.

On both the unemployment side and the inflation side, structural reform is urgent.

On the unemployment side, discrimination by age, sex, and race, inadequate educational opportunities, jobs located too far from potential workers, make it impossible to get full employment by macroeconomic expansion alone.

On the inflation side, we have an increasingly obsolescent industrial plant. We concentrate on too many low-productivity industries, while leaving high-productivity subpcompact autos, mopeds, consumer electronics, light rail passenger equipment, color television, and so on, to foreign producers. Our railroads and mass transit are a mess. Our method of delivering health care is high-cost and archaic. Our housing industry is threatened by exorbitant land costs and astronomic interest rates. We continue our disastrous drift to more imported oil. Our federal, state, and local governments are overlapping, duplicating and inefficient.

We badly need to clean up our act. What we should be doing, I suggest, is what the Japanese and West Germans have been doing very succesfully for some time: relying not simply on traditional fiscal and monetary policies, but combining them with government-business-labor planning and problem-solving. Applied to our American scene, this cooperative planning would entail teams of American leaders from all walks of life, in each of our leading economic sectors, from steel to transportation to housing, studying and recommending action programs to make jobs and stabilize prices.

In short, we need to focus on rebuilding our economic structure. It makes no sense to invest billions in the reconstruction of industrial wastelands, unless industry will agree to be there when the reconstruction is done. It makes great sense to secure the agreement and cooperation of business beforehand. The result can be dramatic, as demonstrated by the German reconstruction of the Ruhr and the Japanese substitution of up-and-coming electronics for dying textiles.

Once the longer-run structural rehabilitation is started, short-term economic decisions fall into place.

We need a good climate for investment. This means interest rates should go no higher, and government should work with the financial community to find ways to make extensive credit available for new capital investment.

We need a federal government that is fiscally strong. This means that general income tax reductions must wait. It means that the check-writing programs of the federal budget, particularly those that have been growing most rapidly in recent years, must be brought under control.

We need effective, immediate steps to slow inflation. Recessionary fiscal and monetary policies have proved failures at this. Fortunately, things can be done to fight both inflation and recession at the same time. For example, reduce the Social Security payroll tax, and thus reduce inflationary pressure on both wages and prices, compensating for the revenue loss by tapping "windfall profits" tax receipts or, better, by a tax on gasoline. Another example: urge our European allies to fight their inflation by a better policy mix, one that relies less on super-tight monetary policies which merely cause the U.S. to raise its interest rates, with great damage to U.S. capital investment and its inflation-fighting potential.

Such measures would buy time for a longer-term program of structural reform. This will take time. All the more reason for beginning now.●

## POWER GRAB IN THE NAME OF ENERGY

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, in yesterday's Washington Post the distinguished political writer David S. Broder comments on the serious threat to the rule of law and to our federal system presented by both the "fast track" bill approved by the Senate and the one approved by the House Commerce Committee.

As Mr. Broder says:

> The idea of a president of the United States seriously proposing that four of his appointees—three of them part-timers not even subject to the standard conflict-of-interest statutes—be empowered to substitute their judgment for that of independent federal, state and local regulatory bodies, and even, in certain instances, to block the application of federal or state law, seems far-fetched. . . .
>
> Under the guise of speeding vital energy projects, the federal government is about to accomplish the most significant power grab in recent years. It may or may not accomplish its stated goal of making the United States more energy-independent. But it will certainly damage the federal system and diminish the accountability of those exercising authority in Washington.

Fortunately, the House still has an alternative to these dangerous proposals. The House Interior Committee's "fast track" bill, while not entirely free from problems, avoids the central danger of both the Senate and the House Commerce Committee bills.

Efforts are being made to combine the best features of the Interior and Commerce Committees' bills. However, on the one issue of whether the Energy Mobilization Board or the President should have the power to waive Federal, State, and local law, the Interior bill, which would authorize waivers only of time constraints, is the only way to go. If we ever start down the road of allowing the President or any board appointed by him—whether or not subject to the illusory "one-House veto"—to disregard whatever laws they, in their wisdom, deem in the "national interest," we will be signaling an end, not only to the federal system, but to the rule of law.

Have we forgotten that it was the assertion, that he, as President, had the right to ignore laws when he deemed it in the national interest, that led to Watergate and the impeachment charges against President Nixon? I cannot believe that the House, a short 5 years later, would put its stamp of approval on such a dangerous doctrine.

The full text of Mr. Broder's article follows these remarks:

### POWER GRAB IN THE NAME OF ENERGY

(By David S. Broder)

On the face of it, the proposal seems to defy the supposed public resentment of intrusive, big-brother Washington bureaucracy.

The idea of a president of the United States seriously proposing that four of his appointees—three of them part-timers not even subject to the standard conflict-of-interest statutes—be empowered to substitute their judgment for that of independent federal, state and local regulatory bodies, and even, in certain instances, to block the application of federal or state law, seems far-fetched.

That such a proposal would be approved by the U.S. Senate and be moving toward passage in the House of Representatives is even more improbable.

But exactly that has happened, without a rumble of public protest, in the past few weeks. Under the guise of speeding vital energy projects, the federal government is about to accomplish the most significant power grab in recent years. It may or may not accomplish its stated goal of making the United States more energy-independent. But it will certainly damage the federal system and diminish the accountability of those exercising authority in Washington.

As part of his July energy program, President Carter proposed creation of a federal energy mobilization board, with authority to speed the development of high-priority projects, whether they be pipelines, refineries or exotic fuel plants. The measure was designed to deal with a real problem—the delays in federal, state and local licensing and siting decisions, which have, in some instances, held up important plans for years.

The need to slice through the red tape is recognized by everyone. The question is how to do it without creating a new center of arbitrary power in Washington and destroying the responsibility the Constitution gives states and localities for the welfare of their own citizens.

Two options were offered the Senate earlier this month, and the choice the Senate made—to the cheers of the Carter administration—was disturbing.

One bill would have limited the number of energy projects that could be cleared for "fast-track" action and would have restricted them to projects with a significant impact on reducing U.S. energy dependence. The other bill had no such limits.

The Senate chose the blank-check approach.

One bill would have let the new federal agency go to court to enforce a reasonable deadline (usually one year after submission of the plans) for decisionmaking by a state or local agency on the environmental, social and economic consequences of an energy project.

The other would let the presidential board substitute its own judgment for that of the local or state body, if the federal deadline was not met.

The Senate chose the second way—the path of federal preemption.

One bill would have forced the regulators to obey all the existing laws. The second would allow the federal energy expediters to bar the application of any law passed by Congress, state legislatures or city councils, subsequent to the start of work on a particular project.

The Senate chose the second course, embodying the daring constitutional assertion that four presidential appointees can nullify the enforcement of a statute passed by the elected officials of any level of government.

The vote was not close in the Senate. By a margin of 58 to 36, the Senators gave Carter the power he sought, brushing aside vehement objections from such senators as Abraham A. Ribicoff (D-Conn.), Edmund S. Muskie (D-Maine), Gary Hart (D-Colo.), William V. Roth (R-Del.) and Charles H. Percy (R-Ill.).

They also ignored a chorus of protests from the nation's governors, mayors, county executives and state legislators, who see the proposal as a serious threat to their role in the federal system. They have threatened to challenge the legislation in court, if it is finally passed.

It is an understatement to say that it is extremely shortsighted to launch a national energy acceleration program with a bitter battle between Washington and leaders of state and local governments.

But the companion bill being prepared by a House committee is an even more extreme invasion of state and local authority by Washington, and an even more glaring contradiction of the supposed public distaste for expanding bureaucratic power.

The governors and mayors and their Senate allies are trying to say we do not have to sacrifice the federal system to speed up energy production. But most of Washington is ignoring the message. The country will suffer the consequences for years to come.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for an indefinite period, on account of medical reasons.

Mrs. COLLINS of Illinois (at the request of Mr. WRIGHT), for October 15 and 16, on account of medical reasons.

Mr. SENSENBRENNER (at the request of Mr. RHODES), for October 15, 1979, on account of official business.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PREYER) to revise and extend their remarks and include extraneous material:)

Mrs. BOGGS, for 5 minutes, today.
Mr. ALEXANDER, for 10 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. REUSS, for 10 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ERLENBORN) and to include extraneous matter.)

Mr. FORSYTHE.
Mr. HAGEDORN.
Mr. COUGHLIN.
Mr. DANNEMEYER.
Mr. GRASSLEY.
Mr. PHILIP M. CRANE.
Mr. YOUNG of Alaska in two instances.
Mr. SPENCE.

(The following Members (at the request of Mr. Preyer) and to include extraneous matter:)

Mr. Anderson of California in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in 6 instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in 5 instances.

Mrs. Schroeder.

## ENROLLED JOINT RESOLUTION

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which were thereupon signed by the Speaker:

H.J. Res. 412. Joint resolution making continuing appropriations for the fiscal year 1980, and for other purposes.

## BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on October 12, 1979, present to the President, for his approval, bills and a joint resolution of the House of the following title:

H.R. 898. For the relief of Rodney L. Herold and others;

H.R. 929. For the relief of Eun Kyung Cho and Hei Kyung Cho;

H.R. 946. For the relief of Maria Estela Sims;

H.R. 1153. For the relief of Nyoman Rahmawati;

H.R. 1163. For the relief of Gladys Venicia Cruz-Sanchez;

H.R. 1301. To amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes;

H.R. 1486. For the relief of Dang Petersen;

H.R. 1628. For the relief of Susan Katherine Adamski;

H.R. 1753. For the relief of Sergio and Javier Arredondo;

H.R. 2098. For the relief of Antonio Rivera Aristizabal;

H.R. 3142. For the relief of Michael Carl Brown;

H.R. 3146. For the relief of Patrick A. and Wayne L. Thomas;

H.R. 3218. For the relief of Rebecca Sevilla DeJesus;

H.R. 5419. To authorize the Secretary of the Interior to provide for the commemoration of the efforts of Goodloe Byron to protect the Appalachian Trail, and for other purposes; and

H.J. Res. 412. Making continuing appropriations for the fiscal year 1980, and for other purposes.

## ADJOURNMENT

Mr. PREYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 48 minutes p.m.) the House adjourned until tomorrow, Tuesday, October 16, 1979, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2632. A letter from the Acting Comptroller General of the United States, transmitting his review of the deferrals of budget authority reported in the message from the President dated August 27, 1979 (House Document No. 96–176), pursuant to section 1014 (b) of Public Law 93–344 (H. Doc. No. 96–208); to the Committee on Appropriations and ordered to be printed.

2633. A letter from the Chairman, National Labor Relations Board, transmitting a draft of proposed legislation to authorize the use of certified mail for the transmission or service of matter required by certain Federal laws to be transmitted or served by registered mail, and for other purposes; to the Committee on Education and Labor.

2634. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to Switzerland (Transmittal No. MC–27–79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2635. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on Foreign Affairs.

2636. A letter from the Executive Director, Committee for Purchase from the Blind and Other Severely Handicapped, transmitting the annual report on the Committee's activities for fiscal year 1978, pursuant to section 1(i) of the Act of June 25, 1938, as amended (85 Stat. 77); to the Committee on Government Operations.

2637. A letter from the Administrator of General Services, transmitting a prospectus proposing the acquisition of space by lease in Phoenix, Ariz., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2638. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space currently occupied in the Fairmont Building, 7735 Old Georgetown Road, Bethesda, Md., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2639. A letter from the Administrator of General Services, transmitting a prospectus proposing the exercise of an option to renew the lease for space currently occupied in the Casimir Pulaski Building, 20 Massachusetts Avenue NW., Washington, D.C., pursuant to section 7(a) of the Public Buildings Act, as amended; to the Committee on Public Works and Transportation.

2640. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Post Office and Courthouse, 1300 S. Harrison Street, Fort Wayne, Ind., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRADEMAS (for himself, Mr. Benjamin, and Mr. Fithian):

H.R. 5590. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. WHITEHURST:

H.R. 5591. A bill to establish a national zoological foundation; to the Committee on Merchant Marine and Fisheries.

By Mr. WINN (for himself and Mr. Udall):

H.R. 5592. A bill to provide for the establishment of the Tallgrass Prairie National Reserve in the States of Kansas and Oklahoma, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ZABLOCKI (for himself, Mr. Bingham, Mr. Fountain, Mr. Lagomarsino, Mr. Wolff, and Mr. Wolpe):

H. Con. Res. 195. Concurrent resolution approving the proposed Agreement Between the United States and Australia Concerning Peaceful Uses of Nuclear Energy; referred to the Committee of the Whole House on the State of the Union pursuant to section 308 of Public Law 95–242, and ordered to be printed.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. COELHO presented a bill (H.R. 5593) for the relief of Francois Noghli and Nellie Noghli, which was referred to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. Rahall and Mr. Young of Florida.

H.R. 990: Mr. Cheney.

H.R. 1576: Mr. Anderson of Illinois, Mrs. Bouquard, Mr. Bowen, Mr. Collins of Texas, Mr. Goldwater, Mr. Leach of Iowa, Mr. Mineta, Mr. Weaver, Mr. Wyatt, Mr. Lagomarsino, Mr. Foley, and Mr. Bailey.

H.R. 1577: Mrs. Bouquard, Mr. Bowen, Mr. Collins of Texas, Mr. Dan Daniel, Mr. Goldwater, Mr. Leach of Iowa, Mr. Wyatt, Mr. Lagomarsino, Mr. Foley, and Mr. Bailey.

H.R. 1578: Mr. Anderson of Illinois, Mrs. Bouquard, Mr. Bowen, Mr. Collins of Texas, Mr. Goldwater, Mr. Leach of Iowa, Mr. Weaver, Mr. Wyatt, Mr. Lagomarsino, Mr. Foley, and Mr. Bailey.

H.R. 1681: Mr. Patterson.

H.R. 3605: Mr. Young of Alaska.

H.R. 4693: Mr. Rousselot, and Mr. Kindness.

H.R. 4861: Mr. Fisher.

H.R. 5080: Mr. Badham, Mr. Collins of Texas, Mr. Kramer, Mr. Lagomarsino, Mr. Royer, Mr. Symms, and Mr. Whitehurst.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

207. The Speaker: Presented a petition of the City Council, Boston Mass., relative to the proposed transfer of medical services for veterans to the Department of Health, Education, and Welfare, which was referred jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

# SENATE—*Monday, October 15, 1979*

*(Legislative day of Thursday, October 4, 1979)*

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. EDWARD ZORINSKY, a Senator from the State of Nebraska.

## PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, Ruler of all men and nations we thank Thee for Thy goodness to this land, conceived in liberty and dedicated to equal opportunity and equal justice under law. Correct what is wrong, confirm what is right, and by Thy spirit lead us from strength to strength. Grant us a profound understanding of our heritage, an abiding faith in Thee, and an unselfish commitment to the propositions of the Founding Fathers.

"America! America! God shed His grace
on Thee,
And crown Thy good with brotherhood
From sea to shining sea."

Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., October 15, 1979.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
*President pro tempore.*

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I understand that Mr. HEFLIN wants about 10 minutes. I, therefore, yield my 10 minutes to him.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

## SENATE RESOLUTION 253—SUBMISSION OF A RESOLUTION PROVIDING FOR TELEVISION COVERAGE OF SALT II CONSIDERATION

Mr. HEFLIN submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 253

*Resolved,* That the Committee on Rules and Administration is authorized and directed to allow and provide for television and radio coverage (including videotapes and radio broadcast recordings) of proceedings in the Senate Chamber during consideration of the Strategic Arms Limitation Treaty. Such coverage shall be allowed and provided for continuously at all times while the Senate is considering the treaty, except for any time when a meeting with closed doors is ordered.

SEC. 2. Under such terms and conditions as the Committee on Rules and Administration may prescribe, to include possible pooling arrangements—

(1) television and radio coverage of proceedings in the Senate Chamber authorized in the first section shall be available to all public and commercial television and radio broadcasting stations and networks; and

(2) videotapes and recordings may be made available to public and commercial television and radio broadcasting stations and networks, to Members of the Senate, and to such other organizations and persons as the committee may authorize.

SEC. 3. The television and radio coverage of proceedings in the Senate Chamber under this resolution shall be carried out in such manner as the Committee on Rules and Administration shall prescribe.

SEC. 4. The Committee on Rules and Administration is further authorized and directed to undertake a study of the feasibility, both from the standpoint of the state of the art of photojournalism, and the necessity to alter Senate rules, practice and procedure, of providing television and radio coverage of all Senate proceedings. The Committee on Rules and Administration shall report to the Senate its findings and recommendations as to the feasibility of such media coverage of the proceedings and its proposed rules and procedures for such coverage not later than October 15, 1980.

### RADIO AND TV COVERAGE OF THE SALT II DEBATES

Mr. HEFLIN. Mr. President, today I am submitting a resolution to allow radio and television coverage of the Senate floor debate on the Strategic Arms Limitation treaty.

This treaty, one of the most controversial and important in our history, has sparked unparalleled public and media interest.

The SALT treaty is discussed daily in newsstories, on editorial pages, on radio, and on television. I can tell you from visiting each of Alabama's 67 counties this year that the SALT treaty is discussed in homes, schools, churches, and on every street corner in my home State.

The people of the United States are vitally interested in this treaty. They are interested and concerned with nuclear proliferation, military strength, and world peace.

I have found that the people of America are not only concerned, but knowledgeable about SALT. They have studied the provisions of the treaty and followed the Senate Foreign Relations Committee hearings this summer.

Those Foreign Relations Committee deliberations were broadcast over both radio and television—with great success. I saw little evidence of "showboating" or playing to the cameras that some argue will happen if we allow television coverage of the floor debate.

The public followed the committee hearings and wants to see the floor debate. I firmly believe that the more the people know about the provisions of the SALT treaty, the better. An educated constituency will be a great aid for each of us in deciding how to vote on this important matter.

The precedent for allowing broadcast coverage of floor debate was set when the Panama Canal Treaty debate was broadcast over radio last year during the 95th Congress. Again, there was little evidence of showboating and the radio coverage was met with great favor by the American people.

Following this recent successful experiment in radio broadcast coverage, I believe the next logical step is to allow full radio and television broadcast coverage of the SALT debate.

During my term as chief justice of the Alabama Supreme Court, the court opened the doors of Alabama's State courts to television cameras.

Our allowing TV coverage of both trials and appellate court proceedings generated a movement which has led to broadcast coverage of many trials and hearings in other State courts.

Televising court proceedings can bring into conflict two constitutional guarantees, namely, the first amendment which guarantees the freedom of the press, and the sixth amendment which guarantees the defendant a fair and impartial trial. If photojournalism is allowed in the Senate Chamber, I can foresee no conflict between provisions in our Constitution.

Perhaps a review of the consideration given the issue of radio and photojournalism from a judicial system basis will be helpful to the Senate in considering this issue.

In hearings before the Supreme Court of Alabama, the media made a strong case when it pointed out that photographing and broadcasting by television air radio of a church service did not affect the dignity of the service.

It was also pointed out that when sophisticated and advanced technology is employed, participants in the church service are not distracted and the solemnity of the worship service remains unharmed.

Experts testified that the media can now use noiseless long range cameras, overhead lighting, still photography without flashbulbs and other advanced equipment.

The Supreme Court of Alabama approached the issue as to whether, in the majority of the cases, the use of camera, radio and television instruments would interfere with a fair and impartial trial and with the effective administration of justice. It first considered radio. The court had, for some time prior thereto, been recording oral arguments. It concluded that noiseless and effective broadcasting devices could be placed at designated locations which would record the proceedings accurately and clearly for later radio broadcasting without disturbing court proceedings in any way.

It was apparent to the court that, in the vast majority of cases, radio recording devices would not detract from the dignity of the proceedings or cause prejudice to the parties any more than its own recording system.

Next, the court considered photojournalism. There was no doubt in the minds of the justices that problems could arise. They saw the constant popping of flashbulbs, spotlighting of television lights in the eyes of witnesses, lawyers, jurists, and jurors and wires getting tangled in chairs and knocking over water pitchers as serious impediments to the effective administration of justice.

However, if the media used advanced camera technology, employed only overhead lighting and restricted camera movement to designated areas, these problems could be minimized.

The justices also considered that if cameramen and other reporters conducted themselves in the same manner as was expected of spectators, then the resulting harm would be eliminated.

The court further realized that if photographers used silent cameras without flashbulbs and took their pictures from inconspicuous locations, then there would be little danger that the use of such cameras would detract from the dignity of the proceedings.

Adequate overhead lighting can be provided in a manner that it would be almost unnoticeable. Areas of movement for camera personnel can be restricted as well as orderly conduct required. If desired, a dress code can be enforced for camera crew members.

Pooling by television networks has been used effectively by the White House. The number of cameras in the balconies of the Senate Chamber can also be limited. The experience in the House of Representatives can be beneficial to the Senate in formulating rules and guidelines.

Drawing from my experience of participating and observing electronic journalism in courtrooms and relating this to the facilities of the Senate, I foresee no real problems relative to the dignity of proceedings or distractions.

I have mentioned still photography, as well as radio and television in my remarks about the considerations given to this area of media in courtrooms. The issue of still photography may be irrelevant to the issue of televising the SALT debates, but I think that, sooner or later, the issue of comprehensive media journalism will confront the Senate.

The U.S. Supreme Court has established that freedom of the press is not confined to newspaper or printed periodicals, but is a right of wide import and "* * * in its historic connotation comprehends every sort of publication which affords a vehicle of information and opinion." (*Lovell* v. *City of Griffin*, 303 U.S. 444.)

Personally, I am a strong believer in first amendment rights and feel that all forms of reporting journalism should be allowed in the Senate Chamber. However, I realize that there are some who will disagree with my position and I respect their right to do so. I also realize that because of the nature of the SALT debate, there are those colleagues who will be willing to allow full radio and television coverage of the SALT debate only.

Therefore, my urging at this time is limited to the allowance of full radio and television coverage of the SALT debate and for a careful study over a year as to possible regular coverage of the proceedings of the U.S. Senate by electronic journalism.

Mr. President, I send to the desk at this time my resolution providing for television and radio coverage of the proceedings of the Senate during the consideration of the Strategic Arms Limitation Treaty and for other purposes.

The ACTING PRESIDENT pro tempore. The resolution of the Senator from Alabama will be received and appropriately referred.

## RECOGNITION OF THE ASSISTANT MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

## THE MEANING OF HIGHER INTEREST RATES

Mr. STEVENS. Mr. President, the announcement of the Federal Reserve last week to raise the discount rates and control the flow of bank reserves sent shock waves through the economic community. We have seen interest rates raised to the highest levels that I can recall, and we have not really experienced the full magnitude of the impact of those actions yet. Predictions this morning from money market economists indicate that these rates have not yet peaked.

I noticed yesterday and again today the comments of the business community, particularly banking community economists, who have lauded the actions by Chairman Volcker and the Federal Reserve Board. Their position is that the action continues to be necessary to harness the spiraling effects of inflation.

It would be useful, I think, to try to get these people to shift their attention to what these policies mean to the total economy. Those higher rates, in the end, are paid by individuals, and it is obvious that this new action is squeezing out of the market the so-called high-risk borrower. That is the person who finds not only that the price of money is skyrocketing but that he or she is unable to keep up with inflation in the normal sense by obtaining wage increases.

The rates we are experiencing, as I said, are unprecedented. Since the Federal Reserve's October 6 announcement, the prime rate has risen 1 full percent to 14.5 percent, and I am told it is expected to go to 15 percent soon.

It is obvious that interest rates are already exceeding 15 percent for those people who do not qualify for the prime rate. In the next few days, I shall be discussing the impact of this action upon the young people of this country who are attempting to buy homes. Not only has inflation increased the price of the home and the interest rate being cranked into that transaction, but it means the drying up of the source of funds so that the homes will not be built in the first instance. The resulting slump in the construction industry will mean a tremendous loss in jobs. For those people who find it necessary to buy a home, it is going to mean that they pay for that home several times over because of the effect of the action of the Federal Reserve Board.

I understand the problem. The problem basically is that when inflation exceeds the rate of interest, we are really on the verge of a depression. But I do think the Fed has to take a look at what its policies are doing to the total economy. One of the things I am looking at, Mr. President, is the number of times in history that we have had a two-tier interest rate and whether this should be examined at this time.

Another thing that I think the Congress as a whole should look at is whether, for long-term loans for new homes, there should not be a Federal guaranteed loan program, thereby removing the risk involved in those loans, reducing the interest rate for these new-home purchasers by virtue of that guarantee, and thereby establishing a two-tier system. It is something that I think we need to pursue. I am delighted to hear from Senator JAVITS, our good friend and colleague from New York, that the Joint Economic Committee will conduct hearings on this matter and the total matter of monetary policy and its relationship to fiscal policy in the near future.

It does seem to me however that we may not be able to wait for the outcome of hearings if the interest rate is going to go up to 15 percent in less than a month from now.

Mr. President, I do not believe there

is any call for time on our side. I yield back the remainder of our time.

## ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains to the two leaders?

The ACTING PRESIDENT pro tempore. The Senator from Alaska has 4 minutes remaining.

Mr. ROBERT C. BYRD. Did the Senator from Alabama use up all the majority leader's time?

The ACTING PRESIDENT Pro tempore. Yes, he did.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, that Senators may be able to speak therein up to 10 minutes each, and that the period last not more than 20 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I thank the distinguished majority leader.

## SALT II TREATY—EX. Y, 96–1

### AMENDMENT NO. 518

(Ordered to be printed and to lie on the table.)

Mr. HUDDLESTON. Mr. President, deeply ingrained in the SALT debate are two issues which require resolution before the substance of the SALT proposals can be considered in and of themselves.

One of those issues concerns our defense needs and our willingness and ability to finance the requirements to fulfill those needs. That issue has been the subject of continuing debate both in the House and Senate over the past several weeks, as we have considered the budget resolutions and, in the House, the defense procurement bill. The Senate is, I believe, firmly on record in its belief in and support for improvements in our military capabilities.

The next few weeks should begin to show us if and how that Senate position can be translated into tangible policy. I believe there are several areas where our defense efforts need to be upgraded beyond current commitments—readiness in general, NATO conventional weaponry and activities aimed at insuring access through vital sealanes in the decades ahead. At the same time, however, I do not believe we should accelerate defense spending simply for the sake of doing so or as part of some effort to make SALT palatable.

The second issue involves our ability to verify by our own means Soviet compliance with SALT and to monitor Soviet strategic developments which might threaten our security or that of our allies.

Verification is a particularly difficult issue to deal with for several reasons. First of all, verification relies on an assortment of highly technical procedures. Second, its very nature requires that it remain highly secret, not because our Government wishes to deny our citizens access to information but because knowledge of the sources and techniques can frequently lead to their compromise, rendering them useless.

Verification is also a difficult issue because it is sometimes subject to varying interpretations. There are open disagreements over what our systems have told us as well as the meaning of what they have told us. And, there are often disagreements over policies based on what we have learned or inferred from those systems. Furthermore, it has not always been possible to discuss in detail in public the controversies which have arisen.

Moreover, the meaning of various terms of the treaty, including several which will directly affect evaluations of Soviet compliance and verification activities, have been left to be resolved in the Standing Consultative Commission (SCC).

Consequently, I believe questions regarding verification will arise in the future for many of the same reasons they have arisen in the past: Technology will change, situations will change and interpretations of those changes will vary.

This poses a very special problem for the SALT II treaty. The Senate has been asked to approve a 5-year treaty—to approve it based upon what we now know and the technology we now have or anticipate with some degree of confidence.

In view of the seriousness of the issues involved and the likelihood of continuing developments within the verification field, I do not believe the Senate can make one final judgment about verification and let that judgment simply stand for the duration of the treaty.

Instead, if there is to be a treaty, I believe it must be conditioned upon a clear understanding that the Senate will be, first of all, informed on a regular and periodic basis, of our monitoring efforts, including questions brought before the SCC and, second, advised immediately of any significant new developments which indicate either direct Soviet noncompliance with the treaty or Soviet activities inconsistent with the objectives and purposes of the treaty. Such information could be protected as various types of intelligence currently are under the terms of Senate Resolution 400 of the 94th Congress.

Establishment of a formal process for insuring that the Senate receives, and receives on a timely basis, the data necessary for it to make decisions about our monitoring and related needs is, I believe, indispensible to the Senate's fulfilling its responsibilities.

Furthermore, establishment of a formal process should help to reassure those within and without Government that this very serious aspect of any SALT agreement will receive continuous and detailed review. In recent months, we have heard a number of apparently conflicting statements and suggestions about our general monitoring capabilities, about replacements for the Iranian sites which were lost, about potential techniques for the future. As I noted earlier, positions regarding such matters can change, but they cannot always be fully discussed in public. Increased congressional involvement in this process would in part serve as a substitute for those debates which cannot be publicly aired.

It is my intention to work for the establishment of a formal verification reporting procedure explicitly related to any SALT treaty which might eventually emerge.

On behalf of myself and the distinguished chairman of the Senate Intelligence Committee, I am consequently submitting a reservation to the SALT II treaty, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the reservation was ordered to be printed in the RECORD, as follows:

### AMENDMENT NO. 518

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the following reservations, which are to be made a part of the instrument of ratification:

"(1) Six months after the date of entry into force of the Treaty and every six months thereafter, and at such other times when significant developments relating to verification of compliance with the Treaty warrant, the President shall prepare and transmit to the Senate a report regarding—

"(A) Soviet practices which affect the efforts of the United States of America to verify compliance by the Union of Soviet Socialist Republics with the treaty;

"(B) the status and capabilities of the national technical means employed by the United States of America to verify compliance by the Union of Soviet Socialist Republics with the Treaty; and

"(C) other developments which relate to verification of compliance with the Treaty, including subjects raised in the Standing Consultative Commission.

"(2) A report transmitted pursuant to reservation (1), if classified, shall be held by the Select Committee on Intelligence for the Senate. The provisions of section 8 of Senate Resolution 400, Ninety-fourth Congress, relating to the disclosure of classified information, shall be applicable with respect to any information made available pursuant to this reservation.

"(3) If the President of the United States of America does not transmit a report required by reservation (1), he will carry out the procedures of paragraph (3) of Article XIX of the Treaty necessary to withdraw the United States of America from the Treaty."

Mr. President, I yield back the remainder of my time.

## CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

## DEPARTMENT OF INTERIOR APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of the pending business, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. ARMSTRONG. Mr. President, is the pending business H.R. 4930?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ARMSTRONG. Mr. President, I would like to express my concern about some aspects of this appropriation.

I would invite the attention of my colleagues to provisions which appear in the bill beginning at page 38, and in the report of the committee beginning on page 70.

There is appropriated by this legislation as it comes to us from the Committee on Appropriations the sum of $20 billion, which is being made available by the committee and by the Senate, if we go along with it, in a fund called the energy security reserve.

The bill provides that appropriations in that fund will be used to foster the production of what are termed alternative fuels by the committee. That is what is known to most of us, I think, as synthetic fuels, and the term alternative fuels is believed by the committee to encompass oil shale, fuel produced from coal, from biomass, chemical feedstocks, and so on.

This subject of synthetic fuels, or as the committee terms, alternative fuels, is of utmost interest to me for two reasons.

One, because it is evident our country needs good sources of fuel. We are facing an energy shortage of crisis proportions and the situation has been growing steadily worse for several years. In fact, in the opinion of a great many observers, the gap between domestic production of fuel and domestic consumption and our resulting reliance on the OPEC nations for energy is really the Achilles' heel of America today.

So I am very much interested in stimulating new sources of energy, whether from synthetic sources or from the increase in conventional petroleum, natural gas, coal, and so on.

I am also, as a Senator from Colorado, particularly interested in the issue of synthetic fuel production because it impacts so heavily on my State. As the energy shortage has been more and more widely perceived, people have been glancing at Colorado and, to a lesser extent, perhaps, to surrounding States as the potential source of solving this problem because we have within our State enormous reserves of oil shale and other potential sources of fuel.

So I am one of those who has been urging, and I continue to urge, the development of fuel from synthetic sources, especially from the tremendous reserves of oil shale in my own State. In developing these reserves, it would be my hope that we would proceed with caution, with deliberation, and with the utmost regard for environmental considerations; because, eager as I am to develop synthetic fuel sources, especially from oil shale, I do not think we will do it well or responsibly if it is done in a great rush.

I am also very sensitive to how fragile the environment is in my State.

So I have long advocated a series of incentives for bringing on line new sources of oil shale particularly and other kinds of energy. I favor such measures as the $3 a barrel tax credit for every barrel of oil that is produced from synthetic sources, a measure which has been twice adopted by the Senate and has failed of passage in the House. I hope it will be enacted this year.

There are other incentives which I favor to bring synthetic fuels into widespread production. I think one of the most significant of these may be the elimination of the redtape and the bureaucratic requirements which, according to our friends in the industry and other experts in and out of Government, have been the prime source of many, many problems and which have delayed by years the development of oil from shale and other synthetic sources.

I say all this, Mr. President, because I want it to be perfectly clear that I favor the development of synthetic fuel resources. What I do not favor is a massive new Government program to do so.

I am convinced—and this is subject to the interpretation of every Senator—that, in large measure, the present energy shortage confronting the United States has not been alleviated by but has been caused by the unwise policy of the National Government.

As we look at what has happened in natural gas, it is obvious that price controls, the redtape, and the bureaucratic delays—especially the price controls—have created an artificial economy in natural gas, and the result has been skyrocketing consumption and declining production. That began in the late 1950's and early 1960's with a series of court decisions which affirmed the right of the Federal Government to regulate closely the vast, important fuel resource of natural gas.

About 6 years ago, there began to be a widespread concern that we were running short of fluid petroleum in this country, and almost at once there was a hue and cry to create the same kind of regulatory structure which already existed for natural gas; and, indeed, bit by bit, that is exactly what we have done. We have created a very complex maze of price controls and other regulations that govern virtually every aspect of distribution, consumption, and production of petroleum.

As we look back, it would be well to evaluate the results, because we have had several years of experience with these controls. I think the results are pretty clear.

Production has been declining, and consumption has continued to rise. As a consequence, we are now more dependent than ever on foreign sources of oil, much to our disadvantage. Five or 6 years ago, before all these controls were in place, we were getting about 35 percent of our oil from overseas sources, and today we are getting something like half or a bit more than half. Obviously, we are in a precarious position.

This is the background against which synthetic fuel production proposals should be measured, because we have here a classic choice of the free enterprise approach to developing this important American resource of synthetic fuel or a Government approach.

This is the question we face whenever there is a problem. Whenever there is a need or a problem that is perceived by the public or by Senators, somebody comes forward and says, "What we need is another Government agency with its own budget, with its own appropriation, with its own concerns, with its own standards for evaluation. We will create a regulatory environment and all the things that go with it, and we will solve the problem." We hear it in health care, in consumer protection, in every phase of our life; and I think that in no area of national concern has this clamor been louder than in energy production.

We are told that what we must have is not only a Government program to foster synthetic fuel production but also what we really must have is a crash program.

We are in the midst of what is said to be the moral equivalent of war, and therefore we must have wartime measures; we must create an Energy Mobilization Board. The Senate has passed that unwise proposal and sent it to the House, where I trust it will be modified to correct what seem to me to be serious deficiencies in that proposal.

Now there is a growing clamor to create an Energy Security Corporation, which, as suggested by the President, will be an $88 billion corporation which will get into the production of all kinds of synthetic fuel, through a variety of incentives or Government-owned plants and subsidies.

Mr. President, I think there is real doubt that the way to develop synthetic fuel in this country is to create another huge, costly bureaucracy. I would like to argue at the appropriate time that a far better approach would be to restore to the marketplace the kind of incentives that have been wrung out of the marketplace and which have resulted in the present energy shortage.

I am convinced, not just as a matter of abstract political theory but also as a matter of careful investigation and lengthy discussions with people who are knowledgeable, and after reviewing the testimony before a number of committees of the House and the Senate, that we will have synthetic fuel production if we let the free market and the free enterprise sector do its job.

In my own State, Union Oil Co. is prepared to go ahead and produce oil from shale, and has so testified before the House Ways and Means Committee within the last 2 months. The only thing they say they need to get into action is the $3-a-barrel tax credit, a modest incentive which has been approved twice by this body and for which growing support is evidenced in the other body. Other companies are similarly situated; that is to say, they are ready or nearly ready to go forward, according to the testimony and other information.

Mr. President, within a few days, I will submit for the RECORD a summary of the information which my office has received from about 15 companies which are knowledgeable of synthetic fuel production and to whom I have turned for advice about what incentives and changes are needed in a Government policy in order to bring synthetic fuels online.

The answer that has come back, time after time, to summarize it, is this: We need a reduction in the regulatory burden. We need a fast track for permitting various Federal regulations and permits that are required to abide by. We need tax incentives, either the $3 a barrel tax credit or an increase in the present front-end tax credit for new plants and equipment. We need—and this is one frequently mentioned—faster depreciation schedules for equipment used in the production of synthetic fuels.

Any of these approaches or all together would constitute, in my opinion, the right kind of approach to bringing synthetic fuel into widespread production in this country.

What I am talking about, and what I favor, are incentives for the private sector. What is represented by the Energy Security Corporation concept is a huge, new Government bureaucracy, with the hope that somehow the Government can do more efficiently or more effectively or faster the job that needs to be done. I think the record is clear that the Government has failed miserably every time it has tinkered with the energy economy of this country.

The example that comes most readily to mind is the Department of Energy. If anybody thinks we should have an Energy Security Corporation, I urge them to take a look at what is going on at the Department of Energy, an agency which many of us feel never should have been created and which, even now, should be abolished.

I would like to make these arguments in detail at the right time. The right time, in my opinion, to take up this case of whether we should have a free market approach to producing synthetic fuel or a Government, bureaucratic approach to producing synthetic fuel, is when the legislation creating the Energy Security Corporation is on the floor, when we have the reports of the committees that have been studying this matter, when we have the members of those committees on the floor, prepared to share with us their expertise. That is the time this issue can be joined properly and fully.

That brings me to the source of my utmost concern about the bill which is pending before the Senate today. This bill, in the section which begins at page 38, seeks to make that decision today, not when we have authorizing legislation before us, not when we have the reports of the committee and the expertise of those who have spent months and years studying this issue, but this bill attempts to prejudge it because, as I pointed out at the outset, what this legislation does is appropriate $20 billion for synthetic fuel purposes.

Mr. President, I think that to short circuit the legislative process in that way is most unwise. Certainly we cannot make a responsible decision whether or not the free market approach, which I favor, or the Government Energy Security Corporation approach is better based on the information that is actually pending. Yet we are asked to spend $20 billion of the taxpayers' money in support of a decision which we really cannot make and which is not properly from a parliamentary standpoint before us today.

There is a final reason, aside from energy policy, why I am greatly distressed that the Appropriations Committee has seen fit to bring this matter before us in this way. It seems to me, aside from the merits of how we should produce synthetic fuel, that it is a very, very poor legislative practice for us to appropriate large sums of money for projects which have not been authorized by law.

Certainly to spend a huge amount of money as we are asked to here, $20 billion, for something about which we have made no policy decision is an extraordinary breach of the regular legislative process. I would not personally favor such a process even if I were for the Energy Security Corporation, which I clearly said I am not.

I think there is an issue here and a substantial one of the integrity of the appropriations process. Certainly at a time when the public feels and many Senators feel that our appropriations are running out of control, or nearly so, is not a time for us to break this kind of new ground with so little justification. On the contrary, it seems to me with a huge budget deficit during fiscal year 1979, with a projected budget deficit upwards of $30 billion for fiscal 1980, with the consequent inflation racking the country, forcing up consumer prices and interest rates and bringing problems to every family and taxpayer in the country, it would seem that this is more than ever before perhaps in the whole history of our country a time for prudence and restraint in the budget and appropriations policy.

This is a time, it seems to me, when Senators would want to behave like trustees of the taxpayers' money, when we would want to exercise not just the same degree of care that we might exercise if we were spending our own money but far more carefully because in truth we are trustees of the funds which have been provided to us by those we have been elected to serve.

Mr. President, I do not think there is one Member of this Senate who would spend $20,000 of his own money with the casualness and with the lack of information that we have for the proposed $20 billion appropriations in this bill.

Mr. President, I do not think there is one Member of this Senate who would spend $2,000 of his own money the way we are being asked to spend it in this legislation.

I think we are literally buying a pig in the poke. We do not know what the corporation is going to be. That policy decision will not be before us for a couple weeks. The Energy Committee has not finished its markup on the bill, and when the Energy Committee brings its bill to the floor it will at least compete and may indeed be replaced by a much different version of energy legislation which has been drafted by the Banking Committee. We just do not know where we are going and yet we are being asked to appropriate $20 billion.

So I am hopeful that a way can be found to remove this provision. Once the policy decision has been made we can always come back and appropriate the money. If there is one thing I have discovered, it is easy to appropriate the money particularly for glamorous, popular projects like this.

I have discussed this matter with some of my colleagues, and I have been given two reasons in support of this section which begins on page 38 of the bill, and I shall share them with my colleagues and comment briefly on two reasons that have been advanced in support of this section.

One is that it does not mean anything, that in fact we are reserving the later decision and so even if the money is left in the bill, even if the $20 billion is left in here, nothing is going to happen until subsequent action takes place.

I think, Mr. President, that may very well be true. But what a sorry charade for policy making if that is true to advance as a reason to write into a bill of this kind, and I am looking at line 5 of page 38, a number "$20 billion" and say but it really does not mean anything because it requires subsequent action.

The other argument which has been advanced to me at least in support of this proposition is, "Look, we have to do something." The Energy Commission is really a crisis. The authorizing committees are not moving decisively. They are not really getting anyplace, in effect. Those are not the words that have been used, but this is what it comes down to. We have got to do something even if it is wrong. We have got to take the initiative. We have got to spend the money.

Mr. President, I do not think that is a responsible approach to this problem. I do not think this is the way that we should make policy in this body. I do not think this is the kind of approach that is consistent with the integrity of the appropriations policy, and it seems to me that this section of the bill should be taken out and then let us make our policy in the regular way and come back with an appropriations bill funded if that is what we decide to do.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. ARMSTRONG. Mr. President, I am pleased to yield to my distinguished colleague from New Mexico.

Mr. SCHMITT. Mr. President, the Senator from Colorado has done an excellent job of summarizing the principal issue that will be before us today relative to this so-called Interior appropriations bill, H.R. 4930, and the section entitled "Alternative Fuels Production," which, in the bill, begins on page 38.

It will be the intent of the Senator from New Mexico at the appropriate time to raise a point of order relative to this section. But, first, I think it is appropriate to underscore the importance of the remarks of the Senator from Colorado not only relative to the present status of synfuels activity in this country, but also the appropriateness of this kind of legislation on an appropriations bill.

Most of our colleagues were here a few years ago in the 95th Congress when we created the Department of Energy. I at that time was one of 8 or 10 Senators, I believe, who finally voted against the creation of such a Department, for a wide variety of reasons. I had previously been associated with NASA's energy programs and in attempts to assist the Energy Research and Development Administration, one of the predecessors of the Department of Energy, in beginning a process of clearcut research and development into major new alternative energy sources, energy conservation techniques, energy efficiency techniques. One of the major areas in which NASA hoped to apply new technologies under its auspices through the program managership of ERDA was the synthetic fuels area.

And it became very clear at that time in 1974–75 and I think has become even clearer since to anyone who has followed the technology, the economics, the resource base, necessary to support a major program of either commercial or public synfuels production, that we just are not ready. We are not ready to make the kind of decisions that are implicit in a measure in an appropriations bill that would appropriate essentially a blank check for policy purposes of $20 billion.

The synfuel production area is an uncertain area. It is uncertain in technology because many would feel there are in the wings new technologies that very quickly would outdate anything we might put into place at this time in a crash program.

It is uncertain because of economics clearly related to the present and potential future technologies, the economics of risk-taking, the economics of regulation, just a general economic picture relative to synfuels and relative to an inflated world price of crude oil.

A few years ago we were dealing with a deflated price of domestic oil and domestic gas which caused us to become extraordinarily inefficient, extraordinarily irresponsible in our use of energy. We have not gotten over that yet but, at the same time, we are paying an unbelievably higher price now for the same fuel, and a price which most of my colleagues in the geological and minerals professions would say is something like 50 percent, maybe more, higher than what we could produce the same materials for domestically if the environment for production, the tax environment, the regulatory environment, the policy environment were such that such production could be undertaken.

So one of the major uncertainties that has to be in the back of any synthetic fuels program, whether it is one initiated in the private sector or one initiated by the Federal Government, is what is the Federal Government going to do about stimulating domestic gas and oil production by standard secondary and tertiary techniques.

If we suddenly begin to do the right things, the synfuel program for a decade or so will be a very difficult program to carry out from an economic point of view. It will be a tremendous burden on the taxpayer and potentially a dismal failure in which many in this body and in the other body and in Government in general will have technological, economic egg on their faces.

Mr. President, maybe more important to this discussion than anything I have mentioned up until now is the issue of what should be the Federal role. The Senator from Colorado raised that point very clearly. We do not know, we just do not know. There certainly is one role that I think everybody can agree upon, everybody in the Appropriations Committee clearly agreed upon when this issue was brought before us, and that is there should be an accelerated, hard well-funded effort in research and development and even potentially in demonstration through appropriate amounts of loan guarantee being made available to the private sector.

But that is a far cry from an accelerated crash program of production. It is a far cry philosophically, it is a far cry in terms of its probability of success.

The materials technologies, the environmental technologies, the conversion technologies, and many other areas in science and technology that need to proceed further than they are today before we can count on a successful alternative fuels or synthetic fuels program are enough to boggle the mind.

It does not mean that this great country is incapable of solving these problems, and solving them fairly quickly. But, nevertheless, the problems do exist, and to think otherwise would be a major policy mistake.

Maybe one of the most serious issues we must face is the issue of what is the resource base that can support a synthetic fuels program. It is not enough just to say there are 4 trillion tons of coal around that we could use or some unbelievable resource base of oil shale that we could use or tremendous crop production capacity which we all know we have. The issue is how much of that resource is available at any given time, given the problems of regulation, of land availability, of land reclamation, of land withdrawal, all of those things that in a systematic way have reduced the true resource base that is available to this country at this time.

I will just end this part of the technical discussion on my part at this time by saying that the U.S. Geological Survey, which, by the way, has not yet been asked to study this problem by the administration, present estimate is that in the next many years, number of years, there are not more than six properties, coal properties, that could be put into production to support a major synthetic fuel effort. Those properties are important because they do provide the basis for some major demonstration programs in the fairly near future as soon as we are ready, but it is not as if we suddenly are going to substitute synthetic fuels in any reasonable time for fuels that we currently import.

Mr. President, that debate is an extremely important debate, and we will have that debate when the Energy Committee, the Banking Committee, or any others come to the floor with their proposals on what is the best way in which the Federal Government can either use its resources or its influence or its persuasion to see that we are moving to create a synthetic fuels capability that will be available at the time this great country needs it. Obviously, one can say we need it now, but one can also as obviously say it just is not going to be available now.

The issue today is not whether we should have an energy security reserve or give to the Department of Energy the responsibility for a synfuel program. The issue today is whether we want to be responsible in our legislative process.

Mr. President, if I may at this point in the Record read paragraph 2 of rule XVI, which reads as follows:

> 2. The Committee on Appropriations shall not report an appropriation bill containing amendments proposing new or general legislation or any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law if such restriction is to take effect or cease to be effective upon the happening of a contingency, and if an appropriation bill is reported to the Senate containing amendments proposing new or general legislation or any such restriction, a point of order may be made against the bill, and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.

Mr. President, I submit to my colleagues for their consideration this afternoon that the section the Senator from Colorado and the Senator from New Mexico are discussing is clear and unadulterated legislation on an appropriation bill. After the events of last week in which we and our sister body struggled with legislation on a continuing resolution, we should be very, very leery of continuing that process, of giving this body more difficulties and giving Congress more difficulties than we already have in dealing with appropriation bills.

Our distinguished majority leader, as reported in the Washington Post of Sunday, October 14, discussed this issue, and I have to say that I concur with the remarks as they were reported.

Mr. President, I ask unanimous consent that his comments be printed in the Record, as reported, at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

### LEADER BYRD NEARS SALT ENDORSEMENT; SENATE COMMITTEE STARTS VOTING MONDAY

(By Spencer Rich)

Senate Majority Leader Robert C. Byrd (D-W. Va.) appeared on the brink of formally endorsing the strategic arms limitation treaty yesterday as the Senate Foreign Relations Committee prepared to begin voting on it Monday.

Although Byrd insisted at a press conference that he hasn't quite made up his mind whether to endorse the arms treaty with the Soviet Union, which is President Carter's single most important request to Congress this year, Byrd revealed that he had met with "eight to 10 senators" privately Friday to seek some idea of how much defense spending must be beefed up to quell fears of national-security dangers.

Byrd said that if "the McGoverns and the Nunns, the Stennises and the Moynihans" could get together and draw some compromise "fine line" on what to spend and on certain other national security concepts, "then we could put together a two-thirds majority on the SALT treaty."

He said he had asked Majority Whip Alan Cranston (D-Calif.) and Sen. Daniel P. Moynihan (D-N.Y.), who has been sharply critical of the Soviets, to head special units to study both arms reduction and needed increases in defense spending. The Friday meeting, he said, included several Republi cans but he declined to name anyone present.

Byrd said he has told the White House flatly that the treaty won't come to the Senate floor for a final vote until and unless it hands over five-year military spending projections, with some details, which he said in many cases firms lobbying for defense contracts already know. He said the President had agreed to supply the projections.

As Byrd appeared to be nearing open endorsement of the treaty, Sen. Charles H. Percy (R-Ill.) announced in Chicago that he will vote for the treaty provided the Senate adopts two "understandings," which he expects. One makes clear the United States can continue transferring defense technology to its allies; the other requires Senate approval before a three-year "protocol," limiting some missile ranges, can be extended further.

The Foreign Relations Committee on Friday killed by a 10 to 5 vote a proposal by Sen. John Glenn (D-Ohio) to delay any consideration of the treaty until it can study the implications of the five-year projections, once they are received from Defense Secretary Harold Brown. Instead, it agreed to start voting Monday. Glenn was joined by Republicans Howard H. Baker (Tenn.), Richard Lugar (Ind.), S. I. Hayakawa (Calif.) and Jesse Helms (N.C.).

Byrd, who said he favors televising the Senate SALT debate provided a time limit can be agreed on, said his own reading of "backup materials" has convinced him that "funding more money" to beef up U.S. arms is a must with or without the treaty in view of Soviet strides. He said that on verification of the SALT agreements, the "bottom line" of the Senate Intelligence Committee's assessment is "that without SALT II our ability to monitor [Soviet arms] is going to be less than that with SALT II—the committee seemed to be pretty much unified on that point."

Byrd also told reporters:

He doesn't particularly like GOP presidential candidate John Connally's concept of using U.S. forces to keep peace in the Mideast and he thinks Carter's Camp David approach is better.

Gasoline lines "will be back, no question they'll be back," so it's good that Congress is moving to pass major energy and synfuels legislation.

Attaching anti-abortion and other substantive legislative provisions to appropriations bills and thereby holding up the U.S. budget is becoming a "legislative abomination . . . a nightmare . . . legislative blackmail" and he hopes to get together with House leaders on some way to control it.

With luck, Congress might be able to complete energy, synfuels, appropriations and windfall-profits legislation, and then complete SALT, by Thanksgiving, but "we may be in till Christmas" though he doesn't really believe it will be that long.

Mr. SCHMITT. I would direct my colleagues' attention to one paragraph from the article in the Washington Post. This is a statement reported to be that, or representative of that, of the distinguished majority leader, the Senator from West Virginia. It reads as follows:

> Attaching anti-abortion and other substantive legislative provisions to appropriations bills and thereby holding up the U.S. budget is becoming "legislative abomination . . . a nightmare . . . legislative blackmail" and he hopes to get together with House leaders on some way to control it.

The words "legislative abomination * * * a nightmare * * * legislative blackmail" are in quotation marks. I am sure our distinguished majority leader will comment on whether those quotations were accurate or not at some later time today.

But whether they are accurate or not, Mr. President, it is clear that all of us in this body have come to rue that day on which we began systematically to legislate on various momentous national policy issues through the appropriations process; and it is extremely important that we begin to reverse our tendency in this area.

There are some, as the Senator from Colorado has said, who would minimize the importance of this section in the appropriations bill. However, it is legislation, it is a "mere" $20 billion, and it does represent, if my understanding of the precedents is correct, as an appropriation absent an authorization, effective authorization of this kind of activity, although that is subject to further discussion.

Mr. President, I could continue to talk about why we find ourselves in this position where many feel that the only way to get things going in synthetic fuels is to legislate on an appropriations bill. That is how many have felt with respect to carrying their beliefs with respect to abortion or carrying their beliefs with respect to any number of particular issues that face this Nation at this time. But if we are to throw into the wind the systematic process of authorization and appropriation that has been developed with such extraordinary difficulty and what I consider extraordinary positive results over the history of this great Nation, then we are throwing into the wind far more than just procedural questions that affect this body. We are throwing into the wind the systems and traditions that have enabled this body to function.

The Senator from New Mexico finds that it is almost an unbelievable situation that we should all feel so reluctant about issues such as abortion on an appropriations bill, and yet be willing, on this floor and previously in committee, to do exactly the same thing on another major national policy issue. To the initial credit of the Appropriations Committee, the first time this issue was raised, the committee voted, I believe 12 to 11, to delete from the committee bill a similar provision recommended by the subcommittee. Unfortunately, the next day that decision was reconsidered and reversed. What happened in the intervening 18 or 24 hours is something that this Senator is not fully aware of, but obviously it was effective from the point of view of those who would have us take this policy step in this very inappropriate way.

Mr. President, as we approach that time when the bills from the Energy Committee and the Banking Committee are before us, we can spend a great deal of time, and I hope will spend a great deal of time, discussing in terms that all can understand the merits and demerits of the programs advocated by those two communities, and, maybe more importantly, try again in this body to realize that there has not been an underlying foundation of scientific and technical feasibility or economic feasibility and of just plain old commonsense before we take on these kinds of issues in some slapdash way.

I frankly was surprised, in spite of the background of energy policy in recent years being a dismal failure, largely because it has been precipitous and not thought through, not systematic and interrelated, that we would suddenly find ourselves becoming even more precipitous. I was not aware that that was possible, but obviously it is. And by doing violence to the rules of the Senate, we are capable of acting more precipitously than we have before. So the issue will come before us—an issue of whether this legislation should be attached to an appropriations bill—and it is my hope that the Chair at that time will rule basically that the committee should go back into session and undo what it has done, so that the Senate can quickly work its will on a very important bill, a bill that should be passed quickly, should be available for conference, and should then provide the necessary appropriations before the continuing resolution runs out.

Mr. President, a parliamentary inquiry, if I may.

The PRESIDING OFFICER (Mr. BRADLEY). The Senator will state his inquiry.

Mr. SCHMITT. That inquiry is what the legislative effect of this appropriation of $20 billion in the alternative fuels section or alternative fuels production section is. Is it an appropriation, first of all, that counts against the budget resolution?

The PRESIDING OFFICER. Which budget resolution is the Senator referring to?

Mr. SCHMITT. The third concurrent budget resolution. Excuse me, the second concurrent resolution.

The PRESIDING OFFICER. It is the Chair's understanding that this program was covered under the second concurrent budget resolution.

Mr. SCHMITT. Will the Chair repeat that?

The PRESIDING OFFICER. It is the Chair's understanding that this program was covered under the second concurrent budget resolution.

Mr. SCHMITT. Now a second parliamentary inquiry, Mr. President. Does this section, under the precedents of the Senate, if adopted—under the precedents of Congress, really, if adopted by both Houses and signed into law by the President—sufficiently authorize a synthetic fuels program?

The PRESIDING OFFICER. The Chair does not interpret the legal effect of the language.

Mr. SCHMITT. Let me try to rephrase the question. Are there precedents in the Senate that effectively make this type of an appropriation binding in the absence of a specific authorization?

The PRESIDING OFFICER. The Chair states that requires a legal interpretation that the Chair does not get into.

Mr. SCHMITT. I thank the Chair.

Mr. President, without further discussion I will make a point of order against the bill relative to this section.

Mr. ROBERT C. BYRD. Mr. President, I move to table the point of order.

Mr. SCHMITT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The motion to table is not in order because this is not a point of order that has been submitted to the Senate. The Chair is prepared to rule on the point of order.

## QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SCHMITT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The second assistant legislative clerk resumed the call of the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 7 Leg.]

Armstrong
Bentsen
Bradley
Byrd, Robert C.
Domenici
Helms
Huddleston
McClure
Schmitt
Stevens
Weicker

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The second assistant legislative clerk resumed the call of the roll, and the following Senators answered to their names:

Byrd, Harry F., Jr.
Glenn
Talmadge

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in adjournment for 30 minutes and I ask for the yeas and nays.

Several Senators. Point of order.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient——

Mr. SCHMITT. A parliamentary inquiry.

The PRESIDING OFFICER. Debate is not in order.

Several Senators addressed the Chair.

Mr. SCHMITT. A quorum call is in progress.

The PRESIDING OFFICER. A quorum call is in process.

The Senator will state his parliamentary inquiry.

Mr. SCHMITT. Mr. President, the quorum call is to proceed; is that not correct?

The PRESIDING OFFICER. The absence of a quorum has been established.

Mr. SCHMITT. And a live quorum is in process; is that correct?

The PRESIDING OFFICER. That is correct.

### MOTION TO ADJOURN

Mr. ROBERT C. BYRD. But a motion to adjourn is in order because a quorum has not been established.

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Mr. ROBERT C. BYRD. So I move to adjourn for 30 minutes and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from California (Mr. Cranston), the Senator from Iowa (Mr. Culver), the Senator from Nebraska (Mr. Exon), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Vermont (Mr. Leahy), the Senator from Louisiana (Mr. Long), the Senator from Arkansas (Mr. Pryor), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams) and the Senator from Michigan (Mr. Riegle) are absent on official business.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Maine (Mr. Cohen), the Senator from Kansas (Mr. Dole), the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), the Senator from Pennsylvania (Mr. Heinz), the Senator from Iowa (Mr. Jepsen), the Senator from Maryland (Mr. Mathias), the Senator from Pennsylvania (Mr. Schweiker), the Senator from South Carolina (Mr. Thurmond), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. Thurmond) would vote "yea."

The PRESIDING OFFICER. Are there any Senators in the Chamber who desire to vote and who have not done so?

The result was announced—yeas 52, nays 22, as follows:

[Rollcall Vote No. 358 Leg.]

YEAS—52

Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
DeConcini
Domenici
Durkin
Eagleton
Ford
Glenn
Gravel
Hart
Heflin
Huddleston
Jackson
Javits
Levin
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Pell
Pressler
Proxmire
Randolph
Roth
Sarbanes
Sasser
Stennis
Stevens
Stewart
Stone
Talmadge
Tsongas
Young
Zorinsky

NAYS—22

Armstrong
Boschwitz
Chafee
Cochran
Danforth
Durenberger
Garn
Hatch
Hayakawa
Helms
Humphrey
Kassebaum
Laxalt
Lugar
Packwood
Percy
Schmitt
Simpson
Stafford
Tower
Warner
Weicker

NOT VOTING—26

Baker
Bayh
Cohen
Cranston
Culver
Dole
Exon
Goldwater
Hatfield
Heinz
Hollings
Inouye
Jepsen
Johnston
Kennedy
Leahy
Long
Mathias
Pryor
Ribicoff
Riegle
Schweiker
Stevenson
Thurmond
Wallop
Williams

So the motion to adjourn for 30 minutes was agreed to.

The PRESIDING OFFICER. A quorum is present.

## THIRTY-MINUTE ADJOURNMENT

The motion was agreed to, and at 12:53 p.m., the Senate adjourned until 1:23 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Levin).

## AFTER ADJOURNMENT

MONDAY, OCTOBER 15, 1979

The Senate met at 1:23 p.m., pursuant to adjournment, and was called to order by Hon. Carl Levin, a Senator from the State of Michigan.

## THE JOURNAL

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to exceed 5 minutes, that Senators may speak therein up to 1 minute each, that no resolutions come over under the rule, and that the call of the calendar under rule 7 be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

## S. 300—THE ANTITRUST ENFORCEMENT ACT OF 1979

Mr. HEFLIN. Mr. President, one of the many misconceptions concerning S. 300, the proposed Antitrust Enforcement Act of 1979, is that it will facilitate the enforcement of the antitrust laws and enhance the ability of those wronged by a violation of those laws to recover damages for their injuries. Consequently, those opposed to this legislation have often been depicted as attempting to undermine antitrust enforcement and protect antitrust violators.

Recently, a so-called compromise version of this bill circulated, as I understand it, by our distinguished colleague from Missouri, Senator Danforth. The fact that those opposed to S. 300 also opposed this new version, which was in reality no compromise at all, was cited as further evidence of a prodefendant bias on their part.

Mr. President, nothing could be further from the truth. It is precisely because of the adverse effects of these proposals on the ability to enforce the antitrust laws that they have merited vigorous opposition. Indeed, among the leaders of the opposition have been members of the antitrust plaintiffs bar.

Recently, I received a letter from Mr.

Harold Kohn, senior partner of Kohn, Savett, Marion & Graf, and one of the leading plaintiffs' antitrust attorneys in this country. Mr. Kohn has been in the forefront of antitrust enforcement on behalf of plaintiffs for 30 years and has frequently testified before committees of both the Senate and House. In the hope that his views may help to set the record straight and correct any misconception that the proposed legislation will somehow be helpful to future antitrust plaintiffs, I ask unanimous consent that his letter to me of September 14 be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KOHN, SAVETT, MARION & GRAF, P.C.,
*Philadelphia, Pa., September 14, 1979.*

Hon. HOWELL HEFLIN,
*Senate Judiciary Committee, Dirksen Senate Office Building, Washington, D.C.*

DEAR SENATOR HEFLIN: I have had an opportunity to examine the new Illinois Brick proposal, which I understand is being circulated by Senator Danforth as a "middle ground" position. I would like to address my remarks to this proposal but first make a few qualifying remarks about myself.

I have practiced antitrust law for the last 30 years on behalf primarily of plaintiffs, but from time to time on behalf of defendants also. Over the past 15 or more years, I have offered expert testimony before the United States Senate Committee on the Judiciary, Subcommittee on Antitrust and Monopoly, on numerous occasions, usually taking a favorable, pro-enforcement position with respect to pending legislation. I have also appeared before the House Judiciary and other Committees.

In my testimony before the Senate Committee on March 14, 1979, and at other times, and in testimony before the Commercial Laws Subcommittee of the House Judiciary Committee, I opposed S. 300, the so-called Illinois Brick bill, and its counterpart on the House side.

Briefly stated, my opposition was based upon the fact that the Illinois Brick decision provided certainty in determining damages which permitted administrative and judicial handling of antitrust cases without the attendant confusion and uncertainty which existed prior to that decision. Before Illinois Brick, the defendant was able to pit the first purchaser against subsequent purchasers in such a manner as to impede settlements and make trials practically confused by requiring that the overcharge be traced through each step in the distribution chain to determine damages.

Unfortunately, in the real world, the task of tracing an overcharge involves much more than just an accountant's compilation of debits and credits. It involves many disputable economic judgments as what competitive price the market might bear at that time, what substitute products are available in the distributive channels, what supply-demand factors exist, and so on.

The proposal of Senator Danforth does nothing to remedy the inherent problems which the Supreme Court recognized in its Illinois Brick decision.

The proposal does nothing to improve what all experienced plantiffs' counsel consider a bad bill. Passage of the Danforth proposal will have just as much a deleterious effect on private antitrust enforcement as would enactment of S. 300.

Respectfully,

HAROLD E. KOHN.

## REPEAL OF THE CARRYOVER BASIS RULE

Mr. HEFLIN. Mr. President, on September 25 of this year, I made a speech on the floor of the Senate in support of a measure which has been introduced which would repeal the carryover basis rules adopted by Congress in the Tax Reform Act of 1976.

Since that speech, I have received numerous responses from many people, both from my home State and from other States, supporting the rollback in the basis rules.

The groundswell supporting the repeal of the carryover basis rules is not limited to lawyers and accountants. Average citizens from all walks of life are supporting this measure, and, now, it has come to my attention that the Southern Governors Association in its recent meeting in New Orleans, La., has come out in support of repealing these unfair provisions. The Governor of the great State of Alabama, the Honorable Fob James, introduced Resolution No. 15 which was approved by the Southern Governors Conference, and I ask unanimous consent that a copy of the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

REPEAL OF THE CARRYOVER BASIS RULE

Whereas, the practice of bequeathing possessions of value to one's heirs is a cherished right of Americans; and

Whereas, providing security for one's spouse, children and other relatives is a prime incentive for Americans to invest, thereby creating capital for business and jobs for the public; and

Whereas, the tradition of handing down property from one generation to the next is threatened by the carryover basis rule, a capital gains tax process that will greatly diminish the estates of many Americans; and

Whereas, the complexities of this carryover basis rule will place an additional costly burden on those faced with tracing the history of each asset, piece of property, and family heirloom in an estate subject to capital taxation: Now, therefore, be it

*Resolved* in the Southern Governors' Association duly convened in New Orleans, Louisiana, that this Association urges all members of the United States Senate and House of Representatives to support and vote for the repeal of the carryover basis rule. Be It Further Resolved that this Association entreats President Jimmy Carter to endorse the will of the Congress of the United States in repealing this confiscatory complex tax rule.

## FORTY-FIVE-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 45 minutes.

There being no objection, the Senate, at 1:25 p.m., recessed until 2:10 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BUMPERS).

## RECESS UNTIL 2:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2:30 p.m. today.

There being no objection, the Senate, at 2:10:05, recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BUMPERS).

## DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 4930.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The Senate continued with the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, pursuant to the precedents of the Senate, by authority of the Committee on Appropriations, I hereby withdraw from the bill, H.R. 4930, a committee amendment beginning on page 38, line 2, and ending on page 40, line 18, the alternative fuels production account.

Mr. President, I take this action——

The PRESIDING OFFICER. The committee amendments on those pages are withdrawn and the point of order falls.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I took this action in view of the point of order that has been raised against the entire bill because of this particular appropriation. All the available members of the Appropriations Committee have been polled. A wide majority of those contacted raised no objection to the action thereto. This avoids the necessity of taking the bill back to the committee and will permit the Senate to proceed with the bill as a whole. I continue to hope it will be passed today; and, if not today, then the Senate, of course, will resume consideration of the bill tomorrow.

### UP AMENDMENT NO. 642

(Purpose: To add alternative fuels account)

Mr. ROBERT C. BYRD. Now, Mr. President, I offer an amendment to reinstate this account in total.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 642.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 38, line 2, strike all through and including line 18 on page 40, and insert in lieu thereof the following:

ALTERNATIVE FUELS PRODUCTION

For the establishment in the Treasury of the United States of a special fund to be designated the "Energy Security Reserve",

$20,000,000,000, of which $1,500,000,000 shall be derived by transfer from the "Strategic petroleum reserve" account, to remain available until expended: *Provided*, That these funds shall be available for obligation only to stimulate commercial production of alternative fuels and only to the extent provided in advance in appropriations Acts: *Provided further*, That $1,500,000,000 shall be available immediately to the Secretary of Energy for expenses necessary to carry out the provisions of the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended to remain available until expended, for the purchase or production by way of purchase commitments or price guarantees of alternative fuels: *Provided further*, That the Secretary is authorized to contract for purchases of or commitments to purchase, or to resell alternative fuels to the extent of appropriations provided herein: *Provided further*, That an additional $708,000,000 shall be available immediately to the Secretary of Energy, to remain available until expended, to support preliminary alternative fuels commercialization activities, of which (1) not to exceed $100,000,000 shall be available for direct loans for project development feasibility studies, such individual loans not to exceed $4,000,000: *Provided*, That the Secretary may waive repayment of such loans where studies determine that project proposals have no economic or technical feasibility; (2) not to exceed $100,000,000 shall be available for cooperative agreements with non-Federal entities, such individual agreements not to exceed $25,000,000, to support commercial scale development of alternative fuels facilities; (3) not to exceed $500,000,000 shall be available for a reserve to cover any defaults from loan guarantees issued to finance the construction of alternative fuels production facilities as authorized by the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5901, et seq.): *Provided*, That the indebtedness guaranteed or committed to be guaranteed under this appropriation shall not exceed the aggregate of $1,500,000,000; and (4) not to exceed $8,000,000 shall be available for program management.

This Act shall be deemed to satisfy the requirements for congressional approval of sections 7(c) and 19 of said Act with respect to any purchase commitment, price guarantee, or loan guarantee for which funds appropriated hereby are utilized or obligated.

For the purposes of this appropriation the term "alternative fuels" means gaseous, liquid, or solid fuels and chemical feedstocks derived from coal, shale, tar sands, lignite peat, biomass, solid waste, unconventional natural gas and other minerals or organic materials other than crude oil or any derivative thereof.

Within 60 days following enactment of this Act, the Secretary of Energy in his sole discretion shall establish and publish final criteria for loans described in this account.

Mr. ROBERT C. BYRD. Now, Mr. President, the Senate has before it——

Mr. SCHMITT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHMITT. Was the amendment in order relative to the action of the Senator from West Virginia relative to the action the Appropriations Committee just took in terms of the lines stricken? Were they not already stricken by the preceding action?

The PRESIDING OFFICER. The effect of this amendment is to strike House language, which will now be in because the committee amendment was withdrawn, and substitute the Senate committee language in lieu of the House language.

Mr. SCHMITT. I thank the Chair.

I thank the majority leader.

Mr. President, the Senator from West Virginia has at least improved his situation considerably and maybe has slightly improved the situation in the Senate. However, we are still faced with this amendment as being out of order with respect to it being legislation on an appropriations bill. The basic situation has not changed since this morning when the Senator from Colorado and the Senator from New Mexico both expressed concern about this method of making policy.

Again, the normal procedure would be for the Senate to have authorized a program related to alternative fuels production. The Senate Appropriations Committee acting on that authorization would have supplied such funds as it deemed necessary, after hearings. The Senate then would have a chance to vote on the entire appropriations bill or on that amendment itself or that provision itself, but knowing full well that the issue of authorization had already been resolved.

Unfortunately, that is not the case before us. The amendment is now put for consideration without the Appropriations Committee having held any significant hearings on this issue, without the Senate Energy and Natural Resources Committee having even reported a bill related to this issue, and without Senate consideration of a bill on this subject reported by the Banking Committee.

So, again, it does not basically change the situation that we faced earlier today, although the parliamentary situation has been somewhat altered.

I would hope that when, at the appropriate time, a point of order is raised against this, the Chair will sustain the point of order, or if germaneness is called for that the Senate will, for all of the above reasons and many others, decide that the amendment is not germane to this appropriations bill.

It is indeed unfortunate that we have to wrangle in this way in respect of parliamentary procedure in order to prevent bad precedents and bad policy from being made.

As I indicated earlier this morning, the issue of synfuels is an extremely complex one, not only related to technology and economics and our resource base, and the timing in which synfuels production, whether private or public, could be available to solve our basic problem of excessive imports, but it is also related to what is the best way to conduct a synfuels program. Is it to rely on the traditional strengths of the private sector buttressed by federally sponsored and federally encouraged research and development, and, potentially, demonstration? Or is it to throw up your hands and say, "Let us have the Federal Government do it"?

As all of us in the Appropriations Committee certainly know, and others who have followed this issue, the $20 billion figure is not an accident. It is a figure related to what the Energy Committee is considering. That is a Government production program related to synfuels. I am not convinced that this is the way we should go, but I certainly do not think that the Energy Committee has yet convinced the Senate. This back door way of getting some kind of a Senate endorsement of a proposal that is yet to be debated I think should be avoided by the Senate and rejected by the Senate.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. SCHMITT. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, this is not a back door approach at all. The distinguished Senator says there have been no hearings on this.

My subcommittee held hearings on this appropriation. I chaired the hearing on that particular day. The Secretary of Energy, Mr. Duncan, appeared before that subcommittee. The Under Secretary, Mr. Deutch, appeared. The fact that some Senators did not attend is a matter that was their own decision. If they had other places to go or other committees to be attending at that time, that was their decision. I find no fault with that. The Senator from New Mexico was not present on that date. But there was a hearing. I was there for at least 2 hours.

So a hearing was held. This is not a back door approach. The House opened the way on this legislation. It is legislation on an appropriations bill, but it is germane. It is germane to the House appropriation. The House opened the door.

The House has already passed authorizing legislation. The House has passed the appropriations bill. It provided language on this subject in the appropriations bill. Consequently, this language is germane to the House language. So this is not a back door way of appropriating funds.

The Senator was proposing to send the entire bill back to the committee on a point of order. How long the committee would wrestle with that bill once it was returned or recommitted, one cannot say. The approach that I have taken here has obviated sending the entire bill back to the committee, thus delaying action on the bill. I have offered the amendment, coming in the front door, not the back door. I offered the amendment that provides exactly the same language that the Senate Appropriations Committee approved when it sent the bill to the floor, when it reported the bill to the calendar.

So there is no back door approach here. And there were hearings conducted, may I say for the information of the distinguished Senator from New Mexico.

Mr. SCHMITT. Mr. President, the 2 hours of hearings relative to a $20 billion program, in which the witness list obviously was not in any way appropriate to the issue, in a situation that the Energy Committee has been wrestling with for many weeks now, where there are proposals ranging from a little over $3 billion to over, I believe, $300 billion in one instance, for this kind of effort, it hardly seems that 2 hours of hearings are sufficient for the Appropriations Committee to make a decision. As a matter of fact, the first decision the Appropriations

Committee made was not to include a measure of this kind.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. SCHMITT. The second decision it made was to include it, under the able guidance of the distinguished majority leader, under a reconsideration of the previous day's action.

I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, my reference to the 2 hours of hearings alluded to the 2 hours in which I personally conducted those hearings. The distinguished Senator from Kentucky (Mr. HUDDLESTON) continued the hearings for the rest of the day. I believe Senator YOUNG, the ranking member of the Committee on Appropriations, was there. The distinguished Senator from New Mexico was not there, but the hearings were conducted. There was a hearing on a previous day when the committee heard outside witnesses on this subject.

The Energy Committee, chaired by the distinguished Senator from Washington (Mr. JACKSON), has conducted hearings on this subject, has already completed action on the synfuels section of its bill, and shortly will report the bill. So this does not come to the floor as some frivolous amendments do, without any hearings by any legislative committee, or without any hearings by the Appropriations Committee.

That is one of the complaints that I have had with respect to legislation on an appropriations bill. Legislation is offered to appropriations bills without any hearings on the legislation by the substantive committee. Certainly, the Appropriations Committee is not in a position to hold hearings on some of the subject matter that comes to the floor or is offered on the floor by way of amendments to appropriations bills.

This is different. The legislative committee has conducted hearings, and has completed action on the synfuels sections of the bill. The Appropriations Subcommittee itself held hearings on this matter. So the two are not premature, I say in response to the distinguished Senator from New Mexico.

I thank him again for yielding.

Mr. SCHMITT. Mr. President, I thank the Senator for such comments because, although they are somewhat inconsistent with other expressions of his sentiment that he discussed in his absence——

Mr. ROBERT C. BYRD. Will the Senator yield on that point?

Mr. SCHMITT. I am happy to yield.

Mr. ROBERT C. BYRD. It is the Senator's judgment, not mine, that they are inconsistent. Let us discuss that for just a moment.

The House-passed version of the Interior appropriations bill contained $1.5 billion for synthetic fuels development. So the House opened the door on the appropriations bill. It passed the bill. It contained language with respect to synthetic fuels development. Therefore, the Senate Appropriations Committee action was germane——

Mr. SCHMITT. But did the House——

Mr. ROBERT C. BYRD. To the House bill. And the amendment which I have just offered is germane to the language that was offered in the House bill.

Now, I have the floor by the sufferance of the distinguished Senator from New Mexico. He can take it back any time he wants. He has yielded to me, but I shall not ask him to yield further. I shall seek recognition on my own time.

Mr. SCHMITT. I apologize for attempting to interrupt. It was just that the expression "opened the door," caught this Senator's attention.

Mr. President, $1.5 billion is a significant figure. But if that kind of a crack means that we can drive a $20 billion truck through that door, it fails to impress this Senator that we are doing what is literally germane.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. SCHMITT. I shall yield in a moment.

The thing I am concerned about and that I am sure the distinguished Senator from West Virginia, on other occasions, has been equally concerned about is that we are not following what has normally been considered a legislative process. There have been hearings in this body and committees of this body on many different subjects. But the mere fact that there are hearings in one committee does not justify that we go ahead on very limited review, driving a truck through a $1.5 billion crack in a door opened by the House—if, in fact, that is the expression of germaneness.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. SCHMITT. I find it very, very difficult to see that a systematic legislative process, a process which will, hopefully, serve the best interests of this country, particularly in this critical area of energy, is served by the Appropriations Committee's taking this kind of action in the absence of any floor debate relative to the Energy Committee's bill or the Banking Committee's bill, or anybody's bill, on alternative or synthetic fuels.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. SCHMITT. I am happy to yield.

Mr. ROBERT C. BYRD. Between the time that the House opened the "crack," to use the Senator's word, and the present, the President of the United States sent up a budget amendment requesting $20 billion. The House had no opportunity to pass on that, so it was presented to the Senate Committee on Appropriations. That is not out of the ordinary. That happens often. The House acts on an appropriations bill and sends it over to the Senate. The administration sends up new budget amendments. The Senate conducts hearings on them.

I thank the Senator for yielding.

Mr. SCHMITT. But I do not think the Senator from West Virginia would want us to encourage the President to send up budget amendments which do violence to our normal legislative process. The House appropriations, as I understand it, of $1.5 billion, the now infamous "crack," was to a specific agency, as I understand it, a specific authorization in the Defense Production Act.

Here, the Senator has offered an amendment which creates a special trust fund, which does many other things buried in this bill, and certainly buried in the minds of those who proposed it.

So it hardly seems that this is a normal legislative process. It seems to this Senator that it is one to get, again, through a crack in the back door something that they may have some difficulty getting when they come to the floor with it through the front door.

The Energy Committee has done a great deal of excellent work on this issue. People of good will will disagree. The Banking Committee has done a great deal of good work on this issue, and they are also people of good will who disagree.

That battle will come. It will be fought here. At that time, when that is resolved and there is some basis for an appropriation, some basis for the billion-dollar trucks that will go through this, then I would say, "Let's act."

The Senator from New Mexico may be on a variety of issues differing from my distinguished colleagues. But when the Senate has, in fact, spoken, the authorization has been passed, then let us begin the appropriation process in a way that does not do violence to our system.

Mr. HUDDLESTON. Will the Senator yield?

Mr. SCHMITT. I am happy to yield.

Mr. HUDDLESTON. I thank the distinguished Senator from New Mexico.

I think there are some points about this amendment that should be made in response to comments made by the distinguished Senator from New Mexico and the distinguished Senator from Colorado relating to just what the amendment is, what it does, and what it sets out to do.

First of all, there was some mention that the $20 billion is well within the budget authorization ceilings. The Congressional Budget Office indicates that the outlays for this amount will be rather minimal, about $40 million.

Second, I think it ought to be stressed that this amendment is not prejudging the type of mechanism or the type of program that may be developed in order to initiate a synthetic fuels or an alternative fuels program in this country.

The Senator from New Mexico sits on the Appropriations Committee and recognizes that within that amendment being considered today is the requirement that when funds are to be used, through whatever mechanism the authorizing committees set up, they must again come back to the Appropriations Committee for consideration once the authorization bill has passed.

The Senator this morning indicated that maybe we would do better if we emphasized more the development and production of our domestic oil resources. I am for that. I think we ought to expedite these every way possible, increasing further domestic exploration and production of oil. But I know, as he knows, that we are dealing with a finite resource, and no matter how much we can increase our oil supply from domestic sources, that it will run out. We just hasten the day when we have no oil, and it may come sooner than we should hope.

One thing that is apparent now that was not apparent when the House opened this $1.5 billion crack is that the foreign supply of oil is going to become tighter and tighter.

Just the announcements within the last day and a half indicate that we cannot expect to receive the same level of foreign oil in the future that we are receiving now.

Even if the foreign supply were to continue to flow at its current level, or even be increased, the commitment by the President of the United States that we will not import any more oil than we did in 1977, which is 8.2 million barrels per day, and the increasing domestic demand for oil, brings about the irrefutable fact that within a very short time we will be bumping against those ceilings; and we will, in fact, have within this country a shortage of gasoline, a shortage of heating oil. Cars will be lined around the block again trying to get into the gas stations.

So what are we trying to do here? We are trying to recognize the changing situations that develop. We are trying to accommodate the President of the United States who says he wants to decrease the dependency of this country on foreign sources of energy by developing a synthetic fuels program. He sent the budget amendment over, backed it up with a letter, indicating that this is of a high priority.

We are trying to say to the world and to the American people that the Senate and the Congress of the United States are ready to make a commitment to reduce all our dependency on foreign sources of energy.

We are not giving anybody a blank check. We are not prejudging the manner in which this program should be initiated. We are just saying that we are going to be ready when the authorizing committees complete their work and present us with a plan that may be operated in whatever way they finally decide it. These funds, subject to the approval of the Appropriations Committee, will be available, and we can get on with this job.

I listened to the Senator from New Mexico this morning talk; and I got the impression he felt that somewhere in the future, that on one day, oil is going to run out and the next day we will be able to replace it with synthetic fuels.

The whole point is that in order to be ready to replace oil with synthetic fuels we have got to start now. We are not going to use any great amount of synthetic fuels or alternate sources of energy by 1985, or even 1990 and beyond, if we do not start sometime—and we must start now, in my judgment.

And that is what this amendment is attempting to do.

Mr. SCHMITT. I must interject at this point that if the Senator thought the Senator from New Mexico believes we suddenly turn on one energy source when we turn off another——

Mr. HUDDLESTON. The Senator laid great stress on doing something to increase our domestic oil supply. I agree 100 percent. Whether we triple or quadruple it tomorrow, we would still need, in this country, a synthetic fuel program in place.

Mr. SCHMITT. The Senator is absolutely correct, and both the Senator from Colorado and the Senator from New Mexico are fully supportive of that concept.

But what we have in this amendment, though, and by the discussion of the Senator from Louisiana in the committee of the intent behind this amendment, and supported, as I recall, by the Senator from Kentucky, is a crash program in synthetic fuels production, not the development of an industry that can gradually come into place and replace oil and gas and other fuels as they are depleted.

That is what we repeatedly, in a systematic, interlaced way, indicated that this Congress and the administration have been unable to do: to understand what is necessary to do now and how to phase in those other energy sources as we move into the future.

If we turn our back on the vast resource base of oil and gas that is yet to be produced and yet to be discovered and produced in this country, while we tell our constituents we have done something because we pass the synthetic fuel amendment to an appropriations bill, then this country is not going to make it; it literally is not going to make it.

We have to use every energy source to which we have access.

Mr. HUDDLESTON. What kind of message do we give if we tell them we are not going to do anything, that we are not willing to put on the line $20 billion?

Mr. SCHMITT. The message is to say that we are going to do the right thing, the commonsense thing: We are going to look at our resource base, our technical capability to produce energy.

Mr. HUDDLESTON. I suspect that they feel that we have done enough looking.

Mr. SCHMITT. The Senator from New Mexico has the floor, and I will be happy to yield for a comment.

We have a tremendous resource base in oil and gas. If you spend some time with my former colleagues in the geological profession, and if you look at what is out there yet to be produced, that we know about, and what we do not know about but almost clearly is there waiting to be produced in the fields of oil and gas, that is the way we can get out of this foreign import question quickly.

However, with a synthetic fuels production program, you are not going to get out of this problem quickly. You are going to fool the public into thinking that you have done something, while we turn our backs on the most advanced energy technology the world has ever seen, which any country would like to take into its arms and utilize, and that is the American capability finding, producing, and refining oil and gas.

With research and development, that should accelerate. I think we are doing too little in that area. We even should move, as we discussed in the last Congress, toward limited loan guarantees, so that we can demonstrate certain technologies and the economics of them, so we know where we can be in the 1990's when we need this stuff. We have to do that in a way that is phased and organized, with goals and objectives that are attainable. But if we go forward with this kind of signal to the American people, we are fooling them and fooling ourselves.

It was not this Senator's intention to get into the debate that I hope we will have on the authorization bill.

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. SCHMITT. I yield.

Mr. HUDDLESTON. I do not think the American people believe that we are going to produce great quantities of synthetic fuel overnight. I believe the greatest danger to the future security of this country right now, frankly, would be a massive increase in local production of oil and gas or a substantial increase in foreign production and availability of imported oil and gas.

I think the President recognized that when he set the import limits; and aside from saving us from sending so many dollars abroad, it does place an imperative upon us to replace that supply of oil.

If we go through a short period of time and a great euphoria because we find some new oil wells and gas wells in this country, and the gasoline lines disappear and nobody is concerned about winter heating oil, and if that lulls us into a false sense of security, and we put on the back burner all the other programs that must come into play—conservation and synthetic fuels are just part of it, but a major part—then I think we will jeopardize the future security of this country.

Mr. SCHMITT. The Senator from New Mexico agrees with that completely and would fight, as he is struggling now, to make sure that this country did not do that. But with the policies of this administration and the policies condoned by this Congress, I do not think there is a danger of a massive new production of oil and gas.

I think the Senator will agree that this is not the time to debate all the merits or demerits of this issue. I believe it is the time to decide whether or not we should be circumventing the normal legislative process with the appropriation, and the legislation relative to that appropriation, of $20 billion on this bill.

The Senator, I believe, was present when the Interior Subcommittee on Appriations marked up the bill in question, and it is my understanding that there was no recorded vote on this issue. Is that correct?

Mr. ROBERT C. BYRD. No what?

Mr. SCHMITT. There was no recorded vote in the subcommittee on the issue of this amendment.

Mr. ROBERT C. BYRD. I seem to recall that there was. There were two recorded votes.

Mr. SCHMITT. In the subcommittee. It was reported to the committee without a great deal of discussion in the subcommittee.

Mr. ROBERT C. BYRD. In the markup by the subcommittee, this amendment was moved, and the question was asked as to whether or not there were any objections. There were no objections, and the item was put in. There were rollcall votes in the full committee—at least one; I believe two.

Mr. SCHMITT. It is this Senator's information that some members of the committee, of which the Senator from New Mexico is not one—and I am not arguing this point as a member of the subcommittee; merely as a member of the full committee.

At any rate, the way the issue was handled in terms of the length of hearings, the way it was handled in terms of the markup in the subcommittee, and the way it was handled in the full committee, where an amendment resembling this one was voted down, I think we really should go back after the authorization and do this job right. That is the complete purpose of the Senator from New Mexico today—to try to do what the majority leader and many others of us feel we must begin to do, and that is to avoid this legislation process on the appropriations bill. Let us settle our policy with authorizations. Let us settle the appropriation issues with appropriations and try to get some systematics into this process.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. SCHMITT. I yield.

Mr. ARMSTRONG. Mr. President, at the appropriate time, I would like to make a statement on this matter, too; but at the moment, I have asked the Senator to yield in order to see if we can clarify an aspect of the pending amendment which is not plain to me.

The distinguished manager of the bill observed that, after all, this money would not be spent until further action by the Appropriations Committee. I would like to verify that that is what the manager of the bill said. If so, can he refer me in the bill to the language on which he is relying? I assume it is the language at lines 8 and 9 of page 38, but I am not sure that I really understand how that process works. I wonder whether we can have that clarified before this Senator wishes to comment on it.

Mr. HUDDLESTON. It is exactly as lines 8 and 9 read:

> *Provided*, That these funds shall be available for obligation only to stimulate commercial production of alternative fuels and only to the extent provided in advance in appropriations Acts.

Mr. ARMSTRONG. Do I correctly understand from what the Senator has said that an additional appropriation act would be required in order to extend these funds?

Mr. HUDDLESTON. That is correct, except for one point.

Mr. ARMSTRONG. With the exception of the smaller amount. Is the Senator saying, literally, that the money would be appropriated the second time?

Mr. HUDDLESTON. That is correct.

Mr. ARMSTRONG. Can the Senator explain? This is a process that is unfamiliar to me. Although I am a new Member of this body, I did serve on the Appropriations Committee of the other body for a number of years. It is an unfamiliar process. Why would we want to appropriate money twice in order to spend it once?

Mr. HUDDLESTON. This is an effort to avoid just what the Senator from Colorado was complaining about earlier today. We do not want to prejudge the kind of program or the kind of mechanism through which these funds would be expended.

We want to leave ourselves flexible enough so that once the mechanism is determined, we can come back and provide to whatever instrument is set up, and in whatever way it is set up, such funds from this amount that we feel appropriate for the purposes that have been established.

Mr. ARMSTRONG. It is not my purpose to argue that at this moment. But to be sure I understand, the Senator is saying that if the act is passed as now written and with the amendment now pending, none of the amount above the $1.7 billion, or whatever it was, actually could be obligated or expended.

Mr. HUDDLESTON. That is correct.

Mr. ARMSTRONG. In order to permit that, another appropriation bill would have to be acted on, not only by the committee but also by the Senate and by the House, and would have to be signed into law—that is, a separate statutory enactment.

Mr. HUDDLESTON. That is correct.

Mr. ARMSTRONG. I appreciate the Senator's explanation. I would like to comment on that at the appropriate time.

Mr. SCHMITT. Yes. I appreciate the Senator bringing this point to the Senate.

I also wish to address an inquiry to the Chair at this point as to the precedents with respect to germaneness in that, realizing germaneness can be determined by the vote of this body. Nevertheless, the entry into germaneness, as I understand the Senator from West Virginia, is through the fact that the House of Representatives appropriated $1.5 billion oriented toward the Defense Production Act. But the amendment would strike that and appropriate the $20 billion with respect to an energy security reserve which is another concept which clearly does not have an authorization at this time. With that preamble, my question to the Chair is, Is it in fact germane, recognizing the Senate may determine one way or the other? Is there any precedent for that? I can understand it if it is $20 billion for the Defense Production Act. But it is not. It is $20 billion for an energy security reserve.

Will the Chair address this point?

The PRESIDING OFFICER. The Chair informs the Senate, under rule XVI, the Chair cannot rule on the question of germaneness. Rather the question of germaneness must be submitted to the full Senate.

Mr. SCHMITT. I thank the Chair and will reserve that ruling until later. My question really was: Are there any precedents for germaneness where you have deleted the language that is providing the entry for germaneness? And the Chair may wish to think about that question for a bit.

Frankly, at the appropriate time I am sure we will have the vote on germaneness and will possibly discuss that issue further.

Mr. President, I think that the important thing here is that we recognize, and I think everyone recognizes, that the debate on energy policy and specifically what role synfuels research and development, demonstration, and/or production will make in that energy policy is one that we will spend a great deal of time on this fall. It is an important issue. It is only part of the total energy picture, but it is one which we must understand as a Congress and which I believe the American people must understand, also.

I yield to the Senator from Colorado for a moment.

Mr. ARMSTRONG. Mr. President, I wish to discuss with the Senator from New Mexico and perhaps with also the Chair——

Mr. ROBERT C. BYRD. Mr. President, who has the floor?

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from New Mexico has the floor.

Mr. ARMSTRONG. Mr. President, did the majority leader seek recognition?

Mr. ROBERT C. BYRD. I was going to seek recognition once the Senator from New Mexico yielded the floor.

Mr. SCHMITT. I have yielded for a question from the Senator from Colorado.

Mr. ARMSTRONG. I thank the Senator for yielding.

Mr. President, the distinguished Senator from New Mexico has raised a very interesting issue about the germaneness of this amendment, and just to be sure that this Senator understands, I presume that if a point of order were to be made against this amendment, it would be the regular order for someone to lay that question before the Senate, and then the Senate itself, as I understand it, would decide the issue of germaneness by a vote of Senators.

Mr. SCHMITT. I believe that is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. However, I am assuming from my reading of rule XVI that only the question of germaneness, or as the rule states, the relevancy would be decided in that manner; that other points of order would be decided in the regular course by the Chair. That is, for example, if someone were to submit an amendment which constituted a private claim, that is, appropriation for a private claim, under the provisions of subparagraph 5 of rule XVI that would not be subject to a vote by Members of the Senate, but if a point of order were made against such an amendment, the Chair would simply dispose of that by ruling whether or not in fact the point of order was valid.

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. In other words, the

thing I want to clarify is even if this amendment is found to be germane as a result of a vote of the Senate, there may well be, in the opinion of the Senator from Colorado, other points of order which lie against the amendment and which cannot be cured by a simple vote on the question of germaneness.

So with that explanation, Mr. President, I am prepared to pursue other points of order or I will be happy to defer to the Senator from New Mexico for whatever plans he has and if in fact we are unable to strike this provision of the bill by raising points of order against it, as I am confident we will, because clearly in more than one respect this pending amendment does violate rule XVI of the Senate rules, but in the event for any reason we do not pursue that matter at the right time I also wish to speak to the merits of the amendment because I think it raises serious policy as well a parliamentary inquiries.

I thank my friend from New Mexico for yielding.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from New Mexico yield the floor? Does he yield for a parliamentary inquiry?

Mr. SCHMITT. I yield for a parliamentary inquiry without losing my right to the floor.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Who has the floor, please?

Mr. SCHMITT. The Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico has it.

Mr. STENNIS. I will compete for the floor when I can, so I will just stay.

Mr. SCHMITT. I appreciate that.

The issue that we are raising now is not so much the merits of the amendment, although we tend to discuss those, also, but the merits of whether an amendment is in fact in order.

Mr. BUMPERS. Mr. President, will the Senator from New Mexico yield for a question?

Mr. SCHMITT. I am happy to yield for a question.

Mr. BUMPERS. I am asking the Senator from New Mexico because he has the floor. The Senator from Colorado raised a question of germaneness. Just for my own edification, what is the germaneness question here? Does it deal with the fact that the House of Representatives appropriated money under the Defense Production Act?

Mr. SCHMITT. If I can try to state the case for germaneness, it is, since there was appropriaion under the act, then the $20 billion amendment would be germane. The Senator from New Mexico has asked the question, Is it germane when you strike the language that the House of Representatives had and when you in fact have legislation that is part of an energy security reserve rather than part of an appropriation under the Defense Production Act? I am sure the Senate is probably going to decide that by rote and not by logic.

Mr. BUMPERS. I am curious what the germane problem was.

The second question I have was, Is there an agreement on this bill and amendments thereto?

Mr. SCHMITT. There is no agreement, as I understand it, on the basic bill. The general point of order is that of course this is legislation on an appropriation bill and therefore should be not in order.

Mr. JOHNSTON. Mr. President, does the Senator from New Mexico yield the floor?

Mr. SCHMITT. I yield to the Senator from Louisiana for a question or comment.

Mr. JOHNSTON. I wanted to get the floor when the Senator is ready. I want to make a short statement.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. SCHMITT. I am happy to yield to the Senator.

Mr. JOHNSTON. Mr. President, I would object to the Senator's holding the floor all afternoon and yielding when not under time agreement. I think some of us wanted to speak as well. I certainly have no objection to the Senator from Colorado speaking, but I think the Senator should say what he has to say and then yield the floor for others to have a chance.

Mr. SCHMITT. Mr. President, the Senator is preparing to offer or has offered a point of order against the amendment and we are just about at that point of pursuing those points of order. I yield to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator's yielding.

I now make a point of order against the pending amendment on the grounds that it violates rule XVI, paragraph 4. If I may, I wish to read the Chair the portion of that rule which I believe is violated by this pending amendment:

> nor shall any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law be received if such restriction is to take effect or cease to be effective upon the happening of a contingency;

Mr. President, it may well be that this amendment is not germane. Whether or not it is germane, it is clearly conditioned upon a contingency, and that contingency is future action of the Appropriations Committee and of Congress. I believe we have made that clear in the colloquy between the distinguished manager of the bill and myself that further action is required for the expenditure of funds.

Second, in my inquiry to the Chair a moment ago I tried to clarify, and I believe that we have a clear understanding, that even if the amendment was found to be germane, an issue which, as I understand it, remains to be settled, this would not cure other defects in the amendment. For example, as I inquired of the Chair, if we are to protest an amendment that stated a private claim, even if that was germane, it still would nonetheless violate another provision of rule XVI.

Mr. President, under the circumstances while I do not want to unduly draw out this debate, at the right time, that is to say when the authorizing legislation is before us, I will be very happy to debate the merits of this large appropriation, clearly it seems to me it is in violation of the rules for us to take this amendment, accept this amendment, on an appropriation bill.

So I ask the Chair, therefore, to rule the amendment out of order.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Has the distinguished Senator from Colorado raised a point of order against the amendment on the basis that it is legislation on an appropriation bill?

Mr. ARMSTRONG. No, Mr. President. If I may, I say to the distinguished majority leader that that is the point of order which might well lie against this amendment, but the specific point of order which I raise at this time is stated on page 16 of the rules which has to do with the happening of a contingency.

Mr. ROBERT C. BYRD. Mr. President, I do not think the point of order is on the point at all.

Mr. ARMSTRONG. Mr. President, if I may be heard on that, perhaps the distinguished majority leader was not in the Chamber during the colloquy I had with the manager of the bill, but I think it is very clear from that colloquy that the expenditure of funds is contingent not only upon action by the Senate Appropriations Committee but by the full Senate, the House of Representatives, and the signature of the President. It is this Senator's understanding from what the manager of the bill has stated, that this money could not be expended except if the subsequent appropriation act was enacted, and clearly that is a contingency.

Mr. SCHMITT. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHMITT. I believe a point of order is not debatable, and a point of order has been raised.

Mr. STENNIS. Mr. President, point of order, I raise a point of order.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Who has the floor, Mr. President?

The PRESIDING OFFICER. A point of order has been made by the Senator from Colorado and is debatable at the sufferance of the Chair. The Senator from West Virginia had the floor.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor to the Senator from Mississippi or I yield the floor. But I ask where is the contingency?

Mr. SCHMITT. Mr. President, if the Senator will yield, I believe the Senator from Colorado is referring to the fact that funds are contingent on further appropriations acts. That would seem to be a contingency, am I correct?

Mr. ARMSTRONG. The Senator is entirely correct. Specifically in the colloquy with the manager of the bill I was referring to that provision of the amendment which first appeared in the printed bill on page 38 beginning at line 7. In other words, it is the language that says:

> *Provided*, That these funds shall be available for obligation only to stimulate commercial production of alternative fuels and only to the extent provided in advance in appropriations Acts:

In my discussion with the Senator who was managing the bill, he made it clear that what this meant was that the money could neither be obligated nor expended, and "expended" is the crucial point here, without further action of Congress, that is, by statutory enactment, and under those circumstances, and since that is the contingency, that portion of the amendment certainly runs afoul of paragraph 4 of rule XVI of the Senate.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia still has the floor.

Mr. JOHNSTON. I wonder if the Senator from West Virginia will yield for a question?

Mr. PROXMIRE. Mr. President, regular order.

Mr. JOHNSTON. Mr. President, will the Senator from West Virginia yield the floor?

Mr. ROBERT C. BYRD. Yes, I yield the floor.

Mr. JOHNSTON. It would appear to me, Mr. President, that in rule XVI, it is talking about a contingency on an appropriation. Either this is not an appropriation, and if it is not an appropriation then the contingency language with respect to——

Mr. President, may we have order so that I may have the attention of the Parliamentarian?

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order.

Mr. STENNIS. Let us have real order, Mr. President. We can hardly hear each other. We cannot see the Parliamentarian.

Mr. JOHNSTON. Mr. President, it is the Parliamentarian's attention that I would like.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. SCHMITT. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue calling the roll.

The assistant legislative clerk proceeded continuing to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. I am just trying to determine whether the Senator wants a live quorum or not.

The PRESIDING OFFICER. Is there objection?

Mr. SCHMITT. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator cannot reserve the right to object to a request to rescind the order for a quorum call.

Mr. SCHMITT. Mr. President, I object, but I will state——

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. All right.

The call of the roll was resumed.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHMITT. We are, at the indulgence of the Chair, debating the issue of the point of order; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, is the Chair ready to rule? I would like to know that.

The PRESIDING OFFICER. The Chair is almost ready to rule. The Chair, however, would like the Senator from Colorado to restate the grounds for the point of order.

Mr. ARMSTRONG. Mr. President, I will be happy to restate the grounds for the point of order which I have raised.

I have cited the provisions of paragraph 4 of rule XVI of the Senate Rules, and have referred the attention of the Chair and of Members to that provision of the pending amendment which originally was part of the authenticated bill, beginning on line 7 of page 38:

> *Provided*, That these funds shall be available for obligation only to stimulate commercial production of alternative fuels and only to the extent provided in advance in appropriations Acts.

The Chair will recall that a few moments ago I discussed with the distinguished manager of the bill the meaning of those words. He made it clear that what that meant, literally, was that the $20 billion appropriated here can neither be obligated nor expended until a subsequent appropriation act is passed by Congress and signed by the President. Clearly, that is a contingency.

With that in mind, I call the attention of the Chair to the following provisions of paragraph 4 of rule XVI:

> nor shall any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law be received if such restriction is to take effect or cease to be effective upon the happening of a contingency.

In summary, Mr. President, we have here language which, at line 5 of the bill on page 38, says we are appropriating $20 billion. A couple of lines later, it says "You cannot spend any of this unless a contingency—subsequent legislation—is passed."

Also, Mr. President, I call the attention of the Chair to the provision of rule XVI, subparagraph 7:

> When a point of order is made against any restriction on the expenditure of funds appropriated in a general appropriation bill on the ground that the restriction violates this rule, the rule shall be construed strictly and, in case of doubt, in favor of the point of order.

Mr. President, it seems to me that this may be a fairly important precedent. I have not had an opportunity to research all the background of it, but I would urge the Chair to err on the side of caution, and therefore to sustain the point of order.

Mr. JOHNSTON. Mr. President, this is surely not a contingent appropriation. As the first sentence states, it establishes a trust fund in the Treasury of the United States to the extent of $20 billion. To be sure, moneys cannot be taken from the trust fund without the happening of later events, as is our usual rule. Most appropriations are subject, for example, to rule-making powers later on, but there is no contingency in the appropriation, which is the establishment of a trust fund.

Furthermore, Mr. President, this matter is clearly germane, and I think it is very clear, and I trust the Parliamentarian will so rule.

Mr. ROBERT C. BYRD. Mr. President, does the point of order being raised by the distinguished Senator from Colorado maintain that this is legislation on an appropriation bill? Is that the point of order?

Mr. ARMSTRONG. Mr. President, if the distinguished majority leader will yield to me, I will say to the majority leader that the question of whether or not this is legislation on an appropriation bill could well be raised, but it is not the issue which the Senator from Colorado has raised. If the Senator asks my opinion, I would say it clearly would be legislation on an appropriation bill, but——

Mr. ROBERT C. BYRD. No, I am not asking the Senator's opinion, but what is the point of order?

Mr. ARMSTRONG. The point of order I have raised is not predicated on its being legislation on an appropriation bill; rather, it is predicated on the provision in subparagraph 4 that it raises a contingency.

Mr. ROBERT C. BYRD. I thank the Senator. In that case, Mr. President, is not the point of order subject to the question of germaneness? If it is, I want to raise that question before the Chair rules finally.

The PRESIDING OFFICER. For various reasons contained in rule XVI, paragraph 4, the only point of order that can be sustained is the point of order that it is legislation on an appropriation bill.

Mr. ROBERT C. BYRD. The point of order that has just been made is not a point of order to the effect that it is legislation on an appropriation bill.

The PRESIDING OFFICER. The Senator from Colorado has stated he is not raising the point of order on that basis, that it is legislation on an appropriation bill.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I want to be sure, may I say to the distinguished Senator from Mississippi, I do not want the

Chair to rule on a point of order to the effect that the amendment that I have offered constitutes legislation on an appropriations bill, because I want to raise the question of germaneness before the Chair rules.

The PRESIDING OFFICER. The Chair understands.

Mr. ROBERT C. BYRD. Now, is that the point of order?

The PRESIDING OFFICER. The Chair has ascertained from the Senator from Colorado that the basis for his point of order is not that it is legislation on an appropriations bill. Therefore, the point of order is not sustained.

Mr. ROBERT C. BYRD. I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, is debate now in order on the merits, the substance of this measure? I just want to take 5 minutes, if I am recognized, on that.

The PRESIDING OFFICER. The Senator having the floor may speak to the merits of the bill.

Mr. STENNIS. I thank the Chair.

I did not take any part in the parliamentary maneuver, and I do not want the rights of anyone to be disturbed.

Mr. SCHMITT. Will the Senator yield?

Mr. STENNIS. I just have two points. I might forget one of them if I yield too much. I will yield, if the Senator insists.

Mr. SCHMITT. I wanted only to say that we will, as soon as the appropriate person has the floor, raise the point of order that it is legislation on an appropriations bill.

Mr. STENNIS. Mr. President, I am very proud of the concern we have shown and expressed about the energy problem that we all know is coming in the years ahead and which will seriously affect our economy, our national security, and all the other major things that go with our National Government. I am proud we have been concerned and have expressed that concern, and three Presidents have expressed it. But I am ashamed of the fact that we have not done anything more about it. Tell me some good reasons for not having done so. We did not know just what to do. We did not know where to start or just how serious this thing was. But it has gradually cleared up.

I was fortunate enough to hold some of the hearings by the Appropriations Committee in those early concerned days and got into some very illuminating truths about what we were faced with. Still we could not go far and we could not go fast because of great uncertainties. But one thing now is as clear as a bell. The figures themselves show that in our great transportation system—on which we live on day by day, people going to and from their jobs, flying through the air, driving automobiles—the liquid fuel that we use for most of this transportation is absolutely essential in some form if we are going to continue our present economy.

The figures I have show that 98 percent of our transportation is rolling on wheels that are turned by petroleum products. In other words, it depends on liquid fuel, and now most of that is oil.

Irrefutable proof has been supplied that we must have a program of some kind that will improve the current situation with regards to the supply of oil. We must become more independent of these supplies of oil from foreign sources who charge us what they please, not what it is worth. They charge what they please. That is helping to destroy our economy.

There is a requirement now for 14 percent interest rates. How can people live with such interest? They cannot live with it. They cannot save money. They cannot pay for a home. Those are just illustrations of what has already happened, largely as a result of our energy problem.

We have to let these foreign oil-producing nations know we are going after this thing seriously, and that we are willing to spend some money on it, though I wish it did not require so much. We have to let them know that we are becoming more independent rather than more dependent. That has been our goal now for several years, to move toward independence from foreign oil. In 1973, something like 31 or 32 percent of our oil came from foreign sources. Now, 6 years later, 49 percent does. They know how to read that and translate it into the price they can ask us for oil.

We are losing time now if we see these facts and do not start to work on something that will bring about an effective substitute for foreign oil in the days to come.

It appears, and we can only say appears because no one knows how it will work out, that this synthetic fuel, if really put into an effective program of research and development, and more of a crash program, can provide part of the solution. Maybe such a program can provide a certain percentage anyway, 10 percent and above—10 percent is a certainty, as I understand it—of fuel to go with the petroleum products we have and stretch those supplies out. It will be a source of supplemental energy. Different kinds of shale seem to be standing and waiting to be used in this process. The people who know say shale is highly effective.

We are blessed with a great abundance of coal. It seems to me that coal is an energy source which will be used more effectively, and soon.

I know there are problems that go with development of synthetic fuels. I hate to run up 20 billion new dollars in expenditures. I have always stood against these appropriations before they were fully authorized, and against authorization language in an appropriations bill. But time will not wait. We must do something.

We are behind on our military legislative program right now. It has been a hard year on the authorization bills.

We ordinarily have the Armed Services authorization procurement bill passed by June. Here it is the 15th day of October. I am throwing rocks at myself, as I am chairman of the Armed Services Committee. We have not gotten that bill here yet. I will not lay the blame somewhere else. It is our own fault, to a degree.

We cannot hold back now and follow the last dot and title. We are going to have to make exceptions to our own rules. The rules provide for making those exceptions. I hope this can be cleared up soon. I hope Senators will make the points of order they think they should make and let us dispose of them, let us get to the merits of this because time is running out.

I appreciate being heard briefly, and at the proper time I hope to get the floor again to see if I cannot help a little in developing these facts. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Is the Senator from Louisiana under a time schedule? I will only speak for 3 minutes or so.

Mr. JOHNSTON. Very well. I will wait.

Mr. DOMENICI. Let me say, Mr. President, I commend the Appropriations Committee, the distinguished Senator from Kentucky, the distinguished minority member (Mr. STEVENS), and others on the committee for the action they have taken on this bill in providing a mechanism for an American synthetic fuels program. Let me tell you why, Mr. President.

First of all, the U.S. House of Representatives a few months ago told the American people they were about to create a synthetic fuels program for America. Make no doubt about it. They clearly indicated that this program would, in the long run, produce 2 million barrels of the equivalency of crude oil. Then they provided for $1.5 billion and limited that to use under the Defense Production Act.

Mr. President, there are two things that we all ought to understand: We will not produce 2 million barrels of synthetic fuels equivalent for $1.5 billion. In fact, we will barely get started in guaranteeing one plant for $1.5 billion. Not 2 million but merely 30,000 barrels, if we are lucky.

And then, second, they mandated that all of this is to be done under a law which has not been passed by the Senate. So if we are talking about points of order, the House action saying that this would be administered under H.R. 4930 is no law at all. There is no such law. We have not passed that law.

I commend the Senate for looking at the broad law which permits the Department of Energy, and anything that Congress sets up, to move with the synthetic program. That is what the Senate committee did, and they did it right. They did not fool anyone. They did not say the goal was 2 million barrels a day but we are only going to appropriate and provide budget authority of $1.5 billion. The truth of the matter is somewhere around $1.5 billion in outlays and $20 billion in contingent budget authority, much like we give authority to the Tennessee Valley Authority.

We add $15 billion in the budget authority for them down here because they tell us their plan requires it. They do not tell us, "We are going to waste taxpayers dollars." They are saying, "Let us invest it; we are going to get it back."

It is much the same here. What the committee did was say, "Let us be truthful: we are going to need about $20 billion in budget authority and let us not fool anyone and put it off budget." So they put it on budget, on appropriations, and clearly indicated that the trust fund, from whence it will come—which is unconditional, the trust fund. The expenditure of the funds will be subject to further appropriations. That is, in fact, a far more realistic approach to trust fund expenditures than we usually have around here and a far more honest system of accounting than we usually have.

There have been Presidents who suggest a synthetic fuel program of this size plus some more and keep it all off budget entirely. We are not down here talking about points of order on that kind of legislation—quite to the contrary—in which a rather flimsy bill sets in motion and some off-budget expenditures occur.

I want to repeat, Mr. President, if we are going to be honest with the American people, we might as well go ahead and state that the House bill will not produce 2 million barrels a day, it will not produce 1½ million, will not produce 1 million. We are lucky if it produces 50,000 barrels. So we in the Senate, by a 14-to-1 vote in the Energy Committee, have already passed out for reporting a bill which will set up this entity which will invest in a contingent way—the United States will back the investments—$20 billion, much as we backed the investment of the Tennessee Valley Authority in its investment in its people's future.

Now, having said that, Mr. President, I hope that the U.S. Senate will have the courage to stand up for the Senate and to stand up for what is truthful in an appropriations bill, which clearly states that we are going to try to get 1½ million barrels in 10 to 12 years, we need $20 billion in budget authority and the amount appropriated by the House for outlays, and not mislead the American people into thinking that the Defense Production Act is all that is needed to make America have a synthetic fuel industry.

That is unadulterated baloney. That will not happen. We are going to have to have far more than just defense permitted to buy the product. Everyone now knows it and they know that a billion and a half dollars in outlays will not do it without a contingnt fund that assures the private sector of America that they really have to get started—not on one plant, not on one technology, but on 8 or 10 demonstration commercial plants in at least three conversions and from 5 to 10 technologies. That is what we need and it will still take 10 years. And every year that we delay, we will wish we had done it.

So, rather than come down here and object because the Appropriations Committee has done what they have to do, knowing that we are going to do what we have to do here in the Senate in 10 days or 2 weeks, I commend them for it and I intend to support it.

Mr. JOHNSTON. Mr. President, I strongly support this amendment. The only thing wrong with it, in my judgment, is that it does not go far enough, because it does put conditions on the obligations of that $20 billion because it makes it not only subject to the authorization but subject to further action of the Senate Committee on Appropriations.

Originally, I opposed that position on the grounds that it frankly did not go far enough, but I think we came to a compromise in the Appropriations Committee.

The importance, Mr. President, of this amendment, the importance of the action of the Committee on Appropriations is to commit this country to $20 billion in budget authority for synfuels. The Committee on Energy and Natural Resources has reported out that title of the bill now. We reported that out last week. The significance of the $20 billion figure is that that is the bare minimum sum to get out the first generation of synfuels plants.

In the Energy Committee, Mr. President, we scaled back the President's program as originally announced rather drastically, scaled it back from that which was originally put forth by the President. The Senate will recall that the President spoke in terms of a 2.5 million barrels a day goal by 1990 and a program that was estimated to be some $88 billion in scope. While we want to move as fast as we can in the Energy Committee, Mr. President, we also recognized that if we put too many plants on line, replications of the same plant, before we have operating experience, before we know the costs, before we know all the environmental problems, we could well be making a vast mistake. For that reason, we came to the two-phase legislation which is incorporated in the bill reported out last week.

The first phase will be one-of-a-kind commercial demonstrations. It will probably be something like 10 plants, in the neighborhood of 50,000 barrels a day. We shall have modified in-situ shale; we shall have a retort of shale; we shall have two or three different kinds of high-Btu gas; we shall have coal liquids. While we do not specify what these technologies are in the bill, it is recognized that it will be something like 8 to 10 which can be financed by the $20 billion.

Mr. President, in the Energy Committee bill, the method of calculating the $20 billion or, to put it differently, the method of calculating what counts against the $20 billion is most important and it is most limiting in terms of expenditure because, in the Energy Committee bill, every dollar guaranteed under a loan guarantee counts against the $20 billion, whether or not that money would ever be expended or whether or not there is a real chance for the Government to lose it. By the same token, any money in price guarantees is counted dollar for dollar against the $20 billion. All kinds of guarantees, all kinds of financial arrangements are counted dollar for dollar against the $20 billion.

The usual way we create these kinds of guarantee funds is to provide for revolving funds or provide for other financial mechanisms whereby the real contingent risk of the Government is reflected in the amount of budget authority appropriations. If we had gone in that direction, then we could have tripled the impact of the $20 billion by downgrading the money in that way, by creating a revolving fund and counting only those dollars which were actually out at one time.

So, in that respect, Mr. President, the $20 billion program is a very modest program. It also reflects the fact that there will be inflated dollars involved: $20 million appropriated today, but perhaps not spent until 1985, at which time, those dollars will be worth considerably less.

Mr. President, there has been great frustration in the Energy Committee, the old Interior Committee, because it has taken us so long to get this far with synfuels. The movement toward synfuels was not born this year with the President's address; it was born decades ago. The distinguished senior Senator from West Virginia (Mr. RANDOLPH) was in the movement perhaps 2 decades ago. The Energy Committee—in fact, the Senate—passed legislation in 1973 or 1974 creating a synfuels movement to put on line this kind of plant.

Mr. President, it has taken us a long time to get where we are. I hope the Senate will not accept some synthetic parliamentary arguments or points of order or other arguments saying, "We are going too fast." Mr. President, we are not going too fast. We are not going incautiously with respect to synfuels. If anything, we are years, perhaps even decades, behind time.

The legislation which we have coming from the Energy Committee is modest, is well thought out, it is cautious, but it is necessary, Mr. President, to test these one-of-a-kind technologies. If we can make the breakthrough with shale oil, we could, perhaps, not solve our problem, but we would have a call on a resource which is more vast in terms of Btu's than all the oil in the Middle East. Those vast resources of coal which, up to this point, cannot be used for liquids, for transportation, can be then tapped and can get us through these intermediate years. Before we get solar, before we get fusion, before we get some of the more exotic forms of energy in the next century, it can get us through these tight years of fossil fuel supplies in this century and the 1990's.

So, Mr. President, it is very important we pass this amendment which will show our commitment to a $20 billion program in synthetic fuels.

We might as well face it. We might as well make this vote the test. I mean, if you are against synfuels, against a program that will start it, then vote against this amendment. If you are not, then vote with us.

I think it is a highly symbolic amendment. Some have said it is entirely symbols. I will not say that, but to the extent it is a symbol, it is a very important symbol, Mr. President. Because if we defeat this amendment, I think it could well mean that the Senate does not want to move on synfuels, that for all of those against, for all the reasons made and all those arguments, they want to reject synfuels.

I do not think we ought to do that, Mr. President. I think we ought to move cautiously, as we are in the Senate bill and the Energy Committee bill, move cautiously, but as quickly as we can to test that technology to find if it will really work.

Mr. PROXMIRE. If the Senator will yield, I cannot understand how the Senator feels that by rejecting this amendment we say we will not go the synfuels route.

The Senator, in the Appropriations Committee itself, was going to take the position that we are taking now to strike out this part of the appropriations bill, and this amendment the Senator from West Virginia is offering now. The Senator thought that was reasonable then.

He is not against synfuels. This Senator is not. No Senator in the Chamber is. The only argument is, how much and what procedure we should follow to determine how big that synfuel commitment ought to be.

Mr. JOHNSTON. To answer that, I say that I covered that in the first part of my talk, my presentation. The reason I so strongly support this amendment at this time, even though I do not think it goes far enough, the Senator will recall my original amendment was to have the $20 billion appropriated as budget authority, not subject to further action of the committee——

Mr. PROXMIRE. And then the Senator withdrew that and supported the position——

Mr. JOHNSTON. If the Senator will let me finish my answer, then we came to this as a compromise based upon assurances of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) and the distinguished Senator from Kentucky (Mr. HUDDLESTON) to the effect that they did not have in mind an annual appropriation project by project, but rather a one-time action of the Appropriations Committee to follow the action of the authorizing committee.

As we all pointed out at that time, this is, to a large extent, a symbolic vote. To a large extent it is a symbolic vote, and, to the extent it is, I think it is a most important symbol, and it has certainly become more so.

I do not know if we left the amendment out, in the first instance, it would have meant the death of synfuels. I will accept that. But it has become a very important symbol epitomizing or symbolizing the commitment of the Senate and the Congress to a synfuels program.

I think it is that simple. If not, I do not know why anybody would oppose it. To that extent, I urge that we go on record——

Mr. PROXMIRE. I will speak later and point out why, although we may favor the program——

Mr. SCHMITT. Mr. President, I believe the Senator from Connecticut wanted to make a comment.

I am about ready to make a point of order against the amendment as legislation, but I yield first to the Senator from Connecticut.

Mr. WEICKER. Mr. President, in addressing the comments of the distinguished Senator from Louisiana, I think he used entirely the right words, that this is a symbolic vote.

Everything we have done out here for the past 5 years has been symbolic. That is the reason why our imports of oil continue to soar. It is the reason why the Arabs stick it to us with any price that comes into mind and why we have to follow that price. It is why the dollar plummets and the balance of payments deficit widens, because everything we do is symbolic.

We do not go ahead and do the simple basic acts that will constitute an energy policy. If it is going to involve the American people in any way, do not do it. Let us blame Schlesinger. Let us blame the President. Let us enact an Energy Mobilization Board because that is something nobody can understand, create a synfuel program everybody feels will not affect them directly.

In every way but the two basic elements that would constitute an effective energy policy, mandatory conservation by all Americans, not just the weakest elements of our society, and decontrol and deregulation to get additional production of energy.

There is just no question about the fact that this is being done in a symbolic way, not to enhance energy in the United States, but to make politics. And believe me, we have already had too much of that. That is why we have no energy. So the administration can say that we have something on the books.

The Senator from West Virginia and the Senator from Louisiana would be the first to rise in their place with this circumventing of the procedures of the Appropriations Committee were it anything else but this particular matter.

This is legislation on an appropriations bill. This is an appropriation without an authorization.

These are the cardinal rules of the Appropriations Committee. But because it is a big issue in United States politics and because this administration, this Congress, has failed to resolve this issue, now we will go ahead and throw the rule book out the window.

So, in a procedural sense, it is wrong. It is dead wrong. In a policy sense, it will not substitute for conservation. It will not substitute for additional production.

Now, last, the Appropriations Committee is supposed to be the epitome of fiscal responsibility and fiscal precision—precision. There is no way that the advocates of this measure can tell us what they will spend $20 billion on. Maybe more. Maybe less.

Do you want to know the precision attached to this whole energy problem? I recall in the first meetings of the Appropriations Committee there was a figure there for the crisis intervention program, $22 million. Nobody knew if it was too much or too little. Then as we came closer to the heating season and the prices continued to escalate, it became very clear it would be on the short side. Senator DURKIN, Senator EAGLETON, and myself proposed an amendment for $500 million. Still the administration had no figure. Months away from the winter heating season, no figure. So the Appropriations Committee accepted $250 million.

Then in a campaign trip to Hartford, Conn., the President announced $1.6 billion, and, within 2 weeks of that, surveys were taken among the various northern tier States and that was found inadequate.

Now, listen, whoa! What kind of fiscal precision is that? And it is no different with this bill here. So we can say we have something in the offing in the way of synthetic fuels, which means the American public will not have to conserve, will not have to pay the dollar prices of the additional production to resolve the problems. They will not have to be involved. Oh yes, they will.

So let us make clear when we talk about the energy policy, some of us have been calling the political tough words for a long time, and we are not saying "No" to synthetic fuels. We are not saying "No" to alternate sources of energy other than the fossil fuels.

What we are saying is that we will not go ahead and ask the taxpayers to pay a price the politicians are not willing to pay.

Twenty billion dollars. I want a detailed explanation from the Senator from West Virginia, from the Senator from Kentucky, as to what they are going to spend it on. What are they going to spend it on? How will it be spent? Is it enough?

Mr. JOHNSTON. Will the Senator yield?

Mr. WEICKER. They are not going to give us a detailed breakdown of how it will be spent. It is symbolic. It is symbolic. Twenty billion dollars.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. WEICKER. I will yield in a minute.

One simple act——

Mr. JOHNSTON. I thought the Senator had asked a question.

Mr. WEICKER. One simple act of conservation, opposed here twice before by the Senator from Louisiana, when I had a simple bill of a 6-day week for a pleasure automobile; and twice the Senator from Louisiana, in 1977 and 1979, got up and said, "No, we cannot have that kind of conservation. It puts too much of a burden on the public."

The Senator from Ohio (Mr. METZENBAUM) and I argued here for a bill which set minimum standards for small electric motors. It squeaked through by a vote of 43 to 39—by 4 votes—and it was not anything of a mandatory nature. It was just guidelines, to try to get more efficiency into small electric motors by 1982 or 1983.

Twenty billion dollars—totally violating the proper procedures of the Appropriations Committee and of the Senate; $20 billion, and nobody has any concept of what the program is going to cost, because the program has yet to be evolved. Symbolism.

Maybe we fool ourselves, but the world understands that everything the United States has been doing is symbolism. That is why there is more value in a piece of metal than there is in the greatest Nation in the world and its money. We fool ourselves and nobody else, and this is one further step in that charade.

Mr. SCHMITT. Mr. President, the issue is symbolism. All will have to search their collective minds to find what is symbolic about it.

I believe that, for the Senate, it is a question of whether we, as a deliberative body, are going to follow the established procedures that generally have worked well for this body and whether, when we deal with the issue of synthetic fuels, we are going to deal with it with hope of success, rather than just hope of spending money.

Mr. President, the Senator from Louisiana, I think, has made very clear in his statement why this is legislation on an appropriations bill. So at this time I raise a point of order——

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his point of order for the moment?

Mr. SCHMITT. Mr. President, I will yield to the Senator for a comment, without losing my right to the floor.

Mr. ROBERT C. BYRD. The Senator has had the floor several times today and not yielded the floor, and now he gets ready to make a point of order, which is not debatable, and I would like to have the floor in my own right for a moment.

Mr. SCHMITT. I believe that if the point of order should succeed, there will be time to debate the bill.

Mr. ROBERT C. BYRD. That is not the point. I may want to talk before the point of order is made. How many times has the Senator spoken on this?

Mr. SCHMITT. I do not think that is a material question.

Mr. ROBERT C. BYRD. It is, under the rules. The Senator might be surprised to know that he can speak only twice.

Mr. PROXMIRE. How many times has the Senator from West Virginia spoken on this? How about it? How many times has the Senator from West Virginia spoken on this? He is a Senator, and we all have equal rights. He has no more right to speak again and again than the Senator from Wisconsin.

Mr. SCHMITT. Mr. President, I am sorry that the Senator from West Virginia has chosen to make that comment. I would ask for a point of order, this amendment being legislation on an appropriations bill.

Mr. ROBERT C. BYRD. Mr. President, I raise the question of germaneness, and I ask for the yeas and nays.

The PRESIDING OFFICER. Under rule XVI, the Chair submits the question of germaneness to the Senate.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The question is not debatable.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from California (Mr. Cranston), the Senator from Hawaii (Mr. Inouye), and the Senator from Louisiana (Mr. Long) are necessarily absent.

I further announce that the Senator from Michigan (Mr. Riegle) is absent on official business.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Kansas (Mr. Dole), the Senator from Arizona (Mr. Goldwater), the Senator from South Dakota (Mr. Pressler), and the Senator from South Carolina (Mr. Thurmond) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. Thurmond) would vote "yea."

The PRESIDING OFFICER (Mr. Burdick). Have all Senators voted?

The result was announced—yeas 56, nays 34, as follows:

[Rollcall Vote No. 359 Leg.]

YEAS—56

Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Danforth
DeConcini
Domenici
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Heflin
Hollings
Huddleston
Jackson
Javits
Johnston
Levin
McGovern
Magnuson
Matsunaga
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Pell
Pryor
Randolph
Ribicoff
Sarbanes
Sasser
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Tsongas
Warner
Williams
Young
Zorinsky

NAYS—34

Armstrong
Boschwitz
Bumpers
Chafee
Cochran
Cohen
Culver
Durenberger
Garn
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kennedy
Laxalt
Leahy
Lugar
McClure
Mathias
Packwood
Percy
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stafford
Tower
Wallop
Weicker

NOT VOTING—10

Baker
Bayh
Cranston
Dole
Goldwater
Inouye
Long
Pressler
Riegle
Thurmond

So the amendment (UP No. 642) was held to be germane.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was held to be germane.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, we should keep in mind what this amendment will do. I ask for a rollcall on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. The amendment will not speed up the development or the construction of synthetic fuel plants.

Disapproval of the amendment for $20 billion is not a rejection of synthetic fuels. Instead, by disapproving this amendment we endorse the authorization process. We give an opportunity for the Committee on Finance, which will determine how much we have available, to act; we give an opportunity to consider what the Banking Committee recommended, which was less than half of this. We give an opportunity for the Budget Committee to determine the effect it has, and to have their input on the floor in the authorization process.

We have not done any of that. We are simply going ahead and appropriating $20 billion without knowing what effect this has, whether it is all needed, whether it ought to be more, whether it ought to be less. We are simply moving ahead with it. The amendment says we should move ahead with consideration of synfuels funding before we know how much we want to spend and how we want to go about spending it.

Those of us who oppose this amendment agree this country faces a serious energy problem, there is no argument about that. What we are trying to accomplish by voting against this amendment is to make sure the authorization process works. We believe that the Senate should not approve appropriations, especially of sums as large as $20 billion, before consideration of the authorization legislation.

The synthetic fuels authorization bill has not yet been acted on by the Senate. The synthetic fuels portion of this bill has been approved by the two committees which share jurisdiction—Banking and Energy—and the two committees have taken markedly different approaches to this problem. The two committees are in disagreement with respect to the level of funding, the degree of Federal interference with this program, the scope and pace of the first demonstration phase, and with respect to certain budgetary assumptions.

Mr. BUMPERS. Mr. President, the Senate is not in order. May we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senator will suspend until we get order.

Mr. PROXMIRE. This amendment takes the Energy Committee figure, and we may decide we want to do that. We may agree with the Energy Committee. We have not had a chance to debate it, to discuss it or explore it. The amendment ignores the lower Banking Committee figure without considering the testimony before our committee or the committee report, without having it debated on the floor. A vote for this amendment tells the other committees that have an interest in this that they do not count, that the authorization process is not going to be followed. The Senate will be debating the energy and banking bills within the next few weeks, but at this point there is no way of predicting which approach will be preferred by the Senate. What we are doing is acting before we debate that, before we discuss it. How can we appropriate funds before we settle these fundamental questions?

It is not even known if $20 billion will be needed. The Energy Committee appears to believe that this level of funding would be needed. The Banking Committee unanimously rejected this level of funding. Under our bill, the requirements for appropriations would not approach this level.

Incidentally, there is nothing in the amendment to provide funding for solar or for conservation. We single out synthetic fuels.

The Banking Committee's lower authorization is partly because of different assumption about the degree of Government involvement in the program, but it is also partly because of the budgetary assumptions made by the Banking Committee's bill. For instance, the Banking Committee's bill leverages loan guarantees at a 1 for 3 ratio. A $1 billion in appropriations could cover $3 billion in loan guarantees. The Banking Committee believes this is a more sensible approach than the Energy Committee's dollar-for-dollar provision. But what implication does this difference have for the appropriation? It means, in theory, if we leave the entire $20 billion in, it could allow more than $50 billion in Federal loan guarantees, if we follow the 1-to-13 ratio the Banking Committee followed. We think that 1-to-3 ratio makes sense in a guarantee. But the Energy Committee adopted a different approach. That is something we certainly ought to settle in the authorization process, because it will certainly affect the need for appropriations.

Everyone agrees that we do not want to make a commitment as large as $50 billion in the first round of testing, and that is one important reason why we should settle the authorization before we approve an appropriation.

The status of the windfall profits tax lends a further note of uncertainty to this situation. The Finance Committee intends to approve a range of synthetic fuels production tax credits. They may be right. We do not yet know what the committee will approve, or what will finally be enacted. The level of tax credits will greatly affect the direct subsidies needed to promote synfuels production. We are completely in the dark on this issue right now.

What are the arguments on the other side? What are the considerations which dictate that we should ignore the arguments against acting at this time? In short, there are many compelling reasons why we should not act now. Under the terms of the committee bill, the $17.8 billion could not be obligated until after approval of the authorizing legislation and another appropriations bill. Deferring consideration of this appropriation will entail no added delay for synfuels.

Last Tuesday, when the Appropriations Committee initially agreed to delete this funding it was agreed by all present that there was no reason why the committee could not expeditiously consider a supplemental appropriation after the authorized limits are set by the Senate.

So we are left with only one reason to vote for this bill: symbolism. Some will argue that this vote is symbolically important because it will show that the Senate is serious about solving our energy problems.

Of course it might be hard to explain how appropriating $17.8 billion that cannot be spent will solve anybody's energy problems but let us set that aside for the moment and consider other factors.

At the Banking Committee's hearing, virtually every witness who appeared—whether opposing or supporting synfuels—agreed that synfuels are going to provide no relief for at least 10 years. It was also agreed that synfuels are going to be very expensive, at least initially.

By contrast, solar and conservation can use existing technologies, at relatively low cost, to begin achieving immediate import reductions. There is no funding in this bill for commercialization of these technologies. What is it going to look like when we vote $20 billion for synfuels—which will provide no help for at least 10 years—and nothing for the near-term solutions? Are people going to say that the Senate is committed to solving our energy problems, or are they going to say that we have turned our backs on the solution? Are we going to look decisive, or are we going to look stupid? A balanced approach to our energy problem would provide for synfuels, alcohol fuels, solar and conservation. This sense of balance is completely missing from this amendment.

Supporters of this appropriation will undoubtedly argue that approval of this appropriation won't tie your hands, because the money cannot be spent without further authorization. But, when the authorization bill comes up for consideration, they are going to argue that you might as well spend $20 billion on synfuels, because you have already provided for it.

What is this all about? Why in the world, with the authorizing bills about to be acted on, do we violate our firm requirements for authorization first, and then appropriation? Why? Because once we have appropriated the $20 billion, we have established that we have, in effect, set aside $20 billion in a trust fund for synthetic fuels.

What purposes does this amendment serve if it does not abort the authorization process? This is strictly Alice in Wonderland, with the queen, in this case the majority leader, crying "Verdict first, appropriation later."

I would hope we would recognize that at least three committees have not acted on this proposal. It has not been considered by the Banking Committee. We should find out what we would have available from the Finance Committee. I would infinitely prefer, and I think most Senators would prefer, to get the advice of the Budget Committee on a $20 billion commitment. We have just acted, unfortunately, on the germaneness issue; but I hope the Senate will recognize that it is consistent for us now to decide that, on the merits, this amendment simply should not pass at the present time. We can act, and act promptly, on the other bills, and then get together and act on energy legislation insofar as synthetic fuels are concerned.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

UP AMENDMENT NO. 643

Mr. TSONGAS. Mr. President, I call up an amendment which I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. TSONGAS) proposes an unprinted amendment numbered 643:

On page 2, line 7, of the amendment of the Senator from West Virginia Mr. BYRD, strike the word "only" and insert the following: "to stimulate increased energy efficiency and the use of renewable energy sources and"

Mr. TSONGAS. Mr. President, I ask unanimous consent that the names of the Senator from New Hampshire (Mr. DURKIN) and the Senator from Alabama (Mr. STEWART) be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. TSONGAS. I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, first, I concur in almost everything the Senator from Wisconsin has just said.

Second, I do not think anyone in the Senate ought to believe that we are going to be accused of being opposed to a synthetic fuels development program if we happen to have voted "nay" on the last rollcall.

That was a very difficult vote for many of us to cast. It was certainly difficult for me. I like to follow the lead of the majority leader. He is my friend. He is thoughtful. I know he is as deeply committed to the development of synthetic fuels as I am.

This is not the first time this body ever legislated on an appropriations bill. I have voted against upholding points of order in similar situations in the past, but only when we knew the authorizing committee was not going to function, and only when we knew there was an overriding national interest that would not be met unless we did.

That is not what we just did. What we just did was to again raise people's expectations prematurely. You saw the Gallup poll, not more than 3 years ago, which shows the favorable rating of the U.S. Congress at 13 percent, down from 20 percent. We are now below the President, and he is everybody's favorite whipping boy.

I can tell you that what we just did a moment ago is not likely to increase that rating any time soon. When you go home next weekend, and the people says, "I see you adopted a synthetic fuels program." You say, "Yes, indeed," and they say, "How are you going to spend it?" Your answer is, "We don't know, because the Energy Committee is still working on the Synthetic Fuels bill. That bill will determine what we do with it."

Will the Government guarantee purchases? Will we make loan guarantees? Will we enter into joint ventures? Will the United States have the right to build its own projects where there is no private interest displayed on a technology that we think has potential?

What have we done by that last vote? Nothing. Why have we done this? I must confess that I sat in the Appropriations Committee the other day and I sat on this floor most of the day trying to figure out, why have we chosen to do this? The answer eludes me. It is either too obscure to see, or I just have not been communicating, because, as I understand it, nothing can happen under this appropriation until the authorizing committee authorizes the money and the Appropriations Committee again meets to appropriate the money in accordance with that authorization.

Mr. President, it is symbolism, and it is symbolism at its very worst. So, Mr. President, I must respectfully continue to oppose this sort of legislation. I do not think it accomplishes anything. As I say, it has nothing to do with my feelings about synthetic fuel. I believe in the U.S. Senate as an institution. I try to uphold the rules of the Senate wherever I think it is possible to do so without violating what I think is an overriding national interest.

I thank the Senator from Massachusetts for yielding to me.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. Yes.

Mr. JOHNSTON. What kind of renewable sources is the Senator speaking of?

Mr. TSONGAS. Is the Senator addressing his question to me?

Mr. JOHNSTON. Well, either the Senator from Arkansas or the Senator from Massachusetts.

Mr. TSONGAS. The use of renewables will be the entire list of solarized sources, including gasohol, low-head hydro, the full range of issues we spoke about in both the Banking and the Energy Committees.

Mr. JOHNSTON. Is the Senator aware that the definition of alternative fuels includes biomass, solid waste, and gas from unconventional sources or from organic materials other than crude oil? We already have in the bill renewable sources, that is to say, biomass and gasohol, and, indeed, the Energy Committee action includes $1 billion for biomass and $200 million for gasohol, plus $650 million for loan guarantees for gasohol. The bill already includes that. If you want to reclassify hydroelectric, and would like to have research and further development on solar energy, or one of those things——

Mr. TSONGAS. Geothermal?

Mr. JOHNSTON. Geothermal is not really appropriate, I would say to the Senator, in this legislation, because we already have such calls on the $20 billion in the energy reserve fund that we already have to break orders down. We have a great commitment here to renewable resources.

Mr. TSONGAS. Mr. President, let me try to explain what the amendment does. We have here $20 billion for synthetic fuels. There is not anybody who is looking at this language and looking at the process who believes that synthetic fuels can be brought on line before the year 1990. It would have no significant impact. We are going to go through a decade, at least, of gas lines before synthetic fuels come on line.

The President, in his radio program the other day, said that the number one reliance in this country will be upon conservation, and that synthetic fuels was a "last resort."

Recently there have been a number of studies, the first one being the Harvard Business School study, which said that the best hope of this country was conservation in renewables. The other studies that have come out have shown that that indeed is the case. Yet we continue to pursue an approach that, to my mind, is not balanced.

In the Banking Committee we took the President's plan, which, you will remember, set out $88 billion, which violates every notion of the learning curve ever agreed upon. The Banking Committee bill has synthetic fuels at $3 billion. It has a conservation bank, it has a solar bank, and it has an alcohol fuels component.

In the Energy Committee, in addition to synthetic fuels we are also dealing with conservation, solar, geothermal, gasohol, et cetera.

Mr. President, the Senate is not in order.

The PRESIDING OFFICER. Will Senators please cease their conversations while in the Chamber.

Mr. TSONGAS. Mr. President, I am not a strong supporter of an aggressive synthetic fuels program as outlined at $20 billion, but I voted for it because I felt that is true that there is a need for symbolism in this vote and what is going to happen here on the Senate floor. But I raise the question, why do we need symbolism only for a process that is a decade away? Why are we quite prepared to turn our back on the processes that offer the most immediate hope?

There has been a commitment in the Banking Committee that a synthetic fuels package will include the others. There has been a commitment by the Senator from Louisiana and the Senator from Washington that the Energy Committee legislation will also have the same components of renewables and conservation. What my amendment does very simply is say to you: if you want the symbolism, as I did, let us stretch it to include what most people in the field agree is the only valid approach, and that is a multifaceted, comprehensive plan on energy, not only synthetic fuels but renewables and conservation as well. It is in keeping with what the President professed to be the case in his radio speech. It is in keeping with what every technician looking at the energy issue has concluded. It is in keeping with the Banking Committee. It is in keeping with what the Energy Committee has committed itself to do. The amendment is clear and I ask for the support of my colleagues.

Mr. RANDOLPH. Will the Senator yield?

Mr. TSONGAS. I yield.

Mr. RANDOLPH. Mr. President, I have listened very carefully to the Senator from Massachusetts. I do not take issue with my able colleague's position that other needs exist. Alternatives should be studied. I commend the able Senator. I do wish to ask him at least one question.

The Senator speaks of synthetic fuels as a commitment 10 years from now. Is that correct?

Mr. TSONGAS. In terms of a major impact on our energy resources, that is correct.

Mr. RANDOLPH. How are we going to have that impact 10 years from now, 7 years from now, or 5 years from now, if we do not begin our effort now? How can we move into a synthetic liquid fuels program without a period for construction and technological development. How can it be done? I ask this as a question, not as an adversary of what my colleague is saying, but only to clear this matter for the Senate.

Mr. TONGAS. I think it is a fair question. I would point out to the Senator that not only have I supported in the Banking and the Energy Committee the synthetic component fuels which have been raised, but I did it long before I got to the Senate, when I was in the House of Representatives. I am asking for equal treatment for renewables and conservation. In no way does this denigrate the national commitment to synthetic fuel. What it says is that we are not going to put all our eggs into one basket, but conservation in renewables will be treated with the same respect as other energy fuels. In no way is it meant to undermine the Nation's commitment to synthetics, but it does say there is more than one component to look at.

Mr. DOMENICI. Will the Senator yield?

Mr. RANDOLPH. Mr. President, I wish to continue.

The PRESIDING OFFICER. The Senate is not in order.

Mr. RANDOLPH. I will not interrupt my able colleague, however I do have one or two questions, if he will permit me, but I did not wish to be pushy. May I ask another question?

Mr. TSONGAS. Yes.

Mr. RANDOLPH. In connection with synthetic fuels, let us realize that the various technologies of synthetic fuels production are not only known now but have been known since the 1930's. Let me remind my colleagues that in World War II the Germans were using synthetic fuels. Their motorized units on the land and their Luftwaffe in the sky were powered with synthetic fuels. They had the technology, the Lurgi process, the Fisher-Tropsch process, and other processes.

In 1944 we passed legislation in the Congress to institute a program of pilot synthetic fuels projects. We commenced using these German processes in a modified manner. We operated automobiles on the streets of many cities in the United States of America on synthetic liquid fuels. We operated aircraft. I rode in one of them from Morgantown, W. Va., to Washington, D.C., 175 miles, on synthetic fuel made from coal.

When we speak of synthetic fuels we are also speaking, of course, of oil shales. No one can underestimate the value of oil shales as an integral part of a synthetic fuels program.

If we get into the matter of what is the proper procedure under the rules of the Senate, I believe such a decision is an individual matter for each Senator, for the Senator from Massachusetts or the Senator from West Virginia, or any other Senator, to make that decision for himself.

I do not often speak of the rules of the Senate house. We have rules to establish order in the Senate. We know that.

The rules, however, are not always followed to the letter.

The able Senator from Maine knows that a Senator is not supposed to answer as he is moving about in the Chamber or standing in the well. A senator is supposed to answer yes or no at his desk. We know that. There are always diminutions of the rules, whatever they be. There are those who believe in following the rules, I am one. I will not get into that at the moment except to say that this is an individual matter for us to consider.

When the Senator says we do not need the $20 billion, I say we need the $20 billion. We need to start to use it now. Whether it be a psychological effect in the public, or a positive symbol, the best thing the Senate of the United States can do today, I say to my colleague from New Mexico, Senator DOMENICI—is to act in this matter.

Remember, we acted on synthetic rubber production during World War II. Had it not been for the leadership of the President of the United States, Franklin Roosevelt, and others, some would have said, "No, no, no." But we acted. We built synthetic rubber plants. It took a while to get them, but they came into being, and one of them in West Virginia. West Virginia is not a bad State for a synthetic fuels program to move into now.

I feel it is imperative that we not delay. There is a time for action, and now is the time. This is why I rise, not so much to argue with vehemence about this matter but to speak very earnestly, as one who has been a student of this problem for a long, long time. Since my days in the House of Representatives, when we held the first hearings in 1942 and 1943 on the Synthetic Liquid Fuels Act which was to pass and become law in 1944, I have been active in working on, and studying, synthetic fuels.

We all know, of course, that in South Africa they have the technologies now. They are producing synthetic fuels on a large scale. I sent a member of our committee there 3 or 4 years ago to investigate the processes. I realize I am not the only Member in this body that has studied this question.

I am only saying that we need to act now—within the framework of proper committee structure and jurisdiction.

The American people expect us to act now. We act so often after the fact rather than before the fact. This is the time, if we can, to catch up to the responsibilities which have been with us so long and have not been met.

If I were to talk about the failure of the American people, the administration downtown and the Congress on the Hill, in reference to synthetic liquid fuels, it would be to use the words of the poet who said "The past rises before me like a dream." We needed a fuels and energy policy 20 years ago but we did not get it. There were some who worked for it. I, for one, would say that the past rises before me like a nightmare.

I do not believe that the American people are going to look upon any action here as moving something a little ahead of time, we shall say, in the process of the Senate. The American people are going, I think, to endorse a synthetic fuels program.

It will take money, it will take time. But we need to start now. Even now, it is very late.

I appreciate the courtesy of my colleague.

(Mr. PRYOR assumed the chair).

Mr. TSONGAS. If I may respond, I would say to the Senator that nothing he has said am I in disagreement with. I would also say that of the $20 billion, if we include renewables and conservation, in all likelihood, we would use $1 billion of the $20 billion for renewables and conservation.

I ask the Senator why it makes sense to put $20 billion into synthetic fuels and it does not make sense to take $1 billion of that and put it into renewables and conservation, which is in both the Banking Committee bill and the Energy Committee bill. All the recent studies have said it is the most important. Nineteen to one is not a bad ratio.

We talk about historical analysis. Conservation and renewables were being done long before Christ came on this Earth. It is fine to say what the Germans did before World War II and it is clear they did these things, but ancient man recognized the value of the Sun and the value of conservation and we are just getting back to that. It seems 19 to 1 is a good ratio. If we are going to do it in symbolism, I offer an opportunity to do it in renewables and in conservation.

Mr. DOMENICI. Will the Senator yield?

Mr. TSONGAS. I yield.

Mr. DOMENICI. Mr. President, without commenting on the amendment of the distinguished Senator from Massachusetts and wanting to take advantage of the presence on the floor of the senior Senator from Wisconsin (Mr. PROXMIRE), I want to borrow his words, because he said, in opposition to Senator BYRD's amendment, that we were going to render a verdict before a trial. Let me say that everyone should know that the distinguished Senator from Wisconsin has had ample opportunity for both a verdict and a trial in this matter in 1974, in April, with full hearings on whether or not we should have an American synthetic fuel program. It did not even get to the floor, so he did not have to make that speech to the Senate. He just said, "We do not want to appropriate any money for synthetic fuels, it is a boondoggle."

Now, it is almost 5 years later and we have still not had a verdict and we have not had a trial, said he. I submit if we follow his leadership in synthetic fuels, we will not have a verdict or a trial for another 10 years and we shall still be saying to America, "Well, the free market ought to take care of it."

They sure should. The problem is they cannot and they will not and we sit by and watch our technology get applied in Africa by American engineers, American technicians, not once, but twice. They are in the second generation of turning coal into liquid. And we are here today hearing that we should not have a verdict because we have not had a trial.

I laud the Appropriations Committee of the U.S. Senate for calling it like it is. If you want a synthetic fuel program for America, then put the budget authority in so that we can get started. Do you not put something in there that will hardly get us started and tell the American people we have a synthetic fuels program.

Mr. DURKIN. Will the Senator yield?

Mr. DOMENICI. I shall yield in one moment.

I heard another Senator say, do not mislead Americans that synthetic fuel is around the corner. Let me say it is going to be around the corner, around the block, and 50 miles away until we decide that we are going to do what has to be done.

No one is misleading anyone. Synthetic fuel will not be on board next month or next year. It will be probably 3 to 5 years before we see any. But it takes that long, whether you start today or whether you start 5 years from now, or if we had started in April of 1974, when the good senior Senator from Wisconsin had the same testimony before him, except that the $3 billion plants only cost $1 billion then. And they still could not be built, because they took 3 to 9 years to be built and there was no one to rely on, no financing.

So I urge that we adopt the bold, responsive approach of the Appropriations Committee, which tells it right and lays the program in the proper perspective.

Mr. TSONGAS. Let me say to my friend, I am not clear whether he intends to support my amendment, which is the pending business. I am still not clear.

Mr. DOMENICI. I know the Senator is not, and I indicated that I wanted to speak to another matter while the Senator from Wisconsin is on the floor. I apologize.

Let me say to the Senator that I have not decided yet. I shall listen.

Mr. TSONGAS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, I have spoken considerably today on the amendment that is before us. Now the amendment to that amendment that comes from the distinguished Senator from Massachusetts, I fear, may give the impression that we are neglecting the areas of energy that he has suggested.

We have in this very bill some $743 million for conservation efforts. There is also funding for research and development into virtually all of the areas of energy concern that we have. Solar, windpower, geothermal, conversion to coal are all adequately treated within the legislation.

The problem with accepting the amendment that is offered by the distinguished Senator from Massachusetts is that it is a further dilution of the effort that should be made in this one area of synthetic fuels. The Senator from Massachusetts alluded to the fact, as have others today in opposition to this amendment, that we cannot expect a great deal of help from synthetic fuels production until 1990. Well, I say to Members of the Senate that that seems to me to be a compelling reason to do everything that we possibly can do to expedite that process. It will step up the time when we might receive some benefit from a synthetic fuels program.

We shall only receive it in 1990 if we begin now. It may not be here by 2000 or another thousand years if we do not ever start the process. So while some may see this as a symbolic gesture of expressing the sense of the Senate, it is, in fact, considerably more than that, because it does establish a reserve of $20 billion to be put into use in such manner as described by the authorizing committees. Whatever mechanism is determined, it gives the industry the indication that we are serious about the question of synthetic fuels and helps them make the determination as to what extent they are going to put their resources into this effort. And certainly, it cannot be successful without the support of private industry.

Mr. TSONGAS. Will the Senator yield for a question?

Mr. HUDDLESTON. Back to my objection to the amendment of the Senator from Massachusetts, we should not dilute this reserve. We should not get off into all of the other tangents that we are all concerned with in the whole energy equation. We should keep on course and the best way to do it is to keep the amendment as it is presently constructed.

Mr. TSONGAS. Will the Senator yield for a question?

Mr. JOHNSTON. Will the Senator yield?

Mr. HUDDLESTON. I yield to the Senator from Louisiana and to the Senator from Washington immediately thereafter.

Mr. JOHNSTON. Mr. President, this amendment, the Tsongas amendment, simply does not fit into this legislation, because this amendment setting up the $20 billion creates a trust fund. That trust fund is to be used for the purchase or production by way of purchase commitments or price guarantees of alternative fuels.

If we adopted the amendment, then we would have the stimulation of increased energy efficiency, and the use of renewable energy resources for the purchase or production by way of purchase commitments or price guarantees.

Now, purchase commitments and price guarantees simply have nothing to do and do not fit with energy efficiency or, indeed, with renewable resources.

The question of most renewable resources, particularly solar energy, is already—for the purpose of R. & D.—in the appropriations bill passed by the Energy and Water Resources Subcommittee. That is already in, over three-quarters of a billion dollars.

Mr. TSONGAS. Will the Senator yield at that point?

Mr. JOHNSTON. Is the Senator speaking to this?

Mr. TSONGAS. Yes.

Mr. JOHNSTON. Yes. I yield.

Mr. TSONGAS. The Banking Committee bill has synthetic fuels which will be financed out of this bill, $20 billion. The fact is that despite the money in there for the R. & D. that the solar bank and the conservation bank is a charade, because there is not a penny in this budget for those two components.

In the commitment made to treat conservation and renewables equal to synthetic fuels——

Mr. JOHNSTON. Does the Senator understand what I am saying, that this does not fit with price guarantees and loan guarantees?

Mr. TSONGAS. The point I make is, despite what is said, no one who votes for this or any conservation or renewables should be led to believe there is a penny in this bill for those components, both in the Banking Committee and the Energy Committee. We are, in essence, going ahead with synthetic fuels, and that was it, which is quite different from the commitment made not long ago.

Mr. JOHNSTON. I want to make this point: In the Energy Committee bill we have $1 billion out of $20 billion for biomass. We have $650 million for gasohol loans and an additional $200 million for gasohol grants. That is to come out of this $20 billion expenditure limit.

Mr. President, the $20 billion, as I explained earlier today, is a very limited amount. It is absolutely necessary to have that much money to finance the first phase of synfuels, that first phase being commercial demonstrations, one of a kind. If anything, it is too late.

If we put in conservation, we have bills in the Energy Committee that require $60 billion for conservation. The Kennedy-Durkin bill is a $60 billion bill. Other bills are slightly more modest in cost.

But, Mr. President, if we run conservation into this and then if we put in hydroelectric and geothermal, and all those others, we are left with no money at all with synfuels.

Mr. DURKIN. Will the Senator yield on that point?

Mr. JOHNSTON. For a question, I will yield.

Mr. DURKIN. Is it not a fact, and I would like to point out that I voted with the majority leader, the Senator from Louisiana and the Senator from Kentucky in the Appropriations Committee and on the recent floor action today, but is it not true that this is a symbol—it still has to go back for authorization, and it still has to go back for appropriation?

Mr. JOHNSTON. It is more than that because it creates a trust fund. Money cannot be gotten out of that except by further appropriation and authorization.

Nevertheless, the reserve fund is there and created. It is subject to the language stated. That is, price guarantees and loan guarantees.

Mr. DURKIN. But is it not like a senile relative creating a reserve fund, who is not only senile but berift of funds?

I mean, there are no funds in the reserve fund.

Mr. JOHNSTON. Well, there is $20 billion appropriated in budget authority.

We cannot withdraw that budget authority from the trust fund without two things happening. First, authorizing legislation. Second, a further appropriation from it. Maybe it does not go far enough.

But we are not at odds with the distinguished Senator from Massachusetts (Mr. TSONGAS) or with the Senator from New Hampshire about the need to do something in these other areas. This is just not the place to do it.

I would urge both Senators that in the committee, if they want to have one of these programs and put it as part of this title, I mean, part of this bill, I believe it is S. 1308, that we are meeting tomorrow in markup and that is the place to do it. We will help the Sentaors. We will vote tomorrow on gasohol but not out of this.

Mr. DURKIN. Would the Senator not agree that on hydroelectric, wind, solar, photovoltaic cells, energy efficiency, we are concerned that literally we will be frozen out?

Mr. JOHNSTON. Yes. But, for example, photovoltaic cells, we do not do with a price guarantee or loan guarantee, but with R. & D. We have put in the energy and water appropriation bill about $762 million, if I remember correctly, in energy research and development for solar energy alone.

Mr. DURKIN. Would the Senator not agree the loan guarantees could be applicable to low-head hydro, to a photovoltaic installation, to a wind farm, and so that just because the——

Mr. JOHNSTON. Not to photovoltaic, but with low-head hydro, but it ought to be——

Mr. DURKIN. But we see what happens. I had a discreet program. It was $100 million in loan guarantees for low-head hydro. My good friend from Louisiana led the fight against that. We lost in the Appropriations Committee by one vote.

We had the President in Iowa, he announced——

Mr. JOHNSTON. If the Senator will let me answer the question, then I must yield the floor back, and I will let him get the floor on his own—I opposed that simply because the Senator was putting it on our energy and water resources appropriations bill, I thought, prematurely. As I mentioned, we will come back and consider it later when we have an authorization.

I think it is a good program. A lot of good programs are not included in this, Mr. President. We did not include all the good programs. But the $20 billion we have is essential to do the job in this one program.

I hope the Senate will go along.

Mr. HUDDLESTON. I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, we are really talking about two separate things.

One relates to the amendment offered by my distinguished friend from Massachusetts (Mr. Tsongas). The other relates to the larger effort that we must make for synthetic fuels.

On the first point, let me observe first that I strongly support the obvious effort that we must make in connection with conservation. It must be, indeed, a condition precedent to doing anything in the area of energy.

In this bill, as has been mentioned by the manager, the distinguished Senator from Kentucky, there is a substantial amount of money for conservation.

I point out, under the able leadership of the chairman of the subcommittee, the distinguished junior Senator from Louisiana, we are programing $1 billion for biomass. We have in there $650 million that we will be reporting out for loans in connection with gasohol and another $200 million in the form of grants.

Mr. President, the most critical thing this country faces is the fact that we are dependent on imports, primarily from the Middle East, for one-half of all of our oil that we consume every day. It is that issue I am concerned about here this afternoon.

I say that because America must make a beginning, and we have not done that in connection with alternative sources of fuel. America must make a beginning. That is the important thing phychologically for the next 10 years.

The producer countries are saying that we are doing nothing about finding alternative sources. That we are doing nothing about conservation.

Mr. President, we are talking about $20 billion with concern. Let me point out what is going on day after day after day. The cost of our imports in 1973 was $7 billion. Next year, it will be more than $70 billion. If we can be complacent in this country, God help us. The Republic is in peril.

I am no alarmist. I have been talking about this, as some other Senators have, for 10 years; but the pressure on our economy is cascading down on us in a massive torrent that can destroy western financial institutions.

Why do you think the prime rate is at 14.5 percent? It is because we have lost all control over production and pricing of oil. We are a helpless giant at this point.

Mr. President, that is the issue before the U.S. Senate. We are concerned about $20 billion, while at the same time our oil bill has gone from $7 billion to $70 billion. We are paying $70 billion a year tribute to those countries which could cut us off tomorrow.

If my colleagues think this is not a serious problem, I say just look at the news ticker. Libya today, Iran today—who it will be tomorrow, I do not know—have oil close to $26 a barrel. We started out in January at $14 a barrel. The current price on premium crude, sweet crude, is about $26 a barrel.

Mr. President, I was told today by reliable sources that shortly after the first of the year, oil will be $30 a barrel. The same oil that in 1973 was being imported for $3 a barrel.

People wonder why financial markets are in chaos, why the banks in many areas of the country are already telling home borrowers no money is available. It all stems basically from the problems we face with respect to this extreme dependence on oil from abroad.

I made the comment back in February—and I must say that I got as adverse mail as anyone could receive—that we could have $1 a gallon gasoline within a year. How wrong I was about that! We had it in 4 months.

I am saying, Mr. President, that the way we are going, at a minimum, gasoline will be $1.50 a gallon, and it could be $2 a gallon, by the end of the year, unless we come to grips with this problem.

How do we do it? The first thing we have to do is to demonstrate some credibility. That means showing that this Nation is prepared to make a commitment, in cooperation with the private sector, to develop alternative sources of energy. That is not going to register, as the committee will be pointing out, until about 10 years from now. Under present plans, we will have 1.5 million barrels a day by 1995—from alternative sources.

Mr. President, my plea is this: Let us send a signal to the producer countries that we are determined to do something, both in terms of conservation and in terms of alternative sources of fuel.

It is not my purpose to outline all the things that I think we need to do, but this is a major step. I must say that the worst signal you could send is to vote down the Byrd amendment for $20 billion, which is not an expenditure—it is an investment.

Mr. RANDOLPH. It will pay a dividend.

Mr. JACKSON. It will be amortized. We are not talking about expenditures. It will be amortized out of the production of synthetic fuels.

If we do not send a clear-cut signal on that one, God help the United States of America. That is the kind of peril we are in. Make no mistake about it. Our allies are in the same boat. We could be in a situation from which we could not extricate ourselves, except to go through more and more of the ruinous inflation from which we already suffer.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. The Energy Committee, which is chaired by the distinguished Senator from Washington, already has marked up the synfuel section of the bill which is soon to be reported to the Senate, has it not?

Mr. JACKSON. The Senator is correct.

The distinguished Senator from Louisiana, I must say, has done a yeoman job, day after day after day, in the committee; and we have gone through that very carefully, I say to the majority leader. Senator Johnston is to be highly commended.

We are moving on the other titles to the bill. As the Senator has mentioned, conservation will be taken up tomorrow. We have gasohol; we have biomass. All those areas are important.

What I am pleading for is this: Let us not bog down synthetic fuels. While I am on that, I say to the majority leader that this body has a great record. In 1975, we passed a synthetic fuels bill by a vote of 82 to 12, or some such figure, but it died in the House. The next year, we passed another bill by a vote of 92 to 1, and it died in the House of Representatives.

We had hearings on the Energy Mobilization Board way back then, in 1975, and we were ready to report it, but we did not have anything to mobilize, because it was killed.

We could have synthetic fuels under production today and a start being made, had we been able to convince the country, but the gas lines ended. I say right here and now that the gas lines are coming back. I predict cutoffs this coming year, and we are going to have higher prices. That is a poor way to have to legislate, but I must say that that is the way we have had to legislate up to now.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I point out to the distinguished Senator from Washington something of which he is very much aware: If we do not approve an appropriation for alternative fuel in this bill, the only matter that will be in conference will be the House version of the legislation, and that version funds only the so-called Moorhead bill. It gives no support to the legislation that is being developed in the committee chaired by the distinguished Senator from Washington.

Mr. JACKSON. The Senator is correct.

Mr. ROBERT C. BYRD. This is legislation that is supported by the President.

So we will have no appropriation for the legislation that is going to be reported by the Energy Committee chaired by the Senator from Washington. This means that we will have to depend upon a supplemental appropriation.

I have heard talk about this $20 billion being symbolic. At some point, if the legislative bill is enacted, there has to be an appropriation to fund the program in that bill. How much time do we have in which to pass an appropriation bill in this session? The House schedule for November and December does not provide any real opportunity for consideration of a second appropriation bill on synfuels. The House leadership, I understand, only intends to hold pro forma sessions in November and December—or at least for most of those months. Passage of a supplemental appropriations bill might be extremely difficult in that time. So then what we would have would be the authorizing legislation on the books and no appropriation to go with it. So it is not symbolic, Mr. President.

I have a letter in my hand that was addressed to me by Mr. Duncan, Secretary of Energy, dated October 11. I will read from that letter:

DEAR SENATOR BYRD: As the Senate considers the Interior and Related Agencies appropriations bill I would like to convey the Administration's views on the synthetic fuels provisions of the bill. The Administration supports the action taken yesterday by the Committee on Appropriations in giving a strong endorsement of a $20 billion first phase of an overall program to help develop commercial scale synthetic fuels projects which, as you know, we propose to be carried out by the synthetic fuels corporation.

I commend the Committee for its action which clearly recognizes the large and long term funding needed for this effort. I urge the Senate to approve the Committee's action. I look forward to continuing to work with you and your Committee on the remainder of the President's energy program.

Sincerely,

C. W. DUNCAN, Jr.

I have a letter addressed to me under the date of October 12, from James T. McIntyre, Jr., Director of OMB, in which he says:

DEAR SENATOR BYRD: As the Senate considers the Interior and Related Agency Appropriations bill, I would like to convey the Administration's views on the synthetic fuels provisions of the bill. The Administration supports the action taken yesterday by the Committee on Appropriations in giving a strong endorsement of a $20 billion first phase of an overall program to help develop commercial scale synthetic fuels projects.

I commend the Committee for its action which clearly reflects the need for the large and long-term funding which this effort requires. I urge the Senate to approve the Committee's action. I also urge that the Senate act expeditiously to establish the Synthetic Fuels Corporation and to enact the Windfall Profits Tax so that the initial phase of the President's energy security program may begin.

Sincerely,

JAMES T. MCINTYRE, Jr.,
*Director.*

So, Mr. President, this is not just symbolism. It is a commitment. It is a commitment to support with money on the barrel-head the programs that will be authorized soon by the Senate when it takes up the bill that will be reported out of the Energy Committee, chaired by the distinguished Senator from Washington. And it is a commitment in advance that we intend to fund those programs. It is not symbolism. It is a commitment.

And, Mr. President, if this money is knocked out of the bill, what kind of a signal are we going to send to the American people? What kind of a signal are we going to send to our European friends who are looking to the United States and have been looking for a long, long time for leadership in dealing with the energy problem? And if we knock it out, do not forget that Mr. JACKSON's legislation providing the authorization for a synfuels program will not be worth a hill of beans without the dollars to fund it.

If we have to depend upon a second supplemental appropriations bill now that we have reached the 15th day of October, then, I say, the prospects look to be very slim for the funding of that legislation before we adjourn for this session of Congress.

So I urge the Senate to support the committee.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield to my distinguished senior colleague.

Mr. RANDOLPH. The able majority leader is correct. The amendment pending is in the amount of $20 billion. That is the amount being used by the Energy Committee and the Appropriations Committee. Am I not correct?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. RANDOLPH. We are speaking in terms of that amount. To have charged here, ill-advisedly charged, that this $20 billion is a symbol is incorrect. It is a reality. If we fail to act or we act unfavorably on this we will act unrealistically. The American people do not expect that of its Senate.

Mr. ROBERT C. BYRD. I agree with my senior colleague.

Mr. STENNIS. May I have a word here with the Senator from Washington?

Mr. ROBERT C. BYRD. I yield the floor.

Mr. STENNIS. One minute that is all. I say to him he has spoken well in his presentation here of the facts and needs and he knows that for one I opposed the idea and generally oppose the idea of appropriation bills carrying money unless it has been authorized, but he is the chairman of the authorizing committee in this field. That is correct, is it not?

Mr. JACKSON. The Senator is correct.

Mr. STENNIS. Does the Senator see any other practical way this calendar 1979 can get this legislation passed unless we resort to this means?

Mr. JACKSON. There is no other way out, Mr. President, and Senator BYRD's amendment fits right in with the authorization bill which will be up very shortly and which will be managed on the floor by the distinguished junior Senator from Louisiana, and we are ready to go. We have completed the markup on synthetic fuels. It is all finished. We are going to have some additional titles. We have conservation, gasohol, and some other items that will be included in that omnibus bill.

Mr. STENNIS. As a matter of fact, for several years during these emergencies and while the Department of Energy was being created and transfers made, the Senator has had to resort to means similar to this for several years in order to get the hard money for the program; is that not correct?

Mr. JACKSON. The Senator is correct.

Mr. STENNIS. So there is nothing new about this as far as this program is concerned or this need is concerned

Mr. JACKSON. Absolutely not. There are all the safeguards in it as Senator Johnston pointed out. We have to meet two conditions here. There has to be an authorization and we have to appropriate the money out of the fund. So those safeguards are there and they are appropriately arranged.

I must say that, as the distinguished majority leader has made the point again that we were referring to, I cannot think of anything more devastating than to send the signal that we are not prepared to invest, Mr. President, not expend, but invest the $20 billion as a down payment in a program which currently in terms of imports is costing this country $70 billion a year on imports.

Mr. STENNIS. And for its kind and its type it will be a highly significant bill and the first one of its kind that we have gotten this far along of this type, is that not correct?

Mr. JACKSON. This will be the first large-scale effort on the part of the Senate. We did pass, I again emphasize, in 1975 and 1976, a program that at that time was about $7 billion, I think, or $8 billion, only to die in the House of Representatives. The Senate has been diligent. The Senate has a good record in this regard, and I hope that that record will not be tarnished by an adverse vote on the Byrd amendment.

Mr. STENNIS. I commend the Senator and the two men on appropriations who helped us. If we do not follow their leadership I do not know where we will land. This will be a zero year in this field.

Mr. TSONGAS. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. Yes.

Mr. TSONGAS. The majority leader said quite well anything not funded today is not worth, quoting, "a hill of beans" in terms of anything the Energy Committee marks up. That is exactly the case. Tomorrow we are going to go through the exercise of a conservation bank and solar bank, and there is no way it is going to get funded. Is that not obvious? Why are we going to meet tomorrow? Why are we going to mark-up two components that have no shot at funding if not included? We are talking about 5 percent of the $20 billion.

I wish to understand, since we were told that the Energy Committee bill would include synthetics, solar, and conservation, why we end up in this situation where only synthetics go through to get funded and the other two components that we worked on in essence, as the majority leader readily pointed out, are not going to be worth a hill of beans?

Mr. JACKSON. May I, Mr. President, just say we have some very good conservation proposals before the Senate in our committee. We have proposals by the distinguished junior Senator from Massachusetts, also by the distinguished senior Senator from Massachusetts and the distinguished Senator from New Jersey, Senator BRADLEY.

We hope we can put all these programs together and make the real beginning in the area of conservation. But there is a strong difference of opinion in connection with what is the most viable conservation program. I think we are going to find we are going to have to follow several tracks.

I am very sympathetic. My point here is, Mr. President, that I want to see the synthetic fuels program started. We have got the minimum down payment of $20 billion. We have been grappling with this for all these years, and we ought to recognize the urgent need.

Mr. BRADLEY. Mr. President, will the Senator yield?

Mr. TSONGAS. If $19 billion is going to the synthetic fuels program, that gets you everything you are asking for. We agree with the Banking Committee on a solar bank. The Energy Committee and the Banking Committee both agree that that is a shadow, there will not be a penny funded. It seems to me the message we are sending is all $20 billion for synfuels, and not one penny for conservation, and it is a rather sad commentary, given the technical consensus of what is going to help us. The thing that is going to get us out of this dilemma is conservation, and the Senate, in my opinion, will turn its back on both conservation and renewables, and I think that should be done as well.

Mr. JACKSON. Mr. President, I yield first to the Senator from New Hampshire and then to the Senator from New Jersey.

Mr. DURKIN. I thank the Senator, Chairman JACKSON.

I agree with everything the Senator from Washington said. I have supported the Energy Mobilization Board, supported the chairman on synthetic fuels, and I am an original cosponsor of S. 1308, with all the titles, the renewable titles, the solar, the energy efficiency or conservation title, or whatever you want to call it, the wind provisions. I have supported the majority leader in that effort, and intend to vote with him, as I have with the Senator from West Virginia. But we have to send the signal, and I could not agree more with what the Senator from Washington said and the Senator from West Virginia said, except when the Senator from West Virginia said it is unlikely that the House will act on the alternatives title and the conservation title in a supplemental, then we are literally afraid of being frozen out. We are afraid of sending the wrong signal to the people trying to develop hydroelectric, wind, solar, photovoltaic, energy conservation, so I intend to support the Byrd amendment.

But I am also a cosponsor of the Tsongas amendment. Let us send the same message to solar and hydro and get that taken care of. The Senator from Louisiana said he does not agree on all fours with the provisions of the trust fund as to solar and renewables and conservation. But it is not inconsistent. It does not agree on all fours, but it is not inconsistent with the loan and price guarantees on the rest of the section. But I think we have to send a combined message. On synfuels it may be 1990 before we get enough fresh synthetic fuels to run a snowblower or a lawnmower. We can generate by small scale hydroelectric power almost a third of our electricity in New Hampshire in the next 2 or 3 years, thus displacing oil.

Mr. JACKSON. As the Senator knows, right on that point, I am strongly supportive of what the Senator has already done in the small hydroelectric area. As the Senator will recall, we amended the legislation, the existing law, to provide for loans, grants.

Mr. DURKIN. That is right; and fast track.

Mr. JACKSON. And also on the fast track and Energy Mobilization Board, which should accelerate our capability in the hydroelectric area. There is a tremendous potential that needs to be tapped not only in the Northeast, in the Senator's area, but also out in the Pacific Northwest.

I can only say, Mr. President, that the distinguished senior Senator from New Hampshire has been a real leader in this area, and I believe that program is really going to move. I think what we are talking about is how much can we get in this one package here at one time. I am strongly supportive of the conservation efforts of the small hydroelectric dam development program.

These programs, Mr. President, will help to save oil. It is much cheaper to have a barrel of oil than to have to produce it, as we have learned the hard way, and I commend him for the position and the stand he has taken.

Mr. DURKIN. I thank the distinguished chairman. But I hope we can send the same type of signal so that the whole country knows your commitment and my commitment and that of the Senator from Massachusetts, and what we should not do is table the Tsongas amendment.

Mr. JACKSON. Mr. President, I yield to the distinguished Senator from New Jersey.

Mr. BRADLEY. Mr. President, I agree with the chairman's characterization of the threat to our Nation's economic health by our dependence on imported oil.

Mr. President, I also think it is a threat to our national security. As the distinguished chairman knows, the Soviets have moved very directly into the Persian Gulf area and threaten our supply lines. That, in addition to the basic stability of the region, raises major questions. That is why it is puzzling to me that this amendment would divert $1.5 billion from the strategic petroleum reserve account and place it in a synfuels account, take it away from what we need today to what we might need a decade from now.

So it seems to me that when we have no purchases from the strategic petroleum reserve since last November, presently about 94 million barrels in the strategic petroleum reserve which, under the best circumstances, given present imports of about 6.7 million barrels a day represent 13 days supply in the strategic petroleum reserve, it seems to me that this amendment not only says there will be no money for conservation in the coming year because of the parliamentary situation but it also says that should we have a shortfall in the immediate term that we will not be trying to meet it by increasing the strategic petroleum reserve.

I would like to have one of the managers of the bill or the distinguished chairman tell me why we are diverting $1.5 billion from the strategic petroleum reserve to this account for synfuels that we will not use for at least a decade. I pose that question.

Mr. JACKSON. I think the distinguished Senator from New Jersey has posed a question on the matter of the depletion of $1.5 billion, I think, in connection with the strategic petroleum reserve.

Mr. BRADLEY. Why are we diverting $1.5 billion from the strategic petroleum reserve to the Synfuels Corporation?

Mr. HUDDLESTON. Because it cannot be obligated in the year of 1980.

Mr. BRADLEY. But it is true it can be obligated progressively. You are taking it from Peter to pay Paul; you are taking it from a need in the next year or two and diverting it to a need in the next decade.

Mr. STEVENS. Mr. President, will the Senator yield? Who has the floor?

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. BRADLEY. I yield.

Mr. STEVENS. There is still $1.1 billion in the strategic petroleum reserve account even with this transfer. If you will look at page 88 of the report maybe we will understand each other. The plan is set forth as to what will happen to this reserve account.

You see we have a spending program set forth. We are going to obligate a considerable portion of the reserve. The transfer involves $1.5 billion, and there still remains $450 million beyond the estimated fiscal 1980 requirements. We are transferring that budget authority to this new account in order to use the same money without disturbing the budget.

Mr. BRADLEY. It is my understanding that money that is not spent in 1980 would be there to spend in 1981 or 1982 or whenever this country developed a capacity to fill the strategic petroleum reserve.

What we are saying here is we are going to take money from the strategic petroleum reserve and we are going to put it into the Synfuels Corporation that will not produce any oil or give this country any energy security for a decade.

Mr. STEVENS. The Senator is correct to a certain extent.

Mr. BRADLEY. Then why do we not reduce it to $18.5 billion?

Mr. STEVENS. We did. It is $18.5 billion plus $1.5 billion.

Mr. BRADLEY. All right. Why do we take the $1.5 billion from the strategic petroleum reserve? What is magic about the $20 billion figure?

Mr. STEVENS. I would like to expound on that, because originally I, too, was against the proposal. We are going to spend $2.2 billion, and $20 billion is the total commitment of this country to the synthetic fuels program.

When it first came up, I, too, was opposed to it, and then, as it went further on, I became a supporter, and I was one of those who helped turn the decision around to furnish that funding, and put this money in the budget in the manner it is there.

But the money from the strategic petroleum reserve has been transferred to stay within our budget ceiling and the President's budget. Otherwise, we would be adding more money than actually required. We cannot obligate this in 1980; we do not need the budget authority or the outlay in 1980 for the petroleum reserve.

Mr. BRADLEY. But if it was there, we would not have to appropriate and authorize an additional $1.5 billion for the strategic petroleum reserve in the years 1981 or 1982, if it was considered to be in the interest of this country to have an oil supply in the event of a cutoff.

Mr. STEVENS. We could provide additional appropriations next year if required. We can cross that bridge when we come to it.

Mr. BRADLEY. We could tell them in 1981 to put it into energy security from general revenues, is that correct?

Mr. STEVENS. We could tell them in 1981, if we felt like it, to take some money out of the synthetic fuels account and put it into the strategic reserve, if they could spend some more money in that year.

Mr. BRADLEY. Mr. President, I had hoped to be an enthusiastic supporter of this amendment, but since conservation measures and renewable resource measures are foreclosed for this year, due to the parliamentary and budgetary situations, and due to the fact that we are taking money away from the strategic petroleum reserve, which is the most pertinent action we can take to address our energy security, I would hope the Senate would give it some further consideration.

Mr. STEVENS. I would hope the Senator from New Jersey would give it some further consideration. Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. BRADLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I would hope the Senator from New Jersey would further consider that we have provided as much money as can be obligated for the strategic petroleum reserve in 1980. There is no question about it; we do not need any further funding. As a matter of fact, we have $450 million more than we feel is required should they tell us they can increase their obligation rate in this fiscal year.

Mr. BRADLEY. Now, since the Senator from Alaska has the floor, will he yield to me?

Mr. STEVENS. I am delighted to do so.

Mr. BRADLEY. The $1.5 billion represents money that was for the strategic petroleum reserve, but we are not spending it?

Mr. STEVENS. It was just earmarked. It has not been spent. It cannot be spent, because their program does not call for that great an outlay within this fiscal year.

Mr. BRADLEY. It is understandable that the strategic petroleum reserve program takes time to gear up, to make sure you can get the oil in, to make sure it will stay; it will take a reasonable period of time. Therefore, the $1.5 billion we did not spend might be spent in years ahead. It seems to me shortsighted to cut it off here to put it into an energy security fund that will not produce any energy for another 10 years.

Mr. STEVENS. There are various ways to build an energy reserve. The Federal Government has royalty oil interests. Should it be necessary, we have the option to take oil rather than money. The time may come when we will want to do that.

Mr. President, when this amendment first came to our committee, I was disturbed about it, because of its size and because of some of the implications in it concerning the Office of Management and Budget's position that the moneys for loan guarantees be funded 100 percent up front.

When we deal with our guaranteed commitments to foreign banks, if we guarantee $10 billion, we only have to put up $1 billion, for a 10 percent reserve. We have not been called upon to meet any of those commitments, as I understand it, but we guarantee that we will meet them; therefore, we have to put something aside in order to meet them if they are called.

The same history prevails in terms of our Government guarantees. There has been a very, very small call on the U.S. Government for its guarantees on loans of this type; whether you look at the Reconstruction Finance Corporation, the Small Business Administration, the Lockheed loan, or whatever it is, the guarantee of the Federal Government has not been called even to the extent of 10 percent. I was disturbed by the 100 percent funding guarantee, and so I opposed it.

When I looked at it later, I realized, coming from a producing State, that we have more at stake in a commitment to the synthetic fuels program than anyone else. I saw a projection, Mr. President, for a 1995 price of oil of $90 a barrel. I already have problems on this floor with being from a State that produces as much oil as we produce at $15 or $18 a barrel. Now we have notice from Indonesia to Japan that their price will be $34 to $38 a barrel. Since I have been in the Senate, it has gone up from $1.35 a barrel, to $18, more than tenfold. When I first looked at that estimate of an increase from $35 a barrel on the spot market to $90 a barrel I was appalled; but then I realized that that is only an increase of three times in that period of time, where it has gone up tenfold since I have been in the Senate.

I think it is time we realized that until we have a stable price factor with domestic production from all sources, we are not going to stop this complete hemorrhage from our whole fiscal system because of this drain to buy foreign oil. I do not care whether the oil is made from coal, tar sands, oil shale, or whether it is produced from my State. Our oil should be priced as reasonably as possible, and we should do whatever we can to get at least some independence from the pricing system of OPEC. I agree 100 percent with the Senator from Washington about that. As the situation is now, it is a total hemorrhage of our fiscal system. This is a situation where I have also been told that OPEC has some $60 billion in short-term U.S. securities. What kind of leverage do we want them to have on our Government in the future? That amount could keep doubling every year, the way things are going.

So I determined we should have a commitment, and that is what this is. My good friend from Colorado said this was a promise, and I told him no, we should have a new concept, and that is a budget commitment.

We are saying, as Members of the Senate, that we are prepared to commit $20 billion to this synthetic fuels program if we can get the authorization legislation through and can get the President's requests for appropriations up here in the normal course of the budget process.

That, to me, is serious. It is a serious thing to have a total commitment to a synthetic fuels program. It means stability sometime in the future as far as the domestic price is concerned.

I would hope that those who are concerned with conservation would remember this, too: The worst thing that could happen to the environmental movement in this country is $90 oil. If you want to see the rush to invade the parks throughout the United States, the rush to invade the wildlife refuges throughout the United States, if you want to see this whole subject that the Senator from Massachusetts, the Senator from New Jersey, and the Senator from Washington, and I are working on in terms of Alaskan lands, then see this thing go up to $90. We will be drilling in your backyard as well as mine and anyone else's to find oil by that time. It will totally ruin the environmental status in this country if the price goes up that high.

It is high time the environmental movement looks at its hole card. Its hole card is based on domestic prices, too. There is room for balance in this country. I think we can have the production we need and protect the environment to the maximum extent possible with planning. That is what this is, a budget commitment to planning, a strategic concept of having available to the maximum extent possible domestic production.

I might say that I am not being totally altruistic, Mr. President; we also have coal. We could use coal alone to convert to oil or gas from Alaska to supply our Nation for 100 years. We have that much coal in Alaska. There would be a terrible environmental price, I might say, to produce it, and I do not believe our State is prepared to face that price now. But rather than face $90 oil and see our whole economy go, I think they might.

What is going to force us to $90 is not synthetic fuels, it is OPEC. When we look at OPEC, they are destroying the whole pricing mechanism in the United States. This is one way we can stop it.

Commit ourselves now to producing energy to the maximum extent possible in an environmentally safe manner wherever we can produce it. One place I am confident we can produce it is in the synthetic fuels program.

Mr. JOHNSTON. Will the Senator yield for a question? I think the Senator from Massachusetts has an amendment to make this acceptable.

Several Senators addressed the Chair.

Mr. STEVENS. Mr. President, before I yield the floor, I want to inquire of the majority leader whether it is possible to get a time agreement on the Tsongas amendment. I understand he wishes to modify it. I certainly do not want to prevent the modification. And then there is the Javits amendment. Without trying to get a time agreement on the amendment itself of the majority leader, I would hope we would get a chance to address some of these issues tonight.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the yeas and nays be vitiated on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I respond to the distinguished Senator from Alaska? I would hope we could get a time agreement on the amendment by Mr. JAVITS to the amendment that I have offered. I believe the distinguished Senator from Massachusetts is prepared to modify his amendment at this point in a way that it may be acceptable. I wonder if we could proceed in that manner, perhaps allowing 20 minutes equally divided on the amendment by Mr. TSONGAS, or it might not take that long.

Mr. JOHNSTON. I think that would be acceptable.

Mr. STEVENS. From the point of view of the minority on the committee, and I do not know if others have seen it, it is entirely agreeable to me.

Mr. ROBERT C. BYRD. Will the Senator allow the Senator from Massachusetts to withdraw his previous amendment and offer a new amendment?

Mr. STEVENS. I would be happy to yield for that purpose. I promised to yield to the Senator from Illinois.

Mr. PERCY. The Senator from Illinois would be satisfied to yield to the Senator from Massachusetts for a minute and allow him to speak on the modified amendment.

Mr. STEVENS. Mr. President, I yield the floor to the Senator from Massachusetts.

UP AMENDMENT NO. 644

Mr. TSONGAS. Mr. President, I ask that my original amendment be withdrawn and the modification now at the desk be immediately considered.

The PRESIDING OFFICER. The Senator has that right. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. TSONGAS) proposes an unprinted amendment numbered 644.

Mr. TSONGAS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4 of unprinted amendment No. 642 add at the conclusion of the amendment the following:

"For the establishment in the Treasury of the United States of a special fund to be designated the "Solar and Conservation Reserve," $1,000,000,000 to remain available until expended: *Provided*, That these funds shall be available for obligation only: to stimulate solar energy and conservation: *Provided further*, That the withdrawal of said funds shall be subject to the passage of authorizing legislation and only to the extent provided in advance in appropriations Acts."

Mr. TSONGAS. This is simply saying that the components of the energy package to be marked up tomorrow in the Energy Committee will include a solar bank and a conservation component. This provides $1 billion to be provided between the two components. What we pass out will be equally on the same track, if you will, as synthetic fuels. The $20 billion in the majority leader's amendment is not touched. This simply adds the money necessary for those two components I have mentioned.

Mr. DURKIN. Will the Senator yield for a question?

Mr. TSONGAS. I yield.

Mr. DURKIN. Is it the Senator's understanding that the definition of solar is the broad definition of solar as incorporated in the authorizing language as set forth in S. 950?

Mr. TSONGAS. The Senator is correct.

Mr. HUDDLESTON. Will the Senator yield?

Mr. TSONGAS. I yield.

Mr. HUDDLESTON. We have had an opportunity to read the modified amendment, and we are agreeable to accepting the amendment. The ranking minority member has indicated likewise.

Mr. TSONGAS. If the Senator will yield, I might say that I have no further statement to make at this time. I thank the Senator from Illinois for yielding.

Mr. ROBERT C. BYRD. Mr. President, I wonder if we can get an agreement to limit the time on debate on the amendment by Mr. JAVITS to 1 hour to be equally divided between Mr. JAVITS, the author of the amendment, and Mr. HUDDLESTON. This has been cleared with Mr. KENNEDY.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object, I just wish to reserve the right, notwithstanding the unanimous-consent request, to modify this amendment, should it be desirable.

Mr. ROBERT C. BYRD. Mr. President, I will include that in my request.

The PRESIDING OFFICER. Is there objection?

Mr. ARMSTRONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado reserve the right to object?

Mr. ARMSTRONG. Yes; but only for the purpose of determining the nature of the Javits amendment. As I understand, the purpose of the majority leader's request is to limit time to 1 hour.

Mr. JAVITS. This amendment refers to using some of this money for emergency fuel assistance. This is an amendment to Senator BYRD's amendment.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request for a moment.

The PRESIDING OFFICER. The request is withdrawn.

Mr. STEVENS. Is the Senator from Kentucky prepared to accept the Tsongas amendment?

Mr. HUDDLESTON. Yes.

Mr. STEVENS. As I understand the amendment, it is commitment which will be met pending future enactment of authorizations and review by the Appropriations Committee.

Mr. TSONGAS. It is in essence that type of amendment.

Mr. STEVENS. On that basis I have no objection.

Mr. PERCY. Mr. President, reserving the right to object, and I do not intend to object, it is my understanding that the floor manager would like to accept this amendment, in which I certainly concur. I would like to do so providing the Senator from Illinois, who has been waiting to speak, is recognized for 5 minutes immediately following adoption.

Mr. HUDDLESTON. It is my intention to do that if I have control of the floor at that particular time.

I move the amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. DURKIN. I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY. I thank my distinguished colleague.

Mr. President, I think that acceptance of this amendment is further evidence that we really ought to be dealing with authorizations rather than appropriations at this time. That is why the Senator from Illinois voted, on the procedural matter, to strike the $20 billion energy security fund.

The Senator from Illinois supports a carefully planned, phased synthetic fuel program. I think we must have such a program. However, we do not now have that program authorized. Synthetic fuel, as important as it may be, is only one part of this vast, complex energy problem. As far as cost effectiveness is concerned, funds for energy conservation and renewable resources must be our initial focus.

Recognizing this fact, the Alliance To Save Energy, together with Harvard University, is sponsoring an unusual conference at Dumbarton Oaks on Wednesday night, the 17th of October, and all day on Thursday; 150 leaders of American industry and American labor and consumer groups will come together to talk about energy efficiency.

We shall also be releasing a 20th Century Fox film produced for the purpose of showing how industry and cities can use energy more efficiently.

Every single study we have made shows that conservation of energy is the best place to put our money. We can get reductions in oil imports faster that way than any other way.

In synthetic fuels, we are talking about 10 to 12 years before many of these programs come on stream. We do not know what the cost will be. It could be $25, $30, $40, $80 a barrel equivalent. Energy efficiency costs amount to $3, $4, or $5 for each barrel equivalent saved. And with about 40 percent of our energy usage wasted, we have enormous potential for savings through conservation.

In coal, direct use applications merit close attention. We know that it can rank second with respect to end use efficiency. And we know that renewable resources are critically important.

The Senator from Illinois is saying, finally, that as we start on an appropriations bill we should be aware of the fact that we need the authorization bill. That process is essential if we are to think through a program and not jerry-rig the legislation as we are trying to do right now.

Mr. McCLURE. Will my friend from Illinois yield?

Mr. PERCY. I am happy to yield for a question.

Mr. McCLURE. I asked my friend to yield for that purpose, because he is saying exactly what the Senator from Idaho feels. I think the last amendment adopted and the one the Senator from New York is seeking to have adopted illustrate perfectly the very point the Senator is making. What we are asking the Senate to do now is identify all the concerns in the energy field and identify a special fund in Treasury to fund that in the future if, as a matter of fact, Congress ever authorizes and appropriates money for that purpose.

Would not the Senator from Illinois agree that that is the effect of what we are doing here today?

Mr. PERCY. Absolutely.

Mr. McCLURE. I say to my friend that it almost demands that anybody who has any concern about any aspect of the energy situation come in to make certain that their own concerns are expressed in terms of a fund that is not a fund, that has been appropriated but has not been appropriated, that, in effect, becomes a promise. I am suggesting that maybe we shall have to amend the Budget Act to have, along with BA and BO, which are the budget authority and the budget outlays, a new category called BP, budget promises. It does not carry any money, does not carry any authority, but it says what we are going to do about the future.

Mr. PERCY. I thank my distinguished colleague for some very pertinent comments and, I think, summarizing the feelings of a great many of us on the floor, that this process that we have developed, with authorization coming first, works very well. When we try to authorize on appropriations bills, it makes it extraordinarily difficult.

Mr. President, I have concluded my comments on that subject.

### UP AMENDMENT NO. 645

(Purpose: To provide emergency fuel assistance funds to be derived from the Strategic petroleum reserve account)

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. EXON). The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) for himself and Mr. KENNEDY, Mr. METZENBAUM, Mr. LEAHY, Mr. RIEGLE, Mr. McGOVERN, Mr. WEICKER, and Mr. DURKIN, proposes an unprinted amendment numbered 645.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2 of the Byrd amendment in line 4, strike out "$20,000,000,000" and insert in lieu thereof "$18,650,000,000".

On page 4 of the Byrd amendment after line 18 insert the following new paragraph:

### EMERGENCY FUEL ASSISTANCE

For emergency fuel assistance programs administered by the Director of the Community Services Administration under section 222(a)(5) of the Economic Opportunity Act of 1964, $1,350,000,000, to be delivered by transfer from the "Strategic petroleum reserve" account in the Treasury of the United States

Mr. JAVITS. I yield 2 minutes to the Senator from North Dakota (Mr. YOUNG).

Mr. YOUNG. Mr. President, I was at the committee hearing when Secretary Duncan of the Department of Energy presented his plan for a $20 billion appropriation. I was skeptical about it at first, but the more I listened to what is recommended by the Appropriations Committee, the more I thought it would advance the energy program. The committee's recommendation in no way hinders the authorizations. I think maybe they will come up with authorizations a little sooner. But I think it does one thing: It insures, or at least gives a little more assurance, that the Appropriations Committee will be considered in these appropriations. I was fearful that the other committees might authorize and appropriate at the same time.

About 40 percent of all our expenditures now are by the authorizing committees—social security, medicaid, education. There are many fine programs that have fallen in that category. The committee that authorizes them sets aside a huge sum of money and the Departments handle them as they see fit. I see nothing in this bill at all that will interfere with the authorizing committees.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JAVITS. Yes.

### TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment by Mr. JAVITS of 1 hour, to be equally divided between Mr. JAVITS and Mr. HUDDLESTON.

Mr. JAVITS. Mr. President, reserving the right to object, with the proviso that I may modify the amendment.

Mr. ROBERT C. BYRD. Yes, with that proviso.

Mr. MUSKIE. Mr. President, reserving the right to object, I have no desire to prolong the discussion of the Javits amendment. Taken in its context of the pending bill, the Javits amendment creates serious budget complications. I do not know whether I can present them to the Senate in the time that might fairly be allocated to me out of the hour. If possible, I should like 15 or 20 minutes and I may not need it. I may be able to do it in the hour. I do want to discuss it.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that out of the time allotted to Mr. HUDDLESTON, Mr. MUSKIE have not to exceed 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

I offer this amendment on behalf of myself and the following Senators: KENNEDY, STAFFORD, METZENBAUM, LEAHY, RIEGLE, McGOVERN, WEICKER, and DURKIN.

Now, Mr. President, why have we offered this amendment on an appropriations bill? In introducing the subject, I should like to say to my colleagues who were here and those who are, maybe, listening in their offices, it is the kind of thing that dictates the words, "Let us reason together."

What we are seeking is $1.35 billion, which, when added to what is now in the pipeline—which is $250 million in the continuing resolution—will begin to do what needs to be done for the poor and the needy of this country in respect of emergency fuel assistance.

Mr. President, lots has been going on in respect to this matter in the Congress. The Human Resources Committee has held hearings on a bill introduced by Senator WILLIAMS and a number of cosponsors. There is a bill which I have offered with Senator JACKSON. There are other bills which are pending before the committee.

The sum of it is as follows, there is grave and serious peril, and real distress for old and poor people, which might result in deaths that is a pretty serious thing to say, but it is validated by the testimony. Simply put they cannot afford to buy the fuel, no matter how they skimp and save and try. It has now at least doubled in price and in many areas is going higher.

The time is limited, Mr. President. If we should act today on this matter, right here and now, it will still be January before checks can go out to those who need it the most.

Therefore, Mr. President, instead of trying to legislate on these bills which we have considered and other committees have considered, what I am trying to accomplish is to get money for the established program now, which is a program distributed through the Community Services Agency to Governors of the States and the Department of HEW for the purpose of dealing with the most needy.

Now, why the Governors of the States? The fact is that act's poverty agencies reach only about half of those who could be reached with $1.6 billion, and for the other half we will have to rely on the actions of Governors in their respective States on the rules and regulations which they will provide.

In short, it is an ad hoc program, but we have no other choice. I am deeply sympathetic, I might say, to the problem, of the Budget Committee which Senator MUSKIE will speak to, and of the Appropriations Committee, Mr. President, which is here before us. No one can be more understanding of them than I.

But I do not see what choice we have because any one of these propositions is going to take more weeks, and more weeks means that instead of January they may get the money in February or March, and the ball game is over then. Whoever will have been frozen to death will have been well frozen to death by then.

Again I say that this is no child's play, because that is actually the testimony we have had. We have actually had cases last winter when this happened.

Now, why choose this bill? I will explain why, Mr. President. This bill has $20 billion for synthetic fuels, but of that $20 billion, $1.5 billion comes by diversion from what is called the Strategic Petroleum Reserve. That means the money which we put up with which to buy oil for stockpiling, two-thirds of that money has not been used, but only $1.5 billion is touched here.

So $1.5 billion is now reprogramed in this bill for synthetic fuels. As I argued here, we are looking 10 years ahead when today there is a crying need, upon which most everybody agrees and which is going to go on unmet, not because we are bad-hearted people, but simply because it gets bogged down in the machinations and activities and delays which are inherent in the fact that it is in this budget resolution and not in that one, and that it is in this appropriation instead of being in some other, and there is no money procedurally available.

So the only way to reach out for any money is to act on this. There is no other way in the approximate future.

Mr. President, the President himself has asked $1.6 billion, and we agree. As an interim measure, it is the only way we can do it. But the President of the United States has so far sought $400 million, and of that $400 million he has only gotten $250 million in the continuing resolution.

Why has he only sought $400 million? Because he wants the $1.2 billion to come out of the excess profits tax.

Mr. President, in the hearing on this matter, there was unfettered hell raised with the administration, and precisely for that reason. How can we ask these people to wait until the excess profits tax passes?

Our very warmhearted Secretary of HEW tried to tell us that it would all be wrapped up within a few weeks. But, unhappily, she was addressing herself to Senators who have been around here a day or two and knew it might not happen in a few weeks or months—I hope it is not a few years, but certainly, not a few weeks or months. Again I say, by that time the ball game will be over.

I tried in discussions with the Budget Committee and with the Appropriations Committee to find some way in which this matter could be accommodated within the purview of their conference and the Budget Committee's conference so that at least it would be in a bill and it would be on its way. But again I say to the Senate that they do not see how they can do it. So I have no alternative but to try.

I think the nature of the cosponsors of this measure, the exhaustive nature of the hearings which have taken place on the issue, the general agreement that this is something we have to do, reminds me of that line in Gilbert and Sullivan, in the "Pirates of Penzance," when all the policemen sing a song, and they say, "We go. We go to catch the pirates." And one lone voice says, "But you don't go." And that is just what is happening here. We go. We go. But here it is, the middle of October and we do not go. Nothing can happen until January if we act tonight, yet there is no assurance whatever that anything is going to happen unless we do.

That is the reason, Mr. President, I have moved, and moved tonight.

Mr. ARMSTRONG. Will the Senator yield for a question?

Mr. JAVITS. Of course.

Mr. ARMSTRONG. I think in light of what the Senator said it is important to clarify the nature of the amendment. The printed amendment No. 514, which I have before me, amends the printed bill.

Do I understand the actual amendment at the desk amends the pending Byrd amendment?

Mr. JAVITS. Yes, it does. It is a little different.

Mr. ARMSTRONG. Does it accomplish the same purpose?

Mr. JAVITS. It accomplishes the same purpose.

Mr. ARMSTRONG. Then I would like to inquire of the Senator if he is aware of the discussions earlier in the day about the effect on outlays of the Byrd amendment, because there was, I think, a very clear understanding that none of the money contained within the Byrd amendment can, in fact, be obligated or expended until there is a subsequent appropriation bill passed; is that the Senator's understanding?

Mr. JAVITS. That is my understanding as to the Byrd amendment, but it is not as to what my amendment does, because it can be spent.

Mr. ARMSTRONG. I see.

Mr. JAVITS. In other words, I am not going at the $20 billion per se. I am going at that $1.5 billion which is transferred from this strategic reserve——

Mr. ARMSTRONG. So that the Senator's amendment is not, in fact, what was characterized earlier as a budget commitment—it is actually an appropriation?

Mr. JAVITS. That is correct.

Mr. ARMSTRONG. I appreciate the explanation.

Mr. JAVITS. Absolutely. And it is the only way, as I said, I lay this before the Senate. I am not trying to be forensic about it. Show me how to get this on the road. This is the only way I have seen. I have not the remotest intent to complicate anybody's life or any committee's negotiations. But this is real necessity.

It is awfully easy to promise us a supplementary appropriation or another continuing resolution. But again, we are talking about some weeks. The next continuing resolution is not due——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. I yield myself 2 minutes.

The Senator is talking about a continuing resolution, Mr. President, which will come around November 20, if we are lucky. The Senator is talking about a supplemental appropriation, for which no bill may be brought in at all, considering the lateness of the season, the fact we are undoubtedly going into SALT, and there are problems connected with energy bills.

Mr. President, I appeal to the Senate to write this amendment into an appropriation bill. Then it will be there, challenging, so we are able to do something with it in time.

If we do not do that, in terms of what we are trying to accomplish—and I think it goes for almost everybody in the Senate—the ball game is over; and we will have the feeling in our consciences that we have not done all we could to deal with this highly urgent situation about which everybody seems to agree.

Mr. President, I reserve the remainder of my time.

Mr. MAGNUSON. It is getting so around here, as I said Friday night, that every bit of legislation that people cannot get done some place else comes to an appropriations committee. Why?

Mr. JAVITS. May I answer that?

Mr. MAGNUSON. The Senator from New York is the ranking minority member of the committee which should handle that.

Mr. JAVITS. I was. I am a senior member. We are dealing with the permanent program in the Human Resources Committee.

Mr. MAGNUSON. I know about the feelings on this program, on the need. There is no use talking to me about feelings. I have the same feelings as the Senator from New York has. I have had them for a longer time than the Senator from New York has had them.

Mr. JAVITS. I agree.

Mr. MAGNUSON. There should be a procedure so that everything does not come to an appropriations committee. The legislative committees, of which the Senator from New York is a prominent member, do not do anything about these things.

Mr. JAVITS. I say to the distinguished chairman that the legislative committee will do an authorization.

Mr. MAGNUSON. Why do they not do it?

Mr. JAVITS. May I finish?

They cannot do it in time to get the appropriation which will save these people.

I have been here for years, as has the chairman, and I have seen dozens of appropriations for money, as much as and more than this, for emergencies, right on appropriations bills, and the chairman has accepted them, because he does have a great heart. I am the first to affirm that. This is that kind of situation.

It cannot wait for this process. That is just what I explained. It cannot wait, because the damage will be done and the ball game will be over. That is the reason why it is on an appropriation.

Mr. MAGNUSON. Why did not the Senator's committee take this up in July or August? The Senator knew it was going to happen.

Mr. JAVITS. May I give the reason for that?

Mr. MAGNUSON. The reason is that the legislative committees do not want to face up to their job.

Mr. JAVITS. That is not so. They certainly do in this case.

The price rise has come very recently, and at the same time, we had a stringency of supply.

I do not want to intrude on Senator HUDDLESTON's time.

Mr. MAGNUSON. I am just making my normal complaint about the lack of timely action in the legislative committees. They just postpone everything; they do not face up to the issue. I do not know why.

I think the time is coming when we will not need any legislative committees—just have the Budget Committee and the Appropriations Committee.

Mr. HUDDLESTON. Mr. President, I certainly am sympathetic to the request by the Senator from New York. He is addressing a real problem that exists, one in which a considerable amount of interest already has been expressed and about which there is a general feeling that something should be done by the Government.

The problem here, of course, is that this is a substantial program that has not been considered by the Appropriations Committee. The real budgetary impact is not the source of budget authority. It will be the outlays, as has been pointed out, associated with this amendment. They will be extremely high, of course; and in my judgment, they should have their own appropriations.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. HUDDLESTON. I yield myself 3 additional minutes.

The Senator from New York has explained, in his response to the Senator from Washington, the reason why the matter is presented at this particular time.

I hope it will not be necessary to take these funds from the energy security reserve that will be established by the Byrd amendment but, that it will be allowed to stand on its own, permit an add-on of funding, to meet this particular need. We then can go to conference and work out the best possible arrangement to meet the need that has been indicated here.

I was wondering whether the Senator from New York would be willing to modify his amendment to that extent.

Mr. JAVITS. Mr. President, a number of the cosponsors of my amendment are on the floor.

Incidentally, for Senator MAGNUSON's information, I am proceeding on the existing authorization which goes to the Community Service Administration in such sums as may be appropriated. So there is an authorization already.

I would be willing to work out something which would get this figure in this bill so that it could be the subject of negotiation with the other body, within the context of this appropriation and the problems of the Budget Committee.

If the Senator will give me a few minutes, while I yield to some of my cosponsors, I will do it.

I yield to Senator METZENBAUM. Will the Senator take 4 minutes?

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I support the Senator from New York in his effort to move this body in a much-needed direction to take care of those who can least take care of themselves with respect to rising energy prices.

Energy prices in the last 3 months have gone up at the rate of 68 percent over the past year, an absolutely unbelievable figure and one of the reasons why the Senator from New York and others of us who have joined him must use this procedure in order to expedite it, rather than wait for the lengthy procedures that normally would be available to us and probably would not make the money available until next year.

There is no question about the need for legislation of this kind. The lower income households in this country spend four times as much for household energy as the average American household.

It was not too long ago that I conducted some hearings in Toledo, Ohio, where poor people and middle-income people pointed out that they were using their washing machines once every 3 weeks and not turning on their TV sets; and others talked about the fact that between their energy costs and their rent costs it was impossible to have anything left for the cost of food.

There is no more urgent subject that faces the poor of this country than the problem of how they are going to pay their heating bills and their fuel bills for the coming winter.

When we decontrolled the price of heating oil, we were told that market conditions would prevail and that it would not cause prices to rise very rapidly. The fact is that the heating oil prices have about doubled since we decontrolled the price.

The most amazing supporter of this amendment that possibly could be found issued a statement yesterday, without specifically addressing itself to this particular amendment, but certainly addressing itself to the subject, when the American Petroleum Institute today urged the Federal Government to move rapidly to help lower income Americans cope with higher prices this winter, including the higher price of home heating oil.

Charles DiBona, president of API, said:

> We realize that the burden of rising prices of energy and other necessities falls particulary hard upon lower-income households.

He went on to say:

> We therefore strongly urge that special consideration be given by Government to the plight of lower-income Americans in today's difficult economic situation.

We welcome the support of the American Petroleum Institute. No group knows better than they of the problems the people of this country have at the moment by reason of rising energy prices.

This amendment is a must, it is an urgent must, and I am particularly pleased to have the privilege of joining the Senator from New York and the other cosponsors of this measure in either adopting this amendment or working out an arrangement with the distinguished Senator from Kentucky, who is managing the bill on the floor.

Mr. JAVITS. Mr. President, I thank my colleague from Ohio.

I yield 4 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I join with my colleagues in urging that the Senate favorably consider this amendment. As the Senator from New York has pointed out, the need has clearly been established. It was established in the Human Resources Committee where we heard from a number of Governors and from consumer groups about what the need is going to be for people this coming winter.

This remains the only vehicle available for Congress to provide emergency aid and assistance to those who will be most impacted by the increased cost of energy.

The Fuel Oil Advisory Committee of the Department of Energy has pointed out the very high percentage of income that is devoted to heating the homes of those of low income, lower middle income, and particularly elderly people.

There will be people in this country in the colder climates who must spend up to 50 percent of their income just to remain warm this winter.

This is an extremely modest program. As described by the Senator from New York, it would take money from the strategic petroleum reserve program, and transfer it to the Community Service Agency which is equipped to see that these resources get out into the areas of greatest need.

It seems to be a very reasoned response to what will be an overwhelming problem for needy people in our country.

I am very hopeful that we can devote this $1.35 billion toward these particular needs. It is still not going to be enough, but it will make the difference between life and death to many people in this Nation.

I join as a cosponsor.

Mr. President, this amendment I am supporting with Senator JAVITS and others is a simple matter of strict necessity. The Interior Committee has correctly established that the reserve program is unfortunately stalled. The administration is reluctant to purchase more oil at this time at spot market prices, and therefore there are substantial unexpended funds in this program. Of that unexpended amount, the committee bill transfers $1.5 billion into an account that totals $20 billion for synthetic fuels.

Mr. President, there should be absolutely no argument whatever that as between the long-term supply option of synfuels, and an immediate crisis for our most needy families, that the low-income assistance this winter must take precedence. My fellow Senators need only call their Governor's office to get a sense of the alarm and frustration that is growing over the impact of soaring prices on our constituents.

Our amendment seeks to reprogram $1.35 billion for the purpose of aiding low-income families this winter. Together with the $250 million we have already approved in the Labor-HEW appropriations bill, a total of $1.6 billion will thus be available as early as is legislatively possible this winter.

CSA has all necessary authority to spend this appropriation in a manner that is consistent with our intention here today.

Mr. President, this would still leave $18.65 billion in the synfuels account; an ample amount for a program whose outlines are not yet settled.

I urge my colleagues to support this amendment.

Mr. JAVITS. Mr. President, I thank the Senator from Massachusetts very much for his help and his support.

I ask unanimous consent that the Senator from Ohio (Mr. GLENN) and the Senator from Rhode Island (Mr. PELL) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield 3 minutes to the Senator from New Hampshire.

Mr. DURKIN. Mr. President, I thank the Senator from New York, and I commend him.

Mr. President, in the time permitted 6 weeks ago I held an Energy Committee hearing in New Hampshire. Approximately 50 witnesses and over 200 people were there—the handicapped, the elderly, and those on fixed incomes. The testimony was unanimous. There was no other way to do it for this year.

We are 6 weeks into the heating season.

If the Senators saw the "Today Show," Concord, N.H., was one of the coldest points in the country this morning.

It is too bad about the parliamentary inquiry. How does one explain a parliamentary situation when people have to choose between heating, eating, and paying the rent? The money has to be there now.

Last year we had the elderly who paid the fuel bill, and then along came the program where they could not use it for their rent and they could not use it for food.

CSA has done a good job. The Governors have the mechanism. In States like my State of New Hampshire, there is not the money there to do it on the State level. We have to use this program.

Oil costs have doubled. A cord of wood is over $100 now and going higher every day.

We have people—and these are real people and they are not statistics—where almost 50 percent of their disposable income has to go to heat their shelter. And they watch their check disappear week after week into their oil barrel or their kerosene barrel. And 13 percent of our homes in New Hampshire heat with kerosene.

So, Mr. President, there may be some discontent that we have done violence to the rules of the Senate or bent the rules of the Senate, but the livelihood of real people, senior citizens, low income, moderate income, handicapped, those on fixed incomes is far more important than any parliamentary situation or any parliamentary rule.

This is the only way that we are going to move before we have people dying and freezing. We will come in here in a warm building some day in February, after the primary in New Hampshire and someone dies because he did not have fuel and did not have food and was caught between both. And then we will pass some program.

This is the only way to avoid the disaster. We do not want to chart the disaster. We want to avoid it.

This is the only situation that we have available to us to move and move with dispatch.

I thank the Senator from New York. As I said, I am very happy to join as a cosponsor.

Mr. JAVITS. Mr. President, I yield 2 minutes to the Senator from Vermont.

Mr. LEAHY. Mr. President, I shall be very brief.

I really could not add to what has been said by my distinguished colleagues on this matter. But the fact remains, as Senator Durkin just pointed out, and we have heard the same thing in energy-related hearings, everyone says it is great to know what we are going to do in 1995 or the year 2000, or whatever, to help in the energy problems of this country.

Quite frankly, Mr. President, the poor, the elderly, those on fixed incomes, actually the majority of Vermonters are hoping that they might even live long enough to see that because when it is 20 and 30 degrees below zero in our part of the country, this is very much a matter of life or death.

I think because it is a matter of life or death, we should pass this amendment and we should do it now and not talk about what we do in 1995.

I yield back to the Senator from New York, and I applaud his leadership in this matter. I think it is typical of the leadership the Senator from New York has shown in this body.

### UP AMENDMENT NO. 645

(Purpose: To provide emergency fuel assistance funds to be derived from the strategic petroleum reserve account)

Mr. JAVITS. Mr. President, I send a modification to the desk pursuant to my reservation and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. Javits) for himself and Mr. Kennedy, Mr. Stafford, Mr. Metzenbaum, Mr. Leahy, Mr. Riegle, Mr. McGovern, Mr. Weicker, Mr. Durkin, Mr. Glenn, and Mr. Pell proposes an unprinted amendment numbered 645, as modified:

On page 4 after line 18 insert the following:

### EMERGENCY FUEL ASSISTANCE

For emergency fuel assistance programs administered by the Director of the Community Services Administration under section 222 (a) (5) of the Economic Opportunity Act of 1964, $1,350,000,000, to be transferred to the Director of the Community Services Administration.

Mr. JAVITS. Mr. President, I yield myself a minute.

The amendment is self-explanatory. It simply moves directly instead of through the fund of the strategic reserve and puts the matter into conference where the conferees can deal with it, as I have described, and that was all that my cosponsors and I wanted to bring about. I know how Senator Muskie feels about it. But I hope it will accommodate also his position as I assume that he will work with the conferees on this bill as he himself is the leader of the conferees on the budget resolution.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, I yield such time as the Senator from Maine might desire.

The PRESIDING OFFICER. The Senator from Maine has 20 minutes on which he will control time.

The Senator from Maine.

Mr. MUSKIE. Mr. President, I heard the question raised of what importance is procedure when such very real human needs are involved, and I have seen so much of that instinctive reaction to problems in the last 2 weeks I am beginning to ask myself, "Are we ever going to honor procedure again?"

Whenever procedure gets in the way the intent is to push it aside, roll it over, in order to achieve an immediate objective.

The Energy Mobilization Board bill last week, my objection to that was that we were giving to that Board powers to brush aside, to roll over, laws that had taken years to put on the statute books to protect values that Congress thought were important, that the country thought were important.

Now here what difference does it make if we add this $1.3 billion to this appropriation bill? Mr. President, we do have a budget process. If we add this amount to this bill this bill will be nearly $1.6 billion in outlays over the budget. I think that is an accurate figure; $1.6 billion, or close to it. That is the first point.

This program does not go to this particular appropriation subcommittee. The money is not allocated after the budget process is adopted to this subcommittee. So, if you give this subcommittee another $1.3 billion by means of this amendment, you are taking it away from some other subcommittee—which one I do not know, but it has to come out of somewhere. Otherwise, there will be a point of order raised with respect to some program, and it might be another program close to your hearts.

When you abandon procedure you have no way of knowing where the pressure is going to come, who is going to be heard. So this has no place on this appropriation bill. This appropriation bill will be over the budget if this amendment is adopted.

With respect to this program, I am the father of the existing program. I bulldozed it through. How? Through the Budget Committee 3 or 4 years ago. I put it in the Community Services Administration, and now I am forced into the position of appearing to be against it.

I say to you that the best protection for programs of this kind is the budget process where priorities are established and then protected by the process.

Now, third, Mr. President, the Budget Committee of the House and the Budget Committee of the Senate are in conference at the present time. We began that conference last week. There are eight open functions that we have not been able to reach any agreement about. We have got the most difficult conference in my experience as chairman of the Budget Committee.

It is conceivable that the House and Senate conferees will not be able to reach agreement. It is conceivable that the budget process may well die or take the first step toward dying around the second concurrent budget resolution.

One of the difficult areas within which we are trying to reach agreement is energy. The Senate in the budget resolution has $22.5 billion unearmarked within the area of the energy supply mission. The House has roughly $14.5 billion in that mission. The House does have $1.6 billion for fuel assistance. The

Senate has about $0.5 billion for fuel assistance. We are trying to work out agreement between the House and Senate positions that are widely separate.

If this amendment is adopted now, and I hope the budget process ends up with the result hoped for by the sponsors of this amendment, the issue will be taken out of conference, depriving the Budget Committee of important leverage in undertaking to accommodate differences with respect to a range of issues in the energy field, as well as other functions, from defense to human services programs which find the House and Senate apart.

I suppose there is nothing wrong in terms of the long-range affairs of mankind if we just bypass the budget process and, having dispatched the Budget Committee into conference with the House to resolve issues like this, we take these issues back and decide them on the Senate floor, which is really what we are trying to do. I do not like any of this procedure with this bill, coming to the floor with a $20 billion synthetic fuels program without an authorizing bill—that is not my idea of the way to handle it. I think that bypasses procedure in a very unfortunate way, but now we are going to do it or we propose to do it, at least with respect to fuel assistance.

Mr. President, I am really not going to belabor the point. My heart is with the program which is the subject of this amendment, and I just cannot see doing it this way.

There is a way of achieving the same result by following procedures. If out of the budget conference the House and Senate conferees agree on a program of $1.6 billion which, I think, is a high probability, there is going to be a way of appropriating the money.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes, I yield to my good friend.

Mr. CHILES. I just want to join in the remarks that the distinguished chairman of the Budget Committee is making.

In addition to sitting on the Budget Committee I chair the Senate Committee on Aging. We held hearings early on, several months ago, really about the problem that was coming up in regard to the tremendous increases in cost and how they were going to relate to older people.

In connection with those hearings we testified before the Human Resources Committee on their need to come up with a measure that would take into consideration the problem we were facing.

I have been a supporter in the Budget Committee, and in the conference that is now going on, for the figure of $1.6 billion we have been trying to negotiate in a coalition really made up of the fact that some of us are supporting that, some were supporting other measures that had to do with that package, and I agree with the Senator that if this amendment is adopted tonight and we put this on this bill, I do not know what that does to what I also agree was a very promising thing that we were going to get $1.6 billion available for this program, that we have the kind of coalition to do that.

I am also concerned that we are putting the money into this Interior bill. I do not think it should go to the Interior Subcommittee. I do not think that really is where this program belongs. I think this program belongs in the HEW Subcommittee on Appropriations, and I think that is where the people, Chairman MAGNUSON and the other people, who have been concerned and worked in this area are going to know something about the program.

I do not know that it goes in as a mark of money in the Interior Subcommittee, and what really will happen to that, given the fact that the general interests of that subcommittee are in areas dealing with new sources, exploration, leasing and into those kind of areas.

I think it would be very unfortunate to sort of jeopardize this item.

It is nice to be able to stand up and write your press releases back home and say, "We got on this area and we really did something about it." But I am convinced if we get it in the budget resolution we will find a way, we will then have agreement between the House and Senate, as to what the number should be.

It is our position in the Senate as to how we are cross-walking that and we are sending it into human resources, HEW, and that is where the money would be allocated, the function to which we are allocating it.

It would go into the proper place to which it should go.

I think if I were worried about whether I was going to be able to get energy assistance or not this year, the course on which we are embarking is much more certain to get there than to just say we now have a vehicle so we are going to put it on this bill, when we do not have the authorizing legislation yet before us, when we do not have the Budget Committee resolution of the problem and the understanding of this problem.

I just hate to see us have to go to a vote on this now because, like the Senator from Maine, I hate to vote against the program now; I hate to see other Members of the Senate vote against it, when we have been supporting it from the outset, when we have held hearings in our committee, the Aging Committee has, when we have gone to the Budget Committee and are now in conference fighting for the very dollars that are in this program, and now have it tacked on a bill that is considerably over its budget right now, and going higher, and this being an outlay and an add-on now is something that puts us in a position which again I think is going to jeopardize the very thing that all of us are trying to do in supporting the energy assistance.

So I feel it is very unfortunate that we are forcing this thing to a vote on this proposition, and I join the Senator from Maine.

Mr. MUSKIE. I thank my good friend. I had promised to yield to the Senator from Wisconsin (Mr. NELSON) and then to the Senator from Arkansas (Mr. PRYOR).

The PRESIDING OFFICER. The Chair advises the Senator from Maine that he has 4 minutes remaining. The Senator from New York has 6 minutes and 35 seconds, and the Senator from Kentucky has 4 minutes.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Is there any time remaining on the bill that the Senator from Kentucky could yield?

The PRESIDING OFFICER. The only time is on the amendment.

Mr. NELSON. I wonder if I——

Mr. MUSKIE. I yield to the Senator from Wisconsin.

Mr. NELSON. I do not think you want to yield me your time. I agree with what the Senator from Maine says about procedure, but I think it is urgent to do something. I better ask my time from——

Mr. JAVITS. I yield the Senator 2 minutes.

Mr. NELSON. Mr. President, I agree with the Senator from Maine about the procedure. The problem that we have is that the Human Resources Committee has other bills. One of them is mine. My staff went to HEW 13 weeks ago, because all of that has been handled out of the Human Resources Committee under the OEO authorization passed in 1974, to try to get them to act on a formula and get moving. They got their formula out about 10 days ago, and it could not pass on this Senate floor under any circumstances.

The Finance Committee has several bills dealing with the subject. One of them is that of the Senator from Connecticut. It is tied in with the windfall profits tax. That legislation might be out on this floor a week from Wednesday or so. But if we do not move on it now, there will be no checks going out to people who need it before February 1.

Mr. MUSKIE. May I ask the Senator, does he think, if we approve this amendment today, the checks are going out tomorrow?

Mr. NELSON. No.

Mr. MUSKIE. I mean, you have to watch not only how fast we can vote today, but how fast the procedure will go from the vote today to checks in somebody's pocket.

What I am arguing for is to follow the regular procedure so that it can move as rapidly as possible, and I bet my horse will get to the wire as quickly as yours will. With all the debate, there does not seem to be any agreement on how to handle it.

Mr. NELSON. I think it ought to be block grants to the States. HEW thinks they ought to put it in FSI checks.

Mr. MUSKIE. There is only one place to put it, under the CSA in existing programs, for this year.

Mr. NELSON. But they do not——

Mr. MUSKIE. They would complain that we have not given them the money early enough in years past. We have been very tardy in getting the money out in acceptable form for use. But now the support is here, the administration is for it now, and they can get moving. But I do not think they can set up a new structure now.

Mr. CHILES. Would the Senator agree that we have even a fail-safe when the continuing resolution comes back November 6?

Mr. MUSKIE. Oh, yes, there is no question about it.

Mr. NELSON. But that will not help for the additional $1.2 billion.

Mr. MUSKIE. Oh, yes, it will.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. PRYOR. If the Senator from Wisconsin requires additional time to ask a question of the Senator from Maine, I yield to him.

Mr. NELSON. No.

Mr. PRYOR. I thank the Senator from Maine for yielding. I would like to state very briefly that I have been listening to this debate very carefully, because I heard a portion of it about 3 weeks ago in the Committee on Aging, which the Senator from Florida chairs, and he has spoken here this afternoon.

My first concern, Mr. President, is, first, that we are going over the budget, and second, that I do not think we have necessarily laid down a concrete solution for a criterion for expending properly this $1.3 billion. We say that we are going to basically give sort of a bloc grant, I guess you would say, to CSA, the Community Services Administration. That sounds fine, but my question is this, and I would like to ask the distinquished Senator from New York, who is distinguished by his compassion for people, we are going to be placed in a very precarious position because of the questions that still have to be raised, and also the balance we are attempting to achieve for these people.

First, I would like to ask, what is the criterion? Is it based on the percentage of the population over 60 or 65? Is it based on the AFDC program? What part do food stamp allocations have to play in the disbursement of this money? Does the temperature have anything to do with it? For example, is Hawaii going to get the same amount of money as the average for the Union? The same, say, as in Senator RIBICOFF's State of Connecticut?

Finally, it has been brought to the attention of the Committee on Aging that this includes as much as a 10-percent administrative cost, which I think will create yet another bureaucratic nightmare if this proposal is passed without us giving it a proper amount of questioning.

Once again, I applaud the efforts and integrity of the Senator from New York to bringing this matter to our attention, but I have these questions about it, and I would appreciate the Senator's responding to those questions.

Mr. JAVITS. Mr. President, I yield myself 1 minute to respond to the Senator's questions.

Section 222(a)(5) of the Equal Opportunity Act gives the money to the Community Services Administration for emergency energy conservation services "to enable low-income individuals and families, including the elderly and the near poor, to participate in energy conservation programs to lessen the impact of the high cost of energy on such individuals and families," and so on.

To carry it out, now in the HEW conference report is $250 million, which is being made available. That is distributed based on climate, the poverty level, and fuel costs, to be set by the CSA and the Governors. Actually, under the administration plan, the CSA is going to distribute $400 million to the Governors, and the balance of it will go to AFDC and SSI recipients.

That is the emergency program. There is nothing new about it; it has been tried for $200 million already. It is just that the pressure this year is growing because of increased fuel costs.

Mr. DOMENICI. Mr. President, will the Senator from Maine yield me 2 minutes?

The PRESIDING OFFICER. The Senator from Maine has 1 minute and 30 seconds remaining.

Mr. MUSKIE. You may have it.

Mr. DOMENICI. Could I have an additional 30 seconds?

Mr. HUDDLESTON. I yield the Senator an additional 30 seconds.

Mr. DOMENICI. Mr. President, I am sure the Senator from Maine and the Senator from Florida do not need the Senator from New Mexico to support their position, that they are wholeheartedly and unequivocally for this program. In fact, the Senator from Maine is much too modest. The most significant portion of this program is his bill. He was the first one to introduce it. He shepherded it personally through the Budget Committee and the committees involved here. He would not stand up on the floor of the Senate and try to defeat a measure that is more needed now than when he started. I think the Senator from Maine would agree with that.

Mr. MUSKIE. I do.

Mr. DOMENICI. It is not getting less, it is getting more. The President has included it in his program in a very dramatic way. The Senator from Florida, who chairs the Committee on Aging, is fully aware that those to whom his committee is dedicated are the most in need. He would not be here on the floor opposing that effort.

The problem is that we want to see to it that we get this program and get it in the best possible, manageable manner in the quickest way.

I think we are convinced that by adopting this amendment we will not do that, but rather that we should postpone it and let it run its normal course. The Senators are both fighting, as I am, to make sure that the program exists and can come alive to help our people. We do not want to solve the problem in a singular way that is apt to cause it to work less than well. We hope the Senator from New York, having made his case, will give us time to make sure we can report back to the Senate that if there is room for between $1.3 billion and $600 million in the budget process, let two committees work their way in the next couple of weeks. That is what we wish. We certainly urge that on the Senator from New York.

I thank the Senator for yielding time.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, I yield myself 1 minute.

The whole problem in this debate is that time is of the essence, as we lawyers say, and there is no way to short cut this process except if you get it in the mainstream, in a bill which has to be conferenced, so the conferees will work it out. I am confident they will.

Senator MUSKIE is right. He was an original designer of this program. There is no question about it. He is caught in the toils of the budget situation, in the budget conference. The Appropriations Committee is caught in its toils. I am not being unreasonable about it. I have been around here a long time. If we get it in the mainstream, something is going to happen. If we wait around until November 1, the majority leader just argued we may not even get another appropriations bill or another supplemental this year.

So I beg of my colleagues, get it in the mainstream, get it into a conference where it can really count and something can happen. That is all I plead for today. I hope on that ground the Senate will pass this amendment.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. A parliamentary inquiry. How much time remains?

The PRESIDING OFFICER. Three minutes, 49 seconds.

Mr. HUDDLESTON. Mr. President, I do not need that much time. I have already indicated our concern about this particular appropriation being in the Interior bill. We have not had an opportunity to have hearings on it. We prefer it go through the normal process so the Appropriations Committee would have the opportunity to conduct hearings and have a proper bill to go through the committee rather than place it in the Interior bill. I am prepared at this time to vote, Mr. President.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time? Who yields time?

Mr. HUDDLESTON. How much time remains?

The PRESIDING OFFICER. Two minutes, 47 seconds.

Mr. HUDDLESTON. I will set 2 minutes for the quorum call.

The PRESIDING OFFICER. Under the precedent that is not sufficient time for a quorum call. The Senator can yield back his time and then ask for a quorum time.

Mr. HUDDLESTON. I yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment, as modified.

(Putting the question.)

The Chair is in doubt.

Senators in favor of the amendment will rise and stand until counted. (After a pause.) Those opposed will rise and stand until counted.

Mr. DURKIN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Debate is not in order.

Mr. DURKIN. A parliamentary inquiry.

The PRESIDING OFFICER. A division is in progress.

The ayes appear——

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the amendment, as modified.

The yeas and nays have been called for, and the clerk will call the roll.

(Mr. MELCHER assumed the chair.)

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from California (Mr. Cranston), the Senator from Hawaii (Mr. Inouye), and the Senator from Louisiana (Mr. Long) are necessarily absent.

I further announce that the Senator from Michigan (Mr. Riegle) is absent on official business.

Mr. STEVENS. I announce that the Senator from Kansas (Mr. Dole), the Senator from Arizona (Mr. Goldwater), the Senator from South Dakota (Mr. Pressler), the Senator from South Carolina (Mr. Thurmond), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. Thurmond) would vote "nay."

The result was announced—yeas 43, nays 47, as follows:

[Rollcall Vote No. 360 Leg.]

YEAS—43

Baker
Baucus
Biden
Boschwitz
Bradley
Bumpers
Burdick
Chafee
Cohen
Culver
Danforth
Durenberger
Durkin
Eagleton
Ford
Garn
Glenn
Hatch
Hatfield
Heinz
Jackson
Javits
Jepsen
Kennedy
Leahy
Levin
Lugar
Magnuson
Mathias
McGovern
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Ribicoff
Roth
Sarbanes
Schweiker
Stafford
Tsongas
Warner
Williams

NAYS—47

Armstrong
Bellmon
Bentsen
Boren
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
DeConcini
Domenici
Exon
Gravel
Hart
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Johnston
Kassebaum
Laxalt
Matsunaga
McClure
Melcher
Morgan
Muskie
Nunn
Percy
Proxmire
Pryor
Randolph
Sasser
Schmitt
Simpson
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Tower
Wallop
Weicker
Zorinsky

NOT VOTING—10

Bayh
Cranston
Dole
Goldwater
Inouye
Long
Pressler
Riegle
Thurmond
Young

So Mr. Javits' amendment (UP No. 645), as modified, was rejected.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I ask for the yeas and nays.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The PRESIDING OFFICER. Is there a sufficient second on the motion to table?

Mr. ROBERT C. BYRD. Mr. President, I move to table.

The PRESIDING OFFICER. There is a sufficient second——

Mr. JAVITS. Mr. President, the yeas and nays.

The PRESIDING OFFICER. The Senator from West Virginia moved to table.

Mr. METZENBAUM. I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DURKIN. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, if the Senator from New Hampshire will allow me, several Senators were told this would be the last vote. I think, to keep faith with them, the vote should go over until tomorrow.

Mr. BAKER. Will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes, without losing my right to the floor.

Mr. BAKER. Mr. President, our cloakroom has notified Senators there would not be any more votes tonight. It would be a severe inconvenience if we took this tonight instead of in the morning.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that my name be added as a cosponsor of UP Amendment No. 642 proposed by my colleague from West Virginia (Mr. Robert C. Byrd).

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER FOR RECESS TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 10 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## THE MEMORY OF THE HOLOCAUST AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the last time I stood before this distinguished body I told of the teacher here in our area who was including a unit on the holocaust in his American civilization course. That teacher is not alone in bringing the facts of this gruesome tale to schoolchildren. Teachers across the country are beginning to realize the importance of this event and are seeing to it that the pupils understand what transpired.

I commend these individuals who are making a point of teaching about the holocaust. The details, while horrible, can only add to the understanding of the mass slaughter. I only wish that more educators would see fit to find a place in the curriculum for this historic event.

But why, you may ask, should we want to continually remind ourselves of the details?

The importance of the holocaust as an historic event lies not in the specifics of the crime, but in what we can learn so as to prevent such an event from happening again. It is said that history repeats itself. In this case I certainly hope it does not.

Mr. President, we must keep the memory of the holocaust alive. Only then will the need for treaties to prohibit crimes like these be evident.

Mr. President, the Genocide Convention of 1949 does just that. Ratification of the treaty by the United States will show that our country fully comprehends what transpired in those concentration camps, and that we strongly disapprove.

Mr. President, I am sure that my distinguished colleagues understand genocide. I once again urge them to join with me in support of ratification of the Genocide Convention.

## ON SALT II

Mr. PERCY. Mr. President, I shall vote for the SALT II treaty because it is in the national interest of the United States. It is prudent policy to limit nuclear armaments and contain military competition when two nations have the power to obliterate each other and change the nature of the world. My favorable vote is conditioned upon acceptance by the Senate of the substance of the understandings I introduced that seem to be supported by consensus in the Senate Foreign Relations Committee.

I have found no fatal flaws in the SALT II treaty. I have found ambiguity that is unacceptable. But I am fully confident that the U.S. Senate will make certain clarifications that will make it a better treaty.

I am also confident that the U.S. Senate will support increasing our defense effort where necessary. The historic vote in the Senate last month calling for a 3-percent increase in the defense budget this year and a 5-percent increase if deemed necessary in 1981 and 1982 demonstrated our resolve even in a year of severe financial restraint.

We should not have great expectations for this treaty. Trust between the United

States and the Soviet Union is not at hand. Competition will continue unabated. The belated discovery of a Soviet brigade in Cuba, which has been there for at least several years, demonstrates that the SALT process does not rule out Soviet challenges to U.S. interests. Since the Soviets refused to remove those troops, the United States has acted to strengthen our own position in the Caribbean and to put the Soviets and Cubans on notice that we will not countenance any threat to the region.

Such challenges and counterchallenges will continue. The Soviets are our adversaries. If they were our friends, there would be no need for agreements to limit nuclear arms. We can expect the continuation of keen competition within the limits set by the treaty. The United States cannot afford to fall behind.

I support SALT II because it makes positive gains in limiting the nuclear arms race and reducing the risk of nuclear war. The limits are modest but real. They will restrict the Soviet military buildup in ways important to U.S. national security. For example:

By 1981, the Soviets must scrap approximately 250 strategic weapons. They will undoubtedly eliminate from the inventory their oldest missile launchers and old bombers, but this still would result in at least 250 fewer weapons than would otherwise be aimed at the United States. The firepower of each of the nuclear weapons that could be sent our way on even these 250 oldest systems is totaling the equivalent of 17,500 Hiroshima bombs. We are not required to scrap any strategic weapons. We must recall that just the one Hiroshima bomb killed 78,000 people, injured 84,000, and demolished 62,000 buildings. It destroyed the city.

The treaty allows the Soviets to build only one new ICBM. Other missiles that Soviet planners have on the drawing boards must not be significantly different—plus or minus 5 percent—in size or weight from currently deployed ICBM's.

None of the current Soviet ICBM's can be modified to carry more warheads. This means that the Soviet Union cannot load up its heavy ICBM's to carry 30 or more warheads as is technically feasible. If they did this, they would have more than 6,000 additional warheads, each with an explosive force many times that of the bomb dropped on Hiroshima.

The Soviets will not be able to deploy any more blockbuster ICBM launchers. They will be limited to what they now have—308 fixed for heavy missiles.

The Soviets may not camouflage or otherwise try to hide their launchers from our surveillance and other observation techniques.

The Soviets cannot interfere with our satellite verification capabilities without breaking the treaty.

The United States has agreed to similar restraints. But no major strategic program currently planned to maintain the U.S. deterrent will be prohibited by this treaty. The new Trident submarine will not be prohibited. The new Trident I submarine missile will not be prohibited. The Trident II missile on the drawing board will not be prohibited. The air-launched cruise missile needed to maintain our airborne nuclear deterrent will not be prohibited nor will the development of sea-launched and ground-launched cruise missiles. The MX missile, still in development, will not be prohibited.

A future President could, with the support of Congress, reverse current policy and build the B–1 bomber. It is not prohibited in this treaty.

The treaty places important limits on the Soviet buildup while allowing the United States the flexibility to build those weapons systems deemed important to national security. This was an initial criterion I laid out for the SALT II treaty. It has been met to my satisfaction.

Another criterion I laid out in a speech on May 7, 1979, before the Bar Association of the Seventh Federal Circuit in Chicago, concerned verification. I wanted to be sure beyond a reasonable doubt that the United States could detect Soviet cheating that could undermine U.S. national security. Experience has led us to be profoundly wary of the Soviet Union. I would not support a treaty based on trust. I am now convinced that the United States has the resources and the capability to monitor Soviet actions, to detect cheating and, if necessary to abrogate the treaty and take countermeasures. CIA Director Admiral Stansfield Turner and Chairman of the Joint Chiefs of Staff, David C. Jones have both said that they are now satisfied that the treaty is adequately verifiable.

During the months of the SALT hearings, I concentrated a great deal of my questioning and research on the effect of this treaty on our NATO allies. Before the President sent the treaty to the Senate, I had received reports of dissatisfaction from our allies. Allied officials had expressed concern that provisions of the treaty might prevent the United States and NATO from addressing the military imbalance in Europe. I introduced and had accepted by the Senate Foreign Relations Committee leadership two understandings to the treaty that should alleviate these concerns.

One states that restrictions contained in the 3-year protocol attached to the treaty cannot be extended without Senate approval. This is important because the deployment of certain weapons important to Europe—sea-launched and ground-launched cruise missiles—is restricted in the protocol. The second understanding states that traditional patterns of defense cooperation will be continued unrestricted by the treaty. This means that the United States will transfer technology to our NATO allies on the usual basis. These understandings, if adopted by the Senate, will go a long way toward reassuring Europe of the U.S. commitment to NATO.

In my view, one of the key measures of U.S. strength in the world is the vitality and cohesion of U.S. alliances. The defeat of this treaty by the Senate would badly shake our alliances. It would bring into question U.S. leadership in dealing with our common adversary, the Soviet Union. If the treaty's defeat resulted in a resumption of the cold war between the United States and the Soviet Union, Europe would be the lightning rod, the first to feel the strain. I am convinced that the SALT II treaty, with the understandings I previously discussed, is in the best interest of our European allies.

Treaty opponents have been unable to convince me that this treaty contains fatal flaws. Some of their arguments seem sound at first glance, but lose their impact upon closer inspection.

Consider, for example, the argument that the treaty will give the Soviets strategic advantage because they will have the potential capability in the early- to mid-eighties to wipe out in a first attack most of our land-based ICBM's, the Minutemen missiles. The Soviets will have that theoretical capability. But the SALT treaty will not make the Minuteman vulnerable. Improved Soviet missile accuracy as well as increased numbers of Soviet warheads will make the Minuteman vulnerable.

The treaty, in fact, actually improves our position. It allows the United States to build a mobile land-based missile that will be less vulnerable than the Minuteman. Moreover, it limits the numbers of warheads on new Soviet ICBM's so that a mobile system can be more easily designed to survive an attack.

Another fact that should be included in any discussion of Minuteman vulnerability is that only one-quarter of our striking power is on the Minuteman. The rest is on strategic bombers and on virtually invulnerable submarines. This is in contrast to the Soviet Union, where 70 percent of their warheads are on the much more vulnerable land-based missiles.

Some opponents of the treaty also argue that the Soviets are allowed a significant advantage in missile throw-weight. It is true that Soviet missiles are bigger and heavier than U.S. missiles. It is not true that this translates into superiority for the Soviet Union.

In fact, the treaty sets limits on the number of warheads per missile so that bigger, heavier, missiles cannot deliver significantly more warheads than lighter missiles. In reality, accuracy and reliability count much more in striking power than pure throw-weight. Bigger is not always better.

The United States has always had the option of building heavier missiles. But every President and every Congress has rejected this option and no serious defense analyst proposes that we build a missile similar to the heaviest Soviet missile.

Other critics of the treaty argue that it does not sufficiently limit nuclear weapons. Along with a number of my colleagues, such as Senator HELMS and Senator HATFIELD, I am disappointed that the treaty does not more substantially reduce the nuclear armaments of the two superpowers. But we must not overlook the significance of the fact that the Soviet Union and the United States have agreed to any limits at all.

It is important that the arms control process is continuing and beginning to yield some significant, though modest, results. To be realistic, we have to limit the arms buildup before we can actually reduce arms, and we have to reduce arms gradually before we can effectively eliminate some of them. This step-by-step approach can build the confidence necessary to continue the process. We will never get to SALT III if we reject SALT II out of hand.

Let us face it, however. The SALT II treaty is not one great step for mankind. It is only one small step forward. But its defeat could eliminate the prospects for arms control progress for decades to come. It is my best judgment that we should take this step. It is in the best interest of the United States, our allies, and, indeed, the rest of the world.

## PARENT LOCATOR

Mr. PERCY. Mr. President, I should like to bring to the attention of my colleagues again a Federal program which has been a great success. This program, called parent locator, was originally designed by Senator Russell Long and his continued attention to it has in large part been responsible for its outstanding accomplishments. Two articles, written by Christopher P. Cohen, principal regional official of region V of the Department of Health, Education, and Welfare, outline the results of the program, which insures that parents who have abandoned their families pay alimony and/or child support for which they are responsible, in both Illinois and Wisconsin.

Not only did parent locator benefit 1 million families in 1978 alone, but it saved Federal and State governments almost $500 million in welfare costs. In 1978, it also saved families who were above the poverty line $578 million. The billion-dollar plus savings to the Government and families compares to administrative costs of $320 million, an excellent cost-benefit ratio.

I would commend HEW for its aggressive efforts to reduce needless welfare costs. I particularly wish to recognize Senator Russell Long, who had the foresight to push for this program's creation.

I ask unanimous consent that the articles by Mr. Cohen from the Chicago Sun Times and the Milwaukee Sentinel be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Milwaukee Sentinel, June 26, 1979]

### HEW Program Helps Find Runaway Parents, Collect Support

It costs you and me more than $6.3 billion in federal tax dollars to support the families of deserting parents. This is because about two-thirds of welfare cases involve families deserted by a parent who has the legal responsibility for financial support. This deplorable situation is perhaps a reflection of the severe problems besetting family life in our country today. Many parents apparently feel no moral or social obligation to provide for the children they bring into the world.

It's a sad situation but—at least in the case of families on welfare—one that you and I as taxpayers don't have to tolerate. The federal government four years ago decided it was imperative to force those parents who lack this sense of responsibility to shoulder it anyway.

Not only was it necessary to ease the financial burden on society as a whole, but the individual families in question could gain stability by becoming economically independent. Family stability is more than ever the bottom line for the child support enforcement program.

Across the U.S., the program helped the states collect more than $1 billion last year by tracing parents who have failed to support their children and by forcing them to face up to their responsibilities. At a cost of $320 million to federal, state and local governments, this government program is one of the few that more than pays for itself—by a three to one dollar return.

One measure of the program's success is that 29 states reported closing of more than 19,000 welfare cases in fiscal 1978 because of child support collections. Of the total 1978 collections, $472 million was on behalf of 478,000 families receiving Aid to Families with Dependent Children (AFDC) or welfare. Another $578 million was collected for about 500,000 families not on welfare.

The Department of Health, Education and Welfare's (HEW) purpose is to reduce welfare costs. However, families not on welfare can use the program by applying to state child support enforcement offices. (In Wisconsin, there is no charge for this service.) Thus, the program offers families a better chance to remain economically independent.

In Wisconsin it cost the Division of Economic Assistance $7.3 million last year to collect $27.6 million from absent parents in approximately 61,285 AFDC cases and 10,511 non-AFDC cases. Wisconsin ranks ninth in the nation in cost effectiveness of the child support enforcement program.

In the three months after the end of the 1978 fiscal year—the last three months of calendar year 1978—an additional $8.3 million in support was collected under court orders from more than 21,000 parents; nearly 17,000 of them had children receiving AFDC. About one-fourth of Wisconsin's AFDC cases are in Milwaukee County. The state's program is now collecting support payments from 30 percent of all absent parents whose children receive AFDC. Nationally, the $1.06 billion collected was more than double the amount collected in 1976, the program's first year of operation.

The federal government pays state and local government 75 percent of their costs for the program plus an extra incentive payment to encourage them to enforce court ordered collections from absent parents in their jurisdictions whose children live elsewhere. In welfare cases, states keep part of the collections to reimburse them for their paid out welfare aid. The states give part of the collections to the federal government, which pays for about half of the welfare aid disbursed by states. Where the family is not on welfare, it gets the entire payment.

HEW Secretary Joseph Califano feels that this program is an important step in reforming the national welfare system while we await congressional action on welfare reform.

Four years ago, when Sen. Russell Long (D-La.) pushed through an amendment creating this nationwide program, a mother who wanted child support from the father of her children had to go to court or to the state welfare agency to seek an order requiring payment. This meant hiring a lawyer which was almost impossible for many mothers on welfare.

The program spearheaded by Long changed the situation with legislation which:

1. Required every state to set up an office to track down the absent parents or lose 5 percent of the federal welfare reimbursement for the year.

2. Required states to aid not only welfare mothers but any parent whose spouse neglected his/her financial responsibility.

3. Set up the US Office of Child Support Enforcement in HEW to help states and counties establish paternity, to find absent parents and to take legal action to collect from them. This office provides technical advise to the states and clears the way for using records on Social Security, federal employment and income tax filings.

The child support enforcement program is, all in all, so successful—in terms not only of money gained and taxpayers' funds saved or recaptured, but of the independence preserved or restored for thousands of families—that HEW aims to increase the amount collected on behalf of AFDC families alone to $1 billion by the end of this fiscal year.

Parents in Milwaukee County who need help in collecting child support from an absent spouse should call the child support office at the Courthouse: 278–5160. Outside Milwaukee County, information is available from local welfare offices.

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[From the Chicago Sun-Times, June 28, 1978]

### Success Stories in Runaway-Fathers Program

It costs you and me more than $6.3 billion a year in federal tax dollars to support the families of deserting parents. This is because two-thirds of all welfare cases involve families abandoned by a parent who is legally responsible for financial support. Perhaps this is a reflection of the severe problems besetting family life in our country. Many parents apparently feel no moral or social obligation to provide for the children they bring into the world.

It's a sad situation, and one that you and I as taxpayers don't have to tolerate. The federal government four years ago decided it was imperative to force parents who lack this sense of responsibility to shoulder it, and a child-support enforcement program was started.

Here are some examples of how it works in Illinois:

After separating from her husband, Mary Smith found her children suffered on two counts: Without financial support from their father, they were forced to become welfare recipients; what's more, they suffered emotionally from his absence. A state welfare department caseworker sought out the father and arranged a family meeting. After a month of negotiations, the family got together again, and the welfare case was closed.

Helen Jones' problems were more complicated. After her divorce she, too, had difficulty collecting child support and began to receive welfare aid. A caseworker got information from Mrs. Jones about her ex-husband's whereabouts and tried to persuade him to make regular support payments. He refused. So she turned the case over to the state's attorney's office. In court Jones stated belligerently that his car payments were more important to him than his child-support payments. The state's attorney obtained a 30-day work release jail sentence for Jones. This permitted an immediate start of regular support and back payments, allowing Mrs. Jones to become independent of welfare.

These are real examples of success stories (using fictitious names) in the federal-state "runaway fathers" program. It helped states collect $818 million last year by tracing parents who have failed to support their children and taking court action against them. At a cost of $258.8 million to federal, state and local governments, this is one government program that more than pays for itself—by a 3-to-1 dollar return. More than $1 billion is expected in total payments this fiscal year, about half for welfare mothers and children. Families not on welfare can also use the program by applying to state child-support enforcement offices for help.

Nationwide, about 600,000 welfare families and 400,000 nonwelfare families now receive payments from previously nonsupporting parents. These payments amount to about 10 percent of the nation's total bill for AFDC.

In Illinois last year the Department of Public Aid collected $8 million at a cost of $4.6 million in approximately 8,300 welfare cases and 130 nonwelfare cases. This is almost double the amount collected the year before.

The federal government pays state and local governments 75 percent of their collection costs, plus an incentive payment to encourage them to enforce court orders to collect from parents in their jurisdictions whose children live elsewhere. In welfare cases, states keep part of the collections as reimbursement for welfare aid, and give the rest back to the federal government—which pays about half the states' welfare bills.

If the family is not on welfare, the mother and children get the entire payment, minus a small state service charge.

This program is an important step toward improving the national welfare system while we await congressional action on welfare reform. It requires every state to set up an office for tracking down the absent parents. If the state refuses, it forfeits 5 percent of its federal welfare reimbursement for the year.

To help states and counties find the absent parents, establish paternity and take legal action to collect from them, the Department of Health, Education and Welfare set up an Office of Child Support Enforcement, which has a regional counterpart here in Chicago. The program is such a success—in terms not only of money gained and taxpayers's funds saved or recaptured, but of independence restored for thousands of families—that HEW expects to increase the amount collected to $2 billion by the end of fiscal 1979.

We urge all Chicago area parents who need help in collecting child support from an absent spouse to call us at 793-4450.

## CAMP FIRE GIRLS MEMORIAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 377.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—this matter is cleared on our calendar, and we have no objection to its consideration and passage.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The second assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 83) to authorize the Camp Fire Girls of Cundy's Harbor, Maine, to erect a memorial on Maine Avenue in the District of Columbia.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 1, strike "on Maine Avenue";

On page 2, line 10, strike "on Maine Avenue";

So as to make the joint resolution read:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Camp Fire Girls of Cundys Harbor, Maine, is authorized to erect a memorial on public grounds in the District of Columbia, subject to authorization by the Secretary of the Interior as provided in section 2, in commemoration of the State of Maine. This memorial shall be in the form of a statue, and shall be entitled "The Maine Lobsterman".

SEC. 2. (a) The Secretary of the Interior is authorized to select, with the approval of the National Commission of Fine Arts and the National Capital Planning Commission, a suitable site on public grounds in the District of Columbia, upon which may be erected the memorial authorized in the first section of this resolution. If the site selected is on public grounds belonging to or under the jurisdiction of the District of Columbia, the approval of the Mayor of the District of Columbia shall also be obtained.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts and the National Capital Planning Commission.

(c) Other than as to the land authorized for the erection of the memorial in the first section, neither the United States nor the District of Columbia shall be put to any expense in the erection of this memorial.

SEC. 3. The authority conferred pursuant to this resolution shall lapse unless (1) the erection of such memorial is commenced within five years from the date of enactment of this resolution, and (2) prior to its commencement, funds are certified available in an amount sufficient, in the judgment of the Secretary of the Interior to insure completion of the memorial.

SEC. 4. The maintenance and care of the memorial erected under the provisions of this resolution shall be the responsibility of the Secretary of the Interior.

● Mr. COHEN. Mr. President, I urge my Senate colleagues to join Senator MUSKIE and me in supporting our legislation authorizing the Interior Department to place a copy of the famous "Maine Lobsterman" statue at a suitable location in Washington.

No one better embodies the unique characteristics of Maine's hardy citizens than do our lobstermen. That was why in 1939, when the State was seeking a centerpiece for its exhibit at the New York World's Fair, sculptor Victor Kahill was commissioned to depict a lobsterman at work.

The Kahill sculpture has become a Maine favorite. Copies are now on display in Augusta, Portland, and Harpswell. Over the years, several efforts have been made to place a copy in Washington, as a symbol of the lobstermen's contribution to Maine and of Maine's contribution to the Nation.

The current drive to bring the lobsterman to Washington is being led by the Camp Fire Girls of Cundy's Harbor. But if the group is to have any hope of success in raising the funds needed for this project, authorizing legislation enabling the Secretary of the Interior to find a suitable site in Washington must be approved by the Congress.

Senator MUSKIE and I hope that this statue can be erected, as the Camp Fire Girls wish, on Maine Avenue along the waterfront. But first we need the support of the Senate for Senate Joint Resolution 83. I urge all my colleagues to approve this resolution.●

● Mr. MUSKIE. Mr. President, Senate Joint Resolution 83, jointly sponsored by Senator COHEN and me, authorizes the Camp Fire Girls of Cundy's Harbor, Maine, to erect a memorial in the District of Columbia.

The memorial the Camp Fire Girls have chosen to erect is a replica of the Victor Kahill sculpture of a lobsterman at work. It is a creation which symbolizes the independent spirit of our Maine citizens and our relationship to the sea. The cities of Augusta, Portland, and Harpswell each have a replica of the statue on exhibit.

There have been previous attempts to place this work in Washington to reflect one aspect of Maine's contribution to our Nation. The present impetus for this project must be credited to the Camp Fire Girls of Cundy's Harbor under the leadership of Ruth Heiser. This legislation is a tribute to their perseverance and their belief that the special character of Maine's seagoing people ought to be recognized in our Nation's capital.

The Camp Fire Girls of Cundy's Harbor, Senator COHEN, and I feel it would be appropriate to have the statue erected on Maine Avenue, particularly near the water.

I urge my colleagues to approve the resolution.●

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A joint resolution to authorize the Camp Fire Girls of Cundy's Harbor, Maine, to erect a memorial in the District of Columbia.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## A MATTER OF RESPONSIBILITY

Mr. D5CONCINI. Mr. President, the associate publisher and general manager of the Arizona Republic, Mr. Darrow Tully, recently delivered an address to the Phoenix Nucleus Club. The speech is both interesting and enlightening, and it addresses the problems and responsibilities associated with the news business. As politicians, each of us is called upon to answer for our actions to the press, and I thought that my colleagues might find Mr. Tully's remarks helpful in shedding light upon the inner workings of the fourth estate.

I ask unanimous consent that the text of the speech be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

### A MATTER OF RESPONSIBILITY

Mr. Chairman, distinguished guests, Nucleus Club members, ladies and gentlemen. I'm happy to be here and hopefully to give you some insight into the newspaper business.

Bob Considine once described politics as an insane asylum run by the inmates. I'm sure some of you feel that could also describe the newspaper business. Ben Franklin once observed "to publish a good newspaper is not as easy an undertaking as many people imagine it to be." That is what I really want to talk to you about today—publishing a good newspaper.

A newspaper should reflect three basic divisions of news information. For purposes of this discussion, I am speaking of hard news, news analysis and editorial opinion and not including features, vital statistics, entertainment, comics, etc.

In my opinion two phrases have been grossly overused in the journalistic lexicon. One is "adversary relationship" and the other is "advocacy journalism." I don't believe the popular notion that an adversary relationship is healthy or productive in most cases.

A textbook description of the fundamental functions of a newspaper are:

1. To inform its readers objectively about what is happening in their community, country and world.

2. To comment editorially on the news in order to bring these developments into focus.

3. To campaign for desirable change and to strive to eliminate undesirable conditions.

4. To serve the reader as counselor, information bureau, and champion of his rights.

Now let's talk briefly about advocacy journalism. In my opinion that is a pretty description of ugly journalism. Any way you cut it, if advocacy creeps into a story it becomes opinion and, by heaven, that is not newspaper journalism. An even more insidious danger is what is not said in a story as opposed to what is said.

An example might be the lady who brought a crying baby into the doctors office for an examination. Upon completion the doctor asked if the baby was breast or bottle fed. The woman answered breast fed. The doctor then asked her to strip to the waist and proceeded to examine her breasts. He massaged them and squeezed them and finally he exclaimed "no wonder this baby is crying" you don't have any milk. She answered, "I'm not supposed to, I'm his aunt, but I'm sure glad I brought him.

How do people make up their minds in ambiguous situations? Certainly we are in the midst of an information explosion.

Circulation is at an all-time high, and market research studies show us that nearly everyone reads at least one newspaper every day, and many two or more. News magazines have reached new highs in readership. There are more radios than there are homes and automobiles in the United States. We have over 98 percent coverage of this country from television. The big question is: How is the public influenced by what they read and hear?

How people react to news depends upon their own cognitive orientations. Their actions may be misguided or naive. The odds that opinions will be distorted appreciate geometrically the lower the number of news sources.

The development of reliable knowledge is a cumulative process. One of the characteristics of modern mass society is that people face one ambiguous situation after another. They are constantly sensitized to news precisely because they must get their bearings as they go along.

Ours is also a society in which manipulation of outlook through ingenious propagandistic devices is commonplace, where ruses, unsubstantiated testimony, and doctored evidence play decisive parts in local and national life. What makes decisions in such unsettled times so important is that crises are the crucibles out of which many innovations emerge: New modes of action often get their initial direction in attempts to cope with emergencies.

Let's reflect a moment on the trichotomy I alluded to earlier: news, analysis and editorial comment.

Hard news should strive for objectivity. We all know objectivity is an unobtainable goal, but the prejudices of the reporter should be edited out through the various editing procedures.

A general assignment reporter will usually be directed to one particular story by an editor. The editor should outline to the reporter the general parameters expected in the story. He might also ask for a sidebar or enhancement material. Once the story is written it is submitted to the copy desk for editing. We try to catch all errors of fact and in addition edit out blatant subjectivity.

You've heard the old joke—"never let the facts get in the way of a good story."

Obviously inaccuracy and error are to some degree unavoidable but newspapers must diligently and conscientiously strive to minimize them. What is unforgivable is to run a story knowing full well that the facts are uncheckable or totally unreliable.

Analysis is the next part of the news troika. These stories encompass hard news but will probably contain a great deal of interpretation we feel necessary if the reader is to understand the hard news story. This is the why that follows the who, what, when and where. If our readers are to understand the total story we must supply some of the why?

The last part of our tripartite effort is the editorial or comment. Obviously, these comments should be reserved for the opinion pages. It should be perfectly obvious to the reader that an editorial is no more or less than an opinion expressed by what we hope is a well informed writer.

The editorial page and editorials in particular are probably the most misunderstood part of the newspaper. The editorial page and the page adjoining it (or the op-ed page as we call it) are full of diverse opinions. A conservative syndicated columnist should be offset by a liberal. The letters to the editor provide some baalnce for our own editorial opinion.

I'm sure you have also seen guest editorials by prominent local citizens.

Many people wonder how we choose to support a particular political candidate. There is really no mystery there at all.

We have input from all areas which will be helpful in arriving at a decision. If a beat reporter has intimate knowledge about a candidate his opinion is sought. Each candidate is reviewed by a panel consisting of the publisher, associate publisher, editor, managing editor, and several other knowledgable executives. In many cases, the ultimate decision is not unanimous.

Newspapers must attempt to do a better job of explaining their role to the community. They must preempt their critics and define the standards of their profession rather than letting them do it by default.

When people do not understand how newspapers strive for unbiased, accurate and fair reporting of the news they will not trust them. Without trust, credibility erodes, and with that erosion they are left alone, without allies in their defense of the first amendment.

There is nothing in the bill of rights, including the first amendment, that sets newspapers apart as a privileged class. They publish under a political right granted by the people. What the people giveth, the people can take away.

A papers prime function must be to regain the trust and respect of their constituency in order for them to be truly comfortable in supporting newspapers as guardians of the first amendment.

The road back to public confidence is a long one. Journalists may see themselves as working in the public's interest, but the public may not. Journalists rate higher than politicians in surveys of public sentiment, but not by much. Politicians have many of the same problems.

When Congress will whitewash one of its own who steals by demanding kickbacks or padding expense accounts of having members of his family on his staff, the public loses a little more faith. Look at Diggs and Flood and Brook and Talmadge and far too many others.

When the President must resign because of scandal, the public loses a little more faith. When politics transcend patriotism, the public loses a little more faith.

A few weeks ago I invited Reg Murphy, distinguished publisher of "The San Francisco Examiner" to speak at a Phoenix Newspapers, Inc. retreat. Reg referred to a recent independent survey which indicated that over 80 percent of public figures interviewed by the press felt the press was "out to get them." He added that 61 percent of the journalists thought they were doing a first-rate job. That's quite a schism.

There is a growing feeling in the communications industry that the press has become a convenient scapegoat for all the bad things that are happening in the world. We have been blamed either in part or in toto for political assassinations, racial rioting, student disorders and the rising crime rate. We see a curious phenomenon of the medium being blamed for the events which it reports. A general dislike and distrust of the news media is shared by extremists on both the left and the right.

It takes a special kind of integrity to hold to standards of honesty and fairness when pressures are so great, time is so short, and so many shortcuts and unassailable alibis are available to those who want to shade the news in order to promote a personal advantage or nurture a prejudice.

It is axiomatic that when the press properly performs its function it is bound to suffer unpopularity. The bearer of bad tidings reflecting the horrors and depredations of modern society will certainly be greeted with disbelief and wrath.

Years ago, Walter Lippmann wrote that the function of journalism is to present a picture of the world upon which men can act. But if that is the function of journalism, what is the responsibility of the public?

I believe that the public must assume some of the responsibility for determining their collective future. The public must strive to become fully informed. No democratic society can exist without a well-informed electorate.

As for criticism of what we judge worth reporting, and now I am back to all news without regard to the way it is transmitted, a society which cannot stand its own news is about to have survival problems. If I am overoptimistic about the public view of news as contrasted with vociferous critics, the news of these survival problems will be increasingly resented. The function of news must in this situation be to inform the society about these problems, not to solve them. The society must solve them, and it can only solve them if informed about them—which it may present. But I see no upright way of trying to avoid such criticism and attack. On the bright side, if the work we do needs public attention to be justified, apparently we have it. Otherwise we would not be worth criticism.

Well—what is a good newspaper? I have thought a great deal about that question and when I started writing down those characteristics I would attribute to a good newspaper I ended up with a list of about two pages. I then asked myself what are the essential qualities common to any good newspaper and I reduced this list to only two adjectives. A good newspaper is fair and it is accurate. Not very profound but extremely difficult to achieve.

We are a great people, and a nation with a noble tradition. We are a people who evolved a great intellectual and cultural society, coupled with the capitalistic philosophy of economic competition and thrived on its challenge. A system that allows freedom of choice and compassion for our fellow man.

Carl Sandburg wrote, "when a nation goes down or a society perishes, one condition can always be found, they forgot where they came from." If America goes down, it will be far too early. The challenge is whether the communications media can stimulate the public to become personally involved in the process of government.

Only through that involvement can government be directed towards the goals and aspirations of the great masses that make up this magnificent country.

Some will say why doesn't the newspaper do something about that or why doesn't the governor do something or why doesn't the President do something.

My friends, it just doesn't work that way. The late President Theodore Roosevelt said it so well and I quote, "The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood . . . who knows the great enthusiasm, the great devotions, who spends himself in a worthy cause; who at the best kno~~ws in~~ the end the triumph of high achievement, and . . . if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat."

Thank you.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

### ENROLLED JOINT RESOLUTION SIGNED

Pursuant to order of October 12, 1979, the Secretary of the Senate, on October 13, 1979, received a message from the House of Representatives, reporting that the Speaker had signed the following enrolled joint resolution.

H.J. Res. 412. A joint resolution making continuing appropriations for the fiscal year 1980, and for other purposes.

The enrolled joint resolution was subsequently signed by the Acting President pro tempore (Mr. MATSUNAGA) on October 13, 1979.

## REPORT SUBMITTED DURING THE RECESS

Pursuant to order of October 12, 1979, the following report was submitted on October 12, 1979, during the recess of the Senate:

Mr. JACKSON, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1030) to authorize the President to create an energy emergency program to conserve energy, and for other purposes (Rept. No. 96–366).

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. Res. 254. An original resolution waiving Section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 5218. Referred to the Committee on the Budget.

H.R. 5218. An act to amend the Foreign Assistance Act of 1961 to authorize special Caribbean hurricane relief assistance (Rept. No. 96–367).

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment, but with an amendment to the preamble:

S. Con. Res. 43. Concurrent resolution honoring the Fourteenth Centennial of Islam.

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 246. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 4249.

S. Res. 250. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 595.

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

H.R. 4986. An act to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes (together with additional views) (Rept. No. 96–368).

Mr. PROXMIRE. Mr. President, I report from the Banking, Housing and Urban Affairs Committee a bill titled the Depository Institutions Deregulation Act (H.R. 4986).

This landmark legislation will phaseout interest rate controls (regulation Q) over a 10-year period while giving thrift institutions the powers they need to compete in a market for deposits without Government controls.

Government controls of deposit interest rates are counterproductive, regulation Q, enacted as temporary authority in 1966 and extended 11 times, mandates discriminatory and low rates on savings deposits. Because of these low rates individuals are discouraged from saving and encouraged to borrow. This policy of encouraging consumption and discouraging saving is inflationary and wrong at a time when we should encourage savings and capital formation. At the same time, regulation Q particularly hits the small saver the hardest. No wonder the United States has the lowest savings of the western democracies and an unacceptable productivity growth rate. It is clear that regulation Q must be phased out.

This legislation does it in a time frame which will enable thrifts to maintain their viability and commitment to housing. Thrifts are given checking account authority as are credit unions. These accounts, called NOW accounts and share drafts, will also enable consumers to earn interest on their checking accounts. Commercial banks too may offer NOW accounts under the bill.

Along with checking accounts, thrifts will be authorized to offer consumer loans and trust services. Thrifts are therefore given the powers they need to fully serve all of the needs of household depositors and borrowers and to compete in the market. This legislation also preempts State home mortgage lending limits which are responsible for mortgage money drying up in many areas of the country.

Mr. President, this legislation culminates a long effort by the Banking Committee to update our financial institutions. The ranking minority member of the committee (Senator GARN) and the chairman of the Financial Institutions Subcommittee (Senator CRANSTON) are particularly to be commended for their cooperation in bringing this legislation to the Senate. This legislation does the job that needs to be done now and I commend it to my colleagues in the Senate.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HART:

S. 1884. A bill to provide that legislation appropriating funds for payment of salaries to Federal employees shall be enacted separately from other legislation; to the Committee on Rules and Administration.

By Mr. DeCONCINI:

S. 1885. A bill to amend title 18 of the United States Code to define and limit the exclusionary rule in Federal criminal proceedings; to the Committee on the Judiciary.

By Mr. HART:

S. 1886. A bill for the relief of the Jefferson County Mental Health Center, Inc., and of certain current and former employees thereof; to the Committee on Finance.

By Mr. HATCH:

S. 1887. A bill for the relief of Raymond Arthur Chobaz; Ph. D.; to the Committee on the Judiciary.

S. 1888. A bill for the relief of Peter Brimelow; to the Committee on the Judiciary.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HART:

S. 1884. A bill to provide that legislation appropriating funds for payment of salaries to Federal employees shall be enacted separately from other legislation; to the Committee on Rules and Administration.

### FEDERAL EMPLOYEE PAYCHECK PROTECTION ACT

● Mr. HART. Mr. President, the last 2 weeks have been a disturbing lesson in American Government for many citizens. While Congress debated and delayed the continuing resolution funding the Department of Defense and several large Federal agencies, millions of Federal employees and members of our armed services faced the threat of no pay.

This near-disaster—finally averted by a compromise on the bill—cannot be allowed to occur again. Military and Federal payrolls should not be used as hostages for other, unrelated issues.

Today I am introducing the Federal Employee Paycheck Protection Act to insulate Federal paychecks from the kind of legislative controversies which have, for 3 years running, left some Government and military employees in the dark as to when their next payday would be. This legislation, similar to that introduced earlier this year by Senator MATHIAS, would separate the appropriation for a Federal agency's operation and programs from the appropriation for its employees' salaries. As a result, congressional disagreement over an agency's operations or policies could delay only the agency's operating budget—not its payroll.

The need for this kind of legislation should be clear to everyone after this week. Had the Congress not agreed on a compromise last week, 1.6 million military personnel and thousands of Federal employees would not have been paid on time. Although Federal workers would have received paychecks for half of the most recent pay period, this is still a severe hardship for middle- and low-income wage earners. Landlords must be paid on time, grocery bills mount up, and money for other necessities becomes scarce.

Delay and disruption also cost the Government money. Last year, when over 145,000 employees of the Department of Health, Education, and Welfare received two half-size paychecks instead of the one they normally receive because of this same problem, it cost the Government an extra $70,000 to run the payroll twice.

Congressional disagreements over some aspect of an agency's operations, which delay or prevent enactment of an agency's operating budget, should not affect noncontroversial salary appropriations. If this bill is enacted promptly, congressional stalemates over appropriations bills will have caused unnecessary hardship for the last time.●

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By Mr. DECONCINI:

S. 1885. A bill to amend title 18 of the United States Code to define and limit the exclusionary rule in Federal criminal proceedings; to the Committee on the Judiciary.

### EXCLUSIONARY RULE

● Mr. DECONCINI. Mr. President, todav I am introducing a bill to define and limit the exclusionary rule. The exclusionary rule is the judicially created doctrine under which evidence secured in violation of the fourth amendment becomes inadmissible. The rule has stimulated both beneficial and unfortunate changes in the American system of criminal justice.

One of the more troubling attributes of the rule is the uncertainty of its demands. S. 1885 is designed to solve this problem. It would define and limit application of the exclusionary rule in Federal courts. The definition and limitations it would impose are drawn from recent Supreme Court decisions. It would strengthen the rule and the protections afforded by the fourth amendment by eliminating the unreasonable applications of the rule.

Some scholars view the rule as constitutionally required and immune from congressional modification, see Kamisar, "Is the Exclusionary Rule an 'Illogical' or 'Unnatural' Interpretation of the fourth amendment?" 62 Judicature 66 (1978). The history of the Supreme Court's treatment of the rule make such assertions untenable, nor does the fourth amendment itself require such an interpretation. It states:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrant shall be issued, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized (U.S. Const. amend. IV).

Unlike the fifth amendment, there is no express language of exclusion. However, concern over abusive law enforcement procedures led the Supreme Court to hold in 1914 that evidence secured by Federal officers in violation of an individual's fourth amendment rights must be excluded from his Federal criminal trial, *Weeks* v. *United States*, 232 U.S. 383 (1914). The Court subsequently made the exclusionary rule applicable to the States through the due process clause of the 14th amendment, *Mapp* v. *Ohio*, 367 U.S. 643 (1961).

Although some of the earlier cases might suggest that the rule is a Fourth Amendment imperative, see, for example, *Elkins* v. *United States*, 364 U.S. 206 (1960), the recent cases make it clear that the rule is a judicial creation subject to modification, see, *United States* v. *Janis*, 428 U.S. 433 (1976): *Stone* v. *Powell*, 428 U.S. 465 (1976); *United States* v. *Ceccolini*, 435 U.S. 268 (1978).

The Court's treatment in Stone against Powell, supra, of the "imperative of judicial integrity" rationale for the rule demonstrates that the rule cannot be considered constitutionally required without reference to the deterrent effect of exclusion in a particular case:

> Although our decisions often have alluded to the "imperative of integrity," *e.g., United States* v. *Peltier*, 422 U.S. 531, 536–539 (1975), they demonstrate the limited role of this justification in the determination whether to apply the rule in a particular context. Logically extended this justification would require that courts exclude unconstitutionally seized evidence despite lack of objection by the defendant, or even over his assent. *Cf. Henry v. Mississippi*, 379 U.S. 443 (1965). It would also require abandonment of the standing limitations on who may object to the introduction of unconstitutionally seized evidence, *Alderman v. United States*, 394 U.S. 165 (1969), and retreat from the proposition that judicial proceedings need not abate when the defendant's person is unconstitutionally seized, *Gerstein v. Pugh*, 420 U.S. 103, 119 (1975); *Frisble v. Collins*, 342 U.S. 519 (1952). Similarly, the interest in promoting judicial integrity does not prevent the use of illegally seized evidence in grand jury proceedings, *United States v. Calandra*, 414 U.S. 338 (1974). Nor does it require that the trial court exclude such evidence from use for impeachment of a defendant even though its introduction is certain to result in conviction in some cases. *Walter v. United States*, 347 U.S. 62 (1954). 428 U.S. at 485.

Instead of viewing the question in absolute constitutional terms, the Court has utilized a balancing test in deciding whether to extend the scope of the rule which the bill would codify in all cases:

> Recognizing not only the benefits but the costs, which are often substantial, of the exclusionary rule, we have said that "application of the rule has been restricted to those areas where remedial objectives are thought most efficaciously served." *United States* v. *Calandra*, 414 U.S. 338, 348 (1974), *United States* v. *Ceccolini*, 435 U.S. 268, 274 (1978).
>
> In short, we conclude that exclusion from federal civil proceedings of evidence unlawfully seized by a state criminal enforcement officer has not been shown to have a sufficient likelihood of deterring the conduct of the state police so that it outweighs the societal costs imposed by the exclusion. This court, therefore, is not justified in so extending the exclusionary rule. *United States* v. *Janis*, 428 U.S. 433, 454 (1976).

The Supreme Court, of course, has the authority to modify the exclusionary rule by judicial decision. In order for Congress to similarly change the rule, it must hold comparable authority. It does. The Constitution vests Congress with the power to ordain and establish inferior courts, U.S. Constitution, article III, section 1; to make regulations and establish exceptions with respect to the appellate jurisdiction of the Supreme Court, U.S. Constitution, article III, section 2; and to make all laws necessary and proper for carrying into execution the powers granted the Federal Government by the Constitution, including those granted the courts, U.S. Constitution, article I, section 8. It is generally conceded that Congress has the power to establish rules for the admissibility of evidence in Federal courts, *Usery* v. *Turner Elkhorn Mining Co.*, 428 U.S. 1, 31 (1976); *Tot* v. *United States*, 319 U.S. 463, 467 (1943). Congress has recently exercised this authority by passage of the Federal Rules of Evidence, 88 Stat. 1929 (1975).

Further evidence of the general belief that Congress has the authority to define, modify, and limit the fourth amendment exclusionary rule comes from the bills introduced in the last several Congresses.

These proposals fall into three categories. Some, like S. 1885 would bar exclusion of evidence secured through insubstantial violations of the fourth amendment: H.R. 12868 (95th Cong., Representative HYDE and others); S. 2657 (92d Cong., Senator BENTSEN); H.R. 13682 (92d Cong., Representative Hogan). Others would eliminate the exclusionary rule in favor of a statutory claim of cause of action, S. 3014 (95th Cong., Senator Griffin); H.R. 5628 (94th Cong., Representative Steiger); H.R. 10275 (93d Cong., Representative Steiger). The final group includes features of the first two categories. These bills would both eliminate the exclusionary rule in cases of insubstantial violations and provide for a claim or cause of action as a remedy for violation: S. 881 (93d Cong., Senator BENTSEN); H.R. 17096 (92d Cong., Representative MCKAY). Each of these approaches present problems. Providing for a claim or cause of action for fourth amendment violations brings up collateral issues that should be considered separately. Moreover, total abolition of the Rule ignores the powerful deterrent effect that the rule imposes on police activity.

S. 1885 would bar exclusion in Federal criminal cases unless the court found, as a matter of law, that the violation was intentional or substantial. Restriction of the exclusionary rule in instances of unintentional, or insubstantial good faith violations finds support both in the cases and among legal scholars:

> At least in some cases of this sort, where, in contrast to confessions of dubious reliability, the evidence cannot impair any proper defense on the merits, the object of deterrence would be sufficient achieved if the police were denied the fruit of activity intentionally or flagrantly illegal—where there was no reasonable cause." Friendly, *Benchmarks*, 260–61 (1967), noted in *Stone v. Powell*, 428 U.S. 465, 490 (1976); see also, *United States v. Janis*, 428 U.S. 433, 454 n.28 (1976); *United States v. Ceccolini*, 435 U.S. 268, 280 (1978); ALI, *A Model Code of Pre-Arraignment Procedure*, SS 290.2(4)(b).

S. 1885 requires the court to look at all the circumstances of a case to determine whether a violation was substantial. The court is specifically directed to look at five factors, the first of which is the extent to which the violation was reckless.

The extent to which privacy is invaded is also a circumstance that would be considered in determining whether a violation was substantial. This same wording is found in a comparable provision of the ALI, "A Model of Pre-Arraignment Procedure," SS 290.2(4)(c), and is drawn from the Court's opinions in *Davis* v. *Mississippi*, 394 U.S. 721, 727–28 (1969); *Terry* v. *Ohio*, 392 U.S. 1 (1968); and *United States* v. *Dionisio*, 410 U.S. 1 (1973). These cases reflect the view that the fourth amendment, itself, demands less protection where the level of police invasion is less intrusive.

The third circumstance to be considered is whether exclusion would be an effective deterrent. This is the basic test which the Court used in Ceccolini and the cases in which it refused to expand the exclusionary rule's application. A virtually identical provision is contained in the ALI, "A Model Code of Pre-Arraignment Procedure," SS 290.2(4)(d).

The final specific circumstance which courts might consider under S. 1885 in determining whether a violation was substantial is "whether, but for the violation, the things seized would have been discovered, or the relationship between discovery and violation is attenuated." This provision also reflects the ALI provisions, SS 290.2(4)(e), and a number of Supreme Court decisions. The Court in Ceccolini observed that—

> The constitutional question under the Fourth Amendment was phrased in *Wong Sun* v. *United States*, 371 U.S. 471 (1963), as whether "the connection between the lawless conduct of the police and the discovery of the challenged evidence has become so attenuated as to dissipate the taint." 435 U.S. at 273–74.

Also, the fact that evidence would have been available without the violation is a factor to be considered for purposes of exclusion. The Ceccolini Court looked at the facts in light of this specific factor:

> While the particular knowledge to which Hennessey testified at trial can be logically traced back to Biro's discovery of the policy slips, both the identity of Hennessey and her relationship with the respondent were well know to those investigating the case. *Id.* at 279.

By thus clearly delineating the dimensions of the exclusionary rule, S. 1885 would both invigorate fourth amendment protections and ease the caseload burdens of the Federal courts.

It is undeniable that given a choice between applying the exclusionary rule in hard cases and interpreting the Fourth Amendment so as to make application of the rule unnecessary, the judicial temptation to apply the fourth amendment narrowly is very alluring, see Geller, "Enforcing the Fourth Amendment: The Exclusionary Rule and Its Alternatives," 1975 "Washington University Law Quarterly," 621, 682–84; *Coolidge* v. *New Hampshire*, 403 U.S. 443, 490–91 (1971) (Harland, J., dissenting):

> From the several opinions that have been filed in this case, it is apparent that the law of search and seizure is due for an overhauling.

By removing the application of the exclusionary rule in cases of unintentional or insubstantial fourth amendment violations, S. 1885 would reduce judicial efforts now expended in such cases frequently at the expense of the scope of fourth amendment protections. Yet, importantly, the bill requires the court to first find whether, as a matter of law, a violation had occurred. In novel factual situations the court would make a determination whether the specific facts constituted a violation, and then whether the violation was intentional or substantial. This provision is intended to overcome the objections of those who fear that a limitation on absolute exclusion will freeze fourth amendment adjudication at its present stage of development.

Since the bill preserves the rule for substantial violations, while eliminating application in those cases most likely to produce a narrower interpretation of the fourth amendment, it should enhance the protection of individual privacy.

That the criminal accused has a right not to be convicted on the basis of evidence secured in violation of the Constitution is questionable, see, *United States* v. *Calandra*, 414 U.S. 338 (1974). Still, the bill would deny the Government the benefits of either intentional or substantial wrongdoing.

The heart of S. 1885 is the elimination of the exclusionary rule where it has no deterrent effect. While there is debate as to the efficacy of the rule, its total abolition would not lead to greater compliance with the fourth amendment.

Mr. President, S. 1885 will preserve and strengthen the exclusionary rule in instances of flagrant violation. This will allow the continued development of the Federal law of search and seizure. Police activity will still be subject to judicial review and law enforcement agencies will continue to have the responsibility to educate, train, and supervise their employees, see Oaks, "Studying the Exclusionary Rule in Search and Seizure," 37 University of Chicago Law Review 665, 756 (1970).

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

### S. 1885

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) chapter 223 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"S. 2505. Definition and limitation of exclusionary rule

"(a) Evidence shall not be excluded from any Federal criminal proceeding solely because that evidence was obtained in violation of the fourth amendment to the Constitution unless the court finds as a matter of law that—

"(1) a violation has occurred, and

"(2) such violation was intentional or substantial.

"(b) In determining whether a violation is substantial for the purposes of this section, the court shall consider all of the circumstances, including—

"(1) the extent to which the violation was reckless;

"(2) the extent to which privacy was invaded;

"(3) the extent to which exclusion will tend to prevent such violations;

"(4) whether, but for the violation, the things seized would have been discovered; or whether the relationship between the things discovered and the violation is attenuated.".

(b) The table of sections of such chapter is amended by adding at the end thereof the following item:

"3505. Definition and limitation of exclusionary rule.".●

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By Mr. HART:

S. 1886. A bill for the relief of the Jefferson County Mental Health Center, Inc., and of certain current and former employees thereof; to the Committee on Finance.

### JEFFERSON COUNTY MENTAL HEALTH CENTER

● Mr. HART. Mr. President, today I am introducing a bill designed to provide relief to the Jefferson County Mental Health Center in connection with certain social security tax payments.

The Jefferson County Mental Health Center, located in Colorado, is a nonprofit organization which is exempt from employee participation in the social security program. However, employees at the center elected to participate in the program and in 1963 proper forms were filed with the Internal Revenue Service (IRS). Subsequently, FICA taxes were withheld to effect such participation.

In 1975, the Jefferson County Mental Health Center, in response to a survey initiated by the Internal Revenue Service, was unable to find any indication that it had waived its immunity from social security taxes. As a result, the IRS directed the center to refund those taxes for the prior 3 years to any employee who did not elect to have his/her social security coverage continued.

The Jefferson County Mental Health Center then reimbursed a total of $74,128 to 133 employees, and applied to IRS to have the amount of those taxes repaid to it. Shortly thereafter, the IRS discovered that a valid waiver of immunity had, in fact, been filed. Even with this evidence, the center was unable to receive the reimbursed taxes since the IRS does not have the authority to expend funds without a legal obligation or statutory authorization.

Mr. President, the center is seeking relief solely for the employee share of the social security taxes involved and only for the period prior to time the IRS notified the center of its error.

This legislation authorizes the Secretary of the Treasury to determine the amounts withheld and treat those amounts as tax overpayments, reimbursable to the center. The measure also allows the employees the option of repaying their social security over a period of time if they wish to be covered for the period during which FICA taxes were originally withheld.

During the 95th Congress, the Senate passed this legislation as an amendment to an authorization bill. Unfortunately, that authorization bill was not acted on before Congress adjourned. Relief to the Jefferson County Mental Health Center is most certainly appropriate, and I look forward to the Senate Finance Committee and the full Senate acting expeditiously on this necessary measure.●

## ADDITIONAL COSPONSORS

### S. 101

At the request of Mr. Hatch, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 101, the Religious Freedom in the Workplace Act of 1979.

### S. 1327

At the request of Mr. Hart, the Senator from South Dakota (Mr. McGovern), the Senator from Colorado (Mr. Armstrong), the Senator from Wyoming (Mr. Wallop), the Senator from Texas (Mr. Tower), the Senator from South Carolina (Mr. Thurmond), and the Senator from Indiana (Mr. Lugar) were added as cosponsors of S. 1327, a bill to amend the Fair Labor Standards Act of 1938 to exempt full-time students serving as resident assistants and resident counselors in private nonprofit institutions of higher education from that act, and for other purposes.

### S. 1629

At the request of Mr. Jackson, the Senator from Pennsylvania (Mr. Heinz) and the Senator from Georgia (Mr. Talmadge) were added as cosponsors of S. 1629, the Civil Air Patrol supply bill.

### S. 1754

At the request of Mr. Moynihan, the Senator from Vermont (Mr. Leahy) was added as a cosponsor of S. 1754, a bill to determine the causes and effects of acid precipitation throughout the United States and to develop and implement solutions to this problem.

### S. 1792

At the request of Mr. McGovern, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 1792, a bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal.

### SENATE JOINT RESOLUTION 98

At the request of Mr. Bradley, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of Senate Joint Resolution 98, designating the week of October 8 through October 14, 1979 as "National Diabetes Week."

## SENATE RESOLUTION 254—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on the Budget:

### S. Res. 254

*Resolved*, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 5218, a bill to authorize special Caribbean hurricane relief assistance for the fiscal year 1980. Such waiver is necessary to allow the authorization of $25,000,000 in additional budget authority for fiscal year 1980 to provide relief and reconstruction assistance to people in the Caribbean who were affected by hurricanes David and Frederic.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1979, deadline because the hurricanes occurred in August and September of 1979.

## SENATE RESOLUTION 255—SUBMISSION OF A RESOLUTION TO DISAPPROVE THE PROPOSED EXEMPTION FROM INCREMENTAL PRICING

Mr. JACKSON submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

### S. Res. 255

*Resolved*, That the Senate does not approve the proposed rule under section 206(d) of the Natural Gas Policy Act of 1978 (relating to incremental pricing of natural gas) a copy of which was transmitted to the Congress on October 11, 1979.

● Mr. JACKSON. Mr. President, title II of the Natural Gas Policy Act of 1978 requires the Federal Energy Regulatory Commission to develop an incremental pricing rule not later than 12 months after enactment. The Commission has discharged its responsibility in a timely fashion and has a final rule in place.

The incremental pricing rule passes on a specified portion of the acquisition costs of natural gas to large industrial boiler fuel users through a surcharge mechanism. The surcharge mechanism will operate to increase the boiler fuel users' natural gas prices until the price equates with the cost of the users' alternate fuel.

The incremental pricing mechanism is a complex one. The Congress recognized that it was giving the Commission a difficult job to do. The Commission was given flexibility under the act to prescribe the mechanics of the surcharge mechanism. It was also required to determine cost of alternate fuel on a regional basis. The act establishes a presumption that No. 2 fuel oil is the alternate fuel; the Commission may determine that No. 6 fuel oil is the appropriate fuel cost to use as the alternate fuel cost.

The Conference Report on the Natural Gas Policy Act urges the Commission—

> To take whatever action it deems appropriate or necessary . . . to avoid delays in reducing the substitute fuel level so as to avoid the likelihood of conversions from natural gas by industrial users if those conversions would result in increases in natural gas rates for any residential, small commercial, and other high priority customers.

The Commission has proposed a three-tier set of alternate fuel costs. Some industrial users would switch from natural gas to fuel oil if their natural gas costs reach the cost of high sulfur No. 6 fuel oil; others would switch once their natural gas costs reach the cost of low sulfur No. 6 fuel oil; still others would switch once their natural gas costs reach the cost of No. 2 fuel oil.

They do not propose to implement the three-tier mechanism immediately. Instead, they have decided the most prudent approach would be to start out with a single alternate fuel ceiling, set at the price of high sulfur No. 6 fuel oil. Implementation of the single ceiling price requires an exemption from the requirements of title II of the act. The single ceiling would operate for the initial months of the incremental pricing program, from January 1, 1980, to November 1, 1980.

Implementation of the single price ceiling requires the Congress to concur. Either the Senate or the House of Representatives may veto the proposal by disapproving the proposed exemption.

I am submitting a pro forma resolution of disapproval of the proposed incremental pricing action.

The committee is seeking comments on the resolution of disapproval, and thus on the proposal itself. I ask unanimous consent that a letter explaining the Commission's proposed action be printed in the Record.

Questions or comments concerning this matter should be directed to Elizabeth A. Moler, staff counsel, Committee on Energy and Natural Resources, (202) 224-0611.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Federal Energy Regulatory
Commission,
*Washington, D.C., October 9, 1979.*

Re rule exempting industrial boiler fuel facilities from incremental pricing above the price of No. 6 fuel oil, issued pursuant to section 206(d) of the Natural Gas Policy Act of 1978.

Hon. Walter F. Mondale,
*President of the Senate,*
*Washington, D.C.*

Dear Mr. President: Title II of the Natural Gas Policy Act of 1978 (NGPA) (Pub. L. 95-621) requires that the Federal Energy Regulatory Commission (the Commission) promulgate regulations to channel a specified portion of the acquisition costs of natural gas to large industrial boiler fuel users. The "incremental costs" of natural gas are to be passed through from the supplier to the boiler fuel facility by means of a surcharge pricing mechanism.

Section 204(e) of the NGPA provides that these surcharges may not cause the natural gas rates charged to an incrementally priced industrial facility to exceed the appropriate alternative fuel cost. This section of the statute also provides that the appropriate alternative fuel cost for any facility shall be the price paid for No. 2 fuel oil by industrial users in the region in which the facility is located. However, the statute further provides that the alternative fuel cost ceiling may be reduced to the price of No. 6 fuel oil if the Commission determines that such a reduction is necessary to prevent increases in rates to residential and small commercial users as a result of industrial users switching from natural gas to other fuels because the natural gas price after the surcharge makes other fuels more attractive than gas.

The Commission, last May, proposed an alternative fuel price ceiling rule. Rather than setting a single ceiling at either the No. 2 fuel oil (distillate) or the No. 6 fuel oil (residual) price level, the Commission proposed that three ceilings be set in each region. These ceilings would be the regional price of (a) No. 2 fuel oil, (b) low sulfur No. 6 and (c) high sulfur No. 6. An industrial user subject to incremental pricing would be permitted to claim as its alternative fuel the lowest-priced fuel oil that the facility had the installed capability and legal authority to burn. The May proposal provided that 39 discrete areas of the country would be regions.

If the three-tier system operates as intended, fuel-switching caused by the price of natural gas exceeding the price of alternative fuels should be minimized. Thus, assumming successful implementation, the three-tier ceiling system should maximize the recovery of incremental gas costs from industrial users while at the same time preserving industrial markets for natural gas.

The three-tier approach does present some problems, however. The first problem is that the system may well result in a significant amount of investment in No. 6 fuel oil burning capability in order to obtain natural gas at a lower ceiling price.

A second problem is that the three-tier approach poses administrative difficulties. We have been working with the Energy Information Administration (EIA) of the Department of Energy (DOE) on a new data collection program to determine the three fuel oil prices for each of the 39 regions on a monthly basis. We are assured an adequate system can be developed, but it is not yet in place. Accordingly, we cannot at this time be fully assured that the three-tier system will work as intended. If it does not, implementation of the program may inadvertently result in fuel-switching. This could unnecessarily, and at some risk to the public welfare, throw demand onto fuel oil midway through the winter heating season. Moreover, if industrial load shifting is substantial, the high priority gas consumers remaining on the system may be required to pay considerably more in order to cover fixed costs previously shared with industrial users.

In light of these considerations, the Commission has determined that the most prudent approach at this time would be to have an interim period of operation with a single-tier ceiling in effect. Specifically, the Commission believes that a single alternative fuel ceiling, set at the price of high sulfur No. 6 fuel oil, should be chosen for the initial months of the program from January 1, 1980 to November 1, 1980.

Having reached this conclusion, the Commission is concerned that the data may not be available to make the specific finding contemplated by section 204(e) of the NGPA that a single No. 6 fuel oil price ceiling is necessary to prevent boiler fuel load attrition of a magnitude that would disadvantage high priority ratepayers.

Therefore, the Commission has decided to adopt as its permanent rule the three-tier approach as proposed and to also seek a temporary exemption to that rule under the separate authority provided in section 206 (d) of the NGPA. Section 206(d) provides that the Commission may establish exemptions to the incremental pricing requirements of Title II if the Congress is provided an opportunity to disapprove any such action. The proposed exemption rule would hold in abeyance the two highest ceilings for the period January 1, 1980, through October 31, 1980, or the first ten months of the program.

Under section 206, the Congress must review the exemption rule transmitted by this letter. This rule is being concurrently submitted to both Houses of Congress for their review. Unless disapproved by either House of Congress within thirty days of continuous session, as provided by section 206(d) (2), the enclosed rule will become effective December 1, 1979.

Attached for your information and aid in reviewing this rule are copies of the final rules which implement the incremental pricing program, Docket Nos. RM79-14 and RM79-21. Also enclosed for your information are three other actions the Commission has taken in connection with the initial implementation of the incremental pricing program. Only the rule in Order No. 51, to exempt industrial boiler fuel facilities from incremental pricing above the price of No. 6 fuel oil, is being transmitted for Congressional review.

Sincerely,

CHARLES B. CURTIS,
*Chairman.*●

## SENATE RESOLUTION 256—SUBMISSION OF A RESOLUTION AUTHORIZING REIMBURSEMENT FOR LEGAL EXPENSES

Mr. ROBERT C. BYRD (for himself and Mr. BAKER) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 256

*Resolved*, That the Secretary of the Senate is authorized and directed to pay to the Senator from South Carolina (Mr. THURMOND) the sum of $800 in reimbursement for legal expenses, including attorneys' fees, incurred by him in defending the case of Mims vs. Thurmond in the United States District Court for the Southern District of Georgia (No. 79-2638). Such payment shall be made on a voucher signed by the Senator from South Carolina and approved by the Committee on Rules and Administration.

## AMENDMENTS SUBMITTED FOR PRINTING

### SALT II TREATY—EX. Y, 96-1

AMENDMENT NO. 518

(Ordered to be printed and to lie on table.)

Mr. HUDDLESTON (for himself and Mr. BAYH) submitted a reservation intended to be proposed by them, jointly, to the resolution of ratification of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms (Ex. Y, 96-1).

(The remarks of Mr. HUDDLESTON when he submitted the amendment appears earlier in today's proceedings.)

### DEPARTMENT OF INTERIOR APPROPRIATIONS—H.R. 4930

AMENDMENT NO. 519

(Ordered to be printed and to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to H.R. 4930, an act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

● Mr. PRESSLER. Mr. President, the rural protection and control fund program is the core of rural fire control programs in almost all of the States. In South Dakota, as much as 40 percent of fire prevention and control activities funds are derived from the State's allocation of funds from the Federal program.

Thus, Mr. President, there is a genuine national interest in maintaining a Federal presence in rural fire protection of eligible State and private forest lands. Fire does not respect the boundaries between State or private lands and Federal lands.

This program does not involve a large bureaucracy of Federal personnel out in the field. Instead, the program relies on non-Federal personnel and State and local efforts to apply Federal funds and Federal fire control and prevention research and expertise to the task of safeguarding Federal, State, and private forests. This is an exceptional approach to Federal involvement in the function of Government. All too often, Federal help instigates the creation of a new layer of bureaucracy. The rural fire protection and control program of the Forest Service has effectively carried on fire suppression assistance activities in cooperation with the States for year without creating more Federal bureaucracy.

This program is a matching program in which States put up the same amount as they are allocated from Federal funds.

Smoke management and suppression requirements of the Federal Clean Air Act have significant impact on States. As with so many other Federal programs which have stimulated new regulations and rules, the Clean Air Act does not adequately compensate other units of Government for the increased costs which they must bear as a result of such regulatory creations.

While this program does not immediately relate to clean air regulations, there is no doubt that it represents an easing of that burden on the States. Though the program fires are prevented and fought and, in the process, and to the extent that these federally assisted activities are successful in combatting fire, smoke is diminished as an air pollutant.

If I may be permitted to corrupt an old truism, where there is fire there is smoke. The Federal support in fighting fire helps other governmental units in a small way to bear the burden of Federal clean air standards.

I understand that the Office of Management and Budget rationale for recommending no money at all for this program was that, on a nationwide average basis, the Federal funds represented only 14 percent of all funds spent in the States on rural fire prevention and control activities.

I do not see the logic of that rationale. In fact, it seems to be a flimsy rationalization for destroying a minimal program which facilitates the dissemination of Federal fire prevention and control expertise and research to State and local governments.

My view of American federalism conceives federalism as a partnership between all levels of government, with maximum feasible deference by the higher governmental units to the lower units, which are closer to the changing needs and preferences of the grassroots of this Nation.

In this case the National Government's role in rural fire protection goes all the way back to the Weeks Act of 1911. That law established a Federal role and responsibility in protecting the Nation's watershed lands from devastation by fire.

In 1924, the Clarke-McNeary Act added timberland fire protection assistance as a Federal responsibility.

During the 1970's, Congress has authorized and recognized a further responsibility of the Federal Government to assist in the protection of all non-Federal rural lands and communities. The pertinent laws are the Rural Development Act and the Cooperative Forestry Assistance Act.

The most recent authorizations stipulate authority for the Secretary of Agriculture to protect all non-Federal rural lands and communities from fire.

Why have we witnessed this progression of Federal involvement in rural fire suppression activities on non-Federal lands since 1911?

Because it is in the national interest for the Federal Government to play that role, while relying on the States and communities to provide personnel and to actually implement programs of fire prevention and control.

Thinking out loud about the "unthinkable," in the event of a nuclear war, tremendous fires will rage wherever warheads strike. Our existing, inadequate, civil defense system cannot be expected to deal with such a holocaust as would occur in rural America. Presumably, civil defense would focus its efforts on the evacuation of cities and problems in built-up areas. But where will people flee to, since many warheads would be directed to military installations, many of which are rural locations?

Dealing with the consequences of a nuclear war is thus, a national responsibility. It is no less a function of the National Government than it is of States, and communities, and individuals to help in the recovery efforts which will follow any nuclear armed attack.

This minimal program of rural fire protection and control, together with a tiny appropriation of $3.5 million for the rural communities fire control program, is no more than a symbolic gesture of the 96th Congress recognition of a Federal responsibility. We must not wait for disaster to prepare for disaster. There is a national interest here and the $15 million appropriation will not do enough to provide adequate preparation. I am shocked that the administration's budget requested nothing for either this program or the rural communities fire prevention program.

The national interest in continuing the funding of the rural fire prevention and control program at the fiscal 1979 level of $30.5 million can also be seen in other areas. Is it not in the national interest to protect not only human lives, but also the food and fiber production capabilities of the Nation? It is utterly apparent that, without sufficient Federal backing, States will be forced to withdraw wildlands and producing lands from the fire protection which they are now able to afford. This does not include millions of acres which are not yet under some kind of effective State fire protection program, but which should have that protection.

Safeguarding the food production capacity of this Nation, with an exploding, hungry world population, is in the national interest and the international interest. The diversion of a few of the dollars which could be saved from foreign aid appropriations into this program will help to protect what is this Nation's best possible contribution to the future needs of the world—the conservation, development and protection of our food and fiber producing rural lands.

Mr. President, I urge my distinguished colleagues to support this amendment. It will prove to be a sound investment in the enhancement of the security of rural Americans, as well as the security of all Americans and the peoples of the world. According to the Budget Committee, the bill as reported from the Appropriations Committee is $500 million below the Budget Committee's estimates for Interior allocations in the second budget resolution. Surely, therefore, there is room for this $15.5 million increment for the rural fire protection and control program.

Mr. President, I ask that a table of rural fire protection and control fund allocations be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Rural fire protection and control program: State allocations committee bill*

| | Fiscal year 1979 allocation | Estimated fiscal year 1980 appropriation |
|---|---|---|
| Alabama | $757,000 | $371,000 |
| Alaska | 520,000 | 255,000 |
| Arizona | 165,000 | 81,000 |
| Arkansas | 676,000 | 331,000 |
| California | 2,043,000 | 1,001,000 |
| Colorado | 744,000 | 365,000 |
| Connecticut | 144,000 | 71,000 |
| Delaware | 71,000 | 35,000 |
| Florida | 919,000 | 450,000 |
| Georgia | 872,000 | 428,000 |
| Hawaii | 163,000 | 80,000 |
| Idaho | 553,000 | 271,000 |
| Illinois | 248,000 | 122,000 |
| Indiana | 160,000 | 78,000 |
| Iowa | 150,000 | 73,000 |
| Kansas | 423,000 | 207,000 |
| Kentucky | 605,000 | 296,000 |
| Louisiana | 765,000 | 375,000 |
| Maine | 632,000 | 310,000 |
| Maryland | 404,000 | 198,000 |
| Massachusetts | 394,000 | 193,000 |
| Michigan | 770,000 | 377,000 |
| Minnesota | 502,000 | 246,000 |
| Mississippi | 781,000 | 383,000 |
| Missouri | 724,000 | 355,000 |
| Montana | 616,000 | 302,000 |
| Nebraska | 405,000 | 198,000 |
| Nevada | 330,000 | 162,000 |
| New Hampshire | 260,000 | 127,000 |
| New Jersey | 504,000 | 247,000 |
| New Mexico | 335,000 | 164,000 |
| New York | 715,000 | 350,000 |
| North Carolina | 829,000 | 406,000 |
| North Dakota | 146,000 | 72,000 |
| Ohio | 394,000 | 193,000 |
| Oklahoma | 380,000 | 186,000 |
| Oregon | 831,000 | 407,000 |
| Pennsylvania | 921,000 | 451,000 |
| Rhode Island | 120,000 | 59,000 |
| South Carolina | 789,000 | 386,000 |
| South Dakota | 537,000 | 263,000 |
| Tennessee | 708,000 | 347,000 |
| Texas | 651,000 | 318,000 |
| Utah | 258,000 | 126,000 |
| Vermont | 88,000 | 43,000 |
| Virginia | 793,000 | 389,000 |
| Washington | 837,000 | 410,000 |
| West Virginia | 424,000 | 208,000 |
| Wisconsin | 762,000 | 373,000 |
| Wyoming | 353,000 | 173,000 |

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AMENDMENT NO. 520

(Ordered to be printed.)

Mr. ROBERT C. BYRD (for himself and Mr. RANDOLPH) proposed an amendment to H.R. 4930, supra.

AMENDMENT NO. 521

(Ordered to be printed.)

Mr. JAVITS (for himself, Mr. KENNEDY, Mr. STAFFORD, Mr. METZENBAUM, Mr. LEAHY, Mr. RIEGLE, Mr. MCGOVERN, Mr. WEICKER, and Mr. DURKIN) proposed an amendment to H.R. 4930, supra.

## NOTICE OF HEARINGS

### SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

● Mr. SASSER. Mr. President, I wish to announce that the Subcommittee on Intergovernmental Relations, Committee on Governmental Affairs, will hold a field hearing in Chattanooga, Tenn., on October 27, 1979, to examine the implementation of the Joint Funding Simplification Act of 1974 at the regional level. The hearing will begin at 9 a.m. in the Civic Forum.●

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON FINANCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the sessions of the Senate on Tuesday, Wednesday, and Thursday, October 16, 17, and 18, and on Friday, October 19, to mark up the windfall profits tax bill.

The PRESIDING OFFICER. Without objection it is so ordered.

### SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the subcommittee on energy research and development of the Energy and Natural Resources Committee be authorized to meet during the session of the Senate today to consider S. 1830, relating to the commercialization of ocean thermal energy conversion systems.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

## THE PROPOSED SALT II TREATY AND THE STRATEGIC BALANCE

● Mr. HARRY F. BYRD, JR. Mr. President, in my study of the proposed Strategic Arms Limitation Treaty (SALT II), I have reviewed the work of several analysts with long experience considering matters related to strategic weaponry.

Recently, I found two articles which I believe have unusual merit.

Both articles appeared in the summer issue of the International Security Review of the Center for International Security Studies, which is located in Boston, Virginia.

The first article by Francis P. Hoeber is entitled, "The SALT II Treaty and the Security of the United States."

Mr. Hoeber is president of Hoeber Corp. and, among other posts, has been deputy director of the Strategic Studies Center of the Stanford Research Institute. In addition, he has served as a research associate at the Center for Strategic and International Studies at Georgetown University.

Mr. President. His recent article is, I believe, worthy of careful consideration in the Senate and I ask that it be printed in the RECORD at the conclusion of my remarks.

The second article is by William Schneider, Jr. His article is entitled, "Analysis of the Protocol, Joint Statement of Principles, and the Soviet Backfire Statement."

Mr. Schneider is a staff associate of the House Committee on Appropriations and is also a consultant to the Hudson Institute.

His analysis of the protocol to the proposed SALT II treaty is also well thought through and a valuable contribution to Senate consideration of the treaty and protocol.

Mr. President, I ask that this article also be printed in the RECORD.

The two articles follow:

### THE SALT II TREATY AND THE SECURITY OF THE UNITED STATES

(By Francis P. Hoeber)

The proposed Strategic Arms Limitation Treaty (hereinafter designated as the Treaty) is complex and detailed. Before discussing its specific provisions, some comments are in order as to what, if ratified, the Treaty will NOT do.

The Treaty will NOT maintain the U.S.-Soviet balance of strategic offensive arms at parity or equivalence, from ratification until expiration on December 31, 1985. On the contrary, before 1985 the Soviets may be expected to have more throwweight, ICBM warheads and megatonnage, MIRVed ICBMs, hard-target kill capability, and area, or soft-target, kill capability than the United States *can* have by the end of 1985. Indeed, taking account also of the existing great imbalance in the United States strategic defense (civil defenses, air defenses, and potential ABM defenses), which could not be fully redressed by 1985, the Soviets will have marked strategic superiority by the early 1980's. The effects of this imbalance are already felt in international bargaining and regional events, since, much as the stock market discounts recessions in advance, international diplomacy tends to anticipate the effects of foreseeable changes in power balances.

The Treaty will NOT preserve crisis stability, that is, a condition in which neither side can gain significant advance—destroying more weapons than it uses—by striking preemptively in a crisis. On the contrary, before 1985, the Soviet Union will have MIRVed ICBM warheads sufficiently numerous, powerful, and accurate to improve its relative number of weapons in a first strike by so much that it will surely be able to deter a U.S. retaliatory strike.

The Treaty will NOT improve the prospects for an equitable SALT II agreement. The above facts make it clear that in 1985 the United States will be in a much weaker bargaining position than it is today. Experience under SALT I has made it eminently clear that relative capabilities constrain what can be achieved by agreement. In 1972, U.S. ABM technology was far more advanced than that of the Soviet Union, and a permanent Antiballistic Missile Treaty was signed. We are, moreover, in the seventh year of the five-year Interim Agreement on Strategic Offensive Arms signed in 1972. The U.S. relative position has declined during the life of that Agreement, and a permanent follow-up treaty meeting U.S. objectives, including the Jackson Amendment to the Joint Concurring Resolution that brought the Agreement into effect on October 3, 1972, has so far eluded us. Moreover, the growing imbalance under the proposed Treaty will mean that the United States will, before 1985, risk having to yield to diplomatic coercion on U.S. interests of far greater importance than a SALT II agreement.

The Treaty will NOT cover a number of elements of strategic power, including: numbers of ICBMs, numbers of warheads, an important class of potentially-strategic bombers, "gray area" systems usable against U.S. allies and potentially against the United States, and strategic defenses.

Thus, quite apart from qualitative growth permitted under the Treaty, the Treaty will not prevent Soviet production and deployments that can further worsen the U.S. strategic position by 1985.

The Treaty will NOT protect U.S. relations with its allies, since it will drastically weaken the once-watertight "nuclear umbrella" that in the past counterbalanced the large and growing Soviet superiority in conventional arms and enabled the protection of Western interests in regional crises, which are already increasing in frequency and in demonstrations of U.S. weakness.

The Treaty will NOT support the U.S. policy of nonproliferation of nuclear weapons, which has depended for its success, again, largely on the strength of the U.S. nuclear umbrella.

The Treaty will NOT save the United States money. It will increase the need for qualitative improvements of permitted systems and quantitative increases in systems not covered. This imperative is also seen in the recognized need for improving U.S. conventional capabilities, especially in the European theater, as the strategic nuclear balance has deteriorated—a deterioration that would be codified by the Treaty. There is, however, a sense—a dangerous sense—in which the Treaty might indeed save us money; it might give us a false sense of security, strengthening the hand of those opposed to defense expenditures and making more difficult and less likely the approval of permissible measures to maintain the local adverse strategic as well as conventional balance that we could achieve.

What, then, will the Treaty do?

#### THE LIMITS ON LAUNCHERS

The first limit imposed by the Treaty is that of 2,400 strategic launchers, as first agreed in the 1974 Vladivostok guidelines. Strategic launchers are defined as ICBM launchers, SLBM launchers, heavy bombers (see below), and air-to-surface ballistic missiles (ASBMs). This limit is to be reduced to 2,250 by January 1980.

The first problem to be noted here is that, in limiting launchers, the Treaty says nothing about numbers of ballistic missiles—and warheads—that may be built. Both sides build more missiles than launchers, in order to have missiles available for operational testing and training. The building of additional fixed launchers is prohibited as in the storing of additional missiles "at launch sites of ICBM launchers," in order to prevent "quick reload," i.e., reload a firing before an empty silo could be destroyed by a slow means such as a bomber or air-launched cruise missile (ALCM). However, the risk is that extra missiles might be launched from "soft launchers" (erectors), i.e., inside of factories or storage buildings (the roof being slid or blown off), or even without any launcher by floating and launching from water (which has been tested).

Launchers are not counted unless they are: operational; in the final stage of construction; in reserve, in storage, or mothballed (presumably, aircraft or submarines); or undergoing overhaul, repair, modernization, or conversion. Most significantly, "in the final stage of construction" means (1) SLBM launchers on submarines which have begun sea trials and (2) aircraft or other strategic offensive arms which are finally assembled in a plant or other facility, after they have been brought out of the facility where their final assembly has been performed. Thus, if, in the above case, the missiles on soft launchers had not been moved to another building after final assembly, then they would not be in violation of the Treaty. At most, the observation of large plants with supplies going in and no final product coming out might raise questions in the minds of U.S. intelligence analysts, but they might not be an adequate basis for a challenge under the Treaty.

Moreover, it must be observed that the risk of such avoidance rather than evasion (as the terms are distinguished in, say, tax law) would hardly be symmetrical for the two signatories. The U.S. could scarcely conceal the building of significant numbers of additional missiles, let alone indoor launchers, whereas this might quite conceivably be done in the closed Soviet society. Moreover, the United States has closed down its Minuteman III production line and would not be in a position to respond if such a Soviet program were discovered or disclosed as a "breakout" by the Soviets. Neither MX nor Trident II will be on-line during the life of the Treaty. Trident I missiles are already committed to replace Poseidon missiles and to go into the new Ohio Class (Trident) submarines in the 1980's. Even if they could be adapted to launch from land launchers, the process of significantly increasing their rate of production, including additional warheads, would take considerable time.

A second problem is that the launcher limit gives more the appearance than the reality of equity. It has been argued that it gives both sides equal numbers and moreover requires the Soviets but not the United States to reduce existing numbers, that is, to retire some old systems. However, it concedes to the Soviets, on a presumably permanent basis, an advantage in ICBM throwweight of between 4½ and 5 to 1. It was argued at the time of SALT I that an ICBM throwweight and megatonnage advantage for the Soviets was more than balanced by U.S. multiple independently-targeted reentry vehicles (MIRVs), greater U.S. missile accuracy, and a larger bomber force (the latter not covered in SALT I). However, the Soviets started testing MIRVs in the first year under SALT I and are now deploying them. Moreover, by the early 1980's they will have accuracies equal to those of the United States. We will indicate below the magnitude of the advantage in warheads into which the Soviets will have converted their throwweight advantage by the expiration of the Treaty.

More than half of the Soviet's throwweight advantage stems from their possession of 308 SS–18 launchers (326, including launchers at test sites), with a throwweight of about 16,000 pounds each and classified as modern large ballistic missiles (MLBMs), which we do not possess *and are not permitted to build under the Treaty.* An attempt was made in the "Comprehensive Proposal" put forward by the United States in March 1977 to roll back the Soviets to a limit of 150 MLBMs. This proposal was summarily rejected by the Soviets and was withdrawn from the May 1977 U.S. proposal. It has been argued that "In practice, the United States has no interest in heavy missiles, so this apparent [sic] asymmetry is of little importance." While it may be true that two decades ago the United States found it technologically suitable to build more small missiles rather than fewer large ones, this can hardly make "of little importance" the freezing of a large advantage in missile size while limiting the numbers of launchers. When we have analyzed the other components of the strategic forces under the Treaty, it will be seen that, on the contrary, the large Soviet ICBMs will create instability and a usable margin of Soviet strategic superiority.

It is worth noting also that only fifty SS–18s—about sixteen percent of the total number allowed, with ten warheads in the three-quarter megaton range, would carry more megatonnage than the entire present U.S. Polaris/Poseidon SLBM force. Sixty SS–18s, or twenty percent of the force, would still exceed the U.S. SLBM megatonnage in 1985, after the addition of Trident I in ten Poseidon conversion and seven Ohio-class submarines and less that 70 SS–18s will carry the megatonnage of the entire Minuteman III force in 1985.

### THE SUBLIMITS ON MIRVED LAUNCHERS

Within the overall ceilings of 2,400 and then 2,250, the Treaty provides, again as a heritage of the 1974 Vladivostok guidelines, a limit of 1,320 on the total number of MIRVed ICBM and SLBM launchers, and heavy bombers carrying cruise missiles. Of this number, not more than 1,200 can be launchers for MIRVed missiles (leaving 120 for cruise missile carriers, if either side so chooses). Within the 1,200 there is a further sublimit of 820 on launchers for MIRVed ICBMs. Let us consider the effect of each of these limits, in reverse order. We will focus on the 1985 end-point, which means also on the 2,250 total limit.

### THE 820 MIRVED ICBM LAUNCHERS

"Counting rules" in the Treaty require that any booster of a type on which MIRVs have been tested shall be counted as a MIRVed booster, and any launcher of a type from which such a booster has been launched shall be construed as a launcher for MIRVed ballistic missiles. Thus, the 308 SS–18 silos will count toward the Soviet ceiling of 820. An additional 512 can by 1985 be silos for SS–19 or SS–17s. They are expected to be predominantly SS–19s. The SS–18 has been tested with ten MIRVs, the SS–19 with six, and the SS–17 with four. The 820 Soviet MIRVed ICBMs could carry, then, between 5,128 and 6,152 warheads, and probably will carry close to the latter number.

The United States will have 550 Minuteman III missiles with three warheads each, or a total of 1,650 MIRVs. With the Minuteman II line closed down and MX procurement not yet decided and no longer feasible by 1985, 550 Minuteman IIIs are all the MIRVed ICBMs the U.S. will have deployed at the expiration of the Treaty. (Minuteman III has been tested with seven RVs—the "Pave Pepper" payload—and thus could be so deployed under the Treaty. There are no procurement plans for doing this, however, and doing so with smaller warheads—seventy kilotons versus 170 [or about 300 when the new Mark 12a warhead is deployed]—would not improve the hard-target kill capability of the missile.) A "Common Understanding" in the Treaty says that the U.S. has no plans to and will not deploy more than three warheads.

The significance of MIRVed ICBMs is their prompt hard-target kill capability and their destabilizing potential for improving the strategic balance in a first strike. With a three-quarters megaton warhead and an accuracy expected to reach 0.1 nautical mile 600 feet), about one-third of the Soviet SS–18 force could destroy some ninety percent of the entire U.S. ICBM force. Even if their CEP (circular error probable, or the radius within which fifty percent of the RVs are expected to impact—the conventional measure of accuracy) were only .15 nautical mile, two-thirds of the SS–18 force could achieve the same result, still leaving a force of almost 1,000 SS–18 RV's for attack on other "hard" targets, such as command-control facilities and nuclear weapon storage sites, as well as for the destruction of SLBMs in port and non-alert bombers on the ground (a mission that might be left to SLBMs, with shorter flight times and no need for high accuracy in this role). And there would also remain 512 MIRVed SS–19s and SS–17s with .5- to 1.0-megaton warheads, as well as several hundred unMIRVed ICBMs.

The entire Minuteman III force, in contrast, with Mark 12a warheads on the order of one-third megaton in power, could destroy only about two-thirds of the Soviet ICBM force, thus worsening, not improving, our relative strategic position.

Despite the asymmetry in ICBM forces, this element of instability could be ameliorated or eliminated by reducing the vulnerability of the U.S. ICBM force. This is precisely the objective of the multiple aim point system (MAPS, recently dubbed MPS, for Multiple Protective Structure, by the Air Force). Such a deployment is now being considered (along with the costlier trench and air-launch alternative) for the MX missile. Deferral until this year of the full development and procurement decisions for MX, however, rendered this option irrelevant to the period of the Treaty: MX deployment could now start at the earliest by 1986 and more probably 1987.

What could be done in the early 1980's would be to dig additional silos in the Minuteman fields and to put the Minuteman missiles in cannisters that could be periodically moved about among the silos, along with empty decoy cannisters. The Soviets (and even the U.S. launch crews) would not know which cannister, and silo, held the missile. Thus, they would have to target enough warheads to strike all silos—empty and filled. This scheme has been designated ALPS, for Alternate Launch Point System. It is argued that the cannister, not the silo, would be the launcher (movable but not mobile), and so the prohibition on additional launchers would not be violated. It is doubtful, however, that the scheme would be legal under the Treaty and more doubtful that the Soviets would agree to a finding that it would be legal.

It is sometimes argued that the risk of the vulnerability of the ICBM leg of the Triad can be ignored because of the possibility of launching the ICBM force after the enemy has launched his, but before the attacking missiles arrive. This option, variously formulated as a doctrine of "launch on warning" (LOW), "launch from under attack" (LUA), "launch on assessment," "use 'em or lose 'em," etc., has great appeal to those who believe that "minimum deterrence" will work and to those who believe that it is a virtually cost-free solution, as against costly attempts to build less vulnerable systems. LOW is, however, a terribly dangerous doctrine. No attack assessment system can ever be completely free of the possibility of error, of false alarms, or failure to alarm. Moreover, the doctrine would require virtually automatic operation. Given that attack detection, assessment, and communication would always take some finite time out of the 30 minutes of ICBM flight time, there would be only a few minutes, say 10 or 15, in which the President could decide to give the "go" order. Would we want a President to make such a fateful decision in so few minutes? Certainly, he could have no targeting options. The targeting would have to be pre-programed. Would it be against the enemy silos? We have already seen that during the life of the Treaty the U.S. ICBMs will not be adequate for effective counterforce attack. Moreover, they would be partially wasted on "empty holes"—it is highly unlikely in this timeframe that we would have immediate "empty hole assessment" capabilities that would enable us, if we could retarget, to concentrate our forces on the Soviets' withheld missiles (which they could presumably also launch on warning—and, having initiated the exchange, they could have more reliable warning and more adequate decisionmaking time). In this case or if we attack other targets—population, industry or other military targets—we are automatically escalating the war before we know the enemy's full intentions or the possibility of negotiating some better outcome. The best that can be said for LOW is that it would raise the level of uncertainty in the minds of the enemy; and, therefore, its primary value would be a contribution to deterrence, a value that we should not abjure as a matter of declaratory policy. But surely it is not a doctrine on which we should rest the security of the nation. And surely we should not accept a treaty under which it appeared to offer the only option for attempting to maintain deterrence and crisis stability.

### THE LIMIT ON MIRV'ED SLBM'S

In theory, the entire 1,200 MIRVed launchers could be allocated by both sides to SLBMs. In practice, of course, there will be a preference for allocating launchers first to MIRVed ICBMs, as is implied by the establishment of the 820 MIRVed ICBM launcher sublimit. This preference stems from the greater accuracy (and feasible size, or yield) for ICBM MIRVs under the present state of the art, as well as the greater security and assurance of command, control, and communications for ICBMs than for SLBMs. We have already noted that the Soviets are likely during the life of the Treaty to deploy their full quota of 820 MIRVed ICBM launchers, including the 308 SS-18s, while the United States cannot, because of the closing of the Minuteman III production line and decision delays on the follow-on MX, have more than the 550 Minuteman IIIs deployed during the life of the Treaty.

Thus, the Soviets can deploy up to 380 tubes for MIRVed SLBMs under the Treaty. These could be SS–N–8s, with 4,000-plus nautical-mile range (comparable to the U.S. Trident II which the U.S. may deploy after year) and up to fourteen MIRVs, and SS–N-18s, smaller but already tested at a range of 5,600 nautical miles (in the class of the Trident II which the U.S. may deploy after 1985) with up to seven MIRVs. They can deploy these missiles on the present Delta submarines, carrying sixteen each, and the larger Typhoon, in development and expected to carry two to twenty-four missiles.

The United States already has 496 Poseidon SLBMs deployed, carrying eight to ten MIRVs each, with forty kiloton warheads and a range of 2,500 nautical miles. Ten Poseidon subs are to be backfitted with Trident I missiles between 1980 and 1985, with seven MIRVs of 4,000-mile range and about 100-kiloton yield. In addition, twenty-four Trident I missiles are scheduled to be deployed on each of seven Ohio-class boats. Thus, the United States may have some 664 SLBM launch tubes with up to 5,948 MIRVs, as against 380 Soviet tubes with between 2,660 and 5,320 MIRVs. However, 664 MIRVed SLBMs plus 550 MIRVed Minuteman IIIs would total 1,214 MIRVed missiles, or fourteen over the 1,200 limit. Therefore, unless the Trident program slips so that only six new boats are deployed by 1985, the United States would have to retire one Poseidon boat (sixteen launchers) or fourteen Minuteman III launchers.

In any event, the U.S. would still have some advantage in numbers in the MIRVed SLBM category. However, with their small warheads and being less accurate than ICBM MIRVs, these weapons will not have significant hard-target kill capability. They are useful against soft targets only. This includes airfields. But it should be noted that the Soviets have more military airfields which are more widely dispersed than those in the United States. The SLBM has long been considered the weapon of choice for a bomber-base attack, because of its short flight time, particularly with the use of depressed trajectories (flying lower but faster, at shorter ranges, than with minimum-energy trajectories). But this mission is of little interest to the United States, both because we are unlikely to plan a first strike and because of the greater depth of location of the Soviet strategic bomber bases.

Moreover, while SLBM forces at sea are considered relatively survivable, being hard to find and destroy in a short time, those in port must be regarded as vulnerable to an initial attack. The United States normally keeps some forty percent in port at any one time, which could be brought down to twenty-five percent during a crisis alert. (By comparison, the ICBMs are generally considered to be ninety percent alert, or reliable, as against 45 to 60 percent *reliable* SLBMs at sea.) Thus, SLBM warheads must be discounted in numbers, as well as yield and accuracy, before being counted in the overall effective balance. (The Soviets generally maintain far fewer missile-carrying submarines at sea than the United States but could well generate comparable proportions at sea in a crisis.)

### NON-MIRV'ED BALLISTIC MISSILE LAUNCHERS

There are no fixed limits on non-MIRVed ballistic missile launchers, since the deterrence of 1,050 between the 2,550 strategic nuclear delivery vehicle launcher limit and the 1,200 MIRVed missile sublimit can be utilized for missiles or bombers. However, we can make some first approximations of what can and is likely to happen by 1985.

First, consider single-warhead ICBMs. The Soviets are expected to dismantle over 200 SS–7s and SS–8s—old missiles of the Atlas generation that preceded the U.S. Titan and the Soviet SS–11—in order to reduce its total launchers to 2,250. They appear likely (after considering SLBM and bomber requirements) still to retain 300 to 400 non-MIRVed ICBMs. These could be SS–11s, with about 2,000-pound throwweight and a warhead of approximately one megaton. However, the Treaty permits each side to test and deploy one new ICBM. Moreover, each side will be limited to Modern Small Ballistic Missiles (MSBMs) and Modern Large Ballistic Missiles (MLBMs) no larger in throwweight than their present ones, i.e., about 8,000 and 16,000 respectively for the Soviets (based on the SS–19s and SS–18s), and 8,000 pounds for the United States (based on the Titan II, the United States having no MLBMs and therefore not being permitted any). Thus, the Soviets would have more to gain by using their option for one new ICBM to replace some of the SS–11s than one of their newer MIRVed SS–18s, –19s or –17s, still being deployed.

The Soviets have for several years been known to have a new generation of missiles in development (including component testing), deployable in the early 1980's. One of these could be a new 8,000-pound throwweight missile with a warhead in the 15-to 20-megaton range—a formidable weapon indeed with which to deter a U.S. retaliatory city attack—or large-scale economic attack, which would amount to the same thing. The aggregate power of a force of 300 to 400 such weapons would be on the order of 4,500 to 8,000 megatons.

The United States can, during the period of the Treaty, deploy no new ICBM, as observed above, because of the past unilateral decisions in deploying MX development. It will still have in 1985, therefore, all or most of the 450 Minuteman IIs, of some 2,000-pound throwweight, with a one-megaton warhead, and it may well choose to retain the fifty-four aging Titan IIs, of early 1960's vintage but carrying a warhead of eight-plus megatons, or it may have to restore some of them. Thus, the United States could have 450 to 900 megatons on non-MIRVed ICBMs on launchers—some ten or eleven percent of the Soviet force of this type.

The Soviet Union currently has 792 SLBM tubes deployed and is building several missile-carrying submarines a year. If, as "offloading" RVs or penetration aids is not to be used to permit increased range or depressed trajectories to the same range.

We leave to the verification question whether national technical means of verification can detect variations in the stated characteristics with sufficient precision to make the distinction meaningful. Two observations are relevant here. First, while the Soviets did agree in SALT II to provide a data base as of the date of signing, the data base included numbers only, not figures on the characteristics that are not to vary by more than five percent. Secondly, while each side is limited to the flight testing and deployment of only one new type of light ICBM, the Soviets can deploy their full family of fifth generation ICBMs, the development of which has already been observed and officially announced by the Department of Defense, so long as the changes are asserted and/or observed to fall within the five-percent limit. While it has been argued that this doesn't matter because a five percent difference is not significant, it is clear that the new missiles could include highly significant improvements in characteristics now covered, such as accuracy, reliability, yield-to-weight ratios, and possibly MIRV footprints. Thus, there is a potentially significant asymmetry in this aspect of the Treaty.

### THE CRUISE MISSILE LIMITATION

One-hundred-twenty heavy bombers (1,320—1,200=120) will be permitted to carry an average of twenty-eight long-range (over 600 kilometers) air-launched cruise missiles. An agreed counting rule says that an aircraft is a heavy bomber if it carries a long-range cruise missile. Thus, if a wide-bodied transport aircraft should be adapted to function as a cruise missile carrier, it will be counted as a heavy bomber. The wide-bodied transport has always had serious drawbacks in its prelaunch and offshore vulnerabilities; thus the 28 cruise missiles per heavy bomber average limit probably drives it out of the cruise missile carrier competition altogether.

It has long been pointed out, especially since the June 30, 1977, cancellation of the B–1 bomber procurement, that the United States has a considerable technological lead in cruise missile technology (in guidance technology and miniaturization, and in the efficiency of small turbine engines). However, the Soviets have long deployed numerous types of short-range cruise missiles and have recently been reported to be testing cruise missiles of 1,200-kilometer range, launched from Backfires; and the current U.S. technological lead in cruise missiles, like many others, may prove evanescent. In any event, its significance is limited. The stand-off advantage is worth more to the United States simply because the Soviets have a formidable air defense structure and the United States does not. The impressive accuracy of the cruise missile does give it a hard-target kill capability; but, like the bomber-delivered gravity bomb, this is a slow, not prompt, kill capability and is subject to degradation by the Soviet air defenses. (Neither point has been allowed for in recent Administration comparisons of U.S. and Soviet hard-target kill capabilities in 1985—nor has the fact that the Soviet Union has at least twice as many hard targets as the United States.)

The Protocol to the Treaty bans all ground- and sea-launched cruise missiles of greater than 600-kilometer range (324 nautical miles). The Treaty also provides that the parties shall not circumvent the Treaty through arrangements with any other states. This implies the non-transfer of cruise missile technology to U.S. allies.

### BOMBERS

There is no limit per se on the numbers of bombers. Since they are, however, included under the total launcher limitations of 2,400 and 2,250, their ultimate deployments under the Treaty can be assumed to be 2,240 less the numbers of ICBM silos and SLBM launcher tubes. From the numbers cited above, recapitulated in Table I, the Soviets could have anywhere from 100 to 200 bombers and the United States from 452 to 500 in 1985. The permitted cruise missile carriers of up to 120 would be included in these numbers.

In the Memorandum of Understanding . . . regarding the Establishment of a Data Base on the Numbers of Strategic Offensive Arms, the Soviets gave their June 18, 1979, inventory of heavy bombers as 156; the United States, 573. However, while the Soviet bombers are aging Bears and Bisons, they have three new heavy bombers under development. These include one with variable-geometry wings and characteristics similar to those of the B–1, and one with fixed wings and optimized for long-distance, high-altitude subsonic flight. (While the Soviets have no present need for a low-level penetrator in view of the current air-defenseless condition of the United States, the former aircraft presumably represents a hedge against a U.S. redeployment of air defenses.) Thus, the Soviets could replace their old bombers and add more by 1985. In addition, of course, they have the refuelable Backfire B, not covered by the Treaty but only by the appended statement by President Brezhnev to President Carter to the effect that the Backfire is a medium-range bomber, that the Soviets will not increase its radius of action to enable it to strike targets in the United States, and that they will not increase its production rate ("confirmed" by President Brezhnev not to exceed thirty per year).

In contrast, the U.S. figure of 573 includes 230 B–52s in mothballs and simply unrecoverable for combat use. This misrepresentation of U.S. assets can only be for the domestic purpose of creating the illusion that we do indeed have almost the permitted number of vehicles and approximate equality with the Soviets. The B–1 has been canceled. Unless its procurement is reinstated in Fiscal Year 1980, it will probably not be feasible to offset further attrition of the aging B–52s during the life of the Treaty. Thus, shown in Table I, the United States will not be able to deploy the permitted total of 2,250 launchers in 1985.

### OTHER LIMITATIONS

There are certain other provisions of the Treaty of some significance for our evaluation.

It is agreed that no land-based launchers for other than ICBMs will be converted to launchers for ICBMs, nor tested for this purpose. It is undesrtood that this provision covers specifically the SS–20, a mobile intermediate-range ballistic missile (IRBM) consisting of the first two stages of the SS–16 ICBM. Since IRBMs are included in the non-central "gray area systems" that are not covered in the Treaty, as noted in the introduction, there is a potential for the addition of SS–16 third stages to convert SS–20s rapidly into ICBMs. (They could also be converted into ICBM-range missiles by the offloading of some of the warheads, since the missile is MIRVed.) There is a Common Understanding that the USSR will not produce, test or deploy SS–16s, and will not produce third stages for that missile. If verifiable, this is a provision of some importance for the United States, since such conversion of the SS–20 could greatly worsen the already adverse balance that would be codified by the Treaty.

Other provisions prohibit the placing of launchers on the seabeds (including inland waters) or in the subsoil thereof, and the testing or deployment of fractional-orbit bombardment systems (FOBS)—or systems that enter orbit but are deorbited to targets before they complete one orbit—a system tested by the Soviets in the past and heretofore considered ambiguous in terms of the prohibition on weapons of mass destruction in space under the Treaty on Outer Space.

There is also a statement of intent that the parties will enter into negotiations as soon as possible with the object of concluding a new treaty on strategic offensive arms (SALT III) before the expiration of the present Treaty in 1985. The statement of negotiating principles and objectives is separate, however, and so is not considered here in its specifics. Two points must be reiterated, however. First, experience under SALT I and in SALT II negotiations has demonstrated that it is difficult to improve one's position by negotiating on matters that have been conceded in an agreement. And second, Executive proposal and Congressional enactment of such unilateral measures as might be taken during the life of the Treaty to improve the strategic balance are likely to be inhibited, not furthered, by the signing and ratification of the Treaty, which would tend to support the position and feeling that an acceptable balance had been struck and would be preserved by the Treaty.

### THE IMPLICATIONS OF SOVIET THROWWEIGHT

The numbers of launchers on each side by 1985, see Table I, have been translated into estimated throwweight in Table II. ("Throwweight" is the useful weight that can be lifted into space by a ballistic missile, including the "bus" for MIRVs and possible penetration aids, in addition to warheads. For aircraft, an equivalent throwweight has been estimated by calculating the throwweight of ICBMs carrying warheads of yields comparable to those in the anticipated loading of the aircraft.)

### NUMBER OF WARHEADS

As Henry Kissinger pointed out, it is not throwweight but warheads that kill and destroy. But it is throwweight that enables warheads to be deployed and delivered. Table III gives estimated numbers of warheads that can and are likely to be deployed, showing the dramatic loss of U.S. superiority in numbers of warheads by the end of 1985, as the Soviets exploit their huge advantage in ICBM throwweight, a process already well under way.

The key point is that, while the United States may possibly still be marginally or even significantly ahead in total numbers of warheads in 1985, this will only be because the manifold Soviet advantage in ICBM warheads will be balanced by U.S. SLBMs. This is truly comparing apples and oranges, or rather, watermelons and grapes, for several reasons:

1. Soviet ICBM warheads, including those in MIRVs, have yields several times those on U.S. ICBMs (except for the fifty-four aging and inaccurate Titan IIs. At ½-to-1, and more, megatons, Soviet warheads are orders of magnitude more powerful than the 40-kiloton Poseidon warheads that will still dominate our SLBM force in 1985. They are several times as powerful as the Trident I and cruise missile warheads (about 200 kilotons). Table IV shows the aggregate Soviet megatonnage advantage of six-to-one in MIRVed ICBMs and between two-to-one and four-to-one overall.

2. ICBMs are far more accurate than SLBMs and are likely to remain so during the life of the Treaty. They therefore have a "hard-target kill capability" that SLBMs do not, as well as a prompt-capability against time-urgent targets that bomber-delivered weapons do not have.

3. ICBMs are considered to be about ninety percent "alert," that is, except for reliability problems, common to all weapons, ICBMs on launchers are all available for use. In contrast, only SLBMs at sea are available, since those in port (¼ to ½ of the force, depending on alert status) are highly vulnerable to attack. Similarly, only bombers, including cruise missile carriers, that are airborne or on "strip alert"—ready to take off on very short notice—can be counted. As in the case of SLBMs, bombers on the ground and on the runways are highly vulnerable. Moreover, bombers must face defenses as they approach their targets, and these defenses are currently very heavy in the Soviet Union and negligible in the United States.

### HARD-TARGET KILL POTENTIAL

In view of the above reasons for not adding up different kinds of warheads, Pentagon and other defense analysts often calculate the hard-target kill potential of the various types of warheads before adding them up. There are several alternative formulas for this calculation that take account of variations in yield and in accuracy. Most commonly, the hard-target kill potential of a given weapon is measured by $Y^{2/3}/(CEP)$,[2] where Y equals yield in megatons, and CEP circular error probable, in feet or a fraction of a nautical mile—that radius of a circle within which fifty percent of repeated shots may be expected to fall. Such calculations show even greater ratios in favor of the Soviets for ICBMs, but lower ratios overall, than do the warhead numbers and megatonnage comparisons. We do not consider this an appropriate calculation, both because of the above factors that make ICBM/SLBM/bomber comparisons invalid and because that comparison implies a symmetry between the targets in the United States and the Soviet Union that does not exist. In the real world, Soviet hard targets are more numerous (perhaps double) and on the average harder than those in the United States. Strategic forces—in deterrence posture or in conflict—cannot be compared as in a skeet shoot, where each contestant has identical targets and the same number of shots. On the contrary, they must be compared in terms of the actual differences in their targets as well as in the characteristics of the weapons and the conditions, or scenarios, of their use.

### SOFT-TARGET KILL POTENTIAL

In Table IV, we compared the forces in megatonnage, and we have noted earlier that the overall Soviet advantage is understated because of the asymmetry in air defenses. We would add that most scenarios, quite properly, in our view, assume that the Soviets reap the advantage of striking first and further increasing their relative advantage. But again, Government and other analysts often make a further calculation, adjusting megatons (MT) to "equivalent megatons" (EMT) by a formula that reflects the fact that the destruction of "soft" targets—people, buildings, etc.—does not increase in proportion to the yield of the weapon used but only in proportion to the two-thirds power of that yield. This calculation makes the smaller U.S. warheads look somewhat better, though still far from equal: but again the adjustment is a rationalization rather than a correction, because:

1. The killing of people, measured in tens of megadeaths, should not be the object of war; and

2. If people and industry are indeed the targets, then the comparison must also take account of the Soviet civil defense program, which has no significant counterpart in this country. However uncertain the effectiveness of U.S. and Soviet civil defense programs may be, there is certainly a great asymmetry that must influence both calculations for deterrence purposes and outcomes if deterrence fails. This asymmetry cannot be redressed by 1985, both because the United States is not likely to undertake anything like the Soviet level of effort in this area, and because the Soviets have had large civil defense programs for many years, and civil defense assets—e.g., personnel shelters and hardened equipment—have very low obsolescence rates, so that the cumulative effects of long-term programs are very great.

3. If the ultimate test is indeed that of capability for assured destruction in all-out nuclear exchange, then the importance of fallout justifies the use of megatons, to which fallout is proportional, all other things being equal, rather than EMT.

### CONCLUSIONS

To recapitulate, on the basis of the above analysis, that the Treaty is not only inequitable and defective but also profoundly dangerous for U.S. security, because:

It concedes advantages to the Soviet ICBM force that create crisis instability. In a deep crisis in the 1980's, the Soviets might be tempted to further increase their advantage with a counterforce first strike, while withholding forces of such magnitude as surely to deter use of surviving U.S. retaliatory forces.

It concedes such a great asymmetry in strategic offensive forces as to create the potential for Soviet diplomatic coercion of the United States and its allies (arguably already started), including coercion of the United States to accept more unfavorable limits in SALT III and not to undertake programs, in or out of the SALT domain, to redress the balance. This asymmetry will also weaken the inhibitions on nuclear proliferation by Third World countries that have in the past relied on the U.S. nuclear deterrent.

By the omission of controls on "gray area systems"—Backfire, SS–20, and other systems that can potentially be used against the U.S. as well as its allies—it perpetuates risks for our allies and creates additional possibilities for avoidance of SALT limitations by the Soviet Union.

By the omission of strategic defenses—air defense, civil defense, antisatellite capabilities—it exacerbates the effects of the above-noted asymmetries in strategic offensive forces, increasing crisis instability and the potential for Soviet diplomatic coercion.

By limiting launchers only, and not vehicles or warheads, it leaves upon the possibility of massive Soviet breakout from the Treaty or of massive surprise upon the expiration of the Treaty.

TABLE I.—LAUNCHERS FOR STRATEGIC NUCLEAR DELIVERY VEHICLES PERMITTED AND FEASIBLE UNDER SALT II TREATY

[End of 1985]

| | United States | U.S.S.R |
|---|---|---|
| Launchers for: | | |
| MIRVed ICBM's | 536-550 | 820 |
| of which MLBM's (SS-18) | 0 | (308-326) |
| MIRVed SLBM's | 650-664 | 380 |
| Total MIRVed missiles | 1,200 | 1,200 |

TABLE I.—LAUNCHERS FOR STRATEGIC NUCLEAR DELIVERY VEHICLES PERMITTED AND FEASIBLE UNDER SALT II TREATY—Continued

[End of 1985]

| | United States | U.S.S.R' |
|---|---|---|
| Launchers for: | | |
| UnMIRVed: | | |
| ICBM's | 450–504 | 380–580 |
| SLBM's | 80 | 270–570 |
| Total | 530–584 | 850–950 |
| Total ballistic missiles | 1,730–1,784 | 2,050–2,150 |
| Heavy bombers: | | |
| With Cruise missiles | 120 | 0–120 |
| Without Cruise missiles | 100–220 | [1] 100–200 |
| Total | 220–340 | [1] 100–200 |
| Total MIRVed launchers and Cruise missile carriers | 1,320 | 1,200–1,320 |
| Grand total | 1,950–2,070 | 2,250 |

[1] Excluding Backfires—estimated at 375 by the end of 1985.

TABLE II.—THROWWEIGHT PERMITTED AND FEASIBLE UNDER SALT II TREATY

[End of 1985; millions of pounds]

| | United States | U.S.S.R. |
|---|---|---|
| On launchers for: | | |
| MIRVed ICBM's | 1.3 | 10 |
| of which MLBM's (SS–18) | 0 | (5) |
| MIRVed SLBM's | 2.1–2.2 | 1.4) |
| Total MIRVed missiles | 3.4–3.5 | 11.4 |
| UnMIRVed: | | |
| ICBM's | 1–1.5 | 2.3–3–5 |
| SLBM's | .1 | .5–1.0 |
| Total | 1.1–1.6 | 2.8–4.5 |
| Total ballistic missiles | 4.5–5.1 | 13.2–15.9 |
| Heavy bombers: | | |
| With Cruise missiles | 2.2 | 0–2.2 |
| Without Cruise missiles | 1.4–3.0 | [1] 1.1–2.2 |
| Total | 3.6–5.2 | [1] 1.1–3.3 |
| Total MIRVed launchers and Cruise missile carriers | 5.6–5.7 | 11.4–13.6 |
| Grand total | 7.9–10.3 | 14.3–19.2 |

[1] Excluding Backfires.

TABLE III.—WARHEADS PERMITTED AND FEASIBLE UNDER SALT II TREATY

[End of 1985]

| | United States | U.S.S.R. |
|---|---|---|
| On launchers for: | | |
| MIRVed ICBM's | 1,650 | 5,640–6,052 |
| of which MLBM's (SS–18) | 0 | (3,080) |
| MIRVed SLBM's | 5,152–5,312 | 3,752–5,320 |
| Total MIRVed missiles | 6,802–6,962 | 9,393–11,372 |
| UnMIRVed: | | |
| ICBM's | 450–504 | 380–580 |
| SLBM's | 240 | 270–570 |
| Total | 690–744 | 750–850 |
| Total ballistic missiles | 7,492–7,706 | 10,142–12,222 |
| Heavy bombers: | | |
| With Cruise missiles | 3,360 | 0–3,360 |
| Without Cruise missiles | 800–2,640 | [1] 400–800 |
| Total | 4,160–6,000 | [1] 400–3,920 |
| Total MIRVed launchers and Cruise missile carriers | 10,162–10,322 | 9,392–14,732 |
| Grand total | 11,650–13,700 | 10,542–15,282 |

[1] Excluding Backfires.

TABLE IV.—MEGATONNAGE PERMITTED AND FEASIBLE UNDER SALT II TREATY

[End of 1985; thousands of MT]

| | United States | U.S.S.R. |
|---|---|---|
| On launchers for: | | |
| MIRVed ICBM's | 0.4 | 4.3 |
| of which MLBM's (SS–18) | 0 | (2.3) |
| MIRVed SLBM's | .4 | .5 |
| Total MIRVed missiles | .8 | 4.8 |
| UnMIRVed: | | |
| ICBM's | .5–1 | 5 |
| SLBM's | .1 | .5–1 |
| Total | .6–1.1 | 5.5–6 |
| Total Ballistic Missiles | 1.4–2.9 | 10.3–10.8 |
| Heavy bombers: | | |
| With Cruise missiles | .7 | 0–.7 |
| Without Cruise missiles | 1.6–3.6 | [1] 1.6–3.2 |
| Total | 2.3–4.3 | [1] 1.6–3.9 |
| Total MIRVed launchers and cruise missile carriers | 2.2–3.7 | 6.4–8.7 |
| Grand total | 3.7–6.6 | 11.9–14.7 |

[1] Excluding Backfires.

## ANALYSIS OF THE PROTOCOL, JOINT STATEMENT OF PRINCIPLES, AND THE SOVIET BACKFIRE STATEMENT

(By WILLIAM SCHNEIDER, JR.)

The 1979 Treaty on the Limitation of Strategic Offensive Arms has been in negotiation since October 1972 when the first-round Interim Agreement on Offensive Arms (SALT I) was ratified. In November-December 1974, President Ford and Soviet General Secretary Leonid Brezhnev agreed to a structure for the second-round strategic arms agreement (SALT II). This structure embodied a three-tiered agreement corresponding to the specificity or duration of the terms.

The first element, the Treaty limiting offensive arms was to replace the Interim Agreement on offensive arms which expired in October 1977. The new Agreement, to expire on December 31, 1985, is supplemented by two additional elements that are considered integral to the Treaty. These are the Protocol to the Treaty on the Limitation of Strategic Arms to run through December 31, 1981, and the Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms. The Protocol is intended to encompass areas of the Soviet-American strategic arms competition in which "permanent" agreement could not be reached, or where the evolutionary stages of new types of military technology leave both sides uncertain as to how such developments should be taken into account in the permanent agreement. The Joint Statement of Principles is a statement by the parties of their intent in negotiating a third-round SALT Agreement (SALT III).

Not envisioned in the 1974 Ford-Brezhnev summit conference (the Vladivostok Accords) was an additional document composed of two unilateral statements. The first is a statement of intent (in the form of a letter) by the Soviet Union with regard to improvements in its strategic bomber, the Tu-22M Backfire (previously identified in the Western press as the Tu-26 or Tu-30). The second is a U.S. unilateral statement which reports on a verbal assurance given to President Carter by President Brezhnev at the Vienna summit conference to the effect that the annual production rate of the Backfire would not "exceed thirty per year."

The duration of the Protocol, an issue independent of the content, has been a major focus of concern during the last two years of negotiation between the U.S. and the Soviets. Although the Protocol was supposed to last for three years (through December 31, 1980), the U.S. negotiating position withered rapidly as the ability of the parties to conclude an agreement on a treaty to replace the Interim Offensive Forces (IOF) Agreement prior to its October 1977 expiration receded.

Under the defense program proposed by President Ford in the Fiscal Year 1977 and 1978 budgets, the original period of the Protocol's duration would not have interfered with U.S. strategic programs, but the extension of the Protocol well into Fiscal Year 1982 would have interfered with the availability for flight testing or deployment of strategic ground- and sea-launched cruise missiles, and the MX ICBM program based on the level of defense expenditure proposed by President Carter. The Carter Administration resolved this issue, however, by slowing down the development of the ground- and sea-launched cruise missiles (in the FY 78 and 79 DoD budgets), and by delaying a full-scale engineering development decision on the MX ICBM program for more than thirty months. A decision on the basing mode for the MX is due by the end of FY 79.

The result of the administration's decisions to slow the development of U.S. strategic programs has been to delay significantly the modernization of U.S. strategic forces. The MX program will not achieve full operational capability (FOC) until 1990. The ground- and sea-launched cruise missile will not be available to either U.S. forces or for transfer to U.S. allies until FY 84 or later. Only the air-launched cruise missile will be available earlier, but restrictions on deployment accepted by U.S. negotiators limit its deployment to heavy bombers; for the foreseeable future this means the B–52. Although the cruise missile has undergone most of its flight tests launched from a tactical aircraft (a Navy A–6 carrier-based attack aircraft), its deployment in this mode is prohibited. This prohibition will reduce the usefulness of a highly promising technological development to the U.S.

A more subtle issue associated with the duration of the Protocol can be considered in two parts: (a) will the U.S. acquiesce in a Soviet demand to extend the Protocol's duration to overlap with the duration of the Treaty; and (b) if the Protocol is not formally extended, what will be its precedential value in influencing the course of post-Protocol negotiations?

The Soviets have made no secret of their expectation that the Protocol will be extended. This view has been communicated to virtually every official U.S. visitor to Moscow, as well as having been emphasized in Soviet press commentary on SALT. An interesting logical issue is raised by this discussion, namely, what end is served by the U.S. signing a document restricting its behavior when it cannot engage in the restricted behavior during the period of the Agreement? The most reasonable expectation aroused by such an agreement is that the U.S. will accept *some* of the Protocol's restrictions in the post-Protocol period, otherwise why should any restriction have been accepted in the first instance? As we have seen in Presidential statements, a voluntary abstention from engaging in behavior restricted by the Protocol is a plausible alternative. President Carter has indicated that he would "comply" with the strictures of SALT, even if the Agreement were rejected by the Senate in that he would not approve budget requests for strategic systems incompatible with the terms of SALT II. The failure of the President to proceed with the development of the ground- and sea-launched cruise missiles, when their development cycle would be completed during the period the Protocol is in force, lends support to this view.

The precedential value of the Protocol is an issue likely to be in continuous dispute following ratification of the Agreement. According to statements of intent by both parties, negotiations are to resume immediately upon ratification of SALT II for a subsequent agreement. If the Protocol is extended formally as the Soviets expect, limitations agreed to will remain through 1985 and will undoubtedly influence the course of post-1985 military modernization.

The problems created by SALT II for alliance affairs in particular would be more severe if there was an informal extension of the Protocol beyond 1981. Not only would the U.S. be denied the ability to deploy mobile land-based ICBMs to assure the survival of a major element of its own strategic forces, but it would continue to be denied the ability to transfer cruise missile technology to its allies as a means of offsetting the growth of those threatening Soviet systems which are allowed to grow without limit (e.g., the SS–20 mobile intermediate-range MIRVed ballistic missile,) or at the limit of current Soviet production capacity (the Tu–22M Backfire bomber). Friction with U.S. allies would be likely to emerge if the U.S. had the legal right to transfer such technology, but abstained out of a desire to affect the course of third-round SALT negotiations.

The most difficult-to-evaluate aspect of the duration of the Protocol is the effect the Agreement will have on post-Protocol negotiations. The Joint Statement of Principles emphasizes achieving further quantitative as well as qualitative reductions in strategic arms. The most likely candidates for reductions are systems already limited in SALT II. As a result, one could expect that the Soviets would take a strong position in the post-Protocol period on gaining further limitations on systems controlled by the Protocol, even if the Protocol had not been formally or informally renewed. Because the Administration agreed to limit systems during the Protocol after showing no enthusiasm for accelerating the deployment of systems controlled by SALT II during the period of negotiation, legitimate doubts can now be raised about the bargaining "leverage available to U.S. SALT III negotiators as a result of these decisions. Arms control agreements reflect reality: the Soviets have achieved a substantial numerical advantage in SALT, in large-measure because their strategic modernization program gave them the bargaining leverage over the United States to exact formal recognition of their numerical superiority in both SALT I and SALT II. When faced with the prospect of negotiating SALT III in an environment where the United States had not yet begun to deploy systems limited by the SALT Protocol, it is most unlikely that the United States will be able to win terms in SALT III which do not carry with them some of the restrictions we have accepted on systems controlled by the SALT II Protocol.

### THE PROHIBITION OF LAND-MOBILE ICBM'S AND AIR-TO-SURFACE BALLISTIC MISSILES

The Protocol to the Treaty on the Limitation of Strategic Offensive Arms is composed of our articles in where are five "Common Understandings" and four "Agreed Statements." The use of Common Understandings and Agreed Statements is intended to circumvent the difficulties encountered in SALT I with the use of unilateral statements and interpretations made by the United States regarding its expectations about Soviet compliance (primarily to reasssure the Congress) which were later denounced de facto by the Soviets when they proceeded to modernize their strategic forces in a manner contrary to U.S. unilateral statements (on the grounds that they had never assented to them). In summary form, the Protocol is a document which, as an integral part of the Treaty, prohibits the flight testing or deployment of land-mobile or air-mobile intercontinental ballistic missiles, and the flight testing or deployment of ground- and sea-launched cruise missiles through 1981.

These two areas of limitation strike directly at the modernization, currently underway, of two of the three elements of the U.S. strategic nuclear Triad (land-based ICBMs, submarine-launched ballistic missiles, and air-breathing delivery systems). So the details of these limitations deserve careful analysis of their relevance to the future limitations of American security and the security of nations with which we are allied.

Articles I and III of the SALT II Protocol explicitly prohibit the U.S. from flight testing or deploying land-mobile ICBMs and air-to-surface ballistic missiles. The only systems that could meet the land-mobile criterion are the proposed MX and Minuteman II when deployed in a mobile mode. The deployment modes currently under review are not, strictly speaking, mobile; rather they are transportable. The pattern of deployment does not make the missiles (either MX or Minuteman) substantially more mobile than they are at present; merely that the number of shelters in which they can be deployed would be increased four-fold to improve the likelihood that sufficient missiles could survive a Soviet first strike to assure the maintenance of deterrence.

The prohibition of land-mobile ICBMs affects the United States because it impinges directly upon current U.S. programs to deploy a survivable intercontinental ballistic missile system to replace the fixed-point silo-based Titan/Minuteman ICBM systems which have been deployed since the early 1960's. As a consequence of the evidence gained through the course of the Advanced ICBM Program, a major Air Force research and development effort, three principal candidate systems for a survivable ICBM basing mode and a host of alternative missiles have been developed that would be suitable for a survivable ICBM system. All of the proposed basing modes involve alternative schemes to sustain uncertainty as to the precise location of the missile within a confined area.

In one scheme known as the "vertical shelter" basin mode, 200 to 250 MX ICBMs would be deployed at random in a field of approximately 4,000 silo-like concrete shelters. These shelters, with a blast resistance of approximately 1,000 pounds per square inch would require the expenditure of virtually the entire Soviet ICBM arsenal likely to be deployed by the mid to late 1980's to destroy all of them. Under present circumstances, the current Minuteman deployment would require the expenditure of less than 20 percent of the throwweight of the Soviet ICBM force, thereby leaving the Soviets with a second-strike capability of more than 4,000 to 6,000 warheads for purposes of threatening U.S. urban-industrial areas and otherwise deterring a U.S. retaliatory strike.

An alternative basing mode for a survivable ICBM is known as the "hybrid trench" that would move a similar number of ICBMs randomly through a series of hardened trenches covered with approximately five meters of concrete and earth overburden to insure the positional uncertainty of the missile's location. Thus, for an adversary to execute a successful attack on the system, the entire trench structure involving up to 3,000 linear miles of trenches would have to be brought under attack, causing a similarly large expenditure of the Soviet ICBM inventory.

Both systems are regarded as feasible by the U.S. Air Force and its principal advisory bodies, the U.S. Air Force Scientific Advisory Board and the Department of Defense Science Board, with the vertical shelter preferred on cost-effective grounds.

A third alternative basing mode has been proposed by the National Security Council reflecting the President's concern that the preferred solutions from the perspective of cost and military effectiveness may be incompatible with the terms the U.S. has accepted in SALT II, relating to the construction of additional ICBM launchers and the prohibition on concealment measures which impede verification, respectively contained in Articles II and XV of the Treaty. The details of the alternative proposal would allow the ICBM to be moved on a wheeled transporter to various hardened points located between 3,000 and 7,000 feet apart. Verification by Soviet national technical means (NTM) would be assured through limitations on access to the deployment area, and the movement of the missile in an open area between the hardened points. This system will cost $10 billion more than either the vertical shelter or hybrid trench deployment modes. This represents a "cost" of the ratification of SALT easily overlooked. To comply with the terms of SALT, we are obliged to invest more in defense to preserve our deterrent.

The ban of mobile systems in Article I of the Protocol is widely perceived to inhibit the U.S. deployment of a new ICBM (or the redeployment of an existing ICBM) in a multiple protective shelter (MPS) mode. This perspective persists despite the fact that Soviet opposition, expressed by a former Soviet SALT Ambassador Semyonov has been dismissed as "unofficial." The fact that the Administration has on many other occasions at the Strategic Arms Limitation Negotiations taken the statements of senior Soviet negotiators as "official" statements of Soviet policy has given rise to suspicions by many observers that once Soviet opposition is formally expressed, the United States will, after having ratified the Treaty, be obliged to suspend its deployment of an ICBM based in a multiple protective structure mode. Indeed, some cynical observers of the SALT ratification process have described the Administration's dismissal of the Semyonov objection as a mere strategem to tranquilize Congressional critics, a maneuver to mask the Administration's well-known hostility to the deployment of an ICBM force in a multiple protective structure.

A related SALT-oriented complication is the ambiguity of a launcher definition expressed in Article II of the Treaty. When ICBMs were only deployed in silos and their associated launch equipment was mounted in the silo, a launcher was identical to a silo, and consequently posed few problems for arms control negotiators. The Soviet development of cold-launching techniques for its SS–17 and SS–18 ICBMs has tended to diminish the significance of the "launcher" definition, because of the possibility of refires from an existing silo. With conventional "hot-launch" techniques, it is not feasible to refire a missile from a single silo without days or weeks of preparation because of the destruction wrought within the silo by the ignition of the rocket motor. The possibility of a mobile deployment by the Soviets of the type proposed for the MX missile poses additional definitional difficulties. This is due to the fact that the ICBM cannister, that is part of the complex that is routinely transported on an overland transporter, carries with it all the necessary equipment to launch the ICBM. Hence, strategic arms limitation constraints on "launchers" is rendered more difficult to apply under circumstances where a survivable ICBM is required.

In this regard, it is important to note some elements of the negotiating history of SALT II that have brought this difficult situation to pass. Under the terms of SALT I, the Congress was led to believe that the U.S. intended to stick by its definition of a light and heavy missile. That is, a "light missile" was to be a missile no larger than the largest light missile deployed at the time SALT II was ratified, October 1972. At that time, the light missiles for the Soviet Union and the United States were respectively the SS–11 with a 1,500 pound throwweight and the Minuteman III with a throwweight somewhat larger. The Soviet heavy missile, the SS–9, with a throwweight of approximately 12,000 pounds was deployed in more modest numbers (326 heavy missile silos for SS–9s and SS–18s are currently active) though the United States was to be allowed no heavy ICBMs. The current Soviet light missile, the SS–19, is now 7,500 pounds, five times the throwweight of the SS–11.

Had the United States retained or enforced the provisions it led the Congress to believe it was insisting upon, the need for a multiple protective structure basing mode would not exist, because the Soviet Union could not deploy sufficient numbers of re-entry vehicles within an ICBM of only 1,500 pounds throwweight to provide a high-confidence threat to Minuteman. The consequence of seven years of diminishing concern with the survivability of the ICBM force has now provided that threat which makes a multiple protective structure basing mode or a similar survivability basing mode a necessity.

The ban on the deployment of a mobile ICBM for the duration of the Protocol inhibits the United States from exploiting its most promising alternatives to assure the survivability of its ICBM force. As a consequence, the United States is faced with three relatively unpalatable alternatives. These alternatives are, first to change its firing doctrine to a posture that has been rejected for more than two decades, namely, to launch U.S. ICBMs under attack or as a consequence of the assessment of an imminent strike on U.S. ICBMs. The difficulties with this posture are legion, and more fully described elsewhere; but one need only read the "accidental war" debates of the 1950's and 1960's to appreciate the increased chance for nuclear war that a launch-under-attack assessment posture would encourage. Moreover, there is the obvious military problem that is infrequently addressed in these discussions (of a launch-on-warning firing doctrine), namely, at what target does one direct the ICBMs so launched? If they are directed at the adversary's urban-industrial centers, it leaves untouched thousands of ICBM and SLBM warheads that would be capable of executing swift and devastating retaliation against U.S. urban-industrial areas. If they are directed at military targets such as ICBM silos and air bases, they might strike "empty" targets, because sufficient time would not have been allowed to determine what forces the Soviets have expended. Hence, the "empty hole problem" with the prospect that some and possibly most, U.S. ICBMs employed in instant retaliation would contribute nothing to the retaliatory purpose to which they were directed—and, needless to say, nothing to prewar deterrence as well.

A second alternative would be to deploy an active defense (i.e., antiballistic missiles) in the vicinity of U.S. ICBM complexes to defend them against Soviet ICBM warheads. The technology to do so is now far more promising than it was in 1972 when the ABM Treaty was ratified, even against the greater-than-expected Soviet threat which has emerged subsequent to SALT I, and could enable the United States to deploy a medium- to high-confidence ABM system for the protection of Minuteman ICBM's by the mid-1980's. Nevertheless, this would require either a renegotiation or an abrogation of the ABM Treaty, an option that is singularly unattractive to the current Administration.

The third alternative, if a survivable ICBM is not to be deployed, is simply to eliminate one element of the Triad—the element that is perceived by some to be the sole source of instability in current U.S. strategic forces. What is unknown about such a posture (a "dyad") is the consequences of allowing the Soviet Union to focus its entire investment in strategic forces on the suppression of two rather than three elements of the strategic Triad. Soviet ICBMs, freed from the burden of having to attack U.S. Minuteman sites, could be efficiently used for barrage attacks against U.S. submarines at sea.

It should be noted as well, however, that the Soviet Union already has deployed a mobile ballistic missile that has an intercontinental potential. This missile, the SS–20, is currently described as an intermediate-range ballistic missile because its range, 2,500 to 3,500 nautical miles at its maximum payload, meets the definition of "intermediate range." This range limitation emerges as a consequence of the heavy payload the Soviets have deployed on the missile, a three-warhead MIRV package. Its range could be increased to more than 5,000 nautical miles, well in excess of the "strategic" definition in the SALT Treaty (5,500 kilometers or approximately 3,200 nautical miles) by the use of a light-weight single nuclear warhead. In addition, because the SS–20 is simply the first two stages of a currently deployed ICBM, the SS–16, the United States could face a "breakout" problem of major proportions if the Soviets were able to covertly construct SS–16 third stages, storing them for deployment during a crisis while being able to deploy in large numbers SS–20s within the terms of the Agreement. The verification prospects for this dimension of Soviet activity are poor.

SALT advocates have pointed to the fact that the United States has no firm commitment to extend the SALT Protocol, and hence it would be free to resume its efforts to deploy a survivable ICBM following the expiration of the Protocol. Considerably more persuasion is required however to make the case that accepting the risks of a limitation on the deployment of a survivable land-based ICBM system is worth the potential benefits. On this point, SALT advocates have failed to make their case.

## LIMITATIONS ON TESTING AND DEPLOYMENT OF CRUISE MISSILES AND REMOTELY PILOTED VEHICLES

Cruise missiles entered the SALT negotiating process relatively late in its history. Although the Soviets have had cruise missiles in their inventory for many years as a major element of their naval aviation units and long-range aviation, cruise missiles were a relatively modest component of the U.S. strategic forces. After considerable experimentation with cruise missiles in the 1940's and 1950's (including the intercontinental Regulus submarine-launched cruise missile), the United States focused its attention on cruise missiles as aids to bomber penetration. Until the short-range attack missile (SRAM) was deployed in the late 1960's, the Hound Dog air-to-surface cruise missile was deployed with a range of 700 kilometers, but was notably less accurate than can be achieved with modern technology.

Following the signing of the Strategic Arms Limitation Agreements in June 1972, the Nixon Administration submitted a supplemental appropriation request for several R&D initiatives including work on an advanced cruise missile for strategic use. The R&D program was intended to build upon technological innovation that had emerged in the course of the development of tactical drone aircraft in the Vietnam conflict. In particular, the Williams turbo fan engine made possible the prospect of constructing an air-breathing missile that could be capable of long ranges and yet fit within the constraints of a standard 21-inch torpedo tube permitting submarine launch. Cruise missiles actually became a focus of discussion in the Strategic Arms Limitation Talks in the aftermath of confusion that emerged following the 1974 Ford-Brezhnev Vladivostok summit conference. Restrictions were offered that were intended to provide limits on air-launched "missiles." Although the United States specifically intended the application of this clause in the Vladivostok discussions to apply only to air-launched ballistic missiles, the Soviets sought to have the concept applied to both cruise and ballistic missiles. As a consequence, there was protracted discussion over the content of limitations on air-launched cruise missiles, and discussion was subsequently extended to include both ground- and sea-launched variants as well.

The question of the content of restrictions on cruise missiles assumed a new level of importance after June 30, 1977, when the Carter Administration made a decision to terminate production of the B–1 aircraft, a proposed supersonic penetrating bomber to replace the B–52. As a consequence, the air-breathing "leg" of the Triad would eventually become dependent on the penetrability of cruise missiles as the primary means of nuclear delivery rather than as a secondary or supporting means of nuclear delivery for the penetrating manned bomber. The manned penetrating bombers, the B–52 and FB–11, currently carry more than 50 percent of the deliverable megatonnage in U.S. strategic forces. The shift to a heavy emphasis on cruise missiles has resulted in a dramatic reduction in the megatonnage deliverable by an aerodynamic vehicle in the mid-1980's and beyond. Hence, the constraints which have emerged in SALT pertinent to cruise missiles have assumed the utmost importance.

From 1974 until October of 1978, rigorous restrictions were proposed for cruise missiles, particularly in regard to range limitations. The range on air-launched cruise missiles was to be limited to 2,500 kilometers, and the range of ground- and sea-launched cruise missiles was to be limited to 600 kilometers. The imminent deployment of the Soviet SA–10 surface-to-air missile tended to erode confidence in the penetration capability of cruise missiles and, in particular, the survivability of cruise missile carriers. For example, a naval version of the SA–10, deployed on surface vessels could be stationed well off the Soviet coast athwart the principal arrival corridors for cruise missile carriers.

As a consequence, the use of Soviet air defense tactics, that would have the effect of extending the defense perimeter of Soviet air space up to 800 nautical miles off the Soviet coast, could induce a substantial degradation in the target coverage of cruise missiles with an operational range limited to 2,500 kilometers. Moreover, the Soviets' insisted upon employing "odometer" range rather than the preferred U.S. "operational range" criterion for the measurement of a cruise missile's maximum range. The U.S. concept takes into account the evasive route a cruise missile must take to avoid defenses and to locate areas of substantial terrain contrast to update its terrain comparison radar guidance system that enables it to find its target. The Soviet concept has prevailed in SALT II with respect to ground- and sea-launched cruise missiles which reduces the operating range by 20 to 40 percent depending upon the density of local air defenses and the character of local terrain. There are, however, no range restrictions in either this Treaty or the Protocol on air-launched cruise missiles. However, the U.S. has accepted an onerous restriction on ALCMs by limiting their deployment to heavy bombers.

In October 1978, the Soviets agreed to a substantial modification of their position by eliminating their demand to limit the range of air-launched cruise missiles. Instead, however, they won a concession from the United States to limit the range for ground- and sea-launched cruise missiles to 600 kilometers based on an "odometer" calculation. Moreover, air-launched cruise missiles may only be deployed on heavy bombers, and when so deployed would require that the heavy bomber be counted in the aggregate MIRV ceiling of 1,320 delivery systems. Further, the heavy bombers carrying cruise missiles have to be modified so that they would have functionally related observable differences (FRODs) to assist verification.

The limitations on air-launched cruise missiles apply to the period of the Treaty (through 1985) and hence will have no tactical applications. A system, which at one time held great promise as a means of assuring the penetration of manned bombers, has now assumed a major burden in that cruise missiles constitute what may perhaps be the only improvement of a fundamental kind to the air-breathing leg of the Triad for the balance of this century. The air-launched cruise missile deployment will be severely limited because of constraints on the number of cruise missiles that may be carried on cruise-missile-carrying aircraft—20 in the case of the B–52, and 28 in the case of a new cruise missile carrier. Because the United States already has substantial numbers of ballistic systems deployed with the ICBM and SLBM forces, there is limited space for additional MIRVed vehicles carrying cruise missiles under the SALT ceiling. Moreover, in order to assure the effectiveness of cruise missiles, a manned penetration bomber force must be maintained as well. Only the B–52G and H models are currently suitable for use in a penetrating role because of the engine and airframe modifications that were made in the early 1960's to extend their life for low-altitude penetration.

Currently, modifications to the B–52G and H models will permit the carriage of a maximum of 20 cruise missiles. Only the development of a larger aircraft would permit the deployment of a larger number of cruise missiles. Hence, the attractiveness of cruise missiles, once unbounded, has decreased substantially (though it has not been eliminated entirely) owing to the limitations proposed in SALT II.

A more complicated issue relates to the limitations placed on ground- and sea-launched cruise missiles. Because air-launched cruise missiles have been extensively studied from the date in the early 1950's when a role for them in the U.S. force structure was first proposed, the utility of air-launched cruise missiles is fairly well understood. On the other hand, ground- and sea-launched cruise missiles are a relatively new entrant to both tactical and technical analyses. As a consequence, the potential contribution of ground- and sea-launched cruise missiles to U.S. security was woefully underestimated in the early 1970's. Ground- and sea-launched cruise missiles can be extensively dispersed giving them a low prelaunch vulnerability, thereby reducing if not eliminating one of the major drawbacks to air-breathing systems namely, the relative vulnerability of manned aircraft because of their concentration on a small number of bases. The potential utility of ground- and sea-launched cruise missiles has also been expanded because of the successful development of terrain comparison guidance to improve delivery accuracy from hundreds to tens of feet.

SALT II provides very severe limitations on ground- and sea-launched cruise missiles. The range is limited to 600 kilometers, and with the "odometer" rather than "operational range" method of calibration being used, the useful range does not exceed 450 kilometers. This limits the application of sea-launched cruise missiles to an anti-shipping role and perhaps limited shore bombardment, but eliminates them from the strategic mission. Similarly, ground-launched cruise missiles will not be able to contribute substantially to offsetting the disadvantage that U.S. forces face in Europe by virture of the Soviet deployment of both fixed-site and mobile medium- and intermediate-range ballistic missiles.

In addition, ground-launched cruise missiles are of special interest to U.S. allies. Problems associated with the procurement, operation, and maintenance of cruise missiles are considerably less than for ballistic missiles, making cruise missiles an attractive investment for U.S. NATO allies. However, Articles 12 and 13 of the Treaty contain a noncircumvention clause that will inhibit the ability of the United States to transfer this promising technology to U.S. allies, at least during the period of the Protocol. The intent of the noncircumvention clause would certainly rule out the transfer of technology relating to cruise missiles that cannot be deployed by the United States during the period of the Protocol, namely GLCMs and SLBMs with a range in excess of 600 kilometers. A more complicated and unresolved dimension of the noncircumvention problem relates to the transfer of component technology. If cruise missile component technology that is transferred to U.S. allies and utilized in cruise missile systems with range or deployment properties exceeding those permitted the United States, such a transfer would represent a violation of the Treaty. Therefore, the usefulness of cruise missiles to U.S. allies, as a means of offsetting the enormous threat that has been allowed to emerge as a consequence of the failure of the United States to get effective controls placed on the Backfire bomber and the SS–20 mobile IRBM, has been reduced; and as a result there will be a net degradation in European security due to SALT emerging with a vengeance in the early and mid-1980's with the deployment of the Backfire and SS–20.

An important longer-term option that may be foreclosed by SALT is the modernization of cruise missiles to include individually powered, terminally guided submunitions. The Protocol currently prohibits the testing and deployment of multiple warhead payloads of cruise missiles. One of the most promising technological developmnts associated with cruise missiles is the application of advanced sensors to permit the coverage of multiple targets within the footprint of the submunitions. Such a development would enhance the efficiency of both delivery and penetration of cruise missiles and would greatly reduce the requirment for costly tactical aircraft. The denial of cost-reducing technological alternatives to the U.S. is another major cost of SALT.

A new issue raised by the Soviet Union in late 1978 concerned the role of remotely piloted vehicles (RPVs). One outgrowth of cruise missile technology has been a substantial increase in the capability of RPVs. Although they have been employed in reconnaissance and target drone roles for many years, the application of micro-electronics, efficient turbo-fan engines, high energy-density fuels, and new munitions technology provides a wide range of new options for RPVs. Among these are target designation (employing lasers, television, or infra-red sensors), anti-radiation attacks against air defense radars, electronic warfare, intelligence collection, and strike purposes. Under the terms of the SALT Protocol, controls have been established over RPVs that threaten the ability of the U.S. to exploit this promising military technology, while the stimulus to this innovation, Soviet tank armies in Europe, are unaffected by SALT.

Article III prohibits the employment of armed RPVs at a range in excess of 600 kilometers. Moreover, both parties acknowledge that they have no plans to develop long-range RPVs during the period of the Protocol. As with cruise missiles, this provision cannot be verified by national techncal means of verification if the flight tests are conducted at less than full range. But such a commitment weighs heavily against the initiation of any such program by the United States until after the expiration of the Protocol. The United States has already flight tested reconnaissance RPVs (e.g., the Compass Cope program) with a potential range far in excess of 600 kilometers (the vehicles have a 24 to 30 hour endurance). The language of the Protocol will effectively stop the U.S. scientific and engineering community from exploring the military potential of long-range ground-launched cruise missiles and RPVs. It is, of course, in long-range systems where the U.S. and NATO face their most conspicuous military shortcomings. Long-range systems are required to strike rear-echelon Soviet forces that sustain a conflict. Without the exploitation of low-cost cruise missiles and RPV technology, we will be forced to rely on our inadequate numerical inventories of tactical aircraft and ballistic missiles. These inventories are small compared to their Soviet counterparts. Restrictions accepted in the SALT II Protocol have compromised the very core of American military power, our technological advantage.

### JOINT STATEMENT OF PRINCIPLES AND BASIC GUIDELINES FOR SUBSEQUENT NEGOTIATIONS ON THE LIMITATION OF STRATEGIC ARMS

The Joint Statement of Principles (JSP) is a document likely to attract little attention during the course of the debate over the ratification of SALT II, but will bocome an important international document when SALT II is ratified. The document contains four sections:

First, the objectives of SALT are restated, namely, equality and equal security in achieving further reductions in both the qualitative and quantitative dimension of strategic forces;

Second, the intent is specified to secure further reductions in strategic arms subject to adequate verification by national technical means (NTM) including cooperative measures;

Third, in the next round of the Strategic Arms Limitation Talks "significant and substantial reductions in the numbers of strategic offensive arms" will be sought, along with qualitative limitations on strategic offensive arms, including restrictions on the introduction of new types of strategic arms and the modernization of existing offensive arms; and

Fourth, each party will be free "to raise any issue relative to the further limitation of strategic arms."

The four principles agreed to by the parties in SALT contain numerous pitfalls that are capable of imposing serious limitations on the ability of the U.S. to maintain the quality of its deterrent force as well as to meet its international security obligations to its allies in Europe, Asia, and the Middle East. The JSP proposes to extend the SALT II emphasis on qualitative limitations into SALT III. However, the asymmetries in major strategic aggregates, particularly throwweight related, drawn into SALT II from the legacy of SALT I's "interim" restrictions (favoring the Soviets on a "temporary" basis), are not addressed in the JSP. Rather, the focus is to be on reductions in quantitative limits set in SALT II.

The text of SALT II limits the numbers of strategic delivery vehicles with a distinction being drawn only between heavy and light missiles. The prohibition on changes in silo geometry (in the Treaty) will prohibit the U.S. from the acquisition of heavy missiles. However, the right, granted in the Treaty to the Soviets to have heavy missiles in both SALT I and SALT II will make it difficult at best for the U.S. to negotiate in SALT III either a reduction in Soviet heavy missiles or a compensation for the U.S. in the form of the additional systems. The language of the JSP implies that SALT III will attempt to achieve reductions in strategic forces in the categories negotiated in SALT II. Such a proposal insures a permanent Soviet advantage in the crucial strategic aggregates of throwweight, missile gross launch weight, and missile volume. This is due to the fact that SALT II limitations are expressed in terms of strategic delivery vehicles without reference to their characteristics (save for the heavy missile distinction noted above).

It may be argued that the language in the Fourth Principle, "Each party will be free to raise any issue relative to the further limitation of strategic arms," would provide a basis for an attempt to reduce the quantitative advantage ceded to the Soviets in SALT I and II. But a careful reading of the document tends to discourage such optimism. The Fourth Principle also states that "The parties will consider other steps to . . . implement the above principles and objectives" (emphasis added). One reasonable interpretation of the intent of the Fourth Principle would be that each party is free to raise new issues only in the context of implementing the objectives of the first three principles expressed in the JSP.

A second troublesome dimension of the JSP is the content of the Third Principle, in particular, point three, "Resolution of the issues included in the Protocol to the Treaty . . . in the context of the negotiations relating to the implementation of the principles and objectives set out herein." The Administration has emphasized its view that the U.S. is under no obligation to extend the Protocol beyond its expiration date of December 31, 1981. Yet, the JSP proposes a "resolution of the issues included in the Protocol" in the context of the principles and objectives promulgated in the JSP. Thus, the JSP which focuses upon reductions in strategic forces, creates a presumption that forces identified in the Protocol (i.e., land- and air-mobile ICBMs and ground- and sea-launched cruise missiles) would be subject to the strictures of the JSP.

The creation of such a presumption is a dangerous one from many perspectives. First, the U.S. depends heavily upon the future deployment of a land-mobile ICBM to mitigate the impending vulnerability of its ICBMs. A Soviet insistence upon negotiating SALT III constraints on mobile ICBMs, based upon the U.S. commitment in the JSP to "resolve" issues identified in the Protocol, could affect the course of Soviet-American negotiations aimed at reducing Soviet heavy ICBMs which threaten strategic stability. In addition, an unwillingness by the U.S. to negotiate the resolution of the mobile ICBM issue raised by the Protocol could create a lavish Soviet propaganda assault on U.S. defense policy. And, as demonstrated during the "neutron bomb" controversy, Soviet propaganda can delay a President in executing a defense program in the American interest.

A second element at risk by the presumption embodied in the JSP, namely, that issues raised in the Protocol should be "resolved" in SALT III by way of reductions, concerns the development and transfer of promising cruise missile technology on behalf of U.S. interests in Europe and elsewhere. The structure of forces currently deployed in Europe provides the Soviet tank armies with a very significant military advantage under circum-to the time when NATO forces could mobilize. This advantage is due to the vast mechanized armored formations under Soviet command within a few miles of the inter-German border. Without mobilization, NATO has inadequate combat power in its forward forces to stem a Soviet-led invasion. The planned U.S.-NATO response to this dangerous situation has been to introduce weapons with advanced technologies to offset the advantages which would otherwise accrue to the massive Soviet armored forces. Cruise missile technology is the most promising alternative because it is capable of placing a high volume of anti-armor munitions (nuclear or non-nuclear) on Soviet concentrations far cheaper than it could be done by augmenting NATO tactical aircraft or armored battalions.

Yet it is this very technology which the JSP is directed against when a presumption is created that such issues raised in the Protocol will be resolved in a "reductions" scheme in SALT III. The dilemma created by the JSP is particularly troublesome in the framework of European politics. The specter of the Soviet SS–20 and Backfire, codified by SALT and "protected" from reductions by the language of the JSP, has created considerable pressure on the U.S. to seek limits on Soviet "gray area" systems by further U.S. concessions particularly in regard to ground-launched cruise missiles. Such a delay, which the JSP language fosters, serves to undermine the objectives of the U.S.-NATO Long-Term Defense Program by eliminating important technological alternatives that could contribute significantly to enhancing European security. From a political perspective, such a development could contribute to the Soviet Union's long-standing political objective in Europe, to drive a wedge between the United States and its NATO allies by encouraging Western Europe to depend for its security more on Soviet goodwill (in declining to press its military advantage) than on U.S.-NATO military strength.

It is likely that the authors of the JSP will put forth the case for SALT III in terms which suggest a non-prejudicial interpretation of the JSP, noting correctly that the U.S. has agreed to no specific formulation of SALT III. One of the liabilities of the SALT process, however, is that follow-on negotiations do not begin *de novo*; instead they build on the weight of precedent and the momentum of a decade of negotiation. The United States was, of course, under no obligation to accept terms in SALT II which allowed the Soviets 326 heavy ICBMs while denying the United States any, but the precedential value of SALT I when embedded in the *process* of negotiations made this vast Soviet advantage impossible to dislodge in SALT II.

### SOVIET-AMERICAN STATEMENTS ON BACKFIRE

The relationship of the Backfire bomber to SALT has been a contentious one since its deployment began in 1974 following a protracted development cycle (its first flight was in 1969). The Tu–22M Backfire is assigned to the Long-Range Air Army (Dalniya Aviatsiya) branch of the Soviet Air Force supplementing a force of 156 Tu–95 Bear and Myasishchev M–4 Bison which are accountable for SALT purposes. In addition, the Backfire is also deployed with the Naval Aviation branch (Aviatsiya Voenno Morskava Flota) for maritime reconnaissance and strike roles. The latter function includes providing over-the-horizon targeting information for ship- or submarine-launched cruise missiles.

Following the introduction of the Backfire–B in 1973, extensive studies were carried out on the aerodynamic characteristics of the aircraft to determine its performance parameters. The Backfire–B is a large aircraft weighing 231,500 pounds when fully loaded. It is capable of a maximum speed of Mach 2.3, and is equipped with a refueling probe. For nearly four years, successive estimates within the intelligence community resulted in a steady narrowing of differences in conclusions about the Backfire–B's capability. By 1977, virtually the entire intelligence community agreed that the Backfire could conduct strikes against U.S. targets. Indeed, with a representative five-ton load, the Backfire bomber has a greater range than the B–52D (3,220 nautical-mile range for the Backfire compared to 3,012 nautical miles for the B–52D). Yet, the Backfire is not a SALT-accountable aircraft for the Soviet Union, but the B–52 is (including the 80 "D" models all modified for conventional bombing missions).

The Soviet refusal to discuss the status of Backfire in SALT led to an effort by the Carter Administration to identify an alternative means of gaining a measure of control over future Backfire deployments for two reasons: allied concern that the U.S.-Soviet negotiations were having the effect of causing a major increase in the nuclear threat to Europe, and Congressional concern about the failure to include the Backfire within the scope of SALT limitations. The Soviets were asked to provide a letter certifying their intention to limit modifications to the Backfire that could have the effect of increasing its range (including both aerodynamic and re-engining improvements), to limit training activities for intercontinental missions, and to eliminate any expansion in its fleet of refueling aircraft that could be employed to service the Backfire. The Soviets steadfastly refused to provide any such assurances, insisting that the Backfire "is a medium range bomber" and that it does "not intend to give this airplane the capability of operating at intercontinental distances."

The Soviet record on assurances gives little cause for optimism about the usefulness of the Soviet letter. Moreover, among other assurances, the letter states that it does not "intend to give it [Backfire] such a capability [to enable it to strike targets on the territory of the USA] in any other manner, including inflight refueling." Yet widely published photographs in the public press show a refueling probe on the aircraft making Soviet forebearance on the use of its existing aerial tankers our only "guarantee" against the Backfire being used for intercontinental operations. The recent additions to the Soviet tactical aviation inventory, particularly the MiG–23/27 series and the Su–19 (respectively known by their NATO code names Flogger and Fencer) may induce an expansion of the Soviet aerial tanker fleet through conversion of two Soviet civil aircraft, the IL–76 and the IL–86. In addition, the Soviets could reduce their strategic delivery vehicle total by converting some or all of the 156 SALT-accountable Bear and Bison bombers to the aerial tanker role, thereby increasing the efficiency of the Backfire force while allowing additional submarine or ICBM launchers to be deployed in the place of the "retired" bombers.

Despite President Carter's request at the Vienna summit, the Soviets would not provide production rate data in their statement on Backfire. U.S. intelligence sources have estimated Backfire production to be at 2 to 3 units per month. The Soviets would only agree "that it will not increase the production rate of this airplane as compared to the present rate." Obviously dissatisfied, President Carter apparently sought further written assurance, but was unable to obtain any. Therefore, the President offered a unilateral statement based upon a conversation with Soviet leader Brezhnev stating that "President Brezhnev confirmed that the Soviet Backfire production rate would not exceed thirty per year." President Carter stated further that the United States "considers the carrying out of these commitments to be essential to the obligations assumed under the Treaty."

The latter statement is a close parallel to the discredited U.S. practice in SALT I of writing unilateral statements that could not be enforced, short of abrogation. The Soviet Union has not acknowledged that it considers the Backfire agreement essential to the obligations assumed under the Treaty. The precise definition of what constitutes the production of thirty aircraft per year (actual deployment; deployment without weapon loads; deployment without squadron markings) is lacking in the Soviet-American "agreement" on Backfire.

Indeed, no assurance is of any significant value from a military perspective because the aircraft is capable of striking targets in the United States. While it is undoubtedly the case that the Backfire would have to land in friendly territory in North America (e.g., Cuba), similar routing is required of all U.S. heavy bombers. They lack sufficient fuel for the return flight to the U.S.; thus they must recover in friendly territory (e.g., Turkey).

The Backfire problem has been exacerbated by recent intelligence findings that the Soviets have flight tested a long-range air-launched cruise missile (approximately 1,000 kilometers). As it is virtually impossible to certify compliance with SALT provisions governing cruise missiles, it was not possible for the U.S. to determine whether the launch took place on a Backfire or another Soviet medium-range aircraft (e.g., a Blinder or a Badger). Should the Soviets deploy a long-range air-launched cruise missile (they have already carried the AS–6 Kingfish cruise missile on the port wing outboard of the landing gear) without an identifiable test, it will not be feasible to learn whether the Backfire will be so equipped in time of war. Moreover, should the Backfire be equipped with cruise missiles, it will be able to launch its cruise missiles at standoff ranges to avoid direct contact with U.S. air defenses, thereby mitigating its range deficiencies.

The failure to include the Backfire as a SALT-accountable delivery system is a major indictment of the SALT II negotiations, and its consequences extend far beyond the immediate concerns of these negotiations.

The failure to include Backfire in SALT II will make it exceedingly difficult to include it in SALT II reduction proposals, as a precedent for its exclusion has been established in SALT II.

The last-minute willingness of the Administration to accept a letter and a verbal acknowledgement of the Backfire production rate betrays a willingness on the part of the U.S. leadership to accept a low-quality agreement from the perspective of enforceability (it is only a part of SALT II on the basis of an American unilateral statement, not Soviet acquiescence to its formal inclusion in SALT II) and our ability to verify compliance with the terms of the Agreement.

As the Agreement will permit the Soviets to deploy not less than 350 Backfire bombers by 1985, it will contribute to suspicions within the Atlantic alliance that America's motive in bilateral Soviet-American negotiations is to improve those bilateral relations at the expense of European security.●

## POWER GRAB IN THE NAME OF ENERGY

● Mr. RIBICOFF. Mr. President, legislative bodies sometimes act in haste and then repent after reflection. David Broder, in the Washington Post of October 14, 1979, carefully analyzed the consequences to our Federal system of the Senate's action on S. 1308, the bill that creates the Energy Mobilization Board. This article is worthy of serious thought by all of us. I ask that the Broder article be printed in the Record.

The article follows:

### Power Grab in the Name of Energy

On the face of it, the proposal seems to defy the supposed public resentment of intrusive, big-brother Washington bureaucracy.

The idea of a president of the United States seriously proposing that four of his appointees—three of them part-timers not even subject to the standard conflict-of-interest statutes—be empowered to substitute their judgment for that of independent federal, state and local regulatory bodies, and even, in certain instances, to block the application of federal or state law, seems far-fetched.

That such a proposal would be approved by the U.S. Senate and be moving toward passage in the House of Representatives is even more improbable.

But exactly that has happened, without a rumble of public protest, in the past few weeks. Under the guise of speeding vital energy projects, the federal government is about to accomplish the most significant power grab in recent years. It may or may not accomplish its stated goal of making the United States more energy-independent. But it will certainly damage the federal system and diminish the accountability of those exercising authority in Washington.

As part of his July energy program, President Carter proposed creation of a federal energy mobilization board, with authority to speed the development of high-priority projects, whether they be pipelines, refineries or exotic fuel plants. The measure was designed to deal with a real problem—the delays in federal, state and local licensing and siting decisions, which have, in some instances, held up important plans for years.

The need to slice through the red tape is recognized by everyone. The question is how to do it without creating a new center of arbitrary power in Washington and destroying the responsibility the Constitution gives states and localities for the welfare of their own citizens.

Two options were offered the Senate earlier this month, and the choice the Senate made—to the cheers of the Carter administration—was disturbing.

One bill would have limited the number of energy projects that could be cleared for "fast-track" action and would have restricted them to projects with a significant impact on reducing U.S. energy dependence. The other bill had no such limits.

The Senate chose the blank-check approach.

One bill would have let the new federal agency go to court to enforce a reasonable deadline (usually one year after submission of the plans) for decision-making by a state or local agency on the environmental, social and economic consequences of an energy project.

The other would let the presidential board substitute its own judgment for that of the local or state body, if the federal deadline was not met.

The Senate chose the second way—the path of federal preemption.

One bill would have forced the regulators to obey all the existing laws. The second would allow the federal energy expediters to bar the application of any law passed by Congress, state legislatures or city councils, subsequent to the start of work on a particular project.

The Senate chose the second course, embodying the daring constitutional assertion that four presidential appointees can nullify the enforcement of a statute passed by the elected officials on any level of government.

The vote was not close in the Senate. By a margin of 58 to 36, the senators gave Carter the power he sought, brushing aside vehement objections from such senators as Abraham A. Ribicoff (D-Conn.), Edmund S. Muskie (D-Maine), Gary Hart (D-Colo.), William V. Roth (R-Del.) and Charles H. Percy (R-Ill.).

They also ignored a chorus of protests from the nations' governors' mayors, county executives and state legislators, who see the proposal as a serious threat to their role in the federal system. They have threatened to challenge the legislation in court, if it is finally passed.

It is an understatement to say that it is extremely shortsighted to launch a national energy acceleration prorgam with a bitter battle between Washington and leaders of state and local governments.

But the companion bill being prepared by a House committee is an even more extreme invasion of state and local authority by Washington, and even more glaring contradiction of the supposed public distaste for expanding bureaucratic power.

The governors and mayors and their Senate allies are trying to say we do not have to sacrifice the federal system to speed up energy production. But most of Washington is ignoring the message. The country will suffer the consequences for years to come.●

## ALTERNATIVE FUELS PROVISIONS OF H.R. 4930

● Mr. PRESSLER. Mr. President, the bill before us would provide funds to stimulate commercial production of alternative fuels, of which $1.5 billion will be immediately available to the Secretary of Energy.

Mr. President, I applaud the members of the Appropriations Committee for fashioning the bill in its present form. The committee wisely expanded the fuels production category by designating it as alternative fuels rather than the more restrictive synthetic fuel classification. This, thereby, encompassed the alcohol fuel technology.

In the hysteria caused by the current oil shortages, we have too long overlooked a simple and old means of energy—one available from a renewable resource—alcohol fuel from plants.

The use of alcohol as a fuel additive is not some new technology we have just recently discovered, but was quite common practice in many parts of the world in the 1930's where petroleum was in short supply. During World War II, this practice continued and even expanded, as the disruption caused by the war led to gasoline shortages around the world. Not only alcohol, but other substances such as wood, charcoal, and cow manure, were used in many areas. Germany, which was in particular need of fuel for its war machine, developed an entire industry for producing alcohol fuel. In the late 1940's these practices were stopped in favor of gasoline produced from crude oil. Neither alcohol nor any other alternative fuels could economically compete with the cheap and readily available flood of crude oil that entered the world market at that time.

As far back as 1917, Alexander Graham Bell stated here in Washington, D.C., that "we need never fear exhaustion of our present fuel supplies so long as we produce an annual crop of alcohol." He pointed out alcohol can be manufactured from wood chips, cornstalks, sugarcane, and other sources, such as growing crops, weeds from farm and garden, even the garbage from our cities.

Now that oil is in short supply—the Carter administration is anxiously pushing crash programs to cost billions of dollars for synthetic fuel production—including such exotic plans as coal liquidation and oil production from shale.

In this rush to find new technologies, we have nearly overlooked one of the oldest and most readily available means of fuel production. In the President's ambitious synthetic fuels program, which some estimate at $88 billion, there is scant reference to alcohol fuel production and gasohol production.

The bill before us is a step in the right direction by encompassing fuel alcohol.

I have been advocating fuel alcohol as long as I have been in Congress. Shortly after entering the House in 1975, I cosponsored legislation that would exempt fuels with at least 10 percent alcohol from the Federal excise tax. The Congressional Rural Caucus of which executive board I was a member, struggled in those years to promote gasohol programs in Congress. We were active in seeking assistance from the White House, the Environmental Protection Agency and other agencies in the promotion of gasohol. I also personally drove various gasohol powered tractors and vehicles to illustrate the feasibility of this fuel's utility. In the 95th Congress some further headway in this cause was achieved with passage of the alcohol fuel exemption bill which I again cosponsored. I also cosponsored that year the Comprehensive Alcohol Fuel Encouragement Act.

Since coming to the Senate, I have introduced legislation, S. 819, which amends the Clean Air Act to permit the use of fuel alcohol as well as set goals for its sales. This legislation is needed I believe, along with several other amendments I have offered, to classify fuel alcohol as a synthetic fuel and to provide funds for the research and development of alcohol fuels on a large scale.

I recount these efforts because, like other Members of Congress from farm States, I believe we have been aware for some time of the feasibility of fuel alcohol.

Until just a few months ago, however, few experts in the energy "establishment" were willing to give serious attention to such an approach.

It is, I believe, therefore, very significant that a Department of Energy report of June 1979, stated that alcohol fuel is "the only alternative fuel commercially available now, and the only one likely to be available in quantity before 1985."

And now that gasoline costs $1 per gallon, fuel alcohol, which also sells for $1, is economically feasible. However, an infant alcohol fuels industry cannot readily compete with a well-established petroleum industry without Government action.

Therefore, we must provide proper incentives and encouragement so sufficient quantities of alcohol fuels can be produced.

Through such efforts, conservative estimates indicate a reduction of more than 11 percent in foreign oil imports and a lessening of our trade deficit of more than $5 billion a year by 1985.

Fuel alcohol in certain market areas is currently being sold mixed with gasoline in a 10 to 90 percent ratio producing gasohol or alcofuel. This is being done without modification in automobile engines and without a drop in miles per gallon. The 10 to 90 percent ratio is not a rigid number; in the future with carburetor modification a larger percent of alcohol could be used—as in Brazil, where autos are fueled with 100 percent alcohol.

Based upon DOE studies, this country could produce up to 10 billion gallons of alcohol fuel by 1985. This without strain on our present food supply. Currently we import 96 billion gallons of oil—45 percent of which is converted into gasoline. With today's OPEC price of $21 per barrel, this means a savings in excess of $5 billion. The impact on our present $25 billion plus of trade deficit would be extremely beneficial and would go far to help stem inflation.

Domestically, gearing up for alcohol fuel production will have the impact of creating new jobs both in the construction phase of alcohol stills and subsequently on the production and running of the distilleries.

The largest continuing employment impact of alcohol production will occur on the new material side. The ready, and perhaps insatiable, market presented by fuel production could be expected to increase agricultural activity. This will come about not only in the West and Midwest with the vast resources for corn and wheat production, but in the Southern States with their sugar capabilities and the Northeast with its plentiful wood supplies.

Mr. President, I believe we should go still farther in the development of alcohol fuel than the bill before us provides. I do not, however, intend to offer an amendment to this effect to the pending appropriations measure. Other more suitable legislation is expected to appear on the Senate floor in the near future. I believe that those responsible for administering programs under this bill should, however, give weighty consideration to development of alcohol fuel.

Important as coal and shale oil production are, we should be mindful of the DOE statement I earlier mentioned that fuel alcohol is the only alternative fuel commercially available now, and the only one likely to be available in quantity before 1985. Now is the time we must signal private enterprise that we are truly serious about this alternative. A commitment by the Secretary of Energy of 10 percent of the funds available in this bill would be a good start. By providing loan money for studies and for production development, private capital would be encouraged to move into this form of alternative fuel.●

## RAILROAD PASSENGER SERVICE

● Mr. BUMPERS. Mr. President, I call the attention of my colleagues to a thought-provoking article by Tom Wicker, printed in the October 2 New York Times, on changes which would enhance our railroad passenger system.

The recent debate in Congress over the size and direction of Amtrak reflects an increased interest in the potential of mass transit systems to serve both rural and urban areas. Such consideration is necessary as we seek solutions to the problem of our dependence on foreign oil. Even a small increase in the price per barrel of that commodity wreaks havoc in all sectors of the economy.

I ask that the article be printed in the Record.

The article follows:

[From the New York Times, Oct. 2, 1979]

### The Amtrak Paradox

(By Tom Wicker)

In June, thanks mostly to long lines at the gasoline pump, Amtrak ridership rose 24 percent over that of June 1968, to a total of 2,050,000. It was the first month in the system's brief history that it had carried more than two million passengers. About this, two paradoxes might be noted:

Oct. 1 brought a Congressionally ordered cutback in Amtrak service.

Yet, the outlook for a decent intercity rail passenger service now seems marginally improved.

The route pruning that finally goes into effect—lawsuits are contesting some of the cuts—actually will be only a small part of the 43 percent cutback the Carter Administration originally sought and Congress at one time seemed sure to approve.

The summer's gasoline shortage—or whatever it was—gave Congress renewed concern for public transportation. The legislators largely rescued Amtrak from the Administration assault and even improved its financing. Now, with energy concern continuing and gasoline prices drastically increased, serious cutbacks will not be likely any time soon.

President Carter, moreover, seems finally to have committed his Administration to an expanded mass transit program—although it is not clear to what extent that program depends on the ephemeral windfall tax on oil profits. If Mr. Carter realizes that mass transit must be a part of an effective energy conservation program, he's that much nearer to seeing the need for intercity rail service, too.

A strong public transportation advocate, former Mayor Neil Goldschmidt of Portland, Oreg., now heads the traditionally highway-oriented Department of Transportation. Secretary Goldschmidt, unlike his predecessor, preferred the limited route cuts ordered by Congress to the 43 percent reduction proposed by the Administration; and he told Ernest Holsendolph of The New York Times that he "would not be surprised if we had another Amtrak crisis in the next two years, comparable to the rush to trains during the fuel crisis" of last summer.

Nevertheless, the Carter Administration remains no more than grudgingly interested in intercity rail service; whether Mr. Goldschmidt will or can make much headway in that atmosphere is uncertain. And the major problem of Amtrak is still what it has always been: no Administration of either party and no Congress has ever given it enthusiastic support, much less sufficient funds and authority.

Without such backing, not even recurring gasoline shortages can make much improvement in the current poorly managed, ill-equipped, hamstrung system. With real support, much could be done.

Outmoded work rules could be eliminated. The 16-hour trip of the Montrealer from New York through New England to Canada, for example, now requires six crew changes, running up wage costs exorbitantly. Authority to hire its own crews under new and more efficient work rules would be a great step forward for Amtrak.

Amtrak also could be efficiently utilized to carry the mail, as trains used to. This would be energy-efficient (highway postal trucks cannot carry passengers) and provide much-needed revenue. American Airlines received $36.5 million for carrying mail in 1978. Greyhound Bus took in $152.5 million for its package express service in 1976.

A sensible public transportation system also would utilize trains and buses to the maximum extent, dovetailing their schedules as much as possible and making these schedules convenient to passengers. Incredibly enough, such cities as Buffalo, Pittsburgh, San Antonio, Charlotte, Omaha, Hartford, and Syracuse are served by Amtrak only between 11 p.m. and 7 a.m. The Floridian, one of the trains being discontinued (despite a 19.6 percent ridership increase in the first half of this fiscal year), does not include

Atlanta on its Chicago-Miami route. Is that any way to run a railroad?

Much roadbed work needs to be done, too. When the Hilltopper made its last run through the West Virginia mountains Sept. 30, it was grinding along at a snail's pace on track laid down for coal-hauling in the 19th century. Roadbed rebuilding would be cheaper than highway construction, but the mismanaged Northeast Corridor project is the only major effort now going forward.

A major obstacle for Amtrak is the persistent notion that rail passenger service must pay its way. That is not possible against competition of swift planes and convenient cars. But the Government spent $1.8 billion in 1978 on the Air Traffic Control System and since 1971 has spent $8.5 billion from general funds on highway construction and maintenance. Amtrak's subsidies have been miniscule by comparison.

Besides, rail passenger service is needed for areas the airlines can't serve and to provide an energy-efficient alternative to energy-wasting autos and airliners. A six-coach train carrying 600 passengers produces 400 passenger-miles per gallon—an unsurpassed potential, if Amtrak only had the equipment, the roadbeds, the scheduling, and the Government backing to make it possible.●

## INFLATION

● Mr. LUGAR. Mr. President, the annual rate of inflation has risen to over 13 percent, and shows no sign of diminishing. The longer we permit inflation to rage unabated, the more difficult it will be to wring it out of the economy. This is true in part because a high rate of inflation becomes built into peoples' expectations and calculations. When this happens, normal and desirable patterns of investment and consumption become distorted.

Mr. President, I have for a long time urged that we must address the problem of inflation on an urgent basis. We must not permit inflation to take permanent hold in the American psyche. Each day that we fail to take decisively action against inflation, our options to deal with it become more and more limited and more and more extreme.

Mr. President, this issue is addressed in a recent article by George Marotta, a senior research fellow at Stanford University. I ask that his article entitled "The War on Inflation: More Winners and Losers" be printed in the Record.

The article follows:

[From the Santa Ana (Calif.) Register, Sept. 25, 1979]

### The War On Inflation: More Winners And Losers

(By George Marotta)

Each day finds more recruits joining in the battle against inflation. As prices steadily increase, more Americans are learning how to cope with this insidious enemy.

In the face of these counterattacks, one might conclude that inflation will be conquered soon. Alas, such is not the case.

The reason for pessimism is that people are not really fighting against inflation—they are only hedging against inflation. In fact, many of the actions they are taking are adding to the problem.

Over the past decade, the dollar has been so eroded by inflation that it buys less than half of what it did ten years ago.

Increasing numbers of Americans (and foreigners) are learning ruefully that one of the worst things you can do is hold dollars because they depreciate so rapidly. The first half of 1979 found inflation raging at the rate of over 13 percent on an annual basis.

Many are learning the primary lesson: to protect oneself against inflation you must get out of dollars and into something else. In fact, almost anything people bought over the past decade was better than holding dollars. But those who gained most bought gold, which has increased from $35 to over $350 an ounce. Other "winners" in the war on inflation bought real estate, silver, diamonds, antiques and other collectibles.

Many bought goods with borrowed monies on the correct assumption that they could pay back the loan with cheaper dollars, thereby reducing the "real" rate of interest. Those who borrowed added to inflation by contributing to the demand for goods and bidding up the prices.

The prime interest rate's recent rise to the record level of 13 percent is evidence of the persistence of this round of inflation. Because it has been raging over eleven years, the longest in United States history, many believe interest rates will go even higher.

Even at these historic levels, people are willing to borrow and it's not difficult to see why. A 13 percent interest rate in a period of 13 percent inflation produces, in effect, an interest-free loan.

The best action people could take to slow down our nation's inflation would be to postpone purchases and to save money. This would reduce demand for goods and help to stabilize prices. However, banks only pay 5½ percent interest on passbook savings. In a period of 13 percent inflation, this is a loss of 7½ percent. To add insult to injury, the government taxes the interest which you did not really earn!

The government must feel some sympathy for the saver because it recently authorized banks to pay an additional ¼ percent on passbook savings, but the increase is grotesquely inadequate.

Since government fully taxes interest on savings and allows a tax deduction for interest paid on money borrowed, it is no wonder that more people are borrowing than saving. The level of savings in the United States, 4½ percent of disposable income, is the lowest among the major industrialized countries, while the level of payments on loans (both mortgage and consumer loans) for Americans is a record 40 percent of income.

Wages and salaries have doubled over the past decade and on the average have kept up with inflation. Take-home-pay has decreased, however; due to the fact that federal and state taxes are taking a bigger bite because the graduated tax rates have not been adjusted or indexed for inflation. Many taxpayers are now being taxed at rates once applied only to the rich. This might be one reason why government is slow to stop inflation—they get 16 percent more revenue every time inflation goes up by 10 percent.

Guess what is the main cause of inflation: federal government deficit financing (spending more than is collected in taxes). The deficit this year will total more than $30 billion.

It is one of the supreme ironies of our time that government, the main perpetrator and beneficiary of inflation, reaps its windfall profits, while business, organized labor and consumers blame each other for causing the problem.

If large numbers begin hedging against inflation, the result will be a boom and bust economic expansion where everyone will suffer in the subsequent collapse.

What is the solution? If just one-tenth of the effort spent on hedging were marshalled into fighting inflation, we just might win the war on inflation.

Bold action is required. We must elect politicians who promise to do less for us (and to us) in the future and who would balance the budget. Since we have not done this in the past, another more permanent action we could take is to pass an amendment to the federal constitution to require a balanced budget in the future or to support the amendment to limit the increase in expenditures to the real increase in our national production.

A rational society is one that learns from its mistakes. We have made many fiscal and monetary mistakes over the past decade. The time is ripe for corrective actions. Our major weapon is, as usual, the ballot box.●

## DECOLONIZING THE WEST

● Mr. GRAVEL. Mr. President, I would like to call to the attention of the Senate an editorial which appeared in the October 15, 1979, edition of the Wall Street Journal.

The editorial speaks to the growing unrest in the West over the Federal domination of the lives of residents through its ownership of much of the land in the West.

As the article points out, Alaska has suffered at the hands of the Federal Government in several ways. Lands promised the State at the time of statehood—104 million acres—have still not been transferred to the State. Although the country is suffering from an acute energy shortage, the Federal Government is strongly in support of massive new park and wilderness areas in Alaska which would preclude any further exploration or development of energy sources. Further thwarting of the development of new energy sources will occur through the blocking of access to adjacent State and private lands by the large conservation system units. Some of these link up to form access barriers hundreds of miles long.

The Federal Government has simply not proven its ability to manage its vast estate in a responsible, balanced manner. It seems it either errs on the side of extreme protection or, as the article points out, on the side of abusive land practices.

Perhaps it is time we reexamine the role of the Federal Government in land management and how such management may be creating second class citizens in the West and at the same time be leading us down the path to economic destruction.

Mr. President, I ask that the editorial be printed in the Record.

The editorial follows:

[From the Wall Street Journal, Oct. 15, 1979]

### Decolonizing the West

When President Carter met with 12 Western governors in Albuquerque last week, he found out that the West is chafing under federal land, water, energy and wildlife policies.

Wyoming is angry over mining restrictions. Utah and Montana are suing over federal control of their water. Nevada has passed a law "nationalizing" a 49 million acre chunk of federal land. All are fearful of rape and ruin by federal energy programs. Federal Bureau of Land Management district managers are being likened to the Sheriff of Nottingham and colonial magistrates. Guerrilla attacks have been made on federal property in Alaska. And western governors have organized to pursue a common strategy for wresting control of their states from Washington.

The problem is that federal land holdings are concentrated in the West, making for real differences in the amount of say the states have in managing their own affairs. Only 1 percent of New York state is in federal hands, but 95 percent of Alaska is. The federal government also owns 87 percent of Nevada, 66 percent of Utah, 64 percent of Idaho and from one-third to one-half of other Western states. With such high proportions of their lands in Washington's hands, people in the West wonder if they are on equal footing with other states, or even if they are states at all.

Senator Orrin Hatch (R., Utah) says the West is "an economic colony of the rest of the country," and if you look at a map showing the distribution of federal land you will see a compelling argument that decolonization came to a halt at about the 100th meridian. Uncle Sam has refused to turn loose the colonies west of Texas. The feds have not even conveyed to Alaska the 103.5 million acres promised 20 years ago in the Statehood Entitlement Act. And if the land is ever conveyed, Washington will still hold title to 74 percent of Alaska.

But while the federal mother has dithered about turning over the statehood dowry, she found the energy to lock up through imperial decree vast amounts of Alaskan territory in wilderness areas.

That was salt in the wounds and worse when you consider that the land was locked up in such a way as to interfere with access to land and resources which escaped the federal deepfreezer. The small part of Alaska over which the state is sovereign is "landlocked." The state can't get to what exists of itself because the feds won't give it a passport to travel through federal wilderness areas.

Washington's tenacious hold on the West is against historical precedent. Traditionally Washington acted as trustee of lands within newly created states until the states could accept the land and manage it effectively or until it could be sold into private ownership. For example, in 1832 the Public Lands Committee reported to the Senate that "the speedy extinction of the Federal title within their limits is necessary to the independence of the new states, to the development of their resources, to the subjection of their soil, taxation, cultivation and settlement, and to the proper enjoyment of their jurisdiction and sovereignty."

And judging from the Bureau of Land Management's admission that only 17 percent of its vast land holdings are in excellent or good condition, there doesn't seem to be any practical case either for continuing the title in Washington's name. This could come as no surprise. Given what we know about the record of other nationalized industries, why should we expect nationalized real estate to be any better?

Naturally everyone wants to preserve national parks, national forests and a reasonable amount of wilderness area. But we can have those without the federal government owning one-third of the nation's land at the expense of 12 states. The nation may have to think about the solution, but the new anger in the West ought to start a renewed debate on a fundamental question: What conceivable justification is there for the federal government to own these vast lands? ●

## NATIONAL DIABETES WEEK

● Mr. TOWER. Mr. President, last week we observed National Diabetes Week. Ten million Americans suffer from diabetes. Health care, disability payments. and lost wages due to diabetes cost this country $6.8 billion annually. Only cancer and cardiovascular disease take more lives in the United States than diabetes.

Recently, testimony of a fellow Texan to the National Diabetes Advisory Board has come to my attention, and I would like to share his remarks with my colleagues. This young man is unfortunate in that he has diabetes, but fortunate to have lived 28 years with his disease. Most victims of diabetes die within 25 years of its onset. This young man must live not only with his disease but also with the knowledge that 5-year-old daughter is a diabetic, too.

Mr. President, I ask that the text of this testimony be printed in the RECORD.

The statement follows:

### NATIONAL DIABETES ADVISORY BOARD HEARINGS

(By William A. Hammond)

To the members of the National Diabetes Advisory Board, I would like to first of all, say think you for doing a good job of seeing that we get the most mileage possible out of research appropriations. It has really paid off this year. One of my top concerns is the needed extension of the National Diabetes Advisory Board as the only coordinating body for Diabetes within the Federal Government.

Remarks on the need for more appropriations for research are meant to be passed on to Congress. I know where the money comes from. In fact, I've only had three hours of sleep in the last fifty-four hours, as I worked non-stop in an effort to get constituents of key Senators on the Appropriations Committee to tell their Senators not to balance the budget with human lives.

I'm here to speak to you as both Diabetic, and the father of a Diabetic child.

I'm concerned because despite insulin and other treatment, half the children with Diabetes die within an average of 25 years after onset from kidney failure, and that's just one of the many deadly complications. I'm in the lucky half. I've had Diabetes 28 years and am in excellent health, but I'm the exception, rather than the rule. I've got the Quarter Century Victory Medal from the Joslin Diabetes Foundation for having lived 25 years as an insulin dependent Diabetic without a trace of complications. Perhaps it makes me the wrong person to get up here and testify, unless this is put in perspective.

Exactly how rare this is surprised me, but in talking with Dr. Bradly at lunch, I learned that in the 30 years the Victory Medals have been available, only 200 have been awarded . . . out of millions of Diabetics. The idea behind the Victory Medal is that you'll be held up as an example and hope for other Diabetic children. Unfortunately, while giving them hope, we turned off research because folks think all Diabetics are healthy like me. I want to apologize to the families of the some one million Diabetics who have died since I qualified for the medal. I'm sorry that in giving some hope, many have died.

But I can't blame folks for not knowing how serious Diabetes is. For 25 years, I too thought Diabetes was just an inconvenience. I didn't even think they still awarded the Quarter Century Victory Medal, because I didn't think it was unusual to live 25 years without complications. After all, I'd had no problems. Out of sight, out of mind.

I was lucky, but all that changed three years ago when my daughter, now five, developed the disease, possibly caused in part by a virus. It got me active in promoting the need for research to find a cure after looking at the facts and learning the startling truth that Diabetes is one of the three most deadly diseases. I'm fine, but someone out there is contributing to those grim statistics, and I want to make sure it is not my daughter.

All the best treatment and facilities in the world didn't keep long-time Diabetic Congressman William Steiger, a picture of health, from suddenly dying last year in his early 40's from a common Diabetic complication.

This past year ADA Dallas Board member William Shesunoff had all the best programs available to him, but they couldn't keep him alive past age 33. And Robert Lacey in my hometown of Carrollton, outside Dallas, had the best medical attention money could buy, but he didn't have a cure before Diabetes ended his life at age 31. Present treatment is not sufficient. We need more research to avoid the complications such as blindness, neuropathy, kidney disease and associated problems caused by degeneration of the cardiovascular system . . . and we need more research to find a cure. That is the answer.

Today we have some real hope, thanks to Government funding of research that has produced four major breakthroughs just this year. But now is not the time to slow down. It's time to pour on the steam. Every day wasted kills as many Americans as died in Jonestown . . . Every day wasted kills three times as many taxpayers as perished in the Chicago DC–10 crash . . . every day!

We need continued support for manpower and training programs to bring new people into the field, but what good does it do to train them if we don't continue increasing funding above cost of living adjustments so we can fund their new projects after training?

No; we can't keep doubling Diabetes research dollars, but there's still room for significant increases. We're not asking for several billion to make up for lost time. Unfortunately, we can't even ask for what is justified by the numbers because we're still building a foundation in research. Diabetes is of such significance and magnitude as to warrant its own institute, just as Cancer and Heart Disease. Statistics are woefully inadequate because Diabetes is not a reportable disease and many victims don't even know they have it. Diabetes is increasing at an alarming rate of 6 percent per year. It's reaching epidemic proportions as a new case is discovered every minute while someone else dies from Diabetes or its complications every other minute. As treatment keeps more people alive longer, we've developed a population of over ten million Americans walking around with a time bomb ticking away inside them.

Some studies show 50 percent of all heart attacks are caused by Diabetes and 75 percent of all strokes are caused by Diabetes. Cure Diabetes and you may eliminate half the heart problem. If Diabetes were a reportable disease, we'd have a better source of information on this and other associated health problems.

There are four times more Diabetes under treatment than cancer patients, partly because there is no cure for Diabetes; and each year about as many, if not more Americans die from Diabetes as Cancer. It might seem Diabetes should get as much for research as Cancer, but such would not be practical because it has been so poorly funded in the past that there aren't enough researchers available to make use of a billion dollars. New researchers are being attracted to the field, however, and increased funding during the past few years has paid off with dramatic new discoveries which require more investigation. Good use could be made of $250 million in research this year, a small fraction of what is spent on Cancer, and a healthy increase of $100-150 million should be spent in succeeding years until we reach the level of Cancer funding, or find a cure. Recent breakthroughs lead me to believe that sizable increases now will result in finding a cure and a vaccine before reaching the funding levels now held by Cancer research.

A major investment in Diabetes research will actually save many dollars because we are so close to a cure. The Congressional Budget office says Diabetes costs the government $6 billion in terms of treatment, disability and welfare expense, tax benefits to those blinded by the disease and lost tax dollars when complications shut down a productive individual.

Now is the time for a cure. It's close at hand and this is the time to increase funding, not cut back on projects. Diabetics have been waiting over fifty-five years for a cure. Insulin helped keep them alive while they waited, but now the wait is killing them. Diabetics are literally dying for a cure. It's within our grasp. Let's pour on the steam in an all out effort to bring the latest breakthroughs to culmination in a life-saving cure.●

## ADDRESS BY SENATOR MATHIAS ON REVENUE SHARING

● Mr. MOYNIHAN. Mr. President, It has been said that the revenue sharing program is perhaps the most important development in our Federal system of recent years. At the least, the program held forth the prospect of a revitalization of State and local government at a time when many feared the consequences of overcentralization. And yet we have come to observe the organization of a political effort, if not to undo the program, at least to reduce its scale. I am therefore pleased to call the attention of the Senate to an important speech by our colleague from Maryland, Senator Charles Mathias. He addresses the matter with characteristic insight and pungency. This is not the first time that I have learned something from what he has said. I ask that the text of his speech on revenue sharing, given in Frederick, Md., on October 6, be printed in the Record.

The speech follows:

### Revenue Sharing: An Aspect of Creative Federalism

It is a pleasure to welcome the Maryland Municipal League to Frederick—a town with all the grace a rich past can bestow—a town whose hardworking citizens deal effectively with the complex problems of contemporary life—my hometown. I know you will enjoy being in Frederick. I know the people of Frederick will enjoy having you here.

Talking about Federal Revenue Sharing here in Frederick, has a special irony for me. I have been struggling without success to persuade the federal government to share some of its revenue with Frederick ever since my first term in Congress. And the story goes back much further than that.

It goes back to a little-known incident in the Civil War, when the people of Frederick, by a gallant and selfless act, profoundly influenced the course of American history. On the morning of July 9, 1864, Confederate General Jubal Early rode into the city of Frederick and demanded $200,000—an absolutely staggering sum in those days—or the equivalent in supplies. At that time, more than one million dollars worth of Union military supplies were stored in Frederick, and the townspeople were determined those supplies would not fall into enemy hands.

Throughout the day and into the night, they negotiated with General Early. Finally, to save Frederick from the torch, the citizens of Frederick emptied the local banks to pay the $200,000 ransom Early demanded.

With the money in hand, but delayed one day by the protracted negotiations, Jubal Early and his men moved on to Washington. When he reached the outskirts of the Capital, Early discovered to his surprise that the Union defenses were too strong to breach and he retreated across the Potomac without attacking. The forces which deterred Early's assault had been hastily reinforced, while he lingered in Frederick haggling over the ransom.

For the next 87 years, the citizens of Frederick taxed themselves to pay back the money they had borrowed from their banks. In 1951, the $200,000 debt was at last paid off. But the debt the United States Government owes the people of Frederick still has not been settled. And so in each new Congress, I introduce the "Frederick Ransom Bill" which asks the Federal Government to share a very small portion of its revenue with the people of Frederick who once saved its hide.

I am sure everyone in this room can appreciate the justice of that request. You deal on the local level and you know that what happens on the local level makes all the difference. But, I am sorry to say, it is not always possible to get that point across at the federal level I have just introduced my 10th "Frederick Ransom Bill" and the Congress remains unmoved.

With this sad example before us, let me turn to my topic—Federal Revenue Sharing Reenactment: What We Need To Do. Here, there is good news and bad news.

The good news is that in July we managed to beat back an attempt in the Senate to cut $684 million from revenue sharing funds which would have meant a one-third cut in the funds going to each state. The bad news is how far the attack got before it was beaten back and how vigorous it was.

I'm sure many of you followed those proceedings, but I think it is instructive to review them. The HUD-Independent Agencies Appropriations Bill for Fiscal 1980, as reported by the Senate Appropriations Committee, cut revenue sharing funds $684 million below the amount provided in the bill passed by the House. The Committee stipulated that this cut was to be applied solely against payments to the states. I fought against the cut in Committee and I led the fight against it on the floor

Senator Proxmire defended the reduction on the grounds that "a great number of states—10 to be precise—have cut taxes in the last 18 months because of surpluses while all of the states are taking in more money than they are spending."

We had heard variations on this theme in the Committee debate. Opponents of revenue sharing maintain that state governments no longer need $2.3 billion in revenue sharing because all states project a $4.3 billion surplus for 1979. Now, it is true that all states do project such a surplus. But over half of that amount luxuriates in the coffers of just four states: Alaska, Wisconsin, California and Texas. The majority of the other states are not nearly so fortunate.

Furthermore, cutting revenue sharing in Fiscal Year 1980, without a word of warning, would have thrown a number of states into the red, since their current budgets are contingent on revenue sharing funds.

In addition, of course, nearly 40 percent of all state revenue sharing money is passed on to local governmental units. The Advisory Commission on Intergovernmental Relations reports that state aid to local governments has risen over the past decade from $14 billion in 1965 to $61 billion by 1976. Tampering with the states' cut of revenue sharing would almost certainly nip this promising trend in the bud.

The bill reached the Senate floor on July 27th. I was ranking minority member and floor manager, and I am happy to say that we managed to mount a strong bipartisan defense of revenue sharing. Some of the most eloquent members of the Senate joined the debate to oppose the fund cut.

Senator Moynihan, who combines the Irish gift for words with an equally Irish feistiness, rose to the occasion magnificently. He called revenue sharing "one of the finest instruments ever sustaining federalism" and said:

"It has not created a large Federal establishment. . . . It is beautifully efficient and, therefore, it is attackable, unlike those endless prehistoric bureaucracies that inhabit the stygian glooms of the lower reaches of our departments like some still persisting paleolithic organism."

We were also fortunate to have three former governors—Senator Ford of Kentucky, Senator Pryor of Arkansas and Senator Exon of Nebraska—oppose the cut because of personal experience.

Senator Ford told the Senate, "I saw how this program, through both the local and State allotments, filled many vital needs in community after community across my state . . . revenue sharing works because it shifts the decision-making process back to the local level where it should be."

Senator Baker too made a powerful contribution by reminding the Senate that revenue sharing has been a determined bipartisan effort over the years to change the direction of the growth of government. He said it was a Democratic initiative first proposed by the Chairman of the Council of Economic Advisers for President Kennedy, and later carried out by President Nixon. Senator Baker recalled that the late Senator Humphrey and he had prevailed on both national conventions in 1968 to include identical platforms on revenue sharing, which was "the only plank in the platform of the two political parties that was not partisan."

My first tactic to defeat the cut was to make a point of order that the Committee's amendment was improper because it was legislation in a general appropriations bill which is prohibited by the Standing Rules of the Senate. The Chair sustained my point, thereby automatically restoring the $684 million.

Then Senator Proxmire offered a new amendment to cut the same funds. Happily, once again the Senate rose to the occasion; the Proxmire amendment was defeated 31 to 59, and revenue sharing funds were safe for another year.

So much for the good news. Now for the bad.

During the course of this debate, some who voted against the cut noted they would not be with us next year. Several Senators opposed the cut simply because they didn't think it was fair to turn off the spigot on the states without warning. As Senator Stevenson explained:

"I continue to oppose participation by the States in revenue sharing and I intend to vote accordingly when the authorizaton for revenue sharng expires at the end of fiscal year 1980. I see no justification to increase the federal budget deficit in order to contribute to state budget surpluses. However . . . to make a revenue sharing cut now would damage states which have relied in good faith on these funds during fiscal year 1980."

From Senator Stevenson's statement it's easy to see that what we got from the Senate this summer was not a pardon but merely a stay of execution. The authorization for General Revenue Sharing will expire on September 30, 1980—less than a year from now—and the battle lines in the Congress are already being drawn.

To give you a hint of what the main event will be like just look at the figures the Budget Committee is projecting for 1981, 1982 and beyond.

The program currently funnels $6.85 billion yearly to about 40,000 state and local governments across the country. The Budget Committee recommendation for FY 1981 through 1984 assumes a reduction of $1.4 billion annually in the program's funding level. This recommendation was in the Second Concurrent Budget Resolution adopted by the Senate just a few weeks ago.

Already, as the Advisory Council on Intergovernmental Relations puts it, revenue sharing has been "allowed to twist slowly in inflationary winds." Its value has eroded 40 percent over the last eight years.

There are other troubles too. The National Journal explains that:

"Politically, the states incurred congressional wrath earlier this year and late last year when a number of governors and state legislatures demanded a balanced federal budget. Many Members of Congress responded that the best way to balance the budget would be to trim federal aid to states, and that revenue sharing would be a good place to start."

During our debate this summer, Senator Bentsen made no bones about how he felt. "I proposed eliminating the state portion of revenue sharing earlier this year," he said:

"I did it at the time the Governor's conference was being held in Washington and I heard from Governors immediately. They were outraged. . . . It's great fun to go down there and cut a ribbon and get the television cameras on you and take full credit for it when you have used federal revenue sharing and you are a Governor, and you have not had to tax the people to raise that money. . . .

Then you turn around and just really raise cain with those 'spendthrifts in Washington, who are spending the taxpayers' money on all these extravagances."

Senator Bentsen concluded, "I just don't think you can have it both ways." A lot of people, who are going to have a say about the future of revenue sharing, agree with him.

Senator Long objects to revenue sharing because it relieves the Congress of its Constitutional responsibility to appropriate money for specific purposes. And that is true. But the Founding Fathers never contemplated the tremendous growth of the national economy.

It seems to me that creative federalism—which is certainly what the Founding Fathers had in mind even if they could not anticipate all its forms—means adjusting to the facts of real life as they unfold. The national economy is a great, powerful force in this country. If we can hitch up this great force, if we can let the money come from the national economy and the decisions come from the local level, then we will have the best of both worlds. And we've got to get this idea across.

The Administration too seems to be backing off on revenue sharing. We're receiving pretty strong signals that some in the Administration may recommend terminating the program. There are rumors around that OMB not only wants to eliminate the states from revenue sharing in 1981, but wants to provide revenue sharing funds only when there is a federal surplus—and I wouldn't hold my breath waiting for that day to come.

There's also a big question mark about President Carter's views. Don't forget he was the only governor to come before the Congress in 1972 and oppose revenue sharing. Now the September 15, 1979, due date for a Presidential recommendation on the future of revenue sharing has come and gone without a word from the White House to the Congress on what it plans to recommend for the general revenue sharing program once its authorization expires next year.

With all these straws in the wind, it's obvious that anyone who wants revenue sharing to continue is going to have to be able to answer a lot of hard questions in the coming months. And they're going to have to make a positive case for revenue sharing that will address all the issues raised in the Senate debate this summer. Incidentally, I've had some reprints of that debate made and brought them along for you because it will give you an idea of what you're up against.

By the end of the current authorization period, the General Revenue Sharing will have distributed $55 billion over its nine-year life. It seems to me that the single most important contribution you can make to assure continuation of revenue sharing is to demonstrate that these funds have produced a solid record of achievement in meeting needs. It is hard for even the best friend of revenue sharing to make a case for it, if there's evidence that the funds have just been socked into an interest account or into municipal bonds or squandered on a statue of the mayor.

But if each official and each agency across the country that has received revenue sharing funds can document what these funds have meant in human terms, then I'm confident we'll be able to convince a majority of the Congress to continue the program. Bring me a solid record of achievement and I guarantee you it will make a difference.

It would also make a difference if we could tone down the Proposition 13 rhetoric a little. In Maryland, we have good cooperation at all levels of government, I think, and I'm proud of that. But I wish you could get the message across to your colleagues in other states that we are all in a fiscal bind together and we'll do a lot better by cooperating with each other than by caterwauling at each other. As Senator Bentsen said "You can't have it both ways."●

## JUDICIARY COMMITTEE HEARING ON NATIONAL SKI PATROL CHARTER

● Mr. HATCH. Mr. President, last week the Judiciary Committee held a hearing on S. 43, the National Ski Patrol System Recognition Act, a bill I was pleased to introduce in the 96th Congress. The hearing was most informative and impressive from the standpoint that it provided the opportunity for a number of people familiar with the National Ski Patrol System from around the country to participate in the legislative process. I would like to express my sincere appreciation to Senator KENNEDY, chairman of our committee, for his kind consideration in scheduling this hearing and for his active support of the bill. His staff counsel, Ms. Patti Saris, was enormously helpful in arranging the meeting and has been a pleasure to work with on the bill.

I think the fact that so many Senators have joined together to help make this bill a public law is indicative of the enjoyment and satisfaction we can derive from encouraging an effective volunteer organization in its work. There are now 60 cosponsors of S. 43, 27 Democrats and 33 Republicans. These Senators represent 41 States.

In addition to the citizens who came to testify on the bill, our colleague, the distinguished Senator from Pennsylvania, Mr. HEINZ, took the time to give us his observations on the National Ski Patrol System, both as a former patroller himself and as a recipient of their first aid services. Senator RIEGLE, also a cosponsor of the bill, stopped by the committee to introduce a constituent, Mr. Donald Williams, national director of the National Ski Patrol System. Other cosponsors, Senators CANNON and THURMOND, submitted endorsements of the legislation for the hearing record; Senator THURMOND correctly noted that the emergency training of the national ski patrol enables their more than 23,000 members to save lives anywhere and during any season of the year.

Donald Williams, NSPS national director, testified that patrollers were called upon to assist medical and law enforcement personnel in Chicago last winter when the great city became immobilized after back to back blizzards. Their efforts helped transport the ill or the injured to medical facilities when our super-equipped ambulances could not do the job. Patrollers on skis moved supplies and food to the elderly and the shut-ins during that weather crisis in Chicago.

Mr. Williams also testified to the extensive training required of NSPS members and to the other various programs and functions they perform. Mrs. Luanne Skinner, former assistant national director from Ogden, Utah, added some perspective from the point of view of a veteran patroller saying that in spite of the comprehensive training, the expense of buying their own ski and patrol equipment, the temperature and the wind chill, that the real benefit of being a national ski patroller is the deep satisfaction of helping others. "The service we render to others," she said, "is really the rent we pay for our room on this Earth."

Mr. Channing Murdock, owner and president of Butternut Basin in Great Barrington, Mass., was kind enough to share with the committee his views on the NSPS charter legislation as a ski area owner. Mr. Murdock noted the importance the NSPS played in safe operation of a ski area. Mr. Murdock explained the difference between professional patrollers and patrollers of the NSPS as well as the necessity for having the volunteer group. He testified that many ski areas would either have to increase the prices for winter recreation to consumers or sacrifice safety enforcement and emergency first aid services altogether in the absence of the National Ski Patrol System. He brought to the committee statements from other members of the National Ski Area Association which indicated a universal support for this legislation.

Two witnesses representing the XIII winter Olympic games at Lake Placid, N.Y., shared with us the special relationship between the National Ski Patrol and the Olympic committee. Mr. Bob Paron, manager of White Face Mountain, operated by the State of New York, and Mr. Serge Lussi, chairman of the Alpine events for the 1980 winter Olympic games explained for the committee the cooperation between the NSPS and the Olympic committee for many years. The NSPS will furnish a brigade of patrollers to assist in the various events scheduled for the 1980 international competition. It was pointed out that special skills were needed to render such services in competition due to the speeds the contestants are skiing and the short intervals between starts. The NSPS will serve the Olympic games without charge, just as they do recreational skiers every day.

Mr. Joe Prendergast, president of the American Ski Federation representing the diversified ski industry, ski areas, manufacturers, instructors, retailers and others, pointed out that there was unanimous support for S. 43 among these groups and stressed the importance of the NSPS to the overall health of the industry.

Mr. President, the testimony presented by these witnesses indicates the universal acceptance of this legislation. I ask that the prepared remarks of the seven witnesses be printed in the Record as well as the opening statement of Senator Kennedy and the statements submitted by Senators Cannon and Thurmond.

I also ask that a current list of Senate cosponsors be printed in the Record.

The material follows:

### STATEMENT OF SENATOR JOHN HEINZ

Mr. Chairman, as a representative of Pennsylvania which is blessed with many fine ski resorts—notwithstanding the derogatory remarks of those from the New England and Rocky Mountain states about our vertical drops—I am grateful for this opportunity to testify on behalf of S. 43, which I cosponored along with my distinguished colleague from Utah, Senator Orrin G. Hatch. This measure involves no expenditure of federal funds but would provide a federal charter for the National Ski Patrol System.

I served as a member of the ski patrol during college and am thus personally familiar with the valuable services provided by this organization. Founded in 1938, the NSPS operates patrol units in 43 states, Canada, and foreign nations where U.S. government and military personnel are stationed. Members of the patrol are expertly trained in first aid, search and rescue techniques, and avalanche control. As part of its ongoing efforts to promote safety in skiing and other wintersports and to provide emergency assistance to the injured, the NSPS has been chosen to select patrollers for the Nordic events at the 1980 Winter Olympic Games at Lake Placid.

Unfortunately, the valuable work of the NSPS is in danger of being drastically curtailed because of the reporting and registration paperwork and fees required in each state in which NSPS operates. This nonprofit, volunteer organization lacks the personnel and financial resources to meet the various filing fees and registration redtape of the states in which it operates.

I thus find myself in the most unusual situation of advocating more, not less, federal paperwork. The act of placing the NSPS under a federal charter would not only recognize the exemplary achievements of the NSPS and its dedicated service to people, but would also make the organization directly accountable to Congress and the federal government for financial reporting, taxes, and other requirements. Such action would significantly reduce the amount of time and money the NSPS must expend merely to stay in operation. NSPS would thus enjoy status similar to that of the American Red Cross and the Boy Scouts of America.

The measure which I have cosponsored also expressly prohibits profit-making or political activity on the part of the NSPS, and does not provide authorization for federal tax subsidies.

In short, I hope that my distinguished colleagues on the Judiciary Committee will agree that passage of this measure is vital for the continued safe enjoyment of downhill skiing, one of the most popular sports in the nation. It is my further hope that the members of this Committee will avail themselves this winter of the opportunity to witness the services of the National Ski Patrol firsthand—at one of the many nearby Pennsylvania ski resorts.

Thank you.

### TESTIMONY OF DONALD C. WILLIAMS, NATIONAL DIRECTOR, NATIONAL SKI PATROL SYSTEM, INC.

My name is Donald Williams and I am National Director of the National Ski Patrol System. I would like to express to the members of the Senate Judiciary Committee my sincere thanks for considering a federal charter for the National Ski Patrol System, Inc. The Charter would be very meaningful to the Ski Patrol, if Congress should grant us the privilege.

The National Ski Patrol System (NSPS) is a non-profit organization operated primarily by volunteer personnel. The N.S.P.S. is comprised of approximately 800 patrols, 23,000 patrollers, of which 5040 are women. We have patrols registered in 43 states, with our patrollers residing in 46 states. Of our membership, 3,338 are American Red Cross Instructors, 337 Emergency Medical Technicians, and 2459 Instructors in cardio-pulmonary resuscitation.

I should mention that in my travels to various ski areas throughout our country I have been fortunate to meet skiers from every state and U.S. possession.

To become a member of the National Ski Patrol System, certain mandatory qualifications must be met. To become a candidate in our system, an individual must have an advanced course in First Aid, as given by the American Red Cross, and an ability to ski. Upon acceptance by a patrol, the candidate must go through a training period during which time he learns how to work with toboggans, immobilize injuries and improve skiing. Upon completion of their training, the candidates must take a Proficiency Test in all of these categories. After passing the test, the candidate is now eligible to join the N.S.P.S. as a patroller. After a minimum period of one year and further training, the patroller is eligible to take a further test qualifying him as a senior patroller. To reach this position an individual must take further and more demanding classes in First Aid and splinting procedures along with other subjects. Each year thereafter, regardless of what position or level an individual may be, a refresher course on First Aid must be taken from our instructors.

The National Ski Patrol, through necessity, has several other specialized training programs available. These programs encompass categories such as Avalanche, Mountaineering, Nordic and Search and Rescue. These programs are available to any patroller whose geographic location may require his knowledge of a particular subject. As an example, in the Avalanche program, the N.S.P.S. teaches avalanche information, inhouse, and to the skiing public, teaches the U.S. Forest Service avalanche program, and each year now holds a multitude of classes for anyone, whether members of our organization or not.

Our Nordic program is the fastest growing facet of our organization. With the increasing popularity of cross-country skiing, there is a need for more properly trained personnel who can go in to the "back" country with what he has on his back, and be capable of caring for and transporting an injured party back to civilization, even though it might mean staying out a day or two. Our present Nordic program, even though it is in its infancy, is already proving capable of handling the job. I might add that a significant amount of this work is being performed in the U.S. Government wilderness areas.

Many of our patrols are registered with the Civil Defense, such as in Chicago. When the city was immobilized due to the blizzard last winter, units of our organization, in conjunction with the city, worked as rescue units to help citizens in need and to render first aid, and where necessary, transport the injured by snowmobile and skis to the nearest aid station. In the West, many of our units work on search and rescue operations for persons lost in the back country or hurt and unable to descend some mountain they had attempted to climb, along with our work with Area Management and the Forest Service on avalanche control. The reward the individual patroller receives is the satisfaction of helping someone in need. The patroller must pay membership dues to the N.S.P.S. so that he/she may have the privilege of doing so.

Membership dues, which are assessed at different levels of our organization, are the main source of our operating revenue. We do receive some donations, but not enough. Therefore, practically every dime that is spent comes from dues. Our National Office in Denver has the only paid employees of the System, who take care of our everyday business. However, any registration which may be required in the 43 operating States must be performed by volunteer help in the states and divisions. The Congressional Charter would make it possible for the N.S.P.S. to redirect this function to the National Office where our full time personnel can properly and efficiently perform what is required on the Federal level.

In summation, I have tried to give an overall picture of our organization which I feel hadn't previously been presented to you. Perhaps with this information, you will have a better picture of our function in society. Thank you for this opportunity to be heard. I will be pleased to respond to any questions you may have.

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### STATEMENT OF CHANNING MURDOCK, REPRESENTATIVE OF THE NATIONAL SKI AREA ASSOCIATION

My name is Channing Murdock. I am here today both as an operator who enthusiastically supports the Ski Patrol and a representative of the National Ski Area Association. By way of background, I am president and owner of Butternut Basin in Great Barrington, Massachusetts. Additionally, I am a member of the board of directors of the National Ski Area Association. I opened Butternut Basin in 1963 and have been an avid supporter of the National Ski Patrol since that time.

I have just returned from Anchorage, Alaska where the National Ski Area Association held its mid-year board meeting. The charter for the National Ski Patrol was considered at that meeting. It was unanimously agreed by those directors in attendance that I should present here today a message of strong support for all ski area operators throughout the country for this legislation.

The board of the National Ski Area Association is composed in such a way as to be representative of all areas both in size and geographical distribution. Therefore, the message I bring today is indicative of the tremendous efforts of the Ski Patrol and the wide acceptance the patrol receives from our industry.

All of us in ski area operation who have worked with the Ski Patrol have found the patrol to be an essential part of our operation. The Patrol provides both an immediate response to accidents and accident prevention. At my own area, I feel the ski patrol is largely responsible for our area's tremendous safety record.

The National Ski Areas Association wants to go on record as supporters of the ski patrol. Due to the efforts of this group of volunteers, skiers can be assured a much safer experience while in pursuit of their sport. The patrol has always been there in time of need to assist the skier. Without this value organization, the sport of skiing could not have reached the popularity it now enjoys in this country. Novice and seasoned skiers alike recognize quickly the dedication and professionalism of the many volunteer members of the National Ski Patrol.

Other members of the National Ski Areas Association wanted to be here today to tell you first-hand their experiences with the Ski Patrol. Time does not permit them to be with you since every ski area is now in the process of getting ready for the upcoming ski season.

Additionally, we understand that your committee could not receive more witnesses than are scheduled here today. I would like to present to you, however, some comments I received at our National Ski Areas Association board meeting from other ski areas operators enthusiastic about the legislation now before you. Tom Corcoran, President of Waterville Valley Ski Area, New Hampshire, which I might add is New Hampshire's largest ski area, asked me to read the following statement:

"I have worked in management of ski areas in both Colorado and New Hampshire for almost twenty years now, and I know first-hand how important the National Ski Patrol is to the sport of skiing and ski area operation throughout the United States.

"The concept of the National Ski Patrol is unknown in other skiing countries where mountain rescue and first-aid services are a charged-for service to injured skiers. By contrast, an extraordinarily high level of specialized safety services are provided at areas in the United States by the National Ski Patrol totally free of charge. The National Ski Patrol truly deserves the recognition and honor of a National Charter."

Ray Johnson of Park City, Utah wanted to be here today to support the patrol, but the operation of one of Utah's largest areas so close to the skiing season prevented his attendance. He asked me to relay the following message:

"I want to thank Senator Hatch for his enthusiasm and efforts in representing skiers in our State by supporting the National Ski Patrol. The Ski Patrol is an extremely important part of ski area operation here in Utah and, I am confident, throughout the country. Since I became involved in ski area operation, I have continued to witness the untiring efforts of the patrol and its many members. It is without reservation that I recommend favorable action to a charter for the National Ski Patrol.

"Hopefully, the committee will recognize the importance of the patrol, its charitable and heroic pursuits, and the need for a charter to allow the patrol to function more efficiently and effectively."

Chuck Lewis from Copper Mountain Colorado is a member of the board of directors of the National Ski Areas Association as well as the Colorado Ski Country, USA. He states:

"The National Ski Patrol is essential to ski area operation at many locations here in Colorado. The services provided by these dedicated men and women who volunteer their time and energy are of tremendous benefit to the skier. I support the Charter for the National Ski Patrol and urge the committee to favorably consider the legislation now before it."

It is an honor and a privilege to appear before this committee and even more so since the subject is so important to the sport of skiing.

I appreciate the opportunity to come before you and hope I have provided this committee with some feeling for the importance of the National Ski Patrol and the ski area operator in this country.

I would be pleased to answer any questions any members of the committee might have.

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### The National Ski Patrol System Recognition Act (S. 43)

Help wanted, man or woman, over 18 for seasonal outdoor work.

Must take 40 hours of first aid training plus yearly 8 hour first aid refresher course for weekend work. Job training required at no pay. Must be in good physical condition, must be able to withstand temperatures of 30 below zero and winds up to 70 miles per hour. Must also lift twice their own weight, pull heavy loads, move at the speed of life and do it all over again the next day. Must buy own uniforms and equipment and provide own transportation. Remuneration includes respect, smiles and occasional thank you letters.

Interested persons please contact any one of the 23,000 members of the National Ski Patrol.

What serious trouble we would be in if the NSPS had to rely on the foregoing ad in the "help-wanted" section of the paper! What is it that draws men and now women—from all walks of life, rich and poor, old and young—over 23,000 of us, to join the Ski Patrol?

Is it the "free ski pass" that lures us to put our lives on the line, be subject to lawsuits, have to be out in sub-zero weather? Or is it the "tangible" expression of appreciation, the look of thanks, relief from pain? The work of NSPS is exemplary and can help us to boost a positive, enthusiastic attitude about everything we do. We teach safety, enforce rules and save lives. Nothing can be more positive that that! Two years ago I was awarded the "purple Merit Star" given to a ski patroller who saves a human's life—which I am very proud of.

Fifteen years ago when I applied for membership on the Ski Patrol, it was a novelty having a woman on the patrol, and maybe I "smooth-talked" my way in; then later, due to the fact that I was one of the few women patrollers in the Division and also a legal secretary by profession, I can see why they would ask me to be Secretary of the Division; then two years ago our National Director at the time, Mr. Charles Haskins, was determined to make some changes and asked for applications from women so he could choose one of them to be one of his Assistant National Directors. I applied, was chosen, and filled a two-year term—so, there may be politics involved in every organization. But by golly—when it comes right down to the line of whether or not you have the training of saving another human's life if the occasion arises, all politics disappear!

Those of you who have experienced saving another human's life knows what a warm, gratifying feeling it is—a weak, drained feeling. This is when all the many hours of training necessary in becoming a Ski Patroller makes the whole thing worth while! Each year, before being allowed to register as a ski patroller, we must all spend two full days in extensive training of new techniques of splinting broken legs, dislocated shoulders, etc.; we must be able to successfully administer CPR, be trained in water rescue, and even know how to deliver a baby! We must spend another full day on the mountain learning how to evacuate a ski lift in the event of a mal-function of the lift, and also evacuate ourselves from the lift with a small piece of rope we carry in our packs.

After all this training is over, we are allowed to pay our yearly dues, purchase our own ski equipment, patrol parka, fanny pack, and every test we take to advance in the ranks, has a fee attached to it, plus we donate our time to be on the mountain, regardless of the weather, to help injured skiers. We are all tough, in good shape, and physically fit, so this part of becoming a ski patroller isn't that difficult—the most tangible benefit of belonging to the NSPS is the deep satisfaction of helping someone—the desire and attitude—that is what makes a National Ski Patroller different! The service we render to others is really the rent we pay for our room on this earth.

The National Ski Patrol System has combined two of the most important elements in America—sports and volunteerism. Every American who has ever skied owes the National Ski Patrol a debt of gratitude for making it a safer sport. In Utah alone, 588 volunteer ski patrollers treated over 3,500 cases. The NSPS has worked closely with the American Red Cross and has principal responsibility for avalanche control in many of our national forests, and the Ski Patrol has been selected to patrol the skiing events at the 1980 Winter Olympic Games. These accomplishments surely speak well for its effectiveness and dedication.

Senator Orrin G. Hatch, whom we all love and respect, has put in many untiring hours as our sponsor of legislation that would provide a congressional charter to the National Ski Patrol System, Inc.—which charter is very vital to our being able to continue our volunteer organization, as the demands made of this volunteer group are becoming so great that this volunteer service may be dissolved. The National Ski Patrol System is the only volunteer organization in the country founded for the purpose of enforcing Safety Rules and Rendering First Aid.

In seeking this Charter, as we have stated to all of you in our many letters, we seek no escape from taxes—no prestige. This would enable us to purchase Surplus equipment needed in our many First Aid training sessions, rescue operations, chair and tram evacuations; would give relief from the many reports. Don't let this fine organization be dissolved because of bureaucracy! The NSPS gives services, free of charge of saving lives (in some cases), transporting the many injured skiers from the ski slopes throughout the United States and in some areas in Europe. The NSPS has National membership of over 23,000, with chapters in 42 states, and has just had its 40th anniversary.

We are all very aware that Congress could conceivably be deluged with bills requesting the charter for hundreds of organizations. That the Senate Judiciary Committee has established a set of criteria for charters which has been strictly observed. We have endured six years of waiting, writing, calling, promoting, research and hoping, and we are willing to go through this same process every two years, if necessary, to obtain this charter. We will persevere, and continue to administer first aid on the hill to the injured, and will not give up. We are proud of our organization and active in helping it to achieve excellence which could never be recognized by a congressional charter alone. You may ask "Why do over 23,000 of us give of our free time to contribute service to a charitable cause?" It is for the SATISFACTION that I have mentioned above. Every one of you have 'gone the extra mile' and expended your energy to overcome obstacles for accomplishment and progress, so you know the feeling!

Please—May we have your support?—Lu Skinner.

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### Prepared Statement of Serge Lussi

As a man with a double role—member of the executive committee of the Lake Placid Olympic Organizing Committee, and Alpine Chairman of that organization—I am doubly concerned with the passage of Senate Bill 43 which would give our hard-working ski patrol men and women a much-needed national charter.

A Federal charter would put the nation's some 25,000 ski patrol people on an equal footing with other national volunteer organizations such as the Boy and Girl Scouts, and the American Red Cross.

Ski patrols have a hard enough job threading their way down mountainsides and braving the adverse elements of nature, without having to thread their way through a mass of red tape and brave local bureaucracy, now required to operate under various individual state jurisdictions.

We can not operate ski racing without a volunteer ski patrol. From the grassroots junior programs which involve children learning to race at five and six years old, all the way up to Olympic competition, the racing organization must have the support of the ski patrol system.

The ski racing organization is comprised entirely of volunteers, and these people must be supplemented by ski patrol volunteers, since no funds are available to pay for medical evacuation during ski races.

To prepare for the 1980 Olympic Winter Games at Lake Placid I required that the ski patrol go through two dress rehearsals—one at the 1978 National Downhill Ski Championships, and again at last winter's World Cup races. The ski patrol, which numbers over 100 people, came to Lake Placid in 1978 and 1979, and found their own food and lodging. And now they'll be back again next February—without pay—for America's premier sports events. We could not put on the Olympic Alpine events without them.

The National Ski Patrol System is both non-political and non-partisan, and the NSPS is not seeking funds under this bill. They seek only the national recognition that they have long deserved, and the legislation to continue serving—unhampered—this Nation's growing number of winter sports enthusiasts.

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### Prepared Statement of Robert J. Paron

There is probably no group of people connected with the ski industry that has done more to advance the sport of skiing or to create an atmosphere of safety in the sport than the members of the National Ski Patrol system. Their many programs directed at educating the skiing public as to the various hazards that exists in the sport, has resulted in a very substantial reduction of accidents. Their continuing workshops, refresher courses, and in house communications keep them abreast of the latest emergency first aid equipment and techniques. The amount of personal time and dedication that is involved in being an active member of the ski patrol is very substantial and the rewards other than the personal pride and satisfaction in minusule. They receive no pay and charge no fee for their service.

Ski area managers know the value and necessity of a qualified ski patrol. No prudent manager would or should operate his facilities or open his trails for skiing without proper ski patrol coverage. We only have to observe the daily activities of a typical ski patrolman to understand the unique qualifications they must possess. Like all emergency medical technicians, they have achieved a high level of emergency medical training. Beyond this and unlike other medical technicians, they must possess a high degree of skiing ability. The injured people that they are caring for are on mountain sides and must be treated at the scene and transported to the base area on toboggan type carriers by the patrolman on his skiis. To do this in a safe and effective manner requires great skiing ability and a complete understanding of the injury.

Many reports are available indicating where lives have been saved, and the possibility of permanent injury has been substantially reduced due to the training and capability of the ski patrolman. Due to the fact they receive no pay or charge for their services, they are constantly confronted with a difficult financial burden. When people give so much of their personal time and finances to the care of others, I feel the least we should do is furnish them the basic necessities to perform their service.

I therefore pray you will look favorably at bill S. 43.

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### Statement of Joe Prendergast, President, American Ski Federation

My name is Joe Prendergast. I am the president of the American Ski Federation which represents the entire ski community.

The American Ski Federation is made up of ski area operators, ski equipment manufacturers and importers, ski retail shops, professional ski instructors, ski patrollers, and skiers.

The American Ski Federation was created to provide a forum for all interested in the sport of skiing, a place to exchange ideas and resolve problems affecting the sport.

Additionally, the American Ski Federation was created to allow the sport to speak with a united voice. I am here today to express support for the National Ski Patrol Charter as the united voice of the sport of skiing.

Today, you will hear from members of the American Ski Federation who felt this legislation was of such great importance that they should appear. We are, however, in unanimous agreement that the role of the National Ski Patrol is vital to the support of skiing.

The role of the National Ski Patrol has not been limited to the mountain.

With us today is Harry Pollard, former National Director of the Ski Patrol and early president of the American Ski Federation. The participation of Harry and the National Ski Patrol went a long way in developing a more unified ski sport.

While I cannot address the technical operation of the National Ski patrol, I can address the widespread acceptance and dependence found in the ski community. Skiers have come to recognize the National Ski Patrol insignia as an important part of the skiing experience. In fact, the public-at-large has benefited by the training given thousands of ski patrollers every year. This training has provided communities all over this country with individuals experienced in first aid and rescue techniques.

The National Safety Council has recognized the importance of the Ski Patrol and has awarded it the Council's Distinguished Service to Safety Award. Other organizations outside of skiing have also recognized the importance of National Ski Patrol to include government agencies such as the Forest Service and the Park Service.

Since becoming president of the American Ski Federation in October of last year, I have heard from many businesses and individuals in skiing on a variety of issues. This charter which this committee is considering today has continued to be an important issue on the mind of many. It is safe to say that anyone who has skied has witnessed the National Ski Patrol and, I am confident, viewed the presence of the Ski Patrol as an essential element of ski safety. You will hear today from the National Ski Areas Association an expression of unanimous support for the Charter and the National Ski Patrol.

The ski area operator has a difficult task to perform. Like the farmer, his business is highly dependent upon the weather and now even more dependent upon the availability of energy. The services provided by the National Ski Patrol are to some areas an essential ingredient for successful operation. Without a trained resource of men and women to patrol ski areas for safety, skiing would not be the enjoyable sport that it is today.

In the interest of time, I have made my statement brief. I urge your favorable consideration of the Charter.

All members of the American Ski Federation urge your favorable consideration of the Charter for the National Ski Patrol for the good of the sport and in the interest of safety of our Nation's ski areas.

I would be happy to answer any questions any members might have.

Thank you.

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### Statement of Senator Edward M. Kennedy

We begin hearings today on S. 43, a bill to grant the National Ski Patrol System a Federal charter.

As an avid skier myself, and as one who has long been familiar with the very important services of the Ski Patrol, I am particularly delighted to be here today to consider this bill to give the Ski Patrol the national recognition it so clearly deserves.

I would like to thank Senator Hatch, who is co-chairing these hearings with me today, for his efforts on behalf of the Ski Patrol charter. The popularity of the legislation is evidenced by the fact that there are sixty co-sponsors on the bill, eleven from the Judiciary Committee alone. If passed. the Ski Patrol would be the first non-profit group since 1971 to receive a Federal charter.

The hearings today will examine whether the Ski Patrol meets the criteria established by this committee to determine which groups merit a Federal charter. These criteria guarantee that a group serves an important public interest and that the legislation has broad bi-partisan support.

In my experience, the Ski Patrol performs invaluable volunteer services in protecting the safety and health of our American citizens and visitors who ski. The Ski Patrol provides extensive expertise in emergency medical aid, search and rescue techniques, avalanche forecasting and control methods, and snow safety training. It also performs important civil defense functions in areas hit by blizzards.

This year the Ski Patrol won the distinguished "Service to Safety" award.

As Bob Bergland, the Secretary of Agriculture, said in a letter to the Judiciary Committee regarding S. 43, the activities of the Ski Patrol are important to the "long term stability of winter safety programs at ski areas where many employees change seasonally."

The Ski Patrol operates in 42 States and has over 23,000 members. A Federal charter would help the Ski Patrol in dealing with the enormous quantity of paperwork required to operate in all these States by permitting it to report directly to the Congress and to the GAO. Instead of spending its scarce resources on paperwork, the Ski Patrol could concentrate its efforts where they belong—on the slopes.

Today we are going to hear about the Ski Patrol from a number of witnesses from all over the country. Welcome.

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### Statement of Senator Howard W. Cannon

Mr. Chairman: It is a pleasure for me to have this opportunity to express support for S. 43, a bill to promote safety and health in skiing and other outdoor inter recreational activities, by granting a federal charter to the National Ski Patrol System (NSPS).

Since the inception of NSPS in 1938, it has volunteered countless hours in rendering lifesaving emergency services to accident victims. It is time that the outstanding work of over 23,000 dedicated individuals which comprise this fine organization be recognized.

A federal charter would recognize the exemplary achievements of the NSPS and its dedicated service to people. Moreover, it would relieve ski patrollers of the onerous task of complying with a multiplicity of state laws dealing with incorporation of nonprofit organizations. The amount of time and money NSPS must raise to stay in operation would, thereby, be significantly reduced.

Although Congress should not be indiscriminate in granting federal charters, we are empowered to grant them in worthwhile instances, particularly in the promotion of volunteerism and service to others. The National Ski Patrol is deserving of this assistance and its charter should be approved without reservation.

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### Statement by Senator Strom Thurmond

Mr. Chairman: I am very pleased that today we are holding hearings on S. 43, The National Ski Patrol Recognition Act. This bill, of which I am a cosponsor along with 58 of my colleagues, has a simple yet very important purpose. S. 43 would grant a Federal charter to the National Ski Patrol System (NSPS), making this organization accountable to Congress and to the Federal government for taxes, financial reports and other requirements. As a result, the NSPS would no longer have to comply with the reporting and registration requirements in each of the states in which it operates. Thus, the granting of a Federal charter would mean a great savings of both time and money to the NSPS.

Mr. Chairman, the NSPS is a non-profit volunteer organization consisting of over 23,000 skilled and dedicated men and women. I am pleased to cosponsor legislation which would provide much deserved recognition and praise for the achievements of and the services provided by the NSPS. In reading background material on the NSPS, I was impressed by the fact that it is the only organization in the entire United States which exists for the sole purpose of promoting safety in skiing and other winter sports and providing emergency assistance to the injured. In performing these functions, the NSPS works closely with the National Park Service, the U.S. Forest Service, as well as other Federal agencies and organizations. Equally as impressive as the emergency assistance which these patrollers provide on the ski slopes is the lifesaving aid which they have provided in a number of other contexts, such as following automobile accident, heart attacks, and drownings.

Finally, Mr. Chairman, I would like to point out that, in addition to having active patrol units in 42 states, the NPS also has units stationed in Canada and in foreign countries in which U.S. government and military personnel are stationed. Through these units, as well as through exchanges with ski patrollers of other nations, the NSPS has been helpful in encouraging friendly relations with a number of other countries.

I would like to thank all of our distinguished witnesses for agreeing to appear before the Senate Judiciary Committee, and I look forward to hearing your testimony on S. 43. I am hopeful that the Committee will be able to act expeditiously on this important legislation.

COSPONSORS OF S. 43, THE NATIONAL SKI PATROL SYSTEM RECOGNITION ACT

Malcolm Wallop, Republican of Wyoming.
John Durkin, Democrat of New Hampshire.
Gordon Humphrey, Republican of New Hampshire.
Paul Laxalt, Republican of Nevada.
Patrick J. Leahy, Democrat of Vermont.
John Melcher, Democrat of Montana.
Alan K. Simpson, Republican of Wyoming.
Warren G. Magnuson, Democrat of Washington.
Ernest F. Hollings, Democrat of South Carolina.
Alan Cranston, Democrat of California.
Ted Stevens, Republican of Alaska.
Harrison A. Williams, Jr., Democrat of New Jersey.
Donald W. Riegle, Jr., Democrat of Michigan.
Harrison Schmitt, Republican of New Mexico.
Henry Bellmon, Republican of Oklahoma.
Robert Dole, Republican of Kansas.
Jesse Helms, Republican of North Carolina.
Robert T. Stafford, Republican of Vermont.
William Armstrong, Republican of Colorado.
William S. Cohen, Republican of Maine.
Dennis DeConcini, Democrat of Arizona.
James A. McClure, Republican of Idaho.
Mark O. Hatfield, Republican of Oregon.
Mike Gravel, Democrat of Alaska.
Daniel Patrick Moynihan, Democrat of New York.
H. John Heinz III, Republican of Pennsylvania.
Gary Hart, Democrat of Colorado.
Richard G. Lugar, Republican of Indiana.
Strom Thurmond, Republican of South Carolina.
Howard Baker, Republican of Tennessee.
Rudy Boschwitz, Republican of Minnesota.
Howard Cannon, Democrat of Nevada.
Thad Cochran, Republican of Mississippi.
David Durenberger, Republican of Minnesota.
Jake Garn, Republican of Utah.
Barry Goldwater, Republican of Arizona.
S. I. Hayakawa, Republican of California.
George McGovern, Democrat of South Dakota.
Robert Morgan, Democrat of North Carolina.
Charles H. Percy, Republican of Illinois.
Larry Pressler, Republican of South Dakota.
Abraham Ribicoff, Democrat of Connecticut.
William V. Roth, Republican of Delaware.
John Tower, Republican of Texas.
Paul Tsongas, Democrat of Massachusetts.
John Warner, Republican of Virginia.
Lowell Weicker, Republican of Connecticut.
Max Baucus, Democrat of Montana.
Jennings Randolph, Democrat of West Virginia.
Henry Jackson, Democrat of Washington.
Charles McC. Mathias, Republican of Maryland.
Quentin Burdick, Democrat of North Dakota.
Carl Levin, Democrat of Michigan.
Roger Jepsen, Republican of Iowa.
J. Bennett Johnston, Democrat of Louisiana.
Richard Schweiker, Republican of Pennsylvania.
John Stennis, Democrat of Mississippi.
Herman Talmadge, Democrat of Georgia.
Edward Zorinsky, Democrat of Nebraska.
Birch Bayh, Democrat of Indiana.●

## CONGRESSIONAL PAY RAISE

● Mr. DECONCINI. Mr. President, I would like to take this opportunity to make clear my opposition to the action taken by the Congress on Friday evening. After weeks of haggling between the two Houses, a continuing resolution was enacted that contained a 5.5-percent increase in pay for Members of Congress.

This action, Mr. President, will contribute substantially to the already low esteem in which the American people hold their national legislators. Members of Congress, like other citizens, are feeling the pinch of inflation, and the buying power of their salaries has decreased at the same overall rate. But their primary obligation is not to themselves; rather, it is to the men and women who elected them—men and women who, in most instances, cannot raise their own salaries at will to compensate for inflation; men and women whose real buying power is decreasing; men and women whose standard of living is deteriorating; and men and women who have been asked by their Government to make sacrifices to break inflation's back.

How can we expect the average citizen to take seriously the wage and price guidelines articulated by the President, and how can we expect the average citizen to subject himself to exceptionally high interest rates and a likely recession, if we—the people's representatives—cannot stand firm and set an example for the rest of the Nation? We are not, nor should we be, professional legislators; we should be simply members of the community who have temporarily been invested with the public trust. And as trustees, we should be above reproach.

By appearing venal—and I have no doubt that congressional action on the pay raise was so perceived—we denigrate our own position and partially eliminate our effectiveness in leading the Nation. Leadership is the quality of being able to inspire others, but it presupposes trust and respect. The recent pay raise debacle will neither establish greater trust between the elected and the electorate nor will it inspire respect. In providing for its own well-being, Congress has contributed to the general alienation of our people toward Government and has made it more difficult to generate the sacrifice and community action that will be necessary to overcome the worsening inflation.

I can only hope that the public will recognize that the action by Congress reflects not the universal attitude of its members, but the willful opportunism of some who were willing to sacrifice the welfare of the Nation to their own interests. I should also like to remind my colleagues that the Senate repeatedly rejected this excursion into legislative blackmail. I can only pray that in the months left to the 96th Congress it will conduct itself with dignity and restraint and will, by its actions, regain some of the trust and respect that it has lost.●

## THE MAKING OF THE CONSTITUTION

● Mr. HELMS. Mr. President, during the past several weeks, I have shared with my colleagues several lectures given as part of the 1979 Winter Symposium presented by the Student Bar Association of the Campbell University School of Law.

The purpose of this symposium, entitled "In Anticipation of the Constitutional Bicentennial: The Philosophical Foundations of the Creation of a Nation," was to identify and evaluate the roots of American fundamental law. This purpose was accomplished by inviting distinguished speakers to present lectures on the history of the American Constitution.

I regret that it is not possible to share all of these stimulating lectures with my colleagues. However, I especially want Senators to have available the text of remarks by my dear friend, Dr. Charles W. Lowry. Charles is author of "To Pray or Not To Pray" (a book on the Supreme Court's school prayer decisions), has been a professor of theology, a parish minister, a government consultant, and a foundation executive. This lecture addresses the challenging and burdensome drafting process that faced the authors of the Constitution and Bill of Rights.

Describing the Constitution as "the 8th wonder of the world," Dr. Lowry expresses his conviction that its drafters specifically intended that Congress should "provide a definite check on the Supreme Court" (U.S. Const., art. III, sec. 2(2)). He further posits that "(l)aws of men must in some manner stand under a higher law if they are to be truly legitimate and win the assent of conscience."

Mr. President, I ask that the lecture delivered by Dr. Charles W. Lowry at the Campbell University School of Law Winter Symposium on February 15, 1979, be printed in the Record.

The lecture follows:

### THE MAKING OF THE CONSTITUTION

The Constitution of the United States of America is one of the wonderful works of man in all the ages. It deserves to be called the 8th wonder of the world: and it was an achievement of the mind and spirit of man.

It is hard not to see in the outcome of the Constitutional Convention, meeting all summer in Philadelphia, a hand that was more than human. George Washington was convinced that it was only by Divine Providence that the Revolutionary War had been won. Of all men he had reason to know by what slender threads victory hung over seven gruelling and painful years.

No doubt Washington felt the same way about the Constitution and the rebirth under its auspices of the nation conceived in liberty and baptized in blood and hardship. Who shall say that he was mistaken in his simple, sincere faith in God?

Nevertheless, the Constitution was eminently a human work. It was hammered out by the combined brainwork and willpower of an assembly of remarkable men.

Thomas Jefferson was not keen at first on the Constitution, in which he had had no direct part. Much later he made up for his little faith and perhaps brought together both sides of the divine-human equation when he called the Convention of the Constitution an assembly of Demigods.

The Constitution came at a certain point in the early history of the Republic. Not a little water had already flowed under the dam. First and foremost, there was our first great Charter, the Declaration of Independence, of which Thomas Jefferson was the chief author.

We are everlastingly fortunate as a Nation and People that we have the Declaration of Independence and that it came first. The outstanding feature of this Charter of Liberty on which America was first founded is that it is a political document which is at the same time a religious testament.

In the Declaration of Independence you cannot separate these two strands: the political and the theological. No knife of logic is sharp enough to do this. The two elements are woven together in a seamless robe.

It is impossible to overestimate the importance of this basic character of our first great national charter. Its language is fixed and abides as an imperishable witness to the mind of the Founding Fathers of our country.

The Declaration is of course in no way isolated as an ideological pronouncement. Just a year earlier, on July 6, 1775, the Representatives of the United Colonies of North America, met in Congress at Philadelphia, had issued a "Declaration of the Causes and Necessity of Taking up Arms." This is one of the most reverent of all American State Papers.

On June 12, 1776 a Declaration of Rights was drawn up and issued by "the Representatives of the good people of Virginia in full and free convention; which rights do pertain to them and their posterity, as the basis and foundation of government."

This remarkable document was drafted by George Mason, except for the final paragraph on religious freedom which has been ascribed to Patrick Henry. This concluding declaration breathes the very spirit of Christian charity and love. I quote:

"That religion, or the duty which we owe to our Creator, and the manner of discharging it, can be directed only by reason and conviction, not by force or violence; and therefore all men are equally entitled to the free exercise of religion, according to the dictates of conscience; and that it is the mutual duty of all to practice Christian forbearance, love, and charity towards each other."

Our Declaration of Independence, of which the Virginia Declaration is the noble forerunner, drew on Deism, Locke, and the ancient natural law of the Church Fathers, the Roman lawyers, and the Stoic philosophers. It remains the fountainhead of the American conviction that we are a Nation under God.

If the Constitution stood alone, we could not be so sure of this. Some modern commentators have noted and sought to make capital of the more secular language of this Charter. But it does not stand alone and there is the obvious fact that a Constitution is a legal instrument, not a ringing pronouncement.

The Declaration of Independence was the work of the Continental Congress, the first governmental polity of the United States. The men of this Congress realized its inadequacy and in 1777 drew up the Articles of Confederation. The State of Maryland unfortunately held up the ratification of this first Constitution till March 1, 1781. Thus it came about that the period of government under the Articles was basically the early post-war period of the newly independent United States.

The Articles posited a Confederation but a loose one. In effect, the weak government of the Continental Congress which had grown up and under which the War for Independence had been fought was ratified and rendered prescriptive, with a little tightening and clarification here and there.

The key was the Congress. It was appointed annually "in such manner as the legislatures of each state shall direct." Its delegates were subject to recall.

The Congress was authorized somewhat vaguely to provide for the exercise of an executive power. It could not be the President who was expressly defined as the presiding officer with his tenure limited to "one year in any term of three years." In fact, it was committees of Congress that functioned in an executive capacity.

The Congress was given the power: to make war and peace and enter into treaties and alliances; to equip an army and navy, requisitioning men, money and supplies from the states; to appoint the superior officers of the United States Army, to borrow money, emit bills of credit, to pledge the credit of the United States, and also to coin money with the exclusive right to regulate the alloy and value of such coins; to provide for a postal system; to provide for the arbitration of boundary and land disputes between states; and to regulate trade with the Indians.

On the negative side, the Congress had no power to tax or to regulate commerce. There were no provisions for enforcing Congressional decisions either by sanctions applied to the status or their officers or through laws operating directly upon individual citizens.

There was no independent judiciary, in fact no federal courts at all except for a Court of Appeals for Admiralty established in 1780.

With respect even to the powers given the Congress, there were severe built-in limitations. When acting in relation to war, commerce, foreign relations, money, or requisitions, Congress had to have the assent of nine states.

The only advantage of this provision was that it gave the framers of the Constitution in 1787 the brilliant idea of requiring ratification by nine states only for the inauguration of the new Federal Republic. (Otherwise North Carolina would have held up and might have prevented the rebirth of the Nation. Our old North State is the only one that actually rejected the Constitution and later reversed itself.)

Amendment of the Articles required the unanimous action of all the states.

It is interesting that the admission of Canada into "this union" was authorized. Any other colony would require the approval of nine states.

The states under the Articles remained, as is evident from what has been said, sovereign, and dominant. Although a state could be represented in Congress by from two to seven delegates, each state had but one vote "in determining questions in Congress assembled."

The states were prohibited: from maintaining standing armies; making war (except in the event of invasion) or entering into treaties (with other states or a foreign power); or levying any import or duty that would interfere with stipulations of treaties of the United States.

They were enjoined to: accord to the free inhabitants of each state "all the privileges and immunities of free citizens in the several states," free ingress and regress from any other state, and the privileges of trade and commerce. In each state full faith and credit were to be given to the records, acts and judicial proceedings of every other state. However, there were no sanctions or provisions for the enforcement of these undertakings.

Such was the government of the United States after freedom had been won. It was a time potentially of great vitality and expansiveness. But because of the ineffectiveness and indeed impotence of the central government, it was a period of increasing tension, conflict, and frustration.

Primarily the troubles that agitated and exasperated the new Americans were economic. Concern about trade and commerce was uppermost, as the original "Resolution of the General Assembly of Virginia, January 21, 1786, proposing a Joint Meeting of Commissioners from the States," forcefully shows.

Only five States had Commissioners at Annapolis for a meeting which convened on September 11, 1786. These were New York, New Jersey, Pennsylvania, Delaware, and Virginia. Four other States, including North Carolina, apparently appointed Commissioners, but they did not show up at Annapolis. The four remaining States, including Maryland, seem not to have taken any action.

The Commissioners, reacting favorably to an action by New Jersey calling for an enlarged object of consideration at Annapolis, adopted a Resolution that tactfully called for a Convention which would go beyond the problem of commerce and the regulation of trade and would enter into "the general system of the federal government" with a view to studying the defects which were generally recognized and what adjustments might give it efficacy.

When Congress took up in February 1787 the report of a "grand committee" to which the report of the Commissioners meeting at Annapolis had been referred, it derailed after some parliamentary maneuvering the Committee resolution which put the Congress in the position of "entirely coinciding with (the Commissioners) as to the inefficiency of the federal government and the necessity of devising such further provisions as shall render the same adequate to the exigencies of the Union." Instead a Resolution was adopted which states that in the opinion of Congress it is expedient that a Convention of delegates appointed by the several states be held in Philadelphia the second Monday in May next "for the sole and express purpose of revising the Articles of Confederation."

So it came about that on Friday, May 25, 1787 the representatives, 29 in number, of 7 States were called to order and proceeded on a motion made by Mr. Robert Morris on behalf of the Pennsylvania delegation to elect George Washington President of the "Federal Convention" (Madison's phrase).

This motion was seconded by Mr. John Rutledge of South Carolina who expressed his confidence that the choice would be unanimous. The two men Morris and Rutledge conducted Washington to the Chair.

The Convention had been called for Monday, May 14th, but it was not until the 25th that representatives from seven or a majority of the States had arrived. In all 74 delegates from 12 States were appointed. Rhode Island did not participate. Of the 74, 55 went to Philadelphia. Of the 55, two came very late, five were absent for a major part of the proceedings, and seven left midway or earlier during the Convention.

39 delegates from 12 states signed the finished, proposed Constitution. Four delegates who had been active participants refused to sign. These were Elbridge Gerry of Massachusetts, Luther Martin of Maryland, and George Mason and Edmund Randolph of Virginia.

Five only of the signers had signed the Declaration of Independence. Four of these—George Clymer, Benjamin Franklin, Robert Morris, and James Wilson—were from Pennsylvania; one, Roger Sherman, was from Connecticut.

In general, the architects of the Constitution were young men. The average age was 44. The venerable Dr. Benjamin Franklin, the oldest delegate, was 81. He pulled the average age up by one year.

What was the mind of these young men, the flower of educated America at that time, who were gathered in Philadelphia during the hot summer of 1787? What did they set out to do? What did they end up doing?

It is clear, I think, that these men as a whole were grasped by a bold design. They did not feel that they had come to Philadelphia to tinker with the ineffectual Congressional system that the United States had suffered under during the Revolutionary War and in the intervening years of peace. They considered that a crisis was at hand. Unless a sounder form of government could be found, there was a likelihood of increasing anarchy and a violent response in the form of dictatorship in some mode.

Otto, the French *Chargé d'affaires,* reported to his government that at a dinner of the Cincinnati on May 17th, attended by Washington, when after dinner bottles sped round the table and the toasts were many, there was rough talk. If, he wrote his government, the convention failed, the military would take arms in their hands and establish a central government, a monarchy maybe, as Knox had written Washington, by force.

From the point of view of creative thinking, the role of two young men in the Convention was incisive and decisive. These men were Alexander Hamilton, aged 30, and James Madison, aged 36 but of so youthful a countenance that a New England delegate meeting him for the first time wrote of him as a boy just out of college.

Hamilton was brilliant in the extreme. He had a mind that moved like lightning and the gift of making complicated problems seem clear. He was well-read, but his flair was practical rather than academic.

Madison was the star of the Convention: and the shining of this star was steady and unwavering. He had been boning up on Constitutions and the history particularly of confederacies—not a very encouraging study. He was a fount of information and his energy took the form of perseverance and hard work.

No regular minutes were kept and the delegates were pledged to strict secrecy. On this Washington was insistent and no one willingly risked his wrath. Notes of course were made by various members, some of them voluminous. But it was Madison who had the wit and energy to deep a day-by-day record of the debates and proceedings of the Convention. Our debt to him cannot be overestimated. He deserves in every way to be called the Father of the Constitution.

Virginia had an impressive delegation and played from the beginning a stellar role. The Virginians were ready with a point of view and a plan. On the first day of debate the Randolph Resolution, more usually called the Virginia Plan, was introduced. It is believed that Madison was the primary source of this plan.

The key to the Virginia plan was a nationalist vision. It was a program for a strong Union and an energetic central government resting upon the people as a whole.

There was to be a National Legislature of two branches or houses with representation proportioned either to the quotas of contribution or the number of free inhabitants. The second branch was to be elected by the first from persons nominated by the State Legislatures.

A National Executive was to be elected by the Legislature for a fixed term of years and to be ineligible for re-election.

There was to be a Council of Revision composed of the Executive and members of the Judiciary to review acts of the National Legislature and particular state legislatures and to exercise a suspensive veto over these acts.

A National Judiciary was to be provided. It would include a "supreme tribunal" and inferior tribunals chosen by the Legislature but to serve during good behavior.

Finally, provision was to be made for the admission of new states; the territory of each state and a republican government for each state were to be guaranteed; and the Legislative, Executive, and Judiciary officers in each state were to be bound by oath to support the articles of the Union.

And now a curious development took place. The Virginians, with strong assist from New York in the person of Hamilton, South Carolina in Charles Pinckney, and Pennsylvania in James Wilson, seem to have taken the Convention by storm.

The Virginia plan within a short time seemed to be near adoption. It was agreed that the Articles should be discarded. The two legislative houses, with a popular election of the lower house, was accepted. The idea of a strong executive met with approval. The proposals for a national veto of state laws and for a national judiciary with powers of direct enforcement of federal law met with favor.

Within two weeks the main themes of the National plan put forward by Virginia had been advanced, considered, and favored. The outline of a new and forceful national government and clearly emerged. On June 10th and 11th the Convention settled on a plan of ratification and, mirabile!—had agreed that representation in the upper house as well as the lower should be in proportion to population.

Then came one of those unexpected reversals in the tides of affairs. The day was June 14th. William Patterson, speaking for several deputations, but especially on behalf of his own, New Jersey, asked for time in which to contemplate the Plan now reported from the Committee of the whole (essentially the National Plan of Virginia) and to digest an alternate one, "purely federal," which they hoped to have ready on the morrow.

Let me pause to say a word on terms. Their history and evolution are often curious. As "Federal" is being used at this stage of the Convention, it is in contradistinction to National and means, as Gouverneur Morris explained on May 30th, a government that was "a mere compact resting on the good faith of the parties." A "national, supreme government," on the other hand, had "a compleat (sic) and compulsive operation."

This is all the more curious when we recall that in a few years "Federal" will designate the Hamiltonian preference for a strong, central government, whereas the Antifederalists will denote the Jeffersonian republicans.

The New Jersey Plan was the conservative one, favored by the small middle states. South Carolina and Georgia do not seem to have joined this faction in the Convention.

The New Jersey Plan began thus: "Resolved that the articles of Confederation ought to be so revised, corrected and enlarged, as to render the federal Constitution adequate to the exigencies of Government, and the preservation of the Union."

In actuality, the new Plan altered the Articles very little. It was a strongly "Federal" plan, designed to have the central government dependent on the states and to keep the smaller states on an equality in power with the larger. Congress was to be composed of one house with the states equally represented and the plural Executive removable either by Congress or by a majority of the Executives of the states.

This was a far cry indeed from the vision of a great Nation that had brought many delegates to Philadelphia and that in fact was responsible for the Convention. Nevertheless, the Convention for the next two weeks remained on dead center, hopelessly bogged down in flashy but sterile oratory.

Rescue came with a new intervention, to be known in history as the Connecticut Compromise. On July 2 Roger Sherman of Connecticut arose, with a short and somewhat pessimistic proposal, reported as follows by Madison:

"We are now at a full stop, and nobody he supposed meant that we should break up without doing something. A committee he thought most likely to hit on some expedient."

Roger Sherman, let us note in passing, deserved well of his country. He is the only American who signed 4 great documents that represent steps in a stairway in the founding of the Republic. They are a kind of summary of constitutional history. These documents are:

1. The Articles of Association of 1774: creating the Continental Congress.
2. The Declaration of Independence of 1776.
3. The Articles of Confederation, ratified in 1781.
4. The Constitution of 1787, ratified in 1788.

A committee was appointed; it was unwieldy, being required to have a representative from each state. Madison and Wilson tenaciously opposed it. But for once this expedient worked.

Five days later the committee reported. Debate followed for ten days and the three essential provisions of the Connecticut Compromise were adopted: popular representation in the lower house; equal state representation in the upper house; and all money bills originate in the lower house.

The labor of making the Constitution was by no means over. There were other issues, some requiring compromise. Settlements and final judgments at various points were still required.

But our "demigods," who undoubtedly saw themselves as anything but that, had rounded the bend. They were on homestretch. In time the momentous document was finished. It only required some final polishing up.

A high-powered Committee was appointed on style and arrangement. The Chairman was Dr. William Samuel Johnson, soon to be President of Columbia College. The other members were Hamilton, Madison, Rufus King, and Gouverneur Morris.

The last, Morris, was the work-horse of the Committee. Years later he wrote Timothy Pickering: "That Instrument was written by the Fingers which wrote this Letter. Having rejected redundant and equivocal Terms, I believed it to be as clear as our Language would permit."

The Constitution has been called "a bundle of compromises." It certainly is a product of compromise. Otherwise it could scarely have come into being.

Yet compromise is inadequate as a key to the finished work, our Constitution. Synthesis, I believe, is a more accurate term. And synthesis implies dialectic—thesis and antithesis, with each containing truth.

The Constitution made America a national Republic. It remained also a union of States, each with a republican form of government guaranteed in the new instrument. The structure of the national legislature expressed the two realities and at the same time united them.

The electoral college even in the form in which it survives today, as the method of electing the President, illustrates the same point. A President can be elected without a majority of the popular vote, though this does not often happen. Furthermore, if an election is thrown into the House of Representatives, the House in finally choosing a President must vote by states.

Still a third instance of a dual structure in an ultimate unity is our judicial system. The State and Federal Courts are parallel and as a rule non-intersecting until they reach the top, which is the Supreme Court. Always of course the Constitution, with the laws and treaties of the United States, "shall be the supreme law of the land." (Art. VI 2)

There is still another and more sweeping sense in which the Constitution represents a brilliant synthesis. Government is the organization of power. Power is a reality. It inheres in the dual fact that man is a social being with an appetite for power.

Someone is going to exercise power. This is the reason for states. It is the explanation of "that great Leviathan, or rather (to speak more reverently) of that Mortal God, to which we owe under the Immortal God, our peace and defense."

A just government is the organization of power under right. This means the union of power and authority. It provides the answer to the dilemma implicit in the simple assertion of a government by laws not by men.

Calvin Coolidge, for example, once said: "The Constitution represents a government of law. There is only one other form of authority, and that is a government of force. Americans must make their choice between these two."

President Coolidge seems not to have realized that democracy requires force and that dictators may prescribe laws and enforce them. Laws of men must in some manner stand under a higher law if they are to be truly legitimate and win the assent of conscience.

It is the distinction of James Madison that he saw clearly the problem of government in a disharmonious society (the only sort of society that has ever existed), and that he was able to formulate, in theory and practice, a brilliant solution. Dos Passos goes so far as to say of Madison's final compact formulation of his theory of government that it is "as compelling in its field as Newton's law of gravitation in the field of physics."

Here is Madison's compact statement: "The great desideratum in Government is, so to modify the sovereignty as that it may be sufficiently neutral between different parts of the Society to control one part from invading the rights of another, and at the same time sufficiently controlled itself, from setting up an interest adverse to that of the entire Society."

He adds that in the extended Republic of the United States the General Government would hold a pretty even balance between the parties of particular States, "and be at the same time sufficiently restrained by its dependence on the community, from betraying its general interest."

It was important to Madison from the beginning that the national Government represent individuals and act upon individuals as well as include and operate in relation to the several States. This Government must be both energetic and stable, powerful and controlled.

To this end it was to be in the clearest way a Government of distinct and provisionally separate powers, legislative, executive, and judicial. The separation in the nature of things could not be absolute, nor could the checking and balancing of the powers be so weighty as to annul action.

Thus the President has a veto in Congress, but it is not unqualified. The Senate has a check on Presidential appointments and on treaties that in theory is final and absolute. On the other hand, the President as administrator of foreign relations and as commander-in-chief has a great deal of independent power.

With respect to the Judiciary, the members of the Supreme Court are appointed by the President but for life and subject to the consent of the Senate. After that, as our system has worked out in practice, there is no check or specific balancing power upon the Supreme Court.

This is in my view a curious aspect of American history, and the most striking side of the curiosity in the lack of awareness of it on the part of the American people generally including the Bar and the Judiciary as a whole. I am convinced that it was the intent of the architects of the Constitution to provide a definite check on the Supreme Court. The language of Article III. 2. (2) is most explicit:

"In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and to fact, with such exceptions, and under such regulations, as the Congress shall make."

It is indisputable, I think, that the intent of the Constitution was to provide a substantial, final check on the Supreme Court. Congress was to have this ultimate word, as in the case of proposed laws vetoed by the President. In one case, Ex parte McCardle, in 1868, the Supreme Court has agreed to hear arguments, on a writ of habeas corpus. Involved were the military courts set up by the Reconstruction Acts and by implication their legality. The Radical Republicans rushed through Congress a law denying the Court appellate jurisdiction in cases concerning habeas corpus. The Court bowed by refusing to hear the case.

This issue has never again arisen, though in 1965 the House of Representatives passed a resolution denying to the highest Court appellate jurisdiction in cases concerning apportionment. At that time Senator Dirksen was attempting to get through in the Senate a Constitutional Amendment that would have undone the construction placed on the Constitution by the apportionment decisions of the Supreme Court. The Senate agreed by a majority vote but not by the necessary two-thirds.

The same thing happened in 1966 to Senator Dirksen's effort to get through an Amendment permitting voluntary prayer in the public schools. The Senator, according to an Editor of Reader's Digest Gene Methvin who at my suggestion took a message to him, did not seem aware of the authority of the Congress over the Court as laid out in Article III, 2., (2), and was much interested in the possibilities opened up by this Constitutional provision. Unfortunately, the Senator did not live long enough to act on this new insight.

It only remains to note an unusual development, connected with the ratification of the Constitution but resting on a kind of growing gentleman's understanding or expectation with regard to a Bill of Rights. Agreement would be too strong a term, for there could not in the nature of the case be any definite undertaking to add such a Bill. Ratification was ratification and was irrevocable.

What happened was that there was a strong ferment in favor of a Bill of Rights. It was not much evident at first. The leading men of the Convention, Madison, Wilson, Hamilton, Gouverneur Morris, Charles Pinckney, even Benjamin Franklin, were entirely unconcerned about a specific declaration of rights. George Mason at the last minute urged the inclusion as a preface of a Bill of Rights. Gerry of Massachusetts moved for a Committee to prepare a Bill of Rights, Mason seconded the motion. It lost 10 to 0, with Massachusetts abstaining. New York is not recorded. That was on September 12.

Mason and Gerry both declined on September 17 to sign the finished Constitution.

As soon as Jefferson saw the proposed instrument, he took up the cudgels, especially with Madison, for a Bill of Rights. He had other objections as well.

With respect to ratification, the small States and, among the large, Pennsylvania acted with despatch. In December Delaware, Pennsylvania, and New Jersey acted; in January, 1788 Georgia and Connecticut followed suit. In February Massachusetts climbed on the band wagon, after urging eight alterations and amendments, but not a Bill of Rights. In April and May respectively Maryland and South Carolina sent in their simple ratifications without comment.

On June 21, while the Virginians were still cussing and discussing ratification, New Hampshire stole the show, becoming the swing State. The Constitution then came into effect.

New Hampshire echoed the complaints of Massachusetts in submitting assent and ratification. She urged 12 alterations and amendments, including as number 11 this interesting proposal: "Congress shall make no Laws touching Religion, or to infringe the rights of Conscience."

Five days later Virginia came in by a narrow vote. Appended to her formal ratification was a recommended declaration of Rights under 20 heads and an additional 20 proposed amendments to the body of the Constitution.

In July New York sent in a ratification hedged with a few minor reservations and a host of urgent recommendations respecting both rights and amendments.

On August 1 North Carolina in Convention assembled adopted a Resolution that a Declaration of Rights and a body of Amendments ought to be laid before Congress and a new Constitutional Convention, and followed this up with a sample Declaration of Rights which was an exact replica of Virginia's proposal and 26 proposed amendments to the Constitution. Ratification had been decisively voted down.

It was nearly 16 months later, on November 21, 1789, that North Carolina sent in her ratification.

Last of all, Little Rhode Island, once denounced in Massachusetts as Rogues' Island, and a law unto itself, lamely climbed aboard. The date was May 29, 1790. The ratification was hedged in the manner of New York and accompanied by an individual declaration of Rights and a long list of proposed amendments.

So much for details. The important thing is that the new Government (Congress and President) got the message and that a Bill of Rights in the form of 12 Amendments was sent out by the new Congress to the States on March 4, 1789.

The first two, concerning the size and proportionate representation of the lower House of Congress and a restraint upon varying their compensation by the Senators and Representatives, failed to receive the necessary 10 votes.

The other 10 Amendments—our Bill of Rights—were agreed to by 10 States. Three States, Massachusetts, Connecticut, and Georgia were not heard from and therefore, for the record, did not participate in securing the Bill of Rights.

There can be no doubt that this final Constitutional development and enactment was a momentous one. It accomplished several things:

1. It quieted the anxieties of a large section of the people generally and so made possible a larger harmony and a more perfect union.
2. It reached a hand back to 1776, signifying a union and congruence of the Constitution and the Declaration.
3. It gave a deeper meaning and a transcendental sanction to the intent of the architects of the Constitution, namely, to establish just government and a "government of laws, not of men."
4. It provided specific protection for individuals against the possible encroachments of a strong central government designed to act directly upon individuals and not merely upon States.
5. It set up for all time in the new Republic a citadel of Liberty.●

## REPORT OF OFFICE OF SURFACE MINING ANALYZED BY DIRECTOR HEINE

● **Mr. JACKSON.** Mr. President, on September 11, the Senate took the misguided action of passing a bill to amend the Surface Mining Control and Reclamation Act of 1977, S. 1403.

That action was misguided primarily because it was premature. The purported failings of the Office of Surface Mining, including the drafting of regulations which are unreasonably inflexible, is based on a lot of rhetoric and not very much fact.

One of the documents cited by opponents of OSM's regulations is the study prepared by Consolidation Coal Co. entitled "Cost Impact Analysis of Selected Provisions of the Office of Surface Mining's Permanent Regulatory Program." This study claims to show that many of OSM's regulations are unreasonably inflexible since the environmental standards of the act could be met by alternative means, so-called good engineering practices.

Because the study provided what was apparently one of the most concrete sets of criticisms aimed at the "cookbook" aspect of OSM's regulations, I asked the Director of that Office to analyze the report and respond to the points raised in it.

Director Heine has responded to my request by letter dated October 9, 1979. I believe that his letter punches some sizable holes not only in the Consol study but also in the general argument against OSM's regulations. I ask that Director Heine's letter be printed in the Record at the conclusion of my remarks. I hope that it will be read with care by those of my colleagues who are convinced that OSM has gone astray.

The letter follows:

Office of Surface Mining,
Reclamation and Enforcement,
*Washington, D.C., October 9, 1979.*
Hon. Henry Jackson,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Jackson: Thank you for bringing to our attention the pamphlet "Cost Impact Analysis of Selected Provisions of the Office of Surface Mining's Permanent Regulatory Program" prepared by the Consolidation Coal Company (Consol). The Office of Surface Mining (OSM) has been aware of this study since it first appeared as a report last May, and initiated a series of meetings on the subject with Consol at that time. Our technical staff has devoted considerable time to reviewing the Consol data and concludes that the pamphlet, in its current state, is misleading, and is based on serious technical and analytical inaccuracies.

Many of our initial concerns about the study have been transmitted to Consol, the results of which were a reduction of the reported cost for three of the 21 issues Consol analyzed. However, there remain so many factual inaccuracies and erroneous conclusions in both the study and the resultant pamphlet so as to render the document useless as an analytical tool.

Our objections to the Consol study and pamphlet fall into two general categories. First, costs attributed to areas of the regulations are generally based on incorrect interpretations of the Act and the associated regulatory program and are always identified as "maximum OSM costs." The values presented in the Consol report represent "worse case" situations in all instances. As such, the worse case situations cannot be considered typical or remotely representative of actual mining conditions.

Approximately nine of the 21 issues analyzed clearly overstate expected cost impacts because they are based on unreasonable assumptions or they do not take advantage of the flexibility built into the final regulations to specifically enable exemptions or variances. For example, Consol has had limited experience with subsidence control and monitoring to date, yet their estimated cost for this activity is based heavily on assumptions and judgment without qualifying the study results accordingly.

Consol has also overstated the expected cost impact for Appalachian spoil disposal. Consol reports that the maximum costs of OSM final regulations for this activity is an added $3.98 per ton of coal produced and that their "good engineering practice" would add no additional cost to production. The analysis is based entirely on compliance with the requirements of Section 816.72 and 816.73 and does not consider or even acknowledge situations in which variances would be issued under Sections 816.74. Failure to recognize and make provisions for such variances in the analysis is a serious methodological error. Ironically, our inclusion of Section 816.74 which allows "end dumping" of predominently rock spoils, was in response to Consol's technical and economic presentation to us during final rulemaking.

Second, in addition to gross overstatements of actual or potential costs under the OSM requirements, the Consol study touts less expensive alternatives which they term "good engineering practices." "Good engineering practices" is not a universally accepted term by engineers and appears to have different meanings in different situations. At least one of the considerations that must be included in "good engineering practice" is that the design or action meets the intent of the Act. Dam design and construction, for example, is a case where Consol's "good engineering practice" may be one way to build a dam; however, their design does not meet the minimum safety standards established by the Mining Safety and Health Administration and the Corps of Engineers.

Consol claims OSM requirements incorporate "overdesign" and it cites as one example our topsoil regulation. We find, however, that Consol's analysis of our topsoil requirements does not meet the intent of the Act. Consol's study results are based on its belief that it is not necessary to save all the topsoil present at a mine site; however, such retention is required by the Act [Section 515(b)(5)(6)(7)]. Therefore, its lower cost estimates reflect the movement and handling of a much smaller quantity of soil material in-place on the mine site. This practice could lead to serious problems in revegetation and post-mining land use and is an unnecessary waste of valuable resources.

This is not to say that we are in absolute disagreement with all portions of the Consol analysis. We have identified several areas of potential agreement, although these items account for only seven (7) cents of the $2.19 per ton of coal difference claimed by Consol in its conclusions.

In summary, while our analysis of the Consol study and pamphlet has been a useful exercise and may eventually be helpful to us as we evaluate requests from States and mine operators for site-specific variances or experimental practices, the problems we have mentioned above render Consol's cost conclusions meaningless.

I would be happy to elaborate further on these or any other issues.

Sincerely,

Walter N. Heine,
*Director.*●

## PRESIDENT'S PAPERWORK CUT FACES TEST

● **Mr. WALLOP.** Mr. President, for all the talk about reducing Federal bureaucracy and "redtape," President Carter and Congress have done spectacularly little about it. According to an article in the Washington Post, Sunday, October 14, 1979, the Office of Management and Budget estimates that the paperwork burden will increase by no less than 16 million hours over the next 2 years. To give you an idea of the magnitude of that figure, one person working a 40 hour week for 50 weeks per year works 2,000 hours per year. At that rate, it would take that person 8,000 years to complete the additional paperwork required to satisfy the appetite of the Federal Government for just 1 year. That situation does not even include processing, digesting, and making some sense out of the results.

Mr. President, until a workable solution is found to this problem, until the Federal Government can curb its intrusion into the private lives of individuals, we can only be accused of revelling in an intolerable situation. I think it is time we approach the question looking at the forest, rather than each tree. I am not convinced we have adequately addressed the question of the worth of all these reporting requirements and all this information. Backing up even further, we ought to better examine our need for so many Government programs. The monitoring is not worth the expense. It is now time for real action. Our country and our economy can stand no more. I request that the following article from the Post be printed in the Record.

### Carter's Paperwork Cut Faces Test

(By Samuel Allis)

President Carter took particular pride in announcing at his press conference Tuesday that federal paperwork has been cut by 15 percent under his administration.

What he did not say, though, is that a spate of new environmental and energy-related programs soon to take effect could add millions of man-hours to the federal paperwork burden, consuming much of the gains he mentioned.

According to the Office of Management and Budget, a minimum of 16 million hours is expected to be added to the load. Warren Buhler, former staff director of the now-defunct Commission on Federal Paperwork, calls that figure "horrendously low" and estimates that 80 million to 100 million more hours could be added to the government burden over the next two years.

"There are going to be huge increases in paperwork coming up," said Buhler who now publishes the Regulatory Eye, a publication which tracks government regulations. "If something isn't done quickly we're going to be in serious trouble."

The saving, Carter mentioned, according to OMB, is actually 13.9 percent and represents some 126.5 million hours of paperwork pared from all federal agencies from January 1977 through December 1978.

As of the beginning of 1977, the total paperwork burden in the federal government was 912.6 million hours, according to the same OMB report from which Carter cited his 15-percent figure. By the end of last year, the total had dropped to 786 million hours.

"Carter could say it's down 50 percent, but all of our people say they're getting choked to death with paperwork," added Jeffrey Perlman, who directs the newly created Council on Paperwork of the Chamber of Commerce.

In the same Office of Management and Budget report from which Carter cited the 15 percent reduction, OMB Director James T. McIntyre predicted that:

An estimated 8 million hours will be needed to implement new standards from the Office of Surface Mining in the Department of the Interior.

Three million hours in new paperwork will be needed to implement the National Energy Conservation Policy Act.

New Requirements added to the Resources Conservation Recovery Act could tack on several million more hours to the reporting burden of the Environmental Protection Agency.

"In addition," the report states, "we have reached the point where most, if not all, of the so-called 'easy' targets have been identified."

Each federal agency has created its own "burden reduction effort" in the wake of Carter's efforts in that area. Yet their effectiveness has been questioned by some officials.

"None of them on a sustained basis can be put up as a model," observed Stanley Morris, Deputy Associate Director of OMB for paperwork control and regulatory practices. "There's no lasting impact at the moment."

"You can't reduce directives when you get new programs all the time," countered William Baird, who directs record management at the Department of Housing and Urban Development.

"It's largely an uncontrollable burden due to legislative mandates," echoed Beth Weinberger at the Department of Health, Education, and Welfare. "Medicare/Medicaid forms are a burden we cannot reduce, for example."●

## CONTRADICTIONS IN BRITAIN

● Mr. LUGAR. Mr. President, with the recent election of a conservative government in Britain, we have seen Prime Minister Thatcher begin efforts to reverse the growing cancer of socialism. Over the past few years, Britain has seen a dramatic worsening of its economic fortunes—spiraling inflation, high unemployment, lowered production, and a lack of confidence in its money supply—a situation not unlike that confronting the United States today.

During a recent trip to London, Ben Cole of the Indianapolis Star's Washington bureau addressed these issues in an excellent column which appeared in the Star. Mr. Cole was in Britain at the time of the trade union council's annual conference at Blackpool. Despite the warnings by Sir Geoffrey Howe, Chancellor of the Exchequer, the trade unions adopted a stand denouncing Mrs. Thatcher's modest cutbacks in social spending.

At the time of this statement, the Reveille, one of London's largest weekly newspapers with a circulation of 7 million, was forced out of business because of a strike.

Mr. President, I ask that Mr. Cole's article, "Contradictions in Britain," along with the text of Sir Geoffrey Howe's speech before local businessmen in Caterham on September 1, be printed in the RECORD for my colleagues' perusal.

The material follows:

### CONTRADICTIONS IN BRITIAN

(By Benjamin R. Cole)

LONDON.—It's nip-and-tuck if Prime Minister Margaret Thatcher's government can even begin to cure the cancer of socialism in Britain.

The early, modest efforts to curb inflation and restore a semblance of reality to British economics has the trade unions screaming as if their threats were being cut.

Over the weekend of Sept. 2, Sir Geoffrey Howe chancellor of the Exchequer, laid it on the line to the Trade Union Council. He told them their behavior the last year had alienated millions including many of their own members.

He also told them they had been living in a "dream world" the last 25 years and it was time to face reality. "No other group in the country has the same capacity to damage or improve Britain's future," he told the labor bosses. "No one else has the same capacity as the unions and their members—if they wish—to inflict failure on us all."

The essence of Sir Geoffrey's speech was an eloquent reaffirmation of that ineluctable absolute that there is no free lunch—not even in Britain.

But the unions are not listening. At their Blackpool congress the week of Sept. 3, the trade union moguls were denouncing Mrs. Thatcher's modest cutbacks of social spending. "Social vandalism," the trade unionists called them.

And in London, notice was posted that Reveille, a weekly newspaper which sold 7 million copies a week, had suspended publication, forced out of business by striking employees.

Very few in Britain are neutral about Mrs. Thatcher.

The struggling small businessman sees her as a latter day Jeanne d'Arc, come to deliver him from the grinding oppression of socialism. But those with a vested interest in the socialist system deplore her.

A self-employed London builder vowed that socialism had brought his nation to its lowest estate, destroying incentive to succeed. He was fed up with having the printing press money produced by social spending rob his safe without opening the door.

A College professor, on the other hand, exults in the redistribution of wealth under the socialists, saying Britain no longer has the extremes of poverty such as he ascribes to the United States. As for the peril of dictatorship when ruinous inflation eventually wrecks the economy, his answer is, "I really don't know much about economics."

And a stockbroker's agent actually said in shocked tones, "Margaret Thatcher wants to bring back free enterprise!" It was obvious the prospect chilled him.

The Thatcher government has notable goals—increased production, stable money, relief from high taxes, and restoration of Britain's competitive position in world trade. One commentator suggested the prime minister is pressing to restore "entreprenurism," perish the thought.

There are strange contradictions in Britain today. The people appear to enjoy a prosperity despite murderous prices. There are many new cars on the road, no few of them Rolls-Royces and big French Peugeots.

Shops are crowded with buyers. Weekend parties come from Holland, France and Germany to patronize London shops. The prices are the same as at home, but the selection pleases them.

There is serious unemployment, according to all reports. Yet jobs are going begging everywhere. Much of the daily work is performed by East Indian and African immigrants. Car cards in the underground trains plead for Britons to take jobs building coaches, doing electrical work, mechanics, etc.

Asked about this inconsistency, our college professor friend said many Britons are more comfortable on the dole which provides their essential needs. They don't want to take jobs that are beneath them, he said.

### DREAM WORLD OR REALITY

For most of the last 15 years, the British people have not faced reality. We have run away from it.

For the reality is not pleasant. It is all the more dangerous because North Sea oil, which won't last long, has made everything look better than it really is.

While developing countries like Korea, India and Taiwan have been rapidly building their industrial base and capturing an increasing share of world markets, we in Britain have wearily witnessed the decline of much of our manufacturing industry: we are producing today fewer manufactured goods than we did six years ago.

That much reality we can see already. The reality of hardship—inability to create the wealth to maintain public services, to care for the old and the sick—will come later, if we lack the energy and courage to reverse our decline.

This Government is ready to confront those realities. But it is no good Government facing reality if the people are not ready to do so.

### ARE THE TRADE UNIONS FACING REALITY?

So the questions I want to ask today, on the eve of next week's Trade Union Congress, are ones which millions of others will be asking. How far are the trade unions willing to face reality? Are they part of the solution? Or part of the problem? Are they contracting into reality? Or contracting out?

Are these issues on which the trade union movement can speak with a single voice? Or are they questions which can only be answered individually by each of the 12 million trade unionists in this country—the vast majority of whom have little sympathy with the strident calls of the militant few?

They are important questions, for no other group in the country has the same capacity to damage or improve Britain's future. Many of us can try hard—and yet fail in the task ahead. But no-one else has the same capacity as the unions and their members—if they wish to—to inflict failure on us all.

I have talked of confronting reality. So that I may already have said enough to be accused of "confrontation" by some union leaders. But they should not react too quickly or defensively. It is in their own interest to confront the truth, as it is in the interest of us all. We share the same future. We have all, as I have said, been running away from reality, putting off doing difficult things for too long. We haven't much time left. Better to speak plainly before it is too late.

Behaviour by, or in the name of, some unions over the last year alienated millions of people, including millions of trade unionists. If unions are to regain the trust of the public—even, sometimes, the trust of their own members—their leaders must be ready to respond to public opinion. They cannot claim the right to advise or criticise others, if they deny others the right to criticise or advise them. "He who will have no judge but himself condemns himself".

### THE REALITY OF UNION POWER

If anyone has any illusions about the damage which irresponsible union action can inflict today, they have only to look at the Hunterston Iron Ore Terminal. With one hundred million pounds of taxpayers' money, it was opened at the beginning of June. It has not yet been used. One can only hope that wiser counsels will soon prevail. Indeed, if this were an isolated case, we could perhaps ignore it. But union militancy has for years been making similar bonfires of the nation's wealth. Almost as fast as one part of society creates the wealth, there seems to be a group somewhere else ready to destroy it.

So we find that a strike by a handful of computer operators in the Post Office has been costing £5 million a day in lost cash flow since the dispute began last April. And of course it is the customer who will have to foot the bill for all the extra borrowing the Post Office have been forced to undertake.

Can anyone doubt, any longer, that the use—or misuse—of union power can lead to more damaging behaviour than market competition ever can? Many experienced trade unionists recognize this very clearly. Indeed, one of the most memorable speeches at last year's Labour Party Conference was that of Sidney Weighell, who was at some pains to stress his condemnation of the 'philosophy of the pig trough'.

The power which trade unions and trade unionists can exercise is thus beyond dispute. Is it not then right to ask where that power has actually led trade union members? And is not the answer, all too often, 'not in the right direction'?

No-one, of course, should seek to blame our national economic decline on any one section of the population. Certainly I do not. Its causes are many and various. But trade unions must bear their share of the responsibility. Government would be doing a dis-service to the real interests of union members if it lacked the courage to say so.

We firmly believe that trade unions have an important role to play in today's society. And we certainly do not seek to lay our problems at the door of union leaders alone. But do we not also have a duty to the people of this country to bring these issues out into the open so that they may be squarely faced?

### THE ECONOMIC DREAMWORLD

On that basis, is it not fair to suggest that one of the great difficulties facing Government in Britain is that thousands of people in positions of influence, particularly in the trade unions, have been conditioned, over the last twenty-five years, to believe in an economic dreamworld?

It is a dream world in which we can find a better future without having to do anything different or difficult about it; a dream world where we can have more public spending without higher taxes, higher interest rates or greater inflation; a dream world in which all this can be delivered by an economy whose productivity is hardly growing and whose manufacturing output is below its level of six years ago.

It is a dream world in which there is no such thing as cause and effect, a dreamworld in which people can be paid more without producing more; where earnings can always go up in good times, but never down in bad; where profits can be reduced but investment and living standards increased; where all men can be equal but differentials will be preserved; where any action is justified to get more jam today, while someone else can be left to worry about providing for tomorrow.

For years the message has been that people work for "the bosses". But the real boss is the customer. It is he who can choose whether to buy the product. And if it is too expensive, or of the wrong type, or too late in arriving, then there is no job. It is in the end the customer who makes you redundant, not the boss. But how often has one heard union officials acknowledge the customer's importance? Still more that of the competitor who can do better in the same market place?

### THE REAL WORLD

The real world is dominated by the hard facts of arithmetic. Ultimately, wage increases which are not matched by higher productivity can only be paid in one of two ways—through lower profits or higher prices. Lower profits threaten future investment. And higher prices increase the danger that the customer will take his patronage elsewhere. Either way, there is a risk to jobs.

So we do not work for the 'bosses'. We work for each other—and for ourselves. The industrial economy is based on the need to exchange what we make, but don't want, for what we want, but don't make. We are all simultaneously workers, customers, investors, owners.

What then do we go on strike for? More of other people's goods, in return for less of our own? The idea that people can somehow become richer overnight by stopping producing goods and fighting each other for banknotes is absurd. Real economic progress is a long job in which today's efforts pay off in the years to come.

We, in Government, have pledged ourselves to remove as many as possible of the obstacles to the creation of wealth. For we have recognised that success or failure in this respect is, in the last resort, in the hands of individuals. Is it not vital that trade unionists should recognise this as well? Wealth and value are created when customers, workers, managers, capital and technology come together successfully.

It is just here that Britain's record has been so poor. Overmanning, inflexible work practices and strict demarcation lines are among the characteristics of our industrial scene which have put British companies at a disadvantage compared with their competitors. Comparative studies of similar firms in Britain and other countries frequently show that output per worker in British companies is lower, even when similar plant and machinery are used. This is not necessarily because workers in other countries work harder or longer hours than British workers. Often it is because restrictive practices and inflexible working mean that more men are needed to make a particular product. There is fairly recent evidence of how it takes more, often many more, men to repair breakdowns on British production lines than elsewhere and that sometimes they will deal only with breakdowns and not undertake preventive servicing. The effect on production of the widely reported skill shortages in industry is made much worse by inefficient use of the skilled labour that is available or by unwillingness on the part of employees to accept "dilutees". Union structures have frequently encouraged demarcation disputes, which again hold up production. I know that some trade unionists are very concerned about these matters. Some indeed are urging their unions to play a greater role in educating their members to recognise the importance of improving productivity if they are ever to enjoy higher incomes and better job security. I welcome the efforts made, for example, in some of the Sector Working Parties to promote a better understanding of these facts on both sides of industry. For the only place where the real changes can be made is by management and unions at company level.

### WHAT DO STRIKERS ACHIEVE?

But is not far too much of the habitual pressure still in the opposite direction? Is not the strike, the go-slow, now all too often the instant response? Yet, generally, to what purpose? In almost every case strikes can only serve to make matters worse.

If we really believe that striking can make us rich, then the whole country might as well go on permanent strike for West German living standards!

To take an example, nothing saddens me more than the current strike action at many shipyards. Here we have an industry fighting for its life against intense foreign competition. We, the Government, have offered generous financial support over the next three years so that the industry can put itself into a condition to compete in terms of efficiency and productivity with other countries. British Shipbuilders have responded positively with proposals for restructuring the industry.

Certainly, they involve some yard closures and redundancies. But everyone knew that was inevitable because of the surplus capacity in merchant shipbuilding. It is wholly unrealistic to suppose that Government—or indeed the taxpayer—could pay out money indefinitely to keep men in work building ships which nobody wants.

The imperative is—or should be—to build up in the yards that survive a solid reputation for reliability and prompt completion. But what has been the reaction of many of the workforce? To down tools, to prevent ships being launched, to declare a ban on overtime.

We all recognize that workers have legitimate cause for anxiety when they feel that their jobs are being threatened. But the futility of the present industrial action is plain to see. The only results are likely to be delays to work on existing orders, a loss of confidence in British Shipbuilders among customers and potential customers, on whom the prospects for future orders depend, and in the end more closures and more redundancies than would otherwise have been the case.

To take a specific case.

One shipyard in Penzance has already had to close down, throwing more than 80 people out of work in one of the worst hit unemployment areas in the country. There was, apparently, no dispute between the men and the management at all. But, it is vital for yards of this kind to achieve a quick turn round of the ships; and they were therefore completely dependent on overtime.

So as soon as an overtime ban and a short working week were declared all this firm's contracts had to be cancelled. What conceivable purpose can any of this have had? What can be the use of an industrial dispute in the cause of higher pay if this simply causes men to lose their jobs?

The myths of the dreamworld will have ended up, as all too often in Britain, by delivering a nightmare of reality.

### REFORMS IN UNIFORM LAW

This is the background against which our proposals for limited reforms in union law have been represented by the union leadership as a divisive attack on the hard-won rights of workers and their trade unions. But rights to do what? And to what purpose? Is it not sometimes the behaviour of certain unionists which now threaten our prosperity, even divide our society, rather than the Government's modest proposals for reform?

Trade union rights are not God-given. They are given by society, by the law, by the elected Government. If they are used to do economic damage and inflict human suffering is it not legitimate and necessary to question their scope?

We should be absolutely clear on this.

When we talk about union rights we are talking about rights of unions and of union members that are unique to Britain: rights to damage each other, the customer, the pensioner, the country as a whole. All too often the only people helped by militant union action are our overseas competitors. The only jobs created by most strikes are in other countries, not in Britain.

Many trade unionists, called to strike action without having been consulted in any ballot, see that very clearly. Is it not *our* right, and duty, to argue *their* case? And is it not a case that deserves to be heard?

### TRADE UNIONS AND POLITICS

Many trade unions do, of course, have links with the Labour party which extend back over many decades, and I fully recognise the historical importance of this long-standing alliance. But do not the trade unions have a similar duty to recognise the realities of our economic situation? Economic life brings together millions of people of differing shades of political opinion who nonetheless have a clear responsibility to co-operate peacefully in the interests of all. And the political framework for such co-operation has already been set: it was set on 3rd May when the country, including about 50 per cent of all union members voted for a change of Government. A larger majority still looked for a change in union attitudes.

So the political context is clear. Of course unionists have views on the policies we are following. But whatever opposition they may choose to express, to respond with industrial disruption and escalating pay claims can only harm their members further. There are some who come close to saying to the Government: "If you don't return to the policies that we urge, we will do our own members such injury that you will eventually be forced to change course." Is not this the nature of the often unspoken threat to a Government elected with a decisive majority four months ago?

### SEEING OUR POLICIES THROUGH

Let me therefore make our position as clear as possible. No Government by itself can create real jobs or create prosperity. All we can do, by firm monetary discipline and cash limits, is to squeeze out inflation, bring down the price of Government, and create the conditions in which individuals can achieve more. Everything else depends on our success in that. We readily accept the responsibility for that task.

We are determined to see our policies brought to fruition. Much inevitably depends upon the conduct of others, particularly of pay bargainers in the months ahead. But we shall not allow ourselves to be deflected by short-term considerations from our chosen strategy: on the contrary, it would be disastrous if we were to do so. In particular, we shall stick firmly to our financial policies, which are crucial to the mastering of inflation. We have seen all too often the dangers of pursuing short term expediency. The problems of the British economy are deep-rooted and long-term; so too must be our solutions.

It follows that if trade unionists persist in excessive claims, if, by using industrial muscle, they force employers to concede large pay settlements, the casualty will not be the Government's financial policies. It will be employment, and our chances of higher living standards in future years.

So the onus on pay negotiators is obvious. If they behave reasonably, we shall avoid large increases in unemployment; and, against a background of falling inflation made possible by our financial policies, the long haul of rebuilding the economy can start. But if union negotiators try again to do the impossible, to get ahead of inflation and stay there, then they simply make inflation's cure more unpleasant for all concerned. Unemployment will rise higher, production and living standards fall lower, than would otherwise be the case.

### RENDEZVOUS WITH REALITY

Britain's long-delayed rendezvous with reality will undoubtedly involve some cost. To some extent this will have to be borne by union members and others workers. Often it will fall on those who are innocent of any responsibility for the problems I have been discussing. But if we try to run away from reality again, the cost would be even greater next time around. Today's redundancies and retrenchment would be far less painful if we had faced up to our problems years ago. Almost all of today's problems are simply yesterday's problems made bigger by cowardice and delay.

My message to union negotiators and employers is simple. Be clear about what Government can and can't do. You do your job. We will do ours. It can't be put off again.

### WHAT CAN WE EXPECT FROM CONGRESS?

So when the Trades Union Congress meets next week, the people of this country will be watching. They will be asking themselves how far it is likely that the trade union movement will try to get a grip of the real issues facing the country, and of the contribution they can make.

For there is a growing public weariness and impatience at the repeated repertoire of strikes, go-slows and work-to-rules. These negative responses seem less and less relevant, increasingly destructive in face of the nation's economic difficulties.

Most people when faced with hardship, work harder, not less hard. The country feels itself increasingly divided into those who still expect to react in that basically adult fashion and those who do not. These may be harsh words but I believe I speak for millions when I say them.

This is why so many people will look anxiously for signs that those who meet at Blackpool next week really understand what is happening.

There will, of course, be predictable attacks on every aspect of this Government's policies—although millions of trade unionists, whose block votes will be used in their absence at Congress, voted for those policies only four months ago; and although such policies have led to prosperity for other countries—and can yet do the same for Britain.

There will be the familiar insistence that economic recovery should be possible without any inconvenience, without temporary sacrifice or additional effort. There will probably be calls for import controls, and certainly for increased public spending and nationalisation.

But what I and millions of other people hope is that, this year, Congress will talk about reality. As we watch and listen we will ask ourselves: "Are the real questions being discussed? Are the unions really examining their present role and reputation?

There are so many important topics for discussion. Let me offer some examples. How can unions involve their members more closely in their employer's success, through share ownership or profit-sharing?

Should union negotiators be doing more to relate pay claims to real output, instead of trying to win paper increases regardless of real results?

How far are they negotiating for long-term real prosperity rather than simply cash today at the expense even of survival for tomorrow?

Why are there three-quarters of a million unfilled jobs in Britain today? And about the same number of empty houses? Have union attitudes helped to bring about this fossilisation?

Should individual members be encouraged to build up their own savings and investments so that they are free and independent individuals?

When about three-quarters of all the new jobs in America come from small firms that are less than five years old, should we not do even more to encourage new small businesses in Britain? What can the unions do to help in that direction? Would not employers pay more, invest more, recruit more, expand more, if they knew that both sides in the pay bargain had to keep their word? Are the much-vaunted "union rights" to disregard this obligation really so good for their members?

Would it make sense to negotiate, and stick to, no-strike agreements in certain crucial services?

Should union leaders have more power to allow them to control the wild men who now do so much damage? Or should they be more accountable, so that union members had more opportunity to ballot about proposed union action?

It is easy to wish, as many union officials and members must do, that Congress would concentrate on questions like these. It is much harder to get them on to the agenda. But when questions like these are dominant at Congress, there will be a real meeting of minds between the union leadership and the British people.

### THE UNIONS MUST FIND THEIR PROPER ROLE

It would, I emphasise once again, be foolish and unjust to lay all the blame for Britain's problems at the feet of the unions. There are very many companies where union and management work successfully together. There are good and bad managers, good and bad union officials, good and bad shop stewards. It takes all sorts.

So, too, it would be unfair to criticise today's union leaders too harshly for following traditions and displaying attitudes which have developed over many years. We should certainly not ignore the role of those politicians who have actively sought to give the unions greater political power.

But surely the British people are entitled now to look for a sense of reality from the trade union movement—and to hope for stronger leadership from men and women who believe in real democracy and who try to understand the workings of the free economy.

The Government is committed to tough measures at this stage because there is no other route by which we can bring inflation down and so start the economy moving again. No other route by which we can create the wealth on which improvements in public services must depend. No other route by which we can ensure the higher employment, higher growth and higher living standards which we all want to achieve.

It is certainly not too late to reverse our current economic decline—provided the country as a whole heeds our message and acts upon it. But first we must face up to reality. And above all at Blackpool next week. I have tried to offer an agenda for reality—not just for one week's Congress, but for the nation over several years ahead.●

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## THE INDEPENDENT OIL OPERATOR

● Mr. **GRAVEL**. Mr. President, I would like to share with my colleagues the thoughts of Mr. Hayden Atchison concerning our present energy situation.

Mr. Atchison is a petroleum geologist and he belongs to that important group known as independent oil operators. His remarks are taken from a speech which he has given on many occasions throughout the United States.

Mr. Atchison correctly identifies Government price controls as the source of our energy supply problems, and he shows why independent exploration and production of oil and gas have such an important role to play today.

I ask that his remarks be printed in the RECORD.

The speech follows:

### The Role of the Independent Oil Operator in Our Domestic Oil Industry

A. History of the oil industry.

1. The oil industry formally started in the United States with the drilling of the Drake well in 1859 at Titusville, Pennsylvania, to a depth of sixty-nine feet. Crude oil at that time sold for $20.00 per barrel. Pennsylvania production was 2000 barrels in 1859 and increased to 500,000 barrels in the year 1860, and one of the truly phenomenal developments of the civilized world was off to a roaring start.

2. Exploration and drilling for oil spread rapidly from Penn. to Kansas, California, West Virginia and Texas. At that time, literally hundreds of oil and gas seeps, asphalt veins and oil impregnated outcrops existed throughout the United States. In past history, they were objects of curiosity and of some small use to both primitive and civilized man, but now they pointed the way to the first commercial oil fields in America and to most of the significant discoveries during the first half century of our modern petroleum age.

3. Standard Oil, founded by the Rockfeller family, was the principal major oil company prior to 1900, sharing with the early independents the birth of a new industry which was to have a profound effect upon the destiny of the United States in making her the industrial leader of the world. With the discovery of oil in the Texas Gulf Coast in 1901 at the famed Spindletop Field, many of the major oil companies we know today were founded, among them Gulf, Texaco, Sun and Phillips. The oil independents of that day were from every segment of our population; businessmen, financiers, gamblers, promoters, soldiers of fortune and just ordinary folks willing to take a chance—all trying to capitalize on the "Rags to Riches" possibilities of new wildcat oil discoveries. Unfortunately, this romantic aura of potential overnight riches still exemplifies the concept that many people have of the oil industry in spite of the fact that our industry has long been a part of the typical American business community.

B. With this brief history out of the way, let us now look at what I call the "State of the Art".

1. Since the Drake well in 1859, we have found in the United States approximately 170 billion barrels of oil and 700 trillion cubic feet of gas. During this period we have used 130 billion barrels of oil and 500 trillion cubic feet of gas, leaving us a present reserve of approximately 40 billion barrels of oil and 200 trillion cubic feet of gas recoverable under present producing technology. Our present average year's usage of reserves here at home, not including imports, is approximately three billion barrels of oil and 18 trillion cubic feet of gas. At current rate of use, therefore, the present reserves will last about 12 years. If our estimates are in error on the low side by as much as 60 percent, we would then have a 20 year, rather than a 12 year supply. Up until a few years ago, a 20 year reserve was ample because the frequency of finding new large fields onshore was simply much greater—but this is no longer true! Permit me to use an oversimplification—consider the exploration for oil and gas to be similar to operating a seine in a lake abounding in various sized fish.

The mesh size of the seine determines the size of the fish that are caught, but it does little good to continue seining with the same size because most of the fish too large to pass through the seine are caught in the first few passes, but just reduce the size of the mesh a small amount and the very first "pass" will be rewarded with a full catch. In our onshore exploration for oil and gas, we have been reducing our mesh size year after year, until it is mostly small fields that are being found. However, new technology, deeper drilling, and especially changing economics in the form of higher prices for oil and gas have combined to overcome some of the scarcity brought on by the constant "seining" we have been doing since the turn of the century

2. Through the years as more and more oil and gas was found, therefore, leaving less and less to be found, the generally smaller remaining "targets" or potential oil and gas "fields" were not as attractive to the larger sized "Major" companies because it took a greater frequency of success than could be normally expected to replace the reserves of oil and gas being produced from large previously discovered fields. Expecting the major oil companies to sustain themselves on smaller and smaller sized successes puts them in the role of "trying to feed an army on rabbits—!" A platoon or even a regiment perhaps, but not an army. The net result, therefore, was that the major oil campanies turned a large measure of their efforts away from the "mature" oil provinces in the U.S.—the historical sites of all the previous successes, and proceeded to put the bulk of their domestic technical exploratory emphasis in the greater risk, higher potential, new frontier areas such as Alaska, and in the Gulf Coast, California and Atlantic Seaboard offshore areas. This left the mature regions, the regions which had been thoroughly explored for large fields, principally to the independents, who could prosper on the available remaining opportunities typified by smaller fields. A fairly small discovery is capable of doubling the size of an independent, whereas it would have little impact on a major company.

3. What is an independent? He ranges in size from an individual to a family sized business to partnerships, to corporations with assets of a hundred million dollars or more. In all, it is estimated that there are approximately 10,000 independents in the United States and perhaps a hundred of these assets in excess of twenty-five million dollars. Their producing capabilities would range from a hundred or so barrels of oil per day to several thousand and annual budgets range from a hundred thousand to perhaps 40 million dollars or more per year.

4. What is the independent's contribution to our current domestic exploration and production activity? He drills 90 percent of the onshore wildcat or exploratory wells, discovers 75 percent of the new fields and accounts for 54 percent of the new reserves added. Needless to say, he is a pretty important "guy" to keep in business.

5. Where does the independent get his funds to carry on his drilling and exploration activities? He provided 60 percent or 3 billion dollars of the total 5.8 billion dollars spent in the domestic oil industry in 1975. Basically, there are five sources from which financing can be obtained. Generally, the independent relies on some combination of the following sources:

a. Personal funds—residual money, income from other businesses,

b. Borrowing from banks, insurance companies and institution lenders,

c. Cash flow from current oil operations,

d. Equity financing, the sale of stock or other securities to the public, and

e. The taking of partners—that is, sharing the risk with the partner who pays a disproportionately larger share of the cost—this is known in the trade as promotion.

6. How does the independent generate his opportunities?

a. Frequently more than one independent join together to drill a prospect.

b. Independents "take deals" from major companies—that is, drill on leases held by a major on some type of sharing basis when oil or gas is found.

c. Changing technology may often make a marginal prospect more attractive and drillable as, for example, it may improve the chances of better producing rates and ultimate recoveries.

d. Changes in economics, i.e., increased prices for the oil and gas, are extremely important in creating new opportunities through better economic return. This can mean the difference between drilling or not drilling the prospect.

e. Professional expertise—that is doing the job better—developing prospects through the application of sound oil finding principles.

f. and perhaps best of all—just dumb luck. As can be readily seen, all of these circumstances are directly and immediately beneficial to the independent.

C. Now, I would like to say a few words concerning the future of our Domestic oil industry—as well as the future of our total energy requirements.

In this connection, we can indulge in some of the Good News—Bad News exercises. The bad news is that we are not likely to attain a self-sufficiency in energy in the foreseeable future. We now import approximately 40 percent of our daily oil usage. We used 54 percent more oil in 1975 than we found and downward direction of this trend has been established for several years. Our finding costs of oil and gas are spiralling to such an extent that capital formation, i.e., the generation of the billions of dollars necessary to carry on drilling and exploration activities is becoming increasingly difficult, especially in the face of adverse tax legislation and governmental price controls, and finally; we find our efforts to develop more energy from all significant sources to be directly in conflict with the increasingly greater sensitivity of our environment to all types of operations such that future coal mining and usage is effected; nuclear development is in jeopardy; and the drilling for and transportation of oil and gas is negatively influenced.

Ladies and gentlemen, that is a lot of bad news!! Now for the Good News—The good news is that we have an abundant supply of coal—an estimated 500 year supply at current usage, we have the technology to eventually make possible the development of nuclear energy thru fusion, which is a much more desirable source of atomic energy.

We are making progress in the development of solar energy which in the overall picture is small, but none the less of real merit. We are underway in developing thermal energy—natural steam wells and, most of all, we have the world's finest technological capabilities in the future discovery and development and recovery of new oil and gas reserves in frontier areas and offshore waters where we, as a nation, can expect to develop the bulk of our future reserves. And, finally, the Congress and the Carter Administration are trying to agree on an energy program that is acceptable to the Executive Branch, the House and the Senate and, most important of all, the consuming public. At least this is a long needed happening. This has to be good news!!

We must recognize that until such time as non-conventional and "exotic" energy sources are produced in significant quantities, U.S. energy needs will remain tied to fossil fuels. Coal will play an increasingly important role, but oil and natural gas will continue to be the mainstays in the U.S. energy mix through the 1980's.

During the years that lie immediately ahead, one question is paramount—how can adequate energy supplies be attained at the lowest possible cost.

There is only one answer for the short term. Find, develop and produce the potential domestic resources of crude oil and natural gas. There is no feasible alternative.

In the last quarter of the 20th Century, America faces no more complex or challenging problem than that of assuring availability of adequate, secure energy supplies in general and petroleum (oil and natural gas) in particular. Since the mid-1960's the nation has moved from an era of abundant supplies of petroleum fuels to its present position of shortages of both domestic oil and natural gas.

Correction of our energy supply dilemma is not subject to easy, quick or inexpensive cures. It will come about only by unprecedented capital expenditures to increase the domestic supply of energy. This will call for stable government policies to encourage the private sector to move ahead in development of both conventional and non-conventional energy resources.

BEGINNING OF THE PROBLEM

America's petroleum supply gap did not "just happen." It became visible in 1973 because the Arab producing countries embargoed oil shipments to the United States, creating shortages that could not be made up by domestic production. Since the 1973 embargo, U.S. dependence on Middle East-North African oil subject to such embargo threats is 50 percent greater and still growing.

But a gap in domestic oil supplies actually began as early as 1968, when oil demand exceeded U.S. productive capacity for the first time and we had to have foreign oil to make up the difference. In 1968, the gap between our oil requirements and producing capacity amounted to only five percent of domestic demand which caused no alarm. But after that, dependence on foreign oil accelerated rapidly. Today, two of every five gallons of oil consumed by Americans are imported.

While our domestic supply gap began in 1968 and grew to its present dangerous proportions in seven short years, it had its beginning much, much earlier. Shortages of both oil and natural gas were the direct result of the decline in domestic drilling that began in 1957 and continued on an almost uninterrupted basis for 17 years. From a peak of 58,160 wells in 1956, drilling dropped more than 50 percent to only 27,600 wells in 1973. Drilling increased in 1974 and 1975, but much greater activity will be required.

During the 17 years of shrinkage in the domestic petroleum production industry and in its efforts to find new domestic petroleum supplies, demand for both oil and natural gas more than doubled. It became inevitable that growing demand would overtake the declining productive ability of the domestic industry. Once we became import dependent, it became only a matter of time when imports would be cut off, and shortages would confront the American people.

OIL POLICY: PENNY WISE, POUND FOOLISH

The overriding reason for the decline of the domestic oil and natural gas producing industry was the political decision to "protect" the consumers of petroleum fuels by controlling prices. The federal government, under a Supreme Court mandate, began fixing prices charged for natural gas at the wellhead in 1954. Beginning in the late 1950's the federal government used the oil import program as a tool to control domestic crude oil prices by coercion and jawboning.

These are the primary reasons that the domestic petroleum industry retrenched to half its former size, reduced its exploration drilling by half, and was unable to keep production abreast of demand.

WHERE DO WE GO FROM HERE?

In total energy resources—oil and gas, coal, oil shales, tar sands, and nuclear power—the nation has potential supplies to meet its requirements for the foreseeable future.

The adequacy of domestic energy supplies in the future, as in the past, will be controlled more by economic conditions than by geology and technology. The economic climate for energy development in the future will be the result of industry and government working to meet the demands of the American people. Therefore, appraising the demands of the American people and making known to the American people the industry's ability to meet their demands under current government interference or assistance are key factors in our energy future.

Because oil and natural gas will continue to supply the bulk of U.S. energy needs for the next decade or so, the nation has no viable choice except to encourage the massive capital expenditures needed to search out and make available its potential petroleum resources. To reduce dependence on foreign oil to acceptable levels in the decade ending in 1985, for example, expenditures for domestic drilling alone must be doubled to an average of $8.5 billion a year. Other expenditures such as geophysical and geological work, lease acquisitions, and production outlays, must be similarly increased. Future inflation could require even greater outlays.

Unless these massive efforts are made to increase domestic petroleum production, U.S. import dependence will increase to 50 percent of requirements by 1980 and to 60 percent by 1985. Such dependence on others for vital energy would cause intolerable economic problems and unacceptable security risks.

The greatest uncertainty in the nation's energy future has been punitive and constantly changing government policies. The most important need in restoring relative self-sufficiency, therefore, are sound and consistent government policies and actions to encourage the unparalleled commitment of capital resources needed to assure our future strength in essential energy supplies.

I would like to share with you a report which was compiled by The Center for Strategic and International Studies at Georgetown University and submitted to the Congressional Joint Committee on Atomic Energy in September, 1973. Data for this report was supplied by the National Petroleum Council, the Atomic Energy Commission, the U.S. Department of the Interior, various major oil companies, scientific institutions and a number of highly respected, independent research laboratories. Projects based upon this very comprehensive study reveal what must be done in the U.S. if we are to become self-sufficient in energy, not by 1985, but by the year 2000.

Assuming that demand continues to rise at a predictable rate, we must do the following:

Find 10 more Prudhoe Bays or 4 more states of Texas and produce them to capacity.

Ban all new cars larger than 40 horsepower so that by 1985 half the cars on the road would be that size.

Force a 20 percent improvement in building heating systems.

Force a 15 percent improvement in energy efficiency by industry.

Force a 15 percent improvement in the efficiency of converting electrical power.

Totally develop all offshore oil and gas reserves as far as the outer continental shelves of both the east and west coasts.

Increase coal production 270 percent.

Convert all of California, Montana and Idaho to geothermal steam electric power (which would be like building 110 Hoover Dams at a cost of approximately 40 billion dollars).

Double the present rate of hydroelectric power generation. (80 percent of potential sites are located in parks, wilderness areas and scenic areas.)

Produce 2 million barrels per day of shale oil by the year 2000. (Only 6–7 percent is useful by weight. This is equivalent to digging the Panama Canal once per day to achieve a two million barrel per day production.)

Convert all homes in New Mexico, Arizona, Nevada, Montana, Idaho, Wyoming, western Colorado and southeast California to solar energy.

Add one conventional atomic power plant every three weeks from now to 1985 and one each week thereafter to the year 2000.

Do all this and the charts still indicate a shortage of several million barrels per day in the year 2000. Isn't that a mind boggeling assignment?

The nation's energy crisis must, and can, be resolved. Actions will be required on many fronts by both industry and government.

The problem is basically two-sided: more efficient use of energy and increased domestic supplies. The solution does not lie in more efficient use alone. An expanding economy, full employment and higher standards of living will require more, not reduced, consumption of energy, particularly oil and natural gas during the 1970's and 1980's.

Industry and government, therefore, must pursue energy policies consistent and effective in accomplishing the primary goal of expanding domestic petroleum production. The essential key to restoring a balance between demand and U.S. oil and natural gas supply is reliance on the forces of the free market and private enterprise.

Thank you.●

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## STATEMENT BY SENATOR DOLE

Mr. STEVENS. Mr. President, I ask unanimous consent that a statement by the Senator from Kansas (Mr. DOLE) entitled "Taxflation Is No Stabilizer" be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DOLE

TAXFLATION IS NO STABILIZER

The debate continues over whether the United States has entered a recession. The drop in unemployment during the last quarter indicates that there is some steam left in the prolonged recovery from the 1974–75 recession. At the same time, it is generally acknowledged that the monetary and fiscal restraint needed now to bring down the inflation rate make a visible downturn in the economy likely. It should be mentioned that, had the Administration acted much sooner in imposing the kinds of restraint it now says are necessary, we might not be faced with the Hobson's choice between recession and double-digit inflation.

The question now becomes, how will we deal with recession without dropping our guard against inflation? Our danger is that we will again run into the economic phenomenon of the 70's known as stagflation—high unemployment and high inflation occurring simultaneously. There are no easy answers, but surely we can agree that it is foolish to permit the continuation of policies that aggravate the situation. One such policy demands our immediate attention.

The income tax system allows taxes to rise automatically in periods of inflation. When income rises to keep up with the price increases, a higher rate of tax is imposed under our progressive income tax system. Thus taxes go up even though real income has not grown, and we have an effective across-the-board tax increase. Congress need do nothing for the Government to receive this revenue windfall, other than decline to follow effective anti-inflationary policies.

This system has been defended on the ground that automatic tax increases help stabilize the economy in times of high inflation. This automatic stabilizer theory assumes that inflation is caused by excess demand, and that an increased tax bite will cut demand and moderate inflation. This theory ignores the cost-push factor in inflation, and overstates the impact a tax increase can have on panic-buying, when people are so convinced that inflation will continue at a high rate that they are determined to buy today rather than wait to see what the price will be tomorrow. But the automatic stabilizer theory has an even more serious drawback.

In times of stagflation, the automatic stabilizer becomes a destabilizer. During periods of high unemployment the "automatic stabilizer" has a destabilizing effect, draining off income and reducing purchasing power. That purchasing power might otherwise be used for consumption or for investment that could help build a period of stable growth. The last recession, in 1974 and 1975, would have been less severe had taxflation—the automatic tax increase from inflation—been eliminated. Taxflation cuts back the important marginal income that otherwise helps ameliorate the problems of stagflation.

We should not make the same mistake again. The Tax Equalization Act, S. 12, would eliminate taxflation by requiring modification of the tax brackets, zero bracket amount, and personal exemption to compensate for the effects of inflation. The adjustments would mean that tax rates would correspond to constant levels of real income unless Congress acted to change the rates. The danger of aggravating stagflation would be reduced.

I introduced the Tax Equalization Act this year in hopes that a real reform of the tax system could be made. In this time of economic uncertainty, it would be wise for the Congress to address itself to the issue of tax equalization.●

## DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1980—TIME FOR VOTE ON TABLING MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that notwithstanding the fact that a tabling motion is not debatable, the vote on the motion to table not occur until 12:30 p.m. tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

## ORDER FOR CONSIDERATION TOMORROW OF DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. I ask unanimous consent that following the prayer and the approval of the Journal tomorrow, the Senate resume consideration of the Interior appropriations bill, which would mean that the two leaders would give up their time.

The PRESIDING OFFICER. Without objection, it is so ordered.

## PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will come in at 10 a.m., and almost immediately will go to the Interior appropriations bill.

I ask unanimous consent that if Senators wish to call up other amendments, they may do so, in view of the fact that the vote on the pending motion to table has been set for 12:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be debate and there may be rollcall votes on motions or amendments in relation to the Interior appropriations bill prior to 12:30 p.m. tomorrow. In any event, the vote will occur at 12:30 p.m. tomorrow on the motion to table the motion to reconsider the vote by which the amendment by Mr. JAVITS was rejected. That will be a rollcall vote.

There will be other rollcall votes during the afternoon on motions and/or amendments in relation to the bill. It is hoped that the Senate will complete action on the Interior appropriations bill tomorrow.

## RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 7:46 p.m. the Senate recessed until tomorrow, Tuesday, October 16, 1979, at 10 a.m.

## NOMINATIONS

Executive nominations received by the Senate October 15, 1979:

### DEPARTMENT OF DEFENSE

Edward Hidalgo, of the District of Columbia, to be Secretary of the Navy, vice W. Graham Claytor, elevated.

### AMBASSADOR

Abelrado Lopez Valdez, of Texas, for the rank of Ambassador during his tenure of service as Chief of Protocol for the White House.

### AGENCY FOR INTERNATIONAL DEVELOPMENT

Genta A. Hawkins, of California, to be an Assistant Administrator of the Agency for International Development, vice Jean Price Lewis, resigned.

### FEDERAL EMERGENCY MANAGEMENT AGENCY

Frank A. Camm, of Virginia, to be an Associate Director of the Federal Emergency Management Agency (new position).

### IN THE AIR FORCE

Gen. James E. Hill, U.S. Air Force, (age 57), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

*To be lieutenant general*

Maj. Gen. Kelly Howard Burke, [redacted]FR, U.S. Air Force.

### IN THE ARMY

The following officer for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, under the provisions of title 10, United State Code, sections 593(a) and 3392:

*To be brigadier general*

Col. William Fremont Engel, [redacted]

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# EXTENSIONS OF REMARKS

## NATIONAL DIABETES WEEK

## HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 15, 1979*

● Mr. COUGHLIN. Mr. Speaker, this past week was "National Diabetes Week." As a sponsor of House Joint Resolution 209 which authorized the President to make this proclamation, I am gratified that public attention is being focused on this too often neglected and misunderstood disease.

Today diabetes is recognized as one of the leading causes of health problems in the Nation, ranking as a cause of death behind only heart disease and cancer. Diabetes-related health problems affect more than 10 million Americans and the frightening fact is that this number is on the rise despite steady advances in medicine. Public understanding of diabetes is improving thanks to private and Government efforts but most Americans remain unaware that diabetes can occur at any age, that the long-term effects of the disease may be blinding and crippling, and that, while it can in many cases be controlled, a cure has not been found.

As with any disease, finding a cure or more effective treatment is the hope of millions who suffer from diabetes or who know its victims. It is also the work of an army of dedicated researchers. The Federal Government plays a major role in this effort, a role, I am pleased to note, that has been expanding in the past few years. The National Institute of Arthritis, Metabolism, and Digestive Diseases now supports eight diabetes research and training centers and three diabetes-endocrinology research centers. In addition, the Diabetes Information Clearinghouse established by NIAMDD performs a valuable service by collecting educational materials on diabetes and providing them to health care professionals, patients, and the public.

Current intensified research activity has centered on new methods of drug treatment, cell transplantation, and the development of automated insulin supply systems. Broad research is continuing on the genetic factors in diabetes as well as other possible causal factors, relationships between hormonal action and metabolism, and the interconnections of long-term complications resulting from diabetes.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

With the expert advice and recommendations of the physicians, researchers, diabetics, and parents of juvenile diabetics who formed the National Commission on Diabetes, the Federal Government has been provided with a broad plan for combating diabetes. The Congress has taken some important steps toward implementing the Commission's funding and organizational proposals. We must continue to work to implement that plan with the guidance of the National Diabetes Advisory Board. Legislation which I am sponsoring is pending in the House to extend the authorizations for the advisory board as well as the diabetes research and training centers so that their important work can continue. I take this opportunity to urge the Interstate and Foreign Commerce Committee to act on this legislation at the earliest possible date. I also suggest that "National Diabetes Week" would be an appropriate time to give consideration to adding "diabetes" to the name of the National Institute of Arthritis, Metabolism, and Digestive Disease in recognition of the growing Federal commitment to combating this threat to life and health.●

## WILDERNESS AND MINING DO NOT MIX

### HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 15, 1979*

● Mr. YOUNG of Alaska. Mr. Speaker, last May, during the debate on the Alaska lands issue, a number of my colleagues took the floor in defense of the Udall-Anderson bill and stated that it would not affect mineral development in Alaska. They implied that mining could be conducted in wilderness areas as the Wilderness Act allows mineral entry until 1984. This, they indicated, would allow development of such areas as Quartz Hill in southeast Alaska, site of the world's second largest molybdenum find.

I would like to call your attention to an article that appeared in today's Washington Post which discusses proposed mineral development in the Cabinet Mountains Wilderness, Mont. I am not trying to support one side or the other in this dispute; however, this case serves as a good example of what happens when a wilderness area is established in a region that contains resources other than scenic ones.

The American Smelting and Refining Co. has begun core drilling in the Cabinet Mountains, pursuant to the Wilderness Act. In response, the Forest Service has invoked conditions such as requiring helicopter access and placement of equipment on platforms, rather than on the ground, which must also be lifted in by helicopter. National preservation groups, such as the Sierra Club, have said "we'll be ready (to intervene) on a moment's notice." In other words, if an economical deposit is found, which would necessitate a road being built and full-scale mining activity taking place, the project will be immediately tied up in the courts.

I think that this case clearly indicates the need to very carefully assess our resources before establishing any sort of single-use area. We had this chance in Alaska—the bills reported by the Interior and Merchant Marine and Fisheries Committees would have both provided for millions of acres of wilderness but would have also carefully excluded areas that were more suitable for multiple use management. I hope that all Members will look carefully at this case study and consider the implications when wilderness legislation is brought before the Congress. We can have both preservation and development; however, it will require careful balancing of alternatives rather than knee-jerk reactions to special interest preservation lobbies.

I ask that the following article appear in the RECORD:

### CONCERN IN MONTANA: TEST DRILLING IN WILDERNESS AREA LEAVES CONSERVATIONISTS CHILLED

(By Rich Landers)

LIBBY, MONT.—A 1964 law setting aside millions of acres of "wilderness areas" is providing an opening for mining companies to test drill for minerals in federally protected forests and wildlife areas.

The American Smelting and Refining Co. (ASARCO) has begun exploratory drilling for silver and copper inside the Cabinet Mountains Wilderness Area, the first mining firm to test drill in the U.S. Forest Service's northern region that covers most of the Pacific Northwest.

The 94,272-acre Cabinet Mountains Wilderness is one of the 187 designated wilderness areas in the United States.

The drilling for silver and copper in the Cabinet area, along with other regional developments, has chilled conservationists.

A provision in the Wilderness Act of 1964 gives mining companies the right to stake and explore claims in designated wilderness areas up to 1984. After that, said Bill O'Brien, a forester based in the Kootenai National Forest office here, only claims that have been explored and documented as having commercial quantities of minerals can be mined.

John Balla, ASARCO's manager for northwest exploration, said the company has 140 claims of about 20 acres each, all in the wilderness area near 7,018-foot Chicago Peak.

"We have to make a valid discovery before Dec. 31, 1983," he said, for commercial mining to commence.

That is just the beginning. Troy District Ranger Bjorn Dahl of the Forest Service said more than 3,000 mining claims, old and new, have been filed in his district alone. Oil and gas lease applications for 493,000 acres in three northern Montana wilderness areas have been received in the Forest Service leasing division in Missoula.

Activist groups are sprouting. The Libby Rod and Gun Club has brought suit against a proposed hydroelectric dam on the Kootenai River that backs into Canada, the Cabinet Resource Group is dogging an ASARCO copper-silver mine 25 miles from here at Mount Vernon and the Northern Sanders County Citizens Group has made unsuccessful attempts to stop the exploratory drilling in the Cabinet Mountains Wilderness Area.

On the other side, the recently organized Northwest Energy Employment and Development citizens' group (NEED) is promoting two proposed hydroelectric power dams and the Mount Vernon mine to bring more money and jobs to the area.

The most recent group is GREED—Get Rich Exploiting Earth's Development.

Mining in a wilderness area is a last resort, Balla said. The company has a right to extract core samples from the wilderness but the Forest Service can impose costly restrictions.

Because no roads can be built into the wilderness for exploration, ASARCO must haul drilling equipment to the site by helicopter.

If ASARCO finds an ore deposit large enough to make it economical to mine, the firm conceivably could be permitted to build a road and mine within the wilderness boundary, Andy Anding, acting Cabinet District ranger, said.

In February, ASARCO filed a plan with the Forest Service for mineral exploration of the wilderness. The Forest Service responded with a 117-page environmental assessment (an analysis to determine whether an environmental impact statement is necessary) that said the exploration would not significantly disturb the area.

The U.S. Fish and Wildlife Service, as required under the Endangered Species Act, studied it and concluded that the area's grizzly bears, listed under the act as "threatened," would not suffer significantly.

The Western Sanders County Involved Citizens appealed the Cabinet District approval, but Northern Region forester Tom Costin in Missoula upheld the district.

The group's attorney, Peter Wagstaff of Coeur d'Alene, Idaho, said he has appealed to Forest Service officials in Washington, D.C., but will not go into federal court. "This isn't the time," he said.

Rocky Rockwell, district forest resource assistant, said, "We all have opinions about what they should or shouldn't be doing in the wilderness, but that's immaterial. The law spells out pretty much what they can do."

Besides hauling equipment to the wilderness drilling sites by helicopter, ASARCO is required to put its equipment on 9-by-9-foot wooden platforms to minimize disturbance to land on a 30-foot square drilling site.

The Montana Department of Natural Resources has given temporary permission to pump up to 7,500 gallons of water a day from nearby Cliff Lake to help cool the diamond drill bits.

Sludge from the drilling is supposed to be settled in water tanks—actually livestock water troughs—and hauled out of the wilderness for disposal. "All we are going to leave there is a hole that will be covered up, nothing else that would degrade the area," Balla said.

The holes, he said, will be up to 1,400 feet deep, adding that it costs ASARCO about $40 a foot to drill. The drills bore about 80 feet a day in two 10-hour shifts. The drilling will continue after winter until the ore deposit can be analyzed, Balla said.

While the ASARCO test drilling in the Cabinet Mountains Wilderness Area proceeds, environmental groups largely have adopted a wait-and-see attitude.

"This isn't big enough potatoes yet," said Bob Springer, spokesman for the Sanders County citizens group. "But anyone in the United States who has a concern for wilderness is going to have to take a look at this."

Bill Cunningham, Montana representative for The Wilderness Society, said, "We recognize that mining was one of the many compromises needed in the 8½ years it took to pass the Wilderness Act. We feel under certain circumstances that mining done with minimum access and very strict reclamation standards can be compatible with wilderness."

"Our concerns don't just stem from the Wilderness Act," he said, "but for the physical land and wildlife in the area. We'd be concerned even if it wasn't wilderness."

Cunningham said the Wilderness Society has had no success in pressing the Forest Service to make an overall assessment of development in western Montana.

"I think it's essential that a regional environmental impact statement be made to look at the whole variety of major development occurring in the area," he said. "We can't continue to look at it piecemeal."

But Cunningham called the Fish and Wildlife Service's assumption that ASARCO drilling would not affect the grizzly population "a whitewash," claiming that input on occupied grizzly habitat and water quality problems "hasn't been adequately investigated."

Doug Scott, northwest representative for the Sierra Club, said the time is not ripe for the club's lawyers to intervene.

"At the proper moment in the application and approval process," he said, "we'll be ready on a moment's notice. Right now we're relying on the local folks." ●

## PHYSICAL ACTIVITY AND HEALTH

### HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 15, 1979*

● Mr. DANNEMEYER. Mr. Speaker, one of my constituents, Dr. Cliff Mattson, has forwarded to me a newsletter discussing participation in sports and the preparations necessary for safe and successful activity. The approach taken is a logical discussion aimed at preventing injury and insuring an enjoyable rather than painful experience. I am offering this for the consideration of my fellow Members because the advice offered has something for each of us no matter how strenuous our level of activity may be. The simple and practical nature of the advice offered here should prove helpful to all.

The newsletter follows:

NEWSLETTER

The training season for fall sports is upon us with students returning to school. We should start our preparation now to prevent and minimize sports injuries. Athletes should and must have plenty of fluids. . . . Preferrably natural fruit juice without sugar added. The choices in order of preference are orange, grapefruit, apple, grape and cranapple. Drinks to be avoided are gatorade, soft drinks, or lemonade made with beet or cane sugar. Instead use fructose (available in most health stores) as a sweetener. Increasing the fluid intake is true for all sports where the athlete perspires heavily.

Prevent foot blisters by having the athlete wear clean white socks for each practice and use a skin toughener such as an alcohol or vinegar rub down. On areas of high friction (heels/ankle bones) a layer of adhesive tape may be applied to the skin. The athlete should warm up for one week to recondition the muscles before trying to go "all-out" in his/her performance.

Open wounds should be cleaned with hydrogen peroxide, then a sterile dressing applied and several drops of D.A.G. applied to moisten the gauze. A healing ointment may be applied the next day or continue using the D.A.G. solution. It has been proven that open wounds heal faster when covered. On the third day a dry sterile dressing should be applied. The dressing will protect the wound from further injury. Strain, sprain and bruise injuries require an ice pack compress to reduce swelling and pain. Continue this treatment for 24–48 hours. Come into the office as soon after an accident as possible so that proper treatment can be accomplished before any swelling or permanent damage takes place.

THE ATHLETE

Americans are devoting more and more of their leisure time to health-building athletic activities. It is estimated there are 12 million golfers in this country. Tennis playing is experiencing similar popularity as are numerous other physical recreation such as racquetball, volley ball and soccer.

Weekend athletes experience injuries primarily from a single cause, failure to limber up before exercising. This applies equally to the motorcyclist or 4-wheeler who goes cross-country without preparing the body for the vicious jarring and jolting such activity produces upon the physical frame.

Most amateur players and riders are not aware of the effects hard knocks and shocks can have on the body. As your chiropractor allow me to warn you of the possible consequences of physical exertion without proper preparation.

First, strains and sprains result from turning twisting or stretching the body beyond the limits available to the individual joint. How many instances have you experienced of catching a ball with one finger and spent the remainder of the day watching this particular finger swell up enormously as a result of joint strain?

Many of the common type injuries received on the playing field can be avoided by taking time to stretch the torso, extremities and neck backward, forward and side to side. This increases your ability to achieve better coordination and to wind up farther to gain the full measure of hitting or throwing power needed to play your hardest.

One-sided sports, such as golf, are not "normal" in the physical sense. They demand an unusual one-sided supremacy. You hit a golf ball with the action of the left side of the body, otherwise your swing will produce an "overspin" causing a hook or slice. This continued left-side impact and shock can cause a shocking injury which will cause a mal-adjustment of low back or neck bones (vertebrae). To overcome this condition to play (regardless of the pain or aggravation) means professional athletes pay big dollars to have chiropractors go with them to keep them in shape.

THE FIRST TWO WEEKS AFTER AN ACCIDENT ARE CRITICAL

The best protection after an accident is to come to the office for an examination. Range of motion tests and neurological tests are given together with the necessary x-rays taken to rule out possible factures. Treatment and relief can begin right away. Our healing methods are known to be effective in muscle, nerve, and joint problems. Remember that chiropractic doesn't cost it pays. Waiting one or two years before getting relief is more costly than seeking help immediately.●

## INCREASED FEDERAL SPENDING— NOT AGAIN

### HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 15, 1979*

● Mr. PHILIP M. CRANE. Mr. Speaker, this House spends much of its time discussing reductions in Federal spending, even more of its time actually increasing Federal spending. Let me give an example of this.

The National Economic Development and Public Works Act of 1979, H.R. 2063, will change the Economic Development Administration (EDA) from its emphasis on providing assistance in economically distressed areas to administering programs in practically every area of our Nation. This may be correct. After paying for new Federal programs and an increased Federal budget, our entire country may well be considered as "economically distressed."

This bill disturbs me for several reasons. First, H.R. 2063 will provide for a nationwide system of Regional Development Commissions across the country. These Regional Commissions will become a new layer of Federal bureaucracy. At a time when citizens are fed up with the increasing redtape and paperwork emanating from Washington, consideration of a bill to increase bureaucracy is unwise. Expanding the role of the Regional Commissions will jeopardize the sovereignity of State and local governments, forcing them to become accountable to regional bureaucrats, as well as Washington bureaucrats, instead of to their citizens. No wonder there is a crisis of confidence in our Nation today.

Incidentally, the cost of covering the entire country with Regional Commissions will contribute to the predicted 158 percent increase in the cost of fiscal year 1980 EDA public works programs over the 1979 price tag for those same programs.

Second, H.R. 2063 creates a development finance program which consolidates various Federal loan and loan guarantee plans currently offered to businesses in economically distressed areas. With this consolidation would come an increase of 429 percent in the total amount of loan guarantees over fiscal year 1979 levels and increase direct loan amounts by 87 percent. Further, $350 million in interest subsidies would be initially authorized for fiscal year 1980. Here again, at a time when the American public is looking to Washington to cut back its huge budget, we see Washington abandoning the diet before it ever starts. An interesting fact to note about these proposed increased expenditures is that they do not make distressed areas significantly more attractive to businesses. Many of these funds would be made without Government financing, while another part of these funds would be applied to projects that are not economically viable. This outlines an area where Washington can start its budgetary diet without depriving the country.

Third, this proposed legislation would establish a standby local public works program to be put into effect when the Nation's unemployment rate reaches 6.5 percent. Here is an additional $2 billion to be spent on public works projects. In effect, this is an incentive to allow unemployment to increase to qualify for the funds, not a program to prevent unemployment. I see a problem here. Washington provides a supposed cure for the ill, yet, does not take any action to prevent the ill when it could. Prevention is the best cure for our Nation's economic ills, not increased Government cures.

Before we expand another Federal program, we must remember the example of another job creation program, CETA. In 1977, the CETA program was rapidly expanded to serve as an antirecession device. According to Isabel Sawhill, Director of the National Commission for Manpower Policy, "having to grow that rapidly gave way to a lot of the current fraud and abuse" now present in the CETA program. A Washington Post article examining the rapid expansion of CETA assessed the problem: "Localities were forced to expand their programs so rapidly that the effort blew apart." In heeding this example, we might be able to begin our budgetary diet by avoiding the creation of a $7.5 billion disaster.●

## DECREASED MILITARY CAPABILITY THREATENS UNITED STATES

### HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 15, 1979*

● Mr. SPENCE. Mr. Speaker, I am deeply concerned about the ability of the United States to meet its military needs, especially in terms of our future naval requirements; 152 of our colleagues and I have written the President to urge him to display the leadership which the Nation is demanding, and to present a 1981 budget which reflects the importance of a strong shipbuilding program to the future defense capabilities of the United States.

The American people are becoming increasingly concerned about the threat to the freedom and well-being of our Nation due to a lack of the will and resolve that we formerly possessed. Our decreased military capability is a direct reflection of this change in attitude.

The United States must pay the tangible cost of strengthening its Navy or it will pay the intangible cost of losing the geopolitical influence necessary to safeguard American interests. The best way to invite a war, and possibly the loss of all these freedoms that we have, is to appear weak militarily and weak in resolve. We have given good indications of both in the recent past. The best way to prevent a war is to be so strong that no one will be misled into some adventuresome course against us.

I ask that the complete text of this letter to the President be reprinted at this point in the RECORD, along with a list of the 152 Members who joined with me as cosigners.

OCTOBER 12, 1979.

President JIMMY CARTER,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: We of the Congress are deeply concerned about the threat to the freedom and well-being of our nation. We feel that the taproot cause of America's major ills today is a lack of the will and resolve that we formerly possessed as a nation. This is reflected in our decline as a military power.

This military decline results in a growing inability to protect our legitimate interests around the world and to influence world events that have a direct and indirect effect on our domestic economic problems: energy shortages, inflation, unemployment, and reduced productivity.

Mr. President, this is the perception of millions of heartland Americans and it is shared by many of their elected representatives in Congress. It is the perception of many others in this world, friend and foe alike. This perception is based on many examples of indecisive action on our part.

Mr. President, the American people are frustrated with our national image. We don't appear to have the will to prevent any aggressor—big or small—from taking advantage of us. Our allies are beginning to sense that "You better not choose sides with the United States; they'll run off and leave you."

Americans saw that we were not allowed to chase the aggressors back across the Yalu River in the Korean war, not allowed to bomb the bases from whence they came. They saw that we allowed an American Navy ship—the USS Pueblo—to be seized on the high seas without punishing those responsible. They saw 50,000 American men killed and billions of dollars worth of equipment left in Vietnam. They remember the pathetic sight of people grabbing for the last helicopter leaving our Embassy in Saigon. Most Americans know we didn't lose that war: Our civilian leadership just wouldn't allow our military to win.

They saw our Embassy in Iran stormed and our Marines not allowed to defend it—or themselves. Americans saw our oil supply endangered while they endured gas lines. At the same time, Americans do not see these things happening to the Soviet Union, because of the fear of reprisal.

Mr. President, we believe that Americans are in favor of an increase in defense spending to strengthen our Armed Forces. We are confident that they will support any effort to achieve this goal.

The condition of our Navy needs priority attention. We are an island nation. Our interdependencies are global. We, unlike the Soviets, are very much dependent on maritime trade. Yet in a few short years, the Soviets have built a formidable Navy. There can be only one reason for building such an impressive sea force—to deny use of the sea to others when such denial is in the Soviet national interest. The trends are even more alarming. They are embarked on a massive shipbuilding program at great cost.

Meanwhile our Navy has slipped to a force level of 455 ships, the lowest since pre-World War II. A great number of our ships are not capable of operating in high threat areas, having been designed for escort missions only, while newer, faster Soviet ships bristle with weaponry.

The kind of Navy America needs is quite different from that of our allies. Our Navy has to be a blue-water Navy, able to fight and sustain itself far from U.S. shores. Our allies count on us to complement their navies. They count on us to supplement their forces. Therefore, of necessity, U.S. ships become the nucleus of allied task forces.

Just to maintain our Navy at its current level until the year 2000 would require that we build about 400 ships at a cost of about seven to eight billion dollars per year for ship construction. To bring our Navy to the level of acceptable risk we need to build about 25 to 30 ships a year. The Chief of Naval Operations has said he needs about six hundred ships—of the right kind—to assure control of the seas. Control of the seas and naval projection of power ashore are inseparable. We need more ships, and more quality ships, and we need them fast. By building them in numbers that are actually needed, rather than in the numbers that are politically expedient, we will realize a lower unit cost.

We also need to build nuclear attack submarines at a faster rate to maintain our anti-submarine warfare edge since we will be facing block obsolescence in a few years. We need to build more tactical aircraft. Presently we are not even replacing the aircraft lost by accidents. We need land and sea attack cruise missiles. We need offensively capable surface action groups (SAGs) for areas where we' don't have enough aircraft carriers. These SAGs must be capable of getting through heavy threat areas and choke points. This means that Aegis-type air defense systems must be added to the Fleet in numbers at the earliest possible time.

We understand that we cannot do all these things overnight. It takes five to seven years to build a modern sophisticated warship, even with a healthy shipyard industry. Our current shipyard industry has been weakened because of the lack of a sufficient shipbuilding program.

This will cost money, Mr. President, and a lot of it. But we shouldn't ask "Can we afford it?" In our judgment, and that of the American people, we can't afford not to. The United States must pay the tangible cost of strengthening its Navy or it will pay the intangible cost of losing the geopolitical influence necessary to safeguard American interests.

Our forebears believe that the primary reason for a central government was to protect the people and the states who, individually, could not protect themselves. Article I of the Constitution charges the Congress with providing and maintaining a Navy. To build a proper Navy will require the strong support of the Commander-in-Chief, as well as that of the Congress. We implore you, Mr. President, to display the leadership necessary and to present a 1981 budget and shipbuilding plan that will provide future generations with a much stronger Navy. We pledge our best efforts to you if you undertake this task.

The best way to invite a war, and possibly the loss of all these freedoms that we have, is to appear weak militarily and weak in resolve. We have given good indications of both in the recent past. The best way to prevent a war is to be so strong that no one will be misled into some adventuresome course against us.

Sincerely,

COSIGNERS OF LETTER TO THE PRESIDENT

Sam Stratton, Democrat of New York.

G. V. Montgomery, Democrat of Mississippi.

Sam B. Hall, Jr., Democrat of Texas.

Bob Wilson, Republican of California.

Robert W. Daniel, Jr., Republican of Virginia.

Daniel E. Lungren, Republican of California.

Bob Walker, Republican of Pennsylvania.

Charles F. Dougherty, Republican of Pennsylvania.

Dan Daniel, Democrat of Virginia.

Pete McCloskey, Reoublican of California.

Gene Snyder, Republican of Kentucky.

Robert K. Dornan, Republican of California.

Richard T. Schulze, Republican of Pennsylvania.

William L. Dickinson, Republican of Alabama.

Bob Livingston, Republican of Louisiana.

Dawson Mathis, Democrat of Georgia.

Bill Nichols, Democrat of Alabama.

Tom Loeffler, Republican of Texas.

Charles E. Bennett, Democrat of Florida

Bill Wampler, Republican of Virginia.

Tom Coleman, Republican of Missouri.

David Satterfield, Democrat of Virginia.

Harold Runnels, Democrat of New Mexico.

Larry D. Hopkins, Republican of Kentucky.

Henry J. Hyde, Republican of Illinois.

Jim Martin, Republican of North Carolina.

Carroll Campbell, Republican of South Carolina.

Bill Young, Republican of Florida.

William Broomfield, Republican of Michigan

John J. Duncan, Republican of Tennessee.

Mickey Edwards, Republican of Oklahoma.

Bill Goodling, Republican of Pennsylvania.

John Paul Hammerschmidt, Republican of Arkansas.

Don Bailey, Democrat of Pennsylvania.

John P. Murtha, Democrat of Pennsylvania.

Joe Wyatt, Jr., Democrat of Texas.

Bill Archer, Republican of Texas.

Richard Kelly, Republican of Florida.

Bill Clinger, Republican of Pennsylvania.

James T. (Jim) Broyhill, Republican of North Carolina.

Louis A. Bafalis, Republican of Florida.

Billy L. Evans, Democrat of Georgia.

Wes Watkins, Democrat of Oklahoma.

Bill Hefner, Democrat of North Carolina.

Bob Ginn, Democrat of Georgia.

Toby Roth, Republican of Wisconsin.

Floyd Spence, Republican of South Carolina.

Larry McDonald, Democrat of Georgia.

Marjorie S. Holt, Republican of Maryland.

Paul Trible, Republican of Virginia.

Robert E. Badham, Republican of California.

Trent Lott, Republican of Mississippi.

Carlos J. Moorhead, Republican of California.

Donald J. Mitchell, Republican of New York.

John H. Rousselot, Republican of California.

Bob Bauman, Republican of Maryland.

Bob Michel, Republican of Illinois.

Eldon Rudd, Republican of Arizona.

John Myers, Republican of Indiana.

George Hansen, Republican of Idaho.

Robert J. Lagomarsino, Republican of California.

F. James Sensenbrenner, Jr., Republican of Wisconsin.

John M. Ashbrook, Republican of Ohio.

Bob Stump, Democrat of Arizona.

J. K. Robinson, Republican of Virginia.

John W. Jenrette, Democrat of South Carolina.

William E. Dannemeyer, Republican of California.

John Slack, Democrat of West Virginia.

Clair W. Burgener, Republican of California.

Gerald B. Solomon, Republican of New York.

Harold Sawyer, Republican of Michigan.

Don Young, Republican of Alaska.

Mario Biaggi, Democrat of New York.

Wayne Grisham, Republican of California.

Jim Jeffries, Republican of Kansas.

Gene Taylor, Republican of Missouri.

Tom Hagedorn, Republican of Minnesota.

Robert H. Mollohan, Democrat of West Virginia.

Eugene Atkinson, Democrat of Pennsylvania.

Ron Paul, Republican of Texas.

Richard H. Ichord, Democrat of Missouri.

W. Henson Moore, Republican of Louisiana.

Carroll Hubbard, Democrat of Kentucky.

Tom Evans, Republican of Delaware.

Edward Madigan, Republican of Illinois.

Walter B. Jones, Democrat of North Carolina.

Ike Andrews, Democrat of North Carolina.

Glenn English, Democrat of Oklahoma.

Jerry Lewis, Republican of California.

Ben A. Gilman, Republican of New York.

Ed Bethune, Republican of Arkansas.

Chuck Grassley, Republican of Iowa.

Don Clausen, Republican of California.

Gary A. Lee, Republican of New York.

Clarence Miller, Republican of Ohio.

Dave Stockman, Republican of Michigan.

Jon Hinson, Republican of Mississippi.

Delbert Latta, Republican of Ohio.

Daniel B. Crane, Republican of Illinois.

John J. Rhodes, Republican of Arizona.

Mendel J. Davis, Democrat of South Carolina.

Manuel Lujan, Jr., Republican of New Mexico.

Tim Lee Carter, Republican of Kentucky.

James H. Quillen, Republican of Tennessee.

James Abdnor, Republican of South Dakota.

Keith G. Sebelius, Republican of Kansas.

Newt Gingrich, Republican of Georgia.

Doug Barnard, Democrat of Georgia.

Bill Frenzel, Republican of Minnesota.

Bill Whitehurst, Republican of Virginia.

M. Caldwell Butler, Republican of Virginia.

Robert W. Davis, Republican of Michigan.

Thomas N. Kindness, Republican of Ohio.

Ike Skelton, Democrat of Missouri.

Doug Bereuter, Republican of Nebraska.

James C. Cleveland, Republican of New Hampshire.

Ken Holland, Democrat of South Carolina.

Marilyn L. Bouquard, Democrat of Tennessee.

Virginia Smith, Republican of Nebraska.

Jim Lloyd, Democrat of California.

Kent Hance, Democrat of Texas.

Marvin Leath, Democrat of Texas.

Bob Whittaker, Republican of Kansas.

Joel Deckard, Republican of Indiana.

Ken Kramer, Republican of Colorado.

Tom Corcoran, Republican of Illinois.

Charlie Stenholm, Democrat of Texas.

L. H. Fountain, Democrat of North Carolina.

Doug Applegate, Democrat of Ohio.

Bill Chappell, Democrat of Florida.

James M. Collins, Republican of Texas..

Dick Cheney, Republican of Wyoming.

Bud Shuster, Republican of Pennsylvania.

Ed Derwinski, Republican of Illinois.

Robin Beard, Republican of Tennessee.

Sam Devine, Republican of Ohio.

Steve Symms, Republican of Idaho.

William M. Thomas, Republican of California.

Guy Vander Jagt, Republican of Michigan.

Philip M. Crane, Republican of Illinois.

Bud Hillis, Republican of Indiana.

Jack Kemp, Republican of New York.

Arland Stangeland, Republican of Minnesota.

Barry Goldwater, Jr., Republican of California.

Dan Marriott, Republican of Utah.

Norman D. Shumway, Republican of California.

Tennyson Guyer, Republican of Ohio.

William H. Harsha, Republican of Ohio.

John Wydler, Republican of New York.

Jim Courter, Republican of New Jersey.

Dan Quayle, Republican of Indiana.

Dave Treen, Republican of Louisiana.

Clarence Brown, Republican of Ohio.●

## QUESTIONS ABOUT EPA'S FUGITIVE DUST POLICY STATEMENT

## HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 15, 1979*

● Mr. GRASSLEY. Mr. Speaker, I would like to draw your attention and the attention of my colleagues to the letters I have sent to Mr. Douglas Costle, administrator of the U.S. Environmental Protection Agency. The letter deals with his Agency's attempts to require that dust from Iowa's farms and farm-to-market roads be considered a pollutant which must be cleaned up. It must be cleaned up, say the policymakers and regulation writers of that Agency, not because it is damaging to Iowans' health. They agree it is not in the situation we are talking about. It must be cleaned up, they say, in order to protect Iowans' "public welfare," whatever that means. I am told that primarily that means visibility—being able to see better in Iowa. We think we see pretty well in Iowa right now.

After having reviewed the EPA's policy concerning farm dust and rural road dust—which EPA officials call "rural fugitive dust"—I am convinced that we in Iowa have better, less esoteric notions of how to protect our "public welfare" than the policymakers in EPA. We know what our "public welfare" is a lot better than someone downtown here in Washington or someone in Kansas City.

I have reviewed EPA's policy and, as I stated, I have sent a letter to Mr. Costle asking him about it. I would like to request that a copy of my letter, along with a copy of the EPA's fugitive dust policy, be placed in the RECORD at this point.

The articles follow:

CONGRESS OF THE UNITED STATES,
*Washington, D.C., October 12, 1979.*

Mr. DOUGLAS COSTLE,
*Environmental Protection Agency,*
*Washington, D.C.*

DEAR MR. COSTLE: In my August 2, 1979 letter to you, I posed many questions which have remained unanswered despite our August 31, 1979 conference with Region VII officials. If you could please respond by return mail to the inquiries enclosed without referencing me to another document or future conference, I would greatly appreciate it.

I am deeply concerned about the impact which your agency's policy for dealing with rural fugitive dust will have on industrial development in Iowa and in my congressional district in particular. A number of extremely important cities in Iowa currently meet or will soon meet the primary ambient air quality standard for particulates. As you know, that standard is designed to protect public health with a margin of safety. These cities meet this standard even when concentrations of rural fugitive dust are fully taken into account. However, these cities do not, and will not in the foreseeable future, meet the secondary ambient air quality standard for particulates with rural fugitive dust is taken into account.

As you know, your agency is proposing that the State of Iowa require industries interested in locating or expanding in these areas to obtain offsets in order to do so. In most, if not all, cases these urban areas are only lightly industrialized. In the few cases where they are not, the industries are usually already using the best available environmental technology. The great majority of particulates in these areas result, not from industrial sources, but from public sources (which Iowa has already indicated will be reduced by local governments by 50 percent by 1982), from worldwide natural background, and from the windblown dust from farm fields and rural roads. These sources are not susceptible to significant additional controls. Therefore, if new industrial facilities of any size are contemplated, offsets are not likely to be available. I am disturbed at this result and cannot believe it was intended by the Congress.

I have reviewed your agency's policy (attached) on fugitive dust and have several questions which I would like to request that you answer at your earliest convenience:

1. Concerning urban fugitive dust areas which would comply with primary standards for particulates but would not comply with secondary standards for particulates after

rural fugitive dust has been taken into account:

(a) Does your rural fugitive dust policy anticipate control of fugitive dust coming from rural sources as well as public and industrial sources, when the latter are already controlled to the maximum extent?

(b) When existing industrial offsets are not available and public sources are controlled to the maximum extent possible, what measures do you anticipate should be taken to control rural fugitive dust blowing into these towns from farm fields and roads? Do you anticipate taking farm land out of production, changes in tillage practices or treatment of farm to market roads? If so, who will pay for such measures? What studies have been made to date to determine the costs of such measures? What additional studies are anticipated?

2. Your policy statement speaks of "contamination by industrial pollutants" which are "suspect in their health affects" (page 2), the "toxic fraction of fugitive dust" (page 4), "potentially harmful and potent ingredients" (page 5), "population at risk" (page 5) and so on. These expressions appear to relate to the primary standard, rather than the secondary standard. I have been advised that the secondary standard primarily protects visibility. Yet, from a visibility standpoint, particulates would affect all areas of the state equally, not just cities over a particular size.

Please list in detail the specific ways in which the "public welfare" is adversely affected by including rural fugitive dust concentrations when determining when secondary particulate standards have been violated. To what extent are economic factors considered in determining how the public welfare is affected by fugitive dust?

3. Your fugitive dust policy is applied differently in eastern cities of 100,000 to 200,000 than in western cities of 25,000 to 50,000. Why is that so? Where is the division between the "east" and "west"? How was that determined?

4. Is the EPA in the process of revising or studying the possibility of revising the primary or secondary standards for particulates? If so, how might this affect the rural fugitive dust question? Do you have a timetable for making such revisions?

5. On pages 2 and 8 or your policy statement (attachment No. 1), you suggest that state rural fugitive dust control programs will require time to develop, coordinate, and implement; that initial demonstration projects may be appropriate; and that implementation programs could require several years to implement. In light of this relatively slow timetable, why are you already requiring immediate offsets from rural fugitive dust sources in areas where industrial and public source offsets are not available?

I would like to reiterate my deep concern about the economic impact of this policy in the State of Iowa. May I hear from you in the near future?

Very truly yours,
CHARLES E. GRASSLEY,
Member of Congress.●

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## CONSTRUCTION FRUSTRATIONS CAUSED BY DAVIS-BACON

### HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 15, 1979*

● Mr. HAGEDORN. Mr. Speaker, I have spoken many times in this Chamber about the extraordinary waste that is caused by the administration of the Davis-Bacon Act in the hope that my colleagues would see fit to protect the victims of its waste, the American taxpayers. On previous occasions, I have submitted to the House examples of the costly effects of Davis-Bacon that have been brought to my attention in correspondence from around the Nation.

Today, I am submitting for the RECORD a glaring example of Davis-Bacon waste and inflation which appeared in the August 27 issue of Business Week magazine. In this startling account, Mr. W. F. Numrich, a West Virginia resident who operates a construction company in Ohio, discussed the extreme subjectivity of Davis-Bacon decisionmaking on the part of Government officials. This particular instance of waste and Government over-regulation has prompted Mr. Numrich to take this case to Federal court to try to get something done about these work rules.

Individual citizens such as Mr. Numrich are to be commended for their willingness to fight for what is right. Many of my colleagues have joined me in legislative efforts to get something done about Davis-Bacon. These judicial and legislative efforts will continue until we rid our economy of this act which wastes millions of dollars while benefiting only a few. It is my hope that consideration of the many Davis-Bacon accounts of frustration and waste which have been brought to the attention of this House will convince my colleagues of the desperate need to make changes in this act and the manner in which it is administered.

#### THE FRUSTRATIONS OF BUILDING FOR HUD

(By W. F. Numrich)

Construction is my livelihood. I am an engineer by training. I have been president of my own construction company for 10 years.

Under what is known as the 236 program of the Housing & Urban Development Dept.—a program that subsidizes mortgage interest for middle-income families—I built Pinewood Village in Parkersburg, W. Va. Pinewood Village consists of 125 apartments, from one to four bedrooms, and it was completed in 1975 after 18 months of construction.

The Pinewood Village story begins early in 1972, when HUD authorized by West Virginia Housing Development Fund (WVHDF) to hold a competition to see who would be authorized to build this project. The fund selected a panel of three judges. Five developers submitted proposals. Our proposal received every vote. Of course, I was elated. I had never built a housing project before.

My elation was short-lived. My proposal had been submitted on June 1, 1972. I had proposed that construction be started in September, 1972. When HUD accepted my proposal, its officials informed me that my starting date was a bit optimistic. They felt it would take until November, 1972, to process my application.

The director of the West Virginia Housing Development Fund said: "Walt, consider yourself lucky that they agreed to a November starting date. No other proposal has ever been processed in twice that time."

Well, this one was not processed in twice the estimated time, either. November, 1972? It took the agency until November, 1973, to process my proposal.

#### DEPRESSION HOLDOVER

Meanwhile, I was reminded that a Davis-Bacon minimum wage-rate determination must be made for all federally funded construction projects. The Davis-Bacon Act was passed in 1931, during the Depression, when unemployment was in the range of 25 percent to 30 percent and the building trades unions were suffering. Their unemployment rate was higher than the average, and they were affiliated with the AFL, which had lots of political influence. They got Congress to adopt the principle that any federally funded project must pay "prevailing wages." The Davis-Bacon section of the U.S. Labor Dept. determines what the prevailing wages are. In other words, it sets the minimum wages to be paid on each project.

Parkersburg, in the mid-Ohio Valley, is highly industrialized, and the building trades unions are strong. (In my opinion, they also have excellent craftsmen.) Housing in West Virginia, however, is traditionally built with nonunion labor. Union rates are double those of nonunion labor. On federally funded projects using union construction labor, the Davis-Bacon minimum wage determination can be perfunctory: The union rate is frequently used. But in the Pinewood Village project, the Davis-Bacon section had to make a field survey to determine the minimum wage rate by finding out what workers on nonunion construction projects in the area were getting.

#### SETTING THE MINIMUMS

The person making a field survey goes around to construction projects in the area and talks to the workers building houses or apartments. He establishes their crafts—carpenter, plumber, sheet-metal worker, electrician, and so on. He finds out what they are being paid. When he feels that his survey is ample, he determines the minimum wage from the data he has assembled. If 30 percent or more of the workers in a craft are being paid the same rate, this becomes the minimum wage. If no rate scores as much as 30 percent, the average is used. Since nonunion housebuilders pay their craftsmen according to ability, the 30 percent rule is rarely invoked. The average usually prevails.

The method is fine if the person making the field survey is objective. If he is not, he can make the figures come out to suit him. If he wants a high rate, he can tear up his low samples.

The first Davis-Bacon wage-rate determination for Pinewood Village was issued on July 26, 1973. It was an objective survey. It closely correlated with a private survey made for me by a labor consultant.

On Oct. 2, 1973, a new wage-rate determination was issued by Davis-Bacon. I made some rapid calculations. My costs would be increased by roughly $80,000. I called the head of the Davis-Bacon section area headquarters in Pittsburgh.

"What the hell is going on?"

"Someone from the Parkersburg Building Council called and asked for a new determination."

Building trades councils are local organizations consisting of one representative from each of the construction unions. Although union wages have nothing to do with the Pinewood Village project, the government had put through an increase in my minimum wages because the unions asked for it.

#### AVOIDING A DELAY

I called the director of the West Virginia Housing Development Fund and told him that I wanted to submit for an increase in the cost of building Pinewood Village. He said: "Two things, Walt. You have already been delayed a year. This will cause a further delay. Besides that, your project is going to be the best in all West Virginia. The quality you are building into this project we like, but it is approaching the top limit established by HUD. The $80,000 additional may throw it over and get the project declared 'unfeasible.'" His advice was: "Go through with the project and then submit a change order asking for an increase after the job is completed and you can precisely establish how much this is costing you. WVHDF will recommend that the change order be approved."

I respected the director, and I bought his argument. "Unfeasible" means that a project will not be approved by HUD and therefore will never be built, and I didn't want to take a chance that that would happen. Initial closing documents were signed on Nov. 15, 1973. We started construction the next day.

One thing that the Davis-Bacon wage determination had done was eliminate all helpers' rates for the major trades—carpenter, sheet metal, and so on. On Dec. 2, I requested that the HUD office in Charleston have Davis-Bacon establish helpers' rates for all crafts. Housebuilders use as many helpers as they do craftsmen. My letter was never answered. By the grapevine, I heard that HUD had called Davis-Bacon and had been told to ditch my request because the AFL-CIO didn't want any helpers' rates.

### A WORKER'S WINDFALL

About halfway through the project, the government made a field survey and found a helper carrying a piece of sheet metal. He was listed on the payroll as a laborer. The government issued an order that this man must be paid retroactively the full difference between sheet metal and laborer scale. According to the government, if a man carried a piece of sheet metal, that was adequate proof that he was a qualified sheet-metal worker. The man received a windfall check for $2,500. But, of course, we had to lay him off because he was not qualified as a sheet-metal worker.

When Pinewood Village was substantially completed, I documented the increase in labor costs due to the second Davis-Bacon wage-rate determination and submitted a request for a change order. HUD denied it but said: "You can submit it again if you wish."

After construction was totally completed, I submitted the request again. I felt that, by trying a second time, I could get it reviewed at a higher level of HUD than the Charleston office, which had turned down the first request.

The second request was denied. I asked who reviewed it, and they told me: "The same people who reviewed your first request." If I had known that, I wouldn't have wasted my time. The same people would have to admit that they made a mistake the first time if they approved it the second time. What kind of review is that? They say, "That's the way we operate."

I believe this story only because it happened to me. If you don't believe it, I don't blame you.●

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## PERSONAL EXPLANATION

## HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 15, 1979*

● Mr. FORSYTHE. Mr. Speaker, over the summer it was necessary for me to be absent from Washington because I was recovering from surgery. I regret that I could not be here to cast my votes. However, on September 27, and October 12, 1979, I published an explanation of how I would have voted had I been present. I would like to complete that explanation today:

Rollcall No. 380. H.R. 3996. Amtrak Reorganization Act of 1979. Passage of the bill to authorize $1,115,000,000 for fiscal 1980, $940.5 million for fiscal year 1981, and $958.5 million for fiscal 1982, and to set formulas for retaining some trains scheduled for elimination under the Carter administration's plan. July 25, 1979. I would have voted "no."

Rollcall No. 381. S. 1030. Emergency energy conservation. Adoption of the rule providing for House floor consideration of the bill to authorize the President to impose conservation measures in the event of a national energy shortage, July 25, 1979. I would have voted "no."

Rollcall No. 382. S. 1030. Emergency energy conservation. Ottinger amendment to permit gasoline rationing when there is a 15-percent shortage—instead of a 20-percent shortage—in petroleum supplies for 30 days. July 25, 1979. I would have voted "no."

Rollcall No. 383. S. 1030. Emergency energy conservation. Broyhill amendment to require the President to submit a standby gasoline rationing plan to Congress within 180 days of enactment and then giving Congress 60 days to approve the plan. July 25, 1979. I would have voted "yes."

Rollcall No. 384. S. 1030. Emergency energy conservation. Gilman amendment to give either House of Congress 30 days to veto a standby gasoline rationing plan submitted by the President. July 25, 1979. I would have voted "yes."

Rollcall No. 385. S. 1030. Emergency energy conservation. Dingell motion that the Committee of the Whole rise. July 25, 1979. I would have voted "no."

Rollcall No. 387. H.R. 3920. Unemployment Compensation Commission. Stark amendment to delete language extending through January 1, 1982, the exemption to employers from paying Federal unemployment insurance tax for certain temporary alien farmworkers. July 25, 1979. I would have voted "no."

Rollcall No. 388. House Resolution 317. Romanian emigration. Adoption of the resolution to disapprove—thus revoking trade benefits—the President's request to extend for 12 months a waiver of the freedom of emigration provisions of the 1974 Trade Act with respect to Romania. July 25, 1979. I would have voted "no."

Rollcall No. 289. H.R. 3000. Energy Department—civilian programs. Adoption of the rule providing for floor consideration of the bill to authorize $6.9 billion in fiscal 1980 for civilian programs of the Energy Department. July 26, 1979. I would have voted "no."

Rollcall No. 390. H.R. 3000. Energy Department—civilian programs. Fuqua amendment to allow for termination of the Clinch River, Tenn., fast breeder reactor and to authorize $107 million to carry out a study and design for an alternative breeder reactor. July 26, 1979. I would have voted "no."

Rollcall No. 392. H.R. 2462. Maritime authorization. McCloskey amendment to reduce the construction differential subsidy authorization to $32 million from the $101 million contained in the bill. July 27, 1979. I would have voted "yes."

Rollcall No. 393. H.R. 2462. Maritime authorization. McCloskey amendment to prohibit the use of construction differential subsidies for vessels manned by crews that numbered greater than 50 percent of the minimum, which was determined by the Coast Guard to be necessary for safe operation. July 27, 1979. I would have voted "yes."

Rollcall No. 395. H.R. 3633. Nurse training. Dannemeyer amendment to reduce fiscal 1980 authorizations for special projects and nurse practitioner training and eliminate other authorizations for nursing school grants, loans, construction aid and financial aid for students. July 27, 1979. I would have voted "no."

Rollcall No. 396. H.R. 3633. Nurse training. Passage of the bill to extend through fiscal 1980 authorization for capitation, construction, and other types of grants to nurse training schools, and loans and other financial aid for nursing students, for a 1-year total of $103 million. July 27, 1979. I would have voted "yes."

Rollcall No. 398. H.R. 3509. Safe drinking water amendments. Waxman motion to suspend the rules and pass the bill to authorize $236.6 million and extend from fiscal 1980 to 1982 the provisions of the 1974 Safe Drinking Water Act. July 30, 1979. I would have voted "yes."

Rollcall No. 399. House Resolution 391. Diggs expulsion. Brademas motion to table the resolution calling for the expulsion of Representative CHARLES C. DIGGS, JR., from the House of Representatives, July 30, 1979. I would have voted "no."

Rollcall No. 400. H.R. 111. Panama Canal Treaties implementation. Bauman amendment to instruct House conferees to the House-Senate conference committee on the bill to insist on certain House provisions of the legislation to implement the 1978 Panama Canal treaties. July 30, 1979. I would have voted "yes."

Rollcall No. 40. House Concurrent Resolution 168. Congressional adjournment. Adoption of the concurrent resolution to provide for a House recess from August 2 to September 5, 1979, and a Senate recess from August 3 to September 5, 1979. July 30, 1979. I would have voted "yes."

Rollcall No. 402. H.R. 4930. Interior appropriations, fiscal 1980. Passage of the bill to appropriate $10,230,003,000 for fiscal 1980 for the Interior Department, the Energy Department and related agencies. July 30, 1979. I would have voted "yes."

Rollcall No. 403. Procedural motion. Sensenbrenner motion to approve the House Journal of Monday, July 30, 1979.

Rollcall No. 404. House Resolution 378. Diggs censure. Adoption of the resolution to censure Representative CHARLES C. DIGGS, JR. to order DIGGS to repay the Treasury $40,031.60 and to require DIGGS' employees to certify to the House Committee on Standards of Official Conduct for the remainder of the 96th Congress that they are being paid by DIGGS in full compliance with House rules. July 31, 1979. I would have voted "yes."

Rollcall No. 405. House Concurrent Resolution 80. Martin Luther King Jr. Statue. Nedzi motion to suspend the rules and pass the bill to authorize $25,-

000 from House contingent funds for a statue of Martin Luther King Jr. to be placed in the Capitol building. July 31, 1979. I would have voted "yes."

Rollcall No. 406. S. 391. Speedy Trial Act amendments. Gudger motion to suspend the rules and pass the bill to delay until July 1, 1980, from July 1, 1979, the effective date of the 1974 Speedy Trial Act dismissal sanctions. July 31, 1979. I would have voted "yes."

Rollcall No. 408. S. 1030. Emergency energy conservation. Stockman amendment to provide for a one-House veto over a standby gasoline rationing plan proposed by the president, but deleting the provision for a one-House veto of implementation of rationing. July 31, 1979. I would have voted "yes."

Rollcall No. 409. S. 1030. Emergency energy conservation. Wright amendment to delete the requirement of the previously adopted Gilman amendment that either House could veto a proposed standby plan. July 31, 1979. I would have voted "no."

Rollcall No. 410. S. 1030. Emergency energy conservation. Marks amendment to delete the requirement that a 20 percent shortage of petroleum exist before gasoline rationing could be imposed. July 31, 1979. I would have voted "no."

Rollcall No. 412. S. 1030. Emergency energy conservation. Kramer amendment to provide that the president's rationing and conservation powers be valid until September 30, 1980, instead of until September 31, 1981. July 31, 1979. I would have voted "yes."

Rollcall No. 413. S. 1030. Emergency energy conservation. Wylie amendment to require an exemption from restrictions on the heating and cooling of buildings for a building operator who achieved an equivalent reduction in energy consumption by means other than controlling thermostats. July 31, 1979, I would have voted "yes."

Rollcall No. 414. S. 1030. Emergency energy conservation. Dingell motion that the House resolve itself into the Committee of the Whole for further consideration of the bill. August 1, 1979. I would have voted "yes."

Rollcall No. 415. S. 1030. Emergency energy conservation. Hughes amendment to the Rinaldo amendment to delete language in the bill suggesting that the President adopt as a standby conservation measure a plan that requires a car owner not to drive one day of the week, with the nondriving day selected by the car owner. August 1, 1979. I would have have voted "yes."

Rollcall No. 416. S. 1030. Emergency energy conservation. Moffett substitute amendment, to the Rinaldo amendment, to restore the language suggesting a nondriving day as a conservation measure, with the requirement that Governors be consulted as to the special needs of rural areas. August 1, 1979. I would have voted "no."

Rollcall No. 417. S. 1030. Emergency energy conservation. Stockman amendment to prohibit a Federal conservation plan from restricting the operating hours of a business. August 1, 1979. I would have voted "yes."

Rollcall No. 418. S. 1030. Emergency energy conservation. Loeffler amendment to prohibit a Federal conservation plan from regulating the operating of any energy production, exploration, processing, or transportation facility unless the facility were first given a chance to save energy through other measures. August 1, 1979. I would have voted "yes."

Rollcall No. 419. S. 1030. Emergency energy conservation. Brown amendment to exempt health care facilities from Federal conservation measures. August 1, 1979. I would have voted "yes."

Rollcall No. 420. S. 1030. Emergency energy conservation. Dingell motion to end debate on section 3 of the bill at 3:45 p.m. August 1, 1979. I would have voted "no."

Rollcall No. 421. S. 1030. Emergency energy conservation. Tauke amendment to require that the President, upon finding a supply shortage, set aside middle distillate oil in order to provide supplies for agricultural production. August 1, 1979. I would have voted "yes."

Rollcall No. 422. S. 1030. Emergency energy conservation. Moffett amendment to require that the President, upon finding a supply shortage, set aside heating oil in order to provide supplies to homeowners. August 1, 1979. I would have voted "no."

Rollcall No. 423. S. 1030. Emergency energy conservation. Gilman motion to recommit the bill to committee with instructions to reinsert language providing for a one-House veto of a standby rationing plan. August 1, 1979. I would have voted "yes."

Rollcall No. 424. S. 1030. Emergency energy conservation. Passage of the bill to authorize the President, with the consent of Congress, to require rationing of gasoline during a 20 percent oil shortage and to impose conservation measures on uncooperative States during a 10 percent oil shortage. August 1, 1979. I would have voted "no."

Rollcall No. 425. H. R. 4388. Energy and water development appropriations, fiscal 1980. Breaux motion that the House recede and concur in the Senate amendment to allow construction of the Tellico Dam and reservoir in Tennessee notwithstanding the provisions of the Endangered Species Act. August 1, 1979. I would have voted "yes."

Rollcall No. 426. H. R. 4388. Energy/water appropriations, fiscal 1980, Hart Office Building. Bevill motion that the House recede and concur in the Senate amendment to appropriate $57,480,700 with a total construction ceiling of $142,627,700 for the Hart Senate Office Building and that the Senate vacate offices in certain non-Federal buildings. August 1, 1979. I would have voted "yes."

Rollcall No. 427. H. R. 4388. Energy/water appropriations, fiscal 1980, Hart Office Building. Bevill motion that the House recede from its disagreement with Senate amendment 37. August 1, 1979. I would have voted "yes."

Rollcall No. 428. Procedural motion. Rousselot motion to approve the House Journal of Wednesday, August 1, 1979. August 2, 1979. I would have voted "no."

Rollcall No. 429. H.R. 4057. Food stamps. Adoption of the conference report on the bill to increase by $620 million the spending ceiling for the food stamp program in fiscal 1979, and to provide elderly and disabled recipients increased deductions for medical and shelter costs. August 2, 1979. I would have voted "no."

Rollcall No. 430. H.R. 3324. Foreign economic aid. Adoption of the conference report on the bill to authorize 1.979 billion in fiscal 1980 for bilateral economic aid programs and the Peace Corps. August 2, 1979. I would have voted "yes."

Rollcall No. 431. H.R. 4392. State, Justice, Commerce, Judiciary appropriations, fiscal 1980. Adoption of the conference report to appropriate $8,345,091,000 for the Departments of State, Justice, and Commerce, the Federal judiciary, and 18 related agencies for fiscal 1980. August 2, 1979. I would have voted "yes."

Rollcall No. 432. H.R. 3434. Social services and child welfare. Adoption of the rule providing for House floor consideration of the bill to raise to $3.1 billion, from $2.5 billion, the permanent ceiling on Federal matching expenditures for State social service programs. August 2, 1979. I would have voted "yes."

Rollcall No. 433. H.R. 3434. Social services and child welfare. Michel motion to recommit the bill to the Ways and Means Committee with instructions to report it back immediately with an amendment to delete the provision to establish the $266 million authorization for assistance to State child welfare programs on an entitlement basis rather than on an authorization and appropriations basis. August 2, 1979. I would have voted "yes."

Rollcall No. 434. H.R. 3434. Social services and child welfare. Passage of the bill to amend the Social Security Act to raise to $3.1 billion, from $2.5 billion, the permanent ceiling on Federal matching expenditures for State social services programs. August 2, 1979. I would have voted "yes."●

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## AMENDMENTS TO THE FISHERY CONSERVATION AND MANAGEMENT ACT

### HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 15, 1979*

● Mr. YOUNG of Alaska. Mr. Speaker, I am today introducing legislation that will amend the Fishery Conservation and Management Act to correct two problems that have been identified during the recent oversight hearings held by the Subcommittee on Fisheries and Wildlife Conservation and the Environment.

When the FCMA was first passed, the Congress recognized the complexity of fisheries management on the Pacific coast by granting membership to Washington and Oregon on the North Pacific Fishery Management Council and to Alaska on the Pacific Fishery Management Council. Both fish stocks and fishermen from all three States can be found in both areas and so this was thought to be an equitable arrangement. However, the Oregon and Washington delegates had voting membership in the

North Pacific; the Alaskan delegate had a nonvoting position.

In recognition of this problem, both the North Pacific and Pacific Councils have recently agreed that the Alaskan delegate should receive a voting membership. The first part of my bill will establish that voting position on the Pacific Council and add one more voting member to retain the existing balance.

The second part of my bill deals with a more serious problem. Under the FCMA, regional councils are charged with preparing fishery management plans that will be used to manage the fisheries in their areas of jurisdiction. The plans are developed by the councils and after various procedural requirements are met and submitted to the Secretary of Commerce for review. The Secretary is given 60 days to accept or reject the plan.

Unfortunately, the 60-day review period often stretches on interminable. Plans sit before the Secretary for months while legal "experts" pick away at their contents. Plans are rejected for reasons known only to the Department of Commerce. This has led to a serious slowdown in implementation of the FCMA and management of our Nation's fisheries.

My amendment would cut this Gordian knot by giving the Secretary 45 days to either approve a fishery management plan or disapprove it based on the requirements of the FCMA. If the Secretary takes no action, which is often the case, the plan will be approved automatically at the end of 60 days.

I believe that these amendments will fine tune the FCMA and allow us to get on with the proper management of our Nation's fisheries.●

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations, or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, October 16, 1979, may be found in the Daily Digest of today's RECORD.

### MEETINGS SCHEDULED

### OCTOBER 17

8:00 a.m.

Energy and Natural Resources

Business meeting, to resume markup of S. 9, 222, and H.R. 39, bills designating certain public lands in the State of Alaska for protection of their resource values under permanent Federal ownership and management.

3110 Dirksen Building

9:30 a.m.

Armed Services

To continue hearings in closed session, on military implications of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold oversight hearings to determine the alleged role of organized crime and other perpetrators in the illicit operations of bankruptcy frauds.

1202 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to consider the nomination of James C. Webster, of South Dakota, to be an Assistant Secretary of Agriculture.

324 Russell Building

Commerce, Science, and Transportation

To resume oversight hearings on the Federal Trade Commission's study of the life insurance industry's cost disclosure policy.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

Business meeting, to mark up H.R. 3464 and 3236, bills to remove certain work disincentives for the disabled recipients of supplemental security income benefits; S. 350, 351, 748, and 760, bills to encourage and facilitate the availability, through private insurance carriers of basic health insurance at reasonable premium charges; and on proposals for savings in unemployment compensation programs.

2221 Dirksen Building

Foreign Relations

To continue mark up of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

4221 Dirksen Building

Governmental Affairs

Energy, Nuclear Proliferation, and Federal Services Subcommittee

To hold hearings on S. 742, proposed Nuclear Waste Management Reorganization Act.

Room to be announced

Judiciary

To hold hearings on S. 1763, proposed Immigration and Nationality Efficiency Act.

2228 Dirksen Building

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the implementation of older American volunteer programs by the ACTION Agency.

4232 Dirksen Building

Select on Intelligence

Charters and Guidelines Subcommittee

To hold a closed business meeting.

224 Russell Building

11:00 a.m.

Environment and Public Works

To hold hearings on the nominations of Inez S. Reid, of New York, to be Inspector General, Environmental Protection Agency; and Eckardt C. Beck, of New Jersey, to be an Assistant Administrator of the Environmental Protection Agency.

4200 Dirksen Building

Joint Economic

To hold hearings on the Federal Reserve System's new monetary policy, focusing on how it will affect inflation and whether it will result in a substantial increase in unemployment.

1114 Dirksen Building

2:00 p.m.

Armed Services

To continue hearings in closed session on military implications of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S—407, Capitol

Foreign Relations

Business meeting, to continue mark up of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

4221 Dirksen Building

Judiciary

To hold hearings on the nominations of Thomas A. Clark, of Florida, to be U.S. Circuit Judge for the Fifth Circuit; Alcee L. Hashings, to be U.S. District Judge for the Southern District of Florida; Neal P. McCurn, to be U.S. District Judge for the Northern District of New York; and Alan N. Bloch, to be U.S. District Judge for the Western District of Pennsylvania.

2228 Dirksen Building

### OCTOBER 18

9:30 a.m.

Armed Services

To continue hearings in closed session, on military implications of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

Judiciary

Improvements in Judicial Machinery Subcommittee

To continue oversight hearings to determine the alleged role of organized crime and other perpetrators in the illicit operations of bankruptcy frauds.

1202 Dirksen Building

Judiciary

Jurisprudence and Governmental Relations Subcommittee

To hold hearings on proposed legislation to establish a non-profit corporation known as the State Justice Institute, to further the development and adoption of improved judicial administration in the State courts in the United States.

5110 Dirksen Building

10:00 a.m.

Energy and Natural Resources

To hold hearings on S. 1699, and Amendment No. 395 to S. 1308, measures to expand the existing energy impact assistance to State and local governments contained in the Powerplant and Industrial Fuel Use Act of 1978 (P.L. 95-620) to reflect recent legislative initiatives to foster greater domestic energy production.

3110 Dirksen Building

Finance

Business meeting, to continue markup of H.R. 3464 and 3236, bills to remove certain work disincentives for the disabled recipients of supplemental security income benefits; S. 350, 351, 748, and 760, bills to encourage and facilitate the availability, through private insurance carriers of basic health insurance at reasonable premium charges; and on proposals for savings in unemployment compensation programs.

2221 Dirksen Building

Foreign Relations

Business meeting, to continue markup of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

4221 Dirksen Building

Governmental Affairs

To hold hearings on the proposed Reorganization Plan No. 3, to consolidate trade functions of the United States Government.

3302 Dirksen Building

Labor and Human Resources

Aging Subcommittee

To hold joint oversight hearings with the Special Committee on Aging on the implementation of the comprehensive Older American Act Amendments of 1978.

1114 Dirksen Building

*Labor and Human Resources

Health and Scientific Research Subcommittee

Business meeting, to consider S. 1177, to establish a partnership between the Federal Government and the States in the planning and provisions of mental health services.

4232 Dirksen Building

Special on Aging

To hold joint oversight hearings with the Subcommittee on Aging of the Committee on Labor and Human Resources on the implementation of the comprehensive Older American Act Amendments of 1978.

1114 Dirksen Building

Joint Economic

To resume hearings to examine the minority job prospects in the next five to ten years, focusing on population shifts, labor force changes and employment trends for minorities.

340 Cannon Building

2:00 p.m.

Armed Services

To continue hearings in closed session, on military implications of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Foreign Relations

Business meeting, to continue mark up of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

4221 Dirksen Building

2:45 p.m.

Judiciary

To hold hearings on the nominations of Scott E. Reed, to be U.S. District Judge for the Eastern District of Kentucky; Dudley H. Bowen, Jr., to be U.S. District Judge for the Southern District of Georgia; and Robert H. Hall, to be U.S. District Judge for the Northern District of Georgia.

2228 Dirksen Building

### OCTOBER 19

9:30 a.m.

Energy and Natural Resources

To continue hearings on S. 1699 and Amendment No. 395 to S. 1308, measures to expand the existing energy impact assistance to State and local governments contained in the Powerplant and Industrial Fuel Use Act of 1978 (P.L. 95-620) to reflect recent legislative initiatives to foster greater domestic energy production.

3110 Dirksen Building

*Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To hold oversight hearings on alleged fraud and mismanagement practices in the Community Services Administration.

3302 Dirksen Building

10:00 a.m.

Finance

Business meeting, to continue mark up of H.R. 3464 and 3236, bills to remove certain work disincentives for the disabled recipients of supplemental security income benefits; S. 350, 351, 748, and 760, bills to encourage and facilitate the availability, through private insurance carriers of basic health insurance at reasonable premium charges; and on proposals for savings in unemployment compensation programs.

2221 Dirksen Building

Foreign Relations

Business meeting, to continue mark up of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

4221 Dirksen Building

Judiciary

To resume hearings on S. 1246, to protect against the growth of a monopoly power among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development.

2228 Dirksen Building

Labor and Human Resources

Business meeting, to mark up S. 1724, 771, 1270, 1331, 1603, 1725, and 1805, bills to provide grants to States to assist low- and moderate-income individuals to meet the rising home energy costs.

4232 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

### OCTOBER 22

9:00 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 1435, to provide for the more rapid depreciation by businesses of investments in machinery, equipment, and buildings to promote economic growth; S. 1021, to provide holders of municipal bonds to either exclude the bond interest from taxable income or to claim a Federal tax credit of 67 percent of the amount of interest; S. 1078, to provide a credit against taxes on an artist's estate for testamentary transfers of his art to the Federal Government; and S. 1467, to provide for a clarification of the existing method of accounting for property used by the railroad industry to determine depreciation allowances for income tax purposes.

2221 Dirksen Building

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To receive a report from officials of the Energy Information Administration of the Department of Energy on the current price and supply outlook for petroleum fuels.

3110 Dirksen Office Building

### OCTOBER 23

9:30 a.m.

Armed Services

To resume hearings on military implications of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

212 Russell Building

Judiciary

Business meeting, to mark up pending legislation and nominations.

2228 Dirksen Building

Select on Small Business

To hold hearings to examine the economic outlook for the small business.

424 Russell Building

Joint Economic

Economic Growth and Stabilization Subcommittee

To resume hearings to promote equitable economic deregulation of the railroad industry.

5110 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Labor and Human Resources

To hold oversight hearings to explore youth issues for the coming decade, focusing on the Federal role in public sector employment, training and educational programs.

4232 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To resume hearings on S. 1839, 1840, and 1841, bills authorizing funds through fiscal year 1984 for programs under the Higher Education Act.

457 Russell Building

2:00 p.m.

Armed Services

To continue hearings on military implications of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

212 Russell Building

### OCTOBER 24

8:00 a.m.

Agriculture, Nutrition, and Forestry

Rural Development Subcommittee

To hold oversight hearings to review the implementation of rural transportation programs and how they affect the quality of life in rural and small urban areas in America.

324 Russell Building

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 829 and 1644, bills to provide for Federal management of a 20-year coordination program in weather modification within the Department of Commerce.

235 Russell Building

Judiciary

Constitution

Business meeting, to consider S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.

155 Russell Building

Select on Small Business

To hold hearings to examine the Small Business Administration and the Farmers Home Administration loans and loan guarantees to industrialized cattle, hog, poultry, and dairy operations.

424 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Judiciary

To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

Labor and Human Resources

To continue oversight hearings to explore youth issues for the coming decade, focusing on the Federal role in public sector employment, training, and educational programs.

4232 Dirksen Building

Select on Indian Affairs

Business meeting, to mark up S. 668, to allow the Cow Creek Band of the Umpqua Indians of Oregon to file a claim with the U.S. Court of Claims for alleged failure of the United States to fulfill treaty obligations; H.J. Res. 199, to correct a land description as contained in P.L. 95–498, providing that certain public lands be held by the United States in trust for the Santa Ana Pueblo Indians; S. 1682, to authorize a 99-year lease of restricted land owned by Indians in Chelan County, Wash.; and S. 916, to improve and expand the educational opportunities available to native Hawaiians.

5110 Dirksen Building

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

### OCTOBER 25

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of Government-sponsored inventions in order to encourage private industry participation in Federal research and development programs

235 Russell Building

Veterans' Affairs

To hold joint oversight hearings with the House Committee on Veterans' Affairs on admission policies to Veterans' Administration's medical care facilities.

345 Cannon Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works

Transportation Subcommittee

To hold hearings on S. 1383, 1439, and 1689, bills to establish on an emergency basis uniform weight and length limits for trucks using the National System of Interstate and Defense Highways to help conserve currently limited supplies of diesel fuel.

4200 Dirksen Building

Judiciary

To continue hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To resume hearings on S. 1839, 1840, and 1841, bills authorizing funds through fiscal year 1984 for programs under the Higher Education Act.

4232 Dirksen Building

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

### OCTOBER 26

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 829 and 1644, bills to provide for Federal management of a 20-year coordinated program in weather modification within the Department of Commerce.

235 Russell Building

10:00 a.m.

Joint Economic

To resume hearings on the Consumer Price Index figures and inflationary trends.

5110 Dirksen Building

### OCTOBER 29

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1335 and 1336, bills to establish a program of financial assistance to improve the energy efficiency of residential heating systems.

3110 Dirksen Office Building

*Veterans' Affairs

To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.

5110 Dirksen Building

10:00 a.m.

Select on Indian Affairs

To hold hearings on the nomination of William E. Hallett, of Colorado, to be Commissioner of Indian Affairs.

1202 Dirksen Building

2:00 p.m.

Joint Economic

To hold hearings in observance of the 50th anniversary of the beginning of the Great Depression of 1929, focusing on the causes and effects of depression.

318 Russell Building

### OCTOBER 30

10:00 a.m.

*Agriculture, Nutrition, and Forestry

Agricultural Research and General Legislation Subcommittee

To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 1408 and 1650, bills to provide for the development of aquaculture in the United States.

6226 Dirksen Building

Commerce, Science, and Transportation

To hold joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry, on S. 1408 and 1650, bills to provide for the development of aquaculture in the United States.

6226 Dirksen Building

### OCTOBER 31

9:30 a.m.

*Commerce, Science, and Transportation

To hold joint oversight hearings with the Select Committee on Small Business and the House Committees on Small Business and Science and Technology to review proposed techniques in the field of industrial development.

1202 Dirksen Building

Select on Small Business

To hold joint oversight hearings with the Committee on Commerce, Science, and Transportation and the House Committee on Science and Technology to review proposed techniques in the field of industrial development.

1202 Dirksen Building

Select on Small Business

To hold hearings to review the impact of private and commercial credit reporting services on small business, to focus on the accuracy, reliability, and assessibility of information released by such services.

424 Russell Building

10:00 a.m.

Rules and Administration

To hold hearings on S. 392 and 597, bills to assure access for the elderly and handicapped to polling and registration locations for Federal elections; and other legislative and administrative business.

301 Russell Building

### NOVEMBER 1

9:30 a.m.

Select on Small Business

To continue hearings to review the impact of private and commercial credit reporting services on small business, to focus on the accuracy, reliability, and assessibility of information released by such services.

424 Russell Building

### NOVEMBER 2

9:30 a.m.

Judiciary

To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

### NOVEMBER 6

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To resume hearings on S. 1108, to provide relocation assistance and guidelines for displacement of individuals who are forced to leave their homes and neighborhoods because of Federally funded projects.

3302 Dirksen Building

### NOVEMBER 7

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To continue hearings on S. 1108, to provide relocation assistance and guidelines for displacement of individuals who are forced to leave their homes and neighborhoods because of Federally funded projects.

1318 Dirksen Building

### NOVEMBER 14

9:30 a.m.

*Commerce, Science, and Transportation

To resume oversight hearings to review proposed techniques in the field of industrial development.

235 Russell Building

Foreign Relations

To hold hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

NOVEMBER 15

9:30 a.m.

Foreign Relations

To continue hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

Governmental Affairs

Intergovernmental Relations Subcommittee

To resume oversight hearings to examine the scope of the general revenue sharing policy.

3302 Dirksen Building

NOVEMBER 16

9:30 a.m.

Foreign Relations

To continue hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

NOVEMBER 20

9:30 a.m.

•Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.

5110 Dirksen Building

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# SENATE—*Tuesday, October 16, 1979*

*(Legislative day of Monday, October 15, 1979)*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. DAVID PRYOR, a Senator from the State of Arkansas.

## PRAYER

The Reverend Hensel E. Hendrickson, Trinity Evangelical Lutheran Church, Bismarck, N. Dak., offered the following prayer:

Let us pray.

Our heavenly Father, we thank You for the blessings that You have so graciously given to us as a nation.

This place, O Lord, abounds in silent testimony of Your abundant love and Your abiding presence. Help us to be a grateful people by living out Your promises—not in fear but in faith. May we, by Your power, lift up our dreams and our designs of what this country is and could be rather than to find contentment by leaning on the shaky supports of lethargy and lack of vision. Keep us ever mindful of Your light that does not fade and Your love that does not fail. Be with this assembly this day.

In Your name we pray. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., October 16, 1979.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID PRYOR, a Senator from the State of Arkansas, to perform the duties of the Chair.

WARREN G. MAGNUSON,
*President pro tempore.*

Mr. PRYOR thereupon assumed the chair as Acting President pro tempore.

## RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business and that Senators may speak therein up to 10 minutes each and that the period not extend beyond 20 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Is there morning business?

## CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

## DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 4930, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The Senate resumed consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, recent events have underscored the dangers inherent in this Nation's unchecked and rapidly increasing—dangerously increasing—dependence on foreign oil. The continued flow of American dollars abroad to pay for high priced imported oil is a major cause of the current inflationary spiral that is beginning to cripple our economy.

We have only to look at the stories in today's newspapers, and I quote from a story that appeared in one of the local newspapers today.

> Yesterday Libya, America's third largest supplier of oil, and Iran announced price boosts of $2.77 and $2.87 per barrel respectively, thereby exceeding OPEC's official ceiling price of $23.50.

So, Mr. President, those were just two oil-exporting countries which are raising the price of oil once again.

I also saw an indication in the press today or yesterday, to the effect that Mexico is going to increase its oil prices.

Mr. President, our own national security is critically linked to a thin line of oil tankers spread throughout the world, and so not only do we have this growing problem of oil supply and oil pricing that underlies the inflationary spiral, but the fact that we cannot rely on an assured supply of oil affects our national security interests.

Increased prices for oil have a serious impact on the stability of the dollar. They constitute a very vital and adverse factor in our trade imbalance and, as I say, constitute a major factor in inflation.

As the distinguished Senator from Washington (Mr. JACKSON) yesterday pointed out, next year this country will be paying more than $70 billion to import oil. This year it is, I think the figure is something like $65 billion—$65 billion to import oil, to keep the gasoline in the tanks.

The slightest shift in world oil supplies could be the signal for a crisis of international proportions. The urgent need to free ourselves from this excessive dependence cannot be too often repeated.

Mr. President, I intend to speak for another 10 or 15 minutes. Does the distinguished Senator from Wisconsin wish to make a statement at this time?

Mr. PROXMIRE. No. Go ahead.

Mr. ROBERT C. BYRD. Mr. President, today, each Member of this body has an opportunity to help turn this Nation away from more OPEC price increases and the ever-present threat of energy supply shortages. Today, we can embrace a commitment for action and take a step toward energy self-sufficiency.

My amendment—previously incorporated in the appropriations bill for the Department of Interior and related agencies, allots $20 billion for the production of alternative fuels. This provision is the best possible national insurance policy and is expressive of a consensus emerging in Congress that we must act now to do something that we should have done a long time ago to make optimum use of our own plentiful energy supplies.

The Appropriations Committee recommended a total appropriation for this alternative fuels program of $20 billion. Money was put in at the subcommittee level of the subcommittee which I chair. We had a fight on it in the Appropriations Committee. The Appropriations Committee one day knocked it out and the next day regained its equilibrium and its good commonsense and reinstituted the money. As my colleagues are aware, I moved yesterday to strip the bill of this provision, and have offered it as a floor amendment.

Part of this funding, $1.5 billion, will come from a transfer of prior-year appropriations from the strategic petroleum reserve. As Congress has not yet completed action on pending legislative proposals to expedite synthetic fuels production, the committee has recommended appropriating the full $20 billion to a special Treasury account called the energy security reserve. Commercial incentives will be available from this reserve for oil shale and biomass fuels as well as liquids and gases from coal.

Of the total, $2.2 billion will be immediately available for loans for site feasibility studies of potential synthetic fuel plants and for purchase agreements and price supports for alternate fuels production. The balance will remain in the energy security reserve until it is specifically made available in future appropriations acts once program authorizations have been enacted. Appropriations control will be maintained until a clear definition of synthetic fuel development authority has been approved by the Congress. However, these funds can be transferred to any independent energy production corporation if such an entity is subsequently created.

The urgent need to reduce American dependence on imported oil has generated a number of proposals to stimulate the development of a synthetic fuels industry. At the time the gas lines were longest—and they will be out there again, Mr. President; in my judgment, they have only gone away temporarily, and I hope they will never come back, but I am afraid they will be back—but at the time they were longest, the House passed legislation in the form of an amendment to the Defense Production Act, to provide Federal support for a synthetic fuels initiative. Major synthetic fuels bills are now pending before various Senate committees.

By taking this action, the Appropriations Committee did not, in any way, intend to prejudge the merits of the numerous proposals currently under consideration. However, the committee does intend its action to stand as an expression of national commitment to the curtailment of petroleum imports and to the creation of an alternate fuels production capacity.

That objective will not be realized tomorrow or next week, but if Congress had taken this action 10 years ago we would be closer to it now. And if at some future time we hope to accomplish this objective, we have to start sometime, somewhere. A journey of a 1,000 miles begins with the first step. So the committee's action constitutes a commitment that we are going to proceed down that road in a commonsense way. The committee does intend the adoption of this proposal to stand as a statement of the Senate's determination to overcome the strategic and economic vulnerability which the United States now faces on account of our overdependence on foreign oil.

There can be no question that synthetic fuels offer a long term solution to our energy problems. In the near term, much more must be done to conserve energy and to expand the output of existing types of domestic energy resources. We must bring about conversion by public utilities from oil and natural gas to coal. Removing unreasonable regulatory constraints is also a critical component in the effort to increase domestic energy supplies. However, the needs of our complex society make it imperative that we do more now to accelerate the introduction of new energy resources and in particular, to develop alternate methods to produce liquid fuels.

Coal gasification and the extraction of liquid fuel from both coal and oil shale constitute two of the most promising energy alternatives. Coal is our most abundant energy resource. With known recoverable deposits of 215 billion tons, coal accounts for almost 85 percent of our fossil fuel reserves and at present production rates, the supply could last about 300 years. But coal constitutes only about 18 percent of the total energy that we use in this country. Coal gasification and liquefaction require no technological breakthroughs. The basic technique was discovered many years ago and South Africa has been producing coal liquids on a commercial scale for almost 25 years.

What is needed are demonstrations of commercial feasibility. Because they can provide fuel for vehicles and other types of transport, synthetic fuels from coal and oil shale are of particular value to an America dependent upon a vast transportation network. Furthermore, the commercial scale production of synthetic gas from coal can help replace petroleum products in many applications, thereby making it possible to reserve more domestic oil for transportation. The immediate need is to develop a number of commercial-size synthetic fuel plants that would be sufficient to demonstrate the technology, environmental effects, and economic practicality of various synfuel options. This will provide the base for subsequent rapid expansion to a full scale production goal in later years.

I wish to note that the committee has strongly endorsed the construction of two solvent refined coal demonstration plants through appropriations in the fossil energy research and development area. This appropriation is separate from the creation of the energy security reserve. The administration has now reversed its earlier position, calling for design competition between SRC I and SRC II demonstration plants, and has finally submitted a budget amendment, at my request, to support the immediate construction of both SRC I and SRC II facilities. Proceeding as rapidly as possible with these two plants, one of which will be located in Morgantown, W. Va., is consistent with the urgent national need to develop an alternate fuels capacity.

For the past several weeks, this Chamber has echoed with the call of those Senators who are concerned about our defense capabilities and our strategic posture around the world. I believe that one of the most important investments we can make to strengthen our national security is the investment in alternate fuel capability. There is no wiser national security program we can adopt than to move toward energy self-sufficiency. The longer we delay in developing a synthetic fuels industry, the more vulnerable this Nation becomes to the whims of the oil-exporting countries.

Some may argue that the costs of Government assistance in the synthetic fuel area are unnecessarily high, especially in this time of tight budgets. But while such costs may be substantial, the costs of not proceeding with the development of new energy technologies will be even higher. The Appropriations Committee could not adopt a go-slow attitude in light of the mood of national urgency to move ahead with this program. Synthetic fuels production is imperative, and the action of the Appropriations Committee is a responsible and effective means of advancing this priority.

I hope the Senate will support this initiative.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. The pending business before the Senate is H.R. 4930.

Mr. PROXMIRE. And, I take it, there is an amendment pending to that bill?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. PROXMIRE. And that amendment is the Byrd amendment which would provide $20 billion for a trust fund which could be used for synthetic fuels; is that it?

The ACTING PRESIDENT pro tempore. The Senator is correct. That amendment is pending.

Mr. ROBERT C. BYRD. It creates an energy security reserve.

Mr. PROXMIRE. Yes, it has been broadened by the Tsongas amendment, so it is not only synthetic fuels but for other purposes.

Mr. ROBERT C. BYRD. Yes.

Mr. PROXMIRE. Mr. President, the difference of opinion between the distinguished Senator from West Virginia, our majority leader, and the Senator from Wisconsin and, perhaps, a few others, has nothing to do with the fundamental issue. The issue is very important, and we all agree wholeheartedly in meeting the energy crisis as promptly as possible, meeting it swiftly and meeting it effectively. There is no issue on that.

The issue is on the procedure, and the procedure in this case is very, very important. I happen to be chairman of the Banking Committee. We worked and worked hard on this matter. We had hearings, extensive hearings, that lasted a number of days. We had witnesses come in; we went to great pains to mark up our bill. We wrote a report on our bill, and we came to the floor with a report. It is pending and is pending now. That bill provides $3 billion for synthetic fuels; it provides about $9 billion if it is compared to what the Energy Committee did, because we have a 3-to-1 ratio on guaranteed loans.

Now, Mr. President, the Appropriations Committee, of which I am also a member, has gone ahead and ignored, in my judgment, what the authorizing committee has done.

Mr. President, we have, I think, a procedure which is not only respected, but is necessary. It is necessary that we have an opportunity for authorizing committees to set the framework within which appropriations are made, to establish the limits; I think we all recognize that. We sometimes appropriate the full amount authorized; very often we do not. Usually we do not. We rarely exceed that limit.

As I say, the Banking Committee, which was given the responsibility—because we do have the responsibility for credit, we have jurisdiction in that area, and of course this is a massive credit proposal, with great effect on our markets—made the best judgment we could, based on overwhelming testimony before us, which was that synthetic fuels could proceed with a much more modest authorization and expenditure.

Maybe we were wrong. Very possibly we were wrong. No question about it, the Energy Committee has great expertise in this area, and they may have been right. They felt that more money could have been spent, and they have decided, in the Energy Committee, to provide an authorization for synthetic fuels at about $20 billion. That energy bill will be on the floor in a few days.

What we are doing with the Byrd amendment is not to provide an appropriation which can be spent tomorrow or the next day. All we are providing with the Byrd amendment is the assertion, the symbolism, that we intend to support synthetic fuels, and now, with the Tsongas amendment added, to provide other funds.

It has been asserted again and again that we cannot spend this money without a further authorization and appropriation. So what good does it do, except to insult our committee, except to provide that we are going to evade the rules of the Senate, which we can do because of the germaneness technique, which I have heard many Senators, including our leadership, deplore in the past, but which is now being used to circumvent the opportunity for us to decide whatever level at which we will support synthetic fuels?

As I say, we may have been wrong in the Banking Committee in providing a lower level. But we should at least have an opportunity to have our hearings record discussed and debated on the floor, and our committee report read and discussed by Senators. But that is all out the window now, because of the Byrd amendment, with the further amendment by Mr. TSONGAS, providing a commitment of $20 billion for synthetic fuels and other purposes.

I have great respect for our majority leader. I think he is a fine majority leader. I have been here for 20 years, and cannot recall any other majority leader who has been as fair and as considerate as he has been. But I do think in this case a movement to go ahead with an appropriation which can really accomplish no practical purpose, before we have an opportunity to consider fairly the authorization, is a mistake; and I do hope, with all respect, as I say, for our fine majority leader, that the Senate will carefully consider the advisability of voting down the Byrd amendment when it comes up for a vote today.

I realize that is asking a great deal, because I realize the administration as well as the leadership has worked hard to line up votes in favor of the Byrd amendment. But I think, if we are going to stand up for our procedures, that we should sustain our committees, giving them an opportunity to act in an orderly way, and that if Senators realize there is no practical advantage in passing the Byrd amendment, they will consider going the way they should go, first with the authorization process, and then moving ahead with the appropriation.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Wisconsin (Mr. PROXMIRE) for his kind remarks concerning me, and I want to reciprocate. He is a very studious Senator, and a very able Senator, and very dedicated. As an indication of the kind of dedication that Senator PROXMIRE has demonstrated, he has an unbroken rollcall record, I guess, of more than——

Mr. PROXMIRE. Six thousand.

Mr. ROBERT C. BYRD. In more than 6,000 rollcall votes, he has not missed a rollcall. That is a record since 1789, when the Senate first was organized and adopted Senate rules, and operated the first 5 years behind closed doors. That record has never been matched, and I doubt that it will ever be matched before the crack of doom.

But he can be wrong. I can be wrong. He says there is no real practicality to proceeding with this proposal.

Well, let us take it from the beginning. Let us take the distinguished Senator's argument. Of course he is against the amendment, and he states that it is being brought up here in a way that is not in conformity with established procedures. I guess that, in essence, fairly characterizes what the Senator says.

He says that even the leadership itself has deplored the procedure of going the route of attaching legislation to an appropriations bill and raising the question of germaneness.

Well, what this Senator, in my news conference of last Saturday, deplored was something that is quite different from what we have seen here, and I am able to explain that. The story appeared in one of the newspapers on Sunday, and it was quoted yesterday by my good friend from New Mexico (Mr. SCHMITT).

But in reality, I spoke on the subject for perhaps 10, 15, or 20 minutes in that news conference. The news reporter did not intend for every word that I had said to be repeated in his story. There was no necessity for that, nor did I expect it. But I did have some words to say about this business of delaying appropriations bills by attaching legislative riders that had not received hearings in the authorization committees, dealing with substantive matters that had not received hearings in the appropriations committees, and riders which did not resolve the substantive issue at all, but were used repeatedly to tie up the appropriations process.

That is quite different from what we have in this instance. Here we are talking about synthetic fuels. The substantive legislation on synthetic fuels has already passed the other body. The substantive legislation on synthetic fuels has already proceeded almost to the point of being reported out by Mr. JACKSON's Energy Committee in the Senate. So, first, the subject matter has been the subject of action by the substantive committee in the other body, and the synthetic fuels section of the energy bill has already been marked up by the Energy Committee in this body.

So this is not a back door approach. This is not an attempt to do something on an appropriations bill that otherwise would not be done.

This amendment is not in that category of riders which come back year after year without resolving any substantive issue.

The substantive matter at issue here has been studied and acted upon by the legislative committees which have jurisdiction over this substantive matter. An authorization will be in place in the near future. So that is different, different from the subject which I was addressing on Saturday.

Secondly——

Mr. PROXMIRE. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Not yet, but I will be so courteous as to see that the

Senator from Wisconsin gets the floor in a moment. I will not deprive him.

The Interior Appropriations Subcommittee did hold hearings on this matter. I conducted the first 2 hours of that hearing. The Secretary of the Department of Energy Duncan appeared before that subcommittee; Mr. Deutch, the Under Secretary appeared. Those hearings went on all day. Mr. HUDDLESTON, the acting chairman of the subcommittee, conducted the hearings. The previous week, hearings had been conducted as to the technical aspects of synthetic fuels, and so on. So hearings were conducted by the Appropriations Subcommittee on this matter.

There are two points that are different from the situation that we have been facing and to which I addressed my remarks on last Saturday.

Thirdly, the administration sent up a budget amendment asking for $20 billion. The House had acted on the appropriations bill before the August recess, and such a budget request had not been lodged with the House by the administration. But when it came time for the Senate committee to conduct its work on the bill, the administration sent up its budget request for $20 billion, which is often done. It is not a precedure unheard of around here. The committee acted in support of that proposal.

So much for what the majority leader may have said or did say in his news conference last Saturday. What I addressed my remarks to last Saturday was not on all fours with the matter we have before us, but, to the contrary, every leg of that argument which I used on Saturday still stands and is not apropos to the situation we have here.

The distinguished Senator from Wisconsin has said that there is no practicality in proceeding in this way; it is just a symbol. Well, let him tell the folks in Wisconsin that. I am sure he can very ably present his case on the stump anywhere, if I am any judge of the election records up there.

But that argument will not stand the light of scrutiny, asking for action by the authorizing committee to act. As I have already stated, the authorizing committee in the House has already acted and the authorizing committee in this Senate has acted. But the authorizing committee in the House and the Appropriations Committee in the House are two things we should take a look at.

If we do not approve an appropriation for alternative fuels, the only matter that will be in conference on this bill when it goes to conference will be the House version. That version, unlike ours, does prejudge a legislative program. It funds only the so-called Moorhead bill. It gives no support—none, n-o-n-e—to the legislation that is being developed by the Senate Energy Committee. It gives no support to the legislation that has been supported by the administration. It gives no support to the budget amendment that has been sent up to the Congress subsequent to the action by the House.

That is all we are going to have in conference if we do not have this amendment.

By the time this bill is in conference, and probably before it is completed, it is possible—even likely—that the Senate will have acted upon the energy authorization bill.

The Senator says it will require further action. Yes, it will require further action in the form of a concurrent resolution dealing with this, once the authorizing committees have completed their work. But for now the money will be placed in an energy security reserve so that we know that the appropriation is there, and at such time as the authorizing committees have completed their work, then that money can be transferred to the Energy Security Corporation, or whatever entity is created by the authorizing committees. We will not need a second supplemental appropriation bill, at this late date.

Thanksgiving is close and Christmas is not far away. Once the authorization measures have been approved, there would have to be an appropriations to fund those authorizations if this amendment is not adopted. The prospects for a second supplemental appropriation bill at this time I would not deem to be very good. The House schedule for November and December does not provide any real opportunity for the consideration of a supplemental appropriations bill on synfuels.

The House leadership, I am told, only intends to hold pro forma sessions during most of November and December. So passage of this amendment today will expedite the appropriations process and will make money available subject to actions by the two bodies in the way of a concurrent resolution to fund the authorizing legislation when it is passed.

So there is a practical reason, and a good one, for proceeding in this manner. It is not mere symbolism.

Mr. President, I hope that the Senate will act favorably on the amendment today.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, yesterday I had a brief exchange with my good friend from West Virginia on getting recognition more than once on the same matter. As a matter of record now, does the record show that the Senator from Wisconsin is being recognized for the second time and that the Senator from West Virginia has been recognized twice on this pending amendment? Is that correct?

The ACTING PRESIDENT pro tempore. The Chair keeps no record on that subject.

Mr. PROXMIRE. When I came in this morning the distinguished leader was speaking on this floor. When I finished, I sat down and yielded the floor. The Senator from West Virginia then had the floor.

Mr. ROBERT C. BYRD. Will the Senator yield to me? I will answer the Senator's question.

Mr. PROXMIRE. Yes, I yield.

Mr. ROBERT C. BYRD. Yes, I have been recognized twice on the same subject. But on yesterday I had not been recognized twice, about this matter.

Mr. PROXMIRE. Well, the Senator——

Mr. ROBERT C. BYRD. Will the Senator allow me——

Mr. PROXMIRE. I have the floor.

Mr. ROBERT C. BYRD. Yes, but the Senator is talking about the majority leader.

Mr. PROXMIRE. Yes, and let me say that the majority leader is doing a fine job. I admire him greatly. The fact was he got the floor more than he thought he got the floor, because I marked it down. The Senator said, "Who has the floor?" The Senator from West Virginia was recognized at least twice. Then the Senator from New Mexico was recognized and he was recognized twice, too. The Senator from West Virginia was right in invoking the rule.

Mr. ROBERT C. BYRD. I did not invoke it.

Mr. PROXMIRE. Well, the threat was made.

Mr. ROBERT C. BYRD. No, no.

Mr. PROXMIRE. Aw, come on.

Mr. ROBERT C. BYRD. No, I was merely calling attention to the fact that such a rule existed.

Mr. PROXMIRE. All right.

Mr. ROBERT C. BYRD. Let me say to my friend, let us have an end to this discussion. If he will be merciful enough, if he will be compassionate enough to allow me to proceed while he has the floor——

Mr. PROXMIRE. Oh, certainly.

Mr. ROBERT C. BYRD. Yesterday, I spoke more than twice up to the point that the Senator raised the question, but I spoke at the sufferance of Senators who had the floor. So it is not how many times one speaks. If the Senator yields to me and I speak, that does not count as one of the two speeches. It is when the Senator has the floor.

Mr. PROXMIRE. The Senator from Wisconsin was not speaking about the Senator from West Virginia asking other Senators to yield. The Senator made a specific point of addressing the Chair, saying, "Who has the floor?" and the Chair said, "The Senator from West Virginia has the floor." That happened at least twice during the course of that discussion. As I say, I am not going to and I do not think any other Senator is going to invoke the rule on speaking—I do not think they could. I am just calling to the attention of the Senator, however, that usually other Senators do not invoke that. Once in a while, the majority leader refers to it. He does not invoke it, either. But he has, I think, a very gracious and effective way of working his will on other Senators and I just wanted to call attention to that.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. ROBERT C. BYRD. Mr. President, I regret that the Senator took umbrage yesterday at my merely calling attention to that rule. I had no intention of invoking it. I think the Senator would have to say, off the record as well as on the record, that the majority leader is about as fair as any Senator can be to the Members on both sides. I have risen to protect the rights of Members on the other side of the aisle just as much as I have for Members on this side of the aisle. They may feel they have been shorted, but they have not.

I had no intention of invoking the rule. At that point in time, I did want to say something before the Senator from New Mexico made his point of order. I was not questioning his right to make a point of order, but once that was made, there would be no debate. I did want to say something else and I thought he should have allowed me to do that.

But I have no rancor toward the Senator from New Mexico. I have no rancor toward the Senator from Wisconsin, who quickly leaped very ably to the defense of the poor Senator from New Mexico, who was about to be run over, roughshod and barefoot, by the majority leader, in the mind of the distinguished Senator from Wisconsin. I admire him for his chivalry and for his courtliness in rushing to the defense of Senators, but I want to assure him that I really had no intention of invoking the rule and will be very carful, very careful, about ever attempting to invoke that rule.

Does that settle the matter?

Mr. PROXMIRE. Of course it does. I am sure the Senator from West Virginia would never run roughshod or barefoot over anyone. Any time anybody runs roughshod or barefoot, it is a delight. I love to have the feeling of those bare feet on my body. That is no problem. [Laughter].

Mr. President, the Senator from West Virginia has given an argument that we should move ahead now with authorizing legislation on the grounds that the authorizing committees have already acted. I can see a very strong argument the other way. If the authorizing committees had not acted, if they had not had hearings, if they had not gone through this process, then I think we could make a case that, because of the necessity of acting promptly rather than waiting for all that procedure in the authorizing committees, we should move ahead.

As I pointed out, the argument that I am making is that the Banking Committee has acted. We have held hearings, we have made a report. The bill is pending on the floor. It can be taken up and acted on. It can be settled, probably, within 1 day. Rather than do that and rather than waiting another 2 or 3 or 4 days for the Energy Committee to act so we could have both bills before us and then proceeding with the Interior appropriations bill, the distinguished chairman of the Appropriations Subcommittee, who is also the majority leader, has argued that we must act right away, we must act without considering the authorization process.

As I say, I think it is very important for our procedures here, very important if we are going to have deliberative, careful, thoughtful action, that we know what we are doing, that we act fully on the authorization process, that we consider what our hearings have told us, what our report has told us, that we debate the framework within which we shall have appropriations, which is exactly, of course, what the authorization process does.

The distinguished majority leader said, well, a supplemental will take a while to get through and we would have to wait for that. I think the Senator knows that with the urgency every one of us, all 100 Senators and 435 Members of the House, feels about energy, there is no way the leadership is going to be held up on an energy bill this year or an energy supplemental. We can act on those authorization bills. We can act and work our will, decide what level of authorization to have, not prejudge the case as we are doing with the Byrd amendment which is pending. It seems to me that that is certainly the most prudent way to act.

The Senator from West Virginia, the majority leader, talked about how he had had hearings in the Interior Committee. Well, the hearings we had in the Banking Committee did have the administration witnesses appear. We had one or two other people who had announced publicly their belief in a huge synthetic fuels program, Attorney Cutler and others.

But the other expert witnesses we asked to testify, and we had no idea what their position was going to be, were overwhelmingly against proceeding with a big, massive synthetic fuels program. They said it would be wasteful. They said it would be extravagant. They said it would not pay off. They said it was not necessary. They said the technology was not ready for it.

These were experts in the synthetic fuels area; these were financial experts; these were others who, as I say, overwhelmingly opposed this kind of massive action. They said you just cannot buy an energy program by throwing money at it.

The testimony of the Harvard Business School experts, for instance, stressed that the way to handle this problem is to put far more emphasis on conservation—some on solar, but far more on conservation. But this is the sensible way, the prudent way to go and not just give the country the false notion that, just because we are pouring billions and billions of dollars into synthetic fuels, that is going to solve our problem.

Mr. President, I do hope that before we act on the Byrd amendment, Senators will consider the importance of considering testimony from financial experts, technical experts, and others who have testified before both the Energy Committee and the Senate Banking Committee and not rush into a $20 billion commitment without having our eyes opened.

Mr. President, I yield the floor.

### ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, will the Chair recognize one of those Senators and then I would like one of them to yield to me.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I should be happy to yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I merely want to express a hope that we can find or probably arrive at a time agreement which will allow us to vote on the Byrd amendment at some point during the day so as to give Senators an opportunity to discuss it, and if they have amendments to it, to consider them. But I hope we can vote today on the amendment and possibly, in the meantime, arrive at a time on which to vote so that all Senators will know.

Mr. HART. Will the majority leader yield?

Mr. ROBERT C. BYRD. The Senator from Wyoming has the floor.

Mr. WALLOP. I shall be happy to yield to the distinguished Senator from Colorado.

Mr. HART. If the majority leader would calculate in, as far as the interest of the Senator from Colorado, I should like to speak for 15 minutes and I have no amendment.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Very well. The Senator's request will be remembered at such time as an agreement can be arrived at.

I thank the Senator.

### UP AMENDMENT NO. 646

(Purpose: To provide sufficient funds for the acquisition of Yellowstone Park Company in Yellowstone National Park)

Mr. WALLOP. Mr. President, I ask unanimous consent that it be in order for me to offer an amendment at this time and set aside the pending business.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I send an amendment to the desk and ask that it be stated.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. WALLOP) proposes an unprinted amendment numbered 646.

Mr. WALLOP. I ask unanimous consent that further reading be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 12, strike out $119,938,000 and insert in lieu thereof $124,838,000.

Mr. WALLOP. Mr. President, let me begin by telling the majority leader that I appreciate his courtesy in allowing me to bring up this matter at this time.

What I seek to do, Mr. President, is provide the National Park Service with an additional $4.9 million so it can buy out the Yellowstone Park Co.'s concessions facilities in the Yellowstone National Park at the price of $19.9 million, which now all parties have agreed to.

The committee is familiar with this issue. Last year Congress authorized such sums as may be necessary for the purchase of the YPC concessions facilities. This came on the heels of an NPS study which found that YPC's services and facilities were unacceptable, and that YPC had not made capital investments on schedule. Congress authorized the Park Service to acquire the YPC holdings, renovate them satisfactorily, and contract short-term operators to run and manage them. This process is now occurring.

The administration's fiscal year 1980 budget requested $15 million to acquire the YPC holdings. The House did not fund this item but deferred a decision pending further information. The Park Service appraisal in 1978 valued the YPC holdings at $16.9 million. This July the Park Service officially updated its appraisal to $19.7 million, which is the projected value as of October 31, 1979, when the YPC contract expires. A YPC appraisal done last June projected the October 31 value of the YPC assets at $25 million. Recently the Park Service and General Host Corp., the parent company of YPC, agreed in writing to a firm figure of $19.9 million for the purchase of the YPC assets. This agreement has been approved by the board of directors of General Host Corp.

The committee has directed that the Park Service can come back with a reprograming request for the difference between the $15 million provided in this bill and the agreed-to price of $19.9. I understand the committee's thinking and ordinarily would agree, but in this case I believe there are a number of benefits to be gained by providing the full $19.9 million in this legislation. In order to reprogram these funds, the Park Service must first seek and receive Department of the Interior approval, then OMB approval, and then approval of this committee and the House Appropriations Committee. This process can be time consuming, and has an uncertain outcome.

The contract with YPC expires on October 31 of this year, and requiring the Park Service to reprogram these funds might force the parties involved to renegotiate the terms of the contract. In addition, a reprograming of this magnitude would have a significant effect on the Service's construction program out of which it must come. This program consists largely of water and sewer, rehabilitation, and high priority historic preservation projects, and much of it is already earmarked for specific purposes.

I am especially concerned that this money might come out of the $5 million the administration requested and this committee and the House have approved for rehabilitation and new construction in Yellowstone Park. This money is urgently needed and should not be lost for these purposes.

If the Park Service is unable to pay the full $19.9 million when the contract expires, YPC may very well go to court. This could be a lengthy process, and will not result in a lower settlement price by virtue of the fact the Park Service's appraisal is almost as high as the agreement price. The NPS appraisal was done after exhaustive review by a solid, MAI appraiser. I am not sure that the committee is completely aware of this new appraisal, but it does make the outcome of any court settlement more predictable.

Furthermore, until full payment is made to YPC, the new concession must pay approximately $1 million annually in rent, and that goes to whoever holds the concessions. Once full payment is made, this rent will go to the Federal Government, into either Yellowstone's budget for rehabilitation purposes or into general revenues.

Prior to that, it goes to the Yellowstone Park Co., which is the company already in default of its service performance. To the extent we do not pay off YPC and General Host on time, the Federal Government is forfeiting these revenues.

Mr. President, Yellowstone is our Nation's oldest national park, and receives over 4 million visitors yearly. It is a major tourism attraction in the Rocky Mountain region, and the quality of its services and facilities affect the tourism economy for our entire region.

More importantly, the judgment of those 4 million people who annually visit the Yellowstone Park is a judgment on this country's ability to run and maintain one of the finest park systems that exist in the world. To the extent YPC's facilities are found to be shabby, disorderly, and the services poorly administered, this country and its Park Service suffers proportionately.

It is important the public perceives that the Government is taking steps to improve Yellowstone's older, worndown facilities since it has pledged to do so. The committee's approval of funds needed to do this will help insure this goal and result in improved service in Yellowstone Park.

Contrary to some thinking, YPC is not especially happy with the price it has agreed to, but it is willing to accept it, sell, and get out. I submit full funding for this purpose will save the Federal Government, YPC, the judicial system, and this Congress further work and greater expense. I would ask the committee to consider and approve this request.

Mr. SIMPSON. Mr. President, I have followed most closely the activities of the Senate Interior Appropriations Subcommittee as it relates to the question of the Yellowstone National Park buy-out and am pleased to join my colleague, the distinguished Senator from Wyoming, in this amendment to add $4.9 million to complete the transaction. It has been my pleasure to work diligently, along with Senator WALLOP, on this matter and with John Townsley, the superintendent of Yellowstone National Park.

Mr. President, I am greatly disappointed that the full amount for the buy-out has not been made available by the Senate Interior appropriations measure, but I am fully aware and realize the difficulty that this issue has presented to the committee as it relates to the negotiations for the buy-out which were completed only within recent days by National Park Service personnel. The most recent appraisal report was not available to the committee at the time the bill was reported.

I am also keenly aware of the extreme difficulty in overturning the committee decision in this regard. I have been involved in the process and have been working closely with the National Park Service as to discussions on the reprograming of funds to make up the difference between the $15 million provided for by this bill and the $19.9 million obviously required to finalize the buy-out under the current appraisal figure.

I look forward, Mr. President, to continued activity on this matter and appreciate the fine cooperation that has been extended by the committee, particularly the Senator from Kentucky (Mr. HUDDLESTON), and I am very aware that the matter is still open for what I trust will be a resolution in the very near future.

The pledge of the manager of this Interior appropriation bill to take the matter up in conference committee is deeply appreciated by me, and I think will assist in resolving this very important matter.

I thank the Chair.

Mr. WALLOP. Mr. President, I ask unanimous consent that Senator SIMPSON be added as a cosponsor of the amendment.

The ACTING PRESIDENT pro tempore. Without objection, is is so ordered.

Mr. WALLOP. Mr. President, I am happy to yield.

Mr. HUDDLESTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, the subcommittee and the full committee of the appropriations were sympathetic to the situation that has been described by the distinguished Senator from Wyoming.

We did add back into the bill $15 million that had not been included by the House. The question of the additional $4.9 million we felt should best be left until we had a request from the Department outlining the need for it, first; and second, until the negotiations had been concluded to the extent that the Department and OMB had a chance to review them and make their submission to us.

It was our feeling, our belief, that the Department could, through reprograming, meet the aditional cost above the $15 million if it should be determined that it was necessary.

We expect that this action will go forward, will be completed successfully, and stand ready to do whatever is necessary as soon as the Department indicates to us precisely what they need.

Mr. WALLOP. Mr. President, I appreciate what the Senator from Kentucky is saying and I understand it. I would ordinarily not have brought up the matter because of the report language that is in there directing reprograming. But I ask him to seriously consider the circumstances as they exist right now, today.

The deal has been cut. The contract is over on October 31. Reprograming can be a considerable process to go through, in that it requires both committees' approval, Department of Interior approval, and OMB's approval.

I have no doubt that the request will be coming. But the plain fact is that there is no reason for a million dollars in annual rentals to be going to the Yellowstone Park Co. when the money could be returning to the people of the United States. There really is no reason to delay with this small figure when everything has been agreed to.

I appreciate what the Senator has said: that the Park Service should have officially asked for the full funding. I do not even know why they did not. But I believe it is in the national interest to fully fund this item at this time to achieve what has to be a common public goal: to get the Yellowstone Park Co. out. They have not been successful in Yellowstone. We need to get the public in possession of those concession facilities so that we can begin to right past problems and manage these concessions properly.

Mr. HUDDLESTON. The settlement has been negotiated, but it has not been reviewed and approved by the OMB. The reprograming request can be handled within a matter of a few days. It is just a question of their determining what is necessary and sending a letter to the committees.

I assure the Senator that the subcommittee will not delay in any way the request, when it comes to it. They have made arrangements for continuing the operation.

Mr. WALLOP. I understand that they have done that.

The problem primarily, I believe, is the October 31 date, which would not necessarily be satisfied by accepting this amendment.

I reiterate the concerns I expressed earlier, which are that the Park Service might seek to reprogram the additional buyout funds out of the $5 million which is earmarked for rehabilitation and new construction in Yellowstone, and which is extremely important for those purposes.

Mr. HUDDLESTON. We will be prepared to replenish any reprogramed money in a subsequent supplemental. We have taken the approach that we are for the project; we expect that it will occur. We think it can be handled as rapidly, from our standpoint and the standpoint of making the money available, as they can put the deal together.

Mr. WALLOP. I appreciate what the Senator says.

It should be urged in the conference language that this matter be settled as expeditiously as possible. I do not want to see these negotiations reopened. I know the public will pay more if that occurs. I think all due haste is in order; and if the Senator assures me that will be the position he will have in mind when he goes to conference on the bill, I will withdraw the amendment.

Mr. HUDDLESTON. I thank the Senator. I assure him that we will give close attention to this matter and expedite it in every manner possible.

The ACTING PRESIDENT pro tempore. The amendment is withdrawn.

Mr. WALLOP. Mr. President, I ask unanimous consent that the pending business may be set aside and that a request for report language may be in order at this time.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, what does the Senator wish to proceed with?

Mr. WALLOP. It is a USGS uranium hydrology study, which I think the staff is aware of, and I believe they have agreed to, directing the expenditure of USGS funds on a uranium hydrology study in Wyoming.

Mr. ROBERT C. BYRD. Does the Senator intend to offer an amendment to the bill?

Mr. WALLOP. No. I intend to engage in a colloquy with the chairman and that this be report language.

Mr. ROBERT C. BYRD. I have no objection to that.

Mr. President, will the Senator yield?

Mr. WALLOP. I yield.

Mr. ROBERT C. BYRD. Mr. President, Mr. JAVITS wishes to offer a modification to his amendment on which the Senate voted yesterday, and I think he should be given an opportunity to modify his amendment.

A vote is to occur today, under the order entered yesterday, on my motion to table the motion to reconsider the vote by which the amendment of Mr. JAVITS was rejected. I hope the Senate will allow the Senator from New York to modify his amendment and get a vote on it.

Therefore, I ask unanimous consent to withdraw the yeas and nays on my motion to table, to withdraw the motion to table, that the vote on the adoption of the Javits amendment be reconsidered, and that the amendment be restored to a position allowing him to modify his amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ARMSTRONG. Mr. President, reserving the right to object—and I will not object—will the majority leader tell us the projected timetable for that? Would that vote then occur at 12:30?

Mr. ROBERT C. BYRD. No. His modified amendment would be open to debate, and it would run the normal course of debate, and a vote thereon—whether it would be a voice vote or a vote by division or a rollcall vote. It would be up to the Senator to decide. At that point, there would be a vote.

Mr. ARMSTRONG. I appreciate the explanation of the majority leader, and I have no objection.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER (Mr. EXON). Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, that means that the Javits amendment to the Byrd amendment is now pending, and Mr. JAVITS will have a right to modify his amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Notwithstanding the fact that the yeas and nays may be ordered on it at some point. I hope that the order protects him in his right to modify the amendment.

The PRESIDING OFFICER. At the moment, the yeas and nays are still ordered on the amendment.

Mr. ROBERT C. BYRD. So he is protected.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. WALLOP. Mr. President, I would like to engage in a brief colloquy with the subcommittee chairman.

I want to propose that the committee direct USGS, in conference report language, to use $100,000 within its allowance for water resources studies in this bill for a baseline study on uranium hydrology in the Powder River Basin of Wyoming.

There is genuine concern developing in my State over the effects of uranium development, both in situ and surface, on the water resources of the area. There are now 14 uranium mines and 2 mills in production in the Powder River Basin of Wyoming, including one in situ mine. By 1983, up to 30 additional mines and 3 additional mills may be in place, including up to 12 in situ mines. At least four of the planned mines, and one mill, are owned and controlled for the benefit of the Tennessee Valley Authority.

The immediacy of this development makes it essential that we know more about the effects this development will have on the water resources of the area. The Powder River Basin Resource Council, a conservation organization concerned with energy development in the Powder River Basin, has proposed a USGS study of uranium development-groundwater relationships. The State of Wyoming has indicated such a study could produce valuable data, and that environmental and socioeconomic effects of uranium development could exceed those of coal mining in the next several years. USGS is actively engaged water-resources evaluations in the Powder River Basin, primarily in connection with development of coal resources. I ask unanimous consent that a letter from the USGS explaining the USGS studies now going on in the Powder River Basin be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WALLOP. Mr. President, as this letter indicates, these USGS studies are not specifically addressing the impact of uranium mining on ground water. By virtue of past language accompanying the appropriation, Federal money made available to USGS for energy-related hydrologoy is dedicated largely to water resources aspects of coal and oil shale development. USGS is very aware of the problems relating to uranium development in the Powder River Basin, and has been considering undertaking this kind of a baseline study.

The administration's 1980 USGS budget request for water resources studies was $20,120,000 for Energy Hydrology. This broke down to $12,370,000 for coal hydrology; $5,308,000 for nuclear energy hydrology; $1,100,000 for oil shale hydrology; and $1,342,000 for overhead and other cost-sharing expenses. The committee has reduced the USGS hydrology program by $460,000, and recommended a total of $19,660,000 for energy hydrology. I considered the possibility of asking the committee to restore $100,000 of the $460,000 deleted for a uranium development-groundwater study in the Powder River Basin. However, I share the committee's concern for restraining the budget, and therefore I am simply requesting that the committee agree to seek conference committee language directing that USGS use $100,000 within the $19,660,000 recommended by the committee for this extremely important study. USGS feels $100,000 would be sufficient for the purpose of such a study and has informed my office unofficially that it can in all likelihood undertake this study without hurting its other hydrology programs, and that it would be happy to do so.

Mr. President, I ask unanimous consent that a letter from Powder River Basin Resource Council explaining its proposal for a groundwater-uranium study, a list of present and proposed uranium developments in the Powder River Basin, and a newspaper article entitled "Ranchers Worried About Uranium Exploration," published in the Rawlins Daily Times, be printed in the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. WALLOP. Mr. President, while I do not intend to recommend that the Powder River Basin Resource Council study should necessarily be implemented by USGS as proposed, I do bring it to the committee's attention since it points out some of the problems and needs in this regard.

### Exhibit 1

U.S. DEPARTMENT OF THE INTERIOR,
*Reston, Va., July 25, 1978.*

In Reply Refer To: EGS–218816 Mail Stop 411

Hon. MALCOLM WALLOP,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR WALLOP: Your letter of July 11, 1978, requested that the Geological Survey confer with resource agencies in Wyoming to evaluate data now available, determine what additional data are needed for managing ground-water quality and quantity impacts of uranium exploration and mining in the Powder River Basin, and to recommend the best methods for instituting investigations should they be necessary.

As noted in your letter, the Geological Survey is actively engaged in water-resources evaluations in the Powder River Basin, primarily in connection with development of coal resources. Coal hydrology investigations have been assigned high priority, necessitating diversion of personnel from other programs. An investigation of the hydrology and water potential of the Madison Limestone of the Northern Great Plains region has been underway for several years, and a study of the major aquifer systems of the entire Northern Great Plains region was initiated this year. We maintain liaison with concerned State and Federal agencies and private groups to ensure that they are informed on the nature of the work and progress. These federally-funded studies are broad in nature and will provide many of the water-information needs for large-scale management decisions concerning the water resources. They are not, however, specifically addressing the impact of uranium mining on ground water. By virtue of language accompanying the appropriation, Federal money made available to us for energy-related hydrology is dedicated largely to water-resources aspects of coal and oil-shale development.

In addition to these federally-funded regional projects, for many years the Geological Survey has conducted systematic programs of water-resources investigations in the State of Wyoming in cooperation with the Wyoming State Engineer and certain other State agencies. Priority of scheduling and programs of work are formulated by mutual agreement. These investigations provide important information for management of the State's water resources and are generally helpful in evaluating mining impacts. However, the program of cooperative investigations does not presently include work directed specifically to uranium mining effects.

Mr. Sam West, our District Chief for water resources investigations in Wyoming, is being requested to confer with the Wyoming Department of Environmental Quality, the Wyoming State Engineer, and the Powder River Basin Resources Council for further determination of needs for ground-water investigations directed to uranium exploration and mining activity in the Powder River Basin and to explore means to accomplish needed work.

Sincerely yours,
W. A. RADLINSKI,
*Acting Director.*

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### Exhibit 2

### POWDER RIVER BASIN GROUNDWATER-URANIUM STUDY TOPICS

#### EXPLORATION

(1) the extent of problems caused by exploration drilling, including lowered groundwater tables, aquifer communication, and loss of artesian pressure

(2) who has been affected by the problems, and to what degree

#### DEEP AND OPEN PIT MINING

(1) what effect mine de-watering has had locally upon aquifers

(2) what effect de-watering associated with greatly expanded deep and open pit mining activity will have upon aquifers; who will be affected, and to what extent

(3) the probability that shallow aquifers (such as the Fort Union and Wasatch formations) will not recharge with various levels of deep and open pit mining activity if water from de-watering is not artificially re-injected

(4) the technical and economic feasibility of artificial re-injection of water from de-watering operations

(5) the best approaches to artificial re-injection

#### SOLUTION MINING

(1) how solution mining in the Powder River Basin would affect groundwater if various restoration standards were to be applied

(2) with various geologic and hydrologic site conditions characteristic of the Basin, how well ammonium bicarbonate, ammonium carbonate, sodium compounds, and sulfuric acid can be recovered without decomposing in groundwater into potentially harmful by-products

(3) the potential for trace element mobilization with the different chemical solutions under various geologic and hydrologic site conditions

(4) what long and short-term effects leach solution decomposition and trace element mobilization could have under various conditions

(5) what potential exists for the contamination of surface water supplies via solution mine excursions in those areas adjacent to water courses

(6) what safeguards for protecting groundwater should or can be employed in solution mine operations

#### TAILINGS PONDS

(1) how tailings ponds have performed in the Basin

(2) what effects (if any) seepage from tailings ponds has had upon levels of radiation in immediate groundwater supplies

#### CUMULATIVE, LONG-TERM IMPACTS

what long-term cumulative impacts upon groundwater can be expected with various levels of exploration and mining under various levels of exploration and mining under various groundwater protection and restoration strategies

The information needs outlined above reflect problems which have already been observed in the Basin, as well as serious potential problems which may arise if rational uranium-groundwater policies are not followed. Conscientious policies, of course, are more probable when an adequate information base exists. Toward this end, we respectfully request that you consider the merits of the above outline.

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### PRESENT AND PROPOSED URANIUM DEVELOPMENT IN THE POWDER RIVER BASIN

1. *Kerr-McGee Nuclear Corporation:* Two open pit and one underground mine are now producing 255,000 tons of ore per year. Two additional open pits and eight underground mines are planned (South Powder River Basin Uranium Facility). A mill is also planned.

Kerr-McGee is also involved in a joint venture with Conoco on the proposed Moore Ranch Mine, which is scheduled to produce 342,000 tons of ore per year by 1983 (open pit). There may also be a 1,000 tons per day mill associated with this mine, to be located in Campbell County near the Converse County line.

Kerr-McGee holds a number of old Tennessee Valley Authority leases, along with other leases, in Crook County. Exploration is now taking place in that area.

2. *United Nuclear Corporation:* One underground mine has already been built as part of the Morton Ranch project, producing 660,000 tons of ore per year by 1981. Additional underground mines are planned, plus an extensive series of open pits. A 2,000 tons per day mill is scheduled for construction in 1980. (The Morton Ranch project is owned by the Tennessee Valley Authority and operated by UNC.)

3. *Exxon Minerals Corporation:* One open pit mine has been constructed, producing 1,152,000 tons of ore per year. Two in-situ projects are now planned for the same general area. Exxon is operating the second largest mill in the nation, processing 3,200 tons per day, at the Highland site.

4. *Rocky Mountain Energy:* RME's Bear Creek Mine now consists of eight open pits producing 350,000 tons per year by 1980. The Bear Creek mill is scheduled to expand to 2,000 tons per day. An in-situ mining operation is planned for Nine Mile Lake, nine miles north of Casper, to produce 250,000 pound of yellowcake per year by 1981.

RME is also planning a 250,000 pounds per year in-situ operation on the Reno Ranch site in the Pumpkin Buttes (1981).

5. *Pioneer Nuclear Corporation:* Currently constructing one open pit mine in the southern Powder River Basin.

6. *Wold Nuclear Corporation:* Wold is planning an in-situ mine in the southern Powder River Basin, to be operating in 1983.

Wold is also in a joint venture with Western Nuclear (Christiansen Ranch) for another in-situ operation, to produce 250,000 pounds per year of yellowcake by 1983 in the Pumpkin Buttes.

7. *Cleveland Cliffs Iron Company:* Through several individual and joint ventures, 10–15 underground, open pit, and in-situ operations are planned for the Pumpkin Buttes. An application for an underground operation in the Buttes was recently returned by DEQ as deficient. A 3,500 tons per day mill is scheduled to begin production in 1983.

8. *Cotter Corporation:* Cotter now has an experimental milling process site. An open pit mine to produce 1,000 pounds per year of

yellowcake is planned in the Pumpkin Buttes.

9. *U.S. Energy Corporation:* U.S. Energy is operating in the Kaycee area. Several open pit and underground mines are planned, to produce 125,000 pounds per year of yellowcake by 1980 or 1981.

10. *Wyoming Minerals Corporation:* An in-situ uranium operation in Johnson County is scheduled to produce 220,000 pounds per year of yellowcake this year, escalating to 500,000 pounds per year by 1981. Production in some wellfields was recently curtailed because of excursions.

11. *American Nuclear Corporation:* A 1,500 tons per day mill is scheduled to begin operation in 1982 in the Pumpkin Buttes. Several open pit and underground mines are planned.

NERCO, Homestake Mining, and the Tennessee Valley Authority all have extensive leaseholdings in the Black Hills region, which may be developed within the next few years.

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[From the Rawlins (Wyo.) Daily Times, July 24, 1979]

### RANCHERS WORRIED ABOUT URANIUM EXPLORATION

DOUGLAS, WYO.—The high, dry plains of central Wyoming are becoming drier, and ranchers are blaming uranium exploration companies.

The ranchers say uranium exploration holes are puncturing underground water formations, turning the aquifers into colanders and wells into dry cavities.

"I think the whole southern Powder River Basin is in trouble," says LeRoy Van Buggenum, "because they've drilled thousands and thousands of holes."

Van Buggenum's family has been raising cattle and sheep in the Pumpkin Buttes area north of Douglas for more than 60 years. He says water levels on his land are sinking.

Walter Reynolds, a neighbor of Van Buggenum, says the water level in a well drilled on his ranch in 1927 began dropping three years ago, after uranium holes had been drilled nearby.

The water "started dropping off and it stopped flowing about a year and a half ago," Reynolds says.

Other ranchers report similar problems, but they have difficulty proving uranium holes are the cause.

"It's hard to pinpoint," says Durwood Robertson, who drills water wells for ranchers. "You know something is causing the water levels to drop throughout the Powder River Basin."

Robertson blames uranium exploration. "It's causing a decline in water levels," he says. "I think that's pretty obvious."

Van Buggenum says he has had water problems for the past 10 years of uranium exploration on his land. In return for letting the uranium companies on his ranch, he says, he was paid $35 for each hole drilled and promised 5 percent of the value of any uranium mined on his land. But the money wasn't worth the water loss.

"I told them I didn't give a damn," he says. "Why take a chance on losing my water for 5 percent ore that you don't know is there?"

"Finally," Van Buggenum says, "I just put the whoa on them."

Other ranchers have been quiet about the problem for fear of disrupting their lucrative financial arrangements with the companies.

"We're in a position where we have to maintain negotiations with these companies," says one rancher, who says he has had water problems. He asked not to be identified.

"Over the past 10 years, probably, we are beginning to see changes not only in the levels of water tables but in the quality of water being taken out of flowing wells," he says.

"Some artesian wells are either diminishing in flow," the rancher says, "or they entirely cease to flow."

"Springs that have existed for years have dried up," he says. "Some of this has occurred pretty close to some of the exploratory uranium drilling. The numerous exploratory holes that are being drilled are, in most cases, not being plugged according to the state statutes."

Wyoming law requires all uranium exploratory holes coming in contact with groundwater to be filled from top to bottom with drilling mud, a bentonite jelly. Holes puncturing aquifers that feed artesian wells must be cemented near the top. The others must be plugged near the top in other ways. The tops must be filled with dirt.

"It is almost a voluntary law," says Gary Beach of the state Environmental Quality Department. "It's a real headache to enforce."

Uranium exploration holes drilled in Wyoming last year, put end to end, would stretch more than 3,000 miles. This year's drilling is expected to total 4,000 miles or more. Most holes are less than 300 feet deep, but they can reach depths of 2,000 feet, officials say.

The environmental agency was given $5,000 by the Legislature to monitor uranium exploratory drilling this year.

When an aquifer is left with a gaping hole, the water may be pressured to the surface, drained to a deeper, dry formation or become polluted from the surface, says Walter Ackerman, head of the state environmental agency's Land Quality Division. Or, he says, the hole may "allow salty or radium-bearing water to escape upward or downward and mingle with water from a higher or lower aquifer."

"These extensive drilling activities have punctured or breached shallow water aquifers in some areas of the state like a sieve," Ackerman contends in a recent letter to a state senator who questioned the seriousness of the problem.

The U.S. Geological Survey in Cheyenne wanted to conduct a $30,000 study this year to assess the problem, but the money request was denied within the agency, says James Marie of the Cheyenne office.

The Geological Survey still plans to try assessing the problem, but Marie says the effort will be only "a quick reconnaissance, because operating on a shoestring, that's all it can be."

Company officials maintain they are filling and plugging all holes.

"This is a standard practice of ours," says Dave Beling of Wold Nuclear Co. of Casper, "and we're doing it on every hole. There's no chance that we've been missing a hole."

Wold Nuclear operates independently, while 90 percent of the uranium exploring in Wyoming is contracted out by major corporations, Beling says. He says contractors aren't likely to fill or plug the holes unless the contract calls for it.

"If you don't tell them to plug the hole," he says, "chances are they won't do it."

Jim Wambeke of Teton Exploration Co. says his company always fills and plugs the holes according to state law. But he says the requirement generally isn't included in its contracts.

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Mr. HUDDLESTON. Mr. President, the committee has no objection to the approach that has been suggested by the distinguished Senator from Wyoming.

This was not brought to our attention during the deliberations on the pending bill. We had no opportunity to give it consideration at that time.

We will be very pleased to utilize this colloquy in our conference in attempting to bring about the desired results that the Senator has indicated for us.

Mr. WALLOP. Mr. President, I thank the distinguished chairman, and I wish to say I would have brought it to the committee's attention had I realized that the nuclear hydrology funding does not cover uranium mining, but was related to the disposal of nuclear wastes and the effect on water tables. In my ignorance of the total affairs of things I figured that some of these funds would be available for hydrology studies relating to the production of uranium, or I would have brought it to the committee's attention earlier.

I very much thank the chairman for these assurances, and I yield the floor.

Mr. LEVIN and Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

### UP AMENDMENT NO. 647

Mr. LEVIN. Mr. President, I sent an amendment to the desk, which is an amendment to the pending amendment No. 520, and ask for its immediate consideration. I understand that it has been cleared with the floor manager.

The PRESIDING OFFICER. There is an amendment pending to the Byrd amendment. That is the amendment of the Senator from New York. It will take unanimous consent to set that amendment aside for consideration of this amendment.

Mr. LEVIN. Mr. President, I ask unanimous consent that that amendment be temporarily set aside.

The PRESIDING OFFICER. Is there objection?

Mr. WEICKER. Mr. President, reserving the right to object, and I shall not object, I wish it to be cleared on this side.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Michigan.

Mr. LEVIN. Mr. President, I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Michigan (Mr. LEVIN) proposes an unprinted amendment numbered 647 to amendment 520: On page 4, after line 3, insert the following:
>
> Nothing herein is intended to preempt, preclude or prejudge the Senate's consideration of appropriation, authorization or revenue bills which may be reported by Senate committees relative to expenditures on synthetic fuels, solar (including renewables) and conservation, in this or subsequent fiscal years, nor is anything herein intended to establish or set a binding pattern as to the proportion of appropriations for synthetic fuels, solar (including renewables) and conservation.

Mr. LEVIN. Mr. President, there has been a great deal of debate as to the significance of the pending amendment. This amendment is intended to clarify that. It speaks for itself. I do not think anything I could say could set forth more clearly what it intends to say. I understand it has been accepted by both sides.

Mr. HUDDLESTON. Mr. President, the amendment by the distinguished Senator from Michigan has been studied by this side of the aisle. We have no objection to it. It just makes clear that the action that has been taken, the acceptance of the Tsongas amendment of yesterday, does not in any way establish a pattern which will have to be followed as relates to the expenditure of funds for the alternative fuels projects from the energy security reserve.

I do not see the distinguished Senator from Alaska now, but he has also reviewed this amendment and I believe has no objection.

Mr. STEVENS. Mr. President, that is correct. I have reviewed it. I think it states the conditions under which the moneys are appropriated in this bill, and I have no objection to it.

Mr. LEVIN. I thank the Senator from Kentucky.

I also thank my friend from Colorado for yielding to me.

Mr. ARMSTRONG. Mr. President, I wish to be heard on the pending amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. LEVIN. Mr. President, if the Senator from Colorado will yield, is he referring to my pending amendment?

Mr. ARMSTRONG. Indeed I am.

Mr. LEVIN. I thank the Senator.

Mr. ARMSTRONG. Mr. President, I think this is really an ingenious amendment, one which I am certainly going to support, but I will do so clearly with the understanding that we are engaging in an eloquent bit of subterfuge because what the amendment of the Senator from Michigan says is that we are not making any prejudgments when, in fact, that is exactly what we are doing under the terms of the underlying pending Byrd amendment.

Now, of course, how we describe our action really is irrelevant to its effect. We are making a prejudgment. We are writing an energy program here in the Chamber today, and that is exactly the process to which I objected yesterday and to which I still object.

I think it is fine for Senators to say that we are not making prejudgments, but, in fact, that is precisely what we are doing. We are engaging in the kinds of activity, it seems to me, which is almost impossible for the energy industry to understand, which is almost impossible for consumers of energy to understand, which will be incomprehensible to the business community and the investment community and which leads our constituents at home to think that we have lost our senses.

As one who has long favored the development of synthetic fuel and as one who has for many years pressed for the adoption of measures which are calculated to increase the supply of synthetic fuels, I am not sure whether or not to be pleased or appalled by the recent flurry of interest in synthetic fuels by the White House and by the Senate.

On the one hand, I think it is fine, and I think it is commendable that there is a growing recognition of the need to develop energy sources, particularly oil shale and tar sands and similar possibilities. It is long overdue.

But this kind of process, when coupled with the wildly optimistic projections of how much synthetic fuel can be produced, how soon, at what cost, and the implication that in some way synthetic fuel is a panacea, gives me great concern.

I also regret the fact that so many of the Members of the Senate seem to be jumping to the conclusion that, since synthetic fuel is desirable, it follows logically that we need a massive growth of Government intervention in the private energy production and consumption economy.

I think that conclusion is not by any means justified by testimony before the committees of Congress. It is erroneous, and it flies in the face of what seems to me to be the clearly stated facts.

Mr. President, the amendment presented by the Senator from Michigan brings into clear focus what is really wrong with the Byrd amendment, in my judgment. We have had a lot of testimony, as the Senator from Wiscosnin has pointed out, before the Banking Committee. We have had testimony before the Senate Energy Committee. We have had, in fact, testimony in recent months before no less than 50 committees of the House of Representatives and the Senate which have asserted jurisdiction over some aspect of energy legislation.

We have had a number of consultants who have come forward to comment on the energy needs of the Nation, and I wish to share with Senators some of the conclusions which they have reached.

For example, the Pace consultants made this observation:

> Although there are many contributing factors, including the obvious one, that an increase in oil prices ricochet throughout the economy and drives up prices in general the most important single influence—

Referring now to the price at which oil might be produced from synthetic sources—

> the most important single influence seems to be a steadily increasing knowledge of costs as a result of more detailed engineering design.

CRS in commenting on the issue of at what price we might produce oil from shale or other synthetic sources made this observation:

> Cost estimates also tend to vary according to the process selected. Of greater importance, however, is the uncertainty engendered by the inexperience of designers, contractors, and others. In short, no U.S. commercial plants have yet been built, so no one actually knows what the costs will be. It can be postulated, however, that the actual costs may be as high as twice the estimates.

In other words, Mr. President, consultants who have looked at the issue of synthetic fuel production say, "We don't really know what we are doing."

During the month of August I contacted a number of the companies in the energy industry whom we would expect ordinarily would be the prime movers in the development of synthetic fuel, and I simply said this to them:

> The President has sent to Congress a proposal for an $88 billion Energy Security Corporation, an idea that sounds to me like a very important one, but I want your opinion.

So I asked these energy companies:

> What would it take to get you into the business of producing oil from synthetic sources, from shale, tar sands, coal, and whatever it might be?

The answers that came back, I think, are most enlightening. Basically, there were six broad classifications of answers that came back from the two dozen or so energy companies which I contacted.

First, they called for decontrol of oil and natural gas prices. Yes, decontrol of the price of fuel produced from conventional sources will, in the opinion of these industry experts, have everything to do with stimulating production of oil from synthetic sources.

Second, they called for a reduction in the regulatory burden.

Third, they called for a production tax credit, such as a $3 a barrel tax credit for oil produced from synthetic sources or similar sources.

Fourth, they called for the existing tax credit.

Fifth, they called for accelerated plant depreciation.

And, sixth, some of them called for a guaranteed purchase plan or other form of assistance, such as loan guarantees in the development stage.

Well, now, Mr. President, the legislation which we have before us in the Byrd amendment makes decisions about the size and shape of the program by which Congress intends to encourage synthetic energy production; notwithstanding the amendment of the Senator from Michigan, we are making decisions, we are literally writing an energy program here right on the floor, and I think it is obvious to many Senators, and certainly it was obvious last night to the Senator from Massachusetts (Mr. TSONGAS) when he offered his amendment, and it was obvious to the Senator from New York when he offered his amendment, that the bandwagon is leaving, and anybody who wants to get on the wagon had better do it now because he is likely to be preempted.

So while I intend to support the Senator's amendment, I think I should point out to him, and I am sure he appreciates it, that once this Byrd amendment is adopted, if indeed it is adopted, the boat will have sailed, and there will be a very, very strong presumption in favor of those measures which are consistent with this language, and a very strong presumption against those measures which are not.

Which brings me to my objection to the amendment, that is, to the Byrd amendment not the Levin amendment. My objection is simply that we are acting without really knowing what we are doing. It is contrary to the normal order, despite what has been said last night and this morning, for us to appropriate prior to the adoption of the authorizing legislation.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ARMSTRONG. Of course, I will be pleased to yield.

Mr. ROBERT C. BYRD. Is the Senator aware of the fact that the Department of Energy has for 2 years or 3 years, I suppose, had money appropriated for it without authorization? Is the Senator aware of that?

Mr. ARMSTRONG. I will have to say to the majority leader I am not aware of that. Is the majority leader suggesting that that is a desirable process, whether it is the regular order for conducting business before the Congress?

Mr. ROBERT C. BYRD. I am simply saying the Senator's statement with respect to my amendment to the effect that, in essence, we always authorize before we appropriate, does not quite hold up.

Mr. ARMSTRONG. Mr. President, I will say to the majority leader that the Senator from Colorado has made no such statement. I have said to appropriate in advance of authorization is contrary to the regular order.

I am not saying it is unprecedented, I am not saying we have never done so before. I am saying in my judgment, in the judgment of this Senator, it is a poor process and an unwise process. We do not know as we are asked——

Mr. ROBERT C. BYRD. I misunderstood the Senator.

Mr. ARMSTRONG. I am glad to clarify that.

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. ARMSTRONG. Of course.

Mr. WEICKER. Is the Senator from West Virginia indicating that the Department of Energy is operating without any authorization at this time?

Mr. ROBERT C. BYRD. They have a limited authorization under the National Energy Act for some of the grant programs.

Mr. WEICKER. But otherwise without authorization?

Mr. ROBERT C. BYRD. Otherwise the Congress has been appropriating money without authorization.

Mr. WEICKER. Well, I suggest that considering the results of the Department of Energy over the past couple of years, this might be a very good reason why they should not be funded at all.

Mr. ROBERT C. BYRD. The Senator has his own opinion on that. He certainly has a right to that, but he himself has been maintaining that, as I understand it, we cannot appropriate without authorizing first, and I simply want to call his attention and call to the attention of others that the Department of Energy has been receiving appropriations without authorization for 2 or 3 years.

Mr. ARMSTRONG. I am sure that my colleagues appreciate, as I do, the discussion of the appropriation and authorizing process, and I think I will stand by my earlier observation that this is contrary to the regular order, and that it is contrary to the best order and to the best traditions of the Senate.

Mr. President, in summary, my objections to the approach represented by the amendment offered by the majority leader are that, first of all, the proposed solutions in the amendment are not responsive to the testimony and the need which have been discovered by the committees that have been looking into this.

The proposal to create a $88 billion Energy Security Corporation, of which the $20 billion in this bill is the down payment, is the first installment I believe it was characterized as yesterday, is simply not consistent with anything that anybody who is expected to produce oil from shale or tar sands or other synthetic sources has suggested.

A moment ago I shared with my colleagues some of the recommendations that have come forward from industry. You know, it is an interesting thing that I do not recall a single one of these companies—and I am talking now about companies that have been out in the field, that have been making tests, that have invested millions and scores of millions of dollars to bring synthetic fuel to market—not a single one of them that said, "We are ready to go ahead and produce oil from shale or oil from tar sands, but we cannot do it unless the Government forms an Energy Security Corporation."

I do not believe there was one of them that said that. I do not think there was one of them that said we have got to have an energy security reserve fund in the Department of the Treasury. No, they did not say that. What they did say is this: "Let us cut the redtape." They did say "let us have a $3 a barrel tax credit." They did say "let us save a fast track for permitting." They did say "let us have some commitment by Congress that we are not going to continue the scheme of price controls and allocations that has hamstrung the energy economy."

I think we ought to have an energy bill that takes into account and responds to the real needs of the economy, and that will produce energy, and I do not, frankly, think that the creation of this Energy Security Corporation will have that effect.

But to return to the institutional objections to this approach, it comes down to a very simple question: Should we be appropriating $20 billion before we have made the decision, and if we make the decision for $20 billion are we not preempting our later discussions? I think clearly we are.

We are legislating on an appropriation bill. Yesterday we engaged in a parliamentary exercise, and under the precedents of the Senate the point of order which I offered, and which the Senator from New Mexico also offered, was overruled by the Chair. I, of course, accept that. But I do think, recognizing that the basis for the precedents is fictitious, and that the action of the Senate is a legalism and that, in fact, we are nonetheless creating a brand new program on an appropriation bill, that in the truest sense of the word we are legislating on an appropriation bill, and we are making a prejudgment.

We are also being asked to appropriate $20 billion.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. ARMSTRONG. Yes.

Mr. ROBERT C. BYRD. Nobody questions the point the Senator has made, to wit, that we are legislating on an appropriation bill. There is no question about that. But the House legislated on the appropriation bill; opened the door for the Senate; and so, the Byrd amendment is simply an amendment to the legislation that the House put in the bill.

The Byrd amendment is germane to that legislation on the appropriation bill. So it is legislation on an appropriation bill. But the question yesterday resolved itself—the question yesterday was whether the Byrd amendment was germane to the legislation passed by the House.

I agree with the Senator; it is legislation on an appropriation bill.

Mr. ARMSTRONG. Well, Mr. President, as a recognized authority on the Senate rules, the majority leader, of course, has stated accurately the parliamentary situation.

However, the mere fact that it qualifies in a parliamentary sense by a strict application of the rule under which the Senate may declare something to be germane really does not, in my judgment, alleviate the fact that it is a bad practice, or that we are creating from scratch a new program on an appropriation bill, and again, in my judgment, contrary to the regular order.

Mr. President, let me sum up quickly; I do not want to prolong this discussion.

I want to point out that in being asked to appropriate $20 billion, we are putting up money for a program which we really do not have all the details of. I call the attention of the Senate to the committee report, on page 71:

> The Committee recognizes that Congress is still working on the development of a complete legislative authorization for this costly new program. Details have yet to be worked out on the funding sources and mechanisms and the organizational changes that might be established. However, there is little doubt that a congressional commitment exists, and the Committee believes it is essential that significant funding be made available now under limited authority so that preliminary work can begin immediately.

Some of the things that we do not know about how this $20 billion will be spent are the following:

First, how it will be used. Will it be used for the GOCO approach, the Government-owned, company-operated method of development, or will the so-called GOGO approach, Government-owned, Government-operated be followed? We do not know that. We do not know whether it will be used for loan programs, for guaranteed purchases of products, or perhaps for various kinds of studies.

Second, we do not know what it will cost. Yesterday we were told this $20 billion is not an expenditure but an investment; but we do not know how it is to come back or be repaid to the Treasury, whether by return on some kind of speculation, or pursuant to regulation within the Department. Someone made the observation, in support of the $20 billion and not in opposition to it, which I found astonishing and appalling, that we do not know whether it is enough, or whether the actual expenditure will be more or less.

Third, we do not know what agency will administer the funds.

Fourth, we do not know whether the projects which may be funded by this appropriation will comply with the provisions of the Nonnuclear Energy Research and Development Act of 1974, and the reason we do not know that is because this amendment specifically precludes the congressional review specified by section 19 and section 7(c) of that act. As Senators know, there is built into the Nonnuclear Energy Research and Development Act a series of check points and reports to Congress, and then an opportunity for Congress to review the projects under that act. However, that is preempted by the adoption of the Byrd amendment, and I am not clear on why that is.

Fifth, we are not told, and we do not know, whether or not the expenditure of these funds will leave room for the tax measures which many feel are the essence of the incentives needed to get production started in this country.

And last but not least, we do not know whether any of the funds that will be expended under this program will be repaid.

Mr. President, we are told this either is or is not an exercise in symbolism. Some of those who have spoken in support of this extraordinary approach to appropriation have said, "Yes, this is symbol; we are sending a signal." Others have said, "No, that is not right, it really is not a symbol; we are taking action. It is a commitment."

Mr. President, I think this is most unwise, at a time when our budget process is in a shambles; the Budget Committee has been unable to meet its deadlines for the fiscal 1980 budget, and yesterday on the Senate floor the chairman of the Budget Committee told us that the budget process itself is in danger, and may break down.

The appropriations process clearly is in a state of breakdown, because here we are, 2 weeks into the fiscal year, and most of the appropriations bills have not been acted on. The fiasco surrounding the continuing appropriation a few nights ago, I think all Members will agree, whether they were for or against abortion or for or against the pay raise, certainly the manner in which that continuing resolution was handled reflects little credit upon the Senate. In fact, my own opinion is that it was handled in a truly disgraceful manner.

With the budget process in disrepair, with the appropriations process breaking down and perhaps falling apart, with Senators making fools of ourselves on the continuing resolution, does it really make sense to further compound this approach by appropriating $20 billion for a program that has not yet been authorized? I think it only serves to make the situation worse rather than better.

The final objection I want to make has really nothing to do with energy, but has everything to do with what most people in this country think is our most significant problem, and that is inflation. We all know the Nation's families and taxpayers and working men and women and business firms have been racked by the worst inflation since World War II—an inflation which has not only driven up prices, but which is creating in many areas of the country serious unemployment as well, an inflation which has been caused by the budgetary excesses of the Congress of the United States, by the annual deficits which we have enacted and which have resulted in higher prices leading to the inflation.

So most of us feel it is a time for restraint in Federal spending, that this is not a time for just ordinary prudence, but for the utmost prudence. This is a time for us to scrutinize every expenditure carefully, and know exactly what we are getting for the money we are being asked to spend, and, as we make appropriations, to ask ourselves, Is this really so important that we want to add to the inflationary budget deficit in order to make this expenditure?

We ought to ask that question about every item. I have watched my friends around this Chamber who have pet programs that they have invested years of their hearts and concern in, vote to hold the line, to reduce not to increase expenditures, and to provide restraint in deference to that critical overriding need to hold the line on Federal spending. But here, in one stroke, we are being asked to approve a $20 billion pig in a poke, to put up $20 billion for something that has not even been authorized yet.

Mr. President, I think this is a very poor policy. It is a policy which leads us into a quagmire. We do not really know what we are buying. I think we see the broad outlines of the program, a program which may well preempt other more desirable solutions. I hope that on reflection, my colleagues will agree with me that this is a most unwise amendment, and that it will be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment (UP No. 647) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from New York. The Chair recognizes the Senator from Colorado.

Mr. HART. Mr. President, I intend to oppose the amendment offered by the majority leader to appropriate $20 billion for synthetic fuels. Before the vote I wish to explain my position to my colleagues and my constituents.

I do not believe that the real question before the Senate is the question of appropriations. I think the real issue is the concept of the Energy Security Corporation itself, the concept of the bureaucratic approach the administration has suggested to Congress to help solve part of our energy problem.

In acting on this appropriation bill, on the Energy Security Corporation, on the Mobilization Board, and on the other elements of this new energy package, Congress is responding to a demand for action on energy. There is no question that the American people are watching the Congress on these issues.

Mr. President, I think all of us understand that all action is not wise action. The Energy Committee, which is marking up legislation on the issue of the future structure of the synthetic fuels industry and the Government role in that industry, should be commended. It is very difficult to get a consensus today on what steps should be taken on energy policy.

Mr. President, we do not vote here merely to reward hard work. We vote to decide between what is right and wrong, what is effective and ineffective, between what is sound and unsound, between what is good precedent and what is bad precedent. I think that is the issue before the Senate.

Mr. President, I think the issue is whether the U.S. Senate should ever completely deliver its deliberative judgment over to the President or any single committee acting for the President. We are being faced with this issue because there is an emergency. It is argued that we should take extraordinary governmental measures to respond.

I think Congress should take strong action. The issue still remains whether the action being recommended to Congress is right or wrong.

Without question there is a national security issue involved here, causing a need for strong measures. The Senator from Washington (Mr. JACKSON) yesterday spoke eloquently about the dangers, not only to our economy, but also to the long-range security of this country, from our increasing reliance on imported oil.

All of us agree that we have to act, we have to respond, we have to take emergency and quick measures. But, Mr. President, the size of the commitment cannot and should not be gaged merely in dollar terms, or in the dramatic nature of the agency which we seek to establish to spend those dollars. The question is not what is most dramatic, but what is most effective.

Mr. President, we are being offered an appropriation of $20 billion for synthetic fuels. As has been pointed out by my colleague from Colorado and many other Senators, this would be an appropriation for a program yet to be established by the Congress. I believe we should establish the program over the next few weeks, and then vote on the appropriations to fund what the Congress decides to do.

I believe the $20 billion proposed appropriation is too large, even if we agree procedurally to put the cart before the horse. Let me outline the type of synthetic fuels program which I think will be most effective. This program will not need $20 billion in 1980.

Mr. President, we should establish within the Department of Energy a new office to administer the new synthetic fuels program. It might be called the

Office of Energy Security or the Energy Security Administration. This new office could be composed of the same sort of effective new managers as envisaged for the Energy Security Corporation. However, instead of establishing a separate entity, such as the Energy Security Corporation the new office would answer directly to the Secretary of Energy. I think we should act within the Department of Energy which the Congress has only established within the last 2 or 3 years. Let us improve the effectiveness of this Department, rather than leaving it as is, and adding another Federal agency.

We should give this new office authority to negotiate price guarantees; and to establish purchase contracts in conjunction with the Department of Defense under the Defense Production Act; and to provide loan guarantees for small and intermediate size producers, especially to produce gasohol. There should be no federally owned synthetic fuel plants.

In addition, there should be tax credits for the production of synthetic fuels. The $3 per barrel tax credit such as I have proposed for oil shale and as the Finance Committee has adopted for all synthetic fuels, should be available to companies as an alternative to price or purchase guarantees. Some companies will prefer the independence of tax credits, especially if their processes are closely competitive with the priced imported oil.

The annual budget for such an office in the Department of Energy would be sized according to the price or purchase guarantees for which this office could actually contract in each year. Large expenditures such as price guarantees for commercially sized synthetic fuels plants would be approved in annual authorization and appropriation steps under traditional congressional practices. Congress would approve major price guarantees on a project-by-project basis. Congress would approve funding for price for the life of a project in the year when it approves the contract.

Loan guarantees would be limited to some modest amount, such as $25,000,000 per project.

Mr. President, such an approach is an effective alternative to the program to be offered shortly by the Energy Committee. The costs of this alternative have been estimated by a careful analysis and calculations done by my office:

First of all, in 1980 we could have authority for $3 billion for price guarantees for one 50,000-barrel-per-day synthetic fuel plant, plus an additional $1 billion for loan guarantees to small and intermediate-sized producers. Also, in 1980 we could expect 1 company to commit funds for a 50,000-barrel-per-day plant based on the $3 per barrel tax credit.

In 1981 the program could amount to another $3 billion in price guarantees for another 50,000-barrel-per-day synthetic fuel plant. We could also expect two 50,000 barrel-per-day plants to be initiated as a result of the $3 per barrel tax credit.

In 1982, roughly $10 billion for price guarantees would be appropriated for four additional synthetic fuel plants.

In total, from this program there would be nine pioneer commercial plants in operation in the mid to late 1980's. Congress would decide on whether to provide incentives for duplications of these first-generation plants after the pioneer plants prove their cost effectiveness and their environmental suitability. If some of the processes work as well as expected, this country would have 1.5 million barrels of synthetic fuel produced in the early 1990's.

Mr. President, the total cost of the development of a synthetic fuels industry is much less if we pick among the best demonstrations in the mid 1980's. This is the way that most consultants to the Senate Budget Committee proposed. This program would not build duplicate plants of untested processes, as proposed by the President in his original energy message. Most of the experts agree we can achieve the results desired by the creation of a new synthetic fuels energy in this country with substantially less Federal dollars than the $88 billion proposed by the administration. The program I am recommending would require $17 billion in appropriations over a 3-year period. The actual outlays would occur over 15 to 20 years.

So it is not just a question of buying the proposal of the Energy Committee together with that of the Appropriations Committee. There are alternative approaches which are less complicated and which involve less bad precedent.

Every law student in this country learns as a first lesson upon entering law school that hard cases make bad law. There is no question, Mr. President, that we have hard cases here. We are going to have to pay more for our energy. We are going to have to use less. We are certainly going to have to import less.

We are going to have to create, a self-sufficient synthetic fuels industry. We need alternative renewable energy supplies. We need dramatic changes in conservation. We need to convert to coal in industrial boilers and powerplants. We need much greater efficiency in transportation, even higher performance standards for automobile engines than those already enacted by the Congress. We need cogeneration in industry and waste heat utilization in power generation.

We need to do a lot of things of which the synthetic fuels industry is only a part.

But the real question, Mr. President, in achieving all these things, particularly the synthetic fuels industry, is whether because of the hard case we are going to make bad law. The Senator from Colorado feels very strongly the establishment of the Energy Mobilization Board, the proposal for the Energy Corporation, the proposal for a separate trust fund in the Treasury to finance this synthetic fuels energy, all border on the extraconstitutional and will create very bad precedents for the structure and organization of our Government.

It might be worth the risk, Mr. President, to test and strain the bonds of the Constitution where the several branches of Government are concerned if in fact there were no other alternatives.

Mr. President, there are alternatives. We do not need to do it this way. Justification for extraordinary measures is determined by the nature of the threat and seriousness of that threat to this country weighed against the alternatives that are available. The program put forward by the administration, which is being followed by the Energy Committee and by the Appropriations Committee, is not the only alternative.

The synthetic fuels industry is only one of several steps that must be taken. The American people are beginning to understand that the energy produced by such an industry will not be available in large amounts for almost a decade. We have to begin in 1979 in order to produce large amounts in the 1990's. But we do not necessarily have to begin in the ways that we are being offered in this body.

I think the decision on the Energy Mobilization Board was wrong. It may even be unconstitutional. I think the proposal being put forward by the President and our own Energy Committee for an Energy Security Corporation is wrong. I do not know that it fits within the boundaries of what is the proper role of the legislature and what is the proper role of the executive branch.

I certainly think it is wrong to create a separate trust fund to finance these operations even in spite of the urgent nature of getting under way with them. The funding requirements for energy may be greater or smaller than the revenues from a so-called windfall profits tax.

Mr. President, I have the greatest fear that down the road we will look back in 1985 and understand that we created some structures here that may or may not have contributed to the production of synthetic fuels in this country, but certainly contributed to the confusion in Government and the overlapping and duplication frustrating most Americans. I hope we do not go beyond what needed to be done to achieve the results which all of us desire.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

### UP AMENDMENT NO. 648

(Purpose: To allow the Department of the Interior to disburse certain funds appropriated for fiscal year 1979)

Mr. DeCONCINI. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator from Kentucky wish to temporarily lay aside the amendment of the Senator from New York and allow the Senate to proceed to the consideration of the amendment of the Senator from Arizona?

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the amendment of the Senator from New York be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment of the Senator from Arizona will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 648.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At an appropriate place, insert the following:

"Notwithstanding the provisions of section 6 of the Act of April 16, 1934 (48 Stat. 596), as added by section 202 of the Indian Education Assistance Act (88 Stat. 2213, 2214; 25 U.S.C. 457), funds appropriated pursuant to this or any other Act for fiscal years ending September 30 of 1979 and 1980 may be utilized to reimburse school districts for up to the full per capita cost of educating Indian students (1) who are normally residents of the State in which such school districts are located but do not normally reside in such districts, and (2) who are residing in Federal boarding facilities for the purpose of attending public schools within such districts."

Mr. DECONCINI. Mr. President, the amendment I propose simply allows the Bureau of Indian Affairs to expend funds appropriated in fiscal year 1979, and included in the fiscal year 1980 bill.

For the 20 years prior to 1974, funds appropriated under the Johnson/O'Malley Act were used to pay the entire per capita tuition for all students living in BIA dorms regardless of their home residence. When this agreement expired, an effort was made to continue a BIA desire that the States assume responsibility for education. JOM money would no longer be used for tuition costs for in-State students. But, in early 1975, a waiver of the implementing regulations for Public Law 93-638, the Indian Education Assistance Act, allowed the use. Thus, the Arizona tuition program functioned for 3 more years.

However, in the fall of last year, an opinion issued by the Arizona Field Solicitor, and reviewed by the agency, rendered the payments to be illegal. Therefore, four school districts are faced with not receiving approximately $180,000 for services already rendered.

Mr. President, I believe this practice should be reviewed by the proper legislative authorizing committee, but this amendment is the only recourse we have to correct the present impasse.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. HUDDLESTON. Mr. President, we had an opportunity to review the amendment by the distinguished Senator from Arizona. We have no objection to including it at this time. The staff has not had an opportunity to review fully the potential impact, so we want to reserve the right to give it further study between now and the time we go to conference.

We have no objection to the amendment; and it has been cleared on the other side of the aisle, I understand. We are ready to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DECONCINI. Mr. President, I thank the Senator from Kentucky and the ranking minority Member for their courtesy. The amendment is very important to a couple of schools and their students there.

The PRESIDING OFFICER. The question recurs on consideration of the amendment of the Senator from New York.

The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Chair understood the motion to set aside both pending amendments.

### UP AMENDMENT NO. 649

(Purpose: To delete $10,000,000 in Energy Policy and Conservation Act grants and increases the allocation for coal conversion by $10,000,000)

Mr. HUDDLESTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) for himself, Mr. ROBERT C. BYRD, Mr. RANDOLPH, and Mr. FORD, proposes an unprinted amendment numbered 649: On page 41, line 18, insert the following: Delete "$702,502,000" and insert in lieu thereof "$692,502,000"; on page 43, line 1, delete "$144,264,000" and insert in lieu thereof "$154,264,000".

Mr. HUDDLESTON. Mr. President, the purpose of this amendment, which is offered on behalf of myself, Senator BYRD of West Virginia, Senator RANDOLPH, and Senator FORD, is to increase from $20.3 million to $30.2 million the appropriation for coal utilization under the Economic Regulatory Administration. This increase is offset by a reduction in the energy policy and conservation grant program which brings the Senate figure in line with House action on this program.

Coal utilization funds are to be used for implementation of the powerplant and Industrial Fuel Use Act of 1978 for the conversion of coal capable oil and gas burning facilities to coal. In private conversations with the officials of the Department of Energy, it is my understanding that an additional $10 million will lay the groundwork for the conversion of almost twice as many facilities as would have been converted under the lower budget figure.

Coal conversion offers our most promising and short-term alternative to foreign oil imports. Studies by the President's Commission on Coal indicate that up to 724,000 barrels of oil per day could be saved by the conversion of coal capable plants alone.

We have new leadership at the Department of Energy, and a new commitment to coal. It is important that we give them the tools they need to get the job done.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, the effect of the amendment of the Senator from Kentucky is to take $10 million from the State grants program, which was added by the committee. There was no budget request for that amount. There was, however, an overall request for a program that was not authorized and the committee has singled out this one item as being meritorious.

If the Senator's amendment is approved, it will mean we will not be funding an unbudgeted item and the burden would be on the administration, particularly the Department of Energy, to come forward and ask for reprograming of funds that are authorized and appropriated here in excess of their needs.

I can think of many of those, particularly weatherization where there is too much money. They cannot spend it in 1 year. We all know it.

So I do not oppose the Senator's amendment because I know the State's program can be taken care of through the simple mechanism of a reprogramming request by the Department of Energy.

Mr. HUDDLESTON. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER (Mr. LEVIN). The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (UP No. 649) was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that I may be added as a cosponsor of Amendment No. 520 as proposed by the Senator from West Virginia (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER. Without objection, it is so ordered.

### RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1:30 p.m. today.

There being no objection, the Senate, at 12:03 p.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FORD).

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the following votes occur as sequenced in the request I am about to make:

A vote occur on the modified amendment by Mr. Javits at 5 p.m. today; a vote occur on the amendment by Mr. Roth immediately thereafter; a vote occur on the amendment by Mr. McGovern immediately after the disposition of the Roth amendment; a vote occur on the pending Byrd amendment, as amended, immediately after the disposition of the McGovern amendment; and a vote on final passage of the bill occur upon the disposition of the Byrd amendment.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS and Mr. METZENBAUM addressed the Chair.

Mr. STEVENS. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, it is understood there will be a time limit. Will the majority leader agree to seek that time limit on the Javits amendment and the Roth amendment?

Mr. ROBERT C. BYRD. Yes. With the further proviso that there is a 40-minute time limitation on the amendment by Mr. Javits to be equally divided and controlled in accordance with the usual form and 30-minute time limitation on the amendment by Mr. Roth to be equally divided and controlled in the usual form.

Mr. STEVENS. Mr. President, reserving the right to object further, could we have the remainder of time equally controlled by the managers of the bill?

Mr. ROBERT C. BYRD. Yes, the remainder of the time between now and 5 p.m., with the exception of the time that is allotted to the two Senators on their amendments, would be controlled by Mr. Stevens and Mr. Huddleston.

Mr. STEVENS. Mr. President, I am more than willing to allot time to the Senator from South Dakota (Mr. McGovern). We do not have any time for him. But I do think that it should be understood that the time will be controlled.

Mr. ROBERT C. BYRD. Let us save 30 minutes to Mr. McGovern with the understanding that the managers of the bill could allot additional time.

Mr. STEVENS. There is no objection to that.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS and Mr. METZENBAUM addressed the Chair.

Mr. JAVITS. Mr. President, reserving the right to object, will the Senator protect me if I need any modification of my amendment?

Mr. STEVENS. That is already done, I say to the Senator from New York.

Mr. METZENBAUM. Mr. President, reserving the right to object, it is possible that upon the defeat of the Javits amendment there may be a desire to offer a subsequent amendment and if the majority leader will see fit to provide something like 40 minutes in the event I, or some designee, desire to offer an amendment then I have no objection. I shall appreciate that.

Mr. ROBERT C. BYRD. Mr. President, the Javits amendment will not be lost, but in conformity with the suggestion that has been made by Mr. Metzenbaum, which I think is a good suggestion, I include that in the request and that the time be under his control.

Mr. METZENBAUM. I thank the majority leader.

Mr. ROBERT C. BYRD. That is the time on such amendment.

Mr. METZENBAUM. I understand.

Mr. ROBERT C. BYRD. I take it he would offer it.

Mr. METZENBAUM. I intend to offer an amendment but I might not do it.

Mr. STEVENS. Mr. President, I ask the majority leader, in the event the Javits amendment is defeated and Mr. Metzenbaum's time comes into effect we would move back the timeframe for commencing the vote. The Senator from Ohio may not realize it. The vote on the Javits amendment does not take place until 5 p.m.

Mr. METZENBAUM. Five p.m. I am aware of that.

Mr. STEVENS. In the event it is defeated then the Senator from Ohio's time would come in and other votes would be moved accordingly.

Mr. METZENBAUM. That is correct.

Mr. ROBERT C. BYRD. Mr. President, in the event the Javits amendment is defeated, and I dare say it will not be, then Mr. Metzenbaum would have an opportunity to call up his amendment and have 40 minutes equally divided and have it disposed of before the Roth amendment.

Mr. METZENBAUM. I thank the Senator.

Mr. STEVENS. Mr. President, I say to the Senator from Ohio, it is my understanding the Javits amendment will be modified. We have the right for him to modify the amendment and so modified it is my understanding it will be acceptable to the managers of the bill on the majority and minority sides. So in all probability the Javits amendment should pass unless there is something I do not know about it.

Mr. METZENBAUM. I am delighted to learn that, and I will certainly have no desire to offer an additional amendment in the event the Javits amendment is accepted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The PRESIDING OFFICER. Who yields time?

The Senator from New York.

AMENDMENT NO. 521, AS MODIFIED

(Purpose: To provide energy fuel assistance funds)

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. Javits), for himself and Mr. Kennedy, Mr. Stafford, Mr. Metzenbaum, Mr. Leahy, Mr. Riegle, Mr McGovern, Mr. Weicker, Mr. Durkin, Mr. Glenn, and Mr. Pell, proposes an amendment numbered 521, as modified:

On page 4, after line 3, insert the following:

EMERGENCY FUEL ASSISTANCE

For emergency fuel assistance programs administered by the Director of the Community Services Administration under section 222(a)(5) of the Economic Opportunity Act of 1964, $1,200,000,000, to be transferred to the Director of the Community Services Administration.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

Mr. STEVENS. Mr. President, will the Senator yield to me just one moment?

Mr. JAVITS. Of course.

Mr. STEVENS. Mr. President, it is my understanding the Senator is going to modify this amendment. May I inquire if the Senator from New York would be willing to qualify his amendment, as modifies it, to the extent that this money that is made available to CSA, it cannot be reprogramed or transferred from CSA?

Mr. JAVITS. Mr. President, will the Senator give me a few minutes to find out what the points are?

Mr. STEVENS. Yes.

Mr. JAVITS. Mr. President, the reason for calling up my amendment was that I noted the presence in the Chamber of Senators Muskie and Bellmon, and I know the Budget Committee has a very great interest in this matter.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. JAVITS. Yes.

Mr. MUSKIE. I would like to make it clear that our presence in the Chamber is accidental. We are not here because we were notified of developments which we understand have already taken place today, and are developments which are planned for the day.

We find ourselves on the threshold of a renewal of the budget conference with the House Budget Committee at 2 o'clock in which this issue, as well as others, is very much in disagreement between the two bodies.

While we expect to find ourselves in the Cannon Office Building, the committee rooms of the House Budget Committee, negotiating this and other issues, apparently here in the Senate Chamber the Senate will be acting to take discretion out of our hands.

Mr. JAVITS. Mr. President, will the Senator allow me to continue?

Mr. MUSKIE. Of course. I just wanted to make it clear we are here without any previous notifications.

Mr. JAVITS. I think the Senator is jumping at very fast conclusions.

Mr. MUSKIE. That is not jumping at a conclusion.

Mr. JAVITS. Mr. President, would the Senator allow me to continue?

Mr. MUSKIE. Of course.

Mr. JAVITS. When I said what I did I meant it literally. I was prepared to give the Senator all the notice in the world. I did not know there were any conflicting engagements or anything else. I was pleased, when they walked into the Chamber, to be able to call up this amendment as we are supposed to vote at 5 o'clock, and there are other amendments en suite.

If the Senator will find it more convenient I am perfectly willing to take the amendment down and offer it again at 4:20 so that the Senator will have plenty of time.

First let me explain what it is all about.

Mr. MUSKIE. Let me just comment on that. If we are going to vote on the Senator's amendment sometime this afternoon, there is no way for me to be here unless I ask the House conferees to simply adjourn the conference which, by law, is supposed to be finished tomorrow, until the Senate decides what it is going to order us to do. It is the same complaint I made yesterday, and it is still relevant today. I find it a most frustrating situation in which to find myself.

I understand the Senator's interests, and I do not challenge his position, but I am simply making the point that I cannot be here and in the Cannon Office Building at one and the same time, fighting this very same issue on the Senate floor and also fighting it in conference with the House Budget Committee. There is no way for me to do both things. I am under a mandate from the Budget Act to finish this conference, which is supposed to be finished in 7 days from the day it begins or the conference is discharged.

We have got difficult issues to resolve in that budget conference, and I can hardly go over there, and engage in that, while this business is pending here.

Mr. JAVITS. Mr. President, the scheduling of the Senate is not my doing. If the Senator from Maine can get his leader to put this matter over until tomorrow or Friday, Saturday, Monday, any time he wishes to, I am more than happy to cooperate. This is not my choice, and I do not wish to be charged with it.

The PRESIDING OFFICER. The Senator has used his 5 minutes.

Mr. JAVITS. I yield myself 5 more minutes.

Mr. President, no deals have been made of any kind or character, but the closeness of the vote last night and the fact that a good many Members of the Senate are just as worried as I am about this situation, and just as factual about it, compelled me to rethink what could be done.

In an effort to rethink, I consulted with the manager of the bill, and there is nothing more logical than that, and I suggested to him a course of action which I think endeavors to solve the dilemma in which many Members, not only I, were placed, and that dilemma is this:

On the one hand, we realize time is of the essence in this matter. If we are going to do it, we have very little time in which to press the button that will set the machinery in motion. Therefore, we are using existing machinery. There is no question about that, and it is machinery which has been used before.

If we delay, Mr. President, it takes 80 days to begin to get these checks out. If we acted right now, promptly, they could get out in early January. If we wait until the next opportunity, the next continuing resolution or supplemental, it is clear and assured that it is not less than 30 days and probably more.

So I suggested to the manager of the bill the course which I am now adopting, and that is to reduce the amount sought from $1.35 billion to $1.2 billion, relying upon the normal appropriations processes for the balance.

The fact is there is $250 million in the continuing resolution, and that the Appropriations Committee has under consideration in one of its subcommittees $150 million as asked for by the President.

The only two things which this will do are the following, if the Senate does act favorably: One, it will separate the $1.2 billion from the excess profits tax condition which the President has put on it. So if the Senate votes affirmatively it will be saying, "We are going to deal with this matter without regard to the excess profits tax."

The second thing it will do, Mr. President, is to advance the matter by putting it in the stream of conferences of the Appropriations Committee and the Budget Committee, both of which are now in conference on various matters, including this bill, which will go to conference after we vote it this afternoon. That is a measurable step forward because in that way something can be done without waiting for the next opportunity to come along, whenever that is.

Those are the only two accomplishments. I have made it clear, Mr. President, and I make it clear again to the ranking member and to the chairman of the Budget Committee and to the chairman of the Appropriations Subcommittee, the Appropriations Committee and their ranking members, that the matter is in their custody. They will have the opportunity to fashion what should be a suitable remedy for a situation which appalls all of us, not me alone, but every Member of the Senate.

It seems to me, Mr. President, that that is doing things the right way, and that the wrong way would be simply to throw our bodies across the tracks and say, "Because all the procedure is not ready, because all the pieces are not in place, we are not going to do anything," when there is an opportunity to do something. That is the only thing I plead for with the Senate.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, it is my understanding, and I voted with the Senator from New York last night, and reflection that if we follow the Senator's approach on this, then relief for those in need because of the energy crisis will be in the form of a block grant to the States; is that correct?

Mr. JAVITS. The Community Services Administration has been administering this program through the governors of the States but subject to its regulations which give priorities, for example, and so forth, so that it does actually go through the agency of the States but under regulations of the Community Services Administration.

Mr. DANFORTH. Here is my problem with it. We are now in a process of wrestling with exactly this question in the Senate Committee on Finance in connection with the windfall profits tax, and we will, as a matter of fact, be going back at 2:30 this afternoon to redo consideration of this matter.

But it is my understanding, and the understanding of some of us, that at least some States are simply not in a position to effectively administer this as a block grant program.

The PRESIDING OFFICER. The Senator has used his time.

Mr. JAVITS. I yield myself 2 additional minutes.

Mr. DANFORTH. For that reason, the approach some of us have taken in the Committee on Finance, including the Senator from Missouri, is that the States should be offered a block grant, but that they would be in the position of turning it down if they are not able to manage it, so that the funds could be distributed by the Federal Government to, say, food stamp eligible persons and SSI recipients.

Mr. JAVITS. Well, now, let me clarify first. The fact is that three-quarters of this money will go to the SSI and the AFDC. The difficulty with the food stamps is that there is no accurate record on the Federal level, whereas with others there is a record. Only a quarter of the money will go to the Governors of the States, and the Finance Committee, I do not think I have to assure the Senator can easily get the ECA to do what he wants, because they know you are working on permanent legislation.

Mr. DANFORTH. But a portion of the money would be administered through block grants; is that not right?

Mr. JAVITS. I assure the Senator right now that what he suggests is eminently sensible and practicable.

Mr. DANFORTH. I am not sure, though, that necessarily a portion of the money would be in a block grant.

Mr. JAVITS. The Senator's suggestion is that the money be offered as a block grant to the Governors only if they have the facilities to distribute it equitably?

Mr. DANFORTH. That is correct.

The PRESIDING OFFICER. The Senator's additional 2 minutes have expired. Who yields time?

Mr. BENTSEN. Mr. President, I would like, for the purpose of engaging in a colloquy, unanimous consent to propose an amendment which I shall later withdraw.

Mr. HUDDLESTON. I believe it would require unanimous consent to set aside the pending amendment temporarily.

Mr. BENTSEN. That is what I request. I ask unanimous consent that we set aside the pending amendment for the purpose of offering an amendment which I will later withdraw, for the purpose of establishing a colloquy.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? Without objection, it is so ordered. The Senator from Texas.

UP AMENDMENT NO. 650

(Purpose: To provide funds to prevent further flood and erosion damage at the Lyndon B. Johnson National Historic Site)

Mr. BENTSEN. Mr. President, this a minor matter, but it is a major matter as far as the Lyndon B. Johnson National Historic Site is concerned. They have had a couple of major floods in two consecutive years, and have had substantial damage there. I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment numbered 650: On page 14, line 12——

Mr. BENTSEN. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 12, insert the following: Strike "$119,938,000" and insert "$120,263,000".

Mr. BENTSEN. I understand the objections of the committee on both sides to adding funds to this particular piece of legislation for this purpose, but what I am asking in lieu of that is that the Department of the Interior bring about some reprograming of funds to try to take care of this emergency situation.

What we have involved here is some $325,000 to be expended for backsloping and rip-rap, immediate needs that have to be taken care of or we will have further immediate damage to this national historic site.

We have talked about this with the majority and the minority, and it is my understanding that that would be acceptable. Will the Senator from Kentucky please advise me whether that understanding is correct?

Mr. HUDDLESTON. The staff of the committee has looked at this problem and at the figures the Senator has indicated to us here as to the particular damage and what is needed to be done. We are of the opinion that it should be done. We think it can be done through reprograming, and we would certainly be sympathetic to replacing any funds that had to be diverted from other jobs just as soon as the Department sends to us the justification of the need.

Mr. BENTSEN. Will the managers of the bill advise me if that is also the viewpoint of the minority? Can the Senator from Alaska advise me if that is the viewpoint of the minority, that the request for reprograming of this $325,000 be done by the Department of the Interior, to provide protection for the Lyndon B. Johnson National Historic Site on the Pedernales?

Mr. STEVENS. I say to my good friend from Texas that we would certainly be sympathetic if there were a justification for reprograming. I do not believe we have ever objected to a reprograming that is fully justified.

Mr. BENTSEN. Mr. President, I ask unanimous consent to withdraw my amendment at this time.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn. The question recurs on agreeing to the amendment of the Senator from New York.

AMENDMENT NO. 521, AS MODIFIED

Mr. STEVENS. Mr. President, before proceeding with that amendment, will the Senator yield for a parliamentary inquiry?

Mr. JAVITS. I yield.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. STEVENS. Is my understanding correct that the Javits amendment is an amendment to the Byrd amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Would the Senator from New York be willing to modify his amendment so that it is an amendment to the bill at the appropriate place, and not to the Byrd amendment, so that we may take care of a parliamentary situation?

Mr. JAVITS. I have no objection to that, except that I assume it would require unanimous consent, since the Byrd amendment is pending.

Mr. STEVENS. I ask unanimous consent——

Mr. JAVITS. Let me put that in the form of a parliamentary inquiry.

The PRESIDING OFFICER. It does require unanimous consent.

Mr. JAVITS. Then, Mr. President, I ask unanimous consent that my amendment may appear at the appropriate place in the bill; that it not be an amendment to the Byrd amendment, but that its consideration now may continue.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Alaska has the floor. Who yields time?

Mr. HUDDLESTON. Mr. President, I yield the majority leader such time as he may require.

Mr. ROBERT C. BYRD. I thank the Senator. Mr. President, I ask unanimous consent, with respect to the order that was earlier entered anent the sequential voting on amendments and final passage of the bill, that it be altered to this extent: that the motion to reconsider the vote on the amendment by Mr. JAVITS, which would occur later today, not be in order until Thursday of this week, and that immediately following the vote on the motion to reconsider the vote on the Javits amendment on Thursday, the bill be advanced to third reading without further amendment or debate, and to final passage without further debate, and that paragraph 3 of rule XII be waived.

Mr. STEVENS. Mr. President, reserving the right to object, would the majority leader consider having advancement to third reading occur after the vote on the Byrd amendment today? I want to make sure we advance to third reading today, and close off the amendatory process as soon as possible.

Mr. ROBERT C. BYRD. I believe my request would do that.

The PRESIDING OFFICER. Is there objection?

Mr. DURKIN. Mr. President, reserving the right to object, and I will not object——

Mr. ROBERT C. BYRD. Will the Senator let me rephrase my request, please?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, at a certain hour today the Senate will vote on the modified amendment by Mr. JAVITS. There are certain reasons why it is desired that that vote be reconsidered on Thursday, and that in the meantime the bill go to third reading, or in essence go to third reading, so that other amendments to the bill will be closed off, so that on Thursday we would only vote on the reconsideration of the vote on the amendment by Mr. JAVITS.

Mr. HUDDLESTON. And then proceed to final passage.

Mr. ROBERT C. BYRD. And then final passage, without further amendment or debate. That is what I am about to ask the Senate to do by my request; but before I propound the request, I would like to know if the Senator from New Hampshire has some difficulty with it.

Mr. DURKIN. I hope not. The situation is that in my opinion we have legislation on an appropriation item with respect to the curtailment of refined products under entitlement. I do not want to be put in a position where I am precluded from making a point of order, not on the bill, but on that particular item, which treats of entitlement extensions as an energy action requiring the action of Congress.

Mr. ROBERT C. BYRD. The Senator does not have reference to any of the items, I do not believe, that are listed in the order. What amendment would that be?

Mr. DURKIN. It will not be in the form of an amendment. Senator JOHNSTON's committee amendment.

Mr. ROBERT C. BYRD. The Senator wants to make a point of order on that committee amendment, as I understand it.

Mr. DURKIN. Yes; I do not want to be precluded on that. I support your efforts, and I have supported and cosponsored Senator JAVITS' amendment.

Mr. ROBERT C. BYRD. Would the Senator be willing to do that today?

Mr. DURKIN. Yes, at any time. I want to inform Senator JOHNSTON before I do it.

Mr. ROBERT C. BYRD. The committee amendments were agreed to on the condition that points of order would not be waived, so the Senator from New

Hampshire has the right to make that point of order.

Mr. McCLURE. Mr. President, will the Senator from West Virginia yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Is my understanding correct, then, that the action on the Javits amendment of yesterday has been totally wiped out, but that it is your intention to go to a rollcall vote on the Javits amendment today, and that in the event it passes or fails, it would be subject to reconsideration, but reconsideration only if so voted on Thursday; is that correct?

Mr. ROBERT C. BYRD. Precisely.

(Mr. LEVIN assumed the chair.)

Mr. McCLURE. Mr. President, the reason I ask that question is that I understand that the Senators from Maine and Oklahoma are seeking to be able, in the budget conference, to work a compromise between the House and the Senate on the issue raised by the Javits amendment, or the several issues raised by the Javits amendment, without having been prejudiced by a position taken by the Senate prior to that time.

It would seem to me, if that is really their desire, that all of the votes on the Javits amendment should be reserved until Thursday, because having voted on it certainly does have some effect upon the conferees' latitude in the conference. I just wonder if the Senator from New York, the Senator from Oklahoma, and the Senator from Maine have discussed the possibilities of having all of the votes on the Javits amendment on Thursday rather than simply reconsideration.

Mr. ROBERT C. BYRD. May I say the Senator mentioned the Senator from Maine. The Senator from Maine is agreeable to having the vote today, with the reconsideration vote going over until Thursday, because that would not constitute final action by the Senate.

Mr. JAVITS. So does the Senator from Oklahoma. We both agree.

Mr. McCLURE. I understand now that they have agreed, but I am not sure that I understand why they are afraid of having Senate action on this amendment unless they are assuming that it will be defeated today and they want to preserve to the Senator from New York the opportunity to revive it on Thursday.

Mr. ROBERT C. BYRD. They are faced with a fait accompli. The vote on the amendment by Mr. JAVITS is already set by unanimous consent and will occur today. That was done before Mr. MUSKIE was advised that it was about to happen. So he only hopes now that the motion to reconsider will be preserved until Thursday, which would allow him in conference to say quite legitimately and properly that the Senate has not finally acted.

Mr. McCLURE. If the Senator will yield further, I understand that that is true, but what the Senator is seeking now takes unanimous consent, and I assume the earlier action could be accomplished by unanimous consent, too. Perhaps the Senator from New York wants to comment. Truly, if we want to leave the Budget Committee free to act without having been in any way prejudiced by action taken by the Senate on the Javits amendment, it would seem to be better to leave the vote until Thursday in order to accomplish that. I understand, too, that the Senator from New York does not wish to pass the opportunity to put the Senate on record on this issue, and he could do that by waiting until Thursday. It does not have to be done today.

Mr. JAVITS. The Senator proceeds on the wrong assumption, that they expect this amendment to be defeated. They do expect it to pass. Their agreement is premised on the idea that it will. That is why they want the agreement they want. There are reasons for it, as negotiators. I cannot define those. But the arrangement made was satisfactory to me because I always wish to accommodate Senators. If the Senate wishes to reverse itself Thursday, there is nothing in the law that says it cannot. I am pretty adult and I know it can. But I do want this amendment acted upon today for this reason: One, there has been a very thorough debate and this is what the lawyers call the res gestae. They have actually thought about it, thought it overnight, deliberated on it, and I think most Senators have come to a firm conclusion. I am the advocate of the amendment. I wish to act on it.

Mr. McCLURE. I understand. I thank the Senator for his explanation. But certainly if the Budget Committee wants to go to that budget conference unprejudiced by a vote of the Senate, they are certainly not accomplishing that by the expectation that it will be voted affirmatively today and then go to the conference and say, "Now we are free to act," because they are certainly not free to act. The Senator from New York obviously would be pleased by that result because he desires first that the amendment be agreed to and, second, that the budget conference be influenced by this act, which is his desire. But at least from the standpoint of the Senator from Idaho, I have no illusions that that really frees the Senate's Budget Committee conferees in any way from the influences of having had a vote upon the motion today.

Mr. JAVITS. I think it is a good idea for conferees to have an idea about how their body feels. This is the first time I have ever heard that conferees would like to reject how their body feels and not even know it.

Mr. McCLURE. It seems to me that is precisely what the Senator from Maine was saying all yesterday afternoon.

Mr. JAVITS. He found out yesterday afternoon and he will have the opportunity to find out again today. I might say to the Senator if he is particularly anxious to be recorded against it he, like another Member when they ask for a recorded vote, will get it. The Senator knows that. I have told the other Senators who were concerned that I will not ask for a record vote today. But if the Senator wishes to, he may. I will take my chances.

Mr. McCLURE. Will the Senator yield further?

Mr. JAVITS. Yes.

Mr. McCLURE. If the Senator from New York is trying to persuade the Senator from Idaho to not speak to the unanimous-consent request, he is certainly not succeeding in that purpose. The Senator from Idaho can object.

Mr. JAVITS. Of course he can, and I can, too.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. McCLURE. Of course.

Mr. ROBERT C. BYRD. I hope the Senator will allow this procedure to go along in deference to the request by Mr. MUSKIE.

Mr. McCLURE. Is it possible, Mr. President, and is it the expectation of the majority leader, that it be done by a voice vote, that there be no record vote on this matter today?

Mr. ROBERT C. BYRD. That would be fine with me.

Mr. McCLURE. But that is not part of the deal?

Mr. ROBERT C. BYRD. No, it is not.

Mr. McCLURE. Mr. President, it is a curious situation, so far as I can see, in which we seek not to influence them but we are going to have a vote on it for the purpose of influencing them. If, as a matter of fact, it is then the desire not to influence them but we are going to have a vote today to accommodate the Senator from New York, then it would seem to me that we ought to also by unanimous consent say that it be by voice vote. Or can we agree to accept it by unanimous consent? In that way there would be no influence on the Budget Committee and their actions, or at least it would be less than if there was a recorded vote on it.

Mr. ROBERT C. BYRD. I feel this will be satisfactory.

Mr. McCLURE. I do not mean to prolong this, but I find this curiouser and curiouser and curiouser. I appreciate the explanation of the Senator from New York, but there is something, obviously, as to the expectation to come from a voice vote because that does indicate to me that there has been some understanding. I am not certain yet whether the Senator from Idaho is agreeable to a voice vote on it. I do not like the entire procedure of trying to make promises in regard to future actions by the Appropriations Committee. I am troubled by that in this instance as well as the other.

I favor the program. I will vote for the program, but I do not think that trying to do it ahead of the actions being taken by authorizing committees is going to get it done.

Mr. JAVTIS. Will the Senator yield once more? I will try to control my tone of voice,

Mr. McCLURE. I thank the Senator.

Mr. JAVITS. I apologize if I seem irritated. I am not. My motives are very simple. This matter has been debated. We passed on it last night. There was another opportunity to pass on it today because the motion to table was to be voted upon today. From my understanding with the manager of the bill, that was dispensed with for this procedure, because I was willing to reduce the amount to meet what seemed to be the way the thing was laid out, that is, $1.2 billion in this bill and $400 million in other bills. Apparently, this is a procedure which is entirely agreeable to Senators MUSKIE and BELLMON. My feeling about the thing is that it is a sound thing, a good thing, an important thing that the Senate let its conferees know how it feels about this matter.

Sure, it may influence them in their negotiation; it may not. I have no idea, because both of them voted against it last night. They can vote against it again.

I am grateful to the Senator for being for it. I think it deserves that. But I do not see any improper prejudice by acting on this at the time when we are supposed to act on it. That is all.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Does the form of the Javits amendment now clearly identify the source of funding for the program? In other words, will it clearly now be an energy function in the Budget Committee crosswalk or an income security function in the Budget Committee crosswalk? Or is that something that is unresolved?

Mr. JAVITS. Well, I believe that the matter will be negotiated in the conference by this particular subcommittee. But the appropriation is an appropriation which will move through the Community Services Administration.

Mr. McCLURE. That is, generally speaking, the Community Services Administration is in the income security item by budget function; is that not correct?

Mr. JAVITS. I do not recall that, as a matter of fact. I think it is.

The answer is yes.

Mr. McCLURE. The Senator from Kansas is a member of the Budget Committee and, I might say, the Senator from Idaho is a former member of the Budget Committee. It is my understanding, if that is the case, that money being suggested for the program at this time would be in the income security function of the budget and whatever direction there is to our conferees, whatever influence this action might have with respect to our conferees, would indicate that that is where it would be. As I recall, that is one of the items for consideration in the conference.

The Senate Budget Committee having already put $600 million into the income security function for this purpose——

Mr. JAVITS. $500 million.

Mr. McCLURE. And the House having put $1.6 billion for this purpose in the energy function, I think that, that being one of the important items to be resolved in the conference, having a clear record here for whatever influence it may have on the conferees might be helpful in supporting the already expressed conviction of the members of the Budget Committee on behalf of the Senate and the action taken by the Senate on the second concurrent resolution, that this item is appropriately in the income security function within the budget.

I thank the Senator for yielding.

I say to the majority leader that I shall not object to this request, although, as I say, it gets curiouser and curiouser.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Should I repeat the request? I think perhaps I should.

Mr. DURKIN. Will the leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. DURKIN. Would it be appropriate at this time to ask, as a part of the same request, that we be given a half-hour on the point of order, equally divided between Senator JOHNSTON or his designee and myself?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I ask unanimous consent that, on a point of order which will be raised by Mr. DURKIN to a committee amendment later today or at any point during the afternoon, there be a 30-minute time limitation on the point of order, to be equally divided between Mr. DURKIN and Mr. JOHNSTON.

Mr. JAVITS. Two other things, Mr. President.

Mr. ROBERT C. BYRD. This is separate from the request.

Mr. JAVITS. There are two other things which need to be dealt with.

As my amendment is now going onto the bill, I would ask that points of order be waived as against that. It is now in a different place and may have a different situation.

Second, it will be remembered that Senator METZENBAUM had a proviso that if my amendment were defeated, he would have a right to call up an amendment. That should be cranked into this.

Mr. ROBERT C. BYRD. Yes, Mr. President, I am glad the Senator from New York reminded me of that.

I make the request now with respect to the point of order by Mr. DURKIN.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I make the request, with respect to Mr. JAVITS' amendment, that it be detached from its earlier status as an amendment to my amendment and made an amendment to the bill without any points of order being waived.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Reserving the right to object, Mr. President, is it necessary to waive points of order against the Javits amendment?

Mr. JAVITS. The reason is that it is now, at their request, a part of the bill and not——

Mr. ROBERT C. BYRD. Oh, I am sorry. I misunderstood. The Senator does not want a point of order. Am I correct?

Mr. JAVITS. Yes, any point of order against it is waived because, at the suggestion of the manager, I made it part of the bill.

Mr. ROBERT C. BYRD. I misstated it, Mr. President.

Mr. JAVITS. It is not part of, not any part of the Byrd amendment.

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request.

Mr. McCLURE. It will be offered as an amendment to the bill?

Mr. JAVITS. Right.

Mr. McCLURE. It seems to me it ought to stand on its own merits, with or without the waiver of the points of order. I do not understand why, having made that decision, it should now have a position that is favored over the position that it had before.

Mr. JAVITS. There is nothing favored about it, I say to the Senator. This is an amendment, as it stands now, to Senator Byrd's amendment, which deals with the subject of $1.5 billion that is being taken out of one account and put into another. It is that account which I tried to reach by my amendment. Now I am asked to take the amendment out of the Byrd amendment, where it is, I believe, unchallengeable, and put it into the bill generally. I have no idea what the situation is, but if I am doing that, why should I jeopardize it? That is the only reason I am taking this precaution.

Mr. McCLURE. Mr. President, I see no reason to waive points of order against this amendment. I do not know that anybody is going to raise one. I am not even sure it is subject to one. But I am not certain why, having made this change, it should now be subject to a waiver of points of order.

Mr. JAVITS. Only because it is an elementary precaution by me in view of the fact that I am taking the amendment out from where it belongs and putting it in the bill because that is the way in which it seems to accommodate Senators MUSKIE and BELLMON. That is the only reason I am taking this basic precaution.

Mr. ROBERT C. BYRD. Mr. President, he is doing this in order that the final disposition of his amendment may go over until Thursday.

Mr. JAVITS. Exactly.

Mr. ROBERT C. BYRD. And, this would not prevent final disposition of the Byrd amendment today.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Mr. President, does the change in form from an amendment to the Byrd amendment to an amendment to the bill change the status of the proposed amendment with respect to possible points of order?

The PRESIDING OFFICER. It would still possibly be subject to a point of order.

Mr. McCLURE. And it would be possibly subject to a point of order in its current status; is that not correct?

The PRESIDING OFFICER. The Chair reminds the Senator that this amendment was moved to the bill and is pending to the bill, according to the agreement reached 20 minutes ago.

Mr. McCLURE. So its current status does not change its status with respect to a point of order.

The PRESIDING OFFICER. Not in that respect.

Mr. McCLURE. Not in that respect.

Mr. President, I hope the Senator will not insist on asking that points of order be waived because surely, I have the understanding that he would like to have that and I do not know that any points of order will be made against it, but I would be constrained to object

Mr. ROBERT C. BYRD. Mr. President, I hope, also, that the Senator would not insist upon that, if I may, upon the point of order waiver. I say that in the spirit of friendship and feeling that I am being helpful to him.

Mr. JAVITS. Well, Mr. President, I ask unanimous consent that I may call for a quorum without the time being charged against either side.

Mr. ROBERT C. BYRD. Will the Senator withhold that? Could we proceed with the rest of the request in the meantime?

Mr. JAVITS. Well, I think it kind of hangs on this. I need to know where I stand, and frankly, I do not right now. That is important to me. I have been here too long to get caught short on something like this.

Mr. President, I ask unanimous consent that my amendment be temporarily laid aside and that Senator RANDOLPH may be given the floor.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

The Senator from West Virginia is recognized.

Who yields time to the Senator from West Virginia?

Mr. HUDDLESTON. I yield what time the Senator may require.

Mr. RANDOLPH. Mr. President, earlier today during the debate on this appropriation measure, the able Senator from Colorado (Mr. HART), who is always well versed in discussion of the appropriate subject matter, made a particular point with regard to synthetic fuels. I know this from his leadership in the Committee on Environment and Public Works and his chairmanship of the Subcommittee on Nuclear Regulation. This afternoon, however, I feel that he perhaps did not have all the facts currently available when he suggested the Senate should agree that the expenditure of $20 billion for synthetic fuels proposed by this amendment is not compatible with the best interests of the American people to meet the energy tragedy in which the American people at present find themselves.

The Senator, my colleague with whom I work, expresses tribute to Chairman JACKSON of the Energy and Natural Resources Committee but cannot agree with the eloquent plea that Senator JACKSON made for this $20 billion which is asked for in this amendment being considered here.

Again, I must reinforce what Senator JACKSON has said. He spoke, as a part of his very cogent remarks, about the increases in the oil prices and the amount of petroleum supplies which are being imported in this country. Approximately one-half of all the oil that we use for operation of our motor vehicles, for heating oil, for general utility boilers, and other operations is imported. About one-half of the petroleum that we are using in one way or the other is coming from overseas.

So when we insist we should not move in what I call an all-out frontal attack in this matter, but rather explore the situation with timid steps, I believe the latter, Mr. President, will not suffice.

Let us see by reading the headline in this afternoon's Washington Star what is said about the very subject matter that I am discussing.

> Libya, Iran Raise Oil Prices. Move Could Signal Wave Of Increases.

Libya, for example has raised its crude oil price to about $26 a barrel, breaking the ceiling which had been set by the OPEC countries at $23.50 a barrel.

The article goes on to state:

> Iran also boosted its oil price, but only to the ceiling level. And oil industry and U.S. government sources again said there were indications that Iran was delaying oil shipments, despite Iranian denials.
>
> Libya and Iran provide about 10 percent of the oil used by the United States, and analysts said the price increases could add a penny or two to the price of a gallon of gasoline or heating oil in the United States.
>
> Last week Kuwait announced that it would raise its oil prices by 10 percent, effective Oct. 1. Kuwait's oil prices, however, remained below the $23.50 ceiling, averaging about $21.50 a barrel.
>
> Besides increasing their official prices, some OPEC members have been diverting more of their oil into special sales above those prices. The result has been an expansion of the commercial spot market, where oil is freely traded, into a new tier of high-priced oil.
>
> In recent days, prices on the upper-tier spot market have neared $40 a barrel.

This is not a rumor. This is a fact. It is substantiated by the Gulf Oil Corp., Marathon Oil, and Conoco, Inc.

This is a situation where I think the American people, very frankly, are going to wonder about the Senate of the United States. If it defeats the proposal for $20 billion for beginning a synthetic fuels, they are going to have the right to look and wonder, how long Government will continue to procrastinate before taking steps toward energy independence.

I need only refer my colleagues to the situation we had with the space programs of the world. Let us be very frank. Let us recognize that the Soviet Union was 10 years ahead of us. Is that right? Absolutely. Of course, we have a Member who was involved in our space program here on the floor today, who might want to comment if he cares to.

But the Russians were 10 years ahead of us during the Eisenhower administration. At that time it was estimated we could spend the approximate sum of $40 billion and do the Apollo space program in 20 years. Twenty years and $40 billion to develop a comprehensive program during a much less inflationary period of our history.

What happened? We made the Apollo program a priority. We started 10 years late, but we made a priority of it; a commitment by the American people to do the job.

It actually took only $20 billion. But we did it. Not in 20 years, but in 10 years.

This is the record in connection with that one program, the Apollo program.

We certainly should not forget that the Wright Brothers gave their genius to us through the gift of the heavier-than-air craft. They gave the gift of flight to the world, but principally to the United States of America. I say to the Senator from Kentucky (Mr. HUDDLESTON) who chairs the subcommittee dealing with this important subject, that they gave it to the United States of America 10 years before we ever decided to do anything about it in this country of ours. Every aircraft flying in World War I with U.S. pilots were manufactured in Europe. They were not constructed in the United States of America. They were constructed overseas.

Yet, American pilots were flying them. Yet we had a 10-year headstart in this country because of what the Wright brothers had done.

There are too many times when we do not move in this country. We wait until after the fact, rather than before the fact.

If we wait on this program of synthetic liquid fuels which is being offered here; yes, a massive program—call it that; yes, a program that costs money, we will again lose valuable time. But I state it is a program not to spend dollars, but to invest dollars, because a dividend in a more secure America and, thus a peaceful world, can result from the action that will be taken here later this afternoon.

I shall always remember, because I have been a student of aviation, two West Virginians who were working at Edwards Air Force Base in the days before we had planes flying faster than the speed of sound. Chuck Yeager from the hills of our State and, of course, his friend, Frank K. Everest, Jr. These were two pilots, among others, who were working and helping us move, in 1947 and 1948, into the space program.

I do not want the States and the local municipalities overrun by a synfuels development program. I do not want to set aside the States and the local communities right to make decisions affecting their areas. But I do know that this job is to begin, it must be started here, and it must be now.

I remind Senators that I am not one who will advocate the scrapping of environmental programs of this country to see that it is done. I would resist it. But we should realize, as we approach a vote later on this issue, that we are being asked to do something very concrete. Frankly, if Senators vote for it, in my opinion—and I respect every Senator—they are voting for something that is far more than symbolic. They are voting for something that is realistic—realistic in the type of world in which we live and the problems that beset us.

The necessary program must start now. The able Senator from Massachusetts said that nothing will happen; it will not go on line for another 10 years. If we do not act it will not be in 10 years or 8 years or 6 years—it will never be!

Action—and that comes almost always in crises situations in this country—comes when a President can and does act at the White House. In World War II, when we decided that we were going to have synthetic rubber plants in this country we moved out and did the program. This synthetic fuel development is somewhat the same situation. More dollars are involved, of course, but with a wider scope of productivity and products.

I remind my colleagues again that it is not enough to say, "Well, we will have certain approaches, whatever they may be. We will get ready, and then all in good time we will do something about this."

I remind Senators that we have had the opportunity for 5 or 10 years to do something about this. I remind my colleagues that the opportunity has been there, but the opportunity has not been grasped collectively by administrations, by Senators, or by Members of the House.

I speak earnestly and vigorously because of a deep-down feeling I have that we cannot pass up this opportunity; we cannot pass up this responsibility to the leadership of Senator Robert C. Byrd and Senator Huddleston and others in this body. If we move and move now, the American people, although they may not know it this afternoon, are going to recognize in the tomorrows that the Senate of the United States did not let the people of this country down. We have a real challenge and a real opportunity to commit ourselves to this program by saying "yes" or "no" later in the day.

I thank my colleagues in the Chamber for the opportunity of drawing these conclusions and bringing these matters to their attention. I do it in a sense of reiterating, perhaps, what I might have said in other ways yesterday when I had the colloquy with Senator Tsongas. If Senator Hart were in the Chamber, I might have a colloquy with him. But I do it because I feel—I sense, I know—that now is the time for affirmative action, and we will serve America well and all our people well if we get the job done.

### UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, an order has been entered providing for sequential voting on the amendments by Mr. Javits, Mr. Roth, Mr. McGovern, Mr. Robert C. Byrd, and then for a final vote on the bill itself, today.

I ask unanimous consent that upon the disposition of the amendment by Mr. Javits today, no motion to reconsider be in order today, but that the Senate then move on to the amendment by Mr. Roth, in accordance with the order previously entered.

Provided, further, that when the Senate completes action today on the amendment by Mr. Robert C. Byrd, no further debate or motions or amendments with relation to the bill, with the exception of the motion to reconsider the vote and the motion to lay on the table that motion—that once that amendment is disposed of finally today, there be no further debate, motions, or amendments in relation to the bill today.

Provided, further, that on Thursday, following routine morning business, the Senate resume consideration of the bill, at which time a motion to reconsider the vote on the Javits amendment be in order; that a 10-minute limitation, equally divided, be in order on the motion to reconsider, with no motion to table in order. So that there indeed will be a motion to reconsider.

Provided, further, that upon the final disposition of the Javits amendment on Thursday, if the Javits amendment is rejected, Mr. Metzenbaum be recognized to call up an amendment on which there will be a 40-minute limitation, to be equally divided in accordance with the usual form; that in either case—namely, that if an amendment by Mr. Metzenbaum is called up, upon the disposition of that amendment, without further motion, debate, points of order, or amendments, the bill go to third reading and, without further motions, or debate, to final passage.

Provided, in the alternative, that if the amendment by Mr. Javits is approved, then, without further debate, motion, amendment, or point of order, the bill go to third reading, and without further delay and immediately, without any intervening motion or point of order, the bill go to final passage.

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, can we have a time?

Mr. ROBERT C. BYRD. With paragraph 3 of rule XII waived.

Mr. STEVENS. Can we have a time when that vote will take place? The sequence would start on Thursday.

I have been notified that some Members on our side would want to be present on Thursday. They are scheduled to leave. Could the sequence start running at noon on Thursday?

Mr. ROBERT C. BYRD. I include that in my request.

Mr. STEVENS. The Senator from New York has a 10-minute time frame, 10 minutes to each side, so that the sequence would start at noon.

Mr. ROBERT C. BYRD. The order would begin running at noon.

Mr. STEVENS. I thank the Senator.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. Will the Senator protect me on any modification of my amendment?

Mr. ROBERT C. BYRD. Yes. The distinguished Senator from New York may be permitted to modify his amendment today.

Mr. JAVITS. That is correct.

Mr. ROBERT C. BYRD. He may be permitted to modify his amendment today if he so wishes.

Mr. McCLURE. Mr. President, reserving the right to object, and I shall not object, there will be no motion to table the motion to reconsider but that waiver possibility of the motion to table does not extend to the possibility if the Metzenbaum amendment is offered. Is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous-consent agreement pertaining to the procedure on Thursday is as follows:

*Ordered,* That the Senate resume consideration of H.R. 4930 (Order No. 380), an act making appropriations for the Department of the Interior and related agencies for the fiscal year ending Sept. 30, 1980, and for other purposes, at 12:00 o'clock noon on Thursday, October 18, 1979, at which time no further points of order, debate, motions or amendments with respect to the bill shall be in order (except a motion to reconsider the vote by which an amendment by the Senator from New York (Mr. Javits) was agreed to, on which there shall be 10 minutes debate, to be equally divided and controlled by the Senator from New York (Mr. Javits) and the manager of the bill, the Senator from Kentucky (Mr. Huddleston); an amendment by the Senator from Ohio (Mr. Metzenbaum), to be offered if on reconsideration the amendment by the Senator from New York is rejected, on which there shall be 40 minutes, to be equally divided and controlled by the Senator from Ohio (Mr. Metzenbaum) and the Senator from Kentucky (Mr. Huddleston), with a motion to table the amendment to be in order; an amendment by the Senator from Louisiana (Mr. Johnston), on which there shall be 10 minutes, to be equally divided and controlled by the Senator from Louisiana, (Mr. Johnston) and the Senator from New Hampshire (Mr. Durkin); and an amendment by the Senator from South Dakota (Mr. Pressler), on which there shall be 20 minutes, to be equally divided and controlled by the Senator from South Dakota (Mr. Pressler) and the Senator from Kentucky (Mr. Huddleston)).

*Ordered further,* That following the disposition of the Pressler amendment, there shall be third reading of the bill, followed immediately by the vote on final passage of the bill as amended.

### UP AMENDMENT NO. 651, AS MODIFIED

(Purpose: To provide energy fuel assistance funds)

Mr. JAVITS. Mr. President, I send a modification of my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. Javits) for himself, Mr. Kennedy, Mr. Stafford, Mr. Metzenbaum, Mr. Leahy, Mr. Riegle, Mr. McGovern, Mr. Weicker, Mr. Durkin, Mr. Glenn, Mr. Pell, and Mr. Melcher proposes an unprinted amendment numbered 651, as modified. On page 32, after line 19, insert the following:

### COMMUNITY SERVICES ADMINISTRATION

For emergency fuel assistance programs administered by the Director of the Community Services Administration under section 222(a)(5) of the Economic Opportunity Act of 1964, $1,200,000,000, to be transferred to the Director of the Community Services Administration.

Mr. JAVITS. Mr. President, to maintain consistency I noticed my amendment has a redundancy.

I ask unanimous consent that the final words in the amendment "to be transferred to the Director of the Community Services Administration" may be stricken.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS Mr. President, I think I have completed all the debate that I wish to have on it.

Mr. HUDDLESTON and Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I simply wish to first of all commend the distinguished Senator from New York for working with the committee in the modification that he has made. I think it was demonstrated here that there is a great deal of interest and concern in the problem that he is addressing with his amendment.

Many Senators have indicated that they wish to have a second opoprtunity to consider what might be done and what should be done to meet the serious problems that have been indicated here.

So, I think the program has now been worked out and we are on the way to a final resolution of that suggestion that has come from the Senator from New York.

Mr. JAVITS. Mr. President, do I understand, then, that this amendment is acceptable to the manager?

Mr. HUMPHREY. Mr. President, if we are about to vote, I wish to have 60 seconds.

Mr. HUDDLESTON. Mr. President, I have the floor. I was going to yield.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. HUDDLESTON. Unless there be objection, I move to set aside this amendment temporarily and proceed with the——

Mr. JAVITS. Why do we not vote on it? I am ready to yield back the remainder of my time. I wanted to yield to Senator Humphrey.

Mr. HUDDLESTON. Mr. President, it is my understanding we had an agreement to vote at 5 p.m. on the amendment.

Mr. ROBERT C. BYRD. Mr. President, I wonder if I could modify that order in the following way, that if rollcall votes are ordered that they occur at the times set forth in the order. If rollcall votes are not ordered, then the voice votes may occur at any time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, in response to the question of the Senator from New York, as far as this side of the aisle is concerned, the committee is prepared to accept the amendment.

Mr. RIEGLE. Mr. President, I rise in support of Senator Javits' amendment to provide an additional $1.2 billion for the Community Services Administration's energy assistance program.

I want to make it clear that yesterday when Senator Javits initially brought this matter forward I was in Lansing, Mich., conducting a Labor and Human Resources Subcommittee hearing on the impact of rising energy prices on low-income households in our State. Had I been here yesterday I would have strongly supported the amendment of the Senator from New York, an amendment which I am, incidentally, cosponsoring.

But the hearings we conducted yesterday in Michigan drove home, in very dramatic fashion, the tremendous financial pressure so many of our citizens are under due to the sharply rising costs of energy, as well as rising costs of virtually every other item.

In my State, Michigan, winter has begun. Most people have had their furnaces on now for nearly a month, and are already incurring these higher costs. It is estimated, and our hearing evidence illustrated, that the average low-income household in Michigan will be spending 50 percent of their income this year just to heat their homes, and in the coldest months of the year this figure will rise to something closer to 80 percent of a low-income family's budget.

Obviously, our senior citizens are going to be the hardest hit and, in fact, we start from the situation where 30 percent of the senior citizens in the State of Michigan already live below the poverty line.

Yesterday we also had a chance to talk with fuel oil and propane gas distributors, and we are finding that they too are being squeezed by the suppliers from which they get their fuel and, therefore, they have been pushed into a position in many instances where they have to demand cash on delivery, and if there is no cash, in turn there is no fuel. Even the largest distributors in Michigan are insisting on payment that is made within 30 days or no more supplies will be forthcoming.

As I said, many of the oil and gas jobbers have no choice in this matter because their suppliers are demanding cash on delivery.

Many of these small business persons delivering oil and propane in the outlying areas of the State themselves are faced with the possibility that they may be put out of business this winter, and in the event that happens, it is not clear how people in the outlying areas are even going to be able to be served with fuel.

Last winter, we had 23,000 households in the Detroit area alone that had their gas service terminated during the winter because they were unable to pay their bills; and another 30,000 were added to that in the spring as a result of unpaid bills that had accumulated.

The situation is far worse this winter, and I just cannot think that Congress, while we have time to deal with so many other issues, will fail to find the time to deal directly with this particular problem.

The citizens involved here are helpless victims of energy prices that are now out of control, they were not in any way responsible for the decision to decontrol prices, and they cannot nor should they be asked to bear the burden of the decision in this particular instance.

So I want to commend Senator Javits for his leadership, because the amendment that he proposes is the fastest and the most direct way to get this urgently needed energy assistance into the pipeline and into the hands of the people who so desperately need the help.

I am hopeful that the Senate, when we have the chance to vote on reconsideration, will choose to support the amendment because it is the only practical means at our disposal to try to respond in a serious way to a problem that is threatening the lives of people not just in the northern regions of our country but all across the country.

When added to the $250 million already approved for energy assistance in the Labor-HEW conference report, it would make $1.45 billion available for this winter. We cannot afford to wait for a supplemental appropriation or for more authorizing legislation. We have an opportunity to make this money available now. Sufficient authorization already exists for the Community Services Administration to spend this money to aid low-income Americans.

If low-income citizens die this winter because they have no money to heat their homes, it will be because Congress was asleep when the time to act was upon it. I urge my colleagues to join in supporting the Javits amendment.

● Mr. KENNEDY. Mr. President, this amendment I am supporting with Senator Javits and others is a simple matter of strict necessity. The Interior Committee has correctly established that the strategic petroleum reserve program is unfortunately stalled. The administration is reluctant to purchase more oil at this time at spot market prices, and therefore there are substantial unexpended funds in this program. Of that unexpended amount, the committee bill transfers $1.5 billion into an account that totals $20 billion for synthetic fuels.

Mr. President, there should be absolutely no argument whatever that as between the long-term supply option of synfuels, and an immediate crisis for our most needy families, that the low-income assistance this winter must take precedence. My fellow Senators need only call their Governor's office to get a sense of the alarm and frustration that is growing over the impact of soaring prices on our constituents.

Our amendment seeks to reprogram only $1.35 billion for the purpose of aiding low-income families this winter. Together with the $250 million we have already approved in the Labor-HEW appropriations bill, a total of $1.6 billion will thus be available as early as is legislatively possible this winter.

CSA has all necessary authority to spend this appropriation in a manner that is consistent with our intention here today.

Mr. President, this would still leave $18.65 billion in the synfuels account—an ample amount for a program whose outlines are not yet settled.

I urge my colleagues to support this amendment.●

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I supported the chairman of the Budget Committee last night in opposing the amendment that my colleague from New York put forth because I believe that the Senate must get its financial affairs in order. The Senate must act responsibly.

I do not want anyone to misinterpret my support of the chairman of the Budget Committee last night. I support an emergency fuel assistance program. As the Senators in this Chamber know, it is already cold in New Hampshire.

I held a hearing, sanctioned by the Senate Labor and Human Resources Committee, in Concord, N.H., last Saturday, and I know full well that my constituents want this program. I want it. My heart is in it, and I am going to vote for a fuel assistance program. But I must say with all respect to my colleague from New York that I think it is unfortunate that we are being asked once again to vote on this matter before the Budget Committee conference has acted, giving us some indication of what is available in the way of funds.

I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, is there any amendment pending to my amendment at the present time?

The PRESIDING OFFICER. There is none.

Mr. STEVENS. The Javits amendment is pending.

Mr. JAVITS. Mr. President, I am ready to yield back my time. I ask unanimous consent that Mr. MELCHER may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I am ready to yield back my time if the manager of the bill is.

The PRESIDING OFFICER. Do the managers of the bill yield back their time?

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time.

Mr. STEVENS. All time is yielded back, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I wish to express my support for the amendment also.

Mr. STEVENS. Mr. President, having voted against it yesterday, I also express my support of this amendment. It is a modified version of the one I voted against yesterday.

Mr. McCLURE. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. (Putting the question.) No "nays" being heard, the "ayes" have it, and the amendment is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage of the bill for next Thursday.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

### UP AMENDMENT NO. 652

(Purpose: to provide funding for enzymatic hydrolysis)

Mr. HATFIELD. Mr. President, I send to the desk an amendment on behalf of Senator TSONGAS of Massachusetts and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD), for himself and Mr. TSONGAS, proposes an unprinted amendment numbered 652.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 41, line 18, strike "$692,502,000" and insert in lieu thereof "$693,402,000."

On page 42, line 22, add the following last sentence: "Provided further that of the total amount appropriated at least $1,400,000 be available for enzymatic hydrolysis research, development and demonstration for alcohol production."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Chair informs the Senator from Oregon that an amendment to the bill is already before the Senate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, and this is why I am asking the Senator to yield, that my amendment be temporarily laid aside and that the Senator from Oregon be allowed to proceed with his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I thank the Senator from West Virginia for providing that opportunity.

Mr. President, I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Oregon.

### TIME LIMITATION AGREEMENT

I ask unanimous consent that on an amendment by Mr. LEVIN there be a 20-minute time limitation to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, the amendment that Senator TSONGAS of Massachusetts and I offer today is for the purpose of maintaining the research team at the U.S. Army-Natick Laboratories Facility, which is funded jointly by the Department of Energy and the Department of Defense. This is a research team that has been involved in the area of enzymatic hydrolysis for a combined total of 38 years work experience. It was the first laboratory to identify the fungal enzyme complex which hydrolyzes cellulose to glucose. It is continuing an active research program to both improve enzyme production by fungus mutation and develop basic knowledge concerning the three-enzyme system necessary to convert cellulose to glucose.

The need to conduct research and develop improved technology for conversion of cellulosic wastes to sugar is an essential element of the Nation's efforts to expand alcohol fuel production. The potential for conversion of cellulosic wastes is staggering considering the availability of millions of tons of agricultural and forest residues that are available annually. Technical development of the processes in this field are expected to lead to expanded capital investments and commercialization within 5 to 10 years.

This is an area of particular concern to me, being from the Northwest, because of the vast amounts of available forest wastes and residues. These residues are not yet being effectively utilized for alcohol fuels production. The development of an enzymatic hydrolysis to convert these wastes would provide an abundance of alcohol fuels to the Northwest and other regions where an abundance of forest wastes and residues are currently available.

My particular concerns with the Army-Natick facility are that it represents the only facility that is outside of a university atmosphere and that it is solely oriented to solving problems associated with the enzymatic hydrolysis process. This facility is threatened with extinction, which would mean the loss of 38 valuable years of work experience, because the Defense Department has determined that alcohol fuels are not feasible at this time for its vehicles. In order to maintain this facility as the only non-university lab involved in enzymatic hydrolysis and to provide for the continued excellence that has been demonstrated by this work team in the past, it is important to approve this increase of $900,000 to provide funding for the research team.

In closing, I wish to quote the National Academy of Sciences Committee on Pollution Abatement and Resources Recovery Periodic Report No. 96, in which the work of the facility is described:

> The NARADCOM program on enzymatic conversion of cellulosic wastes fills a vital niche in the national effort to develop alternative energy sources. Enzymatic conversion of naturally occurring cellulosic materials to glucose, a key step in the technology for producing liquid fuels from biomass, has been the focus of the NARADCOM effort. No other group in the United States, and probably no other group in the world, has achieved a comparable level of competence and recognition in this area. The Committee therefore believes that the NARADCOM program represents a national resource of great value and that its continuation, in a healthy and productive mode, is essential.

Mr. President, I wish to simply conclude by saying that this is basically an attempt to keep this team together by keeping the present level of funding, so the amendment is a matter of trying to add $900,000 to maintain that level of operation that is now in place.

I think this is one of those unique places where we have an opportunity to pursue research that can be very helpful in the field of developing alternative fuels and energy, and it is an important issue not only to the people of Massachusetts but we certainly have potential application of this technology in the northwestern part of the United States as well.

So I am happy to offer this at the request of Congresswoman MARGARET HECKLER, who has been battling for this particular matter over on the House side, and I am happy to yield to the distinguished Senator from Massachusetts (Mr. TSONGAS).

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I thank the Senator for yielding.

There was testimony before the Energy Committee on just exactly what the situation was with respect to solid waste. It was quite clear after that that it is going to be instrumental in whatever the United States has to do insofar as the problem of energy is concerned and that is to convert its solid wastes into renewable sources of energy.

I find it ironic that just as we pump $20 billion into a synthetic fuels program that, at the same time, we would take a step that would reduce the capability of providing additional energy, which is an important issue, but resulting in the disposal of solid wastes.

I would like to commend the Senator from Oregon for understanding the problem and being sensitive to it, and I hope the amendment will pass not only obviously because of the impact it would have in Massachusetts but literally every community in this country which has a solid waste problem or will have, in every community that has an energy problem. This is a happy coincidence of technology and capability for the purpose of solving a very present problem, and I thank the Senator from Oregon for his help in this amendment.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senator from New Hampshire (Mr. DURKIN) be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, the committee is certainly not unsympathetic to the objectives of the amendment as far as the research project is concerned.

We had no opportunity to consider this during our markup. We understand that this program or this type program is funded out of two accounts, the urban waste, which we do have in our bill, and the biomass research, which is in another bill. We have a total of $10 million in the bill we are considering here today. The biomass funding is in the neighborhood of $50 million.

So we have some concern that this entire program should be borne out of this account, No. 1; and, second, we would like to have justification from the Department; a request indicating the need and desirability for this particular program.

I suggest, of course, that this can be handled through reprograming. It can be handled through additional requests that would come to us for budget authorization and budget funding.

So I hope we will not burden the Interior Subcommittee's appropriations with this entire amount of some $900,000 at this time.

I also seem to have discovered here a technical problem that the Senator may be referring to the wrong line in the bill, and I suggest the absence of a quorum to look at the amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. Persident, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent to make some technical modifications to Senator TSONGAS' and my amendment relating to the page numbers of the bill to which this amendment would apply.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 41, line 18, strike "$692,502,000" and insert in lieu thereof "$693,402,000."

On page 42, line 22, add the following last sentence: "*Provided further*, That of the total amount appropriated at least $1,400,000 be available for enzymatic hydrolysis research, development and demonstration for alcohol production."

Mr. HATFIELD. Mr. President, I ask the manager of the bill if he has a proposal to offer, in lieu of the amendment we are attempting to provide a remedy for here today.

Mr. HUDDLESTON. Mr. President, I will say again to the Senator from Oregon that we are sympathetic to the project that his amendment addresses. We think that we ought to make it clear to the Department of Energy that we would expect a reprograming request be made for this project from their biomass funding.

The distinguished Senator from Oregon is the ranking member of the subcommittee which handles that legislation, and I am sure his indication of support will be given thorough consideration.

With such a request forthcoming, we would be prepared to move, insofar as it comes within our jurisdiction, very rapidly to see that this project does continue.

Mr. HATFIELD. Do I correctly understand, then, Mr. President, that the chairman of the subcommittee and floor manager of the bill now has given full support to the proposition that the legislative record should clearly indicate that it is the desire and expectation on the part of the Senate that within the $50 million fund in the biomass section of the Department of Energy's budget, that there should be reprograming of that to cover this particular need for the $900,000 represented in our amendment?

Mr. HUDDLESTON. The Senator is correct.

Mr. HATFIELD. Mr. President, I yield to the Senator from Massachusetts for any comments he may have based upon that issue, with this colloquy to be considered as important legislative history; as much so as the report language, as far as the Department of Energy getting the message and the importance of that message is concerned. With that assurance, I would be happy to withdraw the amendment. I yield at this time to the Senator from Massachusetts for his comments.

Mr. TSONGAS. Mr. President, I thank the Senator from Kentucky for insuring the continuation of the capacity that would have been lost in the absence of his agreement.

I just want to make it clear that we anticipate and expect that the Department of Energy will read this record and will proceed apace in regard to the problem in terms of reprograming rather than returning the matter to the floor of the Senate in terms of legislative remedy. I thank the Senator from Kentucky for his support of our position, and the Senator from Oregon. I would like to acknowledge the presence of Representative MARGARET HECKLER, in whose district this project is located and who was instrumental in having the people testify before the Energy Committee, so that Senators were aware of the problem beyond the Massachusetts delegation.

Mr. HATFIELD. Mr. President, on the basis of the comments of the Senator from Massachusetts and the manager of the bill pending on the floor, I again thank him for his assurances and his support, and withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HUDDLESTON. Mr. President, I thank the Senator from Oregon and the Senator from Massachusetts. I yield to the Senator from Nebraska.

Mr. ZORINSKY. Mr. President, in 1976 the Bureau of Indian Affairs began to phase out the Johnson-O'Malley basic support program for Indian schools. This program supplied funding for the day-to-day operations of some 27 Indian schools located in five Plains and Southwest States. During the past 3 years this funding has been gradually decreased, and in most cases adequately replaced by funds under the Department of Health, Education, and Welfare's impact aid program.

However, at least two schools, the Santee and Macy schools in Nebraska, will not receive sufficient funds for operation under the impact aid program this year. In fact, since even the insufficient impact aid money may not become available until the spring of next year, the schools will run completely out of funds, and will close their doors to their students this November.

The two schools, existing on a bare-bones budget already, need an additional $200,000 to keep operating this year. It means a great deal to the 400 students of the Macy and Santee schools. It means that their schools will be able to pay the light bills, that they can pay their teachers, and that they can continue to offer their students an opportunity to learn.

Last year Congress passed the Education Amendments of 1978, making clear the intent of Congress to continue basic support funding of Indian schools. Section 1103(B) of that law authorizes funding for public schools educating Indian students in cases where the total sum of Federal, State, and local funds are insufficient to bring the education of the enrolled Indian students to a level equal to the level of education provided non-Indian students, where the absence of such support would result in the closing of schools or the reduction in quality of the education program afforded Indian students attending public schools.

If the Santee and Macy schools do not receive an additional $200,000 in basic support moneys, they will close within the year.

It is my understanding that the H.R. 4930 includes sufficient funding for the Johnson-O'Malley program to provide the necessary support for these two schools. My colleague from Nebraska, Senator EXON, and I request that $200,000 of these funds be specifically earmarked for the operational support of the Santee and Macy schools.

A recent General Accounting Office report cites these two schools as ones which will be harmed by the cutoff of basic operational support money. The GAO audit shows that the schools will not have enough money to remain open this year without the Johnson-O'Malley funds.

That same report raises some important questions about the phasing out of the program, and suggests that clarification of congressional intent concerning the program be sought.

I would submit, however, that there is no need for clarification of this one point—Congress does not intend for schools to shut their doors.

There is sufficient money within available funds to prevent such an occurrence. I ask my colleague on the Appropriations Committee to give Senator EXON and me his assurance that language earmarking these funds for the two Indian schools will be included in the conference report.

I hope that our esteemed colleague from Kentucky can give us that assurance.

Mr. HUDDLESTON. Mr. President, as the Senator knows, we did add $1.2 million to this fund to correct a deficiency, a BIA oversight on the Johnson-O'Malley program. It is our expectation that these schools will be properly funded within the available funds, and that they will not have to close. We state that in our report language, and will deal with it in the conference, to make sure that we are very explicit concerning our intention that these schools will receive proper funding.

Mr. ZORINSKY. I thank the Senator from Kentucky. I commend him on his able management of the bill.

Mr. HUDDLESTON. I thank the Senator from Nebraska.

Mr. President, I see no other Senators on the floor at this particular point who may have amendments. I would just say to those who may be listening in that we are moving along on this bill. I am very hopeful that we can conclude it tonight, with the exception of the special order for the reconsideration vote on the Javits amendment. So if there are those who have amendments and want to have them considered, I would hope they would come to the floor as soon as possible.

At this time, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

### UP AMENDMENT NO. 653

(Purpose: Technical amendment)

Mr. HUDDLESTON. Mr. President, there is a technical amendment from the committee at the desk. I call it up and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes an unprinted amendment numbered 653:

On page 14, line 13, strike the word "Capitalized".

Mr. HUDDLESTON. Mr. President, that is the amendment. It is very technical. An unnecessary word is being deleted. This has, of course, been cleared on both sides of the aisle, and I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (UP No. 653) was agreed to.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I yield to the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I wish to call the attention of my colleague, who is ably handling the present important measure, to the fact that there seems to be some breakthrough, in connection with certain public utilities who have been designing plants to use nuclear power. Some now seem ready to look toward coal. Has the Senator noticed what the Virginia Electric & Power Co., did yesterday. This utility is now studying coal for replacement of units three and four of their North Anna powerplant now designed to use nuclear fuel.

Mr. HUDDLESTON. The Senator is correct. I did note that. I think it is an encouraging sign because it demonstrates that with the environmental restraints and with the clean air requirements coal is still a viable fuel for the generation of electricity.

I might point out, as the Senator is aware, that the Department of Energy, in my judgment, is now taking an aggressive position in the conversion of oil and gas-fired burners to coal. They have issued six conversion orders. One has been received voluntarily. So there are seven plants now which are in the process of being converted from oil and natural gas to coal.

This is not our only way but our most immediate way to reduce the amount of oil when we are using it. When we reduce the amount of oil, we are reducing the amount of imported oil. That is significant.

Mr. RANDOLPH. The comment of my colleague from Kentucky is certainly to the point. The Senator will remember that a few days ago during debate on the Energy Mobilization Board I had the opportunity to join with the Senator in the presentation of an amendment which went to the very heart of this immediate problem. That amendment assured conversion to coal not 5 years from now, not 3 years from now, but beginning now.

I feel Secretary Duncan, the new head of the Energy Department, has given us a new promise as a new Secretary, to commit himself to act now with regard to coal conversion and replacement. Is that correct?

Mr. HUDDLESTON. That is correct, and it is very encouraging.

Mr. RANDOLPH. It is very encouraging.

Mr. President, I submit to my colleagues at this point for their consideration an article which appeared in the Metro section of the Washington Post this morning. I believe it shows the utility industries' new found confidence in direct coal utilization. Stanley Ragone, president of Vepco has directed that a study as I mentioned earlier be conducted to examine the economic advantage of converting two partially completed nuclear powerplants to coal.

The study allegedly is the result of design problems with the nuclear plants, however the impact of their decisions is the recognition, by at least one utility, that the direct burning of coal—with full environmental safeguards—is the national energy option which will assure lower energy costs to consumers while simultaneously lessening our dependence on oil. I ask that the Washington Post article explaining the study, be printed as part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 16, 1979]

### VEPCO TO STUDY SWITCHING 2 NUCLEAR POWER PLANTS TO COAL—"GROWING UNCERTAINTIES" BEHIND UTILITY'S DECISION

(By Jerry Knight)

After a decade of promising its customers that nuclear power would give them lower electric rates, Virginia Electric and Power Co. yesterday announced it is considering converting two partially built nuclear plants to coal.

Vepco has already spent nearly half a billion dollars on the two plants, but may have to change them because of "growing uncertainties" about nuclear power, Vepco President Stanley Ragone said at a Richmond press conference.

No other utility company has ever switched a plant from nuclear to coal power at such an advanced stage of construction, nuclear industry sources said.

Although Ragone insisted Vepco has not abandoned its decade-long commitment to nuclear energy, the announcement was seen as another major setback for the nuclear power industry, already reeling from the Three Mile Island accident.

The two nuclear plants Vepco is considering converting to coal are located at North Anna, 70 miles south of Washington. Both were designed by Babcock & Wilcox, the same company that designed the Three Mile Island plant near Harrisburg, Pa.

A federal study under way of the Three Mile Island accident last March could force Babcock & Wilcox to make major changes in the design of its plants.

That problem, the soaring cost of building nuclear plants and growing apprehension about the federal government's commitment to nuclear power are the main reasons Vepco plans to study switching to coal, Ragone said.

"It's pretty obvious the government right now is not content with the nuclear power option," Ragone said, adding, "There is no doubt in my mind that with a proper national policy, nuclear is the way to go."

The study, expected to take six to 12 months, will look at North Anna units 3 and 4, a pair of 938,000 kilowatt power plants. They are part of a complex that includes two nuclear plants and was planned to have four.

Virtually all of the $485 million worth of work done so far on North Anna 3 and 4 will be usable if the plants are switched to coal, Ragone added.

Ragone said Vepco does not yet know what effect switching the plants to coal will have on electric bills of Virginia residents. "That's what the study will try to determine," he said.

Starting this month, Virginia consumers are paying an average of $5.50 a month more on their electric bills because of Vepco's problems with its nuclear power plants.

The first unit at North Anna is shut down for refueling, a three-month job that started Sept. 25.

North Anna, recently constructed, has never started up because of a Nuclear Regulatory Commission moratorium on licensing new nuclear plants. North Anna 1 and 2 were built by Westinghouse, not Babcock & Wilcox, but new nuclear plants have been held up by the Three Mile Island incident.

At Vepco's other nuclear power complex, in Surry, Va., 130 miles south of Washington, one plant is shut down for piping repairs and another is idle while a new steam generator is being installed. It is unclear when either will resume operation.

Without its nuclear plants to generate power, Vepco has been forced to make electricity by burning coal and oil—both of which cost more than nuclear fuel—and to buy electricity from other utilities, also at a higher cost than nuclear power.

The Virginia State Corporation Commission last month agreed to let Vepco raise electric bills by $37 million over the next three months to pay for the higher power costs. Vepco has already warned that it may have to ask for another increase in bills starting in January if its nuclear plants are not in operation by then.

If Vepco backs off from completing the North Anna atomic plants, it will be the second time the utility company has abandoned a pair of nuclear projects.

The Surry complex originally was to have four units, but the third and fourth plants were scrapped in 1977 after Vepco had invested $164.5 million in them. That cost was tacked on to consumer's electric bills and spread over a 10-year period, until 1987.

Vepco abandoned the Surry 3 and 4 units because declining demand for electric power made them unnecessary.

For the same reason, Vepco is studying selling part of the $1 billion project it is building in Bath County to store power for peak periods of use, Ragone disclosed yesterday.

Vepco has offered to sell part of the project to American Electric Power Co., and to Alleghany Power System, Ragone said.

Scheduled for completion in 1982, the Bath County project is called a pumped storage facility and has two large lakes, one several hundred feet above the other. Water flowing from the upper lake to the lower one will run turbines to provide electricity during periods of heavy use.

At night—when Vepco produces more electricity than its customers consume—the excess power will be used to pump water back into the upper lake, so it can come down again the next day.

The Bath County project—like the defunct Surry units 3 and 4—was planned several years ago, when the demand for power by Vepco's customers was growing at a rate of 10 percent per year.

Vepco now is projecting a 4 percent growth rate in maximum power consumption. That figure may be reduced again when a new forecast of electrical demand is completed in December, Vepco sources said yesterday.

The sources said, however, that the North Anna plants will still be needed and there are no plans to abandon the project. Work on North Anna 3 and 4 started in 1971 and has been delayed several times. Completion is expected sometime in the early 1980's.

Switching North Anna 3 and 4 from nuclear power to coal requires replacing the "burner" that heats water to make steam to power a turbine generator. The turbine is the same, regardless of its source of fuel.

While coal burning plants are generally cheaper to build than nuclear plants, coal besides being several times more expensive than the uranium fuel for a nuclear plant, requires expensive pollution control equipment.

Vepco says it costs 1.21 cents to produce a kilowatt-hour of electricity from its nuclear plants, compared to 2.27 cents from coal and 2.57 cents from oil. Both fuel and plant construction costs are included in those figures.

Last year Vepco produced about 35 percent of its power from nuclear plants, 26 percent from coal and 36 percent from oil. The remainder came from hydroelectric power or was purchased from other companies.

Mr. RANDOLPH. Mr. President, present law provides the means to accomplish short-term expansion of coal utilization but many of these initiatives are not being vigorously pursued. Information gathered by the President's Coal Commission stresses the fact that enough oil-fired boilers can be converted to coal in the short term to save as much as 724,000 barrels of oil per day. Another 900,000 barrels per day could be saved in 5 years by accelerating new, coal-fired-boiler construction. OMB recently indicated to me personally that if the President's windfall profits tax approached the $142 billion requested, a major portion of that amount would be used for this construction effort estimated to be around $50 billion.

Conversion of 117 coal-capable utility boilers must be started immediately. I feel it can be done in an environmentally safe manner. I am concerned, however, that action to convert oil-burning, coal-capable utility boilers to coal may be stalemated pending the passage and implementation of the President's energy proposals. Continuing emphasis must be focused on moving quickly to facilitate and encourage conversions, and cannot be held hostage to the longer range development of synfuels, or passage of a windfall-profits tax.

I submit, it makes no sense for the Congress and the administration to embark on massive, new projects costing billions of tax dollars without implementing existing programs.

This is not to say that nothing is being done. I know, for example, that 74 of 76 permit applications for new, coal-fired powerplants have been granted this year. These plants represent 114 million tons of new utility coal demand—a 23-percent increase over 1978.

I know the Environmental Protection Agency has approved a majority of the Department of Energy's oil-to-coal switching requests for powerplants—100 of about 140. One plant in Massachusetts alone, Brayton Point, will displace 17 percent of New England's residual oil with coal. But, on what specific date will this plant be actually burning coal?

I know the Department of Energy is working on an agreement with the Environmental Protection Agency so environmental requirements can be established for new energy technologies so that demonstration facilities will not face a "moving target" problem with various environmental standards.

I know that to encourage the use of synfuels in powerplants, the Environmental Protection Agency established less stringent new source performance standards for the initial, full-scale, synfuels demonstration units. This will provide an opportunity to work out any preliminary design problems.

And, I also know that the President has directed the Regulatory Council to begin an effort to eliminate overlapping and inconsistent Federal and State regulations affecting coal production and coal use.

But even with all this apparent affirmative, positive activity no actual conversions seem to be taking place. I am still asking the same questions I have been asking since Congress enacted the Energy Supply and Environmental Coordination Act in June 1974.

Why have we not seen a significant increase in direct coal utilization?

Why do we continue to burn oil and gas under stationary boilers when oil imports are disrupting our economy and are an important source of inflation?

Why do we continue to burn oil and gas under stationary boilers when oil dependence threatens our Nation's security?

Why do we continue to burn oil and gas amid a glut of readily available coal and thousands of unemployed miners?

When coal costs one-third to one-half the cost of oil, why do electric utilities continue their dependence on costly imported oil at the rate of millions of barrels per day?

Why have our Government agencies seemingly been unable to take account of the full array to technical and economic considerations, to assess comparative costs, technical feasibility and capital requirements for a meaningful program of direct coal burning?

Mr. President. The time for action on conversion of coal-capable utility boilers is now. We must act aggressively and quickly to pursue this course of action.

Mr. HUDDLESTON. I might say that the Senator (Mr. RANDOLPH) and I cosponsored an amendment which gives some additional funding for that very specific purpose, so that they can double the number of conversion orders or prohibition orders, as they are referred to, those prohibiting the use of oil in these large burners. They can double that number within the next fiscal year, and that will make a very significant contribution to the reduction of our usage of oil.

Mr. RANDOLPH. It releases petroleum for other uses, other than in the boilers in electric generating plants, is that correct?

Mr. HUDDLESTON. It is correct.

Mr. RANDOLPH. That is not a small

sum of petroleum. It is a very substantial sum.

We, again, know of at least 117 of these coal-capable boilers where conversions can be made.

Mr. HUDDLESTON. That is correct. That is a figure which has been determined by the President's Coal Commission, of which the Senator from West Virginia, the Senator from Illinois (Mr. PERCY), and I are members. They have analyzed all of the oil-burning facilities in the country and determined that 117 of them could be switched to coal. That would make a very substantial contribution to the reduction of our oil consumption.

Mr. RANDOLPH. I have this final thought: We do realize that there are certain environmental safeguards which must be exercised, in connection with the burning of coal.

I think the Senator from Kentucky was impressed last Thursday when several Senators from coal-producing States had the opportunity to counsel with Secretary Duncan and also with Administrator Costle, of the Environmental Protection Agency.

I personally was impressed with their desire to work together to bring about a speedier conversion. Is that your feeling?

Mr. HUDDLESTON. That is correct. I might say that the cooperation between those two Departments, the Department of Energy and the Environmental Protection Agency, is absolutely essential if we are to move forward as we should move in the matter of utilizing coal and meeting our energy needs in a number of other ways. That cooperation has not always been satisfactory, I would say, but the indications are that now they are on the right track. I think we can expect that they will work together and that we can demonstrate that the greater utilization of coal, certainly to the extent that we are talking about in converting these plants which are now using oil, will not do any violence to the environmental standards we have set for this country, the clean air standards.

They can be accommodated. Coal can be burned as cleanly as oil. There are some exciting research projects underway which make coal even a cleaner burning fuel. One SRC project which is scheduled for West Virginia and another one scheduled for Kentucky will take all the pollutants out of coal and make it a clean burning fuel, either in a solid or a liquid state. The future seems exceptionally good and bright.

The important thing is that we not neglect what can be done now with these conversions. I think the sooner we can get on with that project, and the more successful we are with it, the better we will be able to withstand those shortages of oil that are undoubtedly going to come again, whether it is in a reduction of imports available to us, whether it is our own restraint on imports, which the President already indicated he intends to apply, or whether it is the increased demand in this country which will be bumping against the limits which are going to be set. We need to divert every barrel of oil we can from the large oil burning utilities and other industrial boilers and use the one energy supply that we have in abundance, coal.

Mr. RANDOLPH. The Senator is very knowledgeable. I will not continue this colloquy except to say that we need, from time to time in this body, to reinforce the need for action in connection with coal conversion, coal-derived liquids and gas from synthetic liquid fuel programs, the use of the shales in the Rocky Mountain States, and other areas where enhanced recovery of oil and gas can be realized.

Mr. HUDDLESTON. The Senator is correct. Shale, gasohol, and a dozen different processes, none of which in themselves can solve all of our problems, but in combination will lead us to energy independence.

We had an inventor before the committee that I was chairing, dealing in the question of new, innovative approaches to the energy problem. He made that statement. He said one of our problems is that we keep looking for that one grandiose, all-encompassing program that, in one fell swoop, will solve our energy crisis. He said that is not likely to happen. I think he is right. He said it would take a thousand new ideas, a thousand new processes before we can really get to the place where we are self-sufficient, totally independent from outside influences in meeting our energy needs. I think he is correct.

That is why, and I know the Senator from West Virginia agrees with me, while we are much concerned about the utilization of coal, we are not any less concerned about all the other energy developments and all the other processes that will produce additional energy for this country and decrease our dependence on foreign oil.

Mr. RANDOLPH. Mr. President, I want to add that I was very impressed with the presentation by Dr. Armand Hammer, when he counseled with the questioners on Meet the Press this past Sunday. I find that here is a man 81 years young, who is thinking in terms of the future of this country. I commend the creativity, followthrough, and insight which were expressed by him and, hopefully, will be expressed by the Senate, the Congress, and the administration on every occasion.

I thank the Senator very much.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I have a question of the manager of the bill and I am wondering if he would be so kind as to comment on it.

Am I correct that, except for the $2.2 billion, there is no specified time period over which we are committed to appropriate the approximately $19 billion being placed in the energy security reserve by this amendment?

Mr. HUDDLESTON. The Senator is correct. There would be no time requirement.

Mr. LEVIN. I appreciate that, Mr. President. I thank the Senator from Kentucky.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I rise simply to advise my colleagues that we are operating under an order that will call for a vote to begin on the pending amendments at 5 o'clock. That is an hour and a half from now.

Consequently, without subsequent unanimous-consent action, any consideration of amendments will come to a conclusion at that 5 o'clock time.

We are aware of two or three amendments that have been suggested by Members. I am not certain they intend to proceed with them. But it would be very helpful if they could advise us as to whether or not they intend to and, if they do, take into account the fact that the time is running out.

We have an hour and a half to go. We have 30 minutes of that time already set aside by special order for Senator JOHNSTON and Senator DURKIN on an amendment that will be proposed. So that leaves only an hour to handle other amendments that might be contemplated.

I suggest that staff that might be present, or anyone who would want to advise the Senators that the clock is running and that if they expect consideration of their amendments this is the time to do it.

Does the Senator from Delaware wish time at this point?

Mr. ROTH. Yes.

I apologize to the manager of the bill. Unfortunately, we have committees meeting at the same time, at which critical decisions are being made on the windfall profits tax.

It is a little difficult to be in two places at once.

UP AMENDMENT NO. 654

(Purpose: To reduce total budget authority provided for the adminstrative and regulatory costs of the Department of Energy in this Act by $103 million, excepting alternative fuels production)

Mr. ROTH. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 654.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 58, after line 8, insert the following:
>
> SEC. 310. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Energy, excluding that for Alternative Fuels Production, is hereby reduced in the amount of $103,000,000: *Provided*, That Congress intends that this reduction shall be achieved by the improvement of program and regulatory efficiency and administrative productivity: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

Mr. ROTH. Mr. President, my amendment provides a 5-percent efficiency cut in the administrative and regulatory costs of the Department of Energy in this bill. This will save the taxpayers $103 million and stimulate needed management reforms at the Department of Energy. Our amendment does not cut the $20 billion in this bill earmarked for alternative fuels production.

Mr. President, if we are to achieve a national energy policy and reduce inflation, we in Congress must begin by conserving—by conserving tax dollars and stopping the inflationary waste and mismanagement at the Department of Energy.

This bill contains a budget-busting 20-percent increase for DOE over last year—and that does not even include the alternative fuels production or the strategic petroleum reserve. Cutting $100 million would still leave DOE with a $250 million or 16-percent increase—double what the working men and women of this country are permitted under President Carter's wage and price guidelines.

Our amendment does not cut specific programs, projects or energy "hardware,"—such as plant and capital equipment—but instead requires reductions in administrative and regulatory costs only, in order to improve program efficiency and administrative productivity within DOE.

Federal regulation, whether of energy projects or whatever, is strangling the growth and productivity of our Nation.

As the distinguished managers of this bill have pointed out before, for example, a coal mine operator must obtain permits under at least 30 separate Federal regulations—including DOE regulations—before he can get the first shovel of coal out of the ground.

For another example, anyone who wants to explore the Outer Continental Shelf for oil and gas has to fight through a regulatory maze involving 4 different departments—including DOE—and at least 15 different sub-Cabinet and independent agencies.

In addition, I am sure my colleagues are aware of the redtape and regulatory delays that accompany both the coal utility conversion program at DOE and DOE's fossil fuel demonstration projects. I think no more graphic example of what DOE is doing to the independent businessman can be provided than an article last August 24 in the Washington Post, with the headline "Oil Firm President Says Energy Department is Ruining Him, and It Agrees." Let me read an excerpt from it for the benefit of my colleagues:

> The vice president of a Kansas oil company that operates 225 independent gasoline stations in 27 states came to Washington yesterday to proclaim that Energy Department price and allocation regulations are putting him out of business.
>
> The Energy Department agreed.
>
> I'm in Washington because my company is being destroyed by the Department of Energy, said R. J. Gaffney, vice president of Highway Oil Inc., of Topeka.
>
> He's right, said a top official in the Energy Department, asking not to be identified because of his agency's mounting image problems. He has given an accurate description of what DOE regulations are doing to some people in this industry.

Let me suggest there are many areas in the present bill where regulatory costs can be reduced and program efficiency increased at DOE.

First, let us look at the Economic Regulatory Administration, this bill contains an incredible—and I mean incredible—45-percent increase in funding for the Economic Regulatory Administration. This is $45 million over 1979, and $19 million over the House allowance. Included are a 49-percent increase in administrative costs, a 67-percent increase in fuels regulation, and a 44-percent increase for the development of new regulations alone.

Another area where efficiency cuts are desperately needed in order to achieve program goals is the weatherization program. This program is running a full 2½ years behind schedule. As the committee report itself points out, and I quote:

> A total of $290 million has been appropriated over the last 3 years for this program, enough to weatherize approximately 753,000 homes by the Department's estimate. Through July of this year less than $40 million has been outlayed and only 174,000 homes insulated.

In other words, Mr. President, the weatherization program has an unspent balance of over $250 million, or over $430 per family it is intended to reach. And yet, this bill funds it at the same level as last year, $199 million.

Another desperately needed conservation program at DOE, the schools and hospitals program, is almost a year behind schedule because of DOE administrative inefficiency.

In short, you might say Nero fiddled while Rome burned, but DOE is fiddling while millions freeze. DOE's fleet of gas guzzlers is still another area where reductions can be made without affecting specific programs. In fiscal 1978, DOE spent $28 million for the use of motor vehicles. According to U.S. News and World Report, the Department of Energy has used 29 percent more fuel for vehicles and equipment over the last 3 years than the agencies it was formed to replace. This record would certainly be an embarrassment for any agency. But it is inexcusable for the Department of Energy and it is a record we must not permit to continue.

We are not advocating irresponsible or precipitous elimination of any programs in this bill. I am actually urging a more reasonable level of funding—a level more consistent with the Presidents' stated goals and certainly more in keeping with those which citizens have been demanding all over the country.

The important point we must make, the clear signal we must send to DOE, is that we can accomplish a 5 percent cut by management efficiencies, by reduced regulation, and by increased administrative productivity—without hurting the many programs approved by Congress.

On the one hand, we are telling the people back home, the working people, the taxpayers, the family, because of inflation, "You have to make your dollar go further. You have to be a little more effective. You have to be a little more efficient."

On the other hand, that is all our 5-percent efficiency cut is doing here. We are putting the various departments on notice that they are just going to have to do a better job with the funds available, that they can find and correct at least 5 percent waste and fat in their budgets without destroying worthwhile programs.

As my colleague from Wisconsin has pointed out to this body, the special interests, the bureaucrats, the regulators and the big spenders come up here over and over to testify on the budget, and we never hear them urge Congress to cut, conserve and economize; it is always the same refrain—spend, spend and spend.

Well, I think it is time to send a message to DOE bureaucrats and DOE regulators who are stifling our energy production and squandering our energy conservation programs: They are going to be measured by the same productivity standards as all working Americans. The House has already sent DOE a message by abolishing their gasoline price controls and allocation regulations. I believe we should send DOE a message on fiscal responsibility and prudence. To do less would be to totally ignore the taxpayers of this country.

Mr. President, I urge my colleagues to support my 5 percent efficiency cut of DOE, and I intend to ask for the yeas and nays.

Mr. HUDDLESTON. Mr. President, we all recognize that this is a time when budget restraint is not only very desirable but also, in many ways, very necessary and that we are attempting here, through the processes of Congress, to bring under control Federal spending.

The Senate has gone on record as being in favor not only of reducing the national deficit but also of moving toward a balanced budget in the coming fiscal years. Nobody can dispute the necessity for doing everything we can to cut Federal expenditures to the barebone.

However, I think we also have to recognize that this is also a time for action, that it is necessary that we take such steps as may be necessary to address some of the major problems we have in this country. This appropriation bill that we are considering now attempts to address a good many of those problems.

Of course, many other programs are included that are of utmost importance. But all the funding that is in here has been put there only after long days of hearings, after budget requests made by the administration, after consultation with the Departments and with other parties interested in these particular figures.

The committee, as all other committees have done, would be opposed to any kind of blanket, across-the-board reduction in the figures that are put in here.

The distinguished Senator from Delaware mentioned the area of ERA—that is the Energy Regulatory Administration, not the movement that is afoot throughout the country—where some $19 million has been added over the House figure. The reason is that budget requests totaling more than $23 million were forthcoming, too late for the House to consider. Consequently, we made the judgment that those were expenditures that should be made. We are $39 million under the fiscal year 1980 request for ERA. In all the other areas that have been brought into question, the committee has done its work, has given careful consideration to requests that have been made, and has suggested and put into the bill the figures that are here.

I could not agree more with the Senator from Delaware in his recitation of the difficulties we have imposed upon ourselves so far as Government regulation is concerned.

I attended some of the hearings and chaired some of the hearings to which he has referred, as to the testimony given by small businessmen and others and the difficult time they are having in dealing with some of the regulations, some of the paperwork and redtape that have been imposed upon them. I think we should attack this regulation and redtape in every way possible and do what we can to reduce it and to eliminate it. Certainly, there is no argument in that respect with the Senator from Delaware.

Incidentally, ERA is one agency which is supposed to be identifying those regulations that are not necessary, or not productive, and should and can be eliminated.

So, Mr. President, I expect to move to table the motion of the distinguished Senator from Delaware, if no other Senators present wish to speak with respect to it.

Does the Senator intend to ask for the yeas and nays on his amendment?

Mr. ROTH. Yes. A sufficient second is not present.

Mr. HUDDLESTON. Mr. President, a parliamentary inquiry. Does the special order under which we are operating preclude any rollcall votes before 5 o'clock?

The PRESIDING OFFICER. That is correct.

Mr. HUDDLESTON. In that case, Senator Roth's amendment will come in order after 5 o'clock, at which time I am sure there will be an opportunity to ask for the yeas and nays, with a sufficient second.

I intend to move at that time to table the amendment.

Mr. ROTH. That is satisfactory to me. It necessarily will have to be under the unanimous-consent agreement.

I am perfectly willing to yield back the remainder of my time.

Mr. HUDDLESTON. I yield back the remainder of my time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield myself 1 minute on behalf of Mr. Huddleston off the bill.

## THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I see the distinguished minority leader is in the Chamber.

I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 385, 386, and 354.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, these items are cleared on our calendar, and we have no objection to their consideration and passage.

## BUDGET ACT WAIVER

The resolution (S. Res. 246) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 4249, was considered and agreed to, as follows:

*Resolved*, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provision of section 402(a) of such Act are waived with respect to the consideration of H.R. 4249. Such waiver is necessary because H.R. 4249, an Act to amend title 23 of the United States Code, the Surface Transportation Assistance Act of 1978, and for other purposes, provides an additional authorization of $1,500,000 to be available until expended which was not included in the committee's submission to the Budget Committee.

Compliance with the deadlines of the Congressional Budget Act of 1974 was not possible by May 15, 1979, as the need for an additional authorization for the National Alcohol Fuels Commission established by section 170 of the Surface Transportation Assistance Act of 1978 did not come to the committee's attention until after such date.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## BUDGET ACT WAIVER

The resolution (S. Res. 250) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 595, was considered and agreed to, as follows:

*Resolved*, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 595, a bill to authorize the appropriation of funds for the acquisition of stockpile materials and to authorize the disposal of three excess stockpile materials.

Such a waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provide that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

It was impossible for the Committee on Armed Services to properly review and give adequate consideration to H.R. 595 before the May 15, 1979, deadline due to the press of other priority legislation; namely, S. 428, the annual military procurement authorization bill, and S. 1319, the military construction authorization bill. Further, the Committee on Armed Services considered and on June 6, 1979, reported H.R. 2154 which constitutes a complete revision to the Stock Piling Act requiring for the first time authorization for appropriations for stockpile acquisitions; this revision (H.R. 2154), which represents a major initiative by the legislative branch, logically required consideration and action before implementing legislation (H.R. 595) on specific commodities could be acted on.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to H.R. 595 as reported by the Committee on Armed Services.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## STRATEGIC AND CRITICAL MATERIALS TRANSACTION AUTHORIZATION ACT OF 1979

The Senate proceeded to consider the bill (H.R. 595) to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, to provide for the deposit of moneys received from the sale of such tin, and for other purposes, which had been reported from the Committee on Armed Services with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Strategic and Critical Materials Transaction Authorization Act of 1979".

Sec. 2. There is authorized to be appropriated the sum of $237,000,000 for the acquisition of strategic and critical materials for the National Defense Stockpile established under section 3(a) of the Strategic and Critical Materials Stock Piling Act.

Sec. 3. The following materials in the quantities specified, determined to be excess to current stockpile requirements, are authorized to be disposed of from the National Defense Stockpile:

(1) tin, thirty-five thousand long tons;

(2) silver, fifteen million troy ounces; and

(3) industrial diamonds, one million five hundred thousand carats.

Sec. 4. (a) All transactions authorized by this Act shall be carried out under the provisions of the Strategic and Critical Materials Stock Piling Act.

(b) The President, on behalf of the United States, is authorized to contribute up to five thousand long tons of tin from the amount authorized to be disposed of in section 3(1) to the Tin Buffer Stock established under the Fifth International Tin Agreement. Upon the termination of such Agreement in 1981, all proceeds generated from such contribution shall be remitted to the National Defense Stockpile Transaction Fund established under section 9 of the Strategic and Critical Materials Stock Piling Act.

● Mr. HART. Mr. President, earlier this year the Senate acted on a stockpile policy bill which set out policy and management guidelines for reshaping our national defense stockpile. This bill was signed into law by the President on July 30, 1979. It is now time to get on with specific transactions—the buying of needed materials and the selling of excess materials—to get the right materials, in the right quantity, in the right place, so that our strategic stockpiles can serve their intended purpose.

By way of background there are now 93 different materials—ranging from aluminum to zinc—that have been identified as strategic and critical materials—those important to our national defense. For each different material a stockpile goal has been established based on the anticipated wartime need. Of the 93 materials now in the stockpile, 53 are below stockpile goals. This means that an active program of stockpile acquisitions is necessary. There are, however, excess quantities of 40 different stockpile materials which can be sold to finance the needed acquisitions and that is precisely what the bill before us proposes.

With respect to acquisitions, the bill authorizes appropriations of $237 million to acquire needed stockpile materials. The administration has proposed the acquisition of 20 different, highest priority stockpile materials. The administration has asked, and the Armed Services Committee has agreed, that this list of commodities not be made public due to the potential for unethical market speculation. However, the list of commodities proposed to be purchased is available for any Member who wishes to see it.

Three commodities are authorized to be sold—tin, silver, and industrial diamonds. In the case of each of these materials, the stockpile currently contains substantially more of each commodity than would be needed under any wartime scenario. Details on each commodity are contained in the bill and the report and I will not go into them further at this point. These sales are expected to generate receipts of about $300 million in fiscal year 1980 and these receipts, under the provisions of the Stockpile Policy Act, will go into a special fund where they can only be used for the acquisition of needed materials. This fund effectively precludes the manipulation of the defense stockpile for economic or budgetary purposes.

The authorization to sell tin has created a great deal of interest from many parties. While it is clear that we have an excess of tin currently in the stockpile, the committee has also been made aware of the potential significant impact of the proposed tin sales on the tin-producing nations around the world—especially Bolivia and Malaysia. The committee is sensitive to these potential impacts and has taken steps toward extraordinary oversight of the tin disposal program. I emphasize that the tin disposal authorized in this bill is permissive and not directive. Before any sales are made the General Services Administration must accomplish market impact studies to determine how much tin—if any—can be sold, and at what rate, so as not to unduly impact the international tin market. In addition, as a member of the International Tin Agreement the United States must consult with the other parties to the agreement before any sales are made. The committee in its report has required a special quarterly report on the tin disposal program to permit a careful analysis of the program as it is executed.

The bill authorizes the donation of up to 5,000 long tons of excess tin to the international buffer stock. This same markup legislation, which, among other passed bill and has the endorsement of Senators CHURCH and JAVITS of the Foreign Relations Committee as indicated in their letter which I ask be printed following my statement.

Mr. President, this is the first installment of stockpile transaction legislation. It will take years to get our stockpiles into balance—selling off the excesses and buying needed materials. Fortunately this can be done for the next several years without cost to the taxpayer because receipts from the sales of excess materials will finance the purchases.

We must move with a sense of urgency. These stockpiles, which would sustain the United States in a prolonged conventional conflict, also serve to deter such a war. In a world of increasing interdependencies and dwindling natural resources, adequate stockpiles of strategic and critical materials give us added insurance, and—in the case of this bill—at no cost to the taxpayer.

I urge my colleagues to support this bill.

Mr. President, I ask that a letter from Mr. CHURCH and Mr. JAVITS be printed in the RECORD.

The letter is as follows:

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
*Washington, D.C., July 16, 1979.*

Hon. GARY HART,
*Chairman, Subcommittee on Military Construction and Stockpiles, Committee on Armed Services, U.S. Senate, Washington, D.C.*

DEAR GARY: It is our understanding that the Subcommittee on Military Construction and Stockpiles of the Senate Armed Services Committee, which you chair, will shortly markup legislation, which, among other things, will provide for the disposal of 35,000 long tons of tin considered surplus in the General Services Administration Strategic Stockpile. We have a particular interest in that section of the legislation which calls for the contribution by the United States of 5,000 tons of tin to the Fifth International Tin Agreement.

We wish to express our strong support for the contribution to the International Tin Agreement (ITA), since it would provide sorely needed resources to the International Tin Council in its efforts to bring the price of tin within the agreed upon price band as set forth in the Agreement. As you know, the United States has been a member of this Agreement since 1976. The ITA has been less than effective in stabilizing prices, largely due to the inadequate size of the buffer stocks relative to world demand for tin. The U.S. contribution would not only make good the commitment which Secretary Vance made in 1977 to make a voluntary contribution to the ITA, but would also have, we hope, a beneficial influence on world prices.

In addition, although the disposal of the remaining 30,000 tons of tin by GSA does not fall within the purview of our Committee, we wish to express our support for this initiative as well, because we think that this will have a strongly anti-inflationary impact on the American economy at a time when it is suffering from high and rising inflation.

We are confident that provisions in the Strategic and Critical Materials Stockpile Act will be sufficient protection to producers of tin in preventing undue or damaging disruption of the market as the tin is released.

Sincerely,

JACOB K. JAVITS,
*Ranking Minority Member.*
FRANK CHURCH,
*Chairman.*●

● Mr. TOWER. Mr. President, I shall make a few points about this bill which would authorize the President to contribute up to 5,000 long tons of tin metal from the national defense stockpile to the tin buffer stock and authorize the General Services Administrator to dispose of another 30,000 tons of surplus tin from the national defense stockpile.

There is a substantial quantity of tin currently held in the stockpile in excess of the requirements determined to be necessary for the purposes of the Stockpile Act and it does make sense to begin to reduce this excess stockpiled tin. However, I am concerned about the authority given to GSA to dispose of 30,000 tons of tin, which if not handled very carefully could disrupt the market of the sole producer of primary tin in the United States, the Texas City Smelter.

Texas City Smelter currently produces about 15 percent of the U.S. consumption of newly refined tin. Texas City has developed new smelting technology which will permit the use of any tin-bearing material, thus reducing dependence on tin concentrates. This change in the use of raw materials assures an independent U.S. capacity for tin production. Due to transportation costs, the tin produced by Texas City Smelter normally is marketed only within the United States.

Therefore, disposal of U.S. stockpiled tin would compete head on with Texas City's sales. Consequently, the very existence of Texas City Smelter is threatened by anything short of a carefully planned and monitored disposal program.

Protection against disruption of the markets of processors and producers by stockpile sales is required by law but the point bears emphasis. Also, our committee reiterated in its report on the Strategic and Critical Materials Transaction Act the necessity to avoid market dislocation by the GSA sales program.

Therefore, should this bill become law, the General Services Administration in a tin disposal program must assure that there is no undue disruption of the tin market. Senator HART, who has managed this bill as chairman of the Senate Armed Services Subcommittee on Military Construction and Stockpiles, has commented on the sensitivity of the tin disposal in his floor remarks and I want to reinforce those comments. There must be no misunderstanding as to GSA's responsibility in this matter.●

● Mr. JAVITS. Mr. President, I rise in support of H.R. 595 which would authorize the disposal of excess quantities of tin, silver, and industrial diamonds froms the national defense stockpile. This bill also allows the President to contribute up to 5,000 tons of excess tin from the stockpile to the International Tin Buffer Stock, which was established under the Fifth International Tin Agreement.

As a participant in the International Tin Agreement and the major industrialized country in the world, the United States has a responsibility to the international community to participate actively in the agreement, which has as its objective the moderation of price swings in the tin market. The contribution of 5,000 long tons of tin to the tin buffer stock will help moderate the price fluctuations of this commodity.

In addition, the release of 35,000 tons of tin from the strategic stockpile will help fight inflation and benefit tin consumers, who are bearing the brunt of price increases as tin consumption continues to exceed world production. Producers and consumers alike have been waiting to see if the United States will authorize the release of this excess tin into the world market since, in the near term, neither a significant decline in consumption nor in production is likely. This situation has created an uncertainty among both tin producers and consumers regarding tin supply. The release of 35,000 long tons of tin will serve to reduce this anxiety and will, therefore, help to stabilize the international tin market.

While consumers will benefit from the increased availability of tin in the international market, I believe that this bill has met the concerns of many of the developing countries which are major tin producers. These countries fear that the sale of tin will depress the world price for tin and cause severe damage to their domestic economies. The United States has a commitment to protect the developmental needs of these countries. In order to insure that surplus tin is released to the market in an orderly manner and that the markets for developing countries are not unduly disrupted, the legislation regulating stockpile disposals by the GSA already stipulates that GSA must not allow price dislocations to occur when excess stockpile reserves are released on the world market. This bill assures a U.S. commitment to stable world markets by further stipulating that the GSA must issue a quarterly report to the Committee on Armed Services in both the House and the Senate on the impact of tin sales and proposed tin sales on tin markets, producing countries, and U.S. producers.

In addition, H.R. 595 allows for the disposal of 15 million troy ounces of silver. Silver is an essential element in the photographic industry, which is located primarily in New York State; and I welcome this release.

I urge my colleagues to support this legislation, which will help fight inflation by increasing the supply of certain key commodities while taking into consideration the concerns of producers. In addition, this legislation will permit the United States to meet its international obligation under the International Tin Agreement.●

● Mr. THURMOND. Mr. President, legislation to give careful management of the national defense stockpile was approved earlier this year and the pending bill is the first attempt to put that law into operation.

As the report on the pending bill, H.R. 595, indicates, there are 93 different commodities presently in the defense stockpile, 53 of which are below stockpile goals.

In an effort to begin redressing these shortages, H.R. 595 proposes to dispose of quantities of commodities in excess of our needs in order to generate funds to buy those items in which we have shortages.

This particular bill proposes the sale of silver, tin, and industrial diamonds. I favor the House position of no sale of silver since it is a scarce commodity and its price is steadily rising. However, this issue will be addressed in the conference and for that reason, I will not object to the pending bill.

Mr. President, I do feel it is important to begin addressing the shortages in the defense stockpile and for that reason, I urge passage of this modest beginning.●

● Mr. ROBERT C. BYRD. Mr. President, I rise to support passage of the Strategic and Critical Materials Transaction Authorization Act of 1979.

By authorizing the disposal of noncritical amounts of tin and silver, the Committee on Armed Services has taken a positive step to mute the inflationary pressures which have plagued these commodities.

In my own State of West Virginia the high price of tin has created concern, particularly among those engaged in tin plating, such as the Weirton Steel Co. Since tin is a raw material of companies such as Weirton Steel, any price reduction will increase demand for their products and encourage full employment of their productive capacity.

The bill also provides for the purchase of a list of commodities which the committee feels are necessary to maintain strategic preparedness.

I commend the administration for requesting—and the committee for agreeing—that this list be withheld from the public to avoid speculation in the commodity markets.

Speculation in the nonferrous metals markets has been intense over the past year, particularly in the last several months. Nonferrous metal prices had increased 40 percent over the previous year before the recently announced Federal Reserve action to tighten credit and let interest rates rise.

One of the rationales offered for the Fed's action was to limit the supply of money available for speculative, nonproductive investments, such as those driving up the price of these metals.

It is my hope that bankers and brokers who have financed these speculative activities will adhere to the message of restraint which Chairman Volcker has suggested. To do otherwise not only frustrates efforts to dampen inflation—it also violates all principles of prudent credit analysis.

Those who allocate credit must act responsibly to avoid speculative, nonproductive, purely financial loans. Otherwise, pressures will increase to artificially direct credit through Government action. This is an approach which no one in this country wants. It will be unnecessary if credit markets respond to the Fed's recent action in a responsible fashion.

I compliment the distinguished floor manager of the bill, Mr. HART, for his role in bringing this legislation to the floor. I also thank the Armed Services Committee for its work on the bill.●

● Mr. RANDOLPH. Mr. President, on the first day of the 96th Congress I introduced S. 27, which called for the release of 35,000 long tons of tin from the U.S. strategic materials stockpile. My colleague from West Virginia, Representative ROBERT MOLLOHAN, introduced an identical bill H.R. 595 on the same day.

The House approved H.R. 595 by a vote of 371 to 16 on April 3.

The Senate Subcommittee on Military Construction and Stockpiles held a hearing on S. 27, S. 1397, and H.R. 595 on July 10. I am appreciative that the subcommittee allowed me to testify on the merits of S. 27.

The strategic materials stockpile currently contains over 200,500 long tons of tin. Of that total, only 32,500 long tons are necessary to fulfill the stockpile goals pursuant to the Strategic and Critical Materials Stockpiling Act. Thus, there are 168,000 long tons of tin which could be made available for sale without jeopardizing our national defense goals.

I feel that this oversupply of tin in the stockpile is an economic waste. I am also concerned with the fate of the domestic tin-plated steel industry in West Virginia. This industry provides jobs for more than 5,000 workers in West Virginia. The jobs of these West Virginians, as well as other Americans, are threatened by the artificially high price of tin imported into this country. These high prices are the result of action by commodity speculators in the world tin markets.

In January 1976, the average price of tin was $3.01 per pound. Today, 3 years later, the price has risen to $7.45 per pound. If this legislation is not passed, the price promises to go even higher.

Total consumption of tin in the United States is approximately 61,000 tons per year. The tinplate canning industry uses approximately 18,500 tons of that total usage. West Virginia uses over 4,000 tons to produce tin-plated steel. During the past 2 years, the cost to purchase tin by this one industry in West Virginia has increased by $26,640,000. These increased costs are borne by U.S. consumers. The price of tin has increased due to two factors: A shortfall of tin supply in the world market and fluctuation of tin prices by commodity speculators. Today the supply levels are near world demand for the first time in several years. Therefore, I believe that a release of tin would have a moderating effect on these escalating tin prices.

Legislation authorizing the sale of tin passed both the House and the Senate in the 95th Congress. In the Senate, this was in the form of an amendment, which I cosponsored with Senator CHURCH, to the sugar bill and was lost in the rush to adjournment. As soon as this fact reached the trade press, speculators pushed the price of tin even higher. Failure to pass this legislation will, once again, push tin prices to higher levels. This will have an inflationary impact on food prices throughout the United States.

I urge the Senate to expedite the passage of this bill. Enactment of this legislation will help us fight the war against inflation.

I appreciate very much the cooperation and support my proposal has received from Subcommittee Chairman GARY HART; Chairman JOHN STENNIS and the members and staff of the Armed Services Committee.●

● Mr. CHURCH. Mr. President, I rise in support of S. 595, a bill to authorize disposal of 35,000 tons of surplus tin from our domestic strategic stockpile—up to 5,000 tons of the total to be contributed to the international tin buffer stock established under the Fifth International Tin Agreement in 1976.

The United States joined the Fifth International Tin Agreement in the belief that such an agreement could be of great benefit to both producer and consumer countries by providing some measure of price and supply stability in an otherwise volatile world market. The international tin buffer stock is today in desperate need of tin if the agreement is to be able to function successfully to dampen upward pressures on tin prices—prices already at historically high levels.

It is U.S. policy that international commodity agreements be financed by both producer and consumer contributions—either in cash or kind—in the belief that both sides must have an equal stake if any agreement is to be a success. In keeping with this belief, Secretary of State Vance, in May 1977, pledged that the United States would make a voluntary contribution to the tin buffer stock. The administration has been seeking congressional approval for such a contribution ever since.

Many of my colleagues will remember that in the closing days of the last Congress both the House and Senate voted favorably on this legislation. Only the confusion of the closing days prevented it from becoming law. In April of this year, the House once again considered this legislation (H.R. 595) and at that time acted favorably on this measure by an overwhelming margin of 371 to 16.

Let me, for one moment, address the foreign economic policy concerns which have been raised with regard to these sales. Specifically, Bolivia, one of the world's largest producers of tin—second only to Malaysia—is apprehensive that the sale of 35,000 tons of tin will be severely disruptive to its traditional markets. This, it feels, will severely impair its export earnings which accrue primarily for international sales of tin.

While I understand the apprehension of the Bolivian Government, I think that this concern can be laid to rest. Article 43 of the International Tin Agreement specifically prohibits members of the ITA from undertaking any noncommercial stockpile disposal which might be disruptive to "the usual markets" of tin producers, processors, and consumers. Bolivia is a signatory nation of the International Tin Agreement, as well as the United States. In addition, article 43 also requires that the United States, as a member of the International Tin Agreement, consult regularly with the International Tin Council, the administrative body of the ITA, before undertaking any transactions from our strategic stockpile. It has also been U.S. policy to consult on a bilateral basis, with all major producers of tin before taking any action. Further, as my distinguished colleague from Colorado, Mr. HART, can attest to, the Strategic Stockpile and Critical Materials Act of 1979, which has recently become law, also instructs GSA to conduct sales in such a manner as not to disrupt the traditional markets of producers and consumers. Both the ITA and the new Stockpile Policy Act provide sufficient protection against tin disposal without due regard to market conditions. Further, it is my understanding that this policy bill also requires that GSA get "top dollar" for all sales. Therefore, it would certainly not be in the interest of GSA to dump large quantities of tin on the market all at once without due regard to what this might do to the price it would receive.

It is my belief that disposal of this tin, conducted in a judicious manner, can help to stabilize its price on world markets. Since the United States is the world's largest consumer of tin, utilizing approximately 25 percent of the world's production—almost all of which must be imported—this measure should serve as an important step in curbing the high and rising rate of inflation in this country.

Senate adoption of this bill will in no way damage our national security as the strategic stockpile currently has 168,000 long tons of tin in excess of our needs. Adoption of this bill will allow the U.S. Government, at long last, to make good on an international pledge, and at the same time be a step which will substantially reduce the inflationary impact of the present high price of tin.●

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to authorize certain transactions involving the acquisition and disposal of strategic and critical materials for the national defense stockpile."

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. HART I move that the Senate insist on its amendment, request a conference with the House of Representatives, and the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. HEFLIN) appointed Mr. HART, Mr. STENNIS, Mr. CANNON, Mr. THURMOND, and Mr. TOWER conferees on the part of the Senate.

## HOUSE BILL JOINTLY REFERRED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 3909, received from the House today, be jointly referred to the Committees on Governmental Affairs and the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

## DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1980

The Senate continued with the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

### AMENDMENT NO. 516

(Purpose: To restore $10,000,000 to the Bureau of Indian Affairs Operations of Indian programs for education)

Mr. MELCHER. Mr. President, I have an amendment at the desk, a printed amendment numbered 516, and I ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator ask that the pending amendment by Senator ROTH be laid aside temporarily?

Mr. MELCHER. I so ask.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself and Mr. MCGOVERN, proposes amendment No. 516:

On line 22 of page 20, strike "$770,835,000", and in place thereof insert "$780,835,000".

Mr. MELCHER. Mr. President, I ask unanimous consent that Senator DeConcini be added as a cosponsor.

The PRESIDING OFFICER (Mr. Tsongas). Without objection, it is so ordered.

Mr. MELCHER. Mr. President, last year an item in this amount that is listed here on line 22, page 20, for school operation was listed at $190,478,000.

The House has allowed for school operation for this coming fiscal year a very similar amount, almost identical, for the schools, these Indian schools.

Now, these are schools that are operated by the Bureau of Indian Affairs.

It is very understandable to me, Mr. President, why the subcommittee and the Appropriations Committee of the Senate would try to save money where possible. But I believe that in striking about $10 million out of school operations for these Indian schools they have been a little bit too careful in protecting the Federal Treasury.

We understand from the committee and from the Bureau of Indian Affairs that the number of students for this coming fiscal year in these schools is about the same number. If it is up a few or down a few, it is about the same. I cannot tell you whether it is a slight increase or a slight decrease, but it is apparent that in every school's operations the effects of inflation on operating the schools have been rather severe.

That cannot be avoided if you are going to have quality education and you are going to have to meet the inflationary pressures and recognize that to maintain the same level of quality education, whether it is for Indian schools, for public schools, for private schools, for any schools, you are just going to have to pay out more money.

I think it is unwise, Mr. President, for that amount of money to be cut out of the operating budget of these Indian schools.

Mr. McGOVERN. Mr. President, will the Senator from Montana yield?

Mr. MELCHER. Yes, I would be delighted to yield to the Senator from South Dakota.

### INDIAN EDUCATION

Mr. McGOVERN. Mr. President, I support the amendment offered by my colleague, Senator Melcher which I am pleased to cosponsor. It is true that waste must be cut, but I contend that a more judicious method must be found which will pinpoint that waste. Under the $10 million cut proposed today, the schools which will be the primary losers will be those small schools for which a 5-percent cut may mean the difference between closing or remaining in operation as an educational facility. In most cases, there is no other school within miles—there is simply no alternative for the children.

The primary reason for a restoration of the cut is that there is no money saved under the formula—it is merely redistributed. Perhaps a small number of schools may be slightly overfunded, but by cutting across the board, it is not possible to focus on those schools, whereas the majority of schools which have been underfunded each year will bear the burden. Additionally, at this time, the Bureau of Indian Affairs is working on a uniform funding standard, which is to be completed for fiscal year 1981. Now is not the time to cut funding—it is at best, premature.

In South Dakota, for instance, there are 16 schools with enrollments between 30 and 200 children. Over 7,000 children attend all the schools which will be affected in South Dakota alone. These children will receive a lesser education if this cut is not restored. Let us take a close and careful look at specific cases of waste in Indian education and eliminate that waste. We cannot afford to jeopardize the education of all Indian children because of minor overfunding in a few of our schools.

I ask unanimous consent that a table indicating affected schools in South Dakota be printed at this point in the Record.

There being no objection, the table is ordered to be printed in the Record, as follows:

*Affected schools in South Dakota and pupils in each school*

| | |
|---|---|
| Enemy Swim | 45 |
| Flandreau | 450 |
| Cherry Creek | 100 |
| Cheyenne-Eagle Butte Coop | 870 |
| Promise | 20 |
| White Horse | 61 |
| Little Wound | 530 |
| Lone Man | 350 |
| Red Scaffold | 47 |
| Bridger Day School | 30 |
| Swift Bird | 46 |
| Manderson Day School | 245 |
| Manderee | 184 |
| Oglala Community Coop | 1,033 |
| American Horse | 145 |
| Ft. Thompson | 224 |
| Crow Creek | 135 |
| Lower Brule | 222 |
| Rosebud Dorm | 150 |
| Crazy Horse | 381 |
| Porcupine Day School | 153 |
| St. Francis | 481 |

Mr. McGOVERN. I heartily applaud and indeed I am a cosponsor of the amendment of the Senator from Montana.

What the Senator is attempting to call to the attention of the Senate is that the $10 million cut ordered by the Appropriations Committee on Indian education is not properly targeted. It is an across-the-board slash in all Indian schools without regard to their present level of funding.

I am told there are a few of the Indian schools that are overfunded, but the overwhelming majority, most of which are small schools, are underfunded, and in many parts of the country, including my own State, they are the only schools to which Indian children have access. They would have to go a great many miles to find another school.

If this cut is not restored it will have the effect of actually closing down a number of Indian schools in South Dakota. There are some 7,000 children who are affected by this possible reduction in school services.

It would be much more sensible, it seems to me—and this is what I understand motivates the Senator from Montana—for selective cuts to be made aimed at those schools where a case can be made that they are overfunded. We may very well have to increase the funding on some of the other schools where they do not have adequate budget support.

But it would certainly be pennywise and pound foolish to try to save a few dollars at the expense of the education of Indian children. If we are ever going to bring the Indians in this country up to the economic, social, and political level of other citizens of the United States, education is going to have to be the key factor in that effort. The reason most of us are here in the U.S. Senate is because we have had the opportunity for education, many of us go on to advanced degrees.

Education means job advancement, it means security, it means a better life for our people, and especially for these Indian children who come into the world with two strikes against them at the outset.

So I hope instead of going forward with this $10 million across-the-board slash, the committee will give the Bureau of Indian Affairs an opportunity to complete the study they now have underway to determine which schools are overfunded and which are underfunded, and then make some selective judgments rather than this kind of an across-the-board indiscriminate cut.

I want to commend the Senator from Montana for giving us the opportunity to make this case here on the Senate floor. I hope the committee will see fit to adopt this amendment, to accept this amendment. I thank the Senator for yielding to me.

Mr. MELCHER. Mr. President, I thank my friend from South Dakota for his very apt remarks, because he is zeroing in on the very, very point of why we offer the amendment.

The $10 million proposed reduction would affect all of the approximately 220 Indian schools throughout the country, and under the funding formula established by sections 1128 and 1129 of the Education Act Amendments of 1978, Public Law 95-561.

Every school is supported from a central fund. There is no targeting of appropriations. If $10 million is taken out of the pot, out of this school operation pot, for the schools all schools will have about, well, it is a little more than a 5 percent amount less to work with this coming fiscal year for operation expense. I do not believe this serves the national interests nor is it practical in furthering Indian education, particularly in light of whatever we end up with for fiscal 1979 as our inflation rate, and what that is going to be, the inflation rate, in fiscal 1980.

If there should be a 10-percent inflation rate, it is obvious that the reduction from the amount that was appropriated last year will be further reduced by that inflation rate. It is extremely difficult for me to believe that this would be wise, in that we have said for years, as a conventional policy, that Indian education is one of the top priorities that we provide for our Indian people. I think their opportunities are enhanced only as the educational opportunities are exercised and used by Indian children.

I would very much hope that the committee will find favor with our plea for restoring this $10 million.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, it is a very difficult thing to stay within budget restraints and within the authorizations in the budget resolutions that we all try to deal with. It is difficult at best. It is impossible if you are willing to appropriate additional funds for agencies and projects for which there have been no requests for additional funds.

As has been indicated, the committee felt that a $10 million reduction here could be sustained by this function without doing any damage to the operation of the Indian schools. The cut was made; we have had no appeal from the agency regarding this reduction.

The funds will be disbursed under a formula system that has been established, and we have to believe that this formula can be satisfied, that adequate funds will be made available to the schools on the basis of that formula within the appropriation that has been included here in the bill.

I have not had long experience in this area of dealing with the problems of the Indians and the schools, in particular, but it is my understanding that prior to the new formula distribution system now being used, the schools were virtually on their own. It has been suggested by the Senator from Montana and the Senator from South Dakota that some schools were indeed overfunded and perhaps some were underfunded.

It seems to me that the present system has brought some order to that procedure, and that, with the funds provided, and with no objection to the reduction that has been made, the committee's recommendations should be accepted by the Senate.

I might also point out that a portion of this reduction also relates to the closure of two off-reservation boarding schools that were consolidated, and this consequently reduced the requirements for funding. So I would hope that the Senator from Montana would not press the amendment. If he does feel that he needs to have a vote on it, of course, it will come under the special order, I assume; is that correct, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUDDLESTON. In line with the other amendments.

Mr. MELCHER. Will the Senator yield——

The PRESIDING OFFICER. The Chair will correct itself. The yeas and nays have not been ordered.

Mr. MELCHER. Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. The very able floor manager of the bill, the Senator from Kentucky (Mr. HUDDLESTON), has stated that the Department has not appealed. But we are confronted, in our offices, and indeed the Select Committee on Indian Affairs is also confronted, with scores, perhaps hundreds, of calls from Indian communities throughout the country that are apprehensive that the cut is not warranted and will seriously jeopardize their school operations in 1980.

While I cannot speak as to the official position of the Department or the Bureau of Indian Affairs, I can relate this sincere concern of many of our Indian citizens across the country who are involved.

There is one statement the Senator made as to which I would like to know whether my thinking is correct or wrong. The Senator mentioned two schools that would be dropped, that would be closed, and that that would alleviate some of the funding that we are talking about.

It was my understanding that both of those schools were involved with Johnson-O'Malley funds, a separate item. Is that true, or not?

Mr. HUDDLESTON. I am advised by the staff that those are not the two schools.

Mr. MELCHER. And they would also be involved in these operating funds?

Mr. HUDDLESTON. They will be as long as they are operated. They are boarding schools.

Mr. MELCHER. But they are to close down?

Mr. HUDDLESTON. At the end of December, I believe.

Mr. MELCHER. Can the Senator advise me how much that would relieve the operating fund, how much was allowed for them during fiscal 1979?

Mr. HUDDLESTON. I will be happy to check our files. I do not have that immediately available, but we will get that for you.

Mr. MELCHER. Mr. President, I ask unanimous consent that this amendment be temporarily laid aside, and perhaps we can have that information made available.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? Without objection, it is so ordered.

Who yields time?

UP AMENDMENT NO. 655

(Purpose: Require the Energy Information Administration to share information with the Justice Department and the Federal Trade Commission)

Mr. MAGNUSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. MAGNUSON), for himself and Mr. KENNEDY, proposes an unprinted amendment numbered 655:

On page 43, line 12, insert the following: *Provided:* That none of these funds shall be available beyond the 60th day following enactment of this Act—

Mr. MAGNUSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 43, line 12, insert the following: *Provided:* That none of these funds shall be available beyond the 60th day following enactment of this Act for the collection, assembly, evaluation, analysis, validation, maintenance, production, or processing of energy information (including information collected prior to enactment of this Act) which the Department does not promptly make available to the Department of Justice or the Federal Trade Commission, upon their request, for their use pursuant to their duties and responsibilities as prescribed by existing law, including but not limited to, antitrust statutes.

Except that the foregoing shall not apply to information collected prior to enactment of this Act where an explicit written commitment was given by the Department restricting its distribution from the Department of Justice or the Federal Trade Commission.

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Washington?

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Senator will suspend. Does the Senator from Kentucky yield to the Senator from Washington?

Mr. HUDDLESTON. I yield to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, I understand there is unanimous consent that all amendments must be submitted by 5 o'clock. Is that correct?

Mr. HUDDLESTON. The Senator is correct.

Mr. MAGNUSON. But there was no time provided for anybody to discuss amendments. If I had been here, I would have objected.

Mr. HUDDLESTON. We have been on the floor all afternoon, and there has been a great deal of time available.

Mr. MAGNUSON. I have been busy. I need at least 5 minutes to discuss my amendment.

Mr. HUDDLESTON. I think you can take 5 minutes.

Mr. MAGNUSON. This is an amendment, Mr. President, on behalf of Senator KENNEDY and myself, which would require the Energy Department's Energy Information Administration to share information with the Justice Department and the Federal Trade Commission.

This provision does not provide any new legal authority to our antitrust agencies. It merely insures that these agencies have access to information to which they should already be entitled.

Mr. President, in 1974 the Energy Supply and Environmental Coordination Act provided the predecessor to the Department of Energy with the power to collect energy information.

That law also provides that such information would be available to the FTC and Justice Department when these agencies need information to carry out their lawful functions.

But now, despite this Nation's chronic energy problems, the Department of Energy is refusing to cooperate with our antitrust agencies.

The Department of Energy has been able to circumvent the information sharing requirements laid down by Congress and avoid the Energy Supply and Environmental Coordination Act by collecting information using other authorities, exclusively.

Mr. President, this is not a new problem. There are numerous instances over the past 4 years where the Department of Energy has hindered our antitrust agencies.

Why? What reason does the Department of Energy give for its behavior?

The Department's only answer is that it fears the oil companies will not fully cooperate if Justice and the FTC have access to DOE's information.

As the chairman of the Senate Judiciary Committee knows—and I understand that your committee has held hearings on this matter—section 11(d) of the Energy Supply and Environmental Coordination Act protects the oil companies information from public disclosure.

I therefore ask: What are the oil companies hiding? Why would the Department rather cooperate with these companies than with our antitrust agencies?

Finally, Mr. President, I would like to point out that when the Department withholds information, FTC and Justice must obtain it directly from the companies.

The result is duplicative information requests and unnecessary court battles for information already in the Government's possession. By the time our antitrust agencies obtain the information, our energy crisis has already passed and the next one is upon us.

Mr. President, we cannot continue to allow the oil companies to set one Government agency against another. It is time to join forces to solve our energy problems. This amendment is a step in that direction.

There is some question, I will say to the distinguished Senator from Kentucky, about the original amendment.

We modified the original amendment. We exempted information where there was an agreement with the oil companies that the information should not be given to the Department of Justice or Federal Trade Commission. I was hopeful that the Senator from Kentucky would take the amendment to conference.

I discussed this amendment in the Appropriations Committee but decided that I would not pursue the matter at that time.

Mr. HUDDLESTON. I do remember. The very feature which the Senator from Washington mentions is the one which caused myself and other Members a great deal of trouble. There are agreements between the Department and oil companies about certain types of information, and it is given on the basis that it will be held confidential.

Mr. MAGNUSON. This exempts those written agreements.

Mr. HUDDLESTON. With that type of information exempted, it certainly makes it a more acceptable amendment. However, I do not see my colleague from Alaska in the Chamber to express his opinion on this amendment. I understand he will be here very shortly.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 656

(Purpose: $372,000 to be appropriated to the National Park Service for the acquisition of the property comprising the former home and office of Frederick Law Olmsted in Brookline, Massachusetts)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration. Mr. President, I ask unanimous consent that it be in order to proceed with the immediate consideration of this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, this amendment is in behalf of myself and my colleague, Senator TSONGAS.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) for himself and Mr. TSONGAS, proposes an unprinted amendment numbered 656.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 7, strike out "$554,175,000" and insert in lieu thereof "$554,547,000".

On page 8, line 15, strike out "$149,022,000" and insert in lieu thereof "$149,394,000".

Mr. KENNEDY. Mr. President, on June 7, 1979, the Senate passed S. 495, a bill to establish the Frederick Law Olmsted National Historic Site in Brookline, Mass.

Last week, the Senate agreed to the House amendments to the bill, and sent the legislation to the President for his signature. The President signed the bill on Friday.

The bill authorizes the acquisition and management of Olmsted's home and office, together with the extensive archival collection which is housed there.

Frederick Law Olmsted is called the "father of landscape architecture." Before his death in 1903, Olmsted had created 17 major urban parks, planned entire cities, and designed scores of college campuses from coast to coast.

Olmsted's major accomplishments include:

Central Park in New York City.

The Emerald Necklace in Boston.

The Capitol Hill Grounds.

Preservation of Yosemite Park.

More than anyone else, Olmsted was responsible for bringing green space to our Nation's cities. Millions of Americans appreciate his work every day.

This amendment only provides funds needed to acquire the site in Brookline at a cost of $372,000.

We must act now. The family which owns the home and office has been waiting 6 years for congressional action. The Park Service indicated in their budget justification that the family cannot afford to keep the house much longer.

During markup, the committee decided not to include funds because of lack of authorizing legislation. Now that Congress has enacted this legislation, I am hopeful that we will provide the funds necessary to acquire the site.

Mr. President, I have talked to the floor manager of the bill and to members of the minority. I believe there is no objection.

Mr. HUDDLESTON. Mr. President, the Senator has stated correctly that this matter was not considered in the markup because of the lack of authorization at that time. We are willing to add it now with, of course, the understanding that still the figures may not be precise. At the time of the conference, I think we can make a determination as to specifically what is required.

The PRESIDING OFFICER. Is there objection to the amendment? If not, the amendment is agreed to.

UP AMENDMENT NO. 657

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. It is necessary to have the amendment of the Senator from Washington set-aside temporarily.

Mr. LEVIN. Mr. President, I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for himself and Mr. PRYOR, proposes an unprinted amendment numbered 657.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 54 after line 9, insert the following:

Further, the Secretary of the Interior is authorized and directed, subject to the supervision and approval of the Franklin Delano Roosevelt Commission, to construct the Franklin Delano Roosevelt Memorial in accordance with the general design developed by the Franklin Delano Roosevelt Memorial Commission and approved by the Commission on Fine Arts on March 2, 1978. For this purpose the sum of $10,000,000 is appropriated.

Mr. LEVIN. Mr. President, this amendment authorizes and directs the Secretary of the Interior to construct the Franklin Delano Roosevelt Memorial. The matter has languished just too long. It is time to get this matter off dead center. The total cost of this amendment is estimated by the Commission to be between $24 and $32 million. The $10 million figure referred to in this amendment which I have introduced on behalf of myself and Mr. PRYOR would be to appropriate the first $10 million toward that total cost.

Mr. President, there is no authorization bill yet for this memorial. I have spoken with the floor manager of this bill and he has indicated to me that if this amendment were withdrawn, the committee would undertake to hold hearings on this matter. I am wondering whether or not he may be able to comment on that at this time.

Mr. HUDDLESTON. Mr. President, I am glad to affirm to the Senator that we will, in fact, do just that. There is no budget request at this time. There have been no hearings by our committee, no reason to hold hearings up to now. It is a matter that I have some interest in and I can assure the Senator from Michigan that we will, certainly, look into it.

Mr. LEVIN. Mr. President, with that understanding to hold hearings, which I understand it to be, I withdraw this amendment. In conclusion, I just state that it is not a partisan issue that we are undertaking here. It is a matter of pride, it is a matter of remembrance of our past, that we finally have a memorial to President Franklin Roosevelt.

I thank the Senator from Kentucky. I am wondering if I did understand him correctly that the floor manager of the bill is undertaking to hold hearings on this matter. I was distracted for a moment.

Mr. HUDDLESTON. Mr. President, that is a correct understanding.

Mr. LEVIN. I thank the Senator.

With that understanding, Mr. President, I do withdraw the amendment at this time.

The amendment was withdrawn.

### UP AMENDMENT NO. 655

Mr. KENNEDY. Mr. President, I believe that a few minutes earlier, Senator Magnuson offered an amendment in behalf of himself and me dealing with the information that has been provided to the Department of Energy and its availability to the Federal Trade Commission. I rise to strongly support that amendment. It only makes sense, Mr. President, as we are attempting to fashion and shape an energy program, that information that is in one governmental agency be made available to other governmental agencies under the clear restrictions of confidentiality under which the information has been obtained.

One of the critical problems we have been facing in fashioning energy policy is information. This amendment would permit the transfer of information to another agency in Government which has the authority and power to gain such information. We have seen, over a period of months and years, how difficult it is for an agency to gain the information it needs.

It seems to me, Mr. President, that this is an extremely wise amendment. It is one that can make a great deal of difference to the Congress in fashioning energy policy. I think that, most importantly, it is clearly in the interest of the consumers of this Nation. I commend the Senator from Washington for bringing this matter before the Senate and I commend him, speaking as the chairman of the full Judiciary Committee, which has an interest in the competitive aspects of our economy. Knowing the very constructive role that the Federal Trade Commission has played in insuring a greater sense of competition, I say this action is in our national interest.

I join in urging the Senate to accept it and again commend the Senator from Washington for offering it.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President, I move the adoption of the amendment.

Mr. DOMENICI. Mr. President, I want to say to the distinguished chairman that Senator McClure desires to be heard on this amendment. He is on his way. I certainly want to give him that opportunity and would only ask, since I have the floor, that I may hold it for him.

I do have a 30-second dialog with Senator Byrd. I wonder if I could do that and Senator McClure will arrive in short order. He wants to oppose the amendment and state some facts on it. I think, under the rule, he is entitled to that.

### ORDER TO LIMIT ROLLCALL VOTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the rollcall votes following the first rollcall vote by limited to 10 minutes each to run for the remainder of the day.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, the only comment I have on the amendment that is pending—and if my good friend from Idaho desires to debate the issue, I have held the floor for him—is that I cannot imagine how Senator Magnuson could have been here so many times arguing about legislation on appropriations and then come along with this one, which has been debated in authorizing committees time after time. It is not one that we have not considered, I say to my good friend. I am sure the Energy Committee of the Senate has considered this proposal, as the appropriate authorizing committee, many, many times and has not seen fit to go along with it. Now, in an appropriations bill, the Senator from Washington sees fit to bring it up.

I just do not think it is the way to do business. Besides its being bad law, I do not think it is very consistent to argue that we ought not to do it and then do it on one of the most important and controversial issues that has come before the Energy Committee.

Mr. MAGNUSON. Will the Senator yield?

Mr. DOMENICI. I am finished.

Mr. MAGNUSON. As a matter of fact, Mr. President, the Energy Committee has held hearings on this issue. Senator Jackson agrees with the amendment. The Judiciary Committee has held hearings on it. They agree with the amendment.

Mr. DOMENICI. Let me say to my friend that if they have had hearings on it, they have had, many, many times, the opportunity to report out such a measure and the Energy Committee has never done that. I cannot imagine that they agree with it and yet will not report it out.

Mr. MAGNUSON. They agree with it.

Mr. DOMENICI. Perhaps there is some other reason.

Mr. KENNEDY. Will the Senator from Washington yield for a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield?

Mr. HUDDLESTON. Yes, I yield 1 minute.

Mr. KENNEDY. Is it not true that this amendment has been adopted by the Senate on two previous occasions?

Mr. MAGNUSON. Yes.

Mr. KENNEDY. On authorizing legislation.

Mr. MAGNUSON. Yes.

Mr. KENNEDY. And is it not true that still the Department of Energy has been recalcitrant in supplying that information to the commission?

Mr. MAGNUSON. That is correct.

Mr. KENNEDY. Is not the purpose of the Senator's amendment once again to reaffirm the position of the Senate that the Department of Energy should conform with what has been the clear expression of the Senate on previously authorized legislation?

Mr. MAGNUSON. And we take care to say—

> Except that the foregoing shall not apply to information collected prior to enactment of this Act where an explicit written commitment was given the Department restricting its distribution from the Department of Justice or the Federal Trade Commission.

Mr. KENNEDY. Mr. President, in 1974 the Congress passed the Energy Supply and Environmental Coordination Act. This act granted extensive powers to Federal energy policymakers—then located in the old Federal Energy Administration—to acquire energy information. The act not only provided authority to gather information, but it also provided a comprehensive scheme for its treatment. It detailed the manner in which confidentiality was to be protected: It provided protection for trade secrets; and it provided for the sharing of the information among other Government agencies and with the Congress.

When the Department of Energy was created all this authority was transferred to the new Department. The new Energy Department, however, attempted to sidestep the information gathering provisions of Energy Supply and Environmental Coordination Act by purporting to gather data pursuant to earlier and less comprehensive authority.

The sole purpose of this side-step was to avoid having to share data with other agencies, particularly the Department of Justice and the Federal Trade Commission.

The Energy Department went this route because it thought that would improve the convenience with which it could gather data. But its main effect has been to force Government agencies to make separate and overlapping requests for data that has already been collected by DOE, and it has thus placed an unnecessary burden on industry. It has recreated the waste, duplication, and inefficiency that section II of the ESECA was designed to prevent.

Last Congress, as chairman of the Antitrust and Monopoly Subcommittee, I held hearings on this question. I was shocked at the poor state of cooperation between the Federal Trade Commission and the Department of Justice on one hand and the Department of Energy on the other. I found the continued failure of the Energy Department to bring its data gathering functions under the comprehensive scheme provided in section II of the ESECA inexcusable and it was even more inexcusable that the reason for the failure was simply to avoid congressional mandated cooperation with other Government agencies.

When the National Energy Act was before the Senate last year, I introduced an amendment similar to that now being offered by the senior Senator from Washington. It would simply have done what the Congress thought it did when it passed the ESECA with section III. This amendment was passed by the Senate but got lost between the cracks in conference.

The Congress is long overdue in correcting this situation. On one hand it is wasteful for business to have to respond to multiple demands for the same data and information. On the other hand it is equally inefficient and illogical for energy companies to be able to treat each Federal agency as if it were a separate Government whose files are immune from reasonable access by other agencies.

This amendment does nothing more than what the Senate has attempted to do on two previous occasions: Put the data gathering functions of DOE into a comprehensive scheme that avoids waste and duplication both by industry and by other Government agencies.

I eliminate those items that have explicit written commitments restricting distribution to FTC and Department of Justice.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, first of all, this is not a new battle. It is a very old and continuing saga. But to represent that this is simply what the Senate has done before on other laws is not entirely accurate.

This battle has been going on, as I said, for a long, long while and this is the only way in which the information can be acquired and the only way in which it can be disseminated and, as a matter of fact, the laws now on the books require and accept quite a range of possibilities for the collection and the use of the data which the Energy Information Agency can require and can obtain.

It is the very fact that there is a range of possibilities under existing law that has led to the offering of this amendment.

Mr. President, it is true that the Energy Committee has held hearings on this. We have held hearings on it. I do not know of any subject that has been debated more extensively in the Energy Committee than this specific subject.

When the Energy Information Agency was created, we carefully wrote into law the results of all that debate and all that deliberation and the Senate approved it.

So if what we want to do is stick with what the Senate has approved, we should reject this amendment, because this is a change from what the Senate has already approved.

The Senate approved it. The House approved it. It came out of the conference and was signed into law by the President. The status quo would not be preserved. It would be changed.

As a matter of fact, I think it does not stretch the imagination to know that if it did not change something, there would be no point in the amendment.

It is always hard to know what the intention of the proponent might be. But it is obvious there can be only one purpose in the amendment, and that is to change what the status quo is.

So we are trying by the amendment to change what the existing fact is, in fact, of a different circumstance that would exist following the adoption of the amendment, if it were adopted.

The Federal Energy Administration Act is the primary vehicle for the information and it does not require the transfer to the FTC, that the Federal Energy Administration Act is incorporated into the DOE Organization Act. All that by action taken by the Congress prior to this.

I yield to the Senator from Washington if he has an inquiry he would like to make.

Mr. MAGNUSON addressed the Chair.

Mr. McCLURE. If he has a question.

Mr. MAGNUSON. No.

Mr. McCLURE. For that purpose.

Mr. MAGNUSON. We are trying to allow freedom of information for our antitrust agencies.

Mr. McCLURE. I appreciate what the Senator says because, of course, it is obvious——

Mr. MAGNUSON. The oil companies give information to the Department of Energy. We believe this same information should be available to our antitrust agencies.

I know what the oil companies are afraid of.

But all this does prevent the oil companies from giving improper information to the American public.

Mr. McCLURE. Mr. President, in answer to the inquiry of the Senator from Washington, let me simply state that I appreciate his statement that it is intended to change existing law and practice. It should not fly under false colors. I think it is intended to change existing law and practice.

The fact of the matter is that in the hearings and in the discussion in the Energy Committee, we very carefully examined whether this kind of provision would enhance the flow of information or whether it would restrict it. The considered opinion of the authorizing committee was that such a provision would restrict the flow of information that was legitimately useful to the Government in administering energy programs because it would immediately make available information which is useful to the Government internally for purposes unrelated to the legitimate request for the information.

It is a little like saying in this instance, "All right, let's open all your income tax files because other agencies of Government would like to look at that information for other reasons."

It is not quite a fair analogy. But the instinctive reaction of many is similar.

Mr. MAGNUSON. Will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. MAGNUSON. The amendment agrees in advance to provide the same protection from public disclosures as provided by the DOE.

The antitrust agencies get the information. But the oil companies get the same protection. That is what the amendment is very careful to provide.

Mr. McCLURE. I say to my friend that there is a great argument that has gone on for years as to what is proprietary information, which it cannot require them to give, that there are all classes of information, some of which they would give voluntarily for one governmental purpose, but which they would not give and should not be required to give for other governmental purposes.

Once we open the process to the kind of information transfer which is suggested by this amendment, we immediately restrict the opportunities for the agencies of government to get the information for other purposes, and we will inhibit the ability of the Department of Energy to get the information through the Federal Energy Information Administration and to use it within the Department of Energy for the energy program evaluation and trust which they desire to have if this is amended.

It is just going to cut off that flow of information. Rather than having more information available to Government, we might well have less information available to Government.

It is that kind of weighting of legitimate public interests that is best handled not in the amendment on the floor in a situation like this, but in the authorizing committee, in hearings and markup that have been conducted day after day after day in the past in the Energy Committee.

It is for that reason that I appear to oppose the amendment.

The Department of Energy has concluded and the Energy Committee has concurred that transfer automatically to the Federal Trade Commission for regulatory purposes would have a significant effect, a chilling effect, on the voluntary compliance with information requests made to the industry that are necessary for research and development, for supply and demand information, and for policy-related information that now, routinely, the Department of Energy requests of energy companies, which is routinely and voluntarily supplied to the Department of Energy, on a voluntary basis.

It is that relationship that this amendment would destroy. It is that relationship which has led the Department of Energy in the past to refuse to comply with the requests or accede to the requests of the Federal Trade Commission for the very information which this amendment would require.

I think the Senator from Washington knows that the Department of Energy is very strongly opposed to this kind of amendment.

I think for us here on the floor of the Senate, with no more opportunity for discussion than we have here today——

Mr. MAGNUSON. Why?

Mr. McCLURE. For the very reason, I say to the Senator from Washington——

Mr. MAGNUSON. They want to keep it all to themselves.

Mr. McCLURE. I say to the Senator from Washington, the Department of Energy is opposed to this amendment for the very reasons I have been giving here.

Mr. MAGNUSON. They want to keep information all for themselves and not inform the public.

Mr. McCLURE. I say to my friend from Washington, he is entirely wrong on that.

The Department of Energy has consistently said under the current Secretary, under the past Secretary, that to adopt this kind of statutory language would inhibit their ability to get the information they need.

It is not so much a matter of helping the FTC as hurting DOE.

If you want to have effective information flowing into DOE in order to get the information they have to have to direct the energy programs of this country, pass this amendment, and you will inhibit that process. That is what the argument is all about.

I do not mean to monopolize the time, and I will be happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would like to get the floor in my own right.

Mr. McCLURE. Before doing that, I would like to make certain that I have enough time to get a colloquy into the RECORD.

Mr. KENNEDY. I will be glad to do that, if I can have 5 minutes.

Mr. President, I ask unanimous consent that the Senator from Idaho be recognized at 5 minutes to 5.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, what is the request?

Mr. KENNEDY. That the Senator from Idaho be recognized at 5 minutes to 5. He is going to yield the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, very briefly, in the final few moments of this discussion, we are not, by this particular amendment, granting to the Federal Trade Commission any new authority that does not already exist. That is important to understand. The way it has been presented here by some of those in opposition to this amendment, it would suggest that we are trying to provide new authority. We are not. We are trying to insure that the law is going to be enforced. We are trying to eliminate some of the redtape.

We hear a great deal on this floor about the duplication of governmental processes. The Federal Trade Commission has certain authority, the Justice Department has certain authority, and the Department of Energy has certain authority, and industry has to respond to all of them.

It is clear under the FEA program adopted in 1974 that "under the provisions of confidential information"—and the purpose of this amendment is not to make information public. It is for law enforcement purposes, to maintain confidentiality, the way the Department of Energy does, but also to consider it from a law enforcement point of view.

It is very clear in the 1974 act that, on the disclosure, upon request, any delegate of the Federal Energy Administration, for the purpose of carrying out this chapter and the Energy Petroleum Allocation Act of 1973, the Attorney General, the Secretary of the Interior, and the Federal Trade Commission—and the Federal Trade Commission.

In the Coal Conversion Act of 1977, I offered an amendment which reads:

> Any energy information acquired, collected and held by the Department of Energy which is subject to the requirements of section 11(d) of the Act of 1974—

That incorporated the language which was accepted on the floor of the Senate of the United States, without debate.

All we are asking here is for the Department of Energy, which has failed to comply with that law since 1974, failed to comply with the law of 1977, to do what the Senate of the United States has required them to do by law for the past 5 years.

Mr. President, it seems to me that if we are going to develop and fashion an energy program and if we are going to expect that the laws are going to be complied with, in order to protect consumers from overcharges and many other violations which have come to the fore, the Magnuson amendment would be an important protection for the consumers.

I fail to see the chilling effect. What is chilling is the fact that the consumers will be chilled this winter because of our failure to take action here in the development of a sensible and responsible energy program.

Mr. President, I hope that the amendment of the Senator from Washington will be accepted, and I urge the Senate to support it.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. STEVENS. Mr. President, is any time remaining on this amendment?

Mr. HUDDLESTON. Yes. We can go to 5 o'clock.

Mr. STEVENS. Mr. President, a parliamentary inquiry. Is there any time on the amendment?

Mr. JOHNSTON. Mr. President, would it be in order at this time to propound a unanimous-consent request with respect to the Magnuson amendment?

Mr. STEVENS. I would like 1 minute on this amendment, if I may.

The PRESIDING OFFICER. The Senator from Alaska has the time.

Mr. STEVENS. I yield myself any time that I have.

The PRESIDING OFFICER. The Senator has 2 minutes and 1 second.

Mr. STEVENS. Mr. President, the problem with this amendment is the perennial problem, and I do not mean to take umbrage with my good friend from Washington. However, we are constantly saying that items such as this should not come up extraneous to the subject matter in the bill that is before us.

I think it is a far-reaching amendment, and obviously the Senator from Massachusetts does not think so. I believe it is an amendment that should be considered at length. It amounts to legislation on an appropriations bill. We have nothing in this bill pertaining to the FTC, nothing pertaining to the Department of Justice. We are not the experts in this area. We are not the people who have dealt with this subject, and I do not believe it should be in this bill.

While I might support it in another context, I cannot support it as the ranking Republican on this subcommittee, because I think these bills are too loaded down with extraneous matters now.

I say that with all due respect for our chairman. It is not a subject that should be brought up on an appropriations bill, particularly one that does not cover the subject matter of the agency involved, which is the FTC in this instance.

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho is recognized.

Mr. DOMENICI. Mr. President, will the Senator yield 1 minute?

Mr. McCLURE. I yield 1 minute to the Senator from New Mexico, without losing my right to the floor.

Mr. DOMENICI. Mr. President, first, I commend the Senator from Idaho for resisting this amendment.

I hope the Senate does not take seriously the argument of the Senator from Massachusetts that this bill is motivated by an intent to cut redtape. This bill is motivated by the fact that the Federal Trade Commission has been unable to get certain information that it wants.

We come here on an appropriations bill and say to a new agency of the Government, which we just set up a few months ago to collect information for the American people, "You are not going to be able to collect that unless you agree to give it to the Federal Trade Commission and the Justice Department, because you won't have any money to spend."

That is not a way to cut redtape. That is the way to use an appropriations bill to get what somebody cannot get through an authorizing committee of the Senate. That is what it is, plain and simple. It is not a matter of cutting redtape. It is a way to supply the Federal Trade Commission with more information, when it does not know what to do with what it is getting.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time I take now not be charged against the Senator from Idaho.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. McCLURE. I yield to the Senator, with that understanding.

Mr. ROBERT C. BYRD. Mr. President, under the order that was entered, Mr. Durkin was permitted to make a point of order against one of the committee amendments, and there was to be a 30-minute limit on that, to be equally divided.

Mr. Durkin and Mr. Johnston have been consulting, and they are willing to forego the point of order, provided the consent order can be modified in such a way as to allow Mr. Johnston to call up an amendment on Thursday, following the disposition of the Javits amendment or the Metzenbaum amendment, whichever happens to be the case at that point, and that before final passage of the bill, Mr. Johnston be permitted to call up an amendment, and that there be a time limitation thereon of 10 minutes, to be equally divided, in accordance with the usual form.

Mr. JOHNSTON. And that no point of order would lie against that amendment.

Mr. ROBERT C. BYRD. And that no point of order would lie against that amendment.

Mr. STEVENS. Mr. President, reserving the right to object—and I do not think I shall object—I will be interested to hear the reason for not having a point of order lie against the amendment.

Originally, the two managers of this bill had time to yield to Senators whom we knew had amendments. I had time that I intended to use to take care of an amendment to be offered by Senator Pressler. He had given us notice that he intended to raise this, but unfortunately, in terms of the discussion as it has developed, I do not have time to yield to Senator Pressler.

Can there be an understanding, if we are going to take care of that amendment which we knew about, that we also can have at least 10 minutes on a side for Senator Pressler.

Mr. ROBERT C. BYRD. I add to my unanimous-consent request the proviso that Mr. Pressler be recognized for not to exceed 10 minutes on an amendment he would call up, immediately following the disposition of the Johnston amendment, and with the understanding that 10 minutes on the Pressler amendment will be allotted to Mr. Huddleston.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Just prior to third reading and final passage on Thursday.

Mr. STEVENS. Did that include the provision with respect to no point of order for the Senator from Louisiana?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. May I have an explanation? Is that to be a substitute for the Senator's entitlements provision in the bill?

Mr. JOHNSTON. Yes. This is to be a substitute. There is presently in the bill a provision which prevents the administration from raising entitlements to above 30 percent on residual or other products, without making it subject to a one-House veto. The same type of provision was in the bill last year. A point of order was raised. The Senate voted with me on the question of germaneness.

So we have precedent for the question of germaneness being settled by the Senate.

Mr. STEVENS. My question really was whether the Senate was going to add to the existing provision. It is a substitute to the existing provision.

Mr. JOHNSTON. It is a substitute to prevent entitlements changed from the 50-percent level.

Mr. STEVENS. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, will the majority leader entertain a question on scheduling?

Mr. ROBERT C. BYRD. Yes, if the Senator from Idaho will yield under the previous condition.

The PRESIDING OFFICER. The Senator from Idaho has the time.

Mr. McCLURE. I yield under the previous condition. That will leave me 4 minutes, I believe.

Mr. DANFORTH. Mr. President, at some point I wish about 5 minutes to engage in a colloquy with the managers of the bill. I am wondering when would be an appropriate time?

Mr. STEVENS. Mr. President, if the Senator will yield to me, it is my understanding under the order we already entered into, although there will be an equivalent of third reading following the series of votes, the colloquies we intend to have on this bill will be in order; is that not correct?

Mr. ROBERT C. BYRD. Mr. President, I make the unanimous-consent request now that following the disposition of the Byrd amendment tonight there be not to exceed up to 30 minutes for colloquies, the time to be equally divided between Mr. Huddleston and Mr. Stevens, but that the remaining part of the order be intact.

Mr. DOMENICI. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Is there objection to the request?

Mr. DOMENICI. Yes, I reserve the right to object. I intend to raise a point of order on this amendment. I believe it is subject to rule XVI.

Nothing in the unanimous-consent request prevents that from happening, does it?

Mr. ROBERT C. BYRD. Nothing prevents that.

Mr. DOMENICI. I have no objection.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. What is before the Senate?

The PRESIDING OFFICER. The amendment by the Senator from Washington is before the Senate.

Mr. MAGNUSON. I yield back the remainder of my time, and the time of 5 p.m. has arrived. There is no more time.

The PRESIDING OFFICER. The Chair will inform the Senator that under the previous unanimous-consent request the Senator from Idaho has 4 remaining minutes on the amendment.

Mr. McCLURE. Mr. President, the point has been raised that this is simply to further what has already been written into the statutes.

Let me just make this point, as we close this debate on this amendment, that there is a duplication of authority with respect to energy information. The FTC has its own authority, but that authority is for regulatory purposes and it is under the statute granting them authority. The Department of Energy has several different authorities to acquire information and several different reasons to acquire information, primarily under the Federal Energy Administration Act. The FEAA was then incorporated into the Department of Energy in the DOE Organic Act.

But I think the thing that is important to remember with the point the Senator from Massachusetts raised is that this is simply to comply with an act passed in 1974. That act was limited in its scope and DOE has been complying with that act to the extent they have information that is required of them that FTC is authorized to require or to get under the 1974 act. DOE is complying with it for the very reason that it is limited in scope.

The conflict arises because DOE has much broader authority than the FTC has; therefore, it looks like DOE is withholding information that is required to be given to the FTC. But it seems to me that it is important for us to remember that the responsibilities of the Department of Energy are substantially different than the responsibilities of the Federal Trade Commission and because of that difference in responsibilities they have been given different authority.

I think it is important for us, also, to remember what DOE does with many of these information requests that they make. They only get a sample, a sample from several different companies but not all of the companies that are involved. The result would be, if they gave it to the FTC, that those who had given that information might find that they are moved against by the FTC while other companies that were not required to give identical information would escape the scrutiny of the FTC. That is another reason why, Mr. President, it seems to me to be wrong for us at this time in this forum on this appropriation measure to seek to change the law that applies to the Department of Energy and not to the Federal Trade Commission.

I think the most important factor to remember in all of this is that because it would have a chilling effect upon the voluntary provision of information DOE would be hampered in its efforts to administer the law which it has the responsibility to administer and the Federal Trade Commission would not be enhanced in its ability to meet its own needs for information. Rather it would simply cripple DOE without helping the Federal Trade Commission.

Mr. President, I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. How much time does the Senator from Idaho have remaining?

The PRESIDING OFFICER. The Senator has 31 seconds remaining.

Mr. DOMENICI. Mr. President, as I indicated, I am going to make a point of order that this amendment is legislation on an appropriation bill under rule XVI, and I really think that the Senate should seriously consider this one.

Obviously when the Senate will not act, when a committee will not have a hearing, when a committee will not take legislative action, we are frequently forced to come down here and legislate on appropriations. But it is eminently clear that the Senate created an information agency and seriously considered this proposal and rejected it. Now to come down here to do it this way——

The PRESIDING OFFICER. The time has expired.

Mr. DOMENICI. I make the point of order that this amendment is out of order under rule XVI.

Mr. KENNEDY. Mr. President, I raise the issue of germaneness.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question of germaneness having been raised, under rule XVI, the Chair submits the question of germaneness to the Senate.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Hawaii (Mr. Inouye), and the Senator from Illinois (Mr. Stevenson), are necessarily absent.

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The yeas and nays resulted—yeas 35, nays 62, as follows:

[Rollcall Vote No. 361 Leg.]

YEAS—35

Baucus
Biden
Bradley
Bumpers
Church
Cranston
Culver
DeConcini
Durkin
Eagleton
Exon
Hart
Hollings
Jackson
Kennedy
Levin
McGovern
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Pell
Pryor
Ribicoff
Riegle
Sarbanes
Sasser
Stewart
Stone
Williams
Zorinsky

NAYS—62

Armstrong
Baker
Bellmon
Bentsen
Boren
Boschwitz
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Ford
Garn
Glenn
Goldwater
Gravel
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Lugar
McClure
Morgan
Nunn
Packwood
Percy
Pressler
Proxmire
Randolph
Roth
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Young

NOT VOTING—3

Bayh
Inouye
Stevenson

The PRESIDING OFFICER (Mr. Baucus). On this vote, 35 Senators voted "yea," and 62 voted "nay." Therefore the amendment is held not to be germane.

The question of germaneness having been decided in the negative, the Chair now holds that the point of order is well taken under rule XVI insofar as it relates to legislation on the appropriation bill.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the question of germaneness was decided.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed, now, for 1 minute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

## ORDER FOR CONSIDERATION OF THE CONFERENCE REPORT ON S. 1030 TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that tomorrow after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of the conference report on S. 1030, the emergency energy conservation bill, that there be a 1-hour time limit on the conference report, overall, on amendments in disagreement, and on motions and/or amendments in relation thereto, the time to be equally divided between the Senator from New Mexico (Mr. Domenici) and the Senator from Washington (Mr. Jackson).

Mr. BAKER. Mr. President, reserving the right to object, the reservation is not to object, but to advise the majority leader, as he knows, that this request is cleared on our side and we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

## DEPARTMENT OF INTERIOR APPROPRIATIONS, 1980

The Senate continued with the consideration of H.R. 4930.

### UP AMENDMENT NO. 654

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment offered by the Senator from Delaware (Mr. Roth).

Mr. ROTH. Mr. President, I ask for the yeas and nays, and ask unanimous consent to proceed for 5 minutes.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, the purpose of my amendment is to provide an efficiency cut——

The PRESIDING OFFICER. There is no time for debate on the amendment.

Mr. ROTH. Mr. President, may I have unanimous consent for 30 seconds?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator have 1 minute, and that the manager of the bill have 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, may we have order, so that we can hear the Senator?

The PRESIDING OFFICER. The Senator's observation is well taken. The Senate is not in order. The Senate will be in order.

Mr. ROTH. Mr. President, my amendment provides a 5-percent efficiency cut in the administrative and regulatory costs of the Department of Energy as provided in this bill. It will save the taxpayers $103 million, and I think would stimulate much needed management reforms in the Department of Energy.

I emphasize that it in no way affects programs for alternate fuels production, but it provides efficiency cuts to make this department more effective and more efficient.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, we oppose the amendment on the basis that what is provided for in the legislation before us is there after long analysis, hearings, committee markup and full committee consideration. We have made cuts every place that we thought we could make cuts.

Mr. HART. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until order is restored. All Senators who wish to converse will please retire from the Chamber. The Senator will not proceed until the Senate is in order.

The Senator from Kentucky may proceed.

Mr. HUDDLESTON. The bill reflects congressional priorities as they have been expressed to us in committee and as expressed by the Members of the Senate here on the floor. The one agency that is singled out by the distinguished Senator from Delaware, the Energy Regulatory Administration, has as one of its major objectives the analysis of all regulations, looking toward eliminating those that are not needed or overly burdensome, or serve no useful purpose.

It also deals with the applications that come from the service stations, applications which allocate the fuels in accordance with the allocation program.

So I do not think we need to make a major attack on that particular agency.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUDDLESTON. If I might continue for 10 seconds, I would indicate that the $19 million we added was in response to a $23 million amended request that came from the President after the House had acted upon this bill and had no opportunity to consider this matter. We oppose the amendment of the Senator from Delaware.

Mr. ROBERT C. BYRD. Mr. President, is this a 10-minute rollcall vote?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROTH. Mr. President, I would point out that as far as the Economic Regulatory Administration is concerned, it represents a 49-percent increase in administrative costs, a 67-percent increase in fuel regulations, and a 44-percent increase for developing new regulations. I think we need less regulation rather than more.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Delaware. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 48, nays 49, as follows:

[Rollcall Vote No. 362 Leg.]

YEAS—48

Armstrong
Baker
Bellmon
Biden
Boren
Boschwitz
Byrd,
Harry F., Jr.
Chafee
Church
Cochran
Cohen
Danforth
Dole
Durenberger
Eagleton
Exon
Garn
Goldwater
Gravel
Hatch
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Long
Lugar
McGovern
Nelson
Nunn
Pell
Pressler
Proxmire
Pryor
Roth
Schweiker
Simpson
Stafford
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NAYS—49

Baucus
Bentsen
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Culver
DeConcini
Domenici
Durkin
Ford
Glenn
Hart
Hatfield
Heflin
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
McClure
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Packwood
Percy
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Stennis
Stevens
Stewart
Tsongas
Williams
Young

NOT VOTING—3

Bayh
Inouye
Stevenson

So Mr. ROTH's amendment (UP No. 654) was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Montana (Mr. MELCHER). (Putting the question).

Mr. MELCHER. Mr. President, I ask unanimous consent for 1 minute to describe the amendment.

I withdraw my request.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was rejected.

● Mr. JEPSEN. Mr. President, I rise in opposition to the Byrd amendment to include $20 billion in the Interior appropriation for synthetic fuels. In the first place, we have not even passed authorizing legislation yet, which means that we are legislating on an appropriations bill in violation of Senate rules. Second, the Finance Committee has not yet completed action on the windfall profits tax bill, meaning that there is no revenue to spend really. Third, these expenditures are not provided for in the budget resolution. And lastly, I am opposed to a crash program to build synthetic fuel plants outside the context of an overall energy supply policy.

I fear that such a program will only waste the taxpayers' money on projects which the market has already rejected because the cost is too high. I much prefer a go-slow policy which carefully weighs the costs and benefits of a synfuel program against the costs and benefits of alternative energy policies, such as accelerated decontrol of oil and gas prices, encouragement of nuclear power, and other options.

Mr. President, I have spoken out on the issue of synthetic fuels before. My position is quite clear. I have nothing against development of synthetic fuels per se. If someone wants to get together their own money and go out and build a synthetic fuel plant it is fine with me. And I would support efforts to streamline the regulation process so that there are no unnecessary burdens placed in the path of synfuel development.

What I am opposed to, however, is Federal subsidies for synfuels, especially when we continue to discourage oil and gas production through price controls and place enormous obstacles in the path of coal and nuclear power production.

It is perfectly clear to me that the reason no one is building synfuel plants on their own is because it is presently impossible to manufacture synthetic oil or gas for less than it can be bought from conventional sources, including OPEC. Those who are such strong supporters of synfuels would have a lot more credibility with me if they put up some of their own money to manufacture synfuels instead of throwing taxpayers' money at it.

I ask unanimous consent that a table be prepared by the Congressional Research Service showing the estimated cost of production for various synthetic fuels. As one can see, the estimated costs for synfuels is far greater than prices currently paid for conventional fuels.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SELECTED SYNFUELS TECHNOLOGIES THAT MIGHT BE COMMERCIALIZED UNDER THE PROPOSED "ENERGY TRUST FUND"[1]

| Technology/Process | Estimated capital cost[2,3] | Plant output | Economic incentives allowed under existing law (July 1979) | Estimated price of product at plant[2,3] |
|---|---|---|---|---|
| A. Oil shale synfuels: | | | | |
| Above ground oil shale processing retort/Tosco, Paraho, Union Oil Co. system. | $2 billion | 50,000 barrels per day | Loan guarantees | $30 to $50 per refined barrel. |
| Multiple mineral oil shale processing/Superior Oil Co. system. | $2 billion | 50,000 barrels per day | Loan guarantees | $25 to $45 per refined barrel. |
| Vertical modified in situ oil shale processing/Occidental Petroleum Corp. | $900 million | 50,000 barrels per day | Loan guarantees | $25 to $45 per refined barrel. |
| B. Coal synfuels: | | | | |
| Hi-Btu coal gasification/Lurgi | $2 to $2.5 billion | 250 million cubic feet of gas | Loan guarantees, joint Federal industry cooperation, investment tax credits for synfuels. | $5 to $8 per mcf at plant gate. |
| Medium-Btu coal gasification/numerous processes available. | $250 million | 75 billion Btu per day | Loan guarantees, cost sharing, investment tax credit for synfuels. | $4.75 to $6.50 per million Btu. |
| Low-Btu coal gasification/numerous processes available. | $4 to $5.5 million | 1 billion Btu per day | Loan guarantees, cost sharing, investment tax credit for synfuels. | $4 per million Btu using $35 per ton coal. |
| Coal liquefication/possibly Fischer Tropsch | $2 to $2.5 billion for a syncrude plant. | 50,000 barrels per day | Loan guarantees, guaranteed prices, purchase of products, investment tax credit for synfuels. | $35 to $50 per refined barrel at plant gate. |

[1] For synfuel technologies, e.g., oil shale processing systems and coal synfuels systems, it is difficult to estimate the project and product costs. Many uncertainties are associated with the economics of technologies that have not yet been commericalized. Economic projections on synfuels technologies are likely to remain uncertain until several plants have operated and produced fuels on a reliable basis for a sufficiently long period of time. Because of these uncertainities, the number presented in this table should be considered to be "best guesses" and are subject to much uncertainty.

[2] All cost and price figures are in 1979 dollars and are assumed to represent costs as of the period of initial operation.

[3] "Best guess" estimates, prepared by Rothberg and Gushee.

Mr. JEPSEN. Mr. President, those who support a crash program to develop synthetic fuels will frequently agree that the per barrel cost of synthetic fuels is uncompetitive but assert that we should move forward anyway because it will reduce our balance-of-trade deficit. In my view, this is an extremely weak argument. In the first place, there is no evidence that a balance-of-trade deficit is the primary cause of the dollar's instability on foreign markets. And second, there is no evidence that oil imports are a factor in the dollar's decline either. Both Germany and Japan import higher percentages of OPEC oil than we do and yet they run balance-of-trade surpluses and have strong currencies and domestic economies. The cause of the dollar problem is that we are flooding the world with dollars. This is why I support the recent actions by the Federal Reserve Board to stem the flow of dollars.

In conclusion, I will just say that I think this is a very bad way to legislate. Throwing $20 billion out there for unnamed synthetic fuel programs today, rather than waiting for an authorization bill, is not going to do anything to speed our Nation on its way to energy independence. It takes many years to build a synthetic fuel plant and it is going to take more than a decade to build enough of them to have a meaningful impact on energy supplies. Under the circumstances and considering the massive amount of dollars we are being asked to consider for synthetic fuels I think it is critical that we move slowly and carefully, lest we squander enormous amounts of money unnecessarily, while possibly foreclosing other cheaper, more effective alternatives.●

● **Mr. DOLE.** Mr. President, the Senator from Kansas realizes the need our country has for developing a domestic synthetic fuels program. We need to break our dependence on OPEC oil while we still can.

Notwithstanding this crucial need, we must not rush to judgments by riding roughshod over the proper legislative mechanisms needed to authorize such a program.

Mr. President, synthetic fuel proposals are now pending before several Senate committees. The Finance Committee, of which I am the ranking minority member, is currently wrestling with the so-called windfall profits tax legislation. This complex issue of taxing energy revenues is directly related many of the issues discussed today.

While these committees are addressing this problem in a reasonable fashion, the distinguished Senator from West Virginia, Mr. Byrd, is asking us to bypass this venerable process and to rush headlong and headstrong into making energy policy through the amendment process on the floor of the Senate.

Mr. President, I do not intend to demean the amendment before us as being frivolous, but I do think it important to address this disturbing process of policy through amendments to unrelated measures.

It is particularly disturbing when a sum as large as $20 billion is at stake.

Mr. President, at a time when the projected Federal budget deficit during fiscal year 1979 is higher than $30 billion, and with the subsequent inflation such a deficit brings, we cannot afford to throw away $20 billion on questionable or for that matter unauthorized energy projects. I am constrained to ask just what are these projects we are funding today? Where are the plans? We have not seen them. I have not seen them and I would conjecture that some of my colleagues have not either. We are being asked to spend $20 billion to buy something which is totally uncertain, unauthorized, and undisclosed.

The Carter administration has treated us to a host of simplistic and hasty "solutions" to the energy crisis. And with each new solution, the American people are told it is the ultimate solution. Recent history has shown this not to be the case. However, 2 years ago, the administration induced us to create the multibillion-dollar Department of Energy—a bureaucratic nightmare which has given us a roadmap to redtape. I am pleased to support the amendment of my able colleague from Delaware, Mr. Roth, which would cut the DOE appropriations by 5 percent. This is the route we should take: Cutting back bureaucratic spending, not adding to it.

Mr. President, the issue is not whether we should develop a synthetic fuels program, but rather who should develop it, and how. Should we have a free market approach or a governmental bureaucratic approach? The Senator from Kansas feels that the free market approach is the only reasonable one, and has voted accordingly in the Finance Committee during deliberations on the windfall profits tax legislation. The so-called Energy Security Corporation, which would be just another Government bureaucracy, poses serious threats to the free enterprise system. The Senator from Kansas must say at this point that I am not totally opposed to some governmental involvement, but it must be peripheral at best. It is this very issue which the Energy Committee is addressing in its present hearings and which the Byrd amendment seeks to avoid by simply appropriating a lump sum of $20 billion; most of this money to be put on the shelf for whatever purpose comes along.

The U.S. Congress and the Federal Government are establishing their biggest accumulation of power in decades, all in the guise of producing more energy. First we had the Department of Energy, then we had the Energy Mobilization Board and today we have an alternative fuels program with no substance.

Furthermore, Mr. President, the issue of adequate incentives and capital formation necessary for private business to develop new synfuels is very complex and is not being addressed by this amendment to the Interior bill.

Mr. President, the Senator from Kansas is concerned that this amendment could set a dangerous precedent, by sanctifying the principle of "appropriating before authorizing." Yesterday's vote on the question of germaneness, was close enough to raise serious questions as to whether we should be considering this amendment at all today. However, we feel about the question of germaneness, that it is not the real issue. The real issue is whether we should adopt a dangerous precedent of "appropriating before authorizing." Let no man say that the slogan "energy now" should obliterate the question of "at what price?" Let no one think that waving the magic wand of Federal expenditure will produce instant energy. This approach may produce nothing more than a mountain of redtape, coupled with additional requests for funds to unravel the tape.

There are those who argue that this proposed $20 billion is not an "expenditure" but rather an "investment." But the Senator from Kansas is once again constrained to ask, "an investment in what?" We simply do not know yet. Recent disclosures of massive wastage of Federal money by the GSA, HEW, the Department of Energy and other Federal bureaucracies raise serious questions about the intelligence and integrity and wisdom of injecting newly appropriated funds into the Department of Energy account.

Arguing that our voting to appropriate these funds is a serious "commitment" by the U.S. Congress, is clouding the issue. We must be shown evidence that this money will be spent on projects based on sound technology, not the mere pipe dreams and fantasies of some DOE bureaucrat. We need to act on the total energy question, but we need to act responsibly on a comprehensive synfuels program, including the proper tax incentives, and private sector initiatives which when combined will produce energy on a cost-effective basis.

The administration would have us believe that creating new bureaucracies, inventing new names for them, and appropriating more Federal money will produce "energy now." But the point is that Mr. Carter has consistently failed to address himself to the main cause of our energy crisis—OPEC.●

**The PRESIDING OFFICER.** The question now recurs on agreeing to the amendment of the Senator from West Virginia (Mr. Robert C. Byrd). The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

**Mr. CRANSTON.** I announce that the Senator from Indiana (Mr. Bayh), the Senator from Hawaii (Mr. Inouye), and the Senator from Illinois (Mr. Stevenson) are necessarily absent

**The PRESIDING OFFICER** (Mr. Leahy). Have all Senators who wish to vote voted?

The result was announced—yeas 59, nays 38, as follows:

[Rollcall Vote No. 363 Leg.]

YEAS—59

Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Danforth
DeConcini
Domenici
Durkin
Eagleton
Exon
Ford
Glenn
Heflin
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Levin
Long
Magnuson
Matsunaga
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tsongas
Warner
Williams
Young
Zorinsky

NAYS—38

Armstrong
Boschwitz
Bumpers
Byrd,
Harry F., Jr.
Chafee
Cochran
Cohen
Culver
Dole
Durenberger
Garn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Leahy
Lugar
McClure
McGovern
Mathias
Percy
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stafford
Tower
Wallop
Weicker

NOT VOTING—3

Bayh
Inouye
Stevenson

So the amendment of the Senator from West Virginia (UP No. 642), as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, as a member of the Interior Subcommittee, I think it appropriate to rise in support of H.R. 4930, especially in view of the difficulties we have had this year not the least of which has been having to deal with a complex myriad of legislative proposals in the synfuels area.

I was especially pleased that the committee saw fit to hold hearings in August in response to extreme unrest in the West resulting from grazing reductions and other land and resource management actions that are adversely affecting many citizens and especially small ranchers. I wish to commend the subcommittee chairman for his extreme patience and understanding of our difficulties and I think it is a tribute to his fairness and his unfailing courtesy that he allowed these hearings to be held on such short notice. The activities which occurred out West in August contributed much to the committee's records regarding the so-called "sagebrush rebellion" which has occurred there and the committee has followed up by taking action which should do much to mitigate the difficulties that exist.

Under the circumstances I think this committee has come to the floor with a bill which we can all be very proud of. Although we are some $15.5 billion over appropriations for fiscal year 1979, it is significant to note that we would be well below funding for fiscal year 1979 if it were not for the need to fund a synfuels effort.

Finally, I think it appropriate to extend a special commendation to our ranking minority member, TED STEVENS, who along with the subcommittee chairman deserve the highest praise for their responsiveness to the requests and needs of all subcommittee members and indeed all members of the Senate, of which there are many who are concerned with this bill.

### WILSON'S CREEK FUNDING

Mr. DANFORTH. Mr. President, funding for the completion of Wilson's Creek National Battlefield project was reduced from $1,395,000 to $462,000 by the Senate Appropriations Committee, due to the last minute request of the Department of the Interior. This money has been transferred to another project without explanation, even though full funding is provided by the House.

In 1960, President Eisenhower signed the bill designating Wilson's Creek Battlefield a National Battlefield, and its completion has been a principal goal in Southern Missouri for more than 30 years.

Phase I, for which $1.6 million already has been appropriated, includes maintenance facilities; water and sewage plants; road relocation; an entrance road and parking; and a picnic area. Phase I has been put to bid, and the low bidder is a Springfield, Mo. contractor, Luther L. Essary Construction Company. The Denver Service Center of the National Park Service is awaiting receipt of the contractor's performance bond to award the contract on phase I of the project.

The original appropriation request of the Department of the Interior for phase II of the project was $1.395 million. This phase includes the construction of a solar powered visitors center. The plans and specifications for phase II are currently scheduled to leave the offices of the contract engineers in Kansas City, Mo. for the Denver Service Center, where they will be reviewed, and a bidding document developed. Phase II could be put to bid late this fall, and a contract awarded by December 1, 1979.

The proposed reduction of funding for phase II of the Wilson's Creek Battlefield Project is unfortunate. More than half of the total funding for the project is already committed. The administration has provided no explanation for its change to the original budget recommendation. The Federal Government has been interested in Wilson's Creek Battlefield since the late 1800's, and various historical groups in Missouri have persevered for more than 30 years in their efforts to obtain Federal funding for this project.

It is not my intention to seek to add funds to this bill, nor do I want to get into an argument over project reductions on other projects to make room for this project. What I would like is the assurance of the managers of the bill that in conference they will take a careful look at the merits of this project with an eye toward retaining the level of funding provided for in the House version of this bill.

Mr. STEVENS. Mr. President, I know my good friend from West Virginia, the chairman of our subcommittee, is here, but the Senator from Kentucky (Mr. HUDDLESTON) and I have handled this portion of the bill, and what the Senator from Missouri states is correct. Long after the budget was submitted the Department requested us to change the money allocated within the Park Service construction account, as the Senator from Missouri has indicated.

There was no implied lack of support for the project he mentions. It was just that the Park Service had a priority item that they sent up, and rather than get additional clearance for funds, they asked us, in effect, to reprogram right in the bill for a more pressing need somewhere in Massachusetts—Lowell, Mass., I recall, and it was done.

I assure the Senator, and Senator HUDDLESTON has asked me to assure the Senator, that the matter will be in conference. We will give every consideration to the original priority that was set for us in the budget and we are hopeful we will be able to follow the Senator's request and restore the money.

Mr. DANFORTH. I very much appreciate the assurance of the Senator from Alaska.

Mr. STEVENS. Mr. President, to my knowledge, the other colloquies that were to be considered at this time have previously have been considered and are a matter of record, and I know of no other requests, either to the Senator from Kentucky or to me for time on the bill, and unless there is a request for time on the bill itself I yield back on behalf of the Senator from Kentucky and myself the remainder of the time on the Interior appropriation bill.

Mr. McCLURE. Would the Senator from West Virginia, Mr. BYRD, yield for the purpose of clarifying a point relating to the Interior Appropriations Bill Report No. 96–363.

Mr. ROBERT C. BYRD. I would be happy to yield for that purpose.

Mr. McCLURE. I thank the Senator. I call to the attention of the members of the Interior Subcommittee of the Senate Appropriations Committee the language on page 38 of Report No. 96–363 relating to the helium fund.

At the Appropriations Committee markup of the fiscal year 1980 Interior bill on October 11, the committee accepted my report language on the helium fund. Unfortunately, there is a mistake in the language as it appears in this committee report.

The language which the committee adopted reads as follows:

The committee recommends the rescission of $47,500,000 in contract authority for helium purchases provided annually by permanent legislation. Under present Federal policy this authority is not being exercised since current Federal reserves are deemed to be adequate for immediate Federal requirements. There will, however, be an increasing need for helium for advanced energy technologies beginning in the time period 1990–2000, with shortages of helium beginning sometime in the 21st century. The appropriate authorizing committee should review the existing helium conservation program with emphasis on meeting future national helium needs. Expenditures of billions of tax dollars for energy research and development programs could be wasted for lack of helium. It is critical that the Congress not foreclose any potential solution to our energy problem because of a lack of foresight with respect to this critical element.

Mr. ROBERT C. BYRD. The Senator is correct. That is the language which was accepted by the Appropriations Committee. Mr. President, let the record show that this was the language adopted by the Appropriations Committee relating to the helium fund, as directed in Report No. 96–363.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I wish to call the attention of the floor managers of the bill to the provision that funds the design of two desalting demonstration plants, under the Office of Water Research and Technology. This is the program authorized by section 2 of Public Law 95–84, as amended by Public Law 95–467. Page 12 of the committee report states that the money included in this bill will accelerate design of the two selected plants—one at Virginia Beach, Va., and one at Alamogordo, N. Mex.

While I am disappointed that the committee did not recommend the House figure of nearly $1.2 million for this program, I recognize the need for restraining spending, together with the likelihood that funds over and above the committee's recommendation of $814,000, could not be spent in fiscal year 1980.

Because of the great importance that a national program to demonstrate effective desalting techniques offers as a way to expand national supplies of usable water, I appreciate the consideration and high priority given to the desalting demonstration program by the committee. In that context, I would like to ask several questions of the floor manager.

First, is it accurate that the sums included in the bill for desalting demonstration plants—$814,000—are expected to complete all the preconstruction work for both the Alamogordo and Virginia Beach plants, and that this pre-construction work is expected to be completed in fiscal year 1980?

Mr. ROBERT C. BYRD. Yes, that is correct.

Mr. DOMENICI. Is it also correct that it is the committee's intent that the Office of Water Research and Technology shall submit to the Congress, at the earliest date possible, the required report on the proposed projects, and that this submission must not be delayed or used as a hostage to discussions over cost-sharing or other proposed changes in the existing law?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. DOMENICI. Finally, is it correct that the committee intends to go forward in fiscal year 1981 with the construction of these two plants, presuming no major technical difficulties, and that construction is expected to be funded?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. DOMENICI. I thank the distinguished majority leader and floor manager for this bill, Mr. ROBERT C. BYRD, for the great work and attention that he and the ranking minority member on the subcommittee, Mr. STEVENS, are giving to this program.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

Mr. DANFORTH. Mr. President, reserving the right to object, it was my understanding that we would have some period of time to proceed on this bill with colloquy. Am I mistaken?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. President, I ask unanimous consent that the period for routine morning business be 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AUTHORITY FOR ANNUAL RATES OF COMPENSATION OF EMPLOYEES OF THE SENATE UNDER CONTINUING RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, for the RECORD, I am submitting the order of the President pro tempore of the Senate effecting the authority for annual rates of compensation of employees of the Senate under the recently-enacted continuing resolution.

The order follows:

ORDER

U.S. SENATE,
*Office of the President pro tempore.*

By virtue of the authority vested in me by section 4 of the Federal Pay Comparability Act of 1970, it is hereby—

*Ordered,*

### CONVERSION TO NEW MULTIPLE

SECTION 1. (a) Except as otherwise specified in this Order or unless an annual rate of compensation of an employee whose compensation is disbursed by the Secretary of the Senate is adjusted in accordance with the provisions of this Order, the annual rate of compensation of each employee whose compensation is disbursed by the Secretary of the Senate is adjusted to that multiple of $202 which is nearest to but not less than the rate such employee was receiving on October 1, 1979, immediately prior to the application of this Order.

(b) For purposes of this Order—

(1) "employee" includes an officer other than a United States Senator and other than the Senate Legal Counsel and Deputy Senate Legal Counsel); and

(2) "annual rate of compensation" does not include longevity compensation authorized by section 106 of the Legislative Branch Appropriation Act, 1963, as amended, merit compensation authorized by section 109 of the Legislative Branch Appropriation Act, 1979, or any other additional compensation that may hereafter be authorized by law.

### RATE INCREASES FOR SPECIFIED POSITIONS

SEC. 2. The annual rates of compensation of the Secretary of the Senate, the Sergeant at Arms and Doorkeeper, and the Legislative Counsel (as such rates were increased by prior orders of the President pro tempore) are further increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202. Notwithstanding the provisions of this subsection, an individual occupying a position whose annual rate of compensation is determined under this subsection shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate in excess of either of the following: (1) the annual rate in effect for positions in level III of the Executive Schedule under section 5314 of title 5, United States Code, or (2) an annual rate of compensation which is $1,000 less than the annual rate of compensation of Senators.

(b) The annual rates of compensation of the Secretary for the Majority and the Secretary for the Minority (as such rates were increased by prior orders of the President pro tempore) are further increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202. Notwithstanding the provisions of this subsection, an individual occupying a position whose annual rate of compensation is determined under this subsection shall not be paid at any time, by reason of the promulgation of this order, at an annual rate of compensation in excess of $500 less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in subsection (a) of this section.

(c) The annual rates of compensation of the five Senior Counsels in the Office of the Legislative Counsel and the maximum annual rates of compensation of the Assistant Secretary of the Senate, the Parliamentarian, the Financial Clerk, the Assistant to the Majority Leader for Floor Operations, and the Assistant to the Minority Leader for Floor Operations (as such rates were increased by prior orders of the President pro tempore) are further increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202. Notwithstanding the provisions of this subsection, an individual occupying a position whose annual rate of compensation is determined under this subsection shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of $1,000 less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in subsection (a) of this section.

(d) (1) The maximum annual rate of compensation of the Director of the Office of Classified National Security Information in the Office of the Secretary of the Senate (as such rate was increased by the prior order of the President pro tempore) is further increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202. Notwithstanding the provisions of this paragraph, an individual occupying the position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this order, at an annual rate of compensation in excess of the next lowest multiple of $202 which is at least $2,000 less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in subsection (a) of this section.

(2) The maximum annual rate of compensation of the Special Deputy to the Federal Elections Commission in the Office of the Secretary of the Senate (as such rate was increased by prior orders of the President pro tempore) is further increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202. Notwithstanding the provisions of this paragraph, an individual occupying the position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of the next lowest multiple of $202 which is at least $2,500 less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in subsection (a) of this section.

(3) The maximum annual rates of compensation of the seven Reporters of Debates in the Office of the Secretary of the Senate (as such rates were increased by prior orders of the President pro tempore) are further increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of the next lowest multiple of $202 which is at least $4,300 less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in subsection (a) of this section.

(4) The maximum annual rates of compensation of the Legislative Clerk (as long as that position is occupied by the present incumbent) and the Assistant Parliamentarian in the Office of the Secretary of the Senate are increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202. Notwithstanding the provisions of this paragraph, an individual occupying a position whose annual rate of compensation is determined under this paragraph shall not be paid at any time, by reason of the promulgation of this Order, at an annual rate of compensation in excess of the next lowest multiple of $202 which is at least $5,100 less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in subsection (a) of this section.

### CHAPLAIN'S OFFICE

SEC. 3. The annual rate of compensation of the Chaplain and the maximum annual rate of compensation for the position of secretary to the Chaplain are increased by 6.87

percent and, as so increased, adjusted to the next higher multiple of $202.

### OFFICES OF THE SENATE

SEC. 4. (a) The maximum annual rates of compensation for positions or classes of positions (other than those positions referred to in sections 2 (c) and (d) of this Order) under the jurisdiction of the Secretary of the Senate and the Sergeant at Arms and Doorkeeper are increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202.

(b) The following individuals are authorized to increase the annual rates of compensation of the employees specified by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202.

(1) the Vice President, for any employee under his jurisdiction;

(2) the President pro tempore, for any employee under his jurisdiction;

(3) the Majority Leader, the Minority Leader, the Majority Whip, and the Minority Whip, for any employee under their respective jurisdictions;

(4) the Majority Leader and the Minority Leader, for the Assistant to the Majority Leader for Floor Operations and the Assistant to the Minority Leader for Floor Operations, respectively (subject to the provisions of section 2(c) of this Order);

(5) the Secretary of the Conference of the Majority and the Secretary of the Conference of the Minority, for any employee under their respective jurisdictions;

(6) the Secretary of the Senate, for any employee under his jurisdiction (subject to the provisions of sections 2 (c) and (d) of this Order);

(7) the Sergeant at Arms and Doorkeeper, for any employee under his jurisdiction;

(8) the Chaplain, for his secretary;

(9) the Legislative Counsel, subject to the approval of the President pro tempore, for any employee under his jurisdiction (other than the five Senior Counsels);

(10) the Senate Legal Counsel, for any employee under his jurisdiction (subject to the provisions of section 701(b) of the Ethics in Government Act of 1978).

(11) the Secretary for the Majority and the Secretary for the Minority, for any employee under their respective jurisdictions; and

(12) the Capitol Guide Board, for the Chief Guide, the Deputy Chief Guide, the Assistant Chief Guide, and the Guides of the Capitol Guide Service.

(c) The limitation on the rate per hour per person provided by applicable law immediately prior to October 1, 1979, with respect to the folding of speeches and pamphlets for the Senate, is increased by 6.87 percent. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(d) The limitations on the gross compensation which may be paid during a fiscal year to employees in the Offices of the President pro tempore, the Majority Leader, the Minority Leader, the Majority Whip, the Minority Whip, the Secretary of the Conference of the Majority, the Secretary of the Conference of the Minority, the Secretary for the Majority, and the Secretary for the Minority are each increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202.

### COMMITTEE STAFFS

SEC. 5. (a) Subject to the provisions of section 105 of the Legislative Branch Appropriation Act, 1968, as amended, (as modified by this Order) and the other provisions of this Order, the chairman of any standing, special, or select committee of the Senate (including the majority and minority policy committees and the conference majority and conference minority of the Senate), and the chairman of any joint committee of the Congress whose funds are disbursed by the Secretary of the Senate, are each authorized to increase the annual rate of compensation of any employee of the committee, or any subcommittee thereof, of which he is chairman, by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202.

(b) (1) The figures "$22,302" and "$33,642" appearing in section 105(e) of the Legislative Branch Appropriation Act, 1976, amended, (as provided in section 5(b) (1) of the Order of the President pro tempore of October 9, 1978) shall be deemed to refer to the figures "$23,836" and "$35,956", respectively.

(2) The maximum annual rates of "$55,944", "$58,212", and "$61,425" appearing in such section 105(e) (as provided in section 5(b) (2) of such Order of October 9, 1978) are each further increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202, and shall be deemed to refer to the figures "$59,792", "$62,216", and "$65,650", respectively.

(3) Notwithstanding the provisions of paragraph (2) of this subsection, any individual occupying a position on the staff of a standing committee of the Senate or the majority or minority policy committee of the Senate to which any such rate applies shall not be paid at any time at an annual rate in excess of the next lowest multiple of $202 which is at least $5,900, $4,600, and $2,000, respectively, less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in section 2(a) of this Order.

(4) Notwithstanding the provisions of paragraph (2) of this subsection, any individual occupying a position on the staff of any special or select committee of the Senate or the conference majority or conference minority of the Senate to which any such rate applies shall not be paid at any time at an annual rate in excess of the next lowest multiple of $202 which is at least $5,900, $4,600 and $2,500, respectively, less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in section 2(a) of this order.

(5) Notwithstanding the provisions of paragraph (2) of this subsection, any individual occupying a position on the staff of any joint committee of the Congress whose funds are disbursed by the Secretary of the Senate to which any such rate applies shall not be paid at any time at an annual rate in excess of the next lowest multiple of $202 which is at least $5,900, $4,800, and $2,900, respectively, less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in section 2(a) of this order.

### SENATORS' OFFICES

SEC. 6. (a) Subject to the provisions of section 105 of the Legislative Branch Appropriation Act, 1968, as amended, (as modified by this Order) and the other provisions of this Order, each Senator is authorized to increase the annual rate of compensation of any employee in his office by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202.

(b) The table contained in section 105(d) (1) of such Act shall be deemed to read as follows:

"$543,178 if the population of his State is less than 2,000,000;

"$558,934 if such population is 2,000,000 but less than 3,000,000;

"$596,910 if such population is 3,000,000 but less than 4,000,000;

"$645,794 if such population is 4,000,000 but less than 5,000,000;

"$685,790 if such population is 5,000,000 but less than 7,000,000;

"$727,806 if such population is 7,000,000 but less than 8,000,000;

"$750,026 if such population is 8,000,000 but less than 9,000,000;

"$773,458 if such population is 9,000,000 but less than 10,000,000;

"$808,606 if such population is 10,000,000 but less than 11,000,000;

"$854,662 if such population is 11,000,000 but less than 12,000,000;

"$889,810 if such population is 12,000,000 but less than 13,000,000;

"$934,654 if such population is 13,000,000 but less than 15,000,000;

"$979,498 if such population is 15,000,000 but less than 17,000,000;

"$1,024,342 if such population is 17,000,000 but less than 19,000,000;

"$1,057,874 if such population is 19,000,000 but less than 21,000,000;

"$1,091,406 if such population is 21,000,000 or more.".

(c) (1) The second sentence of section 105 (d) (2) of such Act (as modified by prior orders of the President pro tempore) is further modified to read as follows: "The salary of an employee in a Senator's office shall not be fixed under this paragraph at a rate less than $1,010 per annum or in excess of $32,926 per annum except that (i) the salaries of three employees may be fixed at rates of not more than the rate referred to in subsection (e) (1), (ii) the salaries of five employees may be fixed at rates of not more than $57,974 per annum, and (iii) the salary of one employee may be fixed at a rate of not more than $60,600 per annum.".

(2) Notwithstanding the modification made by paragraph (1) of this subsection, any individual occupying a position to which a rate referred to in clause (i), (ii), or (iii) of such modification applies shall not be paid at any time at an annual rate in excess of the next lowest multiple of $202 which is at least $5,900, $5,400, and $2,500, respectively, less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in section 2(a) of this Order.

(d) The figures "$157,626" and "$52,542" appearing in subsections (a), (b) (1), and (b) (2) of section 111 of the Legislative Branch Appropriation Act, 1978, as amended, (as provided in section 6(d) of the Order of the President pro tempore of October 9, 1978) shall be deemed to refer to the figures "$168,468" and "$56,156", respectively.

### GENERAL LIMITATION

SEC. 7. (a) The figure "$1,134" appearing in section 105(f) of the Legislative Branch Appropriation Act, 1968, as amended, (as provided in section 7(a) of the Order of the President pro tempore of October 9, 1978) shall be deemed to refer to the figure "$1,010".

(b) (1) The maximum annual rate of compensation of "$61,425" appearing in such section (as provided in section 7(b) (1) of such Order of October 9, 1978) is further increased by 6.87 percent and, as so increased, adjusted to the next higher multiple of $202, and shall be deemed to refer to the figure "$65,650".

(2) Notwithstanding the provisions of paragraph (1) of this subsection, any individual occupying a position to which such rate applies shall not be paid at any time at an annual rate in excess of the next lowest multiple of $202 which is at least $2,500 less than the annual rate of compensation which is now or may hereafter be in effect for those positions referred to in section 2(a) of this Order.

### NOTIFYING DISBURSING OFFICE OF INCREASES

SEC. 8. In order for an employee to receive the increase in his annual rate of compensation pursuant to section 4, 5, or 6, the individual designated to authorize such increase for that employee shall notify the Disbursing Office of the Senate in writing that he authorizes such increase for that employee and the date on which such increase is to be effective. Such increase shall become effective as provided in section 105 (a) (2) of the Legislative Branch Appropriation Act, 1968, except that (1) if the notice required by the preceding sentence is given within five days (not counting Saturdays, Sundays, or holidays) after the date on which this Order is issued, such increase may become effective on or after October 1, 1979, and (2) in the case of an employee holding a position the maximum rate of compensation which was limited during the fiscal year 1979 by section 304 of the Legislative Branch Appropriations Act, 1979, if the notice required by the preceding sentence is given within five days (not counting Saturdays, Sundays, or holidays) after the date of enactment of a law which limits such maximum rate during the fiscal year 1980, such increase may become effective on and after October 1, 1979.

DUAL COMPENSATION

SEC. 9. The figure "$12,480" contained in section 5533 (c) (1) of title 5, United States Code (as provided in section 9 of the Order of the President pro tempore of October 9, 1978) shall be deemed to refer to the figure "$13,337".

EFFECTIVE DATE

SEC. 10. Sections 1-9 of this Order are effective October 1, 1979.

## REGARDING TRADE WITH THE PEOPLE'S REPUBLIC OF CHINA

Mr. HOLLINGS. Mr. President, I understand that the administration is today submitting its most-favored-nation trade agreement with the People's Republic of China. This submittal greatly complicates our country's ability to reach a bilateral textile agreement with the PRC. Further, it is contrary to what we were led to expect during the discussions surrounding the formulation and implementation of the so-called administration white paper on textiles.

Negotiations to achieve a textile bilateral with the People's Republic have thus far yielded nothing. Another round of talks between American and Chinese negotiators will take place in Washington within weeks, but there is no sign of breakthrough and no indication that the Chinese will be any more forthcoming than they were in the earlier discussions.

Meanwhile, PRC textile-apparel goods continue to pour into the United States. In shirts, the Chinese have already filled the quota which the administration imposed on a few categories earlier this year, and the PRC can ship no more shirts into the United States until next May.

That kind of pressure on the Chinese was welcome, and I have always advocated that we take unilateral action against a larger number of categories. The Chinese would understand that, and I think it would facilitate the conclusion of a bilateral agreement covering the whole textile-apparel trade area—in addition to stemming the import tide.

I thought we were all marching in tune on this one. When Secretary of Commerce Kreps went to China earlier this year, I am told that she stressed to the PRC officials that submittal of the most-favored-nation agreement depended upon conclusion of a satisfactory bilateral. Ambassador Strauss reportedly made the same kind of representations to the Chinese when he went to Peking. In fact, every sign, signal, and representation which was given by the administration was that they would press and press hard on this matter.

Now we are caving in. Here comes the administration today, submitting the most-favored-nation agreement, and thereby telling the PRC not to worry, they can eat their cake and have it too. I have always thought that when we go into an important negotiation, we should make use of the leverage and tools available so as to maximize our own position. We had the leverage because we could hold up the one agreement in order to encourage a textile bilateral. And we had the tools to move things along with a wider application of unilateral action against surging Chinese imports.

The Chinese really want this most-favored-nation treatment. It means better trade terms for them, and diplomatically it puts them one up on the Soviet Union. If we press them hard enough, my guess is that they would give concessions elsewhere to achieve their goal—and by elsewhere, I mean textiles. Instead, we now give away the store right on the eve of the new textile talks, and we tell them there is no longer any requirement to reach a bilateral textile agreement. We give them most-favored-nation treatment on a silver platter, and in return they will inundate us with textiles and gobble up American textile jobs. The Chinese have the capacity to deal our textile industry a devastating, perhaps a fatal, blow.

I do not like this kind of odd-day, even-day approach to government. I do not like one day's representation to become the next day's discard. And I especially do not like it when at stake is the largest manufacturing industry in the United States—textiles and apparel. I have expressed my concern to President Carter, and I am today reiterating to my colleagues in Congress the need to hold up on most-favored-nation until we have a textile agreement.

We are not asking the impossible of the administration. All we ask is that we use the tools we have to persuade the Chinese that we mean business and that a bilateral textile agreement is urgently necessary. With some good standup, toe-to-toe negotiating, we could have wrapped one up a long time ago. I think it can still be done, but it requires that we in the Congress make it clear that MFN for the Chinese hinges upon their willingness to make an agreement on textiles.

## THE ROLE OF THE SENATE LEGAL COUNSEL

Mr. RIBICOFF. Mr. President, in a pending suit by Senator GOLDWATER and 24 other Members of Congress concerning the revocation of the Mutual Defense Treaty with Taiwan, counsel for the Government have raised a question about the intent of the statute enacted last year establishing the Office of Senate Legal Counsel.

In civil action No. 78-2412, the district court has recently asked parties to comment on the legal and procedural effect of a Presidential message to the Senate requesting approval of the notice of termination of the defense treaty with Taiwan. In its response, the Justice Department suggests that the court should take into account the failure of the Senate to direct its Office of Senate Legal Counsel to appear in this case.

Mr. President, if the Justice Department is successful, the courts may be led to draw unwarranted conclusions from the fact that the Senate has not directed its counsel to participate. This could seriously undermine the ability of any Senator to bring a suit on his own in situations where the Senate as a whole does not authorize the Senate Legal Counsel to appear in support of such suit.

Without commenting in any way on the merits of this particular case, I want to assure the Senate, as the chief author and floor manager of the provision establishing the Senate Legal Counsel, that the Justice Department's position is not consistent with my understanding of the intent of this legislation.

The interpretation proposed by the Government would have a detrimental effect on the ability of individual Senators to pursue their own legal actions. It would make the ability of an individual Senator to bring a case dependent on what action, if any, the full Senate authorized the Legal Counsel to take. Such a result would be very unfair to the individual Senator. As one fully familiar with the history of this legislation I can assure the Senate that this is not the intent of the law.

The Senate report confirms that the Senate, by establishing the Office of the Senate Legal Counsel, never intended thereby to reduce the ability of an individual Senator to pursue a suit on his own. The legislative history emphasizes that the possibility of involvement by the Senate Legal Counsel was seen as enhancing, not excluding or injuring, the continuing ability of individual Senators to bring a legal action. The Senate Report (S. Rept. No. 95-170) states on page 40:

> The bill enhances the ability of a Member of Congress acting as an individual to bring any kind of civil action arising out of the performance of official duties he or she might desire to bring. The Counsel may advise, consult, and cooperate with such individual with respect to retaining private counsel although the counsel may not represent such Member. The title preserves the ability of a Member to intervene or appear as amicus curiae in a legal proceeding, even when the Congressional Legal Counsel is already appearing on behalf of Congress and even if the Member is taking a different position from that taken by the Congressional Legal Counsel. The Counsel will also assist individual members by making relevant legal research materials available to them.

The interpretation urged by the Justice Department also distorts the purpose of the legislation because it denies the Senate as a whole the opportunity to stay neutral in any particular litigation. If the Justice Department interpretation is correct, whenever the Senate Legal Counsel did not appear, for whatever reason, the Senate would in effect be placed on record in opposition to the Senators bringing the suit, and in opposition to any other party whose legal position was in support of the constitutional powers of the Senate. The Senate could avoid this implication only by authorizing an appearance by the Senate Legal Counsel in each case, whether the Senate wanted to get involved or not. The Senate would no longer have the option of simply not considering the matter, for such inaction would be incorrectly interpreted as a decision against the Senators. And the opportunity of the Senate to vote against Senate participation after full consideration would also be reduced since any negative vote, for whatever reasons, would be interpreted as opposition to the suit of the Senators.

The provisions of the statute and its legislative history make it clear that the Senate never intended to pass a statute which would so limit the flexibility and discretion of the Senate, and its ability to stay out of cases brought by individual Senators.

Sections 703 and 706 provide that the Senate Legal Counsel may intervene in any suit which places in issue the powers and responsibilities of the Congress under the Constitution, but only if directed to do so by the full Senate. Section 706 (b) requires the Legal Council to notify Senators of the existence of legal proceedings only if he first determines involvement by the Senate would be in the interest of the Senate. The notice must describe the reasons why the Legal Counsel thinks the Senate should act. The procedure then leaves the decision whether to approve action by the Legal Counsel entirely within the discretion of the Senate Leadership Committee and the Senate. Nothing requires the Senate to even consider the matter.

Nothing in section 709 of the statute, cited by the Justice Department in support of their position, is to the contrary. Section 709 sets forth certain substantive legal positions which the Senate Legal Counsel must take if he is performing representational duties authorized under other sections of the statute. Section 709, despite the Justice Department's assertion otherwise, does not define when the Senate Legal Counsel should become involved in a legal matter, but only how the Legal Counsel must conduct himself once becoming involved in a case.

No adverse inference concerning any aspect of the case should necessarily be drawn from the fact that the Senate chooses not to participate in a proceeding, for it may choose to do nothing for any number of reasons, including limited resources, or a feeling that the position of the Senate is already being adequately protected, or a simple desire to stay neutral on the issue. The Senate report emphasizes that the failure of the Senate to appear in a case may be necessarily based on opposition to the position taken by the Senator bringing the suit, but rather on the fact that—

> The plaintiff is already defending the powers and responsibilities of Congress and intervention by Congress will not increase the likelihood that the court will broadly construe these powers and responsibilities . . . (pp. 97–98).

The legislation thus preserves for the Senate three different options whenever a suit arises that might affect the constitutional powers of Congress.

The Senate can vote affirmatively to participate in the suit through the Legal Counsel. The Senate can decide, through an actual vote, against participation. But as a third option, the provisions of the law allow the Senate to avoid taking any position simply by no steps being taken to bring the matter before the full Senate for its consideration and vote. This option fully preserves the right of the Senate, through inaction, to avoid affecting in any way how a case is decided. Given the possibly large number of cases that may touch on the powers and responsibilities of the Congress, this third alternative is as important a one for the Senate as the other two.

The interpretation proposed by the Justice Department ignores the fact that the law so preserves for the Senate the option of not taking any position in a suit involving the constitutional powers of Congress. It ignores the fact that the law allows the Senate to do so by simply not taking any steps to authorize the appearance of the Senate Legal Counsel in the proceeding. Because it ignores these facts, the position of the Justice Department misinterprets the basic nature and purpose of the legislation providing for the Senate Legal Counsel.

### THE SENATE LEGAL COUNSEL: CONGRESSIONAL INTENT

Mr. PERCY. Mr. President, as the ranking minority member of the Governmental Affairs Committee and as an original cosponsor of S. 555, I would like to associate myself fully with Chairman RIBICOFF's statement regarding the Justice Department's assertion that under the provisions of Public Law 95–521, the courts should deny an individual Senator the right to bring suit if the Senate as a whole does not appear in support of the individual Senator's suit. This interpretation of title VII of the Ethics in Government Act is clearly inaccurate.

As Senator RIBICOFF has noted, it was not the intent of Congress to limit in any way the authority of individual Senators to pursue their own suits on questions which may be of abiding interest to them but on which the Senate does not participate for any number of possible reasons—including the sheer weight of other business.

To suggest that congressional powers could be yieled by inaction as a result of this statute would completely reverse the basic purpose of Public Law 95–521. Title VII was designed strictly as a means of strengthening the hand of the Senate and assisting individual Senators. In no way was it intended, nor should it be interpreted, as paving the way for a diminution of congressional powers—including the right of individual Members to bring suit—simply because this additional tool is not utilized. Nor should the absence of the Senate Legal Counsel in a proceeding carry any implication with respect to the Senate's position on the substantive issues at stake.

Mr. President, in closing, I reiterate that the interpretation of Title VII of Public Law 95–521 which has been suggested by the Justice Department was not contemplated at any point in the drafting of that legislation, and runs counter to the clearly expressed intent of the statute.

### SENATE LEGAL COUNSEL: LEGISLATIVE INTENT

Mr. JAVITS. Mr. President, I want to join with my colleagues, Senators RIBICOFF and PERCY, in expressing concern over the position regarding Senate Legal Counsel taken by the Justice Department in its papers in *Goldwater* v. *Carter* (civil action No. 78–2412). I express no opinion on the merits of the underlying case itself, since that is the function of the Court. However, as one who was deeply involved in the establishment of the Office, I would like to make clear that it was never my intent, nor to my knowledge the intent of any of the other authors of this legislation, to make the Office the exclusive method for a Senator to gain standing in court.

Under the statute setting up the Office, the authority of the Legal Counsel to represent the Senate or its individual Members is dependent on the concurrence of the full Senate on a case by case basis. There are many reasons why such concurrence may not be forthcoming in any particular matter. For example, a case may be viewed as too political. There may be disagreement among the Members as to what the Legal Counsel's position should be. The Senate may determine that the Office's limited resources are better spent elsewhere. Or the Senate may simply fail to act at all.

Yet, if the Justice Department's position were adopted, the Senate's failure to authorize representation by the Legal Counsel, even if by inaction, would prevent a Senator from filing a lawsuit in his own right. This interpretation would thus result in sharply reduced standing for Members of the Senate.

It was our intention in framing this legislation to establish an office responsible to the Senate that could provide high-caliber legal representation when the Senate, as an institution, requested it. That capacity had previously been lacking. It was not our intent, I believe, to diminish in any way, the ability of individual Members to bring legal actions on their own. Thus, the Senate report on the legislation establishing the Legal Counsel's Office states:

> The bill enhances the ability of a member of Congress acting as an individual to bring any kind of civil action arising out of the performance of official duties he or she might desire to bring. . . . The title preserves the ability of a member to intervene or appear as amicus curiae in a legal proceeding, even when the Congressional Legal Counsel is already appearing on behalf of Congress and even if the member is taking a different position from that taken by the Congressional Legal Counsel. S. Rept. 95–170 at p. 40.

In my view, the position taken by the Department of Justice in this matter is contrary to the legislative intent, and is inconsistent with legislative history.

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## MESSAGES FROM THE HOUSE

At 10:17 a.m., a message from the House of Representatives delivered by

Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 567. An act to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorney for the eastern district of New York to reside within twenty miles of the district.

The message also announced that the House agrees to the amendment of the Senate to the text of the bill (H.R. 1825) to protect archaeological resources on public lands and Indian lands, and for other purposes, with an amendment in which it requests the concurrence of the Senate; and that the House agrees to the amendment of the Senate to the title of the bill.

### ENROLLED BILL SIGNED

At 1:35 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bill:

S. 567. An act to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorney for the eastern district of New York to reside within 20 miles of the district.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 600. An act to incorporate United Service Organizations,

H.R. 1298. An act to designate the U.S. Post Office and Federal Building, Huntington, W. Va., as the "Sidney L. Christie Federal Building";

H.R. 3407. An act to waive the time limitation on the award of certain military decorations to members of the Intelligence and Reconnaissance Platoon of the 394th Infantry Regiment, 99th Infantry Division, for acts of valor performed during the Battle of the Bulge;

H.R. 3909. An act to amend section 12 of the Contract Disputes Act of 1978;

H.R. 4259. An act authorizing the President of the United States to present a gold medal to the American Red Cross;

H.R. 4627 An act to permit citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States before becoming citizens of the United States upon the establishment of the Commonwealth of the Northern Mariana Islands;

H.R. 4792. An act to name a certain Federal building in Houston, Tex., the Bob Casey Federal Building—U.S. Courthouse;

H.R. 5025 An act to amend title 10, United States Code, to provide that any person eligible for medical care under the civilian health and medical program of the uniformed services (CHAMPUS) who is a veteran with a service-connected disability may not be denied care and treatment for such disability under CHAMPUS solely because such person is eligible for care and treatment for such disability in Veterans' Administration facilities;

H.R. 5176. An act to establish an independent personnel system for employees of the General Accounting Office; and

H.R. 5386. An act to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States.

The message further anounced that the House has passed the following bill, with amendments in which it requests the concurrence of the Senate:

S. 1728. An act to designate the U.S. Federal courthouse building located at 655 East Durango, San Antonio, Tex., as the "John H. Wood, Jr., Federal Courthouse."

The message also announced that, pursuant to section 2(e) of Public Law 93-379, the minority leader has appointed Mr. Robert S. Thompson, of Washington, D.C., as a member of the District of Columbia Law Revision Commission, vice Mr. Dewitt S. Hyde, resigned.

At 2:33 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 3173, an act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 196. Concurrent resolution directing the Clerk of the House of Representatives to make technical corrections in the enrollment of H.R. 3173.

## HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 600. An act to incorporate United Service Organizations, Inc.; to the Committee on the Judiciary.

H.R. 1298. An act to designate the U.S. Post Office and Federal Building in Huntington, W. Va., as the "Sidney L. Christie Federal Building"; to the Committee on Environment and Public Works.

H.R. 3407. An act to waive the time limitation on the award of certain military decorations to members of the Intelligence and Reconnaissance Platoon of the 394th Infantry Regiment, 99th Infantry Division, for acts of valor performed during the Battle of the Bulge; to the Committee on Armed Services.

H.R. 3909. An act to amend section 12 of the Contract Disputes Act of 1978; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent.

H.R. 4259. An act authorizing the President of the United States to present a gold medal to the American Red Cross; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 4627. An act to permit citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States before becoming citizens of the United States upon the establishment of the Commonwealth of the Northern Mariana Islands; to the Committee on Armed Services.

H.R. 4792. An act to name a certain Federal building in Houston, Tex., the Bob Casey Federal Building—U.S. Courthouse; to the Committee on Environment and Public works.

H.R. 5025. An act to amend title 10, United States Code, to provide that any person eligible for medical care under the civilian health and medical program of the uniformed services (CHAMPUS) who is a veteran with a service-connected disability may not be denied care and treatment for such disability under CHAMPUS solely because such person is eligible for care and treatment for such disability in Veterans' Administration facilities; to the Committee on Armed Services.

H.R. 5176. An act to establish an independent personnel system for employees of the General Accounting Office; to the Committee on Governmental Affairs.

H.R. 5386. An act to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States; to the Committee on Labor and Human Resources.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, October 16, 1979, he presented to the President of the United States the following enrolled bill:

S. 567. An act to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorneys for the eastern district of New York to reside within 20 miles of the district.

## COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-2322. A communication from the Director, Legislative Liaison, Department of the Air Force, transmitting a draft of proposed legislation to amend title 5, United States Code, to entitle Civil Air Patrol Cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in the event of disability or death and to increase the amount of that compensation; to the

EC-2323. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant, to law, notice that the Commission was unable to render a final decision in Investigation and Suspension Docket No. 9205, Trainload Rates on Radioactive Materials, Eastern Railroads and Investigation and Suspension Docket No. 9205 (Sub No. 1) Trainload Rates on Radioactive Materials, Eastern Railroads, in the specified period; to the Committee on Commerce, Science, and Transportation.

EC-2324. A communication from the Director of the U.S. Office of Personnel Management, transmitting, pursuant to law, a report on two new systems of records for the Office of Personnel Management, pursuant to the Privacy Act; to the Committee on Governmental Affairs.

EC-2325. A communication from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, a proposed plan for the use and distribution of Indian judgment funds awarded in Docket 182, the Fort Sill Apache Tribe et al. v. the United States of America, and Docket 182-A, the Fort Sill Apache Tribe of the State of Oklahoma, et al. v. the United States of America, before the United States Court of Claims; to the Select Committee on Indian Affairs.

EC-2326. A communication from the Executive Director of the Committee For Purchase From The Blind and Other Severely Handicapped, transmitting, pursuant to law, the annual report of the Committee for Purchase From the Blind and Other Severely Handicapped for fiscal year 1978; to the Committee on Labor and Human Resources.

EC-2327. A communication from the Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, final regulations on Indian Education: Policies and Transfer of Functions, published in the Federal Register; to the Committee on Labor and Human Resources.

EC-2328. A communication from the Executive Secretary of the National Labor Relations Board, transmitting a copy of proposed legislation which was to have been transmitted with a communication of the Chairman of the National Labor Relations previously received; to the Committee on Labor and Human Resources.

EC-2329. A communication from the Principal Deputy Secretary of Defense for Research and Engineering, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for the period October 1978 through March 1979; to the Select Committee on Small Business.

EC-2330. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on three deferrals of budget authority proposed in the President's 12th special message for fiscal year 1979 on August 27, 1979; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Labor and Human Resources, and the Committee on Finance.

## PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-479. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, scleroderma affects some three hundred thousand people in the United States, eighty percent of whom are women of childbearing age; and

"Whereas, the cause of scleroderma is not known; and

"Whereas, scleroderma is more prevalent than muscular dystrophy, multiple sclerosis, and a host of better known ailments; and

"Whereas, not nearly enough attention has been focused on this disease and the result is a shortage of funding for research into a possible cure; and

"Whereas, eighteen United States congressmen have co-sponsored resolution 321 urging Congress to declare February third through February ninth as National Scleroderma Week; Now therefore be it

*"Resolved,* That the Massachusetts Senate respectfully urges his excellency, the Governor of the Commonwealth, and the Congress of the United States to declare February third through February ninth, inclusive, nineteen hundred and eighty as National Scleroderma Week; and be it further

*"Resolved,* That copies of these resolutions be transmitted forthwith by the clerk of the Senate to the presiding officers of each branch of Congress, to each Senator and Representative from Massachusetts in the Congress and to his excellency, the Governor of the Commonwealth."

POM-480. A resolution adopted by the House of Representatives; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION No. 246

"Whereas, The continuing decline in the percentage of the populace which fails to exercise the right to vote is detrimental to the well-being of our nation, which is dependent upon citizen participation. Only with the maximum numbers of our people expressing their will via the ballot can government at all levels be truly representative of the people; and

"Whereas, Several states, in an effort to make voting more convenient and uniformly more accessible, have taken steps to heighten voter participation in elections. Although theories vary as to why so many people fail to participate in the democratic process, it is nonetheless a fact that something must be done to ameliorate this situation; and

"Whereas, It is incumbent on the federal government to take such steps as are necessary to ensure that people who wish to vote, but for reasons of location, weather, or health do not, can vote in the most convenient and safe, and the easiest way possible; and

"Whereas, A great aid to solving this dilemma would be to provide postage free absentee ballots to any and all individuals who wish to vote in this manner. Surely this would make voting more convenient for those who seek to partake in the election process; now, therefore, be it

*"Resolved by the House of Representatives (the Senate concurring),* That we hereby memorialize the President and the Congress of the United States to provide postage free absentee ballots to all those wishing to vote in this manner; and be it further

*"Resolved,* That copies of this resolution be transmitted to the President of the United States, the Speaker of the U.S. House of Representatives, the President of the U.S. Senate, and to the members of the Michigan Congressional Delegation."

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment:

S. 1871. A bill to extend the existing antitrust exemption for oil companies that participate in the agreement of an international energy program.

Mr. JACKSON. Mr. President, the Committee on Energy and Natural Resources today considered S. 1871, a bill to extend the existing antitrust defense for oil companies that participate in the agreement on an international energy program. The committee ordered S. 1871 to be favorably reported to the Senate.

On June 26, 1979, the Senate passed S. 1317, a bill which extended the duration of the antitrust defense proviso included in the Energy Policy and Conservation Act of 1975 by four months, until October 31, 1979. That bill passed the House of Representatives the following day and was enacted as Public Law 96-30 on June 30, 1979.

The purpose of S. 1871 is to extend the duration of the existing antitrust defense for oil companies that participate in the international energy program until June 30, 1980. An ongoing investigation by the General Accounting Office of the effectiveness of the International Energy Agency is expected to be completed in May 1980. The report of the GAO investigation will be available to the Committee on Energy and Natural Resources and the Committee on the Judiciary prior to consideration of the administration's proposal to extend the duration of the antitrust defense proviso to January 19, 1986.

U.S. oil companies participating in the international energy program were granted a limited antitrust defense by section 252 of EPCA, enacted on December 22, 1975. Section 252 was due to expire on June 30, 1979, but a 4-month extension was signed into law on that date. American companies are provided an antitrust defense through the adoption of voluntary agreements and plans of action. In March 1976, the voluntary agreement and plan of action to implement the International Energy Program was adopted. There are 21 U.S. oil companies voluntarily participating in that agreement.

The Federal Trade Commission, which has several responsibilities under EPCA and the voluntary agreement, pointed out in its seventh report to the Congress and the President, September 1979, that without some form of exemption, some of the activities of U.S. oil companies participating in the IEP might subject those companies to liability under the U.S. antitrust laws.

S. 1871 will preserve the status quo concerning the existence of the antitrust defense proviso unitl June 30, 1980, and will afford additional opportunity for a more thorough review of the situation and the need for a further extension of that proviso beyond June 30, 1980.

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. Res. 257. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1012. Referred to the Committee on the Budget.

S. Res. 258. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1668. Referred to the Committee on the Budget.

By Mr. CHURCH, from the Committee on Foreign Relations, with an amendment:

S. 1012. A bill to provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tennessee, in 1982, and for other purposes (Rept. No. 96-369).

By Mr. CHURCH, from the Committee on Foreign Relations, with amendments:

S. 1668. A bill to authorize additional appropriations for the Department of State for migration and refugee assistance for fiscal years 1980 and 1981 (Rept. No. 96-370).

## FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION, TRAVEL AUTHORIZED BY CHAIRMAN HOWARD W. CANNON EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

| | | Per diem | | Transportation | | Miscellaneous | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| Name and country | Name of currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| Adlai E. Stevenson: | | | | | | | | | |
| Austria | Austrian schillings | 7,698.24 | $576.00 | 1,198.97 | $89.71 | | | 8,897.21 | $665.71 |
| Bulgaria | Leva | 257.12 | 300.00 | | | | | 257.12 | 300.00 |
| | DM | | | 589.64 | 1,075.00 | | | 589.64 | 1,075.00 |
| Subtotal | | | 876.00 | | 1,164.71 | | | | 2,040.71 |
| Larry Pressler: | | | | | | | | | |
| France | French franc | 765 | 180.00 | | | | | 765.00 | 180.00 |
| Switzerland | Swiss franc | 166 | 100.00 | | | | | 166.00 | 100.00 |
| Italy | Lire | 122,700 | 150.00 | | | | | 122,700 | 150.00 |
| | DM | | | 3,802.93 | 2,076.40 | | | 3,802.93 | 2,076.40 |
| Subtotal | | | 430.00 | | 2,076.40 | | | | 2,506.40 |
| Total | | | 1,306.00 | | 3,241.11 | | | | 4,547.11 |

HOWARD W. CANNON,
Chairman, Committee on Commerce, Science and Transportation.

Oct. 12, 1979

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON GOVERNMENTAL AFFAIRS, EXPENDED BETWEEN DEC. 1 AND DEC. 16, 1978

| | | Per diem | | Transportation | | Miscellaneous | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| Name and country | Name of currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency | Foreign currency | U.S. dollar equivalent or U.S. currency |
| Casimir A. Yost: | | | | | | | | | |
| United Kingdom | Sterling | 136.53 | $270.00 | | | | | 136.53 | $270.00 |
| U.S.S.R | Rubles | | | 227.90 | $339.64 | | | 227.90 | 339.64 |
| | | | | | 1,047.10 | | | | 1,047.10 |
| Margaret Nalle: | | | | | | | | | |
| United Kingdom | Sterling | 136.53 | 270.00 | | | | | 136.53 | 270.00 |
| U.S.S.R | Rubles | | | 227.90 | 339.64 | | | 227.90 | 339.64 |
| | | | | | 1,047.10 | | | | 1,047.10 |
| Total | | | 540.00 | | 2,773.48 | | | | 3,313.48 |

ABRAHAM A. RIBICOFF,
Chairman, Committee on Governmental Affairs.

Oct. 3, 1979.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, SELECT COMMITTEE ON INTELLIGENCE, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1979

| | | Per diem | | Transportation | | Miscellaneous | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| Name and continent | Name of currency | Foreign currency | U.S. dollar equivalent or U.S. currency [1] | Foreign currency | U.S. dollar equivalent or U.S. currency [1] | Foreign currency | U.S. dollar equivalent or U.S. currency [1] | Foreign currency | U.S. dollar equivalent or U.S. currency [1] |
| Senator John Chafee: Europe<br>(Amended report originally submitted June 25, 1979; printed in Congressional Record, July 12, 1979.) | | | | | | | | | [2] $1,697.38 |

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [2] Amends previous report.

BIRCH BAYH,
Chairman, Select Committee on Intelligence.

June 25, 1979 (amended Oct. 5, 1979).

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. BOSCHWITZ:

S. 1889. A bill for the relief of Mr. In-Hueng Chung; to the Committee on the Judiciary.

S. 1890. A bill for the relief of Mr. Jonush Morhur; to the Committee on the Judiciary.

S. 1891. A bill for the relief of Miss Rosalind Padmini Raj; to the Committee on the Judiciary.

S. 1892. A bill for the relief of Mr. Edmundo Cox; to the Committee on the Judiciary.

S. 1893. A bill for the relief of Dr. Romulo Kabatay; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 1894. A bill to provide that residents of certain institutions otherwise eligible to receive Supplemental Security Income payments shall not be deprived of such payments; to the Committee on Finance.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 1895. A bill to change the name of the Los Esteros Dam (New Mexico) to the Santa Rosa Dam; to the Committee on Environment and Public Works.

By Mr. TSONGAS:

S. 1896. A bill for the relief of Winston Edmund DuBois; to the Committee on Governmental Affairs.

By Mr. FORD:

S. 1897. A bill for the relief of Dr. Joselito S. Almario; to the Committee on the Judiciary.

By Mr. McGOVERN:

S. 1898. A bill to integrate the provisions of the National School Lunch Act and the Child Nutrition Act of 1966, and to extend those programs that expire in fiscal year 1980; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SARBANES:

S. 1899. A bill to amend the Chesapeake and Ohio Canal Development Act to change the termination date of the Chesapeake & Ohio Canal National Historical Park Commission from the date ten years after the effective date of such Act to the date twenty years after such effective date; to the Committee on Energy and Natural Resources.

By Mr. RIEGLE (for himself, Mr. LEVIN, and Mr. HUDDLESTON):

S.J. Res. 115. A joint resolution designating July 1980 as "National Porcelain Art Month"; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S.J. Res. 116. A joint resolution providing for the commemoration of the 100th anniversary of the birth of Franklin Delano Roosevelt; to the Committee on Rules and Administration.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCLURE:

S. 1894. A bill to provide that residents of certain institutions otherwise eligible to receive supplemental security income payments shall not be deprived of such payments; to the Committee on Finance.

Mr. McCLURE. Mr. President, I am offering today a bill which will extend, in a narrow way, the current exemption which allows those living in a publicly operated community residence to continue to receive the supplemental security income payments to which they are entitled by law. The Social Security Act presently provides that no person is eligible for SSI payments with respect to any month in which he is "an inmate of a public institution". According to the act, public institution does not include a publicly operated community residence which serves no more than 16 residents. My amendment would provide that eligible SSI recipients would continue to receive payments regardless of the total number of residents if there are no more than 20 such eligible SSI recipients living in the facility and provided that all residents pay their own way for room, board, and services provided.

Quite frankly, the measure is intended to address an anomalous situation which was brought to my attention by the application of the current law to the community restorium in Bonners Ferry, Idaho. Bonners Ferry is the seat of Boundary County, which touches on the Canadian border in the panhandle of Idaho.

The county owned residence facility was built in 1976 after the citizens of Boundary County overwhelmingly approved a bond issue to provide housing for the community's senior citizens and handicapped. Private industry was not interested in building a facility in this remote community, and the people felt it necessary to take care of their own. Residents pay $325 per month for room and board. No nursing or special medical treatment is provided to occupants. Those residents meeting low-income and other SSI qualifications have received their monthly payments directly, which they have up until now been able to use to pay for their boarding costs.

In a decision dated September 28, the Social Security Administration Appeals Council in Washington, D.C., determined that residents of the community restorium are ineligible for SSI, and their payments were terminated. There is, in fact, a real danger that they will be forced to repay money previously received.

I do not believe it was the intent of Congress to deprive these people of money they depend upon to live. Clearly, use of the term "inmate" in this provision implies something other than those residing in a facility such as this of their own volition. It is through no fault of their own, the only facility in their community which was built by the county. The county does not profit or benefit from its operation of the residence. It is merely a point of pride with the people of the community that they are providing a home for their friends and neighbors.

In my judgment, this sort of community effort should be encouraged, not defeated, by the application of laws and redtape. I believe the law can be amended to accommodate this situation within reason. I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1894

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 1611(e)(1)(C) of the Social Security Act (42 USC 1382(e)(1)(C)) is amended by striking "16 residents" and inserting in lieu thereof, "20 residents otherwise eligible to receive payments under this subchapter and in which residents are required to pay a reasonable amount for room, board, and services provided".

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By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 1895. A bill to change the name of the Los Esteros Dam (New Mexico) to the Santa Rosa Dam; to the Committee on Environment and Public Works.

● Mr. DOMENICI. Mr. President, today Senator SCHMITT and I are introducing legislation to change the name of a Corps of Engineers dam in our State of New Mexico from Los Esteros Dam to Santa Rosa Dam.

Los Esteros Dam was authorized in Public Law 83–780 and is presently near completion. It will provide substantial recreational, environmental, and economic benefits to the County of Guadalupe, N. Mex.

Recently, Senator SCHMITT and I were approached by county commissioners and officials of Santa Rosa, N. Mex., with a request that the name be changed. The name Los Esteros has no cultural, historical or geographic significance. Consequently, residents of the area would like to name the dam after Santa Rosa, the closest town to the dam. We are, therefore, introducing this legislation and urge its adoption.●

By Mr. McGOVERN:

S. 1898. A bill to integrate the provisions of the National School Lunch Act and the Child Nutrition Act of 1966, and to extend those programs that expire in fiscal year 1980; to the Committee on Agriculture, Nutrition, and Forestry.

### NATIONAL CHILD NUTRITION ACT

● Mr. McGOVERN. Mr. President, I am extremely pleased to be introducing today a comprehensive redraft of the National School Lunch Act and the Child Nutrition Act of 1966. The National Child Nutrition Act would integrate these two statutes into one comprehensive, coordinated statue.

Our effort to eliminate poverty caused malnutrition among the Nation's young people has evolved into a complex array of child nutrition programs, statutory language, and regulations. Over 27 million children every day currently participate in the school lunch program, the school breakfast program, summer food service, child care food program, special milk program, WIC program, and others.

Together these programs represent a great American success story.

In my opinion, of all our programs designed to help people, the Nation's feeding programs have been the most successful. Many of the programs that were developed during the sixties and seventies have come under great criticism lately as being inefficient and a waste of taxpayers' money. The generalization does not apply to the Nation's feeding programs. The Nation can be proud of the commitment we have made to feed the hungry and of our accomplishments. The Nation's nutrition programs work.

When a team of medical doctors recently testified before the Nutrition Subcommittee summarizing the findings of their 10-year followup examination of rural poor countries, They told the subcommittee:

> Our first and overwhelming impression is that there are far fewer grossly malnourished people in the country today than there were ten years ago . . . The facts of life for Americans living in poverty remain as dark or darker than they were ten years ago. But in the area of food there is a difference. The food stamp program, the nutritional component of head start, school lunch and breakfast programs, and to a lesser extent the women-infant-children (WIC) feeding programs have made the difference.

From a technical point of view, however, the present statutes are difficult to use. Earlier this year I requested assistance from the General Counsel's office at the Department of Agriculture to help redraft this body of law. They have responded above and beyond the call of duty. I am indebted to Mr. Daniel Marcus, the General Counsel of the Department, to Ms. Helen Lutzen, and the other members of this Office of General Counsel.

The National Child Nutrition Act, despite its length, is technical in nature. It is not intended to make any substantive changes in any of the child nutrition programs, with one exception. The legislation would extend and make permanent those programs which are to expire at the end of fiscal year 1980: Summer food service, State administrative expenses, and nutrition education and training.

I expect that the Nutrition Subcommittee will want to hold a number of hearings during the remainder of the 96th Congress in the area of child nutrition. S. 605, which was introduced by Senator BELLMON will be considered shortly. Senate Resolution 90 calls on the Secretary of Agriculture to make recommendations to the Congress. In addition, other current issues deserve congressional oversight: The importance of nonpoor students to the economic and social viability of the lunch program; expansion of the breakfast program; plate waste; onsite preparation versus preplated meals; the child care food program; the role of management companies; and USDA commodity distribution procedures.

It is my hope that the Agriculture,

Nutrition, and Forestry Committee, as well as the Congress, will use the National Child Nutrition Act as the vehicle for any changes we would like to make in the current law.

I ask unanimous consent that the attached correspondence between myself and Mr. Marcus, the National Child Nutrition Act, and the supporting explanations, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

### S. 1898

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "National Child Nutrition Act".

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### TITLE I—DECLARATION OF POLICY

SEC. 101. It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other foods, by assisting States and the Department of Defense, through grants in aid and other means, in providing an adequate supply of foods and other facilities for the establishment, maintenance, operation, and expansion of programs to meet more effectively the nutritional needs of our children.

### TITLE II–DEFINITIONS

SEC. 201. For the purpose of this Act—

(a) "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the

Pacific Islands, and the Northern Mariana Islands.

(b) "State educational agency" means, as the State legislature may determine, (1) the chief State school officer (such as the State superintendent of public instruction, commissioner of education, or similar officer), or (2) a board of education controlling the State department of education.

(c) "Secretary" means the Secretary of Agriculture.

(d) "School year" means the annual period from July 1 through June 30.

(e) "Food service equipment assistance" means equipment used by schools in storing, preparing, or serving food for schoolchildren.

(f) "School" means (1) any public or nonprofit private school of high school grade or under, (2) any public or licensed nonprofit private residential child care institution (including, but not limited to, orphanages and homes for the mentally retarded), and (3) with respect to the Commonwealth of Puerto Rico, nonprofit child care centers certified as such by the Governor of Puerto Rico. For purposes of clauses (1) and (2) of this subsection, the term "nonprofit," when applied to any such private school or institution, means any such school or institution which is exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1954.

(g) Except as used in titles VIII and XIV of this Act, (f) "child" and "children" shall be deemed to include persons regardless of age who are determined by the State educational agency, in accordance with regulations prescribed by the Secretary, to be mentally or physically handicapped and who are attending any child care institution as defined in title IX of this Act or any nonresidential public or nonprofit private school of high school grade or under for the purpose of participating in a school program established for mentally or physically handicapped: *Provided*, That no institution that is not otherwise eligible to participate in the program under title IX of this Act shall be deemed so eligible because of this sentence.

## TITLE III—SCHOOL LUNCH PROGRAM

### PAYMENTS TO STATES

SEC. 301. For the purpose of enabling States to assist schools in supplying foods for consumption by children in nonprofit school lunch programs, the Secretary shall make food assistance payments to each State educational agency for each fiscal year, at such times as he may determine, from the sums appropriated therefor.

### GENERAL ASSISTANCE PAYMENTS

SEC. 302. For each fiscal year, general assistance payments shall be made to each State educational agency in a total amount equal to the result obtained by multiplying the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 310 of this title) served during such fiscal year to children in schools in such State, which participate in the school lunch program under this title under agreements with such State educational agency, by a national average payment per lunch for such fiscal year determined by the Secretary to be necessary to carry out the purposes of this title: *Provided*, That in any fiscal year such national average payment shall not be less than 10 cents per lunch and that the aggregate amount of the food assistance payments made by the Secretary to each State educational agency for any fiscal year shall not be less than the amount of the payments made by the State agency to participating schools within the State for the fiscal year ending June 30, 1972, to carry out the purposes of the school lunch program.

### SPECIAL ASSISTANCE PAYMENTS

SEC. 303. (a) For each fiscal year, special assistance payments shall be made to each State educational agency in an amount equal to the sum of the product obtained by multiplying the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary pursuant to section 310 of this title) served free to children eligible for such lunches in schools within that State during such fiscal year by the special assistance factor for free lunches prescribed by the Secretary for such fiscal year and the product obtained by multiplying the number of lunches served at a reduced price to children eligible for such reduced price lunches in schools within that State during such fiscal year by the special-assistance factor for reduced price lunches prescribed by the Secretary for such fiscal year.

(b) For the fiscal year beginning July 1, 1973, the Secretary shall prescribe a special-assistance factor for free lunches of not less than 45 cents and a special-assistance factor for reduced price lunches which shall be 20 cents less than the special-assistance factor for free lunches: *Provided*, That, if in any State all schools charge students a uniform price for reduced price lunches, and such price is less than 20 cents, the special-assistance factor prescribed for reduced price lunches in such State shall be equal to the special-assistance factor for free lunches reduced by either 10 cents or the price charged for reduced price lunches in such State, whichever is greater. For succeeding fiscal years, the special-assistance factor for free lunches shall be adjusted as provided in section 304 of this title.

(c) In the case of any school which determines that at least 80 per centum of the children in attendance during a school year (hereinafter in this sentence referred to as the "first school year") are eligible for free lunches or reduced price lunches, special-assistance payments shall be paid to the State educational agency with respect to that school, if that school so requests, for the school year following the first school year, on the basis of the number of free lunches or reduced price lunches, as the case may be, that are served by that school during the school year for which the request is made, to those children who were determined to be so eligible in the first school year and the number of free lunches and reduced price lunches served during that year to other children determined for that year to be eligible for such lunches.

(d) In the case of any school that (1) elects to serve all children in that school free lunches under the school lunch program during any period of three successive school years and (2) pays, from sources other than Federal funds, for the costs of serving such lunches which are in excess of the value of assistance received under this Act with respect to the number of lunches served during that period, special-assistance payments shall be paid to the State education agency with respect to that school during that period on the basis of the number of lunches determined under the succeeding sentence. For purposes of making special-assistance payments in accordance with the preceding sentence, the number of lunches served by a school to children eligible for free lunches and reduced price lunches during each school year of the three-school-year period shall be deemed to be the number of lunches served by that school to children eligible for free lunches and reduced price lunches during the first school year of such period, unless that school elects, for purposes of computing the amount of such payments to determine on a more frequent basis the number of children eligible for free and reduced price lunches who are served lunches during such period.

### ADJUSTMENT OF RATES

SEC. 304. (a) The Secretary shall prescribe on July 1 of each fiscal year, and on January 1 of each fiscal year, semiannual adjustments in the national average general assistance rate determined under section 302 of this title, and the special-assistance factor for lunches determined under subsection 303 (b) of this title, that shall reflect changes in the cost of operating a school lunch program under this title, as indicated by the change in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Such adjustments shall be computed to the nearest one-fourth cent.

(b) In providing assistance for school lunches served in Alaska, Hawaii, Guam, American Samoa, Puerto Rico, the Virgin Islands of the United States, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands, the Secretary may establish appropriate adjustments for each such State to the national average general assistance payment rate prescribed under section 302 of this title and the special-assistance factor prescribed under subsection 303(b) of this title, to reflect the differences between the costs of providing lunches in those States and the costs of providing lunches in all other States.

### MATCHING REQUIREMENTS

SEC. 305. General assistance payments to any State under section 302 of this title for any school year shall be made upon the condition that each dollar thereof, other than general assistance payments made in connection with lunches served free or at reduced prices, will be matched by $3 from sources within the State determined by the Secretary to have been expended in connection with the school lunch program under this title. In the case of any State whose per capita income is less than the per capita income of the United States, the matching required for any school year shall be decreased by the percentage which the State per capita income is below the per capita income of the United States. For the purpose of determining whether the matching requirements of this section have been met, the reasonable value of donated services, supplies, facilities, and equipment as certified, respectively, by the State educational agency (but not the cost or value of land, of the acquisition, construction, or alteration of buildings of commodities donated by the Secretary, or of Federal contributions), may be regarded as funds from sources within the State expended in connection with the school lunch program under this title. For the purpose of this section, "United States" means the fifty States and the District of Columbia.

### STATE REVENUES

SEC. 306. For each school year, State revenues (other than revenues derived from the school lunch program) appropriated or used specifically for program purposes (other than salaries and administrative expenses at the State, as distinguished from local level) shall be disbursed to schools in an amount equal to 10 per centum of the amount obtained by computing a three-for-one matching requirement as set forth in section 305 (with adjustments for the per capita income of the State), but based upon the total general assistance payments made to the State, including those made in connection with free and reduced price lunches. Such State revenues shall be disbursed to the schools to the extent the State deems practicable, in such manner that each school receives the same proportionate share of such revenues as it receives of the funds apportioned to the State for the same year under this title and under titles IV and VII of this Act.

### STATE DISBURSEMENTS TO SCHOOLS

SEC. 307. (a) General assistance payments to any State during any fiscal year pursuant to section 302 of this title shall be disbursed by the State educational agency, in accordance with such agreements, approved by the

Secretary, as may be entered into by such State agency and the schools in the State to those schools in the State which the State educational agency, taking into account need and attendance, determines are eligible to participate in the school lunch program. Such disbursement to any school shall be made only for the purpose of assisting it to finance the cost of obtaining agricultural commodities and other foods for consumption by children in the school lunch program under this title. Such food costs may include, in addition to the purchase price of agricultural commodities and other foods, the cost of processing, distributing, transporting, storing, or handling thereof.

(b) In no event shall disbursement for general assistance to any school for any fiscal year exceed an amount determined by multiplying the number of lunches served in the school in the school lunch program under this title during such year by a maximum general assistance rate for the State, for the type of lunch served, as prescribed by the Secretary. In any fiscal year in which the national average general assistance rate per lunch determined under section 302 of this title is increased above the amount prescribed in the previous fiscal year, the maximum general assistance rate for the State, for the type of lunch served, shall be increased by a like amount.

(c) Special assistance payments to any State during any fiscal year pursuant to section 303 of this title shall be used by the State educational agency to assist schools of that State in financing the cost of providing free and reduced price lunches to children in the school lunch program under this title. The amount of such special assistance funds that a school shall from time to time receive, within a maximum per lunch amount established by the Secretary for all States, shall be based on the need of the school for such special assistance. Such maximum per lunch amount established by the Secretary shall not be less than 60 cents.

(d) Disbursements to schools by State educational agencies under this title may be made in advance or by way of reimbursement in accordance with procedures prescribed by the Secretary.

### GUIDELINES FOR FREE OR REDUCED PRICE LUNCHES

SEC. 308. (a) No later than June 1 of each fiscal year, the Secretary shall issue revised income poverty guidelines for use during the subsequent twelve-month period from July through June. The income poverty guidelines shall be the nonfarm income poverty guidelines prescribed by the Office of Management and Budget adjusted annually under section 625 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2971d): *Provided*, That the income poverty guidelines for the period commencing July 1, 1978, shall be made as up to date as possible by multiplying the nonfarm income poverty guidelines based on the average 1977 Consumer Price Index, by the change between the average 1977 Consumer Price Index and the Consumer Price Index of March 1978, using the most current procedures of the Office of Management and Budget. The income poverty guidelines for future periods shall be similarly adjusted. For purposes of this subsection, "Consumer Price Index" means the Consumer Price Index published each month by the Bureau of Labor Statistics of the Department of Labor.

(b) Following the announcement by the Secretary of the income poverty guidelines for each twelve-month period, each State educational agency shall prescribe the income guidelines, by family size, to be used by schools in the State during such twelve-month period in making determinations of those eligible for a free lunch as prescribed in this section. The income guidelines for free lunches shall be prescribed at 25 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary. Each fiscal year, each State educational agency shall also prescribe income guidelines, by family size, to be used by schools in the State during the twelve-month period from July through June in making determinations of those children eligible for a lunch at a reduced price. Such income guidelines for reduced price lunches shall be prescribed at 95 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary.

(c) Local school authorities shall publicly announces such income guidelines on or about the opening of school each fiscal year, and shall make determinations with respect to the annual incomes of any household solely on the basis of a statement executed in such form as the Secretary may prescribe by an adult member of such household: *Provided*, That such local school authorities may for cause seek verification of the data in such application.

### SERVICE OF FREE OR REDUCED PRICE LUNCHES

SEC. 309. (a) Any child who is a member of a household which has an annual income not above 125 per centum of the applicable family size income level set forth in income poverty guidelines prescribed by the Secretary shall be served a free lunch.

(b) Any child who is a member of a household which has an annual income which falls between (1) the applicable family size income level of the income guidelines for free lunches prescribed by the State educational agency and (2) 95 per centum above the applicable family size income levels in the income poverty guidelines prescribed by the Secretary, shall be served a reduced price lunch at a price not to exceed 20 cents.

(c) The requirements of this section relating to the service of meals without cost or at a reduced cost shall apply to the lunch program of any school utilizing commodities donated under any of the provisions of law referred to in title XV of this Act.

(d) Any child who has a parent or guardian who (1) is responsible for the principal support of such child and (2) is unemployed shall be served a free or reduced price lunch, respectively, during any period (i) in which such child's parent or guardian continues to be unemployed and (ii) the income of the child's parent or guardian during such period of unemployment falls within the income eligibility criteria for free lunches or reduced price lunches, respectively, based on the current rate of income of such parent or guardian. Local school authorities shall publicly announce that such children are eligible for a free or reduced price lunch, and shall make determinations with respect to the status of any parent or guardian of any child under clauses (1) and (2) of the preceding sentence solely on the basis of a statement executed in such form as the Secretary may prescribe by such parent or guardian.

(e) No physical segregation of or other discrimination against any child eligible for a free lunch or a reduced price lunch under this title shall be made by the school, nor shall there be any overt identification of any child by special tokens or tickets, announced or published lists of names, or by any other means.

(f) Each school participating in the school lunch program under this title shall report each month to its State educational agency the average number of children in the school who received free lunches and the average number of children who received reduced price lunches during the immediately preceding month. Each participating school shall provide an estimate, as of October 1 and March 1 of each year, of the number of children who are eligible for a free or reduced price lunch.

(g) The State educational agency of each State shall report to the Secretary each month the average number of children in the State who received free lunches and the average number of children in the State who received reduced price lunches during the immediately preceding month. Each State educational agency shall provide an estimate as of October 1 and March 1 of each year, of the number of children who are eligible for a free lunch or reduced price lunch.

(h) None of the requirements of this section in respect to the amount for "reduced cost" meals and to eligibility for meals without cost shall apply to schools which are private and nonprofit (as defined in title II of this Act) and which participate in the school lunch program under this Act, until such time as the State educational agency certifies that sufficient funds from sources other than children's payments are available to enable such schools to meet these requirements.

### NUTRITIONAL REQUIREMENTS

SEC. 310. Lunches served by schools participating in the school lunch program under this title shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research: *Provided*, That such minimum nutritional requirements shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students.

### FOOD WASTE

SEC. 311. (a) The Secretary shall establish, in cooperation with State educational agencies, administrative procedures, which shall include local educational agency and student participation, designed to diminish waste of foods which are served by schools participating in the school lunch program under this title without endangering the nutritional integrity of the lunches served by such schools.

(b) Students in senior high schools that participate in the school lunch program under this title (and, when approved by the local school district or nonprofit private schools, students in any other grade level in any junior high school or middle school) shall not be required to accept offered foods they do not intend to consume, and any such failure to accept offered foods shall not affect the full charge to the student for a lunch meeting the requirements of this title or the amount of payments made under this title to any such school for such lunch.

(c) As a means of diminishing waste of foods without endangering nutritional integrity of meals served, the Secretary shall conduct a study to determine the cost and feasibility of requiring schools to offer a choice of menu items within the required meal patterns. This study shall, as a minimum, include different needs and capabilities of elementary and secondary schools for such a requirement. The Secretary shall develop regulations designed to diminish such waste based on the results on this study.

### USE OF ABUNDANT AND DONATED FOODS

SEC. 312. (a) Each school shall, insofar as practicable, utilize in its lunch program foods designated form time to time by the Secretary as being in abundance, either nationally or in the school area, of foods donated by the Secretary.

(b) Any school participating in food service programs under this Act may refuse to accept delivery of not more than 20 per centum of the total value of donated foods tendered to it in any school year; and if a school so refuses, that school may receive, in lieu of the refused foods, other foods to the extent that other foods are available to the States during that year.

### PILOT PROJECTS

SEC. 313. (a) The Secretary may conduct pilot projects in not more than fourteen school districts (or other appropriate units), of which not more than two may be located in any administrative region of the Food and Nutrition Service of the Department of Agriculture, for the purpose of determining the feasibility, cost, and other consequences of providing lunches free to all children, without regard to the income of the children's families, during the school year beginning July 1, 1979.

(b) The Secretary shall reimburse school food authorities participating in a pilot project under this section for all lunches served to children on the same basis that the Secretary normally provides for lunches served to children meeting the eligibility requirements for free lunches under this title.

(c) The Secretary shall submit to the appropriate committees of the Senate and the House of Representatives a report on the pilot projects conducted under this section not later than six months after the conclusion of such projects.

(d) There are hereby authorized to be appropriated such sums as are necessary for the fiscal year beginning October 1, 1978, for the purpose of conducting an evaluation of pilot projects conducted under this section and for the purpose of making additional payments for lunches served to children (beyond what the school food authorities would otherwise receive under this title) to school food authorities participating in pilot projects.

## TITLE IV—SCHOOL BREAKFAST PROGRAM

### POLICY

SEC. 401. As a national nutrition and health policy, it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance. The Secretary is hereby directed, in cooperation with State educational agencies, to carry out a program of information in furtherance of this policy.

### PAYMENTS TO STATES

SEC. 402. For the purpose of assisting the States to initiate, maintain, or expand nonprofit breakfast programs in all schools which make application for assistance and agree to carry out a nonprofit breakfast program in accordance with this title, the Secretary shall make food assistance payments to each State educational agency for each fiscal year, at such times, as he may determine, from the sums appropriated therefor.

### RATES OF PAYMENT

SEC. 403. (a) The payments to each State educational agency shall be in a total amount equal to the result obtained by (1) multiplying the number of breakfasts (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary pursuant to section 408 of this title served during such fiscal year to children in schools in such States which participate in the breakfast program under this title under agreements with such State educational agency by a national average breakfast payment prescribed by the Secretary for such fiscal year to carry out the purposes of this title; (2) multiplying the number of such breakfasts served free to children eligible for free breakfasts in such schools during such fiscal year by a national average free breakfast payment prescribed by the Secretary for such fiscal year to carry out the purposes of this title; and (3) multiplying the number of reduced price breakfasts served to children eligible for reduced price breakfasts in such schools during such fiscal year by a national average reduced price breakfast payment prescribed by the Secretary for such fiscal year to carry out the provisions of this title: *Provided,* That in any fiscal year the aggregate amount of the breakfast assistance payments made by the Secretary to each State educational agency for any fiscal year shall not be less than the amount of the payments made by the State educational agency to participating schools within the State for the fiscal year ending June 30, 1972, to carry out the school breakfast program. The national average payment established by the Secretary for all breakfasts served to eligible children shall not be less than 8 cents; an amount of not less than 15 cents shall be added for each reduced price breakfast; and an amount of not less than 20 cents shall be added for each free breakfast.

### ADJUSTMENTS OF RATES

SEC. 404. (a) The Secretary shall prescribe on July 1 of each fiscal year, and on January 1, of each fiscal year, semiannual adjustments in the national average rates for breakfast served under this title that shall reflect changes in the cost of operating a school breakfast program under this title, as indicated by the change in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Such adjustments shall be computed to the nearest one-fourth cent.

(b) In providing assistance for school breakfasts served in Alaska, Hawaii, Guam, American Samoa, Puerto Rico, the Virgin Islands of the United States, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands, the Secretary may establish appropriate adjustments for each such State to the national average payment rates prescribed under this title to reflect the differences between the costs of providing breakfasts in those States and the costs of providing breakfasts in all other States.

### SCHOOLS IN SEVERE NEED

SEC. 405. (a) The Secretary shall make additional payments for breakfasts served to children qualifying for a free or reduced price breakfast at schools that are in severe need.

(b) The maximum payment for each such free breakfast shall be the higher of—

(1) the national average payment established by the Secretary for free breakfasts, plus 10 cents; or

(2) 45 cents, which shall be adjusted on a semiannual basis each July 1 and January 1 to the nearest one-fourth cent in accordance with changes in the series for food away from home of the Consumer Price Index for all Urban Consumers published by the Bureau of Labor Statistics of the Deparment of Labor for the most recent six-month period for which such data are available, except that the initial such adjustment shall be made on January 1, 1978, and shall reflect the change in the series of food away from home during the period November 1, 1976, to October 31, 1977.

(c) The maximum payment for each such reduced price breakfast shall be 5 cents less than the maximum payment for each free breakfast, as determined under subsection (b) of this section.

(d) Each State educational agency shall establish eligibility standards for providing additional assistance to schools in severe need, which shall include those schools in which the service of breakfasts is required pursuant to State law and those schools (having a breakfast program or desiring to initiate a breakfast program) in which, during the most recent second preceding school year for which lunches were served, 40 per centum or more of the lunches served to students at the school were served free or at a reduced price and in which the rate per meal established by the Secretary is insufficient to cover the costs of the breakfast program. Pursuant to those State eligibility standards, a school, upon the submission of appropriate documentation about the need circumstances in that school and the school's eligibility for additional assistance, shall be entitled to receive 100 per centum of the operating costs of the breakfast program, including the costs of obtaining, preparing, and serving food, or the meal reimbursement rate specified in subsection (b) of this section for free breakfasts, whichever is less.

### STATE DISBURSEMENTS TO SCHOOLS

SEC. 406. (a) Funds paid to any State for the purpose of this title shall be disbursed by the State educational agency to schools selected by the State educational agency to assist such schools in financing the costs of operating a breakfast program pursuant to this title. Disbursement to schools shall be made at such rates per meal or on such other basis as the Secretary shall prescribe. In selecting schools for participation, the State educational agency shall, to the extent practicable, give first consideration to those schools drawing attendance from areas in which poor economic conditions exist, to those schools in which there is a special need for improving the nutrition and dietary practices of children of working mothers and children from low-income families.

(b) Breakfast assistance disbursements to schools under this section may be made in advance or by way of reimbursement in accordance with procedures prescribed by the Secretary.

### FREE AND REDUCED PRICE BREAKFASTS

SEC. 407. Breakfasts shall be served free or at a reduced price to children in school under the same terms and conditions as are set forth with respect to the service of lunches free or at a reduced price in section 309 of title III of this Act.

### NUTRITIONAL REQUIREMENTS

SEC. 408. Breakfasts served by schools participating in the school breakfast program under this title shall consist of a combination of foods and shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research.

### USE OF ABUNDANT AND DONATED FOODS

SEC. 409. Each school participating in the breakfast program under this title shall, insofar as practicable, utilize in its program foods designated from time to time by the Secretary as being in abundance, either nationally or in the school area, or foods donated by the Secretary.

## TITLE V—DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS

SEC. 501. (a) For the purpose of obtaining Federal payments and foods in conjunction with the provision of lunches and breakfasts to students attending Department of Defense dependents' schools which are located in areas other than those within the definition of "State" in this Act, the Secretary of Agriculture shall make available to the Department of Defense, from funds appropriated for such purpose, the same payments and foods as are provided to States for schools participating in the school lunch and school breakfast programs under titles III and IV of this Act.

(b) The Secretary of Defense shall administer the school lunch and school breakfast programs authorized by this title and shall determine eligibility for free and reduced price breakfasts under the criteria published by the Secretary of Agriculture, except that the Secretary of Defense shall prescribe regulations governing computation of income eligibility standards for families of students participating in the school lunch and school breakfast programs under this title.

(c) The Secretary of Defense shall be required to offer meals meeting nutritional standards prescribed by the Secretary of Agriculture; however, the Secretary of Defense may authorize deviations from Department of Agriculture prescribed meal patterns and fluid milk requirements when local conditions preclude strict compliance or when such compliance is highly impracticable.

(d) Funds are hereby authorized to be appropriated for any fiscal year in such amounts as may be necessary for the administrative expenses of the Department of Defense under this title and for payment of the difference between the value of foods and payments received from the Secretary of Agriculture and (1) the full cost of each lunch and each breakfast for each student eligible for a free lunch or free breakfast, and (2) the full cost of each lunch and each breakfast, less any amounts required by law or regulation to be paid by each student eligible for a reduced price lunch or breakfast.

(e) The Secretary of Agriculture shall provide the Secretary of Defense with technical assistance in the administration of the lunch and breakfast programs authorized by this title.

## TITLE VI—SPECIAL MILK PROGRAM

### PROGRAM AUTHORIZATION

SEC. 601. The Secretary of Agriculture shall, under such rules and regulations as he may deem in the public interest, encourage consumption of fluid milk by children in the States in (1) nonprofit schools of high school grade and under, and (2) nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. The Secretary shall administer the special milk program provided for by this title to the maximum extent practicable in the same manner as he administered the special milk program provided for by Public Law 89–642, as amended, during the fiscal year ending June 30, 1969. Any school or nonprofit child care institution shall receive the special milk program upon its request.

### REIMBURSEMENT RATE

SEC. 602. For the fiscal year ending June 30, 1975, the minimum rate of reimbursement for a half-pint of milk served in schools and other eligible institutions shall not be less than 5 cents per half-pint served to eligible children, and such minimum rate of reimbursement shall be adjusted on an annual basis each school year thereafter to reflect changes in the Producer Price Index for Fresh Processed Milk published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Notwithstanding any other provision of this section, in no event shall the minimum rate of reimbursement exceed the cost to the school or institution of milk served to children.

### FREE MILK

SEC. 603. Children who qualify for free lunches under guidelines established by the Secretary shall, at the option of the school involved (or of the local educational agency involved in the case of a public school) also be eligible for free milk upon their request.

## TITLE VII—FOOD SERVICE EQUIPMENT ASSISTANCE PROGRAM FOR SCHOOLS

### PROGRAM AUTHORIZATION

SEC. 701. The Secretary shall formulate and carry out a program to assist the States to supply schools drawing attendance from areas in which poor economic conditions exist and which have no, or grossly inadequate, equipment, with equipment other than land or buildings, for the storage, preparation, transportation, and serving of food to enable such schools to establish, maintain, and expand school food service programs. In the case of a nonprofit private school, such equipment shall be for use of such school principally in connection with child feeding programs authorized in this Act.

### APPORTIONMENTS TO STATES

SEC. 702. Except for the funds reserved under section 704 of this title, the Secretary shall apportion the funds appropriated for the purposes of this title among the States on the basis of the ratio that the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary pursuant to section 310 of title III of this Act) served in each State in the latest preceding school year for which the Secretary determines data are available at the time such funds are apportioned bears to the total number of such lunches served in all States in such preceding school year. If any State cannot utilize all of the funds apportioned to it under the provisions of this section, the Secretary shall make further apportionments to the remaining States in the manner set forth in this section for apportioning funds among all the States.

### STATE APPORTIONMENTS TO SCHOOLS

SEC. 703. States shall apportion their share of funds apportioned and paid under section 702 by giving priority to schools without a food service program, schools that do not serve both breakfasts and lunches but that will use food service equipment to initiate the service of breakfasts or lunches, and schools without the facilities to prepare and cook hot meals at the schools (including schools having equipment that is so antiquated or impaired as to endanger the continuation of an adequate food service program or the ability to prepare and cook hot meals) or at a kitchen that serves the schools and that is operated by the local school district or by a nonprofit private school or the authority that is responsible for the administration of one or more nonprofit private schools. After making funds available to such schools, the Secretary shall make the remaining funds available to eligible schools that do not meet the priority criteria, for the purpose of purchasing needed replacement equipment.

### RESERVE OF FUNDS

SEC. 704. For the fiscal years ending September 30, 1979, and September 30, 1980, 40 per centum of the funds appropriated for the purposes of this title shall be reserved to the Secretary for apportionment among the States to assist schools without a food service program and schools that do not serve breakfasts or lunches but that plan to use food service equipment to initiate a breakfast or lunch program. The Secretary shall apportion the funds so reserved among the States on the basis of the ratio of the number of children in each State enrolled in schools without a food service program and in schools moving toward the initiation of the service of breakfasts to the number of children in all States enrolled in schools without a food service program and in schools moving toward the initiation of the service of breakfasts. The funds so reserved shall be used by the State only to assist schools without a food service program and schools moving toward the initiation of the service of breakfasts. If any State cannot use all the funds apportioned to it under the provisions of this section, the Secretary shall make further apportionment to the remaining States for use only in assisting schools without a food service program and schools moving toward the initiation of the service of breakfasts. If, after such further apportionment, any funds under this section remain unused, the Secretary shall immediately apportion such funds among the States in accordance with the provisions of section 702 of this title.

### MATCHING FUNDS

SEC. 705. Payments to any State of funds apportioned under the provisions of this title for any fiscal year shall be made upon condition that at least one-fourth of the cost of equipment financed under this title shall be borne by funds from sources within the State, except that such condition shall not apply with respect to funds used under this title to assist schools that are especially needy, as determined by criteria to be established by each State and approved by the Secretary.

### APPLICATION BY SCHOOLS

SEC. 706. (a) In the election of schools to receive assistance under this section, the State educational agency shall require applicant schools to provide justification of the need for such assistance and the inability of the schools to finance the food service equipment needed.

(b) Disbursements to any school may be made, by advances or reimbursements, only after approval by the State educational agency of a request by the school for funds, accompanied by a detailed description of the equipment to be acquired and the plans for the use thereof in effectively meeting the nutritional needs for children in the school.

### USE OF FUNDS BY SCHOOLS

SEC. 707. (a) Funds authorized for the purposes of this title shall be used only for facilities that enable schools, or local public or private nonprofit institutions under the conditions prescribed in paragraph (b) of this section, to prepare and cook hot meals or receive hot meals at the school or institution unless the school can demonstrate to the satisfaction of the State that an alternative method of meal preparation is necessary for the introduction or continued existence of the school lunch or breakfast program in such school or to improve the consumption of food or the participation of eligible children in the program.

(b) If a school authorized to receive funds under this title cannot establish a food service program of hot meals prepared and cooked by the school, or received by the school, and the school enters into an agreement with a public or private nonprofit institution to provide the school lunch or breakfast program for children attending the school, the funds provided under this section may be used for food service facilities to be located at such institution, if (1) the school retains legal title to such facilities and, (2) in the case of funds made available under section 704 of this title, the institution would otherwise be without such facilities.

## TITLE VIII—SUMMER FOOD SERVICE PROGRAM

### PROGRAM AUTHORIZATION

SEC. 801. The Secretary is authorized to carry out a program to assist States to initiate, maintain, and expand nonprofit food service programs for children in service institutions.

### DEFINITIONS

SEC. 802. For purposes of this title, (a) "program" means the summer food service program for children authorized by this title; (b) "service institutions" means nonresidential public or private nonprofit institutions, and residential public or private nonprofit summer camps, that develop special summer or school vacation programs providing food service similar to that made available to children during the school year under the school lunch program or the school breakfast program under this Act; (c) "areas in which poor economic conditions exist" means areas in which at least 33⅓ per centum of the children are eligible for free or reduced price school meals under this Act as determined by information provided from departments of welfare, zoning commissions, census tracts, by the number of free and reduced price lunches or breakfasts served to children attending public and nonprofit private schools located in the area of program food service sites, or from other appropriate sources, including statements of eligibility based upon income for children enrolled in the program; (d) "children" means individuals who are eighteen years of age and under, and individuals who are older than eighteen who are (1) determined by a State educational agency or a local public educational agency of a State, in accordance with regulations prescribed by the Secretary, to be mentally or physically handicapped, and (2) participating in a public or nonprofit private school program established for the mentally or physically handicapped.

### STATE PARTICIPATION

SEC. 803. Each State desiring to participate in the program under this title shall notify the Secretary by January 1 of each year of its intent to administer the program and shall submit by February 15 a management and administration plan for the program for the fiscal year, as required under title X of this Act.

### ELIGIBLE SERVICE INSTITUTIONS

SEC. 804. (a) Eligible service institutions entitled to participate in the program shall be limited to those that—

(1) demonstrate adequate administrative and financial responsibility to manage an effective food service;

(2) have not been seriously deficient in operating under the program;

(3) either conduct a regularly scheduled food service for children from areas in which poor economic conditions exist or qualify as camps; and

(4) provide an ongoing year-round service to the community to be served under the program (except that an otherwise eligible service institution shall not be disqualified for failure to meet this requirement for ongoing year-round service if the State determines that its disqualification would result in an area in which poor economic conditions exist not being served or in a significant number of needy children not having reasonable access to a summer food service program).

(b) The following order of priority shall be used by the State in determining participation where more than one eligible service institution proposes to serve the same area:

(1) local schools or service institutions that have demonstrated successful program performance in a prior year;

(2) service institutions that prepare meals at their own facilities or operate only one site;

(3) service institutions that use local school food facilities for the preparation of meals;

(4) other service institutions that have demonstrated ability for successful program operation; and

(5) other service institutions that plan to integrate the program with Federal, State, or local employment programs.

(c) The States shall actively seek eligible service institutions located in rural areas, for the purpose of assisting such service institutions in applying to participate in the program.

### AMOUNTS OF PAYMENTS TO SERVICE INSTITUTIONS

SEC. 805. (a) Payments to service institutions shall equal the full cost of food service operations (which cost shall include the cost of obtaining, preparing, and serving food, but shall not include administrative costs), except that such payments to any institution shall not exceed (1) 85.75 cents for each lunch and supper served; (2) 47.75 cents for each breakfast served; or (3) 22.50 cents for each meal supplement served: *Provided*, That such amounts shall be adjusted each January 1 to the nearest one-fourth cent in accordance with the changes for the twelve-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor: *Provided further*, That the Secretary may make such adjustments in the maximum reimbursement levels as the Secretary determines appropriate.

(b) Every service institution, when applying for participation in the program, shall submit a complete budget for administrative costs related to the program, which shall be subject to approval by the State. Payment to service institutions for administrative costs shall equal the full amount of State approved administrative costs incurred, except that such payments to service institutions may not exceed the maximum allowable levels determined by the Secretary.

### ADVANCE PAYMENTS TO STATES

SEC. 806. Not later than April 15, May 15, and July 1, of each year, the Secretary shall forward to each State a letter of credit (advance program payment) that shall be available to each State for the payment of meals to be served by service institutions in the month for which the letter of credit is issued. The amount of the advance program payment shall be an amount which the State demonstrates, to the satisfaction of the Secretary to be necessary for advance program payments to service institutions in accordance with section 807 of this title. The Secretary shall also forward such advance program payments, by the first day of the month prior to the month in which the program will be conducted, to States that operate the program in months other than May through September. The Secretary shall forward any remaining payments due pursuant to section 805 of this title not later than sixty days following receipt of valid claims therefor.

### ADVANCE PAYMENTS TO SERVICE INSTITUTIONS

SEC. 807. (a) Not later than June 1, July 15, and August 15 of each year, or, in the case of service institutions that operate under a continuous school calendar, the first day of each month of operation, the State shall forward advance program payments to each service institution: *Provided*, That (1) the State shall not release the second month's advance program payment to any service institution that has not certified that it has held training sessions for its own personnel and the site personnel with regard to program duties and responsibilities, and (2) no advance payment may be made for any month in which the service institution will operate under the program for less than ten days.

(b) The amount of the advance program payment for any month in the case of any service institution shall be an amount equal to (1) the total program payment for meals served by such service institution in the same calendar month of the preceding calendar year, (2) 50 per centum of the amount established by the State to be needed by such service institution for meals if such service institution contracts with a food service management company, or (3) 65 per centum of the amount established by the State to be needed by such service institution for meals if such service institution prepares its own meals, whichever amount is greatest: *Provided*, That the advance program payment may not exceed the total amount estimated by the State to be needed by such service institution for meals to be served in the month for which such advance program payment is made or $40,000, whichever is less, except that a State may make a larger advance program payment to such service institution where the State determines that such larger payment is necessary for the operation of the program by such service institution and sufficient administrative and management capability to justify a larger payment is demonstrated. The State shall forward any remaining payment due a service institution not later than seventy-five days following receipt of valid claims. If the State has reason to believe that a service institution will not be able to submit a valid claim for reimbursement covering the period for which an advance program payment has been made, the subsequent month's advance program payment shall be withheld until such time as the State has received a valid claim. Program payments advanced to serve institutions that are not subsequently deducted from a valid claim for reimbursement shall be repaid upon demand by the State. Any prior payment that is under dispute may be subtracted from an advance program payment.

### CAMPS

SEC. 808. Notwithstanding any other provision of this title, camps that satisfy all other eligibility requirements of this title shall receive reimbursement only for meals served to children who meet the eligibility requirements for free or reduced price school meals, as determined under this Act.

### STARTUP COSTS

SEC. 809. In order to improve program planning, the Secretary may provide that service institutions be paid as startup costs not to exceed 20 per centum of the administrative funds provided for in the administrative budget approved by the State under subsection 805(b) of this title. Any payments made for startup costs shall be subtracted from amounts otherwise payable for administrative costs subsequently made to service institutions under subsection 805(b) of this title.

### QUALITY OF MEALS

SEC. 810. To assure meal quality, States shall, with the assistance of the Secretary, prescribe model meal specifications and model food quality standards, and ensure that all service institutions contracting for the preparation of meals with food service management companies include in their contracts menu cycles, local food safety standards, and food quality standards approved by the State. Such contracts shall require (a) periodic inspections, by an independent agency or the local health department for the locality in which the meals are served, of meals prepared in accordance with the contract in order to determine bacteria levels present in such meals, and (b) that bacteria levels conform to the standards which are applied by the local health authority for that locality with respect to the levels of bacteria that may be present in meals served by other establishments in that locality. Such inspections and any testing resulting therefrom shall be in accordance with the practices employed by such local health authority.

### MEAL SERVICE REQUIREMENTS

SEC. 811. (a) Service institutions receiving funds under this title shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. Each service institution shall, insofar as practicable, use in its food service under the program foods designated from time to time by the Secretary as being in abundance.

(b) Any service institution shall be permitted to serve up to three meals per day of operation if at least one of the three meals is a meal supplement, and any service institution that is a camp shall be permitted to serve up to four meals per day of operation, if the service institution has the administrative capability, and the food preparation and food holding capabilities (where applicable), to manage more than one meal service per day, and if the service period of different meals does not coincide or overlap.

Such meals may include a breakfast, a lunch, a supper, and meal supplements.

(c) Payments shall be made to service institutions only for meals served during the months of May through September, except in the case of service institutions that operate food service programs for children on school vacation at any time under a continuous school calendar.

### MEAL PREPARATION FACILITIES

Sec. 812. To the maximum extent feasible, consistent with the purposes of this title, any food service under this title shall use meals prepared at the facilities of the service institution or at the food service facilities of public and nonprofit private schools. The Secretary shall assist States in the development of information and technical assistance to encourage increased service of meals prepared at the facilities of service institutions and at public and nonprofit private schools.

### FREE MEALS

Sec. 819. Meals shall be served without cost to children attending service institutions approved for operation under this title, except that, in the case of camps, in conformity with section 808 of this title, charges may be made for meals served to children other than those who meet the eligibility requirements for free or reduced price meals.

### ADMINISTRATIVE COST PAYMENTS TO STATES

Sec. 814. (a) The Secretary shall pay to each State for its administrative costs incurred under this title in any fiscal year an amount equal to (1) 20 per centum of the first $50,000 in funds distributed to that State for the program in the preceding fiscal year; (2) 10 per centum of the next $100,000 distributed to that State for the program in the preceding fiscal year; (3) 5 per centum of the next $250,000 in funds distributed to that State for the program in the preceding fiscal year, and (4) 2½ percent of any remaining funds distributed to that State for the program in the preceding fiscal year: *Provided*, That such amounts may be adjusted by the Secretary to reflect changes in the size of that State's program since the preceding fiscal year.

(b) The Secretary shall establish standards and effective dates for the proper, efficient, and effective administration of the program by the State. If the Secretary finds that the State has failed without good cause to meet any of the Secretary's standards or has failed without good cause to carry out the approved State management and administration plan under section 1003 of title X of this Act, the Secretary may withhold from the State such funds authorized under this section as the Secretary determines to be appropriate.

(c) To provide for adequate nutritional and food quality monitoring, and to further the implementation of the summer food service program, an additional amount, not to exceed the lesser of actual costs or 1 per centum of program funds, shall be made available by the Secretary to States to pay for State or local health department inspections, and to reinspect facilities and deliveries to test meal quality.

### FOOD SERVICE MANAGEMENT COMPANIES

Sec. 815. (a) Service institutions may contract on a competitive basis only with food service management companies registered with the State in which they operate for the furnishing of meals or management of the entire food service under the summer food service program, except that a food service management company entering into a contract with a service institution under this title may not subcontract with a single company for the total meal, with or without milk, or for the assembly of the meal. The Secretary shall prescribe additional conditions and limitations governing assignment of all or part of a contract entered into by a food service management company under this title. Any food service management company shall, in its bid, provide the service institution information as to its meal capacity. The State shall, upon award of any bid, review the company's registration to calculate how many remaining meals the food service management company is equipped to prepare.

(b)(1) Each State shall provide for the registration of food service management companies. For the purposes of this section, registration shall include, at a minimum—

(A) certification that the company meets applicable State and local health, safety, and sanitation standards;

(B) disclosure of past and present company owners, officers, and directors, and their relationship, if any, to any service institution or food service management company that received summer food service program funds in any prior fiscal year;

(C) records of contract terminations or disallowances, and health, safety, and sanitary code violations, in regard to program operations in prior fiscal years; and

(D) the addresses of the company's food preparation and distribution sites.

(2) No food service management company may be registered if the State determines that such company (A) lacks the administrative and financial capability to perform under the summer food service program, or (B) has been seriously deficient in its participation in the program in prior fiscal years.

(c) In order to ensure that only qualified food service management companies contract for services in all States, the Secretary shall maintain a record of all registered food service management companies and their program record for the purpose of making such information available to the States.

(d) In accordance with regulations issued by the Secretary, positive efforts shall be made by service institutions to use small businesses and minority-owned businesses as sources of supplies and services. Such efforts shall afford those sources the maximum feasible opportunity to compete for contracts using program funds.

(e) Each State, with the assistance of the Secretary, shall establish a standard form of contract for use by service institutions and food service management companies. The Secretary shall prescribe requirements governing bid and contract procedures for acquisition of the services of food service management companies, including, but not limited to, bonding requirements (which may provide exemptions applicable to contracts of $100,000 or less), procedures for review of contracts by States, and safeguards to prevent collusive bidding activities between service institutions and food service management companies.

### REGULATIONS

Sec. 816. The Secretary shall publish proposed regulations relating to the implementation of the summer food service program by November 1 of each fiscal year, final regulations by January 1 of each fiscal year, and guidelines, applications, and handbooks by February 1 of each fiscal year.

## TITLE IX—CHILD CARE FOOD PROGRAM

### PROGRAM AUTHORIZATION

Sec. 901. The Secretary shall carry out a program to assist States to initiate, maintain, and expand nonprofit food service programs for children in institutions providing child care.

### INSTITUTION DEFINED

Sec. 902. For the purposes of this title, the term "institution" means any public or private nonprofit organization providing nonresidential child care, including, but not limited to, child care centers, settlement houses, recreational centers, Head Start centers, and institutions providing child care facilities for handicapped children. In addition, the term "institution" shall include programs developed to provide day care outside school hours for schoolchildren, and public or nonprofit private organizations that sponsor family or group day care homes. The Secretary may establish separate guidelines for institutions that provide care to school children outside of school hours.

### ELIGIBILITY CRITERIA

Sec. 903. For purposes of determining eligibility—

(a) No institution, other than a family or group day care home sponsoring organization, or family or group day care home shall be eligible to participate in the child care food program unless it has Federal, State, or local licensing or approval, or is complying with appropriate renewal procedures as prescribed by the Secretary and the State has no information indicating that the institution's license will not be renewed; or where Federal, State, or local licensing or approval is not available, it receives funds under title XX of the Social Security Act or otherwise demonstrates that it meets either any applicable State or local government licensing or approval standards or approval standards established by the Secretary after consultation with the Secretary of Health, Education, and Welfare; and

(b) No institution shall be eligible to participate in the program unless it satisfies the following criteria:

(1) accepts final administrative and financial responsibility for management of an effective food service;

(2) has not been seriously deficient in its operation of the child care food program, or any other program under this Act, for a period of time specified by the Secretary; and

(3) will provide adequate supervisory and operational personnel for overall monitoring and management of the child care food program.

### APPLICATION AND APPROVAL OF INSTITUTIONS

Sec. 904. Any eligible public institution shall be approved by the State for participation in the child care food program upon its request. Any eligible private institution shall be approved for participation if it (a) has tax-exempt status under the Internal Revenue Code of 1954 or, under conditions established by the Secretary, is moving toward compliance with the requirements for tax-exempt status, or (b) is currently operating a Federal program requiring nonprofit status. Family or group day care homes need not have individual tax-exempt certification if they are sponsored by an institution that has tax-exempt status, or, under conditions established by the Secretary, such institution is moving toward compliance with the requirements for tax-exempt status or is currently operating a Federal program requiring nonprofit status. An institution applying for participation under this title shall be notified of approval or disapproval in writing within thirty days after the date its completed application is filed. If an institution submits an incomplete application to the State, the State shall so notify the institution within fifteen days of receipt of the application, and shall provide technical assistance, if necessary, to the institution for the purpose of completing its application.

### CASH ASSISTANCE TO STATES

Sec. 905. (a) For the fiscal year ending September 30, 1979, and for each subsequent fiscal year, the Secretary shall provide cash assistance to States for meals served by institutions in the manner specified in subsection (b) of this section, except that, in any fiscal year, the aggregate amount of assistance provided to a State by the Secretary under this title shall not exceed the sum of (1) the Federal funds provided by the State to participating institutions within the State for that fiscal year, and (2) any funds used by the State under section 1703 of title XVII of this Act.

(b) The Secretary shall provide assistance to each State in the following manner:

(1) For meals served to children in institutions, other than family or group day care home sponsoring organizations, where no less than two-thirds of the children enrolled are members of families that satisfy the income standards for free and reduced price school lunches and breakfasts under section 308 of title III and section 407 of title IV of this Act, each State shall receive an amount equal to the sum of the products obtained by multiplying—

(A) (i) the total number of breakfasts served in the State in these institutions by (ii) the sum of the national average payment rate for breakfasts and the national average payment rate for free breakfasts under section 403 of title IV of this Act;

(B) (i) the total number of lunches and suppers served in the State in these institutions by (ii) the sum of the national average general assistance payment rate for lunches under section 302 of title III of this Act, and the national average special assistance payment rate for free lunches under section 303 of title III of this Act; and

(C) (i) the total number of supplements served in the State in these institutions by (ii) the national average payment rate for supplements served in such institutions.

For the six-month period ending June 30, 1978, the national average payment rate for supplements served in these institutions shall be 23.75 cents. For supplements served in these institutions thereafter, the Secretary shall prescribe adjustments to this national average payment rate on July 1 and January 1 of each year. Such adjustments shall be computed to the nearest one-fourth cent based on changes, measured over the most recent six-month period for which data are available, in the series for food away from home of the Consumer Price Index for All Urban Consumers.

(2) For meals served to children in institutions, other than family or group day care home sponsoring organizations, where less than two-thirds but not less than one-third of the children enrolled are members of families that satisfy the income standards for free and reduced price school lunches under section 308 of title III of this Act, each State shall receive an amount equal to the sum of the products obtained by multiplying—

(A) (i) the total number of breakfasts served in the State in these institutions by (ii) the sum of the national average payment rate for reduced price breakfasts under section 403 of title IV of this Act;

(B) (i) the total number of lunches and suppers served in the State in these institutions by (ii) the sum of the national average general assistance payment rate for lunches under section 302 of title III of this Act and the national average special assistance payment rate for reduced price lunches under section 303 of title III of this Act; and

(C) (i) the total number of supplements served in the State in these institutions by (ii) the national average payment rate for supplements served in such institutions.

For the six-month period ending June 30, 1978, the national average payment rate for supplements served in these institutions shall be 18 cents. The Secretary shall prescribe adjustments to this national average payment rate on July 1 and January 1 of each year. Such adjustments shall be computed to the nearest one-fourth cent based on changes, measured over the most recent six-month period for which data are available, in the series for food away from home of the Consumer Price Index for All Urban Consumers.

(3) For meals served to children in institutions, other than family or group day care home sponsoring organizations and institutions electing to use the optional reimbursement procedures under subsection 906(c) of this title, where less than one-third of the enrolled children are members of families that satisfy the income standards for free and reduced price school lunches under section 308 of title III of this Act, each State shall receive an amount equal to the sum of the products obtained by multiplying—

(A) (i) the total number of breakfasts served in the State in these institutions by (ii) the national average payment rate for breakfasts under section 403 of title IV of this Act;

(B) (i) the total numbers of lunches and suppers served in the State in these institutions by (ii) the national average general assistance payment rate for lunches under section 302 of title III of this Act; and

(C) (i) the total number of supplements served in the State in these institutions by (ii) the national average payment rate for supplements in such institutions.

For the six-month period ending June 30, 1978, the national average payment rate for supplements served in these institutions shall be 6 cents. The Secretary shall prescribe adjustments to this national average payment rate on July 1 and January 1 of each year. Such adjustments shall be computed to the nearest one-fourth cent based on changes, measured over the most recent six-month period for which data are available, in the series for food away from home of the Consumer Price Index for All Urban Consumers.

(4) For meals served to children in institutions electing to use the reimbursement procedures under subsection 906(c) of this title, each State shall receive assistance in the following manner:

(A) for meals served to children who are members of families that satisfy the income standards for free school meals under section 308 of title III of this Act, each State shall receive an amount equal to the sum of the products obtained by multiplying—

(i) (I) the number of breakfasts served by (II) the sum of the national average payment rate for breakfasts and the national average payment rate for free breakfasts under section 403 of title IV of this Act;

(ii) (I) the number of lunches and suppers served by (II) the sum of the national average general assistance payment rate for lunches under section 302 of title III of this Act and the national average special assistance payment rate for free lunches under section 303 of title III of this Act; and

(iii) (I) the number of supplements served by (II) the national average payment rate for supplements determined under clause (C) of paragraph (1) of this subsection;

(B) for meals served to children who are members of families that satisfy the income standards for reduced price lunches under section 308 of title III of this Act, each State shall receive an amount equal to the sum of the products obtained by multiplying—

(i) (I) the number of breakfasts served by (II) the sum of the national average payment rate for breakfasts and the national average payment rate for reduced price breakfasts under section 403 of title IV of this Act;

(ii) (I) the number of lunches and suppers served by (II) the sum of the national average general assistance payment rate for lunches under section 302 of title III of this Act and the national average special assistance payment rate for reduced price lunches under section 303 of title III of this Act;

(iii) (I) the number of supplements served by (II) the national average payment rate for supplements determined under clause (C) of paragraph (2) of this subsection; and

(C) for meals served to all other children in these institutions, each State shall receive an amount equal to the sum of the products obtained by multiplying—

(i) (I) the number of breakfasts served to such children by (II) the national average payment rate for breakfasts under section 403 of title IV of this Act;

(ii) (I) the number of lunches and suppers served to such children by (II) the national average general assistance payment rate for lunches under section 302 of title III of this Act; and

(iii) (I) the number of supplements served to such children by (II) the national average payment rate for supplements determined under clause (C) of paragraph (3) of this subsection.

(5) For meals served in family or group day care homes, each State shall receive amounts sufficient to make payments for such meals under subsection 906(d) of this title.

### STATE DISBURSEMENTS TO INSTITUTIONS

SEC. 906. (a) Funds paid to any State under this title shall be disbursed to eligible institutions by the State under agreements approved by the Secretary. Disbursements to any institution shall be made only for the purpose of assisting in financing the cost of providing meals to children attending institutions, or in family or group day care homes. Disbursements to any institution shall not be dependent upon the collection of moneys from participating children. All valid claims from such institutions shall be paid within forty-five days of receipt by the State. The State shall notify the institution within fifteen days of receipt of a claim if the claim as submitted is not valid because it is incomplete or incorrect.

(b) The Secretary shall establish maximum per meal reimbursement rates for each of the three categories of institutions specified in subsections 905(b) (1), (2), and (3) of this title. Such maximum reimbursement rates for lunches and suppers shall be equal to the maximum reimbursement rates established by the Secretary for lunches served under the national school lunch program. The disbursement to any institution for meals provided under this title shall not be less, for any fiscal year, than the sum of the products obtained by multiplying the total number of each type of meal (breakfast, lunch or supper, or supplement) served in such institution in that fiscal year by the applicable national average payment rates for States for each such type of meal at that category of institution, unless the resulting sum exceeds the cost to the institution of providing such meals.

(c) Institutions, other than family or group day care home sponsoring organizations, may elect to receive reimbursement in accordance with the eligibility of each enrolled child for free, reduced price, or paid lunches under section 309 of title III of this Act. Such reimbursement shall be based on (1) the national average general assistance payment rate for lunches under section 302 of title III of this Act; (2) the national average special assistance payment rates for free lunches and reduced price lunches under section 303 of title III of this Act; (2) the national average payment rates for breakfasts, free breakfasts, and reduced price breakfasts under section 403 of title IV of this Act; and (4) the national average payment rates for supplements under section 905 of this title. Reimbursements to such institutions shall be made under the same procedures for determining such reimbursement levels as were prescribed by regulations in effect on September 30, 1978.

(d) Institutions that participate in the program under this title as family or group day care home sponsoring organizations shall be provided, for payment to such homes, a reimbursement factor in an amount determined by the Secretary to be adequate to cover the cost of obtaining and preparing food and prescribed labor costs, involved in providing meals under this title, without a requirement for documentation of such costs. Such institutions shall also receive reimbursement for their administrative expenses. Reimbursement for administrative expenses shall not exceed maximum allowable levels prescribed by the Secretary.

### STARTUP FUNDS

SEC. 907. (a) Startup funds shall be payable to enable institutions satisfying the criteria of section 904 of this title, and any other standards prescribed by the Secretary, to develop an application for participation in the child care food program as a family or group day care home sponsoring organization or to implement the program upon approval of the application. Such startup funds shall be payable in accordance with the procedures prescribed by the Secretary. The amount of startup funds payable to an institution shall be not less than the institution's anticipated reimbursement for administrative expenses under the program for one month and not more than the institution's anticipated reimbursement for administrative expenses under the program for two months.

(b) Reimbursement for administrative expenses of institutions that participate in the child care food program under this title as family or group day care home sponsoring organizations shall include startup funds to finance the administrative expenses for such institutions to initiate successful operation under the program. Such startup funds shall be in addition to other reimbursement to such institutions for administrative expenses.

### ADVANCE PAYMENTS

SEC. 908. By the first day of each month of operation, the State shall provide advance payments for the month to each approved institution in an amount that reflects the full level of valid claims customarily received from such institution for one month's operation. In the case of a newly participating institution, the amount of the advance shall reflect the State's best estimate of the level of valid claims such institution will submit. If the State has reason to believe that an institution will not be able to submit a valid claim covering the period for which such an advance has been made, the subsequent month's advance payment shall be withheld until the State receives a valid claim. Payments advanced to institutions that are not subsequently deducted from a valid claim for reimbursement shall be repaid upon demand by the State. Any prior payment that is under dispute may be subtracted from an advance payment.

### FAIR HEARINGS

SEC. 909. The State shall provide, in accordance with regulations issued by the Secretary, a fair hearing and a prompt determination to any institution aggrieved by the action of the State as it affects the participation of such institution in the program authorized by this title, or its claim for reimbursement under this title.

### STANDARD FORM OF AGREEMENT

SEC. 910. The Secretary may issue regulations directing States to develop and provide for the use of a standard form of agreement between each family or group day care sponsoring organization and the family or group day care homes participating in the program under such organization, for the purpose of specifying the rights and responsibilities of each party.

### MEAL AND SERVICE REQUIREMENTS

SEC. 911. (a) Meals served by institutions participating in the program under this title shall consist of a combination of foods that meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research.

(b) No institution may be prohibited from serving breakfast, lunch, supper, and supplements to any eligible child each day, except in the case of institutions that provide care to school children outside of school hours.

(c) Meals shall be served free to needy children.

(d) No physical segregation or other discrimination against any child shall be made because of his or her inability to pay, nor shall there be any overt identification of any such child by special tokens or tickets, different meals or meal service, announced or published lists of names, or other means.

(e) Each institution shall, insofar as practicable, use in its food service foods designated from time to time by the Secretary as being in abundance, either nationally or in the food service area, or foods donated by the Secretary.

### EQUIPMENT ASSISTANCE FOR INSTITUTIONS

SEC. 912. (a) Of the sums appropriated for each fiscal year to carry out the purposes of this title, $6,000,000 shall be available to the Secretary for the purposes of providing equipment assistance to enable institutions to establish, maintain, and expand the child care food program. The Secretary shall allocate among the States during each fiscal year the funds available under this section. Such allocation shall be based on the ratio of the number of children below the age of six in each State who are members of families that satisfy the income standards for free and reduced price school meals under section 308 of title III of this Act to the number of such children in all States. In making such allocation, the Secretary shall use the most recent data available.

(b) If any State cannot use all of the funds allocated to it under this section, the Secretary shall make reallocations to the remaining States in the manner set forth in paragraph (a) of this section for allocating funds. Payments to any State of funds allocated under this section for any fiscal year shall be made upon condition that at least one-fourth of the cost of equipment financed under this section shall be financed from sources within the State, except that this condition shall not apply to equipment obtained for institutions that are especially needy, as determined by the State.

(c) Each State shall establish criteria for determining institutions that are especially needy for purposes of this section and shall inform all institutions within the State of those criteria. Such criteria shall be submitted to the Secretary for approval and be included in the State plan of operation for the child care food program required by section 1004 of title X of this Act.

(d) Within thirty days of notification by the Secretary of the State of the amount of funds available under this section, the State shall notify institutions of the availability of funds for food service equipment. The Secretary shall establish standards to assure prompt action by States on requests by institutions for such funds and shall also prescribe a priority system to be followed by States in allocating funds under this section.

(e) The Secretary shall issue regulations authorizing the State to disburse funds under this section directly to a supplier of food service equipment if the funds are used to purchase equipment for an institution that (1) meets all the requirements for participation under this title, except for the licensing requirements, and (2) satisfies all the requirements for licensing, except for a requirement for food service equipment. The State shall retain legal title to such equipment until the State and the institution sign an agreement authorizing the institution to participate in the program under this title.

### STATE AUDIT EXPENSE

SEC. 913. The Secretary shall make available for each fiscal year to States administering the program under this title, for the purpose of conducting audits of participating institutions, an amount up to 2 per centum of the funds used by each State in the program under this title during the second preceding fiscal year.

### STATE AFFIRMATIVE ACTION

SEC. 914. States participating in the program under this title shall provide sufficient training, technical assistance, and monitoring to facilitate expansion and effective operation of the program, and shall take affirmative action to expand the availability of benefits under this title. Such action, at a minimum, shall include annual notification to each nonparticipating institution or family or group day care home within the State that is licensed, approved, or registered, or that receives funds under title XX of the Social Security Act, of the availability of the program, the requirements for program participation, the availability of food service equipment funds under the program, and the application procedures to be followed in the program. The list of institutions so notified each year shall be available to the public upon request. The Secretary shall assist the States in developing plans to fulfill the requirements of this section.

### STUDIES

SEC. 915. (a) The Secretary shall study the administrative costs of institutions participating in the program under this title, including the cost effect of such factors as the types of institutions, the number of children served, and the location of institutions in urban or rural areas. The Secretary may prescribe maximum allowable levels of administrative payments that reflect the costs of institutions participating in the program.

(b) The Secretary shall conduct a study of the food service operations carried out in the program under this title. Such study shall include, but not be limited to (1) an evaluation of meal quality as related to costs; and (2) a determination of whether maximum reimbursement levels should be set for food service costs, including whether different reimbursement levels should be established for self-prepared meals and vendored meals, economies of scale, and differences between food service operations in institutions and family and group day care homes.

(c) The Secretary shall conduct a study on licensing problems faced by institutions and family or group day care homes. Such study shall include, but not be limited to, an evaluation of the licensing requirements under this title.

(d) Of the funds appropriated for the fiscal year ending September 30, 1979, to carry out the purposes of this title not to exceed $2,000,000 shall be available to the Secretary for the purpose of conducting the studies required under paragraphs (a), (b), and (c) of this section. The Secretary shall report the results of such studies to Congress, along with any recommendations the Secretary wishes to make, not later than eighteen months after enactment of the Child Nutrition Amendments of 1978.

## TITLE X—STATE PLANS OF OPERATION—SCHOOLS, SERVICE INSTITUTIONS—INSTITUTIONS

SEC. 1001. Each year by not later than a date specified by the Secretary, each State educational agency shall submit to the Secretary, for approval by him as a prerequisite to receipt of Federal funds or any commodities donated by the Secretary for use in programs under this Act, a State plan of child nutrition operations for the following school year, which shall include, as a minimum, a description of the manner in which the State educational agency proposes to use the funds provided under this Act and funds from sources within the State to furnish a free or reduced price lunch to every needy child in accordance with the provisions of title III of this Act; to extend the school lunch program under this Act to every school within the State; and to use the funds provided under titles IV, VIII, and IX of this Act and funds from sources within the State to the maximum extent practicable to reach needy children.

### SCHOOL BREAKFAST PROGRAM

SEC. 1002. The State plan of child nutrition operations required under section 1001 of this title shall include the eligibility standards established by the State educational agency for providing additional assistance under the school breakfast program to schools in severe need, as required under subsection 405(d) of title IV of this Act.

### SUMMER FOOD SERVICE PROGRAM

SEC. 1003. Each year, not later than February 15, each State desiring to participate in the summer food service program under title VIII of this Act shall submit for approval a management and administration plan for the program for the fiscal year which shall include, but not be limited to (a) the State's administrative budget for the fiscal year, and the State's plans to comply with any standards prescribed by the Secretary under subsection 814(b) of title VIII of this Act; (b) the State's plans for use of program funds and funds from within the State to the maximum extent practicable to reach needy children, including the State's methods for assessing need, and its plans and schedule for informing service institutions of the availability of the program; (c) the State's best estimate of the number and character of service institutions and sites to be approved, and of meals to be served and children to participate for the fiscal year, and a description of the estimating methods used; (d) the State's plans and schedule for providing technical assistance and training eligible service institutions; (e) the State's schedule for application by service institutions; (f) the actions to be taken to maximize the use of meals prepared by service institutions and the use of school food service facilities; (g) the State's plans for monitoring and inspecting service institutions, feeding sites, and food service management companies and for ensuring that such companies do not enter into contracts for more meals than they can provide effectively and efficiently; (h) the State's plan and schedule for registering food service management companies; (i) the State's plan for timely and effective action against program violators; (j) the State's plan for determining the amounts of program payments to service institutions and for disbursing such payments; (k) the State's plan for ensuring fiscal integrity by auditing service institutions not subject to auditing requirements prescribed by the Secretary; and (l) the State's procedure for granting a hearing and prompt determination to any service institution wishing to appeal a State ruling denying the service institution's application for program participation or for program reimbursement.

### CHILD CARE FOOD PROGRAM

SEC. 1004. For the child care food program, the State plan required under section 1001 of this title shall provide, in addition to other information required by regulation or available from regular reporting—

(a) the number of institutions and the number of family or group day care homes participating in the program, together with the average daily attendance in such institutions;

(b) the number of institutions and the number of family or group day care homes in the State that are licensed, approved, or registered or that receive funds under title XX of the Social Security Act, and the number of such institutions and homes that participate in the program authorized under this section;

(c) the action program the State proposes to undertake to use the Federal funds provided under title IX of this Act, including the State's plans to (1) extend the child care food program to all eligible institutions (placing priority on reaching institutions in needy areas first), (2) assist family or group day care homes in obtaining sponsoring organizations, and (3) encourage eligible institutions to participate in such program;

(d) a plan for the conduct of audits; and

(e) a plan to monitor program performance and measure progress in achieving program goals.

## TITLE XI—MISCELLANEOUS PROGRAM PROVISIONS

### NONPROFIT PROGRAMS

SEC. 1101. The food and milk service programs in schools and nonprofit institutions receiving assistance under titles III, IV, and VI of this Act shall be conducted on a nonprofit basis.

### PRESCHOOL PROGRAMS

SEC. 1102. The Secretary may extend the benefits of all school feeding programs conducted and supervised by the Department of Agriculture to include preschool programs operated as part of the school system.

### PROHIBITION REGARDING INSTRUCTION

SEC. 1103. In carrying out the food and milk service equipment provisions of titles III, IV, VI, and VII of this Act, neither the Secretary nor the State shall impose any requirement with respect to teaching personnel, curriculum, instruction, methods of instruction, and materials of instruction.

### STATE AND LOCAL EXPENDITURES

SEC. 1104. Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under titles IV, VI, VII, VIII, and IX of this Act.

### VALUE OF ASSISTANCE

SEC. 1105. The value of assistance to children under this Act shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to taxation, welfare, and public assistance programs.

### SEPARATE COST ACCOUNTING

SEC. 1106. No provision of this Act shall be construed to require any school receiving funds under this Act to account separately for the cost incurred in the school lunch and school breakfast programs. In no event, however, shall reimbursement to school food authorities exceed the net cost of operating both the lunch and breakfast programs, taking into account the total costs and total incomes of both programs.

### STATE ADVISORY COUNCILS

SEC. 1107. Each State educational agency that receives food assistance payments under this Act for any school year shall establish for such year an advisory council, which shall be composed of representatives of schools in the State that participate in the school lunch program. The council shall advise such State agency with respect to the needs of such schools relating to the manner of selection and distribution of food assistance for such program.

## TITLE XII—FEDERAL ADMINISTRATION OF PROGRAMS

### SCHOOL LUNCH PROGRAM

SEC. 1201. If, in any State, the State educational agency is not permitted by law to disburse the funds paid to it under title III to any of the schools in the State, or is not permitted by law to match Federal funds made available for use by such schools, the Secretary shall disburse the funds directly to such schools within the State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to schools within the State by the State educational agency, including the requirement that payments shall be matched, in the proportion specified in section 305 of title III of this Act for such State, by funds from sources within the State expended by such schools within the State participating in the school lunch program under title III of this Act. Such funds shall not be considered a part of the funds constituting the matching funds under the terms of section 305 of title III of this Act.

### SCHOOL BREAKFAST PROGRAM

SEC. 1202. The Secretary shall make payments from the sum appropriated for any fiscal year for the purposes of title IV of this Act directly to the schools which are private and nonprofit (as defined in title II of this Act) within a State, that participate in the breakfast program under an agreement with the Secretary, for the same purposes and subject to the same conditions as are authorized or required under title IV of this Act with respect to the disbursements by State educational agencies.

### FOOD SERVICE EQUIPMENT ASSISTANCE PROGRAM FOR SCHOOLS

SEC. 1203. (a) If, in any State, the State educational agency is prohibited by law from administering the food service equipment assistance program for schools authorized by title VII of this Act in nonprofit private schools within the State, the Secretary shall administer such program in such private schools, in the same manner and subject to the same conditions as are authorized or required with respect to disbursements to schools within the State by the State educational agency.

(b) In those States in which the Secretary administers the food service equipment assistance program in nonprofit private schools, the Secretary shall withhold from the funds apportioned to any such State under the provisions of section 702 of title VII of this Act an amount which bears the same ratio to such funds as the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary pursuant to section 310 of title III of this Act) served in nonprofit private schools in such State, in the latest preceding school year for which the Secretary determines data are available at the time such funds are withheld, bears to the total number of such lunches served in all schools within such State in such preceding school year.

(c) In those States in which the Secretary administers the food service equipment program in nonprofit private schools, the Secretary shall withhold from the funds apportioned to any such State under section 704 of title VII of this Act an amount which bears the same ratio to such funds as the number of children enrolled in nonprofit private schools without a food service program or moving toward the initiation of the service of breakfasts in such State bears to the total number of children enrolled in all schools without a food service program or moving toward the initiation of the service of breakfasts in such State.

### SUMMER FOOD SERVICE PROGRAM

SEC. 1204. If any State (1) is unable for any reason to disburse the funds otherwise payable to it under title VIII of this Act, or (2) does not operate the program in accordance with the requirements of title VIII of this Act, the Secretary shall assume authority for administration of the summer food service program under such title in such

State, and shall disburse the funds directly to service institutions in the State for the same purposes and subject to the same conditions as are required of a State disbursing funds made available under title VIII of this Act.

### CHILD CARE FOOD PROGRAM

SEC. 1205. In any State where the State is not permitted by law or is otherwise unable to disburse the funds payable to it under title IX of this Act to any institution in the State, the Secretary shall withhold all funds to which such State would be entitled and shall use such funds for the same purposes and subject to the same conditions as are required of a State.

### NUTRITION EDUCATION AND TRAINING

SEC. 1206. Notwithstanding any other provision of title XVI of this Act, if, in any State, the State educational agency is prohibited by law from administering the program authorized by that title in nonprofit private schools and institutions, the Secretary may administer the program with respect to such schools and institutions.

### RETENTION OF STATE ADMINISTRATIVE FUNDS

SEC. 1207. Where the Secretary is responsible for the administration of programs under this Act, the amount of funds that would be allocated to the State agency for administrative services under title XIII and under section 814(a) of title VIII of this Act shall be retained by the Secretary for the Secretary's use in the administration of such programs.

## TITLE XIII—STATE ADMINISTRATIVE EXPENSES

### ALLOCATIONS TO STATES

SEC. 1301. (a) Each fiscal year, the Secretary shall make available to the States for their administrative costs an amount equal to not less than 1½ per centum of the Federal funds expended under sections 302 and 303 of title III of this Act, and under titles IV, VI, VII, and IX of this Act during the second preceding fiscal year. The Secretary shall allocate the funds so provided in accordance with paragraphs (b), (c), and (d) of this section.

(b) The Secretary shall allocate to each State for administrative costs incurred in any fiscal year in connection with the programs authorized under this Act, except for the programs authorized under titles VIII, IX, and XIV of this Act, an amount equal to not less than 1 percent and not more than 1½ per centum of the funds expended by each State under sections 302 and 303 of title III of this Act and under titles IV, VI, and VII of this Act during the second preceding fiscal year. In no case shall the grant available to any State under this section be less than the amount such State was allocated in the fiscal year ending September 30, 1978, or $100,000, whichever is larger.

(c) The Secretary shall allocate to each State for its administrative costs incurred under that program authorized by title IX of this Act in any fiscal year an amount, based upon funds expended under that program in the second preceding fiscal year, equal to (1) 20 per centum of the first $50,000, (2) 10 per centum of the next $100,000, (3) 5 per centum of the next $250,000, and (4) 2½ per centum of any remaining funds. The Secretary may adjust any State's allocation to reflect changes in the size of its program.

(d) The remaining funds appropriated for the purposes of this title shall be allocated among the States by the Secretary in amounts the Secretary determines necessary for the improvement in the States of the administration of the programs authorized under this Act, except for title XIV of this Act, including, but not limited to, improved program integrity and the quality of meals served to children.

(e) If any State agency agrees to assume responsibility for the administration of food service programs in nonprofit private schools or child care institutions that were previously administered by the Secretary, an appropriate adjustment shall be made in the administrative funds paid under this title to the State not later than the succeeding fiscal year.

### REALLOCATION OF FUNDS

SEC. 1302. The Secretary shall reallocate any unused funds, as evidenced by the plans for disbursement of funds submitted by the State under subsection 1305(b) of this title.

### MAINTENANCE OF STATE FUNDING

SEC. 1303. Payments of funds under this title shall be made only to States that agree to maintain a level of funding out of State revenues, for administrative costs in connection with programs under this Act (except titles VIII and XIV of this Act), not less than the amount expended or obligated in fiscal year 1977.

### USE OF FUNDS BY STATES

SEC. 1304. (a) Funds available to States under this title and under subsection 814(a) of title VIII of this Act shall be used for the costs of administration of the programs for which the allocations are made, except that States may transfer up to 10 per centum of any of the amounts allocated among such programs.

(b) Funds paid to a State under this title may be used to pay salaries, including employee benefits and travel expenses, for administrative and supervisory personnel; for support services; for office equipment; and for staff development.

(c) Notwithstanding any other provision of law, funds available to each State under this title for fiscal year 1978 that are not obligated or expended in that fiscal year shall remain available for obligation and expenditure by that State in fiscal year 1979.

(d) The State may use a portion of the funds available under this title to assist in the administration of the commodity distribution program.

### PLANS FOR USE OF FUNDS

SEC. 1305. (a) Each State shall submit to the Secretary for approval by October 1 of each year an annual plan for the use of State administrative expense funds including a staff formula for State personnel, system level supervisory and operating personnel, and school level personnel.

(b) For fiscal year 1979, and the succeeding fiscal year, the Secretary shall establish a date by which each State shall submit to the Secretary a plan for the disbursement of funds provided under this title for each such year.

### STATE STAFFING STANDARDS

SEC. 1306. The Secretary, in cooperation with the several States, shall develop State staffing standards for the administration by each State of titles III, IV, VI, VII, and IX of this Act, that will ensure sufficient staff for the planning and administration of programs covered by State administrative expenses.

## TITLE XIV—SPECIAL SUPPLEMENTAL FOOD PROGRAM

### STATEMENT OF PURPOSE

SEC. 1401. Congress finds that substantial numbers of pregnant, postpartum, and breastfeeding women, infants, and young children from families with inadequate income are at special risk with respect to their physical and mental health by reason of inadequate nutrition or health care, or both. It is, therefore, the purpose of the program authorized by this title to provide supplemental foods and nutrition education through any eligible local agency that applies for participation in the program. The program shall serve as an adjunct to good health care, during critical times of growth and development, to prevent the occurrence of health problems and improve the health status of these persons.

### DEFINITIONS

SEC. 1402. As used in this title—

(a) "Administrative costs" means costs that shall include, but not be limited to, costs for certification of eligibility of persons for participation in the program; centrifuges, measuring boards, spectrophotometers, and scales used for such certification; food delivery; monitoring; nutrition education; outreach; startup costs; and general administration applicable to implementation of the program under this title, such as the cost of staff, warehouse facilities, transportation, insurance, developing and printing food instruments, and administration of State and local agency offices.

(b) "Breastfeeding women" means women up to one year postpartum who are breastfeeding their infants.

(c) "Children" means persons who have had their first birthday but have not yet attained their fifth birthday.

(d) "Competent professional authority" means physicians, nutritionists, registered nurses, dietitians, or State or local medically trained health officials, or persons designated by physicians or State or local medically trained health officials, in accordance with standards prescribed by the Secretary, as being competent professionally to evaluate nutritional risk.

(e) "Infants" means persons under one year of age.

(f) "Local agency" means a public health or welfare agency or a private nonprofit health or welfare agency, which, directly or through an agency or physician with which it has contracted, provides health services. The term shall include an Indian tribe, band, or group recognized by the Department of the Interior, the Indian Health Service of the Department of Health, Education, and Welfare, or an intertribal council or group that is an authorized representative of Indian tribes, bands, or groups recognized by the Department of the Interior.

(g) "Nutrition education" means individual or group sessions and the provision of materials designed to improve health status that achieve positive change in dietary habits, and emphasize the individual's personal, cultural, and socioeconomic preferences.

(h) "Nutritional risk" means (1) detrimental or abnormal nutritional conditions detectable by biochemical or anthropometric measurements, (2) other documented nutritionally related medical conditions, (3) dietary deficiencies that impair or endanger health, or (4) conditions that predispose persons to inadequate nutritional patterns or nutritionally related medical conditions, including, but not limited to, alcoholism and drug addiction.

(i) "Plan of operation and administration" means a document that describes the manner in which the State agency intends to implement and operate the program under this title.

(j) "Post partum women" means women up to six months after termination of pregnancy.

(k) "Pregnant women" means women determined to have one or more fetuses in utero.

(l) "State agency" means the health department or comparable agency of each State; an Indian tribe, band, or group recognized by the Department of the Interior; an intertribal council or group that is the authorized representative of Indian tribes, bands, or groups recognized by the Department of the interior; or the Indian Health Service of the Department of Health, Education, and Welfare.

(m) "Supplemental foods" means those foods containing nutrients determined by nutritional research to be lacking in the diets of pregnant, breastfeeding, and post partum women, infants, and children, as prescribed by the Secretary.

### PROGRAM AUTHORIZATION

SEC. 1403. (a) The Secretary shall carry out a special supplemental food program to assist State agencies to provide, through local agencies, at no cost, supplemental foods and nutrition education to low-income pregnant, post partum, and breastfeeding women, infants, and children who satisfy the eligibility requirements specified in section 1407 of this title. The program shall be supplementary to the food stamp program (91 Stat. 958) and to any program under which foods are distributed to needy families in lieu of food stamps.

(b) Subject to amounts appropriated for the program under this title for the fiscal years ending September 30, 1979, September 30, 1980, September 30, 1981, and September 30, 1982—

(1) the Secretary shall make cash grants to State agencies for the purpose of administering the program, and

(2) any State agency approved eligible local agency that applies to participate in or expand the program under this title shall immediately be provided with the necessary funds to carry out the program.

(c) Nothing in this section shall be construed to permit the Secretary to reduce ratably the amount of foods that an eligible local agency shall distribute under the program to participants. The Secretary shall take affirmative action to ensure that the program is instituted in areas most in need of supplemental foods. The existence of a commodity supplementary food program under section 1304 of the Food and Agriculture Act of 1977 shall not preclude the approval of an applicant from an eligible local agency to participate in the program under this title nor the operation of such program within the same geographic area as that of the commodity supplemental food program, but the Secretary shall issue such regulations as are necessary to prevent dual receipt of benefits under the commodity supplemental food program and the program under this title.

### ALLOCATIONS TO STATE AGENCIES

SEC. 1404. By the beginning of each fiscal year, the Secretary shall divide, among the State agencies, the funds appropriated for the purposes of this title on the basis of a formula determined by the Secretary. Each State agency's allocation, as so determined, shall constitute the State agency's authorized operational level for that year, except that the Secretary shall reallocate funds periodically if the Secretary determines that a State agency is unable to spend its allocation. For purposes of the formula, if Indians are served by the health department of a State, the formula shall be based on the State population inclusive of the Indians within the State boundaries. If Indians residing in the State are served by a State agency other than the health department of the State, the population of the tribes within the jurisdiction of the State being so served shall not be included in the formula for such State, and shall instead be included in the formula for the State agency serving the Indians. Notwithstanding any other provision of this title, the Secretary may use a portion of a State agency's allocation to purchase supplemental foods for donation to the State agency under this title.

### STATE PLAN OF OPERATION

SEC. 1405. (a) Each State agency shall submit annually to the Secretary, by a date specified by the Secretary, a plan of operation and administration for approval by the Secretary as a prerequisite to receiving funds under this title. The plan shall include, among such other information as the Secretary may require—

(1) a description of how the State agency will distribute administrative funds, including start-up funds, to local agencies operating under the program;

(2) a description of the State agency's financial management system;

(3) a description of methods used to determine nutritional risk;

(4) a budget for administrative funds;

(5) the staffing pattern;

(6) nutrition education goals and action plans, including a description of the methods that will be used to meet the special nutrition education needs of migrants and Indians;

(7) plans to provide program benefits under this title to eligible migrants and Indians;

(8) a list of all areas and special populations, in priority order based on relative need, within the jurisdiction of the State agency, and the State agency's plans to initiate or expand operations under the program in areas most in need of supplemental foods, including plans to inform nonparticipating local agencies of the availability and benefits of the program and the availability of technical assistance in implementing the program, and a description of how the State agency will take all reasonable actions to identify potential local agencies and encourage such agencies to implement or expand operations under the program within the following year in the neediest one-third of all areas unserved or partially served;

(9) a description of how the State agency's delivery system will enable low-income persons to receive supplemental foods under the program, in accordance with standards developed by the Secretary;

(10) the State agency's plans for informing eligible persons of the program in accordance with subsection 1409(c) of this title;

(11) a description of how the State agency plans to coordinate operations under the program with special counseling services such as, but not limited to, the expanded food and nutrition education program, family planning, immunization, prenatal care, well-child care, alcohol and drug abuse counseling, child abuse counseling, and with the food stamp program; and

(12) a copy of the procedure manual developed by the State agency for the program.

(b) The Secretary shall not approve any plan that permits any person to participate simultaneously in both the program authorized under this section and the commodity supplemental food program under section 1304 of the Food and Agriculture Act of 1977.

(c) Not less than one month prior to the submission to the Governor of the plan of operation and administration required by this section, the State agency shall conduct hearings to enable the general public to participate in the development of the State agency plan.

### STATE AND LOCAL AGENCY APPLICATION

SEC. 1406. The State agency, upon receipt of a completed application from a local agency for participation in the program (and the Secretary, upon receipt of a completed application from a State agency), shall notify the applicant agency in writing within thirty days of the approval or disapproval of the application, and any disapproval shall be accompanied with a statement of the reasons for such disapproval. Within fifteen days after receipt of an incomplete application, the State agency (or the Secretary) shall notify the applicant agency of the additional information needed to complete the application.

### INDIVIDUAL ELIGIBILITY

SEC. 1407. (a) Participation in the program under this title shall be limited to pregnant, postpartum, and breastfeeding women, infants, and children from low-income families who are determined by a competent professional authority to be at nutritional risk.

(b) The Secretary shall establish income eligibility standards to be used in conjunction with the nutritional risk criteria in determining eligibility of persons for participation in the program. Persons at nutritional risk shall be eligible for the program only if they are members of families that satisfy the income standards prescribed for free and reduced-price school lunches under section 308 of title III of this Act.

(c) Persons shall be certified for participation in accordance with general procedures prescribed by the Secretary.

(d) If a person certified as eligible for participation in the program under this title in one area moves to another area in which the program is operating, that person's certification of eligibility shall remain valid for the period for which the person was originally certified.

(e) Local agencies participating in the program under this title shall notify persons of their eligibility or ineligibility for the program within twenty days of the date that the household, during office hours of a local agency, personally makes an oral or written request to participate in the program. The Secretary shall establish a shorter notification period for categories of persons who, due to special nutritional risk conditions, must receive benefits more expeditiously.

### MIGRANTS

SEC. 1408. (a) The Secretary shall establish procedures under which eligible migrants may, to the maximum extent feasible, continue to participate in the program under this title when they are present in States other than the State in which they were originally certified for participation in the program. Each State agency shall be responsible for administering the program for migrant populations within its jurisdiction.

(b) By October 1 of each year, the Secretary shall prepare a report describing plans to ensure that, to the maximum extent feasible, eligible members of migrant populations continue to participate in the program as such persons move among States. The report shall be made available to the National Advisory Council on Maternal, Infant, and Fetal Nutrition established under section 2002 of title XX of this Act.

### INFORMATION AND EDUCATION

SEC. 1409. (a) The State agency shall ensure that nutrition education is provided to all pregnant, postpartum, and breastfeeding participants in the program and to parents or caretakers of infant and child participants in the program. The State agency may also provide nutrition education to pregnant, postpartum, and breastfeeding women and to parents or caretakers of infants and children enrolled at local agencies operating the program under this title but who do not participate in the program. The Secretary shall prescribe standards to ensure that adequate nutrition education services are provided. The State agency shall provide training to persons providing nutrition education under this title. Nutrition education shall be evaluated annually by each State agency, and such evaluation shall include the views of participants concerning the effectiveness of the nutrition education they have received.

(b) The Secretary shall, after submitting proposed nutrition education materials to the Secretary of Health, Education, and Welfare for comment, issue such materials for use in the program under this title.

(c) The State agency shall, in cooperation with participating local agencies, publicize the availability of program benefits, including the eligibility criteria for participation and the location of local agencies operating the program. Such information shall be publicly announced by the State agency and by local agencies at least annually. Such information shall also be distributed to offices and organizations that deal with significant numbers of potentially eligible persons, including health and medical organizations, hospitals and clinics, welfare and unemployment offices, social service agencies, farmworker organizations, Indian tribal organizations, and religious and community organizations in low-income areas.

(d) The State agency shall (1) provide nutrition education materials and instruction in languages other than English and (2) use appropriate foreign language materials in the administration of the program, in areas in which a substantial number of low-income households speak a language other than English.

FAIR HEARING

SEC. 1410. The State agency shall grant a fair hearing, and a prompt determination thereafter, in accordance with regulations issued by the Secretary, to any applicant, participant, or local agency aggrieved by the action of a State or local agency as it affects participation.

STANDARDS FOR ADMINISTRATION

SEC. 1411. The Secretary shall establish standards for the proper, efficient, and effective administration of the program, including standards that will ensure sufficient State agency staff. If the Secretary determines that a State agency has failed without good cause to administer the program in a manner consistent with this title or to implement the approved plan of operation and administration submitted under this title, the Secretary may withhold such amounts of the State agency's administrative funds as the Secretary deems appropriate. Upon correction of such failure during a fiscal year by a State agency, any funds so withheld for such fiscal year shall be provided the State agency.

SUPPLEMENTAL FOODS

SEC. 1412. (a) The Secretary shall prescribe by regulation the supplemental foods to be made available in the program under this title. To the degree possible, the Secretary shall assure that the fat, sugar, and salt content of the prescribed foods is appropriate. Products specifically designed for pregnant, postpartum, and breastfeeding women, or infants shall be available at the discretion of the Secretary if the products are commercially available or are justified to and approved by the Secretary based on clinical tests performed in accordance with standards prescribed by the Secretary.

(b) State agencies may, with the approval of the Secretary, substitute different foods providing the nutritional equivalent of foods prescribed by the Secretary, to allow for different cultural eating patterns.

(c) A competent professional authority shall be responsible for prescribing the appropriate supplemental foods, taking into account medical and nutritional conditions and cultural eating patterns.

STATE AND LOCAL ADMINISTRATIVE COSTS

SEC. 1413. (a) The Secretary shall make 20 per centum of the funds provided for the purposes of this title each fiscal year (other than funds expended for evaluation and pilot projects under section 1415 of this title) available for State agency and local agency administrative costs. When reallocating funds, the Secretary may exceed the 20 percent limitation for administrative costs if the Secretary determines such action necessary for the proper, efficient, and effective administration of the program. Not less than one-sixth of the funds expended by each State agency for administrative costs under this section shall be used for nutrition education activities, unless the State agency requests that it be authorized to expend a lesser amount and such request is accompanied by documentation that other funds will be used to conduct such activities.

(b) The Secretary, for each of the fiscal years 1979 through 1982, shall allocate administrative funds to each State agency on the basis of a formula determined by the Secretary, which shall include a minimum amount, and which shall be designed to take into account the varying needs of State agencies based on factors such as the number of local agencies and the number of persons participating in the program at those agencies.

(c) Each State agency shall provide, from its allocation for administrative funds, funds to local agencies for their administrative costs. Each State agency shall distribute administrative funds to local agencies under allocation standards developed by the State agency in cooperation with the several local agencies, which satisfy allocation guidelines established by the Secretary. Such allocation standards shall take into account factors deemed appropriate to further proper, efficient, and effective administration of the program, such as local agency staffing needs, density of population, number of persons served, and availability of administrative support from other sources. These allocation standards shall be included in the plan of operation and administration required by section 1405 of this title.

(d) The State agency shall forward in advance to local agencies those administrative funds necessary for successful commencement of program operations under this title during the three months following approval or until a program reaches its projected caseload level, whichever comes first.

REPORTS

SEC. 1414. State agencies shall submit monthly financial reports and participation data to the Secretary.

EVALUATION AND PILOT PROJECTS

SEC. 1415. Of the sums appropriated for any fiscal year for the program under this title, one-half of 1 per centum, not to exceed $3,000,000, shall be available to the Secretary for the purpose of evaluating program performance, evaluating health benefits, and administration of pilot projects, including projects designed to meet the special needs of migrants, Indians, and rural populations.

## TITLE XV—FOOD DONATIONS

PURCHASE AND DONATION AUTHORITIES

SEC. 1501. (a) Funds provided by appropriation or transfer from other accounts for any fiscal year for carrying out the provisions of this Act, other than title VI hereof, shall be available to the Secretary during such year for direct expenditure by him for agricultural commodities and other foods to be distributed among the States and schools and service institutions participating in the food service programs under title III, IV, VI, VIII, and IX of this Act, in accordance with the needs as determined by the local school and service institution authorities. The provisions of law contained in the proviso of the Act of June 28, 1937 (50 Stat. 323), facilitating operations with respect to the purchase and disposition of surplus agricultural commodities under section 32 of the Act approved August 24, 1935 (49 Stat. 774), as amended, shall, to the extent not inconsistent with the provisions of this Act, also be applicable to expenditures of funds by the Secretary under this section. In making purchases of such agricultural commodities and other foods, the Secretary shall not issue specifications which restrict participation of local producers unless such specifications will result in significant advantages to the food service programs authorized by this Act.

(b) Notwithstanding any other provision of law, the Secretary, during the period ending September 30, 1982, shall—

(1) use funds available to carry out the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) which are not expended or needed to carry out such provisions, to purchase (without regard to the provisions of existing law governing the expenditure of public funds) foods of the types customarily purchased under such section (which may include domestic seafood commodities and their products) for donation to maintain the annually programed level of assistance for programs carried on under this Act; and

(2) if stocks of the Commodity Credit Corporation are not available, use the funds of such Corporation to purchase foods of the types customarily available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), for such donation.

(c) Foods purchased under the authority of section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, may be donated by the Secretary to schools, in accordance with the needs as determined by local school authorities, for utilization in the school lunch program under title III of this Act as well as to other schools carrying out nonprofit school lunch programs and institutions authorized to receive such foods.

(d) Foods available under section 416 of the Agricultural Act of 1949 (63 Stat. 1058), as amended, or purchased under section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, or section 709 of the Food and Agriculture Act of 1965 (79 Stat. 1212), may be donated by the Secretary to schools, in accordance with the needs as determined by local school authorities, for utilization in the school breakfast program under title IV of this Act.

(e) The Secretary is authorized to donate to States, for distribution to service institutions participating in the summer food service program for children under title VIII of this Act, foods available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), or purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1). Donated foods may be distributed only to service institutions that can use commodities efficiently and effectively, as determined by the Secretary.

(f) The Secretary shall donate foods produced in the United States for use in institutions participating in the child care food program under title IX of this Act.

(g) Foods available under section 416 of the Agriculture Act of 1949, including, but not limited to, dry milk, or purchased under section 32 of the Act of August 24, 1935, may be donated by the Secretary, at the request of a State agency, for distribution to programs conducted under the special supplemental food program under title XIV of this Act. The Secretary may purchase and distribute, at the request of a State agency, supplemental foods for donation to such programs, with appropriated funds, including funds appropriated for the purposes of title XIV.

(h) Among the products to be included in the food donations to the school lunch program shall be cereal and shortening and oil products.

(i) Among those foods delivered under subsection (a) of this section, the Secretary shall give special emphasis to high protein foods, meat and meat alternates (which may include domestic seafood commodities and their products).

PROCEDURES

SEC. 1502. (a) In providing food assistance under this Act for school lunch and breakfast programs, the Secretary shall establish procedures which will—

(1) ensure that the views of local school districts and private nonprofit schools with respect to the type of food assistance needed in schools are fully and accurately reflected in reports to the Secretary by the State with respect to State food preferences and that such views are considered by the Secretary in the purchase and distribution of foods and by the States in the allocation of such foods among schools within the States;

(2) solicit the views of States with respect to the acceptability of foods;

(3) ensure that the timing of food deliveries to States is consistent with State

school year calendars and that deliveries occur with sufficient advance notice;

(4) provide for systematic review of the costs and benefits of providing foods of the kind and quantity that are suitable to the needs of local school districts and private nonprofit schools; and

(5) make available, technical assistance on the use of foods made available under this Act.

(b) In purchasing foods for programs carried out under this Act, the Secretary shall establish procedures to ensure that contracts for the purchase of such foods shall not be entered into unless the previous history and current patterns of the contracting party with respect to compliance with applicable meat inspection laws and with other appropriate standards relating to the wholesomeness of food for human consumption are taken into account.

### LEVEL OF FOOD ASSISTANCE

SEC. 1503. (a) For each fiscal year, the national average value of donated foods for the school lunch program, or cash payments in lieu thereof, shall not be less than 10 cents per lunch, and that amount shall be adjusted on an annual basis each school year after June 30, 1975, to reflect changes in the Price Index for Food Used in Schools and Institutions. The Index shall be computed using five major food components in the Bureau of Labor Statistics' Producer Price Index (cereal and bakery products, meats, poultry and fish, dairy products, processed fruits and vegetables, and fats and oils). Each component shall be weighted using the same relative weight as determined by the Bureau of Labor Statistics. The value of food assistance for each lunch shall be adjusted each July 1 by the annual percentage change in a three-month simple average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year. Such adjustment shall be computed to the nearest one-fourth cent.

(b) The value of foods (or cash in lieu of foods) donated to each State for each school year, for use in institutions participating in the child care food program under title IX of this Act, shall be, at a minimum, the amount obtained by multiplying the number of lunches and suppers served in participating institutions in the State during that school year by the rate for donated foods or cash in lieu thereof established for lunches for that school year under subsection (a) of this section.

### CASH IN LIEU OF FOOD ASSISTANCE

SEC. 1504. (a) Not later than May 15 of each school year, the Secretary shall make an estimate of the value of foods that will be delivered that school year to States for the school lunch program. If such estimated value is less than the total level of assistance authorized under subsection 1503(a), the Secretary shall pay to each State educational agency, not later than June 15 of that school year, an amount of funds that is equal to the difference between the value of such deliveries as then programed for such State and the total level of assistance authorized under subsection 1503(a). In any State in which the Secretary directly administers the school lunch program in any of the schools of the State, the Secretary shall withhold from the funds to be paid to such State under the provisions of this subsection an amount that bears the same ratio to the total of such payment as the number of lunches served in schools in which the school lunch program is directly administered by the Secretary during that school year bears to the total of such lunches served under the school lunch program in all the schools in such State in such school year. Each State educational agency, and the Secretary in the case of private schools in which the Secretary directly administers the school lunch program, shall promptly and equitably disburse such funds to schools participating in the school lunch program, and such disbursements shall be used by such schools to purchase United States agricultural foods for their food service program. Such foods shall be limited to the requirements for lunches and breakfasts for children as provided for in regulations issued by the Secretary.

(b) Notwithstanding any other provision of law, the Secretary, until such time as a supplemental appropriation may provide additional funds for the purpose of subsection (a) of this section, shall use funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to make any payments to States authorized under this section. Any section 32 funds utilized to make such payments shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out subsection (a) of this section and such reimbursement shall be deposited into the fund established pursuant to section 32 of the Act of August 24, 1935, to be available for the purposes of said section 32.

(c) Funds made available under subsections (a) or (b) of this section shall not be subject to the State matching provisions of section 305 of title III of this Act.

(d) Notwithstanding any other provision of this title, not less than 75 per centum of the food assistance provided under this Act for school lunch programs shall be in the form of donated foods.

(e) Any State receiving food assistance under this title for institutions participating in the child care food program may, upon application to the Secretary, receive cash in lieu of some or all of the foods to which it would otherwise be entitled. In determining whether to request cash in lieu of foods, the State shall base its decision on the preferences of individual participating institutions within the State, unless this proves impracticable due to the small number of institutions preferring donated foods.

(f)(1) Notwithstanding any other provision of law, where a State phases out its commodity distribution facilities prior to June 30, 1974, such State may, for purposes of the programs authorized by this Act, elect to receive cash payments in lieu of donated foods. Where such an election is made, the Secretary shall make cash payments to such State in an amount equivalent in value to the donated foods that the State would otherwise have received if it had retained its commodity distribution facilities. The amount of cash payments in the case of lunches shall be governed by subsection 1503(a) of this title.

(2) When such payments are made, the State educational agency shall promptly and equitably disburse any cash it receives in lieu of foods to eligible schools and institutions, and such disbursements shall be used by such schools and institutions to purchase United States agricultural foods for their food service programs.

### FOODS FOR THE ELDERLY

SEC. 1505. (a) The Secretary may use funds appropriated from the general fund of the Treasury to purchase agricultural foods of the types customarily purchased for donation under section 311 of the Comprehensive Older Americans Act Amendments of 1978 (42 U.S.C. 3030a) or for cash payments in lieu of such donations under section 311(c) of such Act (42 U.S.C. 3030(c)).

(b) The authority granted the Secretary in subsection 1501(b) of this title shall also be available to the Secretary for the purchase of foods to maintain the annually programed level of assistance for programs carried on under title VII of the Older Americans Act of 1965 (42 U.S.C. 3045f).

## TITLE XVI—NUTRITION EDUCATION AND TRAINING

### FINDINGS AND PURPOSE

SEC. 1601. (a) Congress finds that—

(1) the proper nutrition of the Nation's children is a matter of highest priority;

(2) the lack of understanding of the principles of good nutrition and their relationship to health can contribute to a child's rejection of highly nutritious foods and consequent plate waste in school food service operations;

(3) many school food service personnel have not had adequate training in food service management skills and principles, and many teachers and school food service operators have not had adequate training in the fundamentals of nutrition on how to convey this information so as to motivate children to practice sound eating habits;

(4) parents exert a significant influence on children in the development of nutritional habits and lack of nutritional knowledge on the part of parents can have detrimental effects on children's nutritional development; and

(5) there is a need to create opportunities for children to learn about the importance of the principles of good nutrition in their daily lives and how these principles are applied in the school cafeteria.

(b) It is the purpose of this title to encourage effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs by establishing a system of grants to State educational agencies for the development of comprehensive nutrition information and education programs. Such nutrition education programs shall fully use as a learning laboratory the school lunch and child nutrition programs.

### DEFINITION

SEC. 1602. For purposes of this title, the term "nutrition information and education program" means a multidisciplinary program by which scientifically valid information about foods and nutrients is imparted in a manner that individuals receiving such information will understand the principles of nutrition and seek to maximize their well-being through food consumption practices. Nutrition education programs shall include, but not be limited to, (a) instructing students with regard to the nutritional value of foods and the relationship between food and human health; (b) training school food service personnel in the principles and practices of food service management; (c) instructing teachers in sound principles of nutrition education; and (d) developing and using classroom materials and curricula.

### PROGRAM AUTHORIZATION

SEC. 1603. (a) The Secretary is authorized to formulate and carry out a nutrition information and education program, through a system of grants to State educational agencies, to provide for (1) the nutritional training of educational and food service personnel, (2) the food service management training of school food service personnel, and (3) the conduct of nutrition education activities in schools and child care institutions.

(b) The program is to be coordinated at the State level with other nutrition activities conducted by education, health, and State Cooperative Extension Service agencies. In formulating the program, the Secretary and the State may solicit the advice and recommendations of the National Advisory Council on Child Nutrition; State educational agencies; the Department of Health, Education, and Welfare; and other interested groups and individuals concerned with improvement of child nutrition.

(c) If a State educational agency is conducting or applying to conduct a health education program which includes a school-related nutrition education component as defined by the Secretary, and that health education program is eligible for funds under programs administered by the Department of Health, Education, and Welfare, the Secretary may make funds authorized for this title available to the Department of Health, Education, and Welfare to fund the nutrition education component of the State program without requiring an additional grant application.

### AGREEMENTS WITH STATE AGENCIES

SEC. 1604. The Secretary is authorized to enter into agreements with State educational agencies incorporating the provisions of this title.

### GRANTS TO STATES

SEC. 1605. (a) The Secretary, in carrying out the provisions of this title, shall make grants to State educational agencies who, in turn, may contract with land grant colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503, as amended; 7 U.S.C. 301–305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417, as amended; 7 U.S.C. 321–326 and 328) including the Tuskegee Institute, other institutions of higher education, and nonprofit organizations and agencies, for the training of educational and school food service personnel with respect to providing nutrition education programs in schools and the training of school food service personnel in school food service management. Such grants may be used to develop and conduct training programs for early childhood, elementary, and secondary educational personnel and food service personnel with respect to the relationship between food, nutrition, and health; educational methods and techniques, and issues relating to nutrition education; and principles and skills of food service management for cafeteria personnel.

(b) Grants to each State from funds appropriated for the purposes of this title shall be based on a rate of 50 cents for each child enrolled in schools or in institutions within such State, except that no State shall receive an amount less than $75,000 for that year. If funds appropriated for such year are insufficient to pay the amount to which each State is entitled under the preceding sentence, the amount of such grant shall be ratably reduced to the extent necessary so that the total of such amounts paid does not exceed the amount of appropriated funds. If additional funds become available for making such payments, such amounts shall be increased on the same basis as they were reduced.

(c) Enrollment data used for purposes of this section shall be the latest available as certified by the Office of Education of the Department of Health, Education, and Welfare.

### STATE CONTRACTS

SEC. 1606. The State, in carrying out the provisions of this title, may contract with State and local educational agencies, land grant colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503, as amended; 7 U.S.C. 301–305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417, as amended; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute, other institutions of higher education, and other public or private nonprofit educational or research agencies, institutions, or organizations to pay the cost of pilot demonstration projects in elementary and secondary schools with respect to nutrition education. Such projects may include, but are not limited to, projects for the development, demonstration, testing, and evaluation of curricula for use in early childhood, elementary, and secondary education programs.

### USE OF FUNDS

SEC. 1607. (a) The funds made available under this title may, under guidelines established by the Secretary, be used by State educational agencies for (1) employing a nutrition education specialist to coordinate the program, including travel and related personnel costs; (2) undertaking an assessment of the nutrition education needs of the State; (3) developing a State plan of operation and management for nutrition education; (4) applying for and carrying out planning and assessment grants; (5) pilot projects and related purposes; (6) the planning, development, and conduct of nutrition education programs and workshops for food service and educational personnel; (7) coordinating and promoting nutrition information and education activities in local school districts (incorporating, to the maximum extent practicable, as a learning laboratory, the child nutrition programs); (8) contracting with public and private nonprofit educational institutions for the conduct of nutrition education instruction and programs relating to the purposes of this title; and (9) related nutrition education purposes, including the preparation, testing, distribution, and evaluation of visual aids and other informational and educational materials.

(b) An amount not to exceed 15 per centum of each State's grant may be used for up to 50 per centum of the expenditures for overall administrative and supervisory purposes in connection with the program authorized under this title.

(c) Nothing in this title shall prohibit State or local educational agencies from making available or distributing to adults nutrition education materials, resources, activities, or programs authorized under this title.

### PLANNING AND ASSESSMENT GRANT

SEC. 1608. Any State desiring to receive grants authorized by this title may, from the funds appropriated to carry out this title, receive a planning and assessment grant for the purposes of carrying out the responsibilities described in clauses (1), (2), (3), and (4) of subsection 1607(a) of this title. Any State receiving a planning and assessment grant, may, during the first year of participation, be advanced a portion of the funds necessary to carry out such responsibilities: *Provided*, That in order to receive additional funding, the State must carry out such responsibilities.

### STATE COORDINATORS FOR NUTRITION

SEC. 1609. (a) In order to be eligible for assistance under this section, a State shall appoint a nutrition education specialist to serve as a State coordinator for school nutrition education. It shall be the responsibility of the State coordinator to make an assessment of the nutrition education needs in the State as provided in subsection (b) of this section, prepare a State plan as provided in section 1610 of this title, and coordinate programs under this title with all other nutrition education programs provided by the State with Federal or State funds.

(b) Upon receipt of funds authorized by this title, the State coordinator shall prepare an itemized budget and assess the nutrition education needs of the State. Such assessment shall include, but not be limited to, the identification and location of all students in need of nutrition education. The assessment shall also identify State and local individual, group, and institutional resources within the State for materials, facilities, staffs, and methods related to nutrition education.

### STATE PLAN

SEC. 1610. Within nine months after the award of the planning and assessment grant, the State coordinator shall develop, prepare, and furnish the Secretary, for approval, a comprehensive plan for nutrition education within the State. The Secretary shall act on such plan not later than sixty days after it is received. Each such plan shall describe (a) the findings of the nutrition education needs assessment within the State; (b) provisions for coordinating the nutrition education program carried out with funds made available under this title with any related publicly supported programs being carried out within the State; (c) plans for soliciting the advice and recommendations of the National Advisory Council on Child Nutrition, the State educational agency, interested teachers, food nutrition professionals and paraprofessionals, school food service personnel, administrators, representatives from consumer groups, parents, and other individuals concerned with the improvement of child nutrition; (d) plans for reaching all students in the State with instruction in the nutritional value of foods and the relationships among food, nutrition, and health, for training food service personnel in the principles and skills of food service management, and for instructing teachers in sound principles of nutrition education; and (e) plans for using, on a priority basis, the resources of the landgrant colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301–305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417, as amended; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute. To the maximum extent practicable, the State's performance under such plan shall be reviewed and evaluated by the Secretary on a regular basis, including the use of public hearings.

### REPORTS

SEC. 1611. State educational agencies shall provide reports on expenditures of Federal funds, program participation, program costs, and related matters, in such form and at such times as the Secretary may prescribe.

## TITLE XVI—ADDITIONAL EDUCATION AND TRAINING AUTHORIZATIONS—SURVEYS, PROJECTS

### GENERAL

SEC. 1701. Not to exceed 1 per centum of the funds provided for carrying out the programs under this Act, other than the special milk program under title VI, is hereby made available to the Secretary to supplement the nutritional benefits of these programs through grants to States and other means for nutritional training and education for workers, cooperators, and participants in these programs, for pilot projects required to be carried out under section 313 of title III of this Act, and for necessary surveys and studies of requirements for food service programs in furtherance of the purposes expressed in this Act.

### GRANTS TO STATES

SEC. 1702. (a) The Secretary is hereby authorized and directed to make cash grants to State educational agencies for the purpose of conducting experimental or demonstration projects to teach schoolchildren the nutritional value of foods and the relationship of nutrition to human health.

(b) The Secretary shall withhold not less than 1 per centum of any funds appropriated for the purpose of this section and shall expend these funds to carry out research and development projects relevant to the purpose of this section, particularly to develop materials and techniques for the innovative presentation of nutritional information.

### SPECIAL DEVELOPMENTAL PROJECTS

SEC. 1703. In the regulations issued under section 2101 of title XXI of this Act, the Secretary may provide for a reserve of up to 1 per centum of the funds available to any State to carry out special developmental projects.

## TITLE XVIII—ACCOUNTS AND RECORDS

### GENERAL PROVISIONS

SEC. 1801. (a) States, State educational agencies, local agencies, service and nonprofit institutions, and schools participating in the school lunch, school breakfast, special milk, food service equipment assistance, summer food service, child care food, State administrative expenses, special supplemental food and nutrition, education and training programs under titles III, IV, VI, VII, IX, XIII, XIV, and XVI of this Act shall keep such accounts and records, including medical records, as may be necessary to enable the Secretary to determine whether there has been compliance with the provisions of such titles and the regulations thereunder, respectively. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years for the school lunch, summer food service, child care food, special supplemental food and nutrition and training programs or three years for the school breakfast, special milk, food service equipment assistance and State administrative expenses programs, as the Secretary determines is necessary.

(b) Accounts and records for the child care food program under title IX of this Act shall also be available at all times for inspection and audit by the Comptroller General of the United States and appropriate State representatives.

## TITLE XIX—CRIMINAL PROVISIONS

### GENERAL

SEC. 1901. Whoever embezzles, willfully misapplies, steals, or obtains by fraud any funds, assets, or property that are the subject of a grant or other form of assistance under this Act, whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such funds, assets, or property to his use or gain, knowing such funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such funds, assets, or property are of the value of $100 or more, be fined not more than $10,000 or imprisoned not more than five years, or both, or, if such funds, assets, or property are of a value of less than $100, shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

### SUMMER FOOD SERVICE PROGRAM

SEC. 1902. (a) Whoever, in connection with any application, procurement, recordkeeping entry, claim for reimbursement, or other document or statement made in connection with the summer food service program for children under title VIII of this Act, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, or whoever, in connection with such program, knowingly makes an opportunity for any person to defraud the United States, or does or omits to do any act with intent to enable any person to defraud the United States, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

(b) Whoever being a partner, officer, director, or managing agent connected in any capacity with any partnership, association, corporation, business, or organization, either public or private, that receives benefits under the summer food service program for children, knowingly or willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any benefits provided by such program or any money, funds, assets, or property derived from benefits provided by such program, shall be fined not more than $10,000 or imprisoned for not more than five years, or both (but, if the benefits, money, funds, assets, or property involved is not over $200, then the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both).

(c) If two or more persons conspire or collude to accomplish any act made unlawful under this section, and one or more of such persons do any act to effect the object of the conspiracy or collusion, each shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

## TITLE XX—ADVISORY COUNCILS

### ADVISORY COUNCIL ON CHILD NUTRITION

SEC. 2001. (a) There is hereby established a council to be known as the National Advisory Council on Child Nutrition (hereinafter in this section referred to as the "Council") which shall be composed of nineteen members appointed by the Secretary. One member shall be a school administrator, one member shall be a person engaged in child welfare work, one member shall be a person engaged in vocational education work, one member shall be a nutrition expert, one member shall be a school food service management expert, one member shall be a State superintendent of schools (or the equivalent thereof), one member shall be a supervisor of a school lunch program in a school system in an urban area (or the equivalent thereof), one member shall be a supervisor of a school lunch program in a school system in a rural area, one member shall be a State school lunch director (or the equivalent thereof), one member shall be a person serving on a school board, one member shall be a classroom teacher, two members shall be parents of children in schools that participate in the school lunch program under this Act, two members shall be senior high school students who participate in the school lunch program under this Act, and four members shall be officers or employees of the Department of Agriculture specially qualified to serve on the Council because of their education, training, experience, and knowledge in matters relating to child food programs.

(b) The fifteen members of the Council appointed from outside the Department of Agriculture shall be appointed for terms of two years, except that the appointments for 1978 shall be made as follows: Two replacements, one parent, and one senior high school student shall be appointed for terms of two years; and two replacements, one parent, and one senior high school student shall be appointed for terms of one year. Thereafter, all appointments shall be for a term of two years, except that a person appointed to fill an unexpired term shall serve only for the remainder of such term. Parents and senior high school students appointed to the Council shall be members of State or school district child nutrition councils or committees actively engaged in providing program advice and guidance to school officials administering the school lunch program. Such appointments shall be made in a manner to balance rural and urban representation between parents and students. Members appointed from the Department of Agriculture shall serve at the pleasure of the Secretary.

(c) The Secretary shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Council.

(d) The Council shall meet at the call of the Chairman but shall meet at least once a year.

(e) Eight members shall constitute a quorum and a vacancy on the Council shall not affect its powers.

(f) It shall be the function of the Council to make a continuing study of the operation of programs carried out under this Act and any related Act under which meals are provided for children, with a view to determining how such programs may be improved. The Council shall submit to the President and the Congress annually a written report of the results of its study together with such recommendations for the administrative and legislative changes as it deems appropriate.

(g) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions under this Act.

(h) Members of the Council shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council: *Provided*, That members serving as parents, in addition to reimbursement for necessary travel and subsistence, shall, at the discretion of the Secretary, be compensated for other personal expenses related to participation on the Council, such as child care expenses and lost wages during scheduled Council meetings.

### ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION

SEC. 2002. (a) There is hereby established a National Advisory Council on Maternal, Infant, and Fetal Nutrition (referred to in this subsection as the "Council") composed of twenty-one members appointed by the Secretary. One member shall be a State director of a program under title XIV of this Act; one member shall be a State official responsible for a commodity supplemental food program under section 1304 of the Food and Agriculture Act of 1977; one member shall be a State fiscal officer of a program under title XIV of this Act (or the equivalent thereof); one member shall be a State health officer (or the equivalent thereof); one member shall be a local agency director of a program under title XIV of this Act in an urban area; one member shall be a local agency director of a program under title XIV of this Act in a rural area; one member shall be a project director of a commodity supplemental food program; one member shall be a State public health nutrition director (or the equivalent thereof); one member shall be a representative of an organization serving migrants; one member shall be an official from a State agency predominantly serving Indians; three members shall be parent participants of a program under title XIV of this Act or of a commodity supplemental food program; one member shall be a pediatrician; one member shall be an obstetrician; one member shall be a representative of a nonprofit public interest organization that has experience with and knowledge of the special supplemental food program; one member shall be a person involved at the retail sales level of food in the special supplemental food program; two members shall be officials of the Department of Health, Education, and Welfare appointed by the Secretary of Health, Education, and Welfare; and two members shall be officials of the Department of Agriculture appointed by the Secretary.

(b) Members of the Council appointed from outside the Department of Agriculture and the Department of Health, Education, and Welfare shall be appointed for terms not exceeding three years. State and local officials shall serve only during their official tenure, and the tenure of parent participants shall not exceed two years. Persons appointed to complete an unexpired term shall serve only for the remainder of such term.

(c) The Secretary shall designate a Chairman and a Vice Chairman. The Council shall meet at the call of the Chairman, but shall meet at least once a year. Eleven members shall constitute a quorum.

(d) The Council shall make a continuing study of the operation of the special supplemental food program under title XIV of this Act and related programs to determine how the program may be improved. The Council shall submit once every two years to the President and Congress, beginning with the fiscal year ending September 30, 1980, a written report, together with its recommendations on such program operations.

(e) The Secretary shall provide the Council with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions.

(f) Members of the Council shall serve without compensation but shall be reimbursed for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Council: *Provided*, That parent participant members of the Council, in addition to reimbursement for necessary travel and subsistence, shall, at the discretion of the Secretary, be compensated in advance for other personal expenses related to participation on the Council, such as child care expenses and lost wages during scheduled Council meetings.

## TITLE XXI—REGULATIONS

SEC. 2101. The Secretary shall prescribe such regulations as he may deem necessary to carry out this Act, including regulations relating to the service of food in participating schools and service institutions in competition with the programs authorized under this Act. Such regulations shall not prohibit the sale of competitive foods approved by the Secretary in food service facilities or areas during the time of service of food under this Act if the proceeds from the sales of such foods will inure to the benefit of the schools or of organizations of students approved by the schools. In such regulations, the Secretary may provide for the transfer of funds by any State between the programs authorized under this Act on the basis of an approved State plan of operation for the use of the funds, except that the Secretary may not provide for the transfer of funds from the nutrition education and training program to any other program.

## TITLE XXII—APPROPRIATIONS AUTHORIZED

### SCHOOL LUNCH PROGRAM

SEC. 2201. For each fiscal year there is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, such sums as may be necessary to enable the Secretary to carry out the provisions of title III of this Act, title V of this Act insofar as it relates to the school lunch program, and section 2001 of title XX of this Act.

### SCHOOL BREAKFAST PROGRAM

SEC. 2202. There is hereby authorized to be appropriated for each fiscal year such sums to enable the Secretary to carry out the provisions of title IV of this Act and title V of this Act insofar as it relates to the school breakfast program.

### SPECIAL MILK PROGRAM

SEC. 2203. There is hereby authorized to be appropriated for each fiscal year such sums as may be necessary to enable the Secretary to carry out the program authorized under title VI of this Act.

### SUMMER FOOD SERVICE PROGRAM

SEC. 2204. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of title VIII of this Act.

### CHILD CARE FOOD PROGRAM

SEC. 2205. There are hereby authorized to be appropriated for each fiscal year such funds as are necessary to carry out the purposes of title IX of this Act.

### FOOD SERVICE EQUIPMENT ASSISTANCE FOR SCHOOLS

SEC. 2206. There is hereby authorized to be appropriated for each fiscal year not to exceed $75,000,000 to enable the Secretary to carry out the food sevice equipment assistance program for schools under title VII of this Act.

### STATE ADMINISTRATIVE EXPENSES

SEC. 2207. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of title XIII of this Act.

(b) There are hereby authorized to be appropriated such sums as may be necessary for the purposes of title XIII of this Act.

### SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 2208. There are hereby authorized to be appropriated $550,000,000 for the fiscal year ending September 30, 1979, $800,000,000 for the fiscal year ending September 30, 1980, $900,000,000 for the fiscal year ending September 30, 1981, and $950,000,000 for the fiscal year ending September 30, 1982, for the purpose of carrying out the program authorized by title XIV of this Act.

### FOODS FOR THE ELDERLY

SEC. 2209. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of section 1505 of title XV of this Act.

### NUTRITION EDUCATION AND TRAINING

SEC. 2210. There is hereby authorized to be appropriated for grants to each State for the conduct of nutrition education and information programs under title XVI of this Act an amount equal to the higher of (a) 50 cents for each child enrolled in schools or in institutions within each State, or (b) $75,000 for each State.

### EXPERIMENTAL OR DEMONSTRATION PROJECTS

SEC. 2211. In order to carry out the program provided for in section 1702 of title XVII of this Act, there is hereby authorized to be appropriated not to exceed $1,000,000 annually.

### ADVANCE APPROPRIATIONS

SEC. 2212. Appropriations to carry out the provisions of this Act for any fiscal year are authorized to be made a year in advance of the beginning of the fiscal year in which the funds will become available for disbursement to the States.

### CONTINUED AVAILABILITY OF FUNDS

SEC. 2213. Notwithstanding any other provision of law, any funds appropriated to carry out the provisions of this Act shall remain available for the purposes for which appropriated until expended.

### SECRETARY'S ADMINISTRATIVE EXPENSES

SEC. 2214. (a) Not to exceed 3½ per centum of the funds appropriated for carrying out the provisions of this Act, other than title VI hereof, is hereby being made available to the Secretary for his administrative expenses under this Act.

(b) There is hereby authorized to be appropriated for any fiscal year such sums as may be necessary to the Secretary for his administrative expense under titles IV, V (insofar as it relates to the school breakfast program), VI, VII, XIII, XIV, XVI, section 1702 of title XVII and section 2002 of title XX of this Act.

## TITLE XXIII—ADMINISTRATION AND BUDGET

### CENTRALIZATION OF ADMINISTRATION

SEC. 2301. Authority for the conduct and supervision of Federal programs to assist schools in providing food service programs for children is assigned to the Department of Agriculture. To the extent practicable, other Federal agencies administering programs under which funds are to be provided to schools for such assistance shall transfer such funds to the Department of Agriculture for distribution through the administrative channels and in accordance with the standards established under this Act.

### HEW BUDGET

SEC. 2302. Appropriations and expenditures for this Act shall be considered Health, Education, and Welfare functions for budget purposes rather than functions of Agriculture.

## TITLE XXIV—TREASURY PAYMENTS

### SCHOOL LUNCH PROGRAM

SEC. 2401. The Secretary shall certify to the Secretary of the Treasury from time to time the amounts to be paid to any State under section 302 of title III of this Act and the time or times such amounts are to be paid; and the Secretary of the Treasury shall pay to the State at the time or times fixed by the Secretary the amounts so certified.

### OTHER PROGRAMS

SEC. 2402. The Secretary shall certify to the Secretary of the Treasury from time to time the amounts to be paid to any State under titles IV, VI, VII, and XIII of this Act and the time or times such amounts are to be paid; and the Secretary of the Treasury shall pay to the State at the time or times fixed by the Secretary the amounts so certified.

## TITLE XXV—MISCELLANEOUS PROVISIONS

### NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966

SEC. 2501. The National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, are hereby repealed.

### REGULATIONS

SEC. 2502. The provisions of the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, which are relevant to current regulations of the Secretary governing all programs authorized under those Acts shall remain in effect until such regulations are revoked, suspended, amended, or modified by regulations issued pursuant to the National Child Nutrition Act.

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U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
*Washington, D.C., May 11, 1979.*

Mr. DANIEL MARCUS,
*Acting General Counsel, USDA,*
*Washington, D.C.*

DEAR MR. MARCUS: I very much appreciate the aid and assistance the General Counsel's office has provided the Committee over the years, particularly in the area of nutrition legislation.

If possible, I would again like to call upon the services of your office.

There has been interest in recent years in a comprehensive rewrite of the National School Lunch Act and the Child Nutrition Act of 1966. I would very much appreciate your office integrating the two statutes into one bill without any substantive changes. I recognize that this is a rather substantial undertaking, but believe that the Committee may want to use such a bill as the basis of its consideration of child nutrition legislation next year.

Completion of the draft bill by September 1979 would be most helpful.

With every good wish, I am

Sincerely,

GEORGE MCGOVERN,
*Chairman, Subcommittee on Nutrition.*

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DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
*Washington, D.C., May 16, 1979.*

Hon. GEORGE MCGOVERN,
*Chairman, Subcommittee on Nutrition, U.S. Senate, Washington, D.C.*

DEAR SENATOR MCGOVERN: In your letter of May 11, you asked if our office could provide assistance to the Senate Agriculture

Committee by drafting a bill that would integrate the provisions of the National School Lunch Act and the Child Nutrition Act of 1966 into a single statute without making any substantive changes.

We would be happy to assist you and your committee, and believe that we can produce such a draft bill, as you requested, by September of this year. If you or your staff have any questions as we proceed, please let us know.

Sincerely,

DANIEL MARCUS,
*Acting General Counsel.*

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DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
*Washington, D.C., October 2, 1979.*

Hon. GEORGE MCGOVERN,
*Chairman, Subcommittee on Nutrition, U.S. Senate, Washington, D.C.*

DEAR SENATOR MCGOVERN: We are pleased to forward to you the draft legislation prepared by our office which integrates the provisions of the National School Lunch Act and the Child Nutrition Act of 1966.

After meeting with Mr. Matz, Special Counsel, Senate Agriculture Committee, we have redrafted the legislation to incorporate the alterations requested by Mr. Matz. Attached to this letter is a list of the two technical amendments which are necessitated by the resolution of certain inconsistent provisions of the National School Lunch Act and Child Nutrition Act.

If you or your staff have any questions concerning this legislation, please contact Bonnie Luken of this office at 447-4396.

Sincerely,

DANIEL MARCUS,
*General Counsel.*

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### EXPLANATORY NOTES*

1. Section 201(g).—The definition in section 8 of the National School Lunch Act purports to cover the terms "child" and "children" wherever used in that Act. However, the definition cannot be reconciled with the express definition in section 13(a)(1) of the National School Lunch Act (title VIII of this "Act").

2. Section 301.—Cf. matching requirements which are based upon a school year.

3. Section 302 and Section 403(a).—This "grandfather" provision is not currently effective but could be triggered by a downward adjustment in the CPI.

4. Section 305.—Essentially the same provision, but stated in the negative, has been omitted. See the last sentence in section 13(i) which provides that any State unable to disburse funds payable to it under the section shall notify the Secretary by January 1 of its intention not to administer the program.

5. Section 803.—The present act uses the word "may." Since later program provisions are mandatory, "shall" has been substituted.

6. Section 901 and Section 1403(a).—This provision of the National School Lunch Act refers to school lunch and school breakfast programs and also to programs under "section 13 of this Act." When the provision was enacted (P.L. 91-248, 84 Stat. 212, May 14, 1970), section 13 encompassed both the summer food service program for children (currently section 13 of the National School Lunch Act) and the child care food program (currently section 17 of the National School Lunch Act). Although the reference to section 13 was not changed, it is clear from section 17(i), enacted by P.L. 95-627, 92 Stat. 3609, Nov. 10, 1978, that the requirements of section 11(e) of the National School Lunch Act apply also to the child care food program.

7. Section 1001.—When this provision was enacted, the term "service institution" encompassed both "service institution" and "institution," as presently defined in sections 13 and 17 of the National School Lunch Act.

8. Section 1501(a) and Section 2101.—This reference to "institutions" preceded the use of the term in the child care food program. It referred to charitable institutions authorized to receive section 32 commodities for the use of needy persons. See the food donation regulations, 7 CFR Part 250.

9. Section 1501(c).—Section 416 of the Agricultural Act of 1949 and section 709 of the Food and Agriculture Act of 1965 authorize the Secretary to donate commodities acquired under those sections to school lunch programs.

10. Section 1501(d).—The term "institution" here encompasses "institution" as defined in the child care food program, "service institution" as defined in the summer food service program for children, "local agency" as defined in the special supplemental food program, and food programs for the elderly.

11. Section 1504(f)(2).—This has been adapted from section 16 of the Child Nutrition Act of 1966. Read literally, the section would apply also to States operating under the special supplemental food program which has a separate records provision.

12. Section 1801.—Section 19(e) of the Child Nutrition Act authorizes the Secretary to issue such regulations as are necessary to implement the nutrition education and training programs, a provision which appears redundant in view of the language of section 10 of the Child Nutrition Act. However, there may be some question as to whether the last sentence of section 10, CNA, is applicable to the nutrition education and training program. Because section 19(e) of CNA provides for the NET regulations, section 10, CNA, is probably not applicable to NET.

13. Section 2101.—Subsection (a) of this section was added by section 7 of P.L. 95-627, 92 Stat. 3621, November 10, 1978. Subsection (b) of this section was a part of section 7 of the Child Nutrition Act of 1966 since its amendment by P.L. 95-166, 91 Stat. 1338, November 10, 1977.

14. Section 2207(a).—This provision is currently in section 4 of the Child Nutrition Act of 1966, applicable to the school breakfast program. A similar provision, applicable to the national school lunch program, was enacted as independent legislation (Public Law 90-302, May 8, 1968, 82 Stat. 117).

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### TECHNICAL AMENDMENTS

1. Title IX, section 901 of this Act substitutes the word "shall" for the word "may" used in section 17(a) of the National School Lunch Act. The word "shall" has been substituted because the Secretary has no discretion to refuse to carry out the program.

2. Section 19(e) of the Child Nutrition Act of 1966 authorizes the Secretary to issue such regulations as are necessary to implement the nutrition education and training program (NET). Section 10 of the Child Nutrition Act authorizes the Secretary to issue such regulations as are necessary to implement the Child Nutrition Act and the National School Lunch Act. Since § 19(e), CNA, provides for the issuance of the NET regulations it is redundant for § 10, CNA, to provide for the same issuance of the NET regulations. Further, the NET program is carried out by grants from the Secretary to State educational agencies. All other NSLA and CNA programs are carried out by reimbursements from the Secretary to the State educational agencies for the number of meals served. It would be difficult to transfer NET funds to other programs. Therefore, § 10, CNA, is amended to provide that funds may be transferred from one program to another within a state at the Secretary's discretion, except that funds cannot be transferred from the NET program.

TABLE 1.—*Cross reference*

| Old legislation | New legislation |
|---|---|
| I NSLA[1] | |
| 2 | 101 |
| 3 | 2201, 2212, 2213 |
| 4 | 301, 302 |
| 5 | Omitted |
| 6 | 312(b) |
| 6(a) | 1501(a), 1701, 2214(a) |
| 6(b) | 1504(a) |
| 6(c) | 1504(b) |
| 6(d) | 1504(c) |
| 6(e) | 1501(i), 1503(a), 1504(d) |
| 7 | 301, 305, 306, 2401 |
| 8 | 201(g), 307(a), (b), (d) |
| 9(a) | 310, 311(a), (b) |
| 9(b) | 308, 309(a), (b), (d), (e) |
| 9(c) | 309(c), (h), 312(a), 1101, 1501(c) |
| 10 | 1201 |
| 11(a) | 304(a), 404(a) |
| 11(b) | 307(c) |
| 11(c) | Omitted |
| 11(d) | Omitted |
| 11(e) | 309(f), (g), 1001 |
| 12(a) | 1801(a) |
| 12(b) | Omitted |
| 12(c) | 201, 1103, 1105 |
| 12(d) | 201(a–f) |
| 12(e) | 1105 |
| 12(f) | 304(b), 404(b) |
| 12(g) | 1901 |
| 12(h) | 1106 |
| 13(a) | 201, 801, 802 |
| 13(a)(2) | 812 |
| 13(a)(3) | 804 |
| 13(a)(5) | 808 |
| 13(b) | 805 |
| 13(b)(2) | 811(b) |
| 13(c) | 811(c) |
| 13(d) | 806 |
| 13(e) | 807 |
| 13(f) | 810, 811, 813 |
| 13(g) | 809, 816 |
| 13(h) | 811, 1501(e) |
| 13(i) | 1204 |
| 13(j) | 1104 |
| 13(k) | 814 |
| 13(l) | 815 |
| 13(m) | 1801(a) |
| 13(n) | 1003 |
| 13(o) | 1902 |
| 13(p) | 2204 |
| 14(a) | 1501(b), 1505(b) |
| 14(b) | 1501(h) |
| 14(c) | 1505(a), 2209 |
| 14(d) | 1502(a) |
| 14(e) | 1107 |
| 15 | 2001 |
| 16 | 1504(f) |
| 17(a) | 901, 902, 903 |
| 17(b) | 905(a) |
| 17(c) | 905(b) |
| 17(d) | 904, 1407(a–c) |
| 17(e) | 909 |
| 17(f) | 906 |
| 17(f)(4) | 907 |
| 17(f)(5) | 908, 1801 |
| 17(f)(6) | 1406 |
| 17(g) | 911 |
| 17(h) | 1501(f), 1504(e) |
| 17(i) | 1004 |
| 17(j) | 913 |
| 17(k) | 910 |
| 17(l) | 915, 1501(g) |
| 17(m) | 1205 |
| 17(n) | 912 |
| 17(o) | 914 |
| 17(p) | 1104 |
| 17(q) | 1801(b) |
| 17(r) | 2205 |
| 18 | Omitted |
| 19 | Omitted |
| 20(d) | 313 |
| 21 | Omitted |
| 22 | 101, 311(c), 501 |

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*Prepared by the Department of Agriculture, Office of General Counsel.

[1] National School Lunch Act, Public Law 79-396, 60 Stat. 230, June 4, 1946.

| New legislation | Old legislation |
|---|---|
| II CNA[2] | |
| 2 | 101 |
| 3 | 601, 602, 603, 2203 |
| 4(a) | 402, 2202, 2302 |
| 4(b) | 402, 403, 405(a–c) |
| 4(c) | 406 |
| 4(d) | 405(d), 1002 |
| 4(e) | 407, 408 |
| 4(f) | 1202 |
| 4(g) | 401 |
| 5(a) | 701, 2206 |
| 5(b) | 702, 703, 705 |
| 5(c) | 701, 706 |
| 5(d) | 1203(a), (b) |
| 5(e) | 704, 705, 1203(c) |
| 5(f) | 707 |
| 6 | 2402 |
| 7(a) | 2207(a) |
| 7(a)(5) | 1304 |
| 7(a)(6) | 1207 |
| 7(b) | 1306 |
| 7(c) | 1304(b) |
| 7(d) | 1301(e) |
| 7(e) | 1302, 1304(c), 1305(b) |
| 7(f) | 1304(d) |
| 7(g) | 1305(a) |
| 7(h) | 1303 |
| 7(i) | 2207(b) |
| 8 | 409, 1501(d) |
| 9 | 1101 |
| 10 | 1703, 2101 |
| 11(a) | 1103 |
| 11(b) | 1104, 1105 |
| 12 | 1102 |
| 13 | 2301 |
| 14 | 2214(b) |
| 15 | 201(a–f) |
| 15(f) | 201g |
| 16 | 1801(a) |
| 17(a) | 1301(a–d), 1401 |
| 17(a)(6) | 1207 |
| 17(b) | 1402 |
| 17(b)(14) | 1412(b) |
| 17(c) | 1403 |
| 17(d) | 1407(a–c) |
| 17(e)(1) | 1409(a) |
| 17(e)(2) | 1409(b) |
| 17(f) | 1405 |
| 17(f)(4) | 1414 |
| 17(f)(5) | 1408(a), 1801(a) |
| 17(f)(6) | 1406 |
| 17(f)(7) | 1407(e) |
| 17(f)(8) | 1409(c) |
| 17(f)(9) | 1410 |
| 17(f)(10) | 1407(d) |
| 17(f)(11) | 1411 |
| 17(f)(12) | 1412 |
| 17(f)(13) | 1412(c) |
| 17(f)(14) | 1409(d) |
| 17(g) | 1415, 2208 |
| 17(h) | 1413 |
| 17(i) | 1404 |
| 17(j) | 1408(b) |
| 17(k) | 2002(a) |
| 17(l) | 1501(g) |
| 18(a) | 1702 |
| 18(b) | 2211 |
| 19(a) | 1601(a) |
| 19(b) | 1601(b) |
| 19(c) | 1602 |
| 19(d) | 1603 |
| 19(d)(4) | 1605(a) |
| 19(d)(5) | 1606 |
| 19(e) | 1604, 2101 |
| 19(f)(2) | 1607(a) |
| 19(f)(3) | 1608 |
| 19(f)(4) | 1607(b) |
| 19(g)(1) | 1607(c) |
| 19(g)(2) | 1801(a) |
| 19(h)(1) | 1611 |
| 19(h)(2) | 1609 |
| 19(h)(3) | 1609 |
| 19(i)(2) | 1610 |
| 19(j)(3) | 1605(b), 2210 |
| 19(f)(1) | 1605(c) |
| 20 | 101, 501(a) |

TABLE 2.—*Cross reference*

| New legislation | Old legislation |
|---|---|
| 101 | 2,22 NSLA[1]<br>2,20 CNA[2] |
| 201(a–f) | 12(d), 13(a) NSLA<br>15 CNA |
| 201(g) | 8 NSLA, 15(f) CNA |
| 301 | 4,7 NSLA |
| 302 | 4 NSLA |
| 303 | 11 NSLA |
| 304(a) | 11(a) NSLA |
| 304(b) | 12(f) NSLA |
| 305 | 7 NSLA |
| 306 | 7 NSLA |
| 307(a) & (b) | 8 NSLA |
| 307(c) | 11(b) NSLA |
| 307(d) | 8 NSLA |
| 308 | 9(b) NSLA |
| 309(a), (b) | 9(b) NSLA |
| 309(c) | 9(c) NSLA |
| 309(d), (e) | 9(b) NSLA |
| 309(f), (g) | 11(e) NSLA |
| 309(h) | 9(c) NSLA |
| 310 | 9(a) NSLA |
| 311(a), (b) | 9(a) NSLA |
| 311(c) | 22 NSLA |
| 312(a) | 9(c) NSLA |
| 312(b) | 6(a)(3) NSLA |
| 313 | 20(d) NSLA |
| 401 | 4(g) CNA |
| 402 | 4(a), (b) CNA |
| 403 | 4(b)(1) CNA |
| 404(a) | 11(a) NSLA |
| 404(b) | 12(f) NSLA |
| 405(a), (b), (c) | 4(b)(2)(A), (B), (C) CNA |
| 405(d) | 4(d) CNA |
| 406 | 4(c) CNA |
| 407 | 4(e) CNA |
| 408 | 4(e) CNA |
| 409 | 8 CNA |
| 501 | 22 NSLA, 20 CNA |
| 601 | 3 CNA |
| 602 | 3 CNA |
| 603 | 3 CNA |
| 701 | 5(a), (c) CNA |
| 702 | 5(b) CNA |
| 703 | 5(b) CNA |
| 704 | 5(e) CNA |
| 705 | 5(b), (e) CNA |
| 706 | 5(c) CNA |
| 707 | 5(f) CNA |
| 801 | 13(a)(1) NSLA |
| 802 | 13(a)(1) NSLA |
| 803 | 13(n) NSLA |
| 804(a) | 13(a)(3) NSLA |
| 804(b) | 13(a)(4) NSLA |
| 805(a) | 13(b)(1) NSLA |
| 805(b) | 13(b)(3) NSLA |
| 806 | 13(d) NSLA |
| 807(a) | 13(e)(1) NSLA |
| 807(b) | 13(e)(2) NSLA |
| 808 | 13(a)(5) NSLA |
| 809 | 13(g) NSLA |
| 810 | 13(f) NSLA |
| 811(a) | 13(f), (h) NSLA |
| 811(b) | 13(b)(2) NSLA |
| 811(c) | 13(c) NSLA |
| 812 | 13(a)(2) NSLA |
| 813 | 13(f) NSLA |
| 814 | 13(k) NSLA |
| 815 | 13(l) NSLA |
| 816 | 13(g) NSLA |
| 901 | 17(a) NSLA |
| 902 | 17(a) NSLA |
| 903 | 17(a) NSLA |
| 904 | 17(d) NSLA |
| 905(a) | 17(b) NSLA |
| 905(b) | 17(c) NSLA |
| 906(a) | 17(f)(1) NSLA |
| 906(b) | 17(f)(2) NSLA |
| 906(c) | 17(f)(3) NSLA |
| 906(d) | 17(f)(4) NSLA |
| 907 | 17(f)(4) NSLA |
| 908 | 17(f)(5) NSLA |
| 909 | 17(e) NSLA |
| 910 | 17(k) NSLA |
| 911 | 17(g) NSLA |
| 912 | 17(n) NSLA |
| 913 | 17(j) NSLA |
| 914 | 17(o) NSLA |
| 915 | 17(l) NSLA |
| 1001 | 11(e)(1) NSLA |
| 1002 | 4(d) CNA |
| 1003 | 13(n) NSLA |
| 1004 | 17(i) NSLA |
| 1101 | 9(c) NSLA; 9 CNA |
| 1102 | 12 CNA |
| 1103 | 12(c) NSLA; 11(a) CNA |
| 1104 | 13(j), 17(p) NSLA; 11(b) CNA |
| 1105 | 12(c) NSLA; 11(b) CNA |
| 1106 | 12(h) NSLA |
| 1107 | 14(e) NSLA |
| 1201 | 10 NSLA |
| 1202 | 4(f) CNA |
| 1203(a), (b) | 5(d) CNA |
| 1203(c) | 5(e) CNA |
| 1204 | 13(i) NSLA |
| 1205 | 17(m) NSLA |
| 1206 | 19(d)(6) CNA |
| 1207 | 7(a)(6) CNA |
| 1301(a), (b), (c), (d) | 7(a) CNA |
| 1301(e) | 7(d) CNA |
| 1302 | 7(e) CNA |
| 1303 | 7(h) CNA |
| 1304(a) | 7(a)(5) CNA |
| 1304(b) | 7(c) CNA |
| 1304(c) | 7(e) CNA |
| 1304(d) | 7(f) CNA |
| 1305(a) | 7(g) CNA |
| 1305(b) | 7(e) CNA |
| 1306 | 7(b) CNA |
| 1401 | 17(a) CNA |
| 1402 | 17(b) CNA |
| 1403 | 17(c) CNA |
| 1404 | 17(i) CNA |
| 1405 | 17(f) CNA |
| 1406 | 17(f)(6) CNA |
| 1407(a), (b), (c) | 17(d) CNA |
| 1407(d) | 17(f)(10) CNA |
| 1407(e) | 17(f)(7) CNA |
| 1408(b) | 17(j) CNA |
| 1409(a) | 17(e)(1) CNA |
| 1409(b) | 17(e)(2) CNA |
| 1409(c) | 17(f)(8) CNA |
| 1409(d) | 17(f)(14) CNA |
| 1410 | 17(f)(9) CNA |
| 1411 | 17(f)(11) CNA |
| 1412(a) | 17(f)(12) CNA |
| 1412(b) | 17(b)(14) CNA |
| 1412(c) | 17(f)(13) CNA |
| 1413 | 17(h) CNA |
| 1414 | 17(f)(4) CNA |
| 1415 | 17(g) CNA |
| 1501(a) | 6(a) NSLA |
| 1501(b) | 14(a) NSLA |
| 1501(c) | 9(c) NSLA |
| 1501(d) | 8 CNA |
| 1501(e) | 13(h) NSLA |
| 1501(f) | 17(h) NSLA |
| 1501(g) | 17(l) NSLA |
| 1501(h) | 14(b) NSLA |
| 1501(i) | 6(e) NSLA |
| 1502 | 14(d) NSLA |
| 1503(a) | 6(e) NSLA |
| 1503(b) | 17(h) NSLA |
| 1504(a) | 6(b) NSLA |
| 1504(b) | 6(c) NSLA |
| 1504(c) | 6(d) NSLA |
| 1504(d) | 6(e) NSLA |
| 1504(e) | 17(h) NSLA |
| 1504(f)(1) | 16(a) NSLA |
| 1504(f)(2) | 16(b) NSLA |
| 1505(a) | 14(c) NSLA |
| 1505(b) | 14(a) NSLA |
| 1601(a) | 19(a) CNA |
| 1601(b) | 19(b) CNA |
| 1602 | 19(c) CNA |
| 1603(a) | 19(d)(1) |
| 1603(b) | 19(d)(2) |
| 1603(c) | 19(d)(3) |
| 1604 | 19(e) CNA |
| 1605(a) | 19(d)(4) CNA |

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[1] National School Lunch Act, Public Law 79–396, 60 Stat. 230, June 4, 1946.

[2] Child Nutrition Act of 1966, Public Law 89–642, 80 Stat. 885, Oct. 11, 1966.

| | |
|---|---|
| 1605(b) | 19(j)(2) CNA |
| 1605(c) | 19(j)(3) CNA |
| 1606 | 19(d)(5) CNA |
| 1607(a) | 19(f)(1) CNA |
| 1607(b) | 19(f)(3) CNA |
| 1607(c) | 19(f)(4) CNA |
| 1608 | 19(f)(2) CNA |
| 1609 | 19(h)(1)(2) CNA |
| 1610 | 19(h)(3) CNA |
| 1611 | 19(g)(2) CNA |
| 1701 | 6(a)(3) NSLA |
| 1702 | 18(a) CNA |
| 1703 | 10 CNA |
| 1801(a) | 12(a), 13m NSLA<br>17(f)(5), 19(g)(1), 16 CNA |
| 1801(b) | 17(q) NSLA |
| 1901 | 12(g) NSLA |
| 1902(a) | 13(o)(1) NSLA |
| 1903(b) | 13(o)(2) NSLA |
| 1902(c) | 13(o)(3) NSLA |
| 2001 | 15 NSLA |
| 2002 | 17(k) CNA |
| 2101 | 10 CNA; 19(e) CNA |
| 2201 | 3 NSLA |
| 2202 | 4(a) CNA |
| 2203 | 3 CNA |
| 2204 | 13(p) NSLA |
| 2205 | 17(r) NSLA |
| 2206 | 5(a) CNA |
| 2207(a) | 7(a) CNA |
| 2207(b) | 7(i) CNA |
| 2208 | 17(g) CNA |
| 2209 | 14(c) NSLA |
| 2210 | 19(j)(2) CNA |
| 2211 | 18(b) CNA |
| 2212 | 3 NSLA |
| 2213 | 3 NSLA |
| 2214(a) | 6(a) NSLA |
| 2214(b) | 14 CNA |
| 2301 | 13 CNA |
| 2302 | 4(a) CNA |
| 2401 | 7 NSLA |
| 2402 | 6 CNA |

### TABLE 3.—*Omitted provisions*

#### GENERAL

All obviously obsolete provisions relating to a prior year.

References to section 10, NSLA, or to Secretary as an alternate to State. See, for example, section 5(f), (1) CNA. It would not seem necessary to refer to operation by the Secretary in view of the express language of provisions authorizing the Secretary to act. See title XII of the new "Act." Also, if references are to be made to the Secretary as an alternate program administrator, the references to operation by the Secretary should be made much more frequently.

A reference to "grants-in-aid" is made only in the "Declaration of Policy." The various program provisions are specific as to the type of program to be conducted.

#### NATIONAL SCHOOL LUNCH ACT

§ 5 and all references to § 5.

§ 6(a)(2).

Reference in § 7 to agreements between Secretary and States.

The provisos at the end of § 11(a).

§ 11(c).

§ 11(d).

§ 12(b).

§ 12(d)(4) & (5).

The proviso at the end of § 13(b)(1).

The reference to the study at the end of § 13(b)(3).

§ 13(b)(4).

The first sentence of the last ¶ of § 14(d).

§ 18.

§ 19.

§ 20(a), (b), (c).

§ 21.

#### CHILD NUTRITION ACT OF 1966

The third sentence of § 4(c).

The last sentence of § 4(g).●

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By Mr. SARBANES:

S. 1899. A bill to amend the Chesapeake and Ohio Canal Development Act to change the termination date of the Chesapeake and Ohio Canal National Historical Park Commission from the date 10 years after the effective date of such act to the date 20 years after such effective date; to the Committee on Energy and Natural Resources.

● Mr. SARBANES. Mr. President, I am pleased to introduce this legislation which would extend the life of the C. & O. Canal Citizen Advisory Commission beyond its current expiration date in 1981. The intent of this bill is that the outstanding work of the Commission, one of the most effective and useful citizen panels ever created by Federal law, be continued for an additional 10 years. This legislation is being advanced in the House of Representatives by my colleagues Congressman MICHAEL BARNES and Congresswoman BEVERLY BYRON, where congressional districts encompass the Maryland portion of the national park.

The Chesapeake and Ohio Canal National Historical Park Commission, as it is officially known, was created in 1971 at the same time that the canal was designated a national park. The Commission was established in recognition of the unique character of the canal. Unlike most other national parks, the C. & O. Canal is situated close by thriving urban and suburban communities in the District of Columbia and Maryland. Because of this close proximity, the Citizen Advisory Commission has been an important instrument in providing a voice for the concerns of the members of these communities.

During the past 8 years, volunteer representatives from Montgomery, Frederick, Washington, and Allegany Counties in Maryland have joined with other citizens from the District of Columbia, Virginia, and West Virginia in providing valuable advice regarding the operation and maintenance of the canal. With the guidance of the Commission, the Department of the Interior developed a comprehensive master plan for the long-range management of the canal. The result of this activity has been greater use and enjoyment of this national treasure by thousands of Americans. It is my hope that Congress will act to insure the continued success of the C. & O. Canal as a national park by retaining this very worthwhile citizen advisory group, the Chespeake and Ohio Canal National Historical Park Commission.●

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## ADDITIONAL COSPONSORS

#### S. 300

At the request of Mr. KENNEDY, the Senator from Nevada (Mr. LAXALT) was was added as a cosponsor of S. 1619, a bill Antitrust Enforcement Act of 1979.

#### S. 1619

At the request of Mr. MATHIAS, the Senator from Montana (Mr. MELCHER) was added as a consponsor of S. 300, the to provide that motion picture films and video tapes which are produced for sale or rent as training films are to be treated as educational films for purposes of the investment credit.

#### S. 1865

At the request of Mr. KENNEDY, the Senator from Calfornia (Mr. HAYAKAWA) added as a consponsor of S. 1865, the Radiation Exposure Compensation Act of 1979.

#### S. 1884

At the request of Mr. HART, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of S. 1884, a bill to provide that legislation appropriating funds for payment of salaries to federal employees shall be enacted separately from other legislation.

#### AMENDMENT NO. 518

At the request of Mr. HUDDLESTON, the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of amendment No. 518 intended to be proposed to the resolution of ratification of the treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms (Ex. Y, 96–1).

#### AMENDMENT NO. 520

At the request of Mr. HUDDLESTON, his name was added as a cosponsor of amendment No. 520 proposed to H.R. 4930, the Interior appropriations bill.

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## SENATE RESOLUTION 257—ORIGINAL RESOLUTION REPORTED WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on the Budget.

#### S. RES. 257

*Resolved,* That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1012, a bill to provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tennessee, in 1982, and for other purposes. Such a waiver is necessary to allow the authorization of $20,800,000 in additional budget authority for fiscal year 1980 to carry out United States participation in this exposition.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1979, deadline, because of a delay in the presentation of the Administration's position on this legislation.

The effect of defeating consideration of this supplemental authorization will be a disruption of U.S. efforts to prepare for this exposition.

The desired authorization will not delay the appropriations process.

## SENATE RESOLUTION 258—ORIGINAL RESOLUTION REPORTED WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on the Budget.

S. Res. 258

*Resolved*, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1668, a bill to authorize additional appropriations for the Department of State for migration and refugee assistance for fiscal year 1980. Such a waiver is necessary to allow the authorization of $207,290,000 in additional budget authority for fiscal year 1980 for migration and refugee assistance. The amount previously authorized for this purpose, $248,951,000, has proven inadequate to fund the United States refugee effort.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1979, deadline, because of the unexpected increases in the flow of refugees from Southeast Asia.

The effect of defeating consideration of the supplemental authorization will be a disruption of the U.S. refugee program.

The desired authorization will not delay the appropriations process.

## AMENDMENTS SUBMITTED FOR PRINTING

## ADOPTIVE ASSISTANCE AND CHILD WELFARE ACT OF 1979—H.R. 3434

AMENDMENT NO. 522

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER submitted an amendment intended to be proposed by him to H.R. 3434, an act to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes.

● Mr. SCHWEIKER. Mr. President, today I submit an amendment to H.R. 3434, the Adoption Assistance and Child Welfare Act of 1979.

This amendment is similar to amendment No. 507, which I submitted October 9, as it makes urgently needed improvements in title XIX (medicaid) program administration by requiring prompt installation of computerized medicaid management information systems. After informal consultation with Senate Finance Committee staff, however, I have made some minor changes in the amendment to insure that sufficient flexibility among the States is allowed. I appreciate the help the Finance Committee staff has given me in drawing up this amendment, and feel that it has been improved.

Mr. President, I ask unanimous consent that the text of my amendment, a section-by-section analysis, and a summary of the status of MMIS in the States be printed at this point in the Record.

There being no objection, the amendment and material were ordered to be printed in the Record, as follow:

Amendment No. 522

At the end of the bill insert the following new sections:

MECHANIZED CLAIMS PROCESSING AND INFORMATION RETRIEVAL SYSTEMS

Sec. 308. Section 1903 of the Social Security Act is amended by adding at the end thereof the following new section:

"(r)(1) The amount otherwise payable for any quarter under paragraphs (2) and (7) of subsection (a) (without regard to this subsection) shall be reduced by an amount equal to—

"(A) 25 percent of such amount otherwise payable, for any quarter beginning on or after July 1, 1980, and ending before July 1, 1981,

"(B) 50 percent of such amount otherwise payable, for any quarter beginning on or after July 1, 1981, and ending before July 1, 1982,

"(C) 75 percent of such amount otherwise payable, for any quarter beginning on or after July 1, 1982, and ending before July 1, 1983, and

"(D) 100 percent of such amount otherwise payable, for any quarter beginning on or after July 1, 1983,

with respect to any State which fails to meet the requirements of paragraph (2).

"(2)(A) In order to receive payments under section 1903(a) without being subject to reduction under paragraph (1) of this subsection, a State must provide that mechanized claims processing and information retrieval systems of the type described in section 1903 (a)(3)(A)(i) which are approved by the Secretary as achieving the objectives of an effective system at reasonable cost (whether such systems are operated directly by the State or by another person under a contract with the State) be operational with respect to the entire State, and that such systems meet the requirements of paragraph (3) of this subsection.

"(B) With respect to quarters ending before July 1, 1981, payments to a State shall not be subject to reduction under paragraph (1) of this subsection if such State has submitted, and the Secretary has not formally disapproved, an advanced planning document which specifically describes (in reasonable detail) the State's plans for installing and operating mechanized claims processing and information retrieval systems described in subparagraph (A).

"(3)(A) In order to be approved by the Secretary, or to be reapproved by the Secretary in the case of a system which is initially approved but is subsequently disapproved, mechanized claims processing and information retrieval systems must meet the following requirements:

"(i) The systems must be capable of developing provider, physician, and patient profiles which are sufficient to provide specific information as to the use of covered types and items of service, including prescribed drugs, to the extent such profiles are not duplicative of information developed and available under the program established under part B of title XI of this Act.

"(ii) The State must provide that information on possible fraud or abuse which is obtained from, or developed by, the systems is made available to the State's medicaid fraud control unit (if any) certified under subsection (q) of this section.

"(iii) The systems must meet the standards developed by the Secretary under paragraph (4).

"(B) Any mechanized claims processing and information retrieval system which does not meet the requirements of subparagraph (A) shall not be approved by the Secretary (in the case of a State which is seeking initial approval of its systems) or shall be disapproved by the Secretary (in the case of a State which has systems which were initially approved). The Secretary shall periodically reassess the systems in operation in each State to determine whether the systems should be disapproved.

"(4) The Secretary, with respect to State systems, shall—

"(A) develop written approval procedures for use in approving State systems, including specific criteria for testing systems in operation to insure that all performance standards and requirements are met;

"(B) establish and periodically update the systems performance criteria, objectives, regulations and guides;

"(c) give priority to aiding States in the development and improvement of the systems so as to continually improve the capacity of such systems to effectively detect cases of fraud or abuse;

"(D) for the purpose of ensuring compatibility between the State systems and the systems utilized in the administration of title XVIII—

"(i) develop a uniform identification coding system for providers, other persons receiving payments under the State plans (approved under this title) or under title XVIII, and beneficiaries of medical services under the State plans (approved under this title) or under title XVIII;

"(ii) provide liaison between States and carriers and intermediaries having agreements under title XVIII to facilitate timely exchange of appropriate data; and

"(iii) improve the exchange of data between the States and the Secretary with respect to providers and other persons who have been terminated, suspended, or otherwise sanctioned under a State plan (approved under this title) or under title XVIII;

"(F) develop and disseminate clear definitions of those types of reasonable costs relating to the State systems which are reimbursable under the provisions of subsection (a)(3) of this section; and

"(G) report on or before April 1, 1981, to the Congress on the extent to which States have developed and operated effective mechanized claims processing and information retrieval systems.

"(5)(A) In any case in which a State's mechanized claims processing and information retrieval system is disapproved by the Secretary pursuant to paragraph (3)(B) of this subsection, the State (with the assistance of the Secretary) shall develop a corrective action plan for bringing the system back into compliance with the requirements of paragraph (3)(A) of this subsection, and submit such plan to the Secretary within a period of time which the Secretary determines to be adequate to submit such plan, but not to exceed one year after the disapproval.

"(B) If the State's system has not been reapproved by the Secretary as being in compliance with the requirements of paragraph (3)(A) within a period of time after disapproval which the Secretary determines to be adequate to comply with such requirements but not to exceed two years, payments to such State under this section shall be made without regard to the provisions of subsection (a)(3).

"(C) If the State's system has not been so reapproved within one year after the date on which payments to the State were reduced under subparagraph (B), the payments with respect to administrative costs made to such State under paragraphs (2), (3), and (7) of subsection (a) shall be made at a reimbursement rate of 25 percent rather than the percentage specified in such paragraphs.

"(D) If the State's system has not been so reapproved within two years after the date on which payments to the State were reduced under subparagraph (B), no payments with respect to administrative costs shall be made to such State under paragraphs (2), (3), and (7) of subsection (a).

"(E) If a State's system is reapproved, payments under this section shall be made without regard to this paragraph beginning with the first quarter that begins after the date of such reapproval.

"(6)(A) The Secretary shall waive the provisions of this subsection in which or in part with respect to any State which had a 1976 population (as reported by the Bureau of the Census) of less than 1,000,000 and which made total expenditures reimbursable under this title of less than $100,000,000 in fiscal year 1976 (as reported by such State for such year), if such State reasonably demonstrates, and the Secretary does not formally disagree, that the application of such provisions would not significantly improve the efficiency of the administration of such State's plan under this title, including the State's ability to develop provider, physician, and patient profiles as described in paragraph (3)(A)(i).

"(B) A waiver granted under subparagraph (A) may be withdrawn if the Secretary determines that the State no longer meets the criteria for such waiver. If such waiver is withdrawn, the State shall develop a plan to be followed for the expeditious installation or modification of a mechanized claims processing and information retrieval system.

"(C) If the State's system is not approved by the Secretary as being in compliance with the requirements of paragraph (3)(A) within such period of time after the waiver granted under subparagraph (A) is withdrawn as the Secretary determines to be reasonable to comply with such requirements, but not to exceed two years, payments made to such State under paragraphs (2), (3), and (7) of subsection (a) shall be made at a rate equal to 50 percent of the rate otherwise payable under such paragraphs.

"(D) If such system has not been so approved within a period of one year after the expiration of the period described in subparagraph (C), payments made to such State under paragraphs (2), (3), and (7) of subsection (a) shall be made at a rate equal to 25 percent of the rate otherwise payable under such paragraphs.

"(E) If such system has not been so approved within a period of one year after the expiration of the period described in subparagraph (D), no payments shall be made to such State under paragraphs (2), (3), and (7) of subsection (a).

"(7)(A) The reduction in payments to States required under paragraphs (1), (5) and (6) of this subsection shall not apply to a State for any quarter with respect to which the Secretary determines that such State is unable to comply with the requirements of such paragraphs due to circumstances beyond the control of such State.

"(B) If the Secretary determines under subparagraph (A) that a State is not subject to such reductions, he shall recommend a plan for corrective action so that such State's system will expeditiously meet the requirements for approval under this subsection, and shall report to the Congress on each such determination, including a description of the plan for corrective action.".

"(C) For purposes of determining all time limitations and deadlines imposed under this subsection, any time period during which a State was found under subparagraph (A) to be unable to comply with requirements of this subsection due to circumstances beyond its control shall not be taken into account, and the Secretary shall modify all such time limitations and deadlines with respect to such State accordingly.".

### EXCHANGE OF INFORMATION ON TERMINATED OR SUSPENDED PROVIDERS

SEC. 309. (a) Section 1862(d) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5) The Secretary shall promptly notify each State agency which administers or supervises the administration of a State plan approved under title XIX of any determination made under the provisions of this subsection.".

(b) Section 1866(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Where an agreement filed under this title by a provider of services has been terminated by the Secretary, the Secretary shall promptly notify each State agency which administers or supervises the administration of a State plan approved under title XIX of such termination.".

(c) Section 1902(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (39);

(2) by striking out the period at the end of paragraph (40) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (40) the following new paragraph:

"(41) provide that whenever a provider of services or any other person is terminated, suspended, or otherwise sanctioned or prohibited from participating under the State plan, the State agency shall promptly notify the Secretary of such action.".

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### SECTION-BY-SECTION ANALYSIS OF SCHWEIKER MEDICAID AMENDMENT

Section 308:

Paragraphs 1–2: The first two paragraphs of the amendment establish penalties for states that fail to institute and have approved by HEW a computerized claims processing and information retrieval system (also known as a Medicaid Management Information System, MMIS). The penalties are in the form of reduced federal matching funds for the administration of the State Medicaid program. States (unless waived) must have submitted plans for installation by July 1, 1980, and must have the system operational by July 1, 1981.

Paragraph 3A: Stipulates that in order for a state's computerized system to be approved, making the state eligible for increased matching funds, certain basic requirements must be met.

(1) The system must include provider, physician, and patient profiles which are sufficient to provide charting of drug and service use.

(2) The state must agree that all information on possible fraud or abuse obtained from the system be turned over to the State Medicaid Fraud Control Unit so that further action may be taken.

(3) The system must meet certain standards developed by HEW under the direction of Section 308 Paragraph 4 of this bill.

Paragraph 3B: Requires HEW to review periodically state systems in operation to see if they continue to meet established standards. If they do not, they will be de-certified and subject to the penalties established in Section 308 Paragraph 5.

Paragraph 4: Requires the Secretary of HEW to develop specific criteria for checking states' systems in operation, and forces HEW to take a more active role in advocating computerized systems and aiding states with technical problems. HEW is directed to give priority to developing the capability of the computerized system to detect cases of possible fraud or abuse, to develop guidelines for states to follow so that their Medicaid and Medicare systems become compatible, and to define the precise kinds of costs that the federal government will reimburse as part of the mechanized management system. HEW must report to Congress on the progress of the states in developing effective systems.

Paragraph 5: Outlines penalties to be assessed to states that fail to meet minimum established standards upon periodic inspection. States are given up to two years to bring their system into compliance with standards before they lose federal funds. HEW is to aid the noncomplying state to make necessary improvements. If states fail to meet standards after two years have elapsed from the finding of noncompliance, they become subject to penalties in the form of reduced matching funds for Medicaid administrative costs.

If a state system is recertified by HEW, full federal funds are restored.

Note that the penalties in this paragraph are different from those established in paragraphs 1–2. Paragraphs 1–2 penalties apply to states that fail to install mechanized systems; these penalties apply to states that have installed an initially approved system but have failed to maintain it properly. These penalties will apply, for example, to any of the states that already have initially approved systems if inspection shows that their system does not meet minimum performance standards.

Paragraph 6: A waiver provision—requires the Secretary to waive the requirement that states install mechanized systems if the state had a 1976 population of under one million, FY 1976 total Medicaid expenditures of under $100 million, and can reasonably demonstrate that the efficiency of administration of its Medicaid program would not significantly improve with MMIS installation. This section also gives the Secretary the authority to lift the waiver if he determines the situation has changed enough in the state that a mechanized system would be beneficial.

Paragraph 7: Provides that the penalties for states outlined in paragraphs 1–2 and 5 of this amendment will not apply if the Secretary determines, and demonstrates to Congress, that a state is unable to comply with the requirements of the amendment due to circumstances beyond the control of the state.

Section 309:

Provides that information on the status of providers (e.g. "terminated," "suspended," or "On probation") must be exchanged between the federally administered Medicare system and each state's Medicaid system, and vice-versa.

### STATUS OF MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS)

1. States approved for 75% Federal Financial Participation (FFP) for operations of a mechanized claims processing and information retrieval system: (27)

Alabama, Arkansas, California, Florida, Georgia, Hawaii, Idaho, Indiana, Kansas, and Louisiana.

Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Mexico, New York (N.Y.C. only), North Carolina, North Dakota, and Ohio.

Oklahoma, Texas, Utah, Vermont, Virginia, Washington, and Wisconsin.

2. States that do not have fully operational mechanized claims processing and information retrieval systems. Some states listed have partially operational systems, but have not yet met the standards for 75% FFP.

Alaska, Colorado, Connecticut, Delaware, District of Columbia, Guam, Illinois, Iowa, Kentucky, Maine, Maryland, Massachusetts, Mississippi, and Missouri.

Nevada, New Jersey, New York (Balance of State), Northern Mariana Islands, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Virgin Islands, West Virginia, and Wyoming.

3. No Medicaid Program.

American Samoa, and Arizona.●

## NOTICES OF HEARINGS

### SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, I would like to record a date and time change in a previously announced hearing of the Subcommittee on Federal Spending Practices and Open Government. The hearing on fraud and abuse in the Community Services Administration will be held on Friday, October 19, 1979, at 9:30 a.m. in room 3302 Dirksen Senate Office Building.

Anyone wishing additional information about this hearing may contact the subcommittee office at 224-0211.●

### SUBCOMMITTEE ON AGRICULTURE CREDIT AND RURAL ELECTRIFICATION

● Mr. ZORINSKY. Mr. President, on November 6, 1979 the Subcommittee on Agricultural Credit and Rural Electrification will hold an oversight hearing on the Farmers Home Administration. The hearing is scheduled for 9:00 a.m. in room 324 of the Russell Senate Office Building.

The subcommittee intends to examine a number of problems related to the current operations of the Farmers Home Administration. These include problems relating to the rapidly growing, outstanding debt to the agency and personnel problems associated with loan supervisions and counseling.

In addition the subcommittee will examine both the operation of the guaranteed agricultural loan programs and difficulties the agency has had with respect to the economic disaster loan program. The subcommittee also intends to look into the problems relating to the installation of a management information system at the agency.

The Agricultural Credit and Rural Electrification Subcommittee will hear from invited witnesses on November 2. Written testimony is welcome, and may be sent to the Senate Agriculture Committee, Russell 324.●

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, October 17, 1979 beginning at 2 p.m. to hold a hearing on pending executive nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

### COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the sessions of the Senate today, Wednesday, October 17, 1979 and Thursday, October 18, 1979 to hold hearings on the SALT II treaty and protocol.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

## TAXFLATION DISTORTS OUR TAX POLICY

● Mr. DOLE. Mr. President, whenever politicians talk of modifying the tax structure, they discuss things like altering the progressivity of the income tax, shifting the tax burden from the individual to the corporation, and increasing or decreasing the use of tax incentives to modify behavior. Lately there has been consideration of using a value added tax to reduce the tax liability on personal income. These are all questions that need to be aired, but it must be pointed out that, in a very real sense, politicians who address these issues simply cannot know what they are talking about.

The problem is that inflation distorts the tax system. Without taking inflationary distortions into account, it is impossible to discuss intelligently the impact of making this or that change in tax policy. Tax rates on given income levels change each year because of inflation, although Congress periodically adjusts the rates, just as it changes income tax deductions, exemptions, and credits. Some of the rate reductions made by Congress are designed to compensate for the effects of inflation.

Yet the very fact that Congress tries to make such compensation at the same time as it makes other changes in the tax laws makes it difficult to sort out the effects of the compensation from the other policy changes. As a result, we cannot know for sure whether policy changes have quite the intended effect.

Consider the very basic matter of setting the rate of tax deemed appropriate for certain income levels. Suppose a 10-percent inflation rate has increased overall taxes by pushing people into higher brackets and increasing the importance of the marginal rate within each bracket.

Further, suppose that Congress wishes to correct this effect by cutting tax rates. Most congressional tax cuts have other effects, such as increasing the progressivity of the system. But how can we separate out the inflation-correcting action from the change in progressivity? Because of recurring inflationary tax increases, we do not have the ability to make clear-cut changes in tax policy whose effects are readily measurable.

A further point should be made. When Congress cuts taxes partly in order to compensate for inflation, the cuts do not correspond exactly to the inflation tax burden. That burden, or "taxflation," falls more heavily on some groups than others. In cutting taxes, Congress never gears the tax cuts to income groups that have suffered most from taxflation. As a result, some people are never adequately compensated for taxflation, while others are overcompensated.

There is a simple way to clarify the situation so that Congress can see just what it is doing when it adjusts tax policies. All that is needed is to index the income tax for inflation so that inflationary tax increases are automatically compensated for. Not only will automatic adjustments relieve Congress of this problem, but the compensation for taxflation will be aimed at taxpayers in direct proportion to the tax increase they have experienced.

Mr. President, the Tax Equalization Act, S. 12, would accomplish the very goal described above. It would require adjusting the income tax brackets, zero bracket amount, and personal exemption by the percentage rise in the Consumer Price Index for the previous fiscal year. This system will provide the maximum correction possible in time for preparing withholding tables for the coming tax year. We should get on with tax equalization so that we may have better control over tax policy. This is one of the many reasons why the Senator from Kansas introduced S. 12, and one of the reasons why the bill is needed now.●

## SECRETARY VANCE PROPOSES INTERNATIONAL STRATEGY TO MEET COMMON NEEDS IN A DIVERSE WORLD

● Mr. McGOVERN. Mr. President, Secretary of State Cyrus Vance made an excellent speech last week before the 34th session of the U.N. General Assembly. He placed the United States on the side of taking advantage of new opportunities for collective effort and creative diplomacy to meet the increasingly complex international challenges we face. He called on the members of the United Nations to resist the voices of international confrontation. The need, he said, is to resolve and not to deepen the divisions which hinder international progress on arms control, energy, economic growth, and other major problems. Mr. President, Secretary Vance has set out a challenging agenda for the General Assembly to find enlarged areas of common ground where diverse nations with diverse interests can stand. I hope that other members of the U.N. will respond constructively to his proposals so that we may have a fruitful and important session of the General Assembly in the weeks ahead. I ask permission to print the text of Secretary Vance's remarks in the RECORD for the benefit of my colleagues.

The text of the remarks follows:

## UN: Common Needs In a Diverse World

(By Secretary of State Vance)

We meet in this General Assembly on the threshold of a new decade. It will be a time of complex challenge—a period in which, more than ever, cooperative endeavors among nations are a matter not only of idealism but of direct self-interest.

The decade now drawing to a close has been characterized by rapid change—far-reaching and fundamental.

Awesome technological developments are all about us.

The assertion of national independence has reshaped the political geography of our planet.

Within nations, we see an accelerating rise in individual economic, political and social expectations.

The unrelenting hostility of the Cold War has given way to a more complex relationship between East and West, with elements of both competition and cooperation.

The simple notion of a bipolar world has become obsolete. Increasingly there is a profusion of different systems and allegiances and a diffusion of political and military power.

The world economic order is also undergoing inexorable transformations. Many nations, formerly among the disadvantaged, now are achieving global economic power. Economic interdependence has become a daily reality for the citizens of every nation.

These sweeping changes have, for the most part, worked in constructive directions, changing lives for the better and opening new possibilities for collective effort and creative diplomacy.

But while these developments demonstrate that progress is possible, they by no means demonstrate that it is inevitable. I say this for two reasons.

First, in a number of areas, the pace of current progress is dwarfed by the scope of coming challenges. The next decade will decide whether we have the collective wisdom and the common will to surmount a series of imposing and interrelated problems which must be dealt with in a comprehensive manner.

The need to develop new forms of energy will pose a continuing challenge. We have entered the difficult transition from a petroleum economy to one based on other forms of energy.

Even without this added burden, we face an imposing task in providing for the basic needs of people and in narrowing the combustible disparity between wealth and despair. The food shortage facing developing countries, for example, was 12 million tons in 1975. It could be 70–85 million tons by 1990, unless productivity rises sharply.

We must strike a decent balance between the burgeoning demands of more people for a better life and the inescapable reality of a fragile environment.

Such prospects carry the seeds of future discord. As these seeds ripen, and the growth and spread of weapons continue, regional conflicts become all the more dangerous—in their toll of lives and resources and in the heightened risk of wider confrontation.

And despite our emergence from the days of unrelenting hostility, the East-West relationship can deteriorate dangerously whenever one side fails to respect the security interests of the other.

Our ability to meet these tests depends on a second issue: Will we confront such challenges together, and benefit together? Or will we let adversity divide us, and thus conquer? I must be frank to say that I am not sure what the answer will be.

There are some reasons for encouragement. In recent years, the nations here represented have found it easier, in many different forums, to talk with each other rather than at each other.

East and West have entered into the broadest arms control agenda in history. The Soviet Union and the United States have negotiated significant limitations on strategic arms in a treaty that now awaits ratification.

North and South have made progress on financial, trade, and commodity issues—far more progress than has been acknowledged. Agreement has been reached on a sharp increase in the resources of the International Monetary Fund. Lending by the multilateral development banks has increased. Expanded trade opportunities have been opened by the recent concluded trade negotiations. We have moved ahead on other matters such as international debt and a common fund for commodities. We should recognize such progress and build on it.

We have taken steps as well toward the resolution of some deeply imbedded regional disputes.

But I am concerned that there are also factors at work which could reverse this cooperative trend. The severity of the problems we face could drive nations to the pursuit of their own separate advantage at the expense of international cooperation. In times of economic trouble, even relatively prosperous countries find it more difficult to look beyond their internal concerns to meet international needs. Indeed, it is a vivid lesson of history that hardship can breed shortsighted insularity. It can arouse instincts for self-preservations at the expense of others. In such times, the voices of economic nationalism will be raised in all our countries. We must resist them.

We must resist, as well, the voices of international confrontation. In a number of international negotiations, political as well as economic, we have worked our way through to the toughest issues involved. We must not react now in frustration and unleash a spiral of rhetoric which can deepen rather than resolve our divisions.

The challenges of the 1980's can be met if each of us here represented meets the responsibilities we share.

### SEARCH FOR PEACE

Our first responsibility is to persist in the search for peace, to reduce both the danger and the destructiveness of war.

The future of two regions—the Middle East and southern Africa—depends on specific decisions that will be made in the coming months.

### *Middle East*

We believe the March 26, 1979, treaty between Egypt and Israel has reduced the dangers inherent in the Arab-Israeli conflict and has laid the foundation for a settlement that can be both durable and just.

But the dramatic achievement of peace between Israel and Egypt and the successful implementation of the first phases of the treaty of peace have not obscured the necessity to move toward peace between Israel and its other neighbors. Indeed, it remains the resolute view of my government that further progress toward an overall peace is essential.

We know that an ultimate settlement must address the legitimate rights of the Palestinian people. The Palestinian question must be resolved in all of its aspects.

As the peace process continues to unfold, it is our deepest desire that representatives of the Palestinian people and the Governments of Jordan and Syria will join in this great quest. This is consistent with, indeed it underscores, our unshakable commitment to Israel's security and well-being, now and in the future.

None of the parties involved in this difficult negotiation has any illusions that resolving the Palestinian issue will be easy. But the United States is convinced that progress will be made toward this goal.

Preserving the integrity of Lebanon is also critical to peace in the Middle East. There has been a cease-fire in southern Lebanon, the fragility of which is underscored by the events of the day. We need not only a cease-fire but a broader truce. We will be working toward such a goal in our discussions with other interested governments here at this Assembly. Lebanon has suffered all too much.

The desire for peace is shared by all the peoples of the Middle East. We recognize that there are disagreements about how best to reach that common goal. We believe the course on which we are embarked is the right one, indeed the only one that has shown practical results. We call on all who genuinely seek peace to join us in this endeavor.

### *Southern Africa*

A step toward peace has been taken as well on the Rhodesian conflict. The parties are now engaged in negotiation toward a solution that could combine true majority rule with essential minority rights. The British Government, the Commonwealth nations, and the parties themselves deserve great credit for this new step. Agreement on a fair constitution and new elections, as called for in the Lusaka communique, could end the deepening agony of war.

We have made substantial progress in Namibia. But obstacles remain. The contact group [Canada, France, West Germany, United States, and United Kingdom] is working with the parties concerned to find ways to resolve the few outstanding issues. We do not understate the difficuties, but neither should any of us underestimate the opportunities that a settlement would bring for all of southern Africa.

In most negotiations, we can best make progress by stages. A knot can never be untied from the inside. We must begin with the parts we can grasp and work our way through to the end of the problem. History will judge us severely if we let our opportunities for peace slip away. As negotiations proceed, the issues we address become progressively more difficult. But we must not let future fears or ambitions undermine the progress that has been made.

As we work on these and other conflicts, let us also squarely face the fact that our planet is plagued by those who make war on innocents, as we saw just weeks ago in the tragic death of Lord Montbatten. We must have greater international cooperation to combat the barbarous practices of the terrorist. The United States strongly supports the basic elements of the draft convention outlawing the taking of hostages. The conclusion of this treaty will contribute to a growing consensus that terrorism will not be tolerated, regardless of the political cause its perpetrators claim to pursue.

### *Arms control*

Finally, the requirement of peace carries with it an international responsibility to limit the spread and accumulation of arms.

A particular obligation falls to the largest nuclear powers—the United States and the Soviet Union—to contain the competition in strategic weapons. The SALT II treaty can be a major step toward fulfillment of that obligation.

The goal of strategic stability will be further served if the Soviet Union, Great Britain, and the United States are able to agree on a Comprehensive Test Ban.

As the nuclear superpowers seek the path toward mutual restraint, all nations must also recognize the direct threat to their security from the spread of nuclear weapons. Developments in recent years can bring new impetus to the nonproliferation effort—including progress in the International Nuclear Fuel Cycle Evaluation, which can help us find safer ways to develop nuclear energy for humanity; the strengthening of International Atomic Energy Agency safeguards; the substantial increase in the number of parties to the Nonproliferation Treaty [NPT]; the entry into force of the Treaty of Tlatelolco, which now finally appears within grasp; and the pledge by a number of nuclear powers, under specific circumstances, to refrain from the use of nuclear weapons against nonnuclear states. But there have also been serious setbacks—further demonstrations of intent to acquire nuclear weapons, in disregard of the inherent dangers for regional and international security. The NPT Review Conference next year will be a critical time for taking stock—and for redoubling our efforts to make progress on this urgent international priority.

## ECONOMIC NATIONALISM

Beyond the search for peace, a second responsibility we share is to be sensitive to the international consequences of our national economic decisions and resist the temptation to solve our economic problems at the expense of others.

The imprudence of economic nationalism has been harshly demonstrated in the past. The world depression a half-century ago was spread, deepened, and prolonged by a wave of protectionism. That memory has spurred us toward a new multilateral trade agreement intended to open markets and keep them open, even in a time of economic strain.

### *Energy*

Today, let me address one of those issues which most clearly reflects the direct connection between national decisions and global consequences. That issue is energy. In almost no area is the need for common action more apparent or more urgent. It is an issue which now threatens to divide us, economically and politically. In a future of greater scarcity, these divisions could weaken the fabric of international comity which this organization embodies.

All nations will suffer if all nations do not act responsibly—in their consumption of energy, in its pricing, and in its production. Despite a difficult prognosis for our energy future, I believe the basis may exist for progress.

Until the 1970's, modern industrial economies operated on two basic assumptions, which also governed relations between oil importers and exporters—that oil is cheap and that supplies are unlimited. Now all nations realize that these assumptions no longer hold.

The commitments made by the major industrial countries at the Tokyo summit demonstrate this clearly. My government is taking ambitious action to address the energy problem and is making efforts to exceed these commitments.

President Carter has committed the United States not to import more than 8.2 million barrels of oil a day in 1979 and never to exceed the peak level our imports reached in 1977.

Total U.S. energy research and development this year is $3.2 billion. We are investing $528 million this year—and $600 million next year—in the development and use of solar energy.

We are significantly expanding our development of synthetic fuels to take advantage of the abundant coal and oil shale supplies in our country. Much of this new energy technology will have application in other countries as well. We will seek to make it available to others under mutually satisfactory conditions. For we recognize that by helping others resolve their energy problems, we help resolve our own.

Let me indicate some of the ways in which we are prepared to work with others to meet our common energy needs:

We have joined other industrial nations in agreeing to establish a provisional international technology group which will recommend ways to broaden international participation in the commercial development of alternative fuels.

I pledged last year that the United States would do more to mobilize its technical talents in behalf of the development of others. I am pleased to report that next month we will establish an Institute for Scientific and Technological Cooperation. This Institute will work for the goals set by the U.N. Conference on Science and Technology for Development. It will help the people of developing nations benefit from our technologies—and help them expand their own technological capacities. The Institute's policy council will include experts from developing nations. Energy development will be among its highest priorities.

We will participate actively in preparations for the 1981 World Conference on New and Renewable Energy.

At the recent economic summit conference, the World Bank was invited to take the lead in coordinating our assistance to developing nations in the field of energy. We suggest that the World Bank bring together a group of experts to review the question of energy research, development, and training in detail. Specifically, it could evaluate the work of existing energy research and training centers, both national and international, in developing countries. In addition, it could recommend how current institutions could be strengthened and whether new multilateral ones should be created.

We are supporting expansion of the World Bank's program for exploration and development of mineral fuels.

The Bank is also considering whether local programs of development finance are adequate to support the rapid application of solar, small hydro, and other renewable energy technologies in developing nations.

The Inter-American Development Bank has proposed creation of a facility to provide political risk insurance and loan guarantees for private investment in energy and minerals projects in its region. This could be an effective means of stimulating energy development there. We are willing to pursue with the Bank its initiative and work with other countries to develop an acceptable proposal.

As the industrial countries make serious efforts to restrict oil demand and to help the developing countries meet their energy challenges, the question increasingly becomes whether the oil producing nations are prepared to stabilize prices and, to the extent it is within their control, insure adequate supplies. A failure to do so will continue to have harsh consequences for the world economy, especially the poorer nations.

We understand the natural desire of oil exporting nations to husband this valuable resource for future generations. And we accept the fact that oil prices must reflect not only the strength of demand but also the long-term scarcity of supply—so long as scarcity is never contrived to manipulate price.

But oil producers must understand that there is a limit to what the economies of the oil consuming nations, and the global economy, can sustain. We must all proceed with a responsible recognition that our national energy decisions will have profound global effects—and will return either to haunt or to help their makers.

## COMMITMENT TO HUMAN WELFARE

A third common responsibility is an intensified commitment to help improve the lives of our fellow human beings—to provide the necessities of life, to afford the chance to progress, to assure a voice in decisions which will determine their future.

## HUMAN RIGHTS

We have made progress in the field of human rights, but we must do more.

In the past year, some nations have taken steps to restore legal protections and democratic institutions. And we have seen the inauguration of an Inter-American Court of Human Rights, the OAU's [Organization of African Unity] forceful call for the creation of regional human rights institutions on the continent of Africa, and the activation of UNESCO's (U.N. Educational, Scientific and Cultural Organization) human rights procedures.

The growing concern for human rights is undeniable. Yet the sad truth is that even as we sit here today, men and women face torture, death, and oppression for daring to exercise rights set forth in the charter of this body three decades ago. Our joint challenge is to advance the aspirations of all peoples for individual human dignity.

Our commitment must be to economic as well as political and social rights—for all are indispensable to human dignity. Improvements in economic well-being, opportunities for participation in the political process, and a growing sense of both economic and political equity can do much to defuse the grievances which can lead to national convulsions and international tensions.

### *Food and population*

To meet this commitment to a better life for all peoples, we must each strive to move the North-South dialogue beyond grand themes and on to specific cases—to priority areas in which practical development goals can be met. Let me discuss in this connection our efforts toward a goal we should adopt as a matter of simple humanity: that by the end of this century, no person on this bountiful earth should have to go hungry.

Last year, I noted that we must not be lulled by good weather and plentiful harvests into losing our sense of urgency. Since then, poor harvests in a number of countries have substantially increased the international demand for food. This situation underscores the need to accumulate adequate stocks to support world food security. I assure you that the United States will do all it can to prevent a global food crisis.

The American harvest this year will be of record size. We have removed all restrictions on wheat production for next year. We have established farmer-owned grain reserves which—through accumulation and release of stocks—have helped stabilize supplies.

An International Wheat Agreement still eludes our grasp. We should not abandon this goal. But we should move immediately to complete negotiations for a new Food Aid Convention. The World Food Council has urged an agreement by mid-1980. We support that recommendation. In the meantime, we are already implementing the higher food aid pledge the convention would entail.

At the same time, major emphasis must be placed on improving global food production. Over half of American direct development aid now is devoted to agriculture. We will continue working to improve the yields of major food crops, to preserve croplands, and to expand research on ways to increase production of traditional and new crops, especially those grown by poor farmers.

These efforts have received effective support from the international agricultural research centers. We support proposals to double the resources contributed to those centers and intend to increase our contribution. We hope additional countries will become contributors. We must be aware, however, that in the long run these efforts could be vitiated if the world's population is not slowed. Half the couples of child-bearing age still do not have adequate access to family planning services. We must strive to make family planning services, along with other elements of basic health care, adequate food supplies, and clean water, available to all as rapidly as we can.

And in the short run, we must be prepared to meet emergency needs wherever famine afflicts humanity or refugees seek haven—in Africa, in Latin America, in Southeast Asia, or elsewhere.

### *Refugees*

The proposal made by Vice President Mondale at Geneva for a refugee resettlement fund reflects our belief that the international community should deal on a global basis with a global and grave refugee crisis. We urge broad participation in this fund.

Vigorous and large-scale international action is required to bring relief to the starving in Kampuchea, now facing one of the great human tragedies of modern times. Tens of thousands of sick and hungry Khmer are already pressing on Thailand's border. Hundreds of thousands may soon follow them. Even more widespread famine and disease are in prospect, especially in view of recent reports of intensified fighting. To avert unthinkable catastrophe, an international program of humanitarian relief must be established in Kampuchea as soon as possible. International organizations must be able to bring a coordinated, massive, and adequately monitored program of emergency relief to all needy Khmer. We would endorse such an effort.

As the food crisis in Kampuchea promises both to multiply the flow of refugees and to take a terrible toll among those who cannot escape. The flood of refugees from Vietnam, Laos, and Kampuchea already has brought great suffering to hundreds of thousands of innocent people as well as heavy burdens on countries of first asylum.

The international community has begun to respond. But humanitarian steps are not enough. The community of nations must make a more active effort to restore peace to the region and to resolve by nonmilitary means the problems that developments in Indochina have carried in their wake. They pose a threat to the stability of the region as a whole.

### DEMANDS FOR GLOBAL RESPONSES

I believe we can meet the challenges before us. But let us not misjudge their magnitude. Resolution of regional disputes and placing new limits on the instruments of war will require new acts of national and international will. The 1980's could portend a prolonged energy crisis. It could be a decade of widespread famine. Unless the swelling deficits of developing countries can be managed, many of their economies may stagnate; some could be threatened with collapse.

Global problems like these demand global responses.

This Assembly will decide whether to launch a new round of negotiations on economic cooperation for development. Let me state today that the United States would participate, in the Committee of the Whole, in consultations to decide the most effective way of conducting such negotiations.

If new global negotiations are to succeed, their participants must be realistic about the political and economic capabilities of each other. We must assign priority to those issues on which concrete results are possible. And we should avoid duplicating the work of existing institutions. In this way, the negotiations could help build a global consensus for action.

Many of the issues I have addressed are already prominent on the agenda of the United Nations. The need for cooperation in addressing them requires that we continue to strengthen this institution. Financial, procedural, and management reforms are urgently necessary. As a first step, we urge that the Secretary General's recommendations, now adopted by this Assembly, be fully implemented.

The urgency of the requirements I have described calls for something more on the part of all members of the United Nations.

The distinctions between North and South, like those between East and West, reflect differing interests. They have a role in defining the issues and in clarifying our choices. But we must commit ourselves to finding areas where our interests converge.

Each of us has our special values to be nurtured, our particular goals to be served. I do not suggest it can or should be otherwise. The United States believes in a world of diversity. But let us resolve here, at this Assembly, to find in our common needs and common humanity a renewed dedication to the search for common ground.●

## STATE ALLOCATION FORMULA FOR UNIVERSITY COMMUNITY SERVICES AND CONTINUING EDUCATION PROGRAM

● Mr. MAGNUSON. Mr. President, I support H.R. 5386 which will correct some problems we are having with the State allocation formula for the university community services and continuing education program. This is also known as title I of the Higher Education Act.

The fiscal year 1980 Labor-HEW appropriations bill contains $10 million for this program. This amount is not adequate to fund the so-called hold-harmless payments to small States. Since the current allocation formula would be based strictly on population, a $10 million appropriation would cause 28 of our smaller States to receive large reductions in their allocations from the Office of Education.

H.R. 5386 changes the formula so that each State allocation will be reduced proportionally from its 1979 allocation when the appropriation was $16 million. I am glad to see this bill moving through Congress. The authorizing committees are to be congratulated for their speedy action to correct this problem. The bill will provide equitable treatment for all States and will alleviate a problem created by a reduced appropriation in the fiscal 1980 Labor-HEW appropriations bill.●

## CARL POHLAD: BANKER

Mr. McGOVERN. Mr. President, the current issue of Forbes magazine carries a stimulating article about a friend of mine, Carl R. Pohlad, president of the Marquette National Bank in Minneapolis.

The article traces his climb to success in financial and business ventures, underscoring his basic concern for personal considerations in his dealings with others while adhering to the rules.

I ask that the following article, "The Banker Who Likes Poor Risks," from the October 29 issue of Forbes, be printed in the RECORD.

The article follows:

### THE BANKER WHO LIKES POOR RISKS

(By Sharon Reier and Alyssa A. Lappen)

Getting mixed up in the businesses he lends money to is about the last thing your average banker wants. He's a banker, not a . . . well, a whatever.

But just about every rule in business can be turned upside down with a certain amount of success: President Carl R. Pohlad of Minneapolis' Marquette National Bank (assets $300 million) is evidence of that. From his tersely furnished offices in Minneapolis' I.D.S. Center, Pohlad seems to have used banking as an acquisition tool until he now controls an estimated $1 billion (assets) business empire. Its parts include a string of Pepsi, Dr. Pepper and 7-Up franchises from Wisconsin to Tulsa to Salt Lake City; a host of small- and medium-size banks across the northern Midwest from Illinois to Montana; a bus company (ultimately to be bought out) serving 42 Chicago suburbs. There's a mail-order small-loan company that lends money primarily to teachers at rates of up to 33%; and a Minnesota wholesale wine distributing company. Top it off with an 8% interest in a Florida real estate investment trust with over $110 million in assets.

Pohlad got into these businesses by channeling money into exactly those situations most of his peers would avoid—"distressed merchandise," in the words of another Minneapolis banker. This rival banker respects Pohlad but does not admire him. Half in awe, half in disapproval, he says: "Pohlad waits very patiently until you're just coming up for air the last time, and then says, 'I'll save you,' and insists that you do what he tells you and pretty quickly turns you around and makes money. Then once he gets through cleaning house and getting a profitable business going, he will sell it off or make money in some way."

Adds another, more disapproving Minneapolis banker who prefers not to deal with Pohlad: "I see maybe a dozen deals a month where there are people in trouble, where I could make those kinds of loans and take control. Any banker does. The loans aren't primary. It's a way of obtaining a company. That's not what banking is supposed to be about."

The subject of this controversy, the Iowa-born Pohlad, is a young-looking 63-year-old who admits to "majoring in football" at Spokane's Gonzaga University and got into banking in a characteristically unusual way. He didn't marry a bank president's daughter, but his sister married a big-time banker—specifically Russel L. Stotesbery, president of the Marquette National Bank of Minneapolis. The brother-in-law brought Pohlad from the Dubuque-based finance company where he had been working and put him in Marquette's correspondent department. When Stotesbery died of a heart attack in 1955, the sister, then holding the controlling stock in Marquette, voted her brother in as president.

Pohlad's travels as a correspondent banker had given him a pretty good idea of which local bankers were in trouble, and he was able to act upon it. A fellow Minnesota banker says, almost wistfully, "Those were the days you could go out and buy a bank like you could go out and buy a car." As most people buy cars on credit, so Pohlad bought his banks on credit. His shares in his holding company, Bank Shares Inc.—which owns Marquette and four other banks—are 72% leveraged. That probably helped him pick up 30-odd, mostly troubled banks, some of which he has sold. Borrowing on his banks' corresponding balances also helped with acquisitions. Pohlad, asked about those days, says with quiet satisfaction: "We made investments in a number of troubled banks and they have all worked out very well." The holding company is not traded because it is 97 percent family-owned.

Even when they sniff at his methods, fellow bankers do concede that Pohlad keeps well within the limits of the law. Says one, perhaps enviously: "Carl understands all the angles, but he's not going to use any that would get him in trouble with the regulatory bodies. You've got to give the devil his due. He plays according to the rules. He's an able, shrewd, careful guy. He doesn't walk into a cave. He makes sure it's a tunnel, and that he knows how to get out."

Adds a small-town banker who managed one of Pohlad's banks: "He never took any extra dividends out. He never asked us to finance any of his ventures. He never asked for a $20,000 consulting fee. He just said, 'Keep a clean bank.' In the five years he owned my bank he flew in twice. He was too busy with his other deals."

There were plenty of deals to be busy with, including a deal which left him for a time with a controlling interest in a good-size airline and a major Las Vegas convention hotel. After establishing himself as a banker, in 1959 Pohlad bought into the publicly traded (NYSE) Minneapolis surface transit company after it had been converted from trolleys to buses and had reportedly been looted by former managers. The bus company was converted into a holding company, Minneapolis Enterprises Inc. and later changed its name to MEI Corp.; it is now one of Pohlad's major ownership vehicles. The bus operation was soon restored to profitability and the profits were reportedly lent interest-free to MEI, which acquired the Chicago-area West Towns Bus Co. and about 50 percent of what is now called Texas International Airlines Inc. Pohlad then managed to have TIA buy Las Vegas' Tropicana Hotel.

"The whole purpose of TIA buying up the Tropicana," says Pohlad, "was to consolidate tax returns, because an airline has a lot of depreciation and investment credit." He was optimistic in assuming that the Tropicana would have profits to offset those credits. It didn't. About that time in the early 1970s the stock market was going down the tube, and Las Vegas was experiencing a slowdown. Pohlad exited quickly by selling the Tropicana to his former friend, Minnesota banker Dell Gustafson.

Out of Las Vegas, Pohlad pushed MEI systematically into soft-drink bottling, incorporating his own soft-drink bottling holdings into the Big Board company. The result is an outfit with 1978 sales of $209 million, a current market value of $108 million and a respectable 20 percent five-year return on equity. Pohlad owns a controlling 25 percent of MEI personally, the family a bit more.

"I got into bottling 16 years ago," says Pohlad. "Now it's an excellent investment, but 16 years ago many people didn't think that way." For his bottlers Pohlad paid in some cases little more than net asset value, rather than the big premiums that 20th Century-Fox, Liggett and Philip Morris paid recently.

He also foresaw the recent craze for investing in life insurance companies. Believing that "the money business had a great future," he listened sympathetically when approached in 1973 by Richard H. Headlee, who had just become chief of Michigan-headquartered Hamilton International Corp. That outfit was then beset by stockholders' suits and a takeover attempt. "I personally directed $3.5 million into Hamilton," says Pohlad. In return he got about 27 percent of the voting stock, and he sent a team of troubleshooters to help the ailing firm.

It was not life insurance as such that appealed to Pohlad, apparently, but tax breaks and the pool of capital that life insurance commands. Under Pohlad, Hamilton bought a St. Louis bottler, and looked into buying a liquor distributorship, a restaurant chain and a California-based chain of movie houses. That didn't sit too well with the life insurance types at Hamilton. Headlee puts it delicately: "MEI was a little go-go. We weren't certain they fit with our style."

So when Pohlad showed signs of wanting to sell Hamilton, Headlee insisted that he do so despite some wavering in the middle of negotiating a sale to Household Finance Corp. Pohlad then bought back the bottler for $5.2 million and realized $140,000 on the Hamilton stock. "He didn't want the publicity of a proxy fight," comments Headlee. Pohlad's view? "We never look back."

Looking ahead, there is MEI's interest in Diversified Mortgage Investors Inc., a REIT with a $55 million tax loss carryforward. "The trick," says Pohlad, "is to find some way to use that, and hopefully we'll be able to assist them." But probably not in bottling; he feels it's too costly today. Pohlad talks about snack food distribution; it would dovetail with his current bottling distribution network. That's a field where there is still "distressed merchandise" around, and distressed merchandise is Carl Pohlad's forte. He's not your conventional banker but he's a mighty smart businessman.

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## VIEW FROM TAIWAN OF UNITED STATES-TAIWAN RELATIONS

● **Mr. GOLDWATER.** Mr. President, it has been almost 10 months since President Carter announced several radical changes in relations between the United States and the Republic of China on Taiwan. No thanks to the Carter administration, and with much thanks to the American people and the support of Congress, Taiwan has survived these changes to date.

Only the future can tell what will happen to freedom and the safety of 18 million people in the Republic of China. Is the Carter administration still bent on reducing Taiwan to the status of a mere province of the totalitarian regime run by the Communists on the Chinese mainland? Or, will Taiwan be recognized for what it is, a truly independent and sovereign nation administered by its own governmental authorities?

Will the representatives of Taiwan residing in the United States be provided adequate protection, privileges, and immunities which are due to the personnel of another nation? Will the administration end its moratorium on new arms sales to Taiwan and provide our ally with the kind of advanced, defensive equipment necessary to protect the security of the free Chinese people in the years ahead?

And, will the State Department insist on replacing our existing civil aviation agreement with Taiwan with a so-called unofficial, informal arrangement of some sort that virtually diminishes the international status of Taiwan to a nonentity?

Mr. President, the real answer to these questions is given in the Taiwan Relations Act, which stands as the authoritative statement by law of U.S. policy toward Taiwan. This law, signed by President Carter on April 10, expressly preserves the status of all treaties and agreements with Taiwan as continuing in force. It specifically provides, as the law of the land, that Taiwan is a separate nation fully to the same extent as if we maintained official diplomatic relations with her. It also restores, at least partially, the traditional security commitments of the United States to free China.

Mr. President, these points are well expressed in a series of recent editorials printed by the China News, which is published daily in Taipei. Because these editorials are well reasoned and even profound and because they give the view from Taiwan of how the new U.S. relationship with free China is evolving, I ask that the editorials be printed in the RECORD.

The editorials follow:

[From the China News, Aug. 31, 1979]

### TAIWAN IS NOT FOR GIVING

Red China turned out a lot of people to greet Vice President Mondale in Sian and then claimed it was the biggest Chinese welcome ever for an American.

That is to be doubted. The greeting to President Dwight D. Eisenhower at Taipei in 1960 was bigger—and sincere.

The simple truth is that the Chinese Communists could turn out the whole population of the mainland, if they wished.

These are not welcomes but demonstrations given by the numbers—an exercise in regimentation.

We don't think the American people will be deceived but cannot help but wonder about the U.S. government.

Mr. Mondale talked a lot about friendship, new beginnings and cooperation for peace.

He said, for example, that "the unprecedented and friendly relations among (Red) China, Japan and the United States bring international stability to Northeast Asia."

If the Carter administration really believes this, it is a confession of amazing naivete.

Red China has never made a contribution to peace and has no intention of making one.

To the south, the Chinese Communists talk of teaching Vietnam another lesson. To the east, they threaten to cross the Taiwan Straits and impose their tyranny on this island. To the north and west, they would blast the Soviet Union out of existence with nuclear missiles, if they could.

Nowhere in the world is Red China bent on peace. There is no stability in East Asia precisely because of the existence of Chinese Communism.

No one will deny that the Soviet Union is a problem in East Asia, but the Russians are not engaged in aggression. Only the Chinese Communists are aggressing now—directly in some cases and through surrogates in such countries as Indonesia, the Philippines, Malaysia, Thailand and Burma.

The Carter administration supposedly has cosied up to Red China in order to play off nearly a billion people against the USSR and in the hope of selling a bottle of Coke to each of them.

This doesn't make much sense. Against Vietnam, the Chinese Communist forces bogged down and were compelled to withdraw. The only lesson involved their own weakness.

As for the Chinese mainland market, only foreigners can buy the coke, American cigarettes and most other foreign products.

Red China is interested in acquiring weapons and machinery—on credit at that. Buying power is measured at the level of 2 or 3 billion dollars and not the 300 to 600 billion of which the Chinese Communists have talked.

The American people are aware that the Chinese Communists are not their friends.

They have not forgotten the Korean War, in which Red China was the principal antagonist of the United States and the United Nations.

They have not forgotten the Vietnam War, in which Red China supplied manpower as well as weapons to kill Americans.

Vice President Mondale says that the United States is the friend of Red China and that it would react strongly if the Russians marched on Peiping.

Most Americans would view the thought of fighting for the Chinese Communists with abhorrence. We do not believe they would do so.

Nations and their leaders say a lot of foolish things in pursuit of international protocol and phony friendship.

This is the oratory of foreign affairs. It doesn't mean much, and both sides know it.

When the chips are down, countries follow their own interests. The interests of the United States do not coincide with those of Red China.

It is revealing that the Chinese Communists have not reciprocated Mondale's love feast toasts.

This is not because the Chinese Communists have any objection to lying. Rather, it is because they have the unfinished business of Taiwan to take care of and wish to retain a tough stance in order to frighten the Carter administration and the American people as much as possible.

Nominally, we should not be disturbed at what Vice President Mondale has been saying. It could be dismissed as ornate prose addressed only to his hosts.

But we must stop and consider that the Republic of China continues to need the help and the friendship of the United States to maintain its place in the world and augment its defenses.

This year we have not negotiated with the United States for defensive armaments. President Carter took it upon himself to promise there would be no weapons talks with the ROC in 1979.

As of January 1, the ban is off. We shall return to the conference table to ask for the further modernization of our weapons systems.

While on the mainland, Mr. Mondale has spoken of defensive weapons for Taiwan in limited quantities. Is he trying to tell us something? Is he trying to tell the Chinese Communists that in time the military forces of the Republic of China may not be such a tough antagonist?

Above all, is the vice president of the United States trying to imply that the Carter administration would be willing to help Red China obtain possession of the province of Taiwan?

That is hard to believe. Yet it seems strange that the second ranking leader of the Carter administration should say some of the things he has during this visit. He has offered almost everything the United States can give. Is it possible that Taiwan is not on the silver platter only because the United States does not have the power to hand us over?

These are not things we like to say. The United States remains our friend and, we still believe, our chief ally. The American people are not in sympathy with any policies or actions which would jeopardize the free existence of the Republic of China on Taiwan.

However, Americans need to face up to the implications of what Vice President Mondale seems to have in mind. They may wish to make it clear to the Carter administration that the Taiwan Relations Act means exactly what it says in pledging that the United States has a stake in the ROC-Taiwan future.

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[From the China News, Sept. 11, 1979]

### STATE OF ROC DEFENSES

Defense is much on the minds of the people and government of the Republic of China these days.

The Chinese Communists have not modified their aggressive intentions. They still insist that if we don't surrender, they will attempt to invade Taiwan.

Our continuing freedom depends on strong defenses.

By unilateral decision of President Carter, the Mutual Defense Treaty between the United States and the Republic of China will be terminated as of next January 1.

The Congress and President Carter have joined in saying that the continuing freedom of the people of Taiwan is of great concern to the United States.

This is not, however, a legal commitment in the sense of the Mutual Defense Treaty.

The United States could decide that a life under Communism would contribute to the freedom of our people.

Expressions of "concern" and promises of money and weapons didn't help the people of South Vietnam survive in freedom.

The Taiwan Relations Act pledges that the United States will continue to sell defensive weapons to the Republic of China.

Nothing is said about the quantity of such armaments, but the presumption is that it will be sufficient to keep the Communists at bay.

Recently, Americans have been talking about the supply of "limited defensive weapons." Vice President Walter Mondale imposed the restriction of "limitation" when he mentioned defense aid to the Republic of China in Peiping.

The limit the Chinese Communists seek is that of zero—no weapons at all from the United States to the Republic of China.

Considering the Carter administration's drive to appease Red China, this is a little frightening.

For the year of 1979, the Republic of China has been unable to negotiate with the United States for the sale of weapons. This proscription was a part of President Carter's recognition deal with the Chinese Communists.

Deliveries of weapons in the pipeline have continued. We have also been able to buy some armaments from countries other than the United States.

A foreign correspondent who visited Taiwan recently said the Republic of China is buying nearly US$700 million worth of weapons abroad this year, including only US$13 million worth from the United States.

Still, most purchases from countries other than the United States require U.S. approval.

Clearly, the defense relationship with the United States is of paramount importance—not only in terms of improved weaponry but also to assure parts for old ones.

Members of the Congress, correspondents and commentators have urged the Carter administration to continue selling weapons to the Republic of China after expiration of the defense treaty.

Why should such admonitions be necessary? The Taiwan Relations Act obliges the United States to make such sales. American public opinion supports these sales.

The "limitation" concept may provide a clue to the future of our U.S. defense relationship. The Carter administration has already declined to give us the fighter planes we requested and need. There even has been hesitation about improving the F5Es that we make here in cooperation with Northrop of the United States.

Limitation could easily equate with inadequacy.

Our only enemy is pledged to a program of military modernization.

Chinese Communist industrial modernization has come a cropper, but this does not affect plans of the militarists.

Most of Red China's new weapons will come from abroad. The United States has thus far declined to sell weapons to Peiping, but some Americans would like to reverse that decision.

Chinese Communist military men have been in France, Germany, Italy, Belgium and Britain looking at armaments. The compulsion to buy has been greatly strengthened by the failure of the war effort against Vietnam.

The International Institute for Strategic Studies of London recently said Red China has 8000-mile missiles ready for test firing into the Indian or Pacific Ocean.

Some 3000-mile missiles have been deployed. Nuclear warheads are estimated at several hundred.

Our people approve the government's decision not to develop nuclear weapons. At the same time, there can be no doubt that without the nuclear umbrella of the United States to protect us, the Republic of China is vulnerable. We must count not on Communist humanitarianism, but on the ambition of the Chinese Communists to take over intact the "bigger than Shanghai" industrial capability that we have created in Taiwan.

The Republic of China's defense industry has made considerable progress.

We have one short-range missile and a new ground-support aircraft. Research, development and manufacture are receiving top priority from government and industry.

Maybe in a decade or so, we can be self-sufficient in weapons. It is a goal worth pursuing; it could be the difference between life and death.

Meanwhile, the dependence on the United States cannot be waived or limited drastically.

Our weapons systems are those of the United States. Changes will have to be made slowly.

Preparations should be started now for the reopening of arms purchase talks with the United States at the outset of 1980. American intentions and limitations, if any, need to be learned as quickly as possible.

This is not only a matter of seeking weapons elsewhere, and building as many of our own as we can, but also of rallying the American people and our many friends in the legislative branch of government to support the right of self-defense we have been promised.

U.S. governments of the last few years have hurt the Republic of China. We have survived and waxed stronger primarily because of the friendship of the Congress and the American people.

We don't ask that we be given the tools to do the job, as was the case when we fought with and for the United States in World War II.

We ask only that the United States sell us the weapons to assure our survival and peace in this part of the world. The American people fortunately recognize that a strong and not a weak Republic of China is their best assurance of staying out of war in East Asia and the Western Pacific.

[From the China News, Sept. 14, 1979]

### STATE OF U.S. RELATIONS

Some of our best American friends think the United States should not have been allowed to pretend that we did not exist while continuing relations with the Republic of China on U.S. terms.

While agreeing with this in principle, our government thought it was necessary to be "realistic."

The Republic of China made its position clear but allowed the United States to have its cake and eat it, too.

The Carter administration got the formal relationship with Red China it wanted and at the same time continued to enjoy full benefits from what it described as the unofficial relationship with the people of Taiwan.

President Chiang Ching-kuo made no bones about saying that the United States had betrayed us. Yet we found it necessary to remain on friendly terms with our betrayers.

Possibly this was necessary. There was a lot at stake, and we were trying to protect our own interests.

The decision was based on belief that this was a one-time betrayal, and that the United States would keep its new promises to the Republic of China (or at least to the people of Taiwan).

Now we are beginning to have some doubts about the intentions of the present U.S. administration.

Attention has been called to two developments: the Carter administration's stipulation that the defensive weapons promised us will have to be "limited" in quantity and the contention that the aviation agreement between the United States and the Republic of China must be scrapped and replaced with an unofficial agreement—whatever that means.

In fact, by U.S. definition all relationships between the United States and the Republic of China are now "unofficial."

That is merely a pretense to appease the Chinese Communists. As so clearly indicated in the Taiwan Relations Act, the obligations of the United States remain the same. There is no definitive change except that President Carter has given notice of terminating the Mutual Defense Treaty as of the end of this year.

The Taiwan Relations Act extends all treaties and agreements between the two countries and makes them just as binding as before. That is what the Congress was told and what the Congress expected.

Now Vice President Mondale is saying that if the Carter administration wishes to change the aviation agreement, it will do so. A member of the State Department has said that a new accord could be more advantageous to the Republic of China than the old one.

This country is being told that the United States will define the ongoing relationship with "Taiwan" as it pleases, that there is nothing we can do about it, and that we had better take it or leave it.

Questioning of this procedure has been started by Robert Parker, the president of the American Chamber of Commerce in the Republic of China.

Mr. Parker is our friend but does not have a closed mind on the China problem. He was one of the American Chamber presidents in Asia who went to Red China to see Vice President Mondale.

As he points out, if the Carter administration can change the aviation agreement at will, it can scrap or alter any of nearly 60 other treaties and accords unilaterally and without consultation.

This is completely unacceptable.

If the Carter administration is going to regard the Taiwan Relations Act as a document for presidential interpretation, we had better announce we do not accept the terms of the legislation and that we, too, will follow the dictates of self-interest.

We have humbled and hurt ourselves enough. We never accepted the "unofficiality" of the U.S. relationship but went along with the effects. We have allowed the United States to do as it pleased, to ride roughshod over our feelings, our pride and our economic and social interests.

The Republic of China does not believe its friendship with the American people and the Congress of the United States can be destroyed.

At the same time, we are compelled to wonder if any real friendship exists with the functionaries of the Carter administration.

Some people tell us we should not bite off our nose to spite our face, and that we are helpless against the mighty United States. If we don't knuckle under, the Communists will come and get us.

We do not accept this interpretation. Many Americans are going to protest against the treatment the Carter administration is handing us. Others in the world are of the view that the United States has treated us shabbily.

It is also said that we are helpless, bound to the United States by military dependence and we dare do nothing.

That is likewise unacceptable. Ours is a nation with nearly 18 million people under its control. We have sizable and strong armed forces. We are one of the strongest small economic powers in the world.

Most important of all, we have right and principle on our side. We have been kicked around by a great power which was once our friend.

If the Carter administration wishes to regard us as a football, it might find that the ball had blown up in its face.

We are not without options and maneuvering room. As for durability, the Republic of China has shown in the three difficult Taiwan decades that it has staying power.

This is a time to let the Carter administration know that if it is not prepared to keep assurances made to the "people of Taiwan," we have no intention of lying down like a rug to be walked over.

These are strong words, but they are backed by a strong intention. The Taiwan Relations Act was signed into law just a few months ago. Congress wrote and passed the legislation but the final approval was President Carter's.

He has the power to demand that his functionaries adhere to the letter of the document that bears his signature.

We ask him to do so. If he doesn't, let the chips fall where they may. We think the U.S. Congress will pick them up and insist that Mr. Carter keep the promises that senators and representatives made and he accepted.

The aviation treaty and the continuing supply of U.S. defensive weapons are tests. If the United States is not going to respect these commitments, the Taiwan Relations Act isn't worth the paper on which it is written and the U.S. relationship already requires redefinition.●

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## THE NATION SHOULD HEED SENATOR BYRD'S CALL FOR RATIONALITY AND REALISM ON SALT AND CUBA

● Mr. McGOVERN. Mr. President, as we prepare to hear President Carter's remarks this evening on the American response to the Soviet troop presence in Cuba, we should heed the remarks of our distinguished colleague and majority leader, Senator ROBERT BYRD, on the relation between SALT and the Soviet troops. I know of no finer statement on this issue which has been made. Last week, a newspaper column reported Senator BYRD's appreciation for my remarks on Cuba and SALT. I am glad to know that we have come out with almost precisely the same position. We both agree that the crucial question on SALT is: Does this particular SALT II treaty improve American security and help pave the way for genuine arms reductions? And we both agree that the troop issue is not a test of challenge by the Soviet Union. Instead, it is a foreign policy problem which has been overblown. The symbolism of the troop issue no longer bears any rational relation to the real capabilities or history of the Soviet facilities in Cuba. I agree with Senator BYRD's characterization of this as a "pseudo-crisis." I hope President Carter this evening will follow the steady course and sense of perspective recommended in such a compelling manner by Senator BYRD.

Mr. President, I want to recommend Senator BYRD's statement from this morning's Washington Post to all of my colleagues, and ask to print it in the RECORD for that purpose.

The article follows:

### SALT AND A "PSEUDO-CRISIS"

(By ROBERT C. BYRD)

We should not permit political myopia to obscure our wider vision of U.S. national interests in the field of central strategic nuclear systems—which is what the SALT II treaty is all about. The stakes—establishment of limitations on strategic nuclear weapons—are higher and far more vital to our national security than is the peripheral issue of 2,000 to 3,000 Soviet troops in Cuba.

As Senate committees near the completion of their consideration of the treaty, we find ourselves focusing not on this issue of momentous significance to our national security and our leadership in the world, but rather on a matter unrelated to, and far less significant than, the treaty.

There has been a regrettable tendency to lose sight of the larger issue in an atmosphere of near-hysteria over the question of Soviet troops in Cuba. Let me state unequivocally that I am not sympathetic to the presence of Soviet troops in Cuba. But we should not lose all sense of perspective. We need to take a step back, examine the matter in a broader context and recognize how much is involved here and what is actually at stake.

First, we should study the treaty itself, and the hearings conducted by the Senate Foreign Relations, Armed Services and Intelligence committees. Those hearings have been very thorough and valuable. I have read through the transcripts of all the hearings. I believe that a careful reading may lead others to conclude that the treaty can be a modest but important step forward, a positive contribution to our national security. I have not yet reached a final judgment of my own position on the treaty. I want to complete my review of the recent report of the Senate Intelligence Committee on the important issue of verification before reaching that judgment.

By August, the treaty had emerged from the Foreign Relations and Armed Services hearings in relatively good shape, and prospects for Senate approval looked good—with the addition of certain reservations and understandings to the Resolution of Ratification. The hearings dealt not only with the specific elements of the treaty, but also served the useful purposes of focusing attention on the overall growing military and strategic imbalance. The big question was not whether the treaty would be approved, but what steps should be taken, and how much funding should be provided, to proceed with the necessary modernization of our strategic and conventional forces.

But shortly before the Senate reconvened in September, the Cuban issue emerged. I have served in Congress since 1952, and in my 27 years in Washington I have witnessed a few periods of genuine crisis. It has been my belief from the beginning that the current Cuban episode is not anything near crisis proportions. From the outset, I emphasized that we needed to establish, as best we could, exactly what the situation was. It made no sense for the administration to state that "the status quo is unacceptable" until we knew precisely what the "status quo" was.

There were some who rushed forward with statements that the Soviets were "telling" us, as though this were some grave new threat with far-reaching ramifications. In fact, however, all intelligence reports thus far indicate that the Soviet troops in question probably have been in Cuba for years; indeed, they may well be a residue of the 20,000 or so Soviets who were there at the time of the 1962 missile crisis.

So this is not a "test" or "challenge" to the United States. But there were some—and the administration is not blameless in this regard—who contributed to such a perception before looking at the realities of the situation, and thus was created this "pseudocrisis" in which we became all too deeply immersed.

As a result, the treaty suddenly became subjugated to a far less important issue—not an "artificial" issue, as Andrei Gromyko claims, but not one meriting a crisis atmosphere. Certainly, the Cuban question should not overshadow the SALT II treaty—a treaty that represents the work of nearly seven years of negotiations by three administrations, Republican and Democratic. If the Senate, after careful judgment, rejects the treaty on its merits, that is one thing; but if the treaty dies either because of delay, or an unwarranted connection to the presence of a relatively small number of Soviet troops in Cuba, that is quite another thing.

Neither of these two reasons for the treaty's death would reflect well on the Senate or on the country. To effect the treaty's demise through either of these means would send uncertain signals to our allies in Europe and to the nations in the world. For the treaty to die from a sudden seizure of trembling delirium brought on by the discovery of a handful of Soviet troops in Cuba—an island on which U.S. forces are also stationed—would ill serve the image of the United States as a powerful and mature nation. Undue delay, in itself, would also lead, I feel certain, to the further entanglement of SALT in politics, particularly with next year's campaign season being only a short time ahead, and would lead to its execution on the gallows of political posturing and partisan rhetoric by candidates in both parties.

So the Senate should proceed, in a deliberate and rational way, to make its judgment. The committees have conducted their hearings in a most responsible fashion. Proponents and opponents have been heard in the committees, and there is ample time for a full-scale Senate debate later this year.

When the Senate makes that judgment, it should come down to a simple question—a question not simply answered, but still a simple question: is this treaty in the best interests of the United States? This should be the benchmark by which the Senate measures its decision. Let us not cloud the environment with a totally unrelated issue—one that is clearly not a threat to U.S. security. If the treaty is not in our own interests, it ought to be rejected. Conversely, if it is in our country's interests, then the treaty should be approved, with any appropriate reservations and understandings.

Now, it could be correctly pointed out that the United States should long ago have devised a strategy to deal with Soviet adventurism around the world. Clearly, Moscow has developed and deployed—in some cases in conjunction with Cubans—military capabilities well beyond the legitimate needs of its own territorial security. The already overdue need to develop a viable and effective strategy of dealing with Soviet adventurism, however, will not be achieved by holding the treaty hostage. After all, no one in his right mind would suggest that the treaty be ratified as a favor to the Soviet Union.

To those who advocate that Senate debate on the treaty be put off until late into next year or thereafter, the question should be addressed: what happens to our national security in the meantime? The SALT process would be stopped dead in its tracks, and the prospects for achieving significant reductions in nuclear armaments in the future, and for limiting the proliferation of nuclear weapons, would become increasingly dim. In the meantime, the Soviets, having already built considerable momentum, would be free to go ahead with the development, deployment and expansion of systems that would otherwise be prohibited under SALT II.

For example, there would be no constraint on Soviet development of the SS16 mobile intercontinental missile, which is banned under the treaty. The Soviets could proceed with no limit on fractionation—putting more than 10 warheads on an SS18 missile, for example. Under the treaty, the Soviets would be limited to 10 warheads per SS18, whereas the missile has the capacity of carrying up to 20—even 30—warheads, and this would greatly expand their offensive capacity. Moreover, instead of being limited to the production of 30 Backfire bombers per year, the Soviets could greatly increase their production rate. Further, there would be no restriction on telemetry encryption or other concealment practices, thus making our verification of Soviet missile testing, development and deployment much more difficult. Additionally, instead of being restricted to a single new-type missile, as provided in the treaty, the Soviets would be free to deploy as many new types as they choose—and they have the capability, the technology and the momentum to develop several new missiles in the near future.

Also, whereas the treaty establishes a limit of 2,250 strategic launcher systems and heavy bombers by Jan. 1, 1982, the Soviets could have 3,000 such systems by 1985. Sub-limits, likewise, would not exist and, instead of being held to 820 MIRVed land-based ICBM's, the Soviets could deploy from 1,100 to 1,300. In other words, without the treaty all caps are gone and all bets are off.

With or without SALT II, we are going to have to proceed with the strengthening of our strategic and conventional forces, as well as theater nuclear forces in Europe. But without SALT II, we face a much less predictable strategic situation and the need for much greater military spending than would be necessary with the treaty. Much of the money that is needed for building up our conventional forces would be siphoned away to match the Soviets in an uncontrolled strategic nuclear armaments race.

We must retain a sense of reason and perspective. We have to be aware of the consequences of delaying the treaty inordinately. A matter of this significance must not become a political football. The Senate deserves the opportunity to vote on the treaty. The country deserves to have the treaty judged on its merits.

The truth is that any lengthy delay in Senate consideration of SALT II effectively kills the treaty. I believe it should be debated in the Senate and stand or fall on the basis of its value to U.S. national security, and not on the basis of an issue not relevant to the treaty.

As one who voted against the 1963 Test Ban Treaty, who has voted for increased defense spending, who has sharply criticized the Soviets for adventurism and suppression of dissidents, I am constrained to say that holding the treaty hostage to 2,000–3,000 Soviet troops in Cuba—apparently long existent, but only recently identified—would be much like throwing an antique chair, brought over on the Mayflower, at a mouse that suddenly appears on the drawing room floor: the chair is reduced to splinters, but the mouse escapes untouched. In other words, we can end up with the treaty down the drain, while the Soviet troops—long in Cuba—remain there.

Let us return to a steady course and bring our best judgment to bear, in a realistic way, on the problems that confront our national security interests.●

## THE NEEDS OF OUR CHILDREN

● Mr. McGOVERN. Mr. President, over the past summer months, the Daily Republic, a fine newspaper in my hometown of Mitchell, S. Dak., published in observance of the International Year of the Child, a series of excellent articles on the needs of children in our American society.

Karen Iverson, a sensitive young reporter for the paper who arranged and edited the series, explained in her introduction of the series:

> We hope adults will take a closer look at the young ones around them—their own as well as others—and will see them as little people rather than just kids, who have needs and desires that mean as much to them as those of adults do to themselves. Perhaps in some small way it can draw all of mankind just a little closer together.

The articles are written on topics of increasing importance to children's development and happiness: Nutrition, books and reading, health and medical care, recreation and play, and spiritual development. In addition, personal and heartwarming articles on the joys of motherhood and the experience of adopting a child are included. Also included are articles on the needs of handicapped children and minority children, such as the American Indian, which remind us of how far we have come but also of how far we have to go before we reach equality without reservation.

I am proud of the efforts made in my hometown of Mitchell to bring the needs of children to the public's attention. This is, after all, the purpose of the International Year of the Child. In 1976, the 31st session of the United Nations General Assembly proclaimed 1979 as the International Year of the Child, encouraging countries around the world to set aside this period of time to focus attention on the 1½ billion children who populate our planet.

Mr. President, I request that this series of articles be printed in the Record so that my colleagues can be reminded of the importance of providing for our Nation's children.

The articles follow:

### A Child Has the Right to Special Care, if Handicapped

[July 2, 1979]

(Jan Baltzer, Right-to-Read program coordinator)

Learning to read, acquiring the skills enabling a person to read is a big achievement. But once those skills are acquired, one must want to read to truly know the joy and pleasure it can bring.

The challenge facing us as parents and educators is how to teach reading without squeezing out the joy. Why should we care whether children read or not, as long as they are ABLE to read? Because for a skill to be maintained it must be practiced and because reading increases one's understanding and knowledge of the world.

Because nearly half of a child's intellectual development occurs before he enters formal schooling, parents are important teachers. Parents are the first and most important teachers a child will ever have. Listen to your child, speak with him, and most importantly read to and with him. Only when a good model is supplied will a child realize the full joy of reading.

[July 16, 1979]

(By Carla Scott, Registered Dietitian, St. Joseph Hospital)

Good nutrition is one of the chief elements of good health. In this Year of the Child we should each take time to examine the nutritional rights of children and how those rights are to be protected.

Long before the child has any say, its nutritional health is being determined. A woman planning to bear children has the responsibility to make the proper nutritional choices both before and during pregnancy. The poor nutrition, smoking, heavy drinking of the mother, all affect the unborn child. Mothers should be encouraged to breast feed or at least use a physician approved formula. They should not be over anxious to wean their infant to cows milk nor to introduce solids too early.

While the Mother's responsibility—with regard to the nourishment of the unborn child—is greater, the Father's role is at the very least supportive. It is a joint parental responsibility to plan family meals and snacks to help the child develop good eating habits. Eating habits are developed early. Children are born without food prejudices. Each day new eating habits are formed that may continue into adulthood. Helping children develop good eating habits is easier than changing bad ones.

Educators and medical professionals play an extremely important role in teaching proper nutrition and directing the nutritional choice of parents and child.

Food producers, food processors, and food regulatory agencies are responsible for supplying the child with quality foods that are not overprocessed, are free of harmful pesticide residues and additives, and are not laden with excessive sugar, fats, and salt. Advertisers should appropriately control their advertisements affecting children's choices of foods.

The greatest responsibility for protecting the nutritional rights of the child belongs to society, to us all. Social pressures, peer pressure and tradition greatly affect food choices and habits. We all need to work toward developing social attitudes that favor good nutrition. For example, it should be socially acceptable for a child to bring apples to school instead of candy for a birthday treat, and it should be socially acceptable to fill school vending machines with fruit and fruit juice instead of candy and pop.

We can help our children make proper nutritional choices by teaching them good nutrition and then make them feel good about themselves when they make the right choices.

[Aug. 6, 1979]

(By Rev. Glenn Ellis)

Whosoever therefore shall humble himself as this little child, the same is greatest in the kingdom of heaven. And whosoever shall receive one such little child in my name, receiveth me. (Matthew 18:4–5).

A painting entitled "His Majesty, The King" does not show any shining crown or royal robes, yet its subject tugs at the heart and captures the imagination of the mind. The painting is a picture of a small boy crossing the street on his way home from school. A policeman stands in the intersection holding the traffic with his upraised hand. The implication is clear. No one would deny that even the youngest infant is "king" in the hearts of his parents.

"Children are on the march," wrote Dr. Louis Evans. They march into our lives, our homes, our Sunday Schools. They change our plans, influence our aspirations and ambitions, they consume our thoughts and plumb the very depths of our emotions. Indeed, they change our whole lives.

Our generation will inevitably pass. We will have to lay down our places of leadership to our children whether we have completed our God-given tasks or not. They will then teach our Sunday School classes, direct our choirs, fill our pulpits, and enter into our halls of government—all too soon for us.

Sometimes we are tempted to say, "Oh, there is plenty of time." Is there? Horace Bushnell, in his book Christian Nurture, warns: "Let every Christian father and mother understand, when their child is three years old, they have done one-half as much as they will ever do to mold his character."

St. Francis of Assisi was a busy man. One day as he was writing he instructed his assistant, "Let no one disturb me. I want absolutely no intrusion whatsoever for at least half a day." As the assistant started to leave, St. Francis called him back and said, "Unless it is a little child who asks for me." St. Francis recognized something we all must recognize, that children do not wait. Their eagerness, their enthusiasm, their curiosity will not wait until we are ready. We have only one opportunity to teach and enjoy them, and that opportunity is now, this very moment.

No one has ever lived a fuller, busier life than Jesus. He had a tremendous task to complete in just three short years. Every moment was essential, yet He readily gave these moments not only to adults in need, but to children as well.

[Aug. 11, 1979]

(By Gail Johnson)

The medical needs of children are unlikely to be met by chance. The parents must take the primary responsibility of child care. This role especially falls to the mother who usually arranges for check-ups and immunizations.

The monitoring responsibility usually is assumed by the family's physician or in some instances by the community health nurses or school nurses. Parents must recognize and evaluate cues the child gives them and arrange for appropriate treatment. But it must also be stressed that although there are certain guidelines, each child will grow in their own way.

There are many resources for parents, such as informational pamphlets to which they may refer. Well baby assessments are usually held by the community health nurses. The most frequent request at these clinics is reassurance in the simple aspects of child care. Any problems with the child are referred to the child's doctor.

Pre-school assessments can also pin point potential problems such as vision and hearing problems and appropriate follow-up can be arranged.

Despite the availability of resources directed toward health promotion and prevention many facilities are underused. One of the major causes of this is that after the first year of age, parents feel they do not need to secure care for well children.

The old adage, "An ounce of prevention is worth a pound of cure," can apply to the health care of children. Regular and periodic screening and updated immunizations are examples of this.

[July 30, 1979]

(By Billie Keenan)

Every parent in Mitchell has more than likely heard the phrase "There's NOTHING to do" at least a million times. The Parks and Recreation Department provides almost that many alternatives for energetic children.

Recreation plays an important role in a child's development. A child who is exposed to a variety of recreational activities will be more apt to make responsible decisions on how to spend his leisure time constructively as he grows older. In this International Year of the Child, an emphasis has been placed on broadening the recreational experiences of the youth of Mitchell.

Athletic activities have always provided a solid base for programming. Large numbers of children can participate, while family members and friends can also get involved as spectators. A total learning experience with the key word being "fun" is provided. Children have the opportunity to socialize with peers, get to know authority figures such as coaches on a one-to-one basis, and master physical skills at their own speed. Basic rules are taught, and children learn the importance of fair play and good sportsmanship. Whether it be team or individual sports, a wide variety is available for the interests of any child.

Children are some of the most curious and creative people around! So, when programming for them, creative outlets are a priority. Nature day camps get children in closer contact with the mysterious world of nature, and programs such as Art in the Park give them the change to share their individual talents in the arts, music, dance and dramatics.

Fun, laughter, physical well-being, the joy of accomplishment, the excitement of exploring new areas, a feeling of self-worth and the worth of others—just a few of the benefits for children through recreation.

[July 2, 1979]

(By Shirley Barns)

Even so late as 10 years ago many children, handicapped by birth defect or disease, were doomed to an existence in back bedrooms or restrictive institutional facilities. The right to a life in the social mainstream was denied them by disbelief in and ignorance of their real worth and potential. Society watched as, in the early fifties, courageous parents and legislators led the movement to bring these children into the realm of every day life and acceptance. A former South Dakota governor, Joe Foss, was one of the group of national leaders who were involved in the beginning effort which now, in the late seventies, declares that every child with a handicap has the right to special care.

Institutional workers, legislators, educators, indeed, an entire citizenry has been challenged by the force of that declaration to ensure that children with special needs receive a full measure of the meaning of this right. It does mean that they deserve:

The right to life in the least restrictive environment;

A free, public education;

Therapies which speed the habilitative process;

Recreational opportunities;

Accessible buildings and transportation systems;

Acceptance in the mainstream of American life.

In reality, this movement has just begun. New dimensions to its meaning will come with its development. True and lasting rights will come for these children through moral and legislative commitment of a people influenced by research now underway.

[Aug. 27, 1979]

(By Bonnie Messer)

The right to enjoy these rights, regardless of race, color, sex, religion, national or social origin.

Today people are very concerned about the development and conservation of our natural resources. In our discussions, we often tend to overlook our nation's greatest natural resource—our children. Truly, the future of our country and the world depends upon the children who will be tomorrow's leaders as teachers, ministers, doctors, politicians, lawyers, etc.

In our multicultural nation, people from many different backgrounds and cultural heritages have contributed to making this country what it is today. To ensure the continued growth of this great nation, we need the skills and services of all our children—Scandinavian, Italian, Chinese, Irish, African, Asian, Jewish, Mexican, German, and American Indian. As citizens, we must do all that we can to provide these children with adequate care (physical, educational, and emotional) so that they can develop to their fullest potential.

There are approximately one million American Indians in the United States; one-half of them are under 17 years of age. We cannot afford to lose their contributions. Yet, 50 percent of those young people presently drop out of school—a rate that is double the national average. Did you know that the average length of schooling for American Indians is 5 years? How many potential Albert Einsteins, Oscar Howes, and Leonardo da Vincis are we missing?

In South Dakota, 5 percent of our population is American Indian. We need to seriously ask ourselves if the American Indian children in our communities are having equal opportunities to the rights of adequate nutrition and health care, quality education, loving care in their own homes, economic security, recreation and play, and most important, the right to grow up to be a useful member of society.

The International Year of the Child is a time for each of us to recommit ourselves to not only providing more positive growing environments for our own children, but also to work towards improved living conditions for minorities in our state and nation.

[July 21, 1979]

(By Nan Jakobson)

This year has truly been the "Year of the Child" in our home. After 10 years of marriage as a "couple," we officially became a family!

Anne-Marie, who came to live with us last Nov. 21, became ours in the true legal sense just last month when her adoption was finalized. As special as this was for us, this is not a unique or uncommon experience in our society. But I would like to zero in on an area to which I've become much more sensitive the past eight months—the vocabulary of adoption.

Please don't think me judgemental if you have used some of the words, terms or phrases I cite. I'm sure I've used them myself when talking to other adopting families. And please don't feel reluctant to visit with me the next time you see me out with the baby, for fear you'll say the wrong thing. I'm still learning, too!

But words can evoke feelings and emotions. They can carry implications or become labels. They can bring opposite to mind and thereby other meanings than the original words chosen. Following are some words or phrases that my husband and I have personally had experience with:

"Natural mother." Does this make the adopting mother, then, the unnatural mother? Better choices might be birth mother, biological or genetic mother, when speaking of the woman who gave birth to the child.

"How could anyone give that baby away?" Attributes an uncaring, unloving nature to the biological parents when just the reverse may have very well been the case.

"She looks enough like you to be your own." She is our own! And besides, I think we all know families where the children don't resemble each other or their biological parents at all.

"What a lucky little girl." That's a loaded one, too! While this most probably is meant to be a compliment to the adopting parents, it can carry other implications when the child is old enough to understand the reason for herself or himself. For instance, does that mean that life with the biological parents would have been unlucky or bad? Does it mean that the child has to try extra hard to live up to being "good enough" for these "wonderful parents" he or she has been placed with?

Enough said! In this "Year of the Child," perhaps we can all examine our word usage in regard to adoption just a bit more closely so that we can be more sensitive to the feelings and emotions of those involved, most particularly, the children.

[June 25, 1979]

(Karen Iverson)

Ah, I remember well. . . . Today I see you sitting there, a new book in your hand, the pages flipping. You look up, momentarily, to see if I'm still there, then wrinkle up your face and grin. It's ok and soon you are lost in your busy world of play.

Ah, just a single year ago you were a squiggly little bundle of girl. Laid into my arms for the first time, you made a very special moment shared by your daddy and me.

You're walking now—still a little wobbly sometimes off exploring every corner, every surface, every object that catches your attention or instincts. A year ago we were only guessing at what accomplishments you'd make.

A year. One single year. But a year that has made a great big difference.

We saw you adjust to night and day, before never knowing there was any difference. You kept us up all night, wide awake, hungry, wanting to be cuddled until in the wee morning hours we fell asleep at last.

We watched you find your little hands and feet, to grope for objects that were little more than a passing shadow in front of you.

You went on to first roll over, to sit, to scoot and crawl and then to walk. When you found what feet were used for, there was no stopping you. Tops of everything, insides of everything were a mystery to you, so you became the super sleuth.

We felt every tooth come in and cooled down your fevers. Each time a new one showed up, we had to check that it was coming straight and true.

When you declared your independence we stood by and encouraged your individuality, your spirit. We know you have a right to be you, yet we know we must teach you, mold you, shape you, to develop your personality wisely and well.

But more than anything else, we've loved you.

We've licked one year of parenthood. Through it and the many more to come, we seek but one thing: That whatever the future brings, we have, at least, put forth our best in the role of Mom and Dad.

## COMMON ELIGIBILITY MAKES COMMONSENSE

● Mr. **JEPSEN**. Mr. President, for the past several months I have had the pleasure of working very closely with the Iowa Department of Social Services. The department has been and continues to be very helpful to my office in understanding and interpreting the ever abundant maze of Federal programs which serve the poor, the disadvantaged, and the elderly.

During the August recess the Iowa Department of Social Services expressed concern over the manner in which complexity and inconsistency in determining client eligibility for income maintenance programs result in a multiplicity of forms, and leads to confusion for both clients and workers and increased errors.

This is of particular interest to me because of the recent debate here in the Senate over error rates pertaining to AFDC and medicaid entitlements.

Therefore, Mr. President, I would like to submit for printing in the RECORD a statement prepared by the Iowa Department of Social Services which I believe the Members of Congress and their respective staffs will find both useful and informative.

The statement follows:

### COMMON ELIGIBILITY MAKES COMMONSENSE

(By Diane Milobar—Iowa Department of Social Services)

The Problem: Complexity and inconsistencies in determining client eligibility for income maintenance programs* result in a multiplicity of forms and lead to confusion for both clients and workers and increased errors.

Background: Standards and methods of computation vary from program to program in many areas including: resource and income limitations and exemptions; child care deductions; training allowances and educational loans and grants; work expenses; interest and life insurance. The following examples are illustrative of needless program eligibility discrepancies:

To be eligible for ADC a family is limited to resources of $800 plus $400 for each additional member. That same family could have $1,750 in resources—or $3,000 when there are two or more members and one is over age 60—and still be eligible for food stamps. The ceiling on resources for SSI is $1,500 an individual and $2,250 per couple.

ADC allows deductions from income for the actual cost of child care, but the food stamp program combines child care and housing and sets a maximum deduction. (SSI has no allowance for child care.)

Work expenses are computed for ADC and SSI, but the food stamp program allows a flat 20 percent deduction for these.

The Work Incentive (WIN) training allowance is counted as income for food stamps but is exempt for ADC; CETA training allowance is counted as income for food stamps but exempt from ADC and SSI.

Household goods are totally exempted for ADC and food stamps, but SSI allows $1,500 for an individual and $2,200 for a couple.

In food stamp computation, interest from a savings account is counted as unearned income. ADC exempts income from any source under $5, so most interest is disregarded. If interest is posted quarterly or less, it is not counted for SSI.

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*Income Maintenance programs considered are: ADC, SSI, food stamps and medical assistance. An ADC or SSI client is automatically eligible for Medicaid.

The cash value of life insurance is exempt for food stamps as long as it's not converted to cash. SSI will exempt life insurance with a face value of $1,500 or less, but if it's worth more, the entire cash value is counted. ADC exempts $1,000 face value per member of the eligibility group. If the total life insurance exceeds that figure, then the cash value is substituted for the face value; if it still exceeds limitations, the excess is applied to the family's resources.

As you can see, it gets pretty complicated, and income maintenance workers must undergo continuous training to keep up with the changes that occur in all the programs. Sometimes increased benefits in one program affect another program. For instance, ADC or SSI grants may increase for some clients causing their food stamp allotments to decrease. Try explaining that one.

If common eligibility is such a good idea, why hasn't it been implemented? It's a great idea, but its time hasn't come. There has to be a federal congressional initiative toward consistency among programs, uniform laws and regulations. At present basic philosophic differences exist between HEW, the agency that provides basic financial grants, and USDA, the agency that issues food coupons. The food stamp program is highly regulated at the federal level, as contrasts to the ADC program where federal regulations are loose enough for individual state differences.

Recommendation: To reduce error rates and cut unnecessary program complexity, there should be a federal move toward common program eligibility. Basic philosophic differences between HEW and USDA must be broached to achieve common standards uniformly applied.●

## IF THE SELF-RIGHTEOUS RULE

● Mr. METZENBAUM. Mr. President, earlier this year, former Senator Thomas McIntyre of New Hampshire, one of the finest men to ever have served in this body, published a profoundly disturbing book. In that book, entitled "The Fear Brokers," Senator McIntyre gave to the people of this country a stark warning of what the rise of the so-called "new right" could mean for the future of our democratic institutions. If we ignore his warning, we do so at great peril.

On August 6, in a speech before the Summer Leadership Conference of the Michigan Education Association, Senator McIntyre spoke out forcefully about the ruthless tactics and the authoritarian potential of right wing extremism in America. I commend this address to the urgent attention of my colleagues and I ask that it be printed in the RECORD.

The address follows:

### ADDRESS BY FORMER U.S. SENATOR THOMAS J. MCINTYRE

### IF THE SELF-RIGHTEOUS RULE

Although this is my first visit to Sault Ste. Marie, I feel a special kinship with this community.

There is an institution here that was dear to a very great American. I speak of the Lake Superior State College and the late Senator Philip Hart.

The origin of the Philip A. Hart Scholarship Fund for Lake Superior State College says a great deal about the kind of man—the kind of American—Phil Hart was.

He saw a struggling new college in need of scholarship funds. He knew there were Michigan high school graduates who deserved a chance to go to college. And upon his death, and to honor his wish, his many friends of all political persuasions, color, creed and ethnic origin joined together to sponsor a symphony to raise the seed money for the scholarship fund.

Many of the people who worked for this memorial to Phil Hart did not agree with his politics. But they respected his integrity, his character . . . and, most of all, his consummate decency.

Throughout his life he pursued the social justice goals of his political and his religious heritage. But he did so with understanding and magnanimity and endless good will. And this is why even his political foes held him in such warm esteem.

What Phil Hart was—and what he stood for—is the very antithesis of a political movement in America today that is the subject matter of this part of your conference—and of a book I have just published.

The book is called "The Fear Brokers," and the subject is The New Right.

You'll be hearing from other speakers about the organizations and the people who make up the leadership of The New Right, so I'm going to concentrate my remarks on the reasons why I believe the movement is so dangerous to America.

I am convinced that the New Right poses the greatest threat to this country since the days of Joe McCarthy. And I would remind you that such wise observers of the American scene as Eric Sevareid have called the McCarthy years the closest we've come in this century to seeing our basic institutions collapse and disintegrate. That takes on special meaning when we consider the other major crises of this century—four wars, the Great Depression, and Watergate.

What is more, I believe that the major media of this country have not yet recognized the full dimensions of this threat. What the New Right is—and what it portends—is the great untold political story of our generation.

I am willing to predict here and now that when the strength of the New Right manifests itself at the national political conventions next year, the press will watch in open-mouthed amazement.

I have told friends—and only half facetiously—not to be surprised if they see Ronald Reagan booed for sounding too liberal when he takes to the podium at the Republican convention, for the New Right delegates at that convention will brook no departure from the True Believer line even if it is done in the interests of party unity.

Am I saying the New Right will nominate a candidate for the 1980 presidential election?

No.

But I am convinced that its grassroots skill in electing delegates to those conventions could force both parties to accept planks in the party platforms which would change the character of those parties as we have not seen it done since the Goldwater convention of 1964.

If this happens, no one should be surprised. We've been told, again and again, by the leaders of the New Right that they are out to destroy the Republican Party and rebuild it in their image. We have also been told that they intend to divide and weaken the Democratic Party and wean from it those party members they believe are most susceptible to the New Right's political primitivism and single-issue appeals.

Perhaps you have heard this before, but let me quote New Right leaders to illustrate what I mean:

Here are the words of Philip Weyrich, the National director of The Committee for the Survival of a Free Congress:

"We are different from previous generations of conservatives. We are no longer working to preserve the status quo. We are radicals working to overturn the present power structure of this country."—end of quote.

Here are the words of Richard Viguerie, the computer mailing wizard who is known as The Godfather of the New Right:

"I don't believe in my lifetime you will ever again be able to successfully market the word Republican. You could as easily sell the Edsel or Typhoid Mary. The Republican Party is like a disabled tank on the bridge impeding the troops from crossing to the other side. You've got to take that tank and throw it in the river."—end of quote.

Now if this strikes you as brazen beyond belief, you might want to consider why the New Right is as cock-sure as it is. After all, the Number of Americans actively enrolled in the New Right still constitutes only a fraction of membership of either party and a much smaller fraction of the total population.

Why then do they speak so confidently of taking over the Republican party and the leadership of the nation?

Because they have already demonstrated that they exert power far beyond their numerical strength.

These are not loonies who run around talking to each other. They are skilled, sophisticated, pragmatic politicians who know where and when to push the right buttons to get things done their way.

In Viguerie, they have one of the most effective direct mail operations in the world at their disposal. They can reach out and tap True Believers for all the money they need. They can reach out and trigger True Believers to inundate the Congress with mail on any issue they want to influence. They can reach out and mobilize thousands to work in campaigns, take over political caucuses, wrest control from party regulars.

Though they operate as separate organizations under the umbrella title of the New Right, they are really one network operation with the same ideology, techniques and goals.

And they have mastered the strategy of using other, conservative but main-line organizations to increase their influence exponentially.

Example: When the New Right leadership set out to defeat a very modest labor law reform bill in 1978, they worked hand-in-glove with business political action committees, the Right to Work Committee, the Chamber of Commerce and the National Association of Manufacturers.

When the New Right Leadership set out to defeat ratification of the Panama Canal Treaties, they used patriotic and veterans organizations to augment their clout with the Congress and they came within one vote of stopping ratification.

Moreover, they place their shots so as not to waste bullets. They concentrate election efforts in those races where there is no incumbent, where one candidate seems especially vulnerable to an emotional single issue, or where the voter turn-out is expected to be unusually low. Then they throw all their resources into the effort, including an all-out push to get the True Believers to the polls.

Is it effective? Last year the New Right knocked eight Senators out of office on the Panama Canal issue, elected thirteen of its own candidates and lost only one incumbent.

Nor can anyone tell me that the Congressional stampede to get on the Proposition 13 bandwagon for a short time last year was a genuine conversion.

I've felt those pressures. I can understand how they work. I can sympathize with those who rationalize that cutting a conscience corner here or there is the only way to keep someone much worse from winning their office. And because I understand, I admire more than ever before the Senators and Congressmen who stand firm under those pressures. And there are many of them, my friends. Enough of them like Phil Hart to keep us from making some colossal mistakes.

But I'm worried. I don't know how much longer the balance of reason will prevail. That's why I wrote "The Fear Brokers." That's why I'm here today.

If I thought that the New Right had peaked, that its influence was on the wane, I would not be as concerned as I am. But I do not have that confidence. Indeed, I believe the worst is yet to come.

Let me tell you why.

All of the conditions that made it possible for the New Right to surface and succeed still prevail.

On November 10, the Gannett newspaper chain's Pat Ordonvensky wrote, and I quote: "The activist New Right, which has been making steady gains in both Houses of Congress, got by far the most for its money in Tuesday's voting."

But election results are only a small part of the measure of New Right successes. What you cannot appreciate unless you've been in the Congress—as I have—is its influence on incumbents who fear becoming its targets.

This is hard to calibrate. But you can feel it. You can look at votes on certain issues and almost sense what went into the decision on how that vote was cast. And sometimes you can sense fear.

No one can tell me that the House vote against public funding of abortions for needy women is an accurate reflection of how individual House members really feel about this issue.

No one can tell me that the close Senate vote earlier this year on the restoration of prayer in the public schools is an accurate measure of how Senators really feel about this issue.

For all the signs of well-being, there is great uneasiness and uncertainty among Americans.

Vietnam shook their confidence in the power or the moral purpose of our country.

Watergate shook their confidence in the rectitude of leaders and institutions.

Inflation continues to erode their confidence in the currency of this nation.

The energy crisis has forced recognition that we may no longer be the land of endless milk and honey.

The two major political parties are in disarray, fragmented, undisciplined, floundering in search of a unifying gospel.

Centrists and liberals in both parties have abandoned the political lists to extremists while they reassess their own attitudes in a time of harsh new economic realities.

We are a nation at loose ends, my friends. And that is an open invitation to extremist ideologues to move in and take over.

Now I'm going to draw an analogy here to lead up to my final observations, but I want it clearly understood that the analogy I've chosen in no way should be taken to mean that I equate the New Right with the Third Reich. I do not. Extreme though the New Right's ideology may be, it is a far cry from the sinister and malevolent ideology of that time and land. Nevertheless, there are disturbing similarities in circumstances and strategies we ought not overlook.

Hitler, you may recall, noted that the time to capture power is the time when the people have lost confidence in their currency, their government, and themselves—a time when, as he put it, "everything is anchorless."

Once he seized power, he moved quickly to quell internal criticism. And I need not remind this audience that his first target was the educated. He burned books. He vilified intellectualism—which Himmler said rotted the German character because it equated with Jewishness. In short, Hitler set about to quiet every voice of sane and reasoned protest—be they college professors, priests, preachers, rabbis, journalists, authors, or philosophers.

At the same time, he cynically exploited the peasant, exalting him, wooing him to march behind the superpatriotic banner, telling him over and over again that the leaders he had deposed were the people who had betrayed Germany, that they, the peasants, were the loyal and steadfast Germans.

If you have watched the New Right in action, you will have noted the similarities. They are thriving in a time of uncertainty and lack of public confidence in leaders and institutions. They woo the common man by exalting common sense over learning. They quell their opposition with single issue attacks frequently launched under the guise of "real Americanism." They draw up their political hit lists well in advance of elections and launch their attacks early and hard.

The New Right has been running ads and mailing messages against George McGovern since early summer, long before he had an announced opponent in his bid for re-election. And those mailings, my friends, viciously imply that George McGovern—a decorated World War II combat veteran—is not a loyal American. Because Senator McGovern supported ratification of the Panama Canal Treaties and because the New Right believes he will vote to ratify Salt II, posters have been prepared which say: "McGovern Sells Out the U.S. Again" . . . If McGovern wins, YOU LOSE!"

Also on the New Right hit list for 1980 are office holders, including Catholics, who voted to provide public funds for abortions for indigent women when pregnancy endangered life or health or was the result of incest or rape. Though we Catholics in Congress are opposed, by creed, to abortion, a number of us recognize that Americans differ on this agonizing issue, that individual choice must be considered, and that it is inherently unfair to deny an option to the pregnant poor that women of means can exercise under the law. On the Sunday before the election that I lost, pamphlets describing me as a baby killer were stuck under the windshield wipers of cars in Catholic church parking lots. This time around, Father Drinan, the only Catholic priest in the Congress, is on the New Right's hit list.

If there is one characteristic that is common to the leadership and much of the membership of the New Right, it is self-righteousness. And this leads into my final comment.

Earlier I said that I believe the movement had not yet peaked. What prompted that observation is clear evidence that the New Right is now deliberately and openly setting out to enlist an immense new bloc of Americans in its political cause. I speak of an estimated 75 million evangelical Christians.

It is important to note here that there are political differences within the evangelicals which are common to most groups. The New Right could not hope to enlist progressive evangelicals like Jimmy Carter, or former Iowa Senator Harold Hughes, or Oregon Senator Mark Hatfield, who wrote the introduction to my book, for example. But the New Right hopes to convince conservative evangelicals that the movement shares with them a mutual attitude on most issues.

The recruiting campaign was launched this summer under the title: "Christian Voice." And it is reportedly meeting with astonishing success in the heartland of America. Already it claims to have enlisted 1,500 ministers and 100,000 Christians, and hopes to have 5,000 ministers enrolled by next year.

The organizers of Christian Voice call themselves, and I quote: "The chosen shepherds of the flock in these times." Among the New Right leaders actively involved are Senators Roger Jepsen of Iowa, Orin Hatch of Utah, James McClure of Idaho, Gordon Humphrey of New Hampshire, and Congressmen Robert K. Dornan of California, Daniel Crane of Illinois, George Hansen of Idaho, and Larry McDonald of Georgia, among others.

Christian Voice claims to have an initial budget of $1 million, has opened and staffed a Washington office, and will lobby Congress on issues dear to heart of the New Right.

Christian Voice also has announced that it will use Christian television networks, which claim to have between 40 and 50 million viewers, to spread its views nationwide. Sixty second spots will feature Senator Orin Hatch on issues before Congress. There will be half hour documentaries on Christians in politics, a series of radio announcements and a weekly 30-minute commentary for cable television. Senator Roger Jepsen already has been featured on one 30-minute program.

The Rev. Robert Gordon Grant, one of the founding directors of Christian Voice, calls 75 million evangelical Christians, and I quote, "the sleeping giant of American politics."

"The giant is no longer asleep," he said. "Millions of Christians are frustrated, angry and fearful. They are searching for a means to channel their frustration in such a way that they can have real impact."—end of quote.

Now what kind of "Christian" politics are we talking about here?

Well, in the first place the Rev. Grant says political liberalism is, and again I quote, "inconsistent with Christianity." He says the nation "is crumbling under the onslaught (by) the rulers of darkness of this world and insidiously sustained under the ever-more-liberal ethic."

Let me turn to another politicized evangelical, the Rev. Bob Thoburn of Virginia. He runs an alternative Christian day school. Richard Viguerie, the godfather of the New Right, is a Catholic. He took his children out of Catholic catechism class because the nuns discussed ecology. He took them out of public school because he didn't like the way history was being taught. Then he enrolled them in the Rev. Thoburn's school.

Well, the Rev. Thoburn ran for Congress last year because, he said, "what's the use of having some evangelical Christians in office (like Mark Hatfield), if they don't vote like Christians?"

And what does voting "like Christians" mean? Here are some of Thoburn's views: The welfare state is contrary to the Bible. The purpose of civil government is to punish criminals, protect our property rights, and maintain a strong defense. The government's function is not to redistribute wealth; the income tax is unscriptural . . . the free market is the biblical approach to economics . . . We should have let the military win in Vietnam in a couple of weeks. The most powerful nation in the world could have easily licked a fourth rate power like them.

All right, then, so much for the politics of the movement. How about the danger of mixing church and state?

You will remember that the Third Reich successfully converted its political creed into what amounted to a state religion. Is that what the New Right intends to do with Christian Voice?

I sincerely wish the New Right was more convincing in its denials. Let me read one paragraph from an article in a recent issue of the Des Moines Register-Tribune to show you what I mean.

"(Senator Orin) Hatch said he was not troubled that the lines between church and state may be blurred by Christian Voice, and he agreed that there are similarities between its efforts and the goals of Iran's Ayatollah Khomeni to establish a state based on religious principles. 'There is the same desire to spread the viewpoint of good people . . . so that we can change some things that are happening,' said Hatch."

Do you wonder now why I'm so worried about the New Right?

I cannot close, however, without sounding a note of optimism. What you and your parent organization, the NEA, are doing to alert the public to the dangers of this movement is extremely encouraging. I find the same alarm being sounded by labor organizations, women's groups, minority leaders, librarians, and main-line church leaders . . . and not a moment too soon. I am encouraged, as a Catholic, that some of the leaders of my church are recognizing that the social justice goals of our faith suffer a net loss when an office holder who supports those goals, but does not vote a rigid line on abortion, is defeated by a Right to Life candidate who supports none of those goals.

I leave you now with this final thought.

The New Right and Christian Voice like to quote the line from the Bible that goes ". . . when the righteous rule, the people rejoice; when the unrighteous rule, the people mourn."

A columnist in the Des Moines Register Tribune added one more line: "And when the self-righteous rule, watch out!" ●

## NO COMMENT

● Mr. McGOVERN. Mr. President, I would like to submit for publication in the RECORD an August 28, 1979, editorial from the Concord, N.H., Monitor as well as a letter from our distinguished colleague, GORDON HUMPHREY.

The material follows:

### HUMPHREY TESTS "CODE"

U.S. Sen. Gordon Humphrey, R-N.H., has signed a letter sent to 40,000 conservatives nationwide opposing the re-election candidacies of five of his colleagues in the Senate.

The letter, distributed by the National Conservative Political Action Committee of Arlington, Va., calls the five Democratic senators either "extremist" or "radical" or associated with "big labor."

It is Sen. Humphrey's prerogative to seek the defeat of those running for public office whom he considers liberal, and to promote the candidacies of those who espouse a political philosophy akin to his own.

But the Senator's allegiance to this cause should take second billing to his responsibilities to his New Hampshire constituents. This is where the letter in question may do damage to the best interests of New Hampshire.

It is no secret that the U.S. Senate is a closely-knit club with a highly-developed code of personal relationships, expressions of mutual respect and effusive courtesy which any member violates at his peril.

While on one hand it is almost a comic opera code observed despite sometimes strident philosophical differences, it also is a valuable foundation for an individual senator to win Senate approval of legislation that particularly affects his home state.

If other members of the Senate have no particular interest in the legislation, they will vote for it out of deference to the senator from the state concerned. Purists in the democratic process may decry this back-scratching process, but that is the way it works.

The letter Sen. Humphrey signed described Sen. Birch Bayh, D-Ind., as "famed for his extremist support of the Equal Rights Amendment . . ." It said Sen. George McGovern, D-S.D., was a "radical . . . who favors recognition of communist Cuba."

The letter called Sen. Frank Church, D-Idaho, a "radical . . . who single-handedly has presided over the destruction of the FBI and the CIA." It described Sen. John C. Culver, D-Iowa, as "the most radical member of the U.S. Senate."

And it said Sen. Alan Cranston, D-Calif., was "one of big labor's staunchest allies in the U.S. Senate."

The letter was widely viewed as a violation of the Senate code which holds that one senator should not attack another publicly.

How Sen. Humphrey gets along with his colleagues is something he must decide for himself. But when retaliation for his actions comes in the form of votes against legislation that would benefit New Hampshire, all of the state suffers for it.

The Senate's courtesy code may be an anachronism, but it is there and Sen. Humphrey would do well to consider the consequences to New Hampshire before he violates it.

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GORDON HUMPHREY,
*Washington, D.C.*

MONDAY MORNING

DEAR FRIEND: The numbered report I've enclosed is for your eyes only.

I'm sending this report to a limited number of leading conservatives across the country.

I've attached a special label to your report with your name and personal report number. To verify receipt of your report please peel off the top half of this label and send it back to me on the enclosed reply memo.

You see, this report contains the National Conservative Political Action Committee's (NCPAC) plans for electing a conservative majority to the U.S. Senate in 1980.

1980 provides us with an unusual opportunity to make noticeable gains. Thirty-four Senators in all will stand for re-election; twenty-four are liberal Democrats. Most observers are convinced that at least half of the liberal Democrats and a few liberal Republicans will be vulnerable.

Let me give you an idea of which liberal Senators are standing for re-election in 1980:

George McGovern—the radical Senator from South Dakota who favors recognition of communist Cuba.

Frank Church—the radical Chairman of the Senate Foreign Relations Committee who single-handedly has presided over the destruction of the FBI and the CIA.

John Culver—the freshman Democrat from Iowa who, while largely unknown, is credited with being the most radical member of the entire U.S. Senate.

Birch Bayh—the Democrat from Indiana who is famed for his extremist support of the Equal Rights Amendment extension and abortion on demand.

Alan Cranston—one of Big Labor's staunchest allies in the U.S. Senate.

And I could list at least twenty more liberals just like them who will be standing for re-election in 1980. The 1980 election will provide us a real opportunity to make inroads into the strong liberal domination in the U.S. Senate.

And because of the NCPAC special plan called "Target '80" I am convinced that we can actually seize control of the U.S. Senate.

But I'm sure you understand that conservatives need to get organized early if they are to win. Unfortunately, many of our candidates don't realize this important fact. They wait until the last minute before announcing for election.

As a result, liberal Senators begin with a huge advantage by using tax money to publicize their names and activities.

And no one criticizes these Senators for their liberal votes in the U.S. Senate until a few months before the electon.

Well, the NCPAC solution to this problem is amazingly simple. We will set up independent campaigns in each of these critical states (and many more if funding permits) immediately, in order to explain to the voters of these states just how radical their U.S. Senators are.

Why? First, because incumbents begin with huge name identification and popularity ratings subsidized by your tax money. Incumbents use their staff, computers, mailing services, newsletters and many other government funded services to fool unsuspecting voters into voting for them.

Second, conservative opponents to these radicals won't surface for another year, and many won't even begin their campaigns until September of 1980. But professional polls show that up to 60% of the voters decide who they are voting for before September 1st.

Conservative candidates are like a football team which only starts playing in the fourth quarter.

So unless we get started now, and expose these radical Senators, it will be the fourth quarter before we know it.

The "Target '80" plan includes the use of sophisticated polling services, massive mailings to registered voters in these states, as well as an entirely independent radio and television and newspaper advertising program which will destroy the popularity ratings of many of these incumbent liberals.

The "Target '80" plan itself—as well as its scope and depth—is unprecedented in American political history. That's why I'm so excited about it. I hope you are too.

Because I'm convinced that "Target '80" will work.

I want you to know, NCPAC doesn't merely hand out money to conservative candidates, sit back and hope for the best. We provide expert analysis and campaign guidance which has proven the moving force in many important political races.

Most conservative candidates agree that NCPAC provides the best professional campaign assistance available today—the best pollsters, the best television consultants, the best advertising and precinct organization leaders, and many other key personnel.

And now, with your help, NCPAC will be successful in its most important project yet: taking over the U.S. Senate for conservatives.

Of course, it won't be easy, but I'm convinced NCPAC's "Target '80" plan will make possible gains in the U.S. Senate that we never dreamed of.

Just imagine the added beneficial side effects of this plan:

First, it will rid us of the most radical members of the U.S. Senate and the ringleaders for almost all liberal legislation that comes up in Congress.

Second, it will put all the other liberals on notice that if they step out of line and vote for the SALT Agreements, taxpayer financing of congressional elections, and all Big Labor's other special interest legislation, the voters will rise up and oppose them.

Third, we can then count on defeating the SALT Disarmament Treaty, repeal of the right to work laws, and other key liberal legislation that will be brought up this year.

Finally, it will let other good conservatives in the Senate know we can win key strategic battles.

Instead of just fighting liberal legislation, at last conservatives will start proposing legislation of their own—for the first time in 20 years.

NCPAC has already begun this massive program to rid us of the liberals in the U.S. Senate. Right now we need to commit $27,000 to polls alone to explore the weaknesses of incumbent liberal Senators.

Immediately after that, NCPAC needs an additional $157,000 to begin their first round of advertising. This program can't be stalled for another minute if it's going to be successful.

Because of conservatives like you, NCPAC has worked wonders in electing scores of conservatives to the Congress, as well as state and local office.

That's why I am going to come right out and ask you to send a contribution right away to NCPAC for their special "Target '80" project. So please do me the personal favor of reading the enclosed "Target '80" report I have enclosed and then send at least $15 to NCPAC immediately.

If at all possible, I'd like you to send as much as $25, $50, $100 or more if you can.

As I mentioned earlier there are not many people who, like you, are astute enough to understand the importance of programs like this.

That is why you are so important to the success of NCPAC's "Target '80" program.

So please, don't hesitate. Send your largest possible contribution to NCPAC today.

I look forward to hearing from you.

Sincerely,

Gordon Humphrey,
*U.S. Senator.*

P.S. "Target '80" is so important that NCPAC needs the help of every dedicated conservative. Please let us know if you'll be able to help today.

P.P.S. Please don't forget to peel the label off the special report and put it on the reply memo to verify that you are the one who personally received the report.●

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## U.S. IMMUNIZATION DRIVE IS SUCCESSFUL

● Mr. BUMPERS. Mr. President, a dramatic announcement was made by HEW last month which generally went unnoticed.

Surgeon General Julius B. Richmond announced that more than 90 percent of the Nation's children in grades kindergarten through 8 have been immunized against measles, polio, diphtheria, tetanus, and pertussis (whooping cough). Eighty-four percent have been immunized against rubella.

The new immunization levels reflect the dramatic success of the nationwide immunization campaign begun by HEW in April 1977, when immunization levels for the six diseases ranged from 66 to 75 percent.

Cases of measles and rubella, which were reported in epidemic proportions in many parts of the country in 1977, have declined significantly since that year. Measles cases dropped 78 percent, from 52,374 cases in a 1-year period ending August 19, 1977, to 11,711 cases in a comparable period ending August 1979. Rubella cases dropped 43 percent, from 18,315 cases in the 1977 reporting period to 10,421 cases in 1979.

In contrast to the eight cases of diphtheria and eight cases of tetanus that were reported in 1977, there have been no cases of diphtheria or tetanus reported among children this year.

Although immunization levels against polio are at an alltime high among children, 23 cases of the crippling disease have occurred in 1979, compared with 17 in 1977. The increase is due to outbreaks of polio in Amish communities in Pennsylvania, Iowa, and Wisconsin, which infected 15 persons. This increase in cases of polio occurred in a segment of our population in which immunization has been the exception rather than the rule. This should demonstrate the importance of vaccine protection.

Only five cases of paralytic polio have been reported in the non-Amish population in 1979. This is compared with 7 in 1978 and 17 in 1977.

Because few States required immunization against mumps as a condition of school entry in 1977, the campaign against this seventh preventable disease concentrated on preschool, rather than school age children. Since April 1977, administration of mumps vaccine to preschool children in public clinics has doubled from 1.5 million doses to more than 3 million doses. The number of cases of mumps among all children under 15 years of age has dropped 30 percent, from 15,512 cases in 1977 to 11,136 cases in 1979.

At the same time, the number of States requiring mumps immunization before school enrollment has increased significantly, from 2 in 1977 to 18 today. Mr. President, this may sound self-serving, but the national immunization program was modeled after the successful immunization programs organized for Arkansas children by my wife, Betty, when I was Governor.

In 1973–74, the State of Arkansas, through a massive coordination and cooperation effort by existing public agencies, such as the State health department, cooperative extension service, the National Guard, the Arkansas League of Nursing, the Arkansas Medical Society, and over 10,000 volunteers, increased the immunization level in Arkansas from one of the lowest in the Nation to the highest.

In 1975, the number of children in this country susceptible to preventable childhood diseases was a reflection of one of the most abysmal failures in the medical history of our Nation. The failure to conduct adequate awareness programs alerting the public to the risks and costs of epidemic was compounded by a lack of funding to support aggressive immunization programs. I was alarmed that only $6.2 million was appropriated in fiscal year 1975 for the childhood immunization grant program. In comparison, $35 million was appropriated in fiscal year 1979 for this program.

This increase in the appropriation level for childhood immunization grants over the past few years has received strong support from the chairman of the Appropriations Committee, Mr. Magnuson; the Senator from Massachusetts, Mr. Kennedy, and the Senator from Indiana, Mr. Bayh. I also want to recognize the efforts of the late Senator Hubert Humphrey in support of this program.

The appropriation level increased to $17 million in 1977 from $6.4 million in 1976. The original request by the Ford administration in 1977 was only $13 million, but Congress added $4 million to the appropriation in the supplemental for that year. As I mentioned, the appropriations level for fiscal year 1979 was $35 million.

The immunization levels which I described at the beginning of my statement are a direct result of these appropriations and the effort by HEW and the thousands of volunteers who have worked on this program across the country.

State legislative activity has been an important factor in the battle against childhood diseases. Since April 1977, five States have enacted laws requiring every child to be immunized as a condition of school entry. Twenty-five other States have strengthened their immigration laws. Today all 50 States have school immunization statutes designed to insure that youngsters are protected against childhood diseases.

Childhood immunization, however, is not a problem that remains solved. There must remain a continuing education program and a continuing commitment to maintain the immunization levels that have recently been announced.

Mr. President, before rubella vaccine was perfected, an outbreak of German measles, or rubella, as it is called in this country, hit 300,000 people. During an epidemic of this type, children with rubella would infect or communicate the disease to their pregnant mothers. If this occurred during the first 3 months of pregnancy, it was an iron-clad medical certainty that the new child would be handicapped. As a result of that epidemic, approximately 30,000 children who were born during that period had rubella syndrome.

There are 250,000 adults and children in mental institutions across this country. It is estimated that between 5 and 9 percent of those cases are the result of mothers contracting rubella during the first 3 months of pregnancy. Probably two to three times that number of children are less profoundly handicapped and are in sheltered workshops or remain at home. Many constitute a serious financial drain on their families and a loss of productivity to society.

If we just assume that 7 percent of those people are there because of rubella then 17,500 people are institutionalized today as a direct result of rubella. Each one of those people in today's dollars will cost the States and the Federal Government $900,000 directly and through loss of productivity. It is costing this country $15.75 billion in direct outlays. This is an outrageous statistic and should be a cause of shame to all of us.

HEW has announced a long-range plan to immunize infants and calls for the education of new mothers while they are still in the hospital and for special outreach programs to remind mothers of the need for immunization and of the dates when booster shots are due.

We must remain vigilant in support of the childhood immunization program because it is one of the most critical and least costly ways of preventing needless suffering in this country.

I ask that a table indicating the percentage of first grade and kindergarten children with a history of specified vaccines in 1975 to 1980 school years be printed at the conclusion of my remarks. I also ask that two new articles on the immunization program from the Washing Post and New York Times be printed in the Record.

The material follows:

PERCENT OF 1ST GRADE/KINDERGARTEN STUDENTS WITH A HISTORY OF SPECIFIED VACCINE, 1975-76 THROUGH 1979-80 SCHOOL YEARS

| Project area | Measles | | | | | Rubella | | | | | Polio (3+) | | | | | DTP (3+) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1975 | 1976 | 1977 | 1978 | 1979 | 1975 | 1976 | 1977 | 1978 | 1979 | 1975 | 1976 | 1977 | 1978 | 1979 | 1975 | 1976 | 1977 | 1978 | 1979 |
| Region I: | | | | | | | | | | | | | | | | | | | | |
| Connecticut | 91 | ---- | 91 | 94 | ---- | 81 | ---- | 92 | 92 | ---- | 88 | ---- | 90 | 96 | ---- | 93 | ---- | 91 | 96 | ---- |
| Maine | 80 | 80 | 82 | 92 | ---- | 79 | 72 | 76 | 91 | ---- | 80 | 82 | 83 | 91 | ---- | 86 | 86 | 87 | 91 | ---- |
| Massachusetts | 95 | 96 | 98 | 99 | ---- | 79 | 85 | 90 | 93 | ---- | 94 | 96 | [1] 94 | 98 | ---- | 95 | 96 | [1] 96 | 97 | ---- |
| New Hampshire | 96 | 95 | 95 | 96 | ---- | 96 | 92 | 94 | 96 | ---- | 92 | [1] 91 | 94 | 96 | ---- | 94 | [1] 93 | 95 | 96 | ---- |
| Rhode Island | 90 | 91 | 92 | 92 | ---- | 88 | 90 | 91 | 91 | ---- | 88 | 89 | 91 | 91 | ---- | 89 | 90 | 91 | 91 | ---- |
| Vermont | 92 | 89 | ---- | 94 | ---- | 73 | 78 | ---- | 80 | ---- | 91 | 93 | ---- | 96 | ---- | 95 | 96 | ---- | 96 | ---- |
| Region II: | | | | | | | | | | | | | | | | | | | | |
| New Jersey | 92 | 99 | 99 | 99 | ---- | 93 | 98 | 99 | ---- | ---- | 91 | 97 | 97 | 97 | ---- | 91 | 97 | 97 | 98 | ---- |
| New York State | 92 | 94 | 96 | 97 | ---- | 91 | 93 | 95 | ---- | ---- | 92 | 93 | 94 | 96 | ---- | 92 | 94 | 95 | 96 | ---- |
| New York City | 81 | 87 | ---- | 76 | ---- | 80 | 86 | ---- | 76 | ---- | 80 | 87 | ---- | 76 | ---- | 79 | 89 | ---- | 76 | ---- |
| Puerto Rico | 27 | 55 | ---- | 72 | ---- | 24 | 55 | ---- | 72 | ---- | 24 | 53 | ---- | 76 | ---- | 28 | 55 | ---- | 72 | ---- |
| Virgin Islands | 90 | ---- | ---- | ---- | ---- | 90 | ---- | ---- | ---- | ---- | 77 | ---- | ---- | ---- | ---- | 77 | ---- | ---- | ---- | ---- |
| Region III: | | | | | | | | | | | | | | | | | | | | |
| Delaware | 90 | 87 | 90 | 98 | ---- | 87 | 85 | 89 | 94 | ---- | 91 | 87 | 91 | 94 | ---- | 93 | 89 | 93 | 95 | ---- |
| District of Columbia | 95 | ---- | 95 | 98 | ---- | 97 | ---- | 79 | 97 | ---- | 98 | ---- | 89 | 95 | ---- | 98 | ---- | 93 | 97 | ---- |
| Maryland | 98 | 99 | ---- | 97 | ---- | 96 | 99 | ---- | 98 | ---- | 96 | 99 | ---- | 88 | ---- | 95 | 97 | ---- | 91 | ---- |
| Pennsylvania | 92 | 92 | ---- | 97 | ---- | 90 | 91 | ---- | 97 | ---- | 92 | 92 | ---- | 97 | ---- | 94 | 93 | ---- | 98 | ---- |
| Allegheny County | 96 | 97 | 98 | 93 | ---- | 94 | 96 | 97 | 93 | ---- | 95 | 96 | 97 | 93 | ---- | 96 | 97 | 98 | 94 | ---- |
| Philadelphia | ---- | ---- | 88 | 83 | ---- | ---- | ---- | 88 | 81 | ---- | ---- | ---- | 89 | 82 | ---- | ---- | ---- | 90 | 84 | ---- |
| Virginia | 80 | 84 | 91 | 95 | ---- | 79 | 84 | 91 | 95 | ---- | 79 | 84 | 89 | 94 | ---- | 81 | 85 | 90 | 94 | ---- |
| West Virginia | 96 | 96 | 98 | 98 | ---- | 95 | 96 | 98 | 98 | ---- | 96 | 97 | 98 | 97 | ---- | 96 | 97 | 98 | 98 | ---- |
| Region IV: | | | | | | | | | | | | | | | | | | | | |
| Alabama | 93 | 94 | ---- | 96 | ---- | 93 | 94 | ---- | 96 | ---- | 93 | 94 | ---- | 96 | ---- | 93 | 94 | ---- | 96 | ---- |
| Florida | 93 | 93 | 92 | 93 | ---- | 93 | 93 | 92 | 93 | ---- | 93 | 93 | 92 | 93 | ---- | 93 | [1] 93 | [1] 92 | 93 | ---- |
| Georgia | 86 | 87 | ---- | 82 | ---- | 86 | 87 | ---- | 82 | ---- | 86 | 87 | ---- | 82 | ---- | 86 | 87 | ---- | 82 | ---- |
| Kentucky | 75 | 79 | ---- | 90 | ---- | 75 | 79 | ---- | 90 | ---- | 75 | 79 | ---- | 90 | ---- | 75 | 79 | ---- | 90 | ---- |
| Mississippi | 84 | ---- | ---- | 92 | ---- | 84 | ---- | ---- | 92 | ---- | 80 | ---- | ---- | 92 | ---- | 78 | ---- | ---- | 92 | ---- |
| North Carolina | 96 | 95 | 97 | 96 | ---- | ---- | 95 | 97 | 96 | ---- | 96 | 95 | 97 | 96 | ---- | 96 | 95 | 97 | 96 | ---- |
| South Carolina | 94 | ---- | ---- | 94 | ---- | 94 | ---- | ---- | 94 | ---- | 94 | ---- | ---- | 94 | ---- | 94 | ---- | ---- | 94 | ---- |
| Tennessee | 98 | 94 | 98 | ---- | ---- | 98 | 94 | 98 | ---- | ---- | 95 | 93 | 97 | ---- | ---- | 95 | 92 | 97 | ---- | ---- |
| Region V: | | | | | | | | | | | | | | | | | | | | |
| Illinois | ---- | 83 | ---- | 89 | ---- | ---- | 81 | ---- | 87 | ---- | ---- | 78 | ---- | 86 | ---- | ---- | 71 | ---- | 88 | ---- |
| Chicago | 83 | 81 | ---- | 81 | ---- | 65 | 73 | ---- | 80 | ---- | 75 | 74 | ---- | 74 | ---- | 79 | 78 | ---- | 77 | ---- |
| Indiana | 75 | 88 | ---- | 96 | ---- | 67 | 87 | ---- | 96 | ---- | 76 | 88 | ---- | 95 | ---- | 83 | 90 | ---- | 97 | ---- |
| Marion County | 71 | 81 | 91 | 95 | ---- | 64 | 78 | 91 | 93 | ---- | 82 | 85 | 89 | 94 | ---- | 83 | 83 | 88 | 95 | ---- |
| Michigan | 94 | 84 | 89 | 90 | ---- | 93 | 82 | 88 | 90 | ---- | 92 | 65 | 81 | 90 | ---- | 92 | 72 | 85 | 91 | ---- |
| Minnesota | 98 | 98 | 96 | 97 | ---- | 95 | 98 | 96 | 97 | ---- | 83 | 85 | 79 | 92 | ---- | 84 | [1] 84 | 72 | 88 | ---- |
| Ohio | 91 | ---- | 92 | 98 | ---- | 87 | ---- | 92 | 98 | ---- | 90 | ---- | 91 | 97 | ---- | 93 | ---- | 92 | 96 | ---- |
| Wisconsin | 85 | 89 | ---- | 93 | ---- | 80 | 87 | ---- | 93 | ---- | 83 | 90 | ---- | 85 | ---- | 92 | 93 | ---- | 85 | ---- |
| Region VI: | | | | | | | | | | | | | | | | | | | | |
| Arkansas | 90 | ---- | ---- | 99 | ---- | 88 | ---- | ---- | 98 | ---- | 87 | ---- | ---- | 98 | ---- | 90 | ---- | ---- | 98 | ---- |
| Louisiana | 96 | 97 | ---- | 95 | ---- | 94 | 97 | ---- | 95 | ---- | 94 | 96 | ---- | 95 | ---- | 96 | 97 | ---- | 95 | ---- |
| New Mexico | 99 | 96 | 97 | 98 | ---- | 99 | 96 | 97 | 98 | ---- | 98 | [1] 96 | [1] 97 | 98 | ---- | [1] 96 | [1] 97 | ---- | 98 | ---- |
| Oklahoma | 90 | 81 | 95 | 96 | ---- | 87 | 82 | 95 | 96 | ---- | 91 | 84 | 91 | 94 | ---- | 93 | 90 | 98 | 96 | ---- |
| Texas | 98 | 98 | 98 | ---- | ---- | 98 | 98 | 98 | ---- | ---- | 96 | 97 | 97 | ---- | ---- | 96 | 97 | 98 | ---- | ---- |
| Houston | 96 | 98 | ---- | ---- | ---- | 98 | 98 | ---- | ---- | ---- | 93 | 95 | ---- | ---- | ---- | 94 | 95 | ---- | ---- | ---- |
| San Antonio | 92 | 94 | ---- | ---- | ---- | 91 | 93 | ---- | ---- | ---- | 81 | 83 | ---- | ---- | ---- | 80 | 83 | ---- | ---- | ---- |
| Region VII: | | | | | | | | | | | | | | | | | | | | |
| Iowa | 85 | 86 | 84 | 96 | ---- | 78 | 82 | 83 | 96 | ---- | 85 | 86 | 83 | 95 | ---- | 89 | 90 | 84 | 94 | ---- |
| Kansas | 84 | 90 | 95 | 90 | ---- | 84 | 90 | 94 | 90 | ---- | 85 | 89 | 93 | 88 | ---- | 82 | [1] 86 | [1] 90 | 86 | ---- |
| Missouri | 80 | ---- | ---- | 95 | ---- | 78 | ---- | ---- | 93 | ---- | 78 | ---- | ---- | 97 | ---- | 79 | ---- | ---- | 97 | ---- |
| Nebraska | 93 | 94 | ---- | 97 | ---- | 92 | 93 | ---- | 96 | ---- | 94 | 95 | ---- | 97 | ---- | 95 | 96 | ---- | 97 | ---- |
| Region VIII: | | | | | | | | | | | | | | | | | | | | |
| Colorado | 83 | 89 | ---- | 73 | ---- | 83 | 89 | ---- | 73 | ---- | 83 | 89 | ---- | 73 | ---- | 83 | 89 | ---- | 73 | ---- |
| Montana | 77 | 77 | 81 | 84 | ---- | 66 | 68 | 73 | 82 | ---- | 86 | 85 | 88 | 83 | ---- | 87 | 88 | 92 | 84 | ---- |
| North Dakota | 93 | 94 | ---- | 97 | ---- | 86 | 93 | ---- | 96 | ---- | 72 | 81 | ---- | 97 | ---- | 83 | 89 | ---- | 97 | ---- |
| South Dakota | 96 | 97 | ---- | 88 | ---- | 97 | 96 | ---- | 88 | ---- | 96 | 91 | ---- | 88 | ---- | 96 | 95 | ---- | 88 | ---- |
| Utah | 90 | 95 | ---- | 98 | ---- | 89 | 95 | ---- | 98 | ---- | 92 | 93 | ---- | 97 | ---- | 91 | 93 | ---- | 96 | ---- |
| Wyoming | 89 | 91 | ---- | 90 | ---- | 86 | 87 | ---- | 89 | ---- | 91 | 94 | ---- | 88 | ---- | 94 | 95 | ---- | 89 | ---- |
| Region IX: | | | | | | | | | | | | | | | | | | | | |
| American Samoa | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- |
| Arizona | 75 | 80 | 87 | 90 | ---- | 70 | 72 | 84 | 88 | ---- | 78 | 78 | 80 | 92 | ---- | 85 | 84 | 92 | ---- | ---- |
| California | 86 | 89 | ---- | 91 | ---- | 73 | 68 | ---- | 82 | ---- | 85 | 86 | ---- | 88 | ---- | 89 | 90 | ---- | 94 | ---- |
| Guam | 95 | 95 | 94 | 89 | ---- | 94 | 93 | 92 | 91 | ---- | 88 | 89 | 95 | 91 | ---- | 80 | 90 | 95 | 90 | ---- |
| Hawaii | 72 | 83 | ---- | 98 | ---- | 94 | 92 | ---- | 97 | ---- | 72 | 83 | ---- | 98 | ---- | 77 | 80 | 77 | 91 | ---- |
| Nevada | 57 | 73 | 88 | 94 | ---- | 62 | 72 | 92 | 93 | ---- | 74 | 78 | 74 | 93 | ---- | ---- | ---- | ---- | 98 | ---- |
| Trust territory | 82 | ---- | ---- | ---- | ---- | 71 | ---- | ---- | ---- | ---- | 66 | ---- | ---- | ---- | ---- | 68 | ---- | ---- | 95 | ---- |
| Region X: | | | | | | | | | | | | | | | | | | | | |
| Alaska | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- |
| Idaho | 80 | ---- | ---- | 67 | ---- | 71 | ---- | ---- | 67 | ---- | 82 | ---- | ---- | 67 | ---- | 91 | ---- | ---- | 67 | ---- |
| Oregon | 87 | 88 | ---- | 97 | ---- | 78 | 81 | ---- | 96 | ---- | 86 | 86 | ---- | 93 | ---- | 86 | 84 | ---- | 92 | ---- |
| Washington | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- |

[1] Denotes 4+ doses.

[From the Washington Post, Sept. 10, 1979]

### U.S. IMMUNIZATION DRIVE IS SUCCESSFUL, DOCTOR SAYS

ATLANTA.—At least 90 percent of the nation's youngsters have been protected against childhood diseases by a sweeping, two-year immunization program, federal health figures show.

And for some of the diseases, particularly measles, the immunizations have cut cases by as much as half.

Launched in 1977 by Joseph A. Califano, then secretary of health, education and welfare, the $58 million federal program targeted full immunizations for 90 percent of the nation's children under the age of 15 by October 1979.

Dr. Alan Hinman, immunization chief for The National Center for Disease Control in Atlanta, says the massive push has been successful.

"We will meet the target for schoolage children and I think we will have clearly exceeded it when all information is in by the first of the year," he said.

As a result of coast-to-coast publicity, millions of doses of vaccine have been given to protect against the preventable diseases polio, measles, diphtheria, pertussis, typhoid, mumps and rubella.

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[From the New York Times, Sept. 10, 1979]

### PROGRAM IS SHARPLY REDUCING CHILDHOOD DISEASES

ATLANTA, September 9.—At least 90 percent of the nation's children have been protected against childhood diseases by a sweeping, two-year immunization program, Federal health figures show.

For some of the diseases, particularly measles, the immunizations have cut cases by as much as half.

The $58 million Federal program, which was started in 1977 by Joseph A. Califano, Jr., Secretary of Health, Education and Welfare, sought to provide full immunizations to 90 percent of the nation's children under the age of 15 by next month.

Dr. Alan Hinman, immunization chief for the National Center for Disease Control in Atlanta, called the program a success. "We will meet the target for schoolage children and I think we will have clearly exceeded it when all information is in by the first of the year," he said.

The coast-to-coast drive enlisted Star Wars characters and sports stars to urge in advertisements that parents get their children to health clinics and pediatricians' offices. As a result, millions of doses of vaccine have been given to protect against the preventable diseases polio, measles, diphtheria, pertussis, typhoid, mumps and rubella.

Figures are still coming in from the nation's schools, but 1978 school entry surveys showed that 29 states had already met the 90 percent mark and that 95 percent or more of the children in 17 other states and major cities were immunized.

The results of the program have been impressive. "In the 1950's, we had 500,000 cases of measles and about 495 deaths each year," Dr. Hinman said. There were 57,345 cases of measles and 15 deaths in 1977, the year the immunization initiative began. In 1978, the disease control center counted only 26,871 cases with no deaths—a drop of 53 percent.

### GOAL TO ERADICATE MEASLES

"This year we expect fewer than 20,000 cases and less than 10 deaths," he said. "This is clearly a result of the immunization activities." The success with measles has been so great that the Federal health goal now is to eliminate the disease in the United States by 1982.

Cases of rubella, or German measles, have fallen from 20,395 in 1977 to 16,468 in 1978, with 10,552 cases reported so far this year. Mumps affected 21,436 people in 1977 and 16,817 in 1978. This year 11,519 cases have been counted.

A major reason for success against mumps has been the discovery of a vaccine that is 95 percent effective, according to medical authorities. This vaccine, which was licensed in 1967, is safe and it is not accompanied by fever or local irritation, as in the case of some vaccines for childhood diseases.

"Reported mumps activity has declined fairly steadily since 1971," the disease center said. "This has been accompanied by decreases in the reported mumps-associated complications, aseptic meningitis, encephalitis and death."

## ANOTHER PROFILE IN COURAGE

● Mr. METZENBAUM. Mr. President, for more than a decade it has been my pleasure to know Annie Glenn, the dedicated wife of my colleague from Ohio, Senator JOHN GLENN.

Annie Glenn recently made a speech before 300 women in Ohio. That would normally not be newsworthy, but for this wonderful lady it was a milestone in her life and an inspiration for millions of other Americans.

For most of her life, Annie Glenn has been a stutterer and as she is quoted in an article in the Cleveland Plain Dealer on October 6, 1979:

> There are more stutterers in this world than anybody knows, and they're hiding.

But Annie Glenn has not been among them and for some 6 years she has been undergoing therapy to overcome the problem. When she made that speech the other day, it marked the first full-length speech she had ever made in her life.

I take this opportunity to express how proud and happy I am for her. It is truly an example of courage and perseverance.

I ask that the article, entitled "Speaking of Courage," be printed in the RECORD.

The article follows:

[From the Cleveland Plain Dealer,
Oct. 6, 1979]

### SPEAKING OF COURAGE

CANTON.—Annie Glenn recently did something that her husband, John, U.S. senator from Ohio, calls a "little profile in courage." She made a speech.

It might be easy for the senator to speak to an audience. But for Mrs. Glenn, an 85% stutterer earlier in her life, it was the first full-length speech she had ever given.

"It has taken many, many, many years for me to reach the point where I am able to stand here today and give a speech," Mrs. Glenn told a luncheon for more than 300 women here.

For nearly 20 minutes she spoke slowly about her family and her life. And she talked of all the difficulties she had encountered as a stutterer and about the therapy that began six years ago at Hollins College.

"Our family has shared many first experiences," she said, "but I share with all of you here today another first that means more than I can begin to tell you."

When Mrs. Glenn's speech ended, most of the women in the room were in tears.

When her husband, who was in Washington, learned that the speech had been a success, he, too, wept. He has been witness to the years of struggling.

Mrs. Glenn was a stutterer when they began dating in the eighth grade in New Concord. The affiction had not measurably improved throughout most of their 36 years of marriage, despite periodic attempts at therapy. She is now 59 years old.

"When I would go shopping, a clerk would snicker and I would explain. Or people would ask me if I was cold," she said in an interview.

For their entire life together, until she began her treatment at Hollins, Glenn had ordered his wife's meals in restaurants and made nearly all her telephone calls. Yet she had never tried to hide the problem.

In 1964, shortly after he announced his candidacy for the Senate, Glenn suffered an ear injury when he slipped in the bathtub. His wife tried to carry on the campaign. She faced reporters, each time explaining that she was a stutterer. Glenn later withdrew from the race.

After Glenn's election in 1974, she was flooded with requests to appear around the state. In declining, she instructed the senator's aides to explain that she was a stutterer, was undergoing therapy and hoped to accept when her speech finally improved.

She insisted, in her recent interview, that her stuttering has never made her depressed. The worst thing that a stutterer can do, she said, is go into a shell and avoid contact with others.

"There are more stutterers in this world than anybody knows, and they're hiding," she said.

Several times a week, Mrs. Glenn works with a speech therapist at Walter Reed Medical Center in Washington, She also practices at home with what she calls a "black box"—a device to detect if a stutterer's speech is becoming choppy.

"I know I'll have to practice or I will digress," she said.●

## PROFESSOR PIPES ON LINKAGE

● Mr. TOWER. Mr. President, on October 16, the Committee on Armed Services received the testimony of Prof. Richard Pipes of Harvard University on the SALT II Treaty. I found Professor Pipes' views to be perhaps the most thoughtful and persuasive of any witness to appear before the committee on the matter of "linkage" in United States-Soviet relations. Mr. Pipes addressed the question of the inseparability of the treaty from the broad matrix of Soviet efforts to expand their interests and treated, as well, the role of arms control in Soviet doctrine as but one more instrument for gaining advantage over the West.

Professor Pipes' very cogent analysis, based upon a distinguished career as a scholar in Marxist ideology and Soviet affairs, provides a most timely warning against those who seek to impart to the treaty a distorted significance. In addition, it provides an extremely perceptive criticism of the flaws in current administration thinking regarding Soviet purposes which are served by this treaty. According to Professor Pipes:

> In Soviet calculations, SALT is not a vehicle for general disarmament—as it is with us—but a device to inhibit the United States response to Soviet long-term strategic programs.
>
> In the Soviet view, SALT, on the most elementary level, fixes the number of United States systems and thereby facilitates the task of estimating what is required to render them harmless.
>
> On a higher level, SALT alleviates the Soviet Union's recurrent nightmare that an American technological achievement (such as ABM or the cruise missile have been in the past) should suddenly neutralize the ponderous and incremental Soviet buildup.
>
> Last but not least—in the Soviet outlook—SALT serves to create in the United States a political atmosphere obstructive to defense expenditures. SALT persuades much of the American public that any improvements in strategic forces are "destabilizing". SALT inhibits the U.S. government from funding weapons programs presumptively subject to becoming limited or even prohibited in later negotiations.

Professor Pipes has contributed significantly to our understanding of the dangers involved in blindly accepting the treaty, and I commend his views to all my colleagues and request that his testimony be printed in the RECORD.

The statement follows:

### TESTIMONY OF PROFESSOR RICHARD PIPES

One of the more controversial aspects of SALT II involves the issue known as "linkage." The controversy is over the question whether negotiations for strategic arms control ought to proceed on their own separate track, oblivious of the broader context of American-Soviet relations, or, on the contrary, ought to be related to the overall pattern of Soviet behavior toward us and the rest of the non-Communist world. The proponents of the treaty argue that the cause of arms limitations is so singularly important that the SALT process, complicated enough as it is, ought not to be burdened by other considerations: whatever else we and the Russians may disagree over, we have an equal stake in the survival of humanity, and must seek to arrive at strategic arms limitations treaties without allowing extraneous factors to intrude.

This argument, unfortunately, does not withstand closer analysis either in its premises or its applications. Such force as it possesses derives in part from ill-considered views of the military utility of nuclear weapons, and in part from the emotional appeal exerted on many persons by every theory or pseudotheory which seems to hold out the promise of banishing the specter of nuclear disaster.

"Linkage" in my opinion is essential, though not in its trivialized form. SALT II ought not to be ratified as a "reward" to the Soviet government for its good behavior; nor ought the treaty be rejected as a means of "punishing" the Russians for such noxious actions as placing a combat brigade in Cuba. The Russians are not children and we are not their teachers. A meaningful linkage approach calls for an assessment of the entire spectrum of Soviet policies. Furthermore, it does not assume a priority that strategic weapons ought to be isolated from all other kinds of weapons.

There is a deeply held conviction in this country, due in large measure to the memory of Hiroshima and Nagasaki, that nuclear weapons are unique not only because they can cause unprecedented destructiveness but also because no defenses exist against them: the aggressor in this instance suffers the same punishment as his victim. This view, originally articulated in the influential symposium, The Absolute Weapon, published in 1946, has dominated American thinking for a long time and to this day underpins the theory of arms limitations. It provides the intellectual and psychological support of the opposition to "linkage": for if strategic weapons are unique, then they clearly ought to be treated in a unique manner.

Now there are at least three flaws in this reasoning. Those who regard nuclear weapons as "absolute weapons" ignore, for the purpose of their argument, the possibility of limited strategic options, uses which could fall short of all-out destructiveness. They also unduly depreciate various defensive measures, including the possibility of new technology some day devising effective means of neutralizing offensive strategic weapons.

Last but not least they leave out of consideration the political leverage that inheres in nuclear superiority and that may enable the superior party to secure submission to its will without recourse to violence—this despite the fact that we have benefitted politically from just such a preponderance in the Korean War and the Cuban crisis of 1962. In other words, the alternative: arms limitations—Armageddon, is palpably false, for it leaves out of view a great variety of intermediate possibilities.

More grevious yet is the failure of the proponents of this line of argument to take into account that strategic thinking by its very nature involves at least two parties, for which reason it is not enough to develop a strategy suitable for oneself; one must adjust it to that of one's potential adversary. Unfortunately, most of American strategic thinking since World War II has been carried out in a political vacuum from which the Soviet Union has been eliminated (except as a weapons system). The notion that there can be two diverse strategies based on the same weaponry apparently strikes many of our civilian experts to be as absurd as the idea that there can be two different sciences of physics.

In fact, however, anyone who addresses himself to Soviet military literature on the subject will quickly discover that over the past twenty years the Soviet leadership has formulated a very different theory of the nature and utility of strategic weapons from ours. Whether this view is sound or not is not at issue here: what matters is that they hold it, implement it, and, in case of conflict, are likely to act on it. We can ignore this disparity of views only at the gravest risk to our national security.

The differences between our essentially defensive nuclear strategy, and the Soviet overwhelmingly offensive one stand in as sharp a contrast as the perceptions of armored warfare held, respectively, by the German and Allied high commands before World War I—with consequences that are all too familiar. I believe it was the lasting contribution of so-called "Team B," which I had the honor to chair, to have addressed itself to these questions three years ago and to have provided alternative explanations which, unorthodox as they may have seemed then, have been borne out by subsequent events.

In the Soviet view, strategic weapons are integrated into a comprehensive ideology of conflict in which military weapons constitute discrete elements of a broad spectrum of coercive instrumentalities. The place of nuclear weapons in this ideology can be elucidated by a sequence of related propositions:

1. In a world in which there exists private ownership of the means of production and, derived from it, antagonistic social classes, class conflict is both inevitable and "progressive";

2. Since October 1917, when the Soviet state came into being as the first "socialist" country in the world, all international conflicts pitting the Soviet Union against the capitalist world, headed by the United States, assume the character of class conflict;

3. The inevitable outcome of the competition between the "socialist" and "capitalist" camps will be the triumph of the former and disappearance of the latter, following which class and international conflicts will cease;

4. The competition between the two camps goes on all the time, on all levels, but ultimately it must result in war: the more positions the "socialist" camp can secure peacefully, the easier and less painful will be the attainment of final victory;

5. Strategic nuclear weapons have not upset the traditional principles of military science but they have revolutionized their application in that they make it possible to attain the ultimate strategic objective of all war, disarming the enemy, directly, in a matter of hours, instead of by a sequence of prolonged operations;

6. Should general war become unavoidable, that side will gain victory which will boldly strike in a preemptive attack; this strategy calls for a preponderant strategic force with vast strategic reserves and defensive preparations to limit damage.

In this chain of reasoning, it will be noted, nuclear weapons are seen not as "absolute weapons," endowed with some magic qualities that make them *sui generis*, but as a particularly effective means of exercising military coercion which is itself part of a historic conflict. Soviet thinking is imbedded in a network of "linkages" connecting history, economics, politics, ideology, and military hardware. The very idea that one can separate nuclear weapons from the broad range of political-military instrumentalities, and the latter from the historic conflict between socialism and capitalism, would appall any person even superficially versed in the theories of Marxism-Leninism.

If, nevertheless, the Soviet Union engages in negotiations on strategic arms limitations that in fact posit the uniqueness of strategic weapons it is because, well aware of our view of this matter, they see ample opportunities to exploit it to their advantage. If I may quote myself on this subject:

"In Soviet calculations, SALT is not a vehicle for general disarmament—as it is with us—but a device to inhibit the United States response to Soviet long-term strategic programs.

In the Soviet view, SALT, on the most elementary level, fixes the number of United States systems and thereby facilitates the task of estimating what is required to render them harmless.

On a higher level, SALT alleviates the Soviet Union's recurrent nightmare that an American technological achievement (such as ABM or the cruise missile have been in the past) should suddenly neutralize the ponderous and incremental Soviet buildup.

Last but not least—in the Soviet outlook—SALT serves to create in the United States a political atmosphere obstructive to defense expenditures. SALT persuades much of the American public that any improvements in strategic forces are "destabilizing." SALT inhibits the U.S. government from funding weapons programs presumptively subject to becoming limited or even prohibited in later negotiations."*

Should SALT be linked to Soviet global behavior? It most emphatically should. After all, we practice a sort of positive "linkage" in regard to Great Britain and France, both of which possess enough strategic weapons to destroy much of the United States, but neither of which is perceived as threatening our way of life, for which reason their strategic capabilities give us no anxiety.

In the case of the Soviet Union, the threat resides not so much in the destructive power of its strategic arsenal as in its intentions toward us as manifested in word and deed. If the Russians view nuclear weapons as an intrinsic element of a broad spectrum of coercive instrumentalities, it behooves us in our dealings with them to relate nuclear weapons to Soviet overall behavior. The utility of SALT II has to be measured against a large range of indicators of Soviet intentions and actions. It must be placed against the background of relentless Soviet anti-American hate propaganda inside the Soviet Union and in the Third World; against Soviet armed interventions in Afghanistan, Ethiopia, Vietnam, and more recently, the Caribbean; against Soviet support of terrorism all over the globe; against Soviet encroachments on Norwegian territory and the militarization of the Kuriles; against the building of military highways and railroads in Eastern Europe. None of these actions in and of itself can be said to "threaten" the United States; seen in their totality, they suggest a most ominous pattern of threatening hostility.

Surely it would be imprudent to treat the nuclear balance in isolation from Soviet thinking and Soviet behavior. Linkage means that until and unless the Soviet Union radically modifies its thinking and external policies, we cannot count on SALT enhancing our security and diminishing the probability of war. These ends can be better attained by building up our strength to the point where the Soviet leadership can no longer hope to attain its global ambitions and is forced to turn inward.●

## A CENTURY OF PUBLIC SERVICE

● Mr. METZENBAUM. Mr. President, on October 17, the Cuyahoga County Bar Association will pay special tribute to Harry, Helen, and the late Rebecca Auslander—three members of a remarkable Cleveland family who between them devoted a total of 104 years to the service of the people of Ohio.

The Honorable Harry Auslander, former judge of the Cleveland Municipal Court, has served as a prosecutor for the city of Cleveland, as assistant attorney general for the State of Ohio, as Ohio's deputy superintendent for insurance, as assistant director of law for the city of Cleveland, and as a trial referee for the Cleveland Municipal Court. He remains active as special counsel to the attorney general of Ohio, a post he has held since 1977.

But while pursuing his distinguished legal career, Harry Auslander has over the years contributed his time and talent to the betterment of his community.

He has served as president of the Cuyahoga County Bar Association, president of the Hungarian Social and Benevolent Union, president of Cleveland Lodge of B'nai B'rith and was twice chancellor of the Tau Epsilon Rho Law Fraternity. In all these activities Harry Auslander has displayed the diligence, competence, and integrity for which he is so widely known and respected in Cleveland and in Ohio at large.

His sister, Helen Auslander, has also

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*"Why the Soviet Union Wants SALT II," Committee on the Present Danger, Washington, D.C., 1979.

had a distinguished career in public service.

For 37 years, Ms. Auslander served as deputy clerk of the common pleas court of Cuyahoga County. Her work in that capacity brought her the public servants merit award of the Cuyahoga County Bar Association, and tributes from the Ohio Senate, the Ohio House, the Cleveland City Council and the mayor of her native city.

A third member of this outstanding family—the late Rebecca Auslander—worked for over 30 years in the auditing department of the Ohio Bureau of Employment Services. Upon her retirement in 1972, she was honored by then Gov. John Gilligan with a Governor's award for "loyal, faithful and meritorious service."

Mr. President, I know that it is fashionable today to cast aspersions upon those who choose careers in local, State, and Federal Government. But I believe that the example of the Auslander family demonstrates that devoted public service should be the object to public appreciation. I commend the Cuyahoga County Bar Association for recognizing the Auslanders and I join them in expressing my sincere good wishes to Harry and Helen Auslander for health and happiness in the future.●

## THE ANGUISH OF CENTRAL BANKING

● Mr. GARN. Mr. President, events of the last week and a half have focused attention on the important role which the Federal Reserve plays in the fortunes or misfortunes of our Nation's economy. The actions taken by the Federal Reserve on October 6 reaffirmed the importance of monetary policy in the process of combating inflation. Those actions were bold and dramatic, yet essential if our nation is to achieve price stability at an early date.

The role of the Federal Reserve in this process is not always understood, however. Nor are the problems facing the monetary authorities always fully appreciated.

The difficult tasks facing our nation's central bank was outlined recently by Arthur F. Burns in a speech entitled "The Anguish of Central Banking." Dr. Burns made this speech on September 30, 1979, in Belgrade, Yugoslavia.

Dr. Burns' speech is a useful and timely discourse on the role of central banking in a modern, industrialized nation. It is a candid appraisal of the achievements and failures of central banking in this country. I found particularly refreshing Dr. Burns' admission that "* * * despite their antipathy to inflation and the powerful weapons they could yield against it, central bankers have failed so utterly in their mission in recent years." In this paradox, Dr. Burns says, "lies the anguish of central banking."

In light of the actions taken recently by the Federal Reserve, I also found it comforting to know that Dr. Burns agrees that drastic action needs to be taken to reduce the rate of inflation. He stated in his speech:

> In view of the strong and widespread expectations of inflation that prevail at present, I have therefore reluctantly come to believe that fairly drastic therapy will be needed to turn inflationary psychology around.

I commend Dr. Burn's speech to my colleagues, and I ask that it be printed in the Record.

The speech follows:

### THE ANGUISH OF CENTRAL BANKING

(By Arthur F. Burns)

When I was invited several months ago to deliver this year's Per Jacobsson Lecture, I found it easy to give my consent. Per Jacobsson was a financial statesman whose efforts in behalf of world economic order deserve to be remembered by this distinguished audience. I feel I can honor his memory best by presenting on this occasion some straightforward thoughts on central banking.

The international monetary system, which has been in almost constant turmoil during this decade, has benefited recently from several developments. Under the amended Articles of Agreement, the International Monetary Fund can exercise firm surveillance over the exchange rate policies of its members, and is therefore now in a position to move the nations of the world toward a rule of law in international monetary affairs. Another promsing development is the establishment of the European Monetary System with the aim of maintaining relatively stable exchange rates within the Common Market.

A third positive development is recognition by the United States that the persisting deficits in its international current account must be eliminated, and that in the meantime decisive intervention to protect the external value of the dollar may well be needed. The conventional theory that a depreciating currency is beneficial to a nation's foreign trade and to its over-all economic activity has lost its appeal within the American government. The officials concerned with economic policy have learned that whatever merit may in some circumstances attach to this theory, it is a dangerous guide for a country whose currency is still the centerpiece of the international monetary system. "Benign neglect" of the external value of the dollar came to an end dramatically, and I would hope irrevocably, last November.

This and other constructive developments suggested earlier this year that a closer approach to international equilibrium was under way and calm returned for a while to foreign exchange markets. But uneasiness about the monetary system, particularly about the future of the dollar, has continued and in fact intensified this summer. There have been ample reasons for concern—among them, the political convulsions in Iran, the enormous new increases in oil prices by OPEC, the narrowing at times of interest-rate differentials between New York and foreign moneymarket centers, and the limited progress in developing an effective energy policy in the United States. While all these factors contributed to nervousness, what has been most disturbing to foreign exchange markets in recent months is the reacceleration of inflation in the United States and in much of the rest of the world. Even Germany and Switzerland no longer qualify as islands of stability.

This unhappy development is one more indication, if any were needed, that the current instability in international finance is largely a consequence of the chronic inflation of our times and that stability will not return to the international monetary system until reasonably good control over inflationary forces has been achieved in the major industrial nations—and especially in the United States. This critical consideration at once raises serious questions. Why is the world-wide disease of inflation proving so stubborn? Why is it not yielding to the various efforts of the affected nations, including some determined efforts, to bring it to an end? Why, in particular, have central bankers, whose main business one might suppose is to fight inflation, been so ineffective in dealing with this world-wide problem?

To me, as a former central banker, the last of these questions is especially intriguing. One of the time-honored functions of a central bank is to protect the integrity of its nation's currency, both domestically and internationally. In monetary policy central bankers have a potent means for fostering stability of the general price level. By training, if not also by temperament, they are inclined to lay great stress on price stability, and their abhorrence of inflation is continually reinforced by contacts with one another and with like-minded members of the private financial community. And yet, despite their antipathy to inflation and the powerful weapons they could wield against it, central bankers have failed so utterly in this mission in recent years. In this paradox lies the anguish of central banking.

My aim today is to consider the causes of this paradox and its implications for the future. Much of what I say will inevitably reflect lessons that I learned during my service as Chairman of the Federal Reserve Board over an eight-year period that ended about eighteen months ago. This may be a good time to reflect on that experience; a year ago I was probably too close to it to have the necessary perspective, and a year from now the sharpness of my impressions may have begun to fade.

I shall focus mainly, although not exclusively, on the United States. That is the area that I know best, and I also believe the American experience—despite some unique aspects—is fairly representative of that of other industrial countries. The developing nations have their own characteristic sources and patterns of inflation. Nevertheless, in our interdependent world, economic conditions in the United States and other industrial countries are bound to have a significant bearing on the fortunes of developing countries.

By way of introduction, I might note that during much of the period since the end of World War II, over-all economic developments were, in the main, satisfactory. By prewar standards, recessions were brief and mild through the mid-1960's, both in the United States and in other industrial countries; world trade expanded rapidly under a beneficent regime of stable exchange rates; and living standards rose impressively throughout the developed world. In most industrial countries inflationary pressures were troublesome from time to time—as in the immediate postwar years, during the Korean hostilities, and for a couple of years after the mid-1950's. These pressures were more substantial in some countries than in the United States, but in none did inflation appear to be out of control.

From 1958 through 1964, the United States enjoyed a remarkable degree of price stability. During that stretch of six years, the wholesale price index remained virtually unchanged and the consumer price index rose at an annual rate of only a little more than one percent. And then the inflation that has ever since been plaguing the American economy got under way. Average wholesale prices rose at an annual rate of 2 percent from 1964 to 1968, 4 percent from 1968 to 1972, and 10 percent from 1972 to 1978. This pattern of accelerating price increases is found in other countries also, although rates of increase have varied widely, and in most industrial nations the acceleration began later—typically in 1969 or 1970.

Analyses of the inflation that the United States has experienced over the past fifteen years frequently proceed in three stages. First are considered the factors that launched inflation in the mid-1960's, particularly the governmental fine tuning inspired by the New Economics and the loose financing of the war in Vietnam. Next are considered the factors that led to subsequent strengthening of inflationary forces, including further policy errors, the devaluations of the dollar in 1971 and 1973, the world-wide economic boom of 1972–73, the crop failures and resulting surge in world food prices in 1973–74, the extraordinary increases in oil prices that became effective in 1974, and the sharp deceleration of productivity growth from the late 1960's onward. Finally, attention is turned to the process whereby protracted experience with inflation has led to widespread expectations that it will continue in the future, so that inflation has acquired a momentum of its own.

I have no quarrel with analyses of this type. They are distinctly helpful in explaining the American inflation and, with changes here and there, that in other nations also. At the same time, I believe that such analyses overlook a more fundamental factor, the persistent inflationary bias that has emerged from the philosophic and political currents that have been transforming economic life in the United States and elsewhere since the 1930's. The essence of the unique inflation of our times and the reason central bankers have been ineffective in dealing with it can be understood only in terms of those currents of thought and the political environment they have created.

Historically, Americans have had deep faith in the concept of progress—in the idea that it was realistic to expect to better one's own lot and that of one's family in the course of a lifetime. During the greater part of America's history, government intervention in economic life was only peripheral. Personal progress was generally viewed as a reward for personal effort—assisted, perhaps, by good fortune. Provision for bad times or other contingencies of life was deemed prudent, but that was a private responsibility. The American's way through life lay along the road of self-reliance; only in extremity did he look to government or his neighbors for economic assistance.

This tradition of individualism was shattered by the cataclysmic events of the 1930's and 1940's. The breakdown of economic order during the Great Depression was unprecedented in its scale and scope, and it strained the precept of self-reliance beyond the breaking point. With one-quarter of the labor force unemployed, personal courage and moral stamina could guarantee neither a job nor a livelihood. Succor finally came through a political idea that was novel to a majority of the American people but compelling nonetheless; namely, that the Federal government had a far larger responsibility in the economic sphere than it had hitherto assumed.

Under the New Deal the Federal government undertook extensive projects of public construction and offered work relief as well. It gave direct relief to the needy—a function previously performed only by local authorities or private charity. It established unemployment insurance and old-age pensions. It took steps to raise wages and prices with a view to fostering economic recovery. And beyond these innovative actions, the Federal government greatly extended the range of its regulatory activities. It intervened massively in the securities market, in banking, in the public utilities industry, in the housing market, and in the farm sector; and it gave labor unions broad new rights and powers. Together, these and other New Deal measures laid the foundations of an activist government—a government responsible not only for relieving suffering and insuring against economic adversity, but also for limiting "harmful" competition, subsidizing "worthwhile" activities, and redressing unequal balances of market power. In less than a decade the government became a leading actor on the economic stage.

Just as Americans were persuaded during the depression that the Federal government should help the unemployed, so they were taught by the experience of World War II to look to government to prevent unemployment in the first place. Under the compulsions of war, the government had demonstrated that it could assure gainful employment for every willing hand. It therefore seemed reasonable, and not only to the followers of Keynes, to expect government to do the same in a time of peace. In 1944, when President Roosevelt set forth the basis of his postwar domestic program in an "Economic Bill of Rights", he put "the right to a useful and remunerative job" at the head of the list. With the war ended, the Employment Act of 1946 explicitly proclaimed the Federal government's responsibility to promote "maximum employment", and this came to mean "full employment" as a matter of law as well as popular usage.

Armed with the Employment Act, the government sought to demonstrate that it could combat unemployment with preventive as well as curative measures. In fact, the period from World War II to the mid-1960's was marked not only by a dampening of the business cycle but also by persistent increases in the prosperity of American families. On the one side, rising incomes, reflecting substantial gains in labor productivity, made possible rising consumption, greater leisure, and better provision for retirement. On the other side, a steady stream of new and often improved consumer goods tended to sustain the growth of aggregate demand. The extensive development of consumer credit institutions made it easier for people to acquire automobiles, household appliances, and other goods and services, the desire for which was continually being whetted by alluring advertisements and the illustration of potential life styles broadcast by television and the movies. The seemingly inexorable rise in living standards for the bulk of the population was reflected in upward trends in the proportion of families that owned their own home, that owned a summer home, that possessed one, two and even three automobiles that had telephones, that owned television sets, clothes washers, and food freezers; also in the proportion of the population that had graduated from high school and from college, that traveled abroad, that owned corporate stock, that carried life insurance, and so on.

This experience of economic progress strengthened the public's expectations of progress. What had once been a quiet personal feeling that the long future would be better than the past, particularly for one's children, was transformed during the postwar years into an articulate and widespread expectation of steady improvement in living standards—indeed, to a feeling of entitlement to annual increases in real income.

But the rapid rise in national affluence did not create a mood of contentment. On the contrary, the 1960's were years of social turmoil in the United States, as they were in other industrial democracies. In part, the unrest reflected discontent by blacks and other minorities with prevailing conditions of social discrimination and economic deprivation, a discontent that erupted during the "hot summers" of the middle 1960's in burning and looting. In part, the social unrest reflected growing feelings of injustice by or on behalf of other groups—the poor the aged, the physically handicapped, ethnics, farmers, blue collar workers, women, and so forth. In part, the unrest reflected a growing rejection by middle-class youth of prevailing institutions and cultural values. In part, it reflected the more or less sudden recognition by broad segments of the population that the economic reforms of the New Deal and the more recent rise in national affluence had left untouched problems in various areas of American life—social, political, economic, and environmental. And interacting with all these sources of social disturbance were the heightening tensions associated with the Vietnam War.

In the innocence of the day, many Americans came to believe that all of the new or newly discovered ills of society should be addressed promptly by the Federal government. And in the innocence of the day, the administration in office attempted to respond to the growing demands for social and economic reform while waging war in Vietnam on a rising scale. Under the rubric of the New Economics, a more activist policy was adopted for the purpose of increasing the rate of economic growth and reducing the level of unemployment. Under the rubrics of the New Frontier and the Great Society, broad-scale efforts were made to stitch up open seams in the fabric of affluence—inadequate or unequal education, housing, medical care, nutrition. Under the rubrics of civil rights and citizen participation, minorities and other disadvantaged groups were given political weapons to maintain, consolidate, and extend their gains.

The interplay of governmental action and private demands had an internal dynamic that led to their concurrent escalation. When the government undertook in the mid-1960's to address such "unfinished tasks" as reducing frictional unemployment, eliminating poverty, widening the benefits of prosperity, and improving the quality of life, it awakened new ranges of expectation and demand. Once it was established that the key function of government was to solve problems and relieve hardships—not only for society at large but also for troubled industries, regions, occupations, or social groups—a great and growing body of problems and hardships became candidates for governmental solution. New techniques for bringing pressure on Congress—and also on the State's legislatures and other elected officials—were developed, refined, and exploited. Congress responded by pouring out a broad stream of measures that involved government spending, special tax relief, or regulations mandating private spending. Every demonstration of a successful tactic in securing rights, establishing entitlements, or extracting other benefits from government led to new applications of that tactic. Various groups found a powerful ally in the Federal courts, which repeatedly struck down legislative or administrative limitations on access to government benefits. Even government employees, particularly at the state and municipal levels, discovered the pecuniary rewards of shedding genteel notions of public service and pressing economic demands with a strident militancy.

Many results of this interaction of government and citizen activism proved wholesome. Their cumulative effect, however, was to impart a strong inflationary bias to the American economy. The proliferation of government programs led to progressively higher tax burdens on both individuals and corporations. Even so, the willingness of government to levy taxes fell distinctly short of its propensity to spend.

Since 1950 the Federal budget has been in balance in only five years. Since 1970 a deficit has occurred in every year. Not only that, but the deficits have been mounting in size. Budget deficits have thus become a chronic condition of Federal finance; they have been incurred when business conditions were poor and also when business was booming. But when the government runs a budget deficit, it pumps more money into the pocketbooks of people than it withdraws from their pocketbooks; the demand for goods and services therefore tends to increase all around. That is the way the inflation that has been raging since the mid-1960's first got started and later kept being nourished.

The pursuit of costly social reforms often went hand in hand with the pursuit of full employment. In fact, much of the expanding range of government spending was prompted by the commitment to full employment. Inflation came to be widely viewed as a temporary phenomenon—or, provided it remained mild, as an acceptable condition. "Maximum" or "full" employment, after all, had become the nation's major economic goal—not stability of the price level. That inflation ultimately brings on recession and otherwise nullifies many of the benefits sought through social legislation was largely ignored. Even conservative politicians and businessmen began echoing Keynesian teachings. It therefore seemed only natural to Federal officials charged with economic responsibilities to respond quickly to any slackening of economic activity—at times, in fact, as in the early days of 1977, to sheer illusions of such slackening—but to proceed very slowly and cautiously in responding to evidence of increasing pressure on the nation's resources of labor and capital. Fear of immediate unemployment—rather than fear of current of eventual inflation—thus came to dominate economic policy making.

This weighting of the scales of government policy inevitably gave an inflationary twist to the economy, and so too did the expanding role of government regulation. Traditional ways of protecting particular groups against competition—such as raising farm price supports, increasing minimum wages, and imposing import quotas—did not lose their appeal as inflation kept soaring. On the contrary, all these devices of raising costs and prices were liberally employed even in the face of accelerating inflation during 1977 and 1978. Also troublesome were the newer social regulations—those concerned with health, safety, and the environment—that kept multiplying during the 1970's.

However laudable in purpose, much of this regulatory apparatus was conceived in haste and with little regard to the costs being imposed on producers. Substantial amounts of capital that might have gone into productivity-enhancing investments by private industry were thus diverted into uses mandated by the regulators. Improvements in productivity were also slowed by the discouragement of business investment that resulted from the increasing burden of income and capital-gains taxes. Progress in equipping the work force with new plant and equipment proceeded much less rapidly during the 1970's than during the 1950's or 1960's, and this shortfall contributed to the productivity slump and thus to the escalation of costs and prices.

Additional forces on the side of supply contributed to the inflationary bias. As the income maintenance programs established by government were liberalized, incentives to work tended to diminish. Some individuals, both young and old, found it agreeable to live much of the time off unemployment insurance, food stamps, and welfare checks—perhaps supplemented by intermittent jobs in an expanding underground economy. Even enterprising and ambitious individuals who sought permanent jobs could be more leisurely or more discriminating in their search when the government, besides pursuing a full employment policy, provided a protective income umbrella during jobless periods. In such an environment, employed workers could demand and often achieve longer vacations with pay and more frequent holidays and sick leave, besides enjoying coffee breaks and other social rites on the job. In such an environment, they could afford to reject a pay cut or a small wage increase when their employer pleaded serious financial difficulties. Thus the number of individuals counted as unemployed could rise even at times when job vacancies, wages, and the consumer price level were rising.

The philosophic and political currents that transformed economic life and brought on secular inflation in the United States have run strong also in other industrial countries. Rising economic expectations of people, wider citizen participation in the political arena, governmental commitments to full employment, liberal income maintenance programs, expanding governmental regulations, and increasingly pressing demands on government for the solution of economic and social problems—all these became common features of the industrial democracies. And just as the rapid expansion of government activities in the United States was accompanied by persistent budget deficits and inflation, that too happened in other industrial countries. Indeed, other countries have often practiced loose governmental finance and inflation on a more intensive scale than has the United States.

And so I finally come to the role of central bankers in the inflationary process. The world-wide philosophic and political trends on which I have been dwelling inevitably affected their attitudes and actions. In most countries, the central bank is an instrumentality of the executive branch of government—carrying out monetary policy according to the wishes of the head of government or the ministry of finance. Some industrial democracies, to be sure, have substantially independent central banks and that is certainly the case in the United States. Viewed in the abstract, the Federal Reserve System had the power to abort the inflation at its incipient stage fifteen years ago or at any later point, and it has the power to end it today. At any time within that period, it could have restricted the money supply and created sufficient strains in financial and industrial markets to terminate inflation with little delay. It did not do so because the Federal Reserve was itself caught up in the philosophic and political currents that were transforming American life and culture.

The Employment Act prescribes that "it is the continuing policy and responsibility of the Federal government to . . . utilize all its plans, functions, and resources . . . to promote maximum employment." The Federal Reserve is subject to this provision of law, and that has limited its practical scope for restrictive actions—quite apart from the fact that some members of the Federal Reserve family had themselves been touched by the allurements of the New Economics. Every time the government moved to enlarge the flow of benefits to the population at large, or to this or that group, the assumption was implicit that monetary policy would somehow accommodate the action. A similar tacit assumption was embodied in every pricing decision or wage bargain arranged by private parties or the government. The fact that such actions could in combination be wholly incompatible with moderate rates of monetary expansion was seldom considered by those who initiated them, despite the frequent warnings by the Federal Reserve that new fires of inflation were being ignited. If the Federal Reserve then sought to create a monetary environment that fell seriously short of accommodating the upward pressures on prices that were being released or reinforced by governmental action, severe difficulties could be quickly produced in the economy. Not only that, the Federal Reserve would be frustrating the will of Congress to which it was responsible—a Congress that was intent on providing additional services to the electorate and on assuring that jobs and incomes were maintained, particularly in the short run.

Facing these political realities, the Federal Reserve was still willing to step hard on the monetary brake at times—as in 1966, 1969, and 1974—but its restrictive stance was not maintained long enough to end inflation. By and large, monetary policy came to be governed by the principle of undernourishing the inflationary process while still accommodating a good part of the pressures in the marketplace. The central banks of other industrial countries, functioning as they did in a basically similar political environment, appear to have behaved in much the same fashion.

In describing as I just have the anguish of central banking in a modern democracy, I do not mean to suggest that central bankers are free from responsibility for the inflation that is our common inheritance. After all, every central bank has some room for discretion, and the range is considerable in the more independent central banks. As the Federal Reserve, for example, kept testing and probing the limits of its freedom to undernourish the inflation, it repeatedly evoked violent criticism from both the Executive establishment and the Congress and therefore had to devote much of its energy to warding off legislation that could destroy any hope of ending inflation. This testing process necessarily involved political judgments, and the Federal Reserve may at times have overestimated the risks attaching to additional monetary restraint.

Any such errors of political judgment are extremely hard to identify; but I believe, in any event, that errors of economic or financial judgment have in practice been far more significant. In a rapidly changing world the opportunities for making mistakes are legion. Even facts about current conditions are often subject to misinterpretation. Statistics on unemployment in the United States provide a good example. Even before World War II ended, some economists were trying to determine how much frictional and structural unemployment would exist when the demand for labor and the supply of labor were in balance; in other words, the rate of unemployment that would reflect a state of full employment. Before long, a broad consensus developed that an unemployment rate of about 4 percent corresponded to a practical condition of full employment, and that figure became enshrined in the economic writing and policy making.

Conditions in labor markets, however, did not stand still. A huge influx of women and young people into the labor force, the liberalization of unemployment insurance, the spread of welfare programs, the progressive lifting of statutory minimum wages, the increasing proportion of families having more than one worker, and the increase of national affluence itself—all these changes in the economic and social environment served to render the conventional 4 percent figure obsolete. The unemployment rate corresponding to full employment is now widely believed to be about 5½ or 6 percent, and this year's report of the Council of Economic Advisers appears to concur in that judgment. But governmental policy makers, while generally aware of what was happening in the labor market, were slow to recognize the changing meaning of unemployment statistics, whether viewed as a measure of economic performance or as a measure of hardship. The Federal Reserve did not escape this lag of recognition and, once again, I believe that other central banks at times have made similar mistakes.

While misinterpretations of unemployment statistics or other current information have consequences for all public policy making, there are other problems of interpretation to which the central banker's calling is peculiarly subject. Monetary theory is a controversial area. It does not provide central bankers with decision rules that are at once firm and dependable. To be sure, every central banker has learned from the world's experience than an expanding economy requires expanding supplies of money and credit, that excessive creation of money will over the longer run cause or validate inflation, and that declining interest rates will tend to stimulate economic expansion while rising interest rates will tend to restrict it; but this knowledge stops short of mathematical precision.

Partly as a result of the chronic inflation of our times, central bankers have been giving closer attention to the money supply than did their predecessors; but they continue to be seriously concerned with the behavior of interest rates. They face difficult questions about the relative weight to be given to measures of money and interest rates in this short run and long run; about the concept or concepts of money that are most significant for policy purposes; about the interpretation of such developments as the growth of Eurocurrency deposits and credits; about the length and regularity of the lags with which changes in monetary growth rates influence business activity and prices; about the likely changes in monetary velocity as a consequence of institutional innovations and business-cycle developments; and so on and on—as any student of central banking and monetary theory well knows. And there are more fundamental problems about potential conflicts between domestic and international objectives, about the appropriate response to exceptional events not encompassed by theory, and about the precise relevance of any theory based on past experience to a world where behavioral patterns are continually evolving.

It is clear, therefore, that central bankers can make errors—or encounter surprises—at practically every stage of the process of making monetary policy. In some respects, their capacity to err has become larger in our age of inflation. They are accustomed, as are students of finance generally, to think of high and rising market interest rates as a straining force on economic expansion. That rule of experience, however, tends to break down once expectations of inflation become widespread in a country. At such a time, lenders expect to be paid back in cheaper currency, and they are therefore apt to demand higher interest rates. Since borrowers have similar expectations, they are willing to comply. An "inflation premium" thus gets built into nominal interest rates. In principle, no matter how high the nominal interest rate may be, as long as it stays below or only slightly above the inflation rate, it very likely will have perverse effects on the economy; that is, it will run up costs of doing business but do little or nothing to restrain overall spending. In practice, since inflationary expectations, and therefore the real interest rates implied by any given nominal rate, vary among individuals, central bankers cannot be sure of the magnitude of the inflation premium that is built into nominal rates. In many countries, however, these rates have at times in recent years been so clearly below the ongoing inflation rate that one can hardly escape the impression that, however high or outrageous the nominal rates may appear to observers accustomed to judging them by a historical yardstick, they have utterly failed to accomplish the restraint that central bankers sought to achieve. In other words, inflation has often taken the sting out of interest rates—especially, as in the United States, where interest payments can be deducted for income tax purposes.

In addition to these direct effects of inflation, there are other effects that raise doubts about the meaning of particular growth rates of the monetary aggregates. I have in mind changes in financial practices that evolved in the United States during the 1960's—particularly during the bouts with tight money in 1966 and 1969—and that culminated in an explosion of financial innovations in the 1970's.

Many of these changes were facilitated by regulatory actions or the development of new computer technology. But the driving force behind them was the incentive that sharply rising market interest rates gave to financial institutions and their customers to change their ways of doing business. Commercial banks responded to rising rates by economizing on non-interest-bearing reserves, and their customers responded by economizing on non-interest-bearing demand deposits. Both banks and large corporations developed new sources of funds in the Euro-dollar market and the domestic commercial paper market. Banks developed new techniques of liability management by exploiting these sources as well as the vast potential of the Federal funds market and the market for negotiable certificates of deposit. Other financial institutions—including savings banks, savings and loan associations, credit unions, and money market mutual funds—developed new transactions services in connection with customer accounts on which they paid interest. Banks fought this competition for transactions balances by offering large depositors special services that reduced the average level of balances they had to carry and by employing various ingenious means to pay interest on balances that were held in large part for transactions purposes.

Developments of these kinds have had profound consequences for the environment in which American monetary policy operates. Not long ago, the thrust of monetary restraint was conveyed more by reductions in the availability of credit—particularly residential mortgage credit—than by rising interest rates; at present, rising interest rates are the primary channel of restraint. This means that a higher level of interest rates is required to achieve any given degree of restraint—quite apart from the effect of inflation premiums that I discussed earlier. But how much higher is not clear; only time will tell. Not long ago, changes in M–1, the familiar monetary aggregate confined to currency and demand deposits, reflected reasonably well changes in the aggregate volume of transactions balances; at present, with new alternatives to bank demand deposits emerging all the time, a lower rate of growth in M–1 is required to achieve any given degree of restraint. But how much lower is not clear; only time will tell. Nor is it clear what other monetary aggregate, if any, would be more serviceable than the traditional M–1 as a monetary indicator. As a result of these effects of inflation, central banking has not only lost its moorings in interest rates; that has happened to a large extent also in the case of the monetary aggregates—certainly in the United States and perhaps in other countries as well.

There is no need to expand further on the opportunities for misjudgment that in recent years have surrounded policy making at central banks. Some uncertainty, of course, has always characterized monetary policy, just as it has characterized policy decisions generally, whether in public or private life. It should be noted, however, that lags in recognizing some of the developments I have been discussing—with respect to unemployment rates, interest rates, and growth rates of the monetary aggregates—would tend to bias policy toward monetary ease. Moreover, the emergence of an inflationary psychology in industrial countries has imparted an asymmetry to the consequences of monetary errors, even if the errors themselves occurred as often in one direction as the other.

There is a profound difference between the effects of mistaken judgments by a central bank in our age of inflation and the effects of such judgments a generation or two ago. In earlier times, when a central bank permitted excessive creation of money and credit in times of prosperity, the price level would indeed tend to rise. But the resulting inflation was confined to the expansion phase of the business cycle; it did not persist or gather force beyond that phase. Therefore, people generally took it for granted that the advance of prices would be followed by a decline once a business recession got under way. That is no longer the case.

Nowadays, businessmen, farmers, bankers, trade union leaders, factory workers, and housewives generally proceed on the expectation that inflation will continue in the future, whether economic activity is booming or receding. Once such a psychology has become dominant in a country, the influence of a central bank error that intensifies inflation may stretch out over years, even after a business recession has set in. For in our modern environment, any rise in the general price level tends to develop a momentum of its own. It stimulates higher wage demands which are accommodated by employers who feel they can recover the additional costs through higher prices; it results in labor agreements in key industries that call for substantial wage increases in later years without regard to the state of business then; and through the use of indexing formulas, it leads to automatic increases in other wages as well as in social security payments, various other pensions, welfare benefits, also in rents on many properties and in the prices of many commodities acquired under long-term contracts. On the other hand, unintended central bank effects of a restrictive type do not ramify in similar fashion.

To develop any significant momentum in unwinding inflation, they would need to be both large and repetitive—a combination that can hardly occur under prevailing conditions in the industrial democracies.

If my analysis of central banking in the modern environment is anywhere near the mark, two conclusions immediately follow. First, central banks have indeed been participants in the inflationary process in which the industrial countries have been enmeshed, but their role has been subsidiary. Second, while the making of monetary policy requires continuing scrutiny and can stand considerable improvement, it is vain to look to technical reforms as a way of eliminating the inflationary bias of industrial countries. What is unique about our inflation is its stubborn persistence, not the behavior of central bankers. This persistence reflects the fundamental forces on which I dwelt earlier in this address—namely, the philosophic and economic currents of thought that have impinged on economic life since the Great Depression and particularly since the mid-1960's.

My conclusion that it is illusory to expect central banks to put an end to the inflation that now afflicts the industrial democracies does not mean that central banks are incapable of stabilizing actions; it simply means that their practical capacity for curbing an inflation that is continually driven by political forces is very limited. Historically, central banks have helped to slow down the pace of economic activity at certain times and to stimulate economic activity at other times. They have also contributed to economic stability by serving as lenders of last resort or even going beyond that traditional function. During this decade alone, the Federal Reserve moved on at least two occasions to prevent financial crisis that otherwise could easily have occurred.

I have in mind particularly the failure of the Penn Central Transportation Company in June 1970 and the failure of the Franklin National Bank in October 1974. In the former case the inability of Penn Central to refinance its outstanding commercial paper caused consternation among holders of commercial paper generally. To prevent a financial panic the Federal Reserve put aside its monetary targets for a while, opened the discount window wide, and changed its regulations so that commercial banks could raise funds in the open market to finance firms unable to renew their maturing commercial paper.

In the Franklin National case, the Federal Reserve loaned to that troubled international bank almost 2 billion dollars; and while these advances were outstanding it was possible to arrange a takeover by another bank that protected the interests of Franklin's depositors and customers. These actions were influenced by a feeling of responsibility for the financial system as a whole—international as well as domestic. The central banks of some other countries, notably the Bank of England, have likewise discharged constructively the function of serving as lenders of last resort, and the entire concept of central bank responsibility has been both widened and clarified through discussion in recent years at the Bank for International Settlements.

All this and much more deserves to be noted about central banks—especially their tireless efforts to awaken the citizens of their respective countries to the economic and social dangers posed by inflation. But whatever the virtues or shortcomings of central banks may be, the fact remains that they alone will be able to cope only marginally with the inflation of our times. The persistent inflation that plagues the industrial democracies will not be vanquished—or even substantially curbed—until new currents of thought create a political environment in which the difficult adjustments required to end inflation can be undertaken.

There are some signs, as yet tenuous and inconclusive, that such a change in the intellectual and political climate of the democracies is getting under way. One of the characteristic features of a democracy is that it encourages learning from experience. Recent disturbing trends in economic and social life, particularly the persistence and acceleration of inflation, have led to much soul-searching by leaders of thought and opinion.

Among economists, the Keynesian school has lost much of its erstwhile vigor, self-confidence, and influence. Economists are no longer focusing so exclusively on unemployment and governmental management of aggregate demand. They are paying more attention to the management of aggregate supply—to the need to strengthen incentives to work and innovate, to ways of stimulating saving and investment, to the importance of eliminating barriers to competition, to ways of reducing the regulatory burdens imposed on industry, and to other means of bolstering business confidence.

Many economists now recognize that much of reported unemployment is voluntary, that curbing inflation and reducing involuntary unemployment are complementary rather than competitive goals, that persistent governmental deficits and excessive creation of money tend to feed the fires of inflation, that the high savings rate that usually prevails in the early stages of inflation is eventually succeeded by minimal savings, and that when this stage is reached it becomes very much harder to bring inflation under control.

The intellectual ferment in the world's democracies is having its influence not only on businessmen and investors, but also on politicians, trade union leaders, and even housewives; for all of them have been learning from experience and from one another. In the United States, for example, people have come to feel in increasing numbers that much of the government spending sanctioned by their compassion and altruism was falling short of its objectives; that urban blight was continuing, that the quality of public schools was deteriorating, that crime and violence were increasing, that welfare cheating was still widespread, that collecting unemployment insurance was becoming a way of life for far too many—in short, that the relentless increases of government spending were not producing the social benefits expected from them and yet were adding to the taxes of hard-working people and to the already high prices they had to pay at the grocery store and everywhere else. In my judgment, such feelings of resentment and frustration are largely responsible for the conservative political trend that has developed of late in the United States.

And I gather from the results of recent elections elsewhere that concern about inflation and disenchantment with socialist solutions are increasing also in other industrial countries. Fighting inflation is therefore being accorded a higher priority by policy makers in Europe and in much of the rest of the world.

In the United States a great majority of the public now regard inflation as the Number One problem facing the country, and this judgment is accepted by both the Congress and the Executive establishment. Some steps have therefore been taken within the past year to check the rapid rise of Federal spending, to lower certain taxes in the interest of encouraging business investment, and yet bring down the still large budget deficit. Pressures to augment the privileges of trade unions have been resisted by the Congress. Some government regulations—as in the case of airlines and crude oil—have been eased. And even restrictive moves by the Federal Reserve, which not long ago would have stirred anger and anxiety in government circles, have been accepted with equanimity. Symbolic of the changed political atmosphere was the announcement of an increase in the Federal Reserve discount rate on the very day this July when a sizable decline of the nation's over-all production was being reported for the spring quarter.

The present widespread concern about inflation in the United States is an encouraging development, but no one can yet be sure how far it will go or how lasting it will prove. The changes that have thus far occurred in fiscal, monetary, and structural policies have been marginal adjustments. American policy makers tend to see merit in a gradualist approach because it promises a return to general price stability—perhaps with a delay of five or more years but without requiring significant sacrifices on the part of workers or their employers. But the very caution that leads politically to a policy of gradualism may well lead also to its premature suspension or abandonment in actual practice. Economic life is subject to all sorts of surprises and disturbances—business recessions, labor unrest, foreign troubles, monopolistic shocks, elections, and governmental upsets. One or another such development, especially a business recession, could readily overwhelm and topple a gradualist timetable for curbing inflation. That has happened in the past and it may happen again.

If the United States and other industrial countries are to make real headway in the fight against inflation it will first be necessary to rout inflationary psychology—that is, to make people feel that inflation can be, and probably will be, brought under control. Such a change in national psychology is not likely to be accomplished by marginal adjustments of public policy. In view of the strong and widespread expectations of inflation that prevail at present, I have therefore reluctantly come to believe that fairly drastic therapy will be needed to turn inflationary psychology around.

The precise therapy that can serve a nation best is not easy to identify, and what will work well in one country may work poorly in another. In the case of the American inflation, which has become a major threat to the well-being of much of the world as well as of the American people, it would seem wise to me at this juncture of history for the government to adopt a basic program consisting of four parts. The first of these would be a legislative revision of the Federal budgetary process that would make it more difficult to run budget deficits and that would serve as the initial step toward a constitutional amendment directed to the same end. The second part would be a commitment to a comprehensive plan for dismantling regulations that have been impeding the competitive process and for modifying others that have been running up costs and prices unnecessarily. The third part would be a binding endorsement of restrictive monetary policies until the rate of inflation has become substantially lower. And the fourth part would consist of legislation scheduling reductions of business taxes in each of the next five years—the reduction to be quite small in the first two years but to become substantial in later years. This sort of tax legislation would release powerful forces to improve the nation's productivity and thereby exert downward pressure on prices; and it would also help in the more immediate future to ease the difficult adjustments forced on many businesses and their employees by the adoption of the first three parts of the suggested program.

I wish I could close this long address by expressing confidence that a program along the lines I have just sketched, or any other constructive and forceful program for dealing with inflation, will be undertaken in the near future in the United States or elsewhere. That I cannot do today. I am not even sure that many of the central bankers of the world, having by now become immured to gradualism, would be willing to risk the painful economic adjustments that I fear are ultimately unavoidable. I would therefore not be surprised if the return to reasonable price stability in the industrial democracies and thereby to an orderly international monetary system is postponed by more false starts. But if political patience in individual countries is severely tested as that happens, the learning process will also be speeded. The conservative trend that now appears to be under way in many of the industrial democracies will then gather strength; and unless political leadership falls into irresponsible hands, the inflationary bias that has been sapping the economic and moral vitality of the democracies can finally be routed.●

## A NATIVE RETURNS TO EXPLORE THE OLD STREETS OF PROVIDENCE

● Mr. PELL. Mr. President, one of the most promising developments of the seventies has been the revitalization of many of our most treasured urban resources. In city after city throughout the country, residents have joined together to give rebirth to historic downtown areas and rejuvenate them as centers of life and activity.

The city of Providence has been fortunate to have among its citizenry imaginative individuals who envisioned a revitalized downtown Providence as a dream, and now are beginning to see their dream unfold. The New York Times recognized their efforts in the Sunday October 14, 1979 travel section with an excellent article entitled, "A Native Returns to Explore the Old Streets of Providence." The article so effectively captures the charm and vitality of the new Providence that I would like to share it with my colleagues.

Mr. President, I ask that the article entitled, "A Native Returns to Explore the Old Streets of Providence" be printed in the RECORD.

The article follows:

### A NATIVE RETURNS TO EXPLORE THE OLD STREETS OF PROVIDENCE

(By Richard J. Walton)

Thomas Wolfe was wrong. Sometimes you can go home again. I did recently, to Providence, R.I., and found it not at all the dreary, provincial place of my youthful perceptions, a place I could not wait to escape a quarter century ago, but a vibrant, charming city, one of the most attractive medium-size cities in the country, rich in history and culture and uniquely rich in beautiful dwellings and public buildings of the late 18th and early 19th centuries.

With my mature perceptions, I saw that Providence no longer had to be in awe of Boston nearby, a city in whose shadows my home town has lived for three centuries. Boston is rightly proud of its history, but it can be said, without exaggeration, that America as a democracy was born in Providence, for it was there in 1636 that Roger Williams, a refugee from the intolerance of Massachusetts, founded a truly democratic state in America.

Named in "commemoration of God's providence," the tiny settlement at the head of Narragansett Bay was based on religious and politcal tolerance and separation of church and state. More than a century later, on May 4, 1776, in the Old State House (still standing at 150 Benefit Street and used as a courthouse), Rhode Island declared itself independent of the Crown, the first of the 13 colonies to do so.

What is astonishing to one who took it for granted is the extent to which Colonial and Federal Providence still exists. The best way to see it is to wander through the old streets, although there are a half-dozen places—historic buildings, museums and libraries—mentioned below that should not be missed. A stroll through the historic district, a visit to the adjacent downtown area with its old commercial buildings and a tour of the State House, the largest in the nation, can be accomplished in one crowded day or, better, two leisurely days.

There are hundreds of houses spread across College Hill around Brown University dating from the mid- and late-1700's and early 1800's. Since Providence, as a flourishing seaport that rivaled Boston and New York and Philadelphia, had a population of only 7,000 at the beginning of the 19th century, that means a substantial proportion of the dwellings of that era are still standing. As architectural historians point out in terming Providence one of the nation's finest centers of early American houses, College Hill is not a restored area like Colonial Williamsburg but one which has been lived and worked in continuously for more than 200 years.

One street, Benefit Street, has more than a hundred houses considered notable by the Providence Preservation Society, most of them 18th and early 19th century with a scattering of early Victorian. And there are hundreds more on surrounding streets, called by the society "A Mile of History."

Some of these houses are brick mansions in the Georgian style, like the John Brown House at Benefit and Power Streets which John Quincy Adams once called "the most magnificent and elegant private mansion that I have ever seen on this continent." But most of them are simple, symmetrical wooden clapboard houses of graceful proportion. Side by side, block after block of them along tree-shaded sidewalks of herring-bone patterned red brick, they evoke a feeling of timeless harmony. If by some magic the automobile could be banished—and the horse returned—this would be what a prosperous city was like in the early 1800's.

The rich merchants and shipowners built their mansions and the artisans their simple houses on the hill overlooking the harbor and salt marshes that became the commercial center of Providence. And—perhaps needless to say because they were God-fearing men, even those in the nefarious Triangle Trade of New England rum, African slaves and West Indian sugar—they built their churches nearby.

Notable are First Unitarian Church (1816) at Benefit and Benevolent Streets in whose steeple hangs the largest bell cast by Paul Revere and Son, and the Cathedral of St. John (1810) at 271 North Main Street. This latter area, at the foot of College Hill, is where Roger Williams first settled, marked now by a visitors' center operated by the National Park Service. Nothing remains of the earliest dwellings.

The most notable church is the First Baptist Church of America at 75 North Main Street at the foot of College Hill. Roger Williams not only founded the first democratic state in the colonies but brought the Baptist Church to the New World. Williams and a few companions founded the congregation in 1638 near the original settlement.

Two meeting houses were built at the original settlement and then in 1774 a few hundred yards south the present edifice was begun. It was finished a year later and dedicated "For the Publick Worship of Almighty God, and also for holding Commencements in." Although Brown University has long since ended its ties to the Baptist Church (in my Catholic childhood it was sometimes termed a "Baptist seminary"), for reasons of tradition it still holds part of its commencement exercises in the old church—the slow procession down College Hill is an academic ritual out of the Middle Ages.

The construction of so large a church, 80 by 80 feet, was an act of faith. It seated 1,200 and it was built by a congregation of only 118 souls. The visitor to the church will find his eye drawn to Thomas Street, which runs steeply along the north side of the building. The houses, of various early styles, resemble a stage set.

Uphill from the church and just around the corner to the right at 244 Benefit Street is the museum of the Rhode Island School of Design. The museum, although small, is first rate. There are treasures from Greece and Rome, 20 centuries of Oriental art, including a towering Buddha (9 feet 8 inches) from 10th-century Japan, and a collection of French paintings by Manet, Monet, Degas, Cezanne and Matisse plus a Rodin Balzac. Pendleton House, next door, is the first example in the country of an "American wing," with a collection of nearly American furniture and decorative arts.

Across the street, at 251 Benefit, is the Providence Athenaeum. This Greek Revival building designed by William Strickland in 1836 is where Edgar Allan Poe courted his real-life "Annabel Lee," Sarah Helen Whitman. A visitor has the feeling they might still be sitting in one of the secluded alcoves, for the place has not changed. Its rich collection of 18th-century books (from its 1753 ancestor, the Providence Library Company) is just sitting there on open shelves, available to any member. Only the most rare volumes, like the hand-illustrated Elephant Folio of Audubon, are kept separate.

A block south, just beyond the block-square Court House, modern but in Georgian style, is the house of Stephen Hopkins, Rhode Island's only signer of the Declaration of Independence. Built in 1708 and added to in 1743, it is painted that singular dark red peculiar to early New England houses. The rooms are small and simple, as befitted Hopkin's Quaker beliefs, but the house has a lived-in quality. Among the furnishings is a decanter set presented by George Washington to this man who was a judge, then later governor and chancellor of Brown University.

A bit farther south along Benefit Street is First Unitarian Church and, across the street at 314, the 1869 Mansard Victorian house that was the home of Gen. Ambrose Burnside, the Civil War general whose facial adornment gave us the term "sideburns."

A block farther along, set back deeply on a sharply sloping lawn, is the John Brown House (1786), which was designed by his brother, Joseph, and was the first great mansion in Providence. From it John Brown, China trader, slave trader, privateer and patriot, could glaze down at the harbor and here he entertained most of the great figures of the day, including Washington and the Adamses, father and son.

Given to the Rhode Island Historical Society by a descendant, John Nicholas Brown, it has been restored with meticulous attention to historical accuracy. It is of interest not only for the 18th-century furnishings but also for the chinoiserie brought back by John Brown's ships.

By now it is apparent that the Brown family was predominant in Colonial Providence so no one will be surprised that their benefactions caused Rhode Island College to be renamed after them. The Ivy League university, whose perimeters we have been skirting, was founded in 1764.

A stroll through the campus is especially agreeable in the autumn when the air has that quality that New Englanders believe is unique. Enter at the top of College Street, through the Van Wickle gates. Right ahead is University Hall, the first building at Brown, a large Georgian structure where French and American troops were quartered during the Revolution. Student-guided tours leave from here.

Across the College Green is a monumental stone building in the German Ionic Style, the John Carter Brown Library, with its collection of Americana. The collection includes such treasures as eight editions of Columbus's 1493 letter describing his discovery and various early editions of Amerigo Vespucci's "Mundus Novus," which caused the New World to be named after him.

The library inside has bronze bookshelves, heavy wooden tables, green Tiffany reading lamps and displays of old maps, books and broadsides.

On the downhill side of University Hall, next to the big new Rockefeller Library, is the marble-clad John Hay Library, home of the university's special collections. On display are samples, often from the library's Lincoln material, American popular sheet music and, of steadily growing interest, manuscripts and letters of H.P. Lovecraft, whose weird tales, originally published in pulp magazines, are more popular now than when he wrote them early in the century.

At the bottom of College Hill, along North and South Main Streets, are bars, restaurants and shops, some of them in brick warehouses at the edge of the Providence River. Main Street, the city's first shopping thoroughfare, has a number of old public and commercial buildings, several preserved and used by the School of Design, including a Greek Revival building and the 1773 Market House, also designed by Joseph Brown. This brick structure with its fanlight windows, onetime City Hall and Revolutionary barracks, is marked with a line about five and a half feet feet above the sidewalk where the waters reached during the great hurricane of Sept. 21, 1938.

Across the narrow river, now largely paved over, just a couple of minutes' walk from the bottom of College Hill, is the modern downtown. It began shortly after the War of 1812 when the British blockade caused the Browns and other wealthy families to turn from shipping to industry. Providence quickly became a major industrial center. Downtown grew exuberantly and scores of the old buildings have survived the suburbanization of Providence. Indeed, downtown is undergoing a renaissance with the establishment of a pedestrian mall, the construction of a new department store, the renovation of old buildings and the new uses being found for two old movie palaces.

One of the most interesting commercial buildings in the country is the 1828 Arcade, the first indoor shopping mall in America. In the Greek Revival style with Ionic columns, the building at the beginning of Weybosset Street has three floors of open tiers connected by balconies with a roof of glass panes.

Among the other notable buildings are the 1856 Italian Renaissance Custom House, whose dome and lantern served as a beacon to ships making harbor and the triangular Turks Head Building with its granite columns, winged Assyrian lions and sculptured Turks head. The eccentric Conrad Building (1885) on Westminster near Empire features a Moorish onion dome, a Venetian colonnade, a Romanesque arch, a Queen Anne Corner bay and portrait heads of uncertain origin.

A block away is the old Majestic movie palace (1916) now, as the Lederer Theater, home of the Trinity Square Repertory Company. Nor should one miss the 1809 Beneficient Congregational (Roundtop) Church with its gold dome at the south end of Weybosset Street or the 1878 City Hall, a Victorian pile decorated with all the gaudy opulence of that age.

Impossible to miss, high on another hill overlooking downtown is the huge State House (1896–1901), 333 feet long and 180 feet wide in its center section. With its enormous unsupported dome, it is a rival in grandeur to the national Capitol.

Most interesting inside are the full-length Gilbert Stuart portrait of George Washington and the epaulets, sword and Congressional commission of Gen. Nathanael Greene of Rhode Island, Washington's top general. Also of special interest are the ornate silver service of the battleship Rhode Island, made by the local Gortham Silver Company in 1907, and an artillery piece from the Battle of Gettysburg that was discovered, in 1962, to be still loaded.

Although Providence, with its population shrunk to 200,000, has all the urban problems of the old cities of the North and East, (unemployment, blighted areas and social tensions), it has retained in the old College Hill district a sense of continuity obvious to a visitor but for so long inadequately appreciated by a former resident.●

## PRINCETON'S PRESIDENT IN THE NATION'S SERVICE

● Mr. WILLIAMS. Mr. President, the quality of leadership in our Nation is frequently the subject of philosophers, presidents, and political columnists but I think one of the most perceptive pronouncements on that theme was recently offered by President William G. Bowen of Princeton University.

President Bowen, in his quiet and thoughtful manner, made the sound observation that problems faced by political leaders are often more intractable than those of yesteryear. He draws a particular interesting parallel between the growing complexity of our Nation's economy and the difficulty of problem-solving in the public arena.

A column by Mr. Harry Sayen of the Trenton Times in Trenton, N.J., captured not only the reasoning of President Bowen, but some of his own commitment to excellence in academic leadership.

I think the column would make interesting reading for my colleagues and I ask that it be printed in the RECORD.

The article follows:

### PRINCETON: STILL IN THE NATION'S SERVICE

(By Harry Sayen)

Cynicism and pessimism are the gravediggers of democracy; both are at work today as never before in our history. The average citizen's distrust of politicians does not need a Gallup Poll for verification. And, as the politicians' stock plummets, so does the peoples' confidence in themselves.

We have come to expect too much of our leaders. In turn, as impossible expectations remain unfulfilled, the man with the easy answer, not necessarily riding a white horse, becomes more and more attractive. The rascals move into the vacuum; morals join the descending spiral.

William Bowen, the 46 year old, low-profile president of Princeton University, put the problem this way: "Let us recognize it is a hard time to be an effective politician. We blame elected leaders for the problems of society. The problems that politicians confront are, in fact, much harder problems than most people realize or are prepared to accept."

Bowen, who still teaches regularly, quoted his favorite Einstein aphorism: "Make everything as simple as possible but not more so."

The Cincinnati-born economist, an aggressive tennis player with an easy smile and an obvious love for his job, suggested that energy is an example of a "very difficult problem that will not be solved without sacrifice by a lot of people. But this is not well understood."

So, to countervail the cynicism, Dr. Bowen believes that the university must continue its "historic commitment to public service, which has been evident from its earliest days, and which was given enduring verbal form through Woodrow Wilson's famous phrase, 'Princeton in the nation's service.' It must encourage students not to believe in sloganeering, not to approach problems with a quick fix and to be more tolerant of ambiguity."

Continuing, Dr. Bowen said: "We try to encourage students to educate themselves broadly, to take a real interest in affairs of the world and not just vocational, educational affairs." He made it clear that "I am not opposed to vocational training, but it has to be combined with other types of learning."

This line of thought led to secondary education. Bowen averred he had "no credentials" but he assumed "that many troubles stem from lowered emphasis on the basic subjects of mathematics and writing—particularly writing and the discipline that is learned. The pressures for vocationalism are so strong in so many places that it makes it harder to find time in public schools for the broader education that is so effective for citizenship."

In Bowen's estimation, there are many reasons making public life so difficult today: "It is hard to get people to think of the greater good. The special interest groups push for what they want, so it is hard to get a majority for things."

And then there is the changed role of the United States in the world: "We are no longer in a dominant economic position. It is not as easy to get our way because there are other powerful actors on the stage."

As an economist, William Bowen recognizes the depth and complexity of the economic problems. He mentioned higher unemployment of the young and inflation: "We must address our problems realistically. In time, self-correction is possible, but it may taken even worse circumstances to drive people to action—more shortages before conservation, which is absolutely the key. It isn't dramatic or easy."

All of the factors—economic, political, and social—combined with Vietnam and Watergate have led to the low estimation of leadership. This perception of lack of strength in governance has created a void. And the tumultuous reception for Pope John Paul II is a strong indicator of a yearning to fill that void. There was love to be sure; there was faith and charity; but hope—hope for leadership—was the purport of the Papal visit.

The pope's answers to today's malaise—of sharing more, of wanting less—were not easy ones. But if those goals are outlined in an understandable way, people will respond—as they have in wartime. Making sacrifice believable and palatable is the genius of leadership. With that type of leadership, the gravediggers of freedom would have little work to do.●

## PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposd arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately avaliable to the full Senate, I ask to have printed in the RECORD the following notification I have just received:

DEFENSE SECURITY ASSISTANCE AGENCY,
*Washington, D.C., October 1, 1979.*

HON. FRANK CHURCH,
*Chairman, Committee on Foreign Relations, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80–08, concerning the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost $33.4 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
*Director,*
*Defense Security Assistance Agency.*

Attachments.

[Transmittal No. 80–08]

### NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER

(Pursuant to Section 36(b) of the Arms Export Control Act)

(i) Prospective Purchaser: Jordan.
(ii) Total Estimated Value:

| | (In millions) |
|---|---|
| Major defense equipment* | $0.0 |
| Other | 33.4 |
| Total | 33.4 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Product improvement for the Jordanian Improved Hawk air defense system to include system modifications and associated spare parts; technical and logistics assistance; installation, integration, test, inspection, and repair services; and required training.

(iv) Military Department: (Army (UXV).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: October 11, 1979.

## MEETING TOMORROW OF COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be permitted to meet during the session of the Senate tomorrow to markup the SALT II treaty.

Mr. BAKER. Mr. President, reserving the right to object, the majority leader and I have discussed this matter in the course of the day, and I believe he knows, as does the distinguished chairman of the committee, that it will be necessary for me to object.

I reiterate what I have said earlier. I am perfectly willing to sit down with the chairman and the ranking minority member of the Committee on Foreign Relations to try to work out a schedule that will permit us to consider the SALT treaty in due course and expeditiously.

So it is not possible for me to agree to the unanimous-consent request just made by the majority leader for the Committee on Foreign Relations to meet beyond the 2 hours that the rules permit.

I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CHURCH. Mr. President, reserving the right to object, I appreciate the Senator withholding his objection. I would like to be heard on this subject.

Mr. President, there never has been a time in the history of the Committee on Foreign Relations when so thorough an examination of a treaty has been undertaken as has been the case with the SALT II treaty.

The committee has heard in public session from more than 100 expert witnesses. We have had innumerable executive sessions in addition to our public hearings. These sessions have consumed the whole of the month of July, the whole of the month of September, and a good portion of October. We have compiled more than 4,000 pages of testimony and have undertaken to be as thorough and careful in our examination of the treaty as is possible.

Now we are proceeding with a markup that began on Monday afternoon. The markup itself will be time consuming, under the best of circumstances. It had been my hope that the committee could meet in the morning and in the afternoon each day. If the Foreign Relations Committee cannot meet when the Senate is in session, we cannot complete the markup in any reasonable length of time.

Since the markup commenced, we have had three sessions. We are presently on section 3 of article II of the treaty, which would indicate, I think, that we have some good long distance to go.

So I hope, Mr. President, that objection would not be raised. I do not even know what Senator is objecting. I only know that the objection comes from the Republican side of the aisle.

If the committee cannot meet during the time when the Senate is in session, this markup will be unduly prolonged. The only purpose that an objective would serve at this time would be to prevent the entire Senate from taking up the treaty in a timely fashion.

I am sorry that this objection has been raised. Last week the committee in a business meeting approved its mark-up schedule. I think the committee is entitled to proceed as had been scheduled both morning and afternoon mark-up sessions.

Mr. HART. Mr. President, reserving the right to object, I am not a member of the Committee on Foreign Relations. However, as a member of the Armed Services Committee and one who has spent a good deal of the last year and a half or 2 years studying this treaty as it evolved, following it as an announced proponent of the treaty, I have spent a great deal of time in my State talking to my constituents about this issue, because I strongly believe it is the most important issue this body will take up in a number of years.

During the last few trips into my State, the question I have been asked most often—next to "When is Congress going to act on inflation?"—is, "When does Congress, and the Senate particularly, intend to take up the SALT treaty?" That comes from people who are in favor and those opposed and those who just do not know.

I hope that whatever objections there are will be overcome as quickly as possible, so that the distinguished Senator from Idaho can move forward and can have the treaty on the floor of the Senate and get the public focus on it which I think it deserves. Whether it goes up or down, at least the American public would have heard a full debate, at a reasonable time this fall, on this very vital issue.

I understand the leadership position in which the Senator from Tennessee finds himself. I believe the objection does not come from him. In any case, I suppose it is irrelevant.

I just wanted to add a word to that of the Senator from Idaho, that I hope the Committee on Foreign Relations could move forward as quickly as possible and in a methodical way, which I believe it to be doing.

I withdraw any objection.

Mr. GLENN. Mr. President, I had not planned to get into this discussion, but I think I will, since I spoke on this subject in the committee hearing this morning.

Our distinguished chairman, the Senator from Idaho, is correct when he says that we have gone through some 2,000 pages of testimony.

I do not know how many hundreds of hours of hearings we have had on this subject up to this point.

The hearings have been thorough enough and have ventilated all the issues enough so that there are very serious questions and serious concerns.

I appreciate that we are trying to make the trains run on time around here, and we are trying to make this come through before the NATO group gets together in December. But these questions are serious enough that it is far more important at this stage that we consider them very carefully.

What was our proposed hearings schedule? So that it also goes into the RECORD, the proposed hearings schedule that we still have on the books as of this moment is that we were going to meet every Monday afternoon and Friday afternoon and morning and afternoon on Tuesday and Thursday.

That obliterates any other activities that any Senators on the Foreign Relations Committee may have.

I conducted another committee hearing this morning that had been set up for sometime on another subject and was an hour late getting there. So I missed some of our morning hearing, and it was a matter on which I was vitally concerned.

I know our rules; and the way we have set this up and the way the chairman and the ranking minority member have set it up is that we will have adequate time at the end of the hearings to bring up anything that we do have to miss. I appreciate that we have set it up that way.

But what I proposed this morning was that we set up 3 half days a week. We will have our homework done and have our amendments already distributed and answered. So we will know our views on things and come in there ready to work and ready to go rather than having the interminable discussion we do now by only partial preparations by many members of the committee, including myself, simply because we do not have time, with our other responsibilities here, to do the proper job that needs to be done.

The remarks of the distinguished Senator from Colorado are right on the mark. I think that we probably will not consider another item that exceeds this in importance in quite a while around the Senate. But for that very reason I want to consider this treaty absolutely in the fairest light and have it as correct as it can be, as perfect as it can be before it comes to the Chamber.

I think the alternative to that is to say that we still have some question marks hanging on around this treaty when it comes to the Chamber, and all we will do is move our discussions to the Chamber for unlimited debate in the Chamber.

I do not want to see that happen. I think we will save time in the long run by taking our reasonable time. I do not want to extend consideration of the treaty into the new year in any way, shape, or form. I want to get it done. But I am far more concerned that we do this job right and that we not rush as a committee which I feel we are doing now. That is the reason why I supported the view this morning in committee that we go to a little less rigorous schedule in committee, and it will enable us then to perform some of the other functions that we on the committee have to perform.

I canceled two other hearings this week already and obviously if this goes on for several weeks we will be doing absolutely nothing in the Senate except our Foreign Relations Committee duty on this or we will be missing the markup which I think is probably the most important markup that any of us may participate in for a number of years.

I thank the Chair.

The PRESIDING OFFICER. The time for morning business has expired.

### EXTENSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time be extended for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I assured the Senator from Missouri we will have plenty of time.

Mr. BAKER. Mr. President, there is no objection to that. But I wish to make sure that without consuming any more of the time allocated to morning business the Chair notes my objection to the request with respect to the Foreign Relations Committee.

The PRESIDING OFFICER. The objection has been noted.

Mr. BAKER. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, I urge Senators to accommodate the Senate as much as possible in the request for committees to meet, especially the Foreign Relations Committee which is considering the treaty and which is at the markup stage now, the Finance Committee which is working on the excess profits tax bill, and the Energy Committee which is working on the energy bill.

Of course, the Appropriations Committee has standing consent.

Mr. President, I am not one to urge that we rush the markup on the treaty. I think the markup should be conducted with due deliberation but without unnecessary delay.

And I say that because I think it is important that the treaty be marked up and be reported out and placed on the calendar at the earliest feasible date, considering the need for careful deliberation in the markup, and I know that the committee is proceeding in that way.

But may I say, Mr. President, that it is my desire to take up the treaty before we adjourn this session. If that is not possible, we will just not have a very long holiday for Christmas and New Year's, and we will come back in January and continue.

I do not see any point in delaying the treaty. If the Senate wants to vote it down, that is the Senate's business. If the Senate wants to approve it, then let it be.

But I hope that Senators will not object to the committee meeting in an effort to duly act on the treaty and get it marked up and reported.

Mr. CHURCH. Mr. President, will the Senator yield on this point?

Mr. ROBERT C. BYRD. Yes.

Mr. CHURCH. Mr. President, I agree with the distinguished Senator from Ohio (Mr. GLENN), who is a very able member of our committee, that the hearings having been very thorough have posed a number of issues that must be faced and met during the markup. That is all the more reason, it seems to me, that the committee be given adequate time.

Mr. ROBERT C. BYRD. They do not even have time to discuss it.

Mr. CHURCH. I know of no way to proceed to meet a schedule that I regard as reasonable and in the national interest unless the committee can meet both in the mornings and in the afternoons. Time is running out.

Mr. ROBERT C. BYRD. Yes.

Mr. CHURCH. There is a national interest here by virtue of the impact of the Senate's decision, or the impact of a failure to make a decision, on our allies. Particular note must be made of the NATO alliance, and the attempt to reach an accommodation with our NATO allies respecting the modernization of the theater nuclear force. For this reason, it serves the national interest to proceed with all deliberate speed to do the job that the committee must do, mark up this treaty, and bring it to the full Senate. Once the treaty is on the Senate Calendar the majority leader can call it before the Senate at an appropriate time, before this session has been concluded.

Mr. ROBERT C. BYRD. Mr. President, I would not do that without consulting with the chairman of the committee, the ranking minority member of the committee, and the minority leader, as I always do.

May I say to my friend from Ohio, Mr. GLENN, that making the trains run on time has nothing to do with this treaty. So I wish to debunk that idea right here and now categorically. Trains running have nothing to do with this treaty. But, as I understand it, representatives of the NATO countries will meet in mid-December to make some decisions on theater nuclear force modernization, and that decision may very well be determined one way or the other by whatever action the Senate takes on the treaty.

Mr. CHURCH. Or fails to take.

Mr. ROBERT C. BYRD. Or fails to take. If the treaty is delayed, not that I intend to run the schedule of the Senate on the basis of the NATO allies, but the United States is one of the group, and what those NATO allies decide with respect to theater nuclear force modernization is of very great importance to this country and to its security interests.

So we are not making the trains run on time. We are dealing with the security interests of this country one way or the other. If the Senate wants to reject the treaty, I am not finally locked in yet one way or the other on the treaty. If the Senate wants to reject the treaty, that is one thing. Let the world know that the Senate voted not to approve it. But let us get a decision, not making the trains run on time, but let us get a decision in due time and without delaying the committee in its markup.

I am not a member of the committee, but the problems that confront the committee can only be handled if the committee is meeting. They can only be disposed of one way or the other when the committee meets and Senators deliberate on them.

I have nothing more to say.

Mr. CHURCH. Mr. President, if the Senator will yield to me once more, I see the able Senator from New York (Mr. JAVITS) is here, the ranking member of the committee, so I thought it would be appropriate for me to say that the procedures governing the markup, together with the schedule, the calendar for the committee, have been agreed upon by the committee itself in the regular manner. It has not been the decision of the chairman nor indeed the decision of the ranking minority member nor of the two of us together, but rather the decision of the entire committee that has established the schedule that we had hoped to follow during the course of the markup.

I am sorry that objection is being raised.

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## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. STEWART). Time for morning business has expired.

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## ORDER FOR RECESS UNTIL 4 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 4 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I think now I control the time at the request of the Senator from Kentucky, the whole time.

Mr. JAVITS. Mr. President, will the Senator yield 1 minute?

Mr. STEVENS. I promised the Senator from Missouri, and if he agrees the Senator can proceed.

Mr. DANFORTH. Of course.

Mr. STEVENS. I yield 1 minute to the Senator from New York.

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## MEETING OF THE NORTH ATLANTIC ASSEMBLY IN OTTAWA NEXT WEEK

Mr. JAVITS. I would like to note for the RECORD, and I think this is an opportune moment to do so, that the North Atlantic Assembly, composed of parliamentarians of the NATO countries, meets in Ottawa next week, and a great opportunity, I hope, will be availed of to confer with our fellow parliamentarians who have very definite opinions on SALT II as seen from their vantage point in Ottawa.

There is going to be a plane going up Thursday night with the official delegation, and I hope that Members will take note of this as an opportunity for a real chance to learn how our European colleagues feel about SALT II in the course of that annual conference.

I thank my colleague.

Mr. STEVENS. I thank the Senator.

I hope, I know, the Senator from West Virginia, I am sure, is familiar with the Ottawa conference, and perhaps if we get enough interest in people getting up there, we can make an arrangement to provide attendance. That is something we should negotiate with him.

## EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed in morning business for 2 minutes.

Mr. BAKER. Mr. President, will the majority leader extend it for 2 more minutes so that the distinguished Senator from Missouri and I might speak on another matter?

Mr. ROBERT C. BYRD. Mr. President, will the Senator permit me to dispose of these two items?

Mr. BAKER. Yes.

## TECHNICAL CORRECTIONS IN THE ENROLLMENT OF H.R. 3173

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 196.

The PRESIDING OFFICER (Mr. STEWART) laid before the Senate House Concurrent Resolution 196 directing the clerk of the House of Representatives to make technical corrections in the enrollment of H.R. 3173.

The concurrent resolution (H. Con. Res. 196) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## DIRECTING SENATE LEGAL COUNSEL TO REPRESENT RONALD A. CHIODO

Mr. ROBERT C. BYRD. An employee of the Senate, Ronald A. Chiodo, has been subpenaed to testify at a deposition in *Art Metal-U.S.A., Inc.* v. *Rowland G. Freeman, III, et al.,* (C.A. No. 78-1660), pending in the United States District Court for the District of Columbia. Mr. Chiodo is staff director of the Subcommittee on Federal Spending Practices and Open Government. The subpena asks for various documents. Today the Senate need only resolve to direct the Office of Senate Legal Counsel to represent Mr. Chiodo. A further resolution may be necessary in respect to the production of documents.

I send a resolution to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

Senate Resolution 259, directing Senate legal counsel to represent Ronald A. Chiodo, a Senate employee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senate proceed to its immediate consideration.

The Senate proceeded to consider the resolution.

The resolution was agreed to.

The resolution (S. Res. 259), together with the preamble, was agreed to as follows:

Whereas, in the case of *Art Metal-U.S.A., Inc.* v. *Rowland G. Freeman, III, et al.,* (C.A. No. 78–1660), pending in the United States District Court for the District of Columbia, a subpoena has been issued and served upon Ronald A. Chiodo, an employee of the Senate, directing him to appear and give testimony and produce documents, papers, or records.

Whereas, title VII of the Ethics in Government Act of 1978, Public Law 95–521 ("the Act"), estabilshes the Office of Senate Legal Counsel and provides that the Senate may direct its Counsel to represent the Senate, its committees, Members, officers, or employees.

*Resolved,* That pursuant to section 704(a)(2) of the Act the Senate Legal Counsel is directed to represent Ronald A. Chiodo, a Senate employee, in respect to discovery in this case.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## FOURTEENTH CENTENNIAL OF ISLAM

The concurrent resolution (S. Con. Res. 43) honoring the 14th centennial of Islam, was considered and agreed to.

The amendment to the preamble was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

Whereas November 21, 1979, marks the fourteen hundredth anniversary of the founding of Islam, an event which will be commemorated throughout the world, including in the Holy Cities of Islam; and

Whereas Islam is one of the mankind's great religions in history and today, followed by approximately eight hundred million people encompassing every major region of the world; and

Whereas the word "Islam" derives from Abraham's willingness to accept all God's commands, an example profoundly meaningful to all monotheistic religions; and

Whereas the "House of Islam" extended gracious hospitality to philosophy and science in both the East and West when these scholarly disciplines were threatened by narrowness and prejudice, thus preserving this precious heritage for subsequent generations; and

Whereas Islam strives for a worldwide community which, in the words of one Islamic poet-philosopher, "does not recognize the superficial differences of race, or history, or nationality"; and

Whereas the United States and countries of the Islamic world hold in common many benefits and values including the concept of world community, which inspired the Founding Fathers of our own country; and

Whereas international understanding and peace are strengthened by free and open communications among nations representing various historical and religious traditions: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That Islam is hereby recognized for the rich religious, scientific, cultural, and artistic contribution it has made to mankind since its founding.

SEC. 2. The Congress takes note of the contribution of Islam and wishes success to the fourteenth centennial commemoration.

SEC. 3. On the occasion of this anniversary, the Congress pledges its efforts to achieve better understanding, reduction of tensions, and the pursuit of improved relations with all nations of the world.

SEC. 4. The Congress requests that the President forward a copy of this resolution to the Chief of State of each country where Islam has a significant following and where celebrations will mark this important international event.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I yield to the Senator from Missouri.

## FOOD FOR CAMBODIA

Mr. DANFORTH. Mr. President, it is well known that over a period of time considerable blood has been shed in the nation of Cambodia. The fighting continues to go on. The result of this fighting is that planting and harvesting of crops has been interrupted, and now there is a very substantial food shortage, to the point where there are estimates that somewhere between 2 million and 3.5 million Cambodians are now facing loss of life through starvation.

It is estimated that because of the fact that younger people are affected by starvation before anyone else, some 80 percent of Cambodia's children are now suffering slow death from starvation and from disease.

Cambodia will need approximately 165,000 tons of food supplied to it by the outside world within the next 6 months in order to avert the kind of catastrophe that has been predicted for the people of that country.

Yesterday in Kansas City, Mo., President Carter, to his great credit, announced that our country will commit itself to a total of $7 million in expenditures, $5 million for food and $2 million for various support services, which would buy 10,000 tons of food. That 10,000 tons of food is certainly a step in the right direction, Mr. President, but the fact of the matter is that an estimated 165,000 tons will be needed between now and 6 months from now.

There is an additional $15 million available for the purchase of food in the Food for Peace Program. The total of $20 million, the $15 million left and the $5 million the President has obligated, could be used to buy 45,500 metric tons of rice or 125,000 metric tons of wheat. Additional money for transportation of food could be furnished by the Disaster Relief Fund and the Refugee and Migration Assistance Fund.

Mr. President, I think that when an estimated 2 million to 3.5 million people are starving to death, the politics of those people—and, of course, most of them have no politics—should be the last of our considerations, and that the United States should be in a position to put political considerations to the background for the moment, and that we should put people interests absolutely first.

The United States can, if it wants to, commit itself to furnish, with or without multilateral help, all of the food needs of Cambodia—165,000 tons over the next 6 months. We can, if we want to, transport that food to Cambodia. Initially we could do it by airlift, and then, as time permits, we could do it by ship.

It is notable that one of the finest hours of our country's history was in 1948 and 1949, when, for an 11-month period of time, the United States flew into West Berlin 140,000 tons of food each month. Planes were landed every 3 minutes, on the average, in Berlin, because the United States had the compassion to deal with human needs. Mr. President, I believe that the United States has the same sort of opportunity right now—that it is a matter of literally saving hundreds of people's lives, and that it is also a matter of the whole image of our country, not only to the rest of the world but internally as well. This is an opportunity to show the rest of the world and the people of the United States what kind of country we are, what kind of contribution we can make to human needs, and how we use a continuing opportunity to alleviate the hunger, the starvation, and the deaths that are now going on in Cambodia.

So, Mr. President, I commend the President of the United States for his efforts to date. I would urge him to consider even more efforts in behalf of the people of Cambodia, and I would pledge to him the support of at least this Member of the U.S. Senate for any additional help that he can give to the people of Cambodia.

Mr. BAKER. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. I rise to commend the distinguished Senator from Missouri for his remarks, his evident compassion, and his concern for an impending possible human tragedy.

It was my privilege to discuss this matter with him earlier today, and to remark, as we did in that conversation, on the appropriateness and the high moral tone of the President's remarks in Kansas City. This afternoon I called the President of the United States to tell him of my concern for this subject, and to extend my congratulations to him for his initiative.

I believe it is well, Mr. President, to signal that in this matter, as the Senator from Missouri has indicated, there is no politics, and to assure him that there is every desire on our side of the aisle to proceed to a solution of this problem on a nonpartisan basis. I congratulate the President for his effort and his statement at Kansas City, and I pledge to him our support insofar as I can assure that support to implement that program at the earliest and most prompt moment.

I extend my congratulations to the Senator from Missouri for his analogy to the Berlin airlift. The historic proportions of that noble effort are precisely what is required to avert this impending human tragedy. So, Mr. President, it gives me great pleasure to commend two great Americans, in this case the President and the distinguished Senator from Missouri, for their compassion and concern, and to offer these modest remarks in support of their initiative.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will come in at 4 p.m. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of the conference report on the energy conservation bill, which contains the standby gasoline rationing plan, S. 1030. There will undoubtedly be a rollcall vote, I assume, on that matter.

## RECESS UNTIL 4 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 4 o'clock tomorrow afternoon.

The motion was agreed to; and, at 6:39 p.m., the Senate recessed until Wednesday, October 17, 1979, at 4 p.m.

# HOUSE OF REPRESENTATIVES—*Tuesday, October 16, 1979*

The House met at 12 o'clock noon.

Rabbi Harry Z. Sky, Temple Beth El, Portland, Maine, offered the following prayer:

Friends, as we stand in this Hall, at history's crossroads, the concerns of the world pass before our minds and eyes. We address ourselves to the needs of our country's citizens, and we respond to the cry of mankind. A prayer crosses our lips. Dear Father, let the spark that is You within us burn aglow. Let it seek the spark flickering in the soul of another, and together let a flame of devotion burst forth creating a new Heaven and a new Earth and one eternal glory of divine self-sharing. For life is divine self-sharing; the sharing of concern, the sharing of hope, the sharing of love, the sharing of a dream—a dream of peace for all mankind, a dream of lives replete with fulfillment. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4473. An act making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4473) entitled "An act making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. INOUYE, Mr. PROXMIRE, Mr. CHILES, Mr. JOHNSTON, Mr. LEAHY, Mr. DECONCINI, Mr. MAGNUSON, Mr. GARN, Mr. HATFIELD, Mr. MATHIAS, Mr. SCHWEIKER, and Mr. YOUNG to be conferees on the part of the Senate.

## RABBI HARRY Z. SKY

(Mr. EMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMERY. Mr. Speaker, it gives me great pleasure to be accompanied today by Rabbi Harry Sky, a distinguished and respected citizen of my district. An activist in civil, State, and national issues as rabbi of the Temple Beth El in Portland, Maine. He is also a scholar, a teacher at the University of Southern Maine, and holds honorary doctorate degrees from Nasson College in Maine and a doctorate degree from the Jewish Theological Seminary of New York. A member of the Portland Rotary Club and chairman of the Human Relations Council, he is involved in a wide range of human affairs programs and civic causes.

In these increasingly difficult times of international tensions and domestic uncertainties, Rabbi Sky has brought to his friends both within and outside the Temple Beth El a compassionate and concerned understanding of the events that effect us all and a reassuring outlook on the future. He has touched in a very real and important way a great many people in my State, and is a credit to the religious and civic communities he represents. I am pleased you have had a chance to meet him today, and hope you and my colleagues will keep his thoughts of wisdom close to you as we continue our important business ahead.

Thank you very much.

### LIGHTS! CAMERA! INVASION!

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, today I heard a report that the scheduled landing of American marines at Guantanamo was delayed in order to get better media coverage. The original landing, as I understand it, was to take place before dawn. But it was held up for 2 hours so that cameras could better record it in the daylight.

First it was the sports world that became the slave of television needs. Now it seems our national security system is fast becoming a media event. If the Guantanamo landing was supposed to put fear into the heart of Fidel Castro, this delay for better media coverage must have made him laugh into his beard. I can see him now, telling the Cubans that they have nothing to fear from the Americans because all the landing beaches provide the wrong camera angle for effective media coverage.

I have also been informed that there is another reason for the delay until daylight. There is concern that the landing forces will have a difficult time getting into their landing craft in the dark. As an old combat infantryman, I find this hard to believe, but if it is true, we are in bigger trouble than we think.

### A NEED FOR A STRONG WINDFALL PROFITS TAX BILL

(Mr. BEARD of Rhode Island asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD of Rhode Island. Mr. Speaker, as winter approaches Rhode Island, I must address this body in support of a strong windfall profits bill. It is vital that my colleagues here in the House of Representatives join me in urging the Senate to support a reasonable windfall profits bill. Only with passage of this legislation will funds be made available for the elderly, the poor, and the disabled.

An energy crisis assistance program can only be realized if we support H.R. 3919. As of October 5, the Senate Finance Committee has reduced the estimated reserves of the House-passed bill (H.R. 3919) from $104 billion by 1990 to about $70 billion. We are now in the middle of October. Unless we act now and act strongly, the poor, the disabled, and the elderly will be forced to choose between heat or food.

The time needed to implement this program and the possibility of a long conference report fight, demand that action be taken now. By supporting this clear need now, we can reduce the hardships of millions this winter.

I ask that my colleagues join me in contacting Senator RUSSELL B. LONG, chairman of the Senate Finance Committee, to express their support of a strong windfall profits bill and urge him to expedite its passage. Low-income Americans spend a much greater proportion of their income on fuels than others. Deregulation and OPEC increases will greatly add to their burden. They will be left with a choice between food or heat. We must do all in our power to prevent this. We must act now.

### BREAD LABELING ACT

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, I have introduced legislation today with the intent of establishing a better understanding between farmers and their retail customers. The legislation, if passed, will require each loaf of bread to reflect on the wrapper the cost of the farm products.

The reason is very simple. This summer as wheat prices began to increase, different groups and organizations started to make speeches and write letters to the President and to Congress in almost a panic tone that would have any export sales stopped.

They were trying to convince both the elected officials and the public the moderately higher prices for wheat would send the prices for bread through the roof. The old scare of "a dollar a loaf" was played up again as what might happen if exports continued.

The fact is that the cost of the wheat in one loaf of bread will be around 4 cents. A $1 increase in the cost of a bushel of wheat will only mean an increase of around 1½ cents per loaf of bread. One bushel of wheat yields seventy 1-pound loaves of bread.

If this information is made available on the wrapper of each loaf of bread, the consumer will know what the cost is and we will not have the problem of wanting to pin the blame on the farmer each time the cost in the grocery store increases.

The information required in this bill is readily available. Bakeries with efficient cost accounting procedures know what their costs are to the penny. The wrapper is going to be printed anyway. This should not add 1 cent to the cost of the bread. The bill is not likely to make the price of bread go down. I do hope it is a step in fostering a better understanding between the farmer and his customer.

### FTC PROCEEDINGS AGAINST THE CEREAL INDUSTRY

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WOLPE. Mr. Speaker, I rise today on behalf of myself, Mr. KEMP, of New York, Mr. CAVANAUGH, of Nebraska, Mr. OBERSTAR, of Minnesota, Mr. NOWAK, of New York, and Mr. WALKER, of Pennsylvania, to offer a sense-of-Congress resolution that would express, in no uncertain terms, the displeasure of the Congress with the way in which the FTC has conducted its proceeding against the cereal industry. This resolution does not speak to the merits or the substantive issues under consideration. It does, however, speak to several very disturbing process questions that have surfaced during the course of the proceedings.

Because of the tremendous impact a ruling against the cereal industry could have, it is my strong conviction that the following issues of process must be resolved before the proceedings continue:

First. The failure of the FTC to undertake and consider an analysis of the impact on jobs and local communities of proposed remedies requiring divestiture;

Second. The failure of the FTC to permit intervention in the proceedings by the cereal workers themselves; and

Third. An apparent impropriety in the relationship between the Federal Trade Commissioners and the administrative law judge hearing the case.

I urge my colleagues to join us in calling for a suspension of the proceedings until these issues have been resolved. Under Extensions of Remarks, I have inserted a copy of the resolution.

### A COMMENDATION TO THE HOUSE LEADERSHIP

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, I would like to take this opportunity to commend the Speaker of the House for the leadership that has been shown to this 96th Congress, along with the majority leader, the gentleman from Texas (Mr. WRIGHT), and the majority whip, the gentleman from Indiana (Mr. BRADEMAS). The leadership has done a superb job, I think, in shepherding needed legislation through this Congress, and I have no doubt that history will record this Congress as one which has properly perceived the needs and desires of the American people.

The membership of this Congress was not one that was elected for a "new frontier" but more one that was elected to reassess our values, set priorities, and look at where we have been and where we are going. That is what this Congress is doing. We are facing the issues, reassessing our priorities, and looking at what needs to be done. I think it is encouraging, under our leadership and under Speaker O'NEILL's guidance, that we are on a solid, stable course, and that we have remained on course with some balance. It is so easy to get off on a tangent.

While this may be a time of national complaints and the blaming of Congress for everything imaginable, from energy to inflation, the American system of government is still the best. And, the reason this government has maintained its prominence and position of effectiveness is due to the Congress and the fortunate leadership we have here today.

Again, I sincerely applaud Speaker O'NEILL's leadership.

## PERMISSION FOR SUBCOMMITTEE ON LEGISLATION OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE TO SIT TODAY DURING 5-MINUTE RULE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the Subcommittee on Legislation of the Permanent Select Committee on Intelligence be permitted to sit today during consideration of the 5-minute rule.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## CONNALLY'S DISASTROUS MIDEAST POLICY

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, Presidential candidate John Connally's proposals for the Mideast, of which we have all heard, are seriously defective, undermine American interests in that critical part of the world, and raise serious questions as to whether he has the judgment required for the Presidency.

The cornerstone of those proposals is the creation of a new Palestinian state on the West Bank of the Jordan. I am startled that Mr. Connally can view that as a contribution to peace; Jordan and Egypt, which currently share the longest borders with Israel, obviously do not agree. Each had the opportunity, from 1948 to 1967, to create a Palestinian state—Jordan on the West Bank, Egypt in the Gaza Strip—and each chose not to do so. Mr. Connally bases his proposal on oil diplomacy, but there is no reason to believe the Saudis want such a state either.

A PLO state will not increase the flow of oil, only of blood. Such a state is sponsored by countries that get their sustenance from the Soviet Union—Libya, Syria, and Iraq. A Palestinian state would just add another star to the anti-United States, pro-Soviet camp. It would be a force for violence and clearly would be contrary to U.S. interests.

I am pleased, however, that the other major Republican candidates for President, Representative JOHN ANDERSON, Senator HOWARD BAKER, former Ambassador George Bush, Representative PHILIP CRANE, Senator ROBERT DOLE, and former Gov. Ronald Reagan, have reiterated their support for traditional American policy and interests in the Mideast.

## PETROLEUM FARMING

(Mr. MARRIOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARRIOTT. Mr. Speaker, America needs new sources of energy. America needs to become energy independent by 1985. America needs to unlock the shackles imposed by the OPEL cartel.

The only way we can achieve these three goals is to begin developing alternative energy sources. One such source which could have great potential is petroleum farming; that is, growing and harvesting selected plants for the extraction of hydrocarbons chemically similar to imported petroleum—yes, gas from plants.

The hero in this new petroleum farming concept is the humble milkweed, a plant common around the Nation. The milkweed will grow with little moisture and will produce a crude oil convertible through existing refineries into liquid fuel such as gasoline. The Btu value of milkweed petroleum compares favorably with that of crude oil and is considerably higher than that of coal. Present production yields are estimated at 10 barrels per acre of milkweed at a cost of approximately $17 to $20 a barrel.

It has been estimated that by cultivating and managing this hydrocarbon renewable plant, up to 10 percent of this Nation's petroleum imports could be replaced; that is about 850,000 barrels of oil a day.

Plant Resources Institute is now conducting a feasibility demonstration program in Tremonton, Utah, and Alcalde, N. Mex.

I urge Congress and the Department of Energy to watch this demonstration plant carefully, to assist in some grants, to speed up its potential. Who knows—tomorrow we could be growing energy in fields of milkweed petroleum in our search for energy independence.

## ARAB OIL SHOULD NOT INFLUENCE PRESIDENTIAL POLITICS

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, 2 days ago one of the top officials of the PLO urged Arab countries to use money and oil to "exert pressure" on our 1980 Presidential elections. While the PLO itself has few resources, the official stated that the Arab states jointly "can do a great deal where U.S. Presidential candidates are concerned."

Financial contributions from foreign governments to U.S. political candidates are, of course, illegal. However, oil-rich Arab countries may seek to use their resources to influence our Presidential elections indirectly through industries controlled by Arab investments or businesses dependent on Arab petroleum supplies and purchasing power.

The American economy already has suffered a great deal from our inability to prevent or counteract sharp increases in the price of imported oil. The prospect that foreign oil money will further be used to exert pressure on our political campaigns raises serious philosophical issues for candidates of both major political parties.

In formulating positions on the Middle East it is essential that the United States give preeminence to its historical and long term commitment to uphold the security of Israel. We should take great care to insure that Presidential candidates, members of their families, and close associates do not become unduly tied through business or campaign connections to governments wielding the heavy hand of new-found wealth.

In politics, how campaigns are run frequently reflects how governmental policy is later made. Thus the PLO's threat could not remind us more forcefully of the importance of the United States achieving energy independence. The American political system must never be jeopardized by threats or intimidation from foreign interests who seek to change policies to which our country has been historically committed.

☐ 1220

## DEMOCRATIC MAJORITY HAS LOST TOUCH WITH AVERAGE DEMOCRAT

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, I came to the floor this morning to watch my colleagues respond to the American public regarding the problems that faced this country. I was astonished to see my good friend, my colleague from Florida, who is the president of the freshmen Democratic class, extol the virtues of the leadership of this House and express such great pride at the progress we have made during the 96th Congress. Nothing can startle me more.

I have worked here for these months in the House, and I have been most impressed with the potential of new Members to bring about change in the direction of our National Government. To hear the president of the freshman Democrat class express such pride in our progress, when inflation is going through the roof, when we have done little, if anything, to meet the challenge of the energy crisis, when indeed the public is asking for less Government, for less regulation, and we seem but to give more and more.

In reality, we find that this House is led by a majority who happen to be Democrats, who indeed have lost touch with the average Democrat out there in the voting public.

It was my hope that there would be a new breath of fresh air with this freshman class. Unfortunately, today's expression by the president from Florida has disappointed us all.

God help the people of this country. Indeed, God help the Republic.

## PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

## MARIA CORAZON SAMTOY

The Clerk called the bill (H.R. 948) for the relief of Maria Corazon Samtoy.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

### ELIZABETH BERWICK AND ALEXANDER BERWICK

The Clerk called the bill (H.R. 887) for the relief of Elizabeth Berwick and Alexander Berwick, her husband.

There being no objection, the Clerk read the bill as follows:

H.R. 887

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding the provisions of section 2401 of title 28, United States Code, or regulations promulgated thereunder, or any other statute of limitations, laches, or lapse of time, jurisdiction is hereby conferred upon the United States District Court for the Middle District of Florida to hear, determine, and render a judgment for damages upon any claims of Elizabeth Berwick and Alexander Berwick, her husband, of Eustis, Florida, against the United States of America, arising out of injuries allegedly suffered by Elizabeth Berwick as the result of improper diagnosis or improper medical treatment, provided by the United States Navy or the failure of the United States Navy to provide proper diagnosis and/or medical treatment, from on or about January 1, 1971 and at all times thereafter until July 31, 1975, such jurisdiction of the court to be to the same effect and for all purposes as though claims were filed on June 16, 1977, by Elizabeth Berwick and Alexander Berwick, her husband, pursuant to the provisions of section 2401 of title 28, United States Code.

SEC. 2. Suit upon any such claims shall not be brought until six months after June 16, 1977 and may be instituted at any time thereafter until June 16, 1979, or within six months after the date of the enactment of this Act, whichever shall be later. Proceedings for the determination of such claims and review thereof, and payment of any judgment thereon, shall be in accordance with the provisions of law applicable to cases of which the court has jurisdiction under section 1346(b) of title 28 of the United States Code. Nothing in this Act shall be construed as an inference of liability on the part of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, notwithstanding the time limitation of section 2401(b) of title 28, United States Code, or any other provision of law, and subject to the provisions of sections 2 and 3 of this Act, the United States District Court for the Middle District of Florida shall have jurisdiction to hear, determine, and render judgment on and claim of Elizabeth Berwick and Alexander Berwick, her husband, of Eustis, Florida, against the United States for personal injuries which Elizabeth Berwick allegedly suffered as a result of negligent diagnosis or treatment, or both, provided by the United States Navy during the period beginning on or about January 1, 1971, and ending on July 31, 1975.

SEC. 2. Any determination of any claim described in the first section of this Act, any review of such claim, and any payment of any judgment thereon, shall be made in accordance with the provisions of law applicable to cases over which the court has jurisdiction under section 1346(b) of title 28, United States Code, including the provisions of section 2675 of such title requiring disposition of claims by an appropriate Federal agency.

SEC. 3. Any claim under this Act shall be barred unless it is filed with the appropriate Federal agency, pursuant to section 2675 of title 28, United States Code, within six months after the date of the enactment of this Act, and such claim, if filed within such 6-month period, shall be considered to have been filed in a timely manner, notwithstanding the time limitation of section 2401 (b) of such title.

SEC. 4. Nothing in this Act shall be construed as an inference or admission of liability by the United States.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### JOHN A. TOWNSLEY

The Clerk called the bill (H.R. 901) for the relief of John A. Townsley.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

### CAROLINE M. BABCOCK

The Clerk called the bill (H.R. 1616) for the relief of Caroline M. Babcock.

There being no objection, the Clerk read the bill as follows:

H.R. 1616

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Caroline M. Babcock, supervisory accounting technician for the Twelfth Coast Guard District, San Francisco, California, is relieved of liability for the payment to the United States of the sum of $8,000. Such sum represents the amount of funds missing on the morning of November 9, 1974, from a safe for which Caroline M. Babcock, as supervisory accounting technician, was responsible. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given to Caroline M. Babcock for the amount for which liability is relieved by this Act.

SEC. 2. (a) If any part of the amount specified in the first section of this Act has been received or withheld from Caroline M. Babcock in connection with the liability relieved under the first section of this Act, the Secretary of the Treasury shall pay to her such amount out of any funds in the Treasury not otherwise appropriated.

(b) No amount in excess of 10 per centum of any appropriation made under subsection (a) of this section shall be paid to or received by any attorney for services rendered in connection with such appropriation. Any person violating this subsection shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### RUSSELL W. ALLEN

The Clerk called the bill (H.R. 2531) for the relief of Russell W. Allen.

There being no objection, the Clerk read the bill as follows:

H.R. 2531

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, an amount not to exceed $52,703, to be determined by the Secretary of Agriculture to Russell W. Allen of Presque Isle, Maine, in compensation for business losses incurred, during calendar years 1976 and 1977, directly resulting from the restrictions placed on the interstate movement of claimant's seed potatoes by the United States Department of Agriculture. This amount shall be in full and complete settlement of any and all claims against the United States for the calendar years 1976 and 1977, based upon the exercise of authority under the Federal Plant Pest Act of 1957 (7 U.S.C. 150dd; 71 Stat. 32).

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 3: After "curred" insert ", through no fault of his own,".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### GAIL WILLIAMSON

The Clerk called the bill (H.R. 2532) for the relief of Gail Williamson.

There being no objection, the Clerk read the bill as follows:

H.R. 2532

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding sections 2401 and 2675 of title 28, United States Code, jurisdiction is hereby conferred upon the United States District Court for the Eastern District of California of any claim of or on behalf of Gail Williamson of Bakersfield, California, against the United States arising from injuries she sustained in an accident on November 12, 1972, on Government property in China Lake, California.

SEC. 2. The jurisdiction conferred by the first section of this Act shall not apply to any action commenced more than six months after the date of the enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That notwithstanding the time limitation of section 2401(b) of title 28, United States Code, or any other provision of law, and subject to the provision of sections 2 and 3 of this Act, the United States District Court for the Eastern District of California shall have jurisdiction to hear, determine, and render judgment on any claim of or in behalf of Gail Williamson of Bakersfield, California, against the United States for personal injuries which she allegedly sustained in an accident on November 12, 1972, on Government property in China Lake, California.

SEC. 2. Any determination of any claim described in the first section of this Act, any review of such claim, and any payment of any judgment thereon, shall be made in accordance with the provisions of law applicable to cases over which the court has jurisdiction under section 1346(b) of title 28, United States Code, including the provisions of section 2675 of such title requiring disposition of claims by an appropriate Federal agency.

SEC. 3. Any claim under this Act shall be barred unless it is filed with the appropriate Federal agency, pursuant to section 2675 of title 28, United States Code, within six months after the date of the enactment of this Act, and such claim, if filed within such 6-month period, shall be considered to have been filed in a timely manner, notwithstanding the time limitation of section 2401(b) of such title.

SEC. 4. Nothing in this Act shall be construed as an inference or admission of liability by the United States.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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## CLARENCE S. LYONS

The Clerk called the bill (H.R. 3818) for the relief of Clarence S. Lyons.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

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## VETERANS REHABILITATION AND EDUCATION AMENDMENTS OF 1979

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 5288, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. HEFNER) that the House suspend the rules and pass the bill, H.R. 5288, as amended.

The vote was taken by electronic device, and there were—yeas 405, nays 1, answered "present" 1, not voting 26, as follows:

[Roll No. 568]

YEAS—405

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—1

Wilson, Bob

ANSWERED "PRESENT"—1

Maguire

NOT VOTING—26

Anderson, Ill.
Anthony
Barnes
Byron
Chisholm
Collins, Ill.
Conyers
Dannemeyer
Edgar
Flood
Garcia
Holtzman
Jones, N.C.
Leach, La.
Moffett
O'Brien
Patten
Rosenthal
Rousselot
Russo
Shuster
Treen
Vander Jagt
Vanik
Winn
Wright

☐ 1240

The Clerk announced the following pairs:

Mr. Rosenthal with Mr. Anderson of Illinois.

Mr. Jones of North Carolina with Mr. Rousselot.

Ms. Holtzman with Mr. Vander Jagt.

Mr. Wright with Mr. Winn.

Mrs. Chisholm with Mr. Shuster.

Mr. Patten with Mr. O'Brien.

Mrs. Collins of Illinois with Mr. Dannemeyer.

Mrs. Byron with Mr. Garcia.

Mr. Vanik with Mr. Russo.

Mr. Conyers with Mr. Edgar.

Mr. Anthony with Mr. Barnes.

Mr. Moffett with Mr. Leach of Louisiana.

Mr. ATKINSON and Mr. BONIOR of Michigan changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

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## RESIGNATION FROM AND APPOINTMENT AS MEMBER OF DISTRICT OF COLUMBIA LAW REVISION COMMISSION

Mr. RHODES. Mr. Speaker, pursuant to section 2(a) of Public Law 93–379, I am in receipt of a letter from Mr. DeWitt S. Hyde, wherein he resigns from the District of Columbia Law Revision Commission.

The SPEAKER pro tempore (Mr. MURTHA). Without objection, the resignation is accepted.

There was no objection.

Mr. RHODES. Mr. Speaker, pursuant to section 2(a) of Public Law 93–379, I appoint Mr. Robert S. Thompson, from Washington, D.C., as a member of the District of Columbia Law Revision Commission.

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## CONFERENCE REPORT ON H.R. 3173, INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

Mr. ZABLOCKI. Mr. Speaker, I call up the conference report on the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. Pursuant to rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 4, 1979.)

The **SPEAKER** pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. **ZABLOCKI**. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I rise in support of the conference report on H.R. 3173. The major purpose of this report is to authorize the appropriation of funds to finance U.S. international security assistance programs for fiscal year 1980 and to authorize a supplemental fiscal year 1979 appropriation of $100 million in economic support assistance for Turkey.

As agreed by the conferees, the report authorizes appropriations totaling $2,823,358,000 for such programs in fiscal year 1980. Including the Economic Support Fund, amounts for which the House authorized in the International Development Cooperation Act of 1979 (H.R. 3324), the total fiscal year 1980 authorization represents an increase of $66,041,000 above the amounts authorized by the House, a reduction of $69,442,000 below the Senate figure and a reduction of $101,442,000 below the amount requested by the executive branch. The main reason for the increase above the House amount is the inclusion of executive branch funding requests for Sudan, requests which were made subsequent to passage of the House bill.

The specific authorizations contained in the bill are as follows: $110.2 million for grant military assistance; $31.8 million for international military education and training; and $673.5 million for foreign military sales financing. This last amount will finance the sale of $2.235 billion worth of defense articles and defense services during fiscal year 1980. Also authorized are $21.1 million for peacekeeping operations assistance; $1.935 billion for economic support fund; and $51.758 million for international narcotics control.

Mr. Speaker, the basic thrust of the provisions of the House bill passed last March 29 remain intact. Moreover, on the issue of Turkey, the House conferees abided by instructions given by the House on June 21, by a vote of 303 in favor and 107 against, that the conferees insist on disagreement to the amendment of the Senate providing $50 million in grant military assistance to Turkey. No grant military assistance for Turkey is provided in this bill, although a modest amount of grant training, which was not contested, is provided.

However, recognizing the importance of Turkey to NATO and the serious economic situation that Turkey currently faces, the conferees reached a compromise that will allow for $250 million in foreign military sales credits for Turkey, $50 million of which will be on favorable repayment terms, and $198 million in Economic Support Fund assistance, $75 million of which will be on a grant basis. Together, this assistance should promote political and economic stability in Turkey and strengthen its ability to fulfill NATO responsibilities.

This bill will also provide substantial assistance for Israel and Egypt; in fact, approximately three-fourths of the amounts authorized for appropriation will be available only for these two Middle East countries. Enactment of the International Security Assistance Act of 1979 will make available to Israel $1 billion in foreign military sales credit financing, $500 million of which requires no repayment to the U.S. Government; the other $500 million will be on favorable repayment terms as in past years.

As agreed to by the conferees, moreover, the Economic Support Fund will provide $785 million to Israel which may be made as a cash transfer if the President insures the transfer will not have an adverse impact on U.S. nonmilitary exports to Israel; the ESF will also provide $750 million for Egypt. Two-thirds of the ESF assistance earmarked for Israel and Egypt shall be on a grant basis to each country.

The funds for Israel and Egypt will provide important assistance to reinforce the peace efforts underway as the Egypt-Israel Peace Treaty is implemented and should further enhance the economic viability and national security of these two countries.

On other items of major interest, the conference report also:

Authorizes the President to use special authority to drawdown $10 million in DOD stocks in emergencies provided he notify Congress each time he exercises the authority;

Requires a Presidential report on the stockpiling of war reserves in Korea;

Contains three NATO provisions designed to enhance NATO rationalization, standardization and interoperability by facilitating transfers among NATO and by authorizing waiver or reduction of certain changes, on a reciprocal basis, in furtherance of NATO cooperative projects;

Requires reports on price and availability estimates provided to foreign countries with respect to possible major foreign military sales;

Directs the President to undertake a thorough review of interagency procedures and disclosure criteria concerning the transfer of sensitive weapons technology;

Authorizes the President to transfer war reserve material to Taiwan; and

Prohibits assistance to Panama except for grant military training and the financing of nonweapons sales provided a Presidential determination and report to Congress are made.

Besides ESF assistance for Israel and Egypt already discussed, $68 million of ESF assistance will also be available in fiscal year 1980 for southern Africa; $15 million will be available for Cyprus; and not less than $40 million for Sudan.

Mr. Speaker, the conferees on behalf of the House worked diligently with the Senate in assuring that House positions were ultimately maintained. The final conference report represents acceptance of certain Senate proposals that do not undermine House positions on the major issues. This act will provide assistance important to U.S. interests and national security. It also will improve the operation of certain U.S. programs in the security assistance area and will increase the effectiveness of arms export control procedures and of congressional oversight of their implementation. I therefore wholeheartedly support this report and recommend its adoption.

□ 1250

### GENERAL LEAVE

Mr. **ZABLOCKI**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report under consideration.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. **BROOMFIELD**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation we have before us today is vitally important to our national and collective security, and I support this conference report. In particular, the conference report provides for the maintenance of our global interests, be they in the Near East or Europe, Latin America, or Asia.

An important conference provision concerning aid to Turkey preserves the intent of the House—that being to prohibit grant military assistance to Turkey. The House conferees rejected the Senate amendment providing $50 million in grant military aid to Turkey resulting in a conference substitute which allows Turkey to finance one-fifth of its foreign military sales on a concessional loan basis. This substitute not only reflects an important victory for the House but also helps Turkey to play a continuing role in our collective security.

Although we have addressed important problems in relation to Turkey, I am deeply disturbed over the continued lack of progress in regard to Cyprus. A year ago the Congress—under strong pressure from the administration—lifted the arms embargo against Turkey with the understanding that this action would help lead to a resolution of the Cyprus dispute.

Now, a year later and nearly 5 years after the invasion and the occupation of Cyprus, we still await concrete progress on Cyprus. With ever growing tensions in the Mediterranean, the time for an equitable resolution of the Cyprus matter is growing shorter by the day. In view of the Turkish elections this past Sunday, I hope the new government will recognize the concern of the Congress over the human rights situation on Cyprus and the strong reservations of many Members of Congress over providing assistance to Turkey so long as the Cyprus issue remains unresolved.

Another important issue in the conference was the question of security assistance to Panama. As my colleagues know, the House bill prohibited security assistance to Panama. The Senate bill did not. As one who voted with the majority in the House to prohibit military aid to Panama, it was—at my insistence—that the conferees agreed that sales to Panama should not include weapons. The compromise provides that Panama can receive up to $5 million in foreign military sales credits only for the purchase of nonweapons. Moreover, any assistance to Panama will require a Presidential determination that such assistance is in the national interest of the United States. The President must also report his determination to the Congress at least 30 days before providing any assistance.

With the ever growing Soviet arms buildup, with the many political-military problems in the Caribbean, the Near East, and Asia, there is—at this time—a great need for the United States to join its good friends and allies in seeking new and better ways to collective security. In this regard, the legislation we have before us contains several important provisions—provisions designed to better assist the security of our allies in the Middle East—provisions designed to better facilitate cooperation among our allies in Europe—provisions designed to help counter Soviet adventurism throughout the world.

In conclusion, I believe that this conference report is vital to our country's security interests. I therefore urge my colleagues to support this important legislation.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding. The gentleman mentioned that the conference report prohibits the sale of arms to Panama, but it allows military sales. Will the gentleman tell me how he distinguishes between military equipment and arms?

Mr. BROOMFIELD. Yes; basically what it provides is nonweapons so, in other words, if they wanted trucks or anything of that nature that were not weapons, that could come under this $5 million provision. They would have to purchase those. We are not giving the money for these trucks.

Mr. CHARLES H. WILSON of California. I thank the gentleman.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I support the conference report and urge a vote in favor of it by the House.

Our chairman, CLEM ZABLOCKI, very effectively protected the position of the House in the conference with the Senate, and I believe he is to be commended for the leadership, determination and effectiveness which he demonstrated in sparring with the Members of the other body.

My main interest is in the issue created by the Senate amendments providing for increased grants to Turkey.

The problem developed with the Senate amendment providing $50 million in grant military assistance for Turkey, while our House bill had no such provision. The Senate bill also added $100 million in grant economic aid over and above the $98 million the House had authorized. In the conference, we reduced the economic grant figure by $25 million.

On the military grant called for by the Senate, the conferees finally agreed to make this a loan rather than a grant of $50 million, specifically for the purchase of defense articles and services. This loan will be on concessionary terms with a 10-year grace period before any repayment, followed by a 20-year repayment period.

As the author of the motion to instruct the conferees not to accept the Senate amendment providing for the $50 million in grant military assistance, I am satisfied that our goals have been basically achieved in the conference.

May I direct the attention of the Members to the fact that there is also $42 million in FMS credits on concessionary terms for Greece, and that further credits of $158 million for Greece are recommended. Both Greece and Turkey are longstanding allies, and various provisions of the bill reflect the view of the conferees that we must continue practical programs of cooperation with each nation.

However, I would be remiss if I did not emphasize to the House the continued problems that exist on Cyprus. There still are 180,000 Greek Cypriots who are refugees on their island. The Carter administration, with great fanfare, committed itself to negotiating an end to the division of the island. Almost 3 years have passed, and there is no real progress. Now it seems the administration is turning its back on the conditions that exist on Cyprus as if by so doing, the situation will just quietly go away.

Another ongoing problem which the Members should keep in mind is Turkey's veto of Greece's reentry into NATO. The Turkish Government must recognize that the main motivation for U.S. military support is their participation in the NATO alliance. Greece belongs in NATO, and there is no justification for Turkey vetoing full Greek participation in the alliance.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I want to call the attention of the House to the fact that this conference report contains $5.5 million in assistance to the Republic of Panama. That fact is circumscribed by provisions which were offered by the gentleman from Michigan (Mr. BROOMFIELD) and the chairman of the committee, the gentleman from Wisconsin( Mr. ZABLOCKI) and I appreciate the stand that they have taken. The net outcome is better than nothing. But my concern is that there should be any aid at all in this legislation for the Republic of Panama, not because I have any vendetta against that government but because this House voted overwhelmingly by 2 to 1 to prohibit any assistance of a military nature to that country.

□ 1300

This occurred for several reasons.

First, under the treaties now in effect since October 1 Panama will be getting annual payments of anywhere from $75 to $100 million which will be paid by the users of the canal and in part by the taxpayers of the United States. Why, on top of that, we must give another $5 million in military assistance I do not understand.

The second reason why we should not be giving military assistance to Panama is that the current government there is in a very shaky condition. There have been strikes for the last 2 months, for the most part unreported in the American media. The teachers, the doctors, numerous businesses, all sorts of unions are out on strike. Much of the unrest is directed against the leftist, pro-Cuban policies of the government. Only in the last few weeks have the very same Guardia Nacional that will be using the money this bill provides put down riots and arrested hundreds of people in the streets of Panama City, none of this reported in the United States.

This is the government you are helping with our aid, our military assistance. When the House takes a position 2 to 1 it seems to me the best we could expect would be our conferees would stand by us and prohibit this aid. I do not know how many times we have to go on record on the issue but I say to the managers, they did the best they could. But I think the conference report ought to be rejected.

● Mr. WOLFF. Mr. Speaker, I rise in support of the conference report. As chairman of the Select Committee on Narcotics Abuse and Control I would like to briefly address the section of this report concerning international narcotics control and particularly the question of U.S. assistance to Mexico for the control of the opium poppy.

As my colleagues will recall, a provision was included in last year's version of this legislation that would prohibit U.S. assistance to any program which involved the use of a herbicide to eradicate marihuana if that herbicide was determined by the Secretary of HEW to cause serious harm to persons who may use the sprayed marihuana. On the minds of all of us at that time was the use of the herbicide paraquat by the Mexican Government. During the House debate last year I successfully offered an amendment to prohibit U.S. assistance for the spraying of paraquat unless it was sprayed in conjunction with a "marker agent" which would place marihuana users on notice that it had been sprayed with paraquat. The purpose of this amendment was to safeguard the health of American citizens while at the same time assuring that our efforts to control the spread of marihuana abuse in this country would not diminish. More importantly, however, was my objective to insure that any program cutback on account of paraquat would in no way adversely affect our assistance for the purpose of eradicating the opium poppy, a deceptively innocent looking plant which is the world's source of heroin. In fact, the legislative history clearly stated that the amendment was in no way to affect any program concerning the control of opium.

Earlier this year the Secretary of Health, Education, and Welfare determined that paraquat presented a serious health risk to persons who may use or consume the sprayed marihuana. Unfortunately, this decison was interpreted as requiring a total cutoff of U.S. assistance to Mexico for all programs of international narcotics control. This would have had the devastating effect of curtailing the highly successful Mexican opium poppy eradication program and would have resulted in increased availability of Mexican brown heroin on street corners in every community throughout the country. I did not intend or contemplate such a result, and I am confident that this body agrees.

The conference report we are now considering reaffirms the original intention that any program cutback resulting from a determination that paraquat presents a serious health risk would in no way jeopardize our international narcotics control efforts aimed at eradicating the opium poppy. This is of absolute importance if we are to continue our heretofore successful efforts in the international arena to curtail the supply of heroin. I should add at this point that the Mexican Government has been a full and complete partner with the United States in this effort.

There are additional points which still require clarification for the record. In 1978, when the paraquat scare first arose, we were led to believe that a proven health risk existed to millions of Americans. We were told that as much as 36 percent of the marihuana entering the United States from Mexico was contaminated. We were told that the average contamination of the seized samples was 450 parts per million. We were told that west coast doctors were treating scores of persons for paraquat-related health problems. However, based on information presented at select committee hearings this past July, I can assure my colleagues with confidence that these assertions were overstated in the least.

Additionally, the Center for Disease Control (CDC) now states that between 50 and 100 Americans might be exposed to a level of paraquat contamination which might cause irreversible lung damage. Yet this figure is suspect because—and this is according to the CDC—all of these potential victims are drawn from a very small subgroup of marihuana users who are assumed to purchase their yearly supply of marihuana in a single lot purchase. This is a far cry from the millions of Americans we were led to believe would suffer from a proven health risk.

The latest available figures compiled by the CDC now show that the prevalence of paraquat-contaminated marihuana nationwide is only 0.63 percent by weight. In the Southwest United States, which should represent the highest percentage of paraquat-contaminated marihuana, the figure is only 2.23 percent by weight. This is nowhere near the 36 percent figure we were told existed last year. Again, according to the CDC, the nationwide range of contamination is 10 to 461 parts per million with an average contamination level of only 111 parts per million. This is only one-quarter of the level we were led to believe then existed. And finally, to date there have been no confirmed cases of any paraquat-related adverse health consequences in the United States.

Finally, I would like to state again for the record that I have serious reservations about both the methodology and scientific sufficiency of the data upon which the Center for Disease Control determined that paraquat-treated marihuana is likely to cause serious harm to the health of persons who may use or consume paraquat-contaminated marihuana. The research data is being reviewed indepth by the select committee and medical experts. We will examine these findings in detail to determine the facts at issue.

I would also like to inform my colleagues that a special United Nations task force—including representatives from the U.S. Department of Agriculture—made an indepth study of various means by which to eradicate marihuana and concluded that paraquat was safe, effective, and the best of all herbicides studied.

The conference report makes clear our intentions that opium eradication programs continue to receive full U.S. support and I urge its approval.●

Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 256, nays 147, not voting 30, as follows:

[Roll No. 569]

YEAS—256

Addabbo
Akaka
Albosta
Alexander
Ambro
Annunzio
Aspin
AuCoin
Baldus
Bellenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Breaux
Brodhead
Brooks
Broomfield
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Carney
Carr
Carter
Chappell
Clinger
Coleman
Conable
Conte
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Danielson
Davis, S.C.
Dellums
Derrick
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gray
Green
Guarini
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hance
Hanley
Harris
Hawkins
Heckler
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Howard
Huckaby
Hutto
Hyde
Ireland
Jenrette
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Nedzi
Nelson
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Rodino
Roe
Rostenkowski
Roybal
Royer
Rudd
Sabo
Santini
Sawyer
Scheuer
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Simon
Smith, Iowa
Snowe
Solarz
Spellman
Stack
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vento
Walgren
Waxman
Weiss
White
Whitehurst
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—147

Abdnor
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Bevill
Boner
Bouquard
Bowen
Brinkley
Brown, Ohio
Broyhill
Butler
Byron
Campbell
Cavanaugh
Cheney
Clausen
Clay
Cleveland
Coelho
Collins, Tex.
Corcoran
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Davis, Mich.
de la Garza
Deckard
Devine
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Evans, Ind.
Flippo
Florio
Fountain
Goldwater
Gramm
Grassley
Grisham
Gudger
Hall, Tex.
Hammerschmidt
Hansen
Harkin
Hefner
Hinson
Holt
Hopkins
Hubbard
Hughes
Ichord
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kindness
Lagomarsino
Latta
Lott
Lujan
Lungren
McClory
McDonald
Marlenee
Martin
Mathis
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nichols
Oakar
Pashayan
Paul
Perkins
Petri
Quayle
Quillen
Rahall
Regula
Roberts
Robinson
Rose
Roth
Runnels
Satterfield
Schroeder
Sebelius
Shelby
Shumway
Slack
Smith, Nebr.
Snyder
Solomon
Spence
St Germain
Staggers
Stangeland
Steed
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Volkmer
Walker
Wampler
Watkins
Weaver
Whitley
Whittaker
Whitten
Williams, Mont.
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—30

Anderson, Ill.
Anthony
Ashley
Barnes
Brown, Calif.
Chisholm

Collins, Ill.
Conyers
Dannemeyer
Dixon
Edgar
Flood
Harsha
Horton
Jenkins
Jones, N.C.
Leach, La.
Moffett
Mollohan
O'Brien
Patten
Rosenthal
Rousselot
Russo
Shuster
Skelton
Treen
Vander Jagt
Vanik
Winn

☐ 1310

The Clerk announced the following pairs:

On this vote:

Mr. Mollohan for, with Mr. Moffett against.

Until further notice:

Mrs. Chisholm with Mr. Anderson of Illinois.
Mr. Ashley with Mr. Harsha.
Mr. Russo with Mr. Rousselot.
Mr. Patten with Mr. Horton.
Mr. Rosenthal with Mr. Dannemeyer.
Mr. Vanik with Mr. O'Brien.
Mr. Jones of North Carolina with Mr. Winn.
Mr. Barnes with Mr. Vander Jagt.
Mr. Conyers with Mr. Shuster.
Mr. Flood with Mr. Jenkins.
Mr. Anthony with Mrs. Collins of Illinois.
Mr. Brown of California with Mr. Edgar.
Mr. Leach of Louisiana with Mr. Skelton.

Messrs. MITCHELL of Maryland, DANIEL B. CRANE, EMERY, GOODLING, GUARINI, and FORD of Tennessee changed their votes from "nay" to "yea."

Mrs. SMITH of Nebraska and Mr. ROTH changed their votes from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## DIRECTING CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 3173, INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

Mr. ZABLOCKI. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 196) directing the Clerk of the House of Representatives to make technical corrections in the enrollment of H.R. 3173, and ask unanimous consent for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 196

*Resolved by the House of Representatives (the Senate concurring)*, That, in the enrollment of the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes, the clerk of the House of Representatives shall make the following corrections:

In the title of the bill, strike out "fiscal years 1980 and 1981" and insert in lieu thereof "fiscal year 1980".

In section 25 of the bill, strike out "19" and insert in lieu thereof "17".

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

## PERSONAL EXPLANATION

Mr. BOB WILSON. Mr. Speaker, on the first recorded vote this afternoon, on H.R. 5288, the Veterans' Rehabilitation and Educational Amendments Act, I inadvertently pushed the wrong button and was recorded as voting "nay." I am very much in support of H.R. 5288 and request the RECORD to show that I intended to vote "yea."

## DEPARTMENT OF JUSTICE AUTHORIZATION ACT, 1980

Mr. RODINO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3303) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. RODINO).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3303, with Mr. WHITE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, October 15, 1979, all time for general debate had expired.

Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

That this Act may be cited as the "Department of Justice Appropriation Authorization Act, Fiscal Year 1980".

SEC. 2. There are authorized to be appropriated for the fiscal year ending September 30, 1980, to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) the following amounts:

(1) For General Administration, including hire of passenger motor vehicles, and miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration: $25,917,000.

(2) For the United States Parole Commission, including the hire of passenger motor vehicles: $5,555,000.

(3) For General Legal Activities, including—

(A) the hire of passenger motor vehicles;

(B) miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Deputy Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration;

(C) not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate;

(D) advance of public moneys under section 3648 of the Revised Statutes (31 U.S.C. 529);

(E) pay for necessary accommodations in the District of Columbia for conferences and training activities; and

(F) not to exceed $105,000 which may be transferred from the "Alien Property Funds, World War II", for the general administrative expenses of alien property activities, including rent of private or Government-owned space in the District of Columbia: $101,119,000, of which $3,000,000 shall be made available for the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals.

(4) For the Antitrust Division, consumer protection and kindred laws: $46,915,000.

(5) For United States Attorneys, Marshals, and Trustees, including—

(A) purchase of firearms and ammunition;

(B) lease and acquisition of law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(C) supervision of United States prisoners in non-Federal institutions; and

(D) bringing to the United States from foreign countries persons charged with crime: $234,632,000.

(6) For Support of United States Prisoners in non-Federal institution, including necessary clothing and medical aid, payment of rewards, and reimbursements to Saint Elizabeths Hospital for the care and treatment of United States prisoners, at per diem rates as authorized by section 2 of the Act entitled "An Act to authorize certain expenditures from the appropriations of Saint Elizabeths Hospital, and for other purposes", approved August 4, 1947 (24 U.S.C. 168a): $25,100,000.

(7) For Fees and Expenses of Witnesses, including expenses, mileage, compensation and per diems of witnesses in lieu of subsistence, as authorized by law; including advances of public moneys: $27,052,000, but no sums authorized to be appropriated by this Act shall be used to pay any witness more than one attendance fee for any one calendar day.

(8) For the Community Relations Service: $5,428,000.

(9) For the Federal Bureau of Investigation for—

(A) expenses necessary for the detection, investigation, and prosecution of crimes against the United States;

(B) protection of the person of the President of the United States and the person of the Attorney General;

(C) acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies;

(D) such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General;

(E) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(F) acquisition, lease, maintenance, and operation of aircraft; firearms and ammunition; payment of rewards; and

(G) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157 and 1160), under regulations prescribed by the Secretary of State; and

(H) not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and to be accounted for solely on his certificate:

$575,608,000, but in addition to this amount reimbursement received from the Committee on Appropriations, House of Representatives, and the Committee on Appropriations, United States Senate, for the assignment of investigative and support staff or other assistance may be credited to this amount and none of the sums authorized to be appropriated by this Act for the Federal Bureau of Investigation shall be used to pay the compensation of any employee in the competitive service. Using sums authorized to be appropriated by this Act, the Federal Bureau of Investigation shall classify the offense of arson as a part I crime in its Uniform Crime Reports.

(10) For the Immigration and Naturalization Service, for expenses necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including—

(A) advance of cash to aliens for meals and lodging while en route;

(B) payment of allowances to aliens, while held in custody under the immigration laws, for work performed;

(C) payment of expenses and allowances incurred in tracking lost persons as required by public exigencies in aid of State or local law enforcement agencies;

(D) payment of rewards;

(E) not to exceed $80,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate;

(F) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(G) acquisition, lease, maintenance, and operation of aircraft;

(H) firearms and ammunition and attendance at firearms matches;

(I) operation, maintenance, remodeling and repair of buildings, and the purchase of equipment incident thereto;

(J) refunds of maintenance bills, immigration fines, and other items properly returnable except deposits of aliens who become public charges and deposits to secure payment of fines and passage money;

(K) payment of interpreters and translators who are not citizens of the United States and distribution of citizenship textbooks to aliens without cost to such aliens;

(L) acquisition of land as sites for enforcement fence and construction incident to such fence;

(M) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157, and 1160) under regulations prescribed by the Secretary of State; and

(N) research related to immigration enforcement which shall remain available until expended:

$319,730,000, of which $2,100,000 shall be made available to redesign, update, and maintain the nonimmigrant control system applicable to arrival and departure of aliens in and from the United States, $5,000,000 shall be made available to install fully automated systems for processing and recordkeeping in District offices, and not to exceed $50,000 may be used for the emergency replacement of aircraft upon the certificate of the Attorney General.

(11) For the Drug Enforcement Administration for its activities, including—

(A) hiring and acquiring law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(B) paying in advance for special tests and studies by contract;

(C) paying in advance for expenses arising out of contractual and reimbursable agreements with State and local law enforcement and regulatory agencies while engaged in cooperative enforcement and regulatory activities in accordance with section 503a(2) of the Controlled Substances Act (21 U.S.C. 873(a)(2));

(D) paying expenses not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate;

(E) paying rewards;

(F) paying for publication of technical and informational material in professional and trade journals; purchase chemicals, apparatus, and scientific equipment;

(G) paying for necessary accommodations in the District of Columbia for conferences and training activities;

(H) acquiring, leasing, maintaining, and operating aircraft;

(I) research related to enforcement and drug control to remain available until expended;

(J) contracting with individuals for personal services abroad, and such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management;

(K) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157, and 1160), under regulations prescribed by the Secretary of State; and

(L) paying for firearms and ammunition and attendance at firearms matches:

$193,836,000, including such sums as are authorized by section 709(a) of the Controlled Substances Act (21 U.S.C. 904(a)), for the fiscal year ending September 30, 1980.

(12) For the Federal Prison System: $344,011,000, including the following:

(A) (i) For the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions;

(ii) purchase and hire of law enforcement and passenger motor vehicles;

(iii) compilation of statistics relating to prisoners in Federal penal and correctional institutions;

(iv) assistance to State and local governments to improve their correctional systems;

(v) purchase of firearms and ammunition; medals and other awards;

(vi) payment of rewards;

(vii) purchase and exchange of farm products and livestock;

(viii) construction of buildings at prison camps; and acquisition of land as authorized by section 4010 of title 18 of the United States Code; and

(ix) transfer to the Health Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for the direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions.

(B) For Federal Prison Industries, Incorporated, to make such expenditures, within the limits of funds and borrowing authority, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Control Corporation Act, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation including purchase and hire of passenger motor vehicles.

(C) (i) For planning, acquisition of sites and construction of new facilities, and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, to remain available until expended and the labor of United States prisoners may be used for work performed with sums authorized to be appropriated by this clause.

(ii) The Attorney General shall take such steps as may be necessary to acquire or to construct, in Los Angeles County, California, a Federal detention facility.

(iii) In addition to any other sums that are authorized to be appropriated by this Act, there are authorized to be appropriated $2,600,000 for planning and site acquisition to carry out clause (ii).

(D) For carrying out the provisions of sections 4351 through 4353 of title 18 of the United States Code, which establishes a National Institute of Corrections, to remain available until expended.

SEC. 3. None of the sums authorized to be appropriated by this Act may be used to pay the compensation of any person employed after the date of the enactment of this Act as an attorney (except foreign counsel employed in special cases) unless such person shall be duly licensed and authorized to practice as an attorney under the laws of a State, territory, or the District of Columbia.

SEC. 4. (a) Sums authorized to be appropriated by this Act which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations prescribed by the Attorney General.

(b) Sums authorized to be appropriated by this Act may be used for the purchase of insurance for motor vehicles operated in official Government business in foreign countries.

(c) Sums authorized to be appropriated by this Act for salaries and expenses shall be available for services as authorized by section 3109 of title 5 of the United States Code.

(d) Sums authorized to be appropriated by this Act to the Department of Justice may be used for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

(e) Sums authorized to be appropriated by this Act may be used for—

(1) expenses of primary and secondary schooling for dependents of personnel stationed outside the continental United States at costs not in excess of those authorized by the Department of Defense for the same area, when it is determined by the Attorney General that schools available in the locality are unable to provide adequately for the education of such dependents; and

(2) transportation of those dependents between their place of residence and schools serving the area which those dependents would normally attend when the Attorney General, under such regulations as he may prescribe, determines that such schools are not accessible by public means of transportation.

(f) There are authorized to be appropriated for the fiscal year ending September 30, 1980, such sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs.

(g) Sums authorized to be appropriated for "Salaries and expenses, General Administration", "Salaries and expenses, United States Attorneys, and Marshalls", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Bureau of Prisons" may be used for uniforms and allowances as authorized by sections 5901 and 5902 of title 5 of the United States Code.

SEC. 5. Section 5315(19) of title 5 of the United States Code, is amended to read as follows:

"(19) Assistant Attorneys General (10).".

SEC. 6. Notwithstanding the second of the paragraphs relating to salaries and expenses of the Federal Bureau of Investigation in the Department of Justice Appropriation Act, 1973 (86 Stat. 1115), sums authorized to be appropriated by this Act for such salaries and expenses may be used for the purposes described in such paragraph until, but not later than, the end of the fiscal year ending September 30, 1980. Any dissemination by the Federal Bureau of Investigation of identification and other records to a financial institution chartered or insured by the Federal Government shall be on a cost reimbursed basis.

SEC. 7. With respect to any undercover investigative operation of the Federal Bureau of Investigation which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence—

(1) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act may be used for leasing space within the United States, the District of Columbia, and the territories and possessions of the United States without regard to section 3679(a) of the Revised Statutes (31 U.S.C. 665(a)), section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)), section 305 of the Act of June 30, 1949 (63 Stat. 396; 41 U.S.C. 255), the third undesignated paragraph under the heading "MISCELLANEOUS" of the Act of March 3, 1877 (19 Stat. 370; 40 U.S.C. 34), section 3648 of the Revised Statutes (31 U.S.C. 529), section 3741 of the Revised Statutes (41 U.S.C. 22), and subsections (a) and (c) of section 304 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 395; 41 U.S.C. 254 (a) and (c));

(2) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions without regard to the provisions of section 648 of title 18, United States Code, and section 3639 of the Revised Statutes (31 U.S.C. 521); and

(3) the proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation without regard to the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484);

only upon the written certification of the Director of the Federal Bureau of Investigation (or, if designated by the Director, the Associate Director) and the Attorney General (or, if designated by the Attorney General, the Deputy Attorney General) that any action authorized by paragraph (1), (2), or (3) of this subsection is necessary for the conduct of such undercover operation.

(b) As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under paragraphs (2) and (3) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited into the Treasury of the United States as miscellaneous receipts.

SEC. 8. During the fiscal year for which appropriations are authorized by this Act, each organization of the Department of Justice, through the appropriate office within the Department of Justice, shall notify in writing the Committees on the Judiciary, of the House of Representatives and the Senate, and other appropriate committees a minimum of 15 days before—

(1) reprograming of funds in excess of $150,000 or 10 percent, whichever is less, between the programs within the offices, divisions, and boards as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(2) reprograming of funds in excess of $500,000 or 2 percent, whichever is less, between programs within the Bureaus as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(3) any reprograming action which involves less than the amounts specified in paragraphs (1) and (2) if such action would have the effect of significant program changes and committing substantive program funding requirements in future years;

(4) increasing personnel or funds by any means for any project or program for which funds or other resources have been restricted;

(5) creation of new programs or significant augmentation of existing programs;

(6) reorganization of offices or programs; and

(7) significant relocation of offices or employees.

SEC. 9. (a) The Attorney General shall perform periodic evaluations of the overall efficiency and effectiveness of the Department of Justice programs and any supporting activities funded by appropriations authorized by this Act and annual specific program evaluations of selected subordinate organization's programs, as determined by priorities set either by the Congress or the Attorney General.

(b) The evaluations shall be performed by the appropriate Department level program review staff.

(c) Subordinate Department of Justice organizations and their officials shall provide all necessary assistance and cooperation to the Department level program review staff in the conduct of the evaluation, including full access to all information, documentation, and cognizant personnel, as required.

(d) Completed evaluations shall be made available to the Committees on the Judiciary of the Senate and House of Representatives.

(e) If the Committee on the Judiciary of either the Senate or the House of Representatives requests the Attorney General to perform an evaluation of the sort described in subsection (a) of this section, the Attorney General shall make the evaluation requested and provide such evaluation to the committee making the request not later than 60 days after the date the request is made, but the committee making the request may extend the time for providing such evaluation.

SEC. 10. In addition to any other sums authorized by this Act to be appropriated for the activities of the Federal Prison System, there are authorized to be appropriated $5,748,770 to improve the quality of medical services within the system.

SEC. 11. In addition to any other sums authorized by this Act to be appropriated for the activities of the Federal Prison System, there are authorized to be appropriated $30,000 to improve the quality of legal services within the system.

SEC. 12. (a) On or before September 1, 1980, the Attorney General shall submit to Congress—

(1) a plan to assure the closure of the United States Penitentiary at Atlanta, Georgia, by September 1, 1984; and

(2) a plan to alter the function of the United States Penitentiary at Leavenworth, Kansas, to that of a modern correctional institution capable of housing not more than 500 prisoners by September 1, 1985.

(b) The plan prepared under this section shall prohibit the use of the United States Penitentiary at Atlanta, Georgia, as a correctional institution by a State or political subdivision after the closure of the institution by the Federal Government.

SEC. 13. (a) In order to create an independent and objective unit—

(1) to conduct and supervise audits and investigations relating to programs and operations of the Immigration and Naturalization Service,

(2) to provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations, and

(3) to provide a means for keeping the Commissioner of the Immigration and Naturalization Service and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action,

there is hereby established in the Immigration and Naturalization Service of the Department of Justice an Office of Inspector General (hereinafter in this section referred to as "the Office").

(b)(1)(A) There shall be at the head of the Office an Inspector General (hereinafter in this section referred to as "the Inspector General") who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. The Inspector General shall report to and be under the general supervision of the Commissioner, who shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpena during the course of any audit or investigation.

(B) The President shall first submit to the Senate a nomination for the position of the Inspector General not later than 90 days after the date of the enactment of this Act.

(2) The Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

(3) For the purposes of section 7324 of title 5 of the United States Code, the Inspector General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

(4) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Service, and

(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for the performance of investigative activities relating to such programs and operations.

(c) The following provisions of the Inspector General Act of 1978 (Public Law 95–452) shall apply to the Inspector General, the Office, the Commissioner, and the Service under this section in the same manner as those provisions apply to an Inspector General, an Office, the head of the establishment, and an establishment under such Act:

(1) Section 4 (relating to duties and responsibilities of an Inspector General and the manner in which they are carried out).

(2) Section 5 (relating to reports required to be prepared and furnished by or to an Inspector General and their transmittal and availability).

(3) Section 6 (relating to the authority of an Inspector General and related administrative provisions).

(4) Section 7 (relating to the treatment of employee complaints by an Inspector General).

(d)(1) There shall be transferred to the Office—

(A) the offices of the Service referred to as the "Office of Professional Responsibility", the "Office of Performance Review", and

(B) such other offices or agencies, or functions, powers, or duties thereof, of the Service as the Commissioner may determine are properly related to the functions of the Office and would, if so transferred, further the purposes of this section;

except that there shall not be transferred to the Inspector General under subparagraph (B) program operating responsibilties.

(2) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under paragraph (1) are hereby transferred to the Office.

(3) Personnel transferred pursuant to paragraph (2) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

(4) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to paragraph (1), such office or agency shall lapse. Any person who, on the effective date of this section, held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

(e) For purposes of this section:

(1) The term "Service" means the Immigration and Naturalization Service.

(2) The term "Department" means the Department of Justice.

(3) The term "Commissioner" means the Commissioner of Immigration and Naturalization.

(f) Section 5316 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(152) Inspector General, Immigration and Naturalization Service".

(g) The provisions of this section and the amendment made by subsection (f) of this section shall take effect on the date of the enactment of this Act.

(h) In addition to any other sums authorized to be appropriated by this Act, there are authorized to be appropriated $376,000 to carry out this section.

SEC. 14. The Attorney General shall make arrangements with an appropriate entity for an independent, comprehensive management analysis of the operations of the Immigration and Naturalization Service for the purpose of making such operations efficient and cost effective. After the completion of such analysis, the Attorney General shall promptly submit a report to the appropriate committees of Congress on the results of such analysis together with any administrative or legislative recommendations of the Attorney General to improve the operations of the Service.

Mr. RODINO (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

### INTELLIGENCE COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the First Intelligence Committee amendment.

The Clerk read as follows:

Committee amendment: On page 19, after line, 19, insert the following new subsection:

(H) not to exceed $13,400,000 to counter terrorism in the United States; and

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next Intelligence Committee amendment.

The Clerk read as follows:

Committee amendment: On page 19, line 23, strike out "(H)" and insert in lieu thereof: "(I)".

The committee amendment was agreed to.

### AMENDMENT OFFERED BY MR. RODINO

Mr. RODINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RODINO: Page 15, line 24, strike out "$25,917,000" and insert in lieu thereof "$33,168,000".

Mr. RODINO. Mr. Chairman, the net effect of this amendment would be to add 48 positions and $7,251,000 to the amounts originally requested by the administration and approved by the House Judiciary Committee in H.R. 3303. The House and Senate fiscal year 1980 appropriation already provides for these items. The required changes are the result of two separate events. First, the administration transmitted for House Judiciary Committee action a budget amendment which seeks $2,251,000 for three distinct initiatives: First, seven positions and $292,000 for the establishment of an Office of Intelligence Policy and Review. This office represents a consolidation of policy and operational functions dispersed among several offices and underscores the Attorney General's intention to install management improvements in this area; second, three positions and $116,000 to implement Public Law 95-507, recent new legislation intended to increase development services for those small businesses owned by the disadvantaged, and third, 38 positions and $1,843,000 to implement three new initiatives initially recommended by the President's reorganization project on Federal legal representation and now required by Executive Order 12146. The resources will allow staffing for a Federal Legal Council, initiation of a Government-wide litigation notice system and provision of necessary legal training to non-Justice personnel.

The second major portion of the proposed general administration amendment would recognize action already taken by the Senate in its fiscal year 1980 Justice authorization bill to provide an additional $5 million to assist State and local agencies in cooperative drug enforcement efforts. This amendment was also approved in the fiscal year 1980 appropriation and principally relies upon and enhances existing State/local resources and efforts which result in more efficient drug enforcement activity through joint action.

Mr. Chairman, I urge adoption of the amendment.

□ 1330

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I have asked the gentleman to yield in order that I might ask several questions.

First of all, I guess we recognize that we have appropriated funds for these purposes but we have not had any hearings in our committee on the subject of the authorizations that we are now putting into this bill. I would like to inquire what the gentleman perceives as the function of the Federal Legal Council. What is the Federal Legal Council going to do? What is its function going to be?

I judge that it is going to initiate a Government-wide litigation notice system and to provide provisions for legal training to non-Justice personnel and act as a kind of coordinating agency.

Mr. RODINO. That is correct. I feel that that is necessary. The Justice Department states that this is the Legal Council that would be necessary to implement coordination of this kind effort.

Mr. McCLORY. If the gentleman will yield further, then the Department of Justice supports this amendment?

Mr. RODINO. That is correct.

Mr. McCLORY. With respect to the other funds that are provided for the drug enforcement program, again we did not have any hearings on this, but I judge that these funds are going to be used to primarly assist State and local agencies in getting them to cooperate in the enforcement?

Mr. RODINO. The gentleman is correct.

Mr. McCLORY. I thank the gentleman.

Mr. Chairman, I have no objection to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. RODINO).

The amendment was agreed to.

### INTELLIGENCE COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the third Intelligence Committee amendment.

The Clerk read as follows:

Intelligence Committee amendment: On page 20, line 3, strike out $575,608,000." and insert in lieu thereof: "$577,408,000."

The Intelligence Committee amendment was agreed to.

### INTELLIGENCE COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the final Intelligence Committee amendment.

The Clerk read as follows:

Intelligence Committee amendment: Page 34, strike out line 3 and insert in lieu thereof the following: "Representatives and other appropriate committees".

The Intelligence Committee amendment was agreed to.

### AMENDMENT OFFERED BY MR. RODINO

Mr. RODINO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RODINO: Page 17, line 1, strike out "$101,119,000" and insert in lieu thereof "$106,267,000".

Mr. RODINO. Mr. Chairman, the net effect of this amendment would be to add 159 positions and $5,148,000 to the amounts proposed by the Judiciary Committee. These additions would recognize action recently taken in the 1980 appropriation process and reflect the general thrust of certain fiscal year 1980 budget amendments which had been previously requested by the administration in this area. Specifically, the major items of change include the following: First, an additional 40 positions and $651,000 for the Criminal Division, including sufficient resources to support the Office of Special Counsel and intensify the efforts against Nazi war criminals; second, an increase of 29 positions and $942,000 for the Civil Division to handle the expanding number of cases arising from enforcement and defense of Department of Energy regulatory programs; third, an additional 75 positions and $2,897,000 for the responsibilities carried out by the Land and Natural Resources Division, including litigation associated with the control of highly toxic hazardous wastes, and fourth, an increase of 18 positions and $808,000 for Civil Rights Division activities. Also included is a minor adjustment within the Office of Legal Counsel to reflect the transfer of the Department's intelligence oversight function into the general administration area.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. RODINO).

The amendment was agreed to.

### TECHNICAL AMENDMENT OFFERED BY MR. RODINO

Mr. RODINO. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Technical amendment offered by Mr. RODINO: Page 22, line 17, strike out "$319,730,000" and insert "$319,386,000" in lieu thereof.

Mr. RODINO. Mr. Chairman, this is purely a technical amendment and it is intended to correct a mathematical error in the computations made during the full committee markup.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. RODINO).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: Page 32, line 8, following "committees" add the following: ", and the ranking minority members thereof,".

Mr. EDWARDS of California. Mr. Chairman, this is in effect a technical amendment. It requires that the Department of Justice not only notify the appropriate committees of reprogramings, but also the ranking minority members of the several committees that are notified. I am sure that there are no objections to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. EDWARDS).

The amendment was agreed to.

### AMENDMENTS OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the consideration of the amendments offered by the gentleman from California and that they be considered en bloc?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. EDWARDS of California: On page 19, line 20, strike out "$13,400,000" and insert "$12,100,000" in lieu thereof.

On page 20, line 3, strike out "$577,408,000" and insert "$584,408,000" in lieu thereof.

Mr. EDWARDS of California. Mr. Chairman, this amendment accomplishes two things:

First, it establishes the authorized funding level for the FBI's terrorism program at $12.1 million—an increase of $500,000 over the amount initially requested by the FBI and the Department of Justice.

Second, it brings the total figure authorized for the FBI into conformity with the figure agreed upon by the Senate Judiciary and Appropriations Committees and the House conferees for the Justice appropriations bill. This raises the overall FBI authorization level from $577,408,000 to $584,408,000.

This increase is to be spent as follows:

First. General law enforcement, $1.7 million, 93 positions;

Second. Bank robbery, $2.6 million, 102 positions;

Third. Coordination of terrorism, $0.5 million, nine positions, and

Fourth. High priority programs, $4 million, 195 positions.

This discrepancy between our committee's figure and the figure agreed upon by all the other House and Senate committees' dealing with the FBI will have to be worked out in conference or through adoption of this amendment. I suggest that this amendment is the simpler, cleaner way.

I urge adoption of this amendment.

☐ 1340

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. EDWARDS).

The amendments were agreed to.

### AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: Page 32, line 10, strike out "$150,000" and insert "$250,000" in lieu thereof.

Mr. EDWARDS of California. Mr. Chairman, I propose an amendment to H.R. 3303, the Department of Justice authorization bill for fiscal year 1980. Section 8(1) of the bill presently requires the Department of Justice to notify the Judiciary Committee and other appropriate congressional committees of the reprograming of funds in excess of $150,000 or 10 percent, whichever is less, between any programs within the offices, divisions, and boards of the Department. My amendment would raise the minimum dollar level for required notification of reprogramings under section 8, paragraph (1) to $250,000 or 10 percent, whichever is less. The minimum dollar level for required notification of reprogramings in Bureaus would not be altered by this amendment. Bureaus include the FBI, INS, and DEA.

Mr. Chairman, the additional reprograming threshold would allow greater managerial flexibility within the Department, yet it will continue to insure that the original intent of the section was met. My intention in first introducing this section to last year's Department of Justice Authorization Act was to insure that Congress be notified of major policy-oriented funding shifts because I firmly believe that there is a significant relationship between the allocation of resources and the execution of policy. I am now convinced that reprogramings below $250,000 or 10 percent for the offices, divisions, and boards of the Department are generally of little policy or programmatic significance. Reprograming below the $250,000 threshold often reflect technical budget adjustments which are readily trackable through our current oversight process. In addition, the threshold I propose is the same as the level contained in both the House and Senate Appropriations Committee reports to the Department of Justice's fiscal year 1980 Appropriations Act.

Mr. Chairman, consistency with the appropriation mandated thresholds will minimize the duplication and paperwork we are experiencing now and will facilitate a more timely notification of those reprogramings which are of policy and program importance.

In addition, other provisions of section 8 of H.R. 3303 require congressional notification regardless of the dollar amount. For example, the Department must notify the committees if it increases funds for a program for which funds have been restricted, if it creates new programs, reorganizes offices or restructures present programs. Any change that would require a significant investment of funds in future years also must be reported. These provisions, I believe, adequately insure that we receive the information necessary to make informed decisions about the Department's programs and funding requirements.

In summary, Mr. Chairman, increasing the threshold level to $250,000, or 10 percent, protects the purpose for which we initially introduced the reprogramming provision, while it provides some consistency within the authorization and appropriation process, and it provides some needed managerial flexibility for the Department.

Mr. Chairman, I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. EDWARDS).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: Paragraph (8) of section (2) of the Department of Justice Appropriation Authorization Act, Fiscal Year 1979 (Public Law 95–624), is amended by striking out "$561,341,000" and inserting in lieu thereof $563,977,000" and adding "*Provided*, That $3,500,000 authorized to be appropriated in fiscal year 1979 for the purposes of constructing a forensic science training and research facility at Quantico, Virginia, shall remain available until September 30, 1980".

Mr. EDWARDS of California. Mr. Chairman, the Department of Justice has requested a supplemental authorization of $2.6 million for the FBI for fiscal year 1979. The purpose of the increase is to enhance the FBI's capabilities in conducting foreign counterintelligence investigations. The Department of Justice briefed the member of my subcommittee in some detail regarding this item several months ago. It was the consensus of the subcommittee that the proposed increase should be authorized. The Senate acted favorably on the supplemental request this past summer, as did the House Appropriations Committee. Thus, I urge adoption of the amendment.

The second part of the amendment merely permits funds already authorized to be appropriated in fiscal year 1979 to remain available to the FBI beyond that fiscal year. It does not involve any increase in existing funding levels. The language of the amendment indicates the Department's intent—and mine—that the money be spent by the FBI on the project for which it was authorized originally—the laboratory facility at the FBI Training Academy at Quantico.

I urge adoption of the amendment.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman's amendment is a very good one, but the amendment that the gentleman is offering is not correct. It needs to be revised to fit into the bill.

I think there was another bill that the gentleman had in mind in front of him when he had this drafted. I wonder if the gentleman would withdraw this amendment temporarily for the purpose of perfecting it?

Mr. EDWARDS of California. Mr. Chairman, I would ask unanimous consent to temporarily withdraw the amendment.

Mr. McCLORY. If the gentleman would yield further, I am in support of what the gentleman is attempting to do, but it does not seem to jive with the language of the bill before us.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. EDWARDS)?

There was no objection.

### AMENDMENT OFFERED BY MR. KASTENMEIER

Mr. KASTENMEIER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KASTENMEIER: Paragraph (5) of section 2 of H.R. 3303 is amended by inserting at the end thereof the following new item:

"(E) acquisition, lease, maintenance and operation of aircraft".

Mr. KASTENMEIER. Mr. Chairman, this amendment has been requested by the Attorney General to clarify the authority of the Marshals Service to use aircraft for the movement of prisoners who are in their custody. This is a technique that is currently being experimented with and has met with considerable success, including a reduction in the necessary overtime of Deputy U.S. Marshals. So there is no expectation that this amendment will result in increased costs to the United States and may indeed result in a savings, as well as a more efficient, secure system for the movement of prisoners.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. KASTENMEIER).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. KASTENMEIER

Mr. KASTENMEIER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KASTENMEIER: Paragraph (5) of section 2 is amended by striking out "234,632,000" and inserting in lieu thereof "242,573,000".

Mr. KASTENMEIER. Mr. Chairman, when the Department of Justice originally submitted its authorization request, it contemplated removing the power of U.S. Marshals to serve civil process in cases before the Federal courts. At the time the authorization request was made there appeared to be no controversy surrounding this change in power. However, the Administrative Office of U.S. Courts has subsequently informed both the Department and the committee that, as drafted, the present language removing all service of civil process will create serious problems for the Federal judiciary in serving judge issued orders. We have every hope of resolving the apparent conflict in the near future by modifying the original Department language.

However, in order that the orderly functioning of the Federal court system continue uninterrupted we are offering an amendment authorizing an increase of $8 million in the authorization level so that the Department may continue to serve process until we have worked out a resolution to the problem.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. KASTENMEIER. I yield to the gentleman from Illinois.

□ 1350

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment. I believe the amendment of the gentleman from Wisconsin is an important one, in that it will allow the U.S. Marshals Service to continue serving civil process. To simply take the Marshals Service out of the business of serving civil process would create serious problems in many States which do not have private organizations available to serve civil process. Therefore, I thank the gentleman for his timely amendment and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. KASTENMEIER).

The amendment was agreed to.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the last words.

Mr. Chairman, I would like to point out to my colleagues the important provisions in this bill dealing with the Immigration and Naturalization Service, and what this bill does to improve its operation and to help make sure fraud, waste, mismanagement are, to the extent possible, eliminated.

There have been some recent concerns expressed in the press about corruption in the Immigration Service. We know that there have been frequent complaints about inordinate delays in the handling and processing of cases.

I would like to point out that this legislation calls for the creation of an Inspector General within the Immigration and Naturalization Service, an Inspector General appointed by the President with the advice and consent of the Senate.

I think the creation of an Inspector General will go far to remove the complaints that have existed in the past about possible corruption in the agency as well as mismanagement and will go far to help improve its operations.

In addition, the Subcommittee on Immigration, Refugees, and International Law felt very strongly that the present system with regard to the arrival of foreign visitors and foreigners to the United States is wholly inadequate. We do not have a system for keeping track of persons who come to this country. Millions of people come to America and we do not know if they leave, we do not know if they stay. The situation is chaotic and archaic and intolerable.

This bill contains two provisions addressing this. First, there is substantial funding to begin the automation of the Immigration Service so that the recordkeeping will not be kept by hand, as it is now which, of course, makes the recordkeeping task impossible. Second, the bill calls for the development and upgrading of a system for keeping track of those who arrive in the country and those who depart.

These are major improvements. Although it will take more than one year to overcome the long years of past mismanagement in INS, these steps will make major improvements in the agency. There is widespread support for them and they will go a long way in helping to improve the operation of INS.

The bill also contains funds for strengthening and speeding up the investigation of Nazi war criminals in the United States.

At this time, Mr. Chairman, I want to thank all the members of the subcommittee for their support of these measures and, in particular, I want to commend the gentleman from New York (Mr. Fish) for his cooperation and his help.

I yield back the balance of my time.

### AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Levitas: Page 40, after line 23, insert the following:

Sec. 15. (a) The Attorney General shall, during the fiscal year for which appropriations are authorized by this Act, transmit a report to each House of the Congress in any case in which the Attorney General—

(1) establishes a policy to refrain from the enforcement of any provision of law enacted by the Congress, the enforcement of which is the responsibility of the Department of Justice, because of the position of the Department of Justice that such provision of law is not constitutional; or

(2) determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding, because of the position of the Department of Justice that such provision of law is not constitutional.

(b) Any report required in subsection (a) shall be transmitted not later than thirty days after the Attorney General establishes the policy specified in subsection (a)(1) or makes the determination specified in subsection (a)(2). Each such report shall—

(1) specify the provision of law involved;

(2) include a detailed statement of the reasons for the position of the Department of Justice that such provision of law is not constitutional; and

(3) in the case of a determination specified in subsection (a)(2), indicate the nature of the judicial, administrative, or other proceeding involved.

(c) If, during the fiscal year for which appropriations are authorized by this Act, the Attorney General determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding because of the position of the Department of Justice that such provision of law is not constitutional, then the representative of the Department of Justice participating in such proceeding shall make a declaration in such proceeding that such position of the Department of Justice regarding the constitutionality of the provision of law involved constitutes the position of the executive branch of the United States with respect to such matter.

Mr. LEVITAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LEVITAS. Mr. Chairman, while I believe this amendment is noncontroversial, I think it is, nevertheless, important. Let me explain briefly what it does.

There are occasions in which the Justice Department declines to defend the constitutionality of a U.S. statute in litigation. Even though the Justice Department is initially designated as representing the United States, and Congress has passed a statute, and the President has signed it into law, the Justice Department will, on occasion, go into court and declare that the statute is unconstitutional.

I have great problems with that practice to begin with. The Justice Department should faithfully execute the laws, not undermine them. But, at the very least, two things should occur when the Justice Department decides that it is not going to defend a statute of the United States. First, they must notify the Congress of the United States so that the Congress can provide counsel to defend the U.S. laws. That is the first thing this amendment would do. It would require notification in the event the Justice Department declines to defend a statute of the United States.

The second thing it does is to require that when the Justice Department decides it will not defend a statute of the United States, it can no longer continue in that proceeding to represent the United States as such, but thereafter the Justice Department will merely represent the position of the executive department, which is all that they will be doing, rather than the position of the United States.

I think it is important that this amendment and this procedure be again written into the law. It was made a part of the authorization legislation during the last Congress. I suggest that it be made part of the legislation on this occasion as well.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I am happy to yield to my distinguished colleague.

Mr. RODINO. Mr. Chairman, I see no strong opposition to this amendment. This reporting requirement is currently the law. I think it may be somewhat superfluous. The gentleman considers it important, however; I do see some merit to it and we have no objection to the amendment.

Mr. LEVITAS. I thank the chairman for his comments.

May I inquire of the chairman one thing, and I am not trying to get a commitment at this point. Rather than go through this process each year, which I am perfectly prepared to do, I wonder if the chairman could give consideration to taking action on legislation that would just make this procedure part of the law rather than go through the annual authorization amending process?

Mr. RODINO. If the gentleman will yield further, at the present time I would advise the gentleman that since the committee will be continuing its oversight, we will have to determine whether or not this will be necessary to be retained as a permanent feature.

Mr. LEVITAS. I thank the chairman for his observation. I certainly would not want anything to interfere with the important work of regulatory reform and legislative veto.

Mr. RODINO. If the gentleman will yield further, as he knows, we have had considerable discussion with the gentleman from Georgia, together with the Attorney General. While there were some areas where we were in disagreement as to the need, nonetheless I think the reporting requirement serves a wholesome, useful purpose, providing it does not become too burdensome. This is why we would like to examine the matter thoroughly and then be able to determine whether this should become a permanent feature of the law.

Mr. LEVITAS. I thank the chairman.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I am happy to yield.

Mr. McCLORY. Mr. Chairman, I would ask the gentleman if there is some time limit within which the Attorney General must act? The reason I ask the question is this: We may enact a piece of legislation here, and it might be a matter of years before there would be any determination to enforce the law or call for its enforcement. I would not want to put the Attorney General in the position where he is going to have to give us advisory opinions within a certain limited period of time in anticipation of litigation or no litigation. Would the gentleman inform me on that?

Mr. LEVITAS. Yes; it provides for that. The two occasions which trigger this report are when the Attorney General himself establishes a policy with respect to that particular statute, and that would, of course, lie in the hands of the Attorney General. Second is during the course of litigation, when by pleading or by otherwise, other action, the Attorney General takes that position. That would be the second occasion. So it does not just happen in the ordinary course of events. It would happen only where the Attorney General has either A, established a policy; or B, has officially taken that position during the course of litigation.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(At the request of Mr. McClory and by unanimous consent Mr. Levitas was allowed to proceed for 3 additional minutes.)

Mr. McCLORY. Mr. Chairman, will the gentleman yield further?

Mr. LEVITAS. I am happy to yield to the gentleman.

Mr. McCLORY. Do I understand that there will always be time within which the Congress might provide legal representation in support of legislation we have passed?

Mr. LEVITAS. Yes; that is precisely a major purpose of this amendment. When Congress has passed legislation and the Attorney General decides that he does not want to defend that legislation, it would then fall to the Congress to provide counsel.

□ 1400

We have done this on a number of occasions, and indeed the House and the other body at the present time have counsel representing both bodies in court, in a situation in which the Attorney General has conceded that a statute was unconstitutional. Thus far, we have prevailed and the Attorney General has lost each such case.

Mr. McCLORY. So there is an obligation on the part of the Attorney General if at any time, either before or even during a proceeding, he decides that he is not going to defend or is not going to support the legislation, that he report to us?

Mr. LEVITAS. That is precisely the purpose of this amendment.

Mr. McCLORY. I thank the gentleman. It is my further understanding, if the gentleman will yield further, that this was in the authorization bill that we passed last year. I cannot see any objection to it.

Mr. LEVITAS. That is correct. I further discussed the matter with representatives of the Justice Department, and they have no objection to this amendment as far as I can determine.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Levitas).

The amendment was agreed to.

AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. Holtzman: Page 40, after line 23, add the following new section:

Sec. 15. The Attorney General shall conduct a study to determine whether there are any other feasible uses for the facility at Ray Brook, New York, that is proposed as a Federal correctional institution, and report the results of such study to the Congress not later than 180 days after the date of the enactment of this Act. Such study shall include an analysis of the economic impact on the surrounding community of each feasible use of such facility.

Ms. HOLTZMAN. Mr. Chairman, this is a very simple and modest amendment that deals with the so-called Olympic Prison in Ray Brook, N.Y. As the members of the committee may know, it has been proposed that the Olympic facility will be turned into a Federal correctional institution.

What my amendment would do is simply require that the Attorney General shall, within 4 months, conduct a study to determine if there are any other uses for that Olympic facility and what the economic impact of those uses would be. The amendment, if adopted, would in no way delay the construction of the prison; nor would it prevent the implementation of existing law which calls for the construction of the prison. All that it would do would be to tell us whether or not there are any economically feasiable alternatives to a prison.

There has been a good deal of concern expressed throughout the State of New York about the construction of the prison facility at the Olympic site. However, no one who has opposed this prison has offered any feasible economic alternative use of the Olympic facility.

It would be useful to conduct a study of other uses of this Olympic facility for several reasons. First, such a study will forestall criticism of the United States which could occur in connection with the Olympic games themselves. Olympic participants might protest the fact that the facilities they are staying in will ultimately be a prison.

Second, there was never any study done of possible alternative when the prison was chosen as a proposed afteruse for the Olympic facility. In fact, the idea of using the facility as a prison was pulled out of a hat because at the time nobody could think of any other use. This, of course, does not mean there is no other use for the Olympic facility but there was no study done at any time of any other uses. In addition, the Bureau of Prisons initially took the position that it did not want a prison at the Olympic facility and only after the Olympic facility was under construction did the Bureau of Prisons support its conversion into a prison.

I urge my colleagues seriously to support this amendment. It does not delay the project. It does not commit the Congress to any alternative use. All that it does is say, "Let us be rational about the decision to use the Olympic facility as a prison. Let us see whether there are any other alternatives, and consider what the economic impact of those alternative uses."

I think adopting this amendment will forestall international criticism of the United States and criticism of us at the games. I think it will permit the Congress to make a sound decision about the prison. I have been assured by the Bureau of Prisons personnel that the amendment will in no way affect the present timetable for completion of the facility, but it will allow the Members of Congress to make an intelligent decision as to whether to go forward or whether to consider any other uses for the Olympic facilities.

Mr. DRINAN. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Massachusetts.

Mr. DRINAN. Mr. Chairman, I thank the gentlewoman for yielding, and I commend her on her amendment. I proposed the amendment in the full committee, and it failed on a tie vote.

As the gentlewoman has said so well, the amendment will cost us nothing. It is very modest, and the most important aspect of it is that it will put an end to the comments that we never looked into alternative uses. All the amendment says is that finally a study will be done and we will have the findings as to other alternative uses that could be in place for this particular facility.

I hope, therefore, that the gentlewoman's amendment is adopted.

Ms. HOLTZMAN. I thank the gentleman.

Mr. VOLKMER. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I am happy to yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, it is my understanding that the gentlewoman stated that the study would not prevent the utilization of the facility for the purposes for which it is presently intended.

Ms. HOLTZMAN. Correct. It in no way prevents the use of the facility for the purpose intended.

Mr. VOLKMER. I just want to make sure.

Ms. HOLTZMAN. There is no intention of doing that. Delay would not be the consequence.

Mr. VOLKMER. There is no intention by this amendment to prevent the Bureau of Prisons or Bureau of Corrections from going ahead as soon as the Olympic games are completed?

Ms. HOLTZMAN. That is correct.

Mr. VOLKMER. Go ahead and prepare it for placement for individuals, which I understand they will be ready to do around the first of October.

Ms. HOLTZMAN. That is correct. As a practical matter, this amendment could not do so because it requires that the study be completed in 4 months. There is no language in the amendment that would delay any construction.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

(At the request of Mr. Volkmer and by unanimous consent, Ms. Holtzman was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. The gentlewoman has no objection, then, to the Bureau continuing with the plans that they presently have to implement it as a prison facility?

Ms. HOLTZMAN. There is nothing in this amendment to stop them from implementing whatever plans already exist. But, the purpose of this study is to find out whether there are alternative feasible uses that will have a economic impact on the area equal to or better than that of the prison. If such uses exist, I hope they can be identified and implemented before it is too late, but there is no intention to interfere with the present time table.

Mr. VOLKMER. The present proposal is to use it for a youth facility.

Ms. HOLTZMAN. That is my understanding.

Mr. VOLKMER. We have no other youth facility, do we, in the Federal Bureau of Prisons?

We have none.

Ms. HOLTZMAN. That may in fact be the case, but Lake Placid may not be the appropriate place for it. It was not the initial intention by the Bureau to use it for a prison. It seems to me also that since there have been no alternatives studied for this facility, there ought to be a short study in a very brief period of time as to whether or not there are any alternative feasible uses for this institution.

I cannot imagine any serious objection to this since there is no intent to delay and there will be no delay. Congress, without a study, looks as if it is acting in a rush following up on initial decision that was made without a study or without any supporting evidence. This amendment would give us a factual basis to our decision and protect us against international criticism as well.

Mr. McCLORY. Mr. Chairman, I rise in opposition to the amendment.

The amendment would require another study of the Lake Placid facility. Obvious alternatives such as housing for low income persons or senior citizens, dormitory space for area colleges, additional hospital facilities were all explored in 1976 and found to be either unsuitable for the community or not adequate for an athlete village. The proponents of this amendment have had since 1976 to study this issue.

During the Judiciary Committee consideration of the bill we had an extensive debate on this issue. Subsequently the amendment was defeated on a rollcall vote by the committee. The committee then considered an amendment to study the suitability of the facility for use as a prison which was also defeated on a rollcall vote. A motion to reconsider this amendment was then defeated on a rollcall vote.

On this issue it is important to note that approximately 45 percent of Federal inmates with Northeast homes of record are currently located outside of the Northeast region. This facility would allow inmates to be hundreds of miles closer to their homes. Moreover, this facility would allow more youth and young adult offenders to be separated from older repeat offenders.

☐ 1410

Finally, Mr. Chairman, it seems to me it would be a breach of the basis upon which the entire authorization and appropriation was made for us now to reconsider and restudy and perhaps determine that we were wrong then, or we had our fingers crossed then, or something of that nature. I just hope that we can defeat this amendment and that we can fulfill a very important function of providing this kind of secure facility for the Olympic athletes at Lake Placid and at the same time provide for a fully justified and necessary use of this facility following the completion of the Olympic games.

I urge the defeat of this amendment.

● Mr. GARCIA. Mr. Chairman, I would like to bring to my colleague's attention the controversy surrounding the after-use of the Winter Olympic site at Lake Placid, N.Y. There are strong reasons which force me to believe that the proposed plan to convert this Olympic village, into a prison, is totally inappropriate.

The location of the prison and the backgrounds of the people who would be imprisoned there are the strongest arguments against the planned conversion. Lake Placid is located in the extreme northeastern section of New York State. The conversion would create a medium-security prison intended for 18 to 26 year old male offenders from the New York City and Boston areas. This creates a major problem of isolation. It has long been a basic prison policy that prisons should be built close to major population centers in order to make family visits more convenient and to enable prisoners to make use of community services. Family ties are an important element in the process of rehabilitation. It would create extreme hardships upon the prisoner's families to make this long and time consuming 300-mile trip. The great distance would drastically cut down on the number of visits made to prisoners and would be a serious blow to inmate morale, making rehabilitation practically impossible.

Opposition to the "Olympic prison" is not confined to a small group. A large number of people and organizations have mounted strong opposition to the prison. Congresswoman HOLTZMAN and Congressman DRINAN are offering an amendment which would require that the Attorney General seriously study the issue in order to determine whether there are any other workable after-uses for the Olympic site in terms of economic implications for the community. An international jurists report, submitted to the U.N. Human Rights Subcommission on Prevention of Discrimination and Protection of Minorities regarding Olympic prison states that:

> Our visit to this site has satisfied us that the site is totally inappropriate for a prison due to the isolation, hostile climatic environment, and the great distance of the site from any urban center from which its poor minority inmates may be expected to come.

A statement of conscience on the Lake Placid Olympic prison by the North County Clergy states:

> We protest the inhumane location . . . For the mothers, fathers, wives, ministers, and priests who will try to visit the inmates it will be virtually impossible, given . . . the expense of getting to the prison and remaining overnight, and even giving up work time to go.

This group of clergymen consists of 61 reverends from 6 different New York State counties.

The amendment to H.R. 3303 calls for a study to determine whether the Olympic site has any feasible after-uses. I hope that the Attorney General would be open to suggestions from interested organizations and individuals.

I strongly support the amendment to H.R. 3303 as offered by Ms. HOLTZMAN and Mr. DRINAN, for it is the last opportunity Congress will have to provide a positive use for these facilities.●

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

The question was taken, and on a division (demanded by Ms. HOLTZMAN) there were—ayes 4, noes 17.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WOLFF: On page 24, line 21, strike out "$193,836,000" and insert in lieu thereof "$202,366,000".

Mr. WOLFF. Mr. Chairman, my colleagues are aware that I serve as chairman of the Select Committee on Narcotics Abuse and Control and I offer an amendment to add $8.53 million to the DEA authorization. This is the minimum amount required for DEA to maintain its fiscal year 1980 operations at the fiscal year 1979 level.

The legislation before us would provide the DEA with a fiscal year 1980 authorization of $193.836 million—main bill. To continue the fiscal year 1979 level of operations into fiscal year 1980, a minimum of $202.366 million is required. I am concerned that the DEA will not be able to continue its successful operations under this authorization. This reduced level of funding will require a substantial number of program alterations.

DEA's domestic enforcement personnel will have to be reduced by 58 positions. Tactical intelligence operations will lose 37 positions. These positions would provide for enhanced strategic intelligence analysis regarding domestic drug movements and trafficking patterns as well as the role of organized crime in the drug trade. Agents will have to spend more of their time doing intelligence analysis instead of field enforcement work. Overseas staffing will be cut back 12 positions. Staff positions will be lost in programs dealing with compliance and regulation. DEA-State/local cooperative programs, including drug law enforcement training, forensic laboratory services, and State and local task forces will also be reduced. Although DEA had planned to expand its diversion investigation units (DIU's) into three additional States each year beginning with fiscal year 1980, the authorization will require that this be reduced to two additional programs per year. Funds for the purchase of evidence and information will be reduced by approximately 15 percent.

Mr. Chairman, when we talk about drug abuse we talk about people. The computers at OMB apparently recognize neither this nor the depth of the problem. There are two sides to the control of drug abuse: demand reduction and supply reduction. Neither one alone can be successful. H.R. 3916, which extends drug abuse and alcohol authorizations makes significant improvements in our demand reduction efforts. Without my amendment we will stand to lose ground in our supply reduction efforts.

DEA has been successful in drastically reducing the availability of heroin. Let us not equate this success with success in combating drug abuse. Drug abuse is cyclical, and heroin is a prime example. We succeeded in eliminating Turkey as the major heroin supplier only to see Mexico fill the void. Our cooperative program with the Mexican Government is succeeding, but we are now faced with the growing threat of heroin from Afghanistan and Pakistan. It is critical that we maintain our efforts at full strength and not cut back on DEA's ability to effectively work overseas. We must continue to disrupt international patterns of supply.

We often find abusers of drugs such as heroin shifting to illegally diverted prescription drugs to maintain their appetites when the heroin is no longer available. In response DEA has successfully established diversion investigation units (DIU's) in a number of States and is now negotiating with West Virginia, Arkansas, Colorado, New York, Arizona, Tennessee, Kentucky, and Ohio to establish new DIU's. Without my amendment no more than two States will be able to join with the DEA each year in a concerted effort to halt the diversion of prescription drugs.

Mr. Chairman, I understand the need to minimize Federal spending, and I fully support this goal. But I am also painfully aware of the devastating toll brought about by drug abuse. The authorization in this legislation will place the DEA in a competitive disadvantage with those who would seek to profit from traffiicking in drugs. The DEA has done an outstanding job. As a nation we will all suffer if we do not allow the DEA the resources with which to continue its efforts.

Mr. Chairman, I realize that DEA has already been appropriated an amount equal to the authorization contained in this legislation. I do not believe this to be a sufficient amount. I can assure my colleagues that the Select Committee on Narcotics will carefully monitor the impact of the present appropriation level on DEA's ability to carry out its mission. My amendment will make possible a supplemental appropriation if that should become necessary.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Illinois.

Mr. McCLORY I thank the gentleman for yielding. We have had an opportunity to examine the amendment here. It is a very good amendment, and we are very pleased to support it.

Mr. WOLFF. I thank the gentleman.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Texas.

Mr. DE LA GARZA. I appreciate the chairman of the Select Committee on Narcotics yielding to me. I want to associate myself with his remarks. Having visited some of the countries where we have problems, and having worked here in the United States, I cannot see any other thing that we can appropriately do but to assist DEA, and this is one way in which we can do it. I commend my chairman again.

Mr. WOLFF. I thank the gentleman.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. I thank the gentleman for yielding. I want to commend the gentleman. I know the tremendous amount of effort he has been putting in the area of drug enforcement and trying to wage a successful war against narcotics addiction, as the chairman of the Select Committee on Narcotics Abuse and Control.

As the gentleman knows, I have been for many years active in the struggle against narcotics and drug addiction and have supported, in this House, such legislation as would enhance the efforts of DEA in interdicting the overwhelming supply of illegal drugs coming into our country. As a member of the Narcotics Committee, I am pleased to support the request of the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. The gentleman was actually the inspiration for the creation of the select committee.

Mr. RODINO. I thank the gentleman. As one who has sat with him over the years on this committee, I can see the need for and I fully support the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the ranking minority member on the committee.

Mr. RAILSBACK. I thank the gentleman for yielding. I also want to commend the gentleman in the well.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York (Mr. WOLFF).

Under the very able and distinguished leadership of Chairman WOLFF, the Select Committee on Narcotics Abuse and Control has closely monitored and exercised extensive oversight of the Drug Enforcement Administration since the select committee was established in late 1976. While jurisdiction over DEA is vested in both the Judiciary Committee and the Interstate and Foreign Commerce Committee, the select committee has watched the activities and accomplishments of the DEA very closely.

Over the past 3 years I have witnessed a concerted effort on the part of the Federal Government to achieve a sensible, coordinated approach to the overwhelming problem of drug abuse in the United States. The DEA has been at the forefront of this effort working in conjunction with the State Department and Federal law enforcement agencies.

This amendment does one very simple thing. The amendment returns the authorization level for DEA to its 1979 level of operations. It does not increase DEA's funding, but merely makes a supplemental appropriation possible if, and only if, the Appropriations Committee deems it necessary. DEA may or may not need the additional $8.5 million, but in light of the immense drug abuse problem in the United States today DEA should not face such a significant reduction.

DEA's appropriation has already been set at $193.8 million for fiscal year 1980. This is identical to the authorization level contained in the Judiciary Committee's bill. Yet this figure would require the DEA to make significant cutbacks in its foreign, domestic, and intelligence operations. Domestic enforcement would suffer the most. DEA would have to reduce its domestic field squads by 38 positions, which represents a 3-percent reduction in force. In addition, 20 support personnel and $1 million in "buy" money would be eliminated from the domestic enforcement effort. In addition, 37 intelligence analysts positions would be lost.

Finally, DEA had planned to increase its highly successful State diversion investigation units (DIU) from 17 to 20. This reduction will mean that one of those units will not be established. In hearings held by the select committee in Chicago in July of this year, we learned that the abuse of prescription drugs has reached epidemic proportions. The DIU's, which concentrate on halting the abuse and transfer of legal drugs, have been highly effective. All 50 States should be authorized one of those units.

At a time when the abuse of drugs, particularly among young people, women, and the elderly is on the rise, the administration has chosen to cut back programs designed to curtail the widespread trafficking of illicit drugs and the diversion of licit drugs.

While DEA has been highly successful in helping curtail the rise of heroin, the war against this battle is far from over.

Just last week the Washington Post ran a front page story detailing the new heroin connection. Opium grown in remote areas of Afghanistan, Pakistan, and north Lebanon can now produce over 55 tons of heroin annually, and this amount is growing steadily. Close to 85 percent of the heroin in West Germany today originates from this area. DEA Administrator Peter Bensinger has told the select committee that Middle East heroin represented approximately 2 percent of the heroin in the United States in 1976, but by 1977 this had risen to close to 8 percent. Mr. Bensinger predicts that much more Middle East heroin could reach the United States by early 1980.

All of us are anxious to hold the budget in line, but the DEA is not an appropriate place to cut back. I urge my colleagues to support the increase authorization.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding. I want to commend the gentleman for his amendment, associate myself with his remarks, and merely add that I have had the good fortune to be with the gentleman and with his Select Committee on Narcotics Abuse and Control in a number of countries. I have seen how impressed leaders of other world communities are when the gentleman and members of his committee talk to them. I think if we were not to adopt the gentleman's amendment it would be a setback and would create an effect of where they would think we really do not care as much as we say we care about controlling narcotics. I think the amendment is essential, and I hope we adopt it.

Mr. WOLFF. I thank the gentleman.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the Narcotics Select Committee (Mr. WOLFF), of which I serve as a member, that provides the necessary funding authorizations to maintain the Drug Enforcement Administration (DEA's) program in fiscal year 1980 at the same program level as in fiscal year 1979. Without the passage of this amendment, DEA's operations would be severely curtailed, its domestic enforcement personnel, intelligence operations, overseas staffing and other positions; would be reduced by at least 130 positions.

Mr. Chairman, hardly a day goes by when Federal, State, and local drug law enforcement authorities do not seize large quantities of heroin, cocaine, marihuana, PCP, amphetamines, barbituates and other dangerous drugs. Narcotics trafficking costs this Nation alone an amount exceeding $45 billion and this Nation's effort to combat drug abuse and narcotics trafficking is less than $1 billion.

The amendment offered by the gentleman from New York adds a little over $8 million to maintain DEA's existing programs, personnel, and the mission to effectively fight the international narcotics traffickers who reap unknown billions of tax-free dollars from the human suffering of those who become dependent upon or addicted to drug abuse.

Mr. Chairman, let us not tie the hands of our courageous law enforcement officers who daily risk their lives to rid our streets of a pandemic disease that effects all mankind. Rather, we must provide these dedicated men and women with the necessary tools to effectively perform their dangerous tasks. In the final analysis, by cutting back on existing programs and personnel, we would only be hurting our own citizens.

Accordingly, Mr. Chairman, I urge my colleagues to support this vitally important amendment.

Mr. LIVINGSTON. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. I thank the gentleman for yielding. I, too, want to congratulate the chairman for his extremely important work in this vital area. This could be one of the most threatening crises facing our American citizens today, as we watch our youth get drained away by the crushing input of drugs throughout our schools. I think the gentleman has done a great service to the country by focusing on this issue through the Select Committee on Narcotics. This amendment will do much to enable DEA to continue with their great battle against this threat to our country, and I particularly congratulate the gentleman for his efforts and support his amendment.

Mr. WOLFF. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer an amendment to the text of the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill.

The Clerk read as follows:

Amendment offered by Mr. WAXMAN: Page 40, insert after line 23:

SEC. 15. (a) Section 709(a) of the Controlled Substances Act (21 U.S.C. 904) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1979," the following: "and $194,000,000 for the fiscal year ending September 30, 1980,".

(b) (1) Section 709 of such Act is amended by adding after subsection (b) the following new subsection:

"(c) In carrying out its functions under this title, the Drug Enforcement Administration may pay tort claims, in the manner authorized by section 2672 of title 28, United States Code, when such claims arise in foreign countries in connection with Drug Enforcement Administration operations abroad."

(b) (2) Section 511(d) of such Act (21 U.S.C. 881(d)) is amended by (A) by striking out "All provisions" and inserting in lieu thereof "The provisions", and (b) by striking out "and the award of compensation to informers in respect of such forfeitures".

(c) (1) Paragraph (4) of section 102 of such Act (21 U.S.C. 802(4)) is amended to read as follows:

"(4) The term 'Drug Enforcement Administration' means the Drug Enforcement Administration in the Department of Justice.".

(2) Sections 508 and 516 of such Act (21 U.S.C. 878, 886) are each amended by striking out "Bureau of Narcotics and Dangerous Drugs" each place it occurs and inserting in lieu thereof "Drug Enforcement Administration".

(3) Section 513 of such Act (21 U.S.C. 883) is amended (A) by striking out "Director of the Bureau of Narcotics and Dangerous Drugs" and inserting in lieu thereof "Administrator of the Drug Enforcement Administration", and (B) by striking out "Director may" and inserting in lieu thereof "Administrator may".

Mr. WAXMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1420

Mr. WAXMAN. Mr. Chairman, this amendment is entirely consistent with H.R. 3303 and is noncontroversial. It has three parts.

First, the amendment would amend the Controlled Substances Act to authorize appropriations of $194 million for the expenses of the Drug Enforcement Administration in the Department of Justice for fiscal year 1980. H.R. 3303 is a simple, 1-year authorization bill and does not amend the Controlled Substances Act. It authorizes appropriations of $193,836,000.

Second, the amendment would amend the Controlled Substances Act to authorize the Drug Enforcement Administration to pay tort claims in foreign countries in connection with the operations of the Drug Enforcement Administration. The claims would be settled under the same regulations promulgated pursuant to the Federal Tort Claims Act.

And third, the amendment would amend the Controlled Substances Act to repeal the requirement that an award of compensation be made to informers in accordance with the customs laws. The result is that the Attorney General will be able to use the current authority of section 516(a) of the Controlled Substances Act to pay rewards as he deems appropriate.

Mr. CARTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think the amendment is necessary and I urge the Members to support it.

I yield back the balance of my time.

### AMENDMENT OFFERED BY MR. WOLFF TO THE AMENDMENT OFFERED BY MR. WAXMAN

Mr. WOLFF. Mr. Chairman, I offer a technical amendment to the amendment offered by Mr. WAXMAN.

The Clerk read as follows:

Amendment offered by Mr. WOLFF to the amendment offered by Mr. WAXMAN: On page 1, line 7, strike out "$194,000,000" and insert in lieu thereof "$202,366,000".

Mr. WOLFF. Mr. Chairman, this is in the nature of a conforming amendment that conforms actually to the amendment that has just been passed by the House to the other portion of the bill.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I would be delighted to yield.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for yielding. In light of the fact the House has just adopted this revised figure, we would then deem it a technical amendment and urge its approval.

Mr. WOLFF. Mr. Chairman, I thank the gentleman.

Mr. CARTER. Will the gentleman yield, Mr. Chairman?

Mr. WOLFF. I would be delighted to yield.

Mr. CARTER. Mr. Chairman, we also support the conforming amendment.

Mr. WOLFF. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF) to the amendment offered by the gentleman from California (Mr. WAXMAN).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. WAXMAN), as amended.

The amendment, as amended, was agreed to.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will possibly offer an amendment to page 22 of the bill.

I would invite the attention of the chairman of the committee and the attention of the ranking member of the committee to the fact that on page 22, section (L), reads: "acquisition of land as sites for enforcement fence and construction incident to such fence."

I do not know if we are all acquainted with the concern which arose on the border as the immigration people, with some authorization from Congress, began to either reconstruct, add to or build new fencing on the Mexican border. Concern has been expressed that the fencing was almost inhumane. It was constructed so as to cut the fingers of anyone who tried to climb it, et cetera. We were assured by the Immigration and Naturalization Service that the construction would not include such features.

Mr. Chairman, my concern is that this does not say where, it does not say how much, it does not say what type of fence, it says nothing except to give authorization to acquire land space for enforcement fence, whatever that might mean and apparently in whatever amounts they decide upon and whatever type construction they might choose.

Mr. Chairman, I would like to offer an amendment to strike out that section. I read in the report nothing concerning the subject. I do not know if there is anything in the hearings.

Mr. RODINO. Mr. Chairman, would the gentleman yield?

Mr. de la GARZA. I would be happy to yield to the chairman of the committee.

Mr. RODINO. I thank the gentleman for yielding.

Mr. Chairman, I can appreciate the gentleman's concern. I would hardly consider it wise to strike out that section but I think for legislative purposes we could carry on a colloquy here. Certainly we know full well we should not and we cannot possibly endorse any kind of enforcement fence construction which would be inhumane. We understand the fence is constructed for detention purposes, a facility that would be absolutely humane and in keeping with trying to at least interview these individuals who unfortunately transgress and do come across the border.

Mr. Chairman, I would certainly want to assure the gentleman we could enter into a dialog which could be included in the report expressing a humane intent of this committee with regard to construction of enforcement fences.

Mr. de la GARZA. Mr. Chairman, I thank the gentleman.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. de la GARZA. I will yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, this colloquy concerns me. I do not know what type of fence we should direct the Immigration and Naturalization Service to provide. We do not want to provide a fence that is easily surmounted because that might encourage entry of illegal aliens. On the other hand, I am wondering what kind of a fence there should be that would retard illegal entry.

Mr. de la GARZA. Mr. Chairman, this is my problem. There have been hearings held by the committee and the committee has a record of the hearings. They could build here a fence 90 feet high, 3,000 miles long. I cannot tell. That is my concern. It already has caused the concern along the border, within our 2 nations and throughout the world. I would hate to pass this type of authorization that has no reference and no control over type and size. If it is a matter of reconstruction, then they need not acquire new sites.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. de la GARZA. I will yield again to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I would hope there would be no fence at all and we could provide a compatible society and a relatively free movement of people, legally, across the borders of our two countries. I hope something can be worked out like that. However, for us to spell out in the legislation what is humane, which, I assume, the administration and the Immigration and Naturalization Service would be bound to undertake, I think would probably not be acceptable.

□ 1430

The CHAIRMAN. The time of the gentleman from Texas (Mr. de la Garza) has again expired.

(By unanimous consent, Mr. de la Garza was allowed to proceed for 2 additional minutes.)

Mr. de la GARZA. Mr. Chairman, I would like to tell the chairman of the Committee on the Judiciary that I appreciate very much the gentleman's interest. I know of his personal interest in this matter and personal concern.

I wonder if we could by legislative history or necessarily by an amendment if it did not endanger the other part of the bill, that somehow we could insist that before the Immigration Service does anything under this authorization that they should come back to the committee of the chairman before they take the first step under this authorization. Could that be done as legislative history, or would we have to offer an amendment?

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. de la GARZA. I would be happy to yield.

Mr. RODINO. I would certainly be happy to provide whatever forum is necessary in order to insure that we would elicit from the department this kind of an understanding, and as the gentleman, the ranking member, stated a while ago, all of us are concerned with not even building fences or doing anything that might be setting up these barriers. I would hope that somehow or other we might get this across to the Justice Department and to the Immigration Service.

Mr. de la GARZA. Mr. Chairman, I thank the gentleman very much.

For my part, I would accept the word of the chairman and the ranking member, which in no case would I ever doubt, at any rate, that working together with other members from the border that it will be the intent of the chairman and the ranking member of the committee that we advise the department that before they proceed any further, should they under this authorization, they would come back to consult with the appropriate committee, which is the gentleman's committee.

Mr. RODINO. It is perfectly agreeable to me and I think it would be a wise course to follow.

The CHAIRMAN. The time of the gentleman from Texas (Mr. de la Garza) has again expired.

(By unanimous consent, Mr. de la Garza was allowed to proceed for 2 additional minutes.)

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. de la GARZA. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I appreciate the gentleman yielding. I wish to associate myself with the remarks of the chairman of the Committee on the Judiciary and say in addition that it is my understanding that this language has never been interpreted to authorize new fences. It just authorizes the repair of existing fences, whatever they may be. I certainly share the gentleman's concern.

Mr. de la GARZA. I appreciate the gentlewoman joining us. It does not read that way, but I hope it does not authorize new fences.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. de la GARZA. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Chairman, I just want to make clear, having gone into this at some length and been out there and seen some of these fences, this is the authority that has been used by the INS in the past to repair already existing fencing. I would not want it suggested here by what we have said that the INS has to come back to our committee every time they want to make some repairs on a fence that is repaired virtually daily. This is the authority they have used. We do not have any funds in the appropriation legislation that passed this House that would contemplate the creation of a large-scale fence whatsoever.

Mr. de la GARZA. We are not speaking about routine repair, of course; but when they came out with that new monstrous fence, they were using the same authority also.

Mr. LUNGREN. I understand; but as far as actual construction, this is the authority that has been used in the past.

Mr. de la GARZA. I appreciate that and I sincerely thank the chairman of the committee and the ranking member.

Mr. KAZEN. Mr. Chairman, I, too, rise on this subject. Those of us from the border were very, very embarrassed last year when the tortilla curtain concept came out of Mexico. A lot of our people became indignant because they did not know that such an idea existed. They started asking how much money it was costing to repair fences that apparently were not doing the job that they were supposed to do.

I saw some pictures of one of those fences around the area of the chairman in El Paso with great big holes in it that did not keep anybody back.

So the question is, if these fences are not doing the job, why are we continuing to put more money in them?

Actually, it finally boiled down to what Mexico considered was an affront to them.

We, in the past, criticized the Berlin Wall, the Bamboo Curtain, all of these other barriers that keep people away from each other and yet we in the United States, with all of our preaching of human dignity and human rights, talk of building a fence to help solve a problem.

Then came the stories about the type of fence that was being built. They had spikes in them. They showed where some people had been trying to cross those fences and they had blood all over the fence. They had people cut up because they were trying to cross those fences.

Now, I come back to the basic element that my colleague, the gentleman from Texas (Mr. de la Garza) just brought up, the wording of the statute which says:

> . . . acquisition of land as sites for enforcement fence and construction incident to such fence;

Regardless of how you interpret it, this means you are going out to get a right-of-way to build a new fence, not to repair a fence that is already there.

I do not have to interpret this wording for the members of the committee. All you have to do is read the language itself. There is nothing in the report to indicate that this is an authorization to use funds to rebuild present fences. Actually, it says, "acquisition of land." If it is to rebuild present fences, you do not need to acquire any land; but that is the authority you are giving the INS, the Immigration Service.

I say to you that as far as I am concerned, I would like to take this section out, and if my colleague, the gentleman from Texas (Mr. de la Garza) does not offer the amendment, I will, to strike this provision out of this bill. If it is intended to help us keep illegal aliens out of this country, it darn sure is not doing the work.

I asked how much money is authorized. I would like to be able to answer questions like that. How much money are we authorizing to repair the fences? According to what the gentleman has just said, the gentleman's understanding is—I will be delighted to yield to anyone who will tell me how much money is being appropriated or is being authorized.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Chairman, as I understand it, there is no specified sum to be utilized. It is utilized as a regular maintenance. If you go down on the border, you will see that they use anything they have available to try to repair the fence along the way because they have holes that go up daily.

The fence to which the gentleman refers that was suggested by some of the people in INS as a possibility is a fence, frankly, that is so expensive that I will be happy to find the figures to give to the gentleman; but I recall it is something like $1 million every so many miles. That has never been officially approved. It was a prototype that they established. It is not in place anywhere along the border.

I saw a piece of it. I happen to think it is somewhat dangerous, although it does not have spikes in it, but it is somewhat dangerous.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Kazen) has expired.

(By unanimous consent, Mr. Kazen was allowed to proceed for 4 additional minutes.)

Mr. LUNGREN. Mr. Chairman, will the gentleman yield further?

Mr. KAZEN. I yield to the gentleman.

Mr. LUNGREN. Mr. Chairman, there is approximately 960 miles of border between the United States and Mexico; of that, perhaps 50 to 100 miles of it actually has fencing. Fencing is by and large in the populated areas, so that where it is much more difficult to stop crossings of the border because of the impact of the area populationwise and the fences basically act as a guide, if you will, forcing people who are attempting to make illegal entry out of the most populated areas and where it is more easy to fence.

Mr. KAZEN. Mr. Chairman, I thank the gentleman for that explanation; but according to that explanation, if the money is being used to repair that fence on a daily basis, it only means one thing to me. It is not working. I do not care how many fences you build; it is not going to work.

□ 1440

So what we are doing is spending the taxpayers' money on something that does not work. It would be better if we take this money and put it into manpower or any other type of sensor device than to keep throwing the money away, repairing a fence that is being torn down every single day. It is just like a sieve. For goodness sake, it is time we stopped throwing good money after bad.

Let me talk about another matter—and the effect this is having on our relations with Mexico, which are very, very delicate at this particular time. It was the Government of Mexico and the people of Mexico who took such great offense to this fact that we are building a fence between us and those who are supposed to be our good neighbors to the south. Now, the question is: Do we treat them that way, and do we or do we not have any alternatives to stop the illegal flow?

I say to the Members that we do, and as far as I am concerned, I would like to see this whole thing stricken and all reference to a fence between two friendly countries completely eliminated.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes, I am delighted to yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I think the gentleman from Texas (Mr. Kazen) makes a good point. I do not think fences belong between two countries that are friendly.

But I would say to the gentleman that I am advised by staff that there is no money whatsoever in this authorization for the construction of any new fence, and that the Department of Justice in its budget submission, both to the Committee on the Judiciary and the Committee on Appropriations, had not one single penny for the construction of any new fence.

Mr. KAZEN. Then, Mr. Chairman, I ask the gentlewoman, why do we have this authorization? Is it not, I would ask the gentlewoman, for the purpose of having in the future, if it has not been done now, another appropriation, a supplemental? This will already be authorized, so we might have a future appropriation.

Ms. HOLTZMAN. Mr. Chairman, I would say to the gentleman that there is no intention by this language nor was there any intention by the Department of Justice to ask for or authorize any new fence.

Mr. KAZEN. What does "acquisition of land" mean? It provides for acquisition of new land.

Ms. HOLTZMAN. It allows it, but there is no intention to authorize a fence, and there is no funding at all for the acquisition of land.

Mr. KAZEN. Mr. Chairman, let me reclaim my time.

I understand what the gentlewoman from New York (Ms. Holtzman) is telling me. There has been no appropriation because the appropriation bill has already passed. We are doing things backward here. We are just now authorizing something that has already been appropriated. I am not worried because it was apparently not in the appropriation bill. I agree with the gentlewoman from New York.

But we are here authorizing something that has not been appropriated yet, and that will lead to a supplemental appropriation in the future. If this were not here, a supplemental appropriation would be no concern of mine or of this House.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Kazen) has expired.

(On request of Mr. de la Garza, and by unanimous consent, Mr. Kazen was allowed to proceed for 1 additional minute.)

Mr. de la GARZA. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I certainly do yield to the gentleman from Texas.

Mr. de la GARZA. Mr. Chairman, there is a possibility of this, I say to the gentleman, because in the other body there was some funding provided in the appropriation process that could conceivably be related to this.

But I would like to ask the gentleman if he would join with me and accept the commitment that we have here without endangering what could, if necessary, be something that might need to be done. The gentleman knows that there are fences surrounding or adjacent to the bridges for people control, not for illegal aliens as such.

In order not to jeopardize some of the legitimate uses, perhaps we could avail ourselves—those of us on the border, the gentleman and myself, as well as some of our other colleagues—of the generous attitude of the subcommittee chairman and the ranking minority member that the legislation here stand as the gentlewoman from New York has said and as others have said, and that a request be made of the Immigration and Naturalization Service that no movement beyond ordinary repair be made without consulting the chairman of the committee, who would inform us, if necessary, to continue the dialog with an appropriate committee of jurisdiction and with the INS, rather than with us individually.

Would the gentleman subscribe to that?

The CHAIRMAN. The time of the gentleman from Texas (Mr. Kazen) has expired.

(By unanimous consent, Mr. Kazen was allowed to proceed for 2 additional minutes.)

Mr. KAZEN. Mr. Chairman, if I may, let me answer the gentleman from Texas (Mr. de la Garza) this way: I would be willing to have the distinguished committee chairman and his committee look at this whole idea of a fence that has as its object the stopping of the illegal alien flow into the United States, and I hope that they will come to the opinion that no such fence is needed between our two countries.

If for some reason or other there must be a control fence around the bridges for the protection of our own people and for other safety reasons. I certainly would have no objections.

But I would say that we should be given an opportunity at least to appear before the distinguished gentleman's committee and debate this question about a fence that has been created in the past. In the meantime, hopefully the chairman of the committee can direct the Immigration and Naturalization Service not to build any new fences and not to throw good money after bad trying to mend fences that cannot be mended, because this is just wasting money.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes, I am delighted to yield to the chairman of the committee.

Mr. RODINO. Mr. Chairman, I would certainly endorse what the gentleman from Texas (Mr. Kazen) is saying. I give him my personal assurance—and I am sure that every member of the committee will join me—and that we are concerned with not only maintaining the kind of relations that we should have with a friendly country such as Mexico, but that, in keeping with what we consider to be a tradition of extending ourselves and trying to be humane, we would also direct to the Immigration and Naturalization Service the kind of interest and concern that has been demonstrated here today, hoping that there is no need for any fence except for people control or other kinds of safety measures.

Mr. KAZEN. Around the international bridges?

Mr. RODINO. That is correct.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Kazen) has again expired.

(By unanimous consent, Mr. Kazen was allowed to proceed for 1 additional minute.)

Mr. KAZEN. Mr. Chairman, let me thank the gentleman from New Jersey (Mr. Rodino) for that statement. I can certainly go along with him.

I just wanted the gentleman to understand why I am here, because when this thing broke, it was handled in a very, very bad manner. It left a very bad taste in the mouths of our friends. All along the border and in my district people were completely aroused. The "tortilla curtain" became known all over the world, and here we are, the United States of America, talking about civil rights, about our friendliness, and about our good relations with our neighbors to the north and the south, yet we consider building a fence to keep our neighbors out.

Mr. RODINO. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the committee chairman.

Mr. RODINO. Mr. Chairman, I would just want to tell the gentleman again that not only do I re-echo his sentiment, but when it was even suggested by some individuals who had been studying this question that there be some kind of barrier, I immediately rose at that time in strong opposition.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Kazen) has again expired.

(On request of Mr. McClory, and by unanimous consent, Mr. Kazen was allowed to proceed for 2 additional minutes.)

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes, I am delighted to yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I do not want to prolong this debate, but I want to point out to the gentleman that the chairman of the committee and I, along with the chairman of the subcommittee, the gentlewoman from New York (Ms. Holtzman), and the ranking minority member of the subcommittee, the gentleman from New York (Mr. Fish), are members of the National Commission on Immigration and Refugee Policy, which is to report early next year.

This is one of the considerations that we will have. It will relate to the question of an immigration policy with regard to Mexico and Canada and to the Western Hemisphere.

So I am sure that this will be one of the subjects that will be considered carefully there, and we will be making recommendations in, I believe, May 1980. I think that would be an appropriate time to resolve this matter harmoniously between Mexico and the United States and between the border States as well.

Mr. KAZEN. Mr. Chairman, I thank the gentleman from Illinois (Mr. McClory) for his attitude, and I particularly want to thank the gentlewoman from New York (Ms. Holtzman) for her attitude because I know how she feels about these things. I am sure her viewpoints will be listened to in immigration circles, and that nothing as onerous as some people are thinking about will happen.

Mr. RUNNELS. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from New Mexico.

Mr. RUNNELS. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Texas (Mr. Kazen). I appreciate his bringing to the attention of this body something that has perturbed many of my constituents.

□ 1450

Just a few minutes ago for the first time I just heard the word "Canada" mentioned. Up until then I believe it was discrimination in its worst form because everybody on the committee, with the exception of the ranking minority member, had not mentioned anything but Mexico. I believe that Mexico holds a lot for Americans in the future. I would hate to see that we had the tortilla curtain pulled up. We need it pulled down. For that reason, I would hope that the full committee and the subcommittee would not authorize any new construction or purchase of land.

Mr. KAZEN. I thank the gentleman for his remarks. I do hope that we can do away completely with any physical barrier now and in the future.

### AMENDMENT OFFERED BY MR. DRINAN

Mr. DRINAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Drinan: Section 4(b) is amended by adding the phrase "and aircraft" after the phrase "for motor vehicles."

Mr. DRINAN. Mr. Chairman, this is an amendment requested by the Department of Justice.

In the 1970 Appropriation Act for the Department of Justice a provision was included to permit the use of funds for the payment of premiums or fees for contracts of indemnification or insurance of officers, employees, and agents for their liability, or that of the United States, resulting from the operation of personal or official motor vehicles by them, while in the scope of their employment in foreign countries. This language adds aircraft to this provision. If an employee of the Department, while operating a motor vehicle or aircraft in a foreign country on official business becomes involved in a collision which causes personal injury or property damage, this provision provides a basis for payment of damages to a third party. Some countries have compulsory liability insurance laws. The Department advises that this provision protects employees and permits them to comply with the laws of countries where they operate aircraft on official business and avoids embarrassment of unfavorable publicity for the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Drinan).

The amendment was agreed to:

### AMENDMENT OFFERED BY MR. DRINAN

Mr. DRINAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Drinan: Section 4 of H.R. 3303 is amended by adding the following paragraph:

(h) The first sentence of section 5924(4)(B) of title 5, United States Code, is amended by striking out "or the United States Information Agency," and inserting in lieu thereof the following: ", the International Communications Agency or the Department of Justice."

Mr. DRINAN. Mr. Chairman, this amendment is also requested by the Department of Justice.

This amendment provides for one round trip per year educational travel for the dependents of Department of Justice personnel stationed overseas. Such benefits presently exist for Department of State, AID, and ICA employees overseas. CIA and NSA have received this benefit in S. 975—intelligence authorization—which is presently awaiting conference report approval.

Besides DEA, other department personnel covered by this provision are FBI legal attachés and INS employees stationed overseas. The Department of Justice could not provide the number of dependents who will benefit from this provision. There is no objection from OMB.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Drinan).

The amendment was agreed to.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think one of the most

important issues we have before the Congress is this matter dealing with illegal aliens. It is not limited to Mexico. It also involves people from a number of islands offshore. I also think the gentleman from Texas (Mr. Kazen) said what I have on my mind. This whole process is backward. I happen to conduct hearings on appropriations for the Justice Department. I have done it now for several years. We do not have at the time we conduct those hearings opportunity to use the guidelines laid down by a bill like this. It has not been passed yet. We have no guidelines to go by. The whole process is backward. And yet we have before us today a bill that is just for fiscal year 1980. The appropriations have already been made for fiscal year 1980. They are working downtown right now on a proposal for fiscal year 1981. The bill should have been passed a month ago for fiscal year 1981.

Why could we not, Mr. Chairman, amend this authorization to make it include 1981 instead of just 1980?

Mr. RODINO. If the gentleman will yield, I would first like to point out that, in a colloquy with the gentleman from Illinois yesterday during debate on this bill, we pointed out that the House should have considered this authorization very early at a time when the Committee on the Judiciary had already reported this bill.

Mr. SMITH of Iowa. I appreciate the gentleman had reported this bill several months ago.

Mr. RODINO. That is correct.

Mr. SMITH of Iowa. That leads to my second question. Why do we not amend this bill and make it include 1981, and then we would have something to go by in the hearings early next year.

Mr. RODINO. The only thing is that the Committee on the Judiciary, having oversight, feels that it must be necessary to sort of rein in. The Justice Department feels that it must do this on an annual basis. I can see the reason for doing it as the gentleman suggests, but nonetheless, since there are moneys that are appropriated each year, this is the problem we have.

Mr. SMITH of Iowa. That is where I disagree with the gentleman. The best way to have effective oversight is to get your authorization out of the way. That does not prevent your committee from going ahead and proposing amendments if you want to during the coming year. But with the authorization out of the way, then you can conduct oversight hearings. A number of committees are starting to do that now. If you would just get a year ahead instead of a year behind, you would have a lot more influence with the Justice Department.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Chairman, I am glad that the gentleman has taken the well to bring this point up, and I am also most pleased with the response of my chairman, the gentleman from New Jersey (Mr. Rodino).

I think the real solution is this—and I do not mind talking about it, because in my experience you have to talk about something for 5 or 6 years before it seems to register. What we ought to start doing is to continue what we started doing a few years ago when we moved up the fiscal year 3 months from July 1 to October 1. Now we ought to take a deep breath, hold onto our hats, and take one more step and make the fiscal year coincide with the calendar year. In other words, what we ought to be doing now is working in the 1981 fiscal year, not on the 1980 fiscal year.

Mr. SMITH of Iowa. It should have been passed last month.

Mr. DANIELSON. This Government has grown, the country has grown, it has grown in complexity, as well as size. We simply cannot put together a budget in the amount of time available. There was a time in the days of the gentleman's grandfather and mine when we had the fiscal year start on July 1, the Congress would come in in January and meet and pass the budgets and everything, and by July 1 they were already back home plowing corn and the new budget could take effect. That was fine. But we are too complicated for that. It takes a year. So why do we not just take the next step and have another transition quarter, have the fiscal year coincide with the calendar year, and then what we would be doing here, we would be passing the authorization bill for the next year, and the appropriation could come trotting along behind it. We would all be happy and we could go back home and decorate the Christmas tree.

Mr. SMITH of Iowa. The point I would like to make is that it would be much better for the Appropriations Committee if the guidelines were set before we even consider the funding bill. It would be a lot better for the administration if they knew what the guidelines were before they drew up the funding proposal.

In addition to that, they would not have the latitude they now have of submitting anything they want and then saying, "We asked for an authorization to cover that." You take this fence along the Mexican border. They may come to Congress next year and ask for a fence. I do not know if they will or not. But they could and then they can say, "Well, the authorization has not been passed yet, so we requested an authorization and the appropriation at the same time." If you had the authorization out of the way, they would know they are not going to get any authority to fund a fence and all you have to do to this bill is to change the 1980 date and add to it "and 1981," and then for once you would be caught up. I wish the gentleman would consider it.

### AMENDMENT OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Phillip Burton: Page 40, line 24, insert the following:

Sec. 15. The National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to use funds, and to authorize States to use funds, for programs, projects or events devoted to the international aspects of crime prevention and criminal justice.

(b) Notwithstanding any other provision of law, the State of California is authorized to utilize the proceeds of block grants awarded during fiscal year 1979 or fiscal years previous thereto to fund the 1980 Congress on the Prevention of Crime and Treatment of Offenders.

Mr. PHILLIP BURTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. DANIELSON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk concluded the reading of the amendment.

□ 1500

Mr. PHILLIP BURTON. Mr. Chairman, I have cleared this matter with the majority and minority, and I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Phillip Burton).

The amendment was agreed to.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was infuriated to read in this morning's Washington Post that the FBI has been passing information about our colleague from Illinois (Mr. Rostenkowski) to intelligence operatives of the Polish Government.

I can certainly sympathize with Mr. Rostenkowski because my house in Colorado was broken into in 1972 by the FBI. The operative, Timothy Redfern, is in jail. Those who ordered him to do it remain free. In fact, one of them has a building in Washington named after him.

One of the most annoying aspects of disclosures of this sort is the fact that they take place so long after the abuse occurred. The single best way to assure prompt disclosure and correction of illegality, such as the reprehensible passing of information about Mr. Rostenkowski, is to protect employees who decide to disclose publicly wrongdoing. Whistleblowers in the FBI can expose and thereby prevent wrongdoing.

Last year, as part of the Civil Service Reform Act, Congress passed strong whistleblower protections for all Federal employees. The same, strong substantive rights are provided to FBI agents. Nevertheless, because the FBI had a temper tantrum during the conference on the bill, the Attorney General was instructed to issue his own regulations to protect FBI whistleblowers, rather than be subject to the general rules covering all other Federal employees. This requirement was signed into law last October 13, over a year ago.

Where are these regulations? They have not yet been promulgated. After a series of unsuccessful telephone attempts to dislodge these regulations last spring, I sent a letter to Attorney General Bell asking where they were. On June 4, Assistant Attorney General John Harmon wrote to say the release of these regulations was imminent. I learned privately that the regulations were sent over to the White House on that day. And the regulations still have not been issued. They have been languishing over at the White House for over 4 months.

I want to publicly inform the administration today that I do not appreciate its ignoring of a clear instruction from the Congress for over a year. On an issue of this importance, and in view of the shocking revelations today, this delay is wholly inexcusable.

● Mr. FRENZEL. Mr. Chairman, H.R. 3303, the Justice Department authorization bill, was, according to the committee report, slightly over the President's budget and 7½ percent over the amount expended last year.

Since I believe that the President's budget, and the Congress too, is much higher than necessary. The $30 billion deficit which will result from either budget is too much.

Therefore, I must vote against the Justice Department authorization. I have no particular complaint with department's work, nor objections to particular programs. The problem is simply that we must cut somewhere, and I believe we should make cuts in most agency's spending.●

● Mr. McCLORY. Mr. Chairman, a communication from the Director of the FBI, William H. Webster, responds to four questions regarding funds and programs for domestic counterterrorism. Judge Webster's letter to my colleague, J. Kenneth Robinson and his detailed report on terrorism in the United States is attached to these remarks as follows:

June 5, 1979.

Hon. J. Kenneth Robinson,
*Permanent Select Committee on Intelligence, House of Representatives, Washington, D.C.*

Dear Congressman Robinson: Reference is made to your letter of May 24, 1979, which raises four questions regarding the FBI's Fiscal Year 1980 authorization for counterterrorism.

Enclosed is our response to your letter.

Sincerely yours,
William H. Webster,
*Director.*

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June 5, 1979.

House Permanent Select Committee on Intelligence

Reference is made to letter from Congressman J. Kenneth Robinson dated May 24, 1979.

In that letter, Congressman Robinson requested the FBI respond to four questions relating to appropriations for the Terrorism Program for Fiscal Year 1980.

The following is in response to those questions.

Would you please give us a brief overview of the terrorism situation in the United States and any changes that have taken place in the past few years?

The mobility and complexity of modern society is an ideal environment in which terrorism can flourish. The geographic diversity not only of those whose tactic is terrorism, but also those who are its victims, is illustrated by the terrorists attacks that have occurred. These include the armed takeover of the Chilean Consulate, San Juan, Puerto Rico, in July, 1978; the armed takeover of the West German Consulate in Chicago, Illinois, in August, 1978; and the theft, for nuclear extortion purposes, of Uranium from a plant in Wilmington, North Carolina, in January, 1979. Although the number of terrorist-related bombings has decreased to 52 in 1978, as compared to 100 in 1977, the number of injuries, deaths, and property damage remains high.

The deterrent nature of the preventive phase of this program, as well as the reactive phase of arrest and incarceration of terrorists, may well account for the decreased terrorist activity during 1978. It is axiomatic that this program, by its mere existence and success, will cause a decline in both investigative activity and related statistics concerning terrorism.

There perhaps has been in this area a change in emphasis from domestic terrorist groups to international terrorist groups activity in the United States. This is evidenced by a decline in domestic security investigations from 119 in December, 1977, to 52 in December, 1978. Investigative activity concerning international terrorism due to the recent events in the Middle East coupled with the rhetoric of Yasir Arafat, head of the Palestine Liberation Organization, seems to indicate a potential problem in the area of international terrorism in the United States. There are currently approximately 300 international terrorist investigations concerning the threat posed by individuals and groups in this area.

What initiatives are being taken by the Counter-terrorism Program to curtail terrorist activities in the United States?

The FBI's Terrorism Program efforts are directed toward strengthening the reactive capabilities of criminal-related terrorism matters with preparedness as an objective.

Because of the possibility of an increase in terrorist activities at international events, the FBI has begun planning and coordination of security measures for the 1979 Pan American Games to be held in San Juan, Puerto Rico. These operations include conferences on both the Headquarters and field office levels to ascertain possible problem areas in order to maintain an alert responsive posture for terrorist activities. Similar attention is being directed at the 1980 Winter Olympics in Lake Placid, New York, to ensure that terrorist groups do not use this occasion as a means to seek world notoriety for their causes. In this regard, the FBI is part of a Federal Coordinating Committee and is working closely with the New York State Police concerning law enforcement responsibility for this event. Preparations have involved not only periodic conferences at the field and Headquarters levels, but also specialized training for Special Agents at that location. During this event, the FBI will maintain a command center through which intelligence on terrorist groups can be disseminated.

Additionally, the FBI has established investigative initiatives in the area of anti-Tito terrorist activities. As a result of terrorist activities engaged in by Yugoslav emigre groups, which have involved force or violence and in some cases violations of Federal law, the investigative effort to successfully resolve these acts of terrorism is being coordinated by 15 FBI field offices having an active Yugoslav emigre population.

Because acts of terrorism committed by Yugoslav emigres have been directed at West German establishments, such as the recent takeover of the West German Consulate in Chicago, Illinois, in August, 1978, future violent activities may not be confined to Yugoslav establishments and personnel. The Yugoslav emigre terrorist movement is an international activity necessitating cooperation and exchange of information between the FBI and friendly foreign police agencies.

The result of these initiatives will be a coordinated effort to detect, identify, and prevent unlawful, violent activities of these Yugoslav emigres.

The Terrorism Program, through a multi-year plan for upcoming fiscal years, includes the exploration of a multi-nation coordinated effort to combat terrorism. In this regard, the FBI, through representatives of the Terrorism Program, has exchanged information concerning terrorism with friendly foreign intelligence services with the information being well received and reciprocal information furnished. Through this method of contact with foreign countries, as well as attendance at international conferences and symposiums, and the hosting of symposiums on terrorism at the FBI Academy, the lessons learned from terrorist actions throughout the world will be utilized to enhance the FBI's ability to deal with terrorist actions taking place in the United States. In this context, lessons learned in the United States will be shared with representatives of friendly governments to better their capabilities in dealing with terrorist incidents.

What functions are currently performed in the management direction area of the Counter-terrorism Program? How many Agents would be needed to carry out these functions?

The mission of the Terrorism Program is to manage the activities of the FBI as they relate to terrorism. The current composition of this program consists of:

The program Front Office managed by Mr. Sebastian S. Mignosa with an assistant. The Program Manager assures all aspects of investigative areas are thoroughly completed; ensures compliance with the Attorney General Guidelines for Domestic Security Investigations; and participates in numerous conferences, meetings, and seminars concerning terrorism with other Government agencies and friendly foreign services.

The Substantive and Civil Disorders Unit has program responsibility for nuclear extortion investigations, National Aeronautics and Space Act of 1958 investigations, civil disorders and demonstrations, domestic security investigations, Atomic Energy Act investigations, and Act For the Protection of Foreign Officials and Official Guests of the United States investigations. This Unit is responsible for management of preliminary, limited, and full domestic security investigations and with respect to that, is in frequent contact with the Investigation Review Unit of the Department of Justice concerning each of these investigations. Nuclear extortion matters involve frequent conferences with the Nuclear Regulatory Commission and and the Department of Energy, as well as participating as active members in the Department of Energy's Nuclear Emergency Search Team (NEST) Operations Committee, NEST Steering Committee, NEST Planning Committee, NEST Threat Credibility Assessment Group, and NEST Access Working Group. These NEST committees and working groups meet on a quarterly basis to discuss state-of-the-art developments concerning nuclear material and nuclear weapons and assess and evaluate various methods by which a nuclear threat, theft, diversion, or extortion may be successfully dealt with.

This Unit, in managing investigations of the Act For the Protection of Foreign Officials and Official Guests of the United States, has frequent contact with the U.S. Department of State, Central Intelligence Agency, and other Federal agencies, as Drug Enforcement Administration, concerning threats received or acts committed against foreign officials. As evidenced by the investigation into the bombing death of former Chilean Ambassador to the United States, Orlando Letelier, these investigations may be long-term, involving continuous daily review of investigative activity of more than a dozen field offices and coordinating investigative effort to achieve the investigative objective. This is an example of one supervisor being utilized exclusively to coordinate this complex, long-standing investigative matter.

The Bombing and Nationalist Unit is responsible for program management of investigations of Neutrality Matters, Puerto Rican Nationalist Matters, Anti-Castro Matters, Bomb Threats, Explosive and Incendiary Devices, and Antiriot Laws. Supervisors in this Unit are responsible for coordinating all investigative efforts concerning the violent anti-Castro Cuban exile groups, as well as the violent Puerto Rican groups. Also included are those groups which advocate a change in the Governmental system and seek to implement this change by violent activity.

The False Identity—Espionage-X Unit is responsible for management of investigations of Sedition, Passport and Visa Matters, Treason, Espionage-X, Sabotage, and False Identity Matters. This Unit is routinely in frequent contact with the Department of Justice concerning these sensitive investigations, as well as other Governmental agencies concerning elements of the violation or background of individuals who may be involved.

Also included in this program is the Terrorist Research and Bomb Data Unit, which provides up-to-date statistical and technical information and training to law enforcement agencies which have responsibilities of responding to and investigating cases involving improvised explosive devices. The Unit also maintains statistics on domestic terrorist incidents and conducts research regarding terrorist organizations in order to prepare bulletins concerning them. The Unit operates two programs, the FBI Bomb Data Center and the Terrorist Research Center.

The International Terrorist Unit is managed within the Terrorism Program, but for funding purposes, is funded by the Foreign Counterintelligence budget. This Unit is responsible for investigations of organizations and individuals according to the Attorney General Foreign Counterintelligence Guidelines and are designed to detect and prevent the occurrence of terrorist acts within the United States by members of foreign terrorist organizations or associates of foreign terrorist organizations. The Headquarters management direction complement for this Unit is derived from the Foreign Counterintelligence budget and therefore is not included in the Terrorism Program budgetary request.

The Terrorism Program has representatives who are active participants in the National Security Council/Special Coordinating Committee Working Group and Executive Groups To Combat Terrorism; the Critical Collection Problems Committee (chaired by the Central Intelligence Agency), the Steering Committee of the Federal Response Plan for Peacetime Nuclear Emergencies, the Nuclear Threat Credibility Assessment Project, and the Working Group on Unauthorized Disclosures of the Security Committee (under the direction of the Director of Central Intelligence).

During July, 1978, the FBI hosted an International Symposium on Terrorism at the FBI Academy which brought together experts from around the world to discuss their respective experiences and to identify the techniques of international terrorism.

Representatives from the Terrorism Program attended the International Conference on Terrorism at the International Institute for Scientific Research in West Berlin, Germany, which included representatives of free world law enforcement and intelligence agencies. Its purpose was to assess and analyze experiences and techniques in dealing with a terrorist incident and methods to prevent such incidents from occurring.

There also exists within the FBI, the Intra-Bureau Committee on Terrorism, which is comprised of representatives from the Intelligence and Criminal Investigative Divisions, as well as support divisions, such as Laboratory, Technical Services, Training, and Records Management Divisions. Its function is to discuss possible problems involved in dealing with a terrorist incident and the immediacy of response required should an incident occur. As a result of this Committee's efforts, the FBI has identified select individuals with specialties who can be immediately dispatched to the scene of a terrorist incident to provide assistance and support to the field investigative team managing the investigation. This group consists of representatives possessing expertise in communications, explosives, identification, hostage negotiations, and Special Weapons and Tactics specialists.

In addition to responsibility for items enumerated above, the management direction of the Terrorism Program supervises and reviews contingency plans for each of the 59 FBI field offices throughout the United States which are formulated to provide a timely and effective response to a terrorist incident.

Additionally, the program is responsible for FBI participation, coordination, and responsibilities of the VIII Pan American Games to be held in San Juan, Puerto Rico, in July, 1979, and the Winter Olympics to be held in February, 1980, in Lake Placid, New York. This involves numerous conferences, symposia, training, and liaison with police and other members of the Executive Committee that are concerned with these games.

Further, the program is responsible for the terrorism budget, Congressional inquiries concerning the budget, and numerous interrogatories concerning domestic security investigations. This program also replies to questions concerning terrorism from whatever source. In addition to these functions, during a crisis situation, for example, takeover of an embassy, a nuclear extortion, or situations of a similar magnitude, supervisors of the Terrorism Program immediately gather in the FBI Operations Center and act as the FBI Crisis Managers during these sessions.

In order to fulfill the two-pronged investigative effort consisting of the preventive phase, detection, identification, and collection of evidence for prosecution of terrorists and their groups; and the reactive phase consisting of coordinated preplanning to ensure an effective and timely response to a terrorist act through crisis management and intensive investigative effort, eighteen supervisory personnel for management direction are needed. The Fiscal Year 1980 budget for the Terrorism Program provides funds for nine supervisory personnel for management direction, which would severely curtail or eliminate most of the activities set forth above currently performed within this program.

To fulfill the mission of the Terrorism Program of responding in an effective and timely manner to terrorist incidents utilizing the two-pronged investigative effort of prevention and reaction, an additional nine Agents would be needed to adequately fulfill these functions. This would be a decrease of four Agents which were funded for Fiscal Year 1979 and would represent a reorganization of the Terrorism Program to ensure the United States Government being in a position to respond to terrorist acts efficiently and effectively and to anticipate occurrence of these acts to preclude disruption of the functioning of all levels of Government, prevention of civil disorders, and possible loss of life.

Could funds for these Agents be obtained by reprogramming resources within the Bureau without doing irreparable harm to other important programs such as Organized Crime, White Collar Crime, or Foreign Counterintelligence?

Since additional funding was specifically sought for the priority areas of Foreign Counterintelligence, Organized Crime, and White-Collar Crime and approved for those areas, it would not be feasible to reallocate resources from those programs without affecting the overall program objectives of those priority areas.●

The CHAIRMAN. Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly the committee rose; and the Speaker having assumed the chair, Mr. WHITE, chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 3303), to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes, pursuant to House Resolution 319, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute, as amended, adopted by the Committee of the Whole. If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 386, nays 24, not voting 23, as follows:

[Roll No. 570]

YEAS—386

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Conte
Corcoran
Corman
Cotter
Coughlin
Courter

Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

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Bafalis
Bauman
Collins, Tex.
Conable
Crane, Philip
Dannemeyer
Devine
Dornan
Fenwick
Frenzel
Gonzalez
Hansen
Jenrette
Jones, Okla.
Kelly
Leath, Tex.
Lee
McDonald
Mottl
Pashayan
Paul
Satterfield
Symms
Watkins

NOT VOTING—23

Addabbo
Anderson, Ill.
Andrews, N.C.
Chisholm
Collins, Ill.
Conyers
Duncan, Oreg.
Edgar
Flood
Jones, N.C.
Leach, La.
Murphy, N.Y.
O'Brien
Patten
Rosenthal
Rostenkowski
Russo
Shuster
Treen
Vanik
Wilson, C. H.
Winn
Wylie

☐ 1520

The Clerk announced the following pairs:

Until further notice:

Mr. Rostenkowski with Mr. Winn.

Mr. Rosenthal with Mr. O'Brien.

Mr. Vanik with Mr. Andrews of North Carolina.

Mr. Murphy of New York with Mr. Shuster.

Mr. Charles H. Wilson of California with Mr. Wylie.

Mr. Russo with Mr. Jones of North Carolina.

Mr. Patten with Mr. Duncan of Oregon.

Mr. Conyers with Mr. Edgar.

Mrs. Collins of Illinois with Mrs. Chisholm.

Mr. Addabbo with Mr. Anderson of Illinois.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. RODINO. Mr. Speaker, pursuant to the provisions of House Resolution 319, I call up from the Speaker's table the Senate bill (S. 1157) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

### MOTION OFFERED BY MR. RODINO

Mr. RODINO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. RODINO moves to strike out all after the enacting clause of the Senate bill, S. 1157, and to insert in lieu thereof the provisions of the bill, H.R. 3303, as passed, as follows:

That this Act may be cited as the "Department of Justice Appropriation Authorization Administration Act, Fiscal Year 1980".

SEC. 2. There are authorized to be appropriated for the fiscal year ending September 30, 1980, to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) the following amounts:

(1) For General Administration, including hire of passenger motor vehicles, and miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration: $33,168,000.

(2) For the United States Parole Commission, including the hire of passenger motor vehicles: $5,555,000.

(3) For General Legal Activities, including—

(A) the hire of passenger motor vehicles;

(B) miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Deputy Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration;

(C) not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate;

(D) advance of public moneys under section 3648 of the Revised Statutes (31 U.S.C. 529);

(E) pay for necessary accommodations in the District of Columbia for conferences and training activities; and

(F) not to exceed $105,000 which may be transferred from the "Alien Property Funds, World War II", for the general administrative expenses of alien property activities, including rent of private or Government-owned space in the District of Columbia:

$106,267,000, of which $3,000,000 shall be made available for the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals.

(4) For the Antitrust Division, consumer protection and kindred laws: $46,915,000.

(5) For United States Attorneys, Marshals, and Trustees, including—

(A) purchase of firearms and ammunition;

(B) lease and acquisition of law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(C) supervision of United States prisoners in non-Federal institutions;

(D) bringing to the United States from foreign countries persons charged with crime; and

(E) acquisition, lease, maintenance and operation of aircraft $242,573,000.

(6) For Support of United States Prisoners in non-Federal institutions, including necessary clothing and medical aid, payment of rewards, and reimbursements to Saint Elizabeths Hospital for the care and treatment of United States prisoners, at per diem rates as authorized by section 2 of the Act entitled "An Act to authorize certain expenditures from the appropriations of Saint Elizabeths Hospital, and for other purposes", approved August 4, 1947 (24 U.S.C. 168a): $25,100,000.

(7) For Fees and Expenses of Witnesses, including expenses, mileage, compensation, and per diems of witnesses in lieu of subsistence, as authorized by law; including advances of public moneys: $27,052,000, but no sums authorized to be appropriated by this Act shall be used to pay any witness more than one attendance fee for any one calendar day.

(8) For the Community Relations Service: $5,428,000.

(9) For the Federal Bureau of Investigation for—

(A) expenses necessary for the detection, investigation, and prosecution of crimes against the United States;

(B) protection of the person of the President of the United States and the person of the Attorney General;

(C) acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies;

(D) such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General;

(E) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(F) acquisition, lease, maintenance, and operation of aircraft; firearms and ammunition; payment of rewards; and

(G) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157 and 1160), under regulations prescribed by the Secretary of State; and

(H) not to exceed $12,100,000 to counter terrorism in the United States; and

(I) not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and to be accounted for solely on his certificate:

$584,408,000, but, in addition to this amount reimbursement received from the Committee on Appropriations, House of Representatives, and the Committee on Appropriations, United States Senate, for the assignment of investigative and support staff or other assistance may be credited to this amount and none of the sums authorized to be appropriated by this Act for the Federal Bureau of Investigation shall be used to pay the compensation of any employee in the competitive service. Using sums authorized to be appropriated by this Act, the Federal Bureau of Investigation shall classify the offense of arson as a part I crime in its Uniform Crime Reports.

(10) For the Immigration and Naturalization Service, for expenses necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including—

(A) advance of cash to aliens for meals and lodging while en route;

(B) payment of allowances to aliens, while held in custody under the immigration laws, for work performed;

(C) payment of expenses and allowances incurred in tracking lost persons as required by public exigencies in aid of State or local law enforcement agencies;

(D) payment of rewards;

(E) not to exceed $80,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate;

(F) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(G) acquisition, lease, maintenance, and operation of aircraft;

(H) firearms and ammunition and attendance at firearms matches;

(I) operation, maintenance, remodeling and repair of buildings, and the purchase of equipment incident thereto;

(J) refunds of maintenance bills, immigration fines, and other items properly returnable except deposits of aliens who become public charges and deposits to secure payment of fines and passage money;

(K) payment of interpreters and translators who are not citizens of the United States and distribution of citizenship textbooks to aliens without cost to such aliens;

(L) acquisition of land as sites for enforcement fence and construction incident to such fence;

(M) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157, and 1160) under regulations prescribed by the Secretary of State; and

(N) research related to immigration enforcement which shall remain available until expended:

$319,386,000, of which $2,100,000 shall be made available to redesign, update, and maintain the nonimmigrant control system applicable to arrival and departure of aliens in and from the United States, $5,000,000 shall be made available to install fully automated systems for processing and recordkeeping in District offices, and not to exceed $50,000 may be used for the emergency replacement of aircraft upon the certificate of the Attorney General.

(11) For the Drug Enforcement Administration for its activities, including—

(A) hiring and acquiring law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(B) paying in advance for special tests and studies by contract;

(C) paying in advance for expenses arising out of contractual and reimbursable agreements with State and local law enforcement and regulatory agencies while engaged in cooperative enforcement and regulatory activities in accordance with section 503a(2) of the Controlled Substances Act (21 U.S.C. 873(a)(2));

(D) paying expenses not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate;

(E) paying rewards;

(F) paying for publication of technical and informational material in professional and trade journals; purchase chemicals, apparatus, and scientific equipment;

(G) paying for necessary accommodations in the District of Columbia for conferences and training activities;

(H) acquiring, leasing, maintaining, and operating aircraft;

(I) research related to enforcement and drug control to remain available until expended;

(J) contracting with individuals for personal services abroad, and such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management;

(K) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157, and 1160), under regulations prescribed by the Secretary of State; and

(L) paying for firearms and ammunition and attendance at firearms matches:

$202,366,000, including such sums as are authorized by section 709(a) of the Controlled Substances Act (21 U.S.C. 904(a)), for the fiscal year ending September 30, 1980.

(12) For the Federal Prison System: $344,011,000, including the following:

(A)(i) For the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions;

(ii) purchase and hire of law enforcement and passenger motor vehicles;

(iii) compilation of statistics relating to prisoners in Federal penal and correctional institutions;

(iv) assistance to State and local governments to improve their correctional systems;

(v) purchase of firearms and ammunition; medals and other awards;

(vi) payment of rewards;

(vii) purchase and exchange of farm products and livestock;

(viii) construction of buildings at prison camps; and acquisition of land as authorized by section 4010 of title 18 of the United States Code; and

(ix) transfer to the Health Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for the direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions.

(B) For Federal Prison Industries, Incorporated, to make such expenditures, within the limits of funds and borrowing authority, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Control Corporation Act, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase and hire of passenger motor vehicles.

(C)(i) For planning, acquisition of sites and construction of new facilities, and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, to remain available until expended and the labor of United States prisoners may be used for work performed with sums authorized to be appropriated by this clause.

(ii) The Attorney General shall take such steps as may be necessary to acquire or to construct, in Los Angeles County, California, a Federal detention facility.

(iii) In addition to any other sums that are authorized to be appropriated by this Act, there are authorized to be appropriated $2,600,000 for planning and site acquisition to carry out clause (ii).

(D) For carrying out the provisions of sections 4351 through 4353 of title 18 of the United States Code, which establishes a National Institute of Corrections, to remain available until expended.

SEC. 3. None of the sums authorized to be appropriated by this Act may be used to pay the compensation of any person employed after the date of the enactment of this Act as an attorney (except foreign counsel employed in special cases) unless such person shall be duly licensed and authorized to practice as an attorney under the laws of a State, territory, or the District of Columbia.

SEC. 4. (a) Such sums authorized to be appropriated by this Act which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations prescribed by the Attorney General.

(b) Sums authorized to be appropriated by this Act may be used for the purchase of insurance for motor vehicles and aircraft operated in official Government business in foreign countries.

(c) Sums authorized to be appropriated by this Act for salaries and expenses shall be available for services as authorized by section 3109 of title 5 of the United States Code.

(d) Sums authorized to be appropriated by this Act to the Department of Justice may be used for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

(e) Sums authorized to be appropriated by this Act may be used for—

(1) expenses of primary and secondary schooling for dependents of personnel stationed outside the continental United States at costs not in excess of those authorized by the Department of Defense for the same area, when it is determined by the Attorney General that schools available in the locality are unable to provide adequately for the education of such dependents; and

(2) transportation of those dependents between their place of residence and schools serving the area which those dependents would normally attend when the Attorney General, under such regulations as he may prescribe, determines that such schools are not accessible by public means of transportation.

(f) There are authorized to be appropriated for the fiscal year ending September 30, 1980, such sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs.

(g) Sums authorized to be appropriated for "Salaries and expenses, General Administration", "Salaries and expenses, United States Attorneys, and Marshals", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Bureau of Prisons" may be used for uniforms and allowances as authorized by sections 5901 and 5902 of title 5 of the United States Code.

(h) The first sentence of section 5924 (4)(B) of title 5, United States Code, is amended by striking out "or the United States Information Agency," and inserting in lieu thereof the following: ", the International Communications Agency or the Department of Justice."

SEC. 5. Section 5315(19) of title 5 of the United States Code, is amended to read as follows:

"(19) Assistant Attorneys General (10).".

SEC. 6. Notwithstanding the second of the paragraphs relating to salaries and expenses of the Federal Bureau of Investigation in the Department of Justice Appropriation Act, 1973 (86 Stat. 1115), sums authorized to be appropriated by this Act for such salaries and expenses may be used for the purposes described in such paragraph until, but not later than, the end of the fiscal year ending September 30, 1980. Any dissemination by the Federal Bureau of Investigation of identification and other records to a financial institution chartered or insured by the Federal Government shall be on a cost reimbursed basis.

SEC. 7. With respect to any undercover investigative operation of the Federal Bureau of Investigation which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence—

(1) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act may be used for leasing space within the United States, the District of Columbia, and the territories and possessions of the United States without regard to section 3679(a) of the Revised Statutes (31 U.S.C. 665(a)), section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)), section 305 of the Act of June 30, 1949 (63 Stat. 396; 41 U.S.C. 255), the third undesignated paragraph under the heading "MISCELLANEOUS" of the Act of March 3, 1877 (19 Stat. 370; 40 U.S.C. 34), section 3648 of the Revised Statutes (31 U.S.C. 529), section 3741 of the Revised Statutes (41 U.S.C. 22), and subsections (a) and (c) of section 304 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 395; 41 U.S.C. 254 (a) and (c));

(2) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions without regard to the provisions of section 648 of title 18, United States Code, and section 3639 of the Revised Statutes (31 U.S.C. 521); and

(3) the proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation without regard to the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484);

only upon the written certification of the Director of the Federal Bureau of Investigation (or, if designated by the Director, the Associate Director) and the Attorney General (or, if designated by the Attorney General, the Deputy Attorney General) that any action authorized by paragraph (1), (2), or (3) of this subsection is necessary for the conduct of such undercover operation.

(b) As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under paragraphs (2) and (3) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited into the Treasury of the United States as miscellaneous receipts.

SEC. 8. During the fiscal year for which appropriations are authorized by this Act, each organization of the Department of Justice, through the appropriate office within the Department of Justice, shall notify in writing the Committees on the Judiciary, of the House of Representatives and the Senate, and other appropriate committees, and the ranking minority members thereof, a minimum of 15 days before—

(1) reprograming of funds in excess of $250,000 or 10 percent, whichever is less, between the programs within the offices, divisions, and boards as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(2) reprograming of funds in excess of $500,000 or 2 percent, whichever is less, between programs within the Bureaus as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(3) any reprograming action which involves less than the amounts specified in paragraphs (1) and (2) if such action would have the effect of significant program changes and committing substantive program funding requirements in future years;

(4) increasing personnel or funds by any means for any project or program for which funds or other resources have been restricted;

(5) creation of new programs or significant augmentation of existing programs;

(6) reorganization of offices or programs; and

(7) significant relocation of offices or employees.

SEC. 9. (a) The Attorney General shall perform periodic evaluations of the overall efficiency and effectiveness of the Department of Justice programs and any supporting activities funded by appropriations authorized by this Act and annual specific program evaluations of selected subordinate organization's programs, as determined by priorities set either by the Congress or the Attorney General.

(b) The evaluations shall be performed by the appropriate Department level program review staff.

(c) Subordinate Department of Justice organizations and their officials shall provide all necessary assistance and cooperation to the Department level program review staff in the conduct of the evaluation, including full access to all information, documentation, and cognizant personnel, as required.

(d) Completed evaluations shall be made available to the Committees on the Judiciary of the Senate and House of Representatives, and other appropriate committees.

(e) If the Committee on the Judiciary of either the Senate or the House of Representatives requests the Attorney General to perform an evaluation of the sort described in subsection (a) of this section, the Attorney General shall make the evaluation requested and provide such evaluation to the committee making the request not later than 60 days after the date the request is made, but the committee making the request may extend the time for providing such evaluation.

SEC. 10. In addition to any other sums authorized by this Act to be appropriated for the activities of the Federal Prison System, there are authorized to be appropriated $5,748,770 to improve the quality of medical services within the system.

SEC. 11. In addition to any other sums authorized by this Act to be appropriated for the activities of the Federal Prison System, there are authorized to be appropriated $30,000 to improve the quality of legal services within the system.

SEC. 12. (a) On or before September 1, 1980, the Attorney General shall submit to Congress—

(1) a plan to assure the closure of the United States Penitentiary at Atlanta, Georgia, by September 1, 1984; and

(2) a plan to alter the function of the United States Penitentiary at Leavenworth, Kansas, to that of a modern correctional institution capable of housing not more than 500 prisoners by September 1, 1985.

(b) The plan prepared under this section shall prohibit the use of the United States Penitentiary at Atlanta, Georgia, as a correctional institution by a State or political subdivision after the closure of the institution by the Federal Government.

SEC. 13. (a) In order to create an independent and objective unit—

(1) to conduct and supervise audits and investigations relating to programs and operations of the Immigration and Naturalization Service,

(2) to provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations, and

(3) to provide a means for keeping the Commissioner of the Immigration and Naturalization Service and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action there is hereby established in the Immigration and Naturalization Service of the Department of Justice an Office of Inspector General (hereinafter in this section referred to as "the Office").

(b)(1)(A) There shall be at the head of the Office an Inspector General (hereinafter in this section referred to as "the Inspector General") who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. The Inspector General shall report to and be under the general supervision of the Commissioner, who shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpena during the course of any audit or investigation.

(B) The President shall first submit to the Senate a nomination for the position of the Inspector General not later than 90 days after the date of the enactment of this Act.

(2) The Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

(3) For the purposes of section 7324 of title 5 of the United States Code, the Inspector General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

(4) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Service, and

(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for the performance of investigative activities relating to such programs and operations.

(c) The following provisions of the Inspector General Act of 1978 (Public Law 95-452) shall apply to the Inspector General, the Office, the Commissioner, and the Service under this section in the same manner as those provisions apply to an Inspector General, an Office, the head of the establishment, and an establishment under such Act:

(1) Section 4 (relating to duties and responsibilities of an Inspector General and the manner in which they are carried out).

(2) Section 5 (relating to reports required to be prepared and furnished by or to an

Inspector General and their transmittal and availability).

(3) Section 6 (relating to the authority of an Inspector General and related administrative provisions).

(4) Section 7 (relating to the treatment of employee complaints by an Inspector General).

(d)(1) There shall be transferred to the Office—

(A) the offices of the Service referred to as the "Office of Professional Responsibility", the "Office of Performance Review", and

(B) such other offices or agencies, or functions, powers, or duties thereof, of the Service as the Commissioner may determine are properly related to the functions of the Office and would, if so transferred, further the purposes of this section;

except that there shall not be transferred to the Inspector General under subparagraph (B) program operating responsibilities.

(2) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under paragraph (1) are hereby transferred to the Office.

(3) Personnel transferred pursuant to paragraph (2) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

(4) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to paragraph (1), such office or agency shall lapse. Any person, who, on the effective date of this section, held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

(e) For purposes of this section:

(1) The term "Service" means the Immigration and Naturalization Service.

(2) The term "Department" means the Department of Justice.

(3) The term "Commissioner" means the Commissioner of Immigration and Naturalization.

(f) Section 5316 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(152) Inspector General, Immigration and Naturalization Service".

(g) The provisions of this section and the amendment made by subsection (f) of this section shall take effect on the date of the enactment of this Act.

(h) In addition to any other sums authorized to be appropriated by this Act, there are authorized to be appropriated $376,000 to carry out this section.

Sec. 14. The Attorney General shall make arrangements with an appropriate entity for an independent, comprehensive management analysis of the operations of the Immigration and Naturalization Service for the purpose of making such operations efficient and cost effective. After the completion of such analysis, the Attorney General shall promptly submit a report to the appropriate committees of Congress on the results of such analysis together with any administrative or legislative recommendations of the Attorney General to improve the operations of the Service.

Sec. 15. (a) The Attorney General shall, during the fiscal year for which appropriations are authorized by this Act, transmit a report to each House of the Congress in any case in which the Attorney General—

(1) establishes a policy to refrain from the enforcement of any provision of law enacted by the Congress, the enforcement of which is the responsibility of the Department of Justice, because of the position of the Department of Justice that such provision of law is not constitutional; or

(2) determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding, because of the position of the Department of Justice that such provision of law is not constitutional.

(b) Any report required in subsection (a) shall be transmitted not later than thirty days after the Attorney General establishes the policy specified in subsection (a)(1) or makes the determination specified in subsection (a)(2). Each such report shall—

(1) specify the provision of law involved;

(2) include a detailed statement of the reasons for the position of the Department of Justice that such provision of law is not constitutional; and

(3) in the case of a determination specified in subsection (a)(2), indicate the nature of the judicial, administrative, or other proceeding involved.

(c) If, during the fiscal year for which appropriations are authorized by this Act, the Attorney General determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding because of the position of the Department of Justice that such provision of law is not constitutional, then the representative of the Department of Justice participating in such proceeding shall make a declaration in such proceeding that such position of the Department of Justice regarding the constitutionality of the provision of law involved constitutes the position of the executive branch of the United States with respect to such matter.

Sec. 16. (a) Section 709(a) of the Controlled Substances Act (21 U.S.C. 904) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1979," the following: "and $202,366,000 for the fiscal year ending September 30, 1980,".

(b)(1) Section 709 of such Act is amended by adding after subsection (b) the following new subsection:

"(c) In carrying out its functions under this title, the Drug Enforcement Administration may pay tort claims, in the manner authorized by section 2672 of title 28, United States Code, when such claims arise in foreign countries in connection with Drug Enforcement Administration operations abroad."

(2) Section 511(d) of such Act (21 U.S.C. 881(d)) is amended by (A) by striking out "All provisions" and inserting in lieu thereof "The provisions", and (B) by striking out "and the award of compensation to informers in respect of such forfeitures"

(c)(1) Paragraph (4) of section 102 of such Act (21 U.S.C. 802(4)) is amended to read as follows:

"(4) The term 'Drug Enforcement Administration' means the Drug Enforcement Administration in the Department of Justice.".

(2) Sections 508 and 516 of such Act (21 U.S.C 878, 886) are each amended by striking out "Bureau of Narcotics and Dangerous Drugs" each place it occurs and inserting in lieu thereof "Drug Enforcement Administration".

(3) Section 513 of such Act (21 U.S.C. 883) is amended (A) by striking out "Director of the Bureau of Narcotics and Dangerous Drugs" and inserting in lieu thereof "Administrator of the Drug Enforcement Administration", and (B) by striking out "Director may" and inserting in lieu thereof "Administrator may".

Sec. 17. The National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to use funds, and to authorize States to use funds, for programs, projects or events devoted to the international aspects of crime prevention and criminal justice.

(b) Notwithstanding any other provision of law, the State of California is authorized to utilize the proceeds of block grants awarded during fiscal year 1979 or fiscal years previous thereto to fund the 1980 Congress on the Prevention of Crime and Treatment of Offenders.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3303) was laid on the table.

## GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the bill just passed, H.R. 3303.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

## PERMISSION FOR SUBCOMMITTEE ON HUMAN RESOURCES OF COMMITTEE ON EDUCATION AND LABOR TO MEET DURING 5-MINUTE RULE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Human Resources of the Committee on Education and Labor be permitted to sit during the 5-minute rule proceedings.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us why we need to do this?

Mr. HARRIS. If the gentleman will yield, I would be pleased to do so. Both the minority and majority have been working and have held hearings on the bill. We do want to get started and had planned to get started on markup on legislation, and we want to sit tomorrow morning.

Mr. ROUSSELOT. Is it for hearings only?

Mr. HARRIS. No, it is not. We will be proceeding on markup on this legislation.

Mr. ROUSSELOT. Can the gentleman guarantee that no other legislation will be brought up?

Mr. HARRIS. I certainly can. I will be pleased to do so.

Mr. ROUSSELOT. The gentleman has consulted with the minority, and it is agreeable to them?

Mr. HARRIS. Yes, we have been working closely with the minority. This is just on the subcommittee.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

## EXTENSION OF ALCOHOLISM AND DRUG ABUSE PREVENTION PROGRAMS

Mr. WAXMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3916) to extend for one fiscal year the current authorization of appropriations for programs of assistance under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. WAXMAN).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3916, with Mrs. SCHROEDER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, October 15, 1979, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

### H.R. 3916

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 301 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4571) is amended by striking out "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each of the fiscal years ending September 30, 1979, and September 30, 1980".

(b) Section 310(a) of such Act (42 U.S.C. 4574) is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

(c) Section 312 of such Act (42 U.S.C. 4578) is amended by striking out "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each of the fiscal years ending September 30, 1979, and September 30, 1980".

(d) Section 503 of such Act (42 U.S.C. 4587) is amended by striking out "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each of the fiscal years ending September 30, 1979, and September 30, 1980".

(e) Subsection (c) of section 504 of such Act (42 U.S.C. 4588(c)) is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "three succeeding fiscal years".

(f) (1) Section 303(a) (3) of such Act (42 U.S.C. 4573(a) (3)) is amended by inserting "and women and the elderly" after "minority and poverty groups".

(2) Section 303(a) (4) (B) of such Act is amended by inserting ", by the elderly," after "by women".

(3) Paragraph (4) of section 311(c) (4) of such Act (42 U.S.C. 4577(c) (4)) is amended to read as follows:

"(d) The Secretary shall encourage the submission of and give special consideration to applications under this section for programs and projects for the prevention and treatment of—

"(1) alcohol abuse and alcoholism by women,

"(2) alcohol abuse and alcoholism by the elderly and

"(3) alcohol abuse and alcoholism by individuals under the age of eighteen.".

(g) Title VI of such Act is amended by adding at the end the following new section:

"Sec. 604. The authority of the Secretary to enter into contracts under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance by appropriation Acts.".

Sec. 2. (a) Section 409(a) of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1176(a)) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1979," the following: "and September 30, 1980,".

(b) Section 410(b) of such Act (21 U.S.C. 1177(b)) is amended by adding at the end the following: "For the fiscal year ending September 30, 1980, there is authorized to be appropriated $137,000,000 for grants and contracts under paragraphs (3) and (6) of subsection (a) for drug abuse treatment programs and $24,000,000 for grants and contracts under such subsection for other programs and activities. At least 10 per centum of the funds appropriated under the preceding sentence shall be obligated for grants and contracts for primary prevention programs.".

(c) Section 503 of such Act (21 U.S.C. 1193) is amended (1) by striking out "(a)", and (2) by striking out subsection (b).

(d) (1) Section 409(e) (3) of such Act is amended by inserting "(including women and the elderly)" after "population groups".

(2) Section 409(e) (5) (B) of such Act is amended by inserting ", by the elderly," after "by women".

(3) Subsection (d) of section 410 of such Act is amended to read as follows:

"(d) The Secretary shall encourage the submission of and give special consideration to applications under this section for programs and projects for the prevention and treatment of—

"(1) drug abuse and drug dependence by women,

"(2) drug abuse and drug dependence by the elderly, and

"(3) drug abuse and drug dependence by individuals under the age of eighteen.".

(e) Within sixty days of the date of the enactment of this Act the Director of the National Institute on Drug Abuse shall report to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate—

(1) the number of grants and contracts made or entered into by the Director before such date of enactment for research which was not completed before April 1, 1979,

(2) the identity of the persons who received such grants and contracts,

(3) the amount of funds authorized to be paid under each such grant and contract and the amount of funds expended by the recipient of each such grant and contract by such date of enactment,

(4) the purpose of the research project funded under each such grant and contract, and

(5) the progress made in each such research project by such date of enactment.

(f) (1) Title IV of such Act is amended by adding at the end the following new section:

"§ 414. Contract authority

"The authority of the Secretary to enter into contracts under this title and title V shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance by appropriation Acts.".

(2) The table of sections of such title IV is amended by adding at the end the following new item:

"414. Contract authority.".

□ 1530

Mr. WAXMAN (during the reading). Madam Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

### COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 8, strike out "(d)" and insert in lieu thereof "(4)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

Mr. WAXMAN. Madam Chairman, I ask unanimous consent that the remaining committee amendments be considered en bloc, considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The remaining committee amendments are as follows:

Page 3, line 12, strike out "(1)" and insert in lieu thereof "(A)'.

Page 3, line 13 strike out "(2)" and insert in lieu thereof "(B)".

Page 3, line 15, strike out "(3)" and insert in lieu thereof "(C)".

The committee amendments were agreed to.

Mr. FLORIO. Madam Chairman, I rise in support of the reauthorization of alcoholism and drug abuse prevention and treatment programs as an important step in recognition of this enormous problem in our society.

I have a particular interest in the alcoholism sections in this bill and in its companion legislation, S. 440.

As you know, in 1976 I authored in this House the section of the bill that permits the creation of the National Alcohol Research Centers under section 504 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 as amended. I introduced the provision creating the National Alcohol Research Centers because I believed that there was a need for a concentrated research effort to determine the causes of alcohol problems and to provide empirical data that would be helpful to reduce the incidence and prevalence of alcohol problems. The need for such research is no less today than it was in 1976. To be sure recently the President's Mental Health Commission recognized in its report the need for increased funding for research on alcoholism and alcohol problems. I am concerned, Madam Chairman, that the bill which we take up today, H.R. 3916, will not permit needed increases in appropriations for the National Alcohol Research Centers.

Madam Chairman, I would like to take a moment to tell you of my visit last year to the Rutgers University Center of Alcohol Studies, which has been designated a National Alcohol Research Center. I was profoundly impressed by the research effort that is going on at Rutgers and by the quality and character of the scientists who are making this research their lives. This sort of research which I witnessed firsthand at Rutgers, but which is also taking place in each of the other eight National Alcohol Research Centers, is basic to our understanding and preventing alcoholism which the Secretary of HEW recently reported as costing our society more than $43 billion a year.

In his 1978 report to Congress on alcohol and health, Secretary Califano stated:

> Continued research is essential not only for a better understanding of the processes leading to alcoholism, but also to enable us to provide better treatment and more effective approaches to prevention.

I firmly believe the Secretary is correct.

There are 10 million alcoholics and problem drinkers and many millions who suffer because of the alcohol problems of others. I recognize that most persons who drink experience few or no problems, but I also recognize that the human and economic costs from alcoholism and alcohol abuse must be reduced. Unfortunately, we neglected alcoholism as an illness until recently and consequently at this time, we know less about the causes, effective prevention, and treatment of alcoholism than we do about the causes, prevention, and treatment of most major illnesses.

The National Alcohol Research Centers are a central part of our Government's commitment to reduce the incidence of alcoholism and alcohol abuse and deserve our support. The funds allocated to the research centers are supporting essential research in such areas as the social, cultural, psychic, and genetic factors related to problem drinking; the effects of alcohol on the central nervous system; alcohol metabolism and liver disease; treatment outcome prediction; and formal responses to drinking problems related to prevention and treatment.

It is my hope that the conference committee will give favorable consideration to the $9 million authorization level contained in S. 440 in order to provide adequate support for the nine multidisciplinary alcohol research centers designated by the National Institute on Alcohol Abuse and Alcoholism.

Another matter which I am concerned with relates to the renewal period contained in H.R. 3916. It is extremely important for the continuity of emerging programs at all levels of government and in the private sector that the Federal Government maintain a clear focus on alcohol problems through a separate institute with assured longevity and, therefore, the renewal period for the National Institute on Alcohol Abuse and Alcoholism should be 3 years.

On a related topic, it has come to my attention that Secretary Califano and also the Bureau of Alcohol, Tobacco and Firearms began productive dialogs with representatives of the alcohol beverage industry concerning industry programs to discourage alcohol abuse. I applaud these initiatives and I am encouraged by what appears to be a positive response from the alcohol beverage industry. I hope that Secretary Harris will continue this important cooperation with the industry.

Mr. COLLINS of Texas. Madam Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

> Amendments offered by Mr. COLLINS of Texas: Page 3, line 18, strike out "section" and insert in lieu thereof "sections"; strike out the close quotation marks and the period following in line 22 on that page; and add after line 22 the following:
>
> "SEC. 605. No funds provided under this Act may be used to pay the compensation of any individual who illegally uses or possesses any controlled substance (as defined in section 102(6) of the Controlled Substances Act).".
>
> Page 6, line 4, strike out "section" and insert in lieu thereof "sections"; strike out the close quotation marks and the period following in line 9 on that page; and add after line 9 the following:
>
> "§ 415. Use of funds
>
> No funds provided under this title may be used to pay the compensation of any individual who illegally uses or possesses any controlled substance (as defined in section 102(6) of the Controlled Substances Act.)".

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COLLINS of Texas. Madam Chairman, both of these amendments are identical. One applies to the alcohol section and one applies to the drug section.

Madam Chairman, the purpose of my amendment is to provide that any staff personnel associated with the Public Health Service in the Alcohol Drug Abuse and Mental Health Administration shall not use drugs. The amendment covers all Department employees in this bill. It states that individuals may not illicitly use or possess any controlled substance.

The Drug Enforcement Agency already has this rule applying to all of the people who work in its operation. Anyone that comes with the Drug Enforcement Agency knows that they must not use drugs in any form and to do so is grounds for dismissal.

I was surprised to learn that in the Alcohol Drug Abuse and Mental Health Administration the management makes it a policy to never question employees concerning personal use of illicit drugs. They also abide by the civil service regulations which state that the use of controlled substances would not result in automatic disqualification of Federal employees.

Controlled substances are clearly defined in section 102 of 21 U.S.C. 802. The people working in this Department know what a drug is according to this terminology.

In hearings last year before the Oversight and Investigations Subcommittee of the Interstate and Foreign Commerce Committee, I questioned Dr. Dupont. This testimony made it abundantly clear that they do not ask if a person uses drugs. Dr. Dupont's view was that this is a question of people's private lives and that the NIDA follows all civil service procedures for questions that are asked of prospective or current employees.

To confirm this view I received a letter from Dr. Gerald Klerman back in October of 1978 where he specifically stated that this agency has never made it a policy to question employees concerning personal use of illicit drugs, and he quoted their position in regard to civil service.

He did not actually know, nor did he plan to find out, whether any of their employees used such controlled substances.

What this amendment requires is that people who are dedicated to removing the drug problem from America do not use drugs in their personal lives. How can a person be critical of drugs if he participates and uses them himself in his daily life? There is even an incentive to arrange through prescription or other means to secure special drugs and to benefit by being in this particular Department.

This does not limit private lives, because if a person feels obligated to use drugs in their daily lives, they have access to work in most of the departments in the Federal Government. We know that the DEA does not allow drugs at this time. We know that President Carter does not allow drug use in the executive department. As far as I know, all of the Members of Congress completely abstain from the use of drugs in their daily lives.

It certainly seems reasonable and most appropriate that we specify in this law that we are not going to have any drug users running the business of the drug department. In the past 10 years, drugs have been the greatest challenge to our normal society. More drugs are sold, more drugs are trafficked. Drugs bring teenagers into crime, and the record of this drug abuse section during the past 6 years has not been outstanding in eliminating or reducing America's drug problem.

I believe it will be a much stronger department when we have dedicated people who are fully cognizant of the dangers of drugs. It will be a greater department when we have people who are dedicated to removing drugs from the lives of so many Americans. I am certain there are only a few who use drugs in this Department at this time. To remove drugs from America we must provide the best example through the exemplary leadership of the people working in the Alcohol Drug Abuse and Mental Health Administration.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. WAXMAN, and by unanimous consent, Mr. COLLINS of Texas was allowed to proceed for 5 additional minutes.)

Mr. WAXMAN. Madam Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding. This is the first time I have had an opportunity to be aware of this amendment. I was trying to listen to the gentleman's justification for it, and it raises some questions in my mind which I would like to address to him. How would the gentleman propose that NIAAA or NIDA administer this provision?

Mr. COLLINS of Texas. What I would do is when I hired an employee if I managed this section, I would do what I do when I hire an employee in my own office. I am not subject to Civil Service, but I ask each applicant. I ask people, "Do you use drugs in any form? Do you plan to use drugs in any form? Do you possess drugs in any form?" That is all I do. I just ask them, but so far on my staff I have not had anyone answer affirmatively. What I am proposing in this is when the applicant comes in the door, they should ask them, and then periodically they should ask them again because we do not want people working in the section who use drugs. This is going to be a judgment decision for the administrator.

Mr. WAXMAN. Who would ask them this question? And if they answer it in the affirmative, then would we expect that they would no longer be employed or would no longer receive funds pursuant to this act.

Mr. COLLINS of Texas. That is right. They would not work in this section. That would not mean they could not work for the Government elsewhere.

☐ 1540

Mr. WAXMAN. You state that you want to deny funds to individuals who illegally use or possess any controlled substance. Would not a finding of illegal use require a conviction by a court? You mentioned the case out in California where a judge has been accused of possession of marihuana and cocaine. No one could conclude because of the accusation that he, in fact, is guilty of that crime until there has been a finding by a court that he, in fact, has committed a crime. Would the gentleman require a conviction before anyone would forfeit compensation under this act?

Mr. COLLINS of Texas. No, I would not require a conviction and for this reason. I believe people who have been drug users, who may have served time, yet never plan to use drugs again, can be very effective in helping others to rehabilitate.

The fact that someone has been convicted would not apply.

I will tell the gentleman what I would do. Under the provisions of this amendment, as the administrator, I would ask everyone under oath, which I think is most reasonable to do: "Do you take drugs, do you possess drugs?" I would just let him answer it under oath. That is no conviction. That is something else.

Mr. WAXMAN. What if the applicant for employment refused to take that oath and took the fifth amendment, which I think is a perfectly appropriate position for an individual to take, where he refuses to incriminate himself. Would the gentleman deny him employment?

Mr. COLLINS of Texas. He is not taking the fifth under this. We are making the law plain that this is a provision of the job. This is a qualification of the job.

They do this in DEA, Drug Enforcement Administration. They are requiring this right now.

Mr. WAXMAN. They do?

Mr. COLLINS of Texas. That is right. They are requiring this right now. They had a person at home who took marihuana and he objected and said he should not be dismissed and it was held he could be dismissed.

The President of the United States has said he is not going to tolerate drug use in the White House. The decision is with the administrative head, the administrator of the department will make the decision. When he decides the person is taking drugs or that he possesses drugs, and the possession of drugs is much more definite. In other words, usually I have found that the conviction comes from the possession.

Mr. WAXMAN. Would the gentleman also want to include, since this includes the alcoholism program, the possession and use of alcohol by people who work for the alcoholism program?

Mr. COLLINS of Texas. I did not include alcohol, although I would be very inclined to because I do not believe they ought to be drinking alcohol either. I am also including the people in the alcohol program, for everybody up there, they ought not to use drugs. On this issue there can be no middle ground. They cannot be taking cocaine or marihuana or other controlled substance drugs.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. WAXMAN, and by unanimous consent, Mr. COLLINS of Texas was allowed to proceed for 1 additional minute.)

Mr. COLLINS of Texas. This department can have no middle ground. We all know that drugs in this country are a tremendous problem. The exemplary example must come from Washington, from the Executive Department, from the HEW department itself. We have had marihuana use increasing, we have had cocaine use increasing. Cocaine, in the country of Colombia, has gotten to be a bigger crop than coffee. Drugs are the biggest crop in the country. Where are they selling it? They are selling it to our country.

Madam Chairman, we have a wonderful agency here that could do something about this but the people have to have the spirit to stop it.

Mr. WAXMAN. Will the gentleman yield, Madam Chairman?

Mr. COLLINS of Texas. I yield to the gentleman from California.

Mr. WAXMAN. You mention DEA already has this authority. Do they have it under statute or is this part of their personnel requirements that they have adopted for themselves?

Mr. COLLINS of Texas. I do not understand how they do it but I do know that this agency here has turned it down and told me that they do not have the right. I do not know how DEA decided it had the right to require drug abstinence. Perhaps it is because they had a strong executive. Both under Dr. duPont—and I do not know whether this gentleman is still in charge over there or not, this man, Gerald Klearman. Is he in charge, we have heard about private lives and they did not object to drug use.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. CARTER, and by unanimous consent, Mr. COLLINS of Texas was allowed to proceed for 3 additional minutes.)

Mr. COLLINS of Texas. This gentleman here wrote me a letter which at a later time I will ask permission to include in the RECORD. He makes it very plain that not only would he as the Director, not ask them, because he is obsessed with this invasion of privacy rule, but he would not, under civil service rules, ask them. Well, Madam Chairman, I will tell you, in the defense of the country we place defense first. In this case of drugs it is time we put the interests of America first. If these people want to smoke marihuana or they want to use cocaine that is their business but they should not be doing it on the Government payroll and certainly not in this Agency.

Mr. CARTER. Will the gentleman yield, Madam Chairman?

Mr. COLLINS of Texas. I yield to the gentleman from Kentucky.

Mr. CARTER. I find some difficulty in the wording of this amendment, as I have told the gentleman previously. How will one find out if the person uses drugs or not? If you say you are going to ask them, then I would suggest your amendment be changed to say any individual who admits illegal use or possession of drugs.

I would ask the distinguished gentleman from Texas if he would consent to that change in the language.

Mr. COLLINS of Texas. Should we say "admits under oath"?

Mr. CARTER. As far as I am concerned it certainly would be all right.

Mr. COLLINS of Texas. We would change the language——

Mr. CARTER. "Who admits illegal use or possession."

Otherwise, we have no way of telling whether he uses it or not. One would have to surreptitiously slip up on him which in itself would be illegal as I see it.

Mr. COLLINS of Texas. I will accept that. "Who under oath illegally admits."

Mr. CARTER. "Admits illegal use or possession."

Mr. COLLINS of Texas. "Illegal use or possession of any controlled substances."

As we understand it, it would be the responsibility of the administrator to call on all members of his staff if there was any reason, at any time, and he would also call on them before they started to work as well as periodic intervals. Would you object to taking oaths at periodic intervals?

Mr. CARTER. I feel that would help the amendment a great deal.

I would like to ask the distinguished committee chairman what he thinks of this change in the amendment.

Mr. COLLINS of Texas. Would the gentleman accept the suggested change?

Mr. WAXMAN. Madam Chairman, it sounded like it was something I could support but I would appreciate it if we could have the amendment read in its amended form.

Mr. COLLINS of Texas. The gentleman asks unanimous consent that we change this to "who admits under oath"—where it says "any individual who admits under oath the illegal use or possession of any controlled substance."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. COLLINS of Texas was allowed to proceed for 4 additional minutes.)

Mr. WAXMAN. Will the gentleman yield, Madam Chairman?

Mr. COLLINS of Texas. I yield to the gentleman from California.

Mr. WAXMAN. I have no objection to the amendment being adopted. I have one inquiry, however, about this language. Would this require that every person who wishes to work for a program funded by NIDA, or the NIAAA, take an oath?

Mr. COLLINS of Texas. That is right.

Madam Chairman, I ask unanimous consent that the amendments be modified.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas (Mr. COLLINS).

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendments.

The Clerk read as follows:

Beginning on line 6 of the first Collins amendment strike the words, "illegally uses or possesses" and insert, "any individual who admits under oath to the illegal use or possession of".

Beginning on line 7 of the second Collins amendment, strike the words, "illegally uses or possesses" and insert, "any individual who admits under oath to the illegal use or possession of".

Mr. WAXMAN. Madam Chairman, will the gentleman yield further?

Mr. COLLINS of Texas. I yield to the gentleman from California.

Mr. WAXMAN. The gentleman then assumes this would require an oath of every person who wishes to work for the agencies?

Mr. COLLINS of Texas. When a person comes with the agency they would take an oath and I think if there is any reason to question, they should also take it periodically.

Madam Chairman, there is nothing wrong with asking people whether or not they take drugs. I would not be embarrassed to ask that question every day in the week.

Mr. WAXMAN. Will the gentleman yield to me further?

Mr. COLLINS of Texas. I yield to the gentleman from California.

Mr. WAXMAN. I think the language the gentleman proposes is superior to the language he originally proposed. However, I have to oppose it for at least one reason: When you have a drug abuse program I think to have former drug abusers work on that program would be very helpful in guiding those people you want to get off of drugs.

I think among the people in that world, to ask them, as a condition of employment, to swear that they are not using drugs is the kind of thing that may well deter people, who would be very valuable in this kind of a program, from coming forward and working actively in the program.

☐ 1550

It seems to me that if anyone commits a crime, there is a clear procedure for the conviction of that person and administration of an appropriate sentence. I think this really could be a very damaging amendment to the kinds of programs that are so desperately needed to get people away from using drugs; particularly among our young people.

Mr. COLLINS of Texas. Madam Chairman, I thank the gentleman. I would say this, that if someone stopped using drugs and swore off using drugs, I would welcome them in the program. They could provide an example; but it is just like in Alcoholics Anonymous. They tell you to stay off alcohol and I think the best thing that could happen to people that use drugs is to stay off of it completely from now on. I mean, stay completely out of drugs and that is all we are asking. It is not a matter whether they used them before, but from the time they go with this agency they will never use drugs again.

Mr. WAXMAN. Madam Chairman, if the gentleman will yield further with me, I have no disagreement with what the gentleman intends to accomplish; but it seems to me that we should also ask people who work for the alcoholism program to take an oath that they are not abusers of alcohol and it should not be limited to these programs. Why not other programs where we do not want people who are actively abusing any kind of substance. I think it is a mistake to add the amendment to this bill.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas (Mr. COLLINS), as modified.

The question was taken; and the Chairman announced that the noes appeared to have it.

The question was taken; and on a division (demanded by Mr. COLLINS of Texas) there were—ayes 7, noes 14.

Mr. COLLINS of Texas. Madam Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, she will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1600

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Texas (Mr. COLLINS) for a recorded vote.

Does the gentleman insist on his demand for a recorded vote?

Mr. COLLINS of Texas. Madam Chairman, I withdraw my demand for a recorded vote, and I ask unanimous consent that I may have the right to demand another division.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. WAXMAN. Madam Chairman, reserving the right to object, I will not object because I think this is a reasonable request. I think we ought to have more Members on the floor, and I think we ought to have another division vote without going through a rollcall so we may accept these amendments on the House side.

Madam Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COLLINS of Texas. Madam Chairman, I again demand a division on the amendments, as modified.

On a division (demanded by Mr. COLLINS of Texas) there were—ayes 34, noes 18.

So the amendments, as modified, were agreed to.

AMENDMENT OFFERED BY MR. RANGEL

Mr. RANGEL. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANGEL: Page 4, line 8, insert after "programs" the following: ", $5,000,000 for grants under paragraph (7) of subsection (a),".

Page 5, insert after line 7 the following:

(e)(1) Section 410(a) of such Act is amended (A) by striking out "and" at the end of paragraph (5), (B) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and (C) by adding after paragraph (6) the following:

"(7) make grants, in accordance with subsection (c)(5), to units of general purpose local government—

"(A) for the preparation of local plans for the provision and coordination of drug abuse prevention, treatment, and rehabilitation services; and

"(B) to implement such plans and to evaluate the services provided pursuant to such plans.".

(2) Section 410(c) of such Act is amended by adding at the end the following:

"(5)(A) The Secretary may approve the application of a unit of general purpose local government for a grant under subsection (a)(7) only if the Secretary finds that such unit of government—

"(i) has a population of at least 175,000, as determined on the basis of the most satisfactory, current data available to the Secretary,

"(ii) has a high concentration of drug abuse and other drug-related problems among its population, and

"(iii) has the capacity to improve planning for and coordination of drug abuse, prevention, treatment, and rehabilitation services for its population.

"(B) Any unit of general purpose local government desiring to receive a grant under subsection (a)(7) shall submit to the Secretary a local plan for planning, coordinating, and evaluating projects for the development of more effective drug abuse prevention, treatment, and rehabilitation services. Each such local plan shall—

"(i) designate or establish a single municipal agency as the sole agency for the preparation and administration of the plan or for supervising the preparation and administration of the plan;

"(ii) contain satisfactory evidence that the municipal agency designated or established pursuant to clause (i) will have authority to prepare and administer, or supervise the preparation and administration of, such plan in accordance with this subparagraph;

"(iii) set forth, in accordance with criteria established by the Secretary, a detailed survey of the local needs for prevention and treatment of drug abuse and drug dependence and a plan for coordination of services to meet these needs; and

"(iv) provide that the municipal agency will make such reports, in such form and containing such information as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(C) No grant provided under subsection (a)(7) may exceed $300,000.".

Page 5, line 8, strike out "(e)" and insert in lieu thereof "(f)".

Page 6, line 3, strike out "(f)" and insert in lieu thereof "(g)".

Mr. RANGEL (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANGEL. Madam Chairman, basically, my amendment points out a problem which has been seen by the other body, and that is that under existing law the State governments do all the planning and development in terms of prevention of drug abuse and rehabilitation of drug addicts.

As most of us know, one of the major reasons that we were able to get the Congress to pay attention to this problem has been because this problem has arisen in our urban communities.

☐ 1610

Unfortunately, in many of our State capitals, we find that the legislative bodies are located in the rural areas, and now we find ourselves in the city of New York, as well as other major cities, with concentrated problems as relates to drugs, being unable to have input in the development of these plans. What I would hope that this amendment would be able to do is to have $5 million to be allocated to make certain that our local officials have an opportunity to participate and to develop plans, and where there is a minimum population of 175,000 people, to be able to put a cap on grants to be awarded to these municipalities and counties of $300,000 to deal with a problem which is basically urban. The relationship between NIDA and the local government is something that I know even the chairman of the subcommittee, who has worked very hard to develop this legislation would agree, once the sensitivity, the understanding as to what the local problems are.

It is my hope that we can go along with the Conference of Mayors and the organization that represents municipalities and allow those that have the responsibility of taking care of their own the opportunity to have input and to develop these plans and to present them to our Federal Government.

Mr. GILMAN. Madam Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Madam Chairman, I know the gentleman's long-time concern with regard to narcotics, narcotics treatment, and narcotics rehabilitation and enforcement.

It is my understanding that under the Rangel amendment a unit of general purpose local government may apply for a Federal grant by submitting a local plan for planning, coordinating, and evaluating drug abuse prevention, treatment, and rehabilitation services, provided that such a unit of local government has a population base of 175,000.

My question to the gentleman would be: Would such a unit of local government include county government?

Mr. RANGEL. It certainly would.

Mr. GILMAN. I certainly want to support the gentleman's amendment, but I also wanted to make certain that it would include our counties as units of government from all rural areas where they would be able to consolidate the population and take advantage of the gentleman's amendment.

I certainly urge support for the gentleman's amendment. As our distinguished colleague knows, hardly a day goes by when Federal, State, and local drug law enforcement officials do not seize large quantities of heroin, cocaine, marihuana, and other dangerous drugs. The problem is critical. It is growing. It needs help. I certainly think that the gentleman's amendment would provide the kind of help we need.

Mr. RANGEL. I would like to point out that my answer would not apply, of course, to the city of New York, where its five counties are not governing counties as they are in most political subdivisions throughout the United States. But in the city of New York, where we have really considered ourselves to be the drug traffic capital of the world, we cannot have input into the overall plan that is being developed by our State, which affects our youngsters every day, as the gentleman well knows.

Mr. GILMAN. I thank the gentleman for clarifying his intent.

Mr. WAXMAN. Madam Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding, and I commend the gentleman for his interest in assuring greater participation of cities in the allocation of federally supported drug abuse prevention and treatment services. Drug abuse is a serious public health problem which impacts harshly on our Nation's cities. Cities should take an active role in the development of drug abuse programs within their jurisdictions.

My concern, however, is that this amendment is premature. We have not had an opportunity to evaluate how establishing a separate drug abuse planning authority for cities, on top of what the States now do, could most effectively be utilized. I think we ought to have an opportunity, at the committee level, to look carefully at this. We are only asking for a 1-year authorization of drug abuse authorities. I would hope the gentleman would allow us an opportunity next year to see how we can best get the cities and the States together in the drug abuse planning process. If the cities are not able to fully participate in the State planning process, that is something we want to correct.

The CHAIRMAN. The time of the gentleman from New York (Mr. RANGEL) has expired.

(On request of Mr. WAXMAN and by unanimous consent, Mr. RANGEL was allowed to proceed for 1 additional minute.)

Mr. WAXMAN. If the gentleman will yield further, I would hope we could do it through an orderly procedure rather than at this time adding more money and another layer of planning authority without figuring how the two will relate to the existing State plan.

Mr. RANGEL. I would just say this to the distinguished chairman: The relationship between major cities and State government is pretty well known. If there was any problem in recognizing the concentration of the addicts we are talking about, the moneys we are appropriating to the States are based on the statistical data that are prepared by the cities, yet the cities do not have the opportunity to direct how these moneys should be spent.

Mr. WAXMAN. If the gentleman will yield further, the law already provides opportunities for cities and other political subdivisions within the State to submit to the single State agency recommendations regarding the preparation of the State plan. We have already provided for the participation of cities in the State plan. If cities are not adequately participating, we want to know why and what we can do about it. Perhaps new regulations regarding submission of the State plan would be sufficient?

The CHAIRMAN. The time of the gentleman from New York (Mr. RANGEL) has again expired.

(By unanimous consent, Mr. RANGEL was allowed to proceed for 1 additional minute.)

Mr. RANGEL. Madam Chairman, I do not have any problem that the cities should have a reasonable opportunity to participate. What we are talking about today is whether Governors give reasonable opportunities for mayors and county executives to be heard. The political reality is that the Governor and the State have their problems and the cities are stuck with theirs. It just troubles me that when we legislate here we clearly are talking about problems that exist in the cities, that we can have legislation that directs that the State develop the programs which the cities ultimately are going to be stuck with.

Mr. WAXMAN. If the gentleman will yield further, could the gentleman tell us then how the gentleman's planning authority, that would be vested under the cities, would fit into the existing planning authority already vested under the States? Would there be some relationship between the two, or would they be on independent tracks? If they are independent tracks, they would not, in my view, be serving the needs of our drug abuse programs.

Mr. RANGEL. All I am asking for this House to do is to provide the funds so that the cities can get on the track so that their plans can be considered by the State. Under existing law, they just have a reasonable opportunity.

The CHAIRMAN. The time of the gentleman from New York (Mr. RANGEL) has again expired.

(On request of Mr. WOLFF and by unanimous consent, Mr. RANGEL was allowed to proceed for 2 additional minutes.)

Mr. WOLFF. Madam Chairman, will the gentleman yield?

Mr. RANGEL. I yield to my colleague, the gentleman from New York.

Mr. WOLFF. Madam Chairman, I want to congratulate the gentleman on his amendment. I rise in strong support of the amendment, knowing both sides of the picture, and especially the fact that the drug abuse problem really was founded in our cities. It was not until it spread to various other parts of the country that people became aware of the problem and now the cities are really neglected in the present program. Therefore, I congratulate the gentleman for offering this amendment and I rise in strong support of it.

Mr. RANGEL. I thank the gentleman for his remarks.

Madam Chairman, I urge the Members to support the amendment.

Mr. WAXMAN. Madam Chairman, I rise in opposition to the amendment, and I rise in opposition reluctantly because I think there is a very good purpose in mind in having this amendment offered to us. But I am afraid that what we are being asked to do is to solve the problems for New York City by changing the drug abuse planning process for the rest of the country.

Cities should participate in the planning of statewide drug abuse programs. As public policy, we should encourage such participation. Present law does allow cities to participate with the States in the planning process. To now adopt this amendment, without any consideration for what the States are currently doing in drug abuse planning, would be to give $5 million to the cities and have them go off on a completely independent track. I think we would be wasting the $5 million.

It would be far better if we were able to carefully look at the relationship between the current State plans and the proposed city plans in reauthorization hearings next year.

I would urge that the Committee reject the amendment.

Mr. CARTER. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Madam Chairman, I want to commend the gentleman on his very pointed remarks. I thought they were excellent. Certainly we want the city of New York and other cities to have the opportunity to participate in the drug abuse planning process.

Over the years, since I come from an extremely impoverished area, I have tried to help the poor in both ghetto and rural areas. Certainly we want to help the distinguished gentleman from New York. However, the problem of which he speaks is nationwide. Drug abuse does not exist in New York City alone.

I just had the distinguished chairman of the full committee, Mr. STAGGERS, relate to me that in his district in West Virginia, drug abuse was rampant. I can say the problem, even back in the hills of Kentucky, is also rampant. I have here at my disposal a letter showing where a plane dropped 2,500 pounds of marihuana down in the Webster County area of Kentucky. It is a nationwide problem and certainly I want to help the distinguished gentleman in any way I can. I will certainly support hearings on this problem next year, with the goal of creating a proposal that will be effective in rural areas of the country, as well as in our cities.

Mr. RANGEL. Madam Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from New York.

Mr. RANGEL. I thank the gentleman for yielding.

Madam Chairman, I appreciate the remarks of the gentleman, because when I went to the well one might suspect that I was trying to help the city of New York. I want to make it abundantly clear that the cities of Albuquerque, Anchorage, Baltimore, Cleveland, Gary, Jersey City, Los Angeles, Minneapolis, Newark, New Orleans, Philadelphia, Phoenix, Providence, St. Louis, Chicago, and Milwaukee all believe that they have that same problem with their State government.

☐ 1620

It is not a question of just helping the city of New York. It is giving the type of fiscal assistance so that the cities who have the problem can participate in developing that State plan.

I thank the gentleman.

Mr. CARTER. In reclaiming my time, I would like to say that we would want to help the distinguished gentleman and all these cities. As I said before, it is a nationwide problem.

Along with the distinguished chairman of the Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce, the gentleman from California (Mr. WAXMAN), I certainly would be happy to work toward the solution of this terrible problem which afflicts us all from Maine to California.

Mr. WAXMAN. Madam Chairman, would the gentleman yield?

Mr. CARTER. I yield to the gentleman from California.

Mr. WAXMAN. It certainly would be our intention in this next year to hold hearings and to look seriously at this problem. I know that the problem is very real.

There are many cities that are greatly concerned about the lack of participation they have in developing these State plans. However, I would not want us to adopt this amendment without first having hearings and determining how a city planning process is going to mesh with those already in existence. If we do not, all we are doing is creating another planning agency to act independently of an existing planning agency. I am afraid we will waste money and not get assistance to the people who are most in need of help.

Mr. CARTER. I thank the distinguished chairman. I commend him on his remarks.

As for my part, I will state that I will do my best to assist the gentleman in conducting these hearings when the time comes.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. RANGEL).

The amendment was rejected.

Mr. STAGGERS. Madam Chairman, I would like to commend and congratulate the chairman of the Subcommittee on Health and the Environment, the gentleman from California (Mr. WAXMAN), for the work he and the gentleman from Kentucky (Mr. CARTER), and the other members of the subcommittee have done on this bill in bringing it to the House.

I would like at this time to congratulate the staff, too, for the work and research they have done in helping to prepare the bill.

Madam Chairman, I would especially like to say that we are all so happy that the gentleman from Kentucky (Mr. CARTER) is back with us. He has been in the hospital with a very serious operation. He is a great American and one of our great statesmen here in the Congress of the United States. We are happy to have him back, because he is always working for what he thinks is in the best interests of the land.

The issues addressed in this legislation are of such importance to America. The best analogy of the problems of alcohol and drug abuse is that it is like termites eating at your home. If you find out they are eating up your home, you try to get those termites out; you realize that if you leave them there long enough, the house is going to be eaten up and destroyed.

It is like the insects that get into our crops and our land. We use all kinds of insecticides to get rid of them; but the insects are the menace. Alcohol and drugs do the same thing to the human body, they destroy. We must stop that destruction, because the human body is more valuable than any building or any crops that we grow.

I think it is time America wakes up to these problems, because they are destroying America.

Today, if called upon by America in an emergency, the youth of our Nation would not be able to respond as they have in the past. They could not do so. They would try to, I am sure, but they just could not do it, because those who are addicted to drugs—and they are addicted in my home town, as they are in most home towns across this land—would be incapable of response. The tragedy is that even some individuals in positions of trust have been found selling drugs to our children and grandchildren. We have evidence of that. Why something is not done, I do not know.

I say that the time has come for this Congress to do something about it. Let America know, and the rest of the world know, that we intend to do something to make our people a little bit stronger.

Mr. WOLFF. Madam Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New York.

Mr. WOLFF. I thank the chairman for yielding.

I want to thank the gentleman for the dedication he has shown in this whole problem of drug abuse and the fight that we have in this country.

I also take this opportunity to congratulate the chairman of the Subcommittee on Health and the Environment, the gentleman from California (Mr. WAXMAN), on the outstanding work that he has done in cooperation with the Select Committee on Narcotics Abuse and Control, as well.

The gentleman from Kentucky (Mr. CARTER) and the gentleman from California (Mr. WAXMAN), are to be congratulated.

Mr. STAGGERS. I thank the gentleman very kindly.

Mr. GILMAN. Madam Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding. I rise in support of H.R. 3916, extending for 1 fiscal year the current authorization of appropriations for programs under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972, and commend the distinguished chairman of the Subcommittee on Health and the Environment (Mr. WAXMAN) and the distinguished ranking minority member of that subcommittee (Mr. CARTER) for their leadership in sponsoring this legislation, together with the incisive report accompanying H.R. 3916 submitted by the distinguished chairman of the Committee on Interstate and Foreign Commerce (Mr. STAGGERS).

I am particularly pleased that H.R. 3916 authorizes special consideration for programs and projects for the prevention and treatment of drug abuse and drug dependency by women, the elderly, and our youth and requires that at least $16.1 million (or 10 percent authorized for drug abuse programs) be allocated for drug prevention programs, an area that has been downgraded by NIDA whose so-called highly visible 1979 drug abuse prevention campaign, in my view, much to be desired.

As a member of the Narcotics Select Committee that has held extensive hearings on narcotics trafficking both here and abroad, that has focused its spotlight on this Nation's efforts to prevent, treat, and control drug abuse and that has focused attention on heroin, cocaine, marihuana, Phencyclidine (commonly known as PCP or "angel dust"), and polydrug abuse by women and children, I can assure my colleagues that drug abuse in this Nationa and throughout the world has reached epidemic proportions. Each year more and more women, the elderly, and our youth resort to drugs in an effort to escape from their personal and social problems. Each year more and more of our citizens are obtaining drugs illicitly obtained or drugs that are overly prescribed by physicians and filled by pharmacists.

The National Institute on Drug Abuse (NIDA) estimates that in 1978 approximately 8,400 of our citizens, mostly this Nation's youth, succumbed to drug overdose and 286,000 hospital emergency room visits occurred for drug overdose, and this is only the tip of the iceberg of the human misery and loss of life from drug abuse that goes undetected and unreported.

Madam Chairman, I support the 1-year extension authorized under H.R. 3916 and urge my colleagues to support this legislation. I also urge that the NIDA Administrator and the Secretary of Health, Education, and Welfare take a close, hard look at the Narcotic Select Committee's hearings on preventing, treating, and controlling drug abuse, the oversight hearings on NIDA, and the Interstate and Foreign Commerce Committee's report accompanying H.R. 3916 which points out the "waste and inefficiency in several NIDA programs", "the severe management deficiencies within the Institute," and "the numerous instances involving NIDA employees and contractors which had the appearance of, or potential for, conflict of interest, cronyism, favoritism, or preferential treatment in the contracting process." In my view, NIDA's so-called drug prevention campaign for 1979 has been an abysmal failure. Hopefully, with the proper administration of H.R. 3916, more of our citizens will be educated regarding the dangers of drug abuse, and those that are dependent upon or addicted to drugs will be treated, rehabilitated, and once again live healthy and productive lives.

Mr. STAGGERS. I thank the gentleman for his contribution.

Mr. NEAL. Madam Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from North Carolina.

Mr. NEAL. Madam Chairman, I rise to speak in favor of H.R. 3916 to extend the alcoholism and drug abuse prevention and treatment authorities and to congratulate the chairman and the Subcommittee on Health and the Environment for their thoughtful work in preparing the legislation.

Madam Chairman, it is in my capacity as chairman of the Task Force on Marihuana of the Select Committee on Narcotics Abuse and Control that I would like to make a few comments. The issue I wish to address specifically is the provision in the bill (section 410(a) which requires ten percent of all project grant monies to be set aside for the prevention of drug abuse.

Our Task Force on Marihuana recently held two days of hearings on the subject of Marihuana and Health. Each of our witnesses testified that marihuana was by no means a benign substance, and probably has health implications for the user not unlike alcohol, valium and other drugs which can, and often do, seriously effect the health of users. The focus of concern at our hearings was the declining age of first use; nearly one out of every ten of our twelve year olds has been introduced to marihuana. Recent studies from Maine and Maryland indicate that sixteen percent of all high school seniors smoke marihuana daily, which is an increase of 67 percent over the past 4 years.

Madam Chairman, it is obvious that our traditional approaches to the drug problem have not only been inadequate, but in many cases disastrous. We have been spending $1 billion dollars a year to interdict drugs and treat drug abuse and the problem grows, primarily in middle-class communities. According to a recent IRS report the drug trade alone accounts for an estimated $23.6 billion lost in potential tax revenues, along with the many billions that are drained from our country to supply this $45 billion a year trade of organized crime. Each year we allocate many millions of dollars to treat those who enter into drug withdrawal programs with meager results. A recent GAO report also tells us that the treatment statistics are frequently fraudulent by 15 to 50 percent. According to some reports, we have been spending ninety percent of the resources on two percent of the problem.

Madam Chairman, when we look at our dollars allocated to preventing the abuse of drugs, those programs which work with schools and families to prevent drug problems before they occur, we see another story. Barely 1 percent of the Federal drug budget is spent on prevention. Similarly, in the Office of Education, only 1 percent of our schools are affected by drug prevention efforts. The general explanation for this is that the drugs are strong and the people are weak, so the only effective approach is to keep drugs out of the hands of people. We also hear the complaint that prevention is too vague, so the money goes for methadone.

But we need to strengthen people in their resolve to say no to drugs and in their ability to create alternatives to drug dependency. We need to educate the elderly about medications, so that they can protect themselves against unwitting mixing of alcohol with medications. We need also to support programs that will prevent drug dependency among women and minorities.

Madam Chairman, we especially need to prevent drug and alcohol problems among adolescents. The traditional prevention and education programs have frequently done more harm than good. We have "educated" young people in "Reefer Madness" language about marihuana which has often stimulated interest, Madam Chairman, what is required for this ten percent allocation for prevention is that the money be spent to replicate those programs with a reputation for success.

Madam Chairman, the National Institute on Drug Abuse is oriented toward research and treatment. A measure of research and evaluation is appropriate. But there are a number of programs in local communities established through citizen efforts that have had success in preventing drug dependency. These programs deserve to be supported and extended. Additionally, prevention money should not be spent primarily to counsel the drug abusers and their families. The commitment of H.R. 3916 money to prevention should be used to strengthen a troubled young person who is having trouble in the family, trouble in school, and trouble in the community. These troubles most often begin by the sixth grade and that is where we must begin our programs of prevention. If we can identify problems early and assist in developing programs for young people we may be able to substantially cut down the percentage of young people who develop a life-style of drug dependence. Prevention is vital to our drug abuse efforts; however, it is complex. If we are not willing to deal with the complex issues that involve people in a dependency on substances we will not deal adequately with the drug issue.

Madam Chairman, there are private programs in New York City; Charlotte, N.C.; Orlando, Fla.; Atlanta, Ga.; to name a few, which have done an effective job. These programs deserve to be replicated, to strengthen the person's resistance to drug dependency by enlisting the resources of community programs, school, religious organizations and others. The National Institute on Drug Abuse has been resistant to prevention efforts and this is why the committee found it necessary to mandate an allocation for prevention. I think I can safely speak for my fellow members of the Select Committee on Narcotics in saying that we shall monitor the expenditure of prevention funds carefully to insure that prevention is well grounded in local communities and sharply focused on the needs of the elderly, women, minorities, and especially those troubled 10 and 12 year olds and other young people. I urge all of my colleagues to support H.R. 3916 and the 10-percent provision for primary prevention.

Mr. STAGGERS. Madam Chairman, I would like to conclude by saying that I do not believe any Member of this Congress should vote against this bill. I urge its immediate adoption.

I yield back the balance of my time.

● Mr. OTTINGER. Madam Chairman, I rise in strong support of H.R. 3916, which provides authorization of appropriations for fiscal year 1980 for the programs of the National Institute of Drug Abuse and the National Institute of Alcoholism and Alcohol Abuse. Similar legislation passed the Senate on May 7.

Of particular concern to me are the legislation's provisions dealing with alcohol abuse and alcoholism. During the previous session of Congress I introduced two bills to provide Federal assistance to employers, labor organizations, and other groups to establish and operate occupational alcoholism programs. Identical legislation was introduced in the Senate by Senator William Hathaway, then chairman of the Senate Subcommittee on Alcoholism and Drug Abuse.

The first bill authorized the Secretary of HEW in conjunction with the National Institute of Alcoholism, to make grants for up to one half the cost of occupational alcoholism programs. Funds were allotted to States on the basis of the labor force population of the State. To fund the program, the bill provided the appropriation of an amount equal to 2.5 percent of the total Federal alcohol taxes collected on beer, wine, and liquor for fiscal years 1978 through 1982. The second bill would have helped combat alcoholism by requiring Government contractors to establish and operate alcoholism programs or to provide adequate referrals as a condition of doing business with the Government.

Groups which have instituted occupational alcoholism programs, including several in my congressional district, have seen dramatic results. These programs promote early intervention and recovery before the more destructive and less reversible aspects of this progressive disease take hold. These programs have an additional benefit—they are cost effective. At hearings in the Senate last year, companies testified that delays in implementing programs of this kind are not related as much to cost as to reluctance by management to recognize alcoholism as a serious employee problem.

Given the generally recognized effectiveness of occupational alcoholism programs, I think it is imperative that we expand our efforts in this area. I am hopeful that when Congress reconsiders the extension of the alcohol and drug abuse prevention and treatment authorities we will make a major new effort in the occupational setting. In the meantime, I urge my colleagues to support H.R. 3916.●

● Mr. BROWN of California. Madam Chairman, I would like to address my colleagues regarding H.R. 3916, the reauthorization of alcoholism programs. When this bill was considered as passed in the Senate on May 7, one provision that was involved was a requirement for a health warning to be included on all labels that reads: "Caution: Consumption of alcoholic beverages may be hazardous to your health."

In the last few days, when considering this legislation, this body went to great lengths to point out the nongermaneness of this amendment to the legislation under House rules.

I would like to point out to my colleagues that, while this amendment is insufficiently relevant to this reauthorization bill, the subject of health warnings is of the utmost importance to the subject of the bill—alcoholism treatment and prevention.

I request my colleagues to consider the subject of alcoholism and alcohol abuse. We are presently passing on legislation to provide $221.5 million for treatment and prevention of alcoholism. The Federal outlay for alcoholism treatment in no way compares to the total social cost of alcoholism and alcohol abuse estimated at more than $43 billion a year. That figure does not even include the toll in human lives, which is estimated at over 200,000 a year.

While we aim our efforts at treatment of alcoholism, we should consider ways to affect the source of the problem itself, consumption of alcoholic beverages. I am not urging a reenactment of prohibition, but I am urging that the Federal Government take a more active role in affecting excessive alcohol consumption.

The warning label is one approach that the Federal Government can take that is both effective and inexpensive.

There has been much debate on the effectiveness of a warning label. But, in a recent hearing before the Senate Subcommittee on Alcoholism and Drug Abuse the Director of NIAAA (National Institute on Alcoholism and Alcohol Abuse) for whom we are considering this bill, stated:

> There can be little question that warning labels would raise public awareness of the health hazards and over a period of time, would have some effect on patterns of alcohol consumption.

In a recent statement in the CONGRESSIONAL RECORD, one Senator asserted that a health warning would do nothing to reduce consumption among alcoholics and problem drinkers. This may or may not be true. However, that is not the only group that we should be concerned with. It is estimated that 19 percent of our youth between the ages of 14 and 17 have problems with alcohol. It is no wonder that the problem is so severe among our youth. The young people of our nation have little impression of alcohol consumption other than that which is portrayed in the media. If such a warning label is effective to carry that negative message to youth, then the small investment we make would have been worthwhile.

I believe the public awareness must be raised to the real hazards that are posed by alcohol consumption. In the past we have emphasized "responsible drinking." This does nothing to raise the attention of the public to the health threats of alcohol consumption and really amounts to free advertising for the alcohol industry.

A health warning would carry the message directly and succinctly, "Caution: Consumption of alcoholic beverages may be hazardous to your health." ●

● Mr. RANGEL. Madam Chairman, alcohol, the most abused drug in America, exacts an appalling and costly toll on our citizens and our economy. On the personal level, the use of alcohol disrupts family life, destroys personalities, and contributes significantly to illness and premature death. I would be willing to venture that virtually everyone in this Nation is affected by alcohol abuse, in the form of a close friend or relative who is one of 10 million problem drinkers. For society as a whole, the economic effects of this disease are startling. An estimated $40 billion, including $20 billion in lost productivity, and $13 billion in health care costs, is lost each year as a result of the alcohol problem.

Today, we are deliberating a bill, H.R. 3916, that would reauthorize the funding for alcohol abuse, prevention, treatment, and rehabilitation. While I support this bill, I feel that there is an issue that the bill does not address, and I would like to bring it to the attention of my colleagues in the House.

The alcohol abuse problem is such a complex issue that it contributes to and spawns a host of other difficult and vexing problems. Up to now, these problems associated with alcohol abuse have been approached individually, instead of from a central focus. Therefore, it has been impossible for Congress to direct Federal resources to those areas where they could be utilized most effectively.

To remedy this situation, I urge my colleagues to support in conference section 21 of S. 440, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979, which would create a National Commission on Alcoholism and Alcohol-Related Problems. Section 21 is very similar to a bill I introduced on May 14 of this year, H.R. 4078. This National Commission would investigate the alcohol abuse problem and its attendant problems as a whole; including in its purview an assessment of rehabilitation, treatment, and planning needs; the relationship of alcoholism to crime, aggressive behavior, recidivism, family violence, and health problems; an evaluation of prevention and research needs, and finally, a much needed look at the special needs of special populations, such as rural areas and Native Americans.

The Commission would be composed of 8 Members of Congress, 4 from each of the two bodies, and 11 public members appointed by the Senate. The report of the Commission would serve as a basis for a sorely needed national consensus on this serious drug problem.

I feel that the establishment of this Commission is absolutely necessary if we are to seriously attack the alcohol abuse problem. Therefore, I hope my colleagues will join me in supporting section 21 of S. 440 when the House and Senate confer on H.R. 3916, S. 440, and S. 525.●

The CHAIRMAN. Are there any further amendments to the bill? If not, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NATCHER) having assumed the chair, Mrs. SCHROEDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3916) to extend for 1 fiscal year the current authorization of appropriations for programs of assistance under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972, pursuant to House Resolution 307, she reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 396, nays 8, not voting 29, as follows:

[Roll No. 571]

YEAS—396

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—8

Collins, Tex.
Crane, Daniel
Crane, Philip
Hansen
McDonald
Paul
Stump
Symms

NOT VOTING—29

Addabbo
Anderson, Ill.
Chisholm
Collins, Ill.
Conyers
Diggs
Dixon
Duncan, Tenn.
Flood
Giaimo
Goldwater
Goodling
Jones, N.C.
Leach, La.
Michel
Mitchell, Md.
Murphy, N.Y.
Murtha
Nolan
O'Brien
Patten
Rosenthal
Rostenkowski
Shuster
Treen
Vanik
Winn
Wylie
Young, Alaska

☐ 1640

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Anderson of Illinois.

Mr. Giaimo with Mr. Young of Alaska.

Mr. Patten with Mr. Wylie.

Mr. Rostenkowski with Mr. Goldwater.

Mr. Jones of North Carolina with Mr. Shuster.

Mr. Rosenthal with Mr. Duncan of Tennessee.

Mr. Murphy of New York with Mr. Goodling.

Mr. Murtha with Mr. O'Brien.
Mr. Vanik with Mr. Winn.
Mr. Mitchell of Maryland with Mr. Nolan.
Mrs. Collins of Illinois with Mr. Conyers.
Mrs. Chisholm with Mr. Dixon.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 307, the Committee on Interstate and Foreign Commerce is discharged from the further consideration of the Senate bill (S. 440) to revise and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

The Clerk read the title of the Senate bill.

### MOTION OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WAXMAN moves to strike out all after the enacting clause of the Senate bill, S. 440, and insert in lieu thereof the text of section 1 of H.R. 3916, as passed by the House, as follows:

That (a) section 301 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4571) is amended by striking out "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each of the fiscal years ending September 30, 1979, and September 30, 1980".

(b) Section 310(a) of such Act (42 U.S.C. 4574) is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

(c) Section 312 of such Act (42 U.S.C. 4578) is amended by striking out "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each of the fiscal years ending September 30, 1979, and September 30, 1980".

(d) Section 503 of such Act (42 U.S.C. 4587) is amended by striking out "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each of the fiscal years ending September 30, 1979, and September 30, 1980".

(e) Subsection (c) of section 504 of such Act (42 U.S.C. 4588(c)) is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "three succeeding fiscal years".

(f)(1) Section 303(a)(3) of such Act (42 U.S.C. 4573(a)(3)) is amended by inserting "and women and the elderly" after "minority and poverty groups".

(2) Section 303(a)(4)(B) of such Act is amended by inserting ", by the elderly," after "by women".

(3) Paragraph (4) of section 311(c)(4) of such Act (42 U.S.C. 4577(c)(4)) is amended to read as follows:

"(4) The Secretary shall encourage the submission of and give special consideration to applications under this section for programs and projects for the prevention and treatment of—

"(A) alcohol abuse and alcoholism by women,

"(B) alcohol abuse and alcoholism by the elderly, and

"(C) alcohol abuse and alcoholism by individuals under the age of eighteen.".

(g) Title VI of such Act is amended by adding at the end the following new sections:

"SEC. 604. The authority of the Secretary to enter into contracts under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance by appropriation Acts.

"SEC. 605. No funds provided under this Act may be used to pay the compensation of any individual who admits under oath to the illegal use or possession of any controlled substance (as defined in section 102(6) of the Controlled Substances Act).".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 307, the Committee on Interstate and Foreign Commerce is discharged from the further consideration of the Senate bill (S. 525) to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes.

The Clerk read the title of the Senate bill.

### MOTION OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WAXMAN moves to strike out all after the enacting clause of the Senate bill, S. 525, and insert in lieu thereof the text of section 2 of H.R. 3916, as passed by the House, as follows:

That (a) section 409(a) of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1176(a)) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1979," the following: "and September 30, 1980,".

(b) Section 410(b) of such Act (21 U.S.C. 1177(b)) is amended by adding at the end the following: "For the fiscal year ending September 30, 1980, there is authorized to be appropriated $137,000,000 for grants and contracts under paragraphs (3) and (6) of subsection (a) for drug abuse treatment programs and $24,000,000 for grants and contracts under such subsection for other programs and activities. At least 10 per centum of the funds appropriated under the preceding sentence shall be obligated for grants and contracts for primary prevention programs.".

(c) Section 503 of such Act (21 U.S.C. 1193) is amended (1) by striking out "(a)", and (2) by striking out subsection (b).

(d)(1) Section 409(e)(3) of such Act is amended by inserting "(including women and the elderly)" after "population groups".

(2) Section 409(e)(5)(B) of such Act is amended by inserting ", by the elderly," after "by women".

(3) Subsection (d) of section 410 of such Act is amended to read as follows:

"(d) The Secretary shall encourage the submission of and give special consideration to applications under this section for programs and projects for the prevention and treatment of—

"(1) drug abuse and drug dependence by women,

"(2) drug abuse and drug dependence by the elderly, and

"(3) drug abuse and drug dependence by individuals under the age of eighteen.".

(e) Within sixty days of the date of the enactment of this Act the Director of the National Institute on Drug Abuse shall report to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate—

(1) the number of grants and contracts made or entered into by the Director before such date of enactment for research which was not completed before April 1, 1979.

(2) the identity of the persons who received such grants and contracts,

(3) the amount of funds authorized to be paid under each such grant and contract and the amount of funds expended by the recipient of each such grant and contract by such date of enactment.

(4) the purpose of the research project funded under each such grant and contract, and

(5) the progress made in each such research project by such date of enactment.

(f)(1) Title IV of such Act is amended by adding at the end the following new sections:

"§ 414. Contract authority

"The authority of the Secretary to enter into contracts under this title and title V shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance by appropriation Acts.

"§ 415. Use of funds

"No funds provided under this title may be used to pay the compensation of any individual who admits under oath to the illegal use or possession of any controlled substance (as defined in section 102(6) of the Controlled Substances Act).".

(2) The table of sections of such title IV is amended by adding at the end the following new item:

"414. Contract authority.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3916) was laid on the table.

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☐ 1650

## DEPARTMENT OF ENERGY AUTHORIZATION ACT FOR FISCAL YEARS 1980 AND 1981—CIVILIAN APPLICATION

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3000, with Mr. STUDDS, Chairman, pro tempore, in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Friday, October 12, 1979, title II was open to amendment at any point.

Are there further amendments to title II?

### AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN: Page 40, after line 23, insert the following new subsection:

(c) Using such sums of the amount authorized to be appropriated under subsection (a)(2)(E) as may be necessary, the Secretary shall—

(1) review the mandatory allocation regulations (and orders) applicable to petroleum products to determine whether, consistent with existing statutory provisions, it is practicable to modify such regulations (and orders) to take into account—

(A) the most recent data then available regarding the consumption of those petroleum products for the appropriate period, and

(B) reductions in demand for such products based on energy conservation; and

(2) make such modifications to such regulations (and orders) as may be appropriate on the basis of the determination under paragraph (1) and consistent with such existing statutory provisions.

Ms. HOLTZMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. HOLTZMAN. Mr. Chairman, this is not, I expect, a controversial amendment. I have discussed it with the chairman of the full committee and with the minority. Basically this amendment is designed to take into account and correct problems that occurred in the mandatory allocation system. In the event that it should be replaced or reinstituted by the Congress, this amendment would insure that appropriate data are used in connection with any particular period and that no area is penalized for use of conservation.

During the recent gas crisis the New York metropolitan region as well as other parts of the country suffered severe shortages, which other areas experienced no disruption in supply. This was partly due to Department of Energy's regulations which gave a bonus to areas with higher gasoline use during the months from October to February. This of course benefited States which do not experience, as New York does, a harsh winter. States, under these regulations, may be reluctant to implement energy conservations measures, fearing that they will find themselves at a disadvantage, because their supply would be based on prior usage.

My amendment requires the Department of Energy to review the Government's allocation plans and make changes to take into account reduction in demand due to energy conservation as well as assure the use of the most recent figures on fuel use. This amendment seeks to assure that any future allocation system will not subject the public to long lines and glaring inequities.

Mr. DINGELL. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I will be happy to yield to the gentleman from Michigan (Mr. DINGELL), the chairman of the full committee.

Mr. DINGELL. I thank the gentlewoman for yielding. I have had a chance to review the amendment. The amendment has been reviewed by the staff of the committee. We find that there is no objection to it. We find that it is helpful, and I am happy on this side to accept the amendment.

Ms. HOLTZMAN. I thank the chairman for his comments.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title II?

### AMENDMENT OFFERED BY MRS. HECKLER

Mrs. HECKLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. HECKLER: Page 40, after line 23, insert the following new section:

### RECOVERY OF COAL BURNING EXPENSES

SEC. 203. (a) Any public utility which is regulated under part II of the Federal Power Act and which receives an order pursuant to section 110(f) or 113(d) of the Clean Air Act the effect of which is to permit the burning of coal in lieu of oil in any powerplant, may fully recover through appropriate rates, in accordance with applicable provisions of Federal and State law, any and all capital and increased operation and maintenance costs prudently incurred by such utility in connection with such burning of coal. The recovery of such costs, which become effective after the costs have been incurred, may be authorized by surcharge or other appropriate means, by the Federal Energy Regulatory Commission.

(b) The provisions of subsection (a) shall cease to be effective September 30, 1980.

Mrs. HECKLER. Mr. Chairman, this amendment would rectify a situation in which the operator of a powerplant who has received an order from EPA permitting it to burn coal in an environmentally acceptable manner in lieu of oil, to recover the costs involved with switching fuels. Under current law—the Federal Power Act—there exists a situation by which a utility may not be able to recover the costs incurred in rehabilitating equipment related to switching to the burning of coal.

For example, the Brayton Point generating plant in Massachusetts, operated by the New England Power Co., which is generally used as the example of a utility's ability to switch to coal in lieu of imported oil, has embarked on a program to convert to coal on a permanent basis. Even though the plant has previously burned coal, it took the company 4 years to negotiate the coal conversion agreement with EPA.

However, pending completion of the "permanent" long-range conversion, which will take at least 2 years, the company also received within the past month a "compliance date extension" under section 113(d) of the Clean Air Act, the effect of which is to permit the burning of coal in units I and II—Brayton Point has a total of four "units" or generators—virtually immediately.

However, NEPCO's rates are regulated by FERC. FERC uses a "forward looking test year," which means that only funds which the company expects to expend in the year following the filing of a formal rate case, may be considered in that rate case.

Under the 113(d) order, the company has expended funds to rehabilitate the necessary coal handling equipment for the short-term burning of coal in order to minimize the burning of oil.

This quick switching to coal significantly benefits NEPCO's customers who will immediately begin receiving a $2 million a month fuel cost savings pass-through. This fuel switch also benefits the Nation and especially New England, by saving over 400,000 barrels of oil a month. Since the costs incurred with the switching are present, and not anticipated future costs, under current law they are not recoverable by the company in a future rate case.

The costs incurred with respect to units I and II at Brayton Point regarding the quick switch to coal are about $1,600,000. Considering the fuel cost savings to the company's customers of over $24,000,000 a year, it appears inequitable to disallow the recovery of such costs, thereby subjecting the company's stockholders to this loss.

Mr. DINGELL. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentlewoman for yielding.

Mr. Chairman, I have had a chance to review the amendment. I understand it is intended to put a very limited exemption insofar as time and scope and will give FERC time to consider these matters and to develop appropriate remedies here. The staff and I have had a chance to review the amendment, and I have no objection to it.

Mrs. HECKLER. I thank the distinguished Chairman for his support.

Mr. LOEFFLER. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Texas.

Mr. LOEFFLER. I thank the gentlewoman for yielding. The minority as well have reviewed the gentlewoman's amendment, and we have no opposition to it.

Mrs. HECKLER. I think the distinguished gentleman.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from Massachusetts (Mrs. HECKLER).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title II?

Mr. FISHER. Mr. Chairman, I move to strike the last word. I would like to engage in a short colloquy with the gentleman from Michigan (Mr. DINGELL). As I understand it, the authority to control the price of gasoline under present law will expire at the end of September 1981. Is that understanding correct?

Mr. DINGELL. If the gentleman would yield, the gentleman is correct. The authority to force controls on prices on all products, on all crude, now vested in the

President expires at the end of September 1981; that is correct.

Mr. FISHER. So that under present law and under the committee's version of the bill before us, the price control authority over domestic crude and over gasoline and other refinery products would all expire on the same date at the end of September 1981?

Mr. DINGELL. Under existing law, the gentleman is correct. All authorities for price controls would expire on the same date under existing law. Under the amendment adopted the other day by the House, sponsored by our good friend, the gentleman from New Jersey (Mr. Courter), removing price controls on gasoline, that would no longer be so.

Mr. FISHER. Under that so-called Courter amendment the authority to control the price of gasoline would expire with the passage of the act containing that amendment.

□ 1700

Mr. DINGELL. The gentleman is correct. I would point out that the President has in his comments on this matter indicated that he has authority to take steps at his discretion with regard to controls of both crude and with regard to controls on product and to do so in such fashion as would meet the public need. He has indicated he does not feel that the exercise of that power is wise or necessary at this time.

Mr. FISHER. Then the only way we could retain authority to control gasoline prices as one of the major refinery products and make it similar to authority to control the price of crude, would be to vote down the Courter amendment in some way or other and return to the committee's version of the bill on this point?

Mr. DINGELL. The gentleman is correct.

Mr. FISHER. It does seem to me, Mr. Chairman, that we would be better off to phase down gasoline price controls more or less over the same time period and in the same manner, perhaps, as we phase down the price of domestic crude that would remain under controls. This would be the symmetrical and probably the fast way to do it and it would avoid the possibility or tend to avoid the possibility that in a clinical moment of some kind retailers of gasoline, independents or company retailers would not have the opportunity for a windfall, perhaps a big windfall, in this area or that where panic might have set in?

Mr. DINGELL. The gentleman is entirely correct. I would point out that the President's program does envision the gradual decontrol of gasoline through the decontrol of crude, all of which would end in a deregulation of petroleum and product market on September 30, 1981.

Mr. FISHER. It seems to me, then, even more important to go back to the committee's version on this point because we do not yet, even, have an emergency rationing plan on the books that could take effect in the event of a considerable emergency such as a 20-percent shortage as called for under the emergency rationing bill as it left the House. Would the gentleman agree with that?

Mr. DINGELL. I concur with the gentleman. I would point out that the Subcommittee on Energy and Power stands ready to consider questions of this kind at any time legislation is drafted and presented. However, the drafting of a piece of legislation like this in committee is much more desirable than the rather crude way of handling this thing on the floor through floor amendment, which has never been considered in the committee.

As the gentleman well knows I have opposed all efforts to run around the committee on control, decontrol of either product or crude.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Fisher was allowed to proceed for 2 additional minutes.)

Mr. FISHER. Finally, let me say I advocate getting out of the price control system in this industry. Crude, product, whatever. I have thought it would be better to phase our way out of it over not too long a period of time; a year or two. It happens to be that we put into the law relating to crude oil prices 2 years from now. It does seem to be a better course to deal with the product prices in the same way and disengage from those controls over the same period of time and that we have a better chance this way of protecting ourselves against any undue windfalls in times of crisis. We do have a better chance of protecting ourselves there and it is more understandable to the public, I believe, to handle the two sets of prices or the prices at the two stages in this industry, in approximately the same manner.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, I think the gentleman is making an important point but I hope the gentleman would understand that the administration has the power right now to gradually decontrol the margin of limits on the gasoline sector, both the marketers and the retailers, but I see no plan they are going to undertake that.

Mr. FISHER. I think the gentleman is correct in this sense, and the administration is doing that right along, now.

Mr. Chairman, my problem with the Courter amendment is that it would preclude that possibility by denying funds in this next year to be used to continue to disengage from price control over gasoline prices.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from New York.

Mr. STRATTON. I appreciate the gentleman yielding to me.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Stratton, and by unanimous consent, Mr. Fisher was allowed to proceed for 3 additional minutes.)

Mr. FISHER. I yield to the gentleman from New York.

Mr. STRATTON. I wonder if I could ask the chairman of the subcommittee, the gentleman from Michigan, if he could explain precisely what the difference is between the controls on crude oil and the controls on gasoline. In other words, what is the control, a certain margin over whatever the price is paid for crude oil?

Mr. DINGELL. There are controls of all levels of the industry. There are controls on the crude producer which are fixed by the statutory formula as modified by the President's decontrol measures.

The controls on refiners are roughly that the refiner get his cost of crude plus the costs of refining, plus certain incentives which have been built in through measures such as the gas tilt. In other words, he gets his costs plus, essentially, a margin. Then the jobbers and the retailers get their product costs plus a markup which is fixed in the regulations.

Mr. STRATTON. Is the gentleman saying that the President's order for phased decontrol is addressed not only to the control of the crude oil but also to a specific reduction of the other controls the gentleman has just referred to?

Mr. DINGELL. What happens is, since the President's plan for phased decontrol of crude oil is essentially a decontrol by volumes as opposed to a rise in price, the consequences are that this carries the gasoline prices upwards to world market prices at the same time that the last of the domestically produced crude is decontrolled on the 30th of September of 1981.

Mr. STRATTON. Will there still be a limit on the margin that you can get over and above that when March of 1981 arrives?

Mr. DINGELL. At that time all controls would expire. The probability is, by reason of the title that has been given to afford gasoline a higher percentage of the cost of refining, that it would ordinarly have been entitled to under old regulations, that probably gasoline prices would rise to world market prices before the 30th of September of 1981. About 5 percent earlier in terms of time and dollars.

□ 1710

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Studds, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes, had come to no resolution thereon.

## CONFERENCE REPORT ON H.R. 4580, DISTRICT OF COLUMBIA APPROPRIATIONS, 1980

Mr. CHARLES WILSON of Texas. Mr. Speaker, I call up the conference report on the bill (H.R. 4580) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 18, 1979.)

The SPEAKER. The gentleman from Texas (Mr. CHARLES WILSON) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. PURSELL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. CHARLES WILSON).

Mr. CHARLES WILSON of Texas. Mr. Speaker, I yield myself such time as I may consume.

### GENERAL LEAVE

Mr. CHARLES WILSON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 4580 and on the amendments in disagreement, and that I be permitted to include a tabulation summarizing the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CHARLES WILSON of Texas. Mr. Speaker, the conference report now before the House will provide the District of Columbia government with total resources of $1.9 billion for fiscal year 1980, of which 40 percent or $784.5 million will be in Federal funds. This amount includes a Federal payment of $238.4 million and Federal loans for capital outlay of $125 million.

The conference agreement provides a total of $1.5 billion in District of Columbia funds, and includes $1.4 billion in operating expenses and $157 million for capital outlay. This is $115 million below the amount requested in the amended budget, $58 million above the House allowance, and $19 million below the Senate bill. The increase of $58 million above the House bill is due primarily to budget amendments totaling $86.6 million which were transmitted to the Congress too late for consideration by the House.

In Federal funds, the conferees recommend a total of $373.7 million, a reduction of $113.2 million below the budget request, $46.2 million above the House allowance, and $10.9 million below the Senate bill. Mr. Speaker, the increase above the House allowance is due partly to the budget amendments I mentioned a moment ago and partly to a reduction in the carryover surplus which was required to fund the fiscal year 1979 supplemental.

The conferees have approved $5.1 million for operation of a summer jobs program for District youth, ages 14 to 21, as well as $4.2 million for a jobs program for adults with dependents. Language has been included in the bill prohibiting the use of funds for the summer youth jobs program until the city's plan is approved by both the House and Senate Committees on Appropriations. A total of $2.9 million has been approved to cover the costs of equipment and contractual services for the care of St. Elizabeths patients who are placed in community-based facilities. The conferees recommend a total of $10.2 million for the city's day care program, an increase of almost 10 percent above the 1979 level.

The conference action adds $800,000 and 33 positions to the fire department's budget for the sole purpose of improving the emergency ambulance service. The city will now have a total of 15 emergency ambulance units available. The conference agreement includes an increase of $11 million above the House allowance to cover the cost-of-living salary increases. This will provide a total of $58 million for this purpose. Mr. Speaker, the District of Columbia has entirely too many employees. If you count employees paid for through Federal grants, there are over 47,000 employees for a population of 672,000. The committee is trying to do something about this, and in conference we agreed to hold down the personnel ceiling to the lower level that was in the House bill. In addition, Mr. Speaker, the conference action reflects a one-half percent base reduction in overhead and administrative costs for all departments except the public safety agencies as reflected in the House bill.

The full budget request of $351,500 has been approved for the District's Commission on the Arts and Humanities. This will allow the Commission to fully match the basic State agency grant from the National Endowment for the Arts. Additional funds have also been approved to meet the increased demand for birth and death records and to provide for improvements in the treatment and prevention of alcoholism. The conferees have approved various increases which will provide improved staffing and maintenance at several recreational facilities throughout the city.

The conferees have agreed to the full budget request for the city's Department of Housing and Community Development, except for the half percent base reduction, and have included an increase of $250,000 for a home mortgage assistance program for low and moderate income families. For mass transportation, the conferees have approved the revised budget request of $17.8 million for the city's capital contribution to Metro.

The conferees were unable to resolve their differences concerning the abortion issue, and that amendment, amendment No. 27, has been brought back in disagreement.

Mr. Speaker, the conference agreement provides adequate funds for the operation of the District of Columbia government during fiscal year 1980. This is a good conference report and I urge its adoption.

At this point in the RECORD, Mr. Speaker, I will insert a tabulation summarizing the conference action.

The table follows:

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1980 (H.R. 4580)—CONFERENCE SUMMARY

| Item | New budget (obligational) authority, fiscal year 1979 | Budget estimates of new (obligational) authority, fiscal year 1980 | New budget (obligational) authority, House bill | New budget (obligational) authority, Senate bill | New budget (obligational) authority, Conference | Conference action compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Fiscal year 1979 | Budget estimates, 1980 | House bill | Senate bill |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| TITLE I | | | | | | | | | |
| TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA | | | | | | | | | |
| Salaries and expenses | $7, 500, 000 | $500, 000 | $500, 000 | $500, 000 | $500, 000 | −$7, 000, 000 | | | |
| TITLE II | | | | | | | | | |
| DISTRICT OF COLUMBIA | | | | | | | | | |
| FEDERAL FUNDS | | | | | | | | | |
| Federal payment | 250, 000, 000 | 317, 000, 000 | 191, 500, 000 | 249, 121, 500 | 238, 200, 000 | −11, 800, 000 | −$78, 800, 000 | +$46, 700, 000 | −$10, 921, 500 |
| Payment in lieu of reimbursement for water and sewer services to Federal facilities | 12, 200, 000 | 10, 500, 000 | 10, 300, 000 | 10, 500, 000 | 10, 500, 000 | −1, 700, 000 | | +200, 000 | |
| Federal payment to retire R.F.K. Stadium bonds | 9, 900, 000 | | | | | −9, 900, 000 | | | |
| Loans to the District of Columbia for capital outlay | | 159, 391, 700 | 125, 725, 700 | 125, 000, 000 | 125, 000, 000 | +125, 000, 000 | −34, 391, 700 | −725, 700 | |
| American Agricultural Movement demonstration expenses | 2, 565, 000 | | | | | −2, 565, 000 | | | |
| Total, Federal funds to District of Columbia | 274, 665, 000 | 486, 891, 700 | 327, 525, 700 | 384, 621, 500 | 373, 700, 000 | +99, 035, 000 | −113, 191, 700 | +46, 174, 300 | −10, 921, 500 |

| Item | New budget (obligational) authority, fiscal year 1979 | Budget estimates of new (obligational) authority, fiscal year 1980 | New budget (obligational) authority, House bill | New budget (obligational) authority, Senate bill | New budget (obligational) authority, Conference | Conference action compared with— Fiscal year 1979 | Budget estimates, 1980 | House bill | Senate bill |
|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| DISTRICT OF COLUMBIA FUNDS | | | | | | | | | |
| Operating Expenses | | | | | | | | | |
| Governmental direction and support | ($66, 475, 600) | ($70, 983, 200) | ($67, 399, 700) | ($64, 879, 000) | ($63, 456, 900) | (−$3, 018, 700) | (−$7, 526, 300) | (−$3, 942, 800) | (−$1, 422, 100) |
| Economic development and regulation | (14, 992, 300) | (25, 673, 700) | (13, 810, 900) | (16, 009, 700) | (16, 127, 000) | (+1, 134, 700) | (−9, 546, 700) | (+2, 316, 100) | (+117, 300) |
| Public safety and justice | (291, 569, 100) | (303, 024, 900) | (293, 247, 700) | (296, 177, 800) | (295, 472, 300) | (+3, 903, 200) | (−7, 552, 600) | (+2, 224, 600) | (−750, 500) |
| Public education system | (309, 564, 000) | (326, 162, 300) | (310, 596, 700) | (317, 379, 500) | (312, 493, 500) | (+2, 929, 500) | (−13, 668, 800) | (+1, 896, 800) | (−4, 886, 000) |
| Human support services | (335, 498, 700) | (374, 156, 500) | (329, 110, 500) | (350, 432, 400) | (347, 359, 500) | (+11, 860, 800) | (−26, 797, 400) | (+18, 249, 000) | (−3, 072, 900) |
| Transportation services and assistance | (83, 797, 900) | (95, 717, 600) | (91, 280, 100) | (92, 858, 600) | (92, 084, 100) | (+8, 286, 200) | (−3, 633, 500) | (+804, 000) | (−774, 500) |
| Environmental services and supply | (76, 273, 200) | (81, 519, 200) | (77, 137, 800) | (79, 206, 100) | (78, 297, 800) | (+2, 024, 600) | (−3, 221, 400) | (+1, 160, 000) | (−908, 300) |
| Personal services | (34, 610, 600) | (81, 610, 600) | (47, 354, 500) | (58, 354, 500) | (58, 354, 500) | (+23, 743, 900) | (−23, 256, 100) | (+11, 000, 000) | |
| Repayment of loans and interest | (120, 400, 000) | (121, 657, 300) | (120, 457, 300) | (120, 457, 300) | (120, 457, 300) | (+57, 300) | (−1, 200, 000) | | |
| Demonstration expenses | (2, 565, 000) | | | | | (−2, 565, 000) | | | |
| Total, operating expenses | (1, 335, 746, 400) | (1, 480, 505, 700) | (1, 350, 395, 200) | (1, 395, 754, 900) | (1, 384, 102, 900) | (+48, 356, 500) | (−96, 402, 800) | (+33, 707, 700) | (−11, 652, 000) |
| Capital Outlay | | | | | | | | | |
| Capital outlay | (77, 215, 000) | (176, 540, 300) | (132, 830, 200) | (165, 355, 300) | (157, 531, 300) | (+80, 316, 300) | (−19, 009, 000) | (+24, 701, 100) | (−7, 824, 000) |
| Total, District of Columbia funds | (1, 412, 961, 400) | (1, 657, 046, 000) | (1, 483, 225, 400) | (1, 561, 110, 200) | (1, 541, 634, 200) | (+128, 672, 800) | (−115, 411, 800) | (+58, 408, 800) | (−19, 476, 000) |
| RECAPITULATION | | | | | | | | | |
| Grand total, new budget (obligational) authority | 282, 165, 000 | 487, 391, 700 | 328, 025, 700 | 385, 121, 500 | 374, 200, 000 | +92, 035, 000 | −113, 191, 700 | +46, 174, 300 | −10, 921, 500 |
| Consisting of: | | | | | | | | | |
| Temporary Commission on Financial Oversight of the District of Columbia | 7, 500, 000 | 500, 000 | 500, 000 | 500, 000 | 500, 000 | −7, 000, 000 | | | |
| District of Columbia: | | | | | | | | | |
| Federal funds to the District of Columbia | 274, 665, 000 | 486, 891, 700 | 327, 525, 700 | 384, 621, 500 | 373, 700, 000 | +99, 035, 000 | −113, 191, 700 | +46, 174, 300 | −10, 921, 500 |
| District of Columbia funds | (1, 412, 961, 400) | (1, 657, 046, 000) | (1, 483, 225, 400) | (1, 561, 110, 200) | (1, 541, 634, 200) | (+128, 672, 800) | (−115, 411, 800) | (+58, 408, 800) | (−19, 476, 000) |

Mr. PURSELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we would on this side support the conference report.

Mr. Speaker, I yield back the balance of my time.

Mr. CHARLES WILSON of Texas. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will designate the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: On page 3, line 24, strike out "$67,399,700" and insert: "$64,879,000,".

MOTION OFFERED BY MR. CHARLES WILSON OF TEXAS

Mr. CHARLES WILSON of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CHARLES WILSON of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$63,456,900".

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 4, line 24, strike out "$13,810,900" and insert "$16,009,700.".

MOTION OFFERED BY MR. CHARLES WILSON OF TEXAS

Mr. CHARLES WILSON of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CHARLES WILSON of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$16,127,000".

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 7, line 23, insert ": *Provided further*, That none of the funds appropriated for the summer youth jobs program shall be obligated until the Subcommittees on the District of Columbia Appropriations of the House of Representatives and the Senate have approved a plan submitted by the Mayor and the City Council detailing proposed expenditures.".

MOTION OFFERED BY MR. CHARLES WILSON OF TEXAS

Mr. CHARLES WILSON of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CHARLES WILSON of Texas moved that the House recede from its disagreement to the amendment of the Senate numbered 16 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 10, line 6, strike out "$4,906,700" and insert "$5,288,100".

MOTION OFFERED BY MR. CHARLES WILSON OF TEXAS

Mr. CHARLES WILSON of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CHARLES WILSON of Texas moved that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$5,378,100".

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 16, line 11, strike out "Supplemental requests and budget amendments shall be transmitted to the Congress in a timely manner. Such supplementals duly submitted may be considered by the Congress in connection with a Federal supplemental or in a separate District of Columbia supplemental. Budget amendments duly submitted may be considered as a part of the annual District budget to which the amendment pertains.".

MOTION OFFERED BY MR. CHARLES WILSON OF TEXAS

Mr. CHARLES WILSON of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CHARLES WILSON of Texas moved that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein with an amendment, as follows: Strike the matter stricken by said amendment and insert:

None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the government of the District of Columbia whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations or their duly authorized representatives.

The motion was agreed to.

The SPEAKER. The Clerk will designate the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 16, strike out lines 22 and 23.

### MOTION OFFERED BY MR. CHARLES WILSON OF TEXAS

Mr. CHARLES WILSON of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Charles Wilson of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert:

Sec. 220. None of the Federal funds provided in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

Mr. CHARLES WILSON of Texas (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

### PREFERENTIAL MOTION OFFERED BY MR. STOKES

Mr. STOKES. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. Stokes moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein.

Mr. CHARLES WILSON of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this amendment would apply the antiabortion language contained in the continuing resolution (H.J. Res. 412), which was agreed to by the House and Senate and signed by the President last Friday, October 12, to all Federal funds in the fiscal year 1980 D.C. appropriation bill (H.R. 4580). The District government would be prohibited from using any Federal funds, including revenue sharing funds and the Federal payment, to perform abortions except where the life of the mother would be endangered if the fetus were carried to term, or where rape or incest has occurred and such rape or incest has been reported promptly to a law enforcement agency or public health service. Under this amendment, the District of Columbia will be treated the same as the 50 States, except for revenue sharing funds which States can now use for abortions but the District, under the language in my amendment, must use for purposes other than abortions.

Mr. Speaker, my amendment is the only fair and reasonable way to deal with this issue as far as the District of Columbia is concerned, and I strongly urge a yea vote on my motion which will apply the antiabortion language which has already been adopted by the Congress in the continuing resolution to all Federal funds in this bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. Stokes).

Mr. STOKES. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the purpose of my motion is to have the House recede from its disagreement to the amendment of the Senate and concur therein. The Senate bill contains no language pertaining to the funding of abortions in the District of Columbia. Thus, the effect of my motion is that any restrictions on the use of Federal funds to pay for abortions, as spelled out in the Labor-HEW appropriations bill, would continue to apply to the District of Columbia as well as to the rest of the country. The Congress has followed this practice in the past. Because the Labor-HEW appropriations bill for fiscal year 1980 has not yet been signed into law, however, the restrictions established in the fiscal year 1980 continuing resolution would apply to the District of Columbia until such time as a Labor-HEW bill is finalized. As you well know, the language in the continuing resolution provides that no Federal funds are to be used to pay for abortions, except where the life of the woman would be endangered if the fetus were carried to term, or in the case of rape or incest with prompt reporting to a law enforcement agency or the Public Health Service.

Earlier this year, the House attached two antiabortion amendments to the District of Columbia bill that would establish a different standard for the District of Columbia than for the rest of the Nation. The first amendment states:

None of the funds appropriated herein for the medical expenses necessary to saving the life of a pregnant woman entitled to receive medical benefits under this act shall be denied.

The second amendment states:

None of the funds appropriated under this act shall be used to pay for abortions.

The combined effect of these amendments would have been to prohibit the District of Columbia from using locally generated tax revenues to pay for abortions, except where the life of the mother would be endangered. Mr. Speaker, the reason for this is that the Congress appropriates funds for the entire budget for the District of Columbia, even though this budget is financed in part by Federal funds and in part by local revenues. In fact, 59 percent of the District of Columbia operating and capital budget approved in this bill is financed through local taxes, fees, charges, and other collections. These local resources will amount to over $1 billion in fiscal year 1980.

When the conferees on the District of Columbia bill met, we agreed to delete the first antiabortion amendment and to report the second antiabortion amendment in disagreement. Thus, unless my motion is passed by this House, a flat prohibition against funding any abortions will exist in the District of Columbia. The District will be prevented from using its own local funds to finance any abortion. This even includes an abortion critical to saving the life of a pregnant woman. If allowed to prevail, the current House language would be cruel, not only because it does not recognize life-threatening circumstances, but also because it imposes on the District of Columbia an unfair and highly restrictive standard that no other State, city, or county has to follow.

I would like to emphasize that even though current law provides for the limited use of Federal dollars to fund abortions, States still have the option of using State funds to pay for abortions. Again, every State except Arizona, which has no medicaid program, currently allows for the use of State funds to finance abortions in life-threatening or more liberal circumstances. The amendment on the House bill denies the District of Columbia this option, which every other State possesses.

The author of the amendment we are discussing, my distinguished colleague from California, has advanced the argument that the District of Columbia should be restricted in its use of local revenues because these funds are "commingled" with Federal funds. The fact is that no more commingling of funds occurs in the District of Columbia than in any other jurisdiction in this country that receives Federal aid.

The basic issue here is whether the residents of the District of Columbia should have the right to determine the disposition of local tax dollars: The same right that is enjoyed by all other taxpaying citizens in this country. There is absolutely no justifiable reason to impose an unfair and unreasonable law upon the citizens of the District of Columbia that is not imposed upon any other jurisdiction in this Nation.

Mr. Speaker, in the interest of fairness and decency, I urge the House to adopt my motion.

Mr. PURSELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in favor of the motion offered by the gentleman from Ohio.

Accepting this added restriction on District of Columbia residents would result in a conflict with our present position debated and addressed in the Labor/HEW appropriations bill. In past years and in action taken thus far for the fiscal year 1980 budget, we have established several restrictions on Federal moneys as applied to medicaid-funded abortions. The District's budget plan—like the plans for all the 50 States—now operates under this restriction for the use of Federal funds. However, by defeating this motion and thus insisting on the amendment by the gentleman from California, we would be establishing new, more restrictive language on a certain, limited number of people in the United States. This is discrimination. In effect, we would be penalizing the citizens of the District of Columbia for being the special entity they are.

Here we are not discussing the issue of abortion and the right to human life. The issue is, will Congress dictate the way a city or a State spends its own revenues. I must certainly agree with my colleague from Ohio that I highly doubt that any one of us here would allow these same restrictions of spending on our own

State's revenues. It would be, indeed, a frightening precedent to make.

Whether or not you support the right to refuse Federal funds for abortion, you must support this motion. We cannot tell the District how to spend its own money collected as sales tax on food and hotel rooms, real estate and corporations any more than we can tell Sacramento how to spend its revenues—whether it's for welfare, transportation, education, or medicaid abortions.

Let me again urge passage of this motion.

☐ 1720

Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. It was a great disappointment to me to learn that the House has failed to reach a compromise with the Senate on the matter of the District of Columbia budget legislation. The Senate wisely refused to accept an amendment which would have forbidden the use of public revenues for abortions; the House should do the same.

What is at issue here is not abortion. It is the matter of the U.S. Congress telling the citizens of the District of Columbia how their tax dollars may or may not be spent. We are not telling the citizens of Bridgeport, Conn., or of Los Angeles, Calif., or of any other city that they cannot spend their tax dollars as they see fit. We would not dare to do so. Were we to attempt to apply such restrictions to our own constituents we would be laughed out of office. Citizens of the District do not have a vote in Congress and are therefore easy targets for those who wish to do some political grandstanding. Consequently, we are singling out the District of Columbia for special treatment, and it is grossly unfair.

When we passed the Home Rule Act close to 6 years ago it was the culmination of many years of bitter struggle. The disasters predicted by its enemies have not come to pass. Restrictive legislation, such as the amendment we are considering now, would make the Home Rule Act stand for little more than an empty promise, and would be a slap in the face of the citizens of the District of Columbia. We are, in effect, telling the people of the District of Columbia that they cannot use their own judgment as to which programs and policies should be established and how their money should be spent.

Mr. Speaker, it occurs to me that if we continue to heap injustices of this sort upon the citizens of the District of Columbia, who by the way already bear the great injustice of being taxed without voting representation in Congress, we may by our own actions be laying the foundation for a version of the Boston Tea Party right here in the Nation's Capital. We should show our confidence in the judgment of the District's elected officials and its people by not dictating to them as to how they should spend their own money. I urge my colleagues to join me in voting against this abortion amendment.

Mr. PURSELL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Dornan).

Mr. DORNAN. Mr. Speaker, it has been most interesting to watch the rhetorical arguments develop concerning "home rule" and the "constitutionality" of my amendment to the District of Columbia appropriations bill.

I do not have to remind my colleagues, that we took an oath to uphold and defend the Constitution upon accepting office. Now, that part of the Constitution which refers to the District of Columbia, states that the Congress has the power, and I quote, "to exercise exclusive legislation in all cases whatsoever, over such District * * *."

Second: Public Law 93-198, the District of Columbia Self-Government and Governmental Reorganization Act—which, by the way, was approved by many Members still here—states in part:

> Sec. 102. Subject to the retention by Congress of the ultimate legislative authority over the Nation's Capital granted by article I, section 8 of the Constitution, the intent of Congress is to delegate certain legislative powers to the Government of the District of Columbia.

That was October 10, 1973.

> Sec. 446. No amount may be obligated or expended by any officer or employee of the District of Columbia government unless such amount has been approved by Act of Congress, and then only according to such Act . . .
>
> Sec. 601. The Congress of the United States reserves the right at any time, to exercise its constitutional authority as legislature for the District by enacting legislation for the District on any subject, whether within or without the scope of legislative power granted to the Council by this Act, including legislation to amend or repeal any law in force in the District prior to or after enactment of this Act and any act passed by the Council.

And yet, there are some who insist that my amendment to the D.C. appropriations bill is somehow "unconstitutional" or that it violates the "home rule" charter. This argumentation is a smokescreen. There is no "home rule" cry when the Congress specifies in the same bill how many chauffeurs the Mayor can have or what he can pay for mileage on official business. Or when the Congress attaches five or six pages of numerous and sundry other "restrictions" on the D.C. budget including a prohibition on the D.C. government for picking up ashes in alleys or installing taxicab meters.

I also find it strange to see a Member of the other body breastbeat vociferously on the "home rule" principle, in opposition to my amendment, and then threaten to hold up the entire D.C. budget over the location of the University of the District of Columbia. So much for revolutions in Vermont.

A similar diversionary or side-stepping tactic was tried by a Member of the other body in attempting to crush a bill to abolish slavery in the District on March 4, 1862. Speaking in opposition to the bill, Senator Davis of Kentucky said:

> Was there anything in British oppression upon the colonial inhabitants of this country at all comparable in grievance, in real wrong and outrage, to what you are endeavoring now to force upon the people of this District? Have they not as much right to say they will have slaves as you to say that you will not have slaves? If you will not allow them that privilege, will you not allow them the poor privilege of voting whether free Negroes shall stay here among them or not, a curse to the soil, a blight upon this small and poverty-stricken society?

Lastly, I would just like to inform my colleagues that there is really no valid reason to oppose my amendment to this bill, because according to a September 19, 1979, Washington Post article, the procedures prohibited by my amendment will be paid for out of the profits of some doctors and abortion clinics in the District. I might add that we have been paying with taxpayers' dollars, some practitioners of this sordid trade in the six-figure category. That's correct. Over $100,000 just for abortions. It will be most difficult to explain to your constituents that you voted their public money for this life-taking process when private money was available for this.

I urge you to reject the amendment of the gentleman from Ohio.

Mr. CHARLES WILSON of Texas. Mr. Speaker, I move the previous question on the preferential motion.

The previous question was ordered.

The SPEAKER. The question is on the preferential motion offered by the gentleman from Ohio (Mr. Stokes).

The preferential motion was rejected.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. Charles Wilson).

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

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## ENERGY MOBILIZATION BOARD—SHOULD CONGRESS ISSUE A BLANK CHECK?

(Mr. WIRTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WIRTH. Mr. Speaker, the Senate's passage last week of legislation creating the proposed Energy Mobilization Board has focused the attention of a wide variety of groups on the House. During the next several weeks my colleagues will be faced with key decisions on the breadth of powers to be granted to the Board—decisions which may determine to a large degree not only the speed with which this Nation can develop new energy resources but also the future course of our federalist system of government.

In an excellent article in yesterday's Washington Post, columnist David Broder laid out the choices which faced the Senate during its consideration of the legislation, clearly pointing up the wide differences between the two versions debated in the other House. In Mr. Broder's view, two particular issues were of preeminent importance: the unlimited number of projects the Energy Mobilization Board would be empowered to designate for a decisonmaking "fast track" under the Senate-passed version and the power that bill would grant to the Board to preempt State and local agencies' decisionmaking authority in the event of undue delay.

These are major questions which will face the House in its consideration of Energy Mobilization Board legislation within the next several weeks. But I would point out to my colleagues that the bill which will come to the House floor from the Commerce Committee presents issues of far greater magnitude. Regardless of which Senate version of the legislation one prefers—and I believe there are major weaknesses in both—the House Commerce Committee bill takes a major step beyond the Senate's final choice, empowering the EMB to waive the requirements of existing Federal, State and local law on its own authority, subject only to Presidential approval and a one-House congressional veto. This blanket authority for an appointed Federal Board to nullify the policy decisions of Congress was roundly rejected when it was proposed on the Senate floor. Waiver of existing State and local law was not even considered by the Senate.

Mr. Speaker, Mr. Broder's column provides an important element of perspective in the debate on the breadth of the powers to be granted the Board, and I recommend it to my colleagues' consideration:

POWER GRAB IN THE NAME OF ENERGY

On the face of it, the proposal seems to defy the supposed public resentment of intrusive, big-brother Washington bureaucracy.

The idea of a president of the United States seriously proposing that four of his appointees—three of them part-timers not even subject to the standard conflict-of-interest statutes—be empowered to substitute their judgment for that of independent federal, state and local regulatory bodies, and even, in certain instances, to block the application of federal or state law, seems far-fetched.

That such a proposal would be approved by the U.S. Senate and be moving toward passage in the House of Representatives is even more improbable.

But exactly that has happened, without a rumble of public protest, in the past few weeks. Under the guise of speeding vital energy projects, the federal government is about to accomplish the most significant power grab in recent years. It may or may not accomplish its stated goal of making the United States more energy-independent. But it will certainly damage the federal system and diminish the accountability of those exercising authority in Washington.

As part of his July energy program, President Carter proposed creation of a federal energy mobilization board, with authority to speed the development of high-priority projects, whether they be pipelines, refineries or exotic fuel plants. The measure was designed to deal with a real problem—the delays in federal, state and local licensing and siting decisions, which have, in some instances, held up important plans for years.

The need to slice through the red tape is recognized by everyone. The question is how to do it without creating a new center of arbitrary power in Washington and destroying the responsibility the Constitution gives states and localities for the welfare of their own citizens.

Two options were offered the Senate earlier this month, and the choice the Senate made—to the cheers of the Carter administration—was disturbing.

One bill would have limited the number of energy projects that could be cleared for "fast-track" action and would have restricted them to projects with a significant impact on reducing U.S. energy dependence. The other bill had no such limits.

The Senate chose the blank-check approach.

One bill would have let the new federal agency go to court to enforce a reasonable deadline (usually one year after submission of the plans) for decision-making by a state or local agency on the environmental, social and economic consequences of an energy project.

The other would let the presidential board substitute its own judgment for that of the local or state body, if the federal deadline was not met.

The Senate chose the second way—the path of federal preemption.

One bill would have forced the regulators to obey all the existing laws. The second would allow the federal energy expediters to bar the application of any law passed by Congress, state legislatures or city councils, subsequent to the start of work on a particular project.

The Senate chose the second course, embodying the daring constitutional assertion that four presidential appointees can nullify the enforcement of a statute passed by the elected officials of any level of government.

The vote was not close in the Senate. By a margin of 58 to 36, the senators gave Carter the power he sought, brushing aside vehement objections from such senators as Abraham A. Ribicoff (D-Conn.), Edmund S. Muskie (D-Maine), Gary Hart (D-Colo.), William V. Roth (R-Del.) and Charles H. Percy (R-Ill.).

They also ignored a chorus of protests from the nation's governors, mayors, county executives and state legislators, who see the proposal as a serious threat to their role in the federal system. They have threatened to challenge the legislation in court, if it is finally passed.

It is an understatement to say that it is extremely shortsighted to launch a national energy acceleration program with a bitter battle between Washington and leaders of state and local governments.

But the companion bill being prepared by a House committee is an even more extreme invasion of state and local authority by Washington, and even more glaring contradiction of the supposed public distaste for expanding bureaucratic power.

The governors and mayors and their Senate allies are trying to say we do not have to sacrifice the federal system to speed up energy production. But most of Washington is ignoring the message. The country will suffer the consequences for years to come.

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□ 1210

## WHAT THE AMERICAN PEOPLE WANT IS LEADERSHIP

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, the Republican Party today is dominated by the belief that the American people are ready to retreat from their historic commitment to the education, the health, the prosperity, and well-being of their fellow citizens.

A small army of Republican Presidential candidates crisscrosses the Nation in a frenzied effort to outbid one another for the "no more government" vote. Their strategy, in fact the central Republican strategy for the 1980's, is to ride to victory on a wave of pledges to dismantle our Federal Government.

I believe those efforts will come to grief. They will flounder on their fundamental misreading of the mood of the American people.

At scores of meetings across my district, at the front doors of hundreds of my South Dakota constituents, the message I have heard suggests this Republican sounding of national retreat is destined to failure.

The Democratic Party correctly perceives that the people of this Nation are not interested in lowering the curtain on our efforts to solve the great problems that confront us.

Our people do not want the elimination of government, they want government that works.

They are not tired of battles against ignorance and poverty, they are tired of losing those battles.

They do not seek an end to all Government spending, they seek Government spending that returns a dollar's value for a dollar spent.

It is the Democratic Party, the party of the average citizen, that understands these facts.

It is the Democratic Party, the party of the farmer, the worker, the housewife, and small business person, that seeks to couple leaner government with renewed commitment to the well-being of our people.

It is the Democratic Party, in education, in energy, in agriculture, and unemployment that seeks programs which cost less, but which work.

The people of South Dakota do not believe in quitting. When they see expensive failures in Washington they do not ask that we turn tail and run. Like our Democratic Party and like their fellow citizens across the Nation, they reject failure. But they reject surrender as well.

What they want is leadership.

It is harder, it is riskier, it may even be more divisive, but leadership, not retreat, is what our Democratic Party is all about.

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## LEGISLATING IN APPROPRIATIONS BILLS

(Mr. HARRIS asked for and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HARRIS. Mr. Speaker, last week, hundreds of thousands of Federal employees received only half their paychecks because Congress was at an impasse on the continuing appropriations resolution for fiscal year 1980. And millions more who depend on the Federal Government were threatened by our inability to come to an agreement. Fortunately, more serious delays and disruptions were avoided when Congress finally voted last Friday evening to pass an emergency appropriations bill providing funding through November 20, 1979.

Although the resolution was a fiscal year 1980 appropriations bill, the controversy did not stem from a disagreement over any of the recommended funding levels. Rather, the problem was over unrelated, controversial legislative riders attached to the bill. The funding for vital Federal programs and Federal workers was held hostage while Congress debated congressional pay raises and Federal funding for abortions.

By passing the emergency appropriations bill on Friday evening, the funding problem for fiscal year 1980 is temporarily resolved. But the problem will not go away. Until we change the House rules, unrelated, controversial legislation will continue to bottleneck the legislative process, jeopardizing the orderly and efficient conduct of the Federal Government and Congress.

That is why I am reintroducing my resolution to severely limit legislation in appropriations bills. My resolution would remove the loopholes in the current House Rule XXI that has permitted legislative language in appropriations bills. It would also cover all appropriations measures, including continuing resolutions which House Rule XXI does not now cover.

I firmly believe we must have a system that handles legislation responsibly, thoughtfully and deliberately. Legislative riders on appropriations bills simply do not meet this standard. Appropriations bills should be money measures for purposes authorized by law—not Christmas trees on which to hang other, unrelated issues.

### Summary—Resolution to Limit Legislation in Appropriations Bills

(Introduced by Congressman Harris, Oct. 16, 1979)

The Harris resolution would amend the second sentence of clause 2 of House Rule XXI. It would remove language permitting any Member to offer so-called retrenchment amendments. It would prohibit any provision in an appropriations bill or amendments thereto which change existing law or impose any limitation not contained in existing law.

The resolution would allow floor amendments that:

1. Change amounts of money in the bill;
2. Appropriate funds for authorized programs not included in the bill if germane and if not contrary to these strengthened strictures against legislation in appropriations bills;
3. Retrench expenditures if the authorizing committee has reported to that effect and if those amendments are germane. (This provision is in the current rule and would not be modified by my resolution.)

The resolution covers all appropriations measures, including continuing resolutions.

It would not disturb the right to offer motions to recommit when bills are reported back to the House from the Committee of the Whole.

The resolution would not change House Rule XX which provides that any Senate amendment in an appropriations bill that changes existing law cannot be agreed to by House conferees unless specific authority to agree to the amendment is first given by the House by a separate vote on every such amendment.

## FULL FUNDING NEEDED FOR AGRICULTURAL CONSERVATION PROGRAM

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I rise to speak in favor of continuing full funding for the agricultural conservation program. We must continue to maintain those longstanding and important conservation programs under ACP to preserve our soil for future generations. I ask my colleagues to support this very important program.

Our entire economy is dependent upon a financially healthy American agriculture, for it is the foundation of our economic well-being. Agriculture is the base on which industry or labor depend. The cost of food, clothing, and shelter is going to be paid either by the user, the consumer, the taxpayer, or the land. We cannot charge the cost to the land for if we wear out our agricultural base, we will find ourselves like many other countries who are food deficient. Our farmers must continue to grow the food and fiber needed to meet domestic world needs. We forget that our high standard of living comes because so few of us provide food, clothing, and shelter for the rest of us. This allows the rest of us to provide the many other things that make for our high standard of living.

With world demand for food expanding and with ever-increasing inflation and other serious threats to our ability to produce adequate food supplies in the future, it is essential that we continue to emphasize those programs which will protect our land and water resources so as to strengthen food production. To maintain exports of our chief stock in trade and continue our efforts to maintain a favorable balance of trade with the other nations of the world we must restore our land.

I ask my colleagues to maintain the funding for the ACP program and other programs that will secure our future in agriculture. We must continue to maintain a viable, strong farm community and provide adequate support at the grassroots level.

## SAY LESS! SPEND LESS!

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, if there is one constant message that I receive from my constituents it is that the cost of the Federal Government far exceeds benefits. Most people point to the executive branch as the chief offender, but Congress is by no means exempt from criticism. I am certain that we are all aware of our ranking in the latest public opinion polls—far below bankers, lawyers and even Presidents. Less than 15 percent of the American public has confidence in this Congress.

Mr. Speaker, it is clear we must begin to set this House in order. Today I am introducing a resolution that would limit the number of pages Members may insert into the Extensions of Remarks to four per session of Congress. In 1978 the cost per page of printing the Extensions of Remarks section of the Congressional Record was $347; taking the year as a whole, this amounted to 13.9 pages per Member at a cost of $4,814. For 1980, the cost per page is expected to be at least $393; at this rate, printing the Extensions of Remarks section will cost the taxpayers of America $5,452 per Member of Congress if the number of pages of Extensions remains constant—a highly unlikely event.

My resolution would limit the insertions per Member into Extensions of Remarks to four pages per year from the 1978 average of 13.9 pages per Member. Four pages is no small amount; each page consists of three columns of 9¼ inches per column. Under this resolution, each Member would retain the right to insert 111 column inches of material in the Congressional Record per year. The savings to the taxpayer, again assuming the number of pages did not increase over 1978, would be $1,687,935.

Mr. Speaker, I question if any of our constituents would approve of each Member of Congress spending $5,450 of taxpayer funds to print extraneous material in the Congressional Record. My resolution will allow any Member of Congress to have printed in Extensions of Remarks whatever material he or she desires; however, the space limitations will force us to refrain from the irrelevant—and very expensive—use of this forum and, instead concentrate on the legislative business at hand.

I urge the favorable consideration of this resolution by all my colleagues.

## MORE CAPITAL—MORE OIL DRILLING

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, studying the energy shortage in the United States confirms one basic fact—the U.S. oil industry needs more capital in order to provide more oil drilling. I have called on geologists back in Texas to furnish me with comparable data on drilling showing similar production costs. Geologist James A. Gibbs of Dallas furnished me with the cost data of comparable oil wells drilled in Montague County up in North Texas. This compares 1972 versus 1979. The completion costs of an oil well must be added, which doubles the initial drilling costs. For instance, the drilling costs for these three oil wells had an average cost of $5.48 a foot for drilling, and $5.35 a foot for completing the oil well, which gave a total cost of $10.83 back in 1972. Compare this $10.83 with the total cost of three wells in 1979 which was $28.63 a foot.

This data was from McCommons Oil Company of Dallas which is a small but very efficient, well managed company. It has had many years of experience in Montague County. Let me quote from Gibbs' letter on McCommons Oil:

> In 1972, McCommons drilled three wells in an area of Montague County and completed them as successful producing wells. (See Schedule "A" attached.) In 1978 and 1979, three more wells were drilled and completed as producing wells in the same area.
>
> In the approximate seven year period between the time the six wells were drilled, the drilling costs rose from an average of $5.48 per foot to $14.31 per foot, a 261 per cent increase (37.3 per cent per year). The cost

of a completed well rose from an average of $10.83 per foot to $28.63 per foot, a 264 per cent increase (37.8 per cent per year). Since these wells were drilled, costs have continued to rise. Furthermore, the costs of some goods and services have risen more than these average costs. The day-to-day operational costs of producing the oil from the wells have also risen during the past seven years or so, so that wells which could have been operated for a profit with prices of $15 per barrel oil several years ago may no longer be.

We in Congress must also remember that there is great potential in secondary and tertiary recoveries. We have only recovered 30 percent of the oil out of the present discovered oil formations. But secondary recovery is very expensive. Why should we pay $24 for Arab OPEC oil when we can recover U.S. oil under secondary recovery for $20 a barrel. Let us always bear in mind the fact that 6 years ago we were importing $3 billion of foreign oil and this year we are going to import $60 billion of foreign oil. We are financially draining America, when deregulation of the oil industry could make us energy independent.

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## THE INFLATION CHALLENGE

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. RHODES) is recognized for 60 minutes.

Mr. RHODES. Mr. Speaker, the purpose of this special order is to outline what Congress should be doing to help our Nation turn back inflation. It has been said that inflation is the neutron bomb of our economy. It destroys the value of the paycheck while leaving the figures intact.

Recent action by the Federal Reserve is the first really effective step our Government has taken to meet inflation head on. It was a courageous act. It signaled to the world that the Fed does intend to take the firm steps within its power needed to corral inflation. Chairman Paul Volcker has made it clear that his organization intends to stay the course and to wring inflationary credit speculation out of our economy. It tells the world we do not intend to let inflation ruin our currency and economy.

He should not have to act alone. The Congress should get cracking on an anti-inflation package. This would help lay a solid foundation on which our economy can build during the coming decade.

To date there has been little but handwringing from the administration and the Congress. Vacillation has created the national malaise Mr. Carter complains about. Mr. Carter has said, on the one hand, that any real moves against inflation must necessarily cause a rise in the unemployment rate.

He then tells big labor that he does not intend to fight inflation with their jobs. He cannot have it both ways, as he has tried to do all along. Paul Volcker said on a recent TV interview that if inflation is allowed to soar as it is doing today, the eventual crash would cause massive unemployment for an extended period of time, and that relatively small adjustments now can head off runaway inflation and future chaos.

Showing its complete misunderstanding of the working of our economy, the administration has embraced a social contract with big labor. A program to allow wages to advance while trying to put the clamps on prices will not work. Wages are 75 percent of our national earnings, and they do play a direct role in creating higher prices in the marketplace. Guidelines and jawboning have proven feeble instruments for inflation control. The danger is that a politically desperate administration will succumb to the short-term lure of mandatory wage-price guidelines which never have worked since old Diocletian tried them many centuries ago.

We cannot blame workers for trying to match their incomes with prices that keep leaping ahead. The wage-price spiral is more a thermometer of inflation than a base cause. It has been said that there are a thousand hacking at the branches of evil for every one attacking its roots. That is the challenge facing this Congress and the American people today. When we get at the underpinnings of inflation, we find that they are firmly rooted in Government policies.

The Congress has done virtually nothing to fight inflation. It has, on the other hand, undermined its credibility with the American public by the farcical, almost childish, mishandling of a continuing resolution necessary to fund the Federal agencies. This resolution itself is an indictment of the sloth of this Congress. The fiscal year was jiggered to October 1, specifically so Congress would have time to enact appropriations bill. Senseless bickering, jurisdictional disputes and intramural rumbles between the House and Senate have shown that the majority party in this Congress not only is incapable of enacting forward-looking, timely legislation, it cannot even tend to the housekeeping chores of funding Government.

It is time for the Congress to get off the dime—get to work—stop its kiddie-car level of operation and get moving on legislation to help the Federal Reserve in its so-far single-handed battle against inflation. It is little wonder that the American public rates Congress the lowest of any major national institution. Their high level of disregard has been well-earned.

Republicans in the House have tried to inject common sense into the legislative process. We have attempted to pass corrective legislation, and adopt policies that will help America during the next decade. Unfortunately, most of these efforts have been overriden by a majority in Congress and an administration that cannot see beyond the next election.

Inflation has been defined as being too much money chasing too few goods and services. Thus, Government has a key role to play.

Budgetary restraint is imperative. We must set an example for frugality and prudence for the American people to follow. Yet, we find committees busily engaged in cooking up massive new Federal agencies and devising fanciful schemes to spend billions more.

We Republicans have submitted a carefully planned, pragmatic program to balance the budget by next year. It can be done, but it will take discipline and judgment that to date have not been conspicuous in the budgetary actions of the majority in this Congress. Certainly, today's inflation has been built on the base of $800 billion in deficit spending racked up by profligate Congresses of the past, all controlled by the same political majority that even today is trying to spend its way out of all our problems. During the past decade—Congress spent $3.2 trillion. It has solved no national problems, but it has created a monstrous inflationary headache for our economy and our people. The annual interest on the present national debt equals the total Federal budget of as recent a year as 1956.

Clearly, Government is the fountainhead of inflation, and Congress has the responsibility to stop borrowing the Nation into economic impotence.

Restraint in spending will enable us to cut taxes without increasing the deficit. It is no secret that the real windfall profits today are falling to the Government, through tax bracket creep. Federal revenues are escalating without legislative tax increases, simply because the Congress has refused to give up the inflation bonus built into our tax system.

With OPEC oil and Government-fueled inflation eating away at Americans' incomes, Congress should enact a reasonable tax cut, not next year, but now. This cut should operate through the withholding system and put money in the pockets of our people now, when they need it, thus returning some of the windfall money Government is taking away from the taxpayers by its failure to curb inflation.

Productivity is a word that has been kicked around a lot in the media. The real truth of our situation today is that the only solution to national inflation is to produce our way out of it.

We have the oldest, most inefficient manufacturing plant in the industrialized world. We are getting our socks beat off in the world marketplace. The dollar is declining as our balance of payments worsens.

It should be obvious that the right kind of tax incentives for savings which would result in capital formation would be the best investment Congress could make for the future of America. We have a puny savings rate, some 4.5 percent, a fifth of that in Japan and little more than a fourth of that in West Germany.

Why have people decided to spend—not save? Because the Congress has penalized thrift and emphasized tax breaks that stimulate consumption, while the saver has become the forgotten American.

It is time we begin to emphasize the supply side of our economy and not continue incentives for speculation and runaway credit buying.

Congress should pass accelerated depreciation—10 years for plants, 5 for machinery, and 3 for vehicles. The double-taxation of dividends should be stopped. Tax incentives for the small saver should be enacted and a universal IRA program established to allow Americans to build their own nest egg and lessen the pressure to increase future pension programs. Pension liabilities have become a fiscal time bomb ticking away for Government and industry alike.

Federal regulation has become a major inflationary force causing billions in unproductive expenditures that are passed along to consumers as higher prices. We all know that a measure of regulation is needed, but Congress has overlooked its oversight function and allowed regulatory overkill to become a dampening force on our economy. It is time for the Congress to take a hard look at what the bureaucracy is doing, weed out superfluous regulations and regulators, cut redtape and paperwork that cost the economy billions in paper-shuffling waste, and trim Federal regulation down to size. Regulation can be effective without being massive and overly expensive, as it has become today.

Hand in hand with regulatory reform—Congress should be tightening up the lavish and loose income support payments programs that will take $250 billion of the national budget this year.

There is simply no excuse, at a time when Democrat leaders solemnly declare that a tax cut is inflationary, for them to tolerate waste such as the admitted misspending by HEW of $7 billion a year. Abuses, cheating, overpayment, and the whole, self-generating, redistribution-of-wealth apparatus should be overhauled by the Congress.

The American people have always been willing to help the helpless and disadvantaged. They do object strenuously to programs that make nonproducers a permanent class who gain their livelihood from the earnings of the ambitious, hard-working, and thrifty.

Congress should encourage a full-scale job training program. It should not be dead-end, leaf-raking, artificial jobs creation. It should be coupled with our free enterprise economic system. That is where the jobs are, some 81 million of them today.

Basic to all of our aspirations for prosperity through a growing, vigorous economy in the 1980's will be energy. Congress has frittered away the past 5 years since the Arab oil embargo. We still have no national energy policy. We do have an energy agency, which has shown by its inability to handle even an allocation program, that it has no answers to our energy problems.

Even today, when crisis is upon us, the majority in this Congress is spending its time salivating over how to split up the windfall-profits tax pie, rather than hammering out a practical energy program for the 1980's.

We are suffering from congressional sins of the past. When Congress went overboard on environmentalism in the early 1970's, it created a web of redtape that has immobilized energy development in its sticky grasp. We need a mobilization board, with authority to slash through the thicket of Federal regulations, allocate resources, and get the country really moving ahead toward energy independence.

Since there is no miracle on the horizon to lessen our dependency on oil for the short term, we must enact incentives for production of oil and gas. Congress should be working on a plowback provision that will invest energy profits into more production, which, after all, is the only answer to energy needs. Conservation can help greatly, but it is not the final answer. We cannot go and grow by turning into a Nation of rustics, trying to subdivide a shrinking supply of energy.

Much of our domestic energy supplies lie under public land, which belongs to all the people of America, not just the armchair environmentalists or backpack devotees. Congress should be working out a program of wise development of the tremendous energy sources we have within our borders. Instead, today, we have an administration that is putting roadblocks of every kind in the path of development, keeping energy away from the people and laws on the books that erect a prohibitive cost barrier to development of such sources as coal and oil shale.

The nuclear knot should be untied. We are falling behind in world technology, a sad fate for the Nation that pioneered the nuclear age and now sees threats of it ending in frustration over Federal failure to develop its potential. We need the breeder reactor to help solve our nuclear waste problem and extend fuel supply.

The American people are beginning to realize that the Carter administration cannot make good its flourishing promises. Most know that the answer to development of a synthetic fuels industry lies with the free enterprise system, not in creation of another Federal agency—or corporation—which would assure us minimum progress—at maximum cost.

A real national energy program of conservation and diversification is vital to our future. Congress should support fully a program to develop solar technology and practical use of sun power. Nuclear fusion is a long-term investment, but hybrid fusion-fission reactors could produce much energy within a decade. Geothermal—wind power and biomass all deserve attention from the Congress. Incentives for investment in these fuel sources should be provided.

The realistic way to solve our energy challenge is to let the marketplace make the decisions. We have seen shortages and misallocations due to Federal tampering with the price structure. Decontrol is the best method of assuring adequate future supplies.

No one is going to make the investment of money and effort to produce more energy if the long hand of Uncle Sam is laid on the price structure to the extent that it becomes uneconomic to bring in more energy.

I have just hit the high points of what this Congress should be doing to help us rev up America so we can produce our way out of inflation. The Fed is doing its part on the monetary side. Now it is up to the Congress to get down to work instead of playing petulant politics between the Houses, fiscal politics with the tax laws, and punitive politics with the free enterprise system, which after all is our only hope for the millions of new jobs we will need to employ a growing labor force during the 1980's.

My Republican colleagues will detail further the various aspects of our anti-inflation agenda, an outline of the course the Congress could and should take to help win the war against inflation.

□ 1740

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for yielding.

I would like to commend the gentleman for bringing this special order to the attention of the House so that the American public can see that there are those who are concerned about the future of America. There are those who are not content to sit around wringing their hands in despair, but who are seeking to outline a program of progress for this country.

I think that the gentleman's outline of a three-pronged approach, particularly dealing with inflation, that is; restraining the supply of money and credit, as we are trying to do, and the Congress restraining the Federal Government in its expenditures of taxpayers' funds as well as trying to encourage the private sector to produce by providing the necessary incentives to do that, instead of regulating the private sector out of existence, is exactly what this country needs.

In closing, I would point out to the gentleman one thing. I think that it is most important that we look at it.

We, as an institution, have been indicted for the failure of the leadership of others. I think that when we look at the situation and find that the popularity rating of the body in which we serve is actually lower than the prime rate that exists in America today, then we have it summed up. We have a Congress at a 13.2 percent popularity rating and a prime rate of interest at 14.5; and the President is just about to be the first President in history to gain that dubious honor as well.

I again commend the gentleman from Arizona (Mr. RHODES), and I wish to associate myself with his remarks.

Mr. RHODES. I thank the gentleman from South Carolina.

I also would remind the gentleman that there is another percentage which is fairly close to 14.5, and that is the annual rate of inflation.

Certainly, this is another reason why we in the Congress should be addressing ourselves to producing our way out of the inflation in which we find ourselves today.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to my distinguished colleague from Arizona (Mr. RUDD.)

Mr. RUDD. Mr. Speaker, I thank the minority leader for yielding.

I would like to commend our minority leader for taking a special order to point out the gravity of the situation which exists today and the means for solving that situation.

Mr. Speaker, I know that the people of Arizona and the rest of the country are tired of hearing excuses about allegedly complex problems.

Our foremost economists as well as our commonsense dictate that the primary cause of inflation is the deficit spending caused by the big-spending programs of the Federal Government.

Contrary to liberal rhetoric, it is a simple solution.

The most recent indicator, the Consumer Price Index tabulated by the Bureau of Labor Statistics, reveals that the cost of living rose at an annual rate of 12.7 percent during the 3-month period of June, July, and August.

This is the highest projected inflation rate since 1974.

Mr. Speaker, I feel certain that the liberal response to this debate will be something to the effect that ending inflation is not a simple matter.

They will say that inflation is a complex situation, and the American people must be patient as the Congress struggles with how to cope with inflation.

This will be typical, Mr. Speaker, for it is precisely the procrastinating excuse which the liberals have given for so many years.

The economic situation of the country continues to deteriorate, and yet the liberal rhetoric continues unabated, "we don't want to move hastily."

In reality, they do not want to move at all. They do not want to make the hard decisions which they recognize are needed.

The American people are demanding real, not cosmetic, action. Yet the majority continues to dawdle.

I join the minority leader in expressing the hope that responsible members of both parties can unite to forge positions which will meet—head-on—the problem of government-induced inflation.

The time has long since come that Congress must meet its compelling responsibility to be more frugal with the tax dollars of our constituents, and thereby to eliminate the rampant inflation which threatens to cripple our economy.

Mr. RHODES. I thank the gentleman from Arizona (Mr. RUDD).

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from New York.

Mr. CONABLE. I also appreciate the burden that the distinguished minority leader is carrying today.

As a politician, I am afraid we are all too inclined to live by the aphorism which says, if you have to explain anything, you are in trouble.

In fact, a burden of explanation is necessary about an issue like inflation, which has many causes.

Implicit in the gentleman's remarks is something that I can confirm time and again in my own constituency, that inflation is the primary concern of the people; and while they may not understand all of the details of its causation, they do understand what the gentleman has emphasized, that it begins right here with Government policy or lack of policy or faulty policy.

□ 1750

We, in the two-party system, have an obligation to provide alternatives. It is not hard to provide an alternative to a complete vacuum of policy on the other side. But I do think we have got to explain in detail. If we are to do our job now we can work our way out of the mess we have got our economy in through failures of various sorts.

As I look at inflation, I agree absolutely with the gentleman in the well that it does start with faulty fiscal policies which, because they have been faulty for so long, have resulted in a cumulative deficit which has made independence on the part of the monetary authorities virtually impossible. They have had to monetize the gap to a substantial extent. As they have done that year after year and flooded the market with more money than necessary, the law of supply and demand has affected our dollars. The more that is out there in circulation, the more that is held abroad as well as in this country, the less the individual dollar is going to be worth. So if we have had a rising trend line in inflation, it has been for that reason alone.

There are other factors that exacerbate our inflation rate and the gentleman has identified them in one way or another. Energy, for instance; a failure of our energy policy has resulted in rising energy costs which have become an exacerbation of our resulting rates of inflation as these rising energy costs have worked their way through the economy.

We have had, of course, erratic food prices; they have become a factor. I always had the feeling they are rooted somewhere in government policy as well as our energy failures have been.

We have the problems that come from high taxes; they are a cost that have to be paid ultimately by the people, either as consumers or as taxpayers, and that affect the cost of living as well, and clearly taxation is one of the responsibilities of Government.

There is also the problem of the diversion of our productivity into those socially desirable goals of safety and environment, which, if these goals are not kept under control and in perspective, result in a further exacerbation of the rate of inflation, again clearly attributable to Government.

We can also find problems resulting from the imbalance in the marketplace which have tended to such devices as industrywide bargaining. As long as our manufacturers know they are not going to be affected competitively by rising labor costs, they are going to accede easily to the demands made of them, and those costs are going to go into the cost of living as a further exacerbation.

The imbalance of payments has resulted in a tremendous dollar overhang which has driven the value of the dollar down and thus caused the price of imports in our markets to go up, reducing competition here, and, in effect, further exacerbating the problems of inflation. Again, the fine hand of Government is present, so, as the public suspects, we can find in almost every element whether it is a rising trend line resulting from faulty fiscal and monetary policy, or all of the other little increments that come from the various other items I have talked about, we can find that a failure of Government policy is behind it.

We are not going to correct that without strong understanding and political accountability that is going to depend, I think, ultimately on the kind of statement the gentleman has made in the well. People are going to have to not only have this vague feeling somehow the Government is at fault, they are going to have to know the elements of policy that are necessary. And a failure of policy on the other side does not justify a failure of policy on our side.

The gentleman is acting as a leader should. He is coming before us, he is setting out in clear fashion how our faulty policies, how our lack of policies, and how our negative policies in many cases can be corrected. As such he is in the best traditions of this body and the best tradition of the leadership of this body and I thank him for his contribution.

Mr. RHODES. I thank the gentleman from New York, not only for his contribution tonight, but for his continuing contribution as the very capable ranking Republican member of the Ways and Means Committee.

I ask the gentleman if, in his opinion it is not also true that one of the areas of endeavor of the Ways and Means Committee and particularly the gentleman from New York is to change the depreciation schedules on plant and equipment, and if this is not about as critical to working our way out of this inflation as anything.

There is no doubt that capital formation is lagging behind in this country. Savings are way down and, of course, one of the ways to increase capital availability for expansion of productive capacity, which I think is necessary in order to return us to a competitive position with the rest of the world today, so we can someday repatriate that dollar overhang with goods, is it not quite important that we address ourselves almost immediately to all phases of capital formation, but particularly to the depreciation schedule?

Mr. CONABLE. If the gentleman will yield further, I would like to confirm the implication of his question. It seems to me somehow we have got to add to the incentives in our system to get this remarkable pool of capital that has been built up over the years by the foresight and industry of our forefathers, flowing again instead of achieving the stagnancy that seems to afflict it right now.

One way to do that would be through a speedup of depreciation, bringing the United States into the 20th century. At least putting us on a par in the use of capital with the rest of the developed world.

It seems to me this sort of thing is long overdue and again a result of failure of policy and of understanding of how the system works on the part of those who have been serving in the leadership of this body.

There are other ways of improving capital formation. But those of us who have been talking to computers on this issue are convinced there is more bang for the buck in depreciation reform than anything else. We are overstating our corporate profits using the technique of the useful life of depreciation by about 50 percent at this point given the level of inflation we have, and the replacement cost of the items that are being depreciated. And thus, clearly, we are having a serious distortion in what we like to think is an incentive system that will increase productivity and in an almost straight line. Productivity curves have been flat and clearly we need this kind of reform.

I thank the gentleman for supporting this initiative, and wish to associate myself with his analysis, that this sort of thing ultimately is going to help the economy more than any amount of continued, mindless stimulation of aggregate demand can.

We need the incentives of saving and investment that he is advocating.

Mr. RHODES. Again I thank the gentleman from New York.

I yield now to the gentleman from Arkansas, the president of the freshman class (Mr. BETHUNE).

Mr. BETHUNE. I thank the gentleman for yielding. I would like to associate myself with the gentleman's remarks.

I think the gentleman makes a point that is excellent and that is that the Federal Reserve seems to be the only interested party in this Government in doing something about inflation. And it is a healthy sign that there at least is somebody around that cares enough about the American people to try to do something.

Unfortunately, when we get in the circumstances where one agency is trying to do the work of the entire Government, they have to take measures that are too stern sometimes.

□ 1800

I do not want to pass judgment now on whether their measures may have been too stern, but the fact is that so long as they are the only ones that are doing anything, it might be possible that they have to do too much from time to time. If this Congress would get busy and help, as the gentleman has indicated, by getting the tax burden off the people and by getting the regulatory burden off the people, by balancing the budget, the Fed would not be forced into this position. There would be no inflation, and interest rates would be lower, and the Fed and everyone would be happy.

One thing that needs to be brought out out is this: I would like for the gentleman to bring this out. The gentleman had foresight, having written a book several years ago exactly forecasting the problem the country has today. The book was, "The Futile System."

The gentleman wrote extensively about how this Congress works, and he wrote also about how this Congress fails to operate. I think there are some good points in there that should be brought out. The gentleman saw it coming years ago, and while we are talking about this entire problem I think it would be a good time for us to bring out some of the points that the gentleman made in his book.

I wish the gentleman would think back about the treatise and comment some about who controls the flow of legislation here in this Congress; who makes the rules here in this Congress about how we can consider a bill when it comes to the floor; who controls the parliamentary decisions that are made in this Congress, which are very important from time to time; and who, by the way, has a 2-to-1 majority in this Congress and can pass any bill any day it chooses.

I wish the gentleman would comment on these points, because he has been talking about what the minority is trying to do.

Mr. RHODES. I thank the gentleman from Arkansas, and I am glad to comment on those points because they are very basic. As a matter of fact, the main reason that the Federal Reserve System has found it necessary to take these heroic measures is not only because of the failure of this Congress, but because of the failures of past Congresses.

One result of 40 years of domination of the Congress by one party has been to create, among other things, a national debt of some 800 billions of dollars, which is terribly inflationary in itself. I said in that book, if the gentleman will remember, that there is something about a legislative body that causes it to grow arrogant, to grow unmindful of the welfare of the people it serves if it is under the control of one majority too long.

I said in that book—and I am not trying to sell it because it is out of print—that if the Republicans had been in control of the Congress for that long, it would be time to kick them out and bring somebody else in. I think the American people need to understand that they are not going to get any change in the thrust of this body, of this Congress, unless there is a change in the majority, because unfortunately each person who is in the majority leadership seems to take on the mantle of those who went before. We just do not get any change; we get more of the same.

Mr. BETHUNE. I think the gentleman makes an excellent point. If he will yield further, it seems to me that the people are under the impression from time to time that those who control this Congress are trying to do things to improve the processes, but they just do not seem to get it done. In other words, we have seen a revision of the budget process, we have seen some tinkering with the seniority system, we have seen also some revision of the way the committees work, and some of the entities have been improved from time to time, but it seems to me that one remedy that the people have to improve this body has not been employed for a long, long time; that is, to change the majority in the House.

I think there are a lot of people in the country who are not quite certain, No. 1, how that is done; and No. 2, what it could mean to the country if it were done. I wish the gentleman would comment on that.

Mr. RHODES. It is very simple. What the people of this country have to do is to start electing Republicans instead of Democrats. That is just the way it has to work. The majority controls every legislative body. The minority can try to amend. We can try to beat bills that are bad, but we act on the stage which is set by the majority, and that is true of every legislative body. As long as the majority is of the party which has been the majority for almost the last 40 years, the situation is not going to change very much. In order to change that majority, you just have to defeat a few Democrats and start electing more Republicans.

Mr. BETHUNE. I thank the gentleman. He has brought forth some excellent points.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I appreciate the opportunity to express my views on the October 6 action of the Federal Reserve Board to drastically tighten up on monetary policy. I would like to first associate myself with the views of the gentleman in the well, the distinguished minority leader, who has provided us with a good deal of very solid leadership in this area of economic policy of our country. You know, it is somewhat encouraging that at least the Federal Reserve Board has indicated willingness to address the economic woes besetting us and we find that Congress and the administration generally have not addressed those problems.

But, I am compelled by my experience as the ranking minority member of the Joint Economic Committee to warn the Fed against creating a credit crunch through excessive monetary restraint that might worsen the current recession.

We are already entering an economic slowdown and we are going into it with a relatively high rate of unemployment right from the start. Extreme care must be taken to avoid making the slowdown drastically worse or unemployment will reach dangerous social dimensions.

I understand why the Federal Reserve felt it had to take action. It had to balance the inordinate expansion of the money supply it permitted during this past summer. Inflation had become so high that even record interest rates were unable to bring the supply of money and credit under control. The dollar was under speculative attack and gold prices were soaring. Inflation was driving up speculation in the stock market. Dollars were being dumped for gold, Swiss francs stocks, antiques, real estate, any inflation hedge available. An out-of-control money supply threatened to push inflation even higher, destroying people on fixed incomes, raising taxes on everyone, and crippling investment and job creation. Clearly, the inflation and speculation must be brought under control.

But the Fed is running a grave risk of worsening the short run economic outlook, even though its actions will bring down inflation and interest rates in the long run. I urge the Federal Reserve to move very gradually in reducing the growth rates of money and credit, to avoid a credit crunch. A gradual approach can accomplish the Fed's goals of reducing inflation, while avoiding a deep recession which might only lead to demands for a new round of excessive expansion later on. But fiscal steps must also be taken now, if we are to have a soft landing.

The administration has been slower than the Congress to recognize the need to take fiscal policy steps to avoid the severest impact of the monetary steps necessary to squeeze inflation out of the economy. These fiscal steps include marginal personal tax rate cuts, social security tax cuts, stimulation of personal savings through tax credits, and modification of depreciation rates, all designed to promote work effort, saving, modernization productivity, and hiring. They also include spending restraint by the Federal Government to close the deficit and bring the budget into balance.

The Fed, and the country, would not be in this mess if the Fed had not been misbehaving steadily for several years. In 1977 and 1978, contrary to the advice of three JEC minority reports, money growth was much too fast, far in excess of the real growth of the economy. The result was a burst of inflation, soaring gold prices, and a falling dollar. This culminated in the dollar collapse of last November 1978.

The Fed reacted to the dollar collapse with a sharp and sudden tightening of money growth through the winter. This extreme tightening was a classic Fed overreaction. In the consensus JEC Annual Report of 1979, both majority and minority members warned against monetary overkill. Unfortunately, the damage was already done, and the current recession is the result. The recession would have come even faster, and with more severity, if it were not for the public perception of a growing acceptance of spending restraint on the part of Congress, and a growing awareness of the need for supply side tax cuts.

Unfortunately, the Fed then overreacted to the credit restriction of last winter with the credit explosion of this summer, at rates of expansion which were probably in excess of the Fed's own intentions, and certainly in excess of the JEC's recommendations. The dollar crisis and the desperate measures to combat it last week are the result.

The last thing a patient with a queasy stomach needs is another ride on the roller coaster. The Fed has a long history of overreaction to every policy mistake they have made. The result is boom after bust after boom after bust. We have got to get the Fed off the money supply roller coaster so the economy can get off the recession-inflation roller coaster.

The Fed got on its roller coaster years ago by trying to manage credit and money creation indirectly, through manipulation of interest rates. This procedure was always inexact, at best. At worst, in a time of rapid inflation, even very high interest rates had little impact on the demand for credit. As a result, the Fed kept losing control of the money supply, and kept sending the inflation rate and the economy on a wild ride. Never sure if its policy moves were strong enough to be effective, the Fed fell into a pattern of sudden and extreme swings in money creation—either much too fast, or much too slow.

As a result of its October 6 moves, the Fed changed its operating procedure and will try to control the money supply more directly by focusing on bank reserves, as it should have done all along. This could be a big improvement, if (and I stress "if") that control is gradual, responsible, and not an overreaction to past errors.

It is my hope that Chairman Volcker will lead the Fed into a policy of gradualism rather than overreaction. Mr. Volcker's was one of the earliest voices warning against the excessive money creation of this spring and summer while he was still at the Federal Reserve Bank of New York. Now, as the newly installed Chairman of the Board of Governors, he has brought about a change in operating procedure, in order to gain more accurate control over credit creation. It may be that he wants this greater accuracy to make sure that the correction of the recent policy excesses will be gradual, with no accidental stumbling into a credit crunch.

If this is Mr. Volcker's intention, we may be seeing a historic event—the first carefully measured response by the Federal Reserve to a major monetary crisis. And if fiscal policy is addressed promptly, we may get the Fed and the country off the roller coaster and onto solid ground.

□ 1810

Mr. RHODES. I thank the gentleman from Ohio.

Mr. Speaker, I now yield to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, before commenting on the conditions that prompted the Federal Reserve Board to raise the discount rate Saturday before last, let me take this opportunity to commend the distinguished minority leader for taking the initiative and organizing the special order today. With all the rhetoric we hear these days, it is hard to distinguish sometimes between the cause of inflation and the effects, between symbolic attempts to deal with inflation and substantive efforts to cut it, and between who is causing inflation and who is just reacting to it. Yet such distinctions are essential if we are to surmount the serious problems facing this Nation and it is much to the minority leader's credit that he has taken the lead in making them.

The most frequently heard justification for the increase in the discount rate is that it was necessary to discourage speculative financing that was contributing to inflation. However, such an explanation overlooks one salient fact—that speculative financing generally results from a desire to keep up with inflation. Investors seeking to keep our current 14 percent inflation rate from eroding the value of their money are not likely to put all of their funds in savings accounts paying 5 percent or even Treasury notes paying twice that. They are going, and who can blame them, to look for investments paying 14 percent or more and since continuation of such an inflation rate means they would repay the money in cheaper dollars, they are going to borrow funds to do it. Even higher interest rates aren't going to entirely deter speculation for the very reason that loan repayment in cheaper dollars will offset some of the higher interest charges.

Thus, what we have is not so much a question of speculation promoting inflation but inflation promoting speculation. That being the case, the blame should fall not on those who are speculating, for they are not the culprits but the victims, but rather on those who are responsible for the inflation rate soaring to 13 percent or higher. And who are they—why they are Members of this very body who have been voting for almost a quarter trillion dollars in deficits the last 5 years.

Mr. Speaker, one wishes that an issue such as deficit spending were not a partisan matter but given the fact the same party has controlled Congress continuously for the last 25 years, and Congress authorizes and appropriates the money, it is difficult to come to any other conclusion. It is the "tax, spend, and elect" philosophy of the majority party in Congress, the Democratic Party, that has led to these deficits and it is the deficits that have forced expansion of the money supply and it is the expansion of the money supply that has contributed so heavily to inflation.

Speaking of taxing, I would be remiss if I did not also point out that the ever-increasing burden of taxation required to pay for much of this spending is having another unforeseen consequence. In the current issue of U.S. News & World Report, there is an article about the underground economy we have in this country. By underground economy, it is meant that money which is earned but which is not reported to the IRS or on which taxes are otherwise not paid.

Not long ago, the IRS itself estimated that, for 1976, earnings on which tax was not paid came to $184 billion. Now we have other economists estimating these earnings as high as $542 billion—or 27 percent of GNP in 1978. Depending on which figure you use, that represents anywhere from $26 to $104 billion in lost income to the Federal Government.

But, just as important as the loss is one of the major reasons for it—increasing frustration over rising taxes and wasteful Federal spending. As the U.S. News article points out, a lot of people feel they are getting ripped off and, in response, they are engaging in their own form of tax revolt. Ironically, by doing so, they may be artificially inflating unemployment estimates and, thus, pushing Federal spending even higher.

Who is to blame? Again, it is a question of cause and effect. No one is condoning tax evasion but the fact of the matter is that, in recent years, the majority in Congress has been claiming to cut taxes at the same time they have voted for the deficits that promote the inflation which, in conjunction with our graduated tax system, results in an increase in taxation. No wonder frustration is increasing.

What would make far more sense would be a cut in taxes coupled with a cut in spending. Not only might that reduce the underground economy but it would stimulate the above-ground economy as well. With more money to invest, productivity would be encouraged and more new jobs would be created.

Which brings me to one final point—energy. Without an adequate supply of energy, it will be difficult to increase productivity even with adequate capital for investment. But there again there is a problem. Instead of encouraging energy productivity by decontrolling energy prices, the majority in this Congress has voted time and time again to do just the opposite. What is needed is not just phased decontrol but immediate decontrol of crude oil, petroleum products and natural gas. The Courter amendment is a step in the right direction, but it is only a step.

In conclusion, let me just say that I realize that the problems created by inflation, taxation and energy shortages are not easy to solve. But they will not be solved unless we are willing to do not just what may be popular but what is necessary. And, what is necessary is less spending, lower taxes and less Government intervention in the field of energy.

Mr. Speaker, let me congratulate the distinguished minority leader, the gentleman from Arizona (Mr. RHODES), for pointing out that if the American people want to change the way this Congress is running the country, they have got to change the faces of the people who run this place. Let us start by electing some Republicans around the country.

Mr. RHODES. I thank the gentleman from California.

Mr. Speaker, I now yield to the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. I thank the gentleman. I congratulate the distinguished minority leader, the gentleman from Arizona (Mr. RHODES) on calling this discussion together to get to the heart of where the American people fit into this recent Federal Reserve Board action. It is really easy for a free-spending Congress to go home now and tell the people how inflation is being brought under control by the Federal Reserve. Those individuals who for years have built the deficits to the point where we are now—over $800 billion—can now say that it is the Federal Reserve's fault because you cannot get a mortgage. It is the Federal Reserve's fault that you cannot buy a car; it is their fault that you cannot get consumer credit; it is not my fault. The belt-tightening which should have occurred in Congress over 23 years is now occurring in one fell swoop due to the Federal Reserve action. Does that mean Congress is now being bailed out? Does it mean that this congressional leadership is getting off scot-free with no need to tighten its own belt? Not if we can educate the people—if we can bring the message to the people that the reason they are being choked is because Congress for 23 years of Democrat leadership has not lived up to its responsibility.

The distinguished minority leader mentioned productivity. Another way to fight inflation is to increase the output of goods and services to make them less expensive. The way we get productivity is by reward. It is by rewarding workers for their efforts and investors for their risk.

Just this last weekend I was home, and I was talking to a friend of mine who happens to be a trucker—he is in the Teamsters Union. He said to me, "Don, I don't bother working Saturdays any more and, heaven forbid, Sundays. I figured it out. The rate of taxes on that Saturday pay is pushing 60 percent. It just doesn't pay me to work." That is a sad commentary on where we have come.

One of the other elements that is stifling productivity in this country is overregulation. Opposing overregulation has become fashionable, and a lot of people in this Congress go back home to their districts and rant and rave about overregulation of the Federal bureaucracy. But do you know what? They are voting for it and they are not putting their foot down. The Democrat leadership of this Congress is not putting its foot down when it comes to overregulation. There are more and more agencies with an ever increasing number of regulations to cut down how much Americans can produce.

I tried to get some data not long ago on what the health effects were of putting the catalytic converter on automobiles. What had those emission-control devices actually done to promote the public health of the people of the United States? To this day I have not found clear data which addresses that issue. The National Academy of Science report back in 1973 projected a fuel shortfall due to this kind of refining to provide the kind of unleaded fuels that are necessary to go into the catalytic converter as something close to 25 percent of our total gasoline output.

☐ 1820

That is an enormous price to pay. It may be that we have to pay the price. But one would think the Government that imposed this regulation would at least have taken the trouble to find out whether it worked or provided a beneficial effect to the American people.

The latest fantasy of our Government is an air pollution control on the emissions of a lawnmower engine. Can we actually afford to beef up small tools by putting an air pollution device on everything in sight that burns gasoline, including a lawnmower engine? Let's be realistic.

Mr. Speaker, this morning I had breakfast with a group of engineers, scientists and technical professionals. This is a group which for very long has not been involved in our political arena. But this group is becoming very active. They are looking precisely at this Congress lack of leadership in putting through intelligent energy programs, for example. They are concerned very much with the inability of Congress to develop a program to produce domestic American energy. The National Society of Professional Engineers, as their first political statement includes a little booklet which talks about domestic American energy. These individuals are going to take this message back to their districts. Those individuals who sit on the majority side who have constantly voted against domestic American energy production are going to hear from their technical professionals back home.

Productivity does not appear out of thin air. Productivity flows from the availability of rewards, incentives and a policy which is rational, not emotional.

Often we hear a deeply emotional commentary coming from the Democratic side of this Congress. Too often that emotional commentary as a substitute for a real energy program amounts to mere gloomsaying and doomsaying—not energy policy.

Mr. Speaker, we need positive leadership. This is the richest country in the world. We have more energy resources than any other country in the free world and yet we are the only country to experience gasoline lines. While Japan imports 100 percent of their energy, they had no gasoline lines. Germany, which imports virtually 100 percent of its oil also had no gasoline lines.

The answers lie in leadership, in the leadership of this Congress. I think the distinguished leader of the Republican Party has stated it very aptly when he said the people of this country, if they want a change, should start looking at positive Republican programs and solutions. After 23 years of downhill slide, I think they are going to get the message. Thank you.

Mr. RHODES. I thank the gentleman from Pennsylvania.

Mr. GRASSLEY. Will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Iowa.

Mr. GRASSLEY. I thank the distinguished minority leader for yielding and also thank him for laying out in a very precise way what is the cause of inflation: Which is the fiscal policy of this Congress and of the Federal Government.

It was almost just a year, I think on October 23 last year, that the President laid out a program to fight inflation. The program had as its basis, voluntary wage and price controls. The gentleman's laying out the cause of inflation being the fiscal policy of the Congress is in sharp contrast to that of the present administration. The administration that always wants to put the blame elsewhere for inflation other than the Federal Government. In that instance last October, because of his call for a voluntary wage and price controls, he was blaming the blue-collar worker, the working man of America, as well as the business person in America for that inflation. Now, that policy, which was wrong in the first instance and with which I do not agree, is almost as bad as mandatory wage and price controls. The proposed policy is now not serving its purpose and it means that they have to go someplace else, and that is why, now, they are going to the Federal Reserve Board.

Mr. Speaker, I think our distinguished leader is bringing home to the floor of the House of Representatives and to the American people an admittance that this is where it all starts. He is laying out who is the cause of it, the majority party, and suggesting if we are ever going to bring inflation under control we cannot be passing the buck to the Federal Reserve, to the business person, or the working person of this country. He is saying that it has to be solved right here. I thank the gentleman for bringing this to the attention of the House and to the American people.

Mr. RHODES. I thank the gentleman from Iowa.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I am happy to yield to the gentleman from Georgia whose motto is: Let us have a budget of hope and not one of despair.

Mr. GINGRICH. I thank the distinguished minority leader for yielding.

I want to commend the gentleman for the continued efforts he has shown throughout this year in my freshman term and for beginning to show us who have just arrived, the gap between responsibility and irresponsibility and the gap between what the gentleman said—hope and despair.

Mr. Speaker, I wanted to ask, if I might, several brief questions. I have heard some of our colleagues on the other side offer certain explanations for what is happening in this building and what is happening to our economy. I wondered if the minority leader might comment on this from his background of experience.

First, they say we face an institutional crisis, that Congress has become unmanageable. I wonder if in the experience of the minority leader it is the Congress or the leadership that happens to be presiding over this body that is at fault.

Mr. RHODES. To be very brief, my good friend, I have said—and I believe—that if we had 218 Republicans in the House of Representatives there would be no lack of leadership, regardless of who the leader is. The Republican nucleus which we have here now is capable, willing and so talented that the leadership which would evolve would have to be good and would have to be effective.

Mr. GINGRICH. Mr. Speaker, I think that is apparent just on its face. I note that we now have a bipartisan domestic policy in which the Republicans are united and we get some Democrats against what is still a majority of the dominant party but a dwindling majority as the economy caves.

Second, I would like to ask the distinguished minority leader this: The gentleman has provided for us a real program for economic growth and for economic opportunity in the future. Many of our friends on the other side would say that the economy is out of control, that we are doing the best we can in hard times, but that it is not their fault.

Would the gentleman agree with that or does the gentleman see a real relationship between the behavior of this Congress and the economy we have?

Mr. RHODES. I think there is no doubt but what the foundation of our problem is almost 40 years of rule by one party in the Congress. That party has developed a philosophy of being spendthrift as far as public money is concerned and is not willing to face up to the hard decisions that are necessary to keep this country a representative republic based on free enterprise.

Those are very key words. A representative republic based on free enterprise.

We are going to lose this most advantageous system with which any people have ever been blessed in this world unless we are capable of facing up to the reasons for our current difficulties, and of meeting the demands which are necessary to put us back on the high road to prosperity and to the standard of living our forefathers expected we would enjoy.

Mr. GINGRICH. Mr. Speaker, I commend the gentleman.

Again I want to express my appreciation for the leadership the gentleman from Arizona, our distinguished minority leader, has shown.

☐ 1830

Mr. RHODES. Mr. Speaker, I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I want to join in thanking our majority leader and commending him for taking this time this afternoon, as the gentleman has done in previous sessions of the House, to bring to the attention of the American people the cruelty that is being inflicted on them by inflation. Certainly, everybody knows what inflation is doing to their particular pocketbook; but the gentleman in the well knows, as I do, where the root cause of inflation lies. It is with this Congress of the United States.

It is too bad the Fed had to take some action, very drastic action, I might say, which I support, and as a last resort to rein in this inflation which will soon reach 14 percent. Fourteen percent is a lot of inflation.

Mr. RHODES. Indeed, it is.

Mr. LATTA. It is almost unthinkable that this Congress would not take some action before the Fed had to take the action they did.

Let me say, as the gentleman well knows, the membership of the Republicans here in the Congress has been attempting to fashion time after time a budget resolution which would really bring into focus what the budget resolution and the budget process is all about; namely, that we would put a cap on spending. We would reach a figure over which we would not go and then have all the departments and agencies of the Government fit their spending into that particular figure.

Mr. RHODES. Which, if the gentleman will pardon me, is exactly what we intended to have done by the Budget Committee when it was set up. It never has been, and the gentleman has done his very best to make that committee face up to its responsibilities.

Mr. LATTA. Let me say that the budget process is never going to work until we do that. All they have been doing and are doing today, as we sat in the budget conference with the Senate, is continuing with the process of the House and adding up, adding up expenditures on their want list. Then after they get them all added up they say, "Well, this is our target. This is the outlay and this is our budget authority under the budget resolution."

This is not, as the gentleman has already indicated, the way for this process to work. Certainly, had the House adopted the budget that was proposed with the labors of the gentleman in the well and others on our side, that we proposed for a $20 billion tax cut, a reduction in the deficit for the fiscal year 1979 below the $20 billion level, we would have had a budget resolution that we could have supported, which would have been in the best interests of the American people; but no, because of the want list that always comes up when they attempt to please this group, this group and that group, as a consequence they please no one.

● Mr. BROYHILL. Mr. Speaker, I welcome this opportunity today to join with my colleagues in observing some of the problems afflicting our country as a result of some often misguided economic policymaking during recent years. We need to take a close look, as we are doing today in this special order, at not only the economic problems that confront us, but also at some of the solutions to those problems.

We fail to occasionally step back and take a look at the overall picture of our Nation's economic health. I think this is a good time to take such a look and address those areas in which we might make some basic changes to guide our Nation in the proper direction.

I would like to offer for the benefit of my colleagues and those in the administration a number of proposals which I think would go a long way to restoring our Nation's economy to a firmer footing. It is high time that the administration adopt a firm but workable plan to not only bring inflation under control, but to add to the economic prosperity of our people. It is appalling to see the results of the present policies followed by the Carter administration, which can only have the result of higher unemployment, higher taxes, more deficit spending, continued high interest rates, and continued inflation.

If we are to provide the people of our Nation with any hope for economic security, a plan along these lines should be implemented without delay:

### 1. BALANCE THE BUDGET

Continued deficit spending has increased the national debt by almost $350 billion in the past 5 years. That debt now stands at $825 billion and if nothing is done, it will rise to $900 billion by the end of 1980. Spending money we do not have and then adding billions of dollars to the money supply each year, without corresponding increases in the production of goods and services, is the root cause of our inflation. I do not think it is old fashioned to say that the Federal Government, like every family, should balance its budget. The North Carolina State government is required to do this. Why not Uncle Sam? I have cosponsored legislation which would require a balanced Federal budget, because it has become apparent that such a step is the only way to compel Congress to tighten its belt on Federal spending.

### 2. REDUCE TAXES TO STOP PENALIZING THE TAXPAYER FOR INFLATION

Each year the present tax system siphons an increasing share of the incomes of individuals to the Government. This occurs because of the impact of inflation on the graduated income tax. When a person receives a cost-of-living increase, he is pushed into a higher income tax bracket. When multiplied several million times, extra billions are taken from the taxpayers' pockets each year, sent to Washington, and there the spending decisions are made.

Over the past 5 years, an additional $83 billion has been paid to the Federal Government in revenues granted solely as a result of inflation. Because our present tax rates are not indexed to account for the impact of inflation, taxpayers end up paying additional taxes without any corresponding increase in living standards. If this trend continues, this factor alone will effectively pick the pockets of all taxpayers, to such an extent that any incentives to produce more or learn more will be virtually eliminated. Instead of the Government making the spending and economic decisions for our Nation, let us devise a fair tax system pegged to more moderate spending goals, that will leave the hard earned money in the wage earners' pockets, and let them make their own spending decisions.

### 3. FORGE A MODERNIZED CAPITAL RECOVERY AND CAPITAL FORMATION SYSTEM SO AS TO BE ABLE TO FINANCE THE CREATION OF NEW JOBS IN THE YEARS AHEAD

Industry finances their new plants and equipment through retained after tax earnings and depreciation allowances. The effects of inflation are having a severe impact on the ability of businesses to pay the increased costs of machinery and buildings. For example, a new modern textile loom purchased in 1975 for $34,000 would today cost $72,000. The present depreciation rates allowed by the Internal Revenue Code do not permit the saving of sufficient funds to repurchase new machinery to replace old machines or to buy new machinery to increase output. On the other hand, foreign producers operating under more modern depreciation schedules are permitted faster depreciation, and are thus operating their plants with the most modern machinery in the world.

If we in this country are to continue fighting unemployment by employing additional millions of workers each year, billions of dollars for new plants and equipment will have to be available for investment. This does not even take into account the billions needed to meet new environmental standards which will be required in the 1980's to combat water, air, or noise problems. I strongly favor the Capital Cost Recovery Act, which would allow a 10-year write-off of industrial buildings and a 5-year depreciation of machinery and equipment. This modern depreciation schedule would be a giant step forward in encouraging more production of goods and services, which is needed to hold down prices. When the supply of goods and services increases relative to the money supply, prices come down.

### 4. BECOME ENERGY INDEPENDENT—REDUCE OUR RELIANCE ON THE OPEC NATIONS FOR ENERGY

The degree to which the United States has become dependent upon foreign oil is alarming, and poses a serious threat to our Nation's economy and security. We currently import 45 percent of our total supply of petroleum, at a cost which has already exceeded $60 billion in 1979 alone. Rather than encourage increased domestic production, however, the response of the United States to the Arab oil embargo in 1973 was to slap controls on a major part of the U.S. energy industry. This has resulted in a significant reduction in incentive for domestic producers to increase domestic oil supplies, and has added to the already excessive outflow of U.S. dollars. I support phased deregulation as now being implemented by President Carter. The only feasible way to increase our domestic supply of petroleum is to create greater incentives for domestic producers to expand their drilling and refining capacities. While new sources of energy, such as solar, will come on stream in the 1980's, increased production of conventional energy sources are needed to meet our total energy needs today.

### 5. REDUCE THE ECONOMIC BURDEN OF GOVERNMENT REGULATIONS

Economists now estimate that Government regulations are costing the American consumers in excess of $100 billion. As 1 have said previously, it is obvious that some Government regulation is necessary. One of the functions of Government is to guard the health and safety, and provide for the well-being, of its citizens. But often we find that the regulations go too far, and become excessive and overly expensive. I urge that we take a cost-versus-benefit type of approach to analyzing the countless Government regulations which impose on our lives today. Rather than expanding our Federal Government with new departments and agencies, we should be taking a second look at those already in existence, with an eye toward making them work more effectively and economically for all of us. I am convinced that not only would our Federal budget be trimmed by eliminating those agencies and regulations which impose greater costs than benefits, but our entire economy would be allowed to operate more efficiently and to a greater capacity.

### 6. INCREASE THE EXPORT OF U.S. GOODS TO REDUCE OUR TRADE DEFICIT AND RESTORE THE U.S. DOLLAR TO A SOUND FOOTING THROUGHOUT THE WORLD

Between January and August of this year, our trade deficit has reached a total of $15 billion. This deficit has plunged the dollar's value overseas and fueled inflation at home. American businesses have found it increasingly difficult to compete with those of other nations whose economies are not afflicted by rampant inflation, and whose governments take a more active role in promoting business overseas. Unless we make a greater effort to assist our own businesses in seeking out foreign markets, and provide incentives for businesses to expand overseas, we are going to continue to suffer from the severe imbalance of payments we have been experiencing for most of the 1970's. The U.S. Government needs to take a lesson from those nations whose overseas businesses are thriving, to the virtual exclusion of our own industries. By promoting the expansion of our own business sector overseas, we will strengthen our economy here at home and restore the value of the dollar throughout the world.●

The SPEAKER pro tempore. (Mr. FARY). The time of the gentleman from Arizona (Mr. RHODES) has expired.

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman proceed for 5 additional minutes.

The SPEAKER pro tempore. That request is not in order.

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## GENERAL LEAVE

Mr. RHODES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

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## EMB IS A POWER GRAB IN THE NAME OF ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, Sunday's Washington Post carried a column by David S. Broder in which the highly respected columnist stated that—

> Under the guise of speeding vital energy projects, the Federal Government is about to accomplish the most significant power grab in recent years.

I, too, question this approach and made known my dissenting views in the Commerce Committee report accompanying H.R. 4985 (Rept. 96–410, part 2). The Priority Energy Project Act of 1979 is the wrong approach and I commend the Broder article to my colleagues and include it in the RECORD at this point:

### POWER GRAB IN THE NAME OF ENERGY

(By David S. Broder)

On the face of it, the proposal seems to defy the supposed public resentment of intrusive, big-brother Washington bureaucracy.

The idea of a president of the United States seriously proposing that four of his appointees—three of them part-timers not even subject to the standard conflict-of-interest statutes—be empowered to substitute their judgment for that of independent federal, state and local regulatory bodies, and even, in certain instances, to block the application of federal or state law, seems farfetched.

That such a proposal would be approved by the U.S. Senate and be moving toward passage in the House of Representatives is even more improbable.

But exactly that has happened, without a rumble of public protest, in the past few weeks. Under the guise of speeding vital energy projects, the federal government is about to accomplish the most significant power grab in recent years. It may or may not accomplish its stated goal of making the United States more energy-independent. But it will certainly damage the federal system and diminish the accountability of those exercising authority in Washington

As part of his July energy program, President Carter proposed creation of a federal energy mobilization board, with authority to speed the development of high-priority projects, whether they be pipelines, refineries or exotic fuel plants. The measure was designed to deal with a real problem—the delays in federal, state and local licensing and siting decisions, which have, in some instances, held up important plans for years.

The need to slice through the red tape is recognized by everyone. The question is how to do it without creating a new center of arbitrary power in Washington and destroying the responsibility the Constitution gives states and localities for the welfare of their own citizens.

Two options were offered the Senate earlier this month, and the choice the Senate made—to the cheers of the Carter administration—was disturbing.

One bill would have limited the number of energy projects that could be cleared for "fast-track" action and would have restricted them to projects with a significant impact on reducing U.S. energy dependence. The other bill had no such limits.

The Senate chose the blank-check approach.

One bill would have let the new federal agency go to court to enforce a reasonable deadline (usually one year after submission of the plans) for decisionmaking by a state or local agency on the environmental, social and economic consequences of an energy project.

The other would let the presidential board substitute its own judgment for that of the local or state body, if the federal deadline was not met.

The Senate chose the second way—the path of federal preemption.

One bill would have forced the regulators to obey all the existing laws. The second would allow the federal energy expediters to bar the application of any law passed by Congress, state legislatures or city councils, subsequent to the start of work on a particular project.

The Senate chose the second course, embodying the daring constitutional assertion that four presidential appointees can nullify the enforcement of a statute passed by the elected officials of any level of government.

The vote was not close in the Senate. By a margin of 58 to 36, the senators gave Carter the power he sought, brushing aside vehement objections from such senators as Abraham A. Ribicoff (D-Conn.), Edmund S. Muskie (D-Maine), Gary Hart (D-Colo.), William V. Roth (R-Del.) and Charles H. Percy (R-Ill.).

They also ignored a chorus of protests from the nation's governors, mayors, county executives and state legislators, who see the proposal as a serious threat to their role in the federal system. They have threatened to challenge the legislation in court, if it is finally passed.

It is an understatement to say that it is extremely shortsighted to launch a national energy acceleration program with a bitter battle between Washington and leaders of state and local governments.

But the companion bill being prepared by a House committee is an even more extreme invasion of state and local authority by Washington, and an even more glaring contradiction of the supposed public distaste for expanding bureaucratic power.

The governers and mayors and their Senate allies are trying to say we do not have to sacrifice the federal system to speed up energy production. But most of Washington is ignoring the message. The country will suffer the consequences for years to come.●

## LEM KAERCHER NATIONAL WILDLIFE REFUGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. NOLAN) is recognized for 5 minutes.

● Mr. NOLAN. Mr. Speaker, I would like to take this opportunity to ask support from my colleagues in renaming the Big Stone Wildlife Refuge 'the Lem Kaercher National Wildlife Refuge." By dedicating this refuge to Mr. Kaercher Congress can reassure the American citizens that a single individual can still initiate change and make a difference in our society.

Some 20 years ago Lem Kaercher recognized the need for this project. Government, however, did not respond. But, Lemuel Kaercher did not give up. With perseverance and persistence Lem Kaercher hounded the Budget Bureau until the project was cleared for favorable consideration by Congress. He secured support from environmentalists, conservationists, and sports and recreation-minded individuals. He then came to me for my support and advocated his cause with the executive and legislative branches. And, because of this man's commitment and determination the authorization bill was passed through Congress.

Clearly, our responsibility is now to recognize the efforts of Lemuel Kaercher and grant the wishes of the thousands of people in the area of Big Stone County, Minn., who have expressed an interest and petitioned to have the Big Stone Wildlife Refuge changed to be known as the Lem Kaercher National Wildlife Refuge. Mr. Kaercher's efforts should serve as an example for everyone with a desire to make a difference in our country by using the democratic process.

Mr. Speaker, I once again urge the support of my colleagues in dedicating this richly deserved memorial to a great citizen—Mr. Lem Kaercher.●

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, official business required that I be away from the floor on two rollcalls, Nos. 566 and 567, on Friday. I would have voted as follows: For the amendment to H.R. 2061 which would extend the coverage of the Public Safety Officers Death Benefits Act administered by the LEAA to rescue squad personnel; and against final passage of H.R. 2061, to restructure the Federal Law Enforcement Assistance Administration.●

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. SYNAR) is recognized for 5 minutes.

● Mr. SYNAR. Mr. Speaker, on Friday, October 12, 1979, I was not present for several recorded votes on amendments to HR. 2061, a bill to reauthorize the Federal Law Enforcement Assistance Administration. Had I been present, I would have voted as follows:

Rollcall 556: Resolve to Committee of the Whole House, "yes";

Rollcall 558: McClory amendment, "no";

Rollcall 560: Volkmer amendment, "no";

Rollcall 562: Sensenbrenner amendment, "no";

Rollcall 564: Sensenbrenner amendment, "yes";

Rollcall 566: Neal amendment, "yes"; and

Rollcall 567: Final passage, "no." ●

## ENERGY ARTICLE NO. 4: HYDROGEN FUEL—COMING ON STRONG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, in the very near future, I believe that hydrogen fuel will be making a major contribution to the country's energy needs. The central feature of hydrogen is its utilization in gaseous or liquid form as a means of storing and transmitting energy. Hydrogen, itself, represents in some ways an almost ideal energy carrier. It can be transmitted and burned as a fuel in a manner almost identical to natural gas. When burned as a fuel, hydrogen has the unique characteristic of producing only water vapor as a byproduct and no carbon dioxide or other damaging hydrocarbon or sulfur pollutants. Finally, hydrogen can be produced directly from electricity and water by a rather simple process known as electrolysis which dissociates water molecules into elemental hydrogen and oxygen. A major source of hydrogen could come from electricity generated by the so-called "soft" technologies: solar, wind power, water wheels, tidal power, wave machines and even ocean thermal energy conversion (OTEC).

Considerable work now is being done to develop hydrogen-powered internal combustion engines. Any type engine can easily be converted to run on hydrogen. A conversion will soon be on the market that can be adapted to any vehicle now on (or off) the highways, be it a gas or diesel, carbureted or injected engine. Concerning the development activities now ongoing for using hydrogen as an automotive fuel, I would like to share with my colleagues an article which appears in the November 1979 issue of 4-Wheel & Off-Road magazine.

The article follows:

### HYDROGEN: FUTURE FUEL?

(By Richard H. Johnson)

Somebody's doing something about the energy problem. It may not be long before we can forget about buck-a-gallon gasoline, threatened shortages and rationing. The time may soon be upon us when motor vehicle-caused air pollution will be a thing of the past and fuel will be infinitely available at a very low cost.

Sounds like a dream, doesn't it? Well, it isn't, and we aren't talking about solar-powered electric vehicles, either. We're talking about hydrogen-powered internal combustion engines. They've already been developed and tested: they've proven themselves, and now they're ready to be marketed for off-roaders.

At first mention of the word hydrogen, people's eyes widen and visions of the *Hindenburg* or hydrogen bombs come to their minds. Fear and doubt have kept us shackled to the same old system far too long, and now is the time for some dramatic changes in the automotive industry. Here's a look at the possible fuel of the future . . . hydrogen.

### SAFETY

Hydrogen as an automotive fuel is safer than gasoline in several ways. First, it doesn't pollute. The only by-product of the combustion of hydrogen is water vapor. An engine can be run for hours inside a closed garage, and the only effect will be foggy windows and higher humidity. This aspect of hydrogen as a fuel would help the world in a couple of ways: it would eliminate a certain amount of smog and a large portion of government bureaucracy concerned with smog and its attendant bill to taxpayers.

But, it's the more violent type of threat that interests most people when they think of hydrogen. How about the danger of explosion? Remember the *Hindenburg*? And here again, hydrogen proves to be safer than gasoline as an automotive fuel. Nobody in this country can plead ignorance of the lawsuits and injuries caused by the rear end collisions and resultant explosions in certain makes of cars. The problem has been that, after a wreck, the gas tank ruptures and fuel pours out all over the ground about the same time it ignites; the spreads everywhere.

The fire wouldn't go everywhere, however, if hydrogen was being used as the fuel. Hydogen flows straight up. It dissipates so rapidly there is no chance for heat to go any direction other than up. Were it possible to ignite a hydogen tank (located where normal gas tanks are installed in vehicles), there would be very little, if any, injury to passengers.

That brings up another point: it's nearly impossible to get a hydrogen storage tank to ignite. Billings Energy Corporation, of Provo, Utah, a major developer of hydrogen as an automotive fuel system, produced a storage tank utilizing metal hydrides. During safety testing, they fired armor-piercing incendiary bullets into the tanks after they had been fully charged with hydrogen, to see if they would explode. The tiny flame that resulted soon extinguished itself.

### ECONOMY

It's no secret what's happening to gasoline prices. The world is looking in many directions for alternatives to the energy situation, and drivers are taking up all the slack in their wallets. Gasahol would relieve about 10 percent of the need. Electric vehicles will never work out as off-road rigs because they can barely pull their own weight, let alone climb a hill or take a dunking through a deep stream. But hydrogen could work.

One aspect of economy is efficiency. At the Billings complex, there is a one-of-a-kind dynamometer developed specifically for testing automotive engines running on the various fuels. The very best the engineers have been able to produce out of a gasoline-powered engine is 28 percent efficiency. But, with the same engine running on hydrogen, the percentage jumped to 40—a 12 percent improvement just by changing fuels.

Improving the efficiency of the engine produced another by-product besides added miles per gallon. It also made the engine run cooler. An experimental passenger bus running in Riverside, California, maintains an engine temperature of about 130 degrees F. Anyone who has visited Riverside during the summer can verify that the temperature of the roadway is often higher than the engine in this hydrogen-powered bus. Lower engine temperatures mean longer lubricant life, longer bearing life and longer engine life in general. That boils down to economy.

Economy in the price of the fuel, however, in another story. Hydrogen costs quite a bit right now. It is still more expensive than gasoline, but at the rate the price of gas is going up, that may not be true for long. Its cost to produce is tied to the cost of electricity at this time.

### AVAILABILITY

Availability is part of the expense problem. You can't just drive on down to your corner filling station and fill 'er up on hydrogen today. But, it wasn't long ago that you had to search far and wide or follow 18-wheelers from truck stop to truck stop to find diesel fuel. When diesel passenger vehicles became popular, however, all that changed.

And, so it may well be with hydrogen in the future. There won't be hydrogen filling stations until there is a market for the fuel. Today, you can get a fill-up at a Union Carbide plant and few other places. When the demand increases, the supply will, too.

There's no reason to ever fear running out of hydrogen as a fuel. It's one of the most abundant elements in the world, and it's one of the two in water, the other being oxygen. A method of separating hydrogen from water, electrolysis, captures the hydrogen and releases the oxygen. After combustion of the hydrogen, it again unites with oxygen and returns to water vapor. As long as water holds out, there's a source of hydrogen, and as long as you burn hydrogen, there will be water. Of course, that's an oversimplification, but you get the point.

Hydrogen is also a product of coal gasification, petroleum refining and other heavy industry such as steel manufacturing. For the most part, all that free fuel is simply released back into the atmosphere by the industries involved. It could easily be captured, sold and used as a fuel.

Although hydrogen is available from many sources, Billings has developed a system whereby the owner of a hydrogen-powered vehicle could produce all of his own fuel at home. The unit is about the size of a small desk, and works on the electrolysis method. You pour water in one end, and hydrogen comes out the other, into a large home storage tank until needed. The drawback is that the machine works on electricity, and draws too much power to make home production of hydrogen economically feasible at the present time. Again, as the price of gasoline rises, this may reverse itself.

By combining companion technologies such as solar and wind power to produce electricity for running the electrolyzer, the ongoing production of hydrogen could theoretically be free. Keep in mind that the technologies necessary for such a fantastic dream to come true are already working. Some refining, some perfecting and some cooperating among the engineers of the various sciences will bring about the whole thing in the near future—at least we hope.

### FEASIBILITY

Roger Billings drives a 1977 Cadillac that runs on either gasoline or hydrogen; a flip of the switch on the dash determines which fuel is used. His home runs on hydrogen: the gas range, gas furnace, lawn tractor and so on. A converted Winnebago acts as a passenger bus, running on hydrogen. A hydrogen-powered postal Jeep is now being tested at Jet Propulsion Laboratories in Pasadena, California. The Space Shuttle will function on hydrogen fuel. Several aircraft manufacturers are looking into hydrogen as a fuel. In short, the stuff definitely works.

Now, for us. Automotive enthusiasts haven't been left behind in all this research. One of the first cars Billings converted was an antique Model A Ford. Today's main man in the Billings automotive division is Ed Davis, an enthusiastic off-roader. He's the one who does all conversions and experimentation, and you can bet it won't be long before he's out running his own rig on hydrogen.

Ed has come up with a conversion kit that can be adapted to any internal combustion engine. The conversion can be done to any vehicle now on (or off) the highways, be it a gas or diesel, carbureted or injected engine. Nobody's vehicle will be made obsolete by this technology. An old MB Jeep will be just as good as a brand-new Bronco or a diesel Scout. The conversion is no big deal, either: mainly plumbing and a new intake system, plus the addition of the fuel tank.

Of course, until the market opens up, things will continue to be expensive—prototype equipment always is. But the good news is that the system works, it is pollution free, the fuel is abundant and it improves the performance of any vehicle now coming out of Detroit or anywhere else. It's also encouraging that somebody is actually *doing* something about the energy situation. I don't know about you, but I've had about enough rhetoric to last a lifetime.

As always, there are problems to be solved. The fuel tanks are heavy, and the hydrides now being used aren't as efficient as they could be. But Ed Davis says there are some secret doings behind the scenes that will solve that problem soon. One thing is certain: the men behind this energy technology have come a long way since they started, and with work going the way it is now, it shouldn't be long before they overcome the remaining obstacles.

More information about the progress in hydrogen energy technology can be obtained by writing to Billings Energy Corporation, 2000 E. Billings Ave., Provo, UT 84601.●

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## ENERGY NEEDS OF ELDERLY ARE SPECIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 5 minutes.

● Mr. DOWNEY. Mr. Speaker, I recently held a hearing of the Select Committee on Aging in my district on the very special energy needs of the elderly. In light of the skyrocketing costs of heating I was concerned about the possibility that senior citizens in Suffolk County might have to choose between "food and fuel." Unfortunately, I discovered that my fears were well founded.

Mr. Henry Mehl, a 72-year-old constituent of mine from Brentwood, N.Y., testified that he planned to lower his fuel bills by lowering his thermostat to 60 degrees this winter. When I questioned Dr. Robert Butler, the director of the National Institute of Aging, about the prudence of Mr. Mehl's plan, he sternly warned of the severe chance he was taking. Dr. Butler stressed that senior citizens are particularly vulnerable to hypothermia, a drop in body temperature which can lead to coma or even death for the elderly. This can occur with temperatures as mild as 65 degrees.

Another constituent of mine, Mrs. Dorothy Nelson from North Babylon, N.Y., told us about her experience with the existing fuel assistance program. She applied twice for help in the spring and again in the fall—trying to prepare for this winter. Not only did Mrs. Nelson never get any money, she was never even told why.

The mismanagement of this program was further dramatized by two other witnesses: The directors of the Offices on Aging for Babylon and Islip towns, Marge Boylan and Ruth Joldersma. They expressed rage and frustration at the futility of putting in long hours on complicated forms only to learn too late that, although money was available, they could not get to it. Both women, in fact, offered to administer the program themselves rather than have to make excuses for another year of unfulfilled promises.

This winter lower-income households will be paying more than 40 to 50 percent of their incomes for heat, as compared to 18 to 20 percent last year. There is little doubt that this Congress intends to provide for the needs of senior citizens: however, it will be virtually impossible to pass any new program in time for this year's heating season. The snow is already falling in parts of New York State and, unlike the surprise snow we recently experienced here in Washington, it will continue to fall.

So, as Commissioner Lou Glasse, of the New York State Office of Aging testified at the hearing, this year we must adequately fund existing programs to make the best of what we already have.

For the future I have proposed the Basic Fuel Assistance Act which would create a 3-year program for emergency fuel assistance. The program will emphasize both that fuel must be provided on a continuous basis and that emergencies must also be taken into account. Therefore, my program allows oil to be delivered to each home on a regular basis and provides an immediate source of help for elderly persons who experience a sudden problem. Last year no payments were made under the existing crisis intervention program until the heating season was over. People were placed in the ridiculous position of having to submit evidence that they had already paid heating bills at the same time that they were also asked to prove they were incapable of paying those same bills. This is the kind of situation that my program will prevent.

Mr. Speaker, as this hearing demonstrated, the energy needs of the elderly are special. To meet those needs we must use our current programs as best we can and, at the same time, plan better for the future by replacing them with more efficient ones, such as my own "basic fuel assistance." We must have a system that anticipates need, not one that races the ambulance to the door.●

## UNDOCUMENTED ALIENS AND THE CENSUS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, the bill which I am introducing today is designed to encourage the participation of undocumented aliens in next year's census.

Because untold thousands of such persons were not counted during the 1970 census, States, and cities, with large concentrations of undocumented aliens, have lost substantial Federal revenues over the last 10 years. When you consider that $50 billion of Federal funds—involving over 100 different Federal programs—are allocated annually on the basis of population, it is apparent why every U.S. resident must be counted in the 1980 census. Further, because undocumented aliens utilize the services provided by our State and cities, it is essential that the census include such individuals.

The reason for the failure of the Census Bureau to enumerate this particular population is evident. Most of them are terrified by the constant threat of detection and deportation. As a result, they are suspicious of, and make every effort to avoid, all Government officials, including census takers. They also sincerely believe that census information is normally transmitted to the Immigration and Naturalization Service to help that agency locate and deport undocumented aliens. Because of these deep-seated feelings of distrust, it is evident that undocumented aliens were subject to a large undercount in 1970. The same will occur in 1980 unless immediate action is taken by the Congress.

While some efforts have been made to allay the fears of undocumented aliens that information they provide to census takers will not be used to their detriment, they are inadequate.

For this reason, I am introducing legislation which will assure undocumented aliens that they will be immune from deportation if the information they give to census takers is used against them. Specifically, my bill provides that no person can be deported or excluded based on identifiable information provided in the course of the 1980 Decennial Census. I believe that this legislation—if enacted and if widely publicized—will convince undocumented aliens to come forward and be counted.

Because of the need for expeditious action on this legislation, I am scheduling hearings on this bill next week in New York and I am hopeful that my Subcommittee on Immigration, Refugees and International Law will be able to proceed to a markup of this bill in the near future.

For the benefit of my colleagues, I am inserting into the CONGRESSIONAL RECORD at this point the full text of my legislation:

### H.J. RES. 422

Joint resolution amending the Immigration and Nationality Act to encourage the participation of undocumented aliens in the 1980 Decennial Census

Whereas there was a significant and disproportionate undercount of undocumented aliens in the 1970 Decennial Census;

Whereas this undercount resulted from the fear of undocumented aliens that census information would be divulged to the Immigration and Naturalization Service and used to deport or exclude them from the United States;

Whereas this undercount resulted in the loss of substantial Federal funds to States and communities with large concentrations of undocumented aliens;

Whereas undocumented aliens may refuse to participate in the 1980 Decennial Census because of their belief that information which they or members of their families provide to the Bureau of the Census may be used to deport or exclude them from the United States; and

Whereas undocumented aliens will be encouraged to participate in the 1980 Decennial Census if they are assured that they and their families will be immune from deportation or exclusion based on their provision of census information: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) chapter 9 of title II of the Immigration and Nationality Act is amended by adding after section 293 (8 U.S.C. 1363) the following new section:

"PROHIBITIONS OF EXCLUSION OR DEPORTATION OF INDIVIDUALS ON THE BASIS OF CENSUS INFORMATION

"SEC. 294. (a) The Attorney General may not deport or exclude an individual, or member of the individual's family or household, from the United States on the basis of any information obtained or derived, directly or indirectly, from such individual or from any member of the individual's family or household by any officer, employee, or agent of the Department of Commerce in connection with the 1980 decennial census of population conducted under section 141 of title 13, United States Code. This prohibition shall not apply to such information if it is in a statistical or aggregate form which does not identify any individual.

"(b) The Attorney General shall provide, in cooperation with and through the Secretary of Commerce and other appropriate Federal, regional, State, and local officials and employees and before and during the census described in subsection (a), for the appropriate dissemination of information concerning the prohibition specified in subsection (a).".

(b) The table of contents of such Act is amended by adding after the item relating to section 293 the following new item:

"Sec. 294. Prohibition of exclusion or deportation of individuals on the basis of census information.".●

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ADDABBO (at the request of Mr. MINISH), after 3:30 for rest of day, today, on account of official business.

Mrs. CHISHOLM (at the request of Mr. WRIGHT), for today, on account of illness.

Mrs. COLLINS of Illinois (at the request of Mr. WRIGHT), for this week, on account of medical reasons.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MAVROULES) to revise and extend their remarks and include extraneous material:)

Mr. NELSON, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 10 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. SYNAR, for 5 minutes, today.
Mr. ALEXANDER, for 10 minutes, today.
Mr. DOWNEY, for 5 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LIVINGSTON, to revise and extend his remarks on H.R. 3303 in the Committee of the Whole today.

Mr. MCCLORY, to revise and extend his remarks and include extraneous matter immediately preceding vote on H.R. 3303.

Mr. FLORIO, to revise and extend his remarks immediately following the adoption of the Committee amendments.

(The following Members (at the request of Mr. PAUL) and to include extraneous matter:)

Mr. FINDLEY in two instances.
Mr. ROYER.
Mr. ASHBROOK in two instances.
Mr. MICHEL in four instances.
Mr. SYMMS in two instances.
Mr. CORCORAN.
Mr. COLLINS of Texas in two instances.
Mr. PRITCHARD.
Mr. DERWINSKI in three instances.
Mr SAWYER.
Mr. PAUL in two instances.
Mr. RINALDO.
Mr. KEMP in three instances.
Mr. EVANS of Delaware.
Mr. GOLDWATER.
Mr. BEREUTER in two instances.
Mr. HILLIS.

(The following Members (at the request of Mr. MAVROULES) and to include extraneous matter:)

Mr. GUARINI.
Mr. WOLFF in two instances.
Mr. PEPPER.
Mr. BARNES in two instances.
Mr. BENJAMIN.
Mr. UDALL.
Mr. MCDONALD in five instances.
Mr. EDWARDS of California.
Mr. HANCE.
Mr. ROE.
Mr. STARK in five instances.
Mr. CONYERS in two instances.
Mr. FARY.
Mr. MURPHY of New York.
Mr. OTTINGER.
Mr. DIXON.
Mr. GARCIA.
Mr. DOWNEY.
Mr. COEHLO.

## SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 567. An act to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorneys for the eastern district of New York to reside within 20 miles of the district.

## ADJOURNMENT

Mr. MAVROULES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 33 minutes p.m.) the House adjourned until tomorrow, Wednesday, October 17, 1979, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2641. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notice of various transfers of funds for Navy shipbuilding and conversion, pursuant to Public Law 96-38 (93 Stat. 99); to the Committee on Appropriations.

2642. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment and services to Spain (Transmittal No. 80-01), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2643. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment and services to Spain (Transmittal No. 80-02), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2644. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense articles and services to Spain (Transmittal No. 80-03), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2645. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Israel (Transmittal No. 80-07), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2646. A letter from the Director of Legislative Liaison, Department of the Air Force, transmitting the annual report for fiscal year 1978 on the Air Force's recycling of materials, pursuant to section 612 of Public Law 93-552; to the Committee on Armed Services.

2647. A letter from the Director of Legislative Liaison, Department of the Air Force, transmitting a draft of proposed legislation to amend title 5, United States Code, to entitle Civil Air Patrol cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in the event of disability or death and to increase the amount of that compensation; to the Committee on Education and Labor.

2648. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Spain (Transmittal No. 80-01), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2649. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Spain (Transmittal No. 80-02), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2650. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Spain (Transmittal No. 80-03), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2651. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Thailand (Transmittal No. 80-04), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2652. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Oman (Transmittal No. 80-05), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2653. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 80-06), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2654. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 80-07), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2655. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to NATO (Transmittal No. 80-09), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2656. A letter from the Special Counsel, Department of Justice, transmitting his report on the investigation of Carter's warehouse; to the Committee on the Judiciary.

2657. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NICHOLS: Committee on Armed Services. H.R. 5235. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services (Rept. 96-517). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 2196. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; with amendments (Rept. No. 96-518). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AMBRO:

H.R. 5594. A bill to authorize the National Water Resources Policy and Development Act of 1979, to direct the Water Resources Council to act as the coordinating body for a program of water resources assistance to the State; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Public Works and Transportation.

By Mrs. BOUQUARD:

H.R. 5595. A bill to extend the Joint Funding Simplification Act of 1974; to the Committee on Government Operations.

By Mr. CONTE:

H.R. 5596. A bill to amend the Internal Revenue Code of 1954 to provide a 30-percent tax credit for expenditures for certain efficient replacement furnaces or boilers; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 5597. A bill to amend the Energy Policy and Conservation Act to authorize certain appropriations for energy conservation programs for schools and hospitals and buildings owned by units of local government and public care institutions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 5598. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of motor vehicles will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business; to the Committee on Ways and Means.

H.R. 5599. A bill to amend the Internal Revenue Code of 1954 to provide a maximum individual income tax rate of 50 percent; to the Committee on Ways and Means.

By Mr. GRASSLEY:

H.R. 5600. A bill to amend the Department of Education Organization Act to transfer authority with respect to rural education to the Assistant Secretary for Elementary and Secondary Education, and for other purposes; to the Committee on Education and Labor.

By Mr. GUARINI:

H.R. 5601. A bill to amend the Internal Revenue Code of 1954 to provide for a reduction of individual income taxes if the national rate of unemployment increases 1 percentage point above the rate of unemployment on January 1, 1979; to the Committee on Ways and Means.

By Mr. HIGHTOWER (for himself, Mr. Daschle, Mr. English, Mr. Evans of Georgia, Mr. Hagedorn, Mr. Harkin, Mr. Leath of Texas, Mr. Marlenee, Mr. Nolan, Mr. Pickle, Mr. Stenholm, Mr. Weaver, Mr. Charles Wilson of Texas, Mr. Hance, and Mr. Sebelius):

H.R. 5602. A bill to amend the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), to require that the label on each loaf of bread disclose the cost to the manufacturer of the farm product ingredients; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. LUJAN (for himself and Mr. Runnels):

H.R. 5603. A bill to change the name of the Los Esteros Dam (New Mexico) to the "Santa Rosa Dam"; to the Committee on Public Works and Transportation.

By Mr. MURPHY of New York (for himself, Mr. Breaux, Mr. Forsythe, and Mr. Trible):

H.R. 5604. A bill to provide for the control of interstate and foreign commerce in fish and wildlife; to the Committee on Merchant Marine and Fisheries.

By Mr. PAUL:

H.R. 5605. A bill to amend the Trading With the Enemy Act; to the Committee on Foreign Affairs.

By Mr. SABO:

H.R. 5606. A bill to amend the Railroad Retirement Act of 1974 to make annuities payable before the first day of the month when the first day is on a weekend or holiday; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Iowa (for himself and Mr. McDade):

H.R. 5607. A bill to assist innovative small businesses by strengthening their role in federally funded research and development and by fostering their information and growth in the economy, and to encourage investment in small businesses; jointly, to the Committees on Small Business, Ways and Means, and the Judiciary.

By Mr. UDALL (by request):

H.R. 5608. A bill to amend provisions of Federal reclamation law restricting delivery of project water to newly irrigated lands for crops the supply of which is likely to be excessive; to the Committee on Interior and Insular Affairs.

By Mr. WAXMAN:

H.R. 5609. A bill to assure the provision of certain basic rights to residents in long-term-care facilities; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. WHITEHURST:

H.R. 5610. A bill to amend title II of the Social Security Act to provide that disability insurance benefits may not be paid to individuals who are confined in penal institutions or correctional facilities; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 5611. A bill to amend the Fishery Conservation and Management Act of 1976 to provide for expedited review of fishery management plans, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GUARINI:

H.J. Res. 421. Joint resolution designating the week beginning June 22, 1980, as "National Deaf Awareness Week"; to the Committee on Post Office and Civil Service.

By Ms. HOLTZMAN (for herself and Mr. Garcia):

H.J. Res. 422. Joint resolution amending the Immigration and Nationality Act to encourage the participation of undocumented aliens in the 1980 Decennial Census; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.J. Res. 423. Joint resolution providing for the commemoration of the 100th anniversary of the birth of Franklin Delano Roosevelt; to the Committee on Rules.

By Mr. WOLPE (for himself, Mr. Kemp, Mr. Oberstar, Mr. Cavanaugh, Mr. Walker, and Mr. Nowak):

H. Con. Res. 197. Concurrent resolution expressing the sense of the Congress concerning the administrative proceeding brought by the Federal Trade Commission against the Kellogg Co., General Mills, Inc., and the General Foods Corp.; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H. Res. 446. Resolution to amend the Rules of the House of Representatives to restrict provisions of and amendments to appropriation bills; to the Committee on Rules.

By Mr. LOEFFLER:

H. Res. 447. Resolution limiting the use of the section of the Congressional Record entitled "Extensions of Remarks" by Members of the House of Representatives; to the Committee on House Administration.

By Mr. NOLAN:

H. Res. 448. Resolution to rename the Big Stone National Wildlife Refuge to be known as the Lem Kaercher National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. HARKIN (for himself, Mr. Miller of California, Mr. Moffett, Mr. Stark, Mr. Maguire, Mr. Beilenson, Mr. John L. Burton, Mr. Lehman, Mr. Panetta, Mr. Bonker, Mr. Bedell, Mr. Rangel, Mr. Hollenbeck, Mr. Drinan, Mr. Dodd, Mr. Ottinger, Mr. Dellums, Mr. Fauntroy, Mr. Wolpe, Mr. Reuss, Mr. Scheuer, Mr. Bonior of Michigan, Mr. Nolan, Mr. Carr, Mr. Downey, Mr. Weaver, Mr. Stokes, Mr. Edwards of California, Mrs. Schroeder, Mr. Flood, Mr. Stewart, Mr. Kildee, Mr. Barnes, Mr. Conyers, Mr. Oberstar, Mr. Lloyd, Mr. Weiss, Mr. Brodhead, Mr. Kastenmeier, Mr. Phillip Burton, Mr. Brown of California, Mr. Markey, Mr. Blanchard, Mr. McHugh, Mr. Vento, Mr. Richmond, Mr. Walgren, Mr. Glickman, Mr. Hall of Ohio, Mr. Edgar, Mr. Kostmayer, Mr. Daschle, Mr. Van Deerlin, Mr. Fazio, Mr. Leland, Mr. Udall, Mr. Gray, Mrs. Chisholm, Mr. Mitchell of Maryland, Mr. Rosenthal, Mr. Cavanaugh, and Mr. Hawkins):

H. Res. 449. Resolution expressing the sense of the House of Representatives with respect to the failure of the Government of Chile to extradite Manuel Contreras, Armando Fernandez, and Pedro Espinoza to the United States, and to urge the President to take certain actions with respect to Chile; to the Committee on Foreign Affairs.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1121: Mr. Corrada, Mr. Dixon, Mr. Drinan, Mr. Flood, Mr. Garcia, Mr. Hawkins, Mr. Lehman, Mr. Ottinger, Mr. Stark, Mr. Stokes, Ms. Mikulski, Mr. Solarz, Mr. Bingham, Mr. Guarini, and Ms. Ferraro.

H.R. 1539: Mr. Pritchard.

H.R. 1605: Mr. Robert W. Daniel, Jr., Mr. Patterson, Mr. Zeferetti, Mr. Gudger, Mr. Gilman, Mr. Evans of the Virgin Islands, Mr. Kemp, Mr. Treen, and Mr. Erdahl.

H.R. 2644: Mr. Leach of Iowa.

H.R. 3697: Mr. D'Amours.

H.R. 4832: Mr. Collins of Texas, Mr. Lagomarsino, Mr. Pursell, Mr. Badham, Mr. Kindness, and Mr. Railsback.

H.R. 4833: Mr. Collins of Texas and Mr. Solomon.

H.R. 5166: Mr. Bevill, Mrs. Byron, Mr. Davis of South Carolina, Mr. Emery, Mr. Goldwater, Mr. Kemp, Mr. Kogovsek, Mr. Mitchell of Maryland, Mr. Rahall, Mr. Bauman, Mr. Kastenmeier, and Mrs. Snowe.

H.R. 5225: Mr. Collins of Texas, Mr. Williams of Ohio, Mr. Atkinson, Mr. Runnels, Mr. Duncan of Tennessee, Mr. Marriott, Mr. Grisham, Mr. Whittaker, Mr. Ichord, and Mr. de la Garza.

H.R. 5308: Mr. Heftel, Mr. Derrick, Mr. Evans of Georgia, Mr. Coleman, Mr. Erdahl, Mr. Hammerschmidt, Mr. Vento, Mr. Dan Daniel, Mr. Butler, Mr. Lloyd, Mr. Sebelius, Mr. Fazio, Mr. Campbell, Mr. Young of Alaska, Mr. Barnard, Mr. Dannemeyer, and Mr. Dornan.

H.R. 5362: Mr. Hollenbeck, Mr. Williams of Ohio, Mr. Markey, Mr. D'Amours, Mr. Roe, Mr. Murphy of New York, Mr. Dougherty, Mr. Luken, Mrs. Spellman, Mr. Downey, Mr. Mitchell of New York, and Mr. Stokes.

H.R. 5396: Mr. Myers of Pennsylvania, Mr. Moakley, Mr. Pritchard, Mr. Donnelly, Mr. Guarini, Mr. Mitchell of Maryland, Mr. Flippo, Mr. Blanchard, Mr. Kindness, Mr. Benjamin, Mr. Applegate, and Mr. Bailey.

H.R. 5399: Mr. Whitehurst, Mr. Erdahl, Mr. Sensenbrenner, Mr. Lagomarsino, Mr. Bedell, Mr. Charles Wilson of Texas, Mr. Murphy of Pennsylvania, Mr. Oberstar, and Mr. Courter.

H.R. 5571: Mr. Broyhill.

H.J. Res. 338: Mr. Panetta, Mr. Solomon, and Mr. Kindness.

H.J. Res. 392: Mr. Quillen, Mr. Hubbard, Mr. Collins of Texas, Mr. McDonald, Mr. McDade, Mr. Nichols, Mr. Wolpe, Mr. Bereuter, Mr. Hopkins, Mr. Archer, Mr. Whitehurst, Mr. Oberstar, Mr. Udall, Mr. Dan Daniel, Mr. Scheuer, Mr. Jeffords, Mr. Murphy of Pennsylvania, Mr. Frost, Mrs. Bouquard, Mr. Lagomarsino, Mr. Robert W. Daniel, Jr., Mr. Frenzel, Mr. Panetta, Mr. Fazio, Mr. Marriott, Mrs. Chisholm, Mr. Campbell, Mr. Bedell, Mr. Mazzoli, Mr. Coleman, Mr. Neal, Mr. Flippo, Mr. Myers of Indiana, Mr. Long of Maryland, Mr. Dougherty, Ms. Oakar, and Mr. Preyer.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

208. By the SPEAKER: Petition of Women in Communications, Inc., Austin, Tex., relative to second-class-postage rates; to the Committee on Post Office and Civil Service.

209. Also, petition of the Tribal Council, Eastern Band of Cherokee Indians, Cherokee, N.C., relative to halting construction of the Tellico Dam; to the Committee on Public Works and Transportation.

210. Also, petition of the Erie County Legislature, Buffalo, N.Y., relative to exempting the first $1,500 in savings account interest from Federal income taxes; to the Committee on Ways and Means.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

### H.R. 2313

By Mr. ANDREWS of North Dakota:

—Page 26, after line 2, add the following new section:

RESTRICTION OF COMMISSION STUDIES AND INVESTIGATIONS RELATING TO AGRICULTURAL COOPERATIVES

Sec. 305. The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982, for the purpose of—

(1) conducting any study, investigation, or prosecution of any agricultural cooperative which meets the requirements of the Act entitled "An Act to authorize association of producers of agricultural products", approved February 18, 1922 (7 U.S.C. 291–292), commonly known as the Capper-Volstead Act, or

(2) conducting any study or investigation of any agricultural marketing orders.

By Mr. KEMP:

—Page 26, after line 2, add the following new section:

RESTRICTION OF COMMISSION ACTIONS AGAINST CEREAL MANUFACTURERS

Sec. 305. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982 for the purpose of—

(1) continuing any administrative or other proceeding brought by the Federal Trade Commission against the Kellogg Company, General Mills, Incorporated, and the General Foods Corporation which is pending on the date of the enactment of this Act; or

(2) initiating any such proceeding, based upon any allegation of anticompetitive practices, against any such business organization after such date of enactment;

until the Commission carries out a study in accordance with subsection (b).

(b) The Commission, in carrying out the study specified in subsection (a), shall—

(1) examine the economic impact which may result from any proceeding specified in subsection (a) against the Kellogg Company, General Mills, Incorporated, and the General Foods Corporation, including the impact upon—

(A) individuals employed by such business organizations and any labor organizations representing such individuals;

(B) the communities in which such business organizations are located; and

(C) other business organizations, employees, and labor organizations;

(2) study any impact which such proceeding may have upon—

(A) the collective bargaining rights of labor organizations; and

(B) employee wages, pension rights, insurance benefits, and working conditions, and any other contractual rights of employees; and

(3) determine whether any individual employed by the Kellogg Company, General Mills, Incorporated, or the General Foods Corporation who suffers a loss of employment caused by the economic impact resulting from such proceeding would be entitled—

(A) to be provided with new employment by his employer; and

(B) to receive payment or reimbursement for relocation expenses incurred by such individual.

By Mr. VOLKMER:

—On page 3, after line 2 insert the following new section:

Sec. 102. None of the funds authorized to be appropriated by this Act shall be utilized for the purpose of investigating, or taking any action against, or promulgating any rule or regulation (excepting rules or regulations that already are the subject of litigation in the courts of the United States) with respect to any legal, dental, medical or other State regulated profession, or with respect to its State or national professional associations.

### H.R. 3000

By Mr. NEAL:

(In the nature of a substitute; page and line numbers refer to H.R. 4839.)

—Page 41, add the following new title:

TITLE III—PEAT FUELED COMBUSTION DEMONSTRATION PLANT

Sec. 301. There is authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act, for supply, research, and development and plant and capital equipment (including planning, construction, acquisition, and modification of facilities and land acquisition), the sum of $3,100,000 for project 80–FE–12, a peat-fueled combustion demonstration plant at a site to be determined (for A-E and long-lead procurement only).

Sec. 302. Notwithstanding any other provision of this Act, there is authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the fossil energy surface coal gasification program, a sum not to exceed $85,050,000.

By Mr. WYDLER:

(To the amendment in the nature of a substitute; page and line numbers refer to H.R. 4839.)

—On page 56, lines 21 and 22, substitute the following new title: "TRANSITIONAL STORAGE OF SPENT FUEL."

On page 57, after line 7, insert the following new subsections:

(b) In providing for transitional storage of spent nuclear fuel the Secretary of Energy shall give primary consideration to such fuel from U.S. civilian nuclear power plants to insure that each has the ability to maintain Full Core Reserve (FCR) in its spent fuel storage capacity.

(c) Upon the initiation of operation of the Away-From-Reactor (AFR) Storage Facility referred to in section 502 of this Act, the Secretary shall, as soon as is practicable, in accordance with the provisions of this title, authorize removal of all the spent fuel referred to in this title to said AFR.

On page 57, redesignate the subsection (b) as subsection (d).

### H.R. 3712

By Mr. MOORE:

—Page 3, strike out line 22 and all that follows down through and including the material between lines 14 and 15 on page 30, and insert in lieu thereof the following:

Sec. 2. Mortgage Subsidy Bonds; Exclusion of Certain Interest.

(a) Mortgage Subsidy Bonds.—Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) Mortgage Subsidy Bonds.—

"(1) In general.—Except as provided in paragraph (3), any mortgage subsidy bond shall be treated as an obligation not described in subsection (a) (1) or (2).

"(2) Mortgage subsidy bond defined.—For purposes of this subsection, the term 'mortgage subsidy bond' means any obligation which is issued as part of an issue a significant portion of the proceeds of which are to be used directly or indirectly for mortgages on (or other owner-financing of) owner-occupied residences.

"(3) Exception for qualified veterans' bonds.—

"(A) In general.—Paragraph (1) shall not apply to any qualified veterans' mortgage bond.

"(B) Qualified veterans' mortgage bond defined.—For purposes of subparagraph (A) the term 'qualified veterans' mortgage bond' means any obligation—

"(i) which is issued in registered form as part of an issue substantially all the proceeds of which are to be used to provide residences for veterans,

"(ii) the payment of the principal and interest on which is secured by the general obligation of a State, and

"(iii) which is issued as part of an issue no part of the proceeds of which is to be used to acquire or replace existing mortgages.

"(c) Advance refunding not permitted.—An obligation which is issued for the advance refunding of another obligation shall not be treated as a qualified veterans' mortgage bond.

"(D) Exceptions to new mortgage requirement.—Under regulations prescribed by the Secretary, the replacement of—

"(i) construction period loans,

"(ii) bridge loans or similar temporary initial financing, and

"(iii) in the case of a qualified rehabilitation, an existing mortgage,

shall not be treated as the acquisition or replacement of an existing mortgage for purposes of subparagraph (B) (iii)

"(E) Qualified rehabilitation.—For purposes of subparagraph (D) (iii), the term 'qualified rehabilitation' means any rehabilitation of a building if—

"(i) there is a period of at least 20 years between the date on which the building was first used and the date on which the physical work on such rehabilitation begins,

"(ii) 75 percent or more of the existing external walls of such building are retained in place as external walls in the rehabilitation process, and

"(iii) the expenditures for such rehabilitation are 25 percent or more of the mortgagor's adjusted basis in the residence.

For purposes of clause (iii), the mortgagor's adjusted basis shall be determined as of the completion of the rehabilitation or, if later, the date on which the mortgagor acquires the residence."

(b) Exclusion of Certain Interest.—

(1) In general.—Part III of subchapter B of chapter 1 of such Code (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"Sec. 128. Interest on Savings.

"(a) Exclusion.—In the case of an individual, gross income does not include amounts received as interest on deposits or accounts in a qualified savings institution.

"(b) Limitation.—The aggregate amount excluded by reason of subsection (a) for any taxable year shall not exceed $100 ($200 in the case of a joint return under section 6013).

"(c) Definitions.—For purposes of this section—

"(1) Qualified savings institutions.—

"(A) In general.—Except as provided in subparagraph (B), the term 'qualified savings institution' means—

"(i) a bank (as defined in section 581),

"(ii) a mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar institution under Federal or State law, and

"(iii) a credit union.

"(B) INSTITUTIONS MUST BE AUTHORIZED TO MAKE HOME LOANS.—The term 'qualified savings institution' shall not include any institution which is not authorized to make residential home mortgage loans, home rehabilitation loans, or home improvement loans (including loans for energy-related improvements).

"(2) CLARIFICATION OF TREATMENT OF CERTAIN AMOUNTS PAID AS DIVIDENDS.—The term 'interest' includes amounts paid or credited as dividends on deposits or withdrawable accounts if the amounts so paid or credited are withdrawable on demand subject only to customary notice of intention to withdraw.

"(d) ESTATES AND TRUSTS NOT ELIGIBLE.—The exclusion provided by this section shall not apply to estates and trusts."

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Paragraph (2) of section 584(c) of such Code (relating to dividends from common trust funds) is amended to read as follows:

"(2) DIVIDENDS AND INTEREST.—The proportionate share of each participant in the amount of dividends to which section 116 applies, and in the amount of interest to which section 128 applies, received by the common trust shall for purposes of such sections be considered as having been received by such participant."

(B) Paragraph (5) of section 702(a) of such Code (relating to income and credits of partner) is amended by adding at the end thereof the following: "and interest with respect to which there is provided an exclusion under section 128,".

(C) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item related to section 128 and inserting in lieu thereof the following:

"Sec. 128. Interest on savings.

"Sec. 129. Cross references to other Acts.".

(3) EFFECTIVE DATE.—Notwithstanding section 4, the amendments made by this subsection shall apply to taxable years beginning after December 31, 1979.

Page 33, line 2, strike out "103A(1) (4)" and insert in lieu thereof "103(g) (3) (B) (iii)".

Page 38, line 7, strike out "subsection (p) of section 103A" and insert in lieu thereof "subparagraph (C) of section 103(g) (3)".

Amend the title of the bill so as to read: "A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax, and to exempt interest on certain savings from Federal income tax."

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# EXTENSIONS OF REMARKS

## AMBASSADOR MANSFIELD SPEAKS OUT ON ASIAN POLICY

### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. FINDLEY. Mr. Speaker, I would like to commend our Ambassador to Japan, the Honorable Mike Mansfield, on his recent statement concerning U.S. military policy in the Pacific. In the October 10 article from the Baltimore Sun that follows, Ambassador Mansfield maintains that U.S. air and naval forces in the Asian Pacific region "should be beefed up" to counter a buildup of Soviet naval forces there.

I share the Ambassador's belief that realignment of the U.S. military presence in the Pacific is necessary, especially with what apears to be an emerging crisis of confidence in Japan and Southeast Asia over the credibility of the U.S. defense guarantee.

Our Pacific allies have repeatedly voiced their concern over what they perceive as an ongoing American retrenchment in Asia and the apparent strategic parity between the United States and Soviet Union. In late 1978, Japanese Vice Minister of Defense Ko Marayama asserted that the United States had only a "limited capability" of defending Pacific sealanes with the 7th Fleet. Japan's July 1978 White Paper on defense noted that Soviet reinforcement of its naval forces in the Asian Pacific has become "a factor that cannot be ignored when considering the security of the islands off Asia."

Presently, the Soviet Union has at least 25 percent of its modern land forces and 26 percent of its air force in Asia—all of first-rate caliber. It is no wonder, therefore, that Japanese and Southeast Asian officials have expressed strong concern about the Soviet military planes and ships stationed in Vietnam. They regard them as a potential threat to their Mideast oil lifeline, as well as the overall stability of Asia.

What we seem to be forgetting, is that these Pacific sealanes are not only a commercial lifeline, but as the Ambassador astutely points out, our "back door to the Middle East." These sealanes are crucial to our deployment of forces through the Indian Ocean. It would indeed be a tragedy if for some reason the Soviets were able to halt either directly, or by proxy, commercial or other shipping through these critical sealanes. To avert such a tragedy, Ambassador Mansfield suggests that we seriously reassess our military policy in this region of the world.

I applaud the Ambassador's foresight and statesmanship and agree that we are indeed "hanging on to an outmoded policy." Our politico-military doctrine for the Asian Pacific is in dire need of being clarified and redefined. Too many gray areas remain in our policy toward this region, and it is high time we reassure our allies of our credibility as a defense partner.

Text of article follows:

[From the Baltimore Sun, Oct. 10, 1979]

MANSFIELD SAYS UNITED STATES SHOULD ADD TO ASIAN FORCE

TOKYO.—United States Ambassador Mike Mansfield said yesterday that the Asia-Pacific area "could become more important" than Western Europe to American defense measures, although the U.S. emphasizes Europe.

He has long believed that U.S. air and naval forces in the Asia-Pacific area "should be beefed up and should be given parity, at least, with those in the Atlantic and Western Europe," Mr. Mansfield told a gathering of American correspondents.

The ambassador was commenting on reports that the Pentagon has been restudying longstanding plans to shift forces from this region to Europe in the event of a Soviet attack there and on the U.S. policy of being prepared to fight only one major conventional war at a time, probably in Europe, plus minor actions elsewhere—the "one-and-a-half wars policy."

He emphasized that his proposal of Atlantic-Pacific naval and air strength parity "wouldn't interfere in any way with the troop strength in Europe, nor would it necessarily interfere with the air strength over there."

The Soviet Pacific fleet has three times the tonnage of the U.S. Seventh Fleet and there has been "a tremendous buildup of forces along the Chinese-Russian frontier and in the maritime province" of the Soviet Union, Mr. Mansfield said.

"We are hanging on to an outmoded policy," the former Democratic senator from Montana asserted. "When we shipped the two divisions to NATO, in '51 I believe it was, the understanding was . . . that they'd be there for a year or so.

"What we've done is increase the numbers so we have the equivalent of four or five divisions there—213,000 troops in West Germany compared to 46,000 out here in Japan and probably 35,000 or so in Korea," he said.

The Soviet Union has "at least 25 percent of its modern land forces in Asia and 26 percent of its air force—and it's all first-rate.

"I think the threat could come from any direction. If we tie ourselves down to one direction, I think we'll pay a pretty heavy price for it if anything happens elsewhere."

The ambassador observed that the U.S. Seventh Fleet, which is assigned to the Pacific and Indian oceans, is introducing better and in some cases bigger ships on a replacement basis although the number of ships is not increasing. And he noted the introduction of F-14 and F-15 fighter aircraft to naval and air force units in the area.

But he said, "The naval ratio of 55 in the Atlantic and 45 in the Pacific should be at least at a parity and preferably a little additional strength out here . . . there ought to be another carrier and escort group attached to the Seventh Fleet."

The ambassador called the Indian Ocean the "back door to the Middle East," and recalled that in the 1973 Israeli-Egyptian war, "all the European countries except Portugal refused to allow us to land our planes carrying supplies to the Middle East."

At one point yesterday, Mr. Mansfield mentioned that the outmost limits of U.S. defense in this region are Japan and the Phillippines.

Asked why he had not included Korea, he hastened to say that he was not making "an Acheson statement"—a reference to a somewhat similar omission by the late secretary of state, Dean Acheson, which is believed to have caused North Korea to miscalculate in 1950 and assume that the United States would not defend South Korea against an invasion.

The ambassador said the U.S. mutual security treaty with South Korea "will be honored. But as for our own outermost lines of defense, I feel that its the Philippines and Japan. So we have a mutual security treaty with Japan which is in our interest, in our defense," he said.

Mr. Mansfield has on at least one similar occasion in the past signaled a new U.S. policy emphasis affecting Korea. But it was not clear whether his remarks on Korea yesterday were intended as a reminder to South Korea President Park Chung-hee—whose regime U.S. officials have harshly criticized for its expulsion from the National Assembly last week of Kim Young-sam, the outspoken opposition leader.

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## RUSSIFICATION CAMPAIGN IN LITHUANIA

### HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. DERWINSKI. Mr. Speaker, I have repeatedly called the attention of the Members to the consistent record of human rights violations perpetrated by the authorities of the Soviet Union.

The latest report on Soviet human rights abuse was carried in the "Spotlight" of October 22, which gives an account of the Russification efforts in Lithuania. I wish to insert the article at this point.

#### Russification Campaign in Lithuania

A massive new "Russification" campaign is directed at the very existence of the non-Russian nations in the USSR, a message from the Lithuanian underground asserts. The message, which accompanied official Soviet documents, appealed to the world to focus attention on the "crude violation by the Soviet Union of human rights to communicate and to learn in one's native language."

One document, taken from the 10th issue of the Lithuanian samizdat journal "Perspektyvos," contains excerpts from the draft recommendations to the conference on "Russian—the Language of the Friendship and Collaboration of the Peoples of the USSR." The conference, devoted to the teaching of Russian to non-Russians, was held in Tashkent, Uzbek SSR, May 22–24. Also smuggled out were texts of two directives from V. P. Elyutin, USSR minister of higher and secondary specialized education, requiring more intensive study of Russian at the expense of other parts of school curricula, as well as similar measures.

The message from the Lithuanian underground says the texts of recommendations were received from Moscow in March, and have been locked up in a safe used by several offices in Lithuania. The employees of the offices were not allowed to see the actual photocopies of recommendations, containing the names of the "senders" and "signers." There is talk that the recommendations saw the daylight with Brezhnev's consent.

#### "VOLUNTARY" LIES

In recent years, the underground message continues, the Russification campaign has been "particularly intensified." All schools, from kindergartens to universities, are to be transformed into "chief centers of Russification." The directives require that "all forms of teaching be increasingly performed in Russian. Analogous directives are issued also by the ministeries of the national republics.

According to the message, the purpose of the Tashkent conference has been to "show that the citizens of the national republics allegedly support the Russification policy conducted by the Communist Party and government. The government of the czar used to do this openly and directly, but the present rulers wish to give the appearance that it would be accomplished with the citizens' own hands."

#### INTENSE APPREHENSION

The apprehensions of the Lithuanian people are further confirmed by statements of leading Soviet officials. In his message of greeting to the participants of the Tashkent conference, Brezhnev spoke of the emergence of a "new historic community—the Soviet people (among whom) the Russian language objectively plays an ever increasing role in the creation of communism and in the education of a new man . . . the Russian language was expanding under mature socialism." A Mr. Prokofyev, USSR minister of education, emphasized that a "harmonious system of studying a second language . . . must start in the pre-school age."●

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## IMPORTANT PROGRESS IN TREATING EPILEPSY

### HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. BARNES. Mr. Speaker, in recent years significant strides have been made in the treatment of epilepsy, one of the world's most misunderstood illnesses. I submit for the information of my colleagues an article on epilepsy which appeared in the New York Times of August 28, 1979. The article, which includes references to our distinguished and courageous colleague, Tony Coelho, follows:

#### Epileptics Aided by New Research

(By Loie Sauer)

When Tony Coelho campaigned for the United States House of Representatives last year, his political strategists advised him to suppress one aspect of his life that they feared could sink his chances for election if it became a public issue.

Tony Coelho has epilepsy. Rather than taking the advice of the political pros, however, he spoke openly about epilepsy.

"I had nothing to hide or cover up," said Mr. Coelho, who is now a Democratic Congressman from California, in an interview.

For him and the majority of people with the condition, epilepsy is no longer a physical handicap because medical treatment can now control seizures. But the colossal obstacle still facing many epileptics—public attitude—has changed slowly. Many epileptics still face ostracism and discrimination in work and education, Congressman Coelho said.

Impressive strides have been made in recent years in research, diagnosis and treatment of epilepsy. As a result, about half of the nation's two million epileptics, like Mr. Coelho, are free of seizures and about 30 percent more have improved control over their seizures.

The medical progress includes new drugs, widespread use of sophisticated diagnostic equipment and a new laboratory technique that determines the right dosage of medication for an individual.

In the laboratories at the National Institute of Neurological and Communicative Disorders and Stroke in Bethesda, Md., and at many medical centers around the world, scientists are investigating the spectacular world of the human brain to understand brain function and malfunction.

"Epilepsy is a complex, heterogeneous problem," said Dr. Roger J. Porter, director of the epilepsy branch at the Bethesda institute. "We now have leads about the mechanism involved in epilepsy, but many of the details are still unknown."

Epilepsy is a disorder of the nervous system in which some brain cells are electrically abnormal. Like an aberrant lightbulb in a theater sign, these cells sporadically produce electrical impulses that trigger bodily responses, which are termed seizures.

Researchers are looking for the biochemical explanations of how epileptic cells become abnormal, why they generate electrical activity and how the electrical impulse spreads from the abnormal cells to adjacent normal cells.

Evidence now suggests that epileptic cells do not have enough of a chemical that normally controls electrical activity. The chemical that normally controls electrical activity. The chemical is a neurotransmitter called GABA, which is short for gamma-aminobutyric acid.

Recent findings indicate that epileptic cells have fewer of the sites where GABA is usually produced, according to a report last month by scientists at the City of Hope National Medical Center in California. Because GABA ordinarily suppresses nerve activity, a deficiency of it makes nerve cells electrically hypersensitive.

Aside from their general characteristics, no two cases of epilepsy are alike, Dr. Porter said. There are many causes of epilepsy, and there are great variations in where the epileptic cells are situated, in the frequency of abnormal electrical activity, in the types of seizure and in the treatment.

The main known causes are head injuries, infections, damage to the brain before or during birth, metabolic and nutritional disorders and brain tumors. For many people, epilepsy cannot be traced to a specific cause. Contrary to a widely held notion that epilepsy is inherited, heredity is thought to play a minor role.

Among the dramatic advances in tools for diagnosing epilepsy are computerized X-rays called CAT scans and tracings of the brain's electrical activity called electroencephalograms, which provide clues about the nature and location of the epilepsy.

In addition, three anticonvulsant drugs have appeared on the market in the United States in the last five years. The newest, valproic acid, was heralded as a miracle drug and was available in Europe a decade before it was approved for use in the United States. Enthusiasm has decreased since some patients taking the drug were discovered to have diminished liver function.

The new drugs are considered superior to their predecessors because they offer better seizure control without the drowsiness common to the earlier drugs, which were derivatives of barbiturates.

Drug dosage is critical in controlling seizures, and new laboratory techniques bring precision to what was previously an almost haphazard process. By measuring the amount of a drug in a person's bloodstream over a period of time, the dosage can be adjusted to keep the concentration just high enough to prevent seizures but no higher, to avoid unnecessary side effects.

"The ability to monitor blood levels is the greatest advance in neurology in years," said Dr. Hart Peterson, assistant professor of neurology and pediatrics at Cornell Medical Center. The lab techniques, commonly referred to as GLC and EMIT (for Gas Liquid Chromatography and Enzyme Multiple Immunoassay Technique), are now routinely available in laboratories throughout the country.

Although drug therapy can eliminate seizures or make them brief and infrequent for 80 percent of epileptics, it cannot control those of the other 20 percent.

Surgery is used in a few cases when a specific injured area of the brain can be identified and removed without damaging other brain functions.

Although there are many types of seizures, the most common are called grand mal, petit mal and psychomotor seizures.

Grand mal seizures are characterized by blackouts and violent shaking of the body, often accompanied by drooling and irregular breathing. Petit mal seizures are lapses of consciousness lasting 10 to 20 seconds. Usually associated with children, they are often mistaken for daydreaming. Psychomotor seizures usually involve some form of "stereotyped movements" as a chewing, unbuttoning clothing, reciting phrases or wandering.

Seizures are often preceded by a warning aura of sensations. After a seizure, the person is likely to return to whatever was being done before the seizure.

It is estimated that there are 100,000 new cases of epilepsy in the United States each year.

"The tragedy of epilepsy is that many cases could be prevented," said Dr. Peterson. Automobile accidents alone account for about 20,000 new cases annually, according to the Epilepsy Foundation of America. It says many head injuries could be prevented with better automobile crash protection equipment, mandatory motorcycle helmet laws and enforcement of the speed limit.

Early detection and treatment are critical for controlling seizures and minimizing the psychological and behavioral scars that often accompany the disorder, according to experts who testified before a 1977 National Commission on the Control of Epilepsy and Its Consequences.

The stigma of epilepsy "stems from public misconceptions that equate epilepsy with mental illness, mental retardation, violence and even possession by the devil," said a young man who developed epilepsy after receiving a head wound in Vietnam. "Other health problems don't have a stigma. Saying you've had a seizure to someone isn't the same as saying you've had a heart attack. I'm sure many persons never get over the feeling of being ashamed."●

## TRIBUTE TO PETER J. MARKOVICH, GENERAL MANAGER, DALY CITY CHAMBER

### HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. ROYER. Mr. Speaker, on the evening of November 9, 1979, many close friends and professional associates will gather to honor a resident of Daly City, Calif., who has given of himself to the community for many, many years—Peter J. Markovich.

Mr. Markovich was born on September 1, 1910, in Oakland, Calif., and moved with his family to Daly City, Calif. in 1911 where he has resided ever since. He married Jean Reinecke on September 27, 1947, and has four children, Frank, Mike, Peter L. and Marjorie, and one grandchild, Frank Robert, Jr.

After graduation from St. Mary's College in 1933 with a B.A. degree, Pete applied for a job with the Bank of America and was hired. He left the bank after 4 years to open his own insurance business, which is presently being managed by his wife Jean and son Mike.

Peter Markovich, together with Fred Martin and Marshall Sanders, organized the Daly City Chamber of Commerce in 1953 and has served as manager of the chamber since that time. He has also served as president of the Daly City Mission Merchant Association, president of the North San Mateo County Insurance Agent's Association, member of the San Mateo County Board of Health and Welfare, member of the Jefferson High School board of trustees, and member of the San Mateo County grand jury.

Mr. Markovich is truly deserving of the honors and recognition bestowed upon him. Although he is retiring as general manager of the Daly City Chamber, I know that Pete is not about to retire from his community, and I expect to see him involved in community affairs in the many years ahead. I am proud to join his many friends in paying him tribute.●

## JOHN PAUL II'S FIRST YEAR AS POPE

### HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. FARY. Mr. Speaker, in the year since his election, on October 16, 1978, many have realized that Pope John Paul II is an exceptional man. Members of the press, usually cynical toward religion, have hailed him as a superstar. People of all faiths have felt at least curious and often uplifted and inspired when they have come into contact wth him. However, many have also realized that the Pope is more than a compelling personality who knows how to make a dramatic gesture before the cameras.

The Pope has spent his first year actively asserting his position and that of the Catholic Church on many issues. In his sermon here in Washington 10 days ago, His Holiness said that the church will stand up before the world to proclaim the sanctity of life. Those of us who have heard him know that he speaks authoritatively. For John Paul II, "life" is a word replete with meanings. The immediate reference is to life as it exists from conception. However, through his encyclical, Redemptor Hominis, and through his actions, we can see that he is concerned for life from that moment through all stages of its development and in all its manifestations. Everyone who sees him cannot help noticing his love for children and babies. While here in Washington, the Pope sent several hours at Trinity College praying for each one of a large group of cripples and sick people. His response to a crowd is an expression of his love for every person present and he is not afraid to show it.

This genuine love for humanity is also expressed in his concern for human rights in his native Poland and everywhere in the world. Life can be defined as existence free from misery caused by oppression or hunger. So, the right to life means that every person in the world should be able to live in a free society where he is able to adequately satisfy his own needs for food and shelter and that of his family. Since John Paul II has said that the purpose of governments is to serve the people, it follows that it is the duty of legislators to guarantee these rights for the people we serve.

Even if we are not Catholic or do not share the Pope's views or faith, we should find his example as a world leader inspiring. He reminds us that our purpose is to insure that every person has the right to life, liberty, and the pursuit of happiness. We should keep in mind that it is our job to protect these values that are the basis for our democratic government.●

## CONGRESSMAN GOODLING CITES ROLE OF FEDERAL INTERFERENCE IN EDUCATION DECLINE

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. ASHBROOK. Mr. Speaker, my colleague Bill Goodling came to Congress after a long career as a professional educator. As ranking minority member of the Education and Labor Committee, I am particularly fortunate to have a man with Bill's background serving with me on that committee. What he has to say about the Federal role in education in the October 6 issue of his regular report to his constituents, aptly named Plain Talk, is worthy of the attention of the Congress and of the American people in general.

Mr. Goodling is dead accurate in pointing out that the creation of the Department of Education is not aimed, as its supporters contend, at putting a special emphasis on education. Its real purpose is to increase Washington's direct control over State and local education. Last year, in the Ashbrook substitute for the 5-year Federal aid to education authorization, I proposed that all the money authorized be sent directly to the State legislatures to be distributed by them to areas where education needed help, rather than being parceled out by bureaucrats in Washington for programs specified by Washington. The defeat of that substitute made it perfectly clear that the purpose of liberal school-aid policy is not support of local school systems, but control of them. Bill Goodling's judgment about the attitude of many Education and Labor Committee members applies to the attitude of the liberal majority as a whole:

> By the end of my first year as a member of the Committee it was apparent that many of its members looked with disdain upon educators.

I believe that the elitist liberal majority looks upon not only educators, but Americans in general, with disdain. The decline in educational quality which has gone hand-in-hand with increasing Federal control is but one example of decline throughout many sectors of our country's life. In each case, the origin of this decline can be traced directly to increased rules and regulations coming out of Washington. What Mr. Goodling has to say about education specifically is important in itself. But it is even more important if we see it as a part of the whole problem of rule by the self-styled liberal elite which now controls Congress, the White House, and a steadily increasing proportion of the Federal judiciary.

The full text of Mr. GOODLING's October 6, 1979, Plain Talk follows below:

PLAIN TALK

(A weekly commentary written by U.S. Rep. Bill Goodling of Pennsylvania's 19th District.)

WASHINGTON, D.C.—When I left the field of education after 23 very enjoyable years and came to Congress I thought perhaps I could find a way to get federal tax dollars back to local school districts without the rules and regulations and paperwork that accompanied such tax sharing in the past.

To do this I decided it would be best to serve on the Education and Labor Committee. I soon learned that the majority only wanted categorical grants (Fed. strings attached) rather than returning the money to determine how to best educate all youngsters.

When I joined that Committee, I found another educator as a member, namely Congresswoman Shirley Chisholm from New York. We discussed how former educators might be able to help those back in the trenches and thought perhaps separating education from the Department of Health, Education, and Welfare might be a way to do that. By the end of my first year as a member of the Committee it was apparent that many of its members looked with disdain upon educators.

I am sure that many members of Congress really believe that they know what is in the best interests of young people. I believe many of them feel that teachers and administrators are not capable of supplying a proper curriculum to meet the needs of all young people. I know they believe that all of the failures of education are the fault of teachers, no matter how often I remind them that today in public education we are mandated to educate all children. This naturally causes a difference in test scores. No matter how many times I tell them that the deterioration of the family unit has had a significant adverse effect upon education of youngsters—no matter how often I tell them the federal mandates thrust upon teachers, along with many extra co-curricular activities and community activities, has had an adverse effect on a child's academic learning process—and no matter how often I tell them that getting on a bus at 6:30 or 7:00 in the morning and getting off at the same hour in the evening is not necessarily conducive to a good education—they still point the finger to the local and state educational process and are thoroughly convinced that they have all the answers on the federal level.

Of all the problems facing this country I think the one that worries me most is that there is a subtle, calculated, determined effort to bring the entire educational system under the direction of a federal bureaucracy in Washington. Unfortunately, those who will be effected most by this effort sometimes innocently support such a move.

An example of another step in this direction is the truth in testing legislation, which is the next issue before my Committee. On the surface, it sounds very innocent. However, it is just one more attempt to federally control education in this country. Just listening to my colleagues talk and testify would indicate to me that a competency test from the federal level should be the determining factor as to whether a youngster is promoted or not. Watching this insidious movement during the last five years I can see how perhaps these competency tests will also be used to determine the worth of the teacher.

As I indicated to several constituents, if I thought federal agencies would be staffed by people who had served on the front line, experienced teachers and administrators, I wouldn't be as worried about the Department of Education. But my five years in Washington certainly indicate that dreamers, those without experience, will soon fill the ranks of the bureaucracy and make the decisions for the educators in the field. They will promulgate all kinds of paperwork and regulations in order to promote their actual existence and growth.

As Congresswoman Fenwick remarked during the debate on the conference bill for the Department of Education, "do you realize that in France at this very hour every youngster in each grade is on the same page in the same book because of their federal education system." Is that what we want for the future of the American education system?●

## NEW YORK ARCHDIOCESE CELEBRATES CATHOLIC SCHOOLS WEEK

## HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. BIAGGI. Mr. Speaker, today I am pleased to note that in my home State of New York, our Catholic Archdiocese is celebrating an event this week called, "Catholic Schools Week" from October 14 to 20. During this week, many activities are planned by local communities, through their churches and parochial schools to highlight this year's theme: "The Catholic School—One of the Family."

I am very proud of our parochial school system in New York and the many fine things it provides for both our children and our communities in the way of educational, religious, and social instruction. The local church and its school can provide important direction to members of the community by informing them of issues and problems that directly bear upon their lives. It can also provide them with moral direction, a sorely needed component in the daily actions of many.

Our Catholic schools also provide some of the finest education in New York City. A recent survey revealed that children in New York City parochial schools were achieving at a level 2 to 3 months above the national norm in math and reading skills in grades 3 through 7. It has been noted by many professionals that these figures indicate achievement well above average, in both reading and math levels. It is to the credit of the New York Archdiocese that these figures reflect such an impressive level of achievement.

As the ranking New York member on the House Education and Labor Committee, I have devoted many legislative efforts to enhancing the role of the independent schools in our State. In the Education Amendments of 1978 I successfully sponsored an amendment which would provide $15 million for 15 local educational agencies to establish or maintain school safety programs. The absence of crime was a reason, the study noted, for the increased achievement levels in parochial schools.

Additionally, in the Education Amendments of 1979 I introduced legislation which helped to alleviate a potential student loan shortage by raising the ceiling on the special allowance—the Federal subsidy paid to banks to encourage them to grant loans to students. Because of this bill, many students in private and parochial institutions of higher education were able to finance their education this past fall.

Finally, the major piece of legislation dealing with higher education has just cleared the Education and Labor Committee. I played a major role in including legislation which would increase the amount of supplemental grant moneys to private colleges and universities so that more students will be able to afford to attend these institutions.

I am extremely pleased and proud of our educational system in New York State and the diversity as well as opportunity that it affords our citizens. It has been successful in producing well-rounded, enlightened, and intelligent graduates of integrity.●

## TOWARD A BALANCED PERSPECTIVE ON NUCLEAR ENERGY

## HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. HAMMERSCHMIDT. Mr. Speaker, since the incident at the Three-Mile Island nuclear power generating station in Pennsylvania last spring, much reaction, commentary, and speculation has filled innumerable column inches and airtime.

Dr. Edward Teller, a pioneer in nuclear power, recently made public an informed point of view, via the Tuesday, October 16, 1979, edition of the Washington Post.

Dr. Teller was born in Hungary and educated in Germany. He came to the United States in 1935 and worked extensively on nuclear developments during and after World War II. He led the earliest efforts to ensure the safety of nuclear power reactors and to achieve clean power generation. In recent years he has concentrated increasingly on the varied aspects of the coming energy shortage, and has argued for utilization of every feasible form of energy. Active in national programs to explore peaceful uses of nuclear power, Dr. Teller is a senior research fellow at the Hoover Institution, Stanford, Calif., and professor emeritus at the University of California.

Dr. Teller offers his comments about nuclear energy based on a thoroughly professional and scientific background. So that this information may be readily accessible to my colleagues and anyone seeking a balanced perspective on the possible role of nuclear power in our energy future, I ask that the text of his comments be included in the RECORD.

STATEMENT OF DR. EDWARD TELLER

On May 7, a few weeks after the accident at Three-Mile Island, I was in Washington.

I was there to refute some of the propaganda that Ralph Nader, Jane Fonda and their kind are spewing to the news media in their attempt to frighten people away from nuclear power. I am 71 years old, and I was working 20 hours a day. The strain was too much. The next day, I suffered a heart attack. You might say that I was the only one whose health was affected by that reactor near Harrisburg. No, that would be wrong. It was not the reactor. It was Jane Fonda. Reactors are not dangerous.

Now that I am recovering, I feel compelled to use whatever time and strength are left to me to speak out on the energy problem. Nuclear power is part of the answer to that problem, only a part, but a very important part.

I have worked on the hydrogen bomb and on the safety of nuclear reactors. I did both for the same reasons. Both are needed for the survival of a free society. If we are to avoid war, we must be strong and we must help to generate the progress that makes it possible for all nations to grow and prosper.

And what is the greatest present-day threat to the prosperity and even the survival of nations? A lack of energy. Both developed and developing nations are threatened.

The citizens of the United States have just begun to recognize the impact of the world's growing energy shortage. Gasoline lines, electrical brownouts and higher prices are minor irritants. They are nothing compared to what may lie ahead. In a struggle for survival, politics, law, religion and even humanity may be forgotten. When the objective is to stay alive, the end may seem to justify the means. In that event, the world may indeed return to the "simpler" life of the past, but millions of us will not be alive to discover its disadvantages.

When our existence is at stake, we cannot afford to turn our backs on any source of energy. We need them all.

When it comes to generating electricity, we especially need nuclear power. Contrary to what Nader and Fonda, and their friends such as Sternglass, Wald and Kendall, would have you believe, nuclear power is the safest, cleanest way to generate large amounts of electrical power. This is not merely my opinion—it is a fact. Due to the lessons learned at Three-Mile Island, the nuclear way of generating electricity will be made even safer.

I have attempted to respond briefly to some of the questions which people ask about nuclear power. The problems that these questions raise are problems because of political indecision or public fear. Technically, they are nonproblems, because the dangers they imply either do not exist or else we have the know-how to solve them. I am absolutely convinced of this, after a lifetime of work as a nuclear scientist.

I was once asked how I would like for my grandson, Eric, to think of me and my life's work after I am gone. Eric is nine years old. He is a terrible guy—he beats me at the game of "GO." I am enormously fond of him, but I have not given much thought to what he will someday think of my life's work. I have given a great deal of thought to whether he will be alive in the next century, and whether he will be living in freedom or in slavery. If he is living under communism, he will know I was a failure.

I believe that we have reached a turning point in history. The anti-nuclear propaganda we are hearing puts democracy to a severe test. Unless the political trend toward energy development in this country changes rapidly, there may not be a United States in the twenty-first century.

The President has recognized the danger of the energy shortage. As yet, he has given only some of the answers. I think—I hope—that democracy has enough vitality to evaluate the risks and to recognize the great benefits of nuclear power to human health and well-being, and to the survival of our free society.

Q. Can a nuclear reactor explode like an atomic bomb?

A. No. Energy cannot increase fast enough in the reactor. Therefore, it is absolutely impossible for a nuclear power plant to explode like a bomb. For this to happen, the laws of nature would have to be repealed.

Q. What is the risk of nuclear power compared to other forms of producing electricity?

A. It is far safer than coal or hydroelectric power, but all three are necessary to meet our need for energy. It may sound strange to say it, because coal has been around so long, but we know more about controlling radiation than we do about controlling the pollutive effects of burning coal. And, of course, a dam has no backup system to protect those who live below it. Indeed many of these people have lost their lives and more their homes.

Q. I live within 50 miles of a nuclear power plant. What are my chances of being injured by a nuclear accident?

A. About the same as being hit by a falling meteor.

Q. What about the effect of an earthquake on a nuclear plant?

A. At the first sign of a tremor, the reactor would shut down automatically. Also, reactors are built to withstand enormous structural damage. The only man-made structures I can think of that are more stable are the pyramids of Egypt.

Q. Is it true that we still have no satisfactory way to dispose of nuclear wastes?

A. No. Ways do exist. What we have not had is a decision by our government on which way to go. Waste disposal is a political problem, not a technical problem.

Q. How much radioactive waste materials are produced by nuclear plants?

A. At the moment, about 12½% of our electricity is generated by nuclear power. If all of it were produced this way, the wastes from these plants over the next 20 years would cover a football field to a depth of about 30 feet. To dispose of this waste a mile underground would add less than one percent to the cost of electricity.

Q. How dangerous is the release of low-level radiation from a nuclear power plant?

A. If you sat next to a nuclear power plant for a whole year, you would be exposed to less radiation than you would receive during a round-trip flight in a 747 from New York to Los Angeles.

Let me put it another way: The allowable radiation from a nuclear plant is five mrems per year. In Dallas, people get about 80 mrems per year from the natural background of buildings, rocks, etc. In Colorado, people get as much as 130 mrems per year from the natural background. Therefore, just by moving from Dallas to Boulder you would receive ten times more radiation per year than the persons gets who lives next to a nuclear power plant.

Q. How much radiation were the people around Three-Mile Island exposed to during the accident?

A. Let me put it this way. Your blood contains potassium 40, from which you get an internal dose of some 25 mrems of radiation in one year. Among the people not working on the reactor, a handful may have gotten as much radiation as 25 mrems.

Q. Should "spent" nuclear wastes be reprocessed to save the plutonium and other by-products?

A. Yes. Plutonium, for example, is as valuable as the original uranium fuel, because of its potential use to produce still more energy. In the end, reprocessing is needed to make nuclear energy abundant and lasting.

Q. Is there a danger that the plutonium produced by nuclear reactors might be stolen by terrorists and used to construct homemade nuclear explosives?

A. I believe that reactor products can be properly safeguarded from terrorists. This can be much more easily done than the guarding of airplanes. Also, any terrorist who puts his mind to it can come up with ways to terrorize a population that are less dangerous to himself than handling plutonium. The answer is not to get rid of the reactors—let's get rid of the terrorists.

Q. Will the expansion of nuclear power by other countries enable them to produce nuclear weapons?

A. Unfortunately, yes. This is already happening. Two-thirds of the reactors in operation in the free world today are outside the United States. Since we can't stop other nations from building nuclear plants or weapons, what we must do is find better solutions to international problems. An energy-starved nation is much more likely to make and use nuclear weapons as a last resort to survival. The only way to prevent that is to see to it that there is enough energy to go around, and to strengthen cooperation and confidence among the nations.

Q. What have we learned from the accident at Three-Mile Island?

A. Two things. First, that nuclear reactors are even safer than we thought. Despite many human errors and a few mechanical failures at Three-Mile Island, the damage was contained. No one was killed, or even injured. We have also learned that a lot can be done by better educated, better paid and more responsible reactor operators, and by a more efficient display of the state of the reactor by modern instrument panels.

Three-Mile Island has cost $500-million, but not a single life. We must pay for safety and, even after we have paid for it, nuclear energy is the cheapest source of electrical power. It is most remarkable that in the case of nuclear energy we are paying for our lessons in dollars, not in lives.●

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## SOCIAL NOTE: PAYOFF PARTY

## HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. MICHEL. Mr. Speaker, for those of our colleagues who may not be informed about the latest social events in Washington, I want to remind them of an article that appeared in the style section of the Washington Post. The article told of a party, a "quid pro quo" according to the Post, "the symbolic paybacks and payoffs between an exultant executive branch and an obliging legislative branch aided by 140 special interest groups."

Payoffs? Paybacks? These are harsh words. Surely the Post does not mean to state that the special interests groups who got the Department of Education will now pay off that debt by political support. But in the same article there is call for these special interests to work for the "reelection of the President" with the same dedication they put into their drive to get the Department of Education.

Perhaps there has been a misunderstanding or a misquotation. Otherwise we would be forced to the conclusion that there is blatant abuse of the legislative system by the education special interests. I hope this is not so. But the evidence strongly suggests it. The evidence suggests that political power, not educational excellence, is at the heart of the creation of this new Department.

The Post does not say who paid for the party. It would appear, however, that it is taxpayers, parents, and children who will have to pay.

At this time I wish to insert in the Record, "Partying for Education" from the Washington Post, October 11, 1979:

### Partying for Education

(By Donnie Radcliffe)

Gratitude took several forms: plaques for the floor managers, kudos for the coalition and due bills for Jimmy Carter payable in November 1980.

"I hope," drawled Rep. Jack Brooks (D-Tex.), who as floor manager had steered the legislation creating the new Department of Education through the House, "that you'll all work to get President Carter reelected with the same dedication and effort you used to get this bill through Congress."

It was politics at its purest last night, that heady aftermath of victory when nothing could be more natural than quid pro quo—the symbolic paybacks and payoffs between an exultant executive branch and an obliging legislative branch aided by 140 special-interest groups.

"No problem at all," said Al Sumberg somewhat expansively, speaking for the American Association of University Professors. "Jimmy Carter's a pro-education president; there's been nobody like him since Lyndon Johnson, a period when improvements in education were tied to civil rights."

"Jack (Brooks) always uses a very direct approach," said an amused Owen Kiernan of the National Association of Secondary School Principals.

Rep. Brooks was one of the celebration's stars, the other being his counterpart in the Senate, Abraham Ribicoff (D-Conn.).

A former secretary of Health, Education and Welfare, Ribicoff told the crowd of more than 200 sipping white wine and nibbling cheese and meatballs in a Dirksen Building committee room that he had long felt education had been "put on the back burner because health and welfare were always in some crisis that required the secretary to pull them out of the fire."

Joining in the salute was James McIntyre, head of the Office of Management and Budget, which will oversee implementation of the legislation expected to be signed into law Oct. 17 by President Carter.

"A tough fight," said McIntyre. "If I had to be with somebody in a foxhole, I think I'd like it to be Jack Brooks."

Neither McIntyre nor Brooks professed to know whom the president is considering to head the department.

None of the possibilities who have been mentioned in recent months—Jerry Apodaca, former Democratic governor of New Mexico; Mary Berry, assistant secretary of health, education and welfare for education; Alan Campbell, head of the Office of Personnel Management—turned up at the celebration. That may have been because none—except Berry in her HEW capacity—was invited.

"I don't think this is going to be any place for theorists," said Owen Kiernan, expressing the hope that "they bring people in from the trenches" to do the new jobs within the department.

"Whether you get a former governor of New Mexico or a university president and former governor of North Carolina (Terry Sanford) to head it is really of less concern than quality programs," Kiernan said.

"I'm sure it will be some political friend of the president's," said Bette E. Hamilton of the American Association of Community and Junior Colleges. "Andy Young is looking for a job."

There were a few congressional faces in the crowd, including those of Sen. Carl Levin (D-Mich.) and Rep. Robert F. Drinan (D-Mass.), but not many. Drinan said he was sorry the U.S Catholic Conference had opposed the legislation, "and I'm glad God prevailed."

But the party was clearly a victory thank-you to Ribicoff and Brooks by the people who had helped pull the bill through, organizations like the National Education Association, the U.S. Student Association, the International Reading Association and the National Conference of Teachers of English.

"Some people say it's the most effective lobby they've ever seen," said Allen Cohen, head of the ad hoc committee that started building its 140-member coalition last November.

Working out of the state of Illinois Office of Education here, Cohen was one of many working full time but he wouldn't attempt to estimate man hours or money spent getting the bill through Congress.

"What counts," he said, "is that we put together a cabinet voice."●

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## OSHA'S "NONSUCCESS" RATE

### HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. BEREUTER. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial which recently appeared in the Sioux City, Iowa, Journal. The editorial notes the degree of "nonsuccess" of the Occupational Safety and Health Administration (OSHA) to date and raises the question of how effective OSHA will be in regulating the use of carcinogens. I believe this thoughtful commentary deserves note. Accordingly, I place the full text in the Record.

[From the Sioux City (Iowa) Journal, Oct. 4, 1979]

### OSHA's Non-Success

When Congress created the Occupational Safety and Health Administration in 1971, it gave the agency an almost impossibly difficult job: to regulate safety and health conditions in millions of U.S. workplaces. Almost every employer and worker in the country was affected.

In its first decade, OSHA has cost American taxpayers almost $1 billion. The nation's business and industrial sector has spent an added $25 billion to comply with OSHA regulations.

Now the U.S. Chamber of Commerce wonders if the cost has been worth it. Their study and statistical analysis shows that OSHA has tended to tinker (remember the agency's regulations on standardized toilet seats?), and that the main job of reducing serious job accidents and sickness has been ineffective.

Statistics gathered by the Bureau of Labor show that total injury and illness rates have indeed declined since 1972. But the rate for serious injury and illness—the stuff that causes lost days of work—rose 15 percent from 1972 to 1977. Days lost due to sickness and accidents rose 29.1 percent. Fatalities rose by more than 24.1 percent from 1976 to 1977.

Although OSHA stopped counting worker fatalities of small employers (11 or fewer) in 1977, these deaths can be reliably estimated. For large companies, worker fatalities rose by 20.8 percent in 1977, far overshadowing earlier declines.

With this kind of track record, we join the chamber in wondering just what kind of performance OSHA will demonstrate in its newest endeavor: An attempt to identify, catalogue and regulate the use of thousands of carcinogens—substances alleged to cause cancer—in the work environment. OSHA's regulatory plan could require industry to spend upwards of $88 billion to meet federal strictures in this area.

Let's hope OSHA sees that the money is wisely spent. Given its past performance, however . . .●

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## THE GOLD OWNERSHIP ACT OF 1979

### HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. PAUL. Mr. Speaker, yesterday, the Domestic Monetary Policy Subcommittee of the Banking Committee, under the leadership of the Honorable Parren Mitchell, held hearings on my bill, the Gold Ownership Act of 1979. Because I believe this legislation rectifies an injustice in U.S. law, and because I believe the full House will be called upon to vote on this legislation this year, I would like to take this opportunity to bring my testimony to my colleagues' attention.

The testimony follows:

### The Gold Ownership Act of 1979

(By Ron Paul)

Thank you, Mr. Chairman.

There are many American citizens grateful to you today for holding hearings on the Gold Ownership Act of 1979. Attention to the subject of gold confiscation is long overdue.

The U.S. Treasury takes the position that gold is not money, and in pursuance of this, Secretary of the Treasury Miller and Federal Reserve Board Chairman Volcker have expressed no opposition to the repeal of the Treasury's authority to confiscate gold. Both Mr. Miller and Mr. Volcker have expressed their positions to me and Senator Helms and I ask unanimous consent that their letters be inserted into the record at this point.

Since gold ownership was legalized in 1974, millions of Americans have chosen to invest in this commodity. Most of them are uneasily aware of the presidential power remaining on the books since 1933. They enthusiastically urge its repeal. Of course, the majority of Americans do not know such a power exists, but I am convinced they would be aghast if they knew it did.

The Treasury's power to take forcibly the people's gold coins and bullion, at a price set by the government, is unamerican, to say the least. It should not be permitted to remain on the books. It is unnecessary in this modern age of the Federal Reserve System and the International Monetary Fund, which both have officially relegated the "barbarous" metal to strictly non-monetary functions. It is unwise, for it achieves nothing productive for the citizens or the government. It is unfair, for it discriminates against those who choose to invest in gold and gives preference to other commodities. It is unconstitutional, for there is no passage in the Constitution granting the Treasury any such power. It is unenforceable, since mass resistance would be bound to occur.

Most people forget that when the gold was taken from the American people in the 1930s, our government gave only 57 percent of the market value. Fear and ignorance permitted our government to get away with this violation of civil liberties.

The right to own property should apply to gold, whether or not it is thought of as money. The function of gold as understood by a free people should not enter into the discussion of whether or not they should be permitted to own it. Fortunately, today in these hearings, this point is not being debated.

The recent rapid rise in the price of gold has focused almost everyone's attention on its importance. Gold has served both the small and the large investor as a hedge against depreciating paper dollars. But so have land, houses, art, antiques, other metals, gems, other commodities, and even rare stamps. There is no justification whatsoever to single out gold and treat it uniquely by threatening its confiscation. And the threat is inconsistent and arbitrary. Gold in jewelry is not threatened. A gold coin in a necklace would not be seized, but a gold coin by itself would. Those rich enough to buy gold in jewelry form, with its high mark-up, would be immune from the law.

The right to our life and property cannot be violated arbitrarily. If it is, the erosion of all our liberties will eventually occur. American citizens, like people throughout history, want to own gold. Surely they have the moral right to do so. The most fundamental civil liberty is our right to our person and the fruits of our labor. This should mean all property, so long as that property was obtained without force or fraud and is not being used to inflict injury on other people.

The fact that gold ownership has grown in popularity since its re-legalization in 1974 emphasizes the importance of this metal in the eyes of many people. Whether it's right or wrong, good or bad, wise or unwise to own gold is no more significant to this discussion than similar questions about owning stocks, bonds, commodity futures, or T-bills.

The impracticality of getting millions of Americans to turn their gold in if the Treasury ever decided to order it needs special mention. I'm afraid it would only make lawbreakers out of many thrifty and prudent Americans. Establishing a fair price would be impossible. Highly volatile gold prices can now fluctuate as much as $35 a day—ironically the full price of an ounce at one time. Some would have to be mistreated, most likely the small investors—not the international bankers who somehow mysteriously anticipate and capitalize on all major financial events.

I'm delighted at the momentum that has gathered behind this repeal effort. With the confiscation power repealed, we may want to think about allowing more Americans to obtain the gold that the U.S. Treasury is dumping on the international markets, gold which is gobbled up by European bankers and Arab interests. It is little known that approximately $16 billion worth of gold went to Europe in the 1960s at $35 an ounce.

If the American people want gold, and its ownership is not of concern to our Treasury and Federal Reserve, then we can easily make gold available to all Americans in the form of coins of various sizes. This would be far fairer than allowing all our gold to drift into the hands of foreign bankers and wealthy Arabs.

Again, Mr. Chairman, I would like to express my deep appreciation to you for holding these hearings and I hope that the markup of the legislation can occur as well. With no known opposition, official or unofficial, to the bill, rapid passage can be anticipated by the full committee and the House.●

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## THE CIGARETTE SAFETY ACT

## HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. MOAKLEY. Mr. Speaker, the story of the careless use of smoking materials leading to the destruction of life and home is all too familiar. According to the U.S. Fire Administration, cigarettes represent the No. 1 national cause of both injuries and fire deaths in residential dwellings.

During 1978, there were 70,000 smoking-related fires across the country, and a resulting 1,800 deaths, 4,000 injuries, and $180 million in economic losses. The saddest part of these statistics is that these fires could have been prevented.

The Cigarette Safety Act (H.R. 5504) requires that cigarettes stop burning within a period of 5 minutes if they are not smoked during such period. So not to create additional health risks, it also requires that the levels of tar, nicotine, and carbon monoxide of self-extinguishing cigarettes not increase by more than 5 percent of the level that these cigarettes would have been had this feature not been required.

The majority of cigarettes are manufactured by including chemical additives, such as citrate or phosphate salts, which promote slow, continuous burning. Research has shown that a freshly lit cigarette will burn approximately 24 minutes when placed on a flat surface. A lit cigarette dropped into a piece of upholstered furniture will start to smolder within 10 to 15 minutes, and a fire may start within 30 or more minutes.

The capability to manufacture self-extinguishing cigarettes is recognized. There are over 15 patents registered with the Federal Government that have demonstrated self-extinguishing features for cigarettes. The cigarette manufacturing companies have not shown the inclination nor the initiative to implement these available techniques, and I believe the serious nature of this problem merits congressioinal action.

I would like to stress that this is not an antismoking bill. I believe the decision to smoke or not to smoke should be left up to the individual. Nor will self-extinguishing cigarettes interfere with an individual's smoking habits since the typical smoker puffs on his cigarette about every minute. So, only if the smoker forgets will he have to relight.

I believe this legislation can help reduce the damage to life and property due to smoking-related fires, and I urge my colleagues to join me in working to reduce this danger by supporting this legislation.

A text of the bill and extraneous materials follow:

### H.R. 5504

A bill to require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to comply with processing standards prescribed by the Consumer Product Safety Commission which ensure that such cigarettes or little cigars will stop burning within a period of five minutes after being ignited if such cigarettes or little cigars are not smoked during such period, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SHORT TITLE

SECTION 1. This Act may be cited as the "Cigarette Safety Act".

### STATEMENT OF POLICY

SEC. 2. (a) The Congress finds that—

(1) the United States Fire Administration has determined that cigarettes and careless use of smoking materials are the major causes of fire-related death and injury in residential occupancies in the United States;

(2) fires caused by cigarettes and careless use of smoking materials in the United States annually—

(A) kill approximately one thousand eight hundred people,

(B) injure approximately four thousand people, and

(C) result in property damage amounting to approximately $180,000,000;

(3) laboratory experiments have shown that a cigarette will burn continuously for approximately twenty four minutes when placed on a flat surface and that, with few exceptions, a cigarette must burn for at least five minutes before a fire will result; and

(4) more than fifteen patents describe methods by which cigarettes may be made to be self-extinguishing.

(b) The Congress declares it to be the policy of the Congress to reduce the loss of life and property in the United States by requiring that cigarettes and little cigars manufactured for sale or distribution in commerce be processed to ensure that such cigarettes or little cigars, if ignited, will stop burning within a period of five minutes after being ignited if such cigarettes or little cigars are not smoked during such period.

### UNLAWFUL PRACTICES

SEC. 3. (a)(1) The Consumer Product Safety Commission shall prescribe by regulation processing standards to ensure that any cigarette or little cigar, if ignited, will stop burning within a period of five minutes after being ignited if such cigarette or little cigar is not smoked during such period. No such processing standard shall cause the levels of tar, nicotine, and carbon monoxide of any cigarette or little cigar to exceed 105 per centum of the levels of tar, nicotine, and carbon monoxide which would have been the level of any such cigarette or little cigar had such cigarette or little cigar not been processed in accordance with such processing standard.

(2) Except as provided in section 4, it shall be unlawful for any person to manufacture any cigarette or little cigar for sale or distribution in commerce which is not processed in accordance with regulations prescribed under paragraph (1).

(b) Any person who violates subsection (a)(2) shall be guilty of a misdemeanor and shall on conviction thereof be subject to a fine of not more than $10,000. Each day during which any person violates subsection (a)(2) shall be a separate violation.

(c) The district courts of the United States shall have jurisdiction, upon application by any person or the United States, to restrain any violation of subsection (a)(2) and to restrain the sale or distribution of any cigarette or little cigar manufactured in violation of such subsection.

### CIGARETTES AND LITTLE CIGARS FOR EXPORT

SEC. 4. The provisions of section 3 shall not apply with respect to cigarettes and little cigars manufactured—

(1) for export from the United States, or

(2) for delivery to a vessel or aircraft, as

supplies, for consumption beyond the jurisdiction of the internal revenue laws,

except with respect to cigarettes or little cigars manufactured for sale or distribution to members or units of the Armed Forces of the United States located outside of the United States.

### AMINISTRATION OF ACT

SEC. 5. The Consumer Product Safety Commission may prescribe such regulations and take such other actions as may be necessary to carry out this Act.

### DEFINITIONS

SEC. 6. For purposes of this Act—

(1) the terms "cigarette", "commerce", "United States", and "little cigar" shall have the meanings prescribed for them in paragraphs (1), (2), (3), and (7), respectively, of section 3 of the Federal Cigarette Labeling and Advertising Act; and

(2) the term "sale or distribution" includes distribution of samples or any other distribution not for sale.

### EFFECTIVE DATE

SEC. 6. This Act shall apply with respect to any cigarette or little cigar manufactured on or after January 1, 1981.

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## Statement of George H. Paul

It is fitting and proper that we meet here at fire headquarters during National Fire Prevention Week, to join Congressman Moakley in formally announcing his introduction of what I am sure will become landmark legislation.

The Cigarette Safety Act is more than a symbolic ganutlet thrown down before a giant industry; it is a life-saving tool for those of us in fire service and related fields who know in our hearts and by our expertise and experience that too many Americans are dying needlessly in fires caused by cigarettes that are manufactured to burn longer than necessary.

The dropped cigarette is the main cause of home fire deaths in the United States, killing thousands each year and injuring, often horribly and permanently, many thousands more.

The dollar loss is close to $2 billion, including property loss, hospitalization, wage and job loss, firefighting and other services.

I commend Congressman Moakley for responding so quickly and so decisively to my request for legislative assistance in helping to save the lives of the many who die each year because of fires caused by cigarettes and I am proud to add my support and that of the many other concerned and dedicated fire service professionals gathered here today.

But let us remember, that this is but the first step in the legislative process . . . the road ahead will be difficult to say the least.

All of us should make a concerted and unified effort to give every possible assistance to Congressman Moakley and those of his colleagues who stand with us in this effort, to keep the issue alive and to educate the public that we are not attempting to abrogate their right to smoke—but, rather, we are trying to affirm their right to live—and for the rights of non-smokers who are often victims of fires caused by smoking materials.

And, in closing, all we ask of the media is that they present the facts to the public and let the public decide the merits of our case.

If so informed, the choice for them will be an easy one to make.

Thank you.

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## IAFF Endorses H.R. 5504 the Cigarette Safety Act

The International Association of Fire Fighters, AFL–CIO, supports the efforts of Congressman Joe Moakley of Massachusetts to reduce fire deaths and injuries in the United States, by his introduction of H.R. 5504, a bill which calls for the production of self-extinguishing cigarettes and little cigars by all American tobacco manufacturers.

Recent research has shown that with few exceptions, a cigarette must burn for at least five minutes before a fire will result. Congressman Moakley's bill therefore calls for a cigarette which self-extinguishes within that time period. Although over 15 patients for a self-extinguishing cigarette are already in existence, no efforts have been made to bring it into general use by the American public; in spite of the fact that nearly half of the residential fire deaths in this country are caused directly by cigarettes.

The Cigarette Safety Act would go a long way in saving the lives of most of the 2000 U.S. citizens who die every year in fires started by cigarettes and spare thousands more from the pain and anguish of fire injuries.

We applaud Congressman Moakley for his efforts in this area and stand ready to support the legislation to see it enacted into law.

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Action on Smoking and Health,
*Washington, D.C., October 11, 1979.*

Re: Bill No. HR–5504, "The Cigarette Safety Act."

Hon. Joseph Moakley,
*Cannon Office Building,*
*Washington, D.C.*

DEAR CONGRESSMAN: In response to your request for comment upon the above referenced bill, ASH would like to go on record as strongly supporting this and similar legislation.

The needless tragedy of smokers and members of smokers' households being horribly burned as a result of home fires started by cigarettes falling onto furniture, bedclothing, and other combustible household material has never received the attention it warrants. Although the problem has long been known to the tobacco industry, the medical community, fire officials and other government agencies, this bill is the first indication we at ASH have seen that Congress might be prepared to step in and take appropriate measures to reduce the appalling loss of life and property caused by cigarettes which are chemically treated and designed to keep burning even when the smoker is not attending them.

We have examined the entire bill, and we are in agreement with its objectives and approach. Cigarettes are an inherently dangerous product, and the industry has refused to address the problem even though economically feasible technology exists to reduce cigarettes' ignition hazard. The public—smokers and nonsmokers alike—is entitled to the protection this bill will provide.

As always, ASH stands ready to assist you or your staff in any way. Detailed comments or suggestions on any specific aspect of this bill or any problems which may arise in the future, as well as relevant background information or scientific data, are available upon request. Simply give us a call or write our offices.

Sincerely,

Peter N. Georgiades,
*General Counsel.*

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International Association of Fire Chiefs,
*Washington, D.C., October 11, 1979.*
Hon. Joseph Moakley,
*U.S. House of Representatives,*
*Cannon Office Building,*
*Washington, D.C.*

DEAR MR. MOAKLEY: The International Association of Fire Chiefs shares your concern with the needlessly high toll of deaths, injuries and financial damage resulting from fires caused by careless smoking.

At the Association's 106th Annual Conference, held last month in Kansas City, Missouri, the membership unanimously passed a resolution endorsing the concept of self-extinguishing cigarettes. That resolution reads:

Whereas, Approximately half of all residential fire deaths in the United States are caused by carelessly discarded cigarettes; and

Whereas, Most of these fire deaths can be prevented if cigarettes were to self-extinguish rapidly;

Now, therefore be it resolved that the International Association of Fire Chiefs at its Annual Conference in the City of Kansas City, Missouri, September 18, 1979, supports and endorses efforts to require that all American produced cigarettes self-extinguish-rapidly.

The Association is aware that you have introduced legislation (H.R. 5504) mandating self-extinguishing cigarettes. I would like to take this opportunity to pledge the Association's full support for that legislation, the "Cigarette Safety Act."

Such legislation is vitally necessary because statistics from the National Fire Data Center indicate that careless smoking is the number one cause of fire-related injuries in this country. This translates into an alarming figure of nearly 4,000 injuries annually. In addition, careless smoking is responsible for 7.6% of the annual dollar loss from fires, and is the fourth leading cause of fires overall.

The U.S. Department of Agriculture estimates that in 1978 the total consumption of cigarettes in the United States for persons more than 18 years of age was 616-billion. This rate of consumption creates enormous potential for fires resulting from careless smoking.

The self-extinguishing cigarette is not a new concept. Patents for this product have existed since the 1850s. The technology is available to produce these cigarettes, yet no manufacturer has shown an interest despite the tragic tool of deaths, injuries and human suffering caused by careless smoking.

Congressman Moakley, the Association, as an international fire service organization representing fire chiefs whose day-to-day activities are devoted to saving lives and property, offers you its support and assistance. The Association believes your "Cigarette Safety Act" complements the lifesaving activities of fire chiefs and fire departments across the nation. Let us work together to reduce the unnecessarily high number of deaths and injuries caused by careless smoking and the misuse of smoking materials.

Please do not hesitate to call upon the International Association of Fire Chiefs if the Association can be of assistance.

Sincerely,

R. S. Rockenbach,
*President.*

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## The "Cigarette Safety Act" Introduced in Congress

(SF) Today, in Boston, Congressman Joseph Moakley announced that he has introduced a bill entitled "The Cigarette Safety Act." If passed, the Cigarette Safety Act would mandate that cigarettes self-extinguish in five (5) minutes or less if not puffed on and, therefore, significantly reduce the fire hazard caused by carelessly discarded cigarettes.

The Burn Council, based at the Trauma Center at San Francisco General Hospital, has been instrumental in spearheading this national campaign. Among the many groups joining in support of Congressman Moakley's bill and the self-extinguishing cigarette are:

International Association of Fire Chiefs;
National Fire Protection Association;
Action on Smoking and Health;
American Burn Association;
Junior League of San Francisco and many other organizations.

The Cigarette Safety Act (H.R. 5504), if enacted, would prevent nearly 2,000 deaths each year in the U.S., and would reduce the number of severe burn injuries by approximately 4,000 per year. The self-extinguishing cigarette could be the single most effective way of preventing the major cause of fire death in this country. The Burn Council strongly supports all efforts to gain passage of Congressman Moakley's Cigarette Safety Act.

NATIONAL FIRE PROTECTION ASSOCIATION

The National Fire Protection Association has endorsed proposed federal legislation requiring cigarettes to self-extinguish if not smoked in five minutes.

Introduced on October 10 by Congressman John J. Moakley (D. MA.) the bill is aimed at the reduction of death, injury and property damage resulting from cigarette-caused fires. Cigarettes now manufactured burn up to 24 minutes if left unattended. A cigarette that would self-extinguish in five minutes would be insignificant as a cause of fire.

An NFPA study reveals that cigarette ignited fires are the leading cause of residential fire deaths; they are involved in fires that resulted in 39 percent of all deaths in residential fires, according to the study.

"We agree with the American Burn Association, the Fire Marshals Association of North America, the United States Fire Administration and other leading fire safety groups that the self-extinguishing cigarette is an idea whose time has come," said Charles S. Morgan, President of NFPA.

"I hope that the bill will focus national attention on this problem, one that apparently can be solved by the manufacturers of cigarettes. At the very least, hearings in the House of Representatives should be scheduled and witnesses called to bring all the facts to light. From an examination of the information currently available, it seems that a technical solution to the problem is possible without interfering with the rights of cigarette smokers or the commercial interests of tobacco manufacturers.

"Any research that may be needed or technical problems that may exist would be exposed by such hearings. The steps necessary to bring this idea to reality can be taken, if those interested in saving lives will offer full cooperation to the idea," Mr. Morgan said.

Mr. Morgan said that the 32,000 members of NFPA are being provided information on this project so they can determine its potential for reducing the serious fire problem in America.●

## ONE NATION UNDER GOD

## HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. GOLDWATER. Mr. Speaker, recently, at the Republican State Central Committee Banquet, the invocation was of particular thoughtfulness and eloquence. Jackie Harker, southern regional vice chairman of the California Republican Party composed a prayer imbued with a straightforward dignity and grace. I want to share it with my colleagues:

INVOCATION DELIVERED BY JACKIE HARKER

Oh Heavenly Father, be with us as we celebrate the new California gold rush.

Help us remember that even as gold was the first gift of the Magi to your Blessed Son, our golden gift to our State and Nation should be that of inspired leaders and leadership.

Even as gold, let our motives be not base but pure, let our decisions be of constant and enduring worth.

Grant that our actions may be pleasing unto You—that our future may be as bright as our past. And that our Nation may endure as it was intended to be—One Nation under God. Amen.●

## BILL OF RIGHTS FOR RESIDENTS OF LONG-TERM CARE FACILITIES

## HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. WAXMAN. Mr. Speaker, in the Constitution, the Bill of Rights defines the basic rights which are guaranteed to each American citizen. Yet for some older and poorer citizens, residents of nursing homes and other long-term care facilities, these guarantees are often meaningless.

We have knowledge of thousands of incidents each year, in which the rights of citizens in nursing homes are infringed, including among others their right to privacy and confidentiality, the right to know the cost of their treatment, the right to choose their physician, and their right to understand reasons for their transfer from one place to another.

Such residents are often afraid to ask questions, seek better care, complain about inadequate care, or refuse transfer, because they feel helpless, friendless, and at the mercy of other people. Although provisions dealing with the rights of persons in institutions are included in medicare and medicaid regulations, their enforcement has been most inadequate. Since the sole remedy for violations of these regulations is total denial of Federal reimbursement, the Government has been reluctant to use this sanction, correctly being wary of the cost of closing such institutions.

At present, 37 States have recognized the need for legislation which would define and clarify rights of institutionalized patients, and spell out sanctions and remedies which can be used effectively. I believe it is time now for the Federal Government to recognize its role in this area, and to make Federal policy clear to all long-term care home operators, about the rights of residents in those facilities.

The bill I am introducing today parallels S. 1546 and will serve as a focus for discussion of this important issue. It will set into law a national standard of rights of residents in long-term care facilities, including traditional civil and religious liberties as well as rights specific to conditions in institutions. These include among others, the right to be informed about medical decisions, the right to communicate with family and friends outside the institution, the right to personal privacy, and the right not to be involuntarily discharged without cause.

This legislation would require that nursing homes post these rights in their facilities where all residents can see them; would encourage ombudsman and advocates for residents; would provide a resident with a private right of action against facilities which are in violation.

Simply because a citizen is a resident of a long-term care facility does not render him incapable of making decisions about his life, and enjoying protection from personal abuse. This legislation would insure that residents are treated with dignity and respect, and have recourse when they feel they have complaints.

Directors of nursing homes, dozens of senior citizens organizations, unions, churches, action groups, associations of operators of homes have called for a patient's bill of rights. I am pleased to introduce such needed legislation and hope it will serve to stimulate thought and comment about this growing national issue.●

## SHORE UP NICARAGUA'S MODERATES

## HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. PRITCHARD. Mr. Speaker, I would like to bring to the attention of my colleagues the following article which appeared in the Wall Street Journal on October 2, 1979. This thoughtful article was authored by two of my distinguished constituents, Roy Prosterman and Jeff Reidinger.

SHORE UP NICARAGUA'S MODERATES

(By Roy Prosterman and Jeff Riedinger)

The new Nicaraguan government to date has proved a surprise: far more rational, moderate and democratic than almost anyone could have hoped in mid-July. There have been no officially sanctioned executions and few reprisals, a free press is functioning side-by-side with Sandinista organs and the broadly representative junta leads the government not only in name but to a considerable exent in practice.

Nationalizations have been limited to Somoza-control enterprises, except for domestically owned banks, where reasonable compensation arrangements have been made and a huge burden of debts of doubtful collectibility has been assumed. The land redistribution has started as a flexible one, with a mix of individual holdings, small co-ops and larger units to be tailored to crop and region, and the business community has been reassured.

Indeed, the refrain "Sandinismo si, communismo no" has begun to be heard, typified by a recent incident in Moninbo, where the villagers rejected Cuban help in reconstruction that did not include the rebuilding of their church.

Still, the situation is precarious. Perhaps 20% of the Sandinista movement that overthrew the Somoza dictatorship are dedicated Marxists. In Managua, the capital, street vendors sell the last of the goods stolen during the upheaval of the revolution. Within weeks, unless sufficient aid is received from the outside, the last inventories will be gone, and Nicaragua will run out of all imported commodities—everything from toothpaste to gasoline to raw materials for industry and agriculture.

The economy, already ravaged by war and systematically pillaged by Somoza, will suffer the most catastrophic collapse experienced by any Latin American economy in this century. Almost certainly, in the wake of an economic collapse, the extreme radical minority within the Sandinista army will come to the fore. Heretofore constructive village committees might become a vehicle for political mischief. Instead of a new model of pluralistic and democratic governance in Central America, Nicaraga will experience a new Castroism. Instead of the Mensheviks, the Bolsheviks.

### A SMALL MIRACLE

That there is still the opportunity for U.S. support of a moderate result in Nicaragua is, in itself, a small miracle. A history of aiding the Somoza plutocracy for 41 of its 43 years, with the military hardware we had previously supplied being used to kill 20,000 to 40,000 Nicaraguans in the past year, hardly sets the stage for a U.S. role in shaping the post-Somoza outcome.

Yet, surprisingly, as we can attest from our recent travels, there is great friendliness to Americans in the country, and a widespread willingness to structure a new, amicable relationship based upon their genuine nonalignment.

But the economic situation is desperate. Unemployment is running 30% to 40%, and will spread total paralysis of the economy unless closed businesses can obtain the resources needed to make repairs and replenish inventories. Only 30% of the acreage of the chief foreign-exchange earner, cotton, could be planted because of the widespread fighting, and much of that may be lost unless sufficient pesticide can be imported during the next two months.

Before they left, the Somozas followed a virtual "scorched earth" policy. Besides sacking opponents' businesses, they borrowed heavily from outside using the convenient apparatus of a government that was synonymous with the family financial empire, looted the treasury and left behind a staggering short-term foreign debt. They depleted the cattle herds on their vast estates—probably one-third of the agricultural land in the country, they are now being redistributed to the *campesinos*—. selling off so many head that Nicaragua's entire beef export quota to the U.S. was essentially filled by May.

During the waning hours of his rule, Somoza's cohorts stripped the warehouses in Corinto, the major port, fleeing with their loot to Honduras in scores of small boats, in a modern-day parody of Dunkirk. What the Somozas leave behind is a bankrupted society, its infant-mortality rate higher than that of India.

But one great "plus" of the situation is that Nicaragua is small—only 2.5 million people, living in a country the size of Oregon—and that the amount of aid required is correspondingly modest. Many have already responded. Holland, which has no geopolitical interests at stake has just made an initial contribution of $11.7 million, Panama, which does, has mobilized a $20 million loan through its banking system and business community—the proportionate U.S. contribution considering our vastly larger GNP, would be $16 billion, but this is many times more than what is needed.

What is needed, according to the best outside estimates, is some $1.3 billion over the next three years, divided about evenly between new aid and the rescheduling of old debt. The leadership must lie with us, and involves a sequence of four steps over the next year:

Step 1: Provide $100 million to $150 million, most of it in the next 90 days, in U.S. commodities to restore the basic functioning of the Nicaraguan economy and make crucial repairs. This, beyond the $15 million which we have already committeed in emergency and reprogrammed aid, would be the U.S. share of an overall international package of $250 million to $350 milion needed for this purpose. It cannot be emphasized too strongly that time is crucial here, and the these resources must begin to flow by late October if economic, and political, catastrophe is to be averted.

Step 2: Provide, via our commercial banking system, $50 million to $100 million in medium-term loans to the Nicaraguan private sector, also within the next 90 days, to restore basic business activity. This should be facilitated with convertibility and political-risk insurance written by the Overseas Private Investment Corporation, a government agency that regularly offers such guarantees.

Step 3: Renegotiate the heavy short-term debt, as part of a process of international consultations involving both public-sector and private-sector indebtedness, rescheduling payment over the next several years. Most of this is owed to commercial banks, with about 40% of the $300 million in private sector debt owed to U.S. banks. Close to $100 million of the amount due to U.S. banks is due in 1979. Short-term public-sector debt to the banks is as large or larger.

Step 4: Put together an international aid program that—in the hands of a government which is clearly committed to basic human needs—will correct the ravages of two generations of economic fiefdom. The U.S. share, if around 40% to 50% of the total, would come to roughly $75 million to $100 million in each of the next three years, and might continue at or near that level until the mid-1980s. Between $25 million and $35 million annually of this development assistance woud fulfill AID's strong new commitment to support of land-reform programs, finally recognized as the key to agricultural development in settings such as Nicaragua. Providing support for credit, land-improvement and ancillary facilities under the flexible land redistribution which is projected would not only permit the new owners to sharply raise productivity—as did our support in postwar Japan and Taiwan—but would give the Nicaraguan peasantry a political and economic stake in the functioning of a vigorous private sector.

### TOTAL U.S. COST

The total cost to the U.S. for these four steps would be less than the $750 million which we currently spend in one year for development-aid and commodity imports for Egypt. Paradoxically, if we do not act, adequately and in time, there will be a Vietnam-style flow of hundreds of thousands of refugees that will almost certainly end up costing us much more than a direct aid program would—this apart from the vast indirect costs of such a failure.

But, with an effective U.S. response, there is, in the words of one foreign businessman who has long lived in Nicaragua, "not just a long shot, but an excellent chance, that a moderate, democratic solution will last." Such U.S. flexibility in adapting to and supporting this moderate alternatve would, moreover, do much to pave the way for similar outcomes in such presently chaotic Central American societies as El Salvador and Guatemala, and beyond.

It is probably the best investment opportunity this country has been given since the Truman Doctrine and the Marshall Plan.●

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## COMMONSENSE ON EDUCATION

## HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. MICHEL. Mr. Speaker, William Raspberry of the Washington Post has reminded us of some basic truths about education. "Education" he writes, "and public education most especially, should be a conservative enterprise." He wrote those words in a column dealing with a new book on education. The author of the book feels that educational innovation has gone too far. But this same author coauthored a book 15 years ago that was responsible for many of the most absurd educational innovations of the late 1960's and early 1970's. Both books are best-sellers.

In short, the fashionable educational experts make money when they are wrong and make money when they finally recognize what is right. That is pleasant and lucrative for them, but the hundreds of thousands of students whose education was ruined by the "innovative" programs brought about by such experts are not so fortunate. It is precisely this irresponsible educational philosophy that has dominated American education for the past 20 years and has brought it to new depths. And what do these experts say as they look at the destruction they have brought about? They blame it all on television.

At this point I wish to insert in the RECORD, "Subversive Teacher, Reformed" by William Raspberry, from the Washington Post October 12, 1979:

### SUBVERSIVE TEACHER, REFORMED

(By William Raspberry)

You may or may not remember Neil Postman's controversial book of a decade ago, "Teaching as a Subversive Activity."

No matter. It was all a mistake in the first place, he now admits. Well, he doesn't quite admit that he was wrong, only that the times—and his views—have changed. His new book is "Teaching as a Conserving Activity."

The earlier book, co-authored with Charles Weingartner, was heavily into education "reform." More electives. More freedom. More openness. More individualization of instruction. More tolerance in such matters as grammar.

Now he's pushing such traditional values as careful speech and writing and even dress codes.

What happened?

"Fifteen years ago," Postman told The New York Times in a recent interview, "it seemed to me that the schools needed to be innovative because culture—its politics and social ideas—was not keeping pace with technological change. So the schools had to serve as a spark for change. They needed to do things like add more subjects to the curriculum.

"We succeeded in opening up the schools, but since then the impact of television and the other new communications media has forced change at a much more rapid rate than even I thought possible 15 years ago. The changes have come fast and furious. Now schools face a different situation."

It wasn't so much that he was wrong back then, you see. It's just that times have changed. Television, you know.

Postman should come off it. Television and "the other new media" weren't the culprits, then or now. The problem is a mistaken view of what the public schools can and should do.

Education—and public education most especially—should be a conservative enterprise. Its central purpose is (or should be) to preserve the common themes, the traditional values, of society and to conserve a common body of knowledge.

When the rest of society is in flux, as it was at the time of Postman's earlier book, it becomes more important, not less, for the schools to stay on track. Of course it is important to encourage children to challenge old ideas. But it is first necessary to see to it that they understand those old ideas, to make sure they have some place to stand while they move the world.

Jazz musicians will understand what I mean. The essence of jazz is innovation—improvisation. But if the horn men are to be free to take flights of improvisational fancy, the bassist or the drummer—somebody—must hold the line.

When everybody is improving all over the place, the result is not music but chaos.

Mention a jazz musician or a classical composer whose innovations have advanced his genre, and you are talking about a musician who first understood and internalized the traditions, the basics.

In part because of the influence of writers like Postman, we have children engaged in historical criticism who never learned grammar and spelling. We have children who are choosing from a dizzying array of "electives" before they are old enough to know the necessaries. And the result is that we are raising up a generation of children who know neither the new nor the old.

To return to the music analogy, it seems to me that it is the peculiar role of the schools (and of the homes) to do two things: to conserve the accumulated knowledge of theory and technique and to keep thumping out the rhythm that makes improvisation and innovation possible.

Seek ye first a thorough grounding in the traditional and the innovative shall be added unto you.

Postman, to his credit, seems finally to understand that, though only dimly.

"I've done a turnaround on the question of standard dialect," he told The Times. "Back in those days, I had the idea that a school should encourage diversity and variety on the ground that society was not doing that.

"Now it seems to me that many of our institutions—religious, economic, political—encourage diversity and variety. So one valuable function of the schools today is to teach some standard language that could then act as a unifying force for all the children in school."

Welcome back, Postman.●

## A TRIBUTE TO MILDRED TENNYSON McNAIR

## HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. DIXON. Mr. Speaker, today I would like to bring to your attention a resolution of community excellence that is being presented to a woman who has devoted her entire professional career to helping others.

Mildred Tennyson McNair, an educator of long standing, has unselfishly contributed her time and energy through the years to improve the quality of life for her family and neighbors in Inglewood, Calif. Dedicated to the principles of excellence, Mildred McNair is a shining example of what one individual can do to make their community a better place to live. Mrs. McNair is a lady well loved and respected for all her contributions in and outside of the academic arena.

### Resolution

Whereas, Mildred Tennyson McNair has championed the cause of human rights for all her fellow citizens in the city of Inglewood, and

Whereas, she has worked hand in hand with school officials and parents to help achieve the optimal atmosphere for the educational pursuits of their children, and

Whereas, she has volunteered innumerable hours to further improve school policies and guidelines to enhance the academic environment of students and future generations of students to come, and

Whereas, she has campaigned to beautify and cultivate our schools from planting flowers on campus grounds to contributing over $3,000 in supplies and equipment for student and office use, and

Whereas, she was responsible for implementing the Title I Program for disadvantaged children at the Celeste Scott Christian School in Inglewood, and

Whereas, she was the prime mover for initiating the new human rights policies in the Inglewood Police Department, that helped establish good community relations with the citizens of Inglewood and their police department.

It is an honor and a privilege to proclaim, with other members of her community, Mildred Tennyson McNair as a "Human Rights Dynamo." ●

## INTERAGENCY TASK FORCE ON SUBURBAN DEVELOPMENT

## HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. WOLFF. Mr. Speaker, I am today introducing a bill that would establish an Interagency Task Force on Suburban Development. This Task Force would be composed of the Secretaries of Commerce, Treasury, Housing and Urban Development, Health, Education and Welfare, Labor and Transportation. The Task Force would be charged with the important responsibility of conducting a comprehensive study of the suburban areas of the country. Included in the Task Force's final report and recommendations to the President and Congress shall be a review of the recent developments in land use, transportation, environment, employment, population, taxation, housing, and Federal assistance to suburban areas.

Several members of the suburban caucus recently met with President Carter to discuss the need for developing a "National Suburban Policy." There is a clear need for establishing such a policy. Suburban areas of our country not only possess many resources which could be useful in the economic development of the metropolitan region as a whole, they are also afflicted with a number of problems which must be addressed at the national level. The creation of an Interagency Task Force would be an excellent vehicle for identifying issues which should be addressed in a suburban policy.

Mr. Speaker, as an elected Representative whose congressional district consists of both an urban center and a suburban area, I am able to gage the importance of an urban policy and the urgency for establishing a separate suburban policy.

Mr. Speaker, I respectfully request that a copy of the bill be printed in the Record.

### H.R. —

### A bill to establish an Interagency Task Force on Suburban Development

*Be it enacted by the Senate and House of Representatives of the United State of America in Congress assembled,* That there is established a task force to be known as the Interagency Task Force on Suburban Development (hereinafter in this Act referred to as the "Task Force"), to be composed of the Secretary of Commerce, the Secretary of Treasury, the Secretary of Housing and Urban Development, the Secretary of Health, Education, and Welfare, the Secretary of Labor, and the Seceteary of Transportation.

Sec. 2. The Task Force shall carry out a comprehensive study of suburban areas in the United States. Such study shall include recent developments in land use, transportation, environment, employment, population, taxation, housing, and Federal assistance to suburban areas.

Sec. 3. The Secretaries referred to in the first section of this Act shall make available to the Task Force such staff, supplies, and office space as the Task Force may require to carry out its duties under this Act.

Sec. 4. The Task Force shall transmit a report to the President and to each House of the Congress not later than one year after the date of enactment of this Act. Such report shall contain a detailed statement of the findings and conclusions of the Task Force study, together with the recommendations of the Task Force for such legislative and administrative actions as it considers appropriate.

Sec. 5. The Task Force shall cease to exist 60 days after the date it transmits its report to the President and to each House of the Congress.

Sec. 6. For purposes of this Act—

(1) "United States" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands; and

(2) "suburban areas" means areas which meet the criteria for a Standard Metropolitan Statistical Area as set forth in the 1975 publication of the Office of Management and Budget entitled "Standard Metropolitan Statistical Areas", except that such term shall not include any city which has a population of fifty thousand or more.●

## FAIR HOUSING BILL SUPPORT GREAT, DIVERSE

## HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. EDWARDS of California. Mr. Speaker, thousands of local, State, and national organizations should be commended for the strong stands they have taken in the fight against housing discrimination. To say that these groups are diverse is an understatement: Civil rights and civil liberties, consumer, education, ethnic and minority, handicapped, labor, professional, religious, veteran's and women's organizations are working together in support of H.R. 5200, the Fair Housing Amendments Act of 1979, which will soon be marked up by the House Judiciary Committee. For my colleagues' benefit, I wish to share the names of organizations actively involved on behalf of this important civil rights bill.

The Leadership Conference on Civil Rights, a coalition of 149 national organizations, considers H.R. 5200 the highest priority. The conference and its member groups have in fact taken a leadership role in educating the public to the need for a strengthened enforcement mechanism to combat housing discrimination. Member organizations of the leadership conference include:

Actors Equity,
African Methodist Episcopal Church,
African Methodist Episcopal Zion Church,
Alpha Kappa Alpha Sorority, Inc.,
Alpha Phi Alpha Fraternity, Inc.,
Amalgamated Clothing and Textile Workers Union of America,
American Baptist Churches, U.S.A.-National Ministries,
American Civil Liberties Union.
American Coalition of Citizens with Disabilities, Inc.,
American Council of the Blind.
American Ethical Union, and
American Federation of Government Employees.

The list of organizations supporting H.R. 5200 will be continued in tomorrow's RECORD.

Today, in addition, I wish to bring to the attention of my colleagues a letter to the editor of the New York Times by officers of the League of Women Voters.

### TEETH FOR HUD TO COMBAT HOUSING DISCRIMINATION

To the Editor:

The series of cross burnings in the New York area are extreme demonstrations against racial integration in this part of the country. Most acts of housing discrimination are far less obvious and, according to a recent study by the Regional Plan Association, are widespread throughout the New York metropolitan area.

The factors that have crammed more than 60 percent of greater New York's black population into less than 2 percent of its residential acreage are complex. Black poverty would seem an obvious explanation, but the R.P.A. study shows that only 6 percent of black families are too poor to live in an integrated community. Reluctance to leave one's old neighborhood, initial moving expense and lack of information on other localities all play a part, the study finds, but simple discrimination is the chief force preventing blacks from living where they would like.

Of course, there are laws against discrimination, going back to the 14th Amendment, which guarantees equal protection of the law to all Americans. The 1968 Civil Rights Act specifically deals with housing in Title VIII, but the administration of its provisions is assigned to the Department of Housing and Urban Development with no enforcement powers except "conference, conciliation and persuasion." H.U.D. cannot even instigate its own investigations but must await complaints. No wonder its track record in the successful resolution of cases of bias is poor—less than 9 percent in this region.

Clearly, H.U.D. needs legal teeth if it is to do battle with those who prey on popular fears and mores in order to prolong housing segregation. The enforcement weapons so badly needed by H.U.D. are being drafted in a bill known as the Fair Housing Amendments Act (H.R. 2540/S. 506), now before Congressional committees. The bill would enable H.U.D. to initiate investigations and impose stiff penalties in cases of willful discrimination based on race, color, religion, national origin or physical handicap.

Would this bill add an unnecessary layer to Washington bureaucracy? The League of Women Voters believes that it would not. We cannot accept the failure to provide enforcement of a law which grants freedom of choice to every American. We urge your readers to consider the compelling need for the Fair Housing Amendments Act and to relay their support to their members of Congress.

BETSY HEDDEN,
ELIZABETH HUBBARD.
JOAN A. CROWLEY,

MONTCLAIR, N.J., *October 3, 1979.*

NOTE.—The writers are the presidents of the League of Women Voters of New Jersey, Connecticut and New York, respectively.●

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## ENVIRONMENTAL MESSAGE

## HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. MURPHY of New York. Mr. Speaker, in his August 2, 1979, environmental message to Congress, the President directed that legislation be introduced to overcome the obstacles which inhibit law enforcement efforts in controlling illegal trade in wildlife and plants. The bill, "To provide for the control of interstate and foreign commerce in fish and wildlife" is designed to improve our law enforcement capabilities and to strengthen the laws regulating trade in wildlife.

Following is a brief explanation of the need for and background of this legislation, which was included in the executive communication, No. 2629, submitted by the Department of the Interior on October 11, 1979:

This proposal repeals the present Black Bass Act, as amended (16 U.S.C. 851–856) and sections 43 and 44 of the Lacey Act of 1900, as amended (18 U.S.C. 43 and 44), and replaces them with a single, comprehensive statute which we recommend be codified in Title 16.

The current Black Bass Act prohibits the importantion or transportation in interstate or foreign commerce of black bass and other fish in violation of foreign, State, or other applicable law, or the purchase of such fish. As written, however, it does not adequately deal with the problems in this area. For example, it only comes into play when the law of the State of origin has been violated. Thus, the shipment of white amur (grass carp) from Arkansas to California is not a violation of the Act, notwithstanding a California law finding this fish injurious to its environment, because Arkansas has no law prohibiting shipment of such fish. The criminal penalties in the Black Bass Act are also unsatisfactory. The maximum penalty is $200 or three months in jail. These penalties provide no real deterrent to a commercial violator and the standard of proof of criminal intent which is required is so high that law enforcement officials have no real incentive for strict enforcement.

Section 43 of the Lacey Act prohibits transportation and certain other activities involving wildlife and parts or products thereof (other than migratory birds, which are protected under the Migratory Bird Treaty Act, as amended (16 U.S.C. 703–712)) taken, transported, or sold in violation of Federal, State or foreign laws and regulations. Section 44 of the Lacey Act provides for labeling (or otherwise identifying the contents) of packages containing wildlife transported in interstate or foreign commerce. Like the Black Bass Act, section 43 of the Lacey Act may be interpreted to require criminal intent standards which are very difficult for the prosecution to meet. The legislative history of the Act may be read to require that the defendant have knowledge of the applicable foreign, State or Federal law. This has proved to be a standard which is nearly impossible for the prosecution to meet. In addition, section 43 of the Lacey Act contains no provision for assessing civil penalties without a showing of knowledge or lack of due care on the part of the defendant. Our bill proposes a "strict liability" provision which imposes a moderate penalty following conviction. We believe that this provision will be particularly helpful in cases where forfeiture or a civil penalty would be a sufficient deterrent to prevent further violations. The bill also authorizes criminal sanctions of up to $20,000 in fines and/or 5 years in jail. Furthermore, the present law provides only for judicial forfeiture. Our proposal provides for an administrative forfeiture procedure for items of low value similar to the one found in the Endangered Species Act and other wildlife laws which have incorporated the forfeiture provisions of the customs laws.

We also recommend that legal protection be extended to species of wildlife not now covered by the Act. For example, current Federal law apparently does not permit us to investigate unlawful interstate and foreign traffic in coral, although it is protected by some State and foreign laws. We encourage the States and foreign governments to protect a broad variety of species; our legal mechanisms should be supportive of those governments in the interstate and foreign commerce area.

The proposed legislation also broadens the coverage of the present Lacey Act to include wildlife and wildlife parts or products taken in violation of Indian tribal law. This was done because many tribes have management authority over substantial wildlife resources within their tribal boundaries.

A reward provision has also been added that would allow the payment of rewards for information which leads to a criminal conviction, a civil penalty assessment or the forfeiture of property. The amount of the reward if any, is not to exceed the amount of penalty, fine or forfeiture collected.

Both the Black Bass Act and section 44 of the Lacey Act contain marking requirements for shipments of fish and wildlife. Our proposal would allow the Secretary to make these provisions uniform and modify them to conform to modern commercial practices.

We believe that this bill, if enacted, will resolve problems in the existing laws concerning illegal trade in wildlife, and will also improve and strengthen the ability of the government to control illegal trafficking in wildlife.

We urge the Congress to act favorably on this proposal for the protection of our diminishing fish and wildlife resources.

The Office of Management and Budget has advised that this proposal is in accord with the program of the President.

Sincerely,

DAVID HALES,
*Acting Assistant Secretary.*

(To provide for the control of interstate and foreign commerce in fish and wildlife)

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Lacey Act Amendments of 1979."

### DEFINITIONS

SEC. 2. For the purposes of this Act——

(a) The term "fish or wildlife" means any wild animal, whether alive or dead, including without limitation any wild mammal, bird, reptile, amphibian, fish, mollusk, crustacean, arthropod, coelenterate or other invertebrate, whether or not bred, hatched or born in captivity, and includes any part, product, egg, or offspring thereof.

(b) The term "person" includes any individual, partnership, association, corporation, trust, or any other entity subject to the jurisdiction of the United States.

(c) The term "Secretary" means, except as otherwise provided in this Act, the Secretary of the Interior or the Secretary of Commerce, as program responsibilities are vested pursuant to the provisions of Reorganization Plan Numbered 4 of 1970 (84 Stat. 2090).

(d) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, Northern Marianas Islands, American Samoa and any other territory, commonwealth or possession of the United States.

(e) The term "taken" means captured, killed, or collected.

(f) The term "transport" means to move, convey, carry, or ship by any means, or to deliver or receive for the purpose of movement, conveyance, carriage, or shipment.

SEC. 3. PROHIBITED ACTS.—It is unlawful for any person to—

(a) Import, export, transport, sell, receive, acquire or purchase any fish or wildlife taken or possessed in violation of any law, treaty or regulation of the United States or any Indian tribe;

(b) Import, export or transport, sell, receive, acquire or purchase in interstate or foreign commerce any fish or wildlife taken, possessed, transported or sold in violation of any law or regulation of any State or foreign country;

(c) Within the special maritime and territorial jurisdiction of the United States (as defined in Section 7 of Title 18, United States Code), possess any fish or wildlife taken, possessed, transported or sold in violation of any law or regulation of any State, Indian tribe, or foreign country;

(d) Import, export or transport in interstate or foreign commerce any container or package containing any fish or wildlife unless such package or container has previously been plainly marked, labeled, or tagged as specified in accordance with regulations prescribed by the Secretary;

(e) Make any false record, account, document, label or identification concerning any fish or wildlife imported, exported or transported in interstate or foreign commerce;

(f) Assault, resist or impede any person enforcing this Act.

(g) Attempt to commit, solicit another to commit, or cause to be committed, any offense defined in this section.

SEC. 4. (a) Civil Penalties. (1) Any person who violates any provision of this Act, or any regulation issued hereunder, may be assessed a civil penalty by the Secretary of not more than $500 for each such violation. Any person who in the exercise of due care should know that he is violating any provision of this Act, or any regulation issued hereunder, may be assessed a civil penalty by the Secretary of not more than $10,000 for each such violation. No penalty may be assessed under this subsection unless such person is given notice and opportunity for a hearing with respect to such violation. Each violation shall be a separate offense. Any civil penalty may be remitted or mitigated by the Secretary.

(2) Hearings held during proceedings for the assessment of civil penalties shall be conducted in accordance with section 554 of title 5, United States Code (80 Stat. 384). The Secretary may issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and may administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contumacy or refusal to obey a subpoena served upon any person pursuant to this paragraph, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Secretary or to appear and produce documents before the Secretary, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) Any person against whom a civil penalty is assessed under this section may obtain review thereof in the appropriate district court of the United States by filing a notice of appeals in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings and order of the Secretary shall be set aside by such court if they are not found to be supported by substantial evidence, as provided in section 706 (2) of title 5, United States Code. If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary may request the Attorney General of the United States to institute a civil action in an appropriate district court of the United States to collect the penalty, and such court shall have jurisdiction to hear and decide any such action. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(b) Criminal Penalties—Any person who knowingly violates any provision of this Act or any regulation issued hereunder shall, upon conviction, be fined not more than $20,000 or imprisoned for not more than five years or both. Each violation shall be a separate offense.

(c) Permit Sanctions—The Secretary may also suspend, modify or cancel any Federal hunting or fishing license, permit or stamp or any license or permit authorizing person to import or export fish or wildlife or to operate a quarantine station for imported wildlife issued to any person who is convicted of a criminal violation of any provision of this Act or any regulation issued hereunder. The Secretary shall not be liable for the payments of any compensation, reimbursement or damages in connection with the modification, suspension, or revocation of any licenses, permits, stamps or other agreements pursuant to this section.

SEC. 5. FORFEITURE.—(a) All fish or wildlife imported, exported, transported, sold, received, acquired or purchased contrary to the provisions of this Act or any regulation issued pursuant thereto, and all vessels, vehicles, aircraft and other equipment used to aid in the importing, exporting, transporting, selling, receiving, acquiring or purchasing of fish and wildlife contrary to the provisions of this Act, or any regulation issued pursuant thereto, shall be subject to forfeiture to the United States.

(b) All provisions of law relating to the seizure, forfeiture, and condemnation of property for violation of the customs laws, the disposition of such property or the proceeds from the sale thereof, and the remission or mitigation of such forfeiture, shall apply to the seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this Act, insofar as such provisions of law are applicable and not inconsistent with the provisions of this Act; except that all powers, rights, and duties conferred or imposed by the customs laws upon any officers or employee of the Treasury Department may, for the purposes of this Act, also be exercised or performed by the Secretary or by such persons as he may designate.

(c) Any person convicted of a violation under this Act, or assessed a civil penalty, shall be liable for the costs incurred in the storage care and maintenance of any fish or wildlife in which he has an interest seized in connection with such violation.

SEC. 6. ENFORCEMENT.—(a) The provisions of this Act and any regulations issued pursuant thereto shall be enforced by the Secretary, the Secretary of Transportation or the Secretary of the Treasury. Such Secretary may utilize by agreement, with or without reimbursement, the personnel, services, and facilities of any other Federal agency or any State agency for purposes of enforcing this Act.

(b) Any person authorized under subsection (a) to enforce this Act may carry firearms; may make an arrest without a warrant for any criminal violation of this Act if he has reasonable grounds to believe that the person to be arrested has committed such violation; and may execute and serve any subpeona, arrest warrant, search warrant or other warrant of civil or criminal process issued by any officer or court of competent jurisdiction for enforcement of this Act. Any person so authorized, in coordination with the Secretary of Treasury, may detain for inspection and inspect any vessel, vehicle, aircraft or other conveyance or any package, crate or other container, including its contents upon the arrival of such conveyance or container in the United States or the customs waters of the United States from any point outside the United States or such customs waters, or, if such conveyance or container is being used for exportation purposes, prior to departure from the United States or the customs waters of the United States. Such person may also inspect and demand the production of any documents and permits relating to the package, crate or container as required by the country of natal origin, birth or re-export of the fish or wildlife. Any fish, wildlife, property, or item seized shall be held by any person authorized by the Secretary pending disposition of civil or criminal proceedings, or the institution of an action in rem for forfeiture of such fish, wildlife, property, or item pursuant to section 6 of this Act; except that the Secretary may, in lieu of holding such fish, wildlife, property or item, permit the owner or consignee to post a bond or other surety satisfactory to the Secretary.

(c) District Court Jurisdiction—The several district courts of the United States, including the courts enumerated in section 460 of title 28, United States Code, shall have jurisdiction over any actions arising under this section. The judges of the district courts of the United States and the United States magistrates may, within their respective jurisdictions, upon proper oath or affirmation showing probable cause, issue such warrants or other process as may be required for enforcement of this Act and any regulation issued thereunder.

(d) Rewards—The Secretary or the Secretary of the Treasury shall pay out of any moneys in the Treasury not otherwise appropriated a reward to any person who furnishes information which leads to a criminal conviction, civil penalty assessment, or forfeiture of property for any violation of this Act or any regulation issued hereunder. The amount of the reward, if any, is to be designated by the Secretary or the Secretary of the Treasury, as appropriate, but shall not exceed the amount of the penalty, fine or forfeiture collected in a case in which the person was an informant. Any officer or employee of the United States or of any State or local government who furnishes information or renders service in the performance of his official duties is ineligible for payment under this subsection.

SEC. 7. ADMINISTRATION.—(a) The Secretary after consultation with the Secretary of the Treasury is authorized to issue such regulations as may be necessary to carry out the provisions of this Act.

(b) The Secretary may enter into such contracts, leases, cooperative agreements, or other transactions with any Federal or State agency, public or private institution, or other person, as may be necessary to carry out the purposes of this Act.

SEC. 8. COORDINATION WITH OTHER LAWS.—All fish or wildlife transported into any State for use, consumption, sale, or storage therein shall upon arrival in such State be subject to the operation and effect of the laws of such State to the same extent and in the same manner as though such fish or wildlife had been produced in such State and shall not be exempt therefrom by reason of being introduced therein in original packages or otherwise.

SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

SEC. 10. (a) EFFECT ON POWER OF STATES.—Nothing in this Act shall be construed to prevent the several States from making or enforcing laws or regulations not inconsistent with the provisions of this Act.

(b) The Black Bass Act of May 20, 1926, as amended (41 Stat. 846, 16 U.S.C. 851-856) is hereby repealed.

(c) Section 5 of the Act of May 25, 1900 (31 Stat. 188, 16 U.S.C. 667e) is hereby repealed.

(d) Sections 43, 44, 3054, and 3112 of Title 18, United States Code are hereby repealed.

(e) Nothing in this Act shall be construed as repealing, superseding or modifying any provisions of Federal law other than as specifically stated in subsections (b), (c) and (d) of this section.

(f) It shall be an affirmative defense to prosecutions under this act for violations of the law of a foreign nation that the fish or wildlife was taken on the high seas (as defined in 90 Stat. 335, 16 U.S.C. 1802 (13)) and that the United States does not recognize the jurisdiction of the foreign nation over such fish or wildlife.●

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## FREEDOM FOR SOVIET JEWS—A VITAL ISSUE VIII

## HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. UDALL. Mr. Speaker, I would like to once again bring to the attention of the Members the plight of Soviet Jewry and the struggles of these people to emigrate. With the Olympics approaching, real progress in helping the Soviet Jews emigrate can be made.

Many of the refuseniks have relatives in the United States and Israel. The Soviet Union's refusal to allow these people to be reunited with their families amounts to a direct violation of the Helsinki Accords which the U.S.S.R. signed in 1975. The agreement stipulates that persons who wish to be reunited with their families would be treated in a positive humanitarian spirit. It has become obvious that the U.S.S.R. has no intention of faithfully abiding by this part of the accords. If their treatment of the refuseniks is any indication, the Soviet Union does not take seriously the commitment it made when it signed the accords to facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating states. We must start insisting upon conformation to these agreements.

At the present time I am corresponding with Soviet authorities and our State Department on behalf of Dr. Gregory Rosenstein, Butlerova Street 2, Korpus 1, Apt. 69, Moscow, his wife and their two young sons, who first applied for an exit visa 6 years ago next month. Soon after Dr. Rosenstein's application was received, he was dismissed from his post at a medical institute. The authorities have refused to grant him a visa because they have claimed his research of 14 years ago was sensitive and secret. This is obviously a weak excuse, for Dr. Rosenstein has devoted his career to the study of epilepsy, and the results of his research have been published in scientific journals both here and in the U.S.S.R. But now he is forced to depend on menial work to support his family, and even those jobs are sometimes made unavailable to him. Nevertheless, he has continued to participate in Jewish cultural seminars and translate religious literature into Russian.

The Rosenstein's son Misha was promised an exit visa separate from the rest of his family in May of 1979. Unfortunately this appears to have been revoked, with no reason given, and Misha stands a chance of being drafted into the Soviet Army. Once drafted he will also be held for several years because of the claim that he will have been privy to state secrets in the armed forces.

I recently received a letter from Dr. Rosenstein which appears at the end of this statement. Unfortunately he believes that my letters to Soviet officials may have caused them to revoke the exit visa previously promised to his son Misha. This possibility shocked and saddened me, but I am afraid the Soviet bureaucracy is capable of just this kind of retaliation. So I have had to reevaluate my entire strategy here, to look again at my efforts and those of so many of my colleagues in the House to help the Soviet refuseniks. There is a chance that every time we try to help a family the Soviets will decide not to let them emigrate, so we may be doing more harm than good.

We may be, but I do not think we are. The Soviet Union, despite the warnings of its leaders, is very susceptible to outside pressures. After 30 years of "building socialism," the U.S.S.R. cannot feed its own people, its standard of living is far below that of the West and other Eastern European nations, and its industry is dependent on Western technology and science. The "labor surplus" which was supposed to flow to the workers after the fall of capitalism has instead gone to the bureaucrats and party members. So they need the United States, they need foreign trade, and I think if we continue to press for reforms in emigration policy we may gain some concessions. Not great ones, but every person freed and allowed to live where he pleases is a great step forward and a great victroy.

So I intend to continue my efforts for the Rosensteins, and for the two other Soviet families I have "adopted," the Fradkins and the Paritksys. We have to fight for these people, for as Mr. Fradkin once wrote me, in the Soviet Union "it is impossible, in fact, to struggle."

Mr. Rosenstein's letter follows:

DEAR SIR: Thank you very much for your letter from June 19, 1979 was received in a month as same as for impressive letters in my care sent by you to Soviet officials. (I received copies of the letters through friends in USA some days ago) As I see a part of American public recognizes the destiny of my family as one of examples and tests by those the real meaning of words and gestures of Soviet officials can be proved. It gives me the courage to occupy your attention with additional details of my situation although I understand how busy you are as one of distinguished representatives of American people in our complex times

Such an understanding put on me the duty to avoid personal emotions and I will try to follow that course.

As you know dear Sir my son Misha, 17½, was promised to give his visa separately from us in May 1979. In the beginning of June it was received that he must be ready to receive his visa "in some days." But Soviet officials changed their mind and I was informed by the Chief of Department of Visas (OVIR) Mr. Zotov in the middle of July that Misha can try to apply for a visa again in November only. Can we rely on it? As to me, my wife and our small son it was said that we must wait for our visas during additional years (being about six years "refusniks" up to now). It's our last news. Dear Sir, in your letter to Soviet Minister of Interior Mr. Nicolai Shchelokov you insist on the right of my family to leave for Israel not being separated from Misha. It is possible that your remark was an impulse for Soviet officials to change their mind in Misha's case and to refuse in about three weeks after your important letter to give even the visa of my son?

It sounds strange enough but it isn't the only strange thing we saw being refusniks. When Misha received his first refusal about a year ago the Chief of Moscow OVIR Mr. Faddeev claimed for example that Misha—in that time a boy of 16½—is refused "because of secret reasons!"

Dear Sir, I'm thankful for your support and hope it will continue. I wish to express my deep esteem for your great people trying to save basic principles of humanity in our corrupting world.

Very truly yours,

Gregory Rosenstein.●

## FAMINE RELIEF FOR CAMBODIA

### HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. WOLFF. Mr. Speaker, the fate of the Cambodian people, the 3 million or so who somehow survived the murderous Pol Pot regime, and are now caught in the jaws of an occupying Vietnamese army on the one hand, and famine on the other, has come increasingly to United States and world attention through the efforts of the news media.

The Congress has acted swiftly in the face of mounting need. and the administration is, more slowly, following suit. Without the constant focus now being provided by the press, action would be difficult to push, given the many competing interests and crisis which assail our consciousness, and consciences, every day.

The distinguished newspaper in my home district on Long Island, Newsday, recently ran an editorial which I am pleased to present for the attention of the House today. As the Newsday editorial pointed out, the crisis facing the Cambodian people transcends political questions, and makes legal nicities irrelevant—at least, for the time being.

Once the immediate crisis is met, and once we are satisfied that millions of Cambodians are not dying from lack of food—and lack of a world humanitarian relief effort—then, of course, we can properly address ourselves to some of the details which will be necessary to effectively carry out a long-range relief program. No one argues that in the long run, the interests of the Cambodian people, and the world community, will be best served by a program where full accounting and distribution practices are closely monitored, as in any other relief effort.

But we face today no normal circumstances; we face literally the death rattle of an entire people. If we do not act to the fullness of our capacity to act, if we only do the least possible, rather than the most, then for the second time in this century we will have stood by while an entire people—6 million human beings—fall victim to genocidal policies.

Last week, the Subcommittee on Asian and Pacific Affairs, which I have the honor to chair, was pleased to hear from the administration that it has finally decided on an initial $7 million U.S. contribution to Cambodian famine relief. Much more can and must be done.

At the same hearing last week, we took testimony on legislation offered by Mr. Anderson and Mr. Solarz, and were pleased to join with Chairman Zablocki and many colleagues from the Foreign Affairs Committee in cosponsoring H.R. 5519, which would appropriate $20 million for the international disaster relief fund.

I hope to be able to report to the House soon on the favorable consideration of such legislation, which represents our attempt to put into action the wishes of the House as expressed in its unanimous endorsement of H.R. 431, passed September 27, and calling for a worldwide humanitarian relief effort for Cambodia under the sponsorship of the United Nations.

In the meantime, I call to the attention of the House the eloquent words of Newsday, which follow:

#### Cambodia Can Wait No Longer

Even if the West airlifted massive food supplies starting this week, a million or more Cambodians would still die of starvation. That's the grim estimate of international relief experts in Phnom Penh. Perhaps another two million could be saved with prompt delivery of relief supplies. But there'll be no massive airlift.

How can that be? There's not the slightest question about the need. The food is available. The international mechanism exists for gathering and transporting it. Yet the world seems impotent—as once before in Idi Amin's Uganda—to respond in the face of great human tragedy. And the reason is the same as in Uganda: International law acknowledges no right of intervention in crimes against humanity perpetrated by governments on their own territory.

In Cambodia, civil war between the rival governments of China-supported Pol Pot and Vietnam-backed Heng Samrin has destroyed what remained of Cambodian agriculture after the Vietnam War. But on top of that, the Vietnamese puppet government, which now controls most of the country, refuses to give assurances that UN food supplies will be fairly distributed. So, not knowing what would happen to relief supplies, UNICEF and the International Red Cross have held back shipments.

It's been suggested that the UN circumvent normal procedures and simply get a food airlift under way to Cambodia with or without the usual permissions and precautions. Even if the contending governments interfered with the relief operation, at least some of the food would reach its intended destination.

President Carter said yesterday that this country is trying to work with other countries to get food into Cambodia. This is a time when speed means much more than the niceties of international cooperation. The hour is late. The planes should be in the air now.●

## BANKRUPTCY LAWS

### HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. BEREUTER. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial which recently appeared in the Pierce County (Nebraska) Leader. The editorial points out what I regard as a genuine concern—that recent action by Congress has paved the way for a rash of bankruptcies. I request that the full text of the editorial be placed in the Record.

#### Let's All File

Recent action by Congress has paved the way for a rash of bankruptcies, a condition that has existed far too much in the past. The federal action creates more liberal exemptions, which in fact allows people to declare bankruptcy and still be fairly well off.

We have always felt that the bankruptcy law was too liberal as it was, but to make it more liberal could cause some serious consequences. It is going to be easy for a person who incurs an indebtedness that he feels he cannot pay off, to declare bankruptcy, take his exemptions which allows him to pocket a good percentage of his assets, have the debt slate wiped clean and start all over.

"Generally those who go through bankruptcy court end up better off than ever before, in fact better off than many of those who feel that indebtedness is an obligation to be met. There are some exceptions, of course, but in examining records, it is fairly obvious that many who file bankruptcy have debts that many would consider 'minor' and within reason to pay off."

The new laws could remove incentive from a lot of people who may consider it easier to get out from under creditors by simply going to court and having papers made out that say you are forgiven, your debts are past, go out and make a million.

State legislatures can take some legislative steps to counteract the federal laws and hopefully Nebraska will do so. Other aspects of the law are beyond the state's authority to counter. All in all, it looks like it's going to be a lot easier to "go broke" than it used to be, and a lot easier to recover and become prosperous.●

## AGREEING WITH COLORADO COLLEAGUE

### HON. KENT HANCE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. HANCE. Mr. Speaker, amid the mounting hysteria concerning campaign support for congressional candidates from political action committees comes a breath of fresh air and commonsense from my Colorado colleague, Ray Kogovsek.

Though I might differ with Mr. Kogovsek's support of public financing as an alternative to present sources of funding, the gentleman from Colorado has stated the case admirably for the real nature of political action committee contributions; that these are the product of many small, individual contributors who are, by the PAC vehicle, encouraged to become involved in the political process.

As Congressman Kogovsek correctly observes, the provisions of Obey-Railsback will simply increase the already horrendous cost of congressional campaigns and will make running for Congress a rich man's pursuit.

PACs, notes Mr. Kogovsek, permit the average man to run for Congress. That is what representative government is all about and why Obey-Railsback should be defeated.

The following is a reprint from the Colorado Statesman:

WITH THEIR HELP, THE AVERAGE MAN CAN RUN FOR CONGRESS

(By U.S. Representative RAY KOGOVSEK)

A clamor about campaign contributions from Political Action Committees (PAC's) has brought a bill to the House of Representatives that threatens to eliminate the average or poor man from participation in the electoral process.

The Obey-Railsback Amendment to the Elections Act asks that PAC contributions be limited to $2,500, down from $5,000 presently permitted. It also calls for a $50,000 limitation on total PAC contributions.

To adopt such an amendment without concurrent adoption of a public financing bill creates a myriad of problems. And the public financing bill did not even get out of committee this session.

First, reducing PAC contributions to $2,500 increases the cost of campaigns. Candidates would be forced to seek more individual contributions to the $1,000 limit, and the only effective way of seeking those contributions from wealthy contributors is through the mail—by far the most expensive fundraising technique.

Because individual contributions are limited to $1,000—and not many average individuals can contribute that amount—the Obey-Railsback Amendment opens the door even wider to wealthy candidates who can spend personal earnings to get elected.

The amendment also assumes that $5,000 from a PAC buys a lot of influence. When congressional and senatorial campaigns are costing from $200,000 to $1 million, $5,000 is a small contribution. It doesn't buy as much influence as one might think, and certainly doesn't buy much in the way of mailing or media advertising for the candidate.

The public perceives PAC money as bad, coming from special interest organizations out to protect their own behinds. If an elected official lets a PAC contribution sway his every move, then there is something wrong with PAC money. But will $2,500 sway him less, if that's all the PAC's are legally permitted to contribute?

Further, such a limitation only encourages special interest groups to split off into smaller, more specialized organizations in order to contribute more than $2,500.

Political Action Committees are a successful vehicle for increasing participation in the political process. Individuals who have never before contributed to a campaign feel an organized interest among their peers to be involved. The individual's contribution to a PAC is one he can afford as a teacher, corporate employee, steelworker and auto worker as easily as a doctor or lawyer can afford it.

PAC contributions are not all bad, and they allow the average man to run for Congress and be elected, even if most of his colleagues are still from the more wealthy ranks, cushioning PAC contributions with money from their own bank accounts.

I don't like being forced to take PAC money, particularly when the public's conception of PAC is that of special interest money buying off the elected official.

But until the public realizes that PAC money is from individuals like you and I, the negative connotation will continue. And if the public doesn't understand where PAC money comes from—the pockets of organized employees—then they should actively and vocally support public financing of campaigns, to be followed by a decrease in PAC contributions limitations.

A $1 voluntary contribution through an income tax return might be better accepted than a slightly larger contribution to a Political Action Committee.

Democrat KOGOVSEK is serving his first term in D.C. and previously served in the Colorado legislature.●

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## LANGUAGE AS A FOREIGN POLICY TOOL

## HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. MICHEL. Mr. Speaker, the Congress is often blamed—and quite correctly in my view—for not thinking far enough ahead. Too often we are content, it would seem, to fight yesterday's legislative problems instead of trying to discover what opportunities we may have in the near future.

I thought of this as I read a recent article in the New York Times. It told of the attempts of the Soviet Government to bring about linguistic uniformity in the Soviet Union.

At first glance this may not seem to be the kind of problem Congress should be interested in. It sounds like a purely internal question involving scholarly and historical concerns.

But at a time when the Russian population of the Soviet Union is dwindling in proportion to the non-Russian population, the ethnic question—and its inevitable linguistic overtones—is a political as well as demographic fact.

The Kremlin rulers want to impose the Russian language on non-Russian ethnic groups. What we may well see in the Soviet Union as a reaction to this linguistic imperialism is an emergence of national and ethnic spirit that may be a major issue within that country for years to come.

It seems to me that the United States should increase its hours of Voice of America and Radio Liberty broadcasts in the indigenous languages of the Soviet Union. I think that this will show the ethnic people of the Soviet Union that we care for their cultural heritage. We will be demonstrating our concern for human rights in a useful fashion without interfering directly in internal matters of the Soviet Union.

At this point I wish to insert in the RECORD, "Russian, Russian, Everywhere", by Roman Solchanyk, from the New York Times, October 11, 1979.

RUSSIAN, RUSSIAN, EVERYWHERE

(By Roman Solchanyk)

MUNICH, WEST GERMANY.—At a time when ethnic and linguistic minorities in disparate parts of the world—Kurds in the Middle East, Basques and Catalans in Spain, and Bretons in France—are asserting their rights against dominant majorities, the Soviet Union is aiming at linguistic uniformity in its multinational community in which about 130 languages are spoken.

This conclusion emerges from the draft recommendations of a major conference on "The Russian Language—the Language of Friendship and Cooperation of the Peoples of the U.S.S.R.," held in the Soviet Central Asian City of Tashkent last May.

The draft, a 34-page document recently received in the West, represents the most ambitious attempt at language planning since the Soviet education reforms of the late 1950's.

Not surprisingly, it has already caused ripples of dissent in several non-Russian republics, notably Lithuania, where shifts in linguistic policy are invariably linked with Russification.

In view of the explosive nature of the language issue in the Soviet Union, observers of the Soviet scene will no doubt pause to consider the impact on relations between the Russians and their 125 million "ethnics."

Why have Leonid I. Brezhnev and his colleagues decided that the time has now come for the Soviet minorities to acquire a fluent command of Russian?

A frequently cited reason is that Russian is the native language of the Soviet Union's majority nationality. Yet, almost a decade ago the Russians accounted for only 53.4 percent of the Soviet population.

A 1978 study by the Soviet demographer M. B. Tatimov, "The Development of Population and Demographic Policy," predicts that by the year 2000, the Russian share in the Soviet Union's population will have been reduced to a plurality of 46 to 47 percent.

The implications for Soviet domestic policy of a radical shift in the ethnic composition of the Soviet Union reflects only one aspect of the problem. No less disconcerting is the foreign-policy dimension provided by the recent Moslem revivalist movements in Iran and Afghanistan, both of which border on the Soviet Union and include peoples with ethnic, linguistic and religious ties to their Soviet brethren (Azerbaijanis, Turkmen, Tadzhiks, Uzbeks and Kurds).

Recently, Soviet scholars have become exceedingly forthright in voicing their concerns.

In a 1977 book, "The Russian Language as the Means of Inter-National Discourse," F. P. Filin, director of the Soviet Academy of Sciences' Russian Language Institute, explained: "Whereas on the whole the Russians constitute more than half of the population of our country, in connection with the decelerated growth of population in those areas inhabited by the great bulk of Russians and the considerable increase in population in the Turkic-speaking republics, the correlation along nationality lines of children in the preschool-age group (and also in the school-age group) is shifting substantially in favor of the Turkic-speaking population. In this connection, knowledge of the Russian language as the language of inter-national discourse is becoming particularly urgent."

Mr. Filin is echoing the views of Soviet experts on nationality relations who have long maintained that mastery of Russian by non-Russians works toward the development of positive attitudes on sensitive nationality-related issues.

Relying on ethnographic studies, Soviet sociologists have argued that the most desirable form of acculturation occurs among those non-Russians who have learned Russian at an early age.

The draft recommendations for the Tashkent conference go a long way in fostering precisely the kind of "melting-pot" acculturation deemed desirable by Soviet language planners.

Heading the list of proposals, which cover every aspect and stage of the educational system, is the suggestion that the teaching of Russian be introduced in the current school year in every non-Russian kindergarten and nursery for children aged five. Russian-language training is to be intensified at all levels. Moreover, the recommendations were preceded last October by specific legislation in Moscow that is obligatory for all 14 non-Russian republics.

What effect these reforms will have on already existing ethnic tensions in the Soviet Union is difficult to gauge in any precise terms.

Nonetheless, the fact that the Soviet leadership has not yet published the texts of either the new legislation or the Tashkent recommendations indicates that it is aware of the reactions in such places as Tbilisi, Baku, Vilnius and Alma-Ata.●

## THE CRUCIAL RESOLVE IN EAST-WEST CONFLICTS

### HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. DERWINSKI. Mr. Speaker, one of my distinguished constituents, Dr. Lawrence S. Finkelstein, professor of political science of North Illinois University, recently had his letter to the editor of the New York Times published in the October 8 edition of that newspaper. Dr. Finkelstein comments on the subject of the relevancy of the current debate on the SALT treaties. I wish to insert his letter at this point:

#### The Crucial Resolve in East-West Conflicts

> To the Editor: McGeorge Bundy is correct in saying that U.S. strategic doctrine has been based on the threat of retaliation, not on "usable superiority" [news story Sept. 18]. There is an important corollary to that. The credibility of that threat is what matters when we have important disputes with the Russians. And there is much reason to believe that credibility of the threat to risk nuclear war depends on clarity as to what is essential to the national interest and what is not.
>
> Nothing is more dangerous to the national interest and to world peace than the fashionable current belief that a technological "fix" can take the place of clarity of purpose, in short, resolve.
>
> Throughout most of the postwar period, the U.S. strategic arsenal was bigger and better than Moscow's. Yet we did not prevail in all our important disputes with the Russians. Khrushchev was forced to withdraw the missiles from Cuba in 1962. But the Russians had not been deterred from posing severe threats to our interests in Berlin and, although we were able, through a series of crises, to retain our rights there, we finally had to let the East Germans and the Russians keep their "wall." We couldn't stop the Russians in Poland and Hungary in 1956 or in Czechoslovakia in 1948 and 1968.
>
> This record does not support the belief that "nuclear superiority" determines the outcome when our interests are challenged. A different rule seems to apply: The advantage lies with the side that has the deeper interest in the outcome. We prevailed in the Cuban missile crisis. The Russians prevailed in the East European cases. We came to a kind of stalemate over Berlin. The rule stands up against examination of the other cases of conflict.
>
> Other factors enter also, particularly the balance of relevant non-nuclear forces. There is nothing in the record, however, to contradict the conclusion that we have all the strategic nuclear force we need to defend what is vital to us, when we know what that is.
>
> Lawrence S. Finkelstein.●

## HEARINGS ON SHORTER WORKWEEK LEGISLATION

### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. CONYERS. Mr. Speaker, the Labor Standards Subcommittee, chaired by my distinguished colleague and friend, Edward P. Beard of Rhode Island, has scheduled 3 days of hearings on shorter workweek legislation to be held October 23, 24, and 25. These hearings will examine work time issues that the Congress has not dealt with in a systematic way since the early 1960's.

The focus of the hearings will be legislation I introduced in the 95th Congress, and again, last February 1 in the 96th Congress, known as the Fair Labor Standards Amendments of 1979. The legislation seeks to eliminate compulsory overtime, raise the overtime rate from time-and-a-half to double-time, and gradually over a 4-year period reduce the standard workweek to 35 hours.

More than 40 years have passed since the Fair Labor Standards Act of 1938, that created the 40-hour week and a premium rate for overtime. A major purpose of the act was to spur new employment and spread existing work, yet a number of developments, including the costs of hiring new workers, have rendered the job-creation purposes of the law ineffectual. In the past several years more than one-quarter of the work force has normally worked in excess of 40 hours. Major avenues of potential new employment have been closed off because of employers' refusal to hire new workers and in many industries their ability to compel employers to work overtime, regardless of the arbitrariness in scheduling.

Meanwhile, unemployment has remained at historically high levels for more than a decade, and literally has spelled disaster for significant groups, especially young people and minority communities within central cities. What Samuel Gompers, the founder of the American Federation of Labor, said some 90 years ago rings as true today:

> So long as there is one man who seeks employment and cannot find it, the hours of labor are too long.

In the longer term, two trends in industry and the labor force make consideration of worktime reduction all the more promising an approach to reducing joblessness and spreading existing work. Technological displacement of labor will continue to pose a major threat to industrial employment. It is estimated, for example, that 13.6 million production workers today produce a few hundred percent more products than roughly the same number 25 years ago. Thirty years ago, several thousand telephone operators handled 1 million long-distance calls; today, because of automated switchboards, only a few dozen operators are needed. Worktime reduction is a way to deal with this trend.

Recent and continuing trends in the composition of the labor force make a shorter workweek an increasingly realistic way to spread work equitably among the greatest number of workers. The great expansion of women in the labor force, the reduced size of families, the increasing number of multiple earner households, and a growing demand for leisure are reasons why working time reduction and work sharing are being so prominently discussed. Shorter hours do not necessarily mean reductions of household income, under these circumstances, and can mean more of the valued leisure time that growing numbers of working people seek.

Most European countries have experimented with the shorter workweek and work sharing. A few weeks ago in Great Britain the decision was made to reduce gradually the 40-hour week. In Germany a shorter workweek has been at the top of the list of bargaining demands for a number of unions. Germany and France have long had in place work sharing arrangements to counteract cyclical unemployment. In our own country, the International Ladies Garment Workers, printers, and some electrical unions have operated on a 35-hour schedule. The United Auto Workers has pursued a policy of spreading work by means of increased vacation time.

The shorter workweek hearings next week will shed new light on critical labor and worktime issues. Over the 3-day period these issues will be explored from a great many perspectives, and I urge my colleagues to inform themselves of the proceedings.●

## THE SUGAR BILL—HELPING TO SOLVE OUR ENERGY CRISIS

### HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. COELHO. Mr. Speaker, I would like to alert my colleagues about a television program this evening that I believe will be of particular interest.

Tonight on the educational NOVA program on channel 26 will be aired a 1-hour documentary entitled "The Sweet Solution." This program is very timely as the House will soon consider H.R. 2172, the International Sugar Stabilization Act.

This documentary describes how sugar can be the "sweet solution" to some of the world's energy problems. In 1973, when OPEC imposed its first major increase in the price of oil, Brazil saw the handwriting on the wall. In recent years, Brazil has undertaken a crash program to make itself energy independent.

Next year, I understand, most Brazilian cars will run on gasohol—a mixture of gasoline and alcohol fermented from sugar. Gasohol, made from agricultural products like sugar, deserves our attention as we seek to solve our Nation's energy crisis. H.R. 2172, by authorizing the Commodity Credit Corporation to guarantee up to $25 million in loans for 2 years beginning in fiscal year 1980 for the construction, conversion, or modification of facilities to produce and market industrial hydrocarbons and alcohol from sugar products, would enable the United States to establish a program of this nature.

I recommend that you watch "The Sweet Solution." I hope that it will help convince you to support H.R. 2172.●

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## HUMANITARIAN AWARD

## HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. PEPPER. Mr. Speaker, distinguished colleagues, I wish to bring to your kind attention an outstanding member of our community in Dade County, Fla. Mr. William S. Ruben of Miami Beach, who, in the course of his residence in our area has touched so many lives in a helpful and energetic way and who will be remembered for his excellence and human kindnesses with the B'nai B'rith Foundation's National Humanitarian Award at a dinner and ball in his honor this coming November.

Thank you.

Mr. Ruben, who has distinguished himself by raising a son and a daughter in our midst, together with his lovely wife, Marilyn E. Ruben, has effectively extended himself beyond his personal interests in the service of humanity. I know that there are many needs constantly to be addressed and healed, even in our modern world, sometimes because of the efficiency, division of interests and opportunities of our times and I am personally grateful every time a man takes it upon himself to help his fellows in such a meaningful way as Mr. Ruben has done.

Among his many responsibilities, Mr. Ruben is faithfully affiliated with Temple Israel of Greater Miami, has served as chairman of the United Way of Dade County, was vice president of the Greater Miami Chamber of Commerce and in various capacities assists the Florida Philharmonic, Florida International University, the Museum of Science, the Greater Miami Jewish Federation, the Orange Bowl Committee, the Jewish Home for the Aged, which performs an excellent service with the others, and many more.

Mr. Ruben, in addition to being honored with the National Humanitarian Award of B'nai B'rith, has been the deserving recipient of the Silver Medallion (Brotherhood Award) of the National Conference of Christians and Jews, the Dade County Outstanding Citizen Award of 1977, and the Harold Bosworth Memorial Award of 1971, given by the Mercantile Division of the Combined Jewish Appeal.

Let me commend this capable and responsible citizen of my community to all, that by his unselfish and faithful example of community service men may be inspired to move their actions toward such high goals and become givers to those who share their world, in the finest tradition of mankind's moral leaders. Thank you.●

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## GRANDMOTHER WOULD HAVE LOVED FRIDAY

## HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. DERWINSKI. Mr. Speaker, the historic visit of Pope John Paul II was very properly reported by the media. It was a truly remarkable event and will leave a lasting impression on all those who had an opportunity to see him.

A true human interest story by Dennis Wheeler, editor of the Star-Herald Newspapers in Oak Forest, Ill., reflects the great impact of the Pope's visit. This heartwarming article appeared in the October 7 edition of that newspaper, and I wish to insert it at this point in the Record:

### Grandmother Would Have Loved Friday

(By Dennis Wheeler)

I just wish my grandmother could have lasted long enough for Friday.

My grandmother was a real Catholic. Born in Ireland, in the county Cork, and an emigrant to America in Nineteen oh something, she and her familial Grogans settled on Chicago's South Side.

Later she married and lived in an apartment house directly behind Gately's People's store in Roseland. The address was 112th and Edbrook.

My grandmother would have been in the crowd Friday at Grant Park. Tears would have streamed down her face; her rosary would have become a tangle around her wrists. The faith she had in God, the Church, the Holy Father would have burned brighter than ever Friday afternoon.

My grandmother did her best, along with my mother, to make me a good Catholic boy. Certainly her example was good. She went to mass every morning at Holy Rosary Church (just down South Park from the Pullman bank) and took me along as often as she could during the years I was a preschooler.

We would walk through Palmer Park, which was beautiful and quiet in the morning. Nuns, besmocked in black and white would stroll by, their beads clicking. "Meema, Meema," I reportedly exclaimed one morning. "Look: Halloweens!"

My grandmother loved to tell the story and did so often over the years. She also told how the nuns, hearing me say what I said, almost fell down on the sidewalk laughing. The nuns may have struck a child as strange-looking, but they were very, very human. And warm and understanding, I was assured by my grandmother.

Later, when she grew ill and senility set in, she lost track of who was who in our family. She confused me with my father after I grew to a certain height. My three sisters merged into one child, all with the same first name.

But she knew Father Juniper, who came to comfort her every day he could make it. And she would tell him of her infirmities her still-distinct Irish brogue filled with sadness and pain. And he would nod and hold her hand and he would not leave until he was sure she was feeling better.

My grandmother had instilled in me love for the Church and its mystery. The office of the Pope was part of that mystery. The idea of a world religion—where the people in China or Italy or Africa were saying the same mass in the same language and the same liturgy as we in America were—was majestic. So were the vestments, and the traditions, the history.

All of that my grandmother helped instill in me. When I was a teenager I was an altar boy.

By the 60's, I was having trouble with my religion. A study of the Church's history—from the Spanish Inquisition in the Middle Ages to the hands-off-politics policy of World War II—shook my faith. The inability of the Church to change with a rapidly-changing world disturbed me. A parish priest who was blatantly racist in his sermons drove me out of my home church. The spirit of Pope John died fast after he died, and so finally did my faith.

What happened to me happened to a lot of Catholics in the 60's. The American arm of the Church tried to change. It tried to re-attract the young, who were leaving in droves, with a more modern, upbeat approach. Guitar masses, modernized accoutrements, abolition of Latin masses, involvement of the people in the liturgy—all of these helped.

But these things also worried and in some cases alienated the older people. My grandmother would have been scandalized by English-spoken masses and would have been enraged by nuns wearing modern secular clothes.

What has been needed for years is a middle choice. The blending of the old with the new, the traditional with the modern. The human with the mysterious.

That's why my grandmother would have loved Friday.

That's why the young people loved Friday.

That's why people of other religions loved Friday.

Pope John Paul II came to Chicago the same way he came to Ireland, Boston, Philadelphia, New York, and Des Moines. He came as a modern Pope steeped in traditional Catholicism. He came with a world view, both secular and moral. He came with a love for all people, young and old, and it was a love he shamelessly bestowed. He maintained the glory and mystery and majesty of his office while at the same time coming across as totally human.

He came with messages about the Church, but also with messages about life. He spoke with equal ease to clerics and clerks. He gave an insight through his own behavior into what it must be to be at total peace with the world.

The faithful came away from it more confirmed in their faith.

The unfaithful came away with a sense of wonder and questioning.

Those in between may be moved to reassess.

The Pope has improved chances for an ecumenical view of a moral world. Possibly by being the first Pope to go to the people instead of waiting in Rome for the people to come to him, he furthered the chances for peace.

It was a remarkable couple of days in Chicago area history.

I just wish my grandmother could have been here to see it.●

## DR. GALBRAITH ON WAYS TO COMBAT INFLATION

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### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

• Mr. CONYERS. Mr. Speaker, the Democratic Caucus on October 23 once again will take up the question of giving the President standby authority to impose wage and price controls to curb inflation. The public overwhelmingly and consistently has favored some form of restraint. The inflation rate shows no signs of abating, in fact, is worsening.

As a means of clarifying the questions that arise with respect to wage and price controls, I offer excerpts from a recent work, "Almost Everyone's Guide to Economics," authored by one of the leading authorities on the subject, Dr. John Kenneth Galbraith. On the question of inflation, like on so many other economic issues, I can think of no better guide for this difficult terrain than Dr. Galbraith. The excerpts that follow are an edited version that appeared in Consumer Reports, February 1979:

JOHN KENNETH GALBRAITH ON INFLATION

1. WHAT HAPPENED TO THE MARKET?

NICOLE SALINGER. What specifically has happened to the market?

JOHN KENNETH GALBRAITH. It suffers from a peculiar form of affection. Everyone loves it except as it applies to himself or herself or to the organization to which he or she belongs. For the individual the market is a menace, an inconvenient and arbitrary force determining his income or price, which he seeks, and with increasing success, to influence or control.

NS. So what conditions did the neoclassical economists believe necessary if the market was to work?

JKG. The market, let me remind you, is the regulatory apparatus that takes the place of the state—of authority. If the market fails, so does the case against government intervention. Intervention becomes the alternative to anarchy or the exploitation of the weak by the strong. And to be an effective regulator, the market must be an impersonal force beyond manipulation by any individual or organization. Price-setting becomes impersonal, beyond the power of any participant, when there is competition. There should, in one of the oldest phrases in economics, be the competition of many sellers and many buyers. If any seller asks more than the market price, then all customers can go to those who sell at the market price. They are a readily available alternative. The presence or total withdrawal of any one seller or any one buyer doesn't appreciably alter the price in the market. So there is nothing any one buyer or seller can do to influence the market.

NS. Are these conditions ever really fulfilled?

JKG. In the absence of government intervention, this kind of impersonal price-making does hold for such farm crops as cotton, wheat, feed grains or soybeans. If even the largest cotton producer dies, goes to heaven and takes his plantation with him, it will make no difference to the price of cotton. Big as he may be, he's unimportant in relation to the total production. So this is, indeed, an impersonally determined price which applies to all and which no single seller can influence or control.

NS. But it still seems to me the exception.

JKG. It is—and increasingly so. And this is the vital point.

NS. What has been the effect of corporations and the government on the market? Has it been like that of the unions?

JKG. Adverse, all three. Forty-odd years ago, when I was first studying economics, it was just coming to be recognized, and it's now accepted, that if instead of a single seller you have a small number—three, four, half a dozen, a dozen, twenty—selling the same product or service, you get roughly the same result as with only one. The notion of oligopoly—an exceedingly unmusical word—had come into economic discussion. It denotes several sellers rather than many or just one.

The reason is simple. If you have a small number of companies, as now in the automobile, chemical, pharmaceutical, rubber, steel, aluminum, electrical, computer or many other industries, each firm will see the common advantage in the most profitable price and the common disaster in price-cutting. So the resulting price will be much the same as with monopoly.

The sense of the common or group interest allows firms, usually without any formal communication, to find the best price. This ability is not seriously disputed by economists; it is described in all the textbooks. It follows that if the economic system is taken over by large corporations, you no longer have an impersonal, competitive market.

NS. And the trade unions have countervailing power?

JKG. Yes. Large corporations bring large numbers of workers together, and they are then rather easily organized. They see the power of the corporation in buying their labor so, as I suggested earlier, they have a very strong incentive to match that power in selling their labor. This I have called the tendency to the creation of countervailing power. So, as a nearly invariable rule, where one has large corporations controlling their prices, one has strong unions controlling the prices at which labor is sold. This, in turn, has a good deal to do with the modern problem of inflation.

NS. And government? How does that affect the market?

JKG. As economies develop, more and more services are provided by the government—support to the weapons industry, education and the provision of qualified manpower, highways for the automobiles, research and development where, as in the case of nuclear energy or modern air transport, the costs or risks are too great for private firms, health services, housing, social insurance, transportation, rescue operations for private corporations that come on hard times, electricity and telephone service in many countries. All this we've seen. And much production for or by the government is outside the market. So the competitive market disappears in this part of the economy.

However, the government has a yet more important effect in modifying the market system. Where the market still works, where there is still competition, there is that mixed affection of which I spoke—the deep love for the market in principle, the great dislike for the market's punishment in actual practice.

So the government steps in to mollify those who experience the practical effects, to ease the pain. It sets prices, or anyhow establishes minimum prices, for farmers. It sometimes establishes minimum margins for retailers to keep the competition there from being too harsh. Where, as occasionally happens, an oligopoly has difficulty maintaining prices, it comes to the government for help in doing so. We are now having such a rescue mission in the United States for the steel industry.

Finally, where workers do not have unions, the government establishes a substitute in the form of a minimum wage. One group of rather conservative economists in the United States accepts unions but is gravely critical of a legislated minimum wage. The distinction has always been something of a puzzle, for the minimum wage is the poor man's union; it serves the same function as a union for the poorest members of the working force. I never want to be unkind, but I strongly suspect my economic colleagues of defending competition and the market with most vigor where the people involved don't fight back.

So, to summarize, corporations, trade unions and the government have all united to impair or destroy the competitive market.

NS. And doesn't monetary policy deal with inflation?

JKG. It does. If the central bank tightens up sufficiently on the commercial banks so that it affects decisively the money they have to lend and forces them to lend what they do lend at high interest rates, there will obviously be less spending, less demand in the economy. In particular, there will be less money to build houses, for other construction, for smaller business investment in inventories, plant and equipment and for installment purchases of automobiles and household appliances because all of these things are financed by bank borrowing. If this restraint on borrowing—on creation of deposits to be spent and respent—is pressed hard enough, it will stop inflation.

But the effect of this restraint will always be highly unequal. It works, let me repeat, through restricting the aggregate of spending in the economy, restricting what economists call aggregate demand. When this restriction in demand hits General Motors, Exxon, Shell or the other large corporations, it doesn't force them to stop raising prices. They first cut back on sales and production. We've already seen that they have the power to resist price reductions. It's one of the reasons they want to be big. And if their wage costs are going up or there is other justification for raising prices, they will do so. They will only be forced to stop raising prices and forced to resist wage increases when there is a lot of idle capacity. But then there will be a good deal of unemployment. And this will also help restrain union demands. So, for these large firms, monetary policy works by creating unemployment. And that, of course, has been the highly visible consequence of its recent use.

It has another effect—what amounts to another favor for the strong and against the weak. The large corporation has a source of capital independent of the banks. That is from its own earnings, and resort to this source is not affected by sequence, it is very difficult to raise taxes in order to reduce private spending; it runs against a broad social current and invites mass opposition.

It's almost equally difficult to reduce public expenditures. The things that the state provides are also part of our standard of living. This part of the living standard is slightly more vulnerable because public education, public housing, public health care, various social expenditures, all help to bring the consumption levels of the less affluent up toward those of the more fortunate. Many people of means are naturally indignant over the waste in such spending. They speak vehemently of the failure of government officials to see their clear duty and to cut public outlays, a few things like defense, air safety and necessary business services apart. They don't always see, though some do, that public expenditures buy for the poor the education, recreation, health care, housing, even the protection against crime, that the affluent are able to provide for themselves.

NS. I still don't see why things got so much worse in the last ten years.

JKG. Change in economic institutions is more rapid than we appreciate or like to believe. In addition to the changes I just mentioned, corporations continued to get larger and stronger. Unions became important in the United States in new fields, especially in the public services. Governments, as an aspect of responsive democracy in which we all rejoice, came to the support of new groups—the old, the minorities, the dependent, the ill. These were given, if not control of, at least protection for their income. All of this contributed further to the retreat from the market. And the market, let me repeat once again, is essential for effective fiscal as for effective monetary policy. Once people or organizations are in control of their own prices and incomes, there is no way that monetary or fiscal policy can keep them from increasing those prices and incomes except by creating unemployment and inducing a recession.

NS. Then what do we do?

JKG. The solution that is emerging has no generally accepted name. It recognizes that an uncontrolled struggle for more income brings an inflation that defeats some or most of these efforts and that the traditional methods of control—monetary and fiscal policy—either do not work or work by hurting the least affluent, the least employable, those with least control over their prices and incomes. This we've seen. And the solution accepts that no single group can carry the burden of restraint. It must be fairly distributed among all groups.

NS. You say this type of action has no name?

JKG. Various terms have been used in the past to describe efforts along these lines—incomes policy, wage and price policy, controls. Some of the terms have overtones of ineffectuality because their authors don't really wish to face the hard issues. I've used the word "control" in the past so that no one would think there was an easy escape from firm government responsibility. I now propose that we try a new designation, one that is fairly descriptive, and speak of a Comprehensive Incomes and Prices Policy, a CIPP.

NS. This goes beyond what we ordinarily think of as control of wages and prices?

JKG. Yes, much. It extends in principle to all who have achieved a measure of control over their incomes; after all, the escape from the control of the market is what makes it necessary in the first place. And it involves a variety of restraints. Trade union claims are limited to what can be afforded, on the average, from increased productivity. Then there is no general increase in labor costs. Large business corporations which now control their own prices—have opted out from control by the market—respect this wage restraint and do not increase their prices. Profits can still go up but only as these result from more sales or above-average gains in productivity or efficiency. This is not a very revolutionary step. It means only that public price restraints replace the private price-fixing of the large corporations.

The pay of civil servants, who are now a very important group, must be consistent with the general restraint. Here the government already has a strong hand or should have. Minimum farm prices, minimum wages and transportation costs are already set by public action. Farm prices are especially important because of their direct bearing on living costs. For basic crops the proper policy, now also generally accepted, is to maintain balancing reserves. These are accumulated when prices are low, thus sustaining prices, and sold when supplies are short, thus stabilizing prices.

Some price fluctuation for farm products is, of course, inevitable. And small industries, service enterprises, the self-employed, should not be controlled. Here the market, even though imperfect, still works.●

## A CLOSER ANALYSIS OF THE INCREASES IN HOME HEATING OIL PRICES

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. BIAGGI. Mr. Speaker, I along with many others in the House are profoundly cognizant and concerned about the escalating cost of residential energy and the inability of our poorest citizens to pay. In this past Sunday's New York Times a detailed analysis of the factors which contribute to the increase were disclosed in an article entitled, "Price of Home Heating Oil Jumped Twice as Fast as the Cost of Crude."

What the Times article says is the retail price of home heating oil has risen almost twice as fast as the price of the imported crude oil from which it is made. More specifically the Times article discloses that between January 1977 and May 1979 whereas the price of crude oil increased by 32.3 percent—the average price of a retail gallon of home heating oil soared by 58.1 percent. In reality the bulk of this increase has been measured in this year and as a result we are approaching a crisis point.

I have conducted five national hearings as chairman of the Subcommittee on Human Services of the House Select Committee on Aging to investigate the impact of these price increases on low- and fixed-income senior citizens. On the average, home energy prices are running at a rate 4 and 5 times that of the cost of living provided under programs such as social security and SSI. The result is tragically simple—thousands of elderly in this Nation will face the dilemma this winter of choosing between heating and eating unless some meaningful assistance is provided.

To that end I have introduced House Joint Resolution 398 which calls for an emergency supplemental appropriations for the low-income energy assistance program administered by the Community Services Administration. I am joined by 28 of my colleagues as cosponsors and urge all others to do so as well. The Subcommittee on Labor-HEW appropriations will conduct hearings on my bill as well as a request made by the President for additional CSA funds. It is absolutely essential that we act soon to impact on this winter. The simplest way to achieve it is to provide funds for a program which is in operation in all 50 States. This is what my bill would do.

After we deal with this winter, it is imperative in light of continuous findings of oil company gluttony, that we enact a strong windfall profits tax which would at least provide that some of the increases paid by the American consumer can go to programs to benefit these same consumers.

At this point in the RECORD I wish to insert the aforementioned New York Times article:

### PRICE OF HOME HEATING OIL JUMPED TWICE AS FAST AS THE COST OF CRUDE

(By Matthew L. Wald)

The retail price of home heating oil rose nearly twice as fast as the price of crude oil from January 1977 to May 1979, according to statistics from the Federal Department of Energy. And industry analysts say growing refinery and dealer profit margins are continuing to add heavily to prices.

In contrast to a public perception that increases imposed by oil exporting countries is the overwhelming factor in the rise in home heating oil costs this winter, the figures show that the percentage increase in refinery, wholesale and retail margins was at least as rapid.

The industry has reported sharp rises in profits, but spokesmen say high interest rates and rising costs for labor and other components of production also contributed to a rise in heating oil prices above the increases mandated by the higher costs of crude set by the Organization of Petroleum Exporting Countries.

Spokesmen for the major oil companies were reluctant to provide figures that would show whether their profit margins had changed. They said there were too many factors, including a changing mix of crude oil types and refined products, to allow such a calculation. Other industry sources agreed that the calculation would differ for each refinery, but said the figures did show strong growth in the average profit margin.

#### INQUIRY BY U.S. PRICE COUNCIL

The refinery profit margins are now the subject of an inquiry by the Council on Wage and Price Stability. According to the council's chairman, Alfred E. Kahn, the panel has found "a fair number" of companies, mainly small refiners, to be out of compliance with the voluntary standard of a 6.5 percent annual growth in profit margin. Earlier this year, Amerada Hess was found to be exceeding the standard, but it has since come back into compliance, according to a spokesman for the council.

The price increases from domestic sources come at a time of growing concern about how the poor will keep warm this winter, and even how some lower-middle-income families will stay out of poverty.

Connecticut has set a special legislative session to deal with the problem, and New York may do the same. Concurrently, Congress is debating special fuel aid, a "windfall profiits" tax on oil companies and the reimposition of price controls on oil products. Heating oil controls were ended in June 1976.

Energy Department figures show that the average price of a gallon of home heating oil rose 58.1 percent between January 1977 and May 1979, from 40.6 to 64.2 cents, while the cost of the crude oil from which it is made rose 32.3 percent, from $11.64 a barrel to $15.40, with the refiners' margin increasing the most.

#### CRITICS POINT TO PROFIT MARGIN

Comparable figures for months later than May are not available from the Federal agency, but according to a study by the Congressional Research Service, retail prices for home heating oil rose 50.1 percent (from 53.7

to 81 cents a gallon, on average) while the price of crude oil rose 47.4 percent, from 31.2 to 46 cents a gallon from January to August of this year.

Critics of the oil industry say that the profit motive, not higher costs, is the reason for the greater markups.

"These are businessmen and they're going to make as much money as they possibly can," said Representative Toby Moffett, Democrat of Connecticut, who is chairman of the Energy Subcommittee of the Government Operations Committee. "The fact that this is a necessity people can't do without is not something that is going to affect their behavior."

Representative Moffett, whose proposal to reinstitute price controls on refineries was defeated 2 to 1 in the House on Thursday, said his subcommittee had heard testimony over the last few weeks showing increases in gross refiner margins of up to 100 percent.

Explaining how some factors of the cost increased even faster than crude oil, William Harlow, a spokesman for the Department of Energy, said: "It's not going to be a one-to-one correlation. The rate is going to go up for any kind of product, because of the piping that costs more, the refineries, and the shipping that costs more."

### FIGURING THE MATHEMATICS

Mathematically, however, the correlation would be less than one to one unless other factors were increasing as fast or even faster than crude oil. For example, if heating oil was selling for 40 cents a gallon and the cost of crude oil accounted for 60 percent of that, a 30 percent increase in the cost of crude would add only 7.2 cents, or 18 percent.

"What's in there is inflation, higher labor cost and higher fuel cost," said John Buckley of Northeast Petroleum Corporation, a Boston-area fuel oil wholesaler and retailer. "And then I think there's higher profit. That will vary from refiner to refiner, but they're making more money."

Wholesalers and retailers, as well as the major oil companies, are also operating on higher margins, according to the figures. From January 1977 to May 1979, for example, the wholesale margin rose from 8.4 to 12.1 cents a gallon, or 44 percent, according to the Department of Energy figures.

One result is that, according to Government figures, crude oil, which in 1976 accounted for 63.8 percent of the cost of heating oil, accounted for only 58.6 in June.

Industry sources differ as to the reasons for the higher margins. All note that when home heating oil was decontrolled in June 1976, the action allowed the price level to be dictated by market conditions, instead of the Government's reckoning of cost and fair profit margins.

### VARIED FACTORS NOTED

But beyond that, the major oil companies say it is not possible to break down the costs of producing home heating oil.

First, they note, crude oil is sold in a variety of different grades, requiring different refining processes. In addition, transportation costs for getting the crude to the refineries differ. Some refiners have relatively cheap long-term contracts, while others must buy on the expensive spot market.

The Government figures are for the composite refiner acquisition cost of crude oil, a weighted average including foreign and domestic sources, including transportation costs to the refinery.

A bigger problem, oil industry representatives say, is apportioning the cost of production between the different products.

"The analogy that's always used is with the cow," said Earl Ross, of the American Petroleum Institute. "What's the cost of the lesser type cuts as against the prime rib?" While the cost of raising the cow may be known, he went on, there is no logical division between the cost of hamburger and the cost of steak.

"There is no generally accepted procedure for allocating total operating and investment costs among the hundreds of coproduced products of a refinery, said an Exxon spokesman. He added, however, that the company's American subsidiary, Exxon USA, reported "refining/marketing" profits that were 48 percent lower this year than last.

### HOW COMPANIES CAN RECOUP

However, with one of the petroleum products—gasoline—still controlled, there are financial incentives to looking at the costs in certain ways.

"Refiners have been allowed because of the lack of controls to pump more of the costs into middle distillates instead of gasoline, in an effort to recoup more of their investment," said Allan Darrow, public affairs director of the National Oil Jobbers Council. If they feel they are not earning enough on gasoline, he suggested, oil companies can try to make up the difference in a product for which the market is very strong, and on which there are no controls, such as home heating oil.

Some oil companies, however, say that at least part of the increases in margins are eaten up by increases in costs for components of production other than oil. Texaco, for example, listed "rising manufacturing and labor expenses, taxes and inflation."

Interest rates have become a major concern, with many OPEC nations now requiring payment for expensive oil within 30 days, which leaves refiners borrowing money to pay for a tanker-load while it is still at sea.

Interest is also a major concern for wholesalers and retailers, who to purchase the same number of gallons they did last year may have to borrow twice as much money, and at higher interest rates.

"You've gone in one year from 9 percent to 14 percent," said Mr. Buckley of Northwest Petroleum. "We've had to borrow way out of line, disproportionately to earlier years."

Financing one gallon of home heating fuel cost roughly half a penny a month last year he said, but it is now "pushing past a penny a month" because of higher interest rates and product price. "If we buy it in August and sell it in December, that's 5 cents," he said.

Other retailers said that the cost of fuel to run their delivery trucks, the cost of the trucks themselves, and everything else a small business buys, including insurance, labor, and electricity, had risen in costs.●

## A RESPONSIBLE IMMIGRATION AND REFUGEE POLICY IS NEEDED TO MEET WORLDWIDE CRISIS

## HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. SAWYER. Mr. Speaker, in our search for solutions to temporary crises, in our immediate responses to immediate problems, we may lose sight of the principles which underlie our actions. The needs of some refugees are immediate: they must be helped now. The Indochinese boat people, for example, must be rescued from the water, and in light of their need we in the United States postpone considering the bases on which American aid for refugees rests. But the refugee situation is not a one-time crisis, a crucial, abrupt turning point which can be resolved. Instead, the world is in a period of unrest in which it is assured that more millions of refugees will continue to be generated. Refugees are going to be, for the foreseeable future, a continuing fact of international relations. We can predict that they will exist; all that we cannot predict is from which country they will come next.

It is necessary, therefore, to prepare principles on which we can agree, and on which we can base an American policy toward refugee aid and refugee resettlement. We have sympathy for all refugees, for all of those mistreated in their home countries, persecuted because of their religion, race, language, politics, or ethnic group, for those forced to flee out of fear for their lives. But if we based our policy solely on our concern, our humanitarian fellow-feeling for abused people, we would declare ourselves to be responsible for millions of people whom we would be unable to aid. Estimates of the number of refugees in the world have ranged up to 14 million people. World Refugee Crisis, issued in August 1979 by the Congressional Research Service, gave a range of estimates from 8 to 11 million people, and said their numbers were not to be considered accurate, but only as an indication of the magnitude of the problem. And in its country and area analyses, the CRS indicated that there was no area of the world in which it could state that the refugee problem would abate, that the numbers would grow smaller rather than larger, even as the millions of today's refugees were settled in new host countries.

One small example of tomorrow's problem is the August 13, 1979, United Press release which quoted Vietnamese Secretary of State Nguyen Co Thach as indicating that 3 million Vietnamese may eventually want to leave their country, depending on the political situation. The United States, today taking over half of all Vietnamese refugees being permanently resettled, must be prepared to recognize the dimensions of the responsibility it has shouldered. To aid in promoting the discussion of underlying principles of refugee aid and resettlement, the Federation for American Immigration Reform has released the following statement:

### FAIR STATEMENT ON REFUGEES

The historic mission of the United States to act as a refuge from persecution can and should continue under any changes made in our immigration system. Refugees must be given a higher priority in America's immigration quotas. They are now seventh among preference categories; they should be first.

The definition of refugees under United States law must be changed. Present law recognizes only refugees who originate in Communist countries or the Middle East. This position ignores the reality that refugees flee from many parts of the world from many kinds of racial, religious, and political persecution.

At the same time, however, the United

States must recognize its limited ability to solve the refugee problem of the world by acting alone. While some other countries are willing to a limited extent to help finance the expense of resettling refugees, few countries other than the United States are willing to accept large masses of refugees as settlers, and no country admits a number approaching those the United States resettles. But the size of the problem, fourteen million refugees in the world today and millions more to be expected in the future, negates the possibility that the United States could take in enough people to seriously reduce the number of homeless people in the world. America is one of the few countries in the world with the compassions, the sense of responsibility, and the freedom from debilitating racial, cultural, and religious prejudice to wish to take refugees from among many nations and peoples. We must insist that other nations make real efforts to open their societies to strangers in need, as the United States has done. Refugees must be a shared responsibility of the world.

The United States must take care not to call forth more waves of refugees by its policy of openness. If the sole prerequisite for entering the United States is to be a refugee, then more millions of people will become refugees. The United States is a magnet for the poor from throughout the world. Our policy of aiding those driven from their countries cannot be allowed to be used as an excuse for countries which wish to expel their unwanted minorities or their poverty-stricken excess population.

The United States must not allow its compassion for refugees to destroy its immigration system. Illegal immigration to the United States is at an all-time high, and its control is not now in sight. Legal immigration to the United States added nearly a half million people to the population last year. Hundreds of thousands of refugees yearly must not be added to this flow. Refugees must be seen as a component of immigration to the United States, and their number must be considered when determining the effect of immigration on the United States. The total number of people who should immigrate to the United States should be determined by informed public debate, and refugee immigrants to the United States should come within that immigration ceiling.

Ultimately, the solution of the problem of refugees cannot be resettlement. International migration can never approach the scale that would be necessary to solve the problem of refugees. The only full-scale answer is a system of international law and international public opinion which condemns and does not allow the expulsion or persecution of national minorities. Any temporary assistance given to any small portion of refugees in the absence of such international pressures against persecution can be viewed honestly only as doomed to be inadequate.●

## ANTI-AMERICAN STATEMENT OF PRIME MINISTER MICHAEL MANLEY OF JAMAICA

### HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. EVANS of Delaware. Mr. Speaker, as each of us know, Cuban President Fidel Castro recently hosted the Sixth Nonaligned Summit Conference in Havana. This conference brought together leaders of many countries in the world and served as a pulpit for many who wished to castigate the United States.

One such leader was Michael Manley, Prime Minister of Jamaica. During his address, Prime Minister Manley by inference, criticized the United States and supported just about every Communist and Socialist scheme in the world. Since Prime Minister Manley's address did not get what I would consider to be appropriate attention in this country, I want to bring his remarks to the attention of my colleagues.

He began his address by praising Lenin as the "catalyst and unmoveable rock of the nonalined movement." He stated that "the forces committed to the struggle against imperialism today are stronger than ever before." He credits this strength to the Cuban revolution and Fidel Castro, pointing out that Cuba, of course, is a nonalined country. He states that those who consider Fidel Castro something less than neutral are either ignorant of the world and of new forces which are shaping its future, entangled in a traditional policy of power or believe that "the world still is a hunting ground in which power becomes the means for foreign domination, subjugation of peoples, and exploitation of economic resources as if it were an extension of a natural right."

In his speech, Manley indicated his support for such courses as the leftist government in Grenada, the Sandinista guerrillas, the independence movement in Puerto Rico, the "just struggle of oil exporting countries" to control oil, the recovery of Guantanamo Bay, the liberation forces of Zimbabwe, Namibia, and South Africa, and the front line states of Mozambique, Botswana, Tanzania, Zambia, and Angola.

Clearly in his speech Prime Minister Manley has thrown down the gauntlet to the United States. He has fallen into the jargon of the Communist world in condemning this country, yet he still has his hand out for continued U.S. aid.

Mr. Speaker, the people of Jamaica are facing many severe economic and social problems. This crisis has been severe enough to drive many of the educated and technically trained citizens out of the country. In fact, in the last 2 years this mass exodus has been compared to the flight of the middle class in Cuba upon the takeover of Fidel Castro. News reports have repeatedly said such an emigration by business and professional people is threatening the country's economy and development. According to a New York Times article by Ann Crittenden, which appeared on September 30, 1979, Jamaica now has only 13 dentists with specialized training, including one periodontist and one orthodontist. In 1978 there was one dentist for every 24,000 people. The ratio of doctors and nurses to the population has also declined.

The article goes on to say that the Citibank branch in Kingston has lost more than 30 percent of its staff in the last 18 months.

The socialization of the country by Prime Minister Manley obviously is the cause of this mass exit. We have seen that, time and again in Europe, Asia, and now Latin America, people are voting with their feet every time a leader like Manley seeks to force Socialist domination upon them.

Jamaica is important to the United States because of its close proximity and because of its key location within the Caribbean region. The Congress has long recognized its importance and has provided some $189 million to the Government of Jamaica since 1964. In addition, this year's foreign assistance appropriations bill earmarked only three countries—Egypt, Israel, and Jamaica—for specific funds under the important economic support fund program, which is essentially cash grants.

I am, however, concerned that the word may not be getting to the Jamaican people that the United States is interested in them and their problems. It is clear by the remarks of Prime Minister Manley that he is interested only in attacking the United States and becoming closely alined with the Socialist forces led by Fidel Castro. It is widely reported that the opposition party to Prime Minister Manley is afraid to criticize his regime for fear of physical violence. This is particularly troubling since it is important to both the Jamaican and the American people that the free democratic process be preserved in that country.

Additionally, I am concerned that the concept of a free press is coming under serious attack by the Manley government. The 145-year-old Daily Gleaner has been the subject of an intimidation campaign by the Jamaican Government because of its criticism of the Manley regime. I ask unanimous consent that an article which appeared in the Miami Herald, of Sunday, October 7, 1979, by Jim Hampton entitled, "Jamaica Aims Gun at Free Press" be included in the RECORD.

Mr. Speaker, I urge the Carter administration to focus greater attention on the plight of Jamaicans. We need to communicate in no uncertain terms to the Jamaican people that we are interested in their problems and are fully aware that their rights are being threatened by a leader who is falling into lock step with Fidel Castro.

The article follows:

### JAMAICA AIMS GUN AT FREE PRESS

(By Jim Hampton)

Today begins National Newspaper Week, which I'll observe in one sentence: Despite an antagonistic Supreme Court and an imperfect record of meeting its own standards, the U.S. press is robust and quite able to fend for itself.

Our colleagues abroad aren't often as fortunate, however. In Jamaica today, the 145-year-old *Daily Gleaner* is fighting to keep from being suppressed by a government that controls all other communications media there.

Prime Minister Michael Manley's flirtation with Fidel Castro lately has blossomed into near-total sycophancy. Mr. Manley has led—or rather pushed—Jamaica to the edge of economic ruin. His term expires in 1981, and signs are abundant that he may try to manufacture a "state of emergency" to enable him to postpone facing an electorate that might well chuck him out of Jamaica House.

Mr. Manley and the Cuban ambassador to Jamaica, Ulises Estrada, have joined in a blatant campaign to intimidate *The Daily Gleaner*. The newspaper is the only Jamaican news outlet not owned by the government, and thus not slavishly given to praising the erratic prime minister and his leftist People's National Party (PNP). The PNP has demanded a meeting with The Daily Gleaner's board of directors on Thursday. The PNP's general secretary, D. K. Duncan, says the government will lay down rules then for *The Daily Gleaner's* operation during the next two years.

Imagine, if you will, a small and struggling Third World nation in which the only television station, all four radio stations, and the only other newspaper are government-run. Imagine a prime minister of demonstrated ineptitude and questionable stability who shrilly denounces the nation whose aid keeps his government afloat: the United States.

That's Jamaica, and that's Mr. Manley. Now mix Castro's man in Kingston, Mr. Estrada, into this equation. Mr. Estrada recently accused *The Daily Gleaner* of lying about him and Cuba. He also hinted that the newspaper's managing director (publisher, in effect), Oliver Clark, is a CIA agent.

*The Daily Gleaner* responded by offering the Cuban envoy free space in its pages to present evidence of its alleged CIA ties. And the paper called on Mr. Manley to declare Mr. Estrada *persona non grata*, which would require Cuba to recall him.

Things got hotter in Kingston after that. On Sept. 24, a mob of PNP and Communist Party (Jamaica has two legal Communist organizations) members marched on *The Daily Gleaner*. The marchers railed against the newspaper and, in words and with placards, hailed Cuba. Among the crowd: Prime Minister Manley.

"I have no speech to make," Mr. Manley told the mob. "You have made the speech for me, and you have made the speech for the progressive forces. And you have made the speech with no notice and no plans or preparations. But next time, next time, next time . . ."

The crowd began to chant: "Next time, next time . . ."

Then the prime minister added: "Let them learn, freedom of the press, yes; but no more lies . . . But next time, next time . . . Be alert and listen for . . . next time."

It takes courage to continue opposing a government in that kind of menacing atmosphere. It takes courage to be the lone voice pointing out your own government's increasing subservience to the mesmerizing influence of Castro. It takes courage to continue printing the truth when the government and its Cuban supporters brand that truth as lies and bring a mob to your doorstep to intimidate you.

*The Daily Gleaner* has courage aplenty. It has resisted, successfully, the government's efforts to withhold official advertising from its pages. It has resisted, successfully, Mr. Manley's effort to persuade Jamaicans not to buy the paper. It has resisted, successfully, the government's threat to restrict importation of newsprint, without which it could not publish.

It has resisted actively, not passively. And, bless its writers, *The Daily Gleaner* has resisted with barbed wit. Columnist Dawn Ritch recently referred to Ambassador Estrada, who hasn't a hair on his head, as Feather Mop. Columnist Morris Cargill, in a column headlined "The Comrade Higgler" confers upon Prime Minister Manley the title of Comrade Conceptualizer.

But pungent drollery and the will to keep resisting might not be enough if Mr. Manley loses his temper and invokes the menace veiled in his litany of "Next time . . . next time." Already he has issued a statement of intent to sue *The Daily Gleaner* for libel because of an anti-Manley ad it carried on a recent Sunday. And Mr. Duncan, the PNP general secretary, has hinted that *The Daily Gleaner* will have to face mob vengeance unless it moderates its criticism of the Manley regime after the meeting on Thursday.

There isn't much we American journalists can do except call attention to *The Daily Gleaner's* situation. Perhaps publicity will dissuade Jamaica's government from reminding us, in the worst possible way, of just what our own First Amendment protects us from.●

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## PREPARATION FOR TAX CUT NEEDED

### HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. GUARINI. Mr. Speaker, today I am pleased to introduce legislation which will provide a mechanism for implementation of a reduction in individual income taxes should the national rate of unemployment increase significantly in the near future.

The recent uncertainty in the American economy requires action on the part of Congress to avert economic disaster for millions of Americans. Current statistics indicate that unemployment has maintained a fairly constant rate of between 5.6 percent and 5.8 percent since January. However, the decline in the gross national product in the second quarter of this year is considered by many economists to be an indication that we are on the brink of a recession, typically defined as a decline in GNP over two or more consecutive quarters. Although early indicators show a slight improvement in GNP in the third quarter, leading economists predict a further decline over the fourth quarter of 1979.

It is incumbent upon the Congress to prepare for what lies ahead in the next several months. Rather than wait until we have a full-fledged recession upon us, I urge my colleagues to provide the leadership which is desperately needed to prevent the suffering which a recession with increased unemployment causes to millions of workers and their families.

The tax cut legislation I am proposing could not be triggered until the national unemployment rate had risen by 1 percent above the unemployment rate of January 1979. Under this bill, the tax reduction would be implemented through the simple device of doubling the present zero bracket amount to $4,600 for single taxpayers and to $6,800 for those filing joint returns. According to the Joint Committee on Taxation, this would concentrate the impact of the tax cut on those taxpayers with incomes of $25,000 per year or less.

Estimated revenue loss would be approximately $30 billion. However, each 1 percent of unemployment costs between $14 and $17 billion in lost tax revenue and increased expenditures for social services—food stamps, unemployment compensation, welfare, medicaid. These estimates do not include the tragedy visited on working men and women and their families by the loss of unemployment.

I respectfully urge my colleagues to join me in taking this first step in dealing with the expected recession.

Thank you.●

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## IS CANADA A MEDICAL UTOPIA?

### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. MICHEL. Mr. Speaker, we hear so much these days concerning the alleged blessings of the medical system in Canada that it would be refreshing to learn about that system from an expert who has examined it at firsthand. Harry Schwartz, editorial consultant of Private Practice magazine has written an article which exposes what might be termed the "dark side" of the Canadian experiment in socialized medicine. Far from being the answer to the problems faced by fee-for-services medical practice, government control of medical finances in Canada has led to deteriorating services, an exodus of highly skilled doctors and, generally speaking, a feeling that the original promises of politicians who pushed the socialized health-care schemes should have been examined more closely. I hope the United States takes a hard, long look at the entirety of the Canadian experiment and not just a look at some of its more popular aspects.

At this point I wish to insert in the RECORD, "Medicine in Canada" by Harry Schwartz, Private Practice magazine, August 1979.

#### MEDICINE IN CANADA

(By Harry Schwartz, Ph. D.)

Some time ago, it is said, the provincial health authorities of Newfoundland decided to limit what they considered the excessively high incomes of some physicians. The top acceptable figure was decided to be $100,000. The first Newfoundland doctor—a neurosurgeon—approaching that figure was told that once his government-paid fees had reached $100,000, he would be paid only one-quarter of the fees he had received before reaching the magic figure. Finding the limit unacceptable, the physician replied that after reaching $100,000, he would simply vacation in Miami or some similar spot for the rest of the year. In the face of that threat the authorities allegedly surrendered, for he was the only neurosurgeon in the province and they saw no way of getting a substitute specialist.

The story may be apocryphal, but it was told during the recent annual convention of the Canadian Medical Association as a tale that summed up many of the paradoxical features of that country's national health insurance, which has recently been praised so highly by Senator Edward M. Kennedy and similarly-minded American reformers.

First, this problem arose and was settled in a single province, pointing up the fact that there are really 10 different health systems in Canada—one for each province. Secondly, fee-for-service is still alive and well in Canadian medicine roughly a decade since the politicians decreed "free medical care." Third, the anecdote indicates the tendency of some Canadian health authorities to serve non-health related social goals—in this case egalitarianism—by manipulating the medical system. And finally, the ending of the tale is a useful reminder that Canadian physicians are by no means slaves, but can frequently—and sometimes successfully—challenge government edicts.

I went to the 1979 CMA convention in Toronto for two reasons. First, Senator Kennedy's television extravaganzas comparing the alleged bankruptcies of some American families having particular health problems with the "freecare" of their supposed Canadian counterparts have made the Canadian experience an important part of the current United States debate over national health insurance. Secondly, at the very time Senator Kennedy's spectaculars were being broadcast, there were more and more items in New York City and Washington newspapers about increasing unhappiness among Canadian doctors.

In short, while Kennedy was touting Canada as a utopia for patients, evidence was mounting it was no utopia for doctors. It seemed time to pay attention to the mounting chorus—most of it, ironically, from liberals—calling on Americans to learn from the Canadian experience.

For all their differences, the 10 provincial health systems in Canada are more similar than diverse. Throughout the country all persons are entitled to receive almost all normal ambulatory and inpatient medical care without any immediate payment out of pocket.

Normally, physicians treat their patients and send the bills to designated government offices which, after some weeks or months, send the checks for payment. The payments are based on fixed fee schedules much as they might be in a Blue Shield system or an Individual Practice Association in this country. Hospital costs are similarly met by government allocations of funds.

The money to pay these doctor and hospital bills comes from both the national Canadian treasury and provincial coffers. In some provinces, notably Ontario, the historic link to health insurance is retained by requiring public payment of premiums. Usually the money comes from general government revenues or, in some cases, from taxes designated to pay for health care costs. But after a decade most Canadians have forgotten the earlier links to American-style health insurance. They think of medical care as a "right" which the government properly provides them free of charge.

For Americans who know the history of our own Medicare and Medicaid programs, the history of Canada's Medicare—the term used for the entire national health insurance program—will have few surprises. The 1970s in Canada have seen rapid growth in health expenditures superimposed upon a general inflationary trend. The result has been a preoccupation at all levels of government with trying to halt the rocketing costs of health care. For three years, 1976–78, the recently defeated Liberal Government of Prime Minister Pierre Trudeau operated a general wage and price control program resembling the Nixon program of the early 1970s.

Physicians were in a uniquely vulnerable spot from the point of view both of controlling general inflation and of restraining medical care costs. For the overwhelming majority of Canadian physicians, the government is a monopoly employer with whom they must negotiate. While other professionals—lawyers, accountants, architects, etc.—bargained over fees with individual clients in a climate of more or less equal bargaining strength, physicians have had to bargain with the government colossus itself.

Provincial authorities, with equal ease, saw holding down physician fees as the easiest way of holding down health care costs. The details are complex, but the overall trend in the different provinces during much of the 1970s was for prices to go up 8 to 11 percent or more annually, while physician fees were allowed to rise only 4 to 6 percent annually. Under this system, physicians trying to maintain their purchasing power could do so only by seeing more patients. Even so, physician real earnings are estimated to have declined 20 percent or more during the 1970s. In addition, the once wide gaps between average annual earnings of doctors and average annual earnings of lawyers, architects, accountants, etc. have narrowed perceptibly. Simultaneously, the intrusion of government into medical care has increased, with officials closing hospitals or cutting bed numbers, vetoing the purchase of CAT scanners and other expensive modern equipment, controlling the number of physicians in different areas, and the like.

The discontent born of this situation has been reflected in two ways. In the first, physicians have simply voted with their feet, leaving Canada for some other country, usually the United States. In 1975, a total of 405 physicians, including interns and residents, left Canada. In 1978 that number is estimated to have reached 1,000 or more. (CMA Journal, April 7, 1979) At the CMA convention, it was predicted that the number of emigres this year would exceed the 1978 figures. Since Canada graduates about 1,800 physicians from its medical schools annually the 1978 emigration is equivalent to depriving that country of a number of doctors exceeding half the number of new graduates.

Perhaps the most ominous signal given by this emigration is derived from the high quality of those physicians leaving Canada. Here is how an article in the CMA Journal last April described these men and women:

"As the data show, it is more than a handful of malcontents and oddballs who are leaving the country. The bulk of today's medical emigrants are Canadian-born and trained; most are fully established in patient care (many from specialties in high demand); at least half (who have graduated before 1965) are at the age of having growing families and children in school, and the vast majority are leaving Canada's most culturally developed, diversified and wealthiest provinces."

But most Canadian physicians are too bound to their native land by family ties and other bonds to emigrate. And a large fraction of them—French-Canadian physicians in Quebec—are primarily French speakers who see no opportunity for themselves in the English-speaking United States. And for all Canadian physicians there is now the awesome barrier of the United States Visa Qualification Exam which, says some Canadian physicians, is deliberately being made very hard so American doctors can stop worrying about competition from emigrant physicians.

The result is that most of the discontent of Canadian physicians is now being expressed in the historic battle over a central issue in national health insurance: How much of the cost—if any—should be borne by the patient when he receives hospital or ambulatory care?

To understand the struggle one must first understand the terms used by Canadian physicians to describe the ways this issue arises in different provinces. As noted, most doctor-patient encounters in Canada end financially with the doctor sending a bill to the government, whose reimbursement is based on a government-approved schedule of fees. But in many provinces now there are also fee schedules approved by the provincial medical societies. These are higher—30 percent in Ontario—than the government fee schedules. A physician balance bills when he bills the government for the approved fee and then bills the patient for the difference between the government fee and the medical association fee.

Some physicians believing their services to be worth even more than medical association approved fee schedules engage in extra billing, i.e., they bill the government for its approved fee, and they bill the patient for the difference between the government fee and the fee they consider proper—fees which in this case are above the medical association schedule.

Finally, in Ontario and some other places a physician may opt out. A physician who does this announces to his patients and to the government that after a certain date he will no longer accept government fees but will expect to be paid by his patients directly. In these cases the physician bills his patient for his full fee, and it is the patient himself who applies to the authorities and receives partial reimbursement through a refund of the governmentally approved fee.

Not surprisingly, many patients accustomed to receiving "free" medical care as a result of physicians accepting government fees were irked when exposed to balance billing, extra billing, or opting out.

Earlier this year in Ontario the number of doctors opting out rose (over a relatively brief period) from about 9 percent to 18 percent of all physicians in the province. As thousands of patients began receiving unaccustomed bills from their doctors, a major public storm broke. The newspapers were full of stories about doctors sending "huge bills" to patients who could not possibly afford to pay them. And the media reminded their audiences that doctors were rich, liked to play golf, and sometimes drove Mercedes or Rolls Royces. The political pressure on the Conservative Government of Ontario became enormous as the anti-doctor claque conjured up visions of people untended and dying unnecessarily because selfish doctors refused to serve them unless paid exorbitant fees. More and more predictions were heard—some from authoritative sources—that either the provincial or the federal authorities would act to outlaw opting out and to require physicians to accept government fees, and only government fees. With last spring's national Canadian election approaching rapidly, the issue threatened to become a political football with unpredictable, but potentially disastrous, consequences for doctors.

It was under this extreme pressure that the Ontario Medical Association eased the situation by making a far-reaching concession to the provincial government. The OMA promised it would see to it that any resident of Ontario needing medical care could get it from a doctor who opted-in, i.e. accepted the government fee as full payment. Some weeks afterward I asked Dr. William J. Vail, the OMA president, whether it was difficult to keep his promise. He indicated that only a handful of cases had arisen, all of which had been satisfied easily. The real problem, he said, was one that had not been anticipated. It arose when unconscious patients were brought to emergency rooms, posing the question in each case of whether the patient—if conscious—would have agreed to accept doctors who had opted out, or would have insisted on doctors who had opted in. However, the number of such incidents had been small, and the Ontario Medical Association felt that its pledge to the provincial government had defused at minimal cost a dangerous political threat to physicians' freedom.

Throughout Canada the debate is raging over how much, if anything, a patient should pay toward his medical bill. Dr. Kenneth Wylie, the CMA's 1978-79 president, put the position of most Canadian doctors this way in a speech delivered in late May, saying Canada needs "to establish a new, better method of paying for medical services, including a method whereby the recipient of the service pays for a portion of the cost involved." He then added, "According to his financial ability, the patient should pay a part of the cost, out of his own pocket, for all health services when and where the service is provided." (*Medical Post*, June 5, 1979)

In his valedictory address at the CMA convention a few weeks later, Dr. Wylie was even more blunt. He accused Prime Minister Trudeau's government of having taken a "bully approach" to doctors, posing the danger of confrontation. He deplored the fact that during his year as CMA president no public official had spoken to him about quality of care, adding, "All they seem to want is 'free care.'" He denounced "the senseless insistence on having mediocre or even poor health care in the name of equality." He warned that "rights are only obtained at the expense of somebody or something," a statement that seemed to come very close to accusing Canadian politicians of wanting to assure voters "free care" at the expense of the rights and interests of Canadian physicians.

Reflecting on why Canadian physicians had permitted themselves to be trapped in the health insurance scheme, the OMA president, Dr. Vail, said, "We failed to recognize initially that government funding had a limit. The failure to recognize this basic fact was probably clouded by the affluent society and the unlimited monies of government in the 1960s. We failed to recognize that government has finite resources with the public having infinite care demands. The profession was further trapped by the apparent (government) guarantee that bad debts would vanish, the patient would not have to be encountered with a bill, with the pie in the sky hope that the fee structure would be maintained."

But Dr. Vail said, the problem went deeper than the Canadian medical profession's initial illusions. For even when these were exploded, doctors still thought they could negotiate fair and reasonable incomes for their work.

"We again misjudged—you cannot negotiate in this society of ours without the threat of confrontation—and the only real confrontation our society understands is a full and total strike. I feel that this is a sad commentary on our society, but it is still a fact. Our profession recognizes and knows that full and total strike is not possible for one second without a loss of life. Strike is a power that we have which is so horrendous that I am sure our honored profession would never utilize it. Withdrawal of non-emergency services is a lesser form of confrontation, but . . . as doctors . . . we do not want to interfere with their (our patients') health care."

Conversations with many delegates at the CMA convention showed that the somber thoughts of Drs. Wylie and Vail were widely shared. Yet, happily, the convention did not end before an unscheduled speech and a few hints that there might be better days ahead.

The unexpected speech was from David Crombie, the former mayor of Toronto and the newly designated Health Minister in Prime Minister Joe Clark's cabinet. It was the first time since assuming office that Mr. Crombie had spoken in public. From the beginning it was clear that his approach to the doctors was a positive one, far more positive than that of the Liberal Party minister who had preceded him. For one thing, Mr. Crombie came out publicly and firmly for the right of Canadian doctors to deduct the cost of continuing medical education in their income tax calculations. It may seem like a small matter, but the CMA had tried in vain for years to get such a concession from the Trudeau government.

But Mr. Crombie went further. He indicated firmly that he would support the basic features of Medicare in Canada, but added he was well aware doctors also had rights and those rights could not be ridden over roughshod. In a press conference later Mr. Crombie indicated he felt "doctors were voting with their feet" when they emigrated or opted out of Canada's medical insurance scheme, suggesting that doctors had deep grievances for which remedies should be sought.

Cynics could and did say this showed only that Mr. Crombie was new to his job and had not yet been adequately brainwashed by the permanent bureaucrats in his department. That possibility could easily prove to be true. But those more optimistically minded could argue that Mr. Crombie was bringing a much fairer and more moderate attitude to medical affairs than had been true of his predecessors under Mr. Trudeau. Perhaps Mr. Crombie was trying to create a climate of good will in which the government and the medical profession could reach mutually satisfactory compromises.

There was no assurance this would be Mr. Crombie's and Prime Minister Clark's policy in the future. But the mere fact that the possibility had been raised changed the whole temper of the CMA convention and sent many of its delegates home in a far better frame of mind than that in which they had arrived.

It remains for time to demonstrate whether the cynics or the optimists are right in their expectations.●

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## COMMUNICATIONS WORKERS OF AMERICA CALL FOR UNITED STATES INITIATIVE FOR NORTHERN IRELAND

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of this body a resolution which was passed by the Communications Workers of America at their convention in Detroit this past July. This foreign policy statement calls upon the President and the Congress to address the human rights violations in Northern Ireland by calling upon the British Government to remove themselves from Northern Ireland.

As chairman of the 130-member Ad Hoc Congressional Committee for Irish Affairs, I am always heartened to learn that there exists in this country from all sectors of the population support for the promotion of self-determination for the people of Ireland. The ad hoc committee has as its foremost priority the restoration of human and civil rights to all people in Ireland and has worked tirelessly to insure that our foreign policy, the cornerstone of which is human rights, is applied on an equitable basis in all parts of the globe.

In this light, I have introduced House Concurrent Resolution 122 which expresses a sense of Congress that Great Britain should begin a peaceful initiative in Ireland to restore to all people their human and civil rights. This measure currently has 70 cosponsors and we are aggressively seeking to increase this number with the support of the Irish-American community.

The text of the resolution is as follows:

RESOLUTION

At the Communications Workers of America convention in Detroit which lasted from July 16th to July 20th (attended on the 16th by President Carter), the C.W.A. foreign policy statement was amended (by James Devine, President of Local 1116, Troy, N.Y.) as follows:

"The C.W.A. feels that more must be done by the United States and by other nations to end the needless suffering of the Irish people at the hands of the British government. We call upon the President and Congress to take dramatic and immediate actions that are within their powers to (1) call on the British government to cease all violations of human rights of the Irish people and to call upon the British government to remove themselves from Irish soil and allow the Irish people the right to seek their own destiny, which should be the right of all freedom loving people."●

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## RUDOLPH JONES

### HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. JONES of Tennessee. Mr. Speaker, I rise today with sadness to express my deep regret at the recent passing of one of Tennessee's greatest conservationists, Mr. Rudolph Jones. Mr. Jones died at Baptist Hospital in Memphis, Tenn., on October 9, 1979.

Without a doubt, Rudolph Jones was a man far ahead of his time. Long active in civic affairs of Shelby County, Tenn., he knew full well the need to replace some of the resources we extracted from the soil as progress was being made. Having served on the Shelby County Commission for 16 years, he was considered a local expert on soil conservation and flood control, talents that were very useful in Memphis, a city located on the Mississippi River.

Rudolph Jones took many a lonely stand in his efforts to conserve our greatest natural resource as Memphis developed and progressed. He was not afraid of taking those stands, opposing uncontrolled development, because he knew the importance of following basic conservation practices. His passing will certainly leave a void in the Shelby County area and I want to express my own deep regret to his family and friends.

I would like to take this time to insert into the Record copies of stories appearing in the Memphis newspapers upon the death of Mr. Rudolph Jones.

[From the Memphis Commercial Appeal, Oct. 10, 1979]

### JONES, CONSERVATION CRUSADER, DIES

Rudolph Jones, former Shelby County commissioner of roads, bridges and the penal farm and a longtime environmentalist and conservationist, died at 8:30 a.m. yesterday at Baptist Hospital, where he had been in the coronary care unit since Aug. 28. He was 78.

Services will be at 2 p.m. tomorrow at Idlewild Presbyterian Church, where he was an elder, with burial in Pleasant Hill Cemetery in Brunswick. Swift Treadwell & Canale Funeral Directors has charge. The family asks that any memorials be sent to Focus Memphis, an education program at Southwestern at Memphis, to the Heart Fund or to Idlewild Presbyterian Church.

The studious and outspoken Mr. Jones was frequently a controversial crusader for soil conservation, public parks and greenbelts and adequate county roads. He also advocated a water and sewage system and fire protection for rural areas.

The son of Luther Jones, a county commissioner from 1918 to 1940, Mr. Jones was born in the log house on his family's 1,000-acre farm near Brunswick, where he lived until his death.

He was elected to the old Shelby County Commission in 1946 and served until his defeat for re-election in the reform sweep of 1962.

From 1964 to 1973 he served as a paid consultant to the Shelby County Conservation Board and later in a similar capacity with the Chickasaw Basin Authority.

Although considered a dreamer and visionary by some, many of his ideas and projects became a reality. He was instrumental in forming the Shelby County Board of Public Utilities, the Shelby County Conservation Board and many of the county's open-space, park and greenway projects.

He also was widely considered to be the county's leading authority on soil conservation and flood control. "Nobody in Shelby County has a better knowledge of the soil and water conservation needs of this community than Rudolph Jones," The Commercial Appeal once editorialized.

"I don't like to stand on the Mississippi bluffs here at Memphis and watch West Virginia and Montana flowing by," Mr. Jones was quoted as saying in 1964.

"He was willing to take a lonely stand years ahead of his time," said Paul Coppock, a reporter who covered Mr. Jones' activities for The Commercial Appeal for many years. "I would say that his most outstanding characteristic was his long look into the future, particularly with drainage and flood control problems. But he had also looked as far ahead as another Memphis bridge to be built, in his forecast, at the northern edge of Shelby County. His fear was that the long expressways without intersections would become Chinese walls separating the natural parts of Shelby County. So he wanted this approach to be outside of Millington, Arlington and Collierville."

A 1919 graduate of Memphis University School, Mr. Jones earned a bachelor of science and a civil engineering degree from Washington and Lee University in 1923. He was a division engineer for the Tennessee Highway Department from 1933 to 1943, when he entered the Navy as a Seabee. He left military service in 1946 as a lieutenant commander after skippering a construction battalion for 18 months in the Pacific.

He was manager of Memphis Municipal Airport for about six months between his discharge and election to the commission.

In 1969, the Memphis Civitan Club awarded Mr. Jones the 10th annual Jack Carley Award, named for the late editorial writer for The Commercial Appeal, for his contributions to conservation and development of the Mississippi River.

"This is something I dreamed of but never thought about," he said at the time. "It couldn't have made anyone more happy. It's just too much to be placed in the category of Tom Sawyer and Huckleberry Finn."

Years before federally forced construction of sewage treatment facilities here, he pushed for an end to the dumping of raw sewage into the Mississippi and championed stream pollution control and water recreation.

When he was, as he put it at the time, "forcibly retired" from the consulting job with the conservation board, his response was typical:

"I haven't been running a popularity contest at all. I knew that, but I have been doing what I felt was right. I still think the opposition will lose and the environment will be preserved.

"For years business people in Memphis have told people in government 'When are you going to quit listening to this crazy Rudolph Jones? He'll bankrupt the country.'"

Mr. Jones had served as president of the Tennessee County Highway Officials Association and as a director of the county and local roads division of the American Road Builders Association. He was a Mason.

He leaves his wife, Mrs. Mary Ann Jones; two daughters, Mrs. Frank M. Gilliland Jr. of Memphis, and Mrs. David A. Nunnally of Nashville; a son, Rudolph Jones Jr. of Brunswick; a sister, Mrs. Franky J. Callis of Germantown, and 12 grandchildren.

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[From the Memphis Press Scimitar, Oct. 10, 1979]

### RUDOLPH JONES

Rudolph Jones never stopped dreaming of greater things for Memphis and Shelby County.

He was full of ideas, many of which had to do with conservation, flood control and appreciation of the Mississippi River as the city's No. 1 attraction.

Some came to fruition in the years he served the public—including time as a county commissioner and conservation board consultant. Some are under official consideration. Some were still only dreams when he died this week at the age of 79.

His vision and enthusiasm didn't dim following a heart attack three weeks ago. In his hospital room the other day, he took pleasure in describing for a visiting reporter a favorite plan for recreational foot trails along both sides of the Mississippi.

Then he paused. "My contribution is at an end," he reflected. "But, you know, some day I think this will be a reality. The people won't let it die."

That was Rudolph Jones. Always hoping to make Memphis a better place in which to live.

For which we owe him a debt of gratitude.●

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## UNICEF: KIDS GET TRICKED; GUERRILLAS GET TREATED

## HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. McDONALD. Mr. Speaker, with Halloween fast approaching, it will soon be time again to send all the children out to collect for UNICEF. The children will be told of all the good works UNICEF does for the starving children of the world. And again, when anyone protests UNICEF aid going to guerrilla movements, they will always be assured that this material is always for humanitarian relief and that it does not go to persons engaged in terrorism or fighting. Do not believe it. The most recent known incident of diversion of UNICEF aid turned up in Mozambique during a raid by troops from Zimbabwe-Rhodesia on one of Mr. Mugabe's base camps.

The article from the Daily Telegraph of London for October 2, 1979, follows:

### RHODESIA TROOPS LEAVE GUERRILLA BASE IN RUINS

(By Christopher Munnion)

Troops from Zimbabwe-Rhodesia withdrew from Mozambique yesterday, after a five-day operation to destroy the main logistics and control base of guerrilla loyal to Mr. Mugabe.

Several hundred Zanla guerrillas are believed to have died in the raid on Chimoio Base, an underground complex extending over 40 square miles of bush about 12 miles from the craggy eastern border with Zimbabwe-Rhodesia.

Two Zimbabwe-Rhodesian soldiers were killed and several were wounded.

Senior officers who took part in the raid conceded that they met unusually strong resistance, possibly because of the presence of Mr. Rex Nhongo, a senior guerrilla commander, and Soviet or East German advisers.

On the raid's third day, units of Mozambique's regular army attacked Zimbabwe-Rhodesian forces in six Soviet-built TM 34 tanks of 1939–45 war vintage. They were beaten back.

#### DISRUPT TALKS

A military spokesman said the main aim of the raid had been to destroy the Chimoio base "particularly at this time when we know that Zanla leaders were instructed by Mugabe to push the maximum number of troops into Zimbabwe Rhodesia to disrupt the focus of the London constitutional talks."

For the first time in a raid on Mozambique Zimbabwe Rhodesia flew foreign correspondents—one reporter and two cameramen—to the scene of the attack.

Mr. Allan Pizzey, a Canadian freelance, reported in a censored dispatch that from the air the complex, five-feet deep zig-zag trenches and underground bunkers, was barely visible.

He quoted a senior field commander as saying there was strong evidence that the camp design and operation was the work of Soviet military advisers. "I admire the guy who designed this. It's well-sited," the officer said.

The operation began with air strikes shortly after dawn last Thursday, particularly against a hill code-named "Monte-Cassino," where the guerrilla command bunker was situated.

Mr. Pizzey said he saw at least aircraft guns which along with containers of intelligence material and documents, were flown out before the Zimbabwe Rhodesians withdrew.

There was no official body count. Some were removed by the guerrillas, others lay rotting, or were devoured by hyenas.

The "Monte Cassino" ridge was taken after fierce fighting by many of the estimated 1,000 guerrillas. Mr. Nhongo escaped, as did one white man, believed to be a Soviet or East German adviser.

"When we put down by helicopter on the ridge-top it was being held by a handful of weary, blacked troops," Mr. Pizzey reported. "From the slit trenches, the sickly-sweet smell of the rotting bodies of three dead guerrillas wafted on the hot breeze."

He found an underground hospital or medical dispensary in a half-mile line of trenches and bunkers.

### SUPPLIES FROM WEST

"It appeared that patients had stayed above ground for most of the time in rudimentary lean-tos. Piles of medical equipment from UNICEF (United Nations Childrens Fund), South Africa and Eastern block countries was littered throughout the area."

In one bunker he saw more than two tons of food supplies, including Canadian tinned mackerel, Dutch canned goods, and powdered milk packets marked "gift from the Government of Switzerland." The food dumps had been blown up.

Mr. Pizzey reported that almost every bunker and trench had copies of a small red book with a message from Mr. Mugabe.

Entitled "1979—The Year of the People's Storm," the book began with: "The armed struggle for the total liberation of Zimbabwe now enters its final, must most-dramatic phase."●

## THE CONSTITUTIONAL AUTHORITY FOR CONGRESS TO COIN MONEY DOES NOT IMPLY THE AUTHORITY TO PRINT MONEY

### HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. PAUL. Mr. Speaker, article I section 8 of the Constitution gives the Congress the authority to "coin money, regulate the value thereof, and of foreign coin. . . ." This clause has been construed to mean that Congress may delegate its monetary functions to the Federal Reserve System, which in turn may issue greenbacks that must be accepted as payment for all debts public and private.

The problem of inflation stems from and can be traced back to this fundamental misunderstanding and misconstruction of the Constitution. The constitutional authority to coin money does not imply, logically or otherwise, the authority to print money, or money substitutes. Our entire monetary system is unconstitutional, and inflation will remain and will drive us from crisis to crisis until we learn the lesson that the Founding Fathers knew so well: Unbacked paper money is a threat to the public welfare and an act of theft by the monetary authorities.

I would like to include in the RECORD at this point a portion of an article that appeared in the Brooklyn Law Review in 1976. Written by Robert Getman, the article is entitled "The Right to Use Gold Clauses in Contracts." This portion is entitled "The History of Gold and Paper Money in America." I urge my colleagues to study this brief article if they wish to understand the nature of the inflation that now threatens our economy and our people.

The article follows:

### I. THE HISTORY OF GOLD AND PAPER MONEY IN AMERICA

### A. THE PRECONSTITUTIONAL PERIOD

Congress' constitutional power over money has been assumed to encompass the power to make paper legal tender. The unimpeded exercise of the latter claimed power, which caused gold clauses to become standard contractual provisions in the first place, simultaneously served as the pretext for their nullification. This being so, it is important to examine the power over money derived from the concept of sovereignty and the historical background out of which Congress' constitutional money power evolved. Such an examination will indicate that the asserted congressional power to make irredeemable paper legal tender lacks constitutional foundation and, consequently, that the asserted congressional power to nullify gold clauses is likewise unsupported.

#### *1. The common law heritage*

Money is property. A basic question that the law always has faced is: whose property—that of the government or that of the governed? At common law, this issue was framed in terms of the power of the sovereign. Kings always coveted money, but, inasmuch as they produced none of the wealth for which it stood, they could amass money only by expropriating it from their subjects. Coin-clipping and debasement were favorite methods of expropriation.

By the eighteenth century, however, the common law had evolved [26] to the point where it regarded money as private property and debasement as beyond the rightful power of the sovereign. Such was the view of Coke,[27] of Blackstone [28]—whose *Commentaries* were the source of the phrase (in Article I, section 8 of the United States Constitution) delineating Congress' money powers [29]—and of John Locke, a politico-economic mentor of our Constitution's Framers.[30] At common law, the rights of the governed limited the sovereign's power over money (not vice versa); recognition of this common law limitation is essential to an understanding of what ultimately became Congress' constitutional monetary powers. For, as Chief Justice John Marshall observed, the Constitution "must be interpreted in the light of the common law . . . and [can] not be understood without reference to the common law." [31]

#### *2. The colonial period*

English colonial policy was notably defective in its failure to supply the colonies with a sound currency.[32] The consequent thirst for a currency was slaked in different ways. At various times, such things as beaver skins,[33] wampum,[34] and tobacco [35] were used as legal tender. Paper, too, in the forms of bills of credit,[36] often was issued as legal tender. When such issues were comprised of irredeemable fiat currency, rather than of notes redeemable in specie, the currency usually depreciated and scaling legislation had to be enacted to redefine its legal value in executory contracts.[37] Nine colonies printed such paper bills, originally intended to be legal tender only as against their own governments.[38] Ensuing depreciation of these bills generated litigation when they were tendered in satisfaction of private obligations. One case, a suit upon a bond to be paid either in bills of the Massachusetts Bay Colony, which bills had depreciated after issuance and had been withdrawn from circulation, or in "current lawful money of New England," [39] was appealed to the Privy Council in England. There, Lord Mansfield confessed that he was "at a loss" to fix a just recovery and decreed that the depreciation should be borne equally by the parties.[40] Amidst such confusion, contracts, specifying payment in gold or silver, however, generally remained unimpaired.[41] Eventually, when Parliament prohibited paper bills of credit from being declared legal tender, the monetary chaos diminished somwhat.[42]

#### *3. Paper money and the Revolutionary War*

Independence and the Articles of Confederation, far from ameliorating the monetary chaos, worsened it. The Continental Congress [43] and the States used their powers to issue bills of credit as "the principal means of financing the War . . . [Congress] used the authority up to the hilt, denouncing anyone who refused to take its continental dollar "as enemy of the liberties of the United States,' and requested the States . . . to make its paper a legal tender." [44]

At the Revolutionary War's end, Congress offered to redeem the "Continentals" at only one-fortieth of par, even though the twelfth Article of Confederation solemnly had pledged the public faith for satisfaction. Few were redeemed and most "quietly died in the hands of their possessors." [45] State issues scarcely fared better.[46] One commentator conservatively remarked: "[We] can sum up the pre-constitutional monetary history of the United States as an experience which contained far more failures than successes and which wound up with hyper-inflation. Trade was at a standstill." [47] James Madison was far less circumspect, excoriating pre-Constitutional paper money "as a pestilence which inflicted nothing but destruction." [48] Many other of the Framers brought similiar beliefs to the Constitutional Convention.

### B. MONEY AND THE CONSTITUTIONAL CONVENTION

Monetary discord beset the Constitutional Convention even before it had begun: Rhode Island, a paper money stronghold, "scented monetary reform in the air and refused to participate." [49] The Convention's keynote speaker, Edmund Randolph, "inveighed against 'the havoc of paper money' in his indictment of the Articles of Confederation." [50] Once the Convention was under way, proposals that the Federal Government be given the power to coin money and to fix its value and that both the Federal and State Governments be vested with authority to emit bills of credit triggered heated debate over the appropriate limits of governmental monetary power.

A preliminary draft of the Constitution, paraphrasing the Articles of Confederation, would have given Congress the power: "To borrow money and emit bills on the credit of the United States." [51] At that time, "bills of credit" was synonymous with paper money.[52] An excerpt from James Madison's notes reveals that "Mr. Govr. Morris moved to strike out 'and emit bills on the credit of the U. States'—If the United States had credit such bills would be unnecessary; if they had not, unjust & useless." [53] James Madison suggested, in response, that it would suffice to prohibit making such bills legal tender.[54]

Some of the delegates expressed concern that withdrawal from Congress of the power to emit bills could be harmful to the Nation in times of peril. Colonel Mason thought that Congress "would not have the power unless it were expressed. Though he had a mortal hatred to paper money, yet as he could not foresee all emergencies, he was unwilling to tie the hands of the Legislature." [55] Edmund Randolph expressed similar reservations.[56]

Some delegates thought that paper money itself was a peril; Nathaniel Ghorham believed that the power to issue notes "as far as it will be necessary or safe is involved in that of borrowing." [57] Other delegates also expressed vehement opposition to legal tender paper:

> Mr. Elseworth thought this a favorable moment to shut and bar the door against paper money. The mischiefs of the various experiments which had been made, were now fresh in the public mind and had excited the disgust of all the respectable part of America. . . . Paper money can in no case be necessary. Give the Government credit, and other resources will offer. The power may do harm, never good.
>
> Mr. Butler remarked that paper was a legal tender in no Country in Europe. He was urgent for disarming the Government of such a power.
>
> Mr. Read, thought the words, if not struck out, would be as alarming as the mark of the Beast of Revelations.

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Footnotes at end of article.

> Mr. Langdon had rather reject the whole plan than retain the three words ("and emit bills").[58]

The phrase "and emit bills" finally was struck from the document because the overwhelming majority of the Framers unalterably were opposed to paper legal tender. Subsequently, one delegate somewhat bitterly re-emphasized the Framers' intent:

> A majority of the convention, being wise beyond every event, and being willing to risque any political evil rather than admit the *idea* of a paper emission, in any *possible* case, refused to trust this authority . . . and they erased that clause from the system.[59]

The overwhelming majority's antipathy to non-metallic legal tender was further manifested by the Convention's stance on State monetary powers. When the Convention considered the list of powers to be forbidden to the States, it was pointed out that no clause absolutely prohibited the States from issuing paper money.[60] Madison's notes show that—

> Mr. Wilson and Mr. Sherman moved to insert, after the words 'coin money' the words "nor emit bills of credit, nor make anything but gold and silver a tender in payment of debts," [thus] making these prohibitions *absolute*. . . . Mr. Sherman thought this a favorable crisis for crushing paper money.[61]

The motion carried (8–2) on emitting bills, and unanimously on the legal tender clause.[62] Luther Martin, an ardent "partizan of paper money, confirmed that "the Convention was so smitten with the paper money dread, that they insisted that prohibition should be absolute."[63]

Although the Federal Government was not prohibited *in haec verba* from issuing legal tender paper, as were the State governments, such an express prohibition would have been superfluous. At that time, the States had powers and constitutions predating the United States Constitution; the federal charter granted the States no new powers, but merely imposed limitations upon pre-existing powers. The Federal Government, on the other hand, derived all of its powers from the Constitution. The power to make paper legal tender was neither expressed in nor could it be inferred from the Congress' enumerated monetary powers.[64] Article I, section 8 of the Constitution gave Congress the power "[t]o coin Money, regulate the Value thereof, and of foreign Coin . . . ." Significantly, the term "coin" was used in a literal sense, while the term "regulate" was used as a term of art. As Oliver Wendell Holmes observed:

> The power to "coin money" means to strike off metallic medals (coin), and to make those medals legal tender (money); the Constitution says expressly that Congress shall have power to make metallic legal tender, how can it be taken to say by implication that Congress shall have power to make paper money legal tender?[65]

Nor could the power to "regulate" the value of money be deemed to have given Congress the power to create legal tender paper. Congress was to *coin* money and to regulate the value *thereof*—only the relative values of *coined* money were to be regulated. This construction of the power to regulate comports with that used by Adam Smith, a major economic guide of the Framers, who understood the term "regulate" to mean the power to fix ratios of value between various types of coin.[66] Moreover, the parallel grant of power to regulate the value of foreign coin, contained within the clause conferring the power over domestic coin, bolsters this construction of the word "regulate." Clearly, Congress could not regulate the kind of money that foreign governments might issue, but could establish only the ratio of value between foreign and domestic coinage.

Justice Johnson summarized the goals that the Framers had set for the Nation's monetary system: "The whole [of the Constitution's monetary provisions] was intended to exclude everything from use, as a circulating medium, except gold and silver. . . . [t]hat the dollar may represent property and not the shadow of it."[67] Thus, the Framers, heedful of the common law's teachings that money is private property and is not to be debased by the government,[68] and especially mindful of the ravages that so recently had been wrought by Revolutionary War paper money issues, forged a clear mandate for sound metallic money of gold and silver. Thereafter, inasmuch as all legal tender was indeed metallic, gold clauses seemed superfluous and their use diminished—until the Civil War.

FOOTNOTES

[26] The engrossing saga of the evolution of monetary common law is painstakingly summarized in *Eder I and Eder II, supra* note 22.

[27] 2 Co. INST.* 576, 578, *quoted in Elder II, supra* note 22, at 735–36.

[28] 2 J. STEPHEN, COMMENTARIES ON THE LAWS OF ENGLAND 629 (16th ed. 1914), *quoted in Hannigan, supra* note 22, at 503 n.43a. was a "law book of first importance in this country during and long after the Revolution. . . ." *Id.*

[29] *See* 1 W. BLACKSTONE, COMMENTARIES *228. Article I, section 8 gives Congress power, *inter alia,* "[t]o coin Money, regulate the Value thereof, and of foreign Coin. . . ."

[30] *Eder II, supra* note 22, at 739–41, *citing* three pamphlets co-authored by John Locke and Sir Isaac Newton. *Id.* at 739.

[31] United States v. Wong Kim Ark, 169 U.S. 649, 654 (1898) (citations omitted). *See also* Baldwin v. New York, 399 U.S. 117, 124 (1970) (Harlan, J., concurring and dissenting).

[32] *Eder I, supra* note 22, at 377.

[33] *Id.* at 378.

[34] *Id.*

[35] *See generally* Turner v. Fendall 5 U.S. (1 Cranch) 117, 129 (1801); A. BRECKINRIDGE, LEGAL TENDER, ch. VI (1903); A. HEPBURN, A HISTORY OF CURRENCY IN THE UNTIED STATES 1–4 (1924); Royall, *Virginia Colonial Money,* 1 VA. L. REV. 447 (1877).

[36] The term "bills of credit" originally was defined as "a paper medium intended to circulate between individuals and between government and individuals, for the ordinary purposes of society." Craig v. Missouri, 29 U.S. (4 Pet.) 410, 425 (1830) (Marshall, C. J.).

[37] *Eder I, supra* note 22, at 379–80. The acts and decisions construing the scaling legislation forbade their use to reopen partly or wholly executed transactions. *See generally* Faw v. Marstellar, 6 U.S. (2 Cranch) 10 (1804); E. HARGREAVES, RESTORING CURRENCY STANDARDS 12–14 (1926).

[38] G. DUNNE, MONETARY DECISIONS OF THE SUPREME COURT 7 (1960) [hereinafter cited as DUNNE].

[39] Dearing v. Parker, 4 Pa. (4 Dallas) 23 (1760).

[40] *Id.*

[41] *Eder I, supra* note 22, at 379–80.

[42] 4 Geo. 3, c. 34 (1763). In 1751, an act had been passed restraining the issuance of such bills in New England. 24 Geo. 3, c. 53. In 1773, the 1763 ban was amended. 13 Geo. 3, c. 57.

[43] *See* Articles of Confederation, Article IX.

[44] DUNNE, *supra* note 38, at 9. The Resolution of 1777 is reprinted in the Legal Tender Cases, 79 U.S. (12 Wall.) 457, 644–45 (1871) (Clifford J., dissenting). *See also* A. HEPBURN, A HISTORY OF CURRENCY IN THE UNITED STATES ch. 1 (1924). For a discussion of state moratorium, inflationary and forcing acts, see G. BANCROFT, HISTORY OF THE FORMATION OF THE CONSTITUTION OF THE UNITED STATES OF AMERICA ch. VI (1882).

[45] Legal Tender Cases, 79 U.S. (12 Wall.) 457, 622 (1871) (Clifford, J., dissenting), *citing* 2 J. STORY, CONSTITUTION §§ 1359–60 (3d ed. 1858).

[46] George Washington's predicament was typical. General Washington, "had refused compensation for his Revolutionary [War] service, then [came] home to have his mortgages paid off in Virginia paper worth ten cents on the dollar." DUNNE, *supra* note 38, at 11.

[47] *Id.* at 10.

[48] THE FEDERALIST No. 44 (J. Madison).

[49] DUNNE, *supra* note 38, at 11.

[50] Documents Illustrative of the Formation of the Union of American States, H.R. Doc. No. 398, 69th Cong., 1st Sess 115 (1927).

[51] This draft was submitted on August 6, 1787. J. MADISON, NOTES OF DEBATES IN THE FEDERAL CONVENTION OF 1797, 389 (Koch ed. 1969) [hereinafter cited as MADISON].

[52] See note 31 *supra.*

[53] MADISON, *supra* note 51, at 470–71. The vote was 9-2.

[54] *Id.* at 470.

[55] *Id.*

[56] *Id.* at 471.

[57] *Id.* at 470.

[58] *Id.* at 471.

[59] Folwell, *Evolution in Paper Money in the United States,* 8 MINN. L. REV. 561, 563-64 (1924) (address by Luther Martin) (emphasis in original).

[60] MADISON, *supra* note 51, at 541.

[61] *Id.* at 451-42 (emphasis in original).

[62] *Id.* at 542.

[63] Folwell, *supra* note 59, at 563-64 (1924).

[64] Daniel Webster "belonged to the class who advocated the largest exercise of powers by the General Government." Legal Tender Cases, 79 U.S. (12 Wall.) 457, 659 (1871) (Field, J., dissenting). Indeed, Webster urged a broad construction of federal money-related powers and of the Necessary and Proper Clause when he was counsel for the Bank of the United States in *McCulloch* v. *Maryland.* 17 U.S. (4 Wheat.) 316, 322–51 (1819). Yet even Webster believed that,

> If we understand by currency the legal money of the country, and that which constitutes a lawful tender for debts, and is the statute measure of value then undoubtedly, nothing is included but gold and silver. *Most unquestionably there is no legal tender, and there can be no legal tender in this country, under the authority of this government or any other, but gold and silver*—either the coinage of our own mints or foreign coins, at rates regulated by Congress. This is a constitutional principle perfectly plain, and of the very highest importance. The States are expressly prohibited from making anything but gold and silver a tender in payment of debts, and, although no such express prohibition is applied to Congress, yet, as Congress has no power granted to it in this respect but to coin money, and to regulate the value of foreign coins, it clearly has no power to substitute paper, or anything else, for coin as a tender in payment of debts and in discharge of contracts . . . The legal tender, therefore, the constitutional standard of value, is established and cannot be overthrown. To overthrow it would shake the whole system.

Webster made this statement in a speech in the United States Senate in 1836, *quoted in* Legal Tender Cases, 79 U.S. (12 Wall.) 457, 659 (1871) (Field, J., dissenting) (emphasis added). Webster did not live to see the whole system be shaken by the greenbacks and by the Legal Tender Cases.

[65] 1 J. KENT, COMMENTARIES 271–72 (12th ed. 1873), *quoted in* C. FAIRMAN, 6 HISTORY OF THE SUPREME COURT OF THE UNITED STATES, 1864–88, at 715 & n.118 (1971) [hereinafter cited as FAIRMAN].

[66] 1 A. SMITH, THE WEALTH OF NATIONS, ch. 5; *cf.* THE FEDERALIST No. 42 (J. Madison).

[67] Craig v. Missouri, 7 U.S. (4 Pet.) 410, 442–43 (1830) (Johnson, J., dissenting).

[68] See notes 26–31 *supra,* and accompanying text. ●

# A MORE REALISTIC PERSPECTIVE ON THE "FINDINGS" OF THE SCLC DELEGATION TO LEBANON

## HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. KEMP. Mr. Speaker, a delegation of Americans from public and private life, organized by the Southern Christian Leadership Conference (SCLC), toured Lebanon from September 17 through September 21st. The report of this 10-member delegation was reported in the CONGRESSIONAL RECORD on October 11th. The report is something of a milestone in the unquestioning acceptance of the propaganda of an organization with objectives so inimical to those of the United States. The organization which became the focus of the tour is, of course, the Palestinian Liberation Organization.

A measure of the gullability of the report is suggested by the fact that role of the Soviet Union not only passes without being discussed—it is never mentioned. This is a weighty omission as the PLO has been, from its inception, a central instrument of Soviet policy in the Middle East. It is worthwhile to review some of the findings of the delegation with all due respect to the sincerity of the participants.

### 1. "A VICIOUS CYCLE OF FEAR, VIOLENCE AND HATE"

The report states that the delegation found that "The Palestinians fear that Israel's intention is to exterminate those Palestinians who steadfastly hold to the goal of self-determination and a Palestinian homeland. That fear gives rise to acts of violence in what Palestinians call "occupied Palestine" designed to remind Israelis that there will be no peace until there is justice and a homeland for the Palestinians."

This is a remarkable finding. Israel has attacked PLO positions in Lebanon only after the PLO was expelled from Jordan following an unsuccessful effort to overthrow King Hussain in 1970. Israel's interest has always been in a peaceful Lebanon, and thus had no incentive to extend its military operations there until the PLO began to conduct cross-border terrorism into Israel from Lebanon after 1970. Indeed, it is Israel that is helping defend Christians in Lebanon from being exterminated.

Indeed, Lebanon was an island of tranquility in the Middle East until the PLO's armed forces moved into Lebanon.

More than 20,000 have been killed in civil strife in Lebanon that is directly traceable to the presence of the PLO in its efforts to convert Lebanon into a combatant against Israel. The PLO was unable to conduct successful terrorist operations against Israeli military and police targets during the 1960's when it was based in Jordan. The new dimension of PLO terrorist activities following its establishment in Lebanon is its exclusive focus on nonmilitary targets in Israel, and the massive re-equippage of PLO military units by the Soviet Union.

There is no nation on earth that would allow terrorist operations to be conducted against its civilian population from an adjacent nation without taking military action against the source of those attacks. To use the notion of a "cycle of violence" in the manner intended by the report is to confuse responsibility for making Lebanon the battleground it has become. It is clearly a responsibility of the PLO, and ultimately the Soviet Union—without whose assistance, the PLO would be little more than a debating society—for the violence which has engulfed Lebanon.

Similarly, to excuse PLO attacks on innocent parties to the conflict in Israel to, in the words of the delegation's report, "to remind Israel" that there will be no peace is to condone the most immoral type of violence on the international scene today. The report further implies that such violence is justified until there is "a homeland for the Palestinians." Scarcely has there been a more cogent justification for "the means justifies the ends," an attitude condemned by every ethical code know to man.

Those who argue for a "Palestinian homeland" are arguing for the destruction of Israel for no other interpretation is consistent with the Palestinian National Charter. The PLO Charter requires the abolition of Israel. There can be no "separate" Palestinian entity coexisting with Israel because the destruction of Israel is a central tenet of belief in the PLO. The extent to which so many Americans have been deluded into accepting the notion of a separate Palestinian state for no development could be more antithetical to America's interest in the Middle East. One should make no mistake about the character of the organization which would control a Palestinian state—it is the PLO which is dominated by the Soviet Union.

The PLO has been armed and trained by the Soviet Union. The Soviet Union provides intelligence for the PLO on the disposition of Israeli military forces. The Soviet Union provides the logistical support for the PLO's military operations, and the KGB facilitates the PLO's diplomatic and terrorist activity outside of the Middle East. A brief reading of the PLO charter is all that is required to appreciate the radical Marxism that would dominate the establishment of a Palestinian state.

Indeed, the radical character of the PLO explains why the nations contiguous to Israel state privately that they do not want a Palestinian state established. A Palestinian state would be a threat to every nation in the Middle East, because large Palestinian minorities exist in every state in the region. Unlike Libya which has mixed an orthodox Islam state with a heavy dose of Marxism, a Palestinian state would be a secular state of a thoroughly Marxist character. One should not overlook the fact that the most militant Palestinian terrorist organizations (for example, the Popular Front for the Liberation of Palestine) are not Arab or Islamic in character. In the wake of the destruction of Israel, none of the moderate Arab States in the region could survive the establishment of a Palestinian state.

### 2. "LEBANON, A CASUALTY OF THE 30 YEAR STATE OF WAR"

The tragic destruction of Lebanon is a direct consequence of the PLO's attempt to convert that nation into a combatant against Israel. The PLO's armed forces, armed with advanced Soviet weapons quickly swept aside Lebanon's modest armed forces, enabling the PLO to upset the delicate Arab-Christian political balance which had kept Lebanon free, prosperous, and uninvolved in the disputes elsewhere in the Middle East. While the delegation expressed "outrage" at the use of American-made weapons by Israel in Lebanon, it did not see fit to take notice of the use of Soviet-made explosives, rocket launchers, and small arms against noncombatants in Israel, nor to assign responsibility to the initiating parties: the PLO and their Soviet mentors.

Indeed, the delegation recommends that "it is now time for the U.S. Government to use its influence with the Government of Israel to stop the military operations in southern Lebanon." The delegation is silent on expressing symmetrical means for inducing the PLO to cease its attacks on Israel from southern Lebanon.

### 3. THE PROPOSALS OF THE SCLC DELEGATION

The delegation has advanced two major proposals: One urging the PLO to recognize the sovereignty of Israel, and the second seeking a moritorium on violence. While the PLO agreed to a moritorium on further operations in southern Lebanon, they refused to cease terrorist operations against Israel from southern Lebanon. The PLO never responded to the delegation's request for a recognition of Israeli sovereignty. Such a response, if genuine, would require a rewriting of the PLO charter, because article 33 of that documents states that the charter "shall not be amended save by (vote of) a majority of two-thirds of the total membership of the National Congress of the PLO (taken) at a special session convened for that purpose."

In an assertion reminiscent of visitors to the Soviet Union in the 1930's who declared that they "have seen the future, and it works," the delegation's report "far from being a 'bloodthirsty killer' and 'wild-eyed terrorist' the Western press has made of him, Mr. Arafat appears reasonable and open to dialog within the framework of the interest of his own people." While the visitors to the Soviet Union were taken to Potemkin village, thirty million people died at the hands of Stalin in the GULAG Archipelago. Arafat is the architect of a policy of attacks on civilian personnel in Israel and elsewhere: a policy that depends upon the murder of the innocent to achieve the PLO's political ends. The bromides dispensed in the SCLC report reflect the view of individuals who do not wish to confront the murderous dimension of Mr. Arafat's career out of a concern that it would serve to undermine the case they seek to make against Israel with the American people.

The record of the PLO is too clear to be ignored by anyone who wishes to comprehend it. The SCLC delegation's report cannot be described as a contribution to peace in the Middle East. It is little more than an example of the successful transmission of propaganda from the PLO to well-meaning, but poorly informed politicians on a Potemkin village tour.●

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## CASE AGAINST CEREAL INDUSTRY

### HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. WOLPE. Mr. Speaker, today I was joined by my colleagues Mr. Kemp, Mr. Cavanaugh, Mr. Oberstar, Mr. Nowak, and Mr. Walker, in introducing a sense of Congress resolution concerning the FTC's case against the cereal industry. I am inserting into the Record a copy of this resolution. I am also inserting a letter—still unanswered—that I wrote to Chairman Pertschuk and the other members of the FTC in mid-August which lays out in greater detail my concerns about the due process procedures of the FTC hearings. I draw my colleagues attention to this letter and I urge their support for the resolution.

The material follows:

H. Con. Res. 197

Concurrent resolution expressing the sense of the Congress concerning the administrative proceeding brought by the Federal Trade Commission against the Kellogg Company, General Mills, Incorporated, and the General Foods Corporation

Whereas the Federal Trade Commission investigation of the business practices of certain cereal companies was begun 7 years ago, and the administrative proceeding brought by the Commission as a result of such investigation, entitled "In the Matter of Kellogg Company, General Mills, Incorporated, and the General Foods Corporation" (F.T.C. Docket No. 8333), still has not been resolved;

Whereas such proceeding has imposed a substantial financial burden upon taxpayers;

Whereas serious due process issues have arisen concerning the propriety of negotiations between the Commission and the administrative law judge who initially presided over such proceeding, and concerning the subsequent contractual retention of such judge by the Commission before such judge was replaced in such proceeding by a new administrative law judge;

Whereas the Commission has not provided for the carrying out of any economic impact analysis in connection with such proceeding, even though remedies proposed bv the Commission in such proceeding threaten the economic stability of the communities in which the cereal companies involved are located;

Whereas remedies proposed by the Commission in such proceeding have raised substantial and understandable concern among cereal company employees whose jobs, collective bargaining agreements, and pension rights are endangered by such remedies;

Whereas the American Federation of Grain Millers, after seeking to intervene in such proceeding to address the effect of remedies proposed by the Commission, was denied the right to intervene by the presiding administrative law judge: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that—

(1) there are grounds for deep concern over the refusal of the administrative law judge presiding over the administrative proceeding brought by the Federal Trade Commission, entitled "In the Matter of Kellogg Company, General Mills, Incorporated, and the General Foods Corporation" (F.T.C. Docket No. 8333), to permit intervention in such proceeding by the American Federation of Grain Millers;

(2) such refusal by such administrative law judge should be reconsidered and intervention in such proceeding by the Federation should be permitted; and

(3) such proceeding should be suspended until—

(A) the Federation is permitted to intervene in such proceeding;

(B) the Commission makes a full disclosure concerning negotiations between the Commission and the administrative law judge who initially presided over such proceeding, and the subsequent contractual retention of such judge by the Commission; and

(C) the Commission provides for the carrying out of an economic impact analysis concerning remedies proposed by the Commission in such proceeding.

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Commissioner Michael Pertschuk,
*Federal Trade Commission,*
*Washington, D.C.*

Dear Commissioner Pertschuk: Recently several issues have come to my attention which raise serious questions regarding the Federal Trade Commission's (FTC) litigation against the Kellogg Company, General Mills, Inc. and General Foods Corporation (Docket 8883).

I would like to make clear from the outset that in no way do my concerns with this case go to the merits or substantive issues under consideration by the administrative hearing at the Federal Trade Commission. I recognize that it is not within the purview of Members of Congress to make qualitative judgments on proceedings under adjudication, and I have, as yet, even to reach a personal opinion on the questions raised by the *FTC* v. *Kellogg Company, et al.* However, upon detailed examination of the proceedings of the last year-and-a-half, a number of very disturbing process questions have surfaced which I feel are in need of resolution.

I find particularly disquieting the circumstances and conditions surrounding the retirement and subsequent contractual employment of former Administrative Law Judge (ALJ) Harry R. Hinkes by the Federal Trade Commission.

According to my understanding of the Administrative Procedures Act (APA), and the intent of Congress at the time of passage of the Act, there is the requirement of complete independence of Administrative Law Judges from any improper influence, however subtle, from the agencies over whose hearings they preside.

Upon examination of the available information regarding the circumstances of former ALJ Hinkes' retirement and contractual reinstatement, the question of judicial independence—so central to any fair and impartial inquiry—appears to be seriously called into question. It is this fundamental due process issue which brings this letter today.

After review of both the Administrative Procedures Act and the congressional debate surrounding the enactment of curative provisions in the Act, and upon the close of staff conversations with the American Law Division of the Library of Congress and the Office of Personnel Management, I have concluded that:

1. Through the APA of 1946, it is the intent of Congress to make fully independent ALJ's from the agencies to which they are assigned. This independence was accomplished by a strengthening of the Civil Service Commission (CSC) now the Office of Personnel Management.

2. It is to be the sole responsibility of the CSC to:

a. set and adjust the amount of pay ALJ's receive, independent of agency recommendations or ratings.

b. determine the tenure of ALJ's.

3. An agency may appoint an ALJ only with the prior approval of the CSC, except when it makes its selection from a "certificate of eligibles" furnished by the CSC.

4. An agency may remove an ALJ only for good cause established and determined by the CSC.

Clearly, through enactment of the APA, Congress attempted to establish a mechanism whereby ALJ's were sufficiently insulated from agency influence, in order that defendants could be assured the reasonable protection of a fair and impartial trial.

When on September 6, 1978, Harry R. Hinkes executed a private contract with the FTC, it would seem that the independence and objectivity of the ALJ was seriously undermined. Further, from the limited information which is available concerning the contractual arrangement between Judge Hinkes and the FTC, and through recent conversations with the Office of Personnel Management, it is apparent that:

1. Through the FTC contract, Judge Hinkes was to receive a salary which when combined with his annuity, was far above the standard allowable rate set by the CSC for administrative law judges (approximately $70,000, just below the compensation paid Associate Justices of the Supreme Court).

2. Judge Hinkes' salary, as specified in the contract was determined by the FTC, not the CSC, in direct contradiction to the provisions of the Administrative Procedures Act.

3. The length of Judge Hinkes' employment was determined solely by the FTC, not the CSC, which is impermissible under the APA. Further, Judge Hinkes could be removed from the hearing at the sole discretion of the FTC.

4. The FTC did not request of the CSC, nor were they granted by the CSC, prior approval of the contract between the FTC and Judge Hinkes. In fact, it appears that in discussions with the Civil Service Commission on the propriety of such a contract, the FTC was informed that the proposal did not conform with APA regulations. The FTC apparently consummated the agreement without regard of this information. Additionally, Judge Hinkes' contractural appointment would not fall under the "certified eligibles" exception, as he was a sitting Administrative Law Judge.

The December 8, 1978 decision by the Federal Trade Commission that found Judge Hinkes "unavailable" for service as of September 8, 1978, does not resolve any of the questions surrounding this extraordinary agreement. Moreover, it is precisely the unanswered questions which raise serious doubts as to whether the FTC has adhered to the intent of Congress as suggested by the Congress' passage of the APA. I seek your help in resolving my doubts through your responses to the following questions:

1. Why did the FTC pursue a contract with Judge Hinkes that seemed so overwhelmingly at odds with the provisions of the APA? Were other alternatives to this contraet explored? If so, what were they and why were they not pursued?

2. At what time did Judge Hinkes first consider retirement?

3. Who initiated the idea of a special contract to retain the services of Judge Hinkes?

4. At what time did negotiations commence regarding the terms of Judge Hinkes'

contract? Who was involved in those negotiations?

5. Who at the FTC, CSC, and Administrative Law Judge Office knew of the contract, and when did they know about it?

6. When was the contract actually offered to Judge Hinkes?

7. Did the CSC, in fact, advise the FTC that such a private contract was in violation of the APA? If so, when did this occur?

8. Why were the respondents not informed of the negotiations and the subsequent contract settlement?

9. Were any of the FTC Commissioners personally involved in Judge Hinkes' contractual agreement? If so, what was the nature and extent of that involvement, and how does that involvement square with the intended separation of ALJ's and the Commission?

The preceding queries relate directly to the process by which the administrative hearing has been conducted in the *FTC* v. *Kellogg Company, et al.* case. I am deeply concerned that without a resolution of these questions—questions which have arisen as a result of various FTC activities outside the hearing room—the credibility of the process will be severely undermined and the critical issues of public policy will be held in the balance.

The Congress and the various federal commissions share an ongoing interest in insuring the independence of our administrative procedures. Impartiality and objectivity—and the perception of both by the public—are the cornerstones of the success of our judicial and administrative systems.

I hope that as you review this matter, you will agree that a full disclosure of the facts surrounding Judge Hinkes' departure from his administrative law post is in the best interest of the regulatory system administered by the Federal Trade Commission.

I look forward to your reply.

Sincerely,

HOWARD WOLPE,
*Member of Congress.*●

## THE 136TH ANNIVERSARY OF B'NAI B'RITH

### HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. RINALDO. Mr. Speaker, I ask that we turn our attention from the legislative business of the day and take a few moments to pay tribute to one of our Nation's outstanding service organizations, B'nai B'rith. October 13, 1979, commemorates this organization's 136th birthday. It is not only America's oldest and largest national Jewish agency; it is also the Nation's oldest native-born service organization—older than both the American Red Cross and the Daughters of the American Revolution.

B'nai B'rith began in 1843 when 12 men assembled in Sunsheimer's Cafe on the lower East Side of New York City to found an organization dedicated to "uniting persons of the Jewish faith in the work of promoting the highest interests of humanity; of developing and elevating the mental and moral character of the Jewish people; of inculcating the purest principles of philanthropy, honor and patriotism; of supporting science and art; alleviating the wants of the poor and needy; coming to the rescue of victims of persecution; providing, protecting, and assisting widows and orphans on the broadest principles of humanity." These remain the guiding principles of B'nai B'rith's 1,700 lodges.

Throughout the years, B'nai B'rith has played a vital role in our Nation's struggle for justice and equality. As B'nai B'rith grew, so did its accomplishments. Every facet of American life—culture, education, health, politics, law—has been touched by this agency.

Its causes have not been solely "Jewish causes." B'nai B'rith went to the aid of cholera epidemic suffers in Israel and provided food, clothing and medical supplies to the victims of the disastrous Chicago fire. In the late 1800's, when Eastern European immigrants poured into this country, B'nai B'rith sponsored Americanization classes, trade schools and relief programs. During the Nazi regime and the holocaust, B'nai B'rith actively protested the persecution of Jews and non-Jews in Germany. It aroused the conscience of the world to the severity of events taking place in Eastern Europe.

Under the aegis of B'nai B'rith, the Anti-Defamation League was formed to combat anti-semitism in an intelligent, dignified and organized way. ADL's later efforts to protect the civil rights and civil liberties of all Americans and its active campaign on behalf of the civil rights movement and the 1964 Civil Rights Act are well known.

B'nai B'rith has succeeded far beyond the wildest dreams of its founders, to the benefit of us all. Mr. Speaker, I join in saluting B'nai B'rith and its Westfield, Clark, and Cranford, New Jersey chapters for their unstinting efforts to promote social harmony and justice for all Americans.●

## BEACON IN A DARKENING SKY

### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. FINDLEY. Mr. Speaker, John B. Connally raised some eyebrows as well as a few cries of anguish with his recent speech on Mideast policy.

In a vital respect he also put himself a cut above all other men mentioned for the U.S. Presidency in 1980—including Jimmy Carter. He alone has laid out a plan for dealing with the most critical and complicated foreign policy problem confronting the United States. He has done so with common sense, candor, and courage.

It is speeches like this one that make believable his bumper sticker slogan: "Leadership for America."

His proposal: A comprehensive peace under which Israel vacates land occupied in 1967 in return for security and recognition, Palestinians get a homeland on the West Bank, and the United States gets military bases in the region through which it can guarantee these peace terms and at the same time assure its access to Mideast oil.

His plan closely resembles recommendations of former Under Secretary of State George W. Ball in his article, "How to Save Israel from Itself," and the terms of resolutions I introduced in Congress on March 24, 1975, and again on July 17, 1977.

Connally's proposals are consistent with the recommendations of the Israeli Peace Movement headed by retired Israeli General Mattityahu Peled, the pronouncements of the January 1979 Baghdad Conference of Arab States which included the PLO, and the majority of the countries in the United Nations.

Eventually it will become plain to all that a comprehensive peace requires a crediable U.S. guarantee. The bitterness between Arab and Israelis runs so deep it can be overcome only after some years of U.S. peacekeeping. Israel is understandably opposed to returning the occupied lands unless it wins recognition from all parties to the dispute. It insists on more than promises from its Arab neighbors.

The United States can guarantee the terms of peace best through a strong and long-term military presence of its own in that region. This presence would also serve to assure U.S. access to oil in the Arabian area—access which is absolutely essential to our economic survival.

Some will be fearful of a Vietnam-like involvement in the Mideast. Unlike Vietnam, the United States cannot turn its back on the Mideast. The best way to avoid a Vietnam-like experience there is to act wisely and forthrightly at the earliest possible stage.

Connally's speech is welcome for another reason. It will help to justify and sustain Palestinian patience during what may be a long and stormy year. It may well save lives.

With Presidential primaries approaching, President Carter is showing still greater timidity in Mideast policy. With each passing day it becomes less likely that he will permit his special envoy to the Mideast to do what has obviously been needed for months: Begin direct exploratory talks with the PLO. Observers assumed when Ambassador Robert Strauss got the assignment last spring that he would have started informal talks with PLO leader Arafat weeks if not months ago. If these talks do not begin by Thanksgiving, U.S. policy in the Mideast will be stalemated until the Presidential election is over a year hence.

What will the PLO do during that period? A movement like the PLO cannot ride at anchor for a year. It must have an active program. It has to be active either on the diplomatic or military front.

Already Arafat is under heavy pressure from hardliners—the radicals within the PLO—to strike out with violence. Whether he can hold these forces in check depends on his ability to sustain a nonviolent diplomatic offensive.

Connally's proposal, coming as they do from a strong contender for the Presidency, will help Arafat follow a course of moderation. They are evidence that "help is on its way" in the United States for a just peace in the Mideast.

Governor Connally is building on the rising U.S. public interest in Palestinian problems developed by the recent visits of black leaders to the PLO in Beirut.

This will help make possible the first rational, balanced public discussion of Mideast problems in the United States in many years. This in itself will help to restrain violence by the PLO.

What Connally proposes is also very much in the best interest of the State of Israel. That small but great state needs relief from the enormous strains of military preparedness and constant alert. It has as much to gain as the Palestinians in the achievement of a comprehensive settlement backed by credible U.S. guarantees. As one who has always been a strong and consistent supporter of Israel, I can see nothing but trouble ahead for Israel until it agrees to true self-determination for the Palestinians.

The United States is the only nation with the capacity to do the important things that must be done: First, enable Israel to survive; and second, bring about conditions which afford justice to the Palestinians and other Arabs.

Governor Connally's proposals suggest strongly that he has the determination to use this capacity to bring peace and justice to Israelis and Arabs alike.

His speech is a beacon in an otherwise darkening sky.●

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## SOVEREIGN AND EQUAL STATUS?

### HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. SYMMS. Mr. Speaker, the public lands situation in the 13 Western States is a longstanding inequity which is now becoming a national issue. While there has long been western interest in cession of public land to the States, the ever-tightening net of Federal regulation has now fanned this interest into flame. Such regulations are particularly painful now when energy development is needed as perhaps never before. And in these times of federally caused inflation, the lost revenue from these lands due to Federal-regulation-hindered development and control is of increased importance to the States.

On one side of this issue are those who hold the populist view that these lands are owned by the people—that every American holds title to 2½ acres of land. This view holds that central control and management by Federal bureaucracy is necessary to hold these lands in trust for the people. They fear that individual State control is supported only by those "monied" interests wishing to exploit the people's heritage.

On the other side are those who feel that the Federal Government held the lands in trust for the new States; that admittance of these Western States on an equal basis should include cession of lands to the States; that not only is it not too late to correct this inequity, the time is particularly ripe to do so. The philosophy holds that State control will be more responsive to local needs and, that State management will better allow for differences in the potentials of the various regions.

I feel that all of us have an interest in this issue, and I ask you to consider my remarks and the attached editorial from the October 15, 1979, edition of the Wall Street Journal:

DECOLONIZING THE WEST

When President Carter met with 12 Western governors in Albuquerque last week, he found out that the West is chafing under federal land, water, energy and wildlife policies.

Wyoming is angry over mining restrictions. Utah and Montana are suing over federal control of their water. Nevada has passed a law "nationalizing" a 49 million acre chunk of federal land. All are fearful of rape and ruin by federal energy programs. Federal Bureau of Land Management district managers are being likened to the Sheriff of Nottingham and colonial magistrates. Guerrilla attacks have been made on federal property in Alaska. And Western governors have organized to pursue a common strategy for wresting control of their states from Washington.

The problem is that federal land holdings are concentrated in the West, making for real differences in the amount of say the states have in managing their own affairs. Only 1 percent of New York state is in federal hands, but 95 percent of Alaska is. The federal government also owns 87 percent of Nevada, 66 percent of Utah, 64 percent of Idaho and from one-third to one-half of other Western states. With such high proportions of their lands in Washington's hands, people in the West wonder if they are on equal footing with other states, or even if they are states at all.

Senator Orrin Hatch (R., Utah) says the West is "an economic colony of the rest of the country," and if you look at a map showing the distribution of federal land you will see a compelling argument that decolonization came to a halt at about the 100th meridian. Uncle Sam has refused to turn loose the colonies west of Texas. The feds have not even conveyed to Alaska the 103.5 million acres promised 20 years ago in the Statehood Entitlement Act. And if the land is ever conveyed, Washington will still hold title to 74 percent of Alaska.

But while the federal mother has dithered about turning over the statehood dowry, she found the energy to lock up through imperial decree vast amounts of Alaskan territory in wilderness areas. That was salt in the wounds and worse when you consider that the land was locked up in such a way as to interefer with access to land and resources which escaped the federal deepfreezer. The small part of Alaska over which the state is sovereign is "land-locked." The state can't get to what exists of itself because the feds won't give it a passport to travel through federal wilderness areas.

Washington's tenacious hold on the West is against historical precedent. Traditionally Washington acted as trustee of lands within newly created states until the states could accept the land and manage it effectively or until it could be sold into private ownership. For example, in 1832 the Public Lands Committee reported to the Senate that "the speedy extinction of the Federal title within their limits is necessary to the independence of the new states, to their equality with the older states, to the development of their resources, to the subjection of their soil, taxation, cultivation and settlement, and to the proper enjoyment of their jurisdiction and sovereignty."

And judging from the Bureau of Land Management's admission that only 17 percent of its vast land holdings are in excellent or good condition, there doesn't seem to be any practical case either for continuing the title in Washington's name. This should come as no surprise. Given what we know about the record of other nationalized industries, why should we expect nationalized real estate to be any better?

Naturally everyone wants to preserve national parks, national forests and a reasonable amount of wilderness area. But we can have those without the federal government owning one-third of the nation's land at the expense of 12 states. The nation may have to think about the solution, but the new auger in the West ought to start a renewed debate on a fundamental question: What conceivable justification is there for the federal government to own these vast lands?●

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## PUTNAM ENGINE AND HOSE COMPANY NO. 2 ANNIVERSARY

### HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. OTTINGER. Mr. Speaker, on October 28, the Putnam Engine and Hose Company No. 2 will celebrate its 125th anniversary of volunteer service to the village of Port Chester, N.Y.

I am pleased to share with my colleagues at this time a brief history of this vital organization and to thank all of those firefighters who give tirelessly of themselves year after year:

HISTORY OF PUTNAM ENGINE AND HOSE COMPANY NO. 2, VILLAGE OF PORT CHESTER

One hundred and twenty-five years of growth and rich history have evolved since the company, Putnam Engine & Hose, was established in October, 1854.

They chose their namesake from General Israel Putnam, a famous Revolutionary general under George Washington, who was in command of the Patriot troops in this area. His famous ride down "Puts" Hill is today memorialized by an appropriate monument.

The new company elected John E. Marshall its first Foreman.

In the beginning a fund raiser headed by John E. Marshall and Edward Field enabled the company to purchase a new Hose & Engine Cart from J. W. Sickles of New York City which arrived on October 31, 1854. Putnam Engine & Hose was one of those early fire companies that used methods and equipment in fighting fires long since obsolete.

Putnam used a hand pumper with the men doing the pumping as well as pulling the engine to the fire. They relied on cisterns located in several places to draw water.

On the 7th of June, 1855, a firehouse was appropriated by the Board of Trustees of the village. A bell tower was erected on top and was one of the first fire alarm signals used by the village department.

On March 2, 1892 Putnam Engine & Hose set out to purchase a new Handdrawn Steamer. A committee was formed of twelve members. A subscription roll was circulated among the village citizens and a fair held for eight days which raised a considerable amount of money. Putnam's new steamer arrived in August of 1892 by rail from Seneca Falls, New York. It was the first piece of mechanized equipment in the village.

The steamer was subsequently converted to a horsedrawn vehicle. Then in 1916 the company purchased a tractor and the steamer became a completely motorized piece of equipment, thereby, ending the era of the horsedrawn apparatus. It served the company faithfully for a total of thirty-five years, having been retired in 1927.

An "Auto Horse Cart" was purchased and served the company until 1952.

In July of 1952, a 1,000 gallon American LaFrance was put into service at a cost of $22,000. This apparatus served the company until 1974 when the village purchased a new Seagrave fire truck which is presently in use.

Putnam Engine & Hose has had four members who became "Chief" of the Village Fire Department. The first being Thomas T. Tompkins who was an active fireman for over fifty years. The other Putnam members who have served as "Chief" are Matthew Jenkins, Harry Branstrom and Arthur Schiff. Presently there are four members of the company who each have served over fifty years.

Today, after one hundred and twenty-five years of faithful and continuous service to the citizens of the Village of Port Chester, the men of Putnam are continuing in the tradition of their forebears, never failing to answer an alarm.

Therefore, it is with pride and honor that we celebrate the "One Hundred and twenty-fifth Anniversary" and look forward to many more years of service from the oldest volunteer fire company in the Village of Port Chester.●

## THREE GREAT LEADERS IN THE POLISH WOMEN'S ALLIANCE OF AMERICA

### HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. BENJAMIN. Mr. Speaker, allow me to take this opportunity to ask my fellow colleagues to join me in commending and congratulating three very outstanding women from Lake County, Ind.: Helen Zielinski, Joanna Zotkiewicz and Helen Lis who are and have been great leaders in the Polish Women's Alliance of America.

The Polish Women's Alliance was founded in 1898 and today it is the largest women's organization in America. Its 28th National Convention was recently held in Dearborn, Mich., where delegates from 17 States met to plan for the growth of this organization and to elect officers for the next term. I am proud to report that Helen Zielinski of Merrillville, Ind., was elected to her third 4-year term as national president. I congratulate Helen Zielinski and wish her continued success in her unsurpassed and energetic work as the national president.

The Polish Women's Alliance also holds State conventions to elect State officers who are sworn in at the national convention. The State of Indiana has been extremely fortunate to have Joanna Zotkiewicz of Hammond, Ind., serving as the State president for the past 20 years. Mrs. Zotkiewicz began her service in the "Polonia" in 1919 and has been giving of herself ever since. Throughout these 60 years of service, Mrs. Zotkiewicz has initiated and established numerous projects in Lake County to preserve the Polish culture and heritage.

She has earned the reputation of being the Grand Dame of the Polish Women's Alliance in the State of Indiana. Mrs. Zotkiewicz recently chose to retire as State president. Her leadership and dedication will be truly missed by the State of Indiana and the Nation.

Mr. Zotkiewicz will be honored on November 18 at a testimonial dinner at St. Stanislaus Center, East Chicago, Ind., for a lifetime of service to the Polonia. A record of her accomplishments, achievements and recognitions would require several pages of the CONGRESSIONAL RECORD. It is suffice to say that her compassion, community and church service and dedication to her family have few parallels in American history.

The avid participation and devout commitment to the Polonia of Mrs. Zotkiewicz are now being followed by her daughter, Wanda Torok, who has served as vice president for 6 years and auditor for 24 years in local group 128 and treasurer for 6 years and auditor for 19 years in council 21, Indiana's largest.

As Mrs. Zotkiewicz leaves her State presidency, the State of Indiana chose another outstanding woman to take her place. Mrs. Helen Lis of Merrillville, Ind., has been sworn in as State president at the national convention. Mrs. Lis is a great source of pride in Lake County and the Polish Women's Alliance can look forward to continued growth and success under her leadership. The great Polish heritage and culture cannot be denied with these great women who have given their time, leadership and dedication to Polonia and America.●

## PAY PARKING CAUSES HARDSHIP FOR SUBURBAN FEDERAL EMPLOYEES

### HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 16, 1979*

● Mr. BARNES. Mr. Speaker, for many months now I have closely followed the progress of President Carter's plan to charge parking fees to Federal employees. I am deeply concerned about the hardship that this policy will bring to many of my constituents who work at suburban Federal facilities not served by mass transportation.

I have submitted formal recommendations for altering the policy to the General Services Administration and the Office of Management and Budget, and I have also conveyed my concern in numerous conversations with executive branch officials. I submit a copy of a telegram on this subject which I sent to President Carter today:

OCTOBER 16, 1979.

President JIMMY CARTER,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: In just two weeks, your policy of charging parking fees to federal employees is scheduled to go into effect. By now you must be aware of the fact that this policy is a matter of grave concern to thousands of federal employees, many of whom stand to be treated unfairly or penalized unjustifiably under the regulations as they are now written. I urge you to delay its implementation until the major problems have been studied and fully resolved.

Mr. President, the fact is that many federal employees simply have no alternative in commuting to their workplace other than by private automobile. If buses or subways provided regular service along the route from their home to their place of employment, they would gladly take advantage. If carpools were a feasible option given their respective working hours and geographic distribution, they would be happy to oblige (and thousands already do carpool, as you are aware).

But the reality is that for many federal employees, these alternatives do not exist. Public transit in many areas is not yet available, carpools are often impractical or impossible, yet under the provisions of your parking fee policy, all will still be required to pay, regardless of circumstances beyond an individual's control.

These are the same federal employees who have loyally served their country year-in and year-out, while inflation has steadily outpaced the "cost-of-living" adjustments in their salaries. These are the same federal employees—referring, at least, to those with whom I speak—who share your desire for American energy self-sufficiency, who want efficient forms of mass transportation, and who are willing to do their fair share in the fight against inflation.

Understandably, however, they fail to see the connection between achievement of these worthy policy goals and imposition of an indiscriminate parking charge, applied without due regard to individual circumstance. Though the parking policy certainly arises out of noble policy intentions, in many instances it amounts to an unjust penalty, meted out as the latest manifestation of an insensitive attitude toward the legitimate concerns of the federal workforce. Quite frankly, federal employees have grown weary of being singled out, time and again, as unfair examples in the latest federal policy initiative, however well-intentioned.

With these things in mind, Mr. President, I urge you to reconsider the policy of charging parking fees to federal employees, particularly for those who work in non-urban locations without access to regular public transportation. I am grateful for your consideration of this urgent request.

Sincerely,

MICHAEL D. BARNES,
*Member of Congress.*●

# SENATE—*Wednesday, October 17, 1979*

*(Legislative day of Monday, October 15, 1979)*

The Senate met at 4 p.m., on the expiration of the recess, and was called to order by Hon. PAUL E. TSONGAS, a Senator from the State of Massachusetts.

### PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

*It is a good thing to give thanks unto the Lord, and to sing praises unto Thy name, O most High:*

*To show forth Thy loving kindness in the morning, and Thy faithfulness every night.*—Psalms 92: 1, 2.

O Lord, our God, help us who work at many and diverse tasks in this place to reveal the love and the mercy Thou dost bestow upon us day in and day out. For it is our hands and our minds with which Thy work is done here. Our help comes from Thee and we need Thy higher wisdom and Thy bountiful grace. Keep us ever attentive to the guidance of Thy spirit. Subdue all evil thoughts, unholy impulses, and impure desires. Sanctify our personal relations and unite us in a firm spiritual alliance to serve this Nation and set forward Thy kingdom on Earth.

In Thy holy name we pray. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., October 17, 1979.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL E. TSONGAS, a Senator from the State of Massachusetts, to perform the duties of the Chair.

WARREN G. MAGNUSON,
*President pro tempore.*

Mr. TSONGAS thereupon assumed the chair as Acting President pro tempore.

## RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## HOSPITAL FEES FOR MEDICARE PATIENTS RISE

Mr. ROBERT C. BYRD. Mr. President, last week, the Department of Health and Human Services announced that medicare patients will pay at least $20 more for a hospital stay beginning next January. The medicare hospital deductible—which medicare patients must pay before the Government begins any payment for their hospital care—will be raised from $160 to $180. Such action would make the deductible almost equal to the cost of an average day's stay in a hospital.

In addition to the higher deductible, a medicare patient with a serious illness will be paying more in 1980 if the hospital stay exceeds 60 days. A patient's payment will increase from $40 to $45 a day from the 61st through the 90th day of a hospital stay. For stays beyond 90 days, the patient's share will rise from $80 to $90 per day. Copayment rates for posthospital, skilled nursing care will also be increased for medicare patients.

More than 26 million Americans are covered by hospital insurance under the medicare program. By 1980, more than 27 million are expected to be covered under the program. The majority of these citizens are 65 or older.

The cost of hospital care has been rising faster than the overall cost of living and faster than other medical costs. Next year, the Federal Government will spend an estimated $24.3 billion for medicare patients' hospital stays, up from $21 billion this year. By law, medicare patients' cost-sharing payments must be adjusted annually to keep pace with inflation.

Rapidly escalating health care costs have debilitating implications for the Nation's elderly. Senior citizens have greater need for medical care than any other age group. Older Americans spend proportionately more of their income on health services than the population at large. Because health care costs, in particular the costs of hospital care, have been rising much faster than the Consumer Price Index, they have been steadily outdistancing social security cost-of-living increases. Social security is the economic support system for a vast majority of older Americans.

Most senior citizens live on fixed incomes. The median income of an older person living alone is only about one-half that of an individual under 65 living alone. Many people under the age of 65 do not realize that medicare covers only a modest portion of older Americans' medical expenses—the program currently pays for only 38 percent of the average senior citizen's medical bill. Today, older Americans are spending proportionately more out of their own pockets for medical care than they were in 1964, the year medicare was enacted.

Congress has taken cognizance of the health care needs of older Americans and has provided, in several different pieces of legislation, some tools for addressing these needs. We must be aware of the continuing need to help assure adequate medical care of elderly citizens and take action, where it may be needed.

The ever-increasing cost of health care is but one aspect of the toll which inflation takes upon all of our citizens. Its toll is particularly harsh for the elderly, whose health care needs are proportionately greater, and who often must meet the costs of those needs out of relatively fixed incomes.

Inflation is the cruelest tax. Its toll is indiscriminate and persistent. Its impact on the elderly—in the form of higher home heating bills and health care costs—has been the subject of debate and study here in the Congress.

Within the last few weeks, the Senate has acted to address one of the major causes of the current inflation: namely, energy. More legislation on the same subject will be reported soon. As I already noted, we have also acted on health care cost inflations.

We shall continue to act on as many fronts as need be to bring inflation under control.

Does the distinguished Senator from Alabama wish some of my time?

Mr. HEFLIN. Yes.

Mr. ROBERT C. BYRD. Mr. President, how much time have I remaining?

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield 6 minutes to the Senator from Alabama.

Will the Senator from Alabama yield to me briefly?

Mr. HEFLIN. Yes.

## AUTHORIZING THE CHIEF COUNSEL AND SUBCOMMITTEE STAFF DIRECTOR TO APPEAR AND TESTIFY

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Florida (Mr. CHILES), I send a resolution to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 260) to authorize the chief counsel and staff director of the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs to appear at a deposition and to testify with respect to certain matters.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, this resolution would permit Ronald A. Chiodo, chief counsel and staff director of the Subcommittee on Federal Spending Practices and Open Government of the Governmental Affairs Committee, to appear at a deposition on October 17, 1979, and to testify with respect to certain matters pursuant to a subpena issued in the case of *Art Metal-U.S.A., Inc.* v. *Rowland G. Freeman III, et al.* (C.A. No. 78–1660), pending in the U.S. District Court for the District of Columbia.

Yesterday, the Senate passed a resolution (S. Res. 259), pursuant to section 704(a)(2) of the Ethics in Government Act of 1978, Public Law 95–521, directing the Senate Legal Counsel to represent Ronald A. Chiodo in respect to discovery in this case.

I move that the Senate approve this resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 260) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 260

To authorize the Chief Counsel and Staff Director of the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs to appear at a deposition and to testify with respect to certain matters

Whereas in the case of Art Metal—U.S.A., Inc. v. Rowland G. Freeman, III, Administrator, General Services Administration, et al. (Civil Action No. 78–1660 pending in the United States District Court for the District of Columbia, a subpoena has been issued by the court and addressed to Ronald A. Chiodo, Chief Counsel and Staff Director of the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs directing him to appear before counsel of the plaintiff to give testimony and to present other evidence with respect to such case;

Whereas, by the privileges of the Senate of the United States no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, by the privileges of the Senate of the United States, and by Rule XXX of the Standing Rules of the Senate, no officer or employee of the Senate is authorized to produce any information, documents, papers or records of the Senate but by order of the Senate and information secured by officers or employees of the Senate pursuant to their official duties may not be revealed without the consent of the Senate;

Whereas, when it appears that testimony of an officer or employee of the Senate is needful for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers and records under the control of or in the possession of the Senate and communications, conversations, and matters related thereto, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate. Now, therefore be it

*Resolved*, That Ronald A. Chiodo, Chief Counsel and Staff Director of the Subcommittee on Federal Spending Practices and Open Government is authorized, in response to a subpoena issued by the United States District Court of the District of Columbia in the case of Art Metal—U.S.A., Inc. v. Rowland G. Freeman, III, Administrator, General Services Administration, et al: (1) to appear at a deposition on Wednesday, October 17, 1979, and to testify with respect to oral or written communications between the personnel of the Subcommittee on Federal Spending Practices and Open Government and personnel of the General Services Administration dating from July 20, 1979 to October 15, 1979, concerning (a) Art Metal—U.S.A., Inc.; (b) Purchasing of office furniture; (c) A hearing to be held and in fact held by the Subcommittee on Federal Spending Practices and Open Government on October 10, 1979; (2) to take with him and produce memoranda, correspondence, minutes of telephone conversations and meetings pertaining to oral or written communications between personnel of the Subcommittee on Federal Spending Practices and open Government and personnel of the General Services Administration dating from July 20, 1979 to October 15, 1979, and concerning (a) Art Metal—U.S.A., Inc.; (b) Purchasing of office furniture; (c) A hearing to be held and in fact held by the Subcommittee on Federal Spending Practices and Open Government on October 10, 1979;

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia and to the counsel of the plaintiff named in such subpoena.

Mr. ROBERT C. BYRD. Mr. President, I now yield my remaining time to the Senator from Alabama.

(The remarks of Mr. Heflin at this point in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

## RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I have no further need for my time. I have a request for a portion of it by the Senator from New Mexico.

I yield such of my time as I have remaining to the distinguished Senator from New Mexico (Mr. Domenici).

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

## A FUNDAMENTAL STEP

Mr. DOMENICI. Mr. President, our generation has had the opportunity to observe some of the most exciting advances in science since man began to study and understand his Universe. This week Dr. Robert Golden of New Mexico State University and his colleagues S. Horan, B. G. Mauger, G. D. Badhwar, J. L. Lacy, S. A. Stephens, R. R. Daniel, and J. E. Zipsey reported one of those fundamental steps we have come to expect of our scientific community. Their efforts in the demonstration of antimatter in our Universe has added to our basic understanding of our Universe and certainly it will increase our curiosity about it as well. I would like to share this step with my colleagues and ask unanimous consent that the article appearing on the front page of the Washington Post be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Evidence of Antimatter Found: Heretofore Theoretical Particles Tracked

(By Thomas O'Toole)

A balloon 60 stories tall carrying 5,000 pounds of instruments 120,000 feet over the American Southwest has found the first evidence in nature of antimatter, particles that are the exact opposite of all matter and whose existence has eluded science for the last 50 years.

Instruments sent aloft by scientists at New Mexico State University July 21 detected no fewer than 29 particles of antimatter during an eight-hour balloon flight over Texas and New Mexico. The 29 particles had precisely the same mass as the positively charged particle known as the proton, but not one of the 29 possessed a positive charge.

"They carried negative charges, the opposite of the proton," Dr. Robert Golden of New Mexico State said yesterday in announcing the finding. "We have found antimatter protons."

Antimatter is made up of atomic particles with the same mass and same-size electrical charge as protons (positive) and electrons (negative), with one big difference: they have the opposite charge. An antimatter proton is negatively charged, and an antimatter electron carries a positive charge.

Predicted by theory for most of the 20th century, antimatter is produced routinely in the laboratory of highspeed collisions of accelerated particles like protons with atoms of hydrogen gas, but have never before been found in nature. One reason is that whenever a particle of antimatter collides with a particle of matter they annihilate each other.

The team of New Mexico State scientists who claim to have found the first natural antimatter has been working nine years to devise a way to detect antimatter.

"We started trying to make actual observations with balloons in 1976, but things didn't go our way at first," Golden said by telephone from Las Cruces, where New Mexico State is located. "We're only able to fly twice a year when the winds are right, and we had five balloon failures in a row before we finally succeeded."

The balloon flown by Golden and his team has a gasbag 600 feet high holding 28 million cubic feet of helium when fully inflated. Attached to the balloon is an instrument package that weighs 5,000 pounds, most of it cosmic ray sensors and counters, but including a 300-pound superconducting magnet.

"The magnet is so powerful that it points the entire 5,000 pounds of instruments toward the north," Golden said. "It is the world's largest compass."

The instruments were flown to an altitude of 120,000 feet, where there are almost no air particles to collide with antimatter striking the Earth from deep space. Scientists have long theorized that antimatter produced by an exploding star would reach the Earth but be annihilated as soon as it struck matter in the upper atmosphere.

The instruments in Golden's balloon were built to measure the flight path and speed of all particles caught by the powerful magnetic field produced by the superconducting magnet. Protons caught by the magnet were moved, or bent, one way, electrons another.

"The amount of bending told us its energy, and we already knew its velocity," Golden said, "and by knowing the two we could calculate the mass of each particle we caught."

The 29 antimatter protons trapped by the magnet were all bent the same way protons were bent. There was a single difference: they all had negative charges, meaning they were antiprotons.

Where did the antimatter come from? Golden said its high velocity and high energy means it traveled great distances and probably was produced by the collision of debris from stellar explosions with hydrogen clouds between the stars.

Theory has it that at the time of creation there were equal amounts of matter and antimatter produced. The question is, where did the antimatter go? One theory is that it flew to the edge of the universe, where there are stars and entire galaxies made of antimatter.

## CANCER AND URANIUM MINERS

Mr. DOMENICI. Mr. President, on August 30, 1979, I chaired a hearing of the Senate Special Committee on Aging in Grants, N. Mex.—the heart of uranium country—to discuss the health problems of our Nation's first uranium miners, those who mined during the 1950's and 1960's when the Atomic Energy Commission was the sole procurer of uranium for defense purposes.

During the course of the hearing I learned firsthand from my own constituents that much of what we have read about this subject in the press in recent months is, unfortunately, true. Excessive numbers of our early uranium miners have contracted various types of cancer and respiratory diseases as the result of their employment in poorly ventilated mines. Furthermore, it was uncovered at the hearing that significant numbers of these afflicted miners and their survivors are "falling through the cracks" of existing workmen's compensation programs, and that they are not being adequately compensated for their work-related illnesses.

Harry Barnes, Sr., a miner for many years in the Grants area, and a former commander of VFW Post 3221, was scheduled to testify at the August 30 hearing. Unfortunately, Mr. Barnes, who has contracted cancer as the result of his uranium mine work, was not able to be with me at that time. Harry Barnes, Jr., speaking in his father's behalf, outlined for me not only the physical suffering his father has endured since he contracted lung cancer, but also the economic hardships the entire family has encountered trying to meet Mr. Barnes' medical expenses. Harry Barnes is very definitely one of those uranium miners who has "fallen through the cracks" of our existing health care delivery and workmen's compensation systems. It is fortunate that he had the VFW to turn to for some assistance. Other miners and their families are not so fortunate. Mr. President, I ask unanimous consent that the letter and resolution I received from VFW Post 3221 urging assistance for Mr. Barnes and other afflicted uranium miners be printed in the Record at this time.

Subsequent to the August hearing, I introduced legislation, S. 1827, designed to provide a fair level of compensation to those uranium miners (and survivors of miners) who have contracted cancer and other diseases as the result of their employment during the 1950's and 1960's. It is my hope that this legislation will be enacted, so that Harry Barnes, and others like him, will receive the compensation they so justly deserve.

There being no objection, the material was ordered to be printed in the Record, as follows:

Veterans of Foreign Wars
of the United States,
*September 7, 1979.*

Hon. Pete Domenici,
*U.S. Senator, Russell Senate Building,*
*Washington, D.C.*

Dear Senator Domenici: The enclosed Resolution was passed unanimously at a post meeting held in Grants on September 5, 1979.

It is self explanatory. Documentation is available.

On behalf of the Post and others in Grants, your efforts on behalf of the miners' problem in this area is deeply appreciated.

The resolution covers another facet of the total problem. The fact that afflicted miners, many times, do not have any place to go for help.

In the case of Barnes, the VFW is the only organization that might help him, although mining is not the function of the veterans, especially.

At the time he needed legal aid to fight the decision of the Social Security, none evidently was available.

That his remaining source of income, compensation from the insurance company, was cut off because of the decision of Social Security is hairy.

Please continue to help the afflicted miners in general and Comrade Harry Barnes in particular.

Yours truly,
George Dannenbaum,
*Past State Commander.*

### Resolution

Whereas Harry Barnes, a former Commander of Post 3221, Grants, New Mexico, Veterans of Foreign Wars of the United States, and a former District Commander in the State of New Mexico, is at this time permanently disabled, and, as a result of an erroneous decision made at a hearing held by Social Security on the 29th day of June, 1977, at which time Comrade Barnes was declared not permanently disabled, and, whereby, as a result of that decision, Comrade Barnes was deprived of his sources of income except for a small company pension,

And whereas the Veterans Administration Center located in Tucson, Arizona, knows the condition of Comrade Barnes to be one of an advanced state of cancer, and, this fact is known and can be substantiated,

And whereas the 1977 decision was obviously in error at that time,

And whereas Comrade Barnes devoted his life to mining and has worked for decades in Uranium mines, endangering his life and contributing to the mining industry and to the welfare of the citizens of the United States of America,

And whereas Comrade Barnes served his country in the front lines of Europe during World War II and received honors for his bravery as an outstanding soldier,

And whereas many members of VFW Post 3221 have engaged in the mining profession and have been victims of cancer,

*Therefore be it resolved:* That the United States government immediately see that Comrade Barnes' status be immediately declared as disabled in fact by Social Security so that Comrade Barnes may receive the compensation he so justly deserves, and that Social Security be contacted at once and so advised,

*Be it further resolved:* That the State Commanders of New Mexico and Arizona, Veterans of Foreign Wars, be asked to contact the President of the United States, the Congressional delegations of Arizona and New Mexico for support, and that the National Commander in Chief of the Veterans of Foreign Wars of the United States use his considerable influence to see that justice prevails in the case of Comrade Harry Barnes,

*And be it further resolved:* That the United States government, the executive and legislative branches initiate, at once, a complete investigation of the treatment of disabled miners, veteran and non-veteran.

Mr. DOMENICI. Mr. President, I do not need any further time. I yield it back to the minority leader.

Mr. BAKER. Mr. President, I do not have any further need for my time. I yield it to the majority leader if he wants it.

Mr. ROBERT C. BYRD. Mr. President, I have no need for it.

Mr. BAKER. Mr. President, I yield back my time.

## EMERGENCY ENERGY CONSERVATION ACT OF 1979—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of the conference report on S. 1030, which the clerk will state.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the Record of October 12, 1979.)

The ACTING PRESIDENT pro tempore. The Chair informs the Senate that time for debate on this report, including amendments in disagreement and motions and/or amendments in relation thereto shall be limited to 1 hour, equally divided between the Senator from Washington (Mr. Jackson) and the Senator from New Mexico (Mr. Domenici).

Mr. JACKSON. Mr. President, I urge the prompt adoption by the Senate of the conference report on S. 1030, the Emergency Energy Conservation Act of 1979. This legislation contains a workable procedure for the development and approval by Congress of a rationing plan for gasoline and diesel fuel. It also provides for emergency conservation during less severe shortages than those requiring rationing of any energy source in short supply through State initiatives.

Under the terms of the emergency conservation title of the bill, the President would be authorized to impose a standby Federal emergency conservation plan to achieve the emergency energy conservation target set for any State, in the event that any State fails to respond to the national needs to conserve energy during an emergency.

I do not believe that it is realistic to expect the Congress to design and legislatively approve the details of a gasoline rationing plan or the specifics of other individual emergency measures to reduce energy consumption during a severe supply shortfall. Therefore the conference report before us contains a balance between a simple grant of authority to the President and congressional involvement in the approval of the final work product of the executive branch.

Mr. President, I congratulate Senator JOHNSTON and Senator DOMENICI on their initiative throughout the process of developing and enacting this legislation in the Senate and, also, on their leadership roles during conference with the House. The report of that conference should be approved and sent to the President at the earliest possible opportunity. Enactment of S. 1030 will establish basic and sorely needed authority to deal with the sort of episodic supply disruptions we will face for the foreseeable future.

Mr. President, I ask for the yeas and nays on the conference report.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. Mr President, I yield to the distinguished Senator from Louisiana (Mr. JOHNSTON) who has worked so hard on this and deserves full credit, for better or for worse, on the result of the conference.

Mr. President, if it goes bad, I will say that he has everything to do with it. If it works, some of us will take credit.

Mr. JOHNSTON. Mr. President, I thank the junior Senator from Washington for his kind comments

Mr. President, this rationing plan is one that will work and that will guarantee that in the event of an emergency we will have in place both a gasoline rationing plan and an emergency energy conservation plan.

Mr. President, I think it is very noteworthy that the report of the conference was adopted unanimously by all conferees of both parties and of both the House and the Senate. I think it reflects a full realization on the part of all Members of both parties and of both Houses that it is absolutely essential that this country have in place a standby gasoline rationing plan in the event of an emergency.

Mr. President, the likelihood of an emergency, the likelihood of a cut off of oil from the Middle East, whether by reason of a blockade of the Strait of Hormuz, instability in any of the countries that supply us with oil, sabotage in any of the oil fields or of the pipelines, or any of a number of a host of possibilities—that possibility of such a cut off looms larger and larger.

We first considered the question of gasoline rationing when we passed the Energy Policy and Conservation Act in 1975. At that time, the idea of having to invoke gasoline rationing seemed to be remote, seemed to be one of those eventualities that we need not worry about. Indeed, after we passed the law and requested the administration at that time to bring forth a plan, no plan came forth because there was so much to think about and argue about internally.

That administration ended and another administration was installed. Finally, Mr. President, after a long delay, the President submitted his rationing plan.

As we know, of course, that plan was disapproved in the Congress. But by the time we disapproved the plan in the Congress, Mr. President, the necessity of establishing a workable standby rationing plan had become obvious to everyone. So it was we got the full cooperation of all parties involved to put together this legislation.

It is a legislation that involves certain major compromises. The first and perhaps the most important compromise, the item that hung up the Congress last time, was the question of whether we use historic averages as the basis on which we allocate rationing stamps, or whether we use a per person or per automobile formula. It was one of the principal questions we had to deal with.

The conference report requires a rationing plan using historic averages. That is to say, rationing stamps will be allocated to individuals based upon the most recent historic driving patterns in each individual State. Therefore, if a user resides and has his car licensed in a State which has high historic averages, he will get that incremental additional amount of rationing stamps for his automobile.

By specifying that we use the most recent figures, we guarantee that those historic averages will not be so ancient as to be out of date and not reflect the reality of driving patterns in the various States.

Second, Mr. President, we had great debate about the question of what is the trigger for gasoline rationing.

The Senate bill initially went with no specific trigger other than a severe supply interruption as interpreted by the President.

The House, on the other hand, used a figure of 20 percent to define a severe energy supply interruption. We in the Senate felt that 20 percent was much too high a trigger, that we could have a severe emergency involving a cutoff of petroleum supplies on the order of 15 percent to 19 percent, and it would be perfectly obvious to everyone that gasoline rationing should be invoked.

We compromised the measure in this way, Mr. President. We provided that the President can submit a plan which shall become effective immediately, after, of course, it is initially approved, but shall become effective unless vetoed by either House if the President finds that the cutoff in supplies is 20 percent or more. If the President finds that the cutoff is 20 percent or less, then rationing could still be implemented provided that Congress by joint resolution approves that implementation of the plan at this lower cutoff level.

So we have a fail-safe mechanism, Mr. President: Above 20 percent the President may invoke rationing subject only to a one-House veto; below 20 percent, it requires the participation of Congress in the form of a concurrent resolution.

The third compromise we had, Mr. President, perhaps the most hotly debated, was the question of how the plan initially is approved; in effect, how is it put on the shelf.

The compromise we finally agreed to was that the plan may be submitted by the President. It shall lie with both Houses for a period of 30 days and shall become effective as a standby plan unless it is disapproved by joint resolution of both the House and the Senate.

The reason this was so difficult for us to agree to was that of the experience we had had with the first rationing plan where it was sent to the Congress, the Senate initially indicated that it would reject the plan, and changes were made. The plan was then approved, and when it was sent to the House, it was disapproved.

Under the compromise language, Mr. President, we will avoid that kind of situation because we will require a very high standard of congressional action to disapprove a plan. That is, the adoption of a joint resolution would be required for disapproval, rather than, as under the previous law, an affirmative approval by both Houses.

This, Mr. President, will insure that all but the most outrageous plans will be approved by the Congress and will become effective as a plan on the shelf.

The plan may be amended by the President by simply letting amendments to an approved plan lie before the appropriate committees of the Congress for at least 15 days.

Mr. President, we also achieved important agreements with respect to energy conservation. The touchstone of our energy conservation plan is participation by the States. What we want to do, Mr. President, in the case of a cutoff in petroleum supplies, in the case of a severe supply interruption, the President may submit a target for State conservation plans, and then it will be incumbent upon the State to submit its own plan with which to comply with that plan.

Mr. President, I think it is a creative plan because it adjusts the requirements of energy conservation and the possibilities of energy conservation to the various geographic and social conditions pertaining in each State.

Some States use more coal, some use more oil, some are more dependent on electricity, some have particular climatic conditions, and some have particular business patterns that make it difficult to dictate to those States a uniform national plan.

For that reason, we have provided for maximum flexibility on the part of the States to fashion a plan that will be consistent with their climate, their social patterns, their economic patterns, their population patterns. All those things are taken into consideration and made the basis upon which the States would comply with the plan.

We also have provided for a modification in building temperature restrictions. Using the concept of State and local involvement, we provide that State and local governments may submit to the President a comparable plan containing provisions whereby a State or unit of local government will approve and enforce an alternative plan for buildings which, when in effect, will conserve at least as much energy as would be conserved by the temperature regulations. The alternative plan need not conserve energy in the same fashion as the temperature regulation.

For example, a State or a local unit of government can submit a plan providing for less heat or less electric lighting or less use of other energy consuming machines in lieu of the rather inflexible Federal rule on temperature restrictions.

There are other provisions in the conference report with respect to minimum purchase of motor fuels, middle distillates monitoring and reports, restrictions on odd-even plans, and hoarding, which I also think will be quite useful.

Mr. President, I think this is an excellent conference report, reflecting, as I say, the unanimous concurrence of every Republican and every Democrat on the conference committee, of both the House and the Senate. It is workable legislation. It will give the Nation the necessary standby protection it needs in the event of a severe cutoff. It fully recognizes the rights and abilities of States and local units of government to participate and fashion their own plans in the most effective and least painful way, and I think it meets the national interest in the best way.

Mr. President, the report of the House-Senate conference on S. 1030, the Emergency Energy Conservation Act of 1979, contains an acceptable compromise on two of the most difficult issues the Congress has had to face in recent years: Standby gasoline rationing and the emergency reduction in energy consumption during serious supply shortages short of those requiring rationing.

The title of the legislation dealing with the rationing of gasoline and diesel fuel assures us that we will get a plan with which the Congress can live. I believe this legislation will also result in a rationing plan which will be promptly approved. This plan is required by the statutory language of the conference agreement to base the distribution of rationing coupons on historic use so that each State experiences the same percentage reduction in consumption from the base period.

The act also requires that sufficient rationing coupons will be available to attain, to the maximum extent practicable, the objectives of the Emergency Petroleum Allocation Act. These objectives include:

The protection of the public health, safety, and welfare and the national defense; the maintenance of all public services; the maintenance of agricultural operations, including farming, ranching, dairy, and fishing activities and service directly related thereto; and the availability of the fuels necessary for the maintenance of activities related to the exploration for and production of fuels and minerals essential to the United States.

These requirements, which are written into the act, accurately reflect the concerns the Senate expressed when it approved the President's first gasoline rationing plan, as amended, on May 9, 1979.

The title of the legislation dealing with emergency energy conservation for situations less severe than those requiring gasoline rationing is derived from legislation Senator DOMENICI and I initiated and which the Senate overwhelmingly adopted. Indeed, the conference report incorporates the basic approach of this legislation:

States are encouraged, and given every reasonable opportunity, to take the lead in planning, administering, and enforcing measures for the emergency reduction in the public and private use of energy consistent with the authority available to them;

Federal authority is made available for delegation to any State lacking its own specific authority to impose mandatory energy conservation measures during an energy emergency; and

In the event that a State fails to assume its responsibilities in conserving energy to meet a national goal of reducing energy use during a severe energy supply interruption, carefully drawn provisions permit the President to step in and impose a Federal emergency energy conservation plan in that State to insure that all States conserve their fair share of energy.

The Senate conferees agreed to certain of the provisions adopted by the House which would restrict the ability of the President to impose the standby Federal emergency conservation plan, but the conference report makes these threshold conditions applicable only in the case that an approved State emergency energy conservation plan, implemented in good faith, fails to work.

In the case that a State simply refuses to develop an acceptable emergency energy conservation plan of its own or, if such State has an approved plan, but fails to properly implement it during an emergency, only a minimal bar to implementation of the Federal plan would exist.

In my opinion, these provisions make the conference substitute better legislation than either the House or the Senate bill. The Senate bill gave the President broad authority to initiate action in lieu of State authority and could, if enacted, have encouraged an activist President to preempt legitimate State efforts to fulfill the requirements of emergency energy conservation during a national emergency. The House bill, on the other hand, would have established several substantial barriers to Presidential action in the event that the Federal plan is needed, so that States might conclude that the legislation really requires them to do nothing.

The conference agreement contains the proper compromise between these positions. A State that makes a good faith effort to develop an adequate emergency energy conservation plan (and which implements this plan in good faith once an emergency occurs) has sunbstantial protection from a Federal preemption of State efforts. However, a State that fails to accept its fair share of the burden of reductions in energy consumption will, in all likelihood, find a Federal plan imposed within its jurisdiction it it fails to meet the energy conservation target set by the President for that State. Under these provisions a real incentive exists for the States to get involved in developing their own approaches to emergency energy conservation.

This is as it should be. Emergency energy conservation can be achieved most effectively if local authorities plan the program and administer and enforce it. Only when local authorities fail to act should the Federal Government be required to intervene to insure that the national interest is recognized.

Mr. President. I ask unanimous consent that a more detailed summary of the conference agreement on S. 1030 be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JOHNSTON. Mr. President, I thank and commend my distinguished colleague, the senior Senator from New Mexico (Mr. DOMENICI) for outstanding work on this bill. The fact that we were able to secure unanimous approval and rather prompt approval of this measure, of which he was one of the principal co-authors, is great testimony to his ability and to the hard work he put in on this measure.

Also, I would like to congratulate the leaders of the House conferees, Representative JOHN D. DINGELL and Representative CLARENCE (BUD) BROWN, their staff, and the staff of the House Legislative Counsel, all of whom behaved in a highly professional and gentlemanly manner throughout this conference.

Mr. President, this is a good bill. Each member of the conference committee, majority and minority, has signed the conference report. I strongly urge its adoption by the Senate.

### EXHIBIT 1

### SUMMARY: S. 1030, THE EMERGENCY ENERGY CONSERVATION ACT OF 1979

#### I. MOTOR FUEL RATIONING

The conference agreement amends existing law governing gasoline and diesel fuel rationing (the Energy Policy and Conservation Act, passed in 1975) in several specific ways. Among the major changes are the following:

(a) The President would be required to submit another rationing plan;

(b) The plan would have to—

(1) distribute coupons on a State-to-State basis so that the degree of shortfall from base period use is shared equally among States;

(2) distribute coupons to the maximum extent practicable based on relative needs of different classes of end users; and

(3) provide enough coupons to meet priority needs (as those needs are set forth in the purposes of the Emergency Petroleum Alloaction Act of 1973).

(c) A progress report on the development of the new plan must be submitted to Congress within 120 days after enactment. An additional progress report is required after 90 more days have elapsed unless a plan has been submitted in the next 90 days.

(d) When the plan itself is submitted, it will be subject to Congressional review over a period of 30 days. The plan will be considered approved after that period unless a joint resolution of disapproval is enacted (in which case the plan would be disapproved).

(e) An approved plan could be amended provided the Congress is notified and the proposed amendment lies before the appropriate Committes of Congress for at least 15 days;

(f) Before an approved plan can be imposed (so that the purchase of gasoline would require a rationing coupon) the President must

(1) find that a 20 percent shortfall with respect to the projected normal demand of gasoline and middle distillate fuels exists or is likely to exist for at least 30 days; and

(2) subject his proposal to implement rationing to Congressional review for 15 days with right of either House to disapprove.

The Congress, by concurrent resolution, could waive for a period of 60 days the requirement for a Presidential finding of a 20 percent shortfall. During that 60-day period the President would be free to impose rationing without further review by Congress.

#### II. EMERGENCY ENERGY CONSERVATION

The conference agreed to enact new authority for mandatory energy conservation during emergencies as follows:

(a) Upon declaration of an energy supply emergency with respect to any fuel, the President would publish State-by-State energy conservation targets and a target for Federal facilities. These targets would consist of a uniform national percentage reduction (related to the projected shortage) applied to the appropriate base period consumption of the fuel involved. The base period consumption for each State would reflect historical use, growth in consumption and would be chosen so that achievement of the target would not impair the objectives of the Emergency Petroleum Allocation Act of 1973.

(b) Any time before 45 days after notification of the establishment of a target, a State would submit its plan to reduce consumption to meet the State target. If approved the plan would go into effect for at least 90 days. After this time, unless the President finds that the State plan is not achieving the target, it would continue in effect.

(c) If the President finds an approved State plan is not achieving its target, he may impose a Federal emergency energy conservation plan provided he determines that the shortfall from projected normal demand in that State for the energy source involved is at least 8 percent.

(d) A State may seek judicial review (under expedited procedures) of its target, of a disapproval of its plan, or of the President's determination that its target is not being met.

(e) If a State has no approved plan, or is not effectively implementing a plan as provided for in assurances given when it was approved, the President may after a reasonable time impose a Federal emergency energy conservation plan without the prior requirement of a finding of an 8 percent shortage.

(f) The Federal plan must contain provisions to insure that implementation will not impair the objectives of the Emergency Petroleum Allocation Act of 1973. The plan must also offer a State or political subdivision thereof the opportunity, subject to the President's approval, to substitute for any measure of the Federal plan if the substitute will conserve at least as much energy as the Federal measure. This substitute may include provisions whereby affected persons may apply to the State or political subdivision for permission to conserve at least as much energy by alternate means.

(g) Targets and Federal measures could remain in effect for no more than 12 months without a finding by the President that the energy supply emergency continues to exist.

#### III. OTHER PROVISIONS

(a) Building Temperature Restrictions:

Section 202 of the Energy Policy and Conservation Act would be amended to provide that in case of a plan which would regulate building temperatures—

(1) Any State or local government may submit to the President a comparable plan containing a provision whereby the State or unit of local government will approve and enforce an alternative plan for affected buildings which when in effect will conserve at least as much energy as would be conserved by the temperature regulation;

(2) The alternative plan under (1) need not conserve energy in the same fashion as the temperature regulation;

(3) Nothing in the section precludes any unit of local government from applying directly to the President for approval of a comparable plan.

(b) Minimum Purchase of Motor Fuels:

The President would be authorized to prohibit tank topping during an emergency by setting minimum purchase levels for motor fuel. This authority could be delegated to a State.

(c) Middle Distillate Monitoring and Report:

A set of regular reports on middle distillate supply and demand would be required, the first of which is due within 60 days after enactment. An end-of-the-year summary must also be submitted which discusses the impact of the middle distillate supply situation on supplies of other petroleum fuels and the role competition and market forces are playing in protecting consumers from inequitable prices.

(d) Restriction on Odd-Even plans:

No Federal, State or local plan restricting motor fuel sales in any State based on license plate numbers may affect vehicles other than those licensed by the State in question or by States contiguous to that State.

(e) Hoarding:

The Secretary of Energy is required to report to Congress within 180 days after enactment on commercial and industrial storage of gasoline and middle distillates.

#### LEGISLATIVE HISTORY

*Senate*

S. 1030, to authorize the President to create an emergency program to conserve energy, and for other purposes, was introduced on April 26, 1979, by Mr. Domenici (for Mr. Johnston) (for himself, Mr. Domenici, and Mr. Jackson); Senate Committee Report 96–117 dated May 4, 1979; Passed the Senate on June 5, 1979, by vote of 77–13.

*House*

House of Representatives Report 96–384 dated July 23, 1979; Passed House August 1, 1979, by vote of 263–159.

Mr. DOMENICI. Mr. President, a parliamentary inquiry. Do I have 30 minutes allocated under the consent order?

The ACTING PRESIDENT pro tempore. The Senator has 29 minutes and 52 seconds.

Mr. DOMENICI. I took 8 seconds asking the question.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DOMENICI. The Chair never charged that to me before. [Laughter.]

Mr. President, first, I thank my good friend from Louisiana. Everything he has said about my participation applies more than equally to him.

I hope no one thinks that because the conferees, Democrat and Republican, unanimously approved this conference report, it is not a significant measure, because it is. As a matter of fact, a year and a half ago, I would not have thought that we could have passed this kind of legislation, much less come out of conference with all the conferees for it.

We in the United States are going to be energy short, not only for some time to come but, in my opinion, also for years to come. While we are short of energy, it is going to be a long time before we are really energy secure again. We are going to be vulnerable to acts of aggression and to the activities of outside governments in a way we never imagined.

As a result, this body, the Congress of the United States, in a free and open society, would be totally remiss if it did not place on the shelf, for utilization by this great Government, effective emergency plans in the field of energy. An emergency energy plan, ready and available, but for the happening of an untoward event that we hope never will happen, is a must today. That is what we have tried to do in this legislation, and in my opinion we have taken a big step in that direction.

We are not going to have gasoline rationing next week, and we hope we never will have it in America. There are those who think that would be a very easy kind of episode for Americans, hoping that when those lines appeared, we could solve them quickly by rationing. When rationing comes, it is going to be an episode in management the likes of which we have never seen in the United States..

Consider how long it took to get the social security checks into the computers, lined up so that they went to the right people in the right amounts. That was about 12 million.

Under this allowance, by which the President will come up with a plan, it could very well be that every automobile and truck in America will get something in the mail regularly from the U.S. Government, an entitlement to stamps. With the number of vehicles today—between 130 million and 140 million—I say to my good friend from Louisiana that that many pieces of mail will have to go to the right place, with the right things in the envelopes, with the right computer printout, so that people can go to the gas station and buy gasoline.

For those who think that would be Utopia, let me suggest that that is probably going to take a year to iron out, and we hope we never will have to use it.

We are satisfied that we have done the best we can in a free society to share in the responsibility with the President of the United States. That was the big challenge. We have a President, but he is subject to our policymaking and our ideas and our representation of our constituents. So we cannot sit here in the Senate and devise a rationing plan for those 140 million cars in our 50 States, with the various interests that come into play. We have to let our President do it. Yet, we are elected to make sure Presidents do the right thing. So we retain something here.

In summary, we said to the President, "You have the authority to get this plan started."

Incidentally, for those who think this might be premature, the estimate is that it will take between 6 months and a year after the plan is ready to get everything ordered and to put it somewhere on the shelf in order to have it ready. So if we have an emergency tomorrow, the fact that we pass this legislation today does not mean that we will have a rationing plan. But this administration had better not be like previous administrations. They had better get it ready for the hearings required and send it to Congress, so it will be ready.

I want to discuss briefly with my colleagues the things I think are important in this rationing plan that will protect our people and establish a policy for gasoline rationing.

First, to the best of our ability, we have sent a message to the President that we intend that historic use be the basis on which the rationing occur. That means that some people, of necessity, have used their cars far more than others, and that shows up in historic use; and we have asked that the plan be designed around that premise.

Many Senators have played a part in developing this, and it has been carried on through this conference. I am reminded of one Senator in particular, the Senator from Texas (Mr. BENTSEN), who was the prime producer at one time of historic use upon which to base rationing. That is in this measure.

Second, we had the responsibility of deciding when, if ever, it should be used, and the majority leader on this measure calls that the trigger. That means the point in time when the President can use it. We have clearly delineated in this legislation when the President can use it. There must be a 20-percent shortage for him to call it into play; and if that occurs, either House can veto it.

They have 30 days to do that. We think that is a good arrangement because that would be a very critical point in time and we do not think either House could act arbitrarily in that instance because they would have to act very responsibly because of the crisis.

We said there may be occasions when 20 percent is too steep a trigger. That is a 20-percent shortfall. So we have gone on to say that in the event there is a 10 percent shortfall the President can implement it but in that event he has to have the concurrence of both bodies. Both bodies must actively say, "Yes, we think that is good protection also," and that keeps us in this chain of decisionmaking.

That leaves only one other event, and that is after the plan is ready and before we ever put it into use what is the role of Congress? And here we had a big dispute because under the old law before it became effective either both Houses had to concur for the plan to even be on the shelf, to even become a valid contingent plan. We decided we want the President to send this up to Congress and a serious act occur of looking at it and seeing if it is right. And in that regard what we have done is we have basically said both Houses by joint resolution would have to disapprove, which basically means it would have to be terribly arbitrary, capricious, totally without any merit because we would have to have two-thirds of both bodies overruling the plan.

Nonetheless, the President knows that we are looking at it so he would be guided accordingly.

I am not going to elaborate on the second aspect of this bill, the emergency energy conservation portion, because I think it has been adequately explained and I am pleased to be part of the original concept. I believe the House of Representatives did indeed temper the broad authority that we had given to the President. When you put their approach to requiring some specific shortages to exist and then giving the States every opportunity first before you implement national conservation plans, I think they contributed to the mix of conservation emergency Presidential action and the three are molded quite well together.

I have gone into detail for my colleagues into when and how that second phase of this bill can be implemented.

I personally think it is an excellent accommodation.

Mr. President, the conference report which the Senate conferees bring back to the Senate today contains a number of departures from the Senate passed bill. In several instances those departures represent major policy changes. However, the conference report has included new restrictions on use of Federal authorities to impose rationing and other conservation plans, and in balance leaves the bill with the best of both approaches. I am pleased with the conference agreement and urge support by my colleagues.

The most important change in the bill as passed by the Senate is the new procedure for congressional review and approval of the rationing plan. Under the previous approach, both the House and the Senate had to affirmatively approve the rationing plan before it could be implemented by the President. Under the conference substitute, Congress will be given 30 days to review the plan and if it finds it unacceptable, it can be disapproved by a joint resolution. The joint resolution. The joint resolution effectively means that two thirds of both the House and Senate would have to disagree with the President in order to override the expected veto of the disapproval resolution.

The change in congressional review procedures in the legislation has been accompanied by a statutory mandate that the President cannot implement rationing after a plan has been approved until he finds that a 20 percent shortage of motor fuels and distillates exists. His decision to implement, after making the requisite 20 percent finding is still subject to a single House veto within 15 days.

In addition, the conferees recognized that a potential for chaos in the gasoline market exists at shortages less than 20 percent, depending on the circumstances. In order to provide for some flexibility in this event, the bill contains a provision allowing the President to implement the plan at less than a 20 percent shortage if Congress has waived the 20 percent requirement by a concurrent resolution. The authority to implement under the waiver would only last for 60 days. However, if the plan were implemented during that time, the plan would continue to operate for the 9 months provided for under EPCA.

The conference substitute has retained the Senate concept of historical use as the basis for allocating ration rights to the various States. This was an important issue for the Senate and it is significant that the Senate provision on this subject has been preserved. In addition, provision is made for the President to use the best data available to him in determining how best to allocate rationing rights to the ultimate end users. The conferees fully intend that the Department of Energy reevaluate completely its regulation regarding allocation of end user rights. There were many parties whose needs were inadequately addressed in the first plan and it is clear that in order for there to be a degree of confidence in the fairness in the plan, these needs must be reevaluated.

### EMERGENCY ENERGY CONSERVATION

The emergency energy conservation portion of the bill retains the basic thrust of the Senate passed bill, S. 1030. New limitations to the President's authority have been added. But the basic intent of S. 1030, as passed by the Senate, namely to revise the procedures by which the President, as the chief executive officer of this country, and the Congress handle energy emergencies, has been preserved.

Under the conference substitute, the President would have to make a finding that a severe energy supply interruption for a particular energy source exists or is imminent or that the conservation actions are necessary in order to fulfill the obligations of the United States under the international energy program. When that finding is made, the President then has the authority to set conservation targets for each State. At that time the President would also indicate what authorities under Federal law and under State law will be either implemented by the Federal Government or the State to meet that target.

The targets must be fuel specific. And they apply only to the fuel that the President has determined is in short supply. The targets are to be determined by the President in a way that takes into consideration the use of energy for priority activities, such as agriculture and energy production. He must make sure that the attainment of the targets would not impair those needs, as well as all of the priority activities currently treated under the Emergency Petroleum Allocation Act.

Each State's energy conservation target will be a uniform national percentage of that State's base period use of the fuel that the President has determined is in short supply. In calculating the base period use, the basic Senate approach of making adjustments to that base period to reflect priority activities, such as agricultural or energy production, has been basically preserved, but modified slightly. Under the conference substitute, the base period will be adjusted by the President, to the degree he determines necessary to reflect—

First, growth in energy use, second, reduction in energy consumption already achieved by conservation programs, third, energy shortages which may affect current levels of base period use, and, fourth, variations in weather.

In addition, the President is required to adjust, to the extent he determines necessary, each State's base period consumption to make sure that achievement of any of the targets will not impair the attainment of objectives contained in section 4(b)(1) of the Emergency Petroleum Allocation Act. Among those objectives are the maintenance of all public services and agricultural operations, protection of public health, safety and welfare, and preservation of an economically sound and competitive petroleum industry. These were all matters of paramount concern to the Senate and the conferees have made it quite clear that the attainment of these objectives is critical to maintaining the maximum amount of healthy economic activity during a period of energy shortages.

In order to draw the States strongly into the whole process of planning for and managing energy shortages, the conference substitute is structured in such a way as to encourage States to adopt their own conservation planning procedures and get them approved by the Department of Energy prior to any emergency actually happening. State plans that are approved in advance would be used in lieu of Federal conservation measures. Only if such plans were ineffective in meeting the State target would there be any means by which the Federal Government could impose a Federal plan on a State.

If the State is not capable of meeting its target, or there are State measures which are not working as planned, then the President may impose a Federal plan on that State to assure that its target is met, but only if he also finds that there is an overall shortage of 8 percent or more of the relevant energy supplies in that State.

The conferees also adopted a very important provision which allows other governmental bodies to develop their own conservation measures and have them approved by the Department of Energy. These plans can include, as can the State plans, individual measures which allow energy users to develop alternate means of conserving the same amount of energy. The use of alternative means is not intended to be a loophole. Quite the contrary. The use of alternative means is intended to allow individual users of energy to develop those means of conserving energy which preserve their best interests as well as meeting the national challenge to conserve energy. It is not possible for either the Federal Government, or even State and local governments to develop plans which are absolutely fair to everyone. However, it is possible that individual users can figure out a way to save the prescribed kind of energy in other ways than means prescribed in broad national, State or local government plans. And it was our view that they should be given every opportunity to prove that they are right.

The judicial review provisions of the bill are equally important to the Senate. The bill and the statement of managers make it clear that the judicial review contained herein is not intended to be an exclusive remedy for any State in challenging the specified action of the Federal Government. Other remedies, authorized under other law or the Constitution, would be available to the State under section 214.

In sum, Mr. President, we have here a bill that will make it much easier to meet energy emergencies that the Nation may face in the coming years. The President is clearly in charge and that is what the Senate had in mind when it passed its bill. In addition, we have broadened the participation in the effort to conserve energy during an emergency and we have made additional provision for prior planning. The responsibility for effective implementation now will reside with the President and with the State and local governments. We have already been informed of several State and local governments who are developing their own conservation plans. We encourage them and we encourage the Department of Energy to actively solicit other groups to do the same. We are going to be energy short for some years. And it will be a long time before real energy security returns to this Nation. As a result, effective energy emergency planning must be a way of life for all government. This bill takes a big step in that direction.

Again, I urge its adoption by my colleagues.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DOMENICI. Mr. President, I yield whatever time Senator Hatfield needs at this point.

Mr. HATFIELD. Mr. President, I commend the conferees for a very difficult job which I think has been well done. The differences between the House and Senate positions on emergency conservation measures and on rationing of gasoline and diesel fuels were both numerous and great; yet the distinguished chairman of our committee and the Senators from Louisiana (Mr. Johnston), Ohio (Mr. Metzenbaum), Idaho (Mr. McClure) and New Mexico (Mr. Domenici) were able to emerge from the conference room with a bill I believe will accomplish the Senate's objectives. These are, first, to provide a mechanism for emergency response to oil supply interruptions that is both effective and reflective of the different patterns of fuel use in the various States, and, second, to provide a mechanism that will insure development of a sound standby rationing system.

Mr. President, we will experience oil supply interruptions again, as surely as we are standing here in the Senate today. We must have standby plans ready to deal with them. The alternative is to experience unnecessarily disruptive economic and social problems every time a major foreign oil producer experiences a production loss or attempts to exert pressure through an embargo.

When we passed the Energy Policy and Conservation Act of 1975 we created a mechanism we thought would accomplish the two objectives I just restated. The mechanism failed. Four years later we have nothing to show for it but a building temperature restriction program of dubious value.

Today we must start again. We simply cannot, by inaction, keep risking our economic health and our social well-being. A mere 5-percent shortfall created the gasoline lines of this spring. Imagine what a 20-percent shortfall would do. Our mandatory petroleum allocation system could not handle it. Chaos would ensue in the absence of ready programs to accomplish emergency conservation, including, if absolutely necessary, rationing.

I urge my colleagues to support the conference report on S. 1030, and I urge the President to respond to its call for action in the shortest possible time.

Mr. President, before yielding the floor, I wish to commend especially the Senator from New Mexico (Mr. DOMENICI) and the Senator from Louisiana (Mr. JOHNSTON) for their leadership in this area. Their inspiration and their untiring efforts are responsible for the movement of this entire body in a much needed direction today.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BUMPERS. Mr. President, will the distinguished floor manager of the bill yield to me? Does he have time remaining?

Mr. JACKSON. We will yield. How much time does the Senator wish?

Mr. BUMPERS. Just 3 or 4 minutes.

Mr. JACKSON. Mr. President, we yield whatever time the Senator needs.

Mr. BUMPERS. I thank the Senator.

Mr. President, I preface my remarks by saying that I am going to vote for this bill, but not enthusiastically.

One of the questions I am most frequently asked every time I go home is why does not Congress do something about energy?

Last year we passed an energy bill called the National Energy Policy Act, after debating it for almost 2 years and after one of the longest filibusters in the history of the Senate over the decontrol of natural gas.

When the President signed that bill, he called all Senators and Members of the House of Representatives who had worked on the bill over to the White House and made a great public relations demonstration out of how Congress had finally dealt with the energy problem.

The very simple reason people still do not believe Congress has dealt with the energy problem is because we have not. Congress has not called on the American people, nor has the President called on the American poeple to make any sacrifices. We have not called on them to cut down on their driving. We reduced our driving in Washington earlier this year out of necessity. As a matter of fact, people took some pride in the fact that they were getting to and from work and getting along reasonably well here in Washington, even though we were using 17 percent less gasoline than we used in 1978. It was, frankly, a rather exhilarating feeling for a lot of people to know they had been able to reduce their driving without seriously changing their lifestyles.

I introduced the first rationing bill in this Congress in 1976. I got 15 votes—they were quality votes—to ration as a conservation measure, not when there is an OPEC cutoff or after the crisis has already occurred. There were 15 votes for my amendment in 1976. Since that time the inflation rate has gone from about 8 to 14 percent, and 4 percent of the inflation rate is directly attributable to oil imports.

Now we have before us today a standby rationing plan which says, No. 1, the President will design the plan and send it to Congress for its approval.

The President sent us a standby rationing plan earlier this year. Do Senators remember that? It has been less than a year since the President sent a rationing plan over to Congress, and we finally, after a great deal of deliberation and debate, passed it in the Senate, and the House of Representatives promptly rejected it.

Now, we are saying to the President, "Try again. Send us another plan."

First of all, we are unlikely to get any plan passed by Congress because of the thousands of myriad interests that are affected adversely when you mention rationing. Assuming the best, Congress does not disapprove the plan submitted by the President; or if the resolution of disapproval is passed, the President does not exercise his veto of the resolution of disapproval; and if exercised the veto is not overriden by a two-thirds vote.

We are right back with the old dog-chasing-its-tail trick. Instead of having three branches of Government with checks and balances, we have two branches of Government, with Congress and the executive branch continuing to cancel each other out. The result is that people will continue to ask me every weekend why has Congress not done anything about energy?

Let us assume that the energy plan is submitted. Let us assume Congress approves it and the President agrees with all of the congressional amendments. The real capstone of this bill is that the President may not implement it until he finds that a 20-percent shortfall of gasoline and middle distillate fuels is likely to exist for 30 days, and he has resubmitted it to Congress. That is what I call biting into a marshmallow. Give the President authority and say to him, in effect, that "You can't even use it unless there is a 20-percent shortfall."

Well, friends, when there is a 20-percent shortfall in this country the crisis is already underway. We are already in insurmountable trouble, and even then Congress may say to the President, "No, even though there is a 20-percent shortfall you cannot put this plan into effect."

Ever since Watergate you have heard time and time again that Congress has the bit in its mouth, it is not ever going to relinquish its authority to an imperial Presidency. We just continue to hang our hat on that, and we continue to cancel each other's authority. That is the reason for the paralysis of government over energy.

When are we going to tell the American people that things "ain't" like they used to be? I remember one time somebody asked Will Rogers, "Why isn't it like it used to be?" And he said, "Things ain't like they used to be, and they never was." They are not like they used to be, and the sooner Congress admits it the quicker we will solve this crisis.

The American people have a much better grasp of this problem than Congress. The people of this country are begging for Congress and the President to point the way to control inflation, and we cannot even get a standby rationing bill. This is not a rationing bill. It is a standby plan. It is not about to go into effect and, in my opinion, the walls of the temple will have to fall before we do anything about it.

We continue to allow Detroit to tell the American people "People don't like those little cars. They just don't want to buy them." And, at the same time, 28 percent of the sales in this country are being unloaded onto the docks of New York and San Francisco.

Well, I have got a couple of compact cars, and I like them. I enjoy driving them, and I feel that I am making a significant contribution.

I have two cars that get over 2½ times as many miles per gallon as the two cars I traded last year. I am going to save myself $2,000 this year.

Twenty-eight percent of the people in America who are buying those imports are buying them for the very same reasons and, happily, making a contribution to the energy problem at the same time.

Mr. President, did you know the fleet average of every automobile in Italy is 30 miles per gallon? It is almost that high in the rest of Western Europe and Japan.

If we had an outbreak of sanity in this body and mandated that every automobile manufactured in the country had to get 30 miles per gallon, do you know what the fleet average of this country would be in a year's time? The national average would only increase from 14.5 to about 16 miles per gallon.

No wonder people ask us on weekends, "When is Congress going to do something about energy?"

I thank the Chair.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DOMENICI. Mr. President, I yield 5 minutes to the Senator from Idaho.

The ACTING PRESIDENT pro tempore. The Senator from Idaho is recognized.

Mr. McCLURE. I thank the Chair.

Mr. President, I rise in support of the conference report on S. 1030, the Emergency Energy Conservation Act of 1979. As a member of the conference committee, I am pleased to report to the Senate that the conference report constitutes an acceptable compromise beween the markedly different Senate bill and House amendments. Specifically, in several key areas of disagreement, the conference report adheres to the basic principles and concepts of the Senate-passed bill.

I am particularly pleased to report that the conference report retains an affirmative role for the Congress in the approval of the standby gasoline rationing plan. As my colleagues may recall, existing law requires two-House approval of any standby gasoline rationing plan. Under that law, the Senate approved and amended a form of the President's proposal this past summer but the House defeated the proposal, thereby killing the plan.

As a result of the bitter battle on gas rationing in the House, and the House leadership conclusion that virtually no plan would ever be approved by the House, the House amendments to this bill struck the requirement for congressional approval of a standby gas rationing plan. The Senate bill was silent on this issue, and the Senate conferees successfully refused to remove Congress from the approval process completely. Consequently, the conference report adopts a rather complex formula for two-House disapproval of a proposed gas rationing plan, using a joint resolution. While the joint resolution mechanism significantly weakens the previous congressional approval role, there still will be a guaranteed opportunity for both Houses to vote to disapprove a proposed rationing plan. As one who opposed the last gas rationing plan, and who is concerned seriously about the specific details in any future plans, I believe that retention of this mechanism for both political and substantive reasons was necessary. I, therefore, believe the conference report protects the prerogatives of the Senate for some form of prior review of any future plan.

The original emergency energy conservation bill passed by the Senate dealt with national and State emergency energy conservation programs for situations involving shortages less serious than that requiring gas rationing. The intent of the Senate bill was to provide a single, broad-based emergency mechanism for dealing with any form of energy emergency in the future, while giving maximum flexibility to the States to develop their own responses to any such emergencies. The House amendments adopted a similar program, but one which added a series of restrictions and more rigid requirements to the Federal and State authorities in the bill. The conference report restores much of the flexibility included in the Senate bill, but adopts certain restrictions to avoid an overly broad delegation of authority to either the Federal Government or the State governments in an energy emergency. Also, the conference report adopts a series of adjustments to State energy conservation targets which recognize priorities for certain energy users.

Of particular importance in regard to the adjustments of State emergency conservation targets in section 211(a)(3)(C). The cited subsection provides that the President shall adjust the computation of the targets for each State to insure that there is no impairment of the priority objectives contained in section 4(b)(1) of the Emergency Petroleum Allocation Act of 1973. It is the intent of the conferees that the President will use this authority in any case where a State target would result in a negative impact on the priorities of section 4(b)(1) in the State. In other words, this subsection should be interpreted as a requirement that the priorities of section 4(b)(1) will be incorporated directly in computing the individual State targets.

Section 214 sets out a special procedure for judicial review instituted by any State of certain actions by the Federal Government under the emergency authorities of title II. As is made clear in the statement of the managers, at page 40 of the conference report, section 214 is not intended to constitute an exclusive remedy for a State in challenging the specified actions of the Federal Government. If any other judicial review is available to a State under any other provision of law and the constitution, as is quite likely, that remedy would also be available in addition to the statutory action provided in section 214.

The conference report also adopts versions of several other House amendments, while rejecting several others. I am pleased particularly that the conference adopted a provision to allow for so-called comparable measures under the building temperature restrictions conservation plan now in effect. The same comparability concept also was incorporated in the State emergency conservation plan provisions. I believe it is important that we preserve nationally the concepts of individual decisions and actions meeting any conservation targets. The best judge of an individual businesses' ability to achieve any given amount of energy conservation in the end, is the business itself and not some bureaucrat in Washington or a State capitol. This comparability concept makes good sense as added to this bill, and I am hopeful that adoption here will insure the use of the concept in any future conservation plans proposed under the Energy Policy and Conservation Act, this act, or other authorities available to Federal and State governments. It certainly is the intent of the conferees that comparability be so included in any future Federal actions.

The conference report in section 242, establishes additional requirements for the monitoring of the supply situation of middle distillates. One of the most frustrating aspects of our experience over the past 10 months since the Iranian revolution has been the marked absence of any accurate and reliable information on the middle distillate supply situation. During the conference, I was particularly insistent that the conference report retain some form of the House amendments dealing with middle distillate monitoring. As we go into the winter heating season with projected tightness in the petroleum markets, I believe these authorities and requirements will insure that we are better prepared and better informed to deal with competing uses for agriculture, trucking, utility use, and heating oil.

Mr. President, my position on the original Senate bill reflected a significant concern with the breadth of the delegation of authority we were being asked to make. I also became concerned during the House consideration of the bill that there was an erosion of congressional prerogatives regarding gas rationing. The conference report before the Senate today adopts a balanced compromise with regards to these concerns, as well as with regards to the differences in the Senate bill and the House amendments. On balance, then, the conference report should be acceptable to the Senate and to the American people, and I urge its adoption.

Let me take just a couple of minutes longer to comment about one aspect that I think is important to understand in this legislation as contrasted with the one that we had before.

One matter that was troublesome to me in the last rationing plan that was before us was that it was based upon historic average. That, in some way, was aberrant as far as the State that I represent was concerned, because while we have long distances, when we look at the average consumption in my State per vehicle registered—which is the way it was measured under the last plan—my State was far below the national average.

I recognize, and I think it is beyond refutation, that that simply is evidence of some kind of a problem in that particular method of computation of average fuel consumption.

Mr. JOHNSTON. Mr. President, will the Senator yield at that point?

Mr. McCLURE. I would be happy to yield.

Mr. JOHNSTON. Let me say to the Senator there had to be something wrong with those figures. I am quite certain there was something wrong and for that reason we specify in this bill the most recent available figures. It is thought that rather than use what really were preliminary figures, figures that we had the data of before us in the Committee on Energy and Natural Resources last time, that we will have accurate and recent figures which I am quite certain are going to show that Idaho is at least at the national average because that is the ordinary experience of those of us who looked at Idaho and would say it is at least at the national average. So I think the Senator can be reassured that the new figures will reflect much higher consumption of gasoline due to actual driving patterns in Idaho.

Mr. McCLURE. I thank the Senator, and that was a problem.

Perhaps, one of the difficulties in the formulation used was that we first said we will grant coupons on the number of registered motor vehicles, and then we decided, well, that would give somebody who had a lot of automobiles in their family an advantage over somebody else, so we limited it to three.

The other side of that is in Idaho we have the highest per capita registration of recreational vehicles in the United States, and that simply is a reflection of the fact that we are an outdoors people, we live outdoors, that is where our recreation is; and for many that is where their livelihood is. So they may have a four-wheel drive or two, as well as the automobile, as well as the pickup, as well as the farm truck, and so on, and they do not drive all of them all at once, but they will drive one and then the other, so the result will be that the limitation on registrations and the measurement by registration may be the reason why the final figure came out wrong.

I mention that only because this does not specify the precise formula to be used but allows us to look at base figures on the last and most recent data base, so that we can get an equitable distribution of the gasoline among the several States.

Mr. President, that formulation and the way it worked last time caused me to vote against the rationing plan that was voted out of committee once before.

But with that change and with the expectation that we will find the reason why and come up with a different formulation, I am pleased to be able to support this conference report and join with my colleagues in commending both the Senator from Louisiana and the Senator from New Mexico for their leadership in this field.

I am sorry the Senator from Arkansas has left the floor because I wanted to just note that he is talking about annual fleet averages, and he mentioned that he traded off two cars last year.

I say to the Senator there are a lot of people in my State who just could not afford to trade off two cars last year or two cars this year. A good many of them have to keep a car longer than that and, therefore, it takes longer for them to move into smaller automobiles, as useful as that might be in terms of national policy.

I do not think people who failed to trade off their old automobile are or should be thought to be somehow unpatriotic American citizens simply because they cannot afford to do what some of us here, with our $57,000-a-year salaries, can afford to do.

I thank the Senator for yielding time.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Washington yield to me?

Mr. JACKSON. Yes. Mr. President, I yield such time as the distinguished majority leader may require.

### GAS RATIONING AND ENERGY CONSERVATION

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Washington.

Mr. President, action on the conference report on S. 1030 will culminate a long and difficult struggle over the procedure by which emergency conservation measures are developed.

Last spring, this Nation faced the second severe energy shortage in 5 years. We all endured the inconvenience of long gasoline lines. In the midst of that crisis, the President offered several proposals to curb energy consumption, in order to avoid serious disruption in the flow of commerce and to insure that our national security was not jeopardized. These proposals, offered under the authority of the Energy Policy and Conservation Act of 1975, engendered considerable controversy and caused each of us to consider what measures could be adopted to effectively deal with such energy shortages without undue sacrifice or discomfort to the American people.

The Congress considered carefully each of the proposals offered by the President. We sought to determine what energy savings would result and to balance the necessity for those savings against the hardship imposed upon our citizens. Among other things, the President requested standby gasoline rationing authority and offered a specific plan to be put in place as an insurance policy against further cutoffs by the oil exporting countries. The Senate approved a standby gas rationing plan in June, but unfortunately, the House did not.

As a result, the President challenged Congress to provide a standby gasoline rationing plan. I urged that the President send us another plan, as a challenge not only to Congress but to the executive branch. I stated to him that I thought the American people expected action, whether by Congress or by the President, or by both, and that it was not a matter to be handed by one body to the other as a challenge. But in any event, we still do not have a standby rationing plan on the shelf. The President never did send up another plan, as I urged him to do, even though the threat of further shortages has only increased in the last 2 months.

This legislation, the Emergency Energy Conservation Act of 1979, was originated by the distinguished Senator from Louisiana (Mr. JOHNSTON) and by the Senator from New Mexico (Mr. DOMENICI) as a vehicle for obtaining greater State participation in emergency conservation planning. While this bill easily passed the Senate, the House added numerous amendments to alter the legal framework for gas rationing and to provide for various regional interests in the event energy shortages recurred.

Some of these provisions were well taken and were adopted by the conferees. The conferees, under the distinguished leadership of Senator JACKSON and Senator JOHNSTON, and with the able assistance of Senator DOMENICI and Senator MCCLURE, worked hard to derive a new scheme for developing a gas rationing plan. I believe the measure incorporated in the conference report will allow for flexibility on the part of the executive branch while insuring proper congressional input. This was an arduous task and the conferees are to be commended—I say commended—for their efforts.

What is now important is the actual drafting of a standby gasoline rationing plan. I do not believe that any further dispute over procedure would be useful. Our national security and the fate of our economy hinges upon the actions we take in the immediate future to curb our dependence on foreign oil and to prepare ourselves for future emergencies. In that light, preparation of a standby rationing plan must be among our highest priorities.

Mr. President, I again wish to express my commendation to Mr. JACKSON, Mr. JOHNSTON, Mr. DOMENICI, and the other conferees, and I especially want to compliment and to thank Mr. JACKSON and the members of the Energy Committee for the demonstration, repeatedly, on their part of responding to the need for energy legislation, not only responding to the need, but, by continuing hearings on the legislation—and they have done this over the years—they have brought bills to the floor, and right now the Energy Committee is on the verge of reporting the second big energy bill, one which will have in it the synfuels authorization and the various other aspects of the overall plan that are so needed to place this Nation in a position to meet the energy problem and to guide us toward energy self-sufficiency. I thank them, and I think the Senate is in their debt.

Now, Mr. President, I would like, if I may—does the Senator from Massachusetts wish to speak on this subject?

Mr. TSONGAS. Yes.

Mr. ROBERT C. BYRD. I yield the floor.

Mr. JACKSON. Mr. President, may I, before we go on, emphasize that the work of the committee has been the work of a team. Senator JOHNSTON has had to carry the load for me on both bills, the energy conservation bill, the synfuels legislation, and on the rationing bill before us, and we have had wonderful cooperation on a bipartisan basis. Senator DOMENICI has been heavily involved, as well as Senator HATFIELD and Senator MCCLURE, on the minority side.

I just want to emphasize that there are still areas where we disagree, but we try to iron them out and bring them to the floor, and I think the bipartisanship has been outstanding.

I yield to the junior Senator from Massachusetts.

The PRESIDING OFFICER (Mr. BAUCUS). The time of the Senator from Washington has expired.

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from New Mexico has 12 minutes.

Mr. DOMENICI. How much time does the Senator wish?

Mr. TSONGAS. 3 minutes.

Mr. DOMENICI. I yield the Senator 3 minutes.

Mr. TSONGAS. I assume 3 minutes on the Republican side is equal to 3 minutes on the Democratic side.

Mr. DOMENICI. Certainly. In fact, it is worth 6.

Mr. TSONGAS. I accept the 6 minutes.

Mr. President, I am going to vote for this conference report. I commend the Senator from New Mexico on his reasonableness in pursuing this issue and commend the Senator from Louisiana on his knowledge and the way he has chaired the committee. I do not understand it, but I can certainly recognize and appreciate it.

I would like to associate myself with the remarks of the Senator from Arkansas. He talked about where he thinks this country is in its capacity to accept restrictions. I find it incredible that this country, which began with Valley Forge and all the hardships endured by people in the West, including the State of New Mexico, would find 78° to be a totally unacceptable, totally inhumane concept, and that somehow our physiologies are unable to adjust to that temperature, or that the same Nation so enchanted with saunas and hot tubs should find itself unable to adjust to 78° in restaurants.

Mr. President, I do not believe this country is of that mind. I think there is a great deal of capacity out there to do whatever is necessary, and I think the Senate ought to recognize that.

So I am pleased to support the conference report, and I thank the Senator for yielding.

Mr. DOMENICI. Mr. President, I want to say that I am most appreciative of the work Senator MCCLURE did. Anyone who works with Senator MCCLURE knows that when it gets tough, it is nice to have him around, because he often comes up with the answers. I am delighted that he and I shared the Republican side on this effort.

Mr. President, I just wish to make one observation. I really do not believe that the comments of our good friend, the Senator from Arkansas (Mr. BUMPERS)—that may be his version of this bill, but it seems to me we have truly handed this policy to the President, where it belongs, to develop a rationing plan, and we do not have anything to say about it unless there is a most extraordinary failure, because it takes two-thirds of both Houses to say no to it. So basically we have said to him, "Come up with an intelligent plan." After that, it is out of our hands until he seeks to implement it. Then, if there is a 20-percent shortfall, we can veto it, but nobody is going to veto it with a 20-percent shortfall, as defined here, because then we would be facing a real crisis.

The other triggering mechanism, for less than a 20-percent shortfall, requires that we concur, because we have agreed that is the way it ought to be, because that is not a serious enough problem.

I really do not think we tried to make this difficult. To the contrary, we realize the President and the administration have to develop a rationing plan; if you leave it up to Congress, it would be almost impossible. Yet we want to have some say-so.

I think there are differing views on how it ties his hands and how involved we are, and I wanted to make my own known.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. DOMENICI. I have agreed to yield 2 minutes to the Senator from Mississippi.

How much time do I have remaining?

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. The Senator from New Mexico will suspend until order is restored. The Senate will be in order.

Mr. DOMENICI. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. DOMENICI. Mr. President, I want to reserve 3 minutes. I wish to be advised of that. I yield to my friend from Louisiana.

## CORRECTION OF ENROLLMENT OF S. 1030

Mr. JOHNSTON. Mr. President, there are certain technical conforming changes which need to be made in this act, for which we have a concurrent resolution. I am just getting ready to ask for unanimous consent to pass the concurrent resolution at this point to save time. If that does not meet with any objections—

Mr. ROBERT C. BYRD. Mr. President, let us clear that concurrent resolution on both sides first.

Mr. President, I ask unanimous consent that the Senator from Louisiana may send to the desk a concurrent resolution and ask that the Senate proceed to its immediate consideration for not to exceed 1 minute at this time.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

The clerk will state the concurrent resolution.

The assistant legislative clerk read as follows:

S. CON. RES. 44

*Resolved by the Senate* (*the House of Representatives concurring*) That, in the enrollment of the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, the Secretary of the Senate shall make the following corrections:

In the table of contents insert, at the appropriate place,

"Sec. 215. Reports"

In section 101 strike out

"(a) FINDINGS.—".

In section 103(b)(1) strike out "42 U.S.C. 6361(e)" and insert in lieu thereof "42 U.S.C. 6261(e)".

In section 103(b)(2)(C) insert between the words "other" and "pursuant" the word "than".

In section 103(c)(1) strike out "42 U.S.C. 6361(f)" and insert in lieu thereof "42 U.S.C. 6261(f)".

In section 103(c)(2) strike out "42 U.S.C. 6361" and insert in lieu thereof "42 U.S.C. 6263".

In section 105(b)(1) strike out "42 U.S.C. 6261(d)(2)" and insert in lieu thereof "42 U.S.C. 6263(d)(2)".

In section 105(b)(2) strike out "42 U.S.C. 6261(d)(3)(A)" and insert in lieu thereof "42 U.S.C. 6263(d)(3)(A)".

In section 105(b)(3) strike out "42 U.S.C. 6261" and insert in lieu thereof "42 U.S.C. 6263".

In section 105(b)(4) strike out "42 U.S.C. 6261" and insert in lieu thereof "42 U.S.C. 6263".

In section 301 strike out "(a)".

Mr. JOHNSTON. Mr. President, this is simply for technical and clerical corrections.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## EMERGENCY ENERGY CONSERVATION ACT OF 1979

The Senate continued with the consideration of the conference report.

Mr. DOMENICI. Mr. President, I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I am supporting this conference report. No one is happy to put controls or rationing on the people, but I believe it may become necessary. I know that rationing is the fairest way that we can get at this problem. It is an effort to treat all people according to their needs as nearly as possible.

If we must resort to limited use, rationing can also effectively take care of the need of fuel to plant, grow, care and market our agricultural crops.

I know, too, that it is a system that will take care of the needs of the rural people where the population may be sparse, relatively, but the need is high in order to get enough gasoline to go to and from the day's work for many of our people.

I would support a bill that goes further. I know this is the best bill they could get out of the conference. But I believe to be emphatic with these OPEC nations that are raising their oil prices almost at will, and which will continue to raise prices, we ought to show them a stronger bill and to let them know that we are going to do more about conservation ourselves. Conservation is the effective field that we can save energy and can quickly make it effective.

It is not that we will not do other things along with this, but we are willing to take the medicine and get the job done, at least starting on the road to independence, rather than more and more dependence.

As I say, I know this is the best bill we could get under the circumstances. Mr. President, I yield back any time remaining.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. HELMS. Will the Senator yield for a question?

Mr. DOMENICI. Mr. President, I am pleased to yield for a question.

Mr. HELMS. Mr. President, I understand that this act will provide for agricultural priorities to be by means of reference to the Emergency Petroleum Allocation Act of 1973. Am I correct on that?

Mr. DOMENICI. The Senator is correct. Perhaps Senator JOHNSTON should agree or disagree with my statement.

Mr. JOHNSTON. Mr. President, the Senator is correct. The full agricultural priority, indeed all the priorities set forth in the Emergency Petroleum Allocation Act of 1973, are mandated in this plan. I believe that gives full and complete protection for agriculture.

In my judgment, it is just as strong as in the rationing plan the Senate first passed but which was later turned down by the House.

Mr. HELMS. Mr. President, I thank the Senator. I would like to proceed one step further. Since reference is used as the means of stating the agricultural priority, I assume that the existing Federal regulations, specifically volume 10 of the Code of Federal Regulations, section 211.51 as revised as of January 1, 1978, are what should be referred to in determining precisely what is the intent manifested here. Is that correct?

Mr. JOHNSTON. Mr. President, I understand that the rules in effect under the Emergency Petroleum Allocation Act interpret the allocation for agriculture. I do not know that they are precisely similar to the citation the Senator just gave, but they are set forth in the Emergency Petroleum Allocation Act and the regulations thereunder.

Mr. HELMS. I thank the Senator.

Mr. DOMENICI. Mr. President, I would say as part of all the regulations the answer is yes, they are included. The Senator did not state every regulation that applies, but the ones stated are intended and are included.

Mr. HELMS. I thank the Senator.

Mr. METZENBAUM. Mr. President——

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. DOMENICI. Does the Senator need time on this bill?

Mr. METZENBAUM. I would like to ask for 1 minute in order to have a colloquy with the Senator from Louisiana.

Mr. DOMENICI. I yield 1 minute.

Mr. METZENBAUM. Will the Senator from Louisiana clarify for the Senator from Ohio the agricultural priority? It is my understanding that the agricultural priority in this bill is that which is provided in the EPAA but not the same agricultural priority provided in the Natural Gas Policy Act. Am I correct in that?

Mr. JOHNSTON. The Senator is correct.

Mr. METZENBAUM. I thank the Senator.

The PRESIDING OFFICER. The Senator has 1 minute 40 seconds remaining.

## ARCHAEOLOGICAL RESOURCES PROTECTION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 1825.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved,* That the House agree to the amendment of the Senate to the text of the bill (H.R. 1825) entitled "An Act to protect archaeological resources on public lands and Indian lands, and for other purposes", with the following amendment:

In lieu of the matter proposed by the amendment of the Senate to the text of the bill, insert:

### SHORT TITLE

SECTION 1. This Act may be cited as the "Archaeological Resources Protection Act of 1979".

### FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) archaeological resources on public lands and Indian lands are an accessible and irreplaceable part of the Nation's heritage;

(2) these resources are increasingly endangered because of their commercial attractiveness;

(3) existing Federal laws do not provide adequate protection to prevent the loss and destruction of these archaeological resources and sites resulting from uncontrolled excavations and pillage; and

(4) there is a wealth of archaeological information which has been legally obtained by private individuals for noncommercial purposes and which could voluntarily be made available to professional archaeologists and institutions.

(b) The purpose of this Act is to secure, for the present and future benefit of the American people, the protection of archaeological resources and sites which are on public lands and Indian lands, and to foster increased cooperation and exchange of information between governmental authorities, the professional archaeological community, and private individuals having collections of archaeological resources and data which were obtained before the date of the enactment of this Act.

### DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "archaeological resource" means any material remains of past human life or activities which are of archaeological interest, as determined under uniform regulations promulgated pursuant to this Act. Such regulations containing such determination shall include, but not be limited to: pottery, basketry, bottles, weapons, weapon projectiles, tools, structures or portions of structures, pit houses, rock paintings, rock carvings, intaglios, graves, human skeletal materials, or any portion or piece of any of the foregoing items. Nonfossilized and fossilized paleontological specimens, or any portion or piece thereof, shall not be considered archaeological resources, under the regulations under this paragraph, unless found in an archaeological context. No item shall be treated as an archaeological resource under regulations under this paragraph unless such items is at least 100 years of age.

(2) The term "Federal land manager" means, with respect to any public lands, the Secretary of the department, or the head of any other agency or instrumentality of the United States, having primary management authority over such lands. In the case of any public lands or Indian lands with respect to which no department, agency, or instrumentality has primary management authority, such term means the Secretary of the Interior. If the Secretary of the Interior consents, the responsibilities (in whole or in part) under this Act of the Secretary of any department (other than the Department of the Interior) or the head of any other agency or instrumentality may be delegated to the Secretary of the Interior with respect to any land managed by such other Secretary or agency head, and in any such case, the term "Federal land manager" means the Secretary of the Interior.

(3) The term "public lands" means—

(A) lands which are owned and administered by the United States as part of—

(i) the national park system,

(ii) the national wildlife refuge system, or

(iii) the national forest system; and

(B) all other lands the fee title to which is held by the United States, other than lands on the Outer Continental Shelf and lands which are under the jurisdiction of the Smithsonian Institution;

(4) The term "Indian lands" means lands of Indian tribes, or Indian individuals, which are either held in trust by the United States or subject to a restriction against alienation imposed by the United States, except for any subsurface interests in lands not owned or controlled by an Indian tribe or an Indian individual.

(5) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (85 Stat. 688).

(6) The term "person" means an individual, corporation, partnership, trust, institution, association, or any other private entity or any officer, employee, agent, department, or instrumentality of the United States, of any Indian tribe, or of any State or political subdivision thereof.

(7) The term "State" means any of the fifty States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

### EXCAVATION AND REMOVAL

SEC. 4. (a) Any person may apply to the Federal land manager for a permit to excavate or remove any archaeological resource located on public lands or Indian lands and to carry out activities associated with such excavation or removal. The application shall be required, under uniform regulations under this Act, to contain such information as the Federal land manager deems necessary, including information concerning the time, scope, and location and specific purpose of the proposed work.

(b) A permit may be issued pursuant to an application under subsection (a) if the Federal land manager determines, pursuant to uniform regulations under this Act, that—

(1) the applicant is qualified, to carry out the permitted activity,

(2) the activity is undertaken for the purpose of furthering archaeological knowledge in the public interest,

(3) the archaeological resources which are excavated or removed from public lands will remain the property of the United States, and such resources and copies of associated archaeological records and data will be preserved by a suitable university, museum, or other scientific or educational institution, and

(4) the activity pursuant to such permit is not inconsistent with any management plan applicable to the public lands concerned.

(c) If a permit issued under this section may result in harm to, or destruction of, any religious or cultural site, as determined by the Federal land manager, before issuing such permit, the Federal land manager shall notify any Indian tribe which may consider the site as having religious or cultural importance. Such notice shall not be deemed a disclosure to the public for purposes of section 9.

(d) Any permit under this section shall contain such terms and conditions, pursuant to uniform regulations promulgated under this Act, as the Federal land manager concerned deems necessary to carry out the purposes of this Act.

(e) Each permit under this section shall identify the individual who shall be responsible for carrying out the terms and conditions of the permit and for otherwise complying with this Act and other law applicable to the permitted activity.

(f) Any permit issued under this section may be suspended by the Federal land manager upon his determination that the permittee has violated any provision of subsection (a), (b), or (c) of section 6. Any such permit may be revoked by such Federal land manager upon assessment of a civil penalty under section 7 against the permittee or upon the permittee's conviction under section 6.

(g) (1) No permit shall be required under this section or under the Act of June 8, 1906 (16 U.S.C. 431), for the excavation or removal by any Indian tribe or member thereof of any archaeological resource located on Indian lands of such Indian tribe, except that in the absence of tribal law regulating the excavation or removal of archaeological resources on Indian lands, an individual tribal member shall be required to obtain a permit under this section.

(2) In the case of any permits for the excavation or removal of any archaeological resource located on Indian lands, the permit may be granted only after obtaining the consent of the Indian or Indian tribe owning or having jurisdiction over such lands. The permit shall include such terms and conditions as may be requested by such Indian or Indian tribe.

(h) (1) No permit or other permission shall be required under the Act of June 8, 1906 (16 U.S.C. 431–433), for any activity for which a permit is issued under this section.

(2) Any permit issued under the Act of June 8, 1906, shall remain in effect according to its terms and conditions following the enactment of this Act. No permit under this Act shall be required to carry out any activity under a permit issued under the Act of

June 8, 1906, before the date of the enactment of this Act which remains in effect as provided in this paragraph, and nothing in this Act shall modify or affect any such permit.

(i) Issuance of a permit in accordance with this section and applicable regulations shall not require compliance with section 106 of the Act of October 15, 1966 (80 Stat. 917, 16 U.S.C. 470f).

(j) Upon the written request of the Governor of any State, the Federal land manager shall issue a permit subject to the provisions of subsections (b)(3), (b)(4), (c), (e), (f), (g), (h), and (i) of this section for the purpose of conducting archaeological research, excavation, removal, and curation, on behalf of the State or its educational institutions, to such Governor or to such designee as the Governor deems qualified to carry out the intent of this Act.

CUSTODY OF RESOURCES

SEC. 5. The Secretary of the Interior may promulgate regulations providing for—

(1) the exchange, where appropriate, between suitable universities, museums or other scientific or educational institutions, of archaeological resources removed from public lands and Indian lands pursuant to this Act, and

(2) the ultimate disposition of such resources and other resources removed pursuant to the Act of June 27, 1960 (16 U.S.C. 469–469c) or the Act of June 8, 1906 (16 U.S.C. 431–433).

Any exchange or ultimate disposition under such regulation of archaeological resources excavated or removed from Indian lands shall be subject to the consent of the Indian or Indian tribe which owns or has jurisdiction over such lands. Following promulgation of regulations under this section, notwithstanding any other provision of law, such regulations shall govern the disposition of archaeological resources removed from public lands and Indian lands pursuant to this Act.

PROHIBITED ACTS AND CRIMINAL PENALTIES

SEC. 6. (a) No person may excavate, remove, damage, or otherwise alter or deface any archaeological resource located on public lands or Indian lands unless such activity is pursuant to a permit issued under section 4, a permit referred to in section 4(h)(2), or the exemption contained in section 4(g)(1).

(b) No person may sell, purchase, exchange, transport, receive, or offer to sell, purchase, or exchange any archaeological resource if such resource was excavated or removed from public lands or Indian lands in violation of—

(1) the prohibition contained in subsection (a), or

(2) any provision, rule, regulation, ordinance, or permit in effect under any other provision of Federal law.

(c) No person may sell, purchase, exchange, transport, receive, or offer to sell, purchase, or exchange, in interstate or foreign commerce, any archaeological resource excavated, removed, sold, purchased, exchanged, transported, or received in violation of any provision, rule, regulation, ordinance, or permit in effect under State or local law.

(d) Any person who knowingly violates, or counsels, procures, solicits, or employs any other person to violate, any prohibition contained in subsection (a), (b), or (c) of this section shall, upon conviction, be fined not more than $10,000 or imprisoned not more than one year, or both: *Provided, however*, That if the commercial or archaeological value of the archaeological resources involved and the cost of restoration and repair of such resources exceeds the sum of $5,000, such person shall be fined not more than $20,000 or imprisoned not more than two years, or both. In the case of a second or subsequent such violation upon conviction such person shall be fined not more than $100,000, or imprisoned not more than five years, or both.

(e) The prohibitions contained in this section shall take effect on the date of the enactment of this Act.

(f) Nothing in subsection (b)(1) of this section shall be deemed applicable to any person with respect to an archaeological resource which was in the lawful possession of such person prior to the date of the enactment of this Act.

(g) Nothing in subsection (d) of this section shall be deemed applicable to any person with respect to the removal of arrowheads located on the surface of the ground.

CIVIL PENALTIES

SEC. 7. (a)(1) Any person who violates any prohibition contained in an applicable regulation or permit issued under this Act may be assesed a civil penalty by the Federal land manager concerned. No penalty may be assessed under this subsection unless such person is given notice and opportunity for a hearing with respect to such violation. Each violation shall be a separate offense. Any such civil penalty may be remitted or mitigated by the Federal land manager concerned.

(2) The amount of such penalty shall be determined under regulations promulgated pursuant to this Act, taking into account, in addition to other factors—

(A) the archaeological or commercial value of the archaeological resource involved, and

(B) the cost of restoration and repair of the resource and the archaeological site involved.

Such regulations shall provide that, in the case of a second or subsequent violation by any person, the amount of such civil penalty may be double the amount which would have been assessed if such violation were the first violation by such person. The amount of any penalty assessed under this subsection for any violation shall not exceed an amount equal to double the cost of restoration and repair of resources and archaeological sites damaged and double the fair market value of resources destroyed or not recovered.

(3) No penalty shall be assessed under this section for the removal of arrowheads located on the surface of the ground.

(b)(1) Any person aggrieved by an order assessing a civil penalty under subsection (a) may file a petition for judicial review of such order with the United States District Court for the District of Columbia or for any other district in which such a person resides or transacts business. Such a petition may only be filed within the 30-day period beginning on the date the order making such assessment was issued. The court shall hear such action on the record made before the Federal land manager and shall sustain his action if it is supported by substantial evidence on the record considered as a whole.

(2) If any person fails to pay an assessment of a civil penalty—

(A) after the order making the assessment has become a final order and such person has not filed a petition for judicial review of the order in accordance with paragraph (1), or

(B) after a court in an action brought under paragraph (1) has entered a final judgment upholding the assessment of a civil penalty,

the Federal land managers may request the Attorney General to institute a civil action in a district court of the United States for any district in which such person is found, resides, or transacts business to collect the penalty and such court shall have jurisdiction to hear and decide any such action. In such action, the validity and amount of such penalty shall not be subject to review.

(c) Hearings held during proceedings for the assessment of civil penalties authorized by subsection (a) shall be conducted in accordance with section 554 of title 5 of the United States Code. The Federal land manager may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contumacy or refusal to obey a subpena served upon any person pursuant to this paragraph, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Federal land manager or to appear and produce documents before the Federal land manager, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

REWARDS; FORFEITURE

SEC. 8 (a) Upon the certification of the Federal land manager concerned, the Secretary of the Treasury is directed to pay from penalties and fines collected under sections 6 and 7 an amount equal to one-half of such penalty or fine, but not to exceed $500, to any person who furnishes information which leads to the finding of a civil violation, or the conviction of criminal violation, with respect to which such penalty or fine was paid. If several persons provided such information, such amount shall be divided among such persons. No officer or employee of the United States or of any State or local government who furnishes information or renders service in the performance of his official duties shall be eligible for payment under this subsection.

(b) All archaeological resources with respect to which a violation of subsection (a), (b), or (c) of section 6 occurred and which are in the possession of any person, and all vehicles and equipment of any person which were used in connection with such violation, may be (in the discretion of the court or administrative law judge, as the case may be) subject to forfeiture to the United States upon—

(1) such person's conviction of such violation under section 6,

(2) assessment of a civil penalty against such person under section 7 with respect to such violation, or

(3) a determination by any court that such archaeological resources, vehicles, or equipment were involved in such violation.

(c) In cases in which a violation of the prohibition contained in subsection (a), (b), or (c) of section 6 involve archaeological resources excavated or removed from Indian lands, the Federal land manager or the court, as the case may be, shall provide for the payment to the Indian or Indian tribe involved of all penalties collected pursuant to section 7 and for the transfer to such Indian or Indian tribe of all items forfeited under this section.

CONFIDENTIALITY

SEC. 9. (a) Information concerning the nature and location of any archaeological resource for which the excavation or removal requires a permit or other permission under this Act or under any other provision of Federal law may not be made available to the public under subchapter II of chapter 5 of the United States Code or under any other provision of law unless the Federal land manager concerned determines that such disclosure would—

(1) further the purposes of this Act or the Act of June 27, 1960 (16 U.S.C. 469–469c), and

(2) not create a risk of harm to such resources or to the site at which such resources are located.

(b) Notwithstanding the provisions of subsection (a), upon the written request of the Governor of any State, which request shall state—

(1) the specific site or area for which information is sought,

(2) the purpose for which such information is sought,

(3) a commitment by the Governor to adequately protect the confidentiality of such information to protect the resource from commercial exploitation,

the Federal land manager concerned shall provide to the Governor information concerning the nature and location of archaeological resources within the State of the requesting Governor.

### REGULATIONS; INTERGOVERNMENTAL COORDINATION

SEC. 10. (a) The Secretaries of the Interior, Agriculture and Defense and the Chairman of the Board of the Tennessee Valley Authority, after consultation with other Federal land managers, Indian tribes, representatives of concerned State agencies, and after public notice and hearing, shall promulgate such uniform rules and regulations as may be appropriate to carry out the purposes of this Act. Such rules and regulations may be promulgated only after consideration of the provisions of the American Indian Religious Freedom Act (92 Stat. 469; 42 U.S.C. 1996). Each uniform rule or regulation promulgated under this Act shall be submitted on the same calendar day to the Committee on Energy and Natural Resources of the United States Senate and to the Committee on Interior and Insular Affairs of the United States House of Representatives, and no such uniform rule or regulation may take effect before the expiration of a period of ninety calendar days following the date of its submission to such Committees.

(b) Each Federal land manager shall promulgate such rules and regulations, consistent with the uniform rules and regulations under subsection (a), as may be appropriate for the carrying out of his functions and authorities under this Act.

### COOPERATION WITH PRIVATE INDIVIDUALS

SEC. 11. The Secretary of the Interior shall take such action as may be necessary, consistent with the purposes of this Act, to foster and improve the communication, cooperation, and exchange of information between—

(1) private individuals having collections of archaeological resources and data which were obtained before the date of the enactment of this Act, and

(2) Federal authorities responsible for the protection of archaeological resources on the public lands and Indian lands and professional archaeologists and associations of professional archaeologists.

In carrying out this section, the Secretary shall, to the extent practicable and consistent with the provisions of this Act, make efforts to expand the archeological data base for the archeological resources of the United States through increased cooperation between private individuals referred to in paragraph (1) and professional archeologists and archeological organizations.

### SAVINGS PROVISIONS

SEC. 12. (a) Nothing in this Act shall be construed to repeal, modify, or impose additional restrictions on the activities permitted under existing laws and authorities relating to mining, mineral leasing, reclamation, and other multiple uses of the public lands.

(b) Nothing in this Act applies to, or requires a permit for, the collection for private purposes of any rock, coin, bullet, or mineral which is not an archeological resource, as determined under uniform regulations promulgated under section 3(1).

(c) Nothing in this Act shall be construed to affect any land other than public land or Indian land or to affect the lawful recovery, collection, or sale of archeological resources from land other than public land or Indian land.

### REPORT

SEC. 13. As part of the annual report required to be submitted to the specified committees of the Congress pursuant to section 5(c) of the Act of June 27, 1960 (74 Stat. 220; 16 U.S.C. 469–469a), the Secretary of the Interior shall comprehensively report as a separate component on the activities carried out under the provisions of this Act, and he shall make such recommendations as he deems appropriate as to changes or improvements needed in the provisions of this Act. Such report shall include a brief summary of the actions undertaken by the Secretary under section 11 of this Act, relating to cooperation with private individuals.

*Resolved*, That the House agree to the amendment of the Senate to the title of the bill.

Mr. DOMENICI. Mr. President, as this legislation is being passed into law I reiterate my position on what this legislation does and does not do.

This bill was necessary in order to give Federal land managers the authority to protect archeological sites from piracy and pillage. A court ruling in the ninth circuit voided the old law.

Archeological resources in this bill are defined so as to insure only those artifacts of true value as antiquities are preserved. They must, for example, be 100 years old.

A system of civil rather than criminal penalties is established to insure that general users of public lands will not be subject to criminal prosecution in the event of controversy.

This bill also provides the Governor of any State the authority to request a Federal land manager to grant a permit for the purpose of conducting archeological research. This is meant to expand and simplify the procedure for use of the public lands and to open them to wider use. An example would be a Boy Scout troop requesting the Governor for permission to explore public lands for arrowheads, bullets, or coins.

In the course of the hearings on this bill, I consistently stressed that the Federal land managers can help to protect the archeological resources through the education of the visitor. Educational materials will help the visitors to understand and appreciate our national resources and how to best protect them.

Mr. President, in New Mexico we have archeological sites containing Mimbres artifacts which are extremely valuable. There are those who invade public lands with bulldozers and ravage antiquities for profit. They must be stopped. We also have literally tens of thousands of citizens who enjoy exploring the public lands with a genuine interest in the history and background of their home towns. Their rights to enjoy the lands must also be protected. This legislation will put teeth in the law to stop the criminal but also protects and expands the use of the lands by all Americans who will now better understand how to protect them.

I yield to the Senator from Oregon.

Mr. HATFIELD. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. A message from the House on H.R. 1825.

Mr. HATFIELD. Mr. President, I see the manager of the bill is here on the majority side. I was going to move to adopt the House amendments.

Mr. President, I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, this measure will protect archeological resources located on public and Indian lands. H.R. 1825 was first passed by the House of Representatives on July 9. On July 30, the Senate approved the House-passed bill with an amendment in the nature of a substitute.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator may proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, for the benefit of my colleagues, I would like to explain the major changes which were made by the House to the Senate-passed text of H.R. 1825.

First. Defined age of an archeological resource. The Senate-passed provision defined an archeological resource as being at least 50 years of age while the House substitute amendment would define an archeological resource as being at least 100 years of age. Although the Senate 50-year provision would protect additional resources, there is general agreement that, for the purposes of this act, the 100-year provision is reasonable and acceptable.

Second. Permits for excavation. The House substitute text provides that upon the written request of a Governor of any State, a Federal land manager shall issue a permit for the purpose of conducting archeological research. The Senate-passed provision would maintain the existing procedures for issuance of permits, that is, permits would be issued only by the Federal land manager. In the substitute text a permit issued to a Governor on behalf of a State or its educational institutions, would be subject to most of the restrictions applicable to private permittees.

In light of the longstanding interest by the States and their educational institutions to conduct research on lands within the State and the ongoing efforts by the Federal land managing agencies to cooperate with the States in the identification of significant archeological resources, this amendment is acceptable and is supported by the sponsors of the Senate companion measure and the members of the Energy and Natural Resources Committee.

Third. Exemption from civil and criminal punishment for persons removing arrowheads from the surface of the ground. While this amendment is acceptable to the sponsors of the legislation and the members of the committee, it should be noted that removing arrowheads is prohibited under the 1906 Antiquities Act, the 1916 National Park Service Organic Act, and would not be allowed on Indian lands without an appropriate permit. In addition, the removal of arrowheads without a permit should not be permitted near sites where investigations and excavations are underway or where areas are protected by signs. Persons collecting arrowheads should be familiar with the guidelines of the various land managing agencies and the locations where such activity is permitted.

Fourth. Ninety-Day Congressional Review Period for Regulations. The House substitute text provides that final regulations promulgated under the act shall be transmitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives and shall lay before the committees for 90 days before they become effective.

Finally, I want to emphasize that the effectiveness of this legislation can be greatly enhanced by efforts to inform the public about the importance of our archeological and cultural resources. The Federal managers can help to protect the archeological resources through the education of the visitor. Educational materials, interpretive programs, and so forth, will help the visitors to understand and appreciate the cultural resources located on public lands and Indian lands and the need for their protection.

Mr. HATFIELD. Mr. President, I rise in support of H.R. 1825 as amended by the Senate and the House. I compliment the Senator from New Mexico (Mr. Domenici) for his hard and fruitful work in bringing agreement and solution of the problems presented by archeological depredation on public lands.

The major House amendments to the Senate amendments modify the original House-passed bill in the following ways:

Although the definition of "archeological resources" no longer specifically excludes bullets and arrowheads, these items along with coins are given special consideration so that hobbyists need not fear Federal penalties.

It is the intent of the authors and supporters of this bill that only artifacts of true archeological interest will be considered "archeological resources."

Such items as coins, bottles, and bullets are clearly not intended to come under the purview of this law unless found within an archeological site. While arrowheads located on the surface of the ground may be considered "archeological resources," and permits may be required to remove them, no civil or criminal penalties may be imposed. As stated, other acts also regulate the removal of arrowheads.

I feel that we should be honest and warn that the taking of arrowheads may be prohibited by other laws and other regulations on some public lands such as national parks. However, the intent of this bill in this matter is to educate not punish. We do not intend to affect activities such as the Boy Scouts had a few years ago where merit badges were awarded for arrowhead collecting. Under a proper land ethic, these activities are being curtailed, modified, or eliminated as education and knowledge of our actions increase. Education is the key.

I have been interested in this legislation from a number of viewpoints. Some archeological depredation has occurred in Oregon. A goodly number of constituents in Oregon are legitimate public land users: Hikers, rockhounds, collectors, explorers, wanderers, and persons who like to poke around for fun, picking up arrowheads, old bottles, and old metal. Some of these persons use metal detectors in their pursuits. In Oregon, there are three companies manufacturing metal detectors. They have made positive contributions to this legislation. They have not opposed the legislation as they agree with the goals of protecting our "archeological resources."

I have some questions for the distinguished chairman of the Parks, Recreation, and Renewable Resources Subcommittee.

I would like to know what impact this legislation would have on an individual citizen who picks up arrowheads, bottles, coins from Federal land and brings them home for a collection?

Mr. BUMPERS. Mr. President, in answering the distinguished Senator from Oregon (Mr. Hatfield). First, anyone engaging in the activities you describe before enactment of this legislation may retain any collection after enactment if the archeological resource was in the lawful possession of such person. Second, nothing in this act applies to the collection for private purposes any rock, coin, bullet which is not an archeological resource. The collection of arrowheads found on the surface of the ground is not a civil or criminal violation, under this act. However, as the Senator stated, arrowhead removal may be currently prohibited on certain Federal lands, such as national parks.

Mr. HATFIELD. Does this legislation limit the use of metal detectors on public lands?

Mr. BUMPERS. This legislation does not affect the use of metal detectors on public lands. If it is legal to use metal detectors currently, this act does not diminish that use. If it is illegal to use metal detectors, as in national parks, this act does not allow such use.

Mr. President, the House substitute language is acceptable to the Senate sponsor of this legislation and to me. I urge that the Senate concur in the amendments of the House. Mr. President, I move that the Senate agree to the House amendments.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I originally introduced that bill as S. 490. What we have agreed to today is an improvement. I wholeheartedly support it. There is a need. I thank the Senator from Arkansas for bringing it here today.

## EXTENSION OF ANTITRUST EXEMPTION FOR OIL COMPANIES PARTICIPATING IN THE AGREEMENT ON AN INTERNATIONAL ENERGY PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, at the request of Mr. Jackson, that the Senate proceed to the consideration of Calendar Order No. 388 for not to exceed 5 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Hearing none, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

> A bill (S. 1871) to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program.

The Senate proceeded to consider the bill (S. 1871) which had been reported from the Committee on Energy and Natural Resources with an amendment on page 1, line 5, strike "June 30, 1979" and insert "October 31, 1979," so as to make the bill read:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 252(j) of the Energy Policy and Conservation Act of 1975 (42 U.S.C. 6272(j)) is amended by striking out "October 31, 1979" and inserting in lieu thereof "June 30, 1980".

Mr. JACKSON. Mr. President, the United States and 15 other oil-consuming nations signed an agreement on an international energy program on November 18, 1974. To accomplish its objectives, that agreement created the International Energy Agency, an autonomous institution within the Organization for Economic Cooperation and Development. The IEA is headquartered in Paris and is administered by a Secretariat consisting of Ministers or their delegates from each of the participating countries. There are presently 20 nations which participate in the IEA.

Recognizing the need for cooperation with and information from the major international oil companies, the IEA has established major industry advisory bodies. The so-called reporting company group currently consists of 21 U.S. oil companies and 11 foreign-based oil companies. The industry advisory board consists of seven U.S. oil companies and six foreign oil companies.

Since the exchange of sensitive trade information and the participation of the oil companies in the IEA allocation program would be highly suspect under U.S. antitrust law, the participating American oil companies were granted a limited antitrust defense by section 252 of the Energy Policy and Conservation Act of 1975. This section of that statute provides for the adoption of voluntary agreements and plans of action to implement the allocation and information provisions of the international energy program.

Some 21 U.S. oil companies have agreed to participate in the voluntary agreement which was created in March 1976. The voluntary agreement sets forth the procedures the oil companies must follow in order to qualify for the antitrust defense.

S. 1871 would extend the duration of the present antitrust defense proviso in EPCA to June 30, 1980. On June 30, 1979, Public Law 96-30 was enacted and had the effect of extending the antitrust defense proviso for 4 months, until October 31, 1979.

The 8-month extension provided in S. 1871 will provide the General Accounting Office an opportunity to complete its ongoing investigation of the effectiveness of the international energy agency. The GAO report is expected to be available to Congress in May 1980, and will be valuable to the Committee on Energy and Natural Resources and the Committee on the Judiciary in their consideration of S. 1413, a proposal by the administration to extend the antitrust defense proviso until January 19, 1986.

Mr. President, I yield to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to support this measure, which was introduced by myself, Senator JACKSON, and Senator THURMOND. In doing so, I want to make it clear that it is not an indication that I believe that, on a long-range basis, the international energy agency serves a useful purpose for our Nation. It may or may not. That is the subject that is before the Senate Antitrust Subcommittee of the Commitee on the Judiciary, a matter on which we have been conducting hearings.

There are some real questions as to whether or not this international energy agency is a body to which our Nation should be committed, in which we ought to be involved, whether or not it does not provide a means for oil to be diverted from our shores, rather than for oil to flow to our shores.

Mr. President, there is another issue that is a very strong one. That is that if our Nation should be involved in the international energy agency, is there any reason why there should be a specific exemption in the law under our antitrust laws? Although there are some arguments that can be made in support thereof, there is an equally strong argument that could be made that a clearance letter could be had in each instance in which the oil companies meet with the IEA.

The General Accounting Office appeared before our committee, which had joint jurisdiction with the Energy Committee, and indicated that they were studying this subject, that they hoped that, by April or May, they would be able to give a full report to Congress on the value and effectiveness or whether it is worthwhile for our Nation to continue its participation. For that reason, I introduced this legislation, to provide an adequate amount of time so that Congress could have the GAO report before we come to a final decision on the subject.

Since the matter has been previously jointly referred to the Energy Committee as well as the Judiciary Committee, which was not, in this instance, at my own instance, because I saw no reason to have joint hearings at this particular point; I feel this issue will have to come back to Congress because I feel the major thrust of this entire question is that of an antitrust question and whether it should be permitted in the law. I assume when we next come forward with legislation, the measure will be jointly referred to both committees for final disposition.

Mr. President, I urge the Members of the Senate to support this legislation in its present form in order that they may have ample opportunity to give the entire subject our full consideration.

Mr. JACKSON. Mr. President, I commend the distinguished Senator from Ohio for his cooperation in this matter. He chairs the Antitrust Subcommittee and I know we shall be following it closely, during the period ahead, especially in connection with the GAO report.

Mr. METZENBAUM. I look forward to working closely with the chairman of the Energy Committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DOMENICI. Mr. President, the Senator from Oregon desired to speak on this bill. Is there any time remaining?

The PRESIDING OFFICER. There are 30 seconds remaining.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time be extended for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I thank the Senator for yielding.

Mr. President, I rise in support of S. 1871, a bill reported by the Energy and Natural Resources Committee to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program. This bill would extend the antitrust exemption in existing law, which expires at the end of this month, for an additional 6 months until June 30, 1980. The 6-month extension under the bill will insure that the voluntary participation of the international oil corporations in the international energy program will continue without interruption for the next 6 months.

The original antitrust exemption was included in the Energy Policy and Conservation Act of 1975, with an expiration date of June 30, 1979. On June 30 of this year, Public Law 96-30 was enacted with an extension of the exemption until the end of this month. The 4-month extension included in that act was intended to allow additional time for the Energy Committee and the Judiciary Committee to consider the several complex legal and policy issues associated with the original antitrust exemption. While a majority of the members of the Energy Committee and the administration are convinced that the exemption has not resulted in any apparent or real antitrust difficulties, some Members and the Judiciary Committee have expressed concerns that the exemption may be overly broad and an invitation for possible antitrust difficulties. The 4-month extension until the end of this month enacted in June, and the additional 6-month extension contained in this bill constitute an effort to provide a full opportunity for consideration of those concerns.

I believe it is important to note for the record, that the Justice Department and the Federal Trade Commission, pursuant to the original law, closely monitor all activities of the oil companies under this exemption in the international energy program. The agencies both file quarterly reports commenting on the antitrust considerations in those activities. Both agencies, in those reports and in testimony before congressional committees, have stated that the existing monitoring procedures by the agencies are adequate to protect against any antitrust violations. At the same time, the Departments of Energy and State have consistently testified to the importance of this antitrust exemption to insure the voluntary participation of the oil companies in the international oil program. Also, we fully appreciate that the companies may very well be subjecting themselves to serious antitrust violation allegations if they were to participate in the international energy program without this exemption. It is important to note that the participation of the oil companies includes both advisory committee membership and actual operational responsibilities under the international energy agency, in the event the international energy agreement is triggered. On balance then, a majority of the members on the Energy Committee and the administration are convinced that there is no identified reason to modify or terminate the exemption, but there is very good reason to extend it as an essential part of our continued efforts to manage the world energy situation.

At this time, I commend the Senator from Ohio (Mr. METZENBAUM) for his leadership in proposing the 6-month extension and helping to clear it through the Energy Committee and the Judiciary Committees. I know that the Senator has reservations about this exemption, and is actively pursuing a detailed analysis with GAO to review his concerns. At the same time, however, he has been instrumental in insuring that this exemption does not terminate before the Congress has had a full review of all the relevant considerations. Consequently, we can insure that the existing IEA mechanisms, including the voluntary participation of the oil companies, will continue during that review. Since companion legislation already has been reported in the House, we are hopeful that, with Senator METZENBAUM'S assistance, we successfully will be able to enact this extension in short order. I again commend the Senator from Ohio, and thank him for his efforts.

It was his initiative, his leadership, that brought it to this point today. I think it is a very important matter for us to accept, to take the recommendations of the committee. I know it has been primarily a burden carried by the Senator from Ohio. I wanted to make that point at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. JACKSON. Mr. President, I yield back whatever time I have.

Mr. DOMENICI. We yield back whatever time we have.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

## TIME-LIMITATION AGREEMENT—H.R. 3434

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 352, H.R. 3434, to amend the Social Security Act to make needed improvements in the child welfare and social services programs, is called up and made the pending business of the Senate, there be a time agreement on that bill as follows: 4 Hours, equally divided, on the bill between Mr. Long of Louisiana and Mr. Dole; 1 hour equally divided on any amendment; 1½ hours, equally divided, on a Schweiker amendment on medicaid management information systems; 2 hours, equally divided, on a germane amendment to be offered by Senator Bellmon; 30 minutes, equally divided, on each of two Cranston amendments—one dealing with adjustment of foster care cap and one dealing with medicaid eligibility for certain VA pensioners; 30 minutes equally divided on any amendment in the second degree; 20 minutes on any debatable motion, point of order or appeal if such a point of order is submitted to the Senate for discussion; and that the agreement be in the usual form, with the proviso that the bill not be made the pending business prior to Friday, October 19.

Mr. METZENBAUM. Mr. President, reserving the right to object, and I do not intend to object, will the leader tell me what bill that is?

Mr. ROBERT C. BYRD. Yes, it is Calendar Order No. 352, H.R. 3434. It will amend the Social Security Act to make needed improvements in the child welfare and social services bills.

Mr. BAKER. Mr. President, the request is cleared on this side. We have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The text of the agreement follows:

*Ordered*, That not before Friday, October 19, 1979, when the Senate proceeds to the consideration of H.R. 3434 (Order No. 352), to amend the Social Security Act to make needed improvements in the child welfare and social services programs, debate on any amendment in the first degree shall be limited to 1 hour (except on an amendment by the Senator from Pennsylvania (Mr. Schweiker), relative to medicaid management information systems, on which there shall be 1½ hours; a germane amendment by the Senator from Oklahoma (Mr. Bellmon), on which there shall be 2 hours; and two amendments by the Senator from California (Mr. Cranston), relative to the adjustment of foster care cap and medicaid eligibility for certain VA pensioners, respectively, on each of which there shall be 30 minutes), to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

*Ordered further*, That on the question of final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Senator from Louisiana (Mr. Long) and the Senator from Kansas (Mr. Dole): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

## EMERGENCY ENERGY CONSERVATION ACT OF 1979—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

### REQUEST FOR PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, so Senators will be on notice with respect to tomorrow, and this will be the last rollcall vote today, there is an important event tonight, other than it being the last game of the world series. We can look at Senator Magnuson and see that he is involved in it.

Mr. President, I ask unanimous consent that the sequence of developments, votes, and so forth, which under the order was to begin at 12 o'clock tomorrow, begin at 4 p.m. tomorrow instead.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I momentarily withdraw the request.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Hawaii (Mr. Inouye), and the Senator from Georgia (Mr. Nunn) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. Laxalt) and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting the Senator from Nevada (Mr. Laxalt), and the Senator from Connecticut (Mr. Weicker), would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 77, nays 18, as follows:

[Rollcall Vote No. 364 Leg.]

YEAS—77

Baker
Bentsen
Biden
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
Dole
Domenici
Eagleton
Exon
Ford
Glenn
Goldwater
Hart
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McClure
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

NAYS—18

Armstrong
Baucus
Bellmon
Boren
Boschwitz
Cochran
DeConcini
Durenberger
Durkin
Garn
Gravel
Hatch
Helms
Humphrey
Lugar
Melcher
Proxmire
Tower

NOT VOTING—5

Bayh
Inouye
Laxalt
Nunn
Weicker

So the conference report (S. 1030) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that now there be a period for the transaction of routine morning business for not to exceed 30 minutes and that Senators may speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

### REPORT ON THE STATUS OF THE NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT—PM 124

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Energy and Natural Resources:

*To the Congress of the United States:*

I am transmitting herewith the Fifteenth Annual Report on the Status of the National Wilderness Preservation System. This information has been compiled by the Secretaries of Agriculture and the Interior for lands under their respective jurisdiction and covers calendar year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *October 17, 1979.*

### REPORT OF THE NATIONAL CANCER ADVISORY BOARD—MESSAGE FROM THE PRESIDENT—PM 125

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

*To the Congress of the United States:*

I am pleased to send to the Congress the 1978 Report of the National Cancer Advisory Board, as required by Section 410(g), Part A, Title IV, Public Health Service Act.

JIMMY CARTER.

THE WHITE HOUSE, *October 17, 1979.*

### PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on today, October 17, 1979, he had approved and signed the following act:

S. 210. An act to establish a Department of Education, and for other purposes.

### MESSAGES FROM THE HOUSE

At 4:07 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, each with an amendment in which it requests the concurrence of the Senate:

S. 241. An act to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes;

S. 440. An act to revise and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970; and

S. 525. An act to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4580) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes; that the House recedes from its disagreement to the amendment of the Senate numbered 16 to the bill and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 4, 7, 21, 25, and 27 to the bill and concurs therein each with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 887. An act for the relief of Elizabeth Berwick and Alexander Berwick, her husband;

H.R. 1616. An act for the relief of Caroline M. Babcock;

H.R. 2531. An act for the relief of Russell W. Allen;

H.R. 2532. An act for the relief of Gail Williamson;

H.R. 5288. An act to amend title 38 United States Code to improve and modernize the vocational rehabilitation program provided veterans under chapter 31 of such title to improve the veteran's educational assistance program and for other purposes.

#### ENROLLED BILL SIGNED

At 6:06 p.m., a message from the House of Representatives announced that the Speaker has signed the following enrolled bill:

H.R. 3173. An act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1980 and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. TSONGAS).

### HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 887. An act for the relief of Elizabeth Berwick and Alexander Berwick, her husband; to the Committee on the Judiciary.

H.R. 1616. An act for the relief of Caroline M. Babcock; to the Committee on the Judiciary.

H.R. 2531. An act for the relief of Russell W. Allen; to the Committee on the Judiciary.

H.R. 2532. An act for the relief of Gail Williamson; to the Committee on the Judiciary.

### HOUSE BILL HELD AT THE DESK

The following bill was read twice by title and ordered held at the desk, by unanimous consent:

H.R. 5288. An act to amend title 38, United States Code, to improve and modernize the vocational rehabilitation program provided veterans under chapter 31 of such title, to improve the veteran's educational assistance program, and for other purposes.

### COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-2331. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the transfer of funds made recently in the Shipbuilding and Conversion, Navy, Appropriation; to the Committee on Appropriations.

EC-2332. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed letter of offer to Spain for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2333. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed letter of offer to Spain for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2334. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed letter of offer to Spain for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2335. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed letter of offer to Spain for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2336. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Weather Program Must Have Stronger Central Direction"; to the Committee on Commerce, Science, and Transportation.

EC-2337. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, a notice of a meeting related to the International Energy Program; to the Committee on Energy and Nautral Resources.

EC-2338. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for additional authorization for appropriations for the Tinicum National Environmental Center; to the Committee on Environment and Public Works.

EC-2339. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for alterations at the Washington, D.C. General Services Administration Building; to the Committee on Environment and Public Works.

EC-2340. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to October 12, 1979; to the Committee on Foreign Relations.

EC-2341. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on the admission of certain aliens under section 212(d)(3) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-2342. A communication from the Special Counsel, Department of Justice, transmitting, for the information of the Senate, the report on the investigation of the Carter Warehouse and the National Bank of Georgia; to the Committee on the Judiciary.

EC-2343. A communication from the Chairman of the United States Water Resources Council, transmitting a draft of proposed legislation to authorize State participation in municipal and industrial water supply agreements for payment for water supply from Federal water resources development projects in order to promote water conservation together with cost recovery; by unanimous consent, referred jointly to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the U.S. Water Resources Council, relative to amending the Water Supply Act of 1958 and the Reclamation Project Act of 1939, be referred jointly to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-2344. A communication from the Federal Inspector, Alaska Natural Gas Transportation System, transmitting, pursuant to law, the first quarterly report on the construction of the Alaska Natural Gas Transportation System; by unanimous consent, referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Energy and Natural Resources.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Federal Inspector for the Alaska Natural Gas Transportation System, transmitting the first quarterly report on the natural gas pipeline project, be referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

James C. Webster, of South Dakota, to be an Assistant Secretary of Agriculture.

(The above nomination from the Committee on Agriculture, Nutrition, and Forestry was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes (Rept. No. 96-371).

By Mr. TSONGAS, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 1748. A bill to authorize the Secretary of Housing and Urban Development to furnish assistance to encourage the use of energy conservation measures (together with additional views) (Rept. No. 96-372).

By Mr. MELCHER, from the Select Committee on Indian Affairs, with an amendment:

S. 751. A bill relating to the relocation of the Navajo Indians and the Hopi Indians, and for other purposes (Rept. No. 96-373).

By Mr. MORGAN, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 1716. A bill to establish a Solar Energy Development Bank to help make available below-market interest rate loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States, and for other purposes (together with additional views) (Rept. No. 96-374).

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HEFLIN:

S. 1900. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of casualty losses in the case of fruit or nut trees; to the Committee on Finance.

S. 1901. A bill to amend the Internal Revenue Code of 1954 with respect to the amount deductible in the case of casualty losses of timber; to the Committee on Finance.

By Mr. STEWART (for himself and Mr. HEFLIN):

S. 1902. A bill to provide for the establishment within the National Cemetery System of a new national cemetery to be located in Russell County, Alabama, and to be known as the "Fort Mitchell Regional Veterans' Cemetery"; to the Committee on Veterans' Affairs.

By Mr. MELCHER:

S. 1903. A bill to authorize and direct the Secretary of Agriculture to establish a national program of rangeland research to be carried out by the United States; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. METZENBAUM:

S. 1904. A bill to provide for a comprehensive national program for domestic energy production and consumption, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CANNON (for himself, Mr. LONG, and Mr. PACKWOOD):

S. 1905. A bill to provide for the orderly restructuring of the Milwaukee Railroad, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MELCHER:

S. 1906. A bill to authorize the Secretary of the Interior to convey certain lands near Miles City, Montana, and to remove certain reservations from prior conveyances; to the Committee on Energy and Natural Resources.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HEFLIN:

S. 1900. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of casualty losses in the case of fruit or nut trees; to the Committee on Finance.

Mr. HEFLIN. Mr. President, the recent natural disaster caused by Hurricane Frederic as it ripped through my home State of Alabama, and the neighboring States of Florida and Mississippi, has focused much attention on some of the shortcomings of our disaster relief programs. While on the whole, the programs are working well and responding to the needs of large numbers of persons, certain groups, due to the unique nature of their activities, find little solace in the relief efforts.

One group which was particularly hard hit by this devastating storm was the pecan growers of Alabama and adjoining States. In Alabama, pecan growing as an industry is concentrated in south Alabama, in the Mobile area. Alabama is the third largest pecan producing State in the Nation and 80 percent of that production is in south Alabama, primarily in Baldwin and Mobile Counties. Pecan groves, many of which have been nurtured for decades, were decimated by Hurricane Frederic. Mature, nut producing trees are valued at between $250 and $300 each. Some pecan growers lost as many as 2,000 producing trees and suffered a real, uninsured economic loss of approximately $750,000 not counting the value of the current crops.

Mr. President, you will note that I used the word "uninsured." I mean uninsured in that there was no insurance available to the pecan growers from governmental sources or from private sources.

Moreover, it is estimated that it will cost between $20 to $40 per tree to replace these lost trees. To replace 2,000 trees could require a capital outlay of approximately $100,000. It takes about 10 to 12 years for a new tree to produce enough pecans to break even. Thus, many of our pecan growers face a grim future if we do not rally to their support.

Mr. President, as you know, currently our income tax laws allow a person who has suffered a casualty loss to deduct the loss from the current year's income in computing their Federal income tax, but the deduction is limited to the lesser of the fair market value of the items destroyed or the person's basis in such property. For pecan growers, the tax basis in pecan trees is minimal since it is the handywork of nature along with the husbandry of the hard-working pecan growers which produces a healthy producing tree and establishes its value.

Generally, no basis is acquired in the tree other than the initial planting cost and in many cases producers plant their own trees and get zero basis. The trees of Mr. Richard Higbee of Fair Hope, Ala., for example, were set out by his father between 1916 and 1927. He has no basis in these trees and thus no tax loss. Although the basis may be minimal or nonexistent, the loss in real economic terms can be staggering.

Another example dramatizes what I am saying: Mr. Leslie Hatchett of Grand Bay, Ala., owned 3,350 trees which ranged in age from 4 to 100 years. He lost 2,255 of his trees for a casualty loss of $755,000 from which he can get no relief. We must help people like the Higbees and the Hatchetts.

Mr. President, what I propose in my bill is to allow pecan producers and other nut and fruit producers special consideration under the casualty loss provisions of the Tax Code. I think that the equities of the situation are such that special treatment is well justified. First, trees which produce nuts and other fruits are substantially different from other types of crops. Although a cash crop may be destroyed by a disaster, usually the producer can replant his crop either the same year or the following year and harvest his crop within a short period of time. However, nut producers must first grow a mature tree. The lead time just to reach the break-even point in the production of pecans is estimated at 10 to 12 years. Second, the speculative nature of the value of a cash crop as opposed to the value of the orchard simply is not the same.

The value of a producing pecan tree can be readily ascertained to a high degree of certainty which is not always the case with respect to a growing crop. Thus, the value of a tree might be readily available even though the estimated value of a given year's crop of pecans might not be. Another factor which must be considered is the nonavailability of insurance for pecan trees. Most growing crops can be insured either through private or governmental sources, but such insurance is not reasonably available with respect to pecan trees.

Mr. President, the bill I am introducing today would allow a taxpayer a deduction for a casualty loss incurred by the taxpayer in his trade or business with respect to nut or fruit trees equal to the fair market value of the trees on the date on which the loss occurs. This loss deduction 10 tax years and, if necessary, taxpayer's basis in the trees as is currently the case. In the event that the taxpayer's loss were greater than his income for the loss year, then the individual could carry back the excess loss deduction 10 tax years and, if necessary, he could carry the loss forward an additional 4 tax years.

The purpose of the carry-back provision, Mr. President, would be to generate a pool of capital by tax refunds which would enable the person who suffered the extreme loss to get back on his feet and reestablish his pecan grove. It is anticipated that some taxpayers would obtain refunds for taxes paid in prior years and these cash resources would enable the taxpayer to get his land back into production. Moreover, for the next 4 years after the loss year if all of the loss was not absorbed during the 10 year carryback, the loss could be carried forward to provide some shelter for income during the period of time when the trees are totally nonproducing. After about 4 years, when the trees begin to produce, the loss deduction would cease to be available.

Mr. President, it is imperative that we act with dispatch in moving this bill forward. A lifetime of hard work on the part of many Alabama pecan producers is at stake, for if we do not act expeditiously, many of these people will be wiped out financially. If each of my colleagues here in the Senate could have joined me as I inspected the devastation wrought by Hurricane Frederic, there is no doubt in my mind that this bill would be passed with little debate.

If any of you have any doubt as to the power of nature to inflict damage, then I suggest that you examine pictures of the almost total devastation of many areas of my State as a result of Hurricane Frederic. We must respond to the needs of these people who have suffered such tremendous losses and I call upon this Congress to take speedy action on this proposal.

Mr. President, I am sending to the desk a bill to amend the Internal Revenue Code on the treatment of casualty losses in the case of fruit and nut trees.

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By Mr. HEFLIN:

S. 1901. A bill to amend the Internal Revenue Code of 1954 with respect to the amount deductible in the case of casualty losses of timber; to the Committee on Finance.

Mr. HEFLIN. Mr. President, I am sure the entire Senate is aware of the devastation wrought by Hurricane Frederic as it ripped through my home State of Alabama. The losses caused by this terrible storm are unprecedented in the history of my State and the citizens of Alabama who were affected by this storm will not recover from the ravages of this disaster for many years to come. While relief efforts sponsored by the Federal Government have helped a great deal, still much remains to be done.

The timber producers of Alabama were particularly hard hit by this devastating storm. Entire tracts of land in the south Alabama area will have to be cleared and reforested because of the storm damage. The losses to many of our timber producers are truly staggering. Many of these losses were uninsured; thus, subjecting timber producers to real economic hardship.

Mr. President, as you know, currently our income tax laws allow a person who has suffered a casualty loss to deduct the loss from the current year's income in computing their Federal income tax, but the deduction is limited to the lesser of the fair market value of the items destroyed or the person's basis in the property. For timber growers, the basis is often minimal although the market value of the timber just prior to the storm might have been substantial. Since the timber producer is limited in his deduction to the basis in the trees, he generally has little or no tax loss. Although the basis may be minimal or nonexistent, the loss in real economic terms can often be staggering.

Mr. President, what I propose in my bill is to allow a timber producer special consideration under the casualty loss provisions of the Tax Code. I think that the equities of this situation are such that special treatment is well justified. Although a cash crop may be destroyed by a disaster, usually the producer of that crop can replant his crop, either the same year or in the following year, and harvest his crop within a short period of time. Timber producers, however, have a substantial lead time before a mature tree can be harvested and are not able to recover their losses as readily as other producers of agricultural products.

Moreover, the speculative nature of the value of a cash crop as opposed to the value of a stand of timber generally is not the same. The state of the art of timber cruising is such that most tracts of timber can be valued to a high degree of certainty and, in fact, these tracts are surveyed regularly for a variety of purposes.

Mr. President, I am introducing a bill today which would allow a taxpayer a deduction for casualty losses incurred by the taxpayer in his trade of business with respect to standing timber. This loss deduction would not be limited to the taxpayer's basis in the trees as is currently the case. Under my provision for purposes of determining the loss, the basis would be considered to be at least the fair market value of the trees just prior to the disaster. In the event the taxpayer's loss were greater than his income for the loss year, the individual could carryback the excess loss deduction 10 tax years, and, if necessary, he could carry the loss forward for an additional 4 tax years.

The purpose of the carryback provision, Mr. President, would be to generate a pool of capital by tax refunds which would enable the person who suffered the extreme loss to get back on his feet and reestablish his timberland. It is anticipated that many taxpayers would obtain refunds for taxes paid in prior years and these cash resources would enable the taxpayer to get his timberland back into production.

Mr. President, it is imperative that we act with dispatch in moving this bill forward. A lifetime of hard work on the part of many Alabama timber producers may be at stake. If my colleagues in the Senate could have joined me as I inspected the devastation caused by Hurricane Frederic, there would be little doubt in my mind that this bill would be passed with little debate. We must respond to the needs of the people who have suffered such tremendous losses and I call upon Congress to take speedy action on this proposal.

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By Mr. MELCHER:

S. 1903. A bill to authorize and direct the Secretary of Agriculture to establish a national program of rangeland research to be carried out by the United States; to the Committee on Agriculture, Nutrition, and Forestry.

### COOPERATIVE RANGELANDS RESEARCH ACT

Mr. MELCHER. Mr. President, today, I am introducing S. 1903 the Cooperative Rangelands Research Act of 1979.

Research is the lifeblood in the development, protection, use and well-being of rangelands, just as is true of any other resource, or science or industry.

To say that we have had enough research in any area is a know-nothing approach to life that can only lead to depletion and decline of the society's resources.

With respect to our range resources, we have all but ignored them as emphasis has been placed on crop and other forms of agricultural research.

Research on methods and systems of

management that would help to regain full productivity of rangelands, consistent with the well-being of all resource values of rangelands is being neglected. All resource values include not only forage for and grazing livestock but also wildlife habitat, endangered species, environmental quality, watershed and other benefits.

The range research effort now lacks in adequacy, balance, and coordination. This is not in agreement with the intent of Congress than rangelands be managed for their multiple goods and services and at full potential for productivity.

Moreover, for Federal budgeting and research planning, range is classified by the Current Research Information System under Forest Resources and Crops. Because of the low direct value of range forage per acre, relative to lumber or cultivated crops, and because range lacks an organized commodity group to emphasize needs, range is a poor competitor for research dollars with other resources.

But—range is not a crop, but rather land that has great value from many uses. Forage crops are produced from range, and productivity in this respect can undoubtedly be increased but forage is not its sole resource, range also produces wildlife, water, energy, minerals, recreational opportunities, and often wood fiber.

Rangelands occupy more land surface area than any other class of land in the United States, yet they are relegated to lower subdivisions of the Federal resource classification system. The cost-benefit rationale for prioritizing research and management of rangelands completely overlooks the intangible values of rangelands and the societal costs of a nonmanagement strategy.

Federal research administrators have not been successful in maintaining strong programs in range research. Through the lack of sufficient commitment and aggressiveness of research administrators and their supporting professional and lobbying groups, good research programs have been allowed to deteriorate in favor of programs that were easier to justify and finance such as strip mine reclamation and ecology of endangered species. Simultaneously, the pool of range scientists has declined as they moved to more popular areas of research with better financial support.

Federal agencies doing natural resources research lack the expertise in range management at the decisionmaking level of research policy formulation to aggressively pursue and implement programs of range research commensurate with the magnitude of range resource needs. At the Washington level, foresters are making the decisions on range research policy in the Forest Service while agronomists are making those decisions in the Science and Education Administration of USDA.

Although the State Agricultural Experiment Stations have demonstrated a greater willingness to maintain range research programs and have generally been more successful than Federal agencies, they have done this with research authorities and funding levels inferior to those of the Federal agencies.

While Hatch Act funds have been reasonably balanced among States, research activities, and commodity groups, the orientation of Hatch research has clearly been to commodities and marketing. Thus, the level of funding available for range research through its share of Hatch funds has been grossly inadequate for the task.

Although a small amount of forest-related range research has been conducted in some States under the McIntyre-Stennis Act, none has been permitted in some other States. McIntyre-Stennis is clearly a forestry research act not geared to range research; it is administered by foresters and funds are allocated on the basis of forest statistics.

With adequate authority the States could and would do a job of range research that the Federal agencies are not currently being funded to do.

At least one authority in forestry education characterized the McIntyre-Stennis Cooperative Forestry Research Act as the most significant single event in American forestry education. That act catalyzed an almost immediate revitalization and upgrading of forestry education and research in the United States. The benefits to American forestry have been immeasurable.

Passage of the Cooperative Rangeland Research Act can do the same things for American range management education as the McIntyre-Stennis Act did for forestry education. This kind of stimulus is needed in range management education even more than it was in forestry. Outside of the United States there are few colleges or universities that offer undergraduate or graduate training in range management. As a result, governments worldwide—particularly from underdeveloped and Third World countries—send their most promising candidates to this country for training in range management. It is not unusual to see one-half of the graduate enrollment of American range schools made up of foreign students. The demand for more and better trained professionals is clearly spelled out in the language of title XII of the International Development and Food Assistance Act of 1975, the Renewable Resources Extension Act of 1978, the Public Rangelands Improvement Act of 1978 and others.

Efforts to plan and coordinate research within the Federal Government and the land-grant colleges and universities by the regional and national agriculture research planning system through the Agricultural Research Policy Advisory Committee has failed to produce a balanced or adequate program of range research for effective solutions to critical rangeland problems.

Most priority range problems in need of research were overlooked in the 1978 national program of research. There is little reason for greater expectations from title XIV of the Food and Agriculture Act of 1977 or the Forest and Rangeland Renewable Resources Research Act of 1978, wherein Congress expressly provides for coordination of range research among Federal and State agencies, colleges and universities.

If our Nation's ranges are to reach their potential for productivity and stability, and if the intent of Congress for assessment, planning, managing, and monitoring rangelands as mandated in recent acts of Congress is to be fulfilled, there is an urgent need to initiate a balanced and coordinated nationwide research program specifically for management of rangelands.

At least six new laws enacted by Congress since 1974 either call for new initiatives in range research, or for a level of range technology that is not now available.

Yet range research is floundering.

The Cooperative Rangeland Research Act is needed to stimulate a revitalization and upgrading of range management education and research, and to assist in increasing agricultural production abroad.

In 1977 there were 414 million acres of non-Federal rangeland, and 134 million acres of pastureland in the United States. This represents an increase of about 66 million acres from the inventories made in 1967. It includes 20 million acres converted from crops to range, and 50 million acres converted from forestland. However, much of the conversion indicated from forestland was the result of reclassification by USDA. During this 10-year period, a little over 4 million acres of pasture and range were converted to urban uses.

The USDA inventory indicates that 12 percent of non-Federal range is in excellent condition; 28 percent of these acres are in good condition; 42 percent are in fair condition; and 18 percent are in poor condition.

Seventy-seven percent of all non-Federal rangeland needs some kind of conservation treatment. Sheet and rill erosion on U.S. range is as high as 10 tons per acre in some areas. Opportunities for improvement are as great on pastureland as on range.

There are estimates that grazing by domestic animals as well as wildlife could be doubled with the results of more research and more range improvement dollars.

Congress made a major commitment to the improvement of range in the Public Rangeland Improvement Act of 1978. However, as I have indicated, many of those things which we desire to occur on our range and pasture lands cannot occur because the technology has not yet been fully developed.

The bill I am introducing provides for the Secretary of Agriculture to develop a balanced rangeland research program on a 50–50 matching fund basis with State supported colleges and universities designated by the Governors of the States.

Mr. President, I commend S. 1903 to the Senate and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

## S. 1903

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SHORT TITLE

SECTION 1. This Act may be cited as the "Cooperative Rangeland Research Act of 1979".

### FINDINGS

SEC. 2. The Congress finds and declares that—

(1) more than 60 per centum of the Nation's land area is rangeland,

(2) the Nation's rangelands provide major goods, services, and values necessary for the well-being of the people of the United States and support large numbers of livestock and wildlife which provide efficient conversion of forage to high quality protein for human consumption,

(3) recent natural resource assesments indicate that agriculture production of rangelands can be increased at least 100 percent through development and application of improved management practices, while simultaneously enhancing wildlife, recreational and aesthetic values and reducing excessive water loss with associated hazards of erosion and flooding,

(4) as world population continued to grow and the need to use grain for direct human consumption increases, grain will become less available and less economic to use as livestock feed, and forages from all sources will become more important for production of meat, milk, and fiber. Thus, it is important to improve management of both animal and forage resources for increased food production with minimum use of fossil fuel,

(5) rangelands are rich in resources other than grazing and must be maintained for the protection of these resources in the national interest,

(6) a strengthened program of range management research is the driving force behind progress in developing, utilizing, and protecting the resources of the Nation's rangelands, both forested and nonforested. The development, utilization, and protection of rangeland resources depend on technological advances and continuing development of the knowledge necessary to increase the effectiveness of rangeland management and to extend the benefits of rangelands,

(7) the fulfillment of provisions of the Forest and Rangeland Renewable Resources Planning Act of 1974, the Soil and Water Resource Conservation Act of 1977, the Public Rangelands Improvement Act of 1978, and the Renewable Resources Extension Act of 1978, in the most expedient and efficient manner possible and with the assurance of reliable results consistent with the provision of these Acts, requires a level of technology that is not presently available.

### PURPOSES

SEC. 3. It is the purpose of this Act to—

(1) authorize the Secretary of Agriculture (hereafter in this Act referred to as the "Secretary") to establish a national program of rangeland research to be performed by the several States,

(2) stimulate through strong, continuing programs in rangeland research, improvements in the educational programs of those schools that must train the practitioners, technicians and research workers in the science and art of range management,

(3) provide improved coordination in the planning, execution and dissemination of results of rangeland research between the several State colleges and universities, and the Federal Government.

The actions called for in this Act are deemed to be consistent with, and to facilitate and complement the policies and directions set forth under—

(a) the Forest and Rangeland Renewable Resources Planning Act of 1974, Public Law 73-378,

(b) the Soil and Water Resource Conservation Act of 1977, Public Law 95-192,

(c) the Renewable Resources Extension Act of 1978, Public Law 95-306,

(d) the Public Rangelands Improvement Act of 1978, Public Law 95-514,

(e) title XIV of the Food and Agriculture Act of 1977, Public Law 95-113, and

(f) title XII of the International Development and Food Assistance Act of 1975, Public Law 94-161.

### RANGELAND RESEARCH PROGRAM

SEC. 4. The Secretary of Agriculture is hereby authorized and directed to cooperate with the several States for the purposes of encouraging and assisting them in carrying out programs of rangeland research. Such assistance shall be made available in accordance with plans agreed upon in advance by the Secretary and rangeland research institutions: however, an appropriate State representative designated by the State's Governor shall, in any agreement drawn up with the Secretary of Agriculture for the purposes of this Act, certify those eligible rangeland research institutions of the State which will qualify for assistance, and shall determine the proportionate amount of assistance to be extended those certified institutions.

SEC. 5. The amount provided by the Federal government to any State certified institution eligible for assistance under this Act shall not exceed during any fiscal year the amount available to and budgeted for expenditure by such institution during the same fiscal year for rangeland research from non-Federal sources. The Secretary is authorized to make such expenditure on the certificate of the appropriate official of the rangeland research institution having charge of the rangeland research for which the expenditures as herein provided are to be made. If any rangeland research institution certified for receipt of funds under this Act fails to make available and budget for expenditure for rangeland research in any fiscal year sums at least as much as the amount for which it would be eligible for such year under this Act, the difference between the Federal funds available and the funds made available and budgeted for expenditure by the rangeland research institution shall be reapportioned by the Secretary to other eligible rangeland research institutions participating in the rangeland research program.

### DEFINITIONS

SEC. 6. As used in this Act—

(1) The term "rangeland" means land on which the existing vegetation is predominately native or introduced grasses, grasslike plans, forbs, or shrubs suitable for grazing or browsing use and which may have an overstory of trees. Rangelands occur throughout the United States and include natural or developed grasslands managed like rangeland, savannas, shrublands, tundra, alpine, most deserts, forested range and some wetlands.

(2) The term "rangeland research" means—

(A) studies of rangeland to improve the production and quality of feed for livestock and wildlife, and to promote improvement and maintenance of ecosystem functions for production of food, fiber, wildlife habitat, fisheries, recreation, watershed benefits and other multiple uses of rangelands;

(B) studies of integrated systems of land use and management of rangeland with forestland and/or agricultural land, including utilization of crops and waste products, for sustained production and efficient use of rangelands;

(C) studies of rangeland watersheds to improve conditions for soil and water conservation, water utilization, water yield, and water quality; and to protect rangeland watersheds from detrimental uses that lead to unsatisfactory and unstable conditions and to onsite and offsite damage from floods, erosion, and other influences;

(D) studies of revegetation and rehabilitation of depleted and damaged rangelands to restore them to satisfactory condition, including the manipulation and control of noxious species;

(E) studies of economics and policy of rangeland use;

(F) studies of the interactions of the various rangelands and on adjacent ecosystems, and on the function of rangeland ecosystems;

(G) studies to promote and establish uniform procedures and techniques for rangeland inventory and classification;

(H) such other studies as the Secretary considers appropriate to carry out the purposes of this Act, as it concerns the use and management of rangelands.

(3) A "rangeland research institution" is any institution offering a degree or specialization in range management or range science and that has an ongoing rangeland research program and is either—

(A) a land grant college;

(B) a college or university eligible for assistance under the Act entitled "An Act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes", approved October 10, 1962 (75 Stat. 806; 16 U.S.C. 582a—582a-7); or

(C) any State-supported college or university.

(4) The term "land grant college" means any institution eligible to receive funds (A) under the Act entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts", approved July 2, 1862, as amended (12 Stat. 503, as amended, 7 U.S.C. 301-305, 307, and 308), known as the Morrill Act, or (B) under the Act entitled "An Act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts established under the provisions of an Act of Congress approved July second, eighteen hundred and sixty-two", approved August 30, 1890, as amended (26 Stat. 417, as amended; 7 U.S.C. 321-326, 328), including the Tuskegee Institute.

(5) The term "State" means any of the several States.

### AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There is authorized to be appropriated such sums as the Congress may from time to time determine to be necessary to effectively carry out the purposes of this Act and administration expenses associated therewith. Money appropriated under this Act shall be in addition to allotments or grants made under other authorizations and shall remain available until expended.

### APPORTIONMENT OF APPROPRIATED FUNDS

SEC. 8. Apportionment of funds among participating State and administrative expenses in connection with the program of this Act shall be determined by the Secretary after consultation with the National Agricultural Research and Extension Users Advisory Board, as provided for in section 1408 of the Food and Agriculture Act of 1977, or such panel that this National Advisory Board chooses to recommend.

### REGULATIONS AND COORDINATION

SEC. 9. The Secretary is authorized to issue such rules and regulations as the Secretary deems necessary to implement the provisions of this Act and to coordinate this Act with title XIV of the Food and Agriculture Act of 1977.

### EFFECTIVE DATE

SEC. 10. This Act shall become effective on October 1, 1980.

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By Mr. METZENBAUM:

S. 1904. A bill to provide for a comprehensive national program for domestic energy production and consumption, and for other purposes; to the Committee on Energy and Natural Resources.

### CITIZEN'S ENERGY ACT OF 1979

Mr. METZENBAUM. Mr. President, today, Wednesday, October 17, is a national day of protest. It is a national day of protest against soaring energy prices and skyrocketing profits of the oil industry. It could not be more timely.

Energy prices in this Nation are running at an astronomical 68 percent rate above last year, and are almost singlehandedly responsible for our double-digit inflation. Our Nation's elderly, the poor, and even the middle-class, are struggling to pay their utility bills, to pay for home heating oil, and to pay for gasoline. In fact, about the only segment of our society that is not suffering as a result of these incredible increases in the cost of energy is the oil industry. They are laughing all the way to the bank. Already, the oil industry's revenues approximate that of the U.S. Government, and it promises to get bigger, and bigger. And as the industry becomes even more powerful, the burden on American consumers promises to become heavier.

Sadly, the administration's response to this dilemma has been to compound the problem, not to alleviate it. By acceding to the oil industry's demand for decontrol of our domestic oil, the administration is voluntarily inflicting upon America the very same devastation imposed by the OPEC cartel. At the same time, the administration claims, with a straight face, that our present rate of inflation is uncontrollable. It is only uncontrollable because this administration has lost control of its own energy policy.

And today, in 103 cities across this country, citizens from all walks of life are protesting this loss of control resulting from the surrender of a national energy policy into the hands of the oil industry. These citizens will be involved in a unique series of energy protests ranging from teach-ins, oil company picket lines, mass rallies, card and petition drives, meetings with Members of Congress, candlelight vigils and symbolic utility bill burnings.

People will be demonstrating everywhere—in downtown squares and senior citizen homes, truck stops and cab stops, oil company headquarters and oil company refineries, churches and State houses, small towns and large cities, city halls and university auditoriums, at Federal buildings and at company owned gas stations. These demonstrations are unique not only in their breadth and diversity, but also because they are organized locally with the broad support of many groups and individuals who may have disagreed on other issues—but who agree on the solutions to energy inflation and oil industry monopoly.

The national day of protest is being coordinated by the campaign for lower energy prices—a campaign sponsored by two national coalitions, the citizen/labor energy coalition and the progressive alliance. Participants in the campaign include over 200 trade union, senior citizen, consumer, religious, environmental, farm, minority, and local citizen organizations. Participants in the campaign have been and will continue to be collecting "big oil discredit cards" and other postcards asking Members of Congress to support their goals. To date, more than 1 million postcards have been collected and delivered. Campaign organizers expect another million to be collected as a result of the activities occurring today.

Today's national day of protest is part of a unique legislative and grassroots campaign to bring down energy prices, to curb the monopoly control of the oil industry, and to counter the influence of the oil lobby. Today's activities organized by grassroots coalitions in 35 States and Washington, D.C., will focus on building national support for a national energy policy that is truly reflective of the desires of the American people.

Congressman TOBY MOFFETT and I are today introducing the Citizen's Energy Act of 1979.

The Citizen's Energy Act of 1979 combines in one legislative package the energy agenda for the future. None of us are foolish enough to believe that this bill will become law tomorrow, but it is equally true that none of us are prepared to stop fighting for an energy policy that protects the American people. This legislation presents policies that ought to be, and the fact that it contrast so sharply with what is, is not an indictment against the bill, but a testament of the powerful interests that have shaped the self-serving, inequitable energy programs of today. It is our hope that the grassroots organizing begun today will help convince the U.S. Congress to move closer in adopting the principles of equity as embodied in the Citizen's Energy Act of 1979.

Mr. President, due to the length of the legislation, I will not ask that it be printed in the RECORD. However, I would like to include at this point a factsheet describing the bill, and a partial list of the organizations participating in the campaign for lower energy prices. I urge my colleagues to give the legislation careful consideration, and welcome cosponsors.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

### FACTSHEET ON CITIZENS' ENERGY ACT OF 1979

### TITLE I—PRICE CONTROLS

Crude oil: The bill would extend mandatory controls on domestic crude oil through December 31, 1981 and provide the President with discretionary authority to continue controls through December 31, 1983. Under this language, the average price of controlled oil would be allowed to increase only up to 10 percent each year. (Similar to S. 936, H.R. 3621)

Heating oil: The bill would require reimposition of controls on heating oil and diesel fuel within 15 days after enactment. Prices would have to be set in order to ensure consumers pay reasonable prices. (Similar to H.R. 4830.)

Natural gas: The bill would eliminate natural gas deregulation and would require the Federal Energy Regulatory Commission set just and reasonable rates for interstate and intrastate natural gas.

Natural gas lifeline rates: The bill would require states to hold hearings, with full opportunity for public participation including intervenor funding, to determine whether or not lifeline rates for residential natural gas users should be implemented. (Similar to existing law which requires such hearings for residential electric consumers.)

### TITLE II—CONSERVATION

Incentives for residential, industrial and commercial conservation: The bill provides a maximum grant of $750 to homeowners or apartment dwellers who insulate or install other conservation measures to increase energy efficiency. This program is based on a Canadian program which has been extremely successful. In addition, the bill provides low-interest loans to commercial property owners and developers to make energy conservation investments. The repayment terms would be set to ensure that the repayment period exceeds the estimated payback of the investment. Finally, the bill provides a loan forgiveness program for engineering grants to industrial firms to study the cost-effectiveness of energy conservation investments. Loans would be repaid only if the study showed investing in a more efficient process would be cost-effective. A per barrel rebate for every barrel of oil saved for the first year following an investment would be provided. The cost of this provision would be $58 billion through 1990, with a savings of 4.4 million barrels of oil equivalent a day or a net savings of $230 billion to the economy. (Similar to Amendment No. 388 to S. 1308, H.R. 5304.)

Residential furnace retrofits: After January 1, 1981, a homeowner would have to undertake retrofits, meet minimum efficiency standards, or have a contract to retrofit a furnace before selling a home. DOE would determine what retrofit devices would be required, while states would have to formulate a plan to certify contractors within one year. Assistance would be provided to states and low-income persons to help them comply with the bill. (Similar to S. 1335.)

Residential audits: Any homeowner receiving an energy audit under the residential utility program established in the Public Utilities Regulatory Policy Act would have to make that audit report available to any purchaser if the home were offered for sale and financed by any agency insured by the Federal government. (Similar to S. 1336.)

55 Mile-per-gallon limit: The bill increases the penalties for violating the 55-mile-per-gallon statute and reduces the percentage of violations needed in order to find a State in non-compliance with the law. (Similar to S. 1337.)

Industrial equipment standards: The bill requires an 18-month study of industrial equipment to determine which categories of devices would benefit from labelling or mandatory efficiency standards. In reaching recommendations, factors such as the economic impact on the industry, the operating costs, and the energy savings to be accomplished would be taken into account. The Department of Energy would have nine months to promulgate labelling requirements and two years to establish standards for any equipment selected. (Similar to S. 1398.)

Note: The last four bills would save up to one million barrels of oil equivalent per day.

### TITLE III—GOVERNMENT PARTICIPATION

Energy Corporation of America: The bill creates a Federal energy corporation which would provide a taxpayer-owned competitor to the oil industry. The corporation would have authority to explore for energy on Federal lands, produce, develop, purchase, refine, transport and sell fuel. The corporation would also serve as a yardstick to the oil industry, providing Congress and the public with information to judge the behavior of other oil companies. A Citizens Advisory Commission would be established and intervenor funding provided to allow full public participation in the activities of the corporation. (Similar to S. 580, H.R. 4649.)

Government Import Authority: The bill would create a non-profit authority which would be the sole importer of all crude and petroleum products entering the United States. This authority would be phased in over a period of four years. (Similar to H.R. 3604.)

### TITLE IV—REFINERY POLICY

Refinery production: The bill would give the President authority to require refiners to produce maximum amounts of petroleum products in order to avert gasoline or distillate shortages.

Inventory, anti-hoarding authorities: The bill extends indefinitely authorities to prevent industry hoarding, to require refiners to emphasize production of products in short supply, and to establish inventory targets for crude or products. These authorities are scheduled to expire on September 30, 1981.

### TITLE V—PUBLIC INFORMATION

Special prosecutor: The bill establishes an Office of Special Prosecutor to investigate pricing and supply violations. The Prosecutor would have the same powers as the Department of Justice, Attorney General, and Department of Energy in terms of collecting information. The office would also have subpena power and power to obtain any information necessary from any Federal agency. (Similar to H.R. 4615.)

Information: The bill would make any information collected by the Department of Energy available to the Justice Department, Federal Trade Commission, Department of Interior, Government Accounting Office, Congress and any Governor upon request.

### TITLE VI—SOLAR ENERGY, GASOHOL AND WIND ENERGY

Solar production and information: The bill establishes a goal of producing 20 quads of energy by the year 2000 from solar power. (Most estimates of energy use in 2000 are about 100 to 120 quads. 20 quads represents an equivalent of 10 million barrels of oil a day.) A Solar Heating and Cooling Information Center to commercialize and develop solar energy would be established. The Federal government would have to promote solar by including passive and active systems in new facilities unless proven to be not cost-effective.

The bill would require the sale of an increasing percentage of gasohol at Federal fueling stations, reaching 100 percent by 1990.

The bill sets a goal of installing a capacity of 800 megawatts of wind systems by 1986, requires a wind commercialization program which provides low-interest loans for purchase of wind systems, and establishes a Federal wind systems procurement program. (Similar to S. 950).

Solar Bank: The Solar Bank would make payments to financial institutions to subsidize long-term, low-interest loans to owners or builders of commercial or residential structures for the installation of solar systems. The amount of the loans would be limited to $10,000 per single-family dwelling, up to $500,000 for multi-unit residential dwellings, and $200,000 for commercial buildings. (Similar to S. 1716, H.R. 605.)

### TITLE VII—ELIMINATION OF OIL INDUSTRY TAX SUBSIDIES

Foreign Tax Credit: The bill would amend or repeal special tax provisions created for the oil industry and instead make that industry subject to the regulations imposed on other industries. The bill would eliminate the foreign tax credit for what are actually royalty payments to foreign oil-producing nations. Presently, these "tax payments" are used to earn foreign tax credits to offset dollar-for-dollar U.S. taxes otherwise owed on overseas earnings. Under the bill these payments will be treated as royalty payments and will be deductible as an ordinary business expense. The bill would also eliminate the indefinite "deferral" of U.S. income taxes due on overseas income—making these taxes currently payable. These two provisions would increase U.S. Treasury revenues by $2 billion annually.

Intangible Drilling Deduction: Instead of allowing the oil industry to deduct intangible drilling costs immediately, the bill would require costs to be capitalized and deducted over a period of 14 years, as is the case with other industries. This would add $3 billion annually to Treasury revenues.

Oil Depletion Allowance: The bill would repeal the 15 percent percentage depletion allowance which allows certain oil and gas companies to recover their "costs" fifteen to twenty times over. The bill would allow depletion write-offs at the rate that wells actually deplete. This provision would increase Treasury revenues by at least $1 billion annually.

(Similar to H.R. 4128)

### TITLE VIII—COMPETITION

Antimonopoly policy: The bill would prevent any merger or consolidation by a major producer or subsidiary if that would result in an acquisition of assets greater than $100 million. This would prevent oil companies from buying up other companies in either the energy or non-energy sectors. (Similar to S. 1246, H.R. 4748.)

Vertical divestiture: After 5 years, it would be illegal for any major natural gas company to engage in more than one of the following activities: production, transportation or marketing. After 5 years, it would be illegal for any major oil company to engage in more than one of the following activities: production, refining, transportation or marketing. (Similar to legislation introduced last Congress by Senators Bayh and Metzenbaum.)

Horizontal divestiture: After 5 years, none of the top 22 oil and gas companies could own any company involved in coal, uranium or solar activities. (Similar to legislation introduced last Congress by Senator Kennedy.)

### TITLE IX—LOW-INCOME ASSISTANCE

Fuel assstance: The bill would provide fuel assistance to low-income and elderly households. Households earning 125 percent of the poverty guidelines, (150 percent for elderly families), or SSI recipients would be eligible for up to $360 in benefits. Payment woud be made to the fuel vendor serving that household. In addition, a phased tax credit for middle-income users of heating oil would be provided, with a maximum credit of $300, ($150 for single households), phasing out when income reaches $20,000. (Similar to H.R. 5241.)

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### PARTICIPATING ORGANIZATIONS IN THE CAMPAIGN FOR LOWER ENERGY PRICES

(Partial listing)

Amalgamated Clothing and Textile Workers Union (ACTWU).

American Businesswomen's Association.

American Federation of State, County, and Municipa Employees (AFSCME).

Americans for Democratic Action (ADA).

Association of Community Organizations for Reform Now (ACORN).

California Public Policy Center.

Campaign for Economic Democracy (CED).

Carolina Action.

Catholic Committee on Urban Ministry (CCUM).

Center for Community Change.

Center for the Study of Responsive Law.

Citizens Action Coalition of Indiana.

Citizens Action League (CAL).

Coalition of American Public Employees (CAPE).

Coalition of Black Trade Unionists (CBTU).

Conference of Black Mayors.

Conference on Alternative State and Local Policies.

Congress Watch.

Connecticut Citizens Action Group (CCAG).

Consumer Action Now (CAN).

Consumer Energy Council of America.

Consumer Federation of America.

Consumers Opposed to Inflation in Necessities (COIN).

Democratic Agenda.

Democratic Socialist Organizing Committee (DSOC).

Energy Action.

Environmental Policy Center.

Episcopal Urban Bishop's Conference.

Federation of Southern Cooperatives.

Fraternal Association of Steel Haulers (FASH).

Frontlash.

Gray Panthers.

Graphic Arts International Union.

Illinois Public Action Council.

Industrial Union Department, AFL-CIO.

International Association of Machinists & Aerospace Workers (IAM).

International Chemical Workers.

International Longshoremen's and Warehousemen's Union, San Francisco, CA.

International Union of Operating Engineers.

International Woodworkers of America.

Martin Luther King Center.

Massachusetts Fair Share.

National Association of Farmworker Organizations (NAFO).

National Center for Economic Alternatives.

National Clients Council.

National Community Action Agency Executive Directors' Association.

National Council of La Raza.

National Council of Senior Citizens.

National Education Association (NEA).

National Family Farm Coalition (NFFC).

National Farmers Union (NFU).

New American Movement (NAM).

New Democratic Coalition.

New Jersey Federation of Senior Citizens.

Newspaper Guild, AFL–CIO.

9 to 5 (Massachusetts).

Ohio Public Interest Campaign (OPIC).

Oil, Chemical and Atomic Workers Union (OCAW).

Operation PUSH.

Oregon Fair Share.

Protestant Committee on Urban Ministry (PCUM).

Public Citizen.

Rural America.

Service Employees International Union (SEIU).

Sheet Metal Workers International Association.

Southerners for Economic Justice.

United Auto Workers.

United Electrical Workers.

United Food and Commercial Workers.

United Methodist Urban Ministries.

United Steelworkers of America.

Urban Environment Conference.

Women U.S.A.

Womens International League for Peace and Freedom.

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By Mr. CANNON (for himself, Mr. Long, and Mr. Packwood):

S. 1905. A bill to provide for the orderly restructuring of the Milwaukee Railroad, and for other purposes; to the Committee on Commerce, Science, and Transportation.

### MILWAUKEE RAILROAD RESTRUCTURING ACT

● Mr. CANNON. Mr. President, a critical and immediate problem presently before the Commerce Committee is the pending cessation of operations as a result of the financial position of the Milwaukee Railroad. Last Friday, October 12, the Congress agreed to and the President signed legislation in effect freezing the Milwaukee system until November 30 by making available additional ERSA funds to aid in running the system until that date.

The Commerce Committee has held 2 days of hearings on the Milwaukee Railroad problems this year and many know the economic and physical problems of the Railroad remain unresolved. I have directed that development of appropriate legislation to address the Milwaukee problem be a top priority item for the committee. In determining the type of legislation to address this problem, the key question for the committee has been whether or not the Pacific Coast Extension—the western lines which extend from Miles City, Mont., to Seattle, Wash.—can become self-sustaining. Most of the studies done to date have indicated this is not possible, and pose an immediate concern over the need to expedite a solution in order to prevent a continuous drain on that part of the system that could be viable.

On the other hand, some of my colleagues maintain that the western lines can become viable and want an opportunity to put together a plan including these lines. A bill just introduced by Senator Magnuson (S.J. Res. 114) and one being considered by the House Interstate and Foreign Commerce Committee sponsored by Congressman Florio provide a mechanism to retain more than the core system presently approved by the court and to avoid the hardships envisioned by embargo of the western lines. The Senate Commerce Committee staff at my direction has also been working on legislation to address this issue which Senator Long, as Surface Transportation Subcommittee chairman and Senator Packwood as ranking minority member of the Commerce Committee join me in introducing today for public review and comment. I would point out that the proposal I introduce today does not represent the committee's final recommendations nor has the bill been endorsed by any members of the Commerce Committee.

Because this is an extremely important matter and many of the proposals establish some unusual precedents for transportation policy, I have called for a full committee hearing on October 29 to review the merits and details of these proposals as well as the critical underlying question of the potential viability of the western lines. Interested parties are urged to submit their views in writing to the committee prior to the October 29 hearing. I look forward to working with my colleagues and all affected parties in enacting affordable, effective, and realistic legislation to address this serious problem.

Mr. President, I ask unanimous consent that the bill together with a staff summary be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

### S. 1905

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Milwaukee Railroad Restructuring Act".

### CONGRESSIONAL FINDINGS

Sec. 2. (a) Congress hereby finds that—

(1) the severe operating losses and the deteriorating plant and equipment of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company (hereinafter referred to as the "Milwaukee Railroad") threaten to cause cessation of its operations in the near future;

(2) a cessation of operations by the Milwaukee Railroad would have serious repercussions on the economies of the States in which the Milwaukee Railroad principally operates (namely, the States of Washington, Montana, Minnesota, Idaho, North Dakota, South Dakota, Illinois, Iowa, Missouri, Michigan, Indiana, and Wisconsin);

(3) a cessation of operations of the Milwaukee Railroad would result in the loss of many thousands of jobs of railroad workers and other workers whose employment is dependent upon rail service over the lines presently operated by the Milwaukee Railroad;

(4) the ownership by employees or by employees and shippers of part or all of the Milwaukee Railroad may be a valuable tool in reorganization and should be given serious consideration;

(5) a cessation of essential transportation services by the Milwaukee Railroad would endanger the public welfare;

(6) a cessation of such services is imminent; and

(7) there is no other practicable means of obtaining funds to meet payroll and other exepnses necessary for continuation of services and reorganization of the Milwaukee Railroad.

(b) The Congress declares that emergency measures set forth in this Act must be taken to restructure the Milwaukee Railroad and to avoid the potential unemployment and damage to the economy of the region and of the Nation which a cessation of essential operations by the Milwaukee Railroad would otherwise cause.

### COURT-APPROVED ABANDONMENT AND SALES

Sec. 3(a)(1) Upon the occurrence of an event described in section 11(b) of this Act, or on March 1, 1980, whichever first occurs, the bankruptcy court may authorize the abandonment of lines of the Milwaukee Railroad pursuant to section 1170 of title 11, United States Code. Pending the expiration of the time for appeal of an abandonment order or the determination of any such appeal, the bankruptcy court may authorize the termination of service on a line to be abandoned, and the order authorizing such termination may not be stayed. When a rail carrier is involved in a transaction under this section, the court shall require the carrier to provide a fair arrangement at least as protective of the interests of the employees who are affected by the transaction as that required under section 11347 of title 49, United States Code.

(2) Prior to the date specified in paragraph (1) of this subsection, the bankruptcy court may hear and consider any request for the abandonment of lines of the Milwaukee Railroad, and may fix the time for the Interstate Commerce Commission's report on the request, but it may take final action authorizing such abandonment only in accordance with paragraph (1) of this subsection.

(b) Section 11346 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision, when the proceeding involves the sale or transfer of a line of a railroad in reorganization, the Commission shall give the proceeding preference over all other proceedings related to that type of carrier and make its decision at the earliest practicable time, not to exceed 90 days if the proceeding does not involve a significant competitive impact, nor 210 days in any event: *Provided, however,* That this subsection shall not apply to proceedings commenced prior to the date of enactment of this subsection.".

(c) Nothing in this section shall be construed to affect the priorities or timing of payment of labor protection which might have existed in the absence of this Act.

### COURT APPROVED ABANDONMENTS IN PENDING CASES

Sec. 4. Notwithstanding any other provision of law, the court in any case pending under section 77 of the Bankruptcy Act on the date of enactment of this Act may authorize the abandonment of lines of railroad pursuant to section 1170 of title 11, United States Code. Pending the expiration of the time for appeal of an abandonment order or the determination of any such appeal, the court may authorize the termination of service on a line to be abandoned, and the order authorizing such termination may not be stayed. In authorizing any abandonment pursuant to such section 1170, the court shall require the carrier to provide a fair arrangement at least as protective of the interests of employees as that required under section 11347 of title 49, United States Code.

### EMPLOYEE OR EMPLOYEE-SHIPPER OWNERSHIP PLAN

SEC. 5. (a)(1) Not later than December 1, 1979, an association composed of representatives of national railway labor organizations, employee coalitions, and shippers (or any combination of the foregoing) may submit to the Interstate Commerce Commission a single plan for converting all or substantially all of the Milwaukee Railroad into an employee or employee-shipper owned company, and a method for implementing such plan. The plan shall include a comprehensive evaluation of the prospects for the financial self-sustainability of the Milwaukee Railroad.

(2) The Commission shall, within 30 days after the date of submission of a plan under paragraph (1) of this subsection, approve the proposed plan if it finds that such plan is feasible. The finding of the Commission with respect to the feasibility of the plan shall be made pursuant to section 554 of title 5, United States Code.

(3) The Commission shall make a finding that the plan submitted under this subsection is feasible if it determines that—

(A) adequate public and private financing is available to the proponents of such plan;

(B) such plan is fair and equitable to the estate of the Milwaukee Railroad;

(C) implementation of such plan will occur by March 1, 1980;

(D) the railroad can be operated on a self-sustaining basis; and

(E) the plan contains an assessment of all operating practices, and includes the implementation of changes designed to achieve the greatest possible labor productivity increases consistent with safe operations and adequate service.

For purposes of the determinations under this paragraph, adequate financing shall include all sources of private funds, the probable value and priority of valid claims against the estate that will be released as part of implementation of the employee or employee and shipper ownership plan, and Federal, State, or local funds available under programs (in existence as of January 1, 1980) which are or will be available to the proponent.

(b) If the Commission finds that the plan submitted under this section is feasible, it shall immediately submit its finding to the bankruptcy court. Within 10 days after the date of such submission, the bankruptcy court shall, after a hearing, determine whether such plan is fair and equitable to the estate of the Milwaukee Railroad.

(c) If the Commission finds that the plan is feasible and the bankruptcy court determines that the plan is fair and equitable to the creditors of the Milwaukee Railroad, the proponents of such plan shall, not later than March 1, 1980, implement the plan.

(d) Except as provided in this section, the findings of the Commission with respect to the plan shall not be subject to review.

(e)(1) The trustee of the Milwaukee Railroad shall promptly provide to the person engaged in developing the employee or employee and shipper ownership plan under this section—

(A) its most recent reports on the physical condition of the railroad; and

(B) traffic, revenue, marketing, and other data necessary to determine the amount of the acquisition cost of the railroad or portion of the railroad that would be required to continue rail transportation over the railroad line.

(2) Information provided pursuant to this subsection shall be used only for purposes of preparing a plan and shall not be disclosed to any competitor of the Milwaukee Railroad.

(f) In the implementation of any employee or employee and shipper ownership plan involving expenditures of guarantees of Federal funds as hereinafter provided, authorizations shall be conditioned upon an appropriate contribution from labor, including such measures as exchange of assets for relinquishing labor protection claims and changes in work rules to increase productivity: *Provided, however,* That the employee-shipper actual or in kind contribution shall be no less than 25 percent of the total required financing.

### EMERGENCY RAIL SERVICES ACT OF 1970

SEC. 6. (a) Subsection (a) of section 3 of the Emergency Rail Services Act of 1970 (45 U.S.C. 662(a)) is amended by striking out "upon a finding" in the fifth sentence and all that follows in that subsection and inserting in lieu thereof a period.

(b) Section 3(c) of the Emergency Rail Services Act of 1970 (45 U.S.C. 662(c)) is amended to read as follows:

"(c) The Secretary shall not guarantee any certificate under this section unless such certificate is treated as an expense of administration and receives the highest lien on the railroad's property and priority in payment under the Bankruptcy Act, except that this subsection shall not apply to certificates guaranteed for a railroad that is actively engaged in restructuring, as defined by the Secretary. For purposes of this subsection, the term 'restructuring' includes an employee ownership plan or an employee-shipper ownership.".

(c) Section 3(e) of the Emergency Rail Services Act of 1970 (45 U.S.C. 662(e)) is amended by striking out "$125,000,000" and inserting in lieu thereof "$200,000,000".

(d) The Secretary of Transportation shall, under the authority of the Emergency Rail Services Act of 1970, immediately guarantee trustee certificates of the Milwaukee Railroad, on the basis of an estimate of the amount required to be provided under subsection (e) of this section, for purposes of allowing the Milwaukee Railroad to maintain its entire railroad system and for purposes of financing the operations which the Milwaukee Railroad continues for the 60-day period beginning on the date of the occurrence of an event described in section 11(b) of this Act or on March 1, 1980, whichever first occurs. Such guarantee shall be made without regard to the findings set forth in section 3(a) of the Emergency Rail Services Act of 1970 (45 U.S.C. 662(a)).

(e) The Secretary shall guarantee trustee certificates of the Milwaukee Railroad pursuant to this section in an amount equal to the difference between (1) the total expenses found necessary by the trustee of such railroad for the maintenance and the continuation of service in accordance with this section, and (2) the revenues of such railroad, both determined in accordance with the Uniform System of Accounts prescribed by the Commission.

(f) Notwithstanding any of the provisions of section 3(c) of the Emergency Rail Services Act of 1970 (45 U.S.C. 662(c)), as amended by this Act, certificates guaranteed under this Act shall be subordinated to the claims of any creditors of the Milwaukee Railroad as of the date of enactment of this Act. No payment of interest or principal upon certificates guaranteed under this section shall be required until the conclusion of the Milwaukee Railroad reorganization proceedings, or three years from the date of enactment of this Act, whichever first occurs.

### NEW CAREER TRAINING ASSISTANCE

SEC. 7. (a) Any employee who elects to receive a separation allowance shall be entitled to receive from the Railroad Retirement Board expenses for training in qualified institutions for new career opportunities.

(b) To be entitled for assistance under this section, an employee must begin his course of training within two years following the date of his separation from employment with the Milwaukee Railroad.

(c) Entitlement to expenses for assistance under this section shall be determined by the Railroad Retirement Board on the basis of an application therefor filed by an employee with the Board.

(d) As used in this section—

(1) the term "expenses" means actual expenses paid for room, board, tuition, fees, or educational material in an amount not to exceed $3,000;

(2) the term "qualified institution" means an educational institution accredited for payment by the Veterans' Administration under chapter 36 of title 38, United States Code.

(e) The Railroad Retirement Board may prescribe such rules as may be necessary to carry out its duties under this section.

(f) There is authorized to be appropriated for new career training assistance under this section not to exceed $1,500,000.

### OBLIGATION GUARANTEES

SEC. 8. (a) The Secretary of Transportation, under the authority of section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 831), shall guarantee obligations of the Milwaukee Railroad for purposes of providing protection of employees affected by restructuring, transactions or reduction in service by the Milwaukee Railroad. Such protection may include, but need not be limited to, moving expenses, compensation for employee relocation and separation allowances. Such guarantees shall be entered into without regard to the requirements of subsection (g) of such section 511. Any obligation guaranteed pursuant to this section shall be treated as an administrative expense of the estate of the Milwaukee Railroad.

(b) The aggregate unpaid principal amount of obligations which may be guaranteed by the Secretary pursuant to this section shall not exceed $75,000,000.

(c) If funds available to the Milwaukee Railroad pursuant to obligation guarantees of the Secretary of Transportation under this section are insufficient to pay the total amount of benefits and allowances for which employees are eligible, the Milwaukee Railroad shall reduce, on a pro rata basis, the amount provided under each such section.

(d) Except in connection with obligations guaranteed under this section, the United States shall incur no liability in connection with benefits and allowances.

(e) Pursuant to the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, the Secretary of Transportation shall guarantee obligations to finance an equipment repair program for the Milwaukee Railroad, or its successors, during the remainder of 1979 and 1980. Obligations guaranteed under this subsection shall not exceed $30,000,000.

(f) Obligations guaranteed pursuant to this section shall be subordinated to the claims of any creditor of the Milwaukee Railroad as of the date of enactment of this Act.

### TRANSACTION ASSISTANCE

SEC. 9. Section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825) is amended by adding at the end thereof the following new subsection:

"(f) REHABILITATION FOR COMMON CARRIER SERVICE.—Notwithstanding subsections (a) through (e) of this section, the Secretary may purchase redeemable preference shares or trustee certificates convertible to redeemable preference shares under this section to facilitate the rehabilitation and improvement of Milwaukee Railroad property that has been sold to another person prior to November 1, 1980, or retained by the Milwaukee Railroad, and that will be used for continuing rail service.".

### APPLICATION OF NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 10. The provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall not apply to transactions carried out pursuant to this Act.

### CONTINUATION OF SERVICE

SEC. 11. (a) Until the occurrence of an event described in subsection (b) of this section, the Milwaukee Railroad (1) shall maintain its entire railroad system, as it existed on the date of enactment of this Act, (2) shall continue no less than the regular level of service provided by it as of that date, and (3) shall not embargo traffic (other than when necessitated by acts of God or safety requirements) or abandon or discontinue service over any part of its railroad system.

(b) The Milwaukee Railroad shall comply with the requirements of subsection (a) of this section until—

(1) an employee or employee-shipper ownership plan is not submitted to the Interstate Commerce Commission within the time period prescribed under section 3(a) of this Act;

(2) the proposed plan is found by the Commission not to be feasible;

(3) the proposed plan is found by the bankruptcy court not to be fair and equitable to the creditors of the Milwaukee Railroad; or

(4) the plan is not implemented within the time period prescribed under section 3(c) of this Act.

### AMENDMENT TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

SEC. 12. Section 211(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(e)) is amended by striking out paragraph (2) thereof and the sentence following that paragraph, and inserting in lieu thereof the following:

"(2) increase the principal amount of such loan to such railroad, in an amount not to exceed $4,000,000, only if the Association makes the finding referred to in paragraph (1)(B) of this subsection, determines that such railroad is establishing an employee stock ownership plan which will be reviewed and approved by the Association, and assures that by December 31, 1980, the railroad will contribute to the employee stock ownership plan an amount of convertible preferred employer stock, or cash used to purchase convertible preferred employer stock, equal to the lesser of (A) 20 percent of the amount made available under this paragraph, or (B) 20 percent of the fair market value of the railroad as of that date. The Association may not take any action pursuant to the preceding sentence of this subsection after December 31, 1980.".

### AMENDMENTS TO THE DEPARTMENT OF TRANSPORTATION ACT

SEC. 13. (a) Section 5(h)(3)(B) of the Department of Transportation Act (49 U.S.C. 1654(h)(3)(B)) is amended—

(1) in the second sentence thereof, by striking "In accordance with the formula stated in this subsection, the", and inserting in lieu thereof "The"; and

(2) by adding at the end thereof the following: "Notwithstanding the provisions of this subsection, funds available for reallocation as of October 1, 1979, shall be reallocated by the Secretary solely to States which require supplementary assistance to mitigate the effects caused by the filing of large-scale abandonments by railroads in liquidation or reorganization under the Bankruptcy Act. In making such reallocation, the Secretary shall give consideration to the amount of mileage in the State for which an application for abandonment or discontinuance has been filed with the Interstate Commerce Commission in accordance with the provisions of section 10903 of title 49, United States Code, but has not been approved or denied. Consideration shall also be given to the relationship which such mileage bears to the total rail mileage in each State requiring supplementary assistance under this subparagraph.".

(b) The second sentence of section 5(h)(2) of the Department of Transportation Act (49 U.S.C. 1654(h)(2)) is amended by inserting immediately after "and" therein the following: ", except as otherwise provided in this subsection,".

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### MILWAUKEE RAILROAD [1] RESTRUCTURING ACT

A brief summary of the attached bill follows:

### ESOP (SECTION 5)

1. Not later than December 1, 1979, an employee or shipper-employee group may submit to the Interstate Commerce Commission a plan for converting all or substantially all of the Milwaukee Railroad into an employee or employee-shipper owned company, such plan to include a method for implementation and an evaluation of the prospects for self-sustainability of the Milwaukee Railroad.

2. The Commission is required to determine whether the plan is feasible within 30 days after submission. Feasibility is to be based on the following findings:

a. That adequate financing is available;

b. That the plan is fair and equitable to the estate of the Milwaukee;

c. That implementation will occur by March 1, 1980;

d. that the railroad can be operated on a self-sustaining basis;

e. that the plan includes changes in operating practices designed to achieve labor productivity increases.

If the plan is found to be feasible, it is to be submitted to the Bankruptcy Court.

3. The Bankruptcy Court shall hold a hearing within 10 days and determine whether the plan is fair and equitable to the estate of the Milwaukee.

4. If the I.C.C. and the Bankruptcy Court approve the plan, the proponents of the plan shall implement it by March 1, 1980.

5. Implementation of any plan involving expenditures or grants of Federal funds will be conditioned on an appropriate contribution from employees or employee-shippers. This contribution shall not be less than 25 percent of the required financing.

Section 11 of the bill provides for continuation of service at the level provided on the date of enactment until (1) the plan is not implemented, (2) the plan is not timely filed, or (3) there is an adverse finding by the I.C.C. or the Bankruptcy Court.

### OTHER PROVISIONS

The bill also includes provisions for funding, labor protection, and expedited handling of abandonments and sales. The Emergency Rail Services Act of 1970 (ERSA) is amended by striking out the findings ordinarily required, including the finding that "the railroad can reasonably be expected to become self-sustaining." Certificates are not to be guaranteed under this section unless the certificate is treated as an expense of administration and receives the highest lien, except that this requirement is not applicable to certificates guaranteed for railroads engaged in "restructuring," which includes an ESOP plan. The ERSA funds provided the Milwaukee under the "restructuring" provision would be subordinated to the claims of creditors of the estate. Section 3(e) of ERSA is amended to revise upward the permissible outstanding aggregate principal amount of certificates from $125,000,000 to $200,000,000. ERSA certificates are to be issued to allow continued service until 60 days after March 1, 1980, or 60 days after occurrence of an event described in section 11,[2] whichever first occurs. (Section 6)

Training assistance for new careers is provided for employees displaced by the restructuring of the Milwaukee Railroad or a reduction in service over the line. (Section 7)

Under Title V of the Railroad Revitalization and Regulatory Reform Act, the Secretary is to guarantee obligations of the Milwaukee Railroad for employee protection purposes, including (but not limited to) moving expenses, compensation for employee relocation and separation allowances. Guarantees under this section are limited to $75,000,000; the obligations are to be treated as an administrative expense of the estate and not subordinated to creditors' claims. (Section 8)

The bill applies the expedited procedures of the new bankruptcy law, section 1170 of title 11, U.S.C., to pending abandonments, including the Milwaukee, the Rock Island and the Boston and Maine. However, the Bankruptcy Court cannot finally approve a Milwaukee abandonment until March 1, 1980 (unless an ESOP is not filed or there is an adverse finding by the I.C.C. or the bankruptcy court). With regard to sales and transfers by railroads in reorganization, expedited I.C.C. handling of all new cases would be required, but transactions of this nature would not be subject to the new bankruptcy provisions. (Sections 3 and 4)

In order to facilitate rehabilitation and improvement of Milwuakee Railroad property retained by the railroad or sold to another entity prior to November 1, 1980 for common carrier purposes, the Secretary is authorized to purchase redeemable preference shares or trustee convertible certificates. (Section 9)

The Regional Rail Reorganization Act of 1973 is amended to provide for an increase of $4,000,000 in the principal amount available to the Delaware and Hudson Railway Company, provided an ESOP is being established, subject to specified conditions including review and approval by the United States Railway Association. (Section 12)

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[1] Chicago, Milwaukee, St. Paul and Pacific Railroad Company.

[2] See preceding paragraph.

Finally, the Department of Transportation is required (in a manner similar to S. 1781) to provide for reallocation of funds available as of October 1, 1979, to States requiring supplementary assistance under the "Branch Line" legislation revised last year. This provision is intended to mitigate the effects of large-scale abandonment filings by railroads in reorganization. (Section 13) ●

## ADDITIONAL COSPONSORS

### S. 837

At the request of Mr. Melcher, the Senator from Mississippi (Mr. Cochran), the Senator from Alabama (Mr. Stewart), and the Senator from Minnesota (Mr. Boschwitz) were added as cosponsors of S. 837, a bill to amend the Water Bank Act for the purpose of authorizing the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements and to designate certain areas as wetlands, and for other purposes.

### S. 924

At the request of Mr. McClure, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 924, a bill to provide for protection of the John Sack Cabin, Targhee National Forest in the State of Idaho.

### S. 1163

At the request of Mr. Harry F. Byrd, Jr., the Senator from Alabama (Mr. Heflin) was added as a cosponsor of S. 1163, a bill to repeal the carryover basis provisions of estate tax laws.

### S. 1383

At the request of Mr. Melcher, the Senator from Alabama (Mr. Heflin), the Senator from North Carolina (Mr. Morgan), the Senator from Alabama (Mr. Stewart), the Senator from Alaska (Mr. Stevens), the Senator from Nebraska (Mr. Zorinsky), the Senator from Maine (Mr. Cohen) were added as cosponsors of S. 1383, the Fuel Energy Conservation Act of 1979.

### S. 1522

At the request of Mr. Harry F. Byrd, Jr., the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 1522, a bill to prohibit injury or destruction of a nuclear facility.

### S. 1587

At the request of Mr. McClure, the Senator from North Dakota (Mr. Young), the Senator from Indiana (Mr. Lugar), and the Senator from South Carolina (Mr. Hollings) were added as cosponsors of S. 1587, a bill to provide economic incentives for the production of alcohol fuels and for the construction and operation of alcohol fuel production facilities; to establish a system to assure a constant supply of stocks for the operation of such production facilities; to encourage and promote alcohol fuels, alcohol fuel blends and related research, and for other purposes.

### S. 1693

At the request of Mr. Melcher, the Senator from Illinois (Mr. Percy) and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 1693, a bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so.

### S. 1703

At the request of Mr. Chafee, the Senator from Montana (Mr. Baucus) was added as a cosponsor of S. 1703, a bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services.

### S. 1705

At the request of Mr. Packwood, the Senator from Idaho (Mr. Church) and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 1705, a bill to amend the Internal Revenue Code of 1954 to allow the deduction of charitable contributions to organizations from which a taxpayer or a member of his family receives a service.

### S. 1794

At the request of Mr. Melcher, the Senator from Ohio (Mr. Metzenbaum) and the Senate from Arizona (Mr. DeConcini) were added as cosponsors of S. 1794, a bill to provide for research concerning Reye's Syndrome, and for other purposes.

### S. 1805

At the request of Mr. Nelson, the Senator from Maryland (Mr. Sarbanes) was added as a cosponsor of S. 1805, a bill to amend the Economic Opportunity Act of 1964 to establish a weatherization program designed to enable low-income and near-poor individuals and families to participate in energy conservation programs.

### S. 1843

At the request of Mr. Cranston, the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of S. 1843, the Domestic Violence Prevention and Services Act.

### S. 1862

At the request of Mr. McClure, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 1862, a bill to improve the administration of Federal firearms laws, and for other purposes.

## AMENDMENTS SUBMITTED FOR PRINTING

## FEDERAL TRADE COMMISSION AUTHORIZATIONS—S. 1020

### AMENDMENT NO. 523

(Ordered to be printed and to lie on the table.)

Mr. McCLURE (for himself, Mr. Cochran, Mr. Melcher, and Mr. Lugar) submitted an amendment intended to be proposed by them, jointly, to S. 1020, a bill to authorize appropriations for the Federal Trade Commission.

## NOTICES OF HEARINGS

### COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, the Governmental Affairs Committee will hold a hearing on Thursday, October 18, on S. 1419, a bill to transfer and abolish several small Federal agencies and commissions. The hearing will be held in room 3302 of the Dirksen Senate Office Building, and will begin at the conclusion of hearings, scheduled to start at 10 a.m., on Reorganization Plan No. 3 of 1979.●

### SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, I would like to announce that the Select Committee on Small Business will hold a hearing on the business economic outlook. The hearing will take place on Tuesday, October 23, 1979, at 9:30 a.m., in room 424 of the Russell Senate Office Building. The witnesses appearing before the committee will be Mr. Lyle E. Gramley, Council of Economic Advisers, and Mr. William Dunkelberg, professor of economics, Purdue University, who is representing the National Federation of Independent Business.●

### SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I wish to announce that the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Governmental Affairs has rescheduled the hearing on S. 742, the Nuclear Waste Management Reorganization Act of 1979. The hearing will now be held on Friday, October 19, 1979, at 2 p.m., in room 3302 of the Dirksen Senate Office Building. If you have any questions regarding the hearing please contact the subcommittee at 224-2627.●

## ADDITIONAL STATEMENTS

## VOLUNTARY PRAYER IN SCHOOLS

● Mr. HUMPHREY. Mr. President, earlier this year the Senate acted on an amendment by our distinguished colleague, Senator Jesse Helms, to restore the right of public schoolchildren to begin their class day with a voluntary prayer. In so doing, the Senate returned to State officials and judges their constitutional responsibility to freely decide whether voluntary prayer should be available to the schoolchildren in their communities.

I was pleased to speak out in favor of this legislation during the Senate debate and to vote for it. The Senate's action was a proper and sound defense of the intent and meaning of the first amendment in response to a distortion of the language of the Constitution by the Supreme Court. As a coequal branch of the National Government, I believe the Congress has the responsibility to correct erroneous decisions of the Supreme Court. The Supreme Court is not regarded as "supreme" because it is infallible, and it should not be regarded as infallible because it is "supreme."

Mr. President, last month's issue of the Reader's Digest contained a thoughtful and well researched analysis of the Supreme Court's decision concerning voluntary prayer in public schools and the recent action of the Senate to reverse that opinion. Written by Digest senior editor Eugene Methvin, a long-time observer and analyst of the Supreme Court, "Should Prayer Be Restored to Our Public Schools?" provides a clear and concise examination of the history and legal issues involving the Supreme Court decisions and the Senate's passage of legislation to restore the right of voluntary prayer. I commend it to my colleagues and request that it be printed in the Record.

The article follows:

### SHOULD PRAYER BE RESTORED TO OUR PUBLIC SCHOOLS?

(By Eugene H. Methvin)

In 1962 the U.S. Supreme Court ruled by a six-to-one vote that voluntary prayers said in public-school classrooms violated the U.S. Constitution. Few Supreme Court decisions have stirred such public controversy and outrage, encountered such open disobedience or stimulated such sustained efforts for reversal.

Public-opinion polls have shown that a stable majority of about 75 percent of Americans favors restoring public-school prayer. Last April the U.S. Senate, by a 51–40 vote, approved legislation introduced by Sen. Jesse Helms (R., N.C.) that would restore voluntary prayers to the classrooms. And once again the issue has touched off a torrent of mail to Capitol Hill, this time to the House of Representatives, whose members may soon consider the question.

The Senate's action would largely restore the situation that existed before the 1962 Supreme Court opinion: decisions would be left to the states or to local authorities, and justices in Washington would be out of the business of refereeing local arrangements for voluntary classroom prayer. Which is precisely the way the Founding Fathers, who wrote the First Amendment guarantee of freedom for religion wanted it.

The First Amendment says: "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof." Those words known as the establishment and free-exercise clauses, were meant to guarantee that religious matters would be decided at the local level.

The record leaves no doubt. When the First Amendment was presented to Congress in 1789, five states had established churches; others had recently disestablished or refused to establish churches. A major purpose of the amendment, as James Madison assured Congress, was to provide that the national government would have no power to disturb these local arrangements. It clearly forbade federal interference either for or against community decisions.

No one would have been more astonished at the Court's 1962 interpretation than the framers of the First Amendment. The same day in 1789 that Congress approved the Bill of Rights, the legislators asked President George Washington to proclaim "a day of public thanksgiving and prayer to be observed by acknowledging, with grateful hearts, the may signal favors of Almighty God." Washington thereupon issued the first Thanksgiving Day proclamation—an act that by the Warren Court's logic violated the First Amendment while its ink was still wet.

The more obvious conclusion is that it was the 1962 justices themselves who trifled with the Constitution. Said Harvard Law Dean Erwin Griswold: "We have a spiritual and cultural tradition of which we ought not to be deprived by judges carrying into effect . . . absolutist notions not expressed in the Constitution itself and surely never contemplated by those who put the constitutional provisions into effect. To say that they require that all trace of religion be kept out of any sort of public activity is sheer invention."

Yet that is precisely what the Warren Court decided in 1962, when the justices decided the Supreme Court's first prayer case. The New York State Board of Regents in conclusion with the clergy of Protestant, Catholic, Jewish, Greek Orthodox and other faiths, had developed this nonsectarian prayer: "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our country." Local school boards decided whether to use the prayer, and individual students could excuse themselves from participation if they wished. The Warren Court found this a violation of the establishment clause.

To reach its result, the Court had to ignore the First Amendment's clause forbidding the Federal government to interfere in the "free exercise" of religion and adopt a new theory advanced by Justice Hugo L. Black. He contended that the establishment clause forbidding Congress to establish a religion had been applied to the states through the Fourteenth Amendment clause which says that no state shall "deprive any person of life, liberty, or property without due process of law." That language, the Court decided, somehow requires Washington—in the form of the justices—to maintain a "wall of separation between church and state," and strict "neutrality" between religion and irreligion.

Potter Stewart was the only justice to dissent: "With all respect, I think the Court has misapplied a great constitutional principle. I cannot see how an 'official religion' is established by letting those who want to say a prayer say it. On the contrary, I think that to deny the wish of these schoolchildren to join in reciting this prayer is to deny them the opportunity of sharing in the spiritual heritage of our nation."

The Warren Court's coupling of the First and Fourteenth Amendments was a bold new seizure of authority from both Congress and grassroots institutions. Other decisions followed: The justices ruled against a Maryland law that provided for the reading of a chapter of the Bible and/or recitation of the Lord's Prayer in schools. When the Netcong, N.J., board of education voted to permit students to come to school early for a "period for free exercise of religion" under the expressed First Amendment authority, the state court refused to allow it. This court even refused to permit schoolchildren to read the daily prayer of the House or Senate chaplain as printed in the Congressional Record. By not accepting the case on appeal, the Supreme Court justices let the state decision stand

These anti-prayer decisions set off a wave of protest that has not stopped. At first, Capitol Hill opponents backed an amendment to the Constitution that would revise the Supreme Court's interpretation of the Fourteenth and First Amendments. In 1966, the Senate voted 49–37 to submit such an amendment to the state legislatures for ratification, but the vote was nine short of the constitutionally required two-thirds majority. In 1971, responding to a nationwide drive sparked by Ohio housewife Louise Ruhlin, the House voted 240–162 for an amendment, 28 short of the necessary two-thirds. In each case, many legislators balked for fear that the wording of such an amendment might be interpreted to do harm to other First Amendment provisions regarding freedom of speech and the press.

But today the outlook for prayer proponents is brighter. In the years since 1962, both the makeup of the Supreme Court and opinion about the limits on its powers have changed. The current Chief Justice, Warren E. Burger, has led this different Court in a substantial federalist restoration, curtailing some of the more ambitious activist claims of judicial power of the 1960s, pointing out, among other things, that Congress has remedies against such claims short of amending the Constitution. In fact, the Constitution provides two clear ways to limit the Supreme Court's role in the interpretation of our constitutional rights:

1. Article III, which created the Court, empowers Congress to make "exceptions and regulations" to the Court's appellate jurisdiction. Thus, by a simple majority, legislators can vote to take whole classes of cases away from the Court's jurisdiction.

2. The Fourteenth Amendment, under which the Court claims authority to impose its interpretations of the Bill of Rights on the states, specifically provides: "The Congress shall have power to enforce, by appropriate legislation," the rights the amendment creates. So if the legislators disapprove of the Court's rulings, presumably they can pass statutes—again by simple majority—substituting their own rules.

For three decades the nation has seen decisions and responsibilities transferred from local communities to Washington, thus steadily eroding the federalist concept of our government. When Senator Helms introduced his legislation last April, he emphasized the significance of his proposal in maintaining the Constitution's original plan of a divided and carefully limited power: "Congress must not yield its responsibility under the Constitution to ensure that the freedoms protected by the First Amendment are not undermined by actions of other institutions."

That is why many legal and editorial commentators welcome the Senate move to moderate the harsh anti-prayer rules adopted by the Warren Court. Says columnist James J. Kilpatrick: "When Senator Helms undertakes to restore the possibility of truly voluntary prayer, he merits the support of all those who believe that, while governmental establishments of religion must be resisted, the free exercise of religion should be encouraged. The Constitution expressly authorizes Helms's approach as a form of restraint upon the judiciary short of a constitutional amendment."

Regardless of our views on voluntary classroom religious exercises, all Americans—Christian, Jew, atheist, agnostic, whatever—have cause for alarm when a group of officials in Washington claims the right to dictate radical changes in our lives without consulting us. By debating and deciding such matters locally, we actually strengthen our democratic traditions of tolerance and liberty.

In taking such decisions away from the people, the 1960s-era justices pushed the Court far along the road to a more sweeping tyranny than any that might result from a local excess of religious zeal. As Harvard law professor Raoul Berger says in his recent book *Government by Judiciary*, "A democratic system requires adherence to constitutional limits, by courts no less than presidents. Respect for the limits on power is the essence of a democratic society."●

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## DEAN MARVIN J. ANDERSON OF HASTINGS LAW SCHOOL

● Mr. CRANSTON. Mr. President, on October 27 the Hastings Alumni Association will be honoring Dean Marvin J. Anderson of Hastings Law School on the occasion of his accession to the chancellorship of the college.

I take this opportunity to call to the attention of my colleagues the accomplishments of Dean Anderson and of Hastings Law School.

Marv Anderson has served for 10 years as the tenth dean of the law school. Under his leadership, Hastings continued its outstanding leadership role in our society.

The school established the first child care center of any law school. It integrated its excellent academic training with a vigorous clinical program for law students. The first and largest legal education opportunity program for disadvantaged students was built. The school's library facilities has expanded immensely and its television and video-tape facilities are second to none among law schools.

Hastings is perhaps most famous outside California for its "65 Club" faculty. These faculty members are senior legal scholars and jurists of national and worldwide reknown who have been invited to join the Hastings faculty upon their retirement from other schools and the bench. Hastings and California have benefited greatly from their presence in our State.

Dean Anderson continued this excellent innovation while tripling the number of course offerings and regular-tenured faculty.

In short, Marvin J. Anderson has taken the best from one of the oldest and finest law schools in the Nation and made it even better.

He will have the best wishes of many admirers on the occasion of his newest undertaking on behalf of Hastings College.●

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## FIFTIETH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER TO BE 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, the widespread image of Herbert Hoover as a President clinging to old ways in the face of the new necessities brought about by the Great Depression has been challenged in recent years by a revisionist theory. This theory places Hoover as the forerunner of the tremendous governmental changes which his successor, Franklin Roosevelt, expanded. Important in this discussion is Hoover's performance as an administrator: Hoover's one and only elected office was as our 31st President, whereas he spent many years in senior administrative roles.

Dr. Peri E. Arnold, of the Department of Government and International Studies, Notre Dame University, has written an essay discussing the longest and most intensive administrative assignment of Hoover's life—as Secretary of Commerce during the Harding and Coolidge administrations. The essay has been submitted to me for inclusion in the series of essays being printed to commemorate the 50th anniversary of the inauguration of Hoover in 1929. Dr. Arnold concludes that Hoover's "approach to the problem of administration is wholly modern," rather than that of a traditional administrator in the Wilsonian mold. Thus, Dr. Arnold supports a revisionist view of Hoover.

Hoover attacked his new responsibilities at Commerce with typical verve. He was given the choice of two Cabinet positions by Harding—Interior or Commerce. Harding had campaigned for the Presidency on two themes—A return to normalcy and bringing the best minds into his administration. His offer to the prestigious Hoover was entirely consistent with the latter plank. Hoover's selection of the Commerce post reflected his belief that the country's chief problems concerned economic stability and reconstruction.

What Hoover discovered at Commerce was an amalgamation of offices and narrow programs brought together for the purpose of satisfying the call of business for Cabinet-level representation, with no common substantive purpose. The broad and amorphous organic charter of the Department was of no assistance in shaping its programs. Symbolically, the Department represented business; in practice, its job, as described by an early Secretary, was "turning out the lighthouses at night and putting the fish to bed." Woodrow Wilson's Secretary of Commerce struggled with the problem of lack of purpose, but his efforts were stymied by the creation of the War Industries Board, which became the prime arena for the Federal Government's relations with business from 1917 to 1919.

Seizing upon a climate in which a positive relationship between business and Government was developing, Hoover sought to make his Department an instrument for voluntary cooperation between them. In an attempt to make available leading American business voices to the Department, Hoover invited leading businessmen to form an advisory board. However, so many sought membership that the plan had to be scrapped. This experience convinced Hoover that there was no single homogenous business interest which could be voiced through a single unit in the department. As a result, Hoover created within the Bureau of Foreign and Domestic Commerce 17 separate divisions, each focusing on a major commodity, and staffed them with experts from the individual industries or trade associations. These units carried out Hoover's programs for each of the industries covered.

Hoover's major goal as Commerce Secretary was to foster market stabilization through cooperation. The Department's contribution would be to provide the organizational strength to encourage industries to organize to achieve stability, and to gather and disseminate organizational statistics to aid industrial planning. Individual industries and trade associations had been unsuccessful in obtaining industrywide data. In a statement which should put to rest any thought of Hoover as a laissez-faire advocate, Hoover told a trade association executive:

> We have reached a state of national development of such complexity . . . that we must have a national planning of industrv and commerce.

As ambitious as his plan to create cooperative Government-industry groups to stabilize and reconstruct industry was Hoover's plan to eliminate the economic waste of a lack of standardization within industry. Hoover established a division of simplified practice within the bureau of standards to accomplish this purpose. The division worked cooperatively with industry, rather than coercively, and achieved substantial success.

One of the means Hoover utilized to effectively achieve his ends was a very active public relations program. This was essential as his goals involved reshaping the behavior patterns of American business. Hoover brought experienced journalists and public relations veterans into the department, both as personal assistants and as heads of operating units. He maintained close relations with an important circle of Washington journalists, and used these individuals as conduits for information to the outside.

He initiated regular conferences with the business press, for the same purpose.

Mr. President, Dr. Arnold's essay, "The 'Great Engineer' as administrator: Herbert Hoover and Modern Bureaucracy," presents a highly interesting examination of Hoover's remaking of the Department of Commerce, and of his administrative style. I request that the essay be printed in the Record at the conclusion of my remarks, along with a brief biographic sketch of the author.

The material follows:

### Biographic Sketch of Peri E. Arnold

Born: September 21, 1942.

Education: BA—Roosevelt University, Chicago, 1964; MA—University of Chicago, 1966; Ph.D.—University of Chicago, 1972.

Professional experience: Taught at Western Michigan University one year, 1970–1971; Department of Government and International Studies, University of Notre Dame: Assistant Professor, 1971–76; Associate Professor, 1976; Chairman of Department, 1977.

Memberships: American Political Science Association; Southern Political Science Association; Society for Values and Higher Education.

Publications: Co-author, Values and Regulation of the Electric Power Industry, forthcoming 1980.

Articles: "Herbert Hoover and the Continuity of American Public Policy," Public Policy, 1972; "Reorganization and Politics," Public Administration Review, 1974; "Toward a Theory of Congressional–Executive Relations," The Review of Politics, 1974; "The First Hoover Commission and the Managerial Presidency," Journal of Politics, 1976.

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"THE 'GREAT ENGINEER' AS ADMINISTRATOR: HERBERT HOOVER AND MODERN BUREAUCRACY"

A half century ago Herbert Hoover entered the Presidency and the "Great Engineer" of the 1920's became, after 1930, the butt of Depression era jokes for many Americans. The economic collapse of 1929 not only broke Hoover's Presidency, it obscured his accomplishments as a key public figure in American life during this century.

In recent years a new, burgeoning industry of Hoover scholarship has refocused on those accomplishments largely through an examination of Herbert Hoover's policy initiatives in the various public posts he held between 1917 and 1932.[1] The thrust of this revisionist view is to see Hoover's policy innovations as entailing intervention in the economy thus marking a sharp break with the laissez-faire tradition. According to this view, Hoover's public policies had more in common with the general level of governmental activities post-1932 than they had with a 19th century laissez-faire tradition. A characteristic shared by the revisionists is that they see Hoover's policy contributions to American politics as essentially modernist and not traditional, far more like Franklin Roosevelt than Calvin Coolidge.

Yet, Hoover remains an illusive figure. Much of his character and work retains a traditionalist character. In particular, his approach to administration and public organization seems to locate him in an older American governmental tradition, and this is critical for understanding Hoover because he was preeminently an administrator; the Presidency was the only elected office he ever held. If in fact his approach to public administration is traditional, the revisionist interpretation of Hoover must be relegated to the status of a partial explanation of his public life, and Hoover must be understood as essentially a precocious traditional politician.

The distinction between traditional and modern administration in American public life rests on a conceptual dichotomy between politics and administration. The rapid expansion of the American national bureaucracy after 1880, along with the growth of the Civil Service, is accompanied by the rise of an American theory of public administration. As the federal bureaucracy expanded, the old Jacksonian tradition of absolute domination of administration by partisan politics became utterly impractical; the system was too big for control through spoils and political loyalty. Woodrow Wilson set the paradigm for a new conception in his great essay of 1887, "The Study of Administration."[2] In it he argued for an absolute separation between administrative things and political matters. Administration, he said, "is a part of political life only as the methods of the counting-house are a part of the life of society; only as machinery is part of the manufactured product."[3]

Wilson's politics-administration dichotomy became part of the standard conceptual currency in American public life between 1887 and the 1930's. Much of its power remains, as reflected in how much conventional language about administration retains the dichotomy's premise.[4] But, beginning in the late 1930's, it became clear that the Wilsonian paradigm was inadequate for understanding the role of administration in the highly bureaucratized, positive state.

While it unfortunately lacks the theoretical statement that Wilson offered to an older administrative tradition, modern public administration thoroughly rejects the politics-administration dichotomy. Because we have not had a dominant theorist for the modern period who could sketch a paradigm as powerful as Wilson's, we have no easy label to characterize this period.

But, it is clear that the most prevalent form of contemporary public agency manifests an extremely close fit between its mission and its administrative style and makeup. That the politics-administration dichotomy is no longer an adequate description of the style of most public agencies is clear in a number of discreet aspects of modern bureaucracy. In the last several decades, Presidents have recurringly attempted to effect a greater political control over the upper reaches of the Civil Service.[5] We have come to realize that bureaucrats, far from being neutral, have strong political commitments to their agencies' continuing policy goals.[6] Finally, one can even impressionistically note the degree to which large agencies seem to compose sub-cultural systems. Those who work in the middle or upper ranks of Treasury differ in style and background from their opposites at Agriculture or Housing and Urban Development. The administrator has not been a replaceable cog as he is conceived in the Wilsonian paradigm or its distantly related Weberian bureaucratic model.[7] Rather, the administrator has become a political creature within agencies which have strong commitments to particular goals and possess large amounts of discretion to shape the policies they are given to implement.[8] The modern agency comprises a political subsystem in which politics and administration become one.

At first appearance, Herbert Hoover is an archtypical traditional administrator. The "Great Engineer" achieved immense public acclaim as an administrator during his lifetime. He built the Committee for the Relief of Belgium into a massive international relief operation, beginning from scratch in 1914. In 1917 he achieved huge success in mobilizing American food resources in his role as U.S. Food Administrator. And, from 1921 to 1927 he virtually remade the Department of Commerce, serving as Secretary of that department in the Harding and Coolidge cabinets. Last, he led and dominated the first and second Hoover Commissions in the late 1940's and the middle 1950's in producing the most extensive studies ever accomplished of administrative problems and efficiency in the national government. In each of these roles, Hoover appears as engineer of organizations, who given a goal, can build technically perfect organization. In this sense, the "Great Engineer" seems the very embodiment of the Wilsonian administrator.

This essay will show that this conventional view of Hoover is mistaken and that Hoover's approach to the problem of administration is wholly modern. Thus this essay contributes to and expands the general revisionist view of Hoover. The evidence for this argument will be drawn from the most intensive and sustained administrative role he played during his life, his tenure as Secretary of Commerce. Yet I must begin with a caveat. Hoover's conception of the term "politics" was narrow. In his own mind, a high wall separated politics and administration, but by politics he meant partisan, electoral politics. For example, in the midst of a heated battle between the Department of Commerce and a trade association, the association's president charged that policies and actions of the department were politically motivated (Hoover had been attempting to force that association to cooperate with others in the lumber industry in establishing industry-wide lumber grades). Hoover was aghast at the charge; how could politics be involved? As he stated to the press after the charge was made public: "Up to date no one has suggested either Republican or Democratic grades of lumber."[9] Thus Hoover sounds traditional, but his notion of "politics" did not include policy. So, to understand the degree to which Hoover was a modern administrator one must inquire into the breadth of his notion of administration rather than that of his notion of politics. And, in his redirection and reorganization of the Department of Commerce there is evidence of extraordinary breadth given to that concept; it devours politics understood as policy. To show this I must first describe the Department of Commerce as he found it.

I. The Department of Commerce in Search of Purpose, 1903–1921:

The Department of Commerce began in 1903 as the Department of Commerce and Labor. Its creation capped several decades of demands by organized business groups for cabinet-level representation.[10] By the turn of the century, organized labor picked up the same demand. The context and efficacy of these demands were set by the entrance of the Department of Agriculture into the cabinet in 1889 after strong pressure from agricultural organizations for cabinet status as a recognition of the importance of agriculture to the nation.[11] Granting such status to one functional sector opened the door to the same demands from other key economic groups. With the Department of Commerce and Labor, Congress answered demands from two such groups at once. Although, "Labor" was tacked on as an afterthought and its only organizational role in the new department rested in the Bureau of Labor which had been moved from Interior.

The new development was a classic case of administrative organization created for symbolic rather than substantive purposes.[12] Most of its components were transfers from other departments, and it brought together a hodge-podge of agencies, each of which performed narrow, routine, and regularized service functions. The Lighthouse Board, the Lighthouse Establishment, the Steamboat Inspection Service, the Bureau of Navigation, the United States Shipping Commissioners, the National Bureau of Standards, the Coast and Geodetic Survey, the Commissioners-General of Immigration and the commissioners of immigration, the Bureau of Immigration, the immigration service at large and the Bureau of Statistics all came from Treasury. The Census Office, the Bureau of Labor, the Fish Commission and the Office of the Commissioner of Fish and Fisheries came from Interior. Finally, the Department of State sent the Bureau of Foreign Commerce, which the statute specified was to be joined with the Bureau of Statistics; the latter name being retained.

Two new agencies were created to go into the department, the Bureau of Manufacturers and the Bureau of Corporations. The former was to be a promotional agency for the business community, supplying businessmen with data concerning market conditions. Of all the component parts of the new department, this was the only one mandated to serve a wide business constituency. The Bureau of Corporations also dealt with a wide range of firms, but its role was far different and at conflict with the other agencies in the department. Its function was to "investigate into the organization and management of the business of any corporation, joint stock company or corporate combination engaged in commerce among the several states and with foreign nationals excepting common carriers subject to a prior act."[13]

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It was to investigate interstate corporations and report its findings to the President; it was assumed that the light shed by such investigations would retard questionable corporate activities without the passage of more coercive regulatory law.

The Bureau of Corporations lacked sanctions, but its spirit was regulatory while the over-all thrust of the new department was service and promotion. Over-all, the Department of Commerce and Labor was a jumble of agencies and purposes at its creation. Its organic statute suggested the enormous range of concerns that fell into its mandate:

"That it shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, shipping, and fishing industries the labor interests, and the transportation facilities of the United States."[14]

The mandate was broad and unfocused. How were all of the diverse economic interests listed in statute to be "fostered and promoted," let alone reconciled.

The basic problem of the new department was that it had not been created to fill a concrete need, rather it was an instrument of functional representation. But, aside from the symbolic role of representing business, what was the department to do? For fifteen years this issue lay dormant, and the individual agencies of the department continued the routines that had concerned them prior to 1903. In the words of an early Secretary of Commerce and Labor, the job of heading the department amounted to nothing more than "turning out the lighthouses at night and putting the fish to bed." It was part-time work.[15]

In its first fifteen years, events changed the department in ways that could make it more amenable to central direction and unified purpose. In 1912, the Bureaus of Manufacture and Statistics were merged, resulting in a new agency that would be more competent to collect, organize, and disseminate useful information to businessmen. In 1913 the discordant position of labor in business' department was resolved through the creation of a separate Department of Labor.[16] In 1914 the conflicts between goals of promotion and regulation of business were resolved by the transfer of the Bureau of Corporations responsibilities to the new Federal Trade Commission. But, while these changes created a more consistent department, they did not provide it with a coherent sense of purpose or direction.

William Redfield, Wilson's Secretary of Commerce between 1913 and 1919, was the first head of Commerce to struggle with the problem of purpose in the department.[17] But, as America entered war he was stymied by a new mobilization agency, the War Industries Board; Commerce sat outside the main arena of government's relations with business from 1917 to 1919. During wartime, the War Industries Board fostered cooperative relations between government and business which taught the businessman that such cooperation could guarantee business stability.[18] But, the primacy of the War Industries Board as an innovator of new relations between government and business ended with the war. What was to become of the government-business partnership which it had created? The business community sought some way of continuing the stability producing relationship with government. The demise of the War Industries Board left no government agency which could become the medium for this new peace-time cooperation. So, the immediate post-war years saw the asymmetric irony of a wide-spread acceptance of a new relationship with government by business accompanied by the lack of any governmental agency capable of maintaining that relationship.

Redfield attempted to use Commerce to fill that vacuum. But his efforts were limited by the character of the times and the restrictions imposed by post-war reconstruction. In particular, he developed the Industrial Board of the department; its function was the control of post-war inflation through the medium of voluntary agreements between business and government. This initial extension of the spirit of cooperativism was a dismal failure, and the board shut down in May, 1919.

The movement of the department into the breach left by the War Industries Board was hampered by its lack of organization and unity. It had little capacity for developing coherent new policies. An indication of its organizational weakness is the fact that there had been no increase in the size of the secretary's office since 1915. While major growth had occurred in the operating agencies, the central office remained static in size and managerial capacity.[19]

Beneath Commerce's own organizational failures lay a deeper reason for its lack of purpose and vision. It had been fashioned out of promotional and service components during an era when government was building a regulatory approach to business. Consequently, the department was out of step with the spirit of an era which had first been committed to "trust busting" and then the regulation of business through independent commissions. But, by 1919 a new relationship between government and business was forming. Industrial mobilization during war taught businessmen the virtues of cooperating with each other and government. And, as Secretary Redfield realized, this could be an opportunity for Commerce, given the right leader and sufficient support.

### II. Herbert Hoover and the Transformation of Commerce:

Two themes dominated Warren G. Harding's 1920 campaign for the Presidency, "normalcy" and the "best minds." If elected, Harding promised to return America to "normacy" and staff his administration with the "best minds." Herber Hoover, already famous for his organization of war relief and his operation of American food policy during the war, entered the cabinet as a partial fulfillment of the latter promise.

President-elect Harding offered Hoover a choice between the two departments, Interior and Commerce. Hoover selected Commerce, the less prestigious of the two, because he felt that the country's largest problems were in the area of economic reconstruction and economic stability. At the same time, he had no illusions about the department's current state; it would need reorganization and expansion. Soon after accepting the post, he told the press:

"There must . . . be a reallocation of Government bureaus and we must bring into the Department of Commerce bureaus which belong there. The department can materially assist in the economic settlement of our foreign relations and we must engage in more than the mere exploitation of our goods."[20] Hoover did not intend to change the department for the sake of some abstract notion of efficiency. Change was linked to function. His logic is this: if specific changes can be made at Commerce, then the department will contribute to the national life in a manner that transcends "the mere exploitation of our goods." This vision lay behind Hoover's choice of Commerce as his cabinet post, and that vision became the compass point for his reforms in the department.

But, what was this thing that lay beyond "mere exploitation of goods"? Hoover meant a model set of relations between business and government that were founded on the notion of mutual cooperation and gentle guidance of business by government. Central to his view was the idea that the dangers of government coercive powers to a free society could be neutralized through the constant role of businessmen cooperating with appropriate government agencies.[21]

In becoming Secretary of Commerce, Hoover found no need to change the statutory base of the department so as to redefine its mandate and encompass his grand vision.[22] He understood the pre-existing statutory mandate to encompass everything he intended for the department. It was, he said, "a wide open charter,"[23] and he took it as a grant of discretion to remake the department according to his ideal.

Secretary Hoover's administrative reforms at Commerce had three different aspects, they are: 1) a fundamental reorganization of the department's functional relationship to business, 2) a rationalization of central management in the department and an attempt to impose over-all goals on the programs of various agencies, 3) a departmental public relations program which gave it great capacity to reach its constituency while it added to the department's public visibility and political strength.

Hoover's public stature was such that his appointment raised great expectations. As the New York Times observed:

"The reorganization of the Department of Commerce contemplated by Mr. Hoover will make that branch of the Government service the most important public body in touch with American business and will give the great Food Administrator a place of dominant leadership in American business. The plan has been chartered by Mr. Hoover in detail, and it is understood that he will lose no time in putting it into effect."[24]

The heart of Hoover's plan was the idea of shaping the department into an instrument for cooperative relations between business and government. Secretary Hoover wanted his department to incorporate the leading voices and interests of the business community. At the outset of his tenure, he attempted to execute this ambition by creating an Advisory Board for the department. To organize it, he invited representatives of the major national business organizations and some leading corporate executives to a meeting at the department.[25] It is doubtful whether such a board could have provided meaningful, over-all guidance to the department. The very fact that it would include representatives from diverse industries meant that it would have to function at a level of abstract generalization so as to avoid conflict. But, Hoover's plan did not succeed to the point where the problem could arise, for the public announcement of his intention to create such a board created a huge clamor amongst even the most obscure businessmen, demanding invitations to the organization meeting. Hoover quickly changed his plan in midstream and announced that rather than an advisory board, it was his intention to hold a series of conferences, no single one which would be meant to be "completely representative of the geographical divisions of the country or of all different industries."[26]

This initial organizational failure contained an important policy lesson; there was no homogenous business interest that could be voiced through one representative institution in the department. Rather, there are business interests that must be dealt with one by one. This realization provided Hoover with a strategy that tied together a new policy direction for the department with an administrative format built upon the principle of representation. The new policy which Hoover desired to graft onto the department was one of market stabilization through cooperative programs within industries and between the department and industry. The department would provide the impetus and

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the organizational strength to aid the member firms of industries to organize and rationalize their behavior so as to achieve greater stability in the industry. As he told one trade association executive: "We have reached a state of national development of such complexity . . . that we must have a national planning of industry and commerce." [27] In short, Hoover saw that aggressively competitive behavior by indivdual firms was often a threat to the social good and, in the long run, self defeating for the individual as well as destructive for the whole industry.[28] Hoover, moreover, thought that accurate information about the state of the marketplace combined with organized trade association strength in each industry were the tools for bringing rationality to the marketplace.[29] Providing the data and creating or strengthening trade associations would be the central aim of the new Department of Commerce. In regard to information, Hoover told the 1921 convention of the Chamber of Commerce of the United States:

"We should have a more timely, more regular and more complete information of the current production and consumption and stocks of every great commodity in the United States. I am convinced that we should go even further than this; that we should secure and publish the proportion of the total equipment of more important industries that is in current production, together with the total proportion of labor complement that is in service; and that in a few commodities it may be well to procure and publish the primary prices". [30]

And he proceeded to suggest that the Department of Commerce was the proper instrument for the crucial function. He stated:

"Various industries have tried time and time to secure such data informally, but it is essential to success that it should be collected and presented to the whole of the commercial community, buyer, seller, and banker, by some department of the Government which approached the whole problem in a purely objective way, which will hold the individual's return absolutely confidential; and from which the whole public and the whole industry can enjoy equality of service." [31]

Hoover was suggesting that government itself became part of an organizational system through which competition could be constrained or channeled. To the degree that such information was then available at all, it was gathered and distributed solely within the context of individual trade associations. But the associations did not carry the authority necessary for the universal collection of statistics (from non-member as well as member firms). Moreover, many businessmen doubted the confidentiality of a statistics program controlled solely by an association. Finally, such programs run by trade associations faced the risk of antitrust action.[32] But, the circumstance of many industries was even worse because of an absence of trade associations. These problems could be resolved through the intervention of the Department of Commerce to disseminate statistics in cooperation with existing associations and to develop trade associations where none presently existed.

The essential organizational reform which followed from this reorientation of policy at Commerce was the creation of the Commodity Divisions of the Bureau of Foreign and Domestic Commerce. By the end of 1922, seventeen divisions served separate industries and had responsibility for stimulating intra-industry organization, promoting the whole industry, and distributing data regarding market conditions in that industry. The divisions flourished, and they solved the problem of representation upon which the plan for an Advisory Board had foundered. The Commodity Divisions constituted an administrative solution to the new policy goals of representation and government-business cooperation. Such relations, if they were to go beyond agreement on broad principles, must take place on the relatively narrow base of the individual industry; this was precisely the logic of the Commodity Divisions.

These divisions were tied to "their" industries with a tight knot. Secretary Hoover invited the trade associations of each industry to be served by a division to nominate individuals to work within and head that division.[33] Some of the earliest appointees to these positions were officers of the trade associations. For example, P. L. Palmerston was appointed in August, 1921, to head the Rubber Division. He had, until this appointment, managed the Foreign Trade Bureau of the Rubber Association of America.[34] As the department's Annual Report for 1922 candidly stated, the men appointed to head these divisions were "chosen because of their experience and familiarity with a given line. These men have been selected, in most instances, in accordance with the desires and recommendations of the interested industries in the most direct and acceptable manner that could be devised." [35]

Further evidence of this personnel tie between the department and the associations is supplied by the department's 1925 appropriation hearings. In these, Assistant Secretary of Commerce J. Walter Drake described Secretary Hoover's success in involving businessmen in the department's work. Drake presented a list of employees to substantiate his point. These were individuals who had been appointed to the department after nomination by their trade association. The list included the heads of every commodity division excepting three, coal, specialities, and petroleum.[36] Coal and specialities were exceptions for the same reason. These were badly disorganized industries incapable of relating to the department through a unified organization. The coal industry was going through massive strikes during this period and resisting attempts by the government to bring order to the industry.[37] The specialities field, by its nature, is simply a confusion of different small industries dealing in luxury goods. There is little there to bring unity to. Neither of these industries demonstrated the organizational unity necessary for such an industry appointment to be made. In industries such as these, the department had to take the initiative and find a man within the industry to take a post in the department. The third division which saw appointment by the department itself, petroleum, presents a different case. This was an industry which was already declining ties with and reliance on two other departments, Interior and State. It had no need for the services of the Department of Commerce.[38]

Secretary Hoover instituted an even more ambitious agency than the Commodity Divisions and designed along the same lines as them, the Division of Simplified Practice in the Bureau of Standards. Its mission was to help industry standardize its products. This division was to have the combined functions of supplying technical expertise to industries and providing organizational building activities to help those industries use these techniques. Hoover's strategy in finding a solution to the economic waste of a lack of standardization was the mobilization of trade associations to deal with product and size proliferation. The Division of Simplified Practice would initiate action, provide its facilities for industry-wide meetings, supply techncal expertise, and promulgate industry-wide standardization agreements.

The simplification program was enormously successful. It began with a bang when the Division of Simplified Practice brought together the paving brick industry and helped it reduce the varieties of paving bricks from sixty-six to eleven.[39] Following this success, associations representing the bedding industry requested that the division aid them in establishing standard sizes for beds, springs, and mattresses. By mid-1922, a regular pattern of operation by the division was established. Numerous associations were conducting preliminary surveys of their industry's product variety under its auspices. Work was ongoing in the following fields: warehouse commercial forms, lumber, hardware, paints and varnish, sash and millwork, clay products, cigar boxes, metal lathes, common brick, storage batteries, spark plugs, woolen goods, and hollow building tile.[40] As the division led each industry to agreement on product size and type, it published the agreements in a new Department of Commerce publication, Simplified Practice Recommendations, making the new standards available to a wide public.

Once Secretary Hoover identified the main policy goals he wished to impose on the department, and completed the organizational reforms necessary to implement those policies, he faced the next problem of maintaining central control and consistency over the department's activities. Commerce had never been adequately controlled from the center and had stumbled along as a loose collection of routine service agencies. But, with the fundamental policy changes he had brought to the department, Hoover felt it necessary to closely oversee and coordinate its activities.

Hoover's conception of coherent, orderly administration involved two different principles. One, he saw orderly administration resting on the rational grouping of administrative functions and subjects. He understood the organic statute of the Department of Commerce to grant that department the power "to foster commerce in its most comprehensive sense . . ." [41] In short, all functions pertaining to the fostering of commerce should be in this department. Moreover, the various activities of the department should be grouped and coordinated so as to associate like and related operations.

The other principal elements in Hoover's notion of orderly administration were related commitments to hierarchical command and narrow span of control. He believed that no effective administrative or executive function could be performed in the face of shared authority.[42] Consequently, organizations built for action must be single-headed and manifest very clear lines of authority and responsibility.[43] In fact, his own successes at administration relied heavily on his dominance of organizations and upon the association of the organization and its function with his image. For example, his work at the U.S. Food Administration led Americans to speak of conserving food as "Hooverizing." But Hoover's strong hierarchical organizational model did not result in a domineering organizational style. On the contrary, he had a deft sense of the necessity for delegating authority within organizations, and he demonstrated this as he coped with the growing Department of Commerce.

The department grew rapidly under Hoover in terms of both organizational size and missions. Without massively increasing his central staff, Hoover would have found it impossible to maintain close hierarchical control over all the department's activities. Also, Hoover was far more interested in the new policy directions of the department in the general area of what he called "the movement for the elimination of waste" than he was in routine activities within the old bureaus of Commerce. Therefore, he took personal direction of the activities of the agencies most directly responsible for carrying through the department's new policy

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while turning over direct supervision of the other agencies of the department to his assistant secretary and his departmental solicitor.[44]

Finally, Hoover's transformation of Commerce entailed the development of enormously effective capacities for public relations and information distribution. It is ironic, given Hoover's public image as the cool technician, that his managerial style was intensely personal.[45] He welded together his hierarchical administrative conception with the possibility for a kind of charismatic personification of his organization's mission; Hoover's organizations became prisms for his own personality and goals.

A modern notion of administration as incorporating means and ends considerations underlay Herbert Hoover's sense of the importance of public relations for government agencies. Public relations is a prerequisite for success in those agencies which have the goal of reshaping behavior patterns of a particular constituency depending upon its capacity to communicate. Traditional routine service agencies did not need public relations; they had a fixed, routine agenda. But the modern, mission-mandated agency required tools to advertise, cajole, and convince.

The Department of Commerce exemplified the relationship between modern administration and public relations. From 1903 to 1921, Commerce lacked public visibility and support because it was without the means for building that support. At the same time, it must be noted, the department had few if any functions that could be effectively advertised so as to build an active constituency. Hoover's new programs, at the same time, required such advertising and gave the department something to advertise about.

Hoover effected his public relations program through several different means. He brought experienced journalists into the department as his assistants while, at the same time, he maintained close relations with an extensive circle of reporters and public relations people outside of government. Amongst those who he brought into government were Christian Herter, Harold Phelps Stokes, and George Ackerson, all who served as personal assistants. Their publicity sense and their professional contacts gave the department an unusual skill amongst federal departments of that time in using the news media. At one step removed from his immediate circle, Hoover brought into government public relations and news people who undertook special projects for the department and its secretary. George Barr Baker, Edward Eyre Hunt, and Frederick Feiker are leading examples. At a greater distance still from the official workings of the agency, Hoover used luminaries of the press world such as William Allen White and Mark Sullivan as conduits for information that would burnish the public image of the Commerce Department.[46]

Hoover also established a regular channel for publicity about the department's work through the business press. His approach to this task was related to his strategy for establishing ties with trade associations in that he linked the department to the business press through regular conferences for its editors and reporters. Hoover approached the business press as if it were a conventional industry that needed organization, but this time the resulting organization and related conferences between industry members and the department aimed at the use of the press as a megaphone for the department's message.[47]

Finally, Hoover exhibited a fine sense of the importance of public relations in making high level appointments to operating agencies within the department. Thus public relations was not simply a staff responsibility of those who served Hoover in that particular capacity, rather it was a skill which the secretary wished to ingrain into the daily operating life of appropriate agencies. The best example of this consideration was the selection of William Durkin to become the first head of the Division of Simplified Practice. This appointment united technical expertise and public relations. The division's basic function was technical, in that it advised industries on the standardization of products and the simplification of product lines (the reduction in the number of product types manufactured). But, the division was required to "sell" the importance of simplification and standardization to industry. Durkin was an engineering graduate of M.I.T. who, after beginning his career at Commonwealth Edison in Chicago, became interested in the problem of corporate public relations and wound up as that company's director of public relations. Furthermore, most of the appointees to the commodity divisions similarly exhibited experience and skill at public relations, many of them acquiring such background as employees of the trade associations and industries to which they would now relate as public officials. And the head of the Bureau of Foreign and Domestic Commerce, which housed the divisions, was a careful and expert publicizer of the bureau's "bouquets" and kept public relations experts on his own staff.[48]

Through the related administrative reforms which established functional representation with business, rationalized central authority in the department, and provided the department with a "voice" for proclaiming its accomplishments and virtues, Herbert Hoover literally remade the Department of Commerce. After 1921, the department rose from one of the two or three least visible and prestigious departments in the cabinet to a preeminent position in the public eye. It is symbolically fitting that during Hoover's Presidency, the largest federal office building in Washington was constructed for the Department of Commerce.[49]

III. Conclusion:

The "Great Engineer" as administrator was anything but an administrative technocrat who simply applied managerial expertise to existing goals. We must be careful in associating Hoover with a view of efficiency that rests solely on instrumental rationality, that is, efficiency as the measure of the maximization of goals while economizing on means.[50] Hoover did not act as an instrumental rationalist; he clearly assimilated the substantive goals of policy with considerations of implementation, as his stewardship at Commerce amply demonstrates.

To understand Herbert Hoover's administrative style and accomplishments is to understand that he was by no means an antique public man, a nineteenth century mind heroically out of place in the twentieth century. He was, in fact, a remarkably talented, modern administrator who understood the breadth of possibilities present in expansive public bureaucracy. Certainly, as much of his post-presidential career demonstrates, he was fearful of large aspects of the expansive state and critical of some of the uses to which large, capable bureaus could be put. But this fear and hostility should not be read to mean that he was hostile to all the possible uses of the active state and its bureaucracy.[51] His disagreement with the New Deal's use of the state was a disagreement over policy and not an attack on modern state bureaucracy itself, which Hoover himself had used brilliantly during the 1920's.

This view of Herbert Hoover as a modern administrator offers two contributions, one for scholarship concerning American politics and a more important one for public debate in the United States. The preceding discussion helps round out and enrich a developing revisionist literature on Hoover. But, it offers a more important lesson in that it presents a view of Hoover exemplifying a "conservative" view of government which contains a more subtile understanding of modern government than is normally exhibited by contemporary conservatives. It has become the style of the right to flail out at "the bureaucrats," denouncing big government because it is big. Hoover offers the lesson that government might be better attacked for what it does rather than for the means through which it operates. His example suggests that conservatives might more effectively critique government and its works by offering alternative ends to which the energies of government might be directed. Thus reclaiming Hoover's real accomplishments from the stereotypes of the last several decades is more than an interesting academic exercise; it could be an important intellectual step for American conservatism.

### FOOTNOTES

[*] This paper grows, in part, out of an ongoing research on executive reorganization and the federal executive branch. I would like to express my gratitude for the support of the Ford Foundation.

[1] For example, see Ellis Hawley, "Herbert Hoover, the Commerce Secretariat and the Vision of an 'Associative State,' 1921–1928," *Journal of American History* 62 (June 1974), 116–140; David Burner, *Herbert Hoover: A Public Life* (New York: Alfred Knopf, 1979), and Peri Arnold, "Herbert Hoover and the Continuity of American Public Policy," *Public Policy*, XX (Fall 1972), 525–544.

[2] Woodrow Wilson, "The Study of Administration," *Political Science Quarterly*, LVI (December, 1941), 481–506 (Reprinted from original publican in 1887).

[3] *Ibid.*, p. 484.

[4] For a discussion of the weakness of the traditional or "orthodox" conception of administration and the profoundly political character of modern administration, see Harold Seidman, *Politics, Position, and Power* (New York: Oxford U. Press, 1970), Chapters 1–3.

[5] Notice, for example, Eisenhower's Schedule C and his support of the second Hoover Commission's recommended Senior Civil Service, Nixon's 1971 recommendation of a Federal Executive Service and Carter's successful Civil Service reform, particularly his Executive Service.

[6] Joel D. Aberbach and Bert A. Rockman, "Clashing Beliefs Within the Executive Branch," *American Political Science Review* 70 (June, 1956), 456–468.

[7] For Weber on bureaucracy, Max Weber, *The Theory of Social and Economic Organization*, trans. by A. M. Henderson and Talcott Parsons (New York: Oxford U. Press, 1947), pp. 324–346.

[8] On discretion and its implications in modern bureaucracy, see Kenneth C. Davis, *Discretionary Justice* (Baton Rouge: Louisiana State U. Press, 1969), 3–25.

[9] New York *Times*, June 16, 1923.

[10] Lloyd M. Short, *The Development of National Administrative Organization in the United States* (Urbana, Ill.: Institute for Governmental Research, 1923), p. 397.

[11] See Wayne D. Rasmussen and Gladys Baker, the *Department of Agriculture* (New York: Praeger, 1972); pp. 10–11.

[12] See Murray Edelman, *The Symbolic Uses of Politics* (Urbana: U. of Illinois Press, 1964).

[13] 32 Stat. L. 825, sec. 3.

[14] *Ibid.*

[15] Herbert Hoover, *Memoirs*, vol. II: The Cabinet and the Presidency, (New York: Macmillan, 1952), p. 42.

[16] The role of functional representation in the creation of Labor is hinted at in several key appointments. W. B. Wilson, the first secretary, was formerly an activist and organizer for the coal miner's union; Samuel Gompers, the chief clerk, was *the* Samuel

Gompers' son, and Terrence Powderly, head of the Information Office, was formerly head of the Knights of Labor.

[17] See William C. Redfield, *With Congress and Cabinet* (Garden City, N.J.: Doubleday, Page and Co., 1924).

[18] See Robert Cuff, *The War Industries Board* (Baltimore: Johns Hopkins Press, 1973).

[19] Carroll H. Woody, *The Growth of the Federal Government* (New York: McGraw-Hill Book Co., Inc., 1934), p. 166.

[20] New York *Times*, Feb. 25, 1921.

[21] On the political implications of Hoover's vision, see Grant McConnell, *Private Power and American Democracy* (New York: Knopf, 1965), chap. 5.

[22] New York *Times*, Feb. 25, 1921.

[23] Herbert Hoover, *Memoirs*, Vol. II, p. 42.

[24] New York *Times*, March 10, 1921.

[25] Letter, Hoover to Stephen Mason, March 28, 1921, Recommendations for Advisory Board, Official File, Commerce Papers, Herbert Hoover Presidential Library, West Branch, Iowa.

[26] *Womens' Wear*, April 26, 1921, and letter, Richard Emmet to Robert Goree, May 9, 1921, Commerce: 2nd Conference Recommendations, Official File, Commerce Papers, Herbert Hoover Presidential Library.

[27] Letter, Hoover to Roy Cheney, July 15, 1923, Herbert Hoover Personal: Government Ownership and Regulation, Personal File, Commerce Papers, Herbert Hoover Presidential Library.

[28] In 1924 Hoover stated: "We often lay too much stress upon competitive features, too little upon the fact that it [business] is in essence a great cooperative effort." Transcript, speech before 1924 meeting of Chamber of Commerce of U.S., Official File, Commerce Papers, Herbert Hoover Presidential Library. In a discussion of the tension between group and individual interests and its effect on action, see Mancur Olson, *The Logic of Collective Action* (Cambridge: Howard U. Press, 1965).

[29] Letter, Hoover to Harry Daugherty, Feb. 3, 1922, Trade Associations: Jan.-Feb., 1922, Official File, Commerce Papers, Herbert Hoover Presidential Library.

[30] New York *Times*, April 29, 1921.

[31] *Ibid.*

[32] This fear proved to be prescient by the Supreme Court's opinion in American Column and Lumber v. U.S., 277 U.S. 377.

[33] Letter, F.M. Feiker to trade paper editors, June 3, 1971, F #81094, RG 40, National Archives, Washington, D.C.; J. Walter Drake, speech transcript Conference of Trade Association Executives, April 12, 1922, Press Release: March–April, 1922, Official File, Commerce Papers, Herbert Hoover Presidential Library; Letter, Drake to Ray Chapin, August 31, 1923, F #81094/2, RG 40, National Archives.

[34] New York *Times*, Aug. 14, 1921.

[35] U.S. Department of Commerce, *Annual Report, 1922* (Washington: U.S. Government Printing Office, 1922), p. 76.

[36] U.S. Congress, House of Representatives, *Hearings: Department of Commerce Appropriation Bill*, 1925, 68th Cong., 2nd Sess., pp. 2–3.

[37] On Hoover's involvement in the coal industry, see Ellis Hawley, "Secretary Hoover and the Bituminous Coal Problem," *Business History Review*, XVI, no. 3 (Autumn, 1968), 247–271.

[38] See Robert Engler. *The Politics of Oil* (Chicago, U. of Chicago Press, 1961), chap. 8.

[39] U.S. Department of Commerce, *Annual Report*, 1922, p. 138.

[40] U.S. Department of Commerce, *Trade Association Activities* (Washington: U.S. Government Printing Office, 1927), p. 247.

[41] Letter, Hoover to Walter Brown, Oct. 4. 1921, F #80553/4, RG 40, National Archives.

[42] Letter, Hoover to Warren G. Harding, Jan. 17, 1924, General Government Reorganization, Official File, Commerce Papers, Herbert Hoover Presidential Library.

[43] Herbert Hoover, *Memoirs*, Vol. I, *Years of Adventure* (New York: Macmillan, 1952), pp. 155, 241–42.

[44] *Ibid.*, Vol. II, p. 42.

[45] See Craig Lloyd, *Aggressive Introvert* (Columbus: Ohio State U. Press, 1972), Chapter 4.

[46] *Ibid.*

[47] Letter, Christian Herter to Louis Resnick, May 4, 1921, National Conference of Business Paper Editors: 1921–1923, Official File, Commerce Papers, Herbert Hoover Presidential Library.

[48] Memo, Marrinan to Klein, March 11, 1926, Colt Co., Official File, Commerce Papers, Herbert Hoover Presidential Library.

[49] After Roosevelt entered office, the department was cut-back because of its status and reputation as Hoover's creation. Memo, A. L. Raiffa, Jan. 15, 1933, F#80553, RG40, National Archives.

[50] See Weber, and Nicos P. Mouzelis, *Organisation and Bureaucracy* (Chicago: Aldine, 1968), Chapters 1–2.

[51] Exemplifying this, observe how strongly the first Hoover Commission supported the notion of a managerially strong Presidency. See, Peri E. Arnold, "The First Hoover Commission and the Managerial Presidency." *Journal of Politics*, 38, No. 1 (February, 1976), 46–70.●

## VOLCKER RECOGNIZES PROBLEM OF TAXATION

Mr. DOLE. Mr. President, on October 9 the Chairman of the Federal Reserve Board, Paul Volcker, addressed the American Bankers Association in New Orleans. In his address Chairman Volcker explained the reasons for the Fed's recent credit-tightening moves and the changes in the Fed's method of regulating the money supply. Mr. Volcker also set forth his view of the direction the economy ought to take.

The Senator from Kansas would like to quote from Chairman Volcker's well-considered remarks. Addressing the matter of tax policy, Mr. Volcker expressed the view that:

> If earned by sustained spending restraint, well-structured tax reductions—by which I mean changes that would help stimulate investment, cut costs, and offset the effects of inflation in moving people into higher tax brackets—could be welcome at some time in the future. That time has not yet come, nor is it useful now to speculate when it might. What we need to guard against is premature and excessive stimulus, during expansions as well as recessions—and it does seem to me that we have come a long ways, at the very least, toward learning that lesson.

These comments on tax policy are very much to the point. So, too, is the observation that we should avoid actions that tend to overheat the economy, for example, by continually running high deficits.

I do not agree that it is too soon to consider changing tax policy along the lines suggested by Chairman Volcker, but his suggestions for changing tax policy are indeed welcome. We do need to alter the tax structure in favor in investment and stable, long-term growth. Even more urgently, we need to stop inflation from moving people into higher tax brackets.

As the Fed Chairman surely recognizes, there is only one fair and consistent way to offset the effects of inflation on the progressive income tax. That way is to adjust the tax brackets for inflation, from top to bottom, and similarly adjust fixed dollar amounts in the tax code. No other method can offset the inflationary effect—taxflation—to the same degree that the taxpayer suffers from an inflationary tax increase. Across-the-board tax "cuts" may reduce the overall tax burden, but they do not offset taxflation, which affects different income levels to different degrees. Furthermore, general tax reductions deceive people into thinking they are getting real tax relief, when they are merely getting back some of what they lost to taxflation.

Mr. President, it is good news that Chairman Volcker realizes that tax policy should take account of the effects of taxflation. The Tax Equalization Act, S. 12, would provide just the correction Mr. Volcker is talking about. It would correct the tax bracket cutoff figures according to the percentage rise in the Consumer Price Index. The Tax Equalization Act would require similar adjustments in the zero bracket amount and the personal exemption. I introduced S. 12 because it gives Congress the opportunity to effect a real tax reform, not just make another one-shot tax cut that does not take account of inflation's impact in an equitable way. One virtue of tax equalization is that it leaves Congress free to adjust the tax rates as necessary to deal with the economic situation, or to leave them alone, as Mr. Volcker suggests, to avoid an excessive stimulus. Mr. Volcker's doubts to the contrary notwithstanding, there is no reason why we cannot commit ourselves now to spending restraint and adopt tax equalization as a measure of fairness to the taxpayer. Whatever the Fed Chairman's personal timetable, the Senator from Kansas hopes that Mr. Volcker will continue to publicize the need to offset taxflation, and suggests that the Tax Equalization Act is the only fair way to reach that goal.

## DUE CREDIT

● Mr. HATFIELD. Mr. President, in a recent statement, I commended those involved in an innovative approach to medical cost containment at the University of Oregon Health Sciences Center and included in the RECORD, an article from American Medical News, September 14, 1979, describing this program. The article did, however, fail to credit two physicians who actually designed this creative program which involves regular cost feedback to interns.

The work of Drs. Joyce Atlee Campbell and Michael T. Makler, department of clinical pathology at the Portland VA Hospital who are the principal investigators in this study, preceded the medical school program and laid the groundwork for its success. Their efforts are supported by the Veterans' Administration Health Services Research and

Development Service supplemented by funds from the Medical Research Foundation of Oregon. Let the record note these important contributions.●

## GENERAL ROGERS ON SALT II

● Mr. PERCY. Mr. President, I received last week a significant letter from Gen. Bernard Rogers, the Supreme Allied Commander in Europe. It contains his views on the importance of SALT II ratification to our NATO allies. As you know, Mr. President, we have gone into this issue in great detail in the Senate Foreign Relations Committee and we have heard from a number of distinguished witnesses, including four European parliamentarians. General Rogers did not testify before the committee which is why I requested that he make a statement in a letter which I could share with my Senate colleagues. Mr. President, I request that the letter dated October 11, 1979, from General Rogers be printed in the RECORD.

The letter follows:

SUPREME ALLIED COMMANDER EUROPE,
*October 11, 1979.*

DEAR SENATOR PERCY:

Many thanks for your recent letter in which you asked my views on certain issues related to SALT II. I appreciate your providing copies of the testimony of the European parliamentarians who appeared before the Senate Foreign Relations Committee.

I am pleased to provide you my observations which are based on my having been the Supreme Allied Commander, Europe, since 29 June 1979. As you are aware, prior to that time I was the Chief of Staff, U.S. Army, and, as a member of the Joint Chiefs of Staff, was intimately involved with the SALT II treaty as it moved through its negotiating process the last thirty months.

It is my opinion that the ratification of SALT II is considered crucial by our NATO Allies for the following reasons:

a. The adverse impact which non-ratification would have on the credibility of the leadership of the United States in the Alliance, upon the credibility of the Office of the President, and thus on our future relations with our Allies.

b. The adverse impact which non-ratification would have on the Alliance decision to modernize NATO's Theater Nuclear Forces in order to deter the growing threat from the East. This decision, vital for the Alliance, is coupled with the Alliance's desire for arms control negotiations to reduce and balance the NATO and Warsaw Pact Theater Nuclear Forces. Our Allies perceive the SALT III negotiating process as affording that opportunity to get to SALT III.

c. Non-ratification would cause our allied nations considerable concern about future U.S.-Soviet relations, and the impact such relations would have upon them individually and the Alliance collectively.

I am also aware of the comments by some persons that many influential non-U.S., NATO political and military leaders are opposed to the treaty. I do not believe this is the case. There may be some who are opposed. Perhaps there are some provisions about which other European leaders are concerned, but I believe these leaders do support the treaty's ratification.

As the SACEUR, charged with guaranteeing the military security of Allied Command Europe, I hope that the SALT II treaty will be ratified in the very near future.

With best wishes,

Sincerely,
BERNARD W. ROGERS,
*General, U.S. Army,*
*Supreme Allied Commander, Europe.*●

## YANKEE INGENUITY

● Mr. COHEN. Mr. President, the handiworks of Yankee ingenuity have taken shapes as complex and majestic as clipper ships, and as seemingly simple and insignificant as toothpicks and clothespins. I think my colleagues would be interested to read of the vitality in the latter industry, 94 years after the first wooden toothpick was manufactured by Charles Forster in Strong, Maine.

I wish to direct your attention to an article written by Alan Oser that appeared in the New York Times, Sunday, October 14, "Clothespins: China, Trade and a Factory in Maine." Although the toothpick industry continues to be profitable, other wooden products from Maine's factories have been endangered by a flood of low quality, cheaply priced foreign imports. Clothespin manufacturers are particularly hard pressed to compete successfully with imports from the Far East.

Although I gave my qualified approval to import quotas established by President Carter in February of this year, it is not yet clear that Maine's clothespin industry will survive. Stricter quotas may be required.

The industry fully deserved protection from underpriced imports for a number of reasons. Import quotas are a knotty problem, but in this case they have helped to preserve a traditional trade in Maine, as well as a model of efficiency and innovation. Our Maine factories, producing clothespins, are energy self-sufficient, because they burn wood scraps for heat and power. Their product is reusable and costs consumers only 3 or 4 pennies apiece. One might even observe, as did A. J. Haug, president of Forster Manufacturing Co. that clothespins encourage energy conservation by enticing housewives to their clotheslines rather than to their automatic dryers. Finally, local people regard the factories with pride as examples of Maine's dedication to craftsmanship and quality. These characteristics may become increasingly rare among America's multimillion dollar industries. of which the toothpick and clothespin industry is one.

I submit the following article to be printed in the RECORD:

### CLOTHESPINS: CHINA, TRADE AND A FACTORY IN MAINE

(By Alan S. Oser)

WILTON, ME.—The legacy of Charles Forster survives in this small town, the headquarters of the Forster Manufacturing Company.

Ninety-four years ago, Charles Forster manufactured the first commercially sold toothpick in the United States. He did it in Strong, Me., but his successors carry forward his good work in wood-products manufacture in Wilton, East Wilton, Mattawamkeag and Stratton, as well as Strong, all in west-central Maine. The repertoire has also widened—to tongue depressors, sandwich picks, ice-cream sticks, coffee stirrers, doll-pin stands, dowels, croquet mallets and yo-yo's. To name a few.

The president of the company, A. J. Haug, settled back in a chair in his spacious office on the top floor of a turn-of-the-century loft recently and reported with satisfaction that sales had grown 23 percent in two years. Mr. Haug refused to disclose the privately owned company's sales and earnings, but sales are probably more than $20 million.

Forster has a thousand employees. It is one of the handful of wood-products manufacturers in Maine, a state blessed with forests of birchwood, beeches, maples and ash, just the right woods for its products. All is well in toothpicks, Mr. Haug suggests, but he and others in the industry are troubled by turbulence in the clothespin side of the business.

Last year, the Maine wood-products makers went before the International Trade Commission for relief in the face of an import flood of low-priced spring-operated clothespins from China, Poland and Rumania. The commission held a hearing and found that Chinese pins—but not those from Eastern Europe—were disrupting the domestic market.

The Carter Administration, having just signed a trade agreement with Peking, demurred from establishing a quota on Chinese clothespins. But later it did establish a quota on spring clothespins from all sources. The question is whether the quota will have the effect of restraining imports until the industry can modernize to improve its competitive posture, as it hopes to do.

The old-fashioned slotted clothespin, the experts explain, is not the issue. In 1978. these accounted for only about 10 percent of national clothespin consumption. Slotted clothespins had a way of jamming on the clothesline.

Spring pins came to the rescue. Now the domestic industry ships about 3.3 million gross of spring pins a year, a $6.5 million business. Add in slotted pins and it is an $8 million business, with 4.2 million gross shipped. There are 144 pins per gross.

The industry was accustomed historically to a 20 percent penetration from north European countries, said its Washington representative, David Simon. But the Europeans dropped out in the early 1970's under pressure from lower-priced pins from the Pacific, notably China and Taiwan. Danish, Dutch, German, Scandinavian companies all were forced out.

By 1977, the import penetration was up to 48 percent of the domestic market, principally from China, Rumania and Poland, Mr. Haug said. The production cost in the United States was $2.04 a gross, compared with a price of $1.20 a gross, including shipping costs, for the Chinese pins.

"It's the cheapies that killed us," said Mr. Haug, in unflattering reference to the shorter, lowest-priced import product that is of inferior quality, the domestic producers believe, to Maine's finest. The imported pin is of a cheaper wood and a cheaper metal that tends to rust, said Mr. Simon. But the big price threat comes from the lower-cost labor to assemble the product.

The quota allows 50,000 gross of clothespins a year to come in at a price up to 80 cents a gross; 600,000 gross at 81 cents to $1.35 a gross, and 900,000 gross at $1.36 to $1.70 a gross. It took effect at the end of February and is to last three years.

President Carter retained the right to "roll over" unfilled quotas in the higher bracket to the lower bracket. If the "cheapies" quota is exceeded by rollovers from unfilled categories of higher-priced pins, the quota's effect could be nullified, the industry fears.

Because of the possibility of expensive warehousing costs until an oversubscribed category "opens up," importers may be finding it undesirable to "hustle pins into the lowest category," said Mr. Simon. Instead they may fill quotas in the higher categories. But in any event, the domestic people say they have not yet felt the benefit of the quotas in higher orders.

In nearby West Paris, Me., one of Forster's competitors, the Penley Corporation, has a big stake in these esoteric matters. Penley only makes clothespins, employing 100 people in one plant. Donald Penley, the president, reported that the volume of imports had decreased since the quotas went into effect, but so far he had seen no direct positive effect.

"We used to operate two shifts," he said. "We cut back to one three years ago."

Another producer is the Diamond International Corporation, with divisions in Dixfield and Oakland, Me. "Many clothespins have been imported so there's quite an inventory," said Irving Koenig, a Diamond official "It will take a year to know what's going on."

Mr. Haug takes some solace in what he sees as a general move away from automatic clothes drying, the result of the rise in the price of energy "We've noticed people are beginning to hang out sheets again," he said. That is good for clothespins, a product that Mr. Haug believes has not received the credit it deserves. "It is an ingenious device," he said. "It can be re-used. For a bag of 50 the cost is maybe 3 or 4 cents apiece."

Matters were simpler when the wooden toothpick faced its big competitive challenge. It came from plastics. Forster merely added a plastics division. The two types of picks account for about 25 percent of the company's production. The company's picks are marketed under the brand names Ideal and World's Fair.

The secret to the toothpick business lies in the machinery. Forster designed and manufactured its own, and produces a toothpick with a rounded taper that it considers second to none. Nigeria, said Mr. Haug, wants the company to design and build a toothpick factory there. "They are a toothpick-loving nation," he said.

The visitor to East Wilton spots the venerable plant alit and working late at night. By day, Maurice Thomas, the plant manager, explains amid the din that only the choicest portions of the log find their way to the "chopper" that turns out toothpicks. Hard by the toothpick chopper, other choppers bang out ice-cream sticks and tongue depressors.

For toothpicks, Forster leans to white birch. "It gives the best combination of color, straight grain and resistance to splinter," said Mr. Haug. "It's hard enough to be useful yet soft enough to get into the crevices." It should not be too sharp, in Forster's view. The proper compromise must be struck between sharpness and utility. Forster makes both the flat and rounded variety, but over the years "the market has swung to the round tapered type," said Mr. Haug.

There is no import problem, at least not yet. Last year, Honduras sought the right to bring toothpicks into the United States duty free, but was turned down. This year, Brazil tried, but its petition never even got to the hearing stage.●

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## JAMAICA

● **Mr. SCHWEIKER.** Mr. President, the island nation of Jamaica has both a democratic and pro-Western history which has been both a comfort to the United States and a comfort to those in the Western Hemisphere who have been concerned with democratic ideals. Unfortunately recent actions in that country by its current Government gives cause to worry about the continuation of not only Jamaica's pro-Western policy but more fundamentally its democracy. The recent public statements by the current Prime Minister at the nonalined nations meeting in Havana and the recent lead he took in criticizing U.S. action vis-a-vis Soviet troops in Cuba are no less than complete acceptance of the Cuban line on many important foreign policy matters of interest to the United States.

Mr. President, I think it might be worthwhile to place some material concerning Jamaica in the Record at this time so my colleagues will be more fully aware of what is happening in that country. Therefore, I request that several newspaper articles, a Department of State cable concerning a recent statement issued by Jamaica, Guyana, Grenada, and St. Lucia, and the speech made by Prime Minister Manley in Havana be printed in the Record.

The articles follow:

[From the New York Times, Oct. 9, 1979]

### Despite I.M.F. Aid, Jamaica Still Lags

(By Ann Crittenden)

Kingston, Jamaica.—A few weeks ago in Washington, a small group of international banks met with representatives of the Jamaica Government. On the agenda was a refinancing of the $450 million in commercial debt coming due in the early 1980's and a new loan package of $200 million.

The bankers had already agreed to refinance more than $200 million in debt due them through 1981. But after a look at the figures, disclosing that the sick Jamaica economy shows almost no signs of recovery, they decided that now was not the time for any more deals.

As Jamaica's Prime Minister, Michael N. Manley, saw it, the decision was not surprising. "Commercial banks are not designed for bad weather," he remarked later.

#### MIRED IN STAGNATION

The banks' refusal confirmed that after more than a year of strict adherence to the conservative economic policies of the International Monetary Fund, which has lent more per capita to Jamaica than to any other country in the world, the Caribbean island is still mired in stagnation. Despite or because of the I.M.F.'s recommendations, in the past year real wages have fallen by more than one-third here; consumption is down; malnutrition seems to be rising, and economic growth, for the fifth straight year, is negative.

As a result, instead of winning the "seal of approval" that I.M.F. policies are supposed to bestow, this country is still ranked as one of the world's worst credit risks by commercial bankers, some of whom privately call the virtually bankrupt country a "basket case."

Eric Bell, Jamaica's moderate Finance Minister, is seriously considering resigning, and Mr. Manley, who sold the I.M.F. austerity program to Jamaicans on the ground that it would start the country moving again, is in serious political trouble. To shore up his eroding popular support, he is making overtures to the restive left, and to those hardest hit by the economic crisis.

If its economic troubles are creating problems for the Jamaican Government, they are potentially highly embarrassing for the I.M.F. Credits from the fund are not only supposed to help countries during times of temporary balance-of-payments difficulties, but also to stimulate the adoption of sound economic policies that will prevent similar problems in the future. Accordingly, the fund stricty monitors the economic performance of its borrowers, who generally lose not only their access to the fund, but to other international lenders as well, if they violate the I.M.F.'s policy recommendations.

Indications are that the failure of its belt-tightening policies in Jamaica has prompted the fund to bend its rules ever so slightly. I.M.F. officials decline to discuss the Jamaican situation, but according to top Jamaican officials, the fund has moved to loosen some of its tough constraints on the economy and to provide more money to ease the country's foreign-exchange bind, in hopes that with more time the economy will correct itself.

#### I.M.F.'S INTERNATIONAL ROLE

Whatever its eventual outcome, the Jamaican case is significant in light of the increasingly central role played by the I.M.F. in international economic affairs and in the policies of developing nations.

With higher oil prices adding about $10 billion to $15 billion to their import bills this year, with markets for their exports sagging, with aid declining and commercial banks more reluctant to lend, poor nations more and more are looking to the I.M.F. as a lender of last resort. That means, in turn, that more and more nations will have to tailor their domestic economic policies to fit the fund's conservative style, since I.M.F. credits are "conditional" on the borrowers' adopting the fund's policy recommendations.

The idea is that these stringent monetary and fiscal policies will not only force the country to correct its payments imbalance, but will give commercial bank lenders the confidence to augment the I.M.F.'s loans with credits of their own. And in fact, private banks are increasingly relying on the existence of an I.M.F. "stabilization program" to reassure them that a country is a good credit risk.

#### PROBLEMS WITH I.M.F. SOLUTIONS

The Jamaican economy has not revived under this scenario, at least up until now, for two possible reasons, according to economists and officials here and in the United States.

In the first place, despite its faithful adherence to the I.M.F.'s conservative recommendations, adopted in May 1978 when Jamaica received a major credit, Mr. Manley remains a committed socialist. He and his party remain dedicated to the vision of a mixed economy, with the "commanding heights" of the economy under the control of the state or of worker cooperatives. Not surprisingly, private investors are hesitant to make major outlays in the country, although more domestic private investment is essential to the recovery of the economy.

Thus, even though Mr. Manley and other high Jamaican officials insisted in recent interviews that they agreed with most of the I.M.F.'s policy prescriptions, particularly those requiring a reduction in extravagant Government spending programs, the middle class and its money is still fleeing the country.

And even though the Government has stuck to virtually the whole I.M.F. program, including the elimination of budget deficits, tight limits on monetary expansion, ceilings on workers' wages, the creation of incentives for private investment and a huge 30 percent devaluation, no new factories have been built in Kingston for years.

#### POLITICAL CONFLICTS CITED

The opposition leader, Edward Seaga, says he warned I.M.F. officials this year that their policies would fail, "because our basic problems are not economic but political."

"No matter how much the economy is reorganized to generate savings, they will never be put into investment because people cannot see down the line politically," he said in a recent interview in Kingston.

The second difficulty, cited by economists was whether some of the I.M.F.'s classic remedies are suitable for undeveloped post-colonial economies like that of Jamaica. The Jamaican Government particularly resisted the I.M.F.'s insistence upon a major devaluation, arguing that such a step would not produce the desired result of making the country's exports cheaper and more competitive or significantly reduce imports.

Oil imports, for example, which consume up to more than one-third of this country's export earnings, cannot be drastically reduced, because they are necessary for bauxite production. Similarly, almost one-fourth of Jamaican imports are essential capital goods. Devaluation simply makes these imports more expensive.

### EXPORTS STILL IN TROUBLE

Nor, according to Norman Girvan, head of the National Planning Agency here, has devaluation stimulated the country's two major exports, bauxite and sugar. The price of sugar sold to Europe is fixed in foreign currency, and sales to the United States are set by quota.

As for bauxite, the aluminum companies argue that Jamaica is still uncompetitive, even after devaluation, and that production in Jamaica will continue to decline unless the Government reduces its levy. Production last year was 11.7 million metric tons, only three-fourths of the level reached in 1974, before the Jamaican Government increased its tax on production by 600 percent and the aluminum companies began to shift their production elsewhere.

In order to reverse the trend, the Jamaican Government has just agreed in negotiation with the companies to slash the levy roughly in half on all production above 3 million tons.

Devaluation has stimulated Jamaica's manufactured exports, which account for about 10 percent of total sales abroad, and tourism. Tourist earnings were 37 percent higher last year, and 1979 looks like another good year. In fact, the industry is one of the few socialist successes in the country, for after the tourist slump in the mid-1970's, the Government took over a number of failing hotels, with more than 50 percent of total rooms.

One such edifice, standing between the state-owned Pegasus and New Kingston Hotels, here in Kingston, has been reincarnated as the Marcus Garvey Building, and houses the Foreign Ministry.

It was the falloff in tourism, on top of higher oil prices, plummeting sugar prices and heavy Government spending that sent Jamaica to the I.M.F. in 1977. The country received a line of credit for $78 million, but when it failed to meet agreed-on economic targets, the I.M.F., and with it other international lenders, closed the doors to Jamaica.

In June 1978, after hard bargaining, the fund extended a new three-year loan of $244 million, subject to strict conditions. To monitor the agreement, the I.M.F. has a resident representative in the Bank of Jamaica in Kingston, the nation's central bank, and teams from Washington go there regularly to see that Jamaica meets its required targets.

The program immediately had the intended effect of sharply increasing prices and reducing buying power, to bring consumption more in line with production. Food prices skyrocketed, all but vital imports disappeared from stores, real incomes dropped by 35 percent and unemployment rose to more than one-quarter of the work force.

### BURDEN OF OIL PRICE INCREASE

All this did bring a reduction in the balance-of-payments deficit, which fell from an average of 10 percent of national output for most of the 1970's to 5 percent in 1978. But growth still stagnated, not only because investors remained cautious, but also because foreign exchange was so scarce. Even those who wanted to invest could not purchase the needed materials and equipment.

On top of these hardships, the latest oil price increase burdened Jamaica with an additional oil bill of at least $65 million; unexpected inflation in the United States added its toll, and like the final plagues of Job, floods wiped out much of the sugar crop.

All of the I.M.F.'s original calculations were upset, and in June of this year, the fund increased Jamaica's credit to a total of $338 million, making Jamaica by far the largest per capita borrower from the fund.

Currently, the country has just enough cash to pay its oil bill and to pay off its foreign debts. Everything else, according to Mr. Bell, has to be arranged on some kind of terms.

Mr. Bell, who appeared exhausted, confessed that he was under "terrible" pressures. During a recent conversation he picked up a ringing phone and told the caller, another Government minister, "We're marginal for that test of the 30th. (Pause). We have nothing either. (Pause). Poverty is poverty, man—what am I to do? The school leavers who are out there on the street are unemployed, too."

Banging down the receiver, Jamaica's Finance Minister turned to his visitor. "Don't ask me how we're going to get through this year, but we will get through," he said. "We'll survive."

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[From the Miami Herald, Oct. 7, 1979]

## JAMAICA AIMS GUN AT FREE PRESS

(By Jim Hampton)

Today begins National Newspaper Week, which I'll observe in one sentence: Despite an antagonistic Supreme Court and an imperfect record of meeting its own standards, the U.S. press is robust and quite able to fend for itself.

Our colleagues abroad aren't often as fortunate, however. In Jamaica today, the 145-year-old Daily Gleaner is fighting to keep from being suppressed by a government that controls all other communications media there.

Prime Minister Michael Manley's flirtation with Fidel Castro lately has blossomed into near-total sycophancy. Mr. Manley has led—or rather pushed—Jamaica to the edge of economic ruin. His term expires in 1981, and signs are abundant that he may try to manufacture a "state of emergency" to enable him to postpone facing an electorate that might well chuck him out of Jamaica House.

Mr. Manley and the Cuban ambassador to Jamaica, Ulises Estrada, have joined in a blatant campaign to intimidate The Daily Gleaner. The newspaper is the only Jamaican news outlet not owned by the government, and thus not slavishly given to praising the erratic prime minister and his leftist People's National Party (PNP). The PNP has demanded a meeting with The Daily Gleaner's board of directors on Thursday. The PNP's general secretary, D. K. Duncan, says the government will lay down rules then for the Daily Gleaner's operation during the next two years.

Imagine, if you will, a small and struggling Third World nation in which the only television station, all four radio stations, and the only other newspaper are government-run. Imagine a prime minister of demonstrated ineptitude and questionable stability who shrilly denounces the nation whose aid keeps his government afloat: the United States.

That's Jamaica, and that's Mr. Manley. Now mix Castro's man in Kingston, Mr. Estrada, into this equation. Mr. Estrada recently accused The Daily Gleaner of lying about him and Cuba. He also hinted that the newspaper's managing director (publisher, in effect), Oliver Clark, is a CIA agent.

The Daily Gleaner responded by offering the Cuban envoy free space in its pages to present evidence of its alleged CIA ties. And the paper called on Mr. Manley to declare Mr. Estrada persona non grata, which would require Cuba to recall him.

Things got hotter in Kingston after that. On Sept. 24, a mob of PNP and Communist Party (Jamaica has two legal Communist organizations) members marched on The Daily Gleaner. The marchers rallied against the newspaper and, in words and with placards, hailed Cuba. Among the crowd: Prime Minister Manley.

"I have no speech to make," Mr. Manley told the mob. "You have made the speech for me, and you have made the speech for the progressive forces. And you have made the speech with no notice and no plans or preparations. But next time, next time, next time . . ."

The crowd began to chant: "Next time, next time . . ."

Then the prime minister added: "Let them learn, freedom of the press, yes; but no more lies . . . But next time, next time . . . Be alert and listen for . . . next time."

It takes courage to continue opposing a government in that kind of menacing atmosphere. It takes courage to be the lone voice pointing out your own government's increasing subservience to the mesmerizing influence of Castro. It takes courage to continue printing the truth when the government and its Cuban supporters brand that truth as lies and bring a mob to your doorstep to intimidate you.

The Daily Gleaner has courage aplenty. It has resisted, successfully, the government's efforts to withhold official advertising from its pages. It has resisted, successfully, Mr. Manley's efforts to persuade Jamaicans not to buy the paper. It has resisted, successfully, the government's threat to restrict importation of newsprint, without which it could not publish.

It has resisted actively, not passively. And, bless its writers, The Daily Gleaner has resisted with barbed wit. Columnist Dawn Ritch recently referred to Ambassador Estrada, who hasn't a hair on his head, as Feather Mop. Columnist Morris Cargill, in a column headlined "The Comrade Higgler," confers upon Prime Minister Manley the title of Comrade Conceptualizer.

But pungent drollery and the will to keep resisting might not be enough if Mr. Manley loses his temper and invokes the menace veiled in his litnay of "Next Time . . . next time." Already he has issued a statement of intent to sue The Daily Gleaner for libel because of an anti-Manley ad it carried on a recent Sunday. And Mr. Duncan, the PNP general secretary, has hinted that The Daily Gleaner will have to face mob vengeance unless it moderates its criticism of the Manley regime after the meeting on Thursday.

There isn't much we American journalists can do except call attention to The Daily Gleaner's situation. Perhaps publicity will dissuade Jamaica's government from reminding us, in the worst possible way, of just what our own First Amendment protects us from.

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[From the Washington Star, Oct. 6, 1979]

## JAMAICA SEEKS ALLIES TO CONDEMN NEW CARTER PLANS FOR CARIBBEAN

KINGSTON, JAMAICA.—Jamaica, a close friend of Cuba, yesterday sought to rally other Caribbean governments against President Carter's plans to step up U.S. military presence in the region, official sources said

The sources said the leftist government of Prime Minister Michael Manley was trying to get the 12-nation Caribbean Community of English-speaking territories to issue a joint declaration condemning the United States.

The Jamaicans view Carter's announced increase of intelligence, military and political activities to counter the Soviet troops in Cuba as a security threat to the region. Manley has said he sees no threat from the Soviet troops.

Of the four larger nations in the Caribbean Community, known as Caricom, Jamaica and Guyana have left-leaning governments and two others, Barbados and Trinidad, are more pro-Western. The headquarters of the organization are located in Georgetown, Guyana.

Sources close to the Jamaican government said consultations were being conducted to "decide an appropriate joint response."

Details of the discussions were scant but the sources said the telephone lines across the Caribbean were "burning" during most of Wednesday, Thursday and yesterday as calls went back and forth between the four major Caricom partners.

Jamaica and Guyana are leading members of the so-called non-aligned movement, but despite their close ties to Communist nations the United States provides substantial aid to both.

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[From The Washington Star, Oct. 8, 1979]

### CARIBBEAN NATIONS CONDEMN CARTER

KINGSTON, JAMAICA.—Four leftist nations in the Caribbean yesterday condemned President Carter for threatening peace in the region by increasing military activity there. The four, Jamaica, Guyana, Grenada and St. Lucia, all have close ties to Cuba.

The criticism came in a joint communique dated last Saturday in Georgetown, Guyana, and announced yesterday in Kingston. Originally, it was understood that Jamaica had been trying to get all 12 members of the Caribbean Community Common Market behind the declaration condemning Carter's decision to mount exercises at Guantanamo and install a monitoring post at Key West, Fla.

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### MANLEY'S SOVIET LOVE-FEST: IS JAMAICA THE NEXT CUBA?

(By John D. Lofton, Jr.)

WASHINGTON.—On Aug. 6, 1962, the day his country achieved its independence, Prime Minister Sir Alexander Bustamante announced "the irrevocable decision that Jamaica stands with the West and the United States." The decision was revocable. On March 29 of this year, Michael Manley, Jamaica's present prime minister, setting forth the principles and objectives of his People's National Party, declared that Jamaica is "of the Third World," with "a policy of non-alignment in world affairs."

But Manley's stated policy of neutrality is a fraud, a sham, a snare and a delusion. This was revealed by the Jamaican prime minister's boot-licking performance during his five-day trip last month to the Soviet Union. Commenting on this journey, the Soviet newspaper Pravda gushed: "The U.S.S.R. highly values the non-aligned movement as a positive factor of international politics and welcomes the growth of its role in world affairs." This warm endorsement comes as no surprise, since Manley's views on world affairs, allegedly "non-aligned," are really nothing more than a carbon copy of the Soviet Union's foreign policy.

On April 10, at a dinner in his honor at the Grand Kremlin Palace in Moscow, Manley referred to Leonid Brezhnev as "our respected comrade," hailing him as "the genuine friend of all national liberation movements, the leader and ally of all those who struggle against imperialism." He declared:

"We are profoundly conscious of the epochal significance of the Soviet people's victory in 1917, which not only marked the start of the transition from capitalism to socialism but also created a mighty bulwark of support for revolutionary and progressive forces throughout the world."

Manley approvingly quoted Marcus Garvey on V. I. Lenin, the cutthroat terrorist who was the architect of the Russian communist revolution: "Lenin was the greatest of people because he represented a huge number of people (actually Lenin represented only a handful of Bolsheviks who overthrew the legitimate Russian government) . . . Russia has been a beacon of great hope not only for Negroes but also for all the world's weak peoples. Russia and its system have brought the world the promise of a revolution which will give everyone true spiritual liberation."

The Jamaican prime minister, who has called Fidel Castro "one of the great liberation heroes of all history, not only in Cuba but throughout the rest of the world," told his Soviet hosts:

"Jamaica welcomes the support being given by the Soviet Union to the liberation armies of the Zimbabwe Patriotic Front. This is why we have always believed and now believe that Cuba's heroic people and the Soviet Union did mankind an invaluable service when they saved Angola from the racist South African regime; and they are still insuring Angola's security in the face of the new plans of racists and imperialists.

"In each of these cases, guided by socialist internationalism, you saw your duty as giving support to the just struggle of oppressed peoples. Sometimes the struggle has to be waged using arms. At the present time, the struggle is taking place more frequently in the sphere of economic relations. The efforts aimed at creating a new international economic order are, in our view, a decisive new stage in the liberation process."

On behalf of his government, Soviet Prime Minister Alexei Kosygin praised Manley's "socioeconomic transformations aimed at improving the position of the working masses" in Jamaica. The tribute is a sick joke. Since Manley was elected prime minister in 1972, the economy of his country has nearly collapsed. In order to implement his enormous new government programs, he increased government spending from $627 million to $1.5 billion in 1976. Inflation has soared to the double-digit level and unemployment has substantially increased. As the result of a crushing tax burden, a sizable percentage of Jamaica's middle-class professionals have fled the country (and not to the Soviet Union, incidentally).

In order to swing a $244 million International Monetary Fund loan, in 1978 Jamaica had to meet the following IMF conditions: devalue its currency by 30 percent, tightly restrict its controls on imports, raise taxes even higher on business and tourism, raise interest rates even higher, limit credit expansion, and place a severe wage ceiling on workers' raises.

Writing this month in Harper's magazine, T. D. Allman says that when Jamaicans take to the streets now, "it is not to fight for the revolution, but to protest the dwindling supplies of meat and the soaring price of kerosene." Allman says that Jamaica is a country where people can't afford razor blades, 60-watt bulbs, bicycle tires or radio batteries.

Ronald Hilton, executive director of the California Institute of International Studies and editor of the World Affairs Report, says that the next international trouble spots may be the strategic islands and certain coastal areas around the world. "Why Jamaica?" he asks. Because: "In addition to Jamaica's importance as a source of bauxite and its closeness to the Panama sealanes, the Soviet Union and Cuba are trying to turn it into a focal point of anti-white militancy throughout the English-speaking black Caribbean, from Belize to Guyana. A basic aim of Soviet policy is to destabilize the U.S. and the Caribbean by promoting racial hostility, using not only Cuba but also the Communist Party in the U.S."

In an interview, when I ask Alfred Rattray, Jamaica's ambassador to the United States, if a Soviet military presence would be allowed in his country, he laughs, saying: "Absolutely not. We are basically a non-aligned country."

I wouldn't believe him on a stack of Bibles.

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[From Business Week, Sept. 10, 1979]

### JAMAICA: FOCUS OF GROWING CARIBBEAN DISARRAY

The woes of the U.S. in the Caribbean are escalating at such a rapid rate that Secretary of State Cyrus R. Vance has called back an old State Dept. hand, Philip C. Habib, to mastermind a new strategy for handling them. Habib just toured the trouble spots where the influence of Cuba's Fidel Castro, and indirectly the Soviet Union, is growing. Increasingly, in the months ahead, the focus of the issues dogging the whole region will be on Jamaica. A neighbor of Cuba in the West Indies, Jamaica has 2.1 million people and all of the area's classic problems—exploding population, rising unemployment, limited resources and a brain drain. And, as elsewhere in the Caribbean, there is an increasing infatuation with Castroite solutions.

Unlike most other Caribbean regimes, however, Jamaica since independence has had a strong constitutional regime. Whether it can maintain representative government will be a touchstone for the area—and of great importance in the whole underdeveloped world, where Jamaican politicians and economic planners have had great prestige.

Two different men. An intense contest for the projected elections of 1981 is already under way. The two principals are Prime Minister Michael N. Manley and the leader of the opposition, Edward Seaga. They could not be more different. Manley, flamboyant and charismatic, is the son of a former Prime Minister and a member of Jamaica's "cousintocracy" that has ruled the island's politics for decades. Even though he often uses socialist rhetoric, Manley has strong personal connections to the "Mondale Mafia," the younger members of the Carter Administration's foreign policy establishment. Seaga, who was born in Boston and is of Jamaican-Lebanese descent, is cool, almost scholarly, with a calculated manner and a reputation as a financial wizard. Manley won a huge majority of 47 seats in a house of 60 when the two ran in 1976, and he probably can maintain himself until the 1981 elections despite his government's growing unpopularity. The question posed by many observers is whether those elections will ever take place.

Jamaica's whole structure is slipping dangerously. There has been a flight of people as well as of capital—one estimate is that 40 percent of the upper and middle classes have left the country since 1976. Unemployment is officially 25 percent, but more like a third of the potential wage earners are without jobs. And although the government bravely argues that it will produce a 3 percent rise in the gross national product this year, GNP declined 1.7 percent last year—and it was down 2.2 percent the year before.

A leftward swing? Manley's railings against Western capital, and his flirtation with the Soviet bloc, have intensified the nervousness of foreign investors. And with Jamaica's former colonial ruler, Britain, sharply reducing its foreign-aid program overall, London is likely to cut the $200 million Kingston got in 1978. London hopes that, despite these cuts, Jamaica's democratic institutions, Manley's pragmatic instincts, and caution in Havana and Moscow will prevent trouble.

That may not be the case. Seaga has charged repeatedly—with considerable documentation—that Cuban intelligence agents as well as Soviet secret police have infiltrated the Manley administration. Manley has argued that the Cubans in Kingston have not received privileges different from those enjoyed by the U.S. and Britain. But the dispatch of a new ambassador from Havana, Armando Ulises Estrada, has lent weight to Seaga's charges. Estrada is the former deputy head of the Americas Bureau of the Cuban Cabinet in charge of Cuban revolutionary activities in the hemisphere.

The big question now is what the U.S. intends to do to counter the growing disarray. Habib's job will not be easy. Congress is in no mood to loosen the purse strings, particularly for someone who, like Manley, is so much a public admirer of Castro. But without increased financial backing, the Jamaican regime may not be able to handle its growing problems.

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[From the Kingston (Jamaica) Daily Gleaner, Aug. 29, 1979]

### Threats Force Seaga Family To Change Home

Opposition Leader, Mr. Edward Seaga, has removed from his Temple Meads residence in St. Andrew, out of concern for the safety of his family.

According to a JLP release, an "escalating campaign of terror has now reached the point where Mr. Seaga is seriously concerned about the safety of his family, particularly in view of the fact that he often has to be away from home for several days while campaigning in various parts of the island.

It continued: "In fact, out of concern for the physical safety of his wife and children, Mr. Seaga has now had to move his family out of 19 Temple Meads and has recently purchased an apartment suite which offers considerably better security."

#### PHONE CALLS

The release said that over the last three months, anonymous telephone calls had been made to Mr. Seaga's Temple Meads residence threatening himself and his family.

The callers could tell when his daughter goes to music lessons; when his wife went to the hairdresser, or supermarket; and when his son, Christopher does swimming training at the National Stadium's pool."

This personal information could only have been ascertained by close surveillance over a period of time, the release said.

It stated: "The public will recall some months ago, a special secret police squad under the direction of Inspector Creary took up residence at 3 Temple Meads, a few yards from Mr. Seaga's residence.

It was only after Mr. Seaga had publicly exposed this that the Government admitted the existence at 3 Temple Meads of this special squad.

"Whatever may be the official reasons offered by Government for the establishment and location of this squad, the fact is that in addition to any other activity in which it might have been engaged, the squad was used to spy on the Leader's residence, to note license numbers, identification and description of persons visiting Mr. Seaga."

#### UNMARKED CARS

"The public must be made aware that not only Mr. Seaga himself but his wife and children are frequently followed by men in plain clothes traveling in unmarked cars. In most instances, Toyota cars with short radio antennas are used which suggests that this surveillance is being carried out by the security forces."

The release also said: "The public must now be told that one night while Mr. Seaga was sick at home with a strained back, someone tried to enter his home and it was only after he had fired several shots from his licensed revolver that they retreated.

"The public must be told that a few months ago a house very close to Mr. Seaga's was bombed and shortly afterwards, it was learnt that they thought it was Mr. Seaga's."

The release, dated August 28, and signed by Pearnel Charles, had begun: "I call on the people of Jamaica to take serious note of the recent threats made by Dr. D. K. Duncan on the Leader of the Opposition, Mr. Edward Seaga.

"These threats must not be dismissed as merely wild outbursts. If nothing else, Dr. Duncan has established a reputation of meaning exactly what he says.

"Dr. Duncan must obviously know what he means by his recent statement that 1981 will be 'the last time that Mr. Seaga pushes out his head and his completely erroneous statement that Mr. Seaga resides somewhere in southwest Miami.' "

Senator Charles signed statement on behalf of the JLP ended: "I speak on behalf of every JLP member and supporter in saying that we stand ready to defend Mr. Seaga and his family against any acts of violence."

It called on the Prime Minister, Dr. Duncan and the leadership of the PNP to put an end to what is described as "this campaign of terror against the Seaga family."

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[From Barron's, June 18, 1979]

### Sow the Wind—In Jamaica, the U.S. May Reap a Whirlwind

(By Robert M. Bleiberg)

The Daily Gleaner, published in Kingston, Jamaica, since 1834, may not rank among the world's greatest newspapers, but it's surely one of the gutsiest. Since 1972, when the People's National Party, headed by Democratic Socialist Michael Manley, took office, the publication has waged an increasingly difficult and lonely struggle to keep alive what's left on the island of freedom of the press. Since coming into power, the Manley government has taken over Jamaica's radio and television stations, in the process turning them into organs of propaganda. It encouraged and helped to finance (via the Jamaican Development Bank) the launching of a rival daily. Last fall, in a speech to the party faithful (punctiliously reported on the Gleaner's front page), the Prime Minister denounced his journalistic critics as a "call girl" and "harlot," and its publishers and editors as "pimps for imperialism." Government advertising has dried up, official readership has dwindled, and, from time to time, the socialist bureaucracy threatens to cut off the supply of scarce imported newsprint. Covering Washington for Barron's, we used to cry, is like covering Capetown for Ebony, but no longer. The Gleaner makes such small concerns seem downright un-Manley.

In the past week or so, the Gleaner has acquired an unusually sharp cutting edge. Under the banner headline "KGB, DGI agents all over Jamaica—Seaga," the courageous paper recently carried a front-page story featuring allegations by Edward Seaga, leader of the Opposition, that both Cuba and the Soviet Union have stepped up their infiltration of the island. Specifically, Seaga, who urged the Governor-General to launch an inquiry, charged that 5,000 Cubans are freely "operating in and out of Jamaica and that enough stores were housed in a Cuban school project to feed a small army." He added that a number of Jamaican police had received special training in Havana, and that the Peoples National Party was recruiting a home guard with the clear-cut capability of political coercion, as well as the power of arrest.

Prime Minister Manley promptly shrugged off the charges as a "lot of yakkety-yak." There are only 449 Cubans on the island, chimed in the Minister for National Security, all of them busy at socially approved tasks in the countryside comparable to those of the U.S. Peace Corps. The Gleanor found the official rejoinders wanting. Echoing the call for a probe by the Governor-General, it went on to editorialize: "Unfortunately the Government has so far failed to reply responsibly to the grave charges." Its outspoken columnists went much further. According to one, the new Cuban ambassador, who is due to arrive in Kingston next month, currently heads the bureau which furnishes clandestine support to revolutionary groups throughout Latin America. Weighing the credibility of charges and denials, respectively, a second minced no words. "I have wracked my memory," wrote Wilmot Perkins with an acerbity worthy of H. L. Mencken "but I cannot remember a single occasion on which it was demonstrated, or even plausibly made out, that Mr. Seaga had deliberately lied to the country. The same, alas, I cannot say for our Prime Minister. . . . The Manley Government lies habitually, excessively, and, as with all else that it does, incompetently."

Never do business, said J. P. Morgan, with a man you can't trust. With respect to Jamaica, the private sector, both at home and abroad, by and large has heeded this sage advice. Since the early 'Seventies, investment in productive enterprise has plummeted, while capital flight, spurred by punitive taxation, outbursts of lawlessness and political unrest, has accelerated. Trapped by previous commitments, the huge and largely U.S.-owned bauxite industry has sought to make what accommodation it could, up to and including the sale to the government of its landholdings and mineral rights; yet since the pressure started a half-decade or so ago, it has quietly curtailed expansion and shifted resources to more hospitable climes. Small wonder that in a good year, inflation runs at an annual rate of 20% or more, that one quarter of the labor force is idle and that Kingston, when it's flush, boasts foreign exchange enough to keep the island above water for four-to-six weeks.

J. P. Morgan was always bigger on Wall Street than in Washington, where somebody once perched a midget on his knee. These days his wise strictures evidently count for little. For with the hearty encouragement of the U.S. government—Michael Manley, proclaimed our roving goodwill ambassador Andrew Young, is my kind of guy—one global lending institution after another has been lavishing resources on his regime. At latest reckoning, the Inter-American Development Bank had advanced Jamaica $53 million, the World Bank, more than twice as much. Last week, the International Monetary Fund, so to speak, went for broke: despite Jamaica's shaky past and doubtful future, it agreed to lend the island $330 million, half again as much as Kingston already owes the IMF and a staggering sum for so small a place. The credit, explained a spokesman for the Fund, is designed to tide the country over its balance of payments difficulties. What it will do is help to finance the ruinous economic policies of an openly Socialist, quasi-totalitarian state, as well as foster the spread of anti-American bias throughout the Caribbean. Sow the wind, the *Gleaner* in effect has warned, reap the whirlwind.

These days, in any case, it's an ill wind from Jamaica. As our colleague, James Grant, reported in mid-January: "People died in Jamaica last week because the price of gasoline went up 12 cents a gallon. At last count, six were dead, including three policemen; the streets of Kingston were littered with barricades and stalled cars." Crowds poured through the streets crying: "The poor can't take no more," and they had a point. According to S. J. Rundt & Associates, consultants on international business, the rise in consumer prices last year more than tripled, to 35%. Unemployment is rampant, with some 24% of the labor force out of work. Owing to the perennial devaluation of the Jamaican dollar, and an "incomes policy" which clamps a lid of 15% on wage increases, those lucky enough to have a job suffered a relentless decline in their standard of living. As of March 31, the country's international monetary assets totalled $77.6 million, enough to cover only three weeks of imports. Exporters to the island—at least prior to the IMF bailout—rated its credit "poor," a distinction shared in this hemisphere only by near-bankrupt Peru.

For the rapid progress of poverty throughout Jamaica, the Manley government is largely to blame. Back in 1974, in utter disregard of its obligation to submit such disputes to international arbitration, Kingston unilaterally moved to raise its levy on production of bauxite. In consequence, so a leading financial daily reported last month: "Aluminum producers have been cutting back their bauxite mining and refining operations in Jamaica while stepping up these activities in other countries, such as Australia and Surinam." Other investors, both at home and abroad have been channeling resources elsewhere. As the *Daily Gleaner* recently observed: "The unpalatable fact is that since 1974 there has been a growing decline in the level of private foreign and domestic investment in Jamaica; according to official statistics, in 1977, the decline in net investment reached a disconcerning 83%. This staggering erosion in capital formation is a graphic indication of the reaction of major investors to politically generated uncertainties here. . . ."

As for the Manley government, its extreme leftist leanings are unmistakable. The Prime Minister's ruling People's National Party, though denying direct links with the island's Communists, on a number of issues lately has made common cause with them. Manley, Fidel Castro's personal friend, obsessively speaks in a kind of Marxist pidgin: "imperialism" recurs in his speech like a four-letter word in a sailor's. Furthermore, for a professed democrat, Manley has shown himself all too willing to suspend civil liberties. He did so from June 1976 to May 1977, invoking a "state of emergency" much like martial law, which, the Opposition has convincingly alleged, was concocted to rig the December elections. Despite official demurrers, that home guard looks increasingly ominous. And Jamaica, so the Opposition Party leader now charges, has become a privileged sanctuary for Cuban and Soviet Reds. Subversives, as the country seems destined to learn the hard way, can be as dangerous as the missiles over which the U.S. and U.S.S.R. once went eyeball-to-eyeball.

Today, however, it's Washington that's blinking. Ambassador Young has called Michael Manley "one of the most intelligent and independent leaders in the world." Last week, even as the IMF announced its outrageous transaction, Congressman Henry S. Reuss (D., Wis.), whose judgment on virtually every public issue (see last week's *Barron's*) seems fatally flawed, was bitterly complaining to the U.S. Secretary of the Treasury over a much smaller loan to Nicaragua, which, whatever its other shortcomings, happens to be an American ally and poses a threat to nobody but its own Communist-supported enemies. If this country's influence in the world is waning, one needn't look far for the cause.

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[Telegram from American Embassy, Georgetown]

1. Government-owned radio announced morning of October 6 that Guyana had consulted with other Caribbean nations in New York (Ref. A) and that a statement with regard to the October 1 speech of President Carter would be issued shortly. Excerpt from the four nation statement (Guyana, Jamaica, Grenada, St. Lucia) were announced on the evening news the same day, and a purported ministry of foreign affairs statement was printed on the back page of the Government-owned "Chronicle" on October 7. "Chronicle" sources tell us that the article is a verbatim account of the statement with the exception of the first, introductory paragraph. The text of the article follows:

2. Begin text: Quote: Guyana, 3. W.I. Nations concerned over U.S. move in Caribbean. A statement from the Ministry of Foreign Affairs said yesterday that the sovereign governments of Grenada, Guyana, Jamaica and St. Lucia noted with concern the measures announced by President Carter on October 1, 1979 to be undertaken by the United States in the Caribbean region.

They reaffirmed that no decision can be taken affecting the peoples of the Caribbean region without proper consultations with and full involvement of the sovereign governments which represent the people of the region.

They rejected any perception of the Caribbean region as a sphere of influence for any great power and stressed the need for respect for the sovereign equality and independence of all states and their right to freely choose their own politico-economic system.

They reiterated the importance of the principle of non-interference and non-intervention in the internal affairs of states, and declared their opposition to any measures which violated these principles.

Power: They expressed their sound desire and determination to preserve the Caribbean areas as a zone of peace free from great power rivalry and rejected any measures which could escalate tension and threaten the peace and stability of the region.

They emphasized their commitment to the principle of peaceful co-existence and the extension of detente to all regions of the world and reaffirmed their determination to ensuring that these principles are fully respected and applied in the Caribbean region.

They recognized a role for external economic assistance in the region, but expressed the hope that any programme of such assistance would be directed to the purpose of ensuring economic viability and reducing impoverishment and the such programme will be developed in consultation with the respective states of the region. Unquote.

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### Manley's Speech to Non-Aligned Movement Conference in Cuba

Comrade President, colleagues, excellencies, comrades: Jamaica joins all those who have spoken with warm appreciation of the distinguished contribution of the president of Sri Lanka to the development of the non-aligned movement over the past three difficult years. Equally, we share in the expressions of gratitude to the government and people of Cuba for the superb arrangement and exemplary hospitality at this, the sixth conference of the non-aligned movement.

History, Comrade President, occasionally produces movements and men which together provide the impulse and the inspiration for great processes of change. Such movements and such men are at once catalyst and rock: Catalyst, because it is hard to imagine how the change could have taken place without them; rock because they seem to provide a foundation on which new structures can be built.

When we think of the non-aligned movement, we think of President Tito as catalyst and rock. So, too, were Nasser, Nehru and Sukarno. We think of the early impulses of racial pride, self-awareness and self-confidence which were the prerequisites of African freedom, and we know that Jamaica's Marcus Mosiah Garvey was the catalyst and the rock. No man speaks of African independence and forgets Kwame Nkrumah as catalyst and rock.

We may claim to be communist or socialist, or humanist or simply progressive. But all anti-imperialists know that the balance of forces in the world shifted irrevocably in 1917 when there was a movement and a man in the October revolution and Lenin: Catalyst and rock.

As many have said and, we trust, all sincerely believe, the non-aligned movement begins with the struggle against imperialism. No area of the world has had a more extended exposure to, experience of, nor proximity to imperialism than Latin America and the Caribbean. We have seen forces of progress extinguished in Guatemala, snuffed out like a candle in the Dominican Republic, undermined and finally overwhelmed in Chile; and yet I dare to assert that, despite these tragic reversals, the forces committed to the struggle against imperialism are stronger today than ever before. We believe that this is so because our hemisphere has had a movement and a man: A catalyst and a rock: And the movement is the Cuban revolution, and the man is Fidel Castro.

Therefore, Comrade President, the act of holding this conference in Havana is both a tribute and a consequence. It is a tribute to the exemplary heroism of the Cuban people. It is a tribute to the extraordinary qualities of the Cuban movement; a tribute to the clear, uncompromising and yet always humane leadership which you have provided. And, equally, it is a consequence of all those things, because without the catalyst and this rock, the non-aligned movement could not yet have achieved the level of development in this hemisphere to warrant the holding of this summit in our part of the world.

An astute friend of mine, Forbes Burnham of Guyana, remarked to me on Sunday night that non-alignment means to him, among many other things, independence of judgment. He meant, by that, that we are a movement predicated upon the right of member countries to seek to judge issues on their merits, rather than in response to the pressures of power. We believe this to be profoundly true. We have watched you, Comrade President, and Cuba, with detachment as well as affection and admiration over the years. We are absolutely satisfied that Cuba is a non-aligned country guarding and cherishing the principles of non-alignment including this particular test of independence of judgment.

Those among the developed countries who seek to malign you and your country as a surrogate acting upon foreign orders, mistake the Cuban revolution, mistake the non-aligned movement, and above all mistake the man—Fidel Castro. Some spread this story from within the depths of an ignorance born of their inability to understand the world and some of the new forces that are beginning to shape its future. They are so long-steeped as in the tradition of policy that is determined by power that they cannot conceive that principles can provide important parameters in national decison-making.

Others, of course, spread these lies from within the calculated malice of their desire to confuse and confound our movement. For these persons the world still represents a natural hunting ground in which power becomes the instrument for foreign domination, the subjugation of people and the inequitable exploitation of economic resources as if by extension of natural right.

We who are here know that the balance of power and opportunity was altered positively and irrevocably in Africa during those fateful days when Cuban Comrades helped their African brothers to inflict the first military defeat upon the racist army of South Africa in Angola! We know the agony of decision through which you had to pass before commiting your brave sons to struggle and even die in a faraway land. On that act alone you, your people, your revolution and the martyrs who died have written an epic chapter in the history of freedom.

On behalf of the millions of black people who were scattered in the African disaster we record our appreciation. Our presence here this week is the answer to those who have tried to use your courage as the means to divide our movement.

Comrade President, the case of Angola and the use to which some have tried to put it, goes to the heart of the question: What is the non-aligned movement and to what is it committed? We all agree that we are anti-imperialist, anti-colonialist, anti-neo-colonialist, anti-racist, anti-fascist and against all forms of external domination and exploitation.

We are for peace, disarmament, freedom and democratic relations between states. So far so good. Looking back to the genesis of the movement, we also agree that we are opposed to military alliances and blocs. Our common sense must tell us that it is not enough to be opposed to alliances and blocs; but more important to be opposed to the historical forces and circumstances that gave rise to these blocs in the first place. Hence, while we oppose blocs as such, our first concern must be power alliances that seek to entrench a world order characterized by exploitation of the weak by the powerful.

But there are some, particularly certain spokesmen of the developed countries, who would have us believe that non-alignment goes beyond a refusal to be a part of blocs based upon military alliances. They contend that non-alignment should mean neutrality regardless of circumstances. No one believes that nonsense in this room, I am sure. Our remarks, therefore, are directed outside of this room.

If one of our members, or the movement as a whole, takes a position which coincides with a position taken by, for example, the Socialist group, it is claimed that we are surrogates of "Socialist Bloc Power". Nothing could be further from the truth. When that occurs, we are glad that somebody else shares our view. Let the countries of the developed world understand that we will not change our view so as to avoid a coincidence of view with the socialist world, or any part of the world, and for those who are concerned about the fact that there are increasing examples of a coincidence of view between the non-aligned movement and, say, the socialist group about matters like liberation struggles, the matter can be simply remedied by the developed countries changing their position and joining in what would then become a true international consensus; and, certainly, we welcome all occasions when our views do coincide with those of the developed countries. Our only regret is that this seems to happen so seldom.

We in Jamaica are deeply convinced that the non-aligned movement holds out the possibility, and so far it is no more than a possibility, of a permanent new dimension in the dynamics of world politics. The dimension involves the judgment of issues in terms of perceptions of right and wrong rather than calculations of advantage. Of course, this is a new and fragile plant. Of course, there are the cynics who scoff and say that political processes must forever be only a reflection of the dialectics of oppression and resistance, or the cynical perception of class or national advantage.

Nonetheless, there are societies today that are seeking to build their structures and relationships on a basis of clear moral principles. The non-aligned movement represents the possibility of a parallel development at the international level. Therefore, we venture to suggest that all of us here have a tremendous, collective political responsibility. It is a responsibility, when seeking to determine issues, to keep in the forefront of our minds the fundamental principles to which the movement is dedicated. We well understand that in no group of 89 nations could everyone see all issues in exactly the same way.

There are issues which clearly need time and the exercise of patience while we seek the bases for a common approach. On the other hand, there are issues which must always invite us to bold and clear action.

This is why, Comrade President, we gave every possible support to the people of Panama in their just struggle over the canal and rejoiced in their victory. That is why we welcome developments in Grenada and applauded without apology the overthrow of the corrupt tyrant, Gairy; that is why we shared the agony of Nicaragua and rejoiced in news of Sandinista success against the enormous fascist corruption of Somora. We all now share an obligation to give practical assistance in the rebuilding of the battered land.

You will notice Comrade President, that through all of these events there runs a common trend of radicalism which reflects the increasing need for change in our hemisphere and there is clear evidence of an increasing interest among Latin America in the non-aligned movement in the fact that four of the seven new members of our movement—Bolivia, Grenada, Nicaragua and Surinam—are Latin American States. Also, three of the four new observers—Costa Rica, Dominica and St. Lucia—are Latin American. All this is of particular significance considering that Latin America has the greatest potential for the expansion of our movement.

We join our voices with those who assert the right of the Puerto Rican people to self-determination and independence. While we would never seek to impose our will on any territory, we feel it to be the duty of the members of the movement to support those who struggle for Puerto Rican independence, regardless of whether they are in the minority, at this time, because that principle is fundamental to our movement and its beliefs.

The Non-aligned movement and indeed the international community have repeatedly accepted the right of the people of Beize to proceed to full and secure independence with their territorial integrity preserved. The unjustifiable claim by Guatemala and the continued threat of aggression have consigned to prevent a free independent Belize from taking their rightful position as a full and sovereign member in our ranks. Jamaica exhorts the movement to intensify its support for the just cause of the right of the Belizen people to an early independence.

We denounce the blockade against Cuba. Equally the recovery of Guantanamo Bay is an issue that goes to the heart of the right of a sovereign people to determine whether foreign military personnel are allowed within its borders. We support Detente between the hemispheres. It is now time for Detente with this hemisphere; but this will require a fundamental and long overdue shift in United States Policy.

The movement is very clear that there can be no settlement in the Middle East that is not based upon the right of the Palestinian people to self-determination and an independent sovereign homeland; the full recognition of the Palestine Liberation Organization as the sole representative of the Palestinian peoples and its full participation in all negotiations relating to the Middle East situation; and the return of all occupied Arab land consistent with the resolutions of the United Nations. No betrayals will alter the eventful triumph of justice in this regard.

Similarly Jamaica declares its support for the Polisario Liberation Movement and its immediate recognition of the Samaroui Arab Republic. We are glad to observe that this represents a virtual consensus of the movement. Our recognition is not a repudiation of our friends from Morocco—but only as assertion of principle of self-determination that underlies our movement.

We celebrate the fall of the Shah of Iran and welcome into our ranks, the nation that he misled for so long. Equally we heave a sigh of relief that the bloody rule of Amin has been ended and that the people of Uganda will once more live in peace. We trust that Tanzania will now once more enjoy a secure border with Uganda.

For some reasons, we regret that this conference is apparently unable to resolve the questions of seating and recognition in respect of Kampuchea. We accept, however, that we do not have the plans to reconcile our differences and Jamaica is sure that we will have the collective prudence not to create irrevocable division around the issue. In the meantime, we note that the problem must be addressed by the General Assembly of the United Nations later this month. Let me state publicly the repugnance to Jamaica of the bloody genocidal practices of the Pailin Pol Pot regime. On the facts now known to us there can be no justification for further withholding recognition from the Hens Samrin government.

We will not repeat at length the many things that we have said along with countless other nations, on the subject of Southern Africa. We call for all freedom loving people to do everything within their power to support, politically and economically the liberation forces in Zimbabwe, Namibia and South Africa itself. Total support for the armed struggle being waged by the patriotic front is a sacred duty of our movement.

In the recent conference in Lusaka we had no illusions that we had settled the problem of Zimbabwe, but we were pleased that 39 commonwealth nations agreed to repudiate the so-called internal settlement; to repudiate the constitution which was the product of that squalid process; to reject the elections which had followed Muzorewa's betrayal; to repudiate the regime which was created by the betrayal; and to demand that a new conference be held for the purpose of achieving a genuine transfer of power. Thirty-nine nations agreed that the end of sanctions and a cease fire could come only after all the necessary steps have been taken towards a just settlement. Before Lusaka the United States Senate had voted for recognition of Muzorewa's regime and an end to sanctions. Britain seemed headed in the same direction. Lusaka reversed all of that at a stroke, and imposed a renewed diplomatic isolation upon the Salisbury gang then their local puppets.

I hope that this conference will state in unequivocal and resounding terms the principles upon which a genuine transfer of power to the majority must be based, even as this conference renews its loyal commitment to the patriotic front as the only legitimate representative of the Zimbabwe people.

Comrade President, we also hope that this summit will reaffirm that the front line states of Mozambique, Botswana, Tanzania, Zambia and Angola represent a critical factor in the struggle for freedom in the world. Even as we support the patriotic front we need to recognize the untold hardship that is endured by and the sacrifice that is required of the people of these five nations. These are nations suffering from some of the most acute forms of underdevelopment. Their own prospects of development and progress for their people have been immeasurably hampered and retarded by the struggle which they support in our name. I believe it to be the duty of this summit to direct the appropriate agencies of our movement to consider ways and means of rendering special economic assistance to the brothers and sisters of these five heroic members of our fraternity.

Comrades, it has not escaped our attention that while you in Cuba are the victims of a blockade, no member of the developed world will agree to impose economic sanctions against the regime of South Africa. We have the deepest sympathy for all refugees, wherever they originate, including Vietnam. We also grieve for all that Vietnam has suffered during 30 years of heroic struggle. We have no less sympathy for the refugees of Zimbabwe, Namibia, South Africa or Palestine, than for others.

However, we like you, cannot ignore the almost monumental hyprocisy which will select one set of refugees for special concern above all others that will continue to tolerate what is done to Cuba while refusing to lift a finger against South Africa!

Comrade President, the sharp contradiction between the experience of Cuba and the experience of South Africa leads me directly to the question of world economics which we believe must increasingly demand the major attention of the movement. We are forced to observe the increasing tendency among world statesmen of the developed countries to adopt the rhetoric of progress. There are few political leaders who would not now denounce Apartheid. Yet no one will consider any action that would encroach significantly upon the activities of a transnational corporation engaged in South Africa.

Many political figures from the major industrialized countries now pay lip-service to the new international economic order, but few will consider concrete action to implement the proposals involved in this concept. Clearly, the struggle against Apartheid cannot be separated from the struggle against unjust trade relations; unbridled, transnational corporate power; or any of the other elements of the unjust system of world economic exchange.

We, Comrade President, are struck by two things. First, there is now a considerable body of professional expert knowledge about the specific changes which we seek as part of the new economic order; and, more importantly, about precisely how these changes might be effected. No one can contend any longer that the common fund is an abstract, academic idea beyond the reach of practical men. The experts now know precisely how the common fund can work; the resources which it would need; the integrated commodity program upon which it can be based, the "second window" operations which are necessary to its success; and the international commodity associations which must be formed if it is to get off the ground. Yet what was agreed at the common fund negotiations in Geneva earlier this year represents no more than a formal, minimal recognition of the commodities problem.

We now have very clear ideas about the problems of conditionality in the international monetary fund and a painful awareness of how inadequate is the foreign exchange it can make available even when its terms of conditionality have been met. I believe I can say that there are few countries in the world which know more about this problem than Jamaica.

We can measure exactly the effect of discriminatory tariffs against our products. We know how all mankind could benefit if the international division of labor were allowed to evolve along equitable paths. You, yourself, Comrade President, treated us to a graphic illustration of the cost, in social terms, which is represented by the squalid scandal of spending on arms.

Therefore, our moral perceptions are clear in the matter of racism. Our ears tell us that the world's political leadership admits the manifest injustice of the present economic arrangements. Our technicians know how significant change might be achieved, and yet on no front is there significant progress. Clearly, that infinitely complex structure of interlocking, corporate power that largely runs and controls the bulk of the world's economic system is presently beyond either the will or the capacity to control of the political leadership of the developed world.

The second thing which we notice arises from our own experience. If we go back to the Bandung declaration of 1955, it is remarkable and instructive to observe how complete was the grasp of the "founding fathers" of all the essential equations of our present economic situation. We have no significant insights now, that were not adumbrated by them a quarter of a century ago!

In the early years it was unavoidable, that the political aspects of decolonization should command our activist attention, as distinct from our intellectual commitment. But now the tasks of political decolonization are drawing to a close with Southern Africa, Western Samara and the Palestinian people representing a last, but still terrible gasp. In the meantime, the poverty, malnutrition, illiteracy, bad housing and all the awful by-products of underdevelopment press in upon us demanding attention, impatient of every delay, but experience tells us that we are dealing with economic injustices that will not yield to mere words, and have not responded to the demands of a self-evident morality.

What, then, does all this imply? We believe that it implies a necessity for the third world to begin to change the equations of economic power by the development of self-reliance within our own ranks. And here we must be frank with ourselves and each other. For a variety of reasons self reliance in economic terms does not come easily to us. Such a course will demand a particular exercise of political will on the part of our countries. It will also call for great initiatives, ideas and effort on our part. It will require that we ensure the active involvement of our government institutions, and other interests, in our societies. We have the intellectual perceptions, but not as yet the institutional nor technological tools through which programs of self-reliance can be made effective.

For example the Colombo summit was very significant in that it laid down clear programs of action that were to be pursued. Many of the investigatory aspects of these programs have been pursued with vigor and skill; and we acknowledge the dedicated work which has been accomplished by the countries coordinating the work. But, Comrade President, how many of these programs have moved to even the most rudimentary levels of implementation?

We have no doubt, based upon our experience, that the so-called developing world must first of all create the institutions through which economic or other action can be planned, coordinated, mobilized and effected. I urge this conference to examine these matters and to pursue, in the relevant committees, the question as to what institutional arrangements we need to initiate, to realize our objectives; if there are compelling reasons why the non-aligned movement should not be the institution within which this happens, then suitable alternatives must be proposed.

What is the use, Comrade President, for Guyana to carry out exhaustive study of the situation of developing countries in relation to the purchasing of pharmaceutical products, if there is no effective institution which can penetrate the decision making processes of member states to ensure that they take the practical action to which we are invited by the study?

Clearly we need to develop an understanding of the different operational frameworks within which economic programs can be developed. In some cases, it is regional cooperation that is the logical vehicle. In others it is the marriage of factors of production between countries that may be far apart geographically.

If a country in Africa has energy and a country in Latin America has a raw material that requires energy to liberate its production potential, and if a market exists, it is our duty to marry the groom of the raw material, to the bride of the energy at the altar of the market. How many opportunities of this kind have escaped because there was nobody to introduce the bride to the groom, and even if they met by chance, they could not find the way to the altar, and every opportunity has been missed has led to a deeper entrenchment of the economic power of the developed countries; the deeper entrenchment of their control of the world, the deeper entrenchment of their collective ability to resist the just demands of the rest of us.

You rightly remarked, Comrade President, that the time has come to move from rhetoric to action, but even this challenge could become another case of rhetoric if we do not design the institutions through which action can be achieved. Before I turn finally to the question of energy, permit me a few words about the long and protracted conference on the law of the sea.

The developing countries cannot accept that the exploitation of the rich and vast resources of the deep sea bed can be undertaken by transnationals for the benefit of the developed world, the common heritage of mankind must be productively harnessed for the benefit of the entire world.

This is why we view with alarm the report that the United States Government has challenged the right of coastal states to establish a breadth of territorial sea extending beyond 3 nautical miles. Such behavior is completely unjustified, and we categorically reject this action as contrary to international law, and to the consensus in the present negotiations.

Comrade President, energy must be seen from two points of view: The short term and the long term. I will begin with the long term. Increasingly, we recognize that energy is a unique input in the production process and the lives of people. There are various sources of energy, but there is no substitute for it. For generations, man has been profligate in his approach to energy. Cheap oil was both an object of imperialist extravagance. But the oil will not last forever, and when it begins to disappear, we will all be in serious trouble if we have not developed adequate alternative sources.

We support, and have always supported, the just struggle of oil exporting countries for control of this vital natural resource and for just returns from its exploitation. That commitment has not changed. At the same time, mankind must prepare for the future. Inevitably, oil will become more and more a source of sophisticated by-products in the field of plastics and petro-chemicals. Oil is a vital source of economic strength for those who possess it, and it cannot be wise to burn it all away as raw energy. We believe, therefore, that our movement should establish appropriate mechanisms to mobilize technology in the search for alternative sources of energy and more economically justifiable uses of oil.

I turn to the short term aspect. Some developed nations are working day by day to create a split in the non-aligned movement and among the group of 77 argued the question of oil.

They tried this in Manilau and the group of 77, in a united stand, rejected their overtures. We must not and will not let them succeed. We must insist that the developed countries stop the mad squandering of this precious fluid for raw energy. On the other hand, as you pointed out, Comrade President, we cannot ignore the realities, continuing increases in the price of oil have a devastating impact on the economies of non-oil-producing members of the movement.

Furthermore, energy prices have a disproportionate effect on the potential for growth of poor countries by comparison with the developed ones. It has been estimated that a 4 per cent rate of growth in a typical OECD country would imply a 4 percent increase in the consumption of energy, but in most developing countries that 4 percent growth would imply an increase in energy consumption on the order of 5.6 percent. The reason for this discrepancy is simply that the economies that are more Agrarian-based must change the proportions between industry and agriculture if they are to achieve growth, and this means that they must not only increase the energy that they use, but also increase the proportion of their economic activity which requires inputs of energy.

Comrade President, if our movement is serious about the economic development of our peoples, the logic of this reality con-strains us to treat energy as a very special factor in the process of economic cooperation for collective self-reliance. There can be no question the price of oil affects developing countries far more than developed. In the end developed countries merely pass on increased oil prices to their third world customers in the form of higher prices for their exports, such as tractors and machinery.

I wish to be very clear on this subject. The current disarray in the global economic system is a manifestation of the crisis in the capitalist economic system. The energy crisis is only a part of the problem. We know that international inflation originating in the developed countries has been strangling us slowly for decades. We know that all these problems are to be found in the structures of the world economic system and that it is our first task to change these structures. We intend to continue with all our strength to struggle for those changes which can create a new economic order.

But equally, we know that our capacity to achieve the new economic order is dependent upon three factors; our strength, our unity, our credibility.

All three factors are at stake in this matter. If we cannot grow in economic strength, if we have not the means to explore the opportunities of economic self-reliance, if we cannot translate the arusha program collective self-reliance into action, none of us will have the means to make effective progress in changing the world's economic structure.

If oil prices sap our strength beyond the hope of remedy, our struggle for change will become less effective as we become more concerned with survival itself.

At the same time we must be careful that our actions over oil do not threaten the unity which has been our greatest source of strength up to the present time. We are glad when we see the benefits of oil prices go to the development of oil producing countries and their people. We do not begrudge one dollar of those investments in progress.

But, Comrade President, we are dismayed when we see petro-dollars flowing back into developed economies and then that some of those dollars represent the sweat, and the effort, and the tears of poor people in developing countries struggling to survive, we urge our brothers, whose just struggles have our unstinting support, to explore with us the means of making those dollars work for the benefit of the poor, rather than serving to enlarge the opportunities of the rich.

The third factor, Comrade President, has to do with credibility. We have spoken of credibility in relation to political matters. Let us now speak of it in relation to economic matters. We all suffer unjust conditions of trade on commodities. Often upward movements of oil prices seek only to compensate for adverse movements in the terms of trade and the effects of metropolitan inflation. Equally, upward movements in oil prices themselves have effects that cannot be ignored. Where energy is concerned, however, we are dealing with factors that we have so far not been able to address collectively within this movement. I suggest that if we fail to deal with these problems our credibility will be compromised. Let us avoid that danger by recognizing and addressing the special problems being experienced by the majority of our members.

And here we welcome the statement by the president of Iraq concerning further increases in the price of oil. This is a beginning. We must recognize, however, that the problem is global and must be tackled globally. Also, we must seek answers that do not add significantly to the burden of debt which we already carry.

Comrade President, we welcome initiatives taken to further the process of economic cooperation amongst developing countries. Our movement can advance this process by adopting the report of the consultancy group on mutual assistance which came out of the recent meeting hosted in Georgetown, Guyana. Let us talk with equal purpose and friendly frankness about energy so that plans can be laid here in Havana which ensure a future in which it is a source of strength for us all in the movement.●

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## "GOD BLESS AMERICANS": A CANADIAN VIEW

● Mr. MUSKIE. Mr. President, for more than a decade it has been my privilege and pleasure to serve as one of three U.S. members of the Roosevelt Campobello International Park Commission. Three of the six commissioners are Canadians, and together we have worked at the job of managing and improving a Canadian island beloved by an American President to fashion a park accessible to and appreciated by people from both countries.

One of the aspects of the job which has always been most enjoyable for me has been the exposure it has given me to Canadian thought and Canadian perceptions of the United States.

We two countries have lived side by side in peace for so long—and belligerence so unthinkable—that we take for granted what is surely a miracle of history. We share the longest unguarded border in the world, and across it flow not only goods and people, but ideas, opinions, and information of all sorts. In the process, both countries are enriched.

One of my Canadian friends, Rowland Frazee, who is an alternate commissioner, recently sent me the August 1979 issue of the monthly letter of the Royal Bank of Canada. Mr. Frazee is also president of that bank.

The newsletter offers not only a brief analysis of the value of the special relationship between the two countries, but also an optimistic view of the United States which I would like to share with my colleagues.

I ask that the newsletter article be printed in the Record.

The newsletter is as follows:

### God Bless Americans

Here's looking at our neighbours to the south, in friendship and appreciation. They have their faults, as they are the first to recognize. But the benefits of living beside them far outweigh the disadvantages. Anyway, can a nation that invented baseball be all bad?

Canadians are well aware—or they ought to be—that they live in a great country. They are perhaps less conscious that they live on a great continent in more than the geographic sense. Being part of North America is a spiritual, as well as a physical, fact of life for all Canadians. And that is chiefly because of the style, customs and values of the 220 million people of the United States.

It is a running complaint among Canadians that Americans take them for granted. American ignorance of our country can be laughable: "When they said Canada, I thought it would be up in the mountains somewhere," said that dazzling product of American culture, Marilyn Monroe. On a more serious plane, nothing rankles Canadians more than the occasional suggestion from Washington that, because the United States is following a certain course of diplomatic action, Canada should automatically go along with it. But we too take for granted the benefits of having such great-hearted people living beside us. We tend to take their virtues as neighbours as our due, while making an unseemly fuss over their transgressions, failures and faults.

An ardent Canadian nationalist might argue that there are no such things as benefits in our proximity to the land of the CIA, the hamburger chain, and the multinational corporation. The overriding benefit under which all such argumentation takes place is so big and simple that it is easy to ignore. This is that we have lived in peace with the United States for more than a century and a half, which must be close to a record for a relatively small nation bordering on a great power. For all that time, while much of the earth was being ripped apart at intervals by guns and bombs, Canadians have remained safe from the terrors of warfare on their own territory. Nor has that safety been bought at the price of subservience. Canadians have been able to live cheek by jowl with a mighty military nation in a degree of political independence, security and prosperity that would be envied in many parts of the world.

For all that, even non-nationalistic Canadians are inclined to view the United States with mixed feelings. The extent of U.S. ownership in the Canadian economy and the pervasiveness of American culture here have long been matters of political concern. Legislation to lessen American economic and cultural influence has received at least the tacit approval of the electorate. The desire among Canadians to maintain their differences from Americans should not be confused with anti-Americanism, although self-serving attempts to twist it into that shape are sometimes made.

In any case, it is the rare Canadian who has any kind of animosity towards individual Americans. Canadians in general have an affectionate regard for Americans, even though some might not approve of *the* Americans and the things they do. *The* Americans are those rough and ready heavyweights of world affairs, with their almighty dollars, their ubiquitous brand names, their political machinations in foreign lands, their nuclear warheads. Americans are those persons you meet who speak English with a slightly different accent from yours, who say faucet instead of tap and frosting instead of icing, who don't put vinegar on their French fries, and who like their beer weak, their cigarettes strong and their tea ice-cold.

They are a gaudy bunch, much given to travel, colourful clothing, gadgets, hand-held foods, and striking metaphoric variations on the English language. They prefer first to second names, and, in conversation, they seem to use yours in every sentence or two. They play and watch a bewildering variety of games. They belong to clubs and lodges named after animals. They talk to strangers on street corners and at lunch counters. As they themselves would put it, they're friendly as hell.

These are generalizations, of course, for Americans come in all shapes, sizes, colours of skin and shades of opinion. Nevertheless, they do have some superficial characteristics in common, and some less superficial ones as well. By and large, they are people of abiding, if sometimes misguided, goodwill. They tend to be intelligent, industrious, and efficient. This does not stop them from being hospitable, informal and humorous. They do not take themselves too seriously. They have a great gift for laughing at their own national foibles, and, through their media, they do so more than any other people in the world.

To use a standard Canadianism, they are nice people—nice to meet, nice to talk to, nice to have around you. Canadians find them easy to relate to on a personal level, because the two nationalities share a familiarity unparalleled anywhere. They travel more in each other's country than any other national neighbours, and they do more business together. The two countries historically have exchanged large parcels of population, such as the Franco-Americans of New England and the descendants of the American sod-busters and cowpunchers who played a large part in opening up the Canadian West. Until recently there was a free flow of immigration over the border in both directions. So there are innumerable ties of blood and personal acquaintanceship to add to the cultural, political and economic ties between the two vast lands.

### THE AMERICAN IDEAL OF FREEDOM LIVES IN A DISHWASHING MACHINE

Americans are proud of what they call their "know how", which has sometimes been applied to the cause of destruction. Far more often, however, it has been directed towards improving people's lot in life. Canada has been the leading beneficiary of this mixture of superb technology and straightforward ways of getting things done properly. Our industries and professions employ American systems and techniques, and American-designed machinery, devices and electronic equipment can be found everywhere in Canada. American ingenuity, tied to a passion for convenience, has removed much of the routine drudgery from the lives of Canadians, particularly housewives. The American ideal of freedom lives in the vacuum cleaner and the dishwasher—in this case, freedom from unnecessary toil.

Along with the machinery, techniques and ideas Canada has imported from the States, it has also imported considerable human ability. It was a man from Illinois, W. C. Van Horne, who oversaw the construction of the Canadian Pacific Railway to tie this scattered country together, and then went on to build it into an international transportation empire second to none. Half a century later, a Massachusetts-born Canadian cabinet minister named C. D. Howe led the way to the formation of a national airline, one of many national institutions he created. He hired a seasoned U.S. airline executive, Philip G. Johnson, to get the forerunner of Air Canada off the ground.

The above are merely random examples to illustrate the immense contributions individual Americans have made to Canada's progress and well-being. That many of them opted to become Canadian citizens is beside the point. The point is that, because of all their similarities, Americans and Canadians have always been able to work together in an easy-going spirit of co-operation. That spi- turned to mutual dedication in World War II, when men of the two nations fought side by side in the defence of democracy. Common causes have run through most of the history of Canadian-American relations. Though they may differ on details of interpretation and implementation, Americans and Canadians still share the same fundamental ideals.

They share a great deal else besides. A Canadian and an American may work for the same company, belong to the same labour union, cheer for the same team, drive the same kind of car, watch the same television shows, and wear pretty much the same clothing. This is a cause of consternation among nationalistic Canadians, who apparently are unaware of places like Scotland, Austria, Belgium and Portugal, which are subject to similar conditions in relation to their kindred neighbours, but have no trouble in maintaining a cultural identity of their own. Neither do they seem to know much about the attractiveness and potency of American culture around the world; blue jeans are prized in Eastern European countries, and a Coca-Cola machine graces the hallway of the French foreign ministry on the Quai d'Orsay. Much of the resistance to American culture in Canada seems petty and lacking in perspective. Fortunately, it is likely to fade as Canadians increasingly gain confidence in their own abilities and their nation's place in the world.

### FEELING NO LESS CANADIAN FOR COMIC STRIPS AND PUMPKIN PIE

In the meantime, the majority of Canadians will continue to enjoy the fruits of American culture without feeling any less Canadian for it. They will laugh at comic strips, sniffle at soap operas, chew gum and eat turkey and pumpkin pie at Thanksgiving, a feast which we celebrate in October instead of November in a typical variation on an American theme. They will use American slang and terminology, and read the books on the New York Times best-seller list.

Capable Canadian performers will persist in setting their sights on Broadway and Hollywood—as will English performers, French performers, Italian performers, and so on. They will do so not so much for the money as to test their talents against the best in the world. For if there is much that is shallow and shabby in American culture, there is much that is excellent. The United States may be the homeland of tuneless rock music, tasteless TV police dramas, and mindless situation comedies, but it is also the homeland of jazz, the Broadway musical, and seven Nobel prize winners for literature. The distinctively American art of George Gershwin, Duke Ellington, Andrew Wyeth, Mark Twain and Tennessee Williams, to name a few, is destined to last for all time.

### DEMOCRACY IS PROTESTING THE JUDGMENTS OF THE UMPIRE

To see Americans at their hereditary best, one need look no further than their national pastime, the placid and poetic sport of baseball. It is a game that owes as much to brains as brawn, governed by a set of rules that could have been written by a Philadelphia lawyer. In the long stretches of seeming inactivity between the bursts of action, a fascinating war of strategy is being waged in every ball thrown and every move a player makes.

Baseball brings out a number of basic American characteristics. It is a game of individualism within the context of teamwork. It is a democratic sport, in which the fans, managers and players deem it their right to loudly protest the judgments of that definitive figure of authority, the umpire. It is an enterprise that calls for hard work and dedication.

The game carries in it what might be called the American deception: it has a loping, casual, lazy air which masks a thoughtfulness and seriousness of purpose. This apparent laxity has often deluded enemies of the United States: "I don't see much future for Americans," Adolph Hitler once said. Even American political leaders have been fooled by their compatriot's apparent apathy and malleability. In the early 1950s it looked as if Senator Joseph McCarthy had entirely consolidated his grip on the national psyche by creating hysteria over the "Communist menace". But he underestimated the willingness of the American people to change course abruptly once they have realized they are going the wrong way.

McCarthy's pernicious power was destroyed by the final arbiter of U.S. political affairs, public opinion. Ralph Waldo Emerson likened America's libertarian system to a raft which will never sink, but on which one's feet are always uncomfortably wet. Abraham Lincoln wrote: "Public opinion, though often formed upon the wrong basis, yet generally has a strong underlying sense of justice." And so it has proved in the long run in the United States.

### A MORE HUMAN DIMENSION TO THE "AMERICAN DREAM"

Not surprisingly, the sharpest critics of the American *vox populi* have themselves been Americans. The magnificent journalist H. L. Mencken coined the phrase "*Boobus Americanus*", dismissing the mass of his countrymen as a vulgar, avaricious, unenlightened rabble following third-rate leaders in a war against unconventional ideas. But that was in the complacent days of the 1920s, when Mencken was able to remark: "The American Republic, as nations go, has led a safe and easy life, with no serious enemies, either within or without, and no grim struggle with want."

That same palmy decade gave rise to Sinclair Lewis's *Babbitt*, the back-slapping conformist from Gopher Prairie who was to become an American stereotype. The brash, crass Babbitts of this world believed implicitly in an ill-defined something called "the American dream." It was, as Lewis's contemporary, Eugene O'Neill, pointed out, mainly a dream of materialism. O'Neill lamented: "I sometimes think that the United States for this reason is the greatest failure the world has ever seen."

Much has happend since then to remove the bumptiousness from the American dream and to give it a more human dimension. The stock market crash and the Great Depression grimly demonstrated that the United States was not necessarily the Promised Land. The war with Japan and Germany taught that war was not something to look forward to. The Cold War that ensued with the Soviet Union gave the nation a taste of the loneliness of command in world affairs.

In the past few years Americans have had to come face to face with their own shortcomings. The disgraceful treatment of black Americans could no longer be overlooked as blacks and their white allies stood up for their civil rights. The questionable U.S. involvement in Viet Nam, combined with the disenchantment of large sections of American youth, aroused mass dissent and disorder. The Watergate scandal brought home the message that an obsession with winning by any means can ultimately result in defeat.

Through it all, American public opinion has been divided. In a highly emancipated society made up of millions of opinions, a consensus is never easy to achieve. But in the final analysis there have always been *enough* Americans who truly believe in the humanitarian ideals enshrined in their Constitution to set their nation on the course of justice and honour. Ponderously, belatedly, and often to the accompaniment of the catcalls of the rest of the world, Americans have been at work righting their national wrongs.

"*Boobus Americanus*" and Babbitt have died a natural death in the mature and concerned society that has grown up since their heyday. Even the frighteningly well-intentioned Quiet American of Graham Greene's novel of Indo-China in the 1950s appears to be breathing his last. In their place have emerged people who are coping with the rebuffs of history with all the resilience and determination that made them a great nation in the first place. They won the lasting friendship of Canadians long ago; in their recent adversity, they have won our lasting respect.●

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## FREE ENTERPRISE DAY

● Mr. DURENBERGER. Mr. President, today, thousands of Americans are gathering in communities across the country to promote an energy program that has, as its major features, the creation of a Government-owned energy corporation and the reinstatement of price controls on crude oil.

The rapid and extreme increases in the cost of energy has had disastrous effects for every consumer, especially persons with low and middle incomes and those on fixed incomes.

However, the sad reality is that neither our Government nor our private industries controls those increases. The cost of oil is set largely by OPEC. We are the victims because we failed to heed the clear warnings of 1973–74. Instead of reducing our imports during the past 6 years, we have increased them. We are more at the mercy of OPEC today than ever before.

A realistic energy policy for this country must stress conservation, firm limits on the amount of oil we import, an orderly transition to production of energy from renewable sources and assistance for those people who cannot afford the higher energy costs.

John Herman, editor of the Washington County Bulletin, offers a perspective on today's activities that I feel is important to share. I ask that his editorial be printed in the RECORD.

The editorial follows:

[From the Washington County Bulletin (Cotton Grove, Minn.), Sept. 13, 1979]

### LET'S MAKE OCTOBER 17 FREE ENTERPRISE DAY

(By John A. Herman)

Until now, October 17 has been known in American history only as the birthday of Richard Mentor Johnson, the ninth vice president of the United States. Now, Ralph Nader and his cohorts want to change that, organizing a big oil protest day, attempting to make oil companies the scapegoat for higher energy prices. This protest is aimed at trying to restore price controls on crude and heating oil, and trying to establish a government-owned Energy Corporation with eventual nationalization of the big oil companies.

Nader says, "this is purely a power struggle, purely a political struggle." It is clear that Nader and associates seek to gain political power and are using consumer, senior citizens and others as pawns in their struggle for power. One only needs compare the cost of sending a letter and the efficiency of the post office with the price and efficiency of long distance calls and service, to see the folly of their scheme. Any 2-year-old should be able to figure out that if we let our energy production go the way of Amtrak, we'll all be freezing and walking in a very short time.

It was the free enterprise system that gave us the highest standard of living in the world, and the greatest freedom in the world. It is only under the free enterprise system that the consumer holds the ultimate power, and votes daily for and against products and services that businesses, big and small, offer for sale. And all this has been done in spite of government control and regulation, in spite of high taxes and bureaucratic red tape, which has caused our productivity to fall behind the other leading industrial nations.

Nader is right. "This is purely a power struggle, purely a political struggle." But what he doesn't say is that this is a struggle to get economic power over the consumer, and a struggle to gain political power over the citizens. The very foundation of political freedom is economic freedom. You cannot have one without the other. Economic censorship is just as bad as political censorship. It tells us what we can buy, what we must pay for or charge for our products. It is no better than telling us what we can read, write or say, or must read, write or say. The would-be economic censor, like the would-be political censor, seeks the power to decide what is good for us.

It is time that rank-and-file America stood up and told these power seekers that we'd rather do it ourselves, that we stand up for the free enterprise system and economic liberty as well as political liberty, that we don't buy their fairy tale about the Big Bad Wolf, and fear the power they seek more than the wolf. It's time we faced the fact that only the private sector—thousands of individuals working together that make up our free enterprise system—can solve the energy crisis. It's time we faced the fact that any government program that discourages production will result in shortages, that we need incentives to produce to solve our energy problems.

We do not have a shortage of raw materials. We have a surplus of government intervention in the marketplace. Let's all stand up on Oct. 17 and support our producers. Let's make it Free Enterprise Day in America. Let's restore the American dream of political liberty and economic independence! ●

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## CONTROLLING CHEMICAL POISONS

● Mr. MUSKIE. Mr. President, I would like to draw my colleagues' attention to an important editorial from the October 1 Washington Post, entitled, "Living On The Margin." This editorial presents a well-reasoned, cogent statement on why Congress should act expeditiously on comprehensive legislation that responds to the numerous chemical discharge incidents that are occurring.

This editorial comes at a propitious time. The Subcommittees on Environmental Pollution and Resource Protection have begun markups of the Environmental Emergency Response Act of 1979. The bill would create a means of responding to these incidents, tighten liability, and create a fund for cleanup and damages.

A critical threat to public health is posed by congressional inaction. But as this editorial demonstrates, sound economic policy also dictates immediate action. It would be difficult to state a more compelling argument than this editorial has. An expenditure of $4 million in preventive controls and proper disposal techniques could have saved the $24 million that has already been spent in responding to the Love Canal problem as well as the millions more that may be spent on additional damages and cleanup.

Mr. President, I urge my colleagues to reflect on this opinion piece. I ask that the editorial be printed in the RECORD.

The editorial is as follows:

### LIVING ON THE MARGIN

Consider one week's harvest of news stories:

Just a few days of dumping untreated sewage may have made the southern end of San Francisco Bay (until now a productive shrimp fishery and bird refuge) uninhabitable for both fish and birds for years.

The Food and Drug Administration confirms that small amounts of carcinogenic chemicals are present in many brands of beer and Scotch.

The governor of Arizona resorts to using the National Guard to shut down a plant that has been leaking radioactive tritium.

Nineteen states find food and animals contaminated with the suspected carcinogens known as polychlorinated biphenyls (PCBs)—all tracing back to a single leaking transformer.

The chief of Michigan's environmental enforcement agency says that "chemical contamination may be so widespread and pervasive . . . that it's to the point where we may find it cheaper to simply write off the groundwater supplies of large portions of southern Michigan.

Such stories are, in a strange way, page-turners, seeming never quite real, never quite plausible, never quite conclusive. They describe things that sooner or later may happen to someone else. But let's stop to consider just one—the Michigan story. What can it mean to write off the groundwater supply? What are the citizens of Michigan to use for water? Is it to be club soda in the washing machine? Maybe not, but the options aren't much more attractive. Either the money has to be found to clean up the water, or an alternate water supply must be found, or the situation can be ignored and the health costs paid later. Unhappily for Michigan, finding large, heretofore unused supplies of water is not so easy, and, as more and more communities are discovering, the cost of cleaning up contaminated resources—air, land and water—is enormous. In fact, the cost is generally prohibitive for all but the already overstrained federal budget.

The Love Canal disaster gives same measure of the relative dimensions of these costs. Approximately 1,000 claims for personal and property damage against the city of Niagara Falls, the state of New York and various other parties have been filed. They total over $2 billion. Millions have already been spent for short-term containment of the leaking chemicals, and the cost of final, long-term disposal will be far greater. However, if the chemicals that caused all this trouble had been properly disposed of to begin with—with all necessary precautions taken against leakage—the cost would have been no more than about $4 million.

Given today's population density and level of industrial activity, threats to crucial resources and human health seem to be multiplying at an unprecedented rate. In relation to some resources in the United States—perhaps including our water supply—we may be treading on the margins of what nature can tolerate. A small mistake, such as the sewage plant failure in San Francisco, pushes the system over the brink.

The evil of too much government regulation has long since become a cliché. A public opinion poll taken last spring concluded that more than half of the public believes that the costs of government regulation are greater than the benefits. The irony is that the facts seem to indicate something different: inadequate and mishandled regulation is doing terrible harm. Instead of returning health and safety concerns to the uncertain care of "market forces," what the country seems to need in these particular fields is *better*—and in some cases, new and tougher—government regulation.●

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## SOVIET EXPANSIONISM

● Mr. HAYAKAWA. Mr. President, events in Afghanistan provide us with a further example of Soviet expansionism. In the last few months, the Soviet Union has poured sophisticated weapons and military advisers into Afghanistan, and turned a blind eye to the human rights abuses of the Khalqi regime. In Afghanistan we have an opportunity not only to aid the people of Afghanistan in their struggle for religious and political autonomy, but to demonstrate to the world that the United States has not lost its resolve as a great power. Furthermore, the continued presence of a Soviet-backed regime in Afghanistan could have a destabilizing impact on Iran and Pakistan as well.

In this context, I call to the attention of my colleagues an article by Zalmay Khalilzad which appeared in the October 10, 1979 edition of the Washington Post. This article comments on the political implications of Soviet success or failure in Afghanistan and recommends that the United States support sympathetic groups within the Afghan opposition. Since Mr. Khalilzad's suggestion deserves the attention of all my colleagues, I hereby request that it be printed in the RECORD.

The article follows:

### An Ounce of Prevention

(By Zalmay Khalilzad)

(NOTE.—The writer is an assistant professor of political science and a member of the Institute of War and Peace Studies at Columbia University.)

The April 1978 coup d'état in Afghanistan that brought the pro-Soviet Marxist party, Khalq, to power has provided the Soviet Union with several opportunities. If the regime of Hafizullah Amin consolidates its position, with Soviet backing, the Soviets could challenge Western interests in the area by supporting a variety of political groups or even by mounting large-scale military operations against Iran and Pakistan, especially in Baluchistan. Such threats have already been made to Pakistan.

While the Khalq regime provides the Soviet Union with opportunities, it also involves serious potential risks that the United States has not tried to take advantage of. For reasons that include the regime's ideological predisposition and its link with the Soviet Union, religious reformists, social democrats, tribal autonomists and Afghan nationalists have initiated a civil war. At present, the outcome of the conflict in Afghanistan is in doubt.

By supporting sympathetic groups within the Afghan opposition, the United States could affect the outcome of the civil war. Given the popular nature of the opposition and the conduciveness of the terrain to guerrilla warfare, the quantity and quality of aid required is likely to be minimal. Most of it could even be provided indirectly through U.S. allies in the area.

The United States stands potentially to gain a great deal by a change in Kabul. The defeat of the pro-Soviet regime might deal a severe blow to Soviet alliance relationships and would decrease Soviet capability to pressure Iran and Pakistan. A group friendlier to the United States might agree to allow American ground stations on its soil for monitoring Soviet activities, especially in relation to SALT verification. At a minimum, denial to the Soviets of Afghanistan as a friendly area would be highly valuable. Even if the civil war continues, increased Soviet involvement will be quite costly and will reduce Soviet capabilities elsewhere.

A number of analysts have opposed any U.S. support for the Afghan opposition movement, arguing that even without any U.S. support, the Soviets might suffer a defeat in Afghanistan similar to what the United States experienced in Vietnam. But one of the major reasons for the American defeat was the large-scale support the North Vietnamese and Viet Cong received from the Soviet Union and China. The Afghan opposition has no comparable support from the United States. Without major external constraints, Moscow is likely to retain considerable power to affect the outcome of the Afghan civil war.

Another position recently taken by some decision-makers and analysts in response to Afghanistan's alignment with the Soviets recalls the geopolitical school that holds that it is only natural for countries close to a superpower to accommodate it. Some have advised Washington not to assist the opposition because, even if it came to power, it would follow a "Soviet-tilted neutralism," and the Soviets might retaliate in Pakistan or Iran. The dubious premise of this argument is that, if allowed to "keep" Afghanistan, the Soviets will be satisfied.

U.S. acquiescence in each Soviet gain could encourage further expansionism or even an eventual large-scale conflict between the superpowers. The foreign policy a future Afghan government follows is likely to be affected by present U.S. policies.

As a result of developments in Vietnam, South Korea and Taiwan, many political groups do not regard alliances with the United States as credible. The Soviet Union, on the other hand, is perceived as a power that delivers on its promises. Afghanistan provides an opportunity where a Soviet defeat could inflict a severe blow to Soviet alliance credibility. By supporting sympathetic groups within the Afghan opposition, the United States would be on the side of a popular movement against an oppressive regime. It would influence the ideological direction of opposition groups, encouraging moderate and politically liberal tendencies. And it could raise the cost of Soviet expansionism, all at little cost.●

## LAW OF THE SEA

● Mr. MUSKIE. Mr. President, Ambassador at Large Elliot Richardson, our chief negotiator at the United Nations Law of the Sea Conference, spoke last summer at the launching of the U.S.S. *Samuel E. Morison* at Bath Iron Works in Maine. In his remarks Ambassador Richardson took the opportunity to admonish each of us to turn our attention to a fundamental world debate now under way at the conference. Its mandate is to establish a new regime for the world's oceans—a difficult task, which reaches to the heart of fundamental issues of nationalism, resource exploitation, defense, and world commerce.

Despite the difficulties it faces, the Conference remains our best forum for a peaceful, long-term resolution of the issues confronting the world's oceans. I join Ambassador Richardson in encouraging all Americans concerned with the sea and its resources to familiarize themselves with the work of the Conference.

Mr. President, I ask that Ambassador Richardson's remarks of July 14, 1979, at Bath, Maine, be printed in the RECORD.

The remarks referred to follow:

### National Security and the Law of the Sea

(By Ambassador at Large Elliot L. Richardson)

In the waning days of his exciting, productive life, Samuel Eliot Morison urged us to face the future resolutely and to adapt boldly to a world in which unsettling change was an ever-present reality. "Have faith", he exhorted. "Hang on! In human affairs there is no harbor, no rest short of the grave. We are forever sailing forth afresh across new and stormy seas, or into outer space."

Unsettling change, triggered mainly by the burgeoning claims and aspirations of Third World countries, has overtaken the seas Admiral Morison loved so passionately. Next week in New York representatives of more than 150 countries will resume their striving to channel these forces of change in directions which promote world order. They hope to accomplish this high purpose through a treaty negotiated at the Third United Nations Conference on the Law of the Sea.

Morison the historian—his ravenous curiosity aroused—would have been drawn inexorably to this Conference for it represents a landmark effort by the world community to establish the rule of law over every conceivable use of salt water. Morison the sailor would have examined with flaming interest its implications for American naval operations. And Morison the humanist would have applauded its goal of reducing tension and conflict around the globe.

As we launch this warship, the namesake of a gallant naval officer and an indomitable scholar, it seems entirely fitting to speak of national security and the law of the sea.

Beneath the surface noise of contemporary debate on foreign policy rests a broad base of consensus on our most fundamental goals. We seek a world in which we are at peace with other societies, in which we and they are free to pursue our own interests and destinies, and in which the inevitable conflicts are firmly controlled and fairly resolved.

The primary goals of American national security policy are the subject of equally broad agreement. They are to encourage the evolution of the world we seek by building and maintaining a stable military balance among potential adversaries and by discouraging breaches of the peace that could lead to superpower confrontation or prejudice our basic interests. The missions, levels, weapons systems, and deployments of our land, air, and naval forces, both nuclear and conventional, must be so designed as to proclaim to friend and foe alike their evident capacity to play their necessary parts.

Within this framework, the Navy bears a special responsibility for the prevention—the deterrence—of armed conflict. As Admiral S. G. Gorshkov, the chief architect of the formidable expansion of the Soviet Navy, has written:

"Owing to the high mobility and endurance of its combatants, the Navy possesses the capability to vividly demonstrate the economic and military might of a country beyond its borders during peacetime. This quality is normally used by the political leadership of the imperialist states to show their readiness for decisive actions, to deter or suppress the intentions of potential enemies, as well as to support 'friendly states.'

"Consequently, the role of a navy is not limited to the execution of important missions in armed combat. While representing a formidable force in war, it has always been an instrument of policy of the imperialist states and an important support for diplomacy in peacetime owing to its inherent qualities which permit it to a greater degree than other branches of the armed forces to exert pressure on potential enemies without the direct employment of weaponry."

Admiral Gorshkov's slap at our "imperialism" is, of course, standard Soviet rhetoric. The significant point is strong, if "backhanded," acknowledgment of the peacekeeping contribution of our and our allies' navies.

Nor has the importance of the Navy been affected by the reduction in the number of U.S. overseas bases and military personnel stationed abroad. That is the result of cost constraints, the strong self-reliance of our friends, and the practical lessons of the Viet Nam war, not, as some would have us believe, a contraction in the scope of our vital overseas interests. Indeed, it is hard to imagine where any such contraction is supposed to have occurred. Certainly not in the Middle East, the Persian Gulf, the Indian Ocean, or the Mediterranean. And if our overseas interests in distant parts of the globe have not diminished, the reduction in direct deployment of ground forces does not reduce but adds to the necessity for alternate means of protecting those interests. Our economic well-being, meanwhile, is continually more dependent on overseas trade and vulnerable to distant political developments. The combined result is to compel increased reliance on the strength, mobility, and versatility of the U.S. Navy.

To fulfill its deterrent and protective missions our Navy must have the manifest capacity either to maintain a present in far-flung areas of the globe or to assemble such a presence rapidly. This capacity must embrace two essential components, one operational and the other political. The first is true global mobility—mobility that is totally credible and impossible to contain. The second is the right to sail and take up station without subjecting the United States to involvement with any other state.

This kind of flexibility makes possible the calibration of our responses precisely to the situation at hand. It draws on the Navy's unique ability to position itself at sea near foreign countries without entering the territory of friend or foe. It permits the movement of forces and supplies past the coasts of other countries irrespective of their view of the mission.

In conjunction with the political as well as logistical capacity of our air forces to deliver material rapidly to our friends, we thus preserve the opportunity to persuade them to refrain from steps that would otherwise accelerate localized arms races.

Two accelerating developments in the law of the sea challenge these operational and political premises. First, great seaward expansion in coastal state claims of sovereignty reduces the area in which deployment can remain outside the claimed territory of actual or potential combatants. Second, these claims vastly increase the number of legal chokepoints around the world—mainly straits and archipelagoes—where naval and air transit is essential to the deployment.

These developments, which have not yet run their course, add greatly to the risk and cost of deploying global naval forces. True, once a catastrophic crisis is upon us, the question of risk and cost may be cast aside. It is in our preventive missions and our capacity to deter such a crisis that restraints are most acutely felt.

If deployments to far-flung regions of the world require that we defy the claims of third states along the way, they entail a high risk of political, economic, or even military conflict. What is then left of the credibility of our readiness to move forces into an area if and when necessary? What is left of routine deployments past such states? What political, economic, or military concessions will be demanded of us if we are forced to negotiate bilateral agreements to preserve a right to send warships and military aircraft through other states' claimed waters? Most states, be it noted, have no interest in exercising the same rights off our coasts. What new forms of rivalry will face the major maritime powers if they can preserve military and commercial mobility at sea only by gaining influence over strategically located coastal states?

The net effect is to reduce intermediate options, forcing choices more and more in the direction of either inaction or serious conflict. The only way to bring this deteriorating situation under control is by shaping the assumptions of foreign coastal states about their rights and our rights in the oceans. This is not a matter of who has the superior legal argument. Foreign perceptions will continue to dictate the scope of operational risks and costs.

Thus, the ability of the United States to execute its preventive mission depends upon the existence of a consensus—a consensus of geographically significant coastal states—on rules compatible with the routine global deployment of our forces.

Analysis of the law of the sea, particularly by lawyers, tends to focus on legal substance while ignoring the importance of international consensus in maintaining the international environment needed to support optimum flexibility in global deployments. It is not enough merely to insist that freedom of navigation and overflight beyond a narrow territorial sea and unimpeded transit through, under, and over straits are essential. Nor is it enough to be prepared to assert our rights in the face of challenge. Our strategic objectives cannot be achieved unless the legitimacy of these principles is sufficiently accepted by the world at large that their observance can be carried out on a routine operational basis.

A new element of uncertainty has been added by the recognition that coastal states are entitled to exercise some forms of control far out at sea. Indeed, the United States, with passage of the Fisheries Conservation and Management Act of 1976, established a 200-mile zone in which all fishing activity would come under American jurisdiction. We are thus no longer in a position to base our global mobility on narrow limits of coastal state control for all purposes. Our mobility must be based on accepted distinctions between types of control.

The ocean environment I have described is neither stable nor predictable. The complicating factors stand out starkly:

First, 12-mile territorial seas would affect more than 100 straits around the world narrower than 24 miles. Among these are the Strait of Gibraltar, the Strait of Malacca, connecting the Pacific and Indian Oceans, and the Strait of Hormuz at the entrance to the Persian Gulf. There must be free transit of such straits.

Second, 200-mile fisheries or economic zones cover roughly 40 percent of total ocean area. If these ever come to be regarded by coastal states as their territory, most of our Navy's operational waters will be removed from the exercise of freedom of navigation and overflight. Checking the expansion of coastal state powers in waters that for some purposes are concededly under their jurisdiction becomes more difficult every day. It matters little that it was Soviet overfishing that originally caused a foreign state to declare 200-mile territorial sea if that claim subsequently leads to restraints on navigation either directly, or by encouraging similar claims.

Third, scores of developing states, with their newly asserted nationalism rampant, are in control of the coastlines along which our ships and aircraft must pass. Many of these Third World states have acquired patrol fleets and other craft capable of interdicting naval, commercial, and research ships steaming off their shores. Taken together, this increases the possibility of prejudicial claims, the risk of ignoring them, and the number of situations in which the overt exercise of high-seas rights would be needed to alter perceptions.

Clearly, then, the United States has a major interest in promoting the development of a widely accepted body of international law for the oceans. We must have a legal environment in which our own perception of our rights is unchallenged. This means the right of navigation and overflight free of foreign control, free of substantial military risk, and free of economic or political cost. We know that the old rules are no longer adequate to sustain such a legal environment. We have no choice but to adapt and supplement them. And in the circumstances it is apparent that a universal treaty—if the rules it contains are adequate—would be the most effective basis for maintaining the necessary global legal environment over time.

The negotiating text now before the Third United Nations Conference on the Law of the Sea, if incorporated in a widely ratified Law of the Sea Treaty, would meet this need.

First, by establishing a 12-mile maximum limit for the territorial sea, the text would prohibit further assertions of sovereignty by coastal states beyond 12 miles, and roll back some existing claims.

Second, under the text we would enjoy free and unimpeded passage through, under, and over straits and archipelagic waters. The provisions on these subjects emphasize the obligations of transiting states rather than the right of coastal States to control transit. This approach is designed to protect legitimate coastal state interests without permitting coastal State interference with transit. As you might expect, the only significant exceptions pertain to enforcement of internationally approved maritime safety and pollution measures.

Third, the text provides for an economic zone extending up to 200 miles from the coast. The most important aspect of the economic-zone text is that coastal state rights in the 200-mile zone are not open-ended. They are carefully circumscribed, and relate primarily to control of living and non-living resources. We would continue to enjoy full high seas freedoms in the economic zone for the purposes of navigation, overflight, and related operations.

Fourth, under the text we would be able to bring suit against a state that interferes with navigation or overflight. Compulsory third-party settlement of disputes would give us an important new option in our efforts to control and discourage claims that erode high-seas freedoms. This option would help relieve us of the agonizing choice between acquiescence and costly defiance each time a claim is made. In addition, the possibility of suit would strengthen the advocates of reason and restraint within foreign governments.

Significant though these benefits would be, we will not sacrifice any basic American interests to gain them. A Law of the Sea Treaty would deal with far more than navigation and overflight. Serious deficiencies exist in the current negotiating texts on deep seabed mining and the conduct of marine scientific research. We will insist on what we believe to be the improvements necessary to protect our interests in these matters. We will not accept a treaty unless they are forthcoming. In Samuel Eliot Morison's words, we will "have faith!" we will "hang on!" and do our utmost to bring negotiations to a successful conclusion.

Still, any treaty that has any prospect of widespread acceptance will have costs as well as benefits. Its measure is not whether it is better than the law as we would write it if we could. The measure is whether it is better than the situations most likely to evolve without it. All American interests must be weighed in making this decision. We can expect serious national debate if and when a Law of the Sea Treaty comes before the Senate. It is imperative that those concerned with national security ready themselves to take part in the debate, not just on the adequacy of the navigation articles, but on the overall effect of acceptance or rejection of a treaty on our national security posture well into the next century. Silence and indifference on this basic issue could lead potential adversaries to dangerous—and I trust erroneous—conclusions about the Navy's—and America's—perception of our future role in the maintenance of peace and security.●

## UNANIMOUS-CONSENT REQUEST—H.R. 4930

Mr. ROBERT C. BYRD. Mr. President, there is a matter I wish to resolve once and for all.

There has been a request to delay the order for the beginning of the order on tomorrow. I have had a request to delay it until 4 p.m. and I have had a request to delay it until 12:30 p.m.

So I will start with the most difficult one first and ask unanimous consent that the order to proceed tomorrow at 12 o'clock noon on the matter that was carried over on yesterday be modified to provide the Senate proceed at the hour of 4 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, and I do so with reluctance, but I have a request from two Members on this side to object to a request to change the time for consideration of the Javits amendment. So it is with reluctance that I must tell the distinguished majority leader that contrary to the conversation we had just a few moments ago it is not possible.

Mr. ROBERT C. BYRD. All right.

I make the second request, which is not so strenuous a one. I ask unanimous consent that the order which was to begin running tomorrow at 12 noon begin running instead only just 30 minutes later, 12:30 p.m.

The PRESIDING OFFICER. Without objection——

Mr. BAKER. Mr. President, no, no. I have to be the heavy one more time, Mr. President. I am sorry, but I must do that. I object.

Mr. ROBERT C. BYRD. All right. That takes care of it.

I yield.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to thank the distinguished Senator.

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## RECENT CHANGES IN THE FEDERAL RESERVE BOARD'S POLICIES AND ACTIONS

Mr. THURMOND. Mr. President, in recent days there seems to be an endless stream of comments and reactions to the October 9 announcement by Federal Reserve Board Chairman Paul Volcker of the Board's program of new monetary restrictions. Public concern for this very important matter is good, of course, and it is applauded. We must, however, continue to maintain our overall perspective that correctly perceives monetary policy as only one part of the complex pattern of problems causing inflation.

Mr. President, so that we will not lose sight of the overall inflationary problem facing our Nation, and so that we will continue to direct our attention to several basic approaches that we must use to combat inflation, I wish to call the attention of my Senate colleagues to several recently published articles that deal broadly, yet specifically, with inflation problem solutions.

The content of these articles, viewed either separately or all considered together, emphasizes the need for appropriate congressional and administrative fiscal policies and actions to complement and undergird the monetary policies and actions of the Federal Reserve Board. Many of these commentators and columnists address the problem in a manner similar to that expressed earlier by Dr. Arthur Burns, as cited to this body on October 10 by the distinguished senior Senator from Illinois, Mr. PERCY. Briefly stated, the former chairman of the Federal Reserve Board suggested that we:

First. Revise the budget process to make deficits less likely;

Second. Implement a comprehensive plan that would eliminate anticompetitive and overly costly regulations;

Third. Endorse restrictive monetary policies; and

Fourth. Reduce business taxes to increase productivity performance.

Mr. President, as stated in one of the articles, "it is important for Americans—especially those in Congress—to remember that tight money alone is not a balanced, effective program to reduce inflation." Certainly we of the Congress have a tremendous responsibility to face these problems of inflation head-on and to not back off until we see the positive results achieved for the long-term best public interest.

The articles to which I refer are:

First. An editorial in the September 26, 1979 issue of the Houston Post;

Second. An editorial in the September 27, 1979 issue of the Dallas Morning News;

Third. An editorial, "Support Mr. Volcker," in the October 8, 1979 issue of the Wall Street Journal;

Fourth. An editorial, "Hitting the Brakes—Harder," in the October 9, 1979 issue of the Washington Post;

Fifth. An editorial, "Now, the Wringer * * *," in the October 11, 1979 issue of the Washington Post; and

Sixth. An article, "The Fed in Charge," by Robert J. Samuelson in the October 13, 1979 issue of National Journal.

Mr. President, in order to share these informative and thought-provoking articles with my colleagues, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Houston Post, Sept. 26, 1979]

EDITORIAL

"Recent action on the 1980 federal budget indicates a growing realization in Congress that this country cannot spend its way out of the recession. This is encouraging if it carries over into the election year. Proposed tax cuts of $20 billion or more were turned down by both the House and Senate. The House rejected the entire budget of $548.4 billion, including a $29.3 billion deficit. The Senate approved a budget of $546.3 billion, which would leave a deficit of $31.6 billion after pruning tax reductions. Differences will be worked out in a joint conference. Congress' action in opposing big tax reductions at this time, however popular the idea of lower taxes might be among constituents, is encouraging.

"Excessive tax reduction could cost us more than is saved by fueling inflation and reducing the value of the dollar abroad. Inflation has already reduced the real purchasing power of the average worker by 4 percent within the last 12 months. Further, the Carter administration and Congress need to demonstrate to the rest of the world that we are taking positive steps to combat inflation. Foreigners hold billions of U.S. dollars and dollar-denominated assets, including oil. If inflation is allowed to further erode the purchasing power of our dollars, the temptation will grow for foreign investors to switch to stronger currencies. This would weaken the dollar even more, add to inflation and wipe out benefits from any lowered taxes.

"Paul Volcker, the new chairman of the Federal Reserve Board, said the rest of the world is not yet convinced that the Carter administration and Congress are doing all they can to reduce inflation, and any deep tax cuts would increase their doubts. One example of the importance of showing the world we are determined to strengthen our economy is that some $42 billion that we have spent on foreign oil has come back home as short-term investments by Middle East countries. It benefits our economy that those investments continue and grow.

"Economic pump priming does not work as it did in the days of the New Deal, when economists' stock prescription to cure recession was a mixture of tax cuts, increased government spending and lower interest rates. That formula now has a different name, 'demand management,' and produces inflation. The consensus is that some tax cuts will be enacted in 1980 because it is an election year, but the consequences should be carefully considered by Congress."

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[From the Dallas Morning News, Sept. 27, 1979]

EDITORIAL

"Federal Reserve Board Chairman Paul Volcker has left little doubt that he intends to guide the board into a more conservative monetary policy. The latest move was an increase in the discount rate—the rate the Federal Reserve charges member banks to borrow money—to a record 11 percent.

"The intent is to drive interest rates to a point high enough to discourage borrowing, thus the expansion of the nation's money supply. Money growth targets set by the reserve board have been exceeded throughout the year, creating the classic case of too many dollars chasing too few goods. Or in consumers' language: inflation.

"Historically, high interest rates have slowed consumption. But there is some question whether the increased rates will have an impact on a society infected with an inflation mentality.

"The action of the Federal Reserve Board is courageous, however. In the past, the board often has reacted too late with too little action, primarily, some observers say, because the standards used to measure money supply growth are outdated and reflect trends too late for effective action. Also the board hasn't stuck to its guns under public criticism, such as that already rumbling in Washington over the latest interest rate hike.

"The trick is to maintain money supply growth at approximately the same rate as the real expansion of the gross national product. Too tight a money market can deepen the recession. But, as polls show, Americans are most concerned about inflation. The board's latest gamble is worth the risk."

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[From the Wall Street Journal, Oct. 8, 1979]

SUPPORT MR. VOLCKER

The new Federal Reserve anti-inflation package is the most hopeful economic policy development in over a decade, clearly signaling a determination to break the back of the inflation that has wracked the economy. It is not as sharp a break with immediately preceding policy as the dollar-support package of a year ago, but it is a change of a far more sweeping and fundamental character.

Saturday night Fed Chairman Volcker announced the three-part package. The Fed unanimously voted a full point increase in the discount rate. It will now concentrate on direct control of bank reserves, subordinating its previous attempts to peg the interest rate for federal funds. And it will impose new reserve requirements on a wide range of managed liabilities—certificates of deposit, repurchase agreements, Eurodollar borrowings. Each of these steps has been a subject of intense controversy, and in each case the Fed has now clearly come down on the side of the argument that gives maximum priority to curbing inflation.

It is particularly significant that the discount rate vote was unanimous. The most recent slide in the dollar started with the 4-3 vote on the last increase, the dissenting votes was suggesting that Mr. Volcker was losing control and might not be able to move further if necessary. These fears should be quieted now that the dissenters are back on board, and even the White House is issuing generally supportive statements.

This show of determination is further underlined by the decision to target bank reserves directly and accept whatever effect this may have on short-term interest rates. Since Mr. Volcker took over the reins of the Fed, he has been running a valiant but losing race with interest rates. The Fed has been raising its Fed funds targets, but the market has been pushing rates up even faster. The result has been that the Fed has actually been injecting bank reserves, and thus expanding rather than contracting the supply of money and credit.

Under the new policy this will cease. Short-term rates may rise, though long-term rates may fall as inflationary expectations are reduced. The importance of short-term rates has been grossly overestimated through the influence of Keynesian econometric models; long rates are the ones important to capital spending and investment. The new policy puts the priority where it belongs: clearly the most pressing need for the economy is to control inflation.

The third step of imposing new reserve requirements will be controversial because of its effect on bank profits. Reserve requirements are in effect a tax on the banks, and the tax grows heavier with high inflation. This step will impose real costs: U.S. banks will become less competitive with foreign banks in the Eurodollar markets, for example, and the exodus of banks from Fed membership may speed. Even more worrisome, the pressure to escape reserve requirements is so intense the new controls may only produce even-more-exotic financial innovations.

In terms of long-range policy, we have our own doubts about this part of the package. At least in less-turbulent markets, the better case probably lies with lower reserve requirements, not higher ones. But at the same time, the mushrooming of managed liabilities clearly has complicated the Fed's task of trying to control money and credit, and some would argue that it makes the task an impossible one. Here again, the Fed has come down on the side of the argument that gives it the maximum chance to control inflation, and this deserves support.

Mr. Volcker will need plenty of support if the slide toward recession now accelerates. But after the experience of the last few years, the notion that monetary policy can fight recession is at best tattered. If inflation is not curbed, in any event, the result can only be a deeper and less controllable crash later. Since 1965 inflation has ratcheted ever higher with each turn of the business cycle, with no offsetting gains in production or productivity. It is past time for a decisive step to break that spiral, and Mr. Volcker's package is the best hope we have.

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[From the Washington Post, Oct. 9, 1979]

### Hitting the Brakes—Harder

The Federal Reserve Board's shift of strategy is dangerous but, unfortunately, justified. The Fed is in the position of a driver who has stepped on the brakes only to discover that the car seems to be speeding up. The Fed will now brake much harder, without knowing exactly how the vehicle will respond. Perhaps it will stop too suddenly for safety. The Fed has decided to take that risk. All it knows with certainty is that by far the greater risk is rising inflation.

Two weeks ago the Fed raised interest rates by a split vote that seemed to be leading to a long pause for internal debate and stock-taking. Instead, on Saturday, the board moved again, forcefully and unanimously. Several developments last week account for it. The producers' price index was published, adding to the evidence that—contrary to the government's forecasts—inflation was accelerating. The unemployment rate fell, strengthening the impression that the recession may unexpectedly have postponed itself. Meanwhile, at the Belgrade meeting of the International Monetary Fund, U.S. officials found themselves confronted with the full range of European anxieties over a sinking dollar.

The Fed had to act. But past experience is no longer a reliable guide to the economy's responses. An example: during the last great tightening of interest rates, from 1972 to 1974, housing starts dropped 40 percent. During the much steeper tightening that began in 1977, they have dropped very little. Why? Because most people now expect high inflation to continue indefinitely, and they consider investment in houses to provide protection from it. People are coping with inflation in ways that make inflation worse.

The government is now trying to damp down credit-fed speculation—in real estate, gold, silver, antiques and all the rest—without crippling the real economy that produces goods and creates jobs. To reduce the current surge of borrowing, the Fed did two things Saturday. It raised one key interest rate that will in turn raise others. It also changed the basic principle on which it steers monetary policy. It will no longer try to maintain target interest rates. Instead, it will rely more heavily on raising the reserves that banks are required to maintain. That's another way to try to hold down the growth of the money supply.

How well will it work in practice? That is a question for next year. The signals last week required action by the Fed. Higher rates are necessary, and the Fed has met its immediate responsibility. But it is important for Americans—especially those in Congress—to remember that tight money alone is not a balanced, effective program to reduce inflation.

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[From the Washington Post, Oct. 11, 1979]

### Now, the Wringer . . .

Recession, aggravated by high interest rates, lies ahead. The shock of the unprecedented rates has already reached the financial markets. But by last week the economy had arrived at a condition that left no alternative to higher rates and more unemployment. Having rejected all the other methods of controlling inflation, the country is now going to rely on the roughest, riskiest and most bruising of all.

It wasn't that President Carter deliberately chose it, or the Federal Reserve Board or Congress. The country as a whole refused all the other possibilities. They all seemed too foreign to Americans' accustomed ways of conducting their public and private business. But for the future, it's worth remembering that there are other strategies than this sole reliance on the wringer to stabilize prices.

There have been a number of ingenious proposals to enforce wage-price limits. One was the Carter administration's wage insurance plan, which offered promise of tax credits as incentives to hold wage demands down. Neither labor nor employers would touch the idea, and it quickly died in Congress.

Rising oil prices have imposed severe costs on the country. How are those costs to be shared? Because Americans still haven't worked out an answer, many of these costs are still being passed around through the economy. As the oil experience illustrates, most Americans have now organized themselves well for protection against those rising costs. Americans belong to trade associations, labor unions, interest groups and political lobbies, manifold and overlapping. The idea is to catch up with prices and keep even. To the extent that people succeed, those costs get passed along to other people and the inflation continues.

Currently the international champions in controlling inflation are the Germans and the Japanese. Both are highly disciplined populations where social consensus carries unusual force.

In the United States, in contrast, people take pride in mistrusting their government, and they consider adversary relationships to be normal. These traditions have served Americans well—as the comparison with German and Japanese history makes plain—and perhaps controlling inflation is not the most important test of a political philosophy. But the American style—loose-jointed, competitive and litigious—makes any social compact exceedingly difficult to achieve.

Ending inflation requires Americans to do without some of the things to which they are accustomed—starting with cheap gasoline. It means accepting, for a time, slightly lower living standards and economic growth rates than in the recent past. If all Americans could agree to share these setbacks, they would not weigh heavily on anyone. The Germans and the Japanese have managed something of the sort. But in this country, it hasn't worked. That's why the United States is now being reduced to relying wholly on the wringer—with the costs of economic contraction to be loaded disproportionately onto the most vulnerable people in American society.

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[From the Economic Focus]

### The Fed in Charge

(By Robert J. Samuelson)

We are flying by the seats of our pants. The Federal Reserve has resorted to an old-fashioned squeeze to exorcise inflation. The question is whether it can be done effectively or whether we are about to slip into a period of stop-go policies during which the unemployment and inflation rates periodically flutter past each other, while both remain at historically high levels.

At best, that may be the outlook for the next year. Some relatively optimistic economists think that the inflation rate—now fluctuating between 12 and 14 per cent—might decline to 6 to 7 per cent by the end of 1980. Meanwhile, the unemployment rate, now 5.8 per cent, could well sail toward 8 per cent.

All the political rhetoric notwithstanding, the government has effectively abandoned its effort to achieve the utopian vision of "full employment" and price stability. Mostly, it's muddling along, struggling to find a combination of inflation and unemployment that is tolerable to most people.

The latest thunderclap from the Federal Reserve System only confirms the emergence of monetary policy—that is, the government's regulation of the money supply and interest rates—as the chief tool in this graceless balancing act. This reflects political expediency and, compared with the 1960s, a greater emphasis in fighting inflation.

Politicians prefer to cut taxes and increase spending rather than the reverse, which would be the logical anti-inflationary policy. Even if they were so inclined, the budget process is mechanically cumbersome and time-consuming.

By contrast, the administratively "independent" Federal Reserve can act quickly on its own. And then Members of Congress can enjoy the political luxury of lambasting the Fed no matter what it does.

At one level, the Fed's latest moves constitute a traditional attack on what it regards as excessive lending. By making less money available to banks, the Fed hopes to slow down their lending and, thereby, take pressure off prices. Consequently, the Fed raised to 12 per cent its discount rate—the rate at which commercial banks can borrow from the Fed itself—and, more important, imposed a new 8 per cent reserve requirement on many of the banks' large sources of funds, such as certificates of deposits of $100,000 or more. This means that banks must put aside 8 per cent of any additional funds from these sources.

Together, these actions raise bank costs and make it more difficult for banks to compete for new deposits, thus reducing the funds on hand for loans and forcing up lending rates. Already, the "prime rate," which banks offer to their best corporate customers, has jumped to a record high of 14.5 per cent.

But the process isn't confined to bank lending. Housing, for example, is likely to be hit hard, not because the Fed has directly raised mortgage rates, but because its policies have that effect. Consider the chain reaction.

To relieve their own cash, squeeze, commercial banks are likely to sell some of the U.S. government securities—bonds, notes—that they hold. This drives prices down and interest rates up: a $10,000 bond with an interest rate of 9 per cent will pay an effective rate of 10 per cent if the price drops to $9,000.

At this point, depositors at savings associations—the largest mortgage lenders—would be encouraged to withdraw their funds and buy these higher yielding securities. The associations will either have less money to lend or will have to pay higher interest rates to depositors and, then, raise their own mortgage rates. By raising monthly mortgage payments, those higher rates in turn may deter families from borrowing.

The mechanics of this squeeze are relatively straightforward, but at a second level, the Fed has promised to alter the way it regulates the flow of money into the economy—a change that, potentially, would rank among the major shifts in economic policy since the end of World War II.

If you regard inflation simply as too much money chasing too few goods, the cure is simple enough: make sure that you don't create too much money. To its critics, the Fed has been doing precisely that for years.

The basic process for affecting the money supply is simple and won't change. By buying U.S. government securities from banks, the Fed supplies them with new money. By selling securities, it withdraws money. Depending on the magnitude and direction of these "open market operations," the Fed can undo all its other policies.

In the past, the Fed has conducted these operations by using the "federal funds rate"—the interest rate at which banks lend to each other—as a target. When the funds rate dropped below the target, the Fed sold securities and mopped up money; when the rate exceeded it, the Fed bought securities and added money.

Disaster, said the critics. Watching interest rates led the Fed to supply too much money, leading to inflation. Now the Fed says it won't use the federal funds rate as a target, but will attempt to control the money supply directly by emphasizing the amount of new funds supplied to banks.

All this raises as many questions as it answers. A slumping economy may temporarily reduce inflationary pressures, but it also stunts new sources of supply. Take housing. If we discourage construction today, we may simply create more frustrated demand—and more inflationary pressures—tomorrow. The same problem applies to basic investment.

Nor does a reduced money supply translate immediately into lower wage and price increases. It depends on how workers and firms respond—a subject of violent dispute among economists.

One school believes that today's wage increases primarily reflect yesterday's inflation, which means that any stringent effort to reduce the money supply will mean a severe and protracted slump. Another school argues that once it's clear that money availability won't be relaxed, workers will accept lower wage increases and firms—struggling to conserve limited cash—will demand them. Even then, the transition period to low inflation might involve three to five years of slow growth.

If the Fed is as determined as it sounds, last week was not—to paraphrase Churchill—the end, or even the beginning of the end, but only the end of the beginning.

## THE REAL ATTITUDE OF NATO ON SALT II

Mr. THURMOND. Mr. President, an important article by the distinguished editor-in-chief of the Hearst newspapers, William Randolph Hearst, Jr., was released to the public recently.

Mr. Hearst reveals that Brian Crozier, an expert on European affairs who recently retired as director of the prestigious London-based Institute for the Study of Conflict, contends our NATO allies actually oppose SALT II despite their public statements.

Mr. President, both Mr. Crozier and Mr. Hearst deserve the appreciation of this country for bringing to public attention this very important opinion. It has come at a timely moment as the Carter administration pursues its old tactics of threatening the Senate with the collapse of NATO if the SALT II treaty is rejected.

Mr. President, I ask unanimous consent that this editorial published in the Hearst newspapers October 7, 1979, by Mr. Hearst be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### SALT II: THE SILENT TREATMENT

(By William Randolph Hearst, Jr.)

New York.—We are now being asked to "trust" the Soviets in the matter of the Cuban brigade and to sign an agreement with them in the matter of SALT II—the Strategic Arms Limitation Treaty.

A simple question arises. Why?

It is part of the Soviet credo, laid down by Lenin himself, that if a signed agreement later turns out not to suit communist purposes, it is their duty to break it.

Pope John Paul II may be the most influential figure in the world today, notes columnist Jeffrey Hart of King Features Syndicate. It is not to be forgotten that he comes to the West from the communist world. So does that other influential world citizen, also mightily respected, Aleksandr Solzhenitsyn.

Both have seen first hand how Nazis work and how communists work. Both systems are cruelly autocratic; neither has any regard for commitments. Remember when Hitler signed a non-aggression pact with Russia and broke it when it suited him.

It should not be overlooked that such distinguished Americans as retired Naval Admiral Elmo Zumwalt, former chief of naval operations and Paul Nitze, former secretary of the Navy, and one of the negotiators on the SALT I treaty have come out strongly against SALT II. Lt. Gen. Edward J. Rowny, Joint Chiefs of Staff representative on the American SALT delegation for six years, quit the Army in June in order to testify against the treaty in July that it would establish American strategic inferiority and endanger American security.

Also about 75 retired generals and admirals—people who should know what they are talking about—have expressed their opposition to the signing of the treaty.

Now I would like to share with you significant portions of a letter sent by my friend Brian Crozier who retired last month as director of the prestigious London-based Institute for the Study of Conflict. The author of "Strategy of Survival" writes me as follows:

"There is a conspiracy of silence in the European capitals about the SALT II treaty. Chancellor Schmidt of West Germany has publicly praised it, and so has President Giscard D'Estaing of France, in oblique terms. Even Britain's Iron Lady, Mrs. Margaret Thatcher, has expressed the hope that the U.S. Senate will ratify it. Dutifully, Foreign Secretary Carrington and Defense Secretary Pym have echoed her hope.

"The strange thing is that in private these distinguished figures speak in quite different terms, for they are intelligent people and, whatever their degree of expertise, they are quite capable of grasping the fact that the draft treaty is disastrous for Europe's security (and therefore for NATO's and America's).

"Why do they keep their doubts to themselves when making public speeches or statements? I think I know.

"One reason has been relentless pressure from the White House and State Department; private letters from President Carter; amiable but forceful lunches or dinners hosted by American embassies.

"But there are other reasons. Take Britain. The aged fleet of Polaris-equipped submarines, constituting Britain's 'independent nuclear deterrent,' put together by a triumphant Prime Minister MacMillan after his meeting with President Kennedy at Nassau, Bahamas, in December 1962, now looks sadly obsolete.

"The rub is: Where does Britain's next 'indepednent t' deterrent come from? Who has the technology? There is only one answer, and Jimmy Carter knows it, as does Secretary Vance.

"There is another consideration, valid for the European members of the alliance as a whole, and it concerns theatre weapons, including 'mini-nukes,' of which the United States stationed some thousands in Europe years ago. Since everybody agrees that the Soviets enjoy a massive superiority in theatre weapons, something will have to be done to build up NATO's capability in Europe if the alliance is to regain lost credibility.

"Again, where are the theatre weapons to come from? There is only one answer, and President Carter knows it. So do Chancellor Schmidt and Prime Minister Thatcher.

"The argument therefore runs. We know SALT II is a dangerous treaty for European security, but we are not going to say so publicly because we need U.S. military technology, and we may not get it if we speak our minds. The mood in Europe, therefore, is a kind of neo-appeasement. We appease the Russians because they want SALT II to be ratified by the U.S. Senate; and we appease Jimmy Carter because that is what he wants, too.

"President Giscard, with France's own nuclear deterrent (a pretty formidable one, despite the critics), can afford to be slightly aloof in this crucial debate, but only slightly. He values his special relationship with Herr Schmidt and will go a long way to please the German chancellor. As for Schmidt himself, he is obsessed with the weight of the extreme leftists and anti-Americans in his ruling Social Democratic Party (SDP)—men like Egon Bahr, the party manager, and ex-Communist Herbert Wehner, its leader in the Bundestag. Those men want an accommodation with the Soviets. Schmidt does not and needs his American allies all the more, even if he happens to think less of Jimmy Carter than of previous presidents.

"Henry Kissinger, when he guided President Nixon toward SALT I in 1972, and went to Vladivostok with President Ford at the end of 1974, believed the U.S. would go on to build the new weapons that were still on the drawing board. He thought that within the five-year span of SALT I, the U.S. would have the supersonic B1 heavy bomber, cruise missiles with unlimited range and the emotively-termed neutron bomb (enhanced radiation warhead). Ed. note: More effective than the proliferated mini-nukes now in place but free from widespread radioactive fallout.)

"Instead, President Carter canceled the B1 program, halted work on the neutron warhead, and voluntarily restricted the range of the land-based cruise missile."

Noting that the SALT treaty is supposed to cover all strategic weapons, simply defined as nuclear weapons that can reach either the United States or the Soviet Union, Mr. Crozier pointed out that the formidable Soviet SS–20 medium range missiles are classified as "theater weapons," although they are capable of destroying all of NATO's installations in, say, half an hour. Some theater weapon.

"At present," he added, "NATO has no answer to the SS–20. A land-based cruise missile capable of hitting Soviet targets from western Europe would have helped, but under SALT II, the Americans have restricted its range to 320 miles—just short of Soviet territory. Again, the 'neutron bomb' is about the only weapon capable of stopping a Soviet tank offensive in its tracks. But Jimmy Carter has dropped that option as well.

"So, to put it in plain language, SALT II leaves western Europe naked and exposed. That is why we hope the Senate will reject it, and that is what Europe's conspiracy of silence is all about."

This information may strike you as incredible, but believe me I would not be publishing it unless I knew my friend, Brian Crozier, to be a very reliable, well-informed expert on European affairs.

Nor is he the only source from whom I have heard that the European leaders say one thing about the SALT treaty publicly, and privately think the contrary.

I have been told that West German Chancellor Helmut Schmidt justifies his public position on the grounds that he fears that if he opposed the Carter administration on this issue, the German Federal Republic might lose the 2-key system for the firing of American nuclear weapons stationed on German territory. Under that system, a German officer has to turn one of the two keys required to launch a tactical nuclear warhead. The other key is held by an American officer.

Deplorable as it may be to mislead the public, it would not be the first time that heads of government have felt it to be in the national interest to tell the public one thing while they believed the opposite.

## U.S. RESOLVE ON TROOPS CRUMBLES

Mr. THURMOND. Mr. President, mail received in my office and editorial comment in South Carolina newspapers indicates that the citizens of my State were very disappointed in the position taken by President Carter in his television response to Soviet combat forces in nearby Cuba.

My own reaction was that the United States cannot continue to do nothing about the Soviet buildup in Cuba. We failed to respond when the nuclear capable MIG–23's were positioned there last year. We have raised little complaint relative to the new naval base there and increased Soviet submarine and bomber activity in the Caribbean. The Soviets will continue to upgrade their forces in Cuba as long as our response amounts to nothing more than hollow complaints or meaningless military maneuvers.

Mr. President, typical of the response in the South Carolina press to this situation was an editorial entitled "U.S. Resolve on Troops Crumbles" which appeared in the October 9, 1979 issue of the Aiken Standard newspaper in Aiken, S.C. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### U.S. RESOLVE ON TROOPS CRUMBLES

A few weeks ago, President Carter told the American people that "we consider the presence of a Soviet combat brigade in Cuba to be a very serious matter and that this status quo is not acceptable." Two days earlier, Secretary of State Cyprus R. Vance declared that the United States "will not be satisfied" if the Soviet army brigade remains in Cuba.

It took less than a month for the administration's resolve to crumble in the face of Soviet intransigence.

Mr. Carter's televised speech to the nation the other night amounted to an acceptance of the continued presence of the brigade on Soviet terms. Now, the unacceptable has become acceptable.

The world is left to wonder why the president eschewed political and economic initiatives that could have squeezed the Soviets and provided them real incentives either to withdraw or at least disband the brigade. Instead, Mr. Carter outlined a series of actions remarkable largely for their impotence. Nothing in the empty "assurances" Mr. Carter said he received from Moscow will deflect the Soviets from their obvious desire to transform Cuba into an increasingly formidable fortress at the strategic mid point of the Western Hemisphere.

The president plans to shuffle a few ships, planes and Marines around the Caribbean. These forces will conduct more frequent military exercises. And the electronic and photographic surveillance of Cuba, which Mr. Carter had foolishly suspended until this summer, will be increased—presumably to count troops and weapons whose arrival Washington seems helpless to prevent.

Otherwise, it's business as usual. The President reaffirmed his support for "detente" despite the fact that its observance seems confined to Washington. He warned ominously of any return to the Cold War, although the Soviets appear never to have departed from it. Likewise, it escapes Mr. Carter's grasp that American interests and security were far less threatened during a time when this country acknowledged the Soviet threat and acted accordingly.

The president coupled all this with the kind of overblown rhetoric we've come to expect in support of the SALT II treaty. At one point, he linked ratification of the treaty to the "survival of the human race."

In sum, the Soviets have successfully breached the Monroe Doctrine which helped keep foreign fighting forces out of the Western Hemisphere for 150 years. In its place, Moscow has substituted a version of the Brezhnev doctrine which holds that Soviet military forces are free to act as they will in "fraternal socialist states"—in this case, Cuba.

And notwithstanding President Carter's warning that the United States would resist Soviet-Cuban intervention elsewhere in the hemisphere, his faltering response to the discovery of a Soviet combat brigade in Cuba will inevitably embolden Moscow and Havana to press their new advantage.

## FEDERAL EMPLOYEE PAYCHECK PROTECTION ACT

Mr. STEWART. Mr. President, I would like to announce my cosponsorship and full support of S. 1884, the Federal Employee Paycheck Protection Act. This bill, introduced by the distinguished Senator from Colorado, Senator HART, would separate the appropriation for a Federal agency's operations and programs from the appropriation for its employees' salaries.

As a freshman Senator, I was rather amazed to see that our military service men and women and our Federal employees could have their earned salary checks either partially or completely withheld because the Senate and the House could not agree on the issue of a congressional pay raise or on the language relating to abortions. Those who suffer the consequences of our disagreement neither participated in the debate nor were a part of the issues involved.

This is not the first time that our military personnel and Federal workers have had their incomes, and consequently, their daily lives disrupted by an unrelated dispute in Congress. But, we can act now to make it the last time this happens.

I am not arguing to change the deliberative nature of this body, nor am I attempting to minimize the issues which caused the dispute. I am, however, arguing that a group of our hard-working constituents should not be held hostage to our inability to reach agreement in Congress. No one here has disputed the obligation of our Federal Government to pay its employees on time, yet that obligation has not been met in full as a result of our recent stalemate.

Surely you all received phone calls—as I did—from folks back home who wanted to know why they were not going to receive a full paycheck this month. I am sure many of you shared the feeling of absurdity I felt when I had to explain that because the House wanted a congressional pay raise and the Senate did not, then millions of Federal workers were not going to get their pay on time. There is no logic in that situation, so let us change the procedures to prevent its future occurrence.

Frankly, I do not want the thousands of Alabamians who are Federal employees and all the military personnel in Alabama to find themselves facing, through no fault of their own, payless or half-pay paydays again. After all, do we think that these workers can send their creditors, their landlords or mortgage holders, and their utility companies our excuses in lieu of their bill payments? Moreover, I do not think anyone here believes that a Federal worker should be forced to take money out of his or her savings account or suffer a bad credit report because Congress is holding up their paychecks.

Nor do the ill consequences of these

appropriations procedures fall on the shoulders of our Federal workers alone, either. In the long run, all taxpayers are affected because it costs the Federal Government a large sum of taxpayers' dollars to pay the extra costs incurred in issuing Federal employees their paychecks in two half payments. This is certainly one ridiculous Government expense that we can painlessly eliminate from our future budgets.

We all talk a great deal about removing the unnecessary redtape from the Federal Government. Well, let us start by cleaning our own house first.

To be frank, with the appropriations procedures we have today, we are going to continually find ourselves placed in the unfortunate situation of having to choose whether to stick to our position on an issue and thereby hold up the paychecks of millions of Americans, or compromise a stand we believe in so as not to make our Federal employees and military suffer temporary losses of income. This is a ludicrous situation to be in, and I urge all of you to support this bill and eliminate this unnecessary occurrence.

By separating the appropriations for employee's salaries from the rest of the appropriations bills regarding Federal departments we can end these needless inconveniences and hardships to Federal employes, put a halt to an unnecessary expenditure of taxpayers dollars and, at the same time, leave intact our ability to debate an issue until we find the stand that best answers our concerns.

## COMMUNITY ENERGY EFFICIENCY ACT

**Mr. TSONGAS.** On September 27, I introduced in the Senate the Community Energy Efficiency Act (S. 1829), which would establish a grant program to fund energy conservation and renewable resource planning, programs, and capital projects at the local level. This bill seeks to encourage initiatives in the areas of energy conservation and the development of renewable energy sources on the local level, where such efforts are often the most profitable.

By its very nature, energy conservation must be approached in small-scale applications. Within households, within communities, an awareness of the potential energy savings through more conscious energy use is the most important ingredient in our conservation effort. Local governments can play a particularly important role in this reduction of energy consumption. Community responsibility over land use, building codes, traffic control, and zoning ordinances can have a tremendous energy impact. Moreover, local governments can develop projects for low-head hydro, weatherization programs, solar demonstration projects, resource recovery from municipal solid waste, and other capital intensive projects that will further cut our dependence upon nonrenewable energy sources.

There are already community-based energy projects operating throughout the State of Massachusetts which could benefit greatly from grant moneys made available through the Community Energy Efficiency Act. Franklin County has been especially active in conservation efforts with the individual towns and county government joining together to establish the Franklin County Energy Conservation Task Force. This group seeks to pool the labor and informational resources and experience of the entire county in developing a countywide energy conservation plan, while also developing a plan to introduce renewable energy sources more fully into the energy mix of Franklin County.

In the area of conservation, the Franklin County Energy Task Force has been active in performing energy audits through its energy conservation analysis project. These audits are extremely valuable in determining what types of weatherization and insulation will be most effective in a particular household. CETA funds are being used to conduct these audits on both residential and municipal units. The inclusion of municipal buildings also reflects the task force's attempt to encourage such conservation in buildings typical of the commercial sector, which has not yet taken full advantage of the economic benefits of saving those dollars normally marked for energy bills.

The County energy task force coordinates the efforts of the individual town energy conservation committees. While the task force is necessary for the broader focus of a countywide approach in developing land use policies, these town conservation committees can suggest important innovations which address the individual character of their locality. The town of Heath, Mass., for example, is very interested in the possibility of transforming the power of the wind into electricity for commercial and residential use. Although wind patterns make such an energy source impractical for the entire county, Heath is receiving assistance from the county energy task force in the form of testing and research on the economic viability of wind power.

Solar energy is also being encouraged in Franklin County through the solar utilization for economic development and employment program. This project is training CETA workers in the techniques of passive solar applications and introducing this renewable energy source to low-income households, which are particularly vulnerable to the supply and cost problems created by our continued dependence on nonrenewable fuel sources. Not only does such a program create jobs, but it also promotes the further expansion of solar energy throughout the county.

Across the State there is another group active in solar energy—the Urban Solar Energy Association. This group is bringing together people in the Boston area interested in the various residential and commercial applications of solar power. Workshops and public meetings help both to publicize the feasibility of alternative energy sources and to provide technical assistance and guidance for those interested in developing their own solar projects.

The creation of groups such as the Franklin County Energy Conservation Task Force and the Urban Solar Energy Association opens bright new roads in our energy future. We are witnessing the development of an entirely new type of energy supplier—decentralized, scaled to the resources and needs of the community, and more attuned to the reality of a diminishing fossil fuel base.

The creativity, thoroughness, and enthusiasm of these groups and their counterparts throughout Massachusetts and the United States should serve as an example to other similar groups interested in making contributions to our efforts both to restrict energy consumption and to begin the transition to renewable energy sources. As we make conservation and renewables more active components in our national energy policy, groups such as these will play an increasingly important role in helping this country meet its energy needs. We should applaud their achievements and offer them as much encouragement, in both public recognition and Federal funding, as we can.

Clearly, the interest exists on the local level for a wide range of energy measures aimed at reducing our dependence on foreign oil and other nonrenewable energy resources. A major problem, however, has been lack of funds for expanding these efforts. We spend billions of dollars on high technology, centralized energy projects which offer little short-range relief from our energy problems, while communities throughout our country which can offer much more immediate and long-lasting energy alternatives search desperately for funds. Much has been done and is being done, but with adequate funding, groups such as the Franklin County Energy Conservation Task Force will go further and other cities, towns, and counties will also develop approaches to our energy problems that provide a more successful and appropriate response to our energy supply and consumption problems.

It is the purpose of the Community Energy Efficiency Act to provide such financial support. Though its total appropriation of $5 billion over 5 years is small compared to other energy bills. I believe that the results will prove the wisdom of promoting energy initiatives on the local level. After all, a great percentage of our Nation's energy consumption is made at the local level. Community action at that level is best suited to make that use more efficient. Energy conservation and renewable resources involve decentralized activities. To promote them we must do more than provide subsidies. We must build decentralized capacity to manage these policies and resources. The continued contributions of community groups throughout the United States such as the two I have described will depend upon sufficient funding. I urge each of my colleagues to provide that support by working for speedy enactment of S. 1829.

## AUTHORIZATION FOR REPRINTING OF COMMITTEE PRINT ENTITLED "SALT AND THE NATO ALLIES"

**Mr. BIDEN.** Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 261) authorizing the reprinting of the committee print entitled "SALT and the NATO Allies".

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BIDEN. Mr. President, last week the European Affairs Subcommittee, which I chair, issued a report entitled "SALT and the NATO Allies." Because demand for the report has proven to be so great, the initial printing of 2,000 copies is virtually exhausted. I therefore ask that the Senate approve a resolution authorizing the printing of an additional 1,700 copies. Although customarily such a resolution would be considered by the Rules Committee, it is unfortunately the case that that committee will not meet again until the end of this month, and there is a need for additional copies of the report right away, particularly because the report will be much in demand during next week's meeting of the North Atlantic Assembly. Because of this time problem, the chairman and ranking member of the Rules Committee have been kind enough to agree to the resolution being brought up right away. The cost estimate obtained from the Government Printing Office for this additional printing shows that the cost is low enough to allow authorization to be provided by means of a simple Senate resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 261) was agreed to, as follows:

S. Res. 261

*Resolved,* That there shall be reprinted for the use of the Committee on Foreign Relations one thousand and seven hundred copies of its committee print of the Ninety-sixth Congress, first session, entitled "SALT and the NATO Allies".

## INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES AUTHORIZATIONS, 1980, CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Bayh and with the approval of Mr. Goldwater I submit a report of the committee of conference on S. 975 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 975) to authorize appropriations for fiscal year 1980 for intelligence activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## OPEC STARTS ANOTHER ROUND OF OIL PRICE INCREASES

Mr. MELCHER. Mr. President, with the announced price increases of $2.77 a barrel by Libya and $2.87 a barrel by Iran, there two OPEC nations have increased crude oil prices for the third time in less than 12 months. The latest moves by Libya and Iran alone will cost the American consumer an additional $500 million a year for direct crude oil imports. When this increase is filtered through the economy the cost will be much greater.

This is only expected to be the first move in another general round of OPEC price increases. If the rest of OPEC follows suit, it will cost the American consumer an additional $12 billion a year, and result in gasoline prices of $1.10 a gallon or more by the first of the year.

The pattern of OPEC price increases has now been pretty well established. The OPEC nations meet periodically, now about two or three times a year, and set so-called "fixed prices" for their crude oil. The fixed prices turn out to be, in fact, "base prices" upon which individual OPEC nations add additional price increases whenever they see fit. When enough OPEC nations have boosted their prices, a new OPEC meeting is called and the "base price" is moved upward to correspond to the higher individual prices of the OPEC nations. Then the cycle is repeated.

These cycles of price increases have no relationship to the cost of production or even market factors. At the last OPEC meeting in June we were assured that there would be no more price increases this year if we made efforts to halt the growth in oil imports and acted to strengthen the dollar overseas. We have taken actions to stabilize our oil imports and the dollar is stronger today against world currencies than it was in June. Yet the price of OPEC oil continues to rise. The simple truth is that the nations of OPEC understand monopoly economics and they know they can raise crude oil prices at will because there is no coordinated efforts by the oil importing countries to hold prices down.

Some in the administration and Congress keep telling us that the secret is to learn to do business with OPEC. There is no secret—OPEC is giving us the business. What we need to learn is how to do business with other oil importing nations that have a common interest in restraining the pressure that OPEC is creating to outbid one another in self-destructive competition for OPEC oil at any price.

On June 14, 1979, I introduced with Senator Tower, S. 1349 a bill calling on President Carter to initiate negotiations with the other oil importing nations to establish a Council of Oil Importing Nations (COIN) to negotiate with OPEC reasonable base prices for oil with the elimination of unreasonable or unjustified surcharges. S. 1349 now has seven cosponsors, Senators Tower, Laxalt, Moynihan, Garn, Hatch, Pressler, and Baucus, and an identical bill, H.R. 4574, introduced in the House by Representative Wolfe, now has 30 cosponsors.

Mr. President, if we had taken the kind of action envisioned in S. 1349, we would now be in a much better position to deal with the latest round of OPEC price increases. I do not know how long it is going to take us to realize that only coordinated action by the oil importing countries can constrain the price of OPEC oil. I hope that this realization comes before our industrial base, and the industrial base of the entire world, is undermined by the irresponsible actions of the OPEC cartel.

At this point I ask unanimous consent that the text of S. 1349 be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

S. 1349

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Congress finds that the current annual inflation rate of 13.4 percent is totally unacceptable and a major threat to the economic well-being of the United States;

That escalating energy prices are a major factor in the current round of high inflation; and

That OPEC oil price increases are the primary factor in our current high energy costs. It is the intent of Congress that the President initiate negotiations with the other oil importing nations to establish a Council of Oil Importing Nations to negotiate with the Organization of Petroleum Exporting Countries reasonable base prices for oil with elimination of unreasonable or unjustified surcharges.

Sec. 2. The President shall develop and submit to the Council of Oil Importing Nations for its consideration a set of appropriate economic and political sanctions to be used when appropriate by the Council's member nations to encourage compliance of any nation that either sells or purchases crude oil on the international market at prices greater than the negotiated oil prices arrived at between the Council and the Organization of Petroleum Exporting Countries.

Sec. 3. The President shall report back to Congress on the progress of negotiations and the development of the sanctions code each 180 days from the date this bill is enacted.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

## SALT II

Mr. MORGAN. Mr. President, the Senate has been considering the ratification of the SALT II treaty now for some time, it having been considered by three Presidents for about 7 years, and I think it is time maybe some of us begin to make our positions known.

We have a recent history of unilateral disarmament, withdrawal from positions of strength and lack of steadfastness in negotiations which is disturbing. For example, we made decisions on the neutron bomb and the B-1 bomber without even attempting to seek anything in return from the U.S.S.R. We announced an intention to withdraw troops from Korea without seeking a quid pro quo from any adversary party to that problem. Only recently revelations of alarming North Korean buildup have slowed that withdrawal.

As to the SALT II treaty, we took a strong, rational position in 1977. We backed off from that strong position, which would have resulted in a real arms limitation treaty. It is not apparent that we achieved anything by this weak position, but rather that the Russians just waited us out.

I have reason to believe that some people in the administration, supported by some of my colleagues in the Senate, have no intention of ever deploying the MX missile system—after SALT II ratification.

I am not one of those who thinks we need seek out opportunities to show the world we are decisive and strong. I believe we are strong and I do not doubt the will and spirit of our people to take decisive action when our true best interests require it.

I do feel, however, that the incidents I have just listed were times when strength and decisiveness were required to safeguard our vital interests and we were found wanting.

If we are going to vote to ratify this SALT II treaty, I will need to be satisfied by the administration, and by my colleagues, that we will act in a strong and positive manner in the future.

I will need to be satisfied by my colleagues that they will support early development and deployment of the MX missile system.

I will need to be satisfied by the administration that they will similarly support development and deployment of the MX.

I will need to be satisfied that we are doing those things necessary to redress the strategic imbalance from now until the MX comes on line.

I will need to be satisfied by the administration that they will take and maintain strong positions on balanced arms reductions in SALT III, and will retreat from any of those positions only in exchange for some equivalent value received from our adversary.

I will need to be satisfied by the administration that our past course of unilateral abandonment of weapons systems or capabilities, without a like response from our adversary, will not continue.

Finally, I will need to be satisfied that the SALT II treaty really limits the strategic terror facing us or I will not vote to ratify the SALT II treaty. Thus far, I have not been satisfied on any of these grave concerns.

## H.R. 4986, THE DEPOSITORY INSTITUTIONS DEREGULATION ACT

Mr. MORGAN. Mr. President, on Monday the Committee on Banking, Housing, and Urban Affairs reported H.R. 4986, the Depository Institutions Deregulation Act. This bill makes sweeping changes affecting the operation of our Nation's financial institutions. Many of those changes concern me greatly.

I am concerned that H.R. 4986 sets the stage for the rapid homogenization of our system of separate and distinct types of financial institutions. Moreover, I am concerned that it could erode the earnings of various financial institutions, thus seriously impairing the availability of mortgage credit and other consumer borrowing, all at a time of great financial and economic uncertainty. I am skeptical, despite the claims of the bill's proponents, that the changes mandated by H.R. 4986 will be of much overall benefit to the average consumer and saver.

In lieu of the sweeping provisions of H.R. 4986, I supported a bill which simply would have reversed the decision of a Federal court earlier this year by legalizing automatic transfers of funds between savings and checking accounts, credit union share drafts, and savings and loan association remote service units. A motion to substitute that bill for 4986 (S. 1347) failed during the Banking Committee markup by a vote of 8-7. I believe, however, that enactment of such a bill is by far the wiser course to follow at this time. The bill passed by the House of Representatives authorized the above instruments, and went the additional step of authorizing nationwide negotiable order of withdrawal (NOW) accounts. The House of Representatives specifically refused to include in their bill the various other far-reaching provisions reported by the Senate Banking Committee.

When the Senate Banking Committee version of H.R. 4986 comes to the Senate floor, I intend to offer several amendments. I believe that each State should be given the authority to decide on its own whether to allow NOW accounts. Should a State authorize NOW accounts for State-chartered financial institutions, authority for the federally chartered institutions to do the same should follow automatically. Second, I believe that title II of the bill, reserve requirements, should be removed. The bill presently establishes new authority for the Federal Reserve to impose reserve requirements on nonmember institutions. I believe this serious and controversial policy question should be resolved within the context of separate legislation. Third, I believe that the section of the bill overriding State usury law ceilings should be removed. I spelled out my concerns in greater detail in additional views submitted for the committee report, Report No. 96-368.

I deeply hope that Senators will give serious thought to the ramifications of H.R. 4986 as reported by the Senate Banking Committee. I believe that if this bill is carefully examined by the Senate, many others will share my concerns and conclude that this is an unwise time to make such sweeping changes in the Nation's system of financial institutions.

Mr. President, I am making this statement because I think this perhaps is one of the most important bills that will come before this Senate and this Congress this year.

I am afraid that too many of my colleagues may not be familiar with the far-reaching ramifications that this bill will have with our financial institutions.

Mr. President, I ask unanimous consent that my additional views that I filed with the report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

### H.R. 4986, THE DEPOSITORY INSTITUTIONS DEREGULATION ACT

### ADDITIONAL VIEWS OF SENATOR MORGAN

As reported by the Senate Banking Committee, H.R. 4986 authorizes NOW accounts on a national basis except for California savings and loans, directs incremental increases in interest rate ceilings culminating in the elimination of such ceilings by 1990, imposes reserve requirements on NOW accounts and share drafts, mandates a reduction in the denomination of money market certificates to $1,000 within two years, expands the lending and trust powers of savings and loans, and overrides various State usury laws.

I strongly oppose enactment of H.R. 4986 (which has been before the Committee in the form of S. 1347). I am concerned that it makes sweeping changes in the economic and regulatory environment of our nation's financial institutions at a time of tremendous economic uncertainty.

Those institutions have been created over time, each performing specialized functions, and each in my opinion, contributing to the general well-being of our economy and our citizens.

In a time of impending recession, the depth and duration of which is uncertain, and a time of high interest rates and soaring inflation, I believe the changes mandated by this bill are unwise.

Basically, I believe that H.R. 4986 sets the stage for the rapid homogenization of our separate and distinct types of financial institutions. Moreover, I am concerned that it could erode the earnings of various financial institutions, could seriously impair the availability of mortgage credit and indeed other consumer borrowing at affordable rates, and would be of dubious benefit to the average consumer.

I believe that a wiser course for the Congress to follow would be to authorize the various instruments declared illegal on April 20, 1979 by the U.S. Court of Appeals (automatic transfers from savings to checking accounts, credit union share drafts, and savings and loan remote service units), while also addressing the question of incentives for savings by giving small savers a long needed tax break on interest income.

Some of my specific concerns are as follows.

*Nationwide NOW accounts.*—First, I am not persuaded that NOW accounts represent a benefit for the average consumer. Consider this statement from the witness who presented the views of the Independent Bankers Association.

> The New England experience has demonstrated that when NOW accounts lose their effectiveness in expanding market share they are more realistically priced and the free NOW account is abandoned. As more and more depository institutions begin to price NOW accounts on the basis of costs and pass these cost on in the form of service charges,

the cost of these accounts to low balance, high activity customers will far exceed the interest earned.

Citing figures on the size of accounts nationally, the witness concluded that:

> When these costs are passed on to NOW account customers, some 35 million low balance customers could be paying as much as $55 over the interest received for services they now obtain at little or no out-of-pocket cost.

Secondly, I am concerned that nationwide NOW accounts could reduce the earnings of small community based financial institutions with detrimental results for the communities and consumers they serve. Again, testimony from the Independent Bankers Association, representing predominately small rural and suburban banks asserted that:

> Several studies of the impact of NOW accounts on commercial banks in Massachusetts and New Hampshire have found that NOW accounts reduced after-tax earnings significantly. The most recent study covering the period 1970–77 reveals that net income before taxes and securities transactions at New England commercial banks declined sharply by almost 27 percent, from 1.08 percent of assets in 1973 to 0.79 percent of assets in 1977, while banks in the rest of the United States showed only a 2.7 percent decline from 1.12 percent in 1973 to 1.09 percent in 1977. The poor performance of commercial banks in New England was attributed mainly to the cost of operations and acquiring funds rather than the slow growth of the New England economy. A major factor in the decline in profit margins was the increase in interest expense of NOW accounts. By 1977, NOW interest expense had risen to about 18 basis points per dollar of assets and represented about 9 percent of the total increase in interest expense and 11 percent of the increase in interest expense resulting from changes in the composition of deposits. On the whole it is estimated that the introduction of NOW accounts explains roughly one-third of the poorer performance of New England banks.

Homogenization of financial institutions.—Under H.R. 4986, savings and loans throughout the Nation, except those in California, would be able to offer NOW accounts, as well as make consumer loans up to 10 percent of their assets, and engage in trust powers. I believe that the 10 percent ceiling on consumer lending will inevitably increase as S&L's argue that expanded powers are needed to compete successfully with commercial banks. During the Committee's hearings I asked then Secretary of the Treasury Blumenthal what distinctions would remain between S&L's and commercial banks. The Secretary answered that as far as functions and powers were concerned, S&L's and banks "will be much closer together." Under this bill, he said, "the distinctions would certainly be narrowed."

But one of the most eloquent statements of my concerns on this matter came during our Committee mark-up by the sponsor of the bill itself, the distinguished Senator from California, Mr. Cranston, in moving to exempt the S&L's of his own State from NOW account authority.

Senator Cranston said:

> My reason for offering this is as follows: the overwhelming number of thrift institutions in the country, as I understand it, do not want NOW accounts. The U.S. Savings and Loan League opposes them. They feel they are too expensive, that the thrift institutions will have to gear up to compete with banks and that will be expensive, and I think there is virtue in keeping differences between different types of financial institutions, between banks on the one hand and S&Ls on the other.
>
> As an example, there's strength in diversity. If all the financial institutions become identical in all their powers and all the things they can do, a strong few will soon dominate the entire industry. Community-based home-owned institutions will vanish from the scene, and I do not think that will be a healthy development. One way to avoid that is to keep the separation, if people wish the separation, and that's why I offer this amendment.

Impact on housing and the cost of borrowing.—I believe that this bill inadequately addresses the question of earnings by financial institutions. It seems clear that if institutions are going to pay higher interest rates, and if market rate money market certificates are going to be available in $1,000 denominations, that institutions are going to have to charge more for the services they offer and the money they lend. I believe this works against the interest of the average citizen generally, and will be especially damaging to housing finance.

The Wall Street Journal recently reported experts' predictions that the average home in most metropolitan areas in the United States will cost $100,000 within 3 years. That is for a standard "no-frills" house, I hasten to add. The Joint Economic Committee has gone further by predicting that by 1988, the cost of an average house could reach over $150,000. Whatever the figure, it is clear that homeownership is rapidly becoming out of reach for the average American. I fear that this bill would only accelerate that trend.

Testimony presented by Henry B. Schechter of the Department of Urban Affairs of the AFL-CIO was especially sobering in this regard.

On the question of expanded consumer lending and investment powers for savings and loans, the AFL-CIO had this to say:

> With the proposed new investment powers, savings and loan associations would compete more effectively for savings by paying higher interest rates, as long as they could place the funds in the markets which provide higher returns than can be obtained from residential mortgages, as they have done within permitted limits. Their future investment pattern would follow that of the mutual savings banks, also originally founded with the purpose of meeting local home financing needs.
>
> In 1965, they had 69 percent of their assets in residential mortgages. However, they have had other investment powers, and their ratio of residential mortgages to total assets declined to 63 percent in 1970 and under 50 percent in 1977 and 1978, but 17 percent of total assets consisted of corporate bonds and stocks at the close of 1978 and another 4.5 percent was in "other loans" which includes Federal funds, open market paper and consumer loans.

In sum, the AFL-CIO strongly argues that experience clearly demonstrates that expanded S&L investment powers would "channel billions of dollars of savings and loan association funds into non-housing investment," while increasing interest rates for homebuyers.

On the question of phasing out Regulation Q, the AFL-CIO reminded the Committee that the "small saver" of America should quite rightly also be thought of as a consumer and borrower. The net impact, the AFL-CIO believes, of higher interest rates on savings will be negative, Mr. Schechter said:

> Higher money costs borne by depository institutions paying higher rates on savings would be reflected in their loan interest rates. Higher loan interest rates, in turn, will be reflected in higher prices for goods and services. Increased loan rates will be borne by consumers directly in mortgage, personal and installment loan credit, and indirectly in the prices of goods and services.

Again, in sum, he contended that:

> The majority of all consumers—with and without savings—particularly families of low-income, including one-half of elderly families—would probably suffer a net economic loss as a result of higher interest payments on savings under prevailing money market conditions and monetary policies.

Reserve requirements on NOW accounts and share drafts.—This bill in dealing with the subject of permitting all depository institutions to offer NOW accounts (with some exception for the State of California) would bestow reserve-setting authority in the Fed over all depository institutions—State and federally chartered—with respect to NOW accounts and share drafts which are similar to checking accounts for all practical purposes. While the broad issue of whether or not any compulsory reserve-setting authority over nonmember banks should be vested in the Fed is now being considered by the Senate Banking Committee, this bill would give the Fed this controversial reserve-setting authority through a side-door approach that deals only with one class of deposits, namely negotiable orders of withdrawals (NOW accounts) and share draft accounts offered by credit unions.

I seriously question the wisdom of proceeding with authority for reserves within the context of this bill when the issue is before the Congress in other legislation dealing with the problem of declining Federal Reserve membership. The ramifications of this question are complex, and I believe it would be more appropriate to resolve it within the context of the Federal Reserve membership legislation.

If this provision of S. 1347 were enacted, it would be a relatively small step to impose compulsory reserves over all demand deposits of nonmember banks. The basic concept would be established as valid, absent thorough thought as to the consequences.

The House of Representatives on September 10, 1979, passed its version of a NOW account bill (H.R. 4986). The House Banking Committee deleted all provisions dealing with vesting reserve-setting authority in the Fed over all depository institutions with respect to their NOW accounts and third party payment accounts. Chairman Reuss noted during the markup that deleting such provisions would in no way tamper with continuing the power of the Federal Home Loan Bank Board to maintain liquidity reserves for its members, and for the National Credit Union Administration doing the same thing for credit unions. Chairman Reuss pointed out that eliminating the reserve-setting provisions would conform that bill to action already taken by the House of Representatives on H.R. 7, which is before the Senate Banking Committee, and which has been the subject of recent hearings.

I believe the reserve-setting provisions of the Senate NOW account bill should also be stricken, and dealt with through the reserve-setting bills now before the Banking Committee. If H.R. 4986 were to pass with these provisions intact, it would in reality be an end run around the Committee's deliberations on this whole controversial question. Its deletion would do nothing to interfere with the Federal Reserve in setting reserve requirements on NOW accounts and third party payments held by member banks. It would not interfere with the Federal Home Loan Bank Board and the National Credit Union Administration from exercising liquidity requirements for its respective members. It would simply insure that the controversial reserve-setting issue would not be handled in a piecemeal fashion through a NOW account proposal.

Preemption of State usury laws.—This bill also overrides State usury laws on real estate loans, unless overturned by State law within 2 years, and overrides usury limits on business and agricultural loans in excess of $25,000 in Arkansas. On principle, I strongly oppose the Federal preemption of State law in the absence of some extraordinary and compelling national interest.

I believe that States generally have tended to move in the right direction as relates to usury ceilings and that they should be permitted to continue to do so primarily under the present structure. However, this bill would seek to preempt the long-standing authority of States which are in a superior position to deal with situations unique to their respective regions, and would impose national usury norms which would, in the long run, be less responsive and less appropriate for States than would measures designed by their respective legislatures.

Reflective of State concern in this area is the fact that during the period from December 1975 to June 1979 some 28 States liberalized their usury ceilings on individual or corporate loans in efforts to meet changing economic conditions. During this same period some 15 States exempted from their usury ceilings FHA and/or VA loans.

The AFL–CIO also opposed the sections of the bill which override State usury laws and prohibit the establishment of interest rate ceilings. They note:

This section would undoubtedly permit lenders to charge higher rates than have been experienced in a long time during tight money periods. People in the capital-short areas with above average population growth would be particularly vulnerable to higher mortgage interest rates, but the rest of the country would feel spillover effects.

Interest payments have absorbed an increasing portion of the national income over the past few decades; this trend makes the economy more inflation-prone and it supports great disparities in income distribution that add to economic inbalance. The AFL–CIO maintains its support of the usury laws and urges disapproval of subsection 303 (2) (1).

We also urge disapproval of 303(2) (2) which would prohibit any State law limiting the rate of interest that may be paid on a deposit. As indicated in earlier discussion of the proposed phase-out of Regulation Q, higher savings interest rates are likely to produce net gains for large, generally high-income and net losses for low-income consumers with small savings.

Conclusion.—In light of these considerations, I urge my colleagues in the Senate to reject H.R. 4986 as it presently stands.

Mr. MORGAN. Mr. President, I will from time to time be calling attention of my colleagues and the staffs of the various Senators who I hope are listening in their offices to the end that they may give some study and some thought to this bill and its ramifications before it comes up for debate.

I thank the Chair.

## NOBEL PRIZES IN ECONOMICS—A MESSAGE TO CONGRESS ON PRACTICAL POLITICS

Mr. PROXMIRE. Mr. President, the announcement that the Nobel memorial prize in economics was awarded jointly to Sir Arthur Lewis and Prof. Theodore W. Schultz is most welcome news.

It is welcome for a variety of reasons.

It is a victory for original contributions to knowledge which have helpful, practical policy applications over the esoteric computerized nonsense which have only distant and obscure relationships to anything. It continues a message to us in Congress on the practical economic policies we should follow.

Professor Schultz, who is a very distinguished economist at the University of Chicago, did much of his work in agricultural economics. He showed many years ago that the most efficient agricultural productive unit was the family-sized farm. It is not the huge, agribusiness, absentee landowner operated farm which is most productive but the farm run by a farmer and his wife plus his son or a hired man. He urged that for both social and economic reasons public policy support the family-sized farm.

Professor Lewis, in his own way, similarly showed that in economic development the promotion of smaller units and a genuine agricultural revolution was the proper way to development; rather than thrusting on the Third World: big dams, new steel mills, and massive highways before the society had in place at least the beginnings of modern agriculture.

Both men have been highly critical of foreign aid programs which have too often promoted the big project and taken the highway lobby abroad instead of pushing elementary programs of education, agriculture, health, and technical assistance which was the thrust of President Truman's original point IV program before it was corrupted by the policies which attempted to prematurely push a modern industrial state onto a developing country.

Mr. President, I think it is very, very important that we recognize that there is the most solid intellectual support for opposition to the foreign aid program which has been pushed on us, and the Nobel award for the distinguished economists underlines that.

In addition to his original contributions to knowledge in the publication in 1955 of "The Theory of Economic Growth," Dr. Lewis, unlike most economists, writes clear, direct, understandable English prose. His books are a delight to read. They make what Carlyle called "The Dismal Science" readable and interesting. His 1949 book the "Principles of Economic Planning" is a profound book written in simple English.

Dr. Schultz' interest in improving the condition of the poor both on and off the farm in our Nation and elsewhere led to his looking at human as well as natural and physical resources as the source of economic growth.

The benefits of education, prevention of school dropouts, on-the-job training, disease prevention and cure, were all emphasized in this approach which saw great economic and social benefits accruing to a nation which improved the skills and health of its citizens.

Where his emphasis on the development of human capital has been properly applied, as in the vocational education programs in my own State of Wisconsin, we have seen great benefits to society in the form of higher production and higher productivity, efficient industry, low unemployment, and the efficient use of resources.

Where it has been improperly done, as in the promotion of gimmicks and frills in a number of our federally subsidized education programs, we have witnessed a decline in test scores and ability as evidenced by objective measurements.

Leonard Silk writing in the New York Times for today says many of these same things in his usual skillful way. He is one of the best economic writers we have in this country. Especially he points out that the prize "* * * is a tribute to both men to bring humanity to the center of the attention of their fellow economists—and bring the skills of the economist to bear on the problems of poverty that still afflict the human race.

This shared award of the Nobel Prize is not only good for the public, it is also good for the more traditional and sensible economists. Perhaps some of the modern economists will now turn their attention to helping the world solve some of mankind's most difficult problems instead of putting most of their effort into solving computerized mathematical problems which are unrelated to mankind's needs.

I ask unanimous consent that Mr. Silk's excellent article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Oct. 17, 1979]

### Human Capital Is Nobel Focus

(By Leonard Silk)

The award of this year's Nobel Memorial Prize in Economic Science to Sir Arthur Lewis of Princeton University and to Theodore W. Schultz of the University of Chicago is a tribute to the efforts of both men to bring humanity to the center of the attention of their fellow economists—and bring the skills of the economist to bear on the problems of poverty that still afflict most of the human race.

In that respect, both men represent a throwback of economics from a spurious scientism to the concern for human welfare that marked its origins in the work of such social philosophers as John Locke, David Hume, Adam Smith and Thomas R. Malthus.

Like such eminent predecessors, both of this year's laureates in economics have drawn their models directly from nature and society rather than merely reworking the abstract models of other economists.

Dr. Schultz, who started out as an agricultural economist, served in Germany during the American occupation after World War II. He was struck by the extraordinarily rapid reconstruction of the German economy.

What explained it? The factories and mills and machinery that make up the physical capital were largely gone. But what remained, like a ghost, was the knowledge of how to operate a modern economy and the human will and skills to rebuild it.

And when that reconstruction job was done, Germany returned not just to the level of production it had achieved before the war but to one that far surpassed it. For the knowledge, embodied in human beings and their libraries and technology, had gone on growing while the killing was going on.

Thus Dr. Schultz arrived at the concept of human capital. He himself emphasized that this was, at best, a rediscovery. "The philosopher-economist Adam Smith," Dr. Schultz noted, "boldly included all of the acquired and useful abilities of all the inhabitants of a country as part of capital" so critical to increasing the wealth of nations.

But the concept of capital later came to be ever more identified with reproducible goods. "Surely," Dr. Schultz said, "one of the major reasons for the widely held popular belief that economics is materialistic is the overcommitment on the part of economists to a partial concept of capital restricted to material objects." He put his concept of investment in human capital and in new knowledge to work in countries all over the world.

Similarly, Sir Arthur, born on the West Indian island of St. Lucia, has not only been a powerful and original scholar but has committed himself to working for the advancement of African, Caribbean and other third-world countries, However, unlike many champions of the so-called new international economic order, he sees the hope of progress for poor countries not in conflict or exploitation of the rich but in a more harmonious relationship with them.

Two years ago, he said at a meeting of the International Monetary Fund and the World Bank that the real menace to the stability of the poor countries was the instability of the rich, which ruined the markets and earnings of the poor countries.

In the long run, he said, "our salvation lies in recognizing that what is good for the developing countries is also good for the developed." Sir Arthur appeared to be taking another leaf from Adam Smith's book, the one that saw the hope for the advancement of different nations in harmonious intercourse between them.

He has worked for harmony as well within countries, including this one. In the late 1960's, when campus conflict was at a peak and demonstrations by black students to get black studies programs established were the rage, Sir Arthur said that those who believed that university black studies could overcome the sense of racial inferiority inculcated into black children were deceiving themselves.

The process began at an early age, he said, and could not be eradicated at the campus stage. The shockingly bad education given to blacks from their earliest years, often by black teachers badly trained in black colleges, repeating a vicious cycle, had to be changed, he said.

Some skeptics may ask what all this has to do with economics, a subject they see as orderly, definite, finite and "objective" rather than heavily mixed up with human values and emotions. But the failures of such a dry and mechanical economics have bred widespread dissatisfaction with its present state.

Instead of the old simplifying assumption that human beings are a commodity called "labor," economists need to look more profoundly at the question of what makes men and women and children of all races and nationalities behave as they do, alone and in groups. That is the new-old economics, to which Sir Arthur and Dr. Schultz have invited their colleagues to return.

## THE GENOCIDE CONVENTION: THE ISSUE WILL NEVER DIE

Mr. PROXMIRE. Mr. President, 30 years ago President Harry Truman first introduced the Genocide Convention into the Senate for ratification. Since 1949 the treaty has remained in this same body. From time to time, administrations have taken an interest in the treaty and urged that some action be taken. Hearings have been held and reports have been issued, but we have as yet not taken that one key step: Ratification of the Genocide Convention by the Senate although the treaty has been reported to the body of the Senate four times.

Thirty years is a very long time for a treaty to await ratification. Jokes have been made about the inordinate amount of time it has taken the Senate to ratify the treaty. Last month I brought to the attention of this body a cartoon calling the Genocide Convention the "oldest political prisoner of the U.S. Senate." Perhaps there is humor to be found in our inactivity on this issue. I would prefer to think not.

Mr. President, this issue should take a back seat to none. It is extremely pressing. Day after day, newspapers report human rights violations. There appears to be no end in sight. The Genocide Treaty is an important symbol of the entire human rights movement—a movement which is gaining momentum not only nationwide but worldwide as well.

The issue of genocide is not outdated. It never will be. The holocaust, perhaps the greatest crime against man of modern history, is well past—but the memory will live on forever. But even more importantly, the possibility of genocide occurring again will live on forever. And that is why the importance of the Senate's ratifying the Genocide Convention will never die.

Mr. President, I once again urge my colleagues to join with me in ratifying this treaty.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MELCHER). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. MELCHER). The Chair, on behalf of the Vice President, appoints the following Senators to attend the North Atlantic Assembly to be held in Ottawa, Canada, October 22 to 27, 1979, pursuant to Public Law 84-689; Messrs. BIDEN (chairman), JACKSON, MORGAN, DURKIN, JAVITS, STEVENS, COHEN, and MCCLURE.

## SENATOR SASSER

Mr. ROBERT C. BYRD. Mr. President, now that the 1980 appropriations for the legislative branch have been disposed of, I should like to make a few remarks about the chairman of the Legislative Branch Subcommittee of the Committee on Appropriations, the distinguished and able junior Senator from Tennessee (Mr. SASSER).

Mr. President, JIM SASSER has many committee assignments in addition to appropriations that make demands on his time. He is a member of the Budget Committee, the Government Affairs Committee, and the Small Business Committee.

He has distinguished himself in each of these assignments.

But it seems to me that in his assignment on the Appropriations Committee, he has been able to establish a truly outstanding record of solid achievement—a record that has seldom been matched by a freshman Senator here in the Senate during my tenure.

First, there is no doubt that the junior Senator from Tennessee is most concerned about matters of importance to Tennessee. He has successfully worked to support the Tennessee Valley Authority and numerous other appropriations projects of specific importance to Tennesseans.

In his assignment as the chairman of the Legislative Branch Subcommittee, he has been able to trim $95 million from the 1980 budget submitted by the President for the legislative branch, and that "ain't no" chicken feed.

But, JIM SASSER has also carved out a special niche for himself on appropriations matters—that of fighting against fraud, abuse, and waste in Government programs.

Let me give a couple examples.

Last December, Senator SASSER suggested to the Comptroller General that a fraud hotline should be established at the General Accounting Office. Since the hotline went into operation last January, thousands of leads on fraud, abuse, and waste in Government have been phoned in and are now under investigation. I understand a number of allegations regarding the operation of TVA have stimulated a special investigation in that area.

There is no doubt that this suggestion by Senator SASSER was wise and will pay for itself many times over by rooting out fraud, abuse and waste in Government programs.

Another example of Senator SASSER's initiative and perseverance was the legislation he introduced last March designed to reduce by $500 million the amount spent for Government travel. He introduced this legislation after establishing that there were 22,000 Federal employees on taxpayer financed trips every day, Saturdays, Sundays, Christmas, and New Year's.

Senator SASSER chaired the investigative hearing, introduced the legislation, secured cosponsors, sponsored the legislation through his Legislative Branch Subcommittee and successfully followed the matter through conference with the House. President Carter signed the legislation last Friday.

Senator SASSER can be counted on to be vigilant in rooting out waste wherever he finds it.

Earlier this year, he chaired hearings that exposed the fact that Federal agencies were contracting with private firms to come by and water their indoor office plants—to the tune of $250,000 a year.

Subsequently, he successfully introduced legislation to put a stop to that practice—and now certain pampered bureaucrats will have to water their own plants—at a savings of $250,000 a year to the taxpayer.

Another example comes to mind. Not long ago, Jim Sasser held hearings that revealed that debts to the Federal Government amounted to $140 billion and that there had been a 60-percent increase in "bad debts" in the past 2 years. Jim then formulated legislation that would allow the Internal Revenue Service to conduct a pilot test—to withhold income tax refunds from persons owing the Federal Government to offset their debts. These are individuals with the ability to pay, but who simply refuse to pay their just debts. I know we can count on Jim Sasser to continue to pursue this matter vigorously.

In summary, Mr. President, I wish to commend Senator Sasser as a thoughtful person who does not shy away from the tough decisions when the time comes to make them. He is young, hard-working, aggressive, cooperative and interested in his work in the Senate. He tackles each job with zeal. He came to the Senate having never served in elective public office before, but he is quickly making his mark.

He has already accomplished much and continues to grow in his work—and that is an attribute that should be of particular satisfaction to him and to his constituents in these changing times.

I know I can speak for myself, and I believe I can for his colleagues here in the Senate, in saying that we personally appreciate the conscientious attitude he brings to the discharge of his responsibilities in the Senate.

## ORDER THAT H.R. 5386, HIGHER EDUCATION AMENDMENTS, BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be discharged from further consideration of H.R. 5386, amendments to the Higher Education Act, and that the bill be held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER THAT H.R. 5288, VETERANS VOCATIONAL REHABILITATION AND EDUCATIONAL PROGRAM AMENDMENTS BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the message from the House of Representatives is received on H.R. 5288, to amend title 38, United States Code, to improve and modernize the vocational rehabilitation program provided veterans and improve the veterans' educational assistance program, the message be held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER FOR REMOVAL OF INJUNCTION OF SECRECY FROM EXECUTIVE GG, 96TH CONGRESS, FIRST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from an amendment to the International Convention on Load Lines, 1966, which was adopted in 1975 (Executive GG, 96th Congress, first session), transmitted to the Senate today by the President of the United States; and ask that the treaty be considered as having been read the first time, that it be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

## MESSAGE FROM THE PRESIDENT

*To the Senate of the United States:*

I transmit herewith, for the advice and consent of the Senate to acceptance, an amendment to the International Convention on Load Lines, 1966. The report of the Department of State is enclosed for the information of the Senate in connection with its consideration of the amendment.

The International Convention on Load Lines establishes uniform international principles governing the safe loading of ships in all seasons and waters. The purpose of this amendment is to expedite the procedure for amending the technical annexes to the Convention.

I believe that the proposed amendment is highly desirable. The Convention's present amendment procedure has made it impossible to bring into force many technical improvements to the requirements of the Convention. The new procedure will greatly facilitate and accelerate the entry into force of these essential improvements.

I recommend that the Senate give consideration to this amendment and advice and consent to its acceptance.

Jimmy Carter.

The White House, *October 17, 1979.*

## ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

## MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT—H.R. 4930

Mr. ROBERT C. BYRD. Mr. President, under the order entered on October 16, the Senate is to resume consideration of H.R. 4930, the Interior appropriations bill, at 12 noon tomorrow. I ask unanimous consent that the hour be changed for the resumption of the consideration of the Interior appropriations bill to 12:30 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, there be a brief period for the transaction of routine morning business not to extend beyond 12:30 p.m., and that Senators may speak therein up to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be votes tomorrow afternoon. Senators may look at the order which was entered on October 16 on H.R. 4930. That order appears on the second page of today's calendar.

The only change in the order is that which was just made a moment ago, namely; that the time for the resumption of the consideration of the Interior appropriations bill will be changed to 12:30 p.m. rather than 12 o'clock noon.

## RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 6:23 p.m. the Senate recessed until Thursday, October 18, 1979, at 12 o'clock noon.

## NOMINATIONS

Executive nominations received by the Senate October 17, 1979:

### Department of Health, Education, and Welfare

Joan Zeldes Bernstein, of Maryland, to be General Counsel of the Department of Health, Education, and Welfare, vice Richard I. Beattie, resigned.

### Federal Energy Regulatory Commission

Charles B. Curtis, of Maryland, to be a Member of the Federal Energy Regulatory Commission for the term of 4 years expiring October 20, 1983 (reappointment).

### Department of the Treasury

N. Jerold Cohen, of Georgia, to be an Assistant General Counsel in the Department of the Treasury (Chief Counsel for the Internal Revenue Service), vice Stuart Evan Seigel, resigned.

### Drug Enforcement Administration

Frederick A. Rody, Jr., of Florida, to be Deputy Administrator of Drug Enforcement, vice Jerry N. Jenson, resigned.

# HOUSE OF REPRESENTATIVES—*Wednesday, October 17, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, Almighty God, for Your continued presence in our lives and for the sense of Your purpose for us. May not the pressures of the hour and the day cause us to lose enthusiasm for the tasks committed to us, and may Your spirit encourage us to believe that every good work, great or small, is a measure of our dedication to those values that give strength to this Nation. Help us always to keep before us the principles of justice, mercy, and peace that we may better serve You and all people. This we pray. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 196. Concurrent resolution directing the Clerk of the House of Representatives to make technical corrections in the enrollment of H.R. 3173.

The message also announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 595. An act to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, to provide for the deposit of moneys received from the sale of such tin, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 595) entitled "An act to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, to provide for the deposit of moneys received from the sale of such tin, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HART, Mr. STENNIS, Mr. CANNON, Mr. THURMOND, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 83. Joint resolution to authorize the Camp Fire Girls of Cundys Harbor, Maine, to erect a memorial in the District of Columbia; and

S. Con. Res. 43. Concurrent resolution honoring the 14th Centennial of Islam.

## SUGAR BILL FAILS TO GIVE CONSUMER A FAIR DEAL

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, later today or tomorrow the House will debate and vote on the sugar bill. I will vote against the bill in its present form and urge that the bill be defeated.

Mr. Speaker, since the committee reported out the bill over 90 days ago, circumstances have drastically changed. The world price for sugar has increased by almost one-third. The changes in the import sugar fees program have made the bill a Treasury burden. The change in the world price of sugar has made this bill obsolete.

Mr. Speaker, I have no objection to a raise in the price of sugar, but I oppose the enactment of laws which would establish a base price to assure the prosperity of the producer and fail to apply or provide a ceiling price which would insure a fair deal for the consumer.

## A PAINFUL CHOICE—HEATING OR EATING

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, I am most concerned about the senior citizens who will be facing energy related crises because their fixed incomes will not be sufficient to meet their daily costs. Today, I would like to give the House a brief case history of a woman whom I represent.

She is a 74-year-old frail senior citizen. Her sole source of income is a social security check of $301 a month. Her rent has increased from $135 in June, to $210 today. She has no lease; she is not under rent control.

The woman's other expenses—gas, electricity, insurance, telephone—total $42. She has budgeted $51 for her monthly food and household necessities. With her rent, these add up to $303 a month. I remind you that her social security check is $2 less than that. This constituent has no extra funds for medication, transportation, clothing, entertainment, or any other nonbudgeted expenses. She cannot even come to the senior center every day because she is too frail to walk and cannot afford bus fare.

Mr. Speaker, I have a stack of case histories just like this on my desk. The Congress has a moral obligation to take immediate action to make sure that people who have fallen between the cracks of our programs do not have to make the painful choice of heating or eating.

## ADMINISTRATION PRAISED FOR HUMAN RIGHTS ADVOCACY

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, one of the accomplishments of the current administration which is in my view drastically understated has been its success in pointing a new direction in the area of foreign policy.

This administration recognizes as few others have that there indeed is nothing inconsistent between our advocacy of human rights at home and abroad and the preservation of our national self-interest. Whether in Rhodesia or in Nicaragua, this administration has pointed the direction for a foreign policy in which America will for once be identified with the issues of human rights, of self-determination, and of majority rule.

Whenever this country has in the past identified itself with a Somoza or a minority rule regime that parades itself as anti-Communist but completely lacks popular support, we end up creating our own self-fulfilling prophecy, in effect inviting the spread of communism, be it in Africa, Asia, or Latin America.

Mr. Speaker, I think the administration should be commended for this important new direction in foreign policy. I hope it will receive from the American people the support to which it is entitled.

## THE RECENT STRENGTH OF THE DOLLAR AND INFLATION

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, in the last several days we have read a lot in the newspapers about the strong dollar that we have had since the Federal Reserve took action last week to raise the interest rates.

I would like to suggest that these high interest rates and what the Fed has done are only a result of inflation and really will not do a whole lot to solve the problem of inflation unless the Fed continues with a very long and determined effort to

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

curb the increase in the money supply. The strength of the dollar as reported in recent days is very much a deception to us because it is not telling us a whole lot.

We have to decide this: What are we talking about, and in terms of what? In terms of other currencies, it is true we can get more Japanese yen today than we could a week or two ago. But the American housewife who has to go to the grocery store does not understand this because her dollar is still very weak and buys as little or less today than it did 1 month ago.

So it is only a deception to think that we have a stronger dollar as a result of the recent Fed action. This is only reflecting the fact that other countries are inflating as well. In the traditional sense, as in days gone by when we measured the strength of the dollar in terms of gold, we find that the dollar is very, very weak.

In recession and in bad economic times prices drop. In terms of gold, prices today are at historic lows. Ten years ago 1 ounce of gold bought 100 gallons of gasoline, today it will buy nearly 400 gallons.

Until we in the Congress realize our problem is the depreciating American dollar and not the high prices that are merely the consequence of our spendthrift ways, we will never solve the problems of inflation that is eating away at the earnings and savings of every American citizen.

## PRESIDENT'S EXECUTIVE ORDER 12160 A PLUS FOR CONSUMERS

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, on September 26, President Carter issued an Executive order to establish a Federal Consumer Affairs Council including senior-level officials within each of the Cabinet-level departments to represent consumer interests within those agencies and to coordinate various Federal consumer programs. That action should be a real plus for American consumers, particularly under the able guidance of the President's most capable Assistant for Consumer Affairs, Esther Peterson.

In February 1978, the House rejected administration legislation intended to consolidate Federal consumer programs in an independent Consumer Protection Agency. During consideration of that legislation, I offered an amendment in the nature of a substitute which would have strengthened the consumer offices within various Federal agencies and assured their independence. That amendment was rejected I feel largely because it was opposed by interest groups on both sides of the consumer protection question. Even after it was defeated, I continued to argue that strong, independent consumer offices within the various departments—where they could have full knowledge of agency activities—was the best way to go. It not only would have provided an effective voice for consumers, but it also would have done so without expanding the Federal bureacracy.

The administration worked for an independent agency because of what I am sure was an equally strong feeling that that was the best way to address this problem. Quite honestly, I was not disappointed when the administration did not prevail. But I am glad that the administration showed flexibility and decided to pursue other means of enhancing consumer interests in the Federal Government. And I was particularly pleased when they decided on a workable option along the lines of the one I proposed during the last Congress. I am confident consumer interests will be well served.

## CALL OF THE HOUSE

Mr. LIVINGSTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 572]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boland
Bolling
Bonior
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Flippo
Florio
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Rahall
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

□ 1020

The SPEAKER pro tempore (Mr. MURTHA). On this rollcall 343 Members having recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

## PERMISSION FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT THURSDAY AND FRIDAY, OCTOBER 18 AND 19, 1979, WHILE HOUSE IS IN SESSION

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs be permitted to sit past 10 a.m., Thursday and Friday, October 18 and 19, 1979, respectively, in order to conduct hearings on the Chrysler Corp. financial situation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

### PERMISSION FOR SUBCOMMITTEE ON HEALTH AND SAFETY OF COMMITTEE ON EDUCATION AND LABOR, TO SIT FROM 9 A.M. TO 12 NOON TOMORROW DURING 5-MINUTE RULE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and Safety of the Committee on Education and Labor, which I chair, be allowed to sit from 9 a.m. to 12 noon during the 5-minute rule on Thursday, October 18, 1979. The subcommittee will be conducting oversight hearings with respect to the Federal Mine Safety and Health Amendments Act of 1977.

I have discussed this with the gentleman from Oklahoma (Mr. EDWARDS), the ranking Republican member, and he has no objections.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

□ 1030

### FEDERAL ELECTION CAMPAIGN ACT OF 1971 AMENDMENTS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 414 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 414

*Resolved,* That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 832) to amend the Federal Election Campaign Act of 1971 to extend the authorization of appropriations contained in such Act, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on House Administration now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. The text of H.R. 4970 shall be in order if offered as an amendment to said substitute, all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI, are hereby waived, said amendment shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole, and said amendment shall not be subject to amendment except for pro forma amendments for the purpose of debate and the following amendments, which shall not be subject to amendment except for pro forma amendments for the purpose of debate: (1) the three amendments printed on page 25135 of the Congressional Record of September 18, 1979, by Representative Obey; and (2) the amendment to the text of H.R. 4970 printed in the Congressional Record of September 19, 1979, by Representative Minish, which shall be in order only if amendment numbered 1 printed in the Congressional Record of September 18 by Representative Obey is defeated. If the text of H.R. 4970, as offered or as amended, is adopted, further amendments to or affecting the Federal Election Campaign Act of 1971 shall not be in order. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of S. 832, it shall be in order in the House to move to take from the Speaker's table the said Senate bill with the House amendments thereto, insist on the House amendments and request a conference with the Senate.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN), pending which I yield myself such time as I may consume.

Mr. Speaker, I assume all of the Members may have made up their minds on this rule and, therefore, it is not much to the point for me to discuss what it contains. I think anybody that listened to the reading of the rule will understand that it makes in order a new bill and several amendments to that bill. I repeat that I gather that it is clear that everybody has made up their mind and have no need to listen to the debate, so I am going to reserve my time for the moment.

Mr. BAUMAN. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, as the gentleman from Missouri has correctly stated, House Resolution 414 provides for the consideration by the House of the bill S. 832. Unfortunately the resolution goes a step further and provides for the consideration of a nongermane amendment in the form of H.R. 4970. This is the so-called Obey-Railsback amendment.

Mr. Speaker, H.R. 4970 could very easily be called the son of H.R. 1, or better yet, the illegitimate son of H.R. 1. It is illegitimate because H.R. 4970 was not considered, much less reported, by the Committee on House Administration. This "son of 1" is little more than an interim step to public financing of congressional elections and is the real issue brought before us by this resolution. I urge my colleagues to vote no on House Resolution 414 for the following reasons.

To begin, as I have already stated, Obey-Railsback has not been given proper scrutiny by the Committee on House Administration. Even though the Committee has plans to conduct oversight hearings on the FEC and the Elections Act in the near future, this body is being asked to allow Obey-Railsback to escape the critical examination it deserves. As a matter of fact, the committee has already received a study by the Campaign Finance Study Group of the Institute of Politics at Harvard, the findings of which are completely contrary to the provisions of Obey-Railsback. I submit to my colleagues that the proper thing to do would be to vote down this rule and let H.R. 4970 stand or fall on its merits, when viewed in the light of authoritative studies, before hearings of the Committee on House Administration.

Furthermore, Mr. Speaker, the Obey-Railsback bill would not even accomplish the desired objectives of its proponents. This proposal would be ineffective in reducing the influence of political action committees upon the campaign process. A lower contribution limit would not lead to a reduction in the number of such committees. On the contrary it would lead to a proliferation of PAC's and a further diffusion of accountability within the electoral process. Furthermore, Obey-Railsback would increase the possibility of a rapid expansion in "independent expenditures" made on behalf of candidates by organized groups. This would cause a significant diversion of the flow of money in elections away from the control of candidates and their campaign managers and into the hands of organized interests.

This brings us to a further problem with the Obey-Railsback bill. It assumes, incorrectly, that there is something wrong with PAC money. In fact, every PAC dollar given to a candidate comes from a voluntary, individual contributor. Also, it is subject to exactly the same disclosure laws that apply to our campaigns. Furthermore, studies have shown that the most competitive elections, where the voters have the most information about candidates are those in which the most money is spent. Contests in which spending is comparatively high are also those in which voter participation tends to be highest.

To continue, Obey-Railsback would unfairly disadvantage challengers, both Democrats and Republicans alike. In order to gain the name recognition required, challengers who beat incumbents in the last election had to spend an average of $215,028 in the primary and general elections combined. With a limit on PAC's and the 30 percent inflation rate in advertising, this amount would be almost impossible to raise. Needless to say this would be a boon to rich competitors.

Finally, Obey-Railsback would devastate one of the most successful vehicles available for increasing public participation in the election process. The growth of PAC's has encouraged tens of thousands of people who may never have given to a candidate or party before, to participate. I think the Members of this body should take pause before voting for a rule which would allow for the consideration of such an amendment. Especially when viewed in light of the fact that the United States has one of the lowest voter participation rates of any democratic society in the world.

Mr. Speaker, I urge defeat of this rule. I urge my colleagues to force Obey-Railsback to be considered properly in committee and to allow the House to consider the FEC authorization unhindered by this outrageous proposal.

I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding.

I rise in opposition to the rule.

Mr. Speaker, this Congress will go down in history for its obsession with isolating its Members from the American voter. We should have realized back in January that this was the real goal and concern when a series of rules changes attempted to stifle debate and lessen accountability in this Chamber. Recently we have seen that further efforts are underway to cover up what is really going on in this House. A vote switching machine has been installed and just yesterday I heard one of my colleagues introduce a bill to stop considering policy in funding bills. Today we have the cornerstone of the neoisolationists before us. This bill is being brought up with an audacious rule that allows for the sealing off of grassroots outrage to what is going on up here.

This centerpiece of contempt for the American system of government should never have seen the light of day. Yet the Rules Committee saw fit to allow this monstrosity to come to the floor. I hope my colleagues will join me in voting down this rule before we further damage what little credibility this Congress has left. There is no rationale for approving this hybrid rule other than to circumvent the process we all supposedly support. The reason we have standing committees is to consider legislation in detail and to filter out spurious measures before they waste the Congress time. The House Administration Committee wisely saw that the amendments allowed under this rule were a dangerous addition to the already crippling load of regulations on free expression in the American political system. That committee defeated efforts to railroad the Obey-Railsback bill. However, the committee was circumvented by some backroom maneuvers and now we have the prospect of Obey-Railsback being brought up on the floor of the House.

Why does the leadership of this House persist in pressing the issue of limiting grassroots activity in the political process? I think part of the reason is that this Congress has consistently delivered exactly the opposite of what this Nation's voters have demanded. Last year the election was marked by a revolt against higher taxes. This Congress has raised taxes. Last year people said they were fed up with big Government. This Congress has voted massive increases in Federal spending, including the creation of a new bureaucratic monster in the Department of Education. This Nation expressed concern over the decline of American influence in the world. The 96th Congress has been a willing partner in helping Mr. Carter dismantle U.S. defenses and abandon U.S. allies. The American public has cried out for strong leadership. This Congress has offered nothing but empty slogans and cosmetic votes on several major issues.

On every major question, from energy to inflation, this Congress has done more to aggravate the problem than to solve it. The American voter is not as stupid as a number of people in this city would like to think. The grassroots of America realize that the only way to stop inflation, solve our energy crisis, and get the Government off their backs is throw the rascals out. Political action committees are one vehicle open to individuals who do not have the millions of dollars or thousands of workers many of the union and liberal groups employ each election year. By giving a few dollars to a group that speaks for them, many in this Nation feel that they will be able to retake control of their own lives. In recent years PAC groups have shown how successful these minicoalitions of people can be in electing truly representative officials. This has startled the entrenched bureaucrats and incumbents in this city and scared the establishment to fight back. Instead of meeting the PAC challenge by becoming more responsive to the needs of this Nation, the only tool being used is to destroy this new avenue of free expression. This is a contemptible posture and should be unmasked for what it is. To adopt this rule is to approve a blatant power grab by those already in the driver's seat. A "no" vote today is a giant "yes" vote for democracy.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. DICKINSON).

● Mr. DICKINSON. Mr. Speaker, I am strongly opposed to the rule which has been granted by the House Rules Committee for S. 832, which amends the Federal Election Campaign Act. As you know, if the House approves this rule, then Mr. OBEY and Mr. RAILSBACK can offer their otherwise controversial and nongermane proposals which would significantly change the way in which candidates for the House of Representatives will be able to finance their campaigns.

It is not my purpose here to discuss either the merits or the shortcomings of the Obey-Railsback proposals to amend S. 832. I do, however, want to point out and emphasize that the House Administration Committee has never had an opportunity of holding hearings on this, nor has the committee had a chance of examining this legislation in detail or marking it up.

The original Obey-Railsback bill was introduced just prior to the August recess and then was greatly revised as recently as September 17. Many Members of Congress are rightly confused about the implications and ramifications of these legislative proposals. No one has demonstrated any urgent need for changing Federal election law in such a way that requires the House Administration Committee or regular parliamentary procedures to be so totally circumvented, as this rule would allow.

Mr. Speaker, the public interest is poorly served if we legislate on this matter without giving careful study and examination to the Obey-Railsback proposals. Therefore, I would urge my colleagues, including those who have cosponsored Obey-Railsback, to vote against the rule, and avoid any hasty action which we could later come to regret.●

● Mr. NEAL. Mr. Chairman, I rise in support of the amendment, and of the Obey-Railsback proposals to set new limits on campaign contributions by Political Action Committees, commonly known as PAC's.

Before I comment on what this proposal would do, I would like to say something about what it would not do. It would not, as some of my incoming mail contends, "restrict voluntary giving while leaving untouched the union bosses' use of forced dues." The use of union dues for political contributions is strictly forbidden by present law, just as is the case with corporate funds. This legislation would not change that provision of the law. It would, instead, apply equally to labor and corporations and to their PAC's, and those of the various organizations which maintain political action committees. It discriminates in no way against any interest, deprives no individual or group of any of their constitutional freedoms, nor denies them access to the political process.

What this legislation proposes is a ceiling on the total amount of money any PAC—labor, corporate or otherwise—can give to any one candidate, and upon the total amount of PAC money any candidate may receive from all PAC's. Those limits for the candidate are an aggregate of $70,000 for a primary and general election combined, $85,000 total if a runoff is involved. For any PAC, the limits are $6,000 per candidate for a primary and general election combined, or a total of $9,000 if primary, general, and runoff elections are involved. So, Mr. Chairman, we are saying that the sky is not the limit, but considering the altitude of these ceilings, I'd have to say it's up near the stratosphere.

I do not infer that there is something wrong with PAC money, Mr. Chairman. Far from it. Political action committees are a legitimate activity which, through collective effort, concentrate the resources of their membership, whatever their interest, in what they see as the most effective way. I do not for a moment believe there are Members of this House who occupy seats that have been bought by one or more political action committees; but I would swear that somewhere down the line if limitations are not imposed, we would not be able to say that.

There is nothing in the Obey-Railsback proposal which would limit the growth of PAC's. We wouldn't want to do that. We welcome this increase in interest in the political process. We do, however, want to limit the influence of any single PAC, or any group of PAC's acting collectively, on any Member of the House. By limiting the money a candidate can receive from any individual PAC and from PAC's collectively, we would limit what could become, and what certainly is perceived as, undue influence.

The other side of this argument is also important, Mr. Chairman. By limiting the influence of special interest groups, we are increasing the importance of the individual contributors, who also, of course, are subject to Federal election laws.

Consider how PAC contributions have spiraled during the past several years. In 1972, PAC's gave a total of $5 million to candidates for the House. In 1976, they contributed $14.7 million. In 1978, PAC contributions to House candidates were $25 million. In 6 years, Mr. Chairman, PAC contributions, labor, business, and others approximately doubled from election to election. If that trend were to continue, they, will be up to $225 billion by the election of the year 2000.

That extrapolation is far-fetched, to be sure, but who would have though that PAC campaign financing would have quintupled in 6 short years? I sincerely believe, Mr. Chairman, that left unrestricted, PAC money will become a predominant force in the democratic process, which, in effect, would render the process undemocratic.

Mr. Chairman, I see the proposal before us today as a continuation in the process of Government reform and a further attempt to restore confidence in our system of government. Some of us have been working on these goals for some time now, and I would like to take a moment to list a few of the reforms which we have already enacted, for I don't think they are irrelevant to this discussion. We passed a strong new financial code of ethics, which included financial disclosure requirements for Members and key staff members; a 15-percent limit on outside earned income; a $1,000 limit on any honorarium; limits on gifts; restrictions on the use of the frank; curbs on lameduck travel; abolition of unofficial office accounts; and a prohibition on personal use of campaign funds. We reformed the antiquated seniority system; we passed "Government in the Sunshine" legislation and thereby opened up the working of the Government to the citizens. We are continuing to work on lobbying disclosure—the House, of course, passed such a measure in the last Congress. I have supported all of these measures, and in addition I have made my entire voting record, as well as complete financial statements for myself and my family, available to the public.

None of these steps, and certainly not the proposal before us today, are reform for reform's sake. It is crucial that we restore confidence in our system, and all of these changes are steps toward that end. It troubles me greatly that the Congress does not enjoy a better reputation among the people, because I truly believe this is their House, and that we are but the trustees. I believe, further, that the primary cause of voter apathy is that many individuals feel their one vote doesn't amount to anything, and that there is nothing they can do, as individuals, to change the course of events, or to strengthen the great system that has served us so well. If they feel that way about their vote, it stands to reason that they feel that way about giving their money to a candidate—any candidate—in whom they have no more than fleeting and passing interest.

By not passing this legislation, Mr. Chairman, I believe we would add much to that lack of confidence, to increased voter apathy, and to the eroding of the reputation of this House. Our people need to know that this still is their Government, responsive to their needs collectively and individually, and not subject to the influence of any interest capable of raising and giving enormous sums of money to candidates for the House.

Mr. Chairman, we have taken great care in this country to guarantee that this House is constituted of Representatives chosen under the "one person, one vote" doctrine of the Constitution. I think we can enhance that heritage by saying to the American people that we will not permit the power of the purse to negate that constitutional right.

I urge adoption of the amendment.●

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from South Carolina (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Speaker, I rise in opposition to this rule. As a member of the House Administration Committee, I am incensed at this blatant attempt to usurp our legislative jurisdiction.

Many of us have argued at one time or another that committees may validly be bypassed if a committee refuses to act—we had an example of that recently when a majority of the House demanded the opportunity to consider a busing resolution. But, Mr. Speaker, this situation is entirely different. The House Administration Committee has scrupulously carried out its duties in connection with election law reform. We passed H.R. 5010, a significant package of FEC amendments, earlier this fall, and it is my understanding that the chairman intends to look into other reform proposals, including the role of PAC's in the election process, this year.

The fact is that supporters of H.R. 4970 chose to bypass the committee in this instance because we did act. After extensive hearings and markup, we defeated H.R. 1, taxpayer financing of congressional elections, by a decisive and bipartisan margin.

Mr. Speaker, the House Administration Committee is not unrepresentative of the whole House. We are merely more aware of the sometimes unintended implications of election law changes. A recent report by the Institute of Politics of the John F. Kennedy School of Government at Harvard University, for instance, concluded that while "the overall impact of the (Federal Election Campaign) act has added to the honesty and efficiency of the political system," the reforms have had "unanticipated consequences" resulting in "severe" problems that should be corrected through remedial legislation. The Harvard study was supposed to be the basis for such remedial legislation. That is what the House Administration Committee intended when it commissioned the $60,000 project.

Instead, by this rule, we are faced today with the option of looking at only one piece of reform, not an integrated whole. We are ignoring the problems touched on by the Harvard study, including the "rich candidate" trend; deterioration of the role of political parties; differences in the costs of campaigns in various districts; the need for more money to conduct close, competitive campaigns; the specter of limiting citizen participation.

We are ignoring the conclusion of the Harvard study that money in politics is not an evil force, that on the contrary, "adequate campaign funds are essential in competitive elections" and most campaigns have too little, not too much money. Michael Malbin pointed out in an article in "The Public Interest" that:

> The cost of campaigns now comes to less than the nation's advertising budget for soap, while the cost of running the Federal government exceeds one-fifth of the gross national product. In light of this how can anyone seriously claim that the cost of keeping incumbents on their toes is too high?

How, indeed?

Bad legislative procedure is reason alone to defeat the rule allowing consideration of this nongermane amendment, Mr. Speaker, but when the draftsmanship of the Obey-Railsback bill is examined, the necessity of sending it to committee for full consideration becomes even more apparent.

As Members know, the main sponsors of H.R. 4970 will be offering three amendments to their nongermane bill. They will seek to change their monetary limits, both for individual PAC's and for the aggregate PAC contribution limit. Clearly, then, there must have been no particular reason for the initial figures. They will revise their credit provisions, which members of the Rules Committee seemed to agree were unworkable in any event. And, they will try to add a whole new provision, of questionable constitutionality, limiting the amount that a candidate can loan to his own campaign.

There is nothing sacrosanct about H.R. 4970, Mr. Speaker, and I am inclined to believe its supporters would have accepted a rule allowing practically any amendment—save those which would undermine their basic precept—that PAC money is bad. I testified before the Rules Committee seeking to make in order a motion to strike the overall PAC contribution limit, originally $50,000, now perhaps $70,000 or $85,000. To my mind, this is the most dangerous section of the bill in that it is the first step down the road of limiting the amount of money a candidate can get from various sources and thereby eventually forcing us to use tax money in order to mount a compaign.

The overall limit would have a devastating effect on challengers, particularly competitive challengers and those running for open seats, which are traditionally the most expensive races. It makes personal wealth even more important, since an individual's contributions to his own campaign constitutionally cannot be limited. It ignores the very significant differences in costs of campaigning in various districts—caused by region, size, urban/rural makeup, and media market.

And the overall limit would encourage PAC's, which are not going to go away or stop growing regardless of what we do, to take advantage of the independent expenditure route, also constitutionally protected, to promote or especially to defeat a candidate. Look at what is happening in the Idaho Senate race, where a challenger has not even announced. Look at what has and can be expected to happen nationally where single-issue groups campaign for and against candidates based solely on a narrow, often emotional subject. Look at what is happening in the Presidential race where the "draft Kennedy" movement is being allowed to raise campaign funds in excess of limits prescribed for announced candidates. The more restrictions we place on campaign contributions, the more we will encourage such groups to function outside of the system and the less the candidate himself will be able to manage and control the direction of his own campaign.

The Rules Committee, by routine voice vote, rejected my amendment to strike the aggregate ceiling and we will not be allowed to vote on it today if this rule is approved.

Mr. Speaker, there is no reason to believe the House will be denied an opportunity to work its will on the question of contribution limits and the role of money in the political process if this rule is defeated. On the contrary, I believe the House Administration Committee is prepared to act. In case some Members may have missed it, I draw your attention to a "Dear Colleague" letter I signed with the other three Republican freshmen on the Administration Committee, all of whom oppose public financing, stating that "We believe there is a need to look at our campaign laws, particularly in the areas of individual and party contribution limits." I suspect that many who oppose H.R. 1 share that belief.

The implications of H.R. 4970 are unclear, Mr. Speaker, except that it might further restrict citizen participation—yes, through perfectly legal, voluntary, congressionally sanctioned PAC's. It is incomplete reform, when we need an overall look, and it goes against a yearlong study commissioned by a committee of this House. The bill is predicated on an emotional, misguided belief that PAC contributions are wrong, and it seeks to send that message to the American people.

Mr. Speaker, in the Rules Committee, a colleague who defeated an incumbent and who voted against this rule, indicated that his election might have been unwinnable had this proposal been law. Well, so would have mine. Those of us who are voting today do not have to challenge an incumbent or fight for an open seat. Now we are all incumbents, and have all the advantages gained thereby. I am willing to risk "keeping on my toes," to paraphrase Mr. Malbin, by giving challengers a chance to raise money. I urge my colleagues to keep this House open to viable challengers by voting against this rule.

Mr. Speaker, I would like to direct a question to one of the main sponsors of H.R. 4970, the gentleman from Illinois (Mr. Railsback), who has pointed out that labor PAC's would be one of the groups most affected by the individual PAC limits in his bill. Given that labor PAC's are among the largest contributors, I agree with him, at least on the face of it. But it is also true that the number of corporate PAC's is growing at a much greater rate than the number of union PAC's—1,000 percent versus 14 percent since 1974; there are now 950 corporate PAC's versus 272 union.

Is that why the gentleman included in section 5, the bill's severability clause, the requirement that should the aggregate PAC contribution limit language (section 3) be held invalid, that the individual PAC limits (section 2) also have no further effect? So that union PAC's, which have a limited growth potential compared with corporate PAC's, will not have to give up their big spending ways?

□ 1040

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Hance).

Mr. HANCE. Mr. Speaker, I rise in opposition to the rule. The fact there were no committee hearings on this legislation certainly does not offend me. I think everyone pretty well knows the pros and cons of the legislation that we are facing at this time.

The most important thing, though, is the end result that the passage of the Obey-Railsback amendment would bring about. I think the end result would be nothing more than an "incumbents' protection act." It would help incumbents more than anyone else.

The fact is, once we limit the PAC's, limit the amount that they contribute, we are hurting the challenger. One thing I would add is that anytime someone comes up with a large contribution from some PAC, what is wrong with the opponent calling to the attention of the public that the person is receiving too much money? I had an opponent last time who got $2 for every $1 I got from the political action committee. A candidate should call a press conference and say their opponent is receiving too much PAC money and make it an issue in the campaign. I urge a "no" vote.

Mr. BAUMAN. Mr. Speaker, I yield 3 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. Rhodes).

Mr. RHODES. Mr. Speaker, there is nothing very mysterious about this matter. It is pretty obvious that if one can count, one knows the majority, which controls what goes to the floor, has brought out a rule that would make in order an amendment which is nothing but an incumbents' protection bill. There is nothing mysterious about that, and there is nothing new about it.

The majority of this Congress has been trying to protect itself ever since I can remember, and the gentleman from New Jersey, my good friend the chairman of the House Administration Committee, is as adept at that art as any man I have ever known. I congratulate you for your great abilities, my good friend.

Mr. Speaker, we are being asked to adopt a rule to permit consideration of a proposal that not only is nongermane; it also is one which has had virtually no previous scrutiny by the Members. This proposal would make drastic changes in present law covering contributions by political action committees to candidates for Congress. It would cut sharply the amount any PAC could contribute to a candidate during an election cycle. It also would limit the total amount a candidate could receive from all PAC's, and reduce the extension of credit to candidates for certain services.

This proposal is aimed directly at reducing the ability of PAC's to participate in the electoral process. Another result, however, will be to sharply limit the ability of a candidate—especially a challenger—to raise funds, particularly during the critical early stages of a campaign. Thus, a spinoff result will be further to entrench incumbents by making it even harder for challengers to develop effective campaigns against them.

Before the House takes up valuable floor time to consider such an important proposal, it seems to me there should be a body of evidence in support of the changes sought. There should be some showing that the system now in place is not working properly. Yet, despite the enormous impact this legislation would have on our electoral process, not a single day of hearings has been held. I have seen not a single line of testimony, not a single page of a committee report, indicating that election experts, candidates, contributors, or the general public have expressed their views on this subject. I am unaware of any showing that political action committees have abused their rights under the law this body passed just a few years ago.

Nor am I convinced that limiting PAC participation automatically is a blow against so-called special interests, in favor of some vague and undefined public interest. The fact is that PAC's consist of individuals from all walks of life—working people, business men and women, doctors, lawyers, engineers, you name it.

These people join together voluntarily to support various candidates. When the ability of people to support candidates of their choice is discouraged and impaired, American citizens are turned away from taking an active role in the political process. The turnout for congressional elections in 1978 was but 34 percent of those eligible. We should be seeking to raise that turnout, not reduce it.

By curtailing PAC's—without improving the ability of the broad-based political parties to support candidates—we also may be establishing a special class of candidate with a unique advantage. I have in mind those individuals of great wealth who would be able—and willing—to spend their own personal fortunes on their campaigns. As the ability of a candidate to seek contributions from supporters is reduced, the advantage for a candidate with unlimited access to a personal fortune is increased. I doubt my colleagues want to see things move in that direction.

For all of these reasons, I urge my colleagues to vote down this rule. This matter is too important and fundamental to our electoral process to be brought to the floor under such breathless, now-or-never, take-it-or-leave-it conditions.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey, the distinguished chairman of the Committee on House Administration (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, first of all I would like to express my appreciation to my friend from Arizona, the distinguished minority leader. Did I understand him to say that I am adept at protecting the majority?

Mr. RHODES. Mr. Speaker, if the gentleman will yield, I said that the gentleman is adept at protecting incumbents, and because there is a 2-to-1 majority of his party, that he is very adept at protecting the majority. I say this in all kindness, and in praise.

Mr. THOMPSON. I thank the gentleman. Along the line, I hope that I have helped him.

Mr. RAILSBACK. Mr. Speaker, will the gentleman yield for one comment?

Mr. THOMPSON. I yield.

Mr. RAILSBACK. Mr. Speaker, it is very, very important to simply look at the election results and the statistics from the 1978 election. Incumbents got almost four times the money that the challengers received. We talk about the challengers who won. What about the ones who lost?

Mr. THOMPSON. The gentleman is quite right. I might say to my friend, the minority leader, that I have been under some attack over the years from this side for being the sponsor of the rule which commits one-third of the staff to the minority, which I am sure—I know—you put to superb use in a legislative way, and possibly even it has helped politically.

I intend to continue my earlier practice so that the proportion in the House is at least the same, and I hope the gentleman from Arizona, the gentleman from Maryland, and all my other friends over there come back, but we have enough of you, you know.

□ 1050

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Arizona.

Mr. RHODES. I thank the gentleman for yielding. I have always expressed my thanks to the gentleman from New Jersey (Mr. THOMPSON) for the fact that he does support the minority in certain ways, but he wants to keep us viable but small.

Mr. THOMPSON. Small in number. But, for instance, I am looking at a distinguished friend of mine, the gentleman from Missouri (Mr. TAYLOR) who is here.

In any case, I rise in support of the rule. The provision dealing with the FEC authorization is open and requires no further discussion. However, as the Members are aware, the balance of the rule is modified to permit consideration of the amendment to be offered by our colleagues, the gentleman from Wisconsin (Mr. OBEY) and the gentleman from Illinois (Mr. RAILSBACK). I shall let those two able cosponsors discuss the specifics of and the need for H.R. 4970. I have, in fact, two amendments which I will offer which will strengthen and improve the bill.

I would like, Mr. Speaker, to discuss the relationship between the rule and the Committee on House Administration. The rule does in effect in a small manner avoid markup by the committee. While such a procedure is not without precedent, I realize that to some it is unusual. I would ask the Members to consider the fact, however, that virtually innumerable amendments and substitutes are written in cloakrooms and on the floor, never printed in the RECORD, and presented in lieu of an entire bill. That is a frequent occurrence here. I submit that because of the need to enact this legislation before the primaries for the 1980 elections, the direct approach contained in the rule is necessary. As chairman of the Committee on House Administration, I am particularly aware of the significance of the rule.

Let me point out some things to my colleagues. All of the provisions of H.R. 4970 have been considered by the Committee on House Administration during the past 2 years. Two of the three major provisions of H.R. 4970 were reported by the committee in the last Congress in the bill H.R. 11315. The committee has held 16 days of hearings on the Federal campaign law in the last 2 years. The committee has performed its own computerized analysis of the finances of the 1978 House elections, and the committee has commissioned and received a campaign law study by the Kennedy School of Politics at Harvard, to which my friend, the gentleman from South Carolina (Mr. CAMPBELL), referred.

All in all, Mr. Speaker, the issues involved in the Obey-Railsback amendment are familiar to the committee. They are well within our recent legislative experience.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I yield 5 additional minutes to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman.

If House seats are to be taken off of the auction block in time for the 1980 elections, the rule must be adopted today. I am not one to subscribe to the theory expounded by the gentleman from South Carolina (Mr. CAMPBELL) that it is incumbent on this body to write the rules for the other body. We have been under rather severe and, in my judgment, unfair attack by the other body in recent days and weeks. They set their own limitation, lifting the ceiling from 15 percent of their salaries to $25,000 for earned outside income. They did it. That is their business, and they are going to have to live with it.

I might point out that in no way that I can see does this lead to public financing. I will state, however, that it is well known that I favor public financing, and it is equally well known that the committee rejected it by a vote of 17 to 9. The fact is, however, that individual contributions will be allowed without any limitation, because under Buckley against Vallejo it is impossible to put limits on moneys expended for House seats. A great many of my colleagues for very good reasons in their minds, I am sure, have voted against the money, all of the moneys for all of the committee operations, have voted for every opportunity to cut back on expenditures, have voted either to limit themselves to a 5.5-percent pay raise or no pay raise at all, and yet a great many of those are inconsistent, in my belief, in saying that it is perfectly all right to spend and raise three or four times the annual salary of a Member of this body in order to keep office. I just think that that is unseemly. I think that House races are entirely too expensive. I think that this is evenhanded, and it is in no way on my part punitive, because when the original Federal election law under which we now operate was passed, I was a cosponsor of the amendment which allowed corporate political action committees, along with our former colleague, Representative Orval Hansen of Idaho.

So on balance we are familiar with the issues. We are familiar with what this rule does. We are familiar with the limitations, and the very least that the Members can and should do is to show their constituents that they are willing to debate this rather than to be in the unseemly position of voting against a rule which would prohibit the debate and foreclose any opportunity to have this legislation enacted for the 1980 elections.

Mr. Speaker, I yield back the remainder of my time.

Mr. BAUMAN. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. Mr. Speaker, I probably should not use a minute because this debate is not worth a minute. We allegedly have important things to take up in the House of Representatives and, in my judgment, we should vote down this rule and get this absurd issue out of the House of Representatives for the rest of this Congress because we are wasting time.

I heard the gentleman from Illinois (Mr. RAILSBACK) say that incumbents get four times more money from PAC's than nonincumbents. I would say that the PAC's in those cases are exercising the same kind of discretion that your and my constituents have exercised. They have made you and me incumbents. It would seem to me to be an abuse of discretion if these PAC's, or anybody else, went around backing losers.

It is laughable to me that the chairman of the Committee on House Administration expects us to knuckle under to all of these so-called reformers out there who never got elected to anything, thereby tarring ourselves with an unnecessary brush. I hope we defeat the rule.

Mr. BAUMAN. Mr. Speaker, I yield one-half minute to the gentlewoman from Maine (Mrs. SNOWE).

Mrs. SNOWE. Mr. Speaker, I rise today in opposition to the proposed rulemaking in order certain amendments for consideration of S. 832, the Federal Election Commission authorization for fiscal year 1980.

My opposition to the adoption of this rule stems solely from my concern over the procedures by which it is proposed that we consider these important issues. If we adopt this rule today, we are effectively prohibiting a fair and open debate in this House of the entire question of campaign contribution limitations. If we adopt this rule today and thereby waive the normal requirements of germaneness in order to consider only certain amendments which in themselves are both substantive and broad in scope, we will in effect be turning our back on the committee process which is designed to provide indepth scrutiny of legislative proposals.

I am also concerned that the consideration of this proposal has become a matter of political expediency rather than a reasonable debate and discussion on the merits of changing our electoral system in this way. Too often recently we have acted on legislation under modified rules limiting debate and the amending process, and I am concerned about the trend that is developing. These procedures only serve to stifle minority views. Therefore it is ironic that some who propose more openness and diversity in our political system are using these means to make their voice heard.

In my judgment, we should consider these important issues in an open and forthright fashion. And, I make that recommendation, Mr. Speaker, as one who supports the concept of a reasonable program for public financing of Federal elections and of restricting the allowable limits of certain contributions to congressional campaigns. As a member of the Maine State Senate, I supported legislation which would have lowered political action committee contributions and corporate contributions to Maine State campaigns form a maximum limit of $5,000 to a maximum limit of $1,000. And, in fact, I am a proponent of the Obey-Railsback proposal with modifications which would be considered as an amendment today if this rule is adopted. However, I would feel far better if this proposal and other similar proposals were considered by this House in a fair, open and truly democratic fashion.

Thank you.

Mr. BAUMAN. Mr. Speaker, I yield one-half minute to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, simply put, this rule is an outrage. First, it violates the principle of germaneness that controls every other piece of legislation. Second, it is totally pro-incumbent and antichallenger.

I speak as one who ran twice against an incumbent to get to this House. Had this been in effect, I would not be here—nor would many other first-termers. The fact of the matter is we need some contributions of large size in order to be able to attract the small contributions. How do you think you pay for the mail for solicitation of small contributions? If you want to get rid of the pro-incumbent status, let us talk about cutting down on staff; let us talk about cutting down on franking privileges; let us be serious about it.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Speaker, I rise in opposition to the rule which would allow consideration of several nongermane amendments to this legislation, and the introduction of the Obey-Railsback amendment.

Little more than 3 years ago I was a lawyer with a quiet little practice in New Orleans. In 1976, having never run for public office before, I decided to run for Congress. I ran—and lost—but not by much. A year later I had the chance to run again, in a special election. I won that election by working terribly hard, by having lots of people working for me, and by spending a lot of money. Thousands of people contributed to my campaign—small amounts—but they contributed. And I was the first member of my party to be elected from my district in 102 years.

Mr. Speaker, if we debate this amendment, and it should pass, we will make that kind of victory much more difficult. We will make it even harder for an unknown candidate, a candidate who does not have personal wealth, to be elected to Congress. Do we want to do that? I do not think so.

I do think that this attempt to change the rules on contributions from political action committees has a double thrust behind it. One of them is an idea that has been around for a few years—the idea that our people do not have enough sense to elect the kind of representation they want—that they cannot be trusted, that they must be protected from so-called special interests.

That idea brought us the Fair Campaign Practices Act of 1974, which was supposed to strengthen grassroots participation in politics and remove the taint of special interests by prohibiting corporate contributions and limiting individual ones. It has had just the opposite effect. Just as small businesses have been crippled by redtape and regulation, so has our political process been stifled by burdensome paperwork. Fewer and fewer Americans are participating.

Those who do not trust the people with free elections are particularly afraid of special interests that are somehow connected with business, with corporations, with the free enterprise system. And they have managed to paint political action committees with that tarnish. Somehow, it has become bad to have political action committees contributing to congressional elections—yet those committees are made up of millions of small donors who are merely banding together, in the tried and true American way, to express their convictions.

These PAC's, as we call them, are not all controlled by huge corporations. To the contrary, many of them are small efforts, established by small plants and businesses across the country—those same businesses who are so damaged by Government action they feel they must take action so they can have a voice in the political process. Some Members of this body fear that voice, and that fear is a powerful incentive behind this legislation.

But there is another incentive and it is an uglier one. One argument against this amendment is that it is designed to protect incumbents—and it is. This amendment, if it is passed, would not hurt my chances for reelection. I stand for reelection now as a man who is known by the people of the First Congressional District. My actions in Congress and my work in the district will be sufficient for them to judge me. But this amendment would hurt anyone who would want to challenge me, or any other incumbent.

If we allow this amendment to be considered today, we must remember that it is before us because it will protect incumbents. There are more Democrat incumbents than there are Republicans and the Democrat leadership is using its power to keep that majority, but putting another layer of redtape over our electoral process.

The Democrat leadership is afraid of political action committees because it is afraid of the message they bring. That message is that there is too much government, too many and too high taxes, too much regulation, too much bureaucracy, and too many years of waste. The Democrat leadership is responsible for too much of the mess people see in Washington today and they are scared.

I hope there are enough Democrats here today who can see clearly what is happening to our political process, who can see the frustration of our people, who know that more controls are not the answer, and who will vote to defeat the rule and banish this amendment as another step in the wrong direction.

We do not need to protect incumbents; we need to protect our unique political system from further destruction. I urge you to defeat this rule and keep open one of the avenues of political participation that is still open to our people.

□ 1100

Mr. BAUMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. VANDER JAGT).

Mr. VANDER JAGT. Mr. Speaker, I can well understand why the sponsors of this legislation would like to pull an end run around the committee system. Any kind of careful legislative scrutiny would cause this proposition to fall of its own weight. It simply cannot stand the light of legislative hearings. Even a cursory examination before the Committee on Rules revealed so many shortcomings that the original sponsors are in here today with amendments trying to correct the defects in their ill-conceived scheme.

Mr. Speaker, the bill rests on two fundamental myths and misconceptions. Myth No. 1, too much money is being spent on congressional campaigns. America spent more money last year on fireworks than we did on all congressional elections combined. In real dollars less was spent in 1978 than in 1974 and as a result on election day, three out of five Americans could not name the challenger of the incumbent Congressmen. Now that might be awful good for the incumbent but it is lousy for democracy.

The House Committee on Administration that has been bypassed by this proposal commissioned a study by Harvard University on election reform laws we have passed up to now. Harvard concluded there have been numerous unintended and unanticipated results that have been disastrous to the political process and concluded that in most congressional elections too little money, not too much, has been spent and, therefore, the voters are voting blind.

Myth No. 2, that there is something evil and dirty and sinister about political action committee money. Ever since the Sun Oil decision I have spent hundreds of hours and thousands of airplane miles trying to persuade business and industry to become good citizens by participating in politics in the only way they can, through the formation of political action committees.

That some have responded is good, not bad, for democracy.

Mr. Speaker, the average contribution to a PAC is $14.65. What in the world is wrong with hundreds of thousands of Americans participating for the first time in democracy by a $14.65 check? That is good because their interest, their attention, their mind, their heart, and their participation follow that check. Why if this sinister trend continues, some day three out of five might be able to name the challenger of the incumbent Congressman on election day.

Vote for this rule and you will be voting to have the House vote blind on vital legislation. Pass the bill and you will be voting to have the American public vote blind on election day when they choose their Congressmen. The sponsors have the most lofty and wonderful, wonderful intentions but those very intentions should be leading them to lead the charge in screaming bloody murder against this rape of the legislative process and dropping the informational curtain over the American public.

Serve the intentions they espouse so eloquently and vote no on the rule.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, Harry Truman once said that some people like the Government of the United States so much they would like to buy it. That is really what we are talking about this morning when we debate this rule.

There is nothing unique about what is being suggested by way of process. Just a little over a month ago the House passed H.R. 5010 to amend the Federal Election Campaign Act. That bill was put on the suspension calendar. It passed without opposition. There have never been any direct hearings on that legislation.

Mr. Speaker, in contrast, let me point out, as the chairman of the committee has indicated, the committee has had 16 days of hearings on the whole question of the election process. The committee brought to this floor last year two of the three items which would be contained in the amendments which we are seeking to make in order under the rule. I must say I am really amused by people who, in one sentence, will attack this rule for both being against openness and putting in order something in addition to the main subject which would be discussed in the original bill.

Mr. Speaker, what we are trying to do is simply to bring forward for discussion on the House floor one of the gut issues that relates to the election process. To debate anything having to do with the election process without debating how the process is financed is to me laughable.

Mr. Speaker, what we are doing is what the rules provide. The rules provide that if the House chooses we can use those rules in order to address any problem being faced by the country or the Congress itself.

Mr. Speaker, I want to submit I think there are a lot of reasons why this amendment ought to be made in order under the rule but the most important is simply this: An awful lot of people will ask these days—they ask you and they ask me—why cannot Congress get anything done?

I try to explain to them, the No. 1 reason is because we just have a lot of tough issues and the country is divided and if the country is divided you cannot expect that the Congress is not going to be divided and it is going to take time to work out those problems.

In addition to that, there are two other problems we face. One is that we have this mounting growth of one-issue groups and they would rather paralyze the Congress and paralyze our processes than to have any judgment finally made on their particular issue if the judgment that the Congress makes does not exactly square with their own judgment.

Mr. Speaker, the new element is this, that since the law was changed 6 years ago, you now have the ability for a lot of groups to put their money where their mouth is. When you add that new element and when you have single-issue group after single-issue group saying, "If you guys don't do what we want on our issue not only are we going to vote against you but we ain't going to give you no campaign money," you have a prescription for eventual paralysis in this House.

We have seen it happen. You will recall when we had the separate Department of Education measure up a couple of weeks ago. I oppose that as did many Members on the Republican side of the aisle. What happened on that bill? We were told frankly by the NEA that if you voted against that bill you were not going to get any campaign bucks. You were told by the AFT on the other side if you voted for it you were not going to get any campaign bucks.

I have great respect for the head of the machinists' union. I think he is one of the finest union leaders in the country today, but anybody can get carried away once in a while and he did. You will recall he made it quite clear that if you did not vote the way he wanted on natural gas legislation, regardless of your record on anything else you were not going to get any campaign dollars.

□ 1110

So what we are trying to do is simply to do something in this amendment to correct the fact that people's threshold of embarrassment in pressuring this Congress has gotten to outrageously high levels. It is almost impossible for people to be embarrassed by some of the requests they are making of the Congress these days.

It seems to me the way to handle that is to say, fine, interest groups have a perfect right to try to influence the legislative process by contribution, by persuasion.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. BOLLING. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. OBEY. But we have to put it in balance and that is all we are trying to do. We are trying to have made in order today a proposal which allows us to put in balance the difference between the power that individual citizens have to aproach us directly and the power that they have to approach us collectively, or their agents have to approach us collectively. It seems to me that if you are concerned about strengthening grassroots politics and increasing the numbers of people involved in contributions to the political process, that you need to pass this rule, because many of us, and I myself, I got more than half my campaign money last time from PAC. It happens by habit, because it gets so easy to raise PAC money that you forget about the necessity to build your political base back home by going to the grassroots and raising larger amounts of small contributions.

If this legislation passes, if the rule passes, which gives us a shot at discussing this issue, I would predict that what it would do is cause all of us to go back home and to begin to broaden our base and broaden political participation by seeking out greater numbers of smaller contributions which will enhance the health of the political process. I think it will make the public feel a lot better about the political process and I think it will free us from a lot of intimidation which increasingly is going to be going on around here if we do not restore some balance to our political process, as this amendment is trying to do today.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. TAUKE).

Mr. TAUKE. Mr. Speaker, the distinguished gentleman from Michigan said earlier that the prime sponsors of this bill should be up screaming against this rule. I was one of the 12 prime sponsors of this bill and I am screaming against this rule.

The thrust of the Obey-Railsback amendment and the motives behind it, are indeed correct; but it seems to me that the approach that is being taken under this rule does not allow the House to address very fundamental questions that relate to this amendment.

I wonder if the Members of the House and those who have sponsored this amendment have taken the time to actually look at what the impact of it will be, particularly that part of the amendment which sets an overall limitation on the amount of money a candidate can receive from political action committees. That money collected by political action committees will not simply go away. That money is still going to be collected and distributed. It will either go to candidates who do not have difficult races or be used for independent expenditures. If it goes to candidates without hotly contested races, that money will be used, not to help elect people, but to buy influence, which is precisely what we are supposed to be trying to stop. If it is used for independent expenditures, it will introduce a dangerous, new element into the political campaign process.

I think the impact of that should be analyzed quite carefully by the committee and the House before we jump headlong into accepting this limitation. I do not think we want PAC money being used in uncontested races and I do not think we should force it to be used for independent expenditures.

The gentleman from Wisconsin was quite correct when he said that one of the thrusts of this bill was to get people to go back home and create a grassroots base; but again serious questions about possible inequities should be considered. As the gentleman indicated, he received over half of his money from political action committees; $32,000 out of some $60,000. But this bill will do nothing to affect him; he, and others like him, could continue to finance their campaigns by relying heavily on PAC funds.

I, on the other hand, received $90,000 from political action committees; less than one-third—as compared with Mr. OBEY's one-half—of my campaign funds came from PAC's. Yet, under this proposal, challengers who will be in the same position I was last year, will be forced to dramatically alter their campaign activities. In other words, we are penalizing the candidates who have tough races and who are already seeking contributions from the grassroots and we are rewarding those who enjoy token challenges and rely on the PAC's for most of their campaign dollars. These potential inequities should be analyzed and scrutinized by the committee system and the full House, but this rule does not permit that.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. BOLLING. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman from Missouri for yielding.

There have been several references in the debate thus far to the Harvard Business School study and it has been made to appear that perhaps that study was opposed to any limitations being placed on PAC contributions. Let me quote some language from that study:

> The study group carefully considered whether this increasing presence—

Speaking about PAC money—

> may prove detrimental to the political system. The arguments which seem to us most cogent are as follows. First, as is frequently noted, PAC money is interested money. . . . Second, not so widely observed is that a troublesome aspect of PAC growth has been the nationalization in the sources of money available to federal candidates. Candidates now rely more heavily on money from outside their districts or states.

Does that make this a more representative body to have candidates increasingly dependent on sources of funds outside of their own State, outside of their own districts? I think not.

Now, the charge has been made that this is a proincumbent bill, that those of us who support this rule are doing so so that we can lock into these chairs the Members who are already seated here. Nothing could be further from the facts. The pure, simple fact of the matter is that more than three times as much of that PAC money is going to incumbents as is going to the challengers who would like to win a seat in this body. In the last election, in 1978, 176 candidates for the House of Representatives received in excess of $50,000 in contributions of this kind, 32 percent of the contributions that were received by incumbents last year, and there was one case which may have been referred to earlier in the debate where one incumbent received more than 70 percent of his campaign funding from public interest groups, from political action committees.

It has been suggested that somehow we do violence to the procedures of this House with the adoption of this rule. One Member even referred to the rule as an outrage.

Let me tell you what the American people are really outraged about, that is the fact that campaigns are being financed in the way that they are and we, comfortable in our own ways, go along, unwilling to examine the problem and change it before scandal breaks upon us. There is the outrage.

Now, if you could prove and demonstrate to me for one moment in one instance, document for me, that with the growth of these political action committees, with the explosive growth that has taken place in the percentage that they contribute to the total financing campaign, that there has been this great rise in voter participation, that more people than ever before were flooding into campaigns and were working, I for one would view this less of a problem than I do; but the evidence is lacking to that effect and the evidence, I think, is quite to the contrary, that as the gentleman from Wisconsin has suggested, if we want to continue to find ourselves at the mercy of single issue politics, if we want to transfer the power to individual groups and causes in this country to dominate congressional campaigns and dominate the debate in this body by focusing time and time again on their narrow discreet issue alone, then defeat this rule.

□ 1120

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from South Carolina (Mr. DAVIS).

Mr. HYDE. Mr. Speaker, will the gentleman yield for 30 seconds to me?

Mr. DAVIS of South Carolina. I am glad to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am just dismayed at the presentation of the last speaker, my dear friend, who first came to my attention, before I came to this body, as the most militant opponent of "King Caucus." The gentleman made many speeches stating that we Republicans were excluded from the committee process and the processes of democracy itself, and now I find him supporting this outrageous rule today. I am disappointed and dismayed.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of South Carolina. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Speaker, I oppose this rule because the subject matter is not worthy of the consideration of this House.

Demagoguery is not a reason for limiting political freedom in this country, and this Congress should have no part in gagging a very broad spectrum of our people.

Mr. Speaker, at times here on the floor it seems as if mystical incantation has replaced reason in our debate of public affairs.

This is one of those times.

The Obey-Railsback amendment to S. 832 is alleged to be a reform that will exorcise an archdemon that distorts our political system.

If only we can tame this rampaging beast called political action committee, all will be right, fitting, and proper; and the Sun will rise on a purer world tomorrow.

But what we would do with Obey-Railsback is to create a serious imbalance in our political system, and once again defy the basic good judgment of the American people.

The people recognize the demagoguery and distortion involved in trying to blame the problems of the Nation on political action committees or any other convenient scapegoat.

The people of the Fifth District of Florida by an overwhelming 70 percent disapproved of the idea of public finance of congressional campaigns when they answered my spring questionnaire. And this provision is meant to lead in that direction.

The people understand what the sponsors and not a few editorial writers refuse to accept: That in almost every instance these allegedly evil PAC's, even the biggest, are financed by hundreds and thousands of individual contributions at every level of free enterprise from production line workers through management.

They also recognize the gross distortion of saying that PAC contributions are simply contributions from companies and nothing more.

Our people know the free enterprise system is the best economic system in the world based on performance. They know England has had a filtration with socialism that lured it to the brink of ruin, and they do not want the same thing to happen here.

If this passes we have said two things.

We have said to the big labor unions: It is all right for you to work with all your might for the changes in law that you want—repeal of the right to work, common situs picketing and other nonproductive and inflative measures—using all the in-kind contributions and clout you can muster. After all, there is no limitation here on newsletter endorsements, headquarters-ordered "volunteer work" or anything of that nature.

And we have said to the free enterprise system, and those who believe in it, this is an open-to-all democratic process, but we really do not want you to participate.

There is only one way for our system to work as it was meant to work.

Let everybody participate fully; not just some, not some to a greater degree and some to a lesser degree, not just those whose goals we find agreeable or certified as proper, but everybody.

This proposal will not exercise demons, but instead will create demons and call them up.

It is a bad idea and the House should reject it.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of South Carolina. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Speaker, I made a statement during my earlier speech that the stated purpose of this was to have public financing come into being.

I would like to read from Front Line, the Common Cause newspaper, in which appeared a quotation by Common Cause senior vice president Fred Werthheimer about this bill and its purposes.

He said this is "the key step now in weaning candidates away from the current system of financing campaigns." He went on to say that it should help set the stage for further consideration of public financing as alternative funding for congressional elections.

Mr. Speaker, the complete text of the article is as follows:

### BATTLE SEEN TO CUT PAC SPENDING

(By Martha Netherton)

A major battle is taking shape around new campaign finance legislation recently introduced in the House limiting special interest group money in House elections.

On July 26, Reps. David Obey (D–Wis.) and Tom Railsback (R–Ill.) announced the Campaign Contributions Reform Act, which cuts in half the amount of money political action committees (PACs) may give to House candidates. The legislation is expected to be considered in September.

"This new step is necessary to deal with the PAC problem in time for the 1980 elections," CC Senior Vice President Fred Wertheimer said.

Since 1976, when public financing of Presidential elections took special interest money out of those races, PAC contributions to congressional candidates have jumped dramatically.

House candidates received $25 million from PACs in 1978—a 70 percent increase over $14.7 million in 1976. In 1978, 45 of 77 freshman Members received more than $50,000 from PACs, in contrast to 1976, when only 5 of the 66 freshmen in 1976 received that amount.

The bill would:

Limit to $5,000 the amount a PAC can give to a House candidate in the primary and general elections combined (currently a PAC may give a total of $10,000 to a candidate—$5,000 each in the primary and general elections).

Limit the total amount a candidate may recieve from all PACs to $50,000 (there is no limit now).

Prevent PACs, direct mail or political consultants from extending credit in excess of $1,000 for more than 30 days to candidates for political advertising or direct mail. This restriction is designed to prevent temporary campaign contributions, which would otherwise be illegal, from being made in the form of extending credit.

Leaders of business PACs and special interest lobbyists have already met to plan a lobbying effort to defeat the PAC bill, according to an Associated Press report.

"There's going to be an intensive campaign to defeat reform," Railsback said in an interview. He reported being "swarmed" by lobbyists who oppose the bill.

More than 120 House Members have signed as co-sponsors of the PAC bill, including some of the most influential Members of the House.

The bi-partisan group of principal sponsors, in addition to Obey and Railsback, includes five Democrats—House Administration Committee Chairman Frank Thompson (N.J.); Majority Whip John Brademas (Ind.); Rep. Phil Burton (Calif.); House Interior Committee Chairman Morris Udall (Ariz.); and House Budget Committee Chairman Robert Giaimo (Conn.)—and five Republicans—Rep. Barber Conable, the senior Republican on the Ways and Means Committee (N.Y.); Rep. John Anderson (Ill.); Rep. John Buchanan (Ala.); Rep. Hamilton Fish (N.Y.); and Rep. Thomas Tauke (Iowa).

A coalition of 21 organizations backing the PAC bill has written to Reps. Obey and Railsback in support of their proposal. Common Cause is working with these and other groups to generate additional backing among House Members for the measure.

"Unless steps are taken soon to restrict the alarming role of special interest PACs in American politics, their influence in Congress may become too pervasive to curb," Wertheimer said.

"Their contributions are invariably tied to lobbying activities," Wertheimer said. "PACs are causing institutional damage to our political system. There's no way Common Cause is going to give up on the campaign finance issue. It's just too important."

After the House Administration Committee defeated the public financing bill, H.R. 1, in May, many political observers believed the campaign finance issue would not be raised again in this Congress.

Wertheimer called limiting PAC contributions to House candidates "the key step now in weaning candidates away from the current system of financing campaigns." It should help set the stage for further consideration of public financing as alternative funding for congressional elections, he said.

The Obey-Railsback proposal is drawing support from Members who have never before supported public financing. For example, of the initial Republican co-sponsors of the PAC bill, more than half did not co-sponsor public financing.

In addition to the PACs themselves, likely opponents of the legislation will be Representatives who fought to preserve PAC giving under the guise of opposing public funding of elections, Wertheimer said.

"Now they'll have to reveal themselves as opposing any change in the current corrupting system," he said.

Major newspapers immediately endorsing the PAC bill include the New York Times, Los Angeles Times, Boston Globe, New Orleans Times Picayune and Austin-American Statesman.

"If Congress won't establish public financing of campaigns," The New York Times editorial said, "at least let it restrict the rising influence of PAC money and PAC pressure . . . How often can even scrupulous legislators be expected to forget their dependence on PACs?"

Mr. BEARD of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of South Carolina. I yield, very briefly, to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Speaker, I would just like to say to my good friend, the gentleman from Illinois (Mr. ANDERSON), who made the impassioned speech for this rule that I would hope and I would like to be reassured that if the gentleman had been present in the Committee on Rules, of which he is a member, during the time this rule was taken up, we would not have now what I consider to be such an unfair, drastic rule as this. I think this is an important point, and I would like to be reassured by the gentleman at some time that he would not have supported a closed rule of this kind.

Mr. DAVIS of South Carolina. Mr. Speaker, I would say to the gentleman from Tennessee (Mr. BEARD) that that is Republican Party business.

Mr. Speaker, I wish to say to the Members of the House that I come here today to oppose this rule for several reasons.

First of all, as the distinguished chairman of the Committee on House Administration said, we have been treated with great disdain by the other body recently, so we come here today and we are going to tie our hands, cripple ourselves, kill our political way of life, and let them go free literally to raid everybody and every PAC. We are not going to stop the existence and the function of PAC's as long as they can continue to contribute large amounts to the Senate, and so the single-issue groups are going to exist and they are going to be of the same size and of the same character as they have before.

But my real problem today is as a member of the Committee on House Administration. We have one of the greatest committee chairman this House ever produced in the gentleman from New Jersey (Mr. THOMPSON), who is a true leader of men. To bypass him and our committee with this important legislation is an outrage. We lose everything. We lose leadership, we lose a great report written by a great staff, and we lose the opportunity to kill this in committee.

It has been argued that the changing of the rules in the middle of the game is not extraordinary, and that the provisions of H.R. 4970 have been considered by the Committee on House Administration for the past 2 years. Well, I have been on that committee, and I really do not remember considering them.

I would like to point out that the committee has never had 1 day of hearings on these provisions, and the reporting of two of the three elements of the bill in 1978 that the gentleman from Wisconsin (Mr. OBEY) mentioned in H.R. 11315 which limited the PAC contributions and prohibited extensions of credit by direct mail fund solicitors was the result of a markup session only, on which a request for the holding of hearings by our former colleague, Mr. Wiggins of California, was denied by the Chair.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of South Carolina. I yield to my most distinguished chairman and great leader, the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I cannot let the gentleman's kind and generous remarks go unacknowledged and lose the opportunity to thank such a splendid Member. I do hope that the gentleman will reconsider his announced decision not to run again because, after all, we do need friendly opponents on that committee at all times, and I would express my affection for the gentleman, too.

Mr. DAVIS of South Carolina. Mr. Speaker, I thank the gentleman.

Mr. Speaker, let me just say that what we are trying to do is limit PAC contributions, and I would ask, if receiving money from interest groups is bad, does receiving less money make it less bad? I think not.

Mr. BAUMAN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, let me say that I oppose this rule.

I want to say at the outset that my committee always runs a very low budgeted campaign. It would not need PAC support. The records of my campaign committee reveal that my little PAC support has been accepted in the past.

I have never held one of these Washington fund raisers. I read in the newspaper the other day that one of my friends on the majority side of this House just recently held an extraordinarly successful fundraiser here in Washington. I have not ever had to raise these huge funds, but I realize that there are areas in this country where candidates must spend more money than I do to carry on their campaigns.

I have never had an ad on television, for example, but I know that in some districts in the United States candidates have to use television, and it is very, very expensive. However, I am not about to vote to deny candidates in those areas—in New York City, Cleveland, Ohio, or Los Angeles—the right to go out and properly solicit funds so that they can advertise their campaigns on TV.

Furthermore, Mr. Speaker, I think it is wrong to restrict PAC's without limiting the amount labor unions can contribute for so-called "get-out the vote" campaigns and for registration drives in areas favorable to labor.

Mr. Speaker, I think it is wrong to pass a rule making in order an amendment so sweeping which has never been considered by a committee. This is not in the best interests of the legislative process.

## CALL OF THE HOUSE

Mr. THOMPSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 573]

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McDade
McEwen
McHugh
McKay
Madigan
Maguire
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1140

The SPEAKER pro tempore. On this rollcall 380 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

## FEDERAL ELECTION CAMPAIGN ACT OF 1971 AMENDMENTS

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) has 8 minutes remaining, and the gentleman from Maryland (Mr. BAUMAN) has 5 minutes remaining.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, the judgment we are about to make is not whether to adopt the amendment proposed. The judgment is whether to allow it to be considered and debated and voted upon. The vote we cast now will determine whether or not we are willing to consider some upper limit on campaign expenditures and campaign sources—a modicum of legal restraint where none exists at present.

It seems a strange and ironic thing that some Members of the House today would be taking the position that $70,000 from expressly designated special interest sources is not enough, when only 5 years ago, this Congress voted a total expenditure limit of $70,000 per campaign.

Five years ago, we were prepared to say that no candidate for his party's nomination or no nominee for the general election should legally be permitted to spend more than $70,000 in all from every source possible in his bid for election. That is the provision which Congress wrote into law in 1974. It was later invalidated by court action.

Yet today, some quail at the suggestion of even considering a composite $70,000 limit expressly upon those organizations and institutions which have legislative programs and by definition axes to grind.

I am not going to suggest to my colleagues that everyone who raises a political action committee group fund is sinister. I do not think they are sinister. I think for the most part they are good citizens trying to carry out their responsibilities in a democracy.

I do suggest, however, that it is threatening to the democratic process if more and more of the moneys we receive for carrying on this process must come from special interest groups. I do suggest that it is dangerous to the electoral process if it becomes increasingly dependent upon those sources and if we are unwilling to establish any limit whatever upon the total resources and expenditures that may be extended in seeking public office.

A seat in the U.S. House of Representatives ought not to be like a seat on the New York Stock Exchange, up for sale to the highest bidder.

Well, I hear catcalls from the Republican side, and I just wonder if anybody wants to challenge that assertion. Are there those of my colleagues who feel that public office should be up for sale to the highest bidder?

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Arizona.

Mr. RHODES. I thank the gentleman for yielding.

I think the statement is absolutely ludicrous. It is comparing horses and rabbits. There is no connection whatsoever between a seat on the stock exchange and the House of Representatives.

The gentleman also knows perfectly well that the case of Buckley against Valeo, allowed a rich man to spend his own money to buy a House seat. That is the main reason why an overall spending cap will not work. He knows that. He also knows that is really the reason why restrictions of amounts applying to PAC contributions should not be lowered.

Mr. WRIGHT. I agree with the gentleman. That the case of Buckley against Valeo creates a problem for us, because it says we cannot legally and constitutionally impose a total limit upon campaign expenditures. For that very reason this seems to be the only way, by limiting the sources of big contributions, that we can effectively have any kind of a limit at all.

Therefore, it seems to me that it would be in the interest of wholesome, clean campaigning if we were to adopt this rule and permit this proposal to be considered.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I feel like a thin patch of oleomargarine between two very thick pieces of bread, the Speaker and the majority leader, but I want the record to show I did not use the words crusty or stale in describing the pieces of bread.

Mr. BADHAM. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. BADHAM. I thank the gentleman for yielding.

I just want to point out very briefly that somehow some proponents of this measure seem to think that PAC money is somehow dirty, even though the contributions average only about $14 per individual human being member of the PAC.

□ 1150

I would ask then, as my colleague from South Carolina did, if so much is dirty, is just a little less just a little less dirty?

I would also like to point out to the Members that this amendment has never been heard in committee. It does not include the other body. This is again like the House playing with unilateral disarmament. It just does not make sense.

The rule should be defeated so that the amendment can be heard in committee in the normal traditional, orderly method of legislating.

Mr. HAGEDORN. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Minnesota.

● Mr. HAGEDORN. Mr. Speaker, in order to insure the orderly conduct of its legislative business, the House of Representatives has established a procedure whereby serious and far sweeping legislative proposals go through a rigorous examination of committee hearings, testimony, discussion and debate before the proposal comes before the House for final consideration.

Many unanswered questions can be cleared up before the matter comes before the full House. Individuals and groups who are interested in the legislation are given full opportunity to express their views and to let the Congress know how this bill will affect them. In the spirit of fairness to all concerned, this is how the system should operate—out in the open and by the rules. A majority is still supposed to rule in this nation and any sidestepping of the rules to push a special piece of legislation naturally is suspect. The American public has a very low opinion of the Congress and its Members should be especially alert to moves that are made to railroad legislation which has not gone through the established process and procedure to insure fairness.

What we have before us today is an excellent example of why the Congress is often held in such low esteem by the American public. Certain safely entrenched incumbents do not want to give any type of advantage to a challenger who might be able to attract more campaign contributions because that challenger offers a better program and vision for the Nation than the incumbent.

By making in order the Obey-Railsback amendment to the Federal Election Commission authorization bill, certain top individuals in this House are taking steps to bypass the established procedure so they can help protect the overwhelming majority and stronghold that they already have over the House of Representatives. They feel that the immense advantages of the incumbents—large staff, free mailing, ready accessibility to the press, paid travel and district expenses—should not have any competition from a campaign challenger who would have to raise hundreds of thousands of dollars just to match these incumbency assets.

Besides being disturbed about the manner in which this matter is being considered, I am also disturbed about the lack of control or limit over the in-kind contributions from groups who do not come under the political action committee rules. Hearings held on this amendment would certainly bring out the tremendous advantage that these types of unreported contributions play in certain campaigns, yet no action is being taken by this circumvention of the rules to offer any type of limitation or control on them. The idea of fair play is again attacked by a vicious sideswipe by those who already have access to these types of unlimited contributions.

Labor unions are by and large the principal "violator" when it comes to furnishing these campaign contributions which will never appear on any election report to the FEC. Often, the candidate does not even know of or approve the contributions that are being made. A challenger would have to spend untold thousands of dollars to match the effectiveness of the time, telephone calls, mailings made at reduced taxpayer subsidies rates, computer time, and personal efforts expended on behalf of candidates that special interest organizations such as unions support.

The so-called goal of this amendment is to attack what has been called the undue influence of special interest groups. Yet, there is no consideration given to the unreported contributions made by special interest groups. I agree that the matter of PAC contributions should be studied by the Congress because the original intent of the law may be circumvented by some PAC's. But, these situations would be discussed openly and not have the entire PAC operation considered guilty of excess as this amendment assumes.

The passage of this amendment would only tilt the balance toward others who do not have to report at all. It would only be a further violation of fairness to bind one special interest group and allow other more influential and powerful groups to operate without limitation.

Mr. Speaker, this matter needs to go through the established process. This matter needs to be discussed in the light of limiting the influence of any special interest group. This matter needs to be considered in the spirit of fairness to the American public who deserves to have the ability to choose the best candidates. This matter must not be used as another undercover protection of the incumbent—the individual who might have voted on a change in the law to protect his own special interest. This is a serious subject and the power of other special interests must not be able to overwhelm the attention of the voting public.●

Mr. RITTER. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Pennsylvania.

Mr. RITTER. I thank the gentleman. A major problem with the "rule" on Obey-Railsback is that we are dealing with a closed rule. We are shoving through so-called reform in only one segment of campaign financing. If there was one thing that the Harvard study pointed out, it was that the problem with campaign contributions was the lack of individual contributions; that major problem is untouched by Obey-Railsback. The "closed rule" in question serves to choke off one major source of campaign funding without considering any other kinds of funding and is simply not the way to go. I personally would vote for such a rule if it were not so limited, if it were open to amendment from the floor. In its present "closed" form, I must rise in opposition.

Mr. FRENZEL. Mr. Speaker, I would start my remarks by saying that the majority leader has declared that we are all for sale.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield for clarification?

Mr. FRENZEL. Yes, I will yield to the gentleman.

Mr. WRIGHT. Mr. Speaker, under no circumstances did the majority leader say we are all for sale. The majority leader said that public office should not be up for sale.

Mr. FRENZEL. I thank the gentleman for his clarification. But, if the gentleman wants to protect us from being for sale, what he is doing is not outlawing prostitution but simply setting a lower price on it. Mr. Speaker, this House has heard enough from others about the details of the plot to avoid committee hearings for Obey-Railsback. I do not blame a sponsor of a bill this bad for wanting to avoid the truth of competent testimony, and the sunlight of searching inquiry.

So the sponsors chose an empty husk for a vehicle. To that hollow shell, an unneeded authorization for which the appropriation has long since passed, they have attached their special interest bill which has not had the first minute of honest testimony or inquiry.

For this reason alone the rule should be beaten. Good, honest, straightforwarded bills do not need to be managed in the darkness and protected by a closed rule.

The reason for the unnatural procedure is fear, lack of confidence in ourselves and in our constituencies, and a certain knowledge that Obey-Railsback cannot stand on its own merits.

Here is what the sponsors are trying to hide:

First. This is an incumbent protection bill. All the sophistry in the world cannot hide that fact. Sure, incumbents receive more but they do not need it. They already have the recognition challengers cannot live without. With limits on contributions set at a time when campaigns cost one-third as much as today, challengers cannot make a viable campaign without PAC's.

The reason incumbents have waited this long to smash PAC's down is because only now are they beginning to favor challengers. This incumbents' protection bill is a sure sign of that.

Second. It is a rich person's protection bill. The rich, protected by the Constitution, can spend unlimited personal funds despite a clumsy, unconstitutional attempt in Obey-Railsback. Because individual contributions are limited to $1,000, PAC's are the only defense against rich candidates. Those who contribute a large share to their own campaigns will surely want to vote for it.

Third. It is a big labor protection bill. It restricts all PAC's equally, and leaves labor's enormous special loopholes to communicate and to run registration and get-out-the-vote drives, all of which can be done with dues money collected involuntarily.

Fourth. It is a bill to protect the people from knowing very much about candidates or issues. But, not to worry, it will only stifle those campaigns that are close, or have contested primaries. Only where there is real competition, which we used to think was the life's blood of our political system, will this bill have effect. The sponsors are incumbents. Incumbents do not like competition.

Fifth. But worst of all, its an antiparticipation bill. Hundreds of thousands of thoughtful Americans, not satisfied with parties, turned off on politicians, find political expression by contributing through a reference group. It may be a union, a corporation, a professional association, or an ideological group. Whatever it is, they have some confidence in it. Yes, PAC's are growing because people like them. They find PAC's a convenient way to participate in the political processes of this Nation. They give to PAC's for some reasons in the same way as people give to campaigns directly. So let us throw them out, say the Obey-Railsback sponsors. Let us stifle participation. Let us keep politics for the elite—just for us insiders.

According to Congressional Quarterly, PAC gave 20 percent of all contributions to congressional campaigns in 1978 and 19 percent in 1976. That hardly puts us "awash in a sea of special interest money."

The foregoing are some general objections. Let us look at the specifics that the sponsors never tell you about.

Did you know it forbids accepting contributions from individuals "in a manner which creates the appearance that the contribution was made by a political committee"? Shall we put your treasurer in jail if he or she does not recognize an "appearance". Any who defines "appearance"? The bureaucracy does, of course. If ever a chill was thrown on political participation, this does it.

Do you know about the language that requires paying for all activities associated with mailing services before they are rendered? It is an amendment I invented and rejected long ago. It does not just attack the Viguerie organization. It affects all your mailing. It will force you to hire a lawyer to review everything your committee does during a campaign, and you will probably have to pay the lawer in advance before he goes to work.

Do you know about the severability clause? Its the real give away. If the total limit on candidates, is judged unconstitutional, as it certainly should be, then the per-PAC limit is repealed. That is proof positive that the sponsors only want to restrict spending and not the so-called influence of any PAC. Restrictions on spending are directly contrary to the conclusions reached by the John F. Kennedy Institute at Harvard in its report to the House Administration Committee, and to conclusions of other political scientists.

So, if you want to stifle political participation, stifle competition in elections, stifle the ability of challengers to make an effective campaign and give more control to bureaucrats and take the first step toward using the taxpayers money for congressional elections. Vote for the rule. If you are against legislating by stealth in the dark of the night, if you are for increased political participation, for competition, and for the right of a challenger to make a fair race, please join me in voting against this rule.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished Speaker of the House, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, 3 years ago I was elected by this body to be the Speaker of the House. At that time I asked the Congress to give to the American people the strongest code of ethics of any legislative body in the world.

Adoption of an enforceable code of ethics was one of the top priorities of the last Congress. We remember the controversies, the difficulties and the special interests pulling one way and another. We wanted a code of ethics with teeth in it, with just punishment in it, and we wanted to restore public confidence in our system of government.

We have before us today a piece of legislation that brings to mind what James Madison observed when he wrote the Constitution. He was greatly concerned about drafting a Constitution that would serve the people, and would not be destroyed by special interests. You know, I firmly believe in the constitutional right to petition our Government. I believe in the right of any organization to establish a political action committee.

What I fear, is excessive influence; and what James Madison warned against, the negative and dangerous effects of special interest groups if not carefully controlled.

Let us look at the record of PAC's in recent years.

In 1974, there were 608 PAC's. Today there are nearly 2,000. In 1972 these PAC's spent $6 million in House campaigns, and in 1978 they spent $25 million.

In 1976 five freshmen-elected Congressmen received over $50,000 from special interest PAC's to run against an incumbent. In 1978, 77 new Members of Congress were elected; 45 of those people, several of whom challenged an incumbent, received over $50,000 from PAC's.

Why did these people receive so many PAC contributions? Because they were opposed to the special interests. Or was it because they were opposed to my colleagues. Political action committees opposed the incumbent and supported a candidate whom they did not know running for office and gave that candidate over $50,000. Special interests. Special interests. I fear for this Congress and for this Nation.

We cannot allow special interests groups through excessive and unchecked influence to destroy our two-party system, to undermine the legislative process, or to distort the political system. I firmly believe the growth of PAC's has been so staggering in recent years that we are fast approaching this dangerous and unacceptable level.

A resolution of this problem should wait no longer. We are clearly headed for Government by special interests if we do not act immediately. Once again, we are talking about public perception of the legislative process and public confidence in the Congress. The American people want balance in our system. A vote for this rule is a vote against excessive influence by special interests. That is all we are asking for in this legislation. We are not trying to eliminate special interests, we are not attempting to sharply reduce present PAC operations; all we are trying to do is to prevent special interests' groups from getting out of hand in the future, and to curb the growing dependency of House candidates on PAC funds for their election campaigns.

☐ 1200

A vote for this rule is a vote for good government for ethics in government and for the integrity of this institution and the integrity of the legislative process, I ask you to adopt the rule. I ask you to have free and open debate. I ask you to give this bill every consideration.

I say to this House on both sides of the aisle, this is a matter of the decency, integrity and future of this institution. Let us not let it slip away. As Madison said, "Regulation of these various and interfering interests forms the principal task of modern legislation."

It is wise for us to heed Madison's advice.

When you yield to special interests, then you yield the rights of the American public, and that action yields the rights of this great democracy of ours.

I hope we adopt the rule.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

### RECORDED VOTE

Mr. BAUMAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 182, not voting 23, as follows:

[Roll No. 574]

### AYES—228

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Breaux
Brodhead
Brooks
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Coelho
Conable
Conte
Conyers
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Diggs
Dodd
Donnelly
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fuqua
Gavdos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Hughes
Hutto
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Long, La.
Long, Md.
Lowry
Lundine
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

### NOES—182

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Boggs
Bouquard
Bowen
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dingell
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Forsythe
Fountain
Fowler
Frenzel
Frost
Gibbons
Gingrich
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hammerschmidt
Hance
Hansen
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Huckaby
Hyde
Ichord
Ireland
Jeffries
Jenkins
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nelson
Nichols
Pashayan
Paul
Quayle
Quillen
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Traxler
Trible
Vander Jagt
Volkmer
Walker
Wampler
White
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.

### NOT VOTING—23

Applegate
Brown, Calif.
Buchanan
Chisholm
Collins, Ill.
Corman
Dixon
Downey
Flood
Garcia
Harsha
Jones, N.C.
Kogovsek
Leach, La.
Martin
Murphy, N.Y.
Nolan
O'Brien
Patten
Rodino
Rosenthal
Treen
Winn

☐ 1210

The Clerk announced the following pairs:

On this vote:

Mr. Rodino for, with Mr. Martin against.

Mr. Murphy of New York for, with Mr. O'Brien against.

Mr. Corman for, with Mr. Winn against.

Until further notice:

Mr. Patten with Mr. Kogovsek.

Mr. Garcia with Mr. Flood.

Mr. Brown of California with Mr. Buchanan.

Mrs. Chisholm with Mr. Downey.

Mr. Applegate with Mr. Dixon.

Mr. Nolan with Mrs. Collins of Illinois.

Mr. Jones of North Carolina with Mr. Harsha.

Mr. Rosenthal with Mr. Leach of Louisiana.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. THOMPSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 832) to extend the authorization for the Federal Election Commission.

The SPEAKER pro tempore (Mr. McKay). The question is on the motion offered by the gentleman from New Jersey (Mr. Thompson).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 832, with Mr. Natcher in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey (Mr. Thompson) will be recognized for 1 hour, and the gentleman from Minnesota (Mr. Frenzel) will be recognized for 1 hour.

The Chair recognizes the gentleman from New Jersey (Mr. Thompson).

Mr. THOMPSON. Mr. Chairman, I yield myself 10 minutes.

☐ 1220

Mr. Chairman, the Committee on House Administration unanimously approved an authorization of $8,988,823 for the Federal Election Commission for fiscal year 1980.

In addition to the authorization figure which I cited, Mr. Chairman, the bill prohibits funds from being used to conduct random audits of congressional candidates and limits the amount of funds which may be used by the Federal Election Commission for its clearinghouse function to $400,000 for the fiscal year.

Mr. Chairman, my colleagues are all too familiar with the problems created by the Federal Election Commission in its random audits of 1976 congressional candidates. I might note four of these audits have not yet been completed, even though the elections in question were held 4 years ago.

Mr. Chairman, I might point out the other body has taken an opposite view of this random audit problem which is understandable since the FEC figure is 10 percent. With one-third of the other body running each year it is hardly difficult to understand why four or five Members adhere to that position.

In addition, I might point out that audits are done on a constant basis and audits for reasonable cause are encouraged. The prohibition goes to the random audits, which are really a sort of lottery.

Mr. Chairman, I am aware that many of my colleagues have been contacted by their secretaries of State or their local election officials about restriction of funds for the clearinghouse. Let me assure my colleagues that the FEC authorization provides adequate funds for workshops for State and local election officials. The committee reviewed the Federal Election Commission budget and reached the inescapable conclusion that the FEC was not allocating adequate funds to insure its statutory responsibilities would be in a reasonably timely fashion. Hence, the committee limited the funds available to the clearinghouse, a totally discretionary function. The committee took this step with some reluctance because it believes the Federal Election Commission and not the Congress should establish budgetary priority.

While we are of the opinion that some of the clearinghouse projects are worthwhile, the issue is one of priorities. The Commission, a relatively small agency, has a large number of statutory responsibilities.

The fundamental statutory responsibility of assuring effective public disclosure, certifying matching funds and enforcing the act must be given priority by the Commission.

After careful review of the budget submission, the committee determined that the Commission's basic budget did not provide adequate funds for these fundamental statutory responsibilities, a fact that was acknowledged by the Commission in its testimony before the committee.

Two examples from the Commission's budget submission illustrates the concern of the committee. First, the FEC stated there was a serious staff shortage in the Office of General Counsel, which resulted in delaying filing lawsuits authorized by the Commission. The delays have been as long as 4 and 5 months.

Second, the FEC basic budget provides funds to handle matching fund requests and audits from 12 Presidential candidates. Yet, in 1976, 15 candidates qualified for matching funds. It is an undisputed fact that the audit of the 1976 Presidential candidates were not conducted in a timely fashion. This redesignating of priorities will provide the FEC with needed funds to perform its statutory responsibilities.

Mr. Chairman, with respect to random audits, the committee prohibited the use of any funds authorized for fiscal year 1980 for random audits of House and Senate candidates for their campaign committees. As previously stated, this provision does not prevent the Commission from conducting audits of congressional candidates. On the contrary, it requires audits to be done within the statutory framework of the act. An audit must be authorized by a vote of the Commissioners upon a finding of reason to believe that the candidate or his or her authorized committee has violated the law. The audit must, of course, be related to the alleged violation.

Mr. Chairman, my colleagues are well aware of the problems which have arisen as a result of the 106 random audits of the 1976 House and Senate candidates.

Although the FEC auditors started to work on these audits early in 1977, not one final audit report was released in 1977.

Seventy-eight of the reports were released in 1978, 24 in 1979 relating to candidates who were not incumbents or disappeared from the scene entirely. In other words, Mr. Chairman, 4 years after the elections in question. These time delays are unnecessary and are intolerable. The candidate is unduly burdened, the public receives little benefit from the disclosure of information 4 years after the fact, especially in light of the fact that the statute of limitations has run.

The Federal Election Commission retained the accounting firm of Arthur Anderson to review the Commission's audit process. The Arthur Anderson study concluded that an audit of congressional candidates should never exceed 8 to 10 weeks.

Now, Mr. Chairman, the fundamental authorizing part of this bill has been passed by the other body in S. 832. With respect to the remainder of this legislation and the amendments to be offered and the substitutes thereto, we will discuss them at greater length as we go on.

Mr. Chairman, it is my intention, and it has been published in the CONGRESSIONAL RECORD, to offer amendments to the Obey-Railsback bill in terms of the amounts of moneys involved. We will get to those in due course.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield to me?

Mr. THOMPSON. I will be happy to yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, under the rule I am not aware that we can make any amendments other than those made in order under the rule.

Mr. THOMPSON. I meant to refer to those which are made in order. There are three amendments made in order, two of which I shall offer, one by the gentleman from California (Mr. FAZIO).

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his clarification.

Mr. THOMPSON. I yield back the balance of my time, Mr. Chairman.

Mr. FRENZEL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, there is no disagreement about S. 832, the authorization bill for the Federal Election Commission. The majority and the minority do agree on the amount specified. But, on this side, we find it a little ironic that there is need to pass the bill since the Committee on Appropriations has already appropriated about $300,000 less for this function than we are now authorizing. So, our authorization is an empty gesture which we are performing only to provide a vehicle so that the Obey-Railsback amendment can get a free ride.

Mr. Chairman, I have no objection to S. 832, except a personal one which is not shared by the rest of the House. I believe that random audits are good for this House and for our political system. I am sorry that our committee and the House are undoubtedly going to vote to get rid of them. I think they impose a little discipline into the system which is absolutely necessary.

We imposed the disclosure and the limitations upon our political system for the simple reason that we wanted people to have confidence in our political processes. Without audits, in my judgment, confidence may or may not be warranted, depending on the skepticism of any particular individual.

☐ 1230

Mr. Chairman, with respect to the Obey-Railsback amendment, which is really the only thing that we are talking about here, I have already expressed myself with some vigor on this particular bill. I think it is a terrible thing. It does violence, first, to the Constitution; second, the people's right to participate in elections; and, third, to the candidate's ability to promote himself or herself and have the record spread with the issues as he or she sees them.

However, we are not able to make amendments under the closed rule. Not only was the rule granted making nongermane amendments in order, as was noted in the debate on the rule, but also no other amendments will be made in order. So we are restricted, unfairly, to a straight up-or-down vote.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 additional minute.

So, Mr. Chairman, we are having a straight up-and-down vote on a bad package which was written on the back of a cocktail napkin by a committee whose best previous work was the design of a camel. Unfortunately, it is not good law. Even if it were a good idea, the ideas have not been written into any kind of sweet singing legislation. In two words, its a poorly-written, bad idea.

Mr. Chairman, the severability clause is deficient and poorly motivated, in my judgment. There is a prohibition against contributions being given by an individual in a manner where they might look like they came from the political action committee. That is a prohibition that will put all of our treasurers in jail, I suppose. I do not know what was intended there. Certainly it was some kind of mischief, I suppose. But it certainly does the law no good.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRENZEL) has again expired.

Mr. FRENZEL. Mr. Chairman, I yield myself 2 additional minutes.

There is also a section which prohibits an individual from lending his campaign committee more than a stipulated amount, I think $35,000. This is obviously unconstitutional in light of the Buckley case. I think what we will be doing if we send this bill forward is, of course, to commit ourselves to years of litigation.

The limitation on total PAC contributions which can be received by any candidate, in my judgment, is also patently unconstitutional.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, with respect to the $35,000 figure, I think it should be clear that you are not limited to an expenditure of $35,000. There is no limit. The limit is that you cannot be repaid by your committee more than $35,000. In other words, you cannot be repaid by your committee for a loan in excess of $35,000, although you can loan to your committee an unlimited amount.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution.

In my judgment, that is an unwise, unnecessary, and unconstitutional restriction on an individual's right under our Constitution to conduct a campaign that has any chance of success.

Therefore, in my judgment, it is only one of the many areas in which this bill is seriously deficient.

Mr. Chairman, we have heard arguments against decreasing individual PAC contributions and I am sure all of my colleagues are aware of my opposition to these cuts. But what is most onerous to me is the aggregate limit placed upon PAC contributions. H.R. 4970 would place a $50,000 limit on what House candidates could accept from PAC's. However, sponsors of this legislation are willing to up that figure to $70,000 in order to show their willingness to compromise.

Mr. Chairman, the only ones who are compromised by this kind of provision are challengers. This is truly incumbent protection. In 1978, 16 out of 19 challengers of both parties who beat incumbents spent more than $50,000. Since the authors of this legislation failed to consider inflation, even their amendment raising the limit to $70,000 provides no great relief.

It is irrelevant whether we limit House candidates to accepting $50,000 or $70,000 from PAC's. The results would be the same. By limiting the amount of moneys candidates can receive and therefore spend drastically hurts the chances of challengers of both parties without having much of an impact on incumbents. This view is substantiated by Mr. Malbin, who by the way, the proponents have been quoting lately, although out of context. Mr. Malbin, in quoting Prof. Gary Jacobson, a political scientist and one of the leading students of congressional campaign financing, recently wrote:

> Any reform measures which decrease spending by the candidates will favor incumbents. This includes limits on campaign contributions from individuals and from groups . . . even though incumbents raise money more easily from all sources, limits on contributions will not help challengers because the problem is not equalizing spending between candidates but rather simply getting more money to challengers so they can mount competitive races.

Mr. Chairman, I also have grave doubts concerning the constitutionality of this provision. Each Congress we take an oath to uphold the Constitution of the United States, yet all to frequently we pass legislation without thinking of its constitutionality.

However, when we are tampering with something as sacred and vital to our democratic system as our election process, I feel we have an even greater responsibility to examine the constitutional implications. Congressman GUY VANDER JAGT has included a statement in the CONGRESSIONAL RECORD of September 25 by constitutional lawyer, John Nowak, professor of law at the University of Illinois. I hope each of my colleagues has read and considered his constitutional reservation.

In my mind there can be no doubt that the proposed legislation regulates first amendment rights going far beyond the allowable limits established by the Supreme Court in Buckley against Valeo. In that case the Court found that all campaign financing regulations must be subject to strict judicial scrutiny under the first amendment, even though some limitations on contributions and campaign spending activities might be constitutional. However, I am convinced that the $50,000 or $70,000 limitation would be rejected by the Supreme Court based on the Buckley case and its other recent decisions.

In my opinion the provision is an attempt to restrict campaign spending. The $50,000 or $70,000 limit effectively imposes a ceiling on total campaign contributions and candidate expenditures. In the Buckley case the Supreme Court rejected these kinds of limitations emphasizing that a ceiling on candidate spending was a constitutionally invalid attempt to restrict speech in political campaigns.

This provision also affects the right of individual associations in my opinion. For example, if a congressional candidate has already received $50,000 or $70,000 from PAC's another PAC could not even contribute $1 to the candidate and all of the people who make up the PAC are denied the ability to contribute through their associations. We all sometimes forget that PAC's are people too.

Mr. Chairman, based on the disastrous affect of this provision on challengers of both parties and because of my strong belief in the unconstitutionality of this provision, I strongly urge my colleagues to reject this provision whether it be $50,000 or $70,000, even if necessary, vote against final passage of the FEC authorization bill.

Mr. Chairman, I reserve the balance of my time pending use by the other side.

Mr. THOMPSON. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, in accord with the provisions of House Resolution 414, I will offer as an amendment to S. 832, the text of H.R. 4970, the Campaign Contribution Reform Act of 1979.

H.R. 4970 is designed to curb the increasing role of special interest money in congressional elections and—consequently—the legislative process.

The central provisions of H.R. 4970 would reduce by 50 percent the aggregate amount a single nonparty political action committee (PAC) may contribute to a candidate for the House of Representatives during an election cycle and would impose an overall limit of $50,000 on the aggregate amount a House candidate may accept from all such nonparty PAC's during an election cycle.

The measure also would restrict extensions of credit to House candidates by PAC's, political consultants and other vendors to prevent use of credit as a device to circumvent contribution limits.

These provisions, Mr. Chairman, will not force drastic cut backs in present PAC operations. Instead, they are designed to prevent aggregate PAC influence from getting out of hand in the future, and to curb the growing dependency of House candidates on interest group PAC's for campaign funds.

The amount of such interest group money in congressional elections—and the dependency of House candidates on such funds—has been increasing at an alarming rate in recent years.

In 1972, for example, House candidates received 14 percent of their campaign funds from special interests, in 1974 they received 17 percent, in 1976 they received 22 percent, and in 1978 House candidates received 25 percent of their campaign money from interest group PAC's.

Dependency on PAC contributions is even greater for incumbents. In 1978, incumbent Members of the House seeking reelection received nearly 33 percent of their campaign money from PAC's compared to 28 percent in 1976 and less in earlier elections.

Another indication of the increasing role of PAC money can be seen in the fact that in the 1978 election, 176 House candidates received more than $50,000 from PAC's compared to 57 in 1976; 72 received more than $70,000 compared to 15 in 1976; while 21 candidates received more than $100,000 compared to only 3 in 1976. One 1978 candidate received $153,000 in PAC funds; another received $172,000.

These figures are only the beginning. Over the past 6 years the number of special interest PAC's has nearly quadrupled, going from less than 500 in 1972 to about 2,000 today. And while we have also seen a tremendous growth in PAC giving, we have yet to see this growth reflect the actual number of PAC's presently in existence.

For example, during 1974 to 1978, PAC contributions from the National Automobile Dealers Association grew 6,000 percent from $14,000 to almost $1 million. I am a real estate broker and in general sympathy with many of their goals. But contributions during the same period from the National Association of Realtors increased from $261,000 to $1.1 million, with the NAR's PAC director quoted as saying, that this is just the beginning.

Dozens of new PAC's formed since 1974 have the capacity to achieve similar growth. Twelve of the fifteen largest corporations in America now have their own PAC's. None gave more than $160,000 in 1978. But there should not be much doubt about the capacity of the fortune 500 to become million dollar PAC's over the next few years if they decide to put their minds and resources to it.

Many of the new PAC's are small today because they are just getting started, not because they have a track record of being small. Many are just learning the ways to raise money. The average contribution for the Automobile Dealers Association grew from $263 in 1974 to $2,612 in 1978, and for the NAR it grew from $1,034 in 1974 to $2,620 in 1978. We can expect similar developments on a much wider scale in the years ahead if the law is not amended.

Prof. Edward Epstein, of the University of California, finds that—

> PAC operations in 1976 and 1978 reveal only the tip of a possible iceberg—clearly for corporations and other business-related groups, but to some extent even for labor.

He concludes that the market for potential company PAC formation is "virtually untapped."

The growth of PAC's is a source of particular concern because PAC contributions are generally contributions with a legislative purpose. The recent study by the Campaign Finance Study Group of Harvard University found that "PAC money is interested money." Bernadette Budde, political education director of the Business Industry Political Action Committee adds:

> A clear pattern emerges when reviewing who does and who does not have a PAC—the more regulated an industry and the more obvious an industry is as a Congressional target, the more likely it is to have a political action committee within the associations or within the companies that make up that industry. As the government moves closer and closer to a partnership with an industry, the result of that liaison is a PAC mothered by industry but unmistakably sired by government.

Some of the franker public statements made about PAC contributions recognize their special investment quality. Fred Radewagen, while serving as political participation director for the U.S. Chamber of Commerce has said:

> The prevailing attitude is that PAC money should be used to facilitate access to incumbents. The business community has got to do something it has never done before.

As the Washington bureau chief of the Wall Street Journal noted:

> The bulk of special interest contributions represents a sort of investment in the careers of incumbent Congressmen and Senators with the aim of enhancing the influence of the financing groups. Obviously this money is given to buy influence.

One of the best examples of the investment attitude that often accompanies PAC giving can be seen in the activities of the American Medical Association in California. The AMA has been the Nation's largest individual PAC giver to congressional candidates in each of the last three elections.

During the 1974 elections the AMA's PAC's gave contributions totaling $151,165 to 29 of the 37 California incumbents facing reelection. This included 17 incumbent Republicans and 12 incumbent Democrats ranging the ideological spectrum. Only two challengers to California incumbents received AMA contributions and in each case their incumbent opponents received larger contributions. In three of the five races in California that year not involving an incumbent, the AMA contributed to both Democratic and Republican candidates assuring financial support by the AMA whomever won. Similarly in the California U.S. Senate race of that year, the AMA gave $10,000 each to the liberal Democratic incumbent and his conservative Republican challenger.

To cite just one other example, during the 1976 Senate elections, there were five candidates, including four incumbents, who each received a $5,000 contribution from the Trial Lawyers' PAC, and who then went on to lose their general election races. Following the November defeats of these five candidates, the Trial Lawyers turned around and made substantial contributions to each of the five candidates who had defeated them. Not one of the winning candidates had received any contributions from the Trial Lawyers during their campaign.

I do not have any doubt about the integrity of Members of the House. But this does not obscure the point that a large percentage of special interest dollars in the political system puts in question the integrity of the election process.

All you have to do is look around you and you have some pretty spectacular examples. You have the example of the machinists. The president of the machinists is one of the most constructive people in the American labor movement today. But the point he made on the natural gas issue was that if a Member did not vote the way he wanted them to vote, that Member was not going to get any campaign contributions.

We have just voted on a separate Department of Education. Both the AFT and NEA were interested in that bill, one group saying, "You get no contribution if you vote for the separate Department of Education;" and the other one saying, "You get no contribution if you vote against it." This means that the decision, in terms of who is going to be supported by the two major education groups in this country, is going to be made not on the basis of what you do for the needs of kids but what you do for the institutional needs of two organizations involved.

To the extent that PAC's become a larger and larger influence on the political scene, you exacerbate that problem. Members mention to me the problems they have had with one PAC or another, if not by direct statement certainly by indirection and implication, leaving the clear impression if a Member did not perform A, B, or C, they would have a tough time getting a campaign contribution. This bill is not going to stop that, but it will put the power of each individual PAC in its proper perspective, and will decrease the inclination of PAC representatives even to consider making these suggestions.

That will be a healthy development for the public, as well as PAC's and Members of Congress, to understand the effect of interested money on the political process. A 1978 survey by Louis Harris found that in almost every case in which the public "was asked about different types of political contributions, organized groups came up negatively." By placing realistic limits on special interest money, we therefore take an important step toward maintaining public respect for and confidence in the House of Representatives.

As I noted at the outset, the sponsors of H.R. 4970 support the legitimate role of special interest groups. We also believe their role must be kept in balance to protect the integrity of the congressional process. The Supreme Court agreed with this point of view 4 years ago when it upheld the constitutionality of limits on the amount a special interest group may contribute to a candidate for the House or Senate.

These limits, however, are only a partial safeguard against undue influence. First, the limits are so generous that they have done nothing to stem the increasing influence of PAC contributions. Second, the interests of PAC contributors frequently coincide, such as when an issue affects business as a whole or an entire industry and all of the companies and labor unions in that industry.

When that occurs, when a large number of groups which have made substantial contributions to Members are all lobbying on the same side of an issue, the pressure generated from those aggregate contributions is enormous and warps the process. It is as if they had made a single, extremely large contribution.

In addition, interest groups will attempt to maximize their combined influence by collaborating in joint lobbying efforts even though some of the groups involved do not have a strong interest in the issue at hand. These ad hoc coalitions shift all the time.

The result of such activities is to negate the basic purpose of contribution limits on individual PAC's, and the only effective way to deal with such a problem is to put an overall limit on such contributions such as imposed in H.R. 4970. By placing realistic limits on special interest money, we therefore take an important step toward maintaining public respect for and confidence in the House of Representatives.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. GINGRICH).

Mr. GINGRICH. Mr. Chairman, before the gentleman from Wisconsin leaves, I would like to ask a question of the gentleman.

The gentleman from Wisconsin is quoted in this morning's paper, the Washington Post, on page A-4, if I could have the gentleman's attention.

Mr. OBEY. I hear the gentleman.

Mr. GINGRICH. The gentleman is quoted on page A-4 of the morning paper as saying, and I quote:

> It was a boneheaded deal.
>
> Horse trading goes on all the time, but the price was too high.

Then a very competent national reporter, Mary Russell, of the Washington Post, goes on to say, without quotes:

> Obey contends this will be the last chance Democrats have to contain special interest contributions. He predicts that the contributions which now go mainly to Democratic

> incumbents will begin to shift to Republicans as business becomes more confident in its electioneering.

Then she goes on to quote the gentleman as saying:

> After this year they'll be too big and too powerful to stop.

I simply wanted to inquire of the gentleman from Wisconsin if her summary of the gentleman's views is accurate.

I yield to the gentleman from Wisconsin.

Mr. OBEY. Well, as the gentleman knows, I have great respect for the reporter who wrote that story; but that quote was in the context of a general discussion about the escalating degree of campaign expenditures. The point that I was making in that conversation is that you are going to see, in my judgment, business PAC's continue to escalate their contributions to Republican candidates. You are going to see labor continue to escalate their contributions to Democratic candidates. As a matter of fact, I was at a State labor convention in my own State just a month ago when they voted at that convention to assess for political purposes 1 hour's contribution each month for a fundraising purpose.

The point I was simply making is that this is the last chance we have to stop that kind of escalation. It is kind of like the arms race, that whatever one group does one year, the other side is going to figure out how to counter it next year and the victims are going to be the consumers and the general public who cannot possibly compete.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. GINGRICH) has expired.

Mr. FRENZEL. Mr. Chairman, I yield 1 additional minute to the gentleman from Georgia.

Mr. GINGRICH. Mr. Chairman, I just would like to comment that I think in the context of the article, and again I quote what she wrote after the interview:

> Contributions which now go mainly to Democratic incumbents will begin to shift to Republicans.

It does seem to me that it clarifies the degree to which this is a proincumbent protection act and the degree to which this is an antichallenger, antiopenness measure.

I just am amazed that such a distinguished gentleman could mask partisan self-interest in reform.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield.

Mr. OBEY. Mr. Chairman, I think I have adequately explained the context in which I made that statement and as the gentleman will note, that statement was paraphrased. I would simply repeat the statement, that I do believe that you are going to have both business and labor give to their favorite dolls in this House and the dollars are going to go up and up and up and the victims are going to be the people in this House who are trying to walk a sensible road between the two groups.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. GINGRICH) has again expired.

Mr. FRENZEL. Mr. Chairman, I yield 1 additional minute to the gentleman from Georgia.

Mr. GINGRICH. Mr. Chairman, the gentleman does concede then, though, that over the near future as again, and to use the paraphrase, as contributions shift away from incumbents, that those contributions are shifting toward challengers and that, therefore, by the gentleman's own definition——

Mr. OBEY. No. I do not concede that. I did not use the word "incumbents." I was discussing the tendency of business to give to Republicans and labor to give to Democrats. I think that is going to continue and I think the amounts are going to escalate and damage the entire political system.

Mr. GINGRICH. So in that context and in the historical record in recent years, this is clearly a pro-Democratic incumbent—and I will not yield further—this is clearly a pro-Democratic incumbent and clearly an anti-Republican challenger bill, as it is currently written.

Mr. OBEY. Well, if the gentleman is asking me a question, but will not yield, I do not see how I can answer.

Mr. GINGRICH. Mr. Chairman, I thank the gentleman.

☐ 1240

Mr. THOMPSON. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Chairman, about this business of whether the PAC contributions go to challengers, let me just say for the record to begin with that in 1972 I was a candidate for the Congress, and I was an incumbent. My challenger outspent me 3.8 to 1 in that election, and he was elected. By the way, he is a rather good friend of mine. His name is Bill Hudnut, and he is now the mayor of Indianapolis.

But in 1974 we had a rematch, and our roles were reversed; he was the incumbent, and I was the challenger. By the logic that I have heard in this debate so far, I should have had the lion's share then of the contributions, because God knows the PAC committee people are only interested in democracy and in fairness. To hear the debate, one would suspect that the purpose of the PAC organizations is to aid challengers and to give them the right balance.

Well, I was the challenger then in 1974, and my opponent outspent me 4.5 to 1 in 1974. And why? Because it does not have the slightest thing to do with whether one is an incumbent or whether one is a challenger. PAC contributions deal with what you can do for PAC, and if the fellow who is in there, be he a Republican or be he a Democrat, be she a Republican or be she a Democrat, is not voting according to their desires, then it is in the interest of the PAC organization to contribute to the challenger.

If, on the other hand, the incumbent, be he or she a Republican or be he or she a Democrat, is voting according to your desires as a PAC organization, then you as a PAC are not going to contribute to the challenger; you are going to contribute to the incumbent. The record is, I think, rather clear on that.

I heard the gentleman from Georgia (Mr. GINGRICH) suggest that, well, this legislation will help the Democrats and hurt the Republicans, so it is perfectly obvious why Democrats would be supporting the legislation. Is it not, then, equally obvious as to why Republicans would be opposing it?

The bottom line or the real question is this: Is it right or is it wrong in terms of democracy? Do the contributions from PAC's automatically go to challengers?

The record will clearly show not only in my case, but in every case, that they do not necessarily go to challengers; they go to those who agree with them, and the dollars given individuals are spent to obtain a disproportionate voice in national affairs.

Mr. Chairman, I think one of the finest statements and one of the best phrases I have ever heard in a debate in the House during the 13 years I have been a Member of Congress was uttered by the gentleman from Missouri (Mr. BOLLING), the chairman of the Committee on Rules, when he said that the sum total of the special interests do not add up to the sum total of the national interests.

During this debate there are going to be some harsh things said. I regret that because I know the gentleman from Minnesota (Mr. FRENZEL) to be a fair Member, although he is a Member with whom I disagree. We just see this issue from opposite viewpoints—as opposite as it is possible to see two issues on any subject. But as Bill Mauldin said in his cartoon of a boy making a report in school, "My conclusion is that wars are impossible unless both sides are right."

However, I think my side on this is much, much more logical than the other side. I ask the Members to just keep that in mind as the debate goes on. I say to the Members, "Don't let anybody tell you that PAC's are in business to help challengers." They are in business to help people who agree with them, whether they are challengers or whether they are incumbents.

Mr. Chairman, I thank the gentleman from New Jersey (Mr. THOMPSON) for yielding me this time.

Mr. FRENZEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I take this time only to remind the body that the case which the previous speaker mentioned occurred before the Sun PAC decision which made PAC's legitimate was handed down, and it also occurred before the change in the law which we made and which ratified the Sun PAC decision.

I do not think any speaker has challenged the fact that more PAC contributions go to incumbents. What we have said is that incumbents do not need it and challengers do need it.

Mr. Chairman, I yield 7 minutes to the distinguished gentleman from South Carolina (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Chairman, before I make any statement concerning this, I would like to go back and make one observation, and that is that the American public is not being treated to a free and open debate on this subject, because the rules have been made so that we can only consider that which the majority would have us consider and we are not offered the opportunity to amend or make other recommendations.

There are many of us in this body who do favor some election reform, and there are many of us who would like, for instance, to increase the role of political parties while cutting down the role of special interests. We have been denied that right. We have been denied that right to express our opinions and make constructive changes.

That observation, I think, should hang over these hours of debate, and I think it ought to hang heavily because it is an indictment. It is an indictment of the process that does not allow the will of the whole to come in and work itself on the majority or on the legislation. There are constructive changes that could have been made within the context of this legislation, and possibly a reasonable bill could have come out here that would have had close to unanimous support, but we are not allowed that chance.

Therefore, Mr. Chairman, I rise in strong opposition to the Obey-Railsback amendments to S. 832.

The bill's sponsors contend that passage of their proposal is necessary to curb the "alarming" increase of special interest money in congressional campaigns and the growing "dependency" of House candidates on such funds, to quote them and to quote the previous speaker.

First of all, Mr. Chairman, the PAC's, or special interests, which would be affected by this bill are nothing more than voluntary organizations of like minded citizens which provide an effective mechanism by which these citizens can participate in the political process. There is nothing illegal, immoral or wrong about PAC's or PAC money.

Further, individual PAC contributions are already limited to $5,000 per election. I do not think a PAC is going to buy itself a congressman for $5,000 in these days of campaigns where we are looking at the cost of over $200,000 per election on the average for those new Members who were elected this year.

I resent the implication that there would even be a possibility of buying a single Member of the Congress of the United States for any amount. I would also like to point out that current law protects us from being beholden to any single PAC for a significant portion of campaign funds. Corporate PAC contributions in 1978 in fact averaged less than $1,000 per candidate, individually given.

Now, the idea which has been espoused here that all corporate or trade association PAC's have identical goals, and that all business giving can be lumped together as a conspiratorial effort to influence Members, is simply wrong. The bill following this one on the whip notice is a good example—the Sugar Stabilization Act. I have been talked to and lobbied ad finitum on this question—and I am sure we will have—by the sugar producers who support the bill and by the bakers who oppose it. I submit that while there may be a commonality of interest on some issues, business differs as much as any other segment of the population when we get down to specific bills considered in the Congress.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I thank the gentleman for yielding.

I hope that the gentleman has noted that I have not said, suggested, or intimated that any Member of this body or any prospective Member can be bought or even rented, nor have I suggested that all political action committees of corporations and trade associations are Republican oriented, because that is not the fact, any more than the suggestion that labor PAC's are not restricted by this bill.

□ 1250

My major concern has been the utterly fantastic proliferation of political action committees from 248 in 1974 for business and trade association PAC's to 1,633 now. They are growing on a daily basis. That is my concern. I do not care to which candidate they contribute, but I just want a reasonable limit on them, and I think the limit suggested is much more reasonable than the current one.

Mr. CAMPBELL. I appreciate the observations of the distinguished chairman. The gentleman and I do not disagree, nor have I ever said that he would make such a statement about Members of Congress either being purchased or rented. However, those statements were made by Members during the previous debate on this.

Quite frankly, I think we ought to look at some other things, in line with what the chairman has just said. If Members want to further limit individual PAC contributions, with the probable sole effect—and I would like to point this out—if they want to limit corporate PAC contributions, the probable sole effect will be the spawning of more PAC's, as we point out the numbers, as the much cited Harvard study has predicted. I would be glad to cite the gentleman on that. That is all right with me. I do not have any hangup at all about reducing the amount that can be given by a single political action committee. I would like to say that openly and publicly, because I do believe in some reform. But it is not all right with me to unfairly lump all political action giving together, as if PAC's were all participants in one big, special-interest conspiracy with identical goals. The facts do not prove that. That is what we are in effect saying by setting an aggregate ceiling on contributions of all nonparty political action committees.

The real victim of this legislation, Mr. Chairman, is business and those people who choose to participate in the political process through their workplace. The real beneficiary is labor, and I do not see why we should not be honest about it. While it is true that labor PAC contributions would be cut the same as business PAC contributions under this bill, the unions' other strengths, manpower, get-out-the-vote drives, facilities and other in-kind campaign assistance, would remain untouched. Meanwhile, corporate PAC's have grown in numbers by about 1,000 percent, as has been cited by the distinguished chairman, in the last 5 years, while the number of union PAC's has grown by 14 percent. Who would be hurt most by the aggregate PAC contribution limit?

During consideration of the rule to this bill, Mr. Chairman, I asked one sponsor about the questionable draftsmanship of the severability clause of this particular proposal before us. The fact is, if proponents cannot limit the overall contribution ceiling of PAC's, they would scrap the individual limits, solely because individual limits would hurt big-spending labor PAC's. An aggregate limit would hurt the corporate PAC's, with a clearly better chance of growing in numbers. It is time that we just laid it out on the table.

The Supreme Court held in Buckley against Vallejo that—

> The concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the first amendment.

As a restriction of one element of our society versus another, as a ceiling in practical terms on overall campaign spending, as a threat to the first amendment's protection of associational rights, I believe this provision might well fail the test of constitutionality. It would be totally irresponsible for this House to pass such legislation.

Beyond that, the Obey-Railsback amendment should be defeated on the merits. While it is billed as a measure to instill more public confidence in Congress as an institution, what it really does is build into the law still more advantages for incumbents and to discourage still more citizens from participating in the political process.

Obey-Railsback would help incumbents simply as a result of the fact that it would have a devastating effect on challengers. Although only 13.3 percent of candidates for the House in 1978 exceeded the bill's originally proposed $50,000 aggregate PAC ceiling—most of them incumbents—38 percent of the candidates running for open seats and 14 of 19 successful challengers to incumbents exceeded that limit. Challengers of both parties who beat incumbents last election spent an average of $215,028. PAC's contributed $50,000 or more in 100 percent of all the races won by 10 percent or less. And even if the ceiling is raised to $70,000, inflation would soon eat up the difference. Since an individual's contributions to his own campaign constitutionally cannot be limited, Obey-Railsback would close the doors to candidates of modest means. The amendment to limit the amount a candidate can lend to his own campaign does not solve the problem. It would only assure that a less-than-wealthy candidate could not provide the seed money to prove the viability of his campaign and would have no effect on the direct expenditures wealthy candidates could afford to make.

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. CAMPBELL) has expired.

Mr. FRENZEL. Mr. Chairman, I yield 2 additional minutes to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Chairman, I would like to point out right here that when I happened to get elected, the man I ran against was a very wealthy gentleman who spent approximately $100,000 of his own money. Had I not had the opportunity to raise funds, I could not have competed. It is a fact.

Obey-Railsback ignores the wide-ranging differences betwen the districts. Do the Members know that there is nearly $40,000 difference in the average campaign expenditures between the Northeast and the Far West? There is a variancy that has not been recognized.

Obey-Railsback would encourage independent expenditures, completely out of the candidate's control.

We speak of single-issue expenditures. Look what is going on now in the election concerning a couple of Senators where single-issued groups are doing nothing but spending money to defeat or to defame a Member of the U.S. Senate. That is what we are going to spawn if we limit the candidates' ability to control their own election.

It is said that in Washington, perception is more important than reality, and I believe that is the vital flaw in Obey-Railsback—it seeks to correct perception, not reality. It seems to solve a problem that does not exist.

In closing, let me say this: There is a study by Mr. Michael J. Malbin, of the American Enterprise Institute. I talked about the spawning of the single-interest groups. Here is what he says, in conclusion:

> Finally, and most importantly, Congress ought to do some serious thinking about the basic purpose of campaign laws. Ultimately, this should have something to do with the purpose of campaigns. In turn, campaigns should be recognized as having something to do with the purpose of representation—of empowering some people to govern. . . .
>
> Laws that favor a polarizing, negative politics run counter to these goals. . . . It is suicidal to "reform" politics in a manner that systematically favors their tactics.

Mr. THOMPSON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Connecticut (Mr. RATCHFORD), a member of the committee.

Mr. RATCHFORD. Mr. Chairman, I rise to support the Obey-Railsback bill.

Outside of the OPEC price negotiations, the financing of congressional campaigns has become the highest priced poker game in the world. The ante is going up, and the poker game, regrettably, is becoming less and less friendly each year. At stake, of course, and sadly, is a public prize, a seat in Congress.

The system really says two things. Unless you are rich, or unless you are beholden to PAC's, your chances of becoming a Member of Congress are growing less and less each year. I am sure that this was not the intent of our Founding Fathers. In fact, the impact of the PAC spending each year is growing in a proportion not unlike that of a nuclear chain reaction—out of control.

Look at the figures. We have heard a lot cited. But look at the figures. In 1975 there were 608 PAC's. In 1978 there were 1840 PAC's. The number is going up each and every year.

Look at the spending. That fact is even more frightening; $12 million spent by the PAC's in 1974, $32 million spent by the PAC's in 1978. The rate of spending is going up each and every year.

Look at the individual situation. In 1978, 178 House Members received at least $50,000 in PAC contributions and, more significantly, 138 of these won. Think of it. One hundred and seventy-eight House Members received $50,000 or more from PAC's and, more staggeringly, of that number, 138 won.

Look at it from the point of view of percentages. In 1972, 14 percent of the spending in congressional campaigns was PAC money. In 1978, 25 percent. And again, as is the case with the other figures, it is going up and up and up.

□ 1300

Mr. Chairman, it is an insane game of poker, and it must be halted.

I personally wish we were here today debating public financing of campaigns, H.R. 1.

I cannot help observing that many of those persons at the committee level who resisted public financing to the teeth and said they would like to see some reform in this area are the very same people this afternoon who are here opposed to the legislation that is pending before us.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. RATCHFORD. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

I would like to make the observation, yes, there are some of us here who oppose this particular thing, because we were not allowed, as I pointed out, any ability to amend or even debate openly alternatives which we think should be debated and that we have a partial proposal here and not a complete one.

Mr. RATCHFORD. Of course, the gentleman well knows we had several weeks of hearings on public financing, where virtually every issue that comes before us today was aired. The gentleman also knows that the key questions still are the proliferation of the number of PAC's, and the amount of spending each year, so I think the issues are before the Members.

I would note again that the opponents of public financing rise again in different clothes this afternoon. I do not say it is a perfect bill. I do not say it is an ideal bill. I am sure that the sponsors would not say the same.

I do say, however Mr. Chairman, unless we take this important first step, we are going to go into 1980 and see the proliferation of the number of PAC's continue, see the special interest spending continue, and see the number of successful candidates financed by PAC's continue.

If we do that, we will have taken a step away from an open process that says to any American, "If you are qualified, if you are competent, and you can go out there and compete in a free and open market; you can be a candidate for Congress."

I hope we will take that important first step in a journey of 1,000 miles, because I think in passing this bill, we do take a step forward toward vitally needed reform toward the financing of campaigns.

Mr. CAMPBELL. If the gentleman will continue to yield, I would like to follow up a moment.

I certainly do not think the gentleman means to imply that throughout the course of debate on H.R. 1, public financing, which is not before us now, that there were not many other proposals that came forward that are not before this House today that perhaps have a great deal of merit. Would the gentleman concede there were?

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. RATCHFORD) has expired.

(At the request of Mr. FAZIO and by unanimous consent, Mr. RATCHFORD was allowed to proceed for 2 additional minutes.)

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. RATCHFORD. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. The proposal such as increased involvement in political parties and strengthening the roles of parties, which this bill excludes us from even having an opportunity to put forward in debate, things a lot of us might be interested in, I believe on both sides of this issue, we are being denied a right to do that. It is an incomplete piece of legislation, I think it does have some merit I think the demerits do outweigh the merits.

Mr. RATCHFORD. So my good friend who actively participated in that debate on the House Administration Committee, I think the real issue is who is going to finance campaigns and what are they going to do.

I think as far as participation, as far as involvement, as far as the role of citizens, that occurs when candidates, attractive candidates, are nominated who can articulate the issues and, reach out and draw in people. I do not think there is any correlation between this and the amount of spending. We are talking about controlling spending here, not involving people. Unless we control spending, we are driving people out of politics. That is why I favor this bill.

Mr. CAMPBELL. If the gentleman will yield further, I would certainly agree that the gentleman favors taxpayer-financing elections and I do not. That is not to say that both of us might not favor some reform of the system.

Mr. RATCHFORD. We do favor some reform. That is why I am for this bill.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. BADHAM), a member of the committee.

Mr. BADHAM. Mr. Chairman, I have listened with great interest to some of the comments that have been made.

First of all, I think it should be pointed out that the House Administration Committee did an excellent job on S. 832. That is really why we are here today; to discuss the passage of S. 832, to bring the FEC system into some semblance of order. It is out of order. It is chaos. It cannot operate the way it is.

Now we are put in a position where we are either going to kill S. 832 in its entirety or amend it with a nongermane amendment that has never been heard in the committee.

It is poorly drafted. It does not include the Senate. It is unilateral disarmament of the House to the Senate.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BADHAM. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. I fail to understand what the relevance of the Senate is.

I know it is being brought in continuously simply because a lot of us are unhappy with the Senate. The fact is we do not have a race that pits the House against the Senate. We are trying to set up our own rules. The Senate is free to do whatever it wants and has very little impact on the House.

Mr. BADHAM. We tried that with the pay raise. We have that with outside income and abortion a number of other things. It has not worked. It is not going to work today.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. BADHAM. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I am sure the gentleman is keenly aware there are several States in which the House Member has to run statewide, just as the Senators have to run statewide. Yet, we would say by this legislation the Senate should be entitled to more money to run in the same area than should a Member of the House of Representatives.

Mr. BADHAM. I thank the gentleman for his contribution. The Speaker of the House of Representatives in encouraging us to pass a closed rule to allow, as he called it, free and open debate on an ungermane amendment which fell somewhat short of the traditions in which this House was founded.

The Speaker told us that it was a sin or heresy to have incumbents defeated, almost with huge tears in his eyes.

He told us how evil and wrong it was to have incumbents defeated. I do not think so. I think the better person should win in an election, regardless of campaign contributions. If it is the incumbent, fine, but if not, that is fine, too. If we were discussing S. 832, as we should be today, that bill should have passed on suspension.

We have had comment from the gentleman from Connecticut (Mr. RATCHFORD): "If you are not rich, you are beholden to PAC's."

I hope the gentleman is rich, to make such a statement like that on this floor.

We have also heard from the proponents that somehow everybody else is bought and sold, but not the person in the well making the speech. But then the person in the well proposing the amendment would imply, therefore, that somehow he is honest, but is afraid of being bought—such timidity has no place in this House—after all, no one need accept any contribution.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. BADHAM. I yield to the gentleman from Illinois.

Mr. ERLENBORN. I thank the gentleman for yielding.

The gentleman is aware I am a cosponsor of the Obey-Railsback bill.

But the gentleman may have noticed that I voted against the rule. I must say that as a cosponsor of the basic bill, I was embarrassed to hear the pitch made by the Honorable Speaker, particularly to his Democratic colleagues, about this bill is necessary because incumbents may be defeated.

I certainly do not think this is an incumbent protection bill. I would not cosponsor the bill if I thought it were.

I would also say that I object to the procedure of bypassing the committee and the procedure giving us a vote up-or-down on the bill, without the opportunity to perfect it. I think it could be perfected, and therefore, I intend, even though I am a cosponsor of the Obey-Railsback bill, to vote against the amendment when it is offered.

Mr. BADHAM. I thank the gentleman for his contribution.

I thank the Speaker for causing the gentleman to see the light on this ill-advised amendment.

What we are really talking about is whether or not PAC money can really buy people. Now if you can buy a Member of Congress for $5,000, can you buy 60 percent of one for $3,000? Is that really what we are talking about? That is nonsense.

I think the answer to the whole thing is disclosure.

I cannot be bought by any amount of PAC money or any other kind. I am willing to stand on the floor and say that. And I am willing and I do make full disclosure of my campaign funds. If this is an incumbent bill, the Speaker ought to say it is an incumbent bill. If it is one to bring honesty to all the other Members of the House and not the proponents of the bill, then they should say so.

The CHAIRMAN. The time of the gentleman from California (Mr. BADHAM) has expired.

Mr. FRENZEL. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. BADHAM).

□ 1310

Mr. BADHAM. In closing I would just simply like to say I do not believe our votes are for sale. I believe that if Members of the House disclosed the source of their contributions, and I think they should, the people of this country and our districts could readily determine whether or not we do a proper job.

This amendment that we are going to have before us is poorly drafted. It is unworkable, it deprives people from the right to be in the political process, and it really does not address the problem.

Mr. FAZIO. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, I want to thank the gentleman for yielding and say at the outset that this is one bill where there is genuine, I think, sincere disagreement on both sides of the aisle. Disagreement as to the impact of the bill, disagreement as to the desirability of the bill. Yet, I want to make it very clear that there are over 25 Republican cosponsors of the legislation, including the gentleman from New York (Mr. CONABLE), the gentleman from Illinois (Mr. ANDERSON), the gentleman from Iowa (Mr. LEACH) and, until very recently, the other gentleman from Illinois (Mr. ERLENBORN). I can kind of understand his concern about some of the remarks made in the debate on the rule.

I want to also mention to the Members of the House that in my opinion there are many Members of the minority side who have been willing to literally stick out their political necks at the risk of losing perhaps, some contributions.

I want to also single out particularly, the gentleman from South Carolina, who happens to be opposed to the so-called Obey-Railsback bill because, in my opinion, he, as much as any Member of the House, has tried to be constructive and helpful in the field of election law reform; and I am talking about Mr. CAMPBELL.

But be that as it may, my interest in so-called campaign spending goes back to March of 1974. I introduced a rather, I guess what could be characterized as a rather unusual, or even a rather radical proposal that would have dealt with the issue of what I believe was a pervasive misuse of the franking privilege and other perquisites of the incumbents. I was concerned at that time about campaign spending. I had sat as a member of the House Judiciary Committee, and when during the course of our so-called Watergate investigation one of the minority members on our side, Mr. Mayne of Iowa, suggested that rather than just go into the problems of the President with dairy contributions, let us also, in fairness, take a look at dairy contributions as they related to the Members of Congress.

I will tell you, when we went into that, when I saw the amount of money that was being thrown around—and I got some of it—there were many Members that got contributions from dairy coops, who at that time were seeking to raise the dairy parity price, who did not have cows in their districts.

In any event, my bill did not go anywhere and perhaps it should not have. It was a little bit impractical.

Then I was asked to be involved in public financing. I have some reservations about public financing, the desirability of it because of the so-called in kind contributions that do not come under the cap and which the Washington Post, in an editorial, said amounted to something like $11 million in the Ford-Carter Presidential election that did not come under the cap and which benefited the President rather than the former President, Jerry Ford.

When I was asked to cosponsor with DAVID OBEY some amendments to cut down on PAC spending, I wholeheartedly agreed, and I will tell my colleagues why. When we look at the statistics over the last few elections, about the last three elections, but particularly the 1978 elections, we will see there are contributions coming from four different so-called political action groups. There are business PAC's, there are the trade PAC's, there are the labor PAC's and there are the ideological PAC's.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FAZIO. Mr. Chairman, I yield the gentleman from Illinois (Mr. RAILSBACK) 3 additional minutes.

Mr. RAILSBACK. I thank the gentleman for yielding.

It is patently clear, patently clear that incumbents are the beneficiaries in many cases even of unsolicited contributions and at a rate of almost 4 to 1.

I have heard a lot made on our side, frankly, on our side, that there have been some of our successful Republican challengers that were elected because they had substantial sums of PAC money, and I am sure this is true equally on the majority side.

Take a look at the whole picture. I have a list of eight races on our side where we came very close, where the members of the minority came very close. When we look at the contribution rate between the incumbent and the challenger, I can tell my colleagues that literally the challenger was buried by PAC contributions.

I do not think this legislation is any kind of a panacea. I do want to make it clear some of the literature that was distributed dealt with a $50,000 contributor level. We are going to try to raise that to $70,000.

In my opinion, and Mr. CAMPBELL, I think, would agree with me, and Mr. LEACH and some others, there are some things that we should do. One thing would be to raise, I would favor raising the individual contributor level. I would want hearings held, and I believe there are going to be hearings held on the question of indexing for inflation. I would want to do something about maybe raising the level which a person could contribute without having his or her name disclosed because that would clearly favor challenges.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding and I certainly agree with him on many of the reforms he has outlined and do support them. I would like to say to the gentleman I have enjoyed working with him and he knows I could very easily support a reform piece of legislation if we did not have a cap on a specific subject. I do not support capping either individuals, PAC's or parties, but I have no objection to cutting down the amounts.

Mr. RAILSBACK. I appreciate that.

May I just add one other thing.

Right now there is a lot of opposition from the business community and the business PAC's because they think they have things going for them and I can understand that. They have expanded. Generally speaking, business PAC's give much smaller sums of money, for instance, than labor. So clearly one section does not impact on them like it impacts on labor.

But more importantly, and I think the gentleman from Wisconsin hit the nail right on the head, if we want to do something about the spiraling campaign spending, recognize that if business PAC's continue to proliferate, do not think for a minute labor is not going to respond and labor is going to respond in one loud voice by saying to their employees, "Give us an hour's wages a month," and watch the war chests that they build.

This legislation is designed properly to impact on both and that is what we want.

Mr. LEACH of Iowa. Will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Iowa.

Mr. LEACH of Iowa. Mr. Chairman, I rise in strong support of the Obey-Railsback amendment.

In my judgment, it represents a kind of a domestic SALT agreement between big business and big labor; an agreement disliked by each, but to the stark advantage of the individual citizen and taxpayer.

It is debatable how nefarious or constructive PAC giving has been in past campaigns, but as all of us know, electoral history may not be a good guide to future campaign behavior. PAC's, both labor and business, are girding for future Armageddons—battles that in quantum magnitudes are likely to be more expensive than Americans have ever experienced.

It is no accident that we have a Congress of the United States increasingly indebted to either big business or big labor, a Congress where the small businessman, the farmer, the worker and ordinary citizen are only secondarily represented. Hence also, it is no accident that the middle class bears a heavier tax burden than the rich; that small companies lack the tax advantages of the integrated oil companies; and that inflation is the economic issue of the day. I would like to stress this last point; inflation is not unrelated to campaign financing abuses.

The roots of inflation begin in Federal spending and Federal spending begins in promises and obligations, and all this begins with politicians. It begins, in fact, in the way campaigns are run. It begins in politics as usual, in commitments to large contributors, no matter who they are.

The most effective way for a candidate to achieve support in a bid for legislative office is to isolate every identifiable group—especially moneyed groups—and announce support for the group's vested interest. Unfortunately, going along with the most powerful interest groups inevitably leads either to the proliferation of Federal programs or to the weakening of the tax structure. Fiscal balance and equitability are impossible to maintain after lawmakers, that is, the successful candidates, have committed themselves in advance to support specific tax advantages or Government programs favoring those having made generous campaign contributions. America may be a society of individuals, but power groupings—not individuals—are represented in legislative bodies where money is a key determinant of election outcome.

A government of the people, by the people, and for the people cannot be a government where influence is purchasable through large, private campaign contributions. The subordination of individual rights to indiscriminate moneyed influence is the subordination of representative democracy to institutional oligarchy.

It is simply a fact of life that when big money in the form of group contributions enters the political arena, big obligations are entertained. Groups seldom reflect the same collective judgment as all their members. More importantly, decisions for organizations frequently occur at the top not the bottom and the abdication of local control over funds leads to the aggrandizement of leadership power within organizations and thus within any government channel where the organization's impact is felt. Individuals who control other people's money become power brokers in an elitist society. Their views, not the small contributors to their association, become the views that carry influence.

And the views of power brokers are frequently the views of out-of-State interests rather than the concerns of individual constituents. The giving of a significant policy voice to people who have no ties with the State from which an individual Congressman is elected is one of the most unfortunate ingredients of modern politics. It weakens constituent ties to a Representative once elected; it also undercuts the desire of constituents either to contribute campaign funds in modest amounts or participate enthusiastically in volunteer activity.

Without reasonable restrictions on giving there is a clear danger that large numbers of challengers will never be given a reasonable competitive chance. The stultification of incumbency will continue as the hallmark of congressional elections.

Statistically, by an approximate 4-to-1 margin, the vast majority of PAC funds goes to one definable group; namely, incumbents. In a sense, both parties in Congress have a common incumbency self-interest—a self-interest which amounts to a monopoly if the experience of the most recent decade is guide.

Monopolies in the political arena apparently can only be broken up by the exercise of countervailing monopoly power or by placing restrictions on the exercise of that power.

The Obey-Railsback approach is a good first step toward establishing prudent campaign rules, thereby protecting the traditional and the best in American politics. I urge its adoption.

☐ 1320

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, before I start my remarks I would like to mention two personal items and get them out of the way.

I regretted very much indeed that the audit was abandoned. I think the random audit was a very sound principle and I was sorry we lost it. Second, as far as money is concerned, I would like to have this on the record: I contribute to my own campaign my personal funds exactly to the extent that my opponent does, and no more, unless he accepts PACs. I think it is perfectly ethical for me, since I do not accept PAC's, to contribute if I want to, to the same amount, but no more. I would like to get that on the record.

Mr. Chairman, I would like to say that we have heard a great deal today about the effect of this proposed legislation upon the election or nonelection of challengers and incumbents. Frankly, I do not think the public cares one bit about that subject, whether or not an incumbent is going to gain through this, or a challenger is going to gain. The real point is, what is this legislation going to do to the national interest, to the interest of the public? What effect is it going to have on the kind of legislation we vote on in this House and how we vote? That is the real point.

The public perception must be taken into account also. What does the public think when, time after time after time, a certain candidate in every election gets enormous contributions from one or another trade, business, labor union, or whatever special interest it might be, and the vote follows the legislation as day follows night.

I do not question anybody's motives. I am not saying that anybody is bought, although on the floor of this House another Member spoke to this last year. The point is, the public is not reassured that there is no special influence when this happens time after time. I do think it is something that has to be considered.

We have all had experiences in this House. I once asked one of my colleagues, "What are you going to do on the veto override?"

The answer was, "I took $58,000 from so-and-so. They want it. MILLICENT, are you kidding? What do you think I am going to do?"

Another time I asked a Member about a vote and the answer "I took $14,000 from such-and-such group, and they want it."

In the New York Times there was this: One of the sitting Members of this House got a telephone call, and so it was reported to the New York Times. The telephone rang in his office, and a voice said, "We have a bill we would like you to sponsor."

The Member said, "I would like to see it."

The voice on the other end of the telephone said, "Hey, buddy, wait a minute. We are friends, aren't we? We contributed to your campaign. Friends don't ask to see a bill before they sponsor it."

This kind of thing contributes to the following kind of situation. A colleague from the west coast said, "One of the reasons I am not running is that it takes $250,000 in my district to run and win a campaign. Where do I get that kind of money? I got several contributions of $10,000." If I do what they want, and I know why they are giving me the money, I feel that I have been bought. If I do not do it, I feel—" he searched for a word—"ungracious."

He said, "Everytime this happens, you lay your soul on the line."

Now, this is the kind of pressure that Members of good conscience are under, and I think it is time that we came to some kind of action about it. There was $12,500,000 contributed to Congress in 1974; $22,600,000 in 1976; over $35 million in 1978, and the estimates are that there is going to be over $50 million in 1980.

As one Member of this Congress said, "In 16 years I have never seen anything like it. This is the best Congress that money could buy."

That is a Member of Congress discussing it, not the public. What does the public think of us? That is something else that we can find out when we look at the polls. I think we know. I do not think we can represent the public properly without some genuine effort toward reform.

This effort is small enough. It does not contain the automatic audit that would have allowed the Federal Election Commission to go into any Member's accounts anytime. It requires now a vote of the Commission, a complaint and so on. I think that was a loss. It is time for reform. The dirty work of the PAC's cannot be allowed to continue.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, we all bring our own experience to this particular piece of legislation. I, along with many other Members, was not at all pleased by the distinguished Speaker's blatant appeal to terrify certain incumbents; namely that somehow or other this bill was going to hurt them. I survived the most expensive race in the history of the U.S. House of Representatives in 1976. There were 14 candidates whose combined expenditures totaled $1,700,000. I thought that with inflation someone would pass that figure in 1978, but I have not come across any higher priced race to date.

My opponent in the November election 1976, spent over $680,000, and with legal bills and other extraneous matters that do not go on FEC forms his final total was probably around $800,000. I sued him for libel. He settled out of court for $35,000 with a cashier's check. I believe that also set an American historical precedent. I do not know any Senator or House Member who has ever received one libel dollar from an opponent.

My last election was dubbed "Star Wars" by the District of Columbia papers. My very young 1978 Democratic opponent has a very famous father; he as a friend of the Speaker and of other prominent Members of the majority party. He raised over $300,000 spendable impact dollars to my roughly $220,000. Most of which was raised in the last 2 months. I was up against raw wealth for the second time in a row.

As far as Federal Election Commission audits are concerned, they have dumped random audits and do not seem inclined to audit for cause. The FEC on Friday, it seems, has dropped any investigation against my young opponent, who accepted 13 $1,000 illegal campaign contributions in the last weeks of the election. These contributions were all given by one man and brought to my opponent's headquarters as cashier's checks. We know such contributions are illegal. If you know a person and he tries to give you cash, you can send him to the bank and he brings back a cashier's check, but who here would not be suspicious if someone walked into your campaign headquarters to deliver $13,000 in 13 separate cashier's check. Thirteen of them.

The money which found its way into my opponent's campaign came all the way across the continent to Los Angeles from Alabama. The particular contributor names cited on my opponent's FEC forms are Alabama names, mixed in with Manhattan, Palm Spring, Malibu, and Beverly Hills, Beverly Hills, Beverly Hills. Outrageous.

There should have been an immediate audit for cause, but that is obviously not going to happen.

Many seeking Federal office today are sons of multimillionaires. I have two of them coming back at me next time. The distinguished Mr. OBEY does nothing to address the problems of the sons of the rich trying to buy congressional seats. If you look at the Senate side, there are 41 millionaires there. And just look at those who have inherited family money, or wives' money, or company money, and they can use it any way they want to, and there is nothing done to consider this in limiting others. I think the envious drooling we see exhibited here today by speakers in this House does a disservice to this very healthy proliferation of PAC's. We have gone past the major corporations developing their PAC's and now we are seeing very small companies and corporations developing their very humble PAC operations.

Mr. OBEY. Mr. Chairman, will the gentleman yield to me, since he mentioned my name?

Mr. DORNAN. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me just respond to the gentleman, on the rich candidate issue, by pointing out that, as he well knows, the Supreme Court has made it clear that there is only one thing we can do on the rich candidate issue, which is to pass public financing. If we do not want to do that, there is nothing we can do. I would suggest that I doubt the gentleman in the well wants to see public financing.

Mr. DORNAN. I do not.

Mr. OBEY. Then he has criticized me for not doing something that no one has any ability to do unless they follow the other road, that the gentleman does not want to follow.

Mr. DORNAN. I will explain that, if I may reclaim my time. Public financing by Supreme Court decision will simply not stop rich families spending the way they please. By limiting the contributions by smaller PAC's—and I hope this proliferation explodes multifold over the the next two elections—we cripple participation by middle America in the election process. Now we are involving the small hardware stores, the small distribution companies, and all of the small businesses that are the backbone of our Nation.

□ 1330

If $50 million is spent in the next election——so what—that is great, that is healthy. I respectfully disagree with my distinguished friend, the gentlewoman from New Jersey (Mrs. FENWICK). This expenditure is pure Americana. Fifty million is only a fraction of what is spent in this Nation to sell cosmetics or perfume. What it does is energize more Americans to involve themselves in our political system.

I had perhaps about $75,000 deep into the summer of last year's 1978 election. This time I have already $108,000 as of yesterday and I am averaging about $7 per donation. I am proud of that. I have not gone to the PAC's yet, but I will, and when they support me that means they will be adjusting to my views and opinions, not I adjusting to their interests and if I want to change my mind on an issue, let them take their money elsewhere the next time around.

There is absolutely nothing inherently evil about the contribution of Political Action Committees to American politics. I have been at the kick-off ceremonies—the formation of many small PAC's, and these activities are the healthiest thing I have seen around politics in decades. If we really want to reform this House.

I will tell you what we should do. Adopt a House resolution I am going to introduce this week to limit House Members to six terms, that is 12 years, starting after the next election following passage. Then we should limit our friends in the Senate to two terms, also, 12 years, and of course after a break in service S-Hot Members of either body could come back for 12 more years. This is the way to break any incumbency abuses around here.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the fabulous gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding. I respectfully suggest if we have a revolving door for Congressmen here, we will really have the bureaucrats running the Government, so I hope the gentleman has some second thoughts about that.

Mr. DORNAN. Twenty years with a 2-year break followed by another 12 years and so forth, hardly a revolving door. A distinguished Member like the gentleman from Illinois would be assured of 18 years at least because of his current seniority followed by 12 and 12 and 12, but I know he will be "up or out" long before that rising in the political system like a shooting star. But to return to this massive exercise in jealousy and confusion here today, I state emphatically that arbitrary and changing caps or ceilings on this or that will accomplish nothing. Disclosure. Disclosure Disclosure * * * with swift and certain punishment for reporting violations is the answer. Let the voters judge the shadow of financial support. Long live the PAC's. Vote down Obey-Railsback.

Mr. FAZIO. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee (Mr. Ford).

Mr. FORD of Tennessee. Mr. Chairman, I rise before you today to express my wholehearted support for the Obey-Railsback amendment to S. 832, the FEC authorizations. As my colleagues have already stated this amendment is designed to reduce the amount of political action committee spending in House elections.

There is little doubt that candidates to the House are depending more and more on special interest money to finance campaigns. The amount of money PAC's contributed to congressional candidates tripled between 1974 and 1978. According to Federal Election Commission figures, 1 in 10 candidates received PAC contributions of $70,000 or more. A few candidates received as much as $171,000. It is time to loosen the growing financial dependency of congressional candidates on narrow-special interest-business, labor, and other groups.

The rapid proliferation of PAC's and their potential for inordinately influencing congressional decisions and votes is slowly destroying our governmental system of district representation.

Existing legislation may be responsible for the increase in PAC's because of the limitation on the amount an individual may contribute to a candidate. This has forced candidates to rely heavily on either their personal resources or these political groups.

Few will question that special interest money generally comes with implied and sometimes not very subtle strings attached. It is degrading and humiliating to even suspect that U.S. Congressmen are mere puppets to these organizations. And, even when there are truly no strings attached, dependence on PAC contributions makes it more difficult for a Member of Congress to be objective when legislation affecting his financial backers is being considered by the House.

Our efforts to enact this legislation should not be misconstrued. On the face of it, there is nothing wrong with business, labor, and other groups financially supporting candidates to the House who have similar positions as theirs. These groups make up our constituency and legitimately represent their concerns.

PAC contributions are consolidated contributions from many individuals. I am a recipient of PAC contributions myself. However, there must be a balancing of their influences on the legislative process to protect true representative Government.

The argument that this amendment has bypassed the normal committee processes of public hearings and debate, cannot be substantiated because similar legislation has previously been before Congress.

It is important for us to curb the existing practicing of influence buying and to rebuild the confidence of the American people in their Government. It is important for the voters to know that the decisions of their Congressman reflects his conception of what is best for them and their district.

I join my committee members on the majority side in full support of this legislation that is before the House today and ask and urge all of my colleagues to support this bill.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania (Mr. Ritter).

Mr. RITTER. Mr. Chairman, had an open rule and not a closed rule on this bill been allowed previously, I had intended to offer an amendment to benefit challengers in congressional campaigns by raising the disclosure limit on contributions to those challengers, from $100 to $500. If the Harvard University study which was alluded to earlier, commissioned by the Committee on House Administration, made one recommendation above all, it was that greater individual participation and contribution are necessary in election campaigns. My challenger's protection amendment concurs with the 1979 Harvard study recommendation on raising the disclosure level to $500, but it gives the threshold increase only to those who need it, to challengers, not to incumbents.

Many of us in this body would like to see some major change, and the way to gain such change is to make it easier for the American people to run for Congress. Obviously those people are not incumbents; they are challengers. If my amendment had been in order, I would make the following arguments in support of why I believe challengers in congressional campaigns deserve fairer treatment under the 1972 FEC Act. The legislation before us, Obey-Railsback, will have a great impact on the way the Nation conducts the financing of congressional elections. The limitations on PAC contributions are derived from the genuine belief on the part of many that serious flaws exist in the Federal Elections Act governing campaign contributions, but Members should be aware that the Harvard study on the impact of the Federal Election Campaign Act, published in May 1979 under contract from the Committee on House Administration, underscored many harmful effects of the Federal Election Campaign Act between 1972 and 1978. The study concluded that substantial contributions from individuals were needed to run a campaign and that the present limitations on individual contributions should be raised, and that the disclosure of individual contributions should only be required above $500. The study did not recommend reducing PAC contributions. The study concluded that more not less funds were needed by candidates to get their messages out. This is particularly true for challengers.

I believe that the primary reason PAC's have gained so much in influence is they are more and more becoming the only game in town, particularly for many challengers, those who do not have rich parents or rich families or a rich mother-in-law; those who do not have law practices which can benefit from the publicity of running.

The important data to consider is the trends in how these contributions have been made. Challengers have been receiving increasing amounts.

☐ 1340

Just a short while ago our distinguished Speaker of the House made the plea better than any one of us opposing Obey-Railsback when he documented the increasing number of large total contributions going to challengers. He passionately documented some eight or nine challengers in hotly contested races having $50,000 or more in PAC contributions as if it were a heinous crime. What is wrong with challengers raising money to take on incumbents. I think the tenor of the Speaker's statement alone confirms Obey-Railsback to be an incumbent's protection act.

Mr. Chairman, the people of America are benefiting by numbers and variety of individuals able to run for Congress without being a millionaire. In other words, many challengers have had severe difficulty raising personal contributions in their own districts because of widespread local fear on the part of contributors of incumbent influence, pressure, retaliation, intimidation, real or imagined.

The Harvard study underscored, it is precisely more individual contributions that are needed.

In response to this need for individual involvement in political campaigns, I had prepared an amendment to the Rules Committee-passed bill, H.R. 4970, which seeks to help resolve fundraising problems facing challengers for congressional seats and at the same time restore individual local contributors to a much more reasonable position than they face today.

My challengers protection amendment would have enabled challengers to raise contributions of up to $500 without the present requirement that the names of those contributors who, in a real or imagined way, fear retribution, intimidation, harassment or just plain embarrassment over helping a challenger be disclosed.

In urging such a change, the Harvard study's recommendation would apply it to incumbents as well as challengers. Yet, I think we all clearly realize from the facts of recent congressional elections, that incumbents do not really need this help nearly as much as challengers.

My hope is that my amendment will send a signal to the American people that we are concerned about the "chilling effect" that FEC regulations are having on challengers. By supporting the challengers protection amendment, we increase the fund-raising chances of the challenger and we get to the heart of the matter of bringing the individual back into political campaigns. That in itself, will go a very long way toward balancing out the role of political action committees which increasingly have become an important part of the American political campaign process.

Obey-Railsback is a well-intentioned political reform not without merit. Yet it promises to perform amputative surgery without getting down to what is really wrong with the congressional election system. Obtaining large numbers of small contributions usually is impossible for would-be challengers. Because challengers are relatively unknown, and due to the high costs, direct mailings are not an effective solution either.

To quote the Harvard Study:

> Since public disclosure is effectively functioning only at the level of larger contributions, and since the volume of information itself is handicapping public disclosure, the study group believes that these problems can be alleviated without damaging the essential value in public disclosure by raising the threshold at which contributions and expenditures are disclosed.

By giving a greater chance to challengers seeking entry into our political system, we will strengthen this important route to better government. I deeply appreciate the consideration of my colleagues on this important and much-needed change.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas (Mr. Paul).

Mr. PAUL. Mr. Chairman, I would like to mention one point that I think has been missing in this discussion on the Obey-Railsback amendment. Up until now we have been talking mainly about the solution to this problem, that I think we all recognize, without really being concerned and trying to understand what the basic problem is. I do not believe it is accidental we are facing this crisis in the way we are elected and the way campaigns are run and the way lobbyists work at this particular time in our history. I think it is what we should expect.

Mr. Chairman, if we look at the problems involving campaigns and the way they are financed, it is very similar to the problems we talk about when we were trying to regulate lobbyists. I think we fail, if we pass this amendment, to really address ourselves to protecting the Constitution. I am disappointed that my liberal friends are not championing the right of free speech and also the right to petition our Government because I do believe this is what is at stake here. If we are careless with the right to petition our Government and the right of free speech we jeopardize the foundation of freedom itself.

To curtail the constitutional rights of PAC's or lobbyists who are considered less than ethical means that the decent citizens who want to organize only to promote freedom will suffer as well.

Mr. Chairman, I do understand the frustration however. The dollar influence in this Government is overwhelming. It is very influential in elections and legislation and this is disappointing. What we seem to be doing is something like we do in economics. We pass a law, we cause a new problem that calls for two or three new laws to correct the problem we have. To pass legislation like this would just be adding to the problem.

Mr. Chairman, I see the problem in this way. The Government is just too big; there is too much intervention; there is too much governmental power to pass out favors. There are too many dollar favors available to the people. There is welfare on two ends of the spectrum. There is welfare to the poor and there is corporate welfarism and they are both encouraged for this reason to come and lobby for their share of the loot. We here in the Congress seem to do nothing more than to be passing out the loot and, therefore, it is worth the lobbyists investment to spend a lot to come up here and lobby for their so-called share.

Mr. Chairman, I think this attitude has dominated our politics and our economics in the last several decades. But the solution cannot be that we increase the regulations on the lobbyists or regulate elections or regulate the PAC committee to a greater extent. The election process should be minimally regulated if you want a free society. There is something, however, that needs regulating and that is big Government. The Congress needs regulating. The Congress and the Government need to be reduced in its effective control over the economy and over the people. If we continue to address only regulating elections, donations, money, candidates, and lobbyists, I think we miss the whole point. There is a serious problem here but the problem is that the Government itself has too much power and authority to pass out powers. This power must be curtailed.

Regulating and curtailing the constitutional rights of our citizens through FEC legislation can in no way compensate for the abuse of constitutional restraints on Government power that the Congress participates in on a daily basis.

Reduce the size of the Government; remove the Government's unconstitutional authority to intervene in the economy and in our lives and the influence of the lobbyist and their dollars will disappear.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California (Mr. Lungren).

Mr. LUNGREN. Mr. Chairman, discuss and vote on this particular bill and the amendments thereto, I think it is interesting for us to look at those things which we are not allowed to consider as well as those we are allowed to consider. During the consideration of the rule on this legislation in the Committee on Rules, an attempt was made to deal with a real problem that has arisen in the political system right now. That is of an unannounced but, many people believe, soon to be announced. Presidential candidate, having a proliferation of committees around the country set up on his behalf which allow them to have an advantage under the system of raising funds against those who are announced candidates. That is a serious consideration.

Although this particularly affects the other party, it is something that really has something to do with the way the political process is working this year. Yet in the Committee on Rules, that was defeated. We were not allowed to deal with that serious problem that we all know exists and ought to be addressed. Yet we are told we must deal with Obey-Railsback now because there is a serious problem. If there is a serious problem in the Presidential election system, why is that not brought to the floor with the same haste with which we are dealing with Obey-Railsback?

Mr. Chairman, the gentleman from Illinois (Mr. Railsback) made some genuine comments here about the need for reform in this system. I agree with that. Yet we do not have the opportunity to vote on indexing the contribution level. We do not even have the opportunity to vote on the question whether individual contributions limits are to go up. And yet we are told that we can deal with this one small part of the loaf and somehow that is going to take care of the problem. We know that is not true. We are given a very limited opportunity to deal with one specialized area of a situation that really will not right itself if we only deal with a small part of it.

It seems to me more than coincidental that this is being brought to us today, when the experience since 1974 as PAC's have come on line and begun to contribute to campaigns is that we see more

Democratic incumbents being defeated with greater frequency year after year. In the midst of that is it any wonder that some say, "Well, now, we have to change the rules of the game."

Mr. Chairman, I have been one who has criticized PAC groups for not putting their money where their mouths are, for supporting those people who do not generally support their views on the floor. In other words, criticizing them for not backing those people who represent the views that they espouse.

Now, when we see a raised consciousness on the part of many of these PAC's, that now they are going to start contributing a little bit more to those people who are expressing the views with which they agree, we say that is a bad thing. And we say that is a bad thing because we are afraid they are going to help more challengers contest incumbents.

Mr. Chairman, I think the Speaker said it better than anyone else today. Had I the opportunity I would have given him 5 more minutes to speak. I would have done this because he talked about the fact that failure to pass Obey-Railsback is going to jeopardize those people sitting in this House. Certainly, incumbent protection should not be a basis for attempting to restrict our constitutional rights of free speech.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, I am not convinced the PAC's are as bad as we try to make them sound today. I received about one-third of my money from PAC's and about two-thirds from non-PAC's. No one put any pressure on me or tried to buy me off. I honestly think they gave me the money because they supported my particular viewpoints on some of the issues. I think what the PAC's are doing is—that they are giving money to people because they want to balance the budget, give a tax cut, preserve western water rights, because they are for or against, say, the Panama Canal Treaty or some other good or bad legislation which from their point of view is justified.

It seems to me, Mr. Chairman, what the proponents of this bill are really trying to do is somehow limit influence that some groups might have.

May I quote from a Newsweek article of November 6.

> Special interest groups, old and new alike, have developed a potent array of weapons. They have formed Political Action Committees and now raise more money than either the Democratic or Republican Parties and they enlist their money and muscle to cajole, influence and even threaten legislators.

It was interesting to look back in the 1978 issue of U.S. News & World Report to see who packs all this influence that we are concerned about.

Listen to this. Order of influence:

First. The White House. I am wondering what this bill does to cut down the influence peddling of the White House.

Second. Large business.

Third. The U.S. Senate.

Fourth. The Supreme Court.

Fifth. Television.

Sixth. Federal bureaucracy.

Seventh. The U.S. House of Representatives.

Eighth. Labor unions.

Ninth. Banks.

Tenth. Miscellaneous lobbies.

□ 1350

Eleventh. Newspapers.

Twelfth. Wall Street.

Thirteenth. Cabinet.

Then comes the Democratic Party, public opinion polls, State and local government, radio, magazines, educational institutions, military, civil rights groups, the family, the medical profession, organized religions; and, oh, how unhappy, the Republican Party, No. 27.

Small business, No. 28.

The cinema, No. 30.

This list shows where the power is. Yet we seem to be trying to somehow limit the influence that PAC's have.

Mr. Chairman, I would just like to conclude by making an observation that I honestly believe any person in this country or any group of people have every right, if not an obligation, to try to get and use whatever influence they legally and lawfully can.

I believe they have that right under the first amendment. By limiting then the PAC's to some arbitrary ceiling like $70,000 seems to me to be in violation of not only the spirit of what we are trying to do, but works against commonsense and first amendment rights. What we really need are more people, more coalitions, actually working for those principles they believe in.

The CHAIRMAN. The time of the gentleman from Utah (Mr. MARRIOTT) has expired.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, I think in all candor one has to admit that substantial contributions from any public interest group tend to bias the recipient in favor of that special interest group, No. 1, since most of us are merely human beings; but by the same token, the cure in trying to eliminate that bias is far worse, in my judgment, than the special interest contribution. It is an inhibition on free speech or political advocacy. There is a bias in this legislation against the private sector. That bias pervades all this type of legislation, Federal financing of congressional campaigns and others.

The assertion has been made time and again, either by implication or otherwise, that special interests are somehow tainted. They are somehow unwholesome. Someone even recalled the distinguished chairman of the Committee on Rules as saying, "The sum of all the special interests don't equal the national interest."

I disagree. I think the sum of the special interests are this Nation. They are the national interest. Show me someone who has no social and political interest and I will show you a social and political eunuch, a cipher, a neuter, a zero. The opposite of "special interest" is "no interest."

I think it is naive or disingenuous not to concede that most special interests cancel each other out. You have big banks, independent banks, savings and loans, credit unions, even labor unions disagree.

We have the National Education Association for the new Department of Education. You have the AFL teachers against it.

You have the National Rifle Association. You have the handgun control lobby.

Senior citizens, taxpayers' groups; consumer groups, industry groups, proabortion groups, antiabortion groups, but they are all made up of Americans and they are entitled to exercise political advocacy, or in other words, free speech.

Not everyone can man a phone bank, participate in voter registration drives or get out the vote drives, but they can write a check. Their writing a check is a referendum in support of someone who thinks like they think and advocates causes that they support.

The answer to the evil of undue influence is not to limit special interest groups, but disclosure. Limiting a legal device for the exercise of free speech or political advocacy is something George III would have welcomed in 1776. Free speech is too precious and too fragile to inhibit where there is no clear and present danger; but that is what we are doing here with this legislation.

Lastly, let me just suggest, as a great Senator from New York did some years ago, that the man who said, "Patriotism is the last refuge of a scoundrel," never considered the possibility of the word reform.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Wyoming (Mr. CHENEY).

Mr. CHENEY. Mr. Chairman, I rise in opposition to H.R. 4970, the so-called Obey-Railsback amendment. I understand the concerns of the sponsors of this legislation, and I certainly do not want to question their motivation in offering the bill. Nonetheless, it is clear to me that while their intentions are no doubt honorable, the consequences of their proposal would be detrimental to the electoral process. They proceed from faulty assumptions, that somehow, money and politics do not mix, that political contributions, from whatever source, are inherently evil, that a Member of Congress will be unduly influenced by a $5,000 contribution, but not by one for $2,500.

The fact is that the problem in campaign finance today is too little, rather than too much, money. The study of the impact of the campaign finance laws conducted by the Kennedy Institute of Politics at Harvard offers convincing evidence that the quality of the election process is directly affected by the amount of money available to finance campaigns, and that the problem in recent years has been that most campaigns are underfinanced, not that too much money is available from political action committees and so-called special interest groups.

The fact is that voter awareness of the issues, voter knowledge of the candidates, voter interest in campaigns, and voter participation in an election is directly related to the amount of money available to the candidates. Adequate campaign financing is an important part of enabling the voting public to make enlightened election day decisions.

In this day and age, transmitting information to the electorate is an expensive proposition. The supporters of Obey-Railsback would have us believe that by limiting the amount of money available for campaigns, we are going to improve the quality of the electoral process. Nothing could be further from the truth. Underfinanced campaigns and unnecessarily restrictive and burdensome regulations lead to less voter awareness, less electoral competition, and lower rates of political participation. And that is not healthy for American politics.

The evidence suggests that the primary beneficiaries of this legislation will be incumbents who have enormous resources to perpetuate themselves in office, including more than $300,000 per year for staff, the use of the franking privilege, and virtually unlimited travel. The other group to benefit will be independently wealthy candidates, the individual who can afford to write out a personal check to pay for the expenses of a campaign. The vast majority of Americans would not be able to contemplate a race for Congress because they cannot afford to finance it themselves, and because Obey-Railsback makes it difficult to raise the funds from anyone else.

The proponents of this legislation have not made a case that this legislation is even necessary. No one has identified an evil which will be corrected by this amendment.

The losers, if Obey-Railsback passes, will be the American people.

If this body really wants to improve the electoral process, then we should seek to implement the recommendations embodied in the Kennedy Institute's study. We should provide for a higher ceiling on individual contributions, streamlined reporting procedures and incentives for the American people to participate once again in the political process.

We should not be considering legislation which will have the effect of eliminating competition, discouraging participation and lowering voter interest. We should not pass a bill which will only benefit incumbent Members of this body.

The CHAIRMAN. The time of the gentleman from Wyoming (Mr. CHENEY) has expired.

Mr. THOMPSON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. Chairman, will the gentleman yield?

Mr. CHENEY. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I have asked the gentleman to yield to express my appreciation for the thoughtfulness of his statement. I am in strong disagreement with his comments with respect to this legislation. With respect, however, to the results of the Harvard study, which has been completed, it is my intention as chairman of the committee to establish task forces very, very shortly to oversee the entire Federal election law and to refer specifically to the recommendations in the Harvard report and others.

For instance, I believe that indexing is a very strong and necessary possibility, especially in inflationary times.

The CHAIRMAN. The time of the gentleman from Wyoming (Mr. CHENEY) has again expired.

Mr. THOMPSON. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. Chairman, if the gentleman will yield further, we do not want to restrict any more the Buckley-Valeo restriction on the availability of reasonable amounts of money to candidates. That is not our intention.

Mr. CHENEY. The gentleman would agree, however, that no place in the study done by the Kennedy Institution for the committee which the gentleman chairs is the recommendation embodied that we have currently before us in the Obey-Railsback amendment. The study that was done showed that the problem today is inadequate financing, that the Obey-Railsback amendment does nothing to correct the problem.

Mr. THOMPSON. The answer to that is that the major parts of the Obey-Railsback amendment have been gone over in the committee in great detail. Further work needs to be done, I am conceding that, but this is the best vehicle at this time and I think it is defensible and I think it should be supported.

Mr. CHENEY. Mr. Chairman, I thank the gentleman.

□ 1500

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, during the course of the debate on the rule the distinguished Speaker raised what I thought was a legitimate question that deserves a response. He raised the question, referring to those of us who oppose the Obey-Railsback amendment, of just how much money we get from the special interests, and so the implication is that such money is the reason for our opposition. It is a legitimate question, particularly when one starts from the assumption, as he did, that Members of Congress can be bought by the special interests. So I think the question is worth answering, and I will answer it.

I went back through my records, and I found that I received $3,650 from political action committees in the last campaign. From these particular groups I received $3,650 in contributions of $100 or less, because I personally set that limitation.

What I am saying is that under the present law, if we are really fearful of the Congress being bought I suggest that we all have an option of limiting our own contributions, limiting them to $100. I do that. Ninety percent of my money comes from sources outside the PAC's. Yet I was able to outspend the challenger in my race by 18 to 1.

Mr. Chairman, what I am saying is that there is an ability right now to do something about this business of limitation. We can put on ourselves within the law without going the route that we are talking about going here today, based on a supposedly valid assumption that we can be bought.

I do not think that is a right assumption. I question the validity of that assumption. I think the Speaker defined it pretty well for us then, because what he said is that what we are really concerned about is challengers, what we are worried about is protecting incumbents.

This is an incumbent protection bill we are considering. If we really believe our role is to protect ourselves here in Congress, then we should vote for Obey-Railsback. That is what it is all about.

If we think the national interest has something to be said for it, if we think that challenges in campaigns should be strong, legitimate challenges to incumbencies and that is healthy for the American system, then I say we have to reject Obey-Railsback, because what this is doing is preventing challengers from launching a significant candidacy, and it is an effort to protect us as incumbents in our seats.

I do not think we were anointed in our first election. I think what we have been given is a challenge, and we have been given an opportunity to serve and do our best. If that incumbency is not done right, then we should expect to be challenged within the political system, and should not be seeking artificial protections for ourselves.

Mr. Chairman, I am disturbed by this kind of legislation.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, if everybody followed the path that the gentleman in the well has outlined, we would not need campaign reform at all.

Mr. WALKER. I would agree.

Mrs. FENWICK. If that were true, we would not need campaign reform. But when we heard last year the gentleman I referred to, speaking in the House say, "I had to accept a $10,000 contribution." In that case there is a difference—a big difference between $100 and $10,000.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

Mr. FAZIO. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania (Mr. WALKER).

Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, in order to put some perspective to the gentleman's piety, I wonder if he would tell us how much his opponent was able to spend in the last election in which the gentleman said he was able to outspend his opponent 18 to 1.

Mr. WALKER. My opponent raised a total of $3,000, I think.

Mr. FAZIO. Mr. Chairman, I think that does give us some indication of why the gentleman is making these statements. Obviously from the standpoint of reality, we can all take a very strong personal stand in this regard, but when it is competitive, when we are in an open race or in a situation where a strong incumbent is entrenched, I think it is only realistic to recognize that all of us have to turn to every resource available. Some would be required to go beyond the gentleman's limit in terms of what should be contributed in a campaign to be at all competitive. Statements of self-imposed limitations are meaningless unless we provide teeth to a law that applies to all in all situations. A personally applied PAC limit against a candidate who raises $3,000 is an attempt to project an image of purity without any substance.

Mr. WALKER. Mr. Chairman, I will reclaim my time.

Mr. Chairman, what I am saying is that if the validity of the assumptions is correct on Obey-Railsback, as we heard the distinguished Speaker talk about them, those assumptions should be taken by us personally and we should put limitations on it so that this does not take place.

In the political system there is an obligation to do what one believes is right. I do not limit contributions out of piety. This is something I did from the very beginning of my political career because I thought it right. I simply say it is a route some of us can take within the present system.

Mr. FRENZEL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from South Carolina (Mr. CAMPBELL), a member of the committee.

Mr. CAMPBELL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I think out of this debate has come a great deal of good. I think there is a recognition that even those who would oppose the Obey-Railsback provision would not be opposed to campaign reform.

Therefore, I would like to serve notice at this time that should the Obey-Railsback provision be adopted, I will have a motion at the desk to recommit, not to kill the Obey-Railsback bill but to strike only one section, the aggregate cap with which we disagree.

Mr. Chairman, the Members should know that that opportunity will come on passage, and that the effort is not being made to scuttle campaign reform.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, this has been a good and spirited debate. I hope that the Members who are not with us have been attentive at their television sets so that they will have the good sense to vote down the Obey-Railsback amendment to the pending bill and get the House back on track where it belongs, worrying about those things that are important in this country.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

The Chair recognizes the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on House Administration now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended by striking out "and" after "1977" and by inserting after "1978" the following: ", and $8,998,823 for the fiscal year ending September 30, 1980":

Mr. FRENZEL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1420

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 575]

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
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Smith, Iowa
Smith, Nebr.
Snowe
Snyder
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Stewart
Stockman
Stokes
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Studds
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Thompson
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
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Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1430

The CHAIRMAN. Three hundred and seventy-five Members have answered to their names, a quorum is present, and the Committee will resume its business.

☐ 1440

The Clerk will read.

The Clerk read as follows:

> *Provided,* That none of the funds appropriated hereunder for the fiscal year 1980 shall be used by the Commission to audit a House or Senate candidate or his or her authorized committee, unless such audit is based on a finding by the Commission of reason to believe that a violation of this Act has occurred: *Provided further,* That none of the funds appropriated hereunder, in excess of $400,000, for fiscal year 1980 shall be used, directly or indirectly, by the Commission for the operation or support of the clearinghouse functions authorized in section 315 or any activities related thereto.

The CHAIRMAN. If there are no amendments to the committee amendment in the nature of a substitute, the Chair will recognize the gentleman from Wisconsin (Mr. OBEY) to offer the amendment made in order by the rule.

### PARLIAMENTARY INQUIRY

Mr. FRENZEL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman

from Minnesota will state his parliamentary inquiry.

Mr. FRENZEL. Mr. Chairman, under the rule is it possible to offer pro forma amendments on the bill proper after the gentleman from Wisconsin and his friends have offered their amendments?

The CHAIRMAN. The Chair would like to advise the gentleman from Minnesota (Mr. FRENZEL) that pro forma amendment would be in order at that time.

Mr. FRENZEL. I thank the Chairman.

### AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY: At the end of the bill, add the following:

SEC. 2. (a) Section 320 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end thereof the following new subsection:

"(1)(1) No multicandidate political committee (other than a multicandidate committee of a political party) shall make contributions to a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress and his authorized committees which in any calendar year exceed—

"(A) an aggregate of $5,000 with respect to (i) a general election and a primary election relating to such general election, or (ii) a special election and a primary election relating to such special election; or

"(B) an aggregate of $7,500 (but not more than $5,000 for one election), with respect to (i) a general election and both a primary and a runoff election relating to such general election, or (ii) a special election and both a primary election and a runoff election relating to such special election.

"(2) For purposes of this subsection, any contribution made to a candidate in a year other than the calendar year in which the election is held with respect to which such contribution is made, is considered to be made during the calendar year in which such election is held, and any contribution made after the date of such election shall be considered a contribution with respect to such election only if such contribution is used to pay obligations incurred with respect to such election.".

(b) Section 320(a)(2) of the Federal Campaign Act of 1971 (2 U.S.C. 441a(a)(2)) is amended by striking out "No multicandidate" and inserting in lieu thereof "Subject to subsection (1), no multicandidate".

SEC. 3. Section 320(a) of the Federal Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by—

(1) inserting after paragraph (3) the following new paragraph:

"(4) A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress and his authorized political committees shall not accept contributions from political committees, other than committees of a political party, aggregating more than $50,000 in any calendar year except that in the case of a candidate who is a candidate in a general election and a special election, such candidate may accept such contributions aggregating—

"(A) $50,000 with respect to such general election and any primary election relating to such general election; and

"(B) $50,000 with respect to such special election and any primary election relating to such special election.

For purposes of this paragraph, any contribution made in a year other than the calendar year in which the election is held with respect to which such contribution is made, is considered to be made during the calendar year in which such election is held, and any contribution made after the date of such election shall be considered a contribution with respect to such election only if such contribution is used to pay obligations incurred with respect to such election."; and

(2) redesignating paragraphs (4) through (8) as paragraphs (5) through (9), respectively.

SEC. 4. Section 301(e) of the Federal Campaign Act of 1971 (2 U.S.C. 431(e)) is amended—

(1) by inserting after paragraph (4) the following new paragraph:

"(5) means, with respect to a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress and his authorized political committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, by direct mail (including direct mail fund solicitations) or other similar types of general public political advertising, if such extension of credit is—

"(A) in an amount of more than $1,000; and

"(B) for a period of more than 30 days after the date on which such goods or services are furnished, which date in the case of advertising by direct mail (including a direct mail solicitation) shall be the date of the mailing; but";

(2) in paragraph (4), by striking out "but" after the semicolon at the end thereof; and

(3) by redesignating paragraph (5) as paragraph (6).

SEC. 5. If any provision of any amendment made by this Act, or the application of such provision to any person or circumstance, is held invalid, the validity of any such other provision and the application of such provision to other persons and circumstances shall not be affected thereby, except that if any provision of an amendment made by section 3 of this Act or the application of such provision to any person or circumstance is held invalid, the amendments made by section 2 shall have no further effect.

SEC. 6. The amendments made by this Act shall take effect upon the enactment of this Act and shall not apply to contributions received before such enactment.

Mr. OBEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Chair would like to state that pursuant to the rule no amendments are in order to this amendment except pro forma amendments for the purpose of debate, and the following amendments which shall not be subject to amendment except for pro forma amendments for the purpose of debate:

First, the three amendments printed on page 25135 of the CONGRESSIONAL RECORD of September 18, 1979, by Representative OBEY; and Second, the amendment to the text of H.R. 4970, printed in the CONGRESSIONAL RECORD of September 19, 1979, by Representative MINISH, which shall be in order only if amendment No. 1, printed in the CONGRESSIONAL RECORD of September 18, by Representative OBEY, is defeated.

The Chair now recognizes the gentleman from Wisconsin (Mr. OBEY) for 5 minutes in support of his amendment.

Mr. OBEY. Mr. Chairman, I would appreciate the cooperation of the membership, as I regret that I have but one voice to give for my amendment.

I think that the amendment that we are offering is simple. Basically, as I think everyone understands, it does three things. First of all, it reduces the amount that any PAC can give in terms of an individual contribution from the present $10,000 to $5,000. It puts a flat cap on the amount that all PAC's can contribute to a Member's campaign of $50,000, and it also places a limit on credit which can be extended by PAC's political consultants or other providers of services in a campaign.

Immediately after the offering of this amendment Mr. THOMPSON will be offering the first of what will be three amendments which present efforts to compromise with those who feel that the original amendment being offered by myself and the gentleman from Illinois (Mr. RAILSBACK), is somewhat stringent. If the amendments which are offered are carried, we will then have a package under which we will have overall limits of $70,000 on PAC contributions, or $85,000 in a situation of runoff. We will have an individual PAC limit of $6,000 rather than the $5,000 which I am offering in my amendment; and we would also have under the Fazio amendment a limitation of $35,000 in the amount of funds from campaigns which candidates can use to repay themselves for loans which they have extended to their own campaign committees.

Now, as I said during debate on the rule, I think we need to pass these amendments, and we need to pass them now. Most of the time when I go back home the prevailing question is, "Why can't the House get anything done?"

As the Members know, it is very difficult to explain to people the complexity of the issues with which we deal, and explain to them the fact that because the country is divided on major issues, the House is bound to be divided on those same major issues. I really believe that to be the major reason why the House has difficulty in arriving at final decisions on important matters.

There are a number of other reasons why we are having increasing difficulty and will have much greater difficulty in future years in functioning as a representative legislative body in the greatest democracy in the world. One of the reasons. I submit to the Members, is because political parties have become weaker, and consequently they have less ability to bring people together, less ability to sort out priorities, less ability to make compromises and bring major alternatives to the floor of either the House or Senate for resolution. So, we have greater centrifugal force which is being applied to this place all the time.

When we add to that the pressure from single-interest groups who want to judge this place and judge us individually only on the basis of how we perform on their own single issue, and to blazes with what we do on anything else, we have a situation in which the ability of the House to perform is at best marginal.

☐ 1450

When you add to that the ability of all of these groups to now begin to inject large and ever increasing amounts of dollars into each of our campaigns and into the campaigns of our opponents, you have a prescription for making the

Federal Government one giant, isometric exercise, because you gradually freeze the wheels in this place because you have such tremendous pressure being put on this place, it is pulling this place apart on every single issue you can name. We almost lose our ability to put together a majority, if anything. As I said during the discussion on the rule, we can think of a lot of examples.

On the separate Department of Education, for instance, when we had major teacher associations on both sides of the amendment, we saw groups like the AFT or the NEA telling Members, "If you don't vote with us"—and they are on opposite sides of the question—"you are not going to get any campaign contributions." What happens then is that what happens to the kids in this country becomes secondary to what happens to the institutional needs, of the two groups involved in the issue. And you see a repetition of this on issue after issue.

We had the case of the natural gas issue last year where one union made it quite clear that Members who did not vote the way they wanted them to vote on that single issue, regardless of their position on any other issue, would get no funding. We have business-backed pressure on this very bill. In the campaign school of the Democratic National Committee just last week a representative of industry PACs said in so many words that anybody who votes for Obey-Railsback better understand it is going to be very difficult for them to get a campaign contribution unless they have a very good excuse for voting for it.

The problem is that again, as I said earlier, the threshold of embarrassment keeps rising and rising and rising until today it is apparent to me that there is very little embarrassment felt by people who are trying in their conversations with us to make direct linkages between votes and campaign contributions, and I do not think we ought to have to tolerate that. I think this amendment will help to discourage that kind of conduct.

The point of this amendment is that to the extent the dependency upon special-interest dollars grows in House races, and it has grown in terms of the percentage of campaign dollars that come from special-interest groups in each of the last three elections, to the extent that continues to grow, to that extent we are more and more vulnerable to that kind of linkage. And we see something that I very seldom saw when I came here 10 years ago. We see linkages being made before the votes rather than after the votes, and I think that does no one any good. The need to do something has been made so clear that even 30 Members of this House who received more than $50,000 in campaign contributions from PAC's last year have put their names on this legislation as sponsors of this amendment.

We are not saying—we are not saying—that there is something wrong with PAC money. What we are saying is that there is something wrong when the amount of PAC money becomes disproportionate to the amount of money which is being provided from other sources, and I would respectfully suggest to the Members of this House on both sides that if we really want to see a resurgence in grassroot activities, pass this amendment, and the Thompson amendment and the Fazio amendment to follow, because that will make it necessary for all of us and our challengers to go back to the grassroots and to redouble our efforts to get more and more people involved in the political process. Right now some people say they give to the PAC's; why worry about that? I think we have happening to politics what has happened to charity in this country. Instead of saying, "We gave at the office," people are saying, "We gave at the PAC." So if we try to get individuals to contribute individually, they say, "Well, I don't want to do that. I have already tossed my nickel in" or "my $7 in," whatever figure the gentleman wants to use. I think that is unhealthy. I think we ought to be encouraging direct contributions from individuals, and to the extent the PAC contribution gets out of line, we discourage that and we see grassroots politics and political participation continue to shrink.

I want to give you just a couple of examples of how PAC's have grown between 1974 and 1978. Contributions from one PAC grew 6,000 percent from $14,000 to almost $1 million. During the same period contributions from another PAC increased from $261,000 to $1.1 million. Dozens of new PAC's formed since 1974 have the capacity to achieve the same kind of growth. Today if you take the Fortune 500 list of industrials and nonindustrials, you see that only 26 percent of those corporations have at this point established PAC's. Can you imagine the tremendous power that those PAC's will have and those corporate entities will have to unbalance our political system and to unbalance our system of giving in political campaigns if all of those corporations go down the same route? As I said, I attended a labor convention in my own State where they adopted a new rule which provides that from now on they are going to be able to get 1 hour's contribution a month from every single member of that union, and there are 36,000 members of that union.

I suggest to you that we have a new arms race on our hands, only the arms instead of missiles are campaign dollars. Whatever business learns to do one year, labor is going to learn to do and next and vice versa, and the victims in the end will be people who are trying to vote our consciences on this House floor, because we will be pulled and pressured to vote more and more on the extremes of each issue, and I do not think that is something the House or the country can afford.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Surely, I yield to the gentleman from Illinois.

Mr. RAILSBACK. I thank the gentleman for yielding. What, in my opinion, the gentleman is saying and has stated very well, is that we are faced with the rather dim prospect of a never-ending spiral. You are going to have business increasing their contributions and proliferating, and then you are going to have labor feeling compelled to respond, and if we do not do something, I think that all of us are asking for trouble.

I also want to mention that the gentleman in the well was, in my opinion, very accommodating in recognizing that many of us on both sides of the aisle thought that the $50,000 cap was too low, and we are in agreement that that cap, the aggregate cap, should be raised to $70,000. That is a lot of money, $70,000, in PAC contributions. I want to commend the work of the gentleman in the well.

### AMENDMENT OFFERED BY MR. THOMPSON TO THE AMENDMENT OFFERED BY MR. OBEY

Mr. THOMPSON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON to the amendment offered by Mr. OBEY: On page 2, strike out line 5 and all that follows through line 22, on page 4, and insert in lieu thereof the following:

SEC. 2. (a) Section 320 of the Federal Election Campaign Act of 1971 (2 U.S.C. 411a) is amended by adding at the end thereof the following new subsection:

"(1) No multicandidate political committee (other than a multicandidate committee of a political party) shall make contributions to a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress and his authorized committees aggregating more than—

(1) $6,000 (but not more than $5,000 for one election) with respect to a general election and a primary election relating to such general election, or a primary election and a runoff election in the case of a candidate who is not a candidate in the general election relating to such primary and runoff elections; and $6,000 (but not more than $5,000 for one election) with respect to a special election and a primary election relating to such special election, or a primary election and a runoff election in the case of a candidate who is not a candidate in the special election relating to such primary and runoff elections; or

(2) $9,000 (but not more than $5,000 for one election) with respect to a general election and both a primary and a runoff election relating to such general election; and $9,000 (but not more than $5,000 for one election) with respect to a special election and both a primary election and a runoff election relating to such special election.

(b) Section 320(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)) is amended by striking out "No multicandidate" and inserting in lieu thereof Subject to subsection (1), no multicandidate".

SEC. 3. Section 320(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a (a)) is amended by—

(1) inserting after paragraph (2) the following new paragraph:

"(3) A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress and his authorized committees shall not accept contributions from political committees, other than committees of a political party, aggregating more than—

"(A) $70,000 with respect to a general election and a primary election relating to such general election, or a primary election and a runoff election in the case of a candidate who is not a candidate in the general election relating to such primary and runoff elections; and $70,000 with respect to a special election and a primary election relating to such special election, or a primary election and a runoff election in the case of a candidate who is not a candidate in the special election relating to such primary and runoff elections; or

"(B) $85,000 in the case of a candidate who is a candidate in a general election and both a primary election and a runoff election relating to such general election, and $85,000 in the case of a candidate who is a candidate in a special election and both a primary election and a runoff election relating to such special election.

For purposes of this paragraph, any contributions made after the date of a general or a special election shall be considered a contribution to such election only if the candidate at the time of receipt does not have sufficient funds to pay obligations incurred with respect to that election."; and

(2) redesignating paragraph (3) through (8) as paragraphs (4) through (9), respectively.

SEC. 4. Section 320(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441 (a)) is amended by—

(1) inserting after paragraph (9) as so redesignated by section 3 of this Act the following new paragraph:

"(10) Any contribution to a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress and his authorized committees that is made in the name of an individual and in a manner which creates the appearance that the contribution was made by or on behalf of a political committee shall be reported by such political committee as a contribution to such candidate and shall be treated as a contribution by such political committee for purposes of the limitations imposed by this section."

And redesignate the following sections accordingly.

Mr. THOMPSON (during the reading). Mr. Chairman, this having been printed in the RECORD some time ago, I ask unanimous consent that it be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. FRENZEL. Reserving the right to object, Mr. Chairman, I was hoping to have some time to respond to the gentleman from Wisconsin before the first amendment was offered.

Mr. THOMPSON. If the gentleman will yield, except for the figures, essentially the amendments are the same.

Mr. FRENZEL. I think the amendments narrow the focus of the discussion, but the gentleman from Wisconsin (Mr. OBEY) made some broad statements which cry for refutation.

Mr. THOMPSON. Then if it is parliamentarily possible, I would defer for 5 minutes so that the gentleman can be recognized and have a colloquy with the gentleman from Wisconsin. Would that be satisfactory?

Mr. FRENZEL. If the gentleman upon offering his amendment and achieving his unanimous consent request would simply yield to me a couple of minutes to speak out of order and not on this amendment but on the bill, I would then, Mr. Chairman, withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

□ 1500

(By unanimous consent, Mr. THOMPSON was allowed to proceed for 5 additional minutes.)

Mr. THOMPSON. Mr. Chairman, the amendment which I am offering today has three basic purposes. First, it will increase the amount of money a political action committee may contribute to a candidate, from $5,000, which is in the Obey-Railsback amendment which is currently in H.R. 4970, to $6,000 for both a primary and a general or a primary and a runoff. No more than $5,000 could be contributed in any one election.

If a candidate is involved in a runoff, a political action committee or committees could contribute an additional $3,000 for a total of $9,000 in contributions by a political action committee for the primary runoff and general election. Again, no more than $5,000 could be contributed with respect to any election.

Mr. Chairman, the effect is that, with the $6,000 limit, a candidate may receive any combination of 1 and 5 or 3 and 3 from the same political action committee in the election cycle, except in those States and Commonwealths which have runoff elections, where an additional $9,000 in contributions would be allowable.

The second purpose of my amendment is to increase the amount that a candidate may accept from all political action committees from the $50,000 currently in H.R. 4970—Obey-Railsback—to $70,000 for both a primary and general or a primary and a runoff. If a candidate is involved in a runoff, he or she could accept an additional $15,000, bringing the total to $85,000 for a primary, a runoff and a general election.

Third, my amendment adds a provision to prevent possible evasion of this contribution limit by political action committees. Under this provision if a contribution from an individual to a particular candidate is made in a way that indicates the contribution is attributed to a political action committee, the contribution will be deemed a political action committee contribution for the purposes of the Campaign Act limitations.

Mr. Chairman, at the outset I would like to state that I have been an early and strong supporter of H.R. 4970. I believe that this Congress must, in order to preserve the integrity of the legislative process, place some restraints on the rapidly accelerating role of special interest contributions in House campaigns.

Mr. Chairman, the percentage of total House campaign funds supplied by special interest political action committees has increased from 14 percent in 1972 to 17 percent in 1974, to 22 percent in 1976 and, finally, to 25 percent in 1978 and, believe me, it is rising.

Incumbents in 1978 received 32 percent of their campaign funds from political action committees.

While I support the right of any organization to establish a political action committee and, indeed, I sponsored and supported such legislation, I do believe that aggregate political action committee support can reach a level which has the effect of distorting the poltical system.

Mr. Chairman, I believe we have reached that level and the time for action is now.

Mr. Chairman, the purpose of H.R. 4970 is not to force sharp cutbacks in present PAC operations; rather, it is designed to prevent aggregate political influence from getting out of hand in the future and to curb the growing dependency of House candidates on PAC funds for political campaign funds.

After reviewing the figures for the 1978 election, however, I believe that the $50,000 limitation is too low. Since elections are not an exact science it is difficult to arrive at a precise figure for the limitation.

Mr. Chairman, in 1978 the average amount of political action contributions received by both Democratic and Republican House candidates was below $50,000. However, the average PAC contribution for all candidates in races with 5 percent or less vote margins exceeded $50,000. Democratic winners averaged $51,000 and Republican winners averaged $57,000. I, therefore, believe that the $50,000 figure in H.R. 4970 is too low but that $70,000 would provide sufficient leeway in a closely contested election. I hope the Members of this body will support that figure.

Finally, Mr. Chairman, if the purposes of this legislation are to be achieved, we must be assured that the limitations cannot be easily evaded. My amendment would insure that integrity. A Political Action Committee would be prohibited from circumventing the limits by collecting contributions from its stockholders, executives, or members of its sponsoring union and then delivering these "individual" contributions to that candidate.

When the Political Action Committee exercises influence over the making of contributions and facilitates their delivery these contributions will be deemed contributions from the Political Action Committee to the candidate and therefore subject to the PAC's limitations.

Mr. Chairman, for the purposes of this provision the word "delivery" would include transmittal of the contributions to the candidate or his or her political committees by any employee or representative of the Political Action Committee as well as the mailing of contributions to the candidate on stationery which identified the Political Action Committee of the sponsoring corporation, trade association, or labor union.

In short, if a Political Action Committee uses any method which identifies the Political Action Committee or its sponsoring organization the contributions will be considered contributions from the Political Action Committee to the candidate and thereby subject to the PAC limitation.

Obviously, Mr. Chairman, this amendment applies equally to both corporations and to labor unions. I, of course, urge its adoption.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from California.

Mr. FAZIO. I thank the gentleman for yielding.

Mr. Chairman, I would first like to indicate I strongly support the gentleman's amendment. I think it greatly increases the attractiveness of the bill from the standpoint of anticipating the need to index the average figures from the 1978 election to a realistic amount for the 1980 elections.

Mr. Chairman, I do have a question which is a request for clarification of the amendment. The one before us deals with contributions in the name of an individual that are really PAC contributions. It does not deal with a situation in which an organization covered by 2 U.S.C. 441b has its officers, employees, or members make contributions in their own name in a manner designed that indicates that the real contributor is the organization. Does this omission create a loophole?

Mr. THOMPSON. No, I will say to the gentleman it does not. The Federal Election Campaign Act as it stands prohibits corporations and unions from channeling contributions to a candidate. Any use of organizational time, money, or facilities for that purpose is a violation of the law as it now stands. It is because the question that the gentleman raised is answered by the law as it stands that no amendment to the act in this regard is necessary.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding. I hope the gentleman will allow me a few minutes to respond to the gentleman from Wisconsin (Mr. OBEY).

The gentleman from Wisconsin opened his statement by saying that the reason the House cannot get anything done is because of PAC contributions. I recall last year the gentleman from Wisconsin said we could not get anything done because we were taking too much honoraria and needed a pay raise. I will tell you what trouble the gentleman from Wisconsin got us into on that one.

Mr. THOMPSON. He was right about half of that and wrong about the other half.

Mr. FRENZEL. Mr. Chairman, the gentleman from Wisconsin has had a bad track record on telling us why we cannot get things done in the House of Representatives. If the gentleman would yield to the gentleman from Wisconsin I know he will have a snappy rejoinder.

Mr. THOMPSON. I yield to the gentleman from Wisconsin.

Mr. OBEY. I would just suggest at this point that I am used to the gentleman's paraphrasing my words and leaving the wrong impression about what I said because it has happened to me many times when the gentleman has been speaking.

☐ 1510

I simply want to make quite clear that in talking about why the House has difficulty in getting things done, that came at the bottom of my list, but it is an additional burden which we bear in addition to all the other problems which I laid out earlier, as the gentleman well knows and in his usual fashion chooses to ignore.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. THOMPSON) has expired.

(At the request of Mr. FRENZEL, and by unanimous consent, Mr. THOMPSON was allowed to proceed for 3 additional minutes.)

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield further, I would comment on another remark by the gentleman from Wisconsin. He was talking about the growing dependency on PAC contributions. I believe week before last the Congressional Quarterly showed the percentage of PAC contributions to Members of the House and to Members of the Senate. If you put them together and take them as a lump, as congressional contributions, you will find the PAC's contributed about 19 percent of all contributions to candidates committees in 1976 and there was an enormous increase, all the way up to 20 percent in 1978.

I suppose that that staggering increase is what has overpowered the gentleman from Illinois and the gentleman from Wisconsin into demanding a redress of this terrible situation.

Well, I do not think a 1-percent increase is important.

We have also been told that PAC's have grown disproportionately and there has been such a soaring growth that the Congress is awash in a sea of special interest money. I cannot remember if that was the language of the gentleman from Illinois (Mr. ANDERSON), or whether it was written for him by Mr. Cohen; but I would invite the Members to recall, the Sun PAC decision was not handed down until 1975, and was not ratified effectively by this Congress until 1976.

Since political action committees were discouraged by law until that time, obviously they had a low base, almost no base at all. We expected growth. We encouraged them by the Sun PAC decision and by the law that was subsequently passed ratifying that decision. We said that people should go out and start PAC's, whether they represented a union or a corporation or a neighborhood group or an ideological club or whatever. It is a good way to participate.

Now we come in and say, "Hey, fellows, we didn't really mean it."

There is something sneaky about this kind of activity. I thought they had the right to free association.

Mr. THOMPSON. Mr. Chairman, if the gentleman will stand corrected, the figure for House incumbents, without regard to those of the other body, is 32 percent in 1978, up from 17 percent in 1974.

Mr. FRENZEL. No, that is incorrect. It is 24.8 in 1978, I think the gentleman will find.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would like to point out that the figures used by the chairman are correct, when you are talking about incumbents. It is simply nonsense to include Senate races, because this bill does not deal with Senate races. It deals with House races. If you look at House races, the percentage of money which has come into those races from PAC has gone up from 14 percent, 6 years ago, to 25 percent plus today, which is almost a 40-percent increase. I think that is a little more than the 1 percent that the gentleman from Minnesota is trying to imply is actually the case.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield.

Mr. THOMPSON. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Chairman, just one additional clarification. The 24.8 percent referred to by the gentleman——

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. THOMPSON) has again expired.

(By unanimous consent, Mr. THOMPSON was allowed to proceed for 3 additional minutes.)

Mr. RAILSBACK. The 24.8 percent referred to by the gentleman from Minnesota includes all of the candidates, including those elected. About 20 or 25 percent came from PAC. When you take those that were successful, the figure rises to about 32 point some percent or almost to 33 percent.

Mr. THOMPSON. The gentleman is correct.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I thank the gentleman for yielding. I simply wanted to congratulate the gentleman in the well, the gentleman from Illinois and the gentleman from Wisconsin, on their leadership on this issue.

In the 4½ years that I have been here, the thing that has been most clear to me as to what frustrates the public interest and the public will in this body is, in fact, the disproportionate influence of special interest funding.

I think that the bill that is before us, plus the amendment, offer us an opportunity to self-regulate in this area. I certainly hope that we will pass these very important proposals.

I thank the gentleman for yielding.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to my friend, the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding further.

I have been under the delusion all these years that the reason we were doing such a bad job was that there were too many Democrats in the body.

Mr. THOMPSON. Mr. Chairman, I am glad the gentleman admits that that is a delusion.

Mr. FRENZEL. Mr. Chairman, with respect to the business PAC versus the labor PAC, I think that when you reduce the effectiveness of PAC, you leave some very important advantages for labor. Those are the advantages they had prior to the Sun PAC decision of 1975. The various advantages have been spread over the record. I am not going to list them again, but certainly this amendment does not balance the scales. You make a tremendous imbalance in one direction.

For all these reasons, I think the original Obey amendment is a great mistake.

I thank my friend, the gentleman from New Jersey for yielding to me.

Mr. THOMPSON. Mr. Chairman, in conclusion, may I say, although I am in very strong disagreement with the gentleman from Minnesota, on the substance of this, I do extend to the gentleman my thanks for his many courtesies in this and other matters. I am sorry that the gentleman is so wrong on this, but his intentions are really splendid. I thank the gentleman.

Mr. CAMPBELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise at this point not

to delay any of the consideration, but due to the fact that I was unable at the time to engage in a colloquy with the gentleman from Wisconsin (Mr. OBEY) and to correct a few things that were said. I think that it is very important that they be corrected.

Quite frankly, if we are talking about broadening the base of participation in politics, then why does not the gentleman have in his bill something to encourage that party participation be increased? Why did not the gentleman come to this body saying, "Let us raise the amount that parties can give and cut back PAC's," if that is what he wanted to do?

Or why did not the gentleman come in here citing the Harvard study, saying let us do something to encourage individuals to give more, let us have a tax credit for people that want to give to political campaigns. Let us deal with the ceilings on individuals. Let us encourage the grassroots. I have to ask the question why he did not do it. I ask it rhetorically, because I think we know why the gentleman did not do it. There was no intention in this legislation of encouraging or increasing participation, because this legislation merely cuts back a source of funding. It does not increase any source of funding from any other segment and does nothing to encourage or help a candidate try to seek office, particularly a challenger.

Now, those are the facts that we have to deal with. The House has been denied the right to consider these other reform options. We cannot debate them for a vote. We do not have the chance to let our body work its will on this, to try to expand the role of the party or the individual. We only are asked here today to cut back a group, not to encourage anybody else to participate. That is not the way we ought to be considering legislation.

It was also stated by the gentleman about the vote over the Department of Education, about the AFT and the NEA. There is nothing in this legislation that prohibits them from sending out their employees and their people into the fields to work on behalf of or against a candidate. Those "in kind" contribution expenditures are not limited. That is a smokescreen and it should absolutely be exposed as one.

I quite frankly am a little bit concerned that we are being pushed into something in the name of reform when, in effect, it is not reform to encourage participation, but rather to limit it. I think that all of us ought to recognize that as we vote.

□ 1520

Mr. RITTER. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I thank the gentleman from yielding.

Mr. Chairman, there are other areas where in-kind contributions play an enormous role in the influencing of Members of this House, in addition to labor unions and in addition to the AFT-NEA battle we recently observed. Those are the areas of intense environmental controversies.

For example, the Sierra Club, the Environmental Defense Fund, and various other environmental groups do not make contributions of money, but they contribute vast amounts of staff effort in order to lobby their particular causes.

I think their enormous victory in the Alaska lands legislation points that up. I am not arguing the merits of the Alaskan lands bill, which I supported, but it was obviously a lobbying victory of the environmental movement.

And yet, Mr. Chairman, those cases are not at all covered by the Obey-Railsback amendment.

Mr. CAMPBELL. Mr. Chairman, the gentleman is absolutely correct. Those cases are not covered, and, quite frankly, I think it should be pointed out that the very group that has written and proposed and pushed this piece of legislation, Common Cause, is a political lobbying group. I have no bone to pick with them because they have done a lot of good work in this country, but the fact is that they themselves are a political lobbying group, and instead of being under any control, they have used public influence by putting out hit lists, "dirty dozen" lists and everything else. They have published them in the media, they have put them on the front page, and that is something one cannot buy with a PAC contribution.

There is nothing to limit that in this bill. That is free speech, and I would not want to limit it. That is freedom of speech. I think we ought to recognize that.

Mr. Chairman, I am in full accord with the efforts to expand the grassroot movement, but I also believe we should expand the role of political parties, as I think both sides of the aisle want to do. But there is nothing in this amendment to do that.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, do I understand the gentleman to say that any organization can send somebody out in the field and campaign for an issue or against an issue and then indirectly campaign for or against a particular candidate, and that that in-kind contribution is not reportable?

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. CAMPBELL) has expired.

(On request of Mr. KAZEN, and by unanimous consent, Mr. CAMPBELL was allowed to proceed for 1 additional minute.)

Mr. CAMPBELL. Mr. Chairman, in answer to the gentleman from Texas (Mr. KAZEN), the gentleman is absolutely correct. It has no bearing under the limits of this legislation.

Mr. KAZEN. Mr. Chairman, if the gentleman will yield further, I understood that it was reportable.

Mr. CAMPBELL. It is reportable in the sense of what a committee spends. It does not come under the limitations of expenditures here because it is an independent expenditure, not a coordinated effort, and, therefore, it would not come under this legislation or under the limits of this legislation.

Mr. KAZEN. I understand.

Mr. Chairman, I thank the gentleman for his response.

Mr. MINISH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the chairman of the Committee on House Administration, the gentleman from New Jersey (Mr. THOMPSON).

I regret having to take this action, but the rule approved by the House leaves me with no other recourse. I support cutting the amount that PAC may contribute to House campaigns. In fact, it is my firm belief that we ought to put PAC's on the same footing as individuals.

However, under the rule, I will not be permitted to offer my amendment to accomplish this end unless the pending amendment is defeated.

The amendment before us at this time would admittedly reduce the amount a political action committee could contribute during an election cycle to candidates for the House of Representatives. Under this proposal a PAC would be limited to $6,000 overall for a candidate in a primary and general election and a total of $9,000 if the candidate is also involved in a runoff election.

Why are the proponents of this approach willing to settle for a situation under which PAC would be able to contribute as much as 300 percent more than an individual to a congressional candidate? I will not settle for it. I see no reason for giving corporations, trade associations, or unions more influence over elections and legislative matters than the average citizen.

My amendment, if I am permitted to offer it, will reduce political action contributions to $1,000 per election, exactly the same limit which now applies to individuals. Acceptance of this approach will go a long way toward restoring real confidence in democratic institutions.

During the debate this morning on the rule one of the speakers said that we make it appear that there is something sinister about PAC's, and another Member said that some people would have us believe PAC money is dirty. Well, it all depends on how it is used. In some cases it may not be dirty, but it certainly is not very clean in some others, and if we believe it is not dirty in some cases, then I respectfully say that we must be colorblind.

Mr. Chairman, let me read a few quotes from the Congressional Quarterly on how one organization used PAC funds. This is the National Association of Realtors.

Don McEwan in an interview described interstate land sales as a "relatively high priority legislative issue for us" in the 96th Congress.

Observed Don McEwan, Washington spokesman for the NAR—

> We certainly encourage political activity. We have a potent political action committee.
>
> Industry spokesmen make no bones about it—they hope their friendships will pay off when Congress takes up various issues they

are concerned about, including interstate land sales.

And he said, a candidate's view on interstate land sales "was one of the issues that served as a test" of whether the candidate received money.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. MINISH. If I have time, I will yield later, but not at this point.

Mr. Chairman, my good friend, the gentleman from Minnesota (Mr. FRENZEL), said earlier that he thought Congress was not working well because there were too many Democrats in Congress. I am pleased to inform my good friend, the gentleman from Minnesota, that according to the Wall Street Journal, the Republican Party is doing something about that, and I want to quote from todays Wall Street Journal, as follows:

> The GOP hopes to accelerate this trend. "Between now and the end of the year, I'll spend half my time with business PACs, advising them where to put their money," says Steve Stockmeyer, executive director of the GOP Congressional Campaign Committee.

Mr. Chairman, I will be happy to yield to the gentleman from Iowa now, if he still wants me to yield.

Mr. TAUKE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I share many of the concerns the gentleman expressed relating to the differences between PAC's and the way they handle their money. The gentleman suggested, for example, that some money is clean and some is not so clean, and I concur with the gentleman in that regard.

I think money that is used legitimately to help candidates win elections in contested races is good PAC money. I am concerned, however, about that PAC money which is designed to influence or gain access to people when money flows into uncontested races, because I assume it is going for that purpose.

But then the gentleman went on to suggest that the National Real Estate Association had some difficulty because they asked them before they contributed money to them what their positions were on certain issues, specifically the interstate land issues, and if they agreed with the realtors, they got money, and if they did not agree with them, they did not get money. I do not understand why that makes political action committee money wrong.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. MINISH) has expired.

(On request of Mr. TAUKE, and by unanimous consent, Mr. MINISH was allowed to proceed for 2 additional minutes.)

Mr. TAUKE. Mr. Chairman, if the gentleman will yield further, I think those in Congress and those outside of Congress do a disservice who suggest that it is improper for political action committee money to follow the issues.

Mr. MINISH. Mr. Chairman, I will ask the gentleman, may I have my time back?

Mr. TAUKE. Yes, certainly.

Mr. MINISH. Mr. Chairman, the gentleman from Iowa is the one who said they met with them; I did not say they met with any Members. However, I thank the gentleman for his contribution, and I hope he will support my amendment if it is offered.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. MINISH. I am pleased to yield to my good friend the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I thank the gentleman from New Jersey (Mr. MINISH) for his remarks, and I regret that I do not agree with him on this amendment. The gentleman and I have discussed it at great length.

My understanding is that it is the view of my colleague, the gentleman from New Jersey (Mr. MINISH), that the limit ought to be $2,000 on political action committees. I believe that is really essentially the gentleman's feeling and his argument. I do not agree with him, but I certainly do respect him for the presentation of his views.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I speak with some feeling about campaign reform. I had to run three times to get here, twice against an incumbent and once in an open race against a personally wealthy State senator who spent $165,000 out of her own pocketbook.

If we look at campaign reform, I think this debate in process explains in large part why this institution is in trouble with the country and why Congress ranks below the prime rate in believability.

☐ 1530

I think that what we really have engaged today is the wrong issue, that there are two models of what is wrong with American politics. The one model, the Obey-Railsback model, says that too much money is being spent. I would suggest just the opposite, that too little money is being spent. The one model, the Obey-Railsback model, says there are too many political action committees. I would suggest just the opposite, that there are too few groups actively concerned about Government, actively concerned about issues, actively involved in politics.

The Obey-Railsback model ultimately means that there are too many incumbents being challenged and that it is dangerous to make an incumbent responsible for a vote, accountable for giving their word on an issue. I would suggest just the opposite, that there are too few incumbents being challenged and that the hill of defeating an incumbent is already too steep to climb and that this particular so-called reform will make it even steeper.

Obviously, the so-called forces of reform cannot talk openly about building a Maginot Line to defend incumbents. They cannot talk openly about the real impact of this so-called reform. That is why we are legislating in haste today. It grieves me to not be able to work closely with the chairman of our committee in developing a solid, comprehensive piece of election reform. But this particular process is a mockery.

I would suggest, based on those three campaigns, that there are four things that will happen based on this reform. It will further tilt the balance in favor of more and more independent expenditures by large political action committees, expenditures outside the system, expenditures that are unaccountable and irresponsible and generally negative.

Second, it will further tilt the balance in favor of the very wealthy, who, under the Supreme Court ruling, can buy a seat even if the rest of us are limited to what we can get.

Third, it will increase the value of sensationalism, of seeking page one of the newspaper because you cannot afford to engage in any kind of advertising strategy.

And, finally, it will further weigh the advantages of the incumbent who is in no significant way affected in terms of his ability to send out direct mail to service his district to guarantee his own security, no matter what the public may think of the institution in general.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think that a reasonable argument can be made that the most serious problem facing our country today is not inflation, is not the impending recession, is not the energy crisis, because as serious as all of these things are, and as effective as we must be in dealing with them in the months ahead, it seems to me that in a democracy like ours the most serious problem that we could face is the lack of confidence of our own people in the political process and in their own Government. I think all of us would have to admit that this is a growing problem. I say it is a growing problem because there are more and more Americans dropping out of the system, turning off, believing that their Government and their representatives are not sensitive, are not responsive to their primary concerns. We see this in the voting patterns all across the country.

If we have this kind of a problem, as I believe we do, it is almost impossible for the political leadership to generate the kind of political support in our country that is essential in dealing with inflation, with recession, with energy and all the rest. It is absolutely critical in a democracy like ours that we have the confidence and faith and trust of the people, even while we may honestly disagree about how to deal with these fundamental problems.

Clearly, many things have contributed to that lack of confidence. We could cite the Vietnam war, the divisions that it created, and the fact that the Government during that period did not tell the American people the entire truth. We could cite the Watergate crisis, which influenced not only how the people view Richard Nixon and his administration, but how people now look at all political officials. We could cite the complexity, as the gentleman from Wisconsin did, of the problems we must deal with, how difficult it is for people to fully understand those problems, and how difficult it is for us to resolve them.

Beyond these obvious matters, Mr.

Chairman, people also lack confidence in the Government and the political process because they perceive that the political process is more and more dominated by these special interests which we are discussing today.

Let me make it clear, as others have done, that there is a place for political action committees, there is a place for participation by people of like mind in our political process. But if we examine the growth of political action committees, and the excessive influence of these special interest groups, it is not surprising that the average American perceives that he or she is left out of that system. The statistics have been quoted. There is no reason to go through them again. But it should be obvious to all that the influence of these groups is growing and will continue to grow unless some reasonable limitation is placed upon them, and that is the purpose of this amendment and that is the purpose of the Obey-Railsback bill.

The average American, Mr. Chairman, perceives that as campaigns grow more expensive, that as these special interest groups and political action committees proliferate, that as they organize around very narrow issues and as their financial impact increases, he feels left out of the system, he feels more powerless. I believe that is a more fundamental problem than almost any other that we face.

In closing, Mr. Chairman, I sincerely hope that the Members of this Committee will support the amendment offered by the gentleman from New Jersey (Mr. THOMPSON) and the Obey-Railsback bill as amended.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto end following the presentation of the gentleman from Minnesota (Mr. FRENZEL), however long that may take.

The CHAIRMAN. Does the Chair understand that that is just on the amendment offered by the gentleman from New Jersey?

Mr. FRENZEL. Mr. Chairman, I wonder if we could have such a request extend for 15 minutes.

Mr. THOMPSON. Mr. Chairman, I ask unanimous consent that all debate on the amendment end 15 minutes following the gentleman's presentation.

Mr. FRENZEL. On the Thompson amendment to Obey?

Mr. THOMPSON. Yes, on the Thompson amendment to Obey only.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SOLOMON. Mr. Chairman, as a new Member of this House, I am not sure of the parliamentary procedure. Are there going to be opportunities to strike the last word and speak for 5 minutes on other amendments after this amendment?

The CHAIRMAN. The gentleman is correct.

Mr. SOLOMON. I thank the Chair.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FRENZEL. Mr. Chairman, it is by now, I hope, obvious to the House that I do not approve of any limitations on receipt of PAC contributions. In fact, I believe that they are clearly unconstitutional. Buckley against Valeo, I think, is clear on that issue.

There is no way that we can legally restrict a candidate's ability to spend money for his or her campaign and to take his or her case to the people. So I will not elaborate on that. But I would like to ask the gentleman from New Jersey a question about this particular amendment.

The last paragraph of the amendment has that language that I referred to in the general debate about the individual contributing and it having the appearance of being contributed by a political action committee. To me, that is redundant because we already have a section 441(a) which prohibits that sort of thing. The business of appearance, it seems to me, is too easy for the FEC to write a 100-page regulation about, and put our treasurers in jail over. I am wondering if the gentleman can explain why he needed that and maybe give me some hope to believe that in conference we might be able to erase that noxious section.

Mr. THOMPSON. If the gentleman will yield, I would have to give thought to erasing it. The purpose was to tighten it up. I will say to my friend, the gentleman from Minnesota, that he is well aware of the fact that these FEC amendments are subject to review by our committee and, believe me, if we see anything looking like a 100-page document that does not make any sense, we will take care of it.

Mr. FRENZEL. The gentleman knows that frequently we reject FEC regulations. I appreciate that. I think the gentleman has been very good in that regard.

On the other hand, there may be no regulations in effect because they cannot write one that we like. There could be advisories that could be confusing to people during campaigns. I would simply ask the chairman to ask the staff to look at that in light of the existing law under 441 and see if we can get a clear statement somewhere along the line so our committees do not feel they are in jeopardy by that kind of thing.

□ 1540

Mr. THOMPSON. I am certain that we can do that, and by this colloquy, I say to the gentleman if this amendment carries, as I hope it does, that we will undertake to include, if possible, clarifying language in the conference report or by such other means to make exactly clear what we are trying to do.

Mr. FRENZEL. I appreciate the gentleman's concern on that matter.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Members standing at the time the unanimous-consent request was granted will be recognized for 2¼ minutes each.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. I thank the chairman.

I just want to say I listened to the distinguished gentleman from New York comment that PAC's are a way to keep the little people out of the political process.

I suggest this bill is designed to keep the little people out. What is a PAC? It is a facility, a device for collecting money from people to support the candidate of their choice. People contributing—I thought that was the American way. There is nothing evil about setting up a central facility to collect small amounts of money for people to support their candidates.

Post-Watergate ethics did not involve corruption involving contributions to campaigns. The Koreagate scandals, the recent action of our Ethics Committee that we had on the floor, the predecessor to our distinguished chairman, the matters in the State of Louisiana during the last session, none of these involved corruption involving special interests, but rather, the personal conduct of some of the Members here.

It just seems to me we are pushing out the little people by denying them the full use of PAC's to involve themselves in the political process.

My friend from Wisconsin (Mr. OBEY) said, "My God, what if all these corporations form PAC's?" Would that not be awful? What if all these employees got a chance to facilitate supporting candidates of their choice? Would that not be awful?

As far as I am concerned, that worrying noise you hear is James Madison and Thomas Jefferson turning over in their graves.

I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Chairman, what I have to say will take more than 2½ minutes.

I will wait until next time.

I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. TAUKE).

Mr. TAUKE. Thank you, Mr. Chairman.

Mr. Chairman, members of the committee, when I was speaking earlier with the gentleman from New Jersey about the influence political action committee money can have, we both concurred political action committee money that is used to elect candidates could be called good political action committee money. And we agreed that the PAC money which is used to exert influence or to obtain influence over lawmakers perhaps could be classified as inappropriate or bad PAC money.

The point I was going to make, if I had been allowed to continue, was that what this amendment tends to do is to shift money that is currently going to elect candidates into funds that will be used to influence individual lawmakers. The reason I suggest that is the case is because in this particular amendment we put a lid on the one side of the equation but do not put a lid on the other.

There is no lid on the inflow of money into political action committees. It will continue to increase, but by putting a lid on the expenditure side, and on the amount of money that individual candidates can accept from PAC's, we are going to force PAC's to give more money to candidates who do not have contested races. When candidates who do not have contested races receive PAC money, it is not to elect them. It is to exert influence over them. So we are shifting good PAC money into bad through the kind of amendment that is being considered here today.

That is one of the reasons why I voted against the rule. Although I am generally sympathetic and supportive of the effort that is being made here to do something about putting limitations on the influence of PAC's and trying to make certain that lawmakers are not unduly influenced, the effort that we are taking today is being made without addressing these really tough questions about the real impact of this kind of legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. Obey).

Mr. OBEY. Mr. Chairman, all we have at issue on this amendment is whether we should change the limit from $50,000 to $70,000.

In my judgment, that represents a reasonable balance between the present limit, which is zero and my amendment, which is 50.

I think we ought to adopt the Thompson amendment.

I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the amendment which has been proposed by the gentleman from Wisconsin which attempts among other things, to limit the total amount of PAC contributions which a candidate may accept in his campaign. The amendment would raise the limit which presently appears in the bill from $50,000 to $70,000. I oppose the limit suggested by the amendment as well as the limit contained in the bill because I believe any such restriction is unconstitutional.

What the amendment and the bill proposes is nothing less than an indirect limitation on expenditures. We are all aware that the Supreme Court in Buckley against Valeo specifically rejected on first amendment grounds limitations on what a candidate may spend for his campaign. One cannot accept that verdict of the Court and suggest that a limit on overall PAC receipts could pass constitutional muster. If the Court had said that Congress may not impose expenditure limits on privately financed campaigns then it follows that Congress cannot limit aggregate receipts raised by a candidate in amounts subject to a contribution limit. The Buckley case stands for the proposition that certain contribution limits may be imposed but no limit can be imposed on the total amount of money that can be raised in limited amounts and ultimately spent.

I therefore urge my colleagues to vote against this amendment since it clearly appears to be unconstitutional. I urge the defeat of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. Thompson).

Mr. THOMPSON. Mr. Chairman, I simply urge the members of the committee to support the Thompson amendment to the Obey amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. Thompson) to the amendment offered by the gentleman from Wisconsin (Mr. Obey).

The amendment to the amendment was agreed to.

### AMENDMENT OFFERED BY MR. THOMPSON TO THE AMENDMENT OFFERED BY MR. OBEY

Mr. THOMPSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Thompson: On page 5, line 2, strike out "paragraph" and insert in lieu thereof "paragraphs".

On page 5 strike out "for goods" on line 7 and all that follows through line 20, and insert in lieu thereof the following: "by a person (other than a broadcasting station, newspaper or magazine, and who is not otherwise prohibited from extending credit under this Act) providing goods or services in connection with preparing or purchasing advertising on broadcasting stations, in newspapers or magazines or other similar types of general public political advertising, if such extension of credit is beyond the normal period of credit extended by such person in the ordinary course of business or 60 days from the date on which such goods or services are provided, whichever is less;

"(6) means, with respect to a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress and his authorized committees, any extension of credit or advance of funds in connection with the preparation for mailing, or mailing, of any materials which solicit funds for the purpose of influencing the election of such candidate; but"; ".

On page 5, line 24, strike out "(6)" and insert in lieu thereof "(7)".

Mr. THOMPSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON. Mr. Chairman, my second amendment revises the credit provisions of H.R. 4970. As the Commission has recognized, a loan to a candidate or performance of services for him for delayed payment are forms of contributions. Unless such extensions of credit are regulated the way to evade the contribution limits is open.

My amendment, therefore, provides first a separate limit on the extension of credit by political consultants, advertising firms and similar organizations that provide advertising services to House candidates. Such organizations may only extend credit to candidates on the same basis as it is extended to nonpolitical clients subject to an outside limit of 60 days on any extension of credit. This 60-day limit applies even if the firm ordinarily extends credit for longer periods.

H.R. 4970 has a 30-day time limit. My amendment enlarges this period.

This 60-day limitation, for example, prevents a firm from using the firm's funds to book media time and carry the cost as an outstanding obligation owed by the candidate for a period longer than 60 days.

Appropriate limitations on the extension of credit are not a new concept in campaign financing laws. Under current provisions, the Civil Aeronautics Board, the Federal Communications Commismission, and the Interstate Commerce Commission regulate the extension of credit to candidates by persons regulated by such agencies. The CAB limits extensions of credit to 45 days, but not more than 30 days in the last 2 months before the general election. The limit established by the FCC is 60 days: The ICC flatly prohibits any unsecured extension of credit.

Many of my colleagues have expressed concern that their campaigns may be found in violation of the law if campaign workers simply by inadvertence overlook a bill from an advertising agency and do not get payment made within the 60-day period or the customary credit period for that firm if less than 60 days. I want to assure my colleagues that this is not the intent, nor will it be the effect, of this legislation.

The Federal Election Commission must prescribe regulations, similar to those prescribed by the FCC, the CAB, and the ICC, setting forth the steps a creditor must follow to avoid a violation of the law. The FEC regulations are, of course, subject to review, by this body.

I wish to emphasize that this section is not meant to abrogate the current FEC regulations pertaining to the settlement of corporate debts in a commercially reasonable manner.

The second aspect of my amendment is a provision that prohibits any extension of credit or advance of funds in connection with the preparation for mailing, or the mailing, of any materials which solicit funds for the purpose of influencing the election of a candidate to the House. This proposal tracks that proposed by Representative Frenzel in the last Congress and accepted by the House Administration Committee during the committee's consideration of comprehensive legislation overhauling the FECA. The legislation now before the House demonstrates once again that under the present circumstances success in fundraising is critical to campaign success. Because that is so, and because a disguised contribution that aids a candidate in his fundraising is so valuable, the second portion of my amendment adopts the straightforward rule prohibiting all extensions of credit or advances of funds in connection with direct mail fundraising.

A direct mail fund raiser for a candidate sent to scores of individuals costs thousands of dollars to prepare and may bring in tens of thousands of dollars in contributions. Plainly then, if that fundraiser is paid for by a third person, that person is making a contribution far in excess of the contribution limits.

As I have noted, because the stakes are high we must expect attempts to evade the restriction imposed. I therefore wish to make it clear that the point of my amendment is to assure that a candidate makes full and timely payment of the entire charge to him for direct mail fundraising. Evasions such as selling combined direct mail and other services and setting an artificially low price on the direct mail component are to be treated for what they are—a disguised extension of credit which violates my amendment.

☐ 1550

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, one could only hope that my distinguished chairman, the gentleman from New Jersey, would be as receptive to all my amendments as he has been to this one.

I conceived this amendment about a year and one-half ago when we were working on a different election bill, but, fortunately, I had the good sense to realize subsequently that it is a very poor amendment.

I think it has come to be known as the anti-Viguerie amendment because the Viguerie Co. is well-known and typical of mailing companies that the provision seeks to control. These kinds of companies customarily make advances to candidates in congressional elections.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. Yes; I yield to the gentleman from New Jersey.

Mr. THOMPSON. I would suppose the gentleman's characterization is correct. I am sorry he has changed his mind about it. It is also, just to lay it all out, anti-Rafshoon.

Mr. FRENZEL. Understood. I was going to come to that later but since the gentleman raised it, I do not have to.

I will only make the comment that I do not think it stops Rafshoon because it does not stop a person from giving up his or her 15 percent commission. That was the Rafshoon gambit in the election of 1976.

I do not think it stops the Viguerie Co. or any consultant like it. What it does is increase the cash flow of the mailing company because you have to have cash on the barrelhead for any kind of mailing solicitation that goes through this kind of a campaign consultant.

What it really does, however, is say that anyone who does not have up-front cash—and a person that does not have up-front cash is the new candidate, the minority candidate, the independent candidate, and yes, the Republican candidate who has difficulty raising money as a challenger—that candidate cannot get the up-front money to finance the direct mail solicitation so that he or she can make a good campaign, and generate individual contributions.

What Obey-Railsback does is to limit PAC's contributions; to limit the ability of a candidate to go through direct mail, if there is a customary extension of credit. In effect, it says "Go get individual contributions," and then makes it nearly impossible to get individual contributions.

Obey-Railsback prevents every way that the candidate has, if we pass this amendment, to get those individual contributions. A candidate cannot use direct mail anymore because he or she does not have the front money. He or she cannot get the money from PAC's because of restrictions.

In my judgment this is a very unwise amendment. I do not think it hurts the mailing companies. I think rich candidates are going to be able to put down their deposit and get the money necessary to stimulate the flow of funds.

Mr. Chairman, in addition, I think we are going to help the mailing companies because they are going to have their cash flow accelerated. What we have done here is simply to emphasize, and increase, the incumbent's advantage again and again and again.

I might state that as near as I can figure there are only three constituencies for this bill. One is Common Cause, who has a very positive vested special interest in lobbying. Another, the incumbent Members of this House who would like to have as little challenge as possible; and the other is the AFL-CIO who, no matter what restrictions we put on PAC's, will still have their unusual advantages conferred by the Hansen amendment in our first election law of 1972.

So we are going to satisfy those constituencies but keep the average person from conducting a responsible and effective campaign. I think this is a mistake. I very strongly oppose the amendment. I think I know as much about it as anybody since I wrote it myself in the first place. It does not do what its sponsors think it will do. With such an amendment we only hurt candidates.

The principal reason we cannot hurt the mailers is because they own the lists. As long as they own the lists, candidates are going to have to find the money to go to them. The only thing we will have done is accelerate the rate at which they collect their money.

Mr. Chairman, it is a bad amendment and it should be defeated.

The CHAIRMAN. The question is on the amendment offerd by the gentleman from New Jersey (Mr. THOMPSON) to the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and on a division (demanded by Mr. FRENZEL) there were—ayes 22, noes 26.

RECORDED VOTE

Mr. THOMPSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 298, noes 114, not voting 21, as follows:

[Roll No. 576]

AYES—298

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Clay
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Grassley
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Levitas
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Lundine
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marlenee
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roe
Rose
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Spellman
St Germain
Staggers
Stanton
Stark
Steed
Stewart

Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—114

Abdnor
Ashbrook
Ashley
Badham
Bauman
Bouquard
Bowen
Broomfield
Brown, Ohio
Burgener
Butler
Campbell
Carney
Cheney
Clausen
Cleveland
Clinger
Corcoran
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Erdahl
Erlenborn
Evans, Ga.
Fenwick
Findley
Forsythe
Frenzel
Gingrich
Goldwater
Gradison
Gramm
Grisham
Guyer
Hall, Tex.
Hammerschmidt
Hance
Hansen
Hightower
Hinson
Holt
Hyde
Ichord
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Lewis
Loeffler
Lott
Luken
Lungren
McClory
McCloskey
McDonald
McEwen
Marks
Marriott
Martin
Mathis
Miller, Ohio
Montgomery
Moorhead, Calif.
Myers, Ind.
O'Brien
Pashayan
Paul
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Smith, Nebr.
Solomon
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Wilson, Bob
Wyatt
Wydler
Wylie

NOT VOTING—21

Anderson, Ill.
Chisholm
Collins, Ill.
Corman
Dixon
Dougherty
Flood
Garcia
Harsha
Jones, N.C.
Leach, La.
Leland
Murphy, N.Y.
Patten
Rodino
Rosenthal
Shuster
Stack
Treen
Winn
Young, Alaska

☐ 1610

Messrs. ROYER, HAGEDORN, MINISH, EDWARDS of Oklahoma, and LIVINGSTON changed their votes from "no" to "aye."

Mr. LAGOMARSINO and Mr. DECKARD changed their votes from "aye" to "no."

So the amendment to the amendment was agreed to.

AMENDMENT OFFERED BY MR. FAZIO TO THE AMENDMENT OFFERED BY MR. OBEY

Mr. FAZIO. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Fazio to the amendment offered by Mr. Obey: On page 6 before line 1, insert the following new section, to be designated appropriately:

Sec. . Section 320(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 44a (a)) is amended by—

(1) inserting after the last paragraph the following new paragraph, to be designated appropriately:

( ) No candidate for the office of Representative in, or Delegate or Resident Commissioner to the Congress shall use contributions to such candidate and his authorized committees aggregating more than $35,000 to reimburse himself for expenditures from his personal funds (including funds derived from loans or from the personal funds of his immediate family) made by such candidate and his authorized committees in connection with (i) a general election and any primary or runoff election relating to such general election and (ii) a special election and any primary election or runoff election relating to such special election. For purposes of this paragraph, the term "immediate family" means a candidate's spouse and any child, parent, grandparent, brother, halfbrother, sister, or half-sister of the candidate, and the spouse of such persons.

And redesignate the following sections accordingly.

Mr. FAZIO (during the reading). Mr. Chairman, I ask unanimous consent that since the amendment was printed in the Record, it be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FAZIO. Mr. Chairman, the amendment which I am offering today is simple and straightforward. It would prohibit candidates for the House of Representatives from using funds contributed to their campaigns usually after a successful election to repay themselves for personal loans and contributions to their campaign which exceed $35,000. In other words, it would place a $35,000 limit on personal funds that a candidate may loan to his or her campaign and be paid back from subsequent individual or PAC contributions. The purpose of my amendment is to prohibit candidates for the House from circumventing the intent and reasoning behind the Supreme Court's holding in Buckley against Vallejo that we cannot constitutionally limit the amount candidates may contribute to their own campaign. In that decision the Supreme Court declared unconstitutional a section of the Federal Elections Campaign Act of 1971 which set a limit on expenditures by a candidate from his personal funds for the personal funds of his immediate family in connection with his or her campaign.

The court voided this provision on the reasoning that the corruption of the political process did not support the limitation on the candidate's expenditure of his own personal funds.

The court went on to say in Buckley against Valeo that indeed the use of personal funds reduces the candidate's dependence on outside contributions and thereby counteracts the coercive pressures and attendant risks of abuse to which the PAC contribution limits are directed.

Mr. Chairman, since the Supreme Court's decision in 1975, many candidates have taken advantage of the court's striking of the candidate expenditure limitation by making loans to their campaign and then after the election paying themselves back with the solicited campaign contributions. In other words, they used personal funds to finance their election and then so-called special-interest funds to pay themselves back. They would have the best of both worlds.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Illinois.

Mr. RAILSBACK. My understanding is in one particular case, not only did they loan their campaign money and then get repaid out of a fund raiser but they actually paid themselves interest.

Mr. FAZIO. I understand a number of candidates have paid themselves interest; In other words, gained in return more than they loaned.

Mr. KAZEN. Mr. Chairman, will the gentleman yield for a question?

Mr. FAZIO. I will be happy to yield to the gentleman from Texas.

Mr. KAZEN. Does that provision apply to his immediate family, also?

Mr. FAZIO. Yes. This limitation on personal financial resources includes those of the members of the family which are available.

Mr. KAZEN. In other words, father, mother, brother, sister owing him some money, he is limited by $35,000 for the entire family?

Mr. FAZIO. Limited to the extent that he can be repaid, that is correct. He can only be repaid $35,000.

My amendment does not limit the amount of money wealthy candidates may contribute or loan themselves to their campaign. It does not violate the holding of Buckley against Valeo in terms of not limiting the amount of personal funds a candidate may use for his election. A candidate may still contribute or loan amounts in excess of $35,000 to his or her campaign.

The amendment only limits the amount of money to $35,000 that a candidate may expect to get back from his personal contributions.

I would like to say I have been an early and strong supporter of campaign contribution limitations. I believe Congress must take steps to place some further restraints on the rapidly growing role of special-interest influence in campaigns for the House of Representatives, Obey-Railsback does this.

Mr. Chairman, my amendment is in the spirit of this effort and it also reduces the influence of special-interest money, and not just during the campaign. I submit if the candidate is susceptible to these influences during his or her campaign, he or she is more thankful for the contributions when the money is going directly into the candidate's personal account after a brief deposit in the treasury of the campaign committee.

Finally, Mr. Chairman, I wish to point out in arriving at the $35,000 figure, we attempted to come up with a figure that recognizes that virtually every nonincumbent candidate for the House finds it necessary to fund his campaign with seed money immediately following his or her announcement or at some crucial point during the campaign.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I will be happy to yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would like to compliment the gentleman on an extraordinarily good amendment, in an effort to try to put some balance on the ability of personal wealth to bring about campaign reform but I would ask the gentleman a question.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Glickman, and by unanimous consent, Mr. Fazio was allowed to proceed for 2 additional minutes.)

Mr. FAZIO. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I would like the gentleman to again restate the issue in connection with the case of Buckley against Valeo, whether we have any constitutional problems by saying that a candidate cannot be reimbursed. I intend to vote for the amendment but I do not want to ride roughshod over that issue because I think it is one the courts will address later on.

Mr. FAZIO. We believe that it has constitutional validity. There are several themes running through Buckley against Valeo. Certainly one is to reduce the influence of special-interest contributions and that aspect was maintained and enhanced in this amendment. What we are doing here simply is continuing—with a sensitivity to the first amendment which allows the individual to make any amount of money available to his or her campaign—to further the effect of campaign spending limits. We are saying that you cannot have it both ways. We cannot allow people to have a subterfuge and get around the intent of the law. In summation, we believe we are consistent with both of the major themes of the Buckley against Valeo decision.

Mr. GLICKMAN. And therefore the fact that a candidate could still contribute whatever means he has to his own campaign, even under amendment, would tend to indicate that the decision of Buckley against Valeo would not be violated?

Mr. FAZIO. We believe the court would uphold this law because it does not violate that first amendment protection they reaffirmed in their decision.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I will be happy to yield to the gentleman from California.

Mr. PASHAYAN. Does this provision of yours not have the effect of making it easier for well-to-do or wealthy candidates to contribute money? Is this not going to have the effect of doing considerable financial harm to those candidates who are not so fortunate as to have a considerable amount of money themselves?

Mr. FAZIO. I really do not see it that way. I think the figure of $35,000 is a good average figure derived from among the recent experiences of the newly elected Members who loaned funds to their campaign. There will be no limitation on the total amount a wealthy individual can contribute.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Pashayan, and by unanimous consent, Mr. Fazio was allowed to proceed for 2 additional minutes.

Mr. FAZIO. I yield to the gentleman from California.

Mr. PASHAYAN. I believe the effect is it is going to make it more difficult for somebody who does not have the wherewithal to finance a certain amount of money to, in fact, reimburse himself and conversely it will encourage candidates, I think, that have a great amount of money to step in.

Mr. FAZIO. I think it simply tells a wealthy candidate that he must consider the fact he is operating, after the $35,000 figure, without the protection of repayment he now has. He must consider the fact that he may not be reimbursed for that money and it limits the effect of his wealth.

We have some data from the 1976 election which may be useful. In that year 281 candidates loaned themselves funds for their campaign. Only three would have been effected by the $35,000 loan repayment provision. One challenger loaned himself $53,000 and repaid it all. Two open seat contenders loaned their campaigns funds. One loaned his campaign $78,000 and repaid it all. Another repaid $120,000 of a $277,000 loan to his campaign.

If I may reclaim my time, I would like to conclude by saying that we attempt in no way to punish anyone. We simply seek to insure that the wealthy candidates do not have the best of both worlds, the luxury of making large loans to their campaigns before the election which are then paid back through solicited campaign contributions after their election to the House of Representatives.

The gentleman from California (Mr. Dornan) spoke earlier in general debate. I thought he made an eloquent case for my amendment. I would simply urge the House to adopt the amendment.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from California (Mr. Pashayan) made a very telling point. Where rich candidates bother us in campaigns where they do not get their money back. They do not need it back if they are rich enough.

So all you will do with this amendment is to eliminate some of the medium well-off who will not get repaid their money. The very rich do not care if they get their money back as long as they get their office. This amendment is a nice try, but it does not work.

Mr. Chairman, what is really wrong with this amendment is that it violates the Constitution in a way that is more obvious than some of the other constitutional mistakes that are embodied in the Obey-Railsback amendment. If this measure were adopted it would, in my judgment, present serious constitutional problems which I believe have already been addressed by the Supreme Court.

There are two problems, Mr. Chairman. The first is, it is an indirect attempt to limit the amount of money which may be expended by a candidate from personal funds. It is a well known tenet that we cannot do by law indirectly what we are not allowed to do directly.

□ 1630

This is, of course, an indirect attempt to restrict what an individual can contribute to his or her own campaign. I think the Buckley-Valeo record is replete with strong enough evidence on this to show most Members that this feature would not last 5 minutes before the Supreme Court.

Unfortunately, there is a second element as well. That is that the amendment would indirectly place a limit on certain types of expenditures by the committee, by saying that it could only pay $35,000 to return loans to the candidate, to himself or herself.

Here is a second attempt by indirection to do that which we cannot do by direction, that is, to limit expenditures for elections.

Mr. Chairman, really, the amendment is hardly worthy of comment. It will not last long under court test, which it will certainly get. You will simply save those fine old gentlemen in black robes a little extra labor if you vote it down now. I urge you to support me in so doing.

Mr. Chairman, I oppose the amendment which has been proposed by the gentlemen from Wisconsin. What the amendment attempts to do is to prohibit reimbursements to a candidate in excess of $35,000. This measure if adopted, would in my opinion present serious constitutional problems which I believe have already been addressed by the Supreme Court.

Specifically, I see two problems. First, it appears that this is an indirect attempt to limit the amount of money which may be expended by a candidate from personal funds. We all know that the Congress included such a provision in the 1974 amendments to the Federal Election Campaign Act. That provision was specifically and categorically ruled unconstitutional under the first amendment in the landmark case in Buckley against Valeo. It is unambiguous that such a restriction on the use of a candidate's personal funds is not permitted under the Constitution except possibly under a system of public financing such as we have with Presidential campaigns.

I have a second and equally serious constitutional reservation. This amendment would also indirectly place a limit on certain types of expenditures. That is to say that a committee may not spend more than $35,000 for the purpose of reimbursing a candidate. In the Buckley case the Supreme Court held that expenditure limitations violate the first amendment. There is no reason to believe that the type of indirect limit suggested by this amendment is any less unconstitutional than the limits which were thrown out by the court in Buckley. In my mind this is no different than the provision in the original Federal Election Campaign Act which made it unlawful for Federal candidates to spend more than a certain amount of money for media advertising. Those limits are similarly in violation of the first amendment.

Therefore Mr. Chairman, I must oppose this amendment on the grounds that it is an unconstitutional limitation on the amount of money which may be spent by a candidate or by his committee.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I would just like to say in support of the amendment that this most certainly is not an attempt to do by indirection what we cannot do by direction.

I want to give an example of what this amendment is trying to stop. In the 1976 campaign, one group, and I will not name it, but one group contributed very substantial contributions to five Members of Congress, incumbents, who were then defeated. They had made no contributions to their challengers. After the election, that same association made five very substantial contributions to Members after they knew they were elected.

Now, on the surface, there is nothing wrong with that, I suppose; but the problem is this, that if an individual lends himself a significant amount of money and cannot raise any political contributions because at the time the PAC are not interested in him, but then gets elected, then at that point the PAC are in a position where they are providing a campaign contribution and what that campaign contribution does at that time is to directly and personally and financially benefit the receiver of that contribution. That is the line which we feel is improper to cross. That is why we have the Fazio amendment, which I think is crucial in retaining our ability to separate contributions to campaigns and contributions to which, in fact, wind up going in the individual pocket. That is why the Fazio amendment is very badly needed.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Surely, I yield.

Mr. KAZEN. Mr. Chairman, let me see if I understand the gentleman. We are only talking about that amount of money that the candidate himself can repay himself for a loan that he made to his campaign; am I correct?

Mr. OBEY. What the Fazio amendment does is to say he can spend whatever he wants. We do not especially like that, but the courts have made it quite clear that we cannot prevent that.

Mr. KAZEN. That is correct, and all that he can repay himself is $35,000.

Mr. OBEY. That is correct.

Mr. KAZEN. But in the example that the gentleman has just cited, if a PAC or somebody else comes in and gives him money to repay other loans, would that be permissible; not loans that he made to himself, but other loans?

Mr. OBEY. Yes, it will be; but the point that I am making is that especially when that contribution is made with the knowledge that that money is going to wind up in the Member's own pocket, there is a real problem which should be corrected.

Mr. KAZEN. Oh, yes.

Mr. OBEY. That creates a significant problem, in my judgment, and I think is a major reason for the Fazio amendment.

Mr. KAZEN. Mr. Chairman, I thank the gentleman.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. Mr. Chairman, I would like to ask the gentleman, in other words, what the gentleman is saying, it is perfectly all right if the money were to end up in the candidate's brother's pocket or the chairman of the PAC's brother's pocket, because he had made a loan to the campaign, but because the individual made a loan to the campaign it is suddenly immoral and you are giving him personal benefits?

Mr. OBEY. No; I am not saying that.

Mr. DAVIS of South Carolina. Well, would not those repayments be illegal?

Mr. OBEY. I am simply saying what I am saying and the gentleman is well aware of what I am saying and I think we will leave it at that.

Mr. DAVIS of South Carolina. I thank the gentleman for answering.

Mr. HALL of Texas. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. Hall of Texas was allowed to speak out of order.)

### ANNOUNCEMENT OF APPOINTMENT OF HONORABLE MARTY RUSSO TO COMMITTEE ON WAYS AND MEANS

Mr. HALL of Texas. Mr. Chairman, I have just been advised, that the Policy and Steering Committee has chosen my very good friend, the gentleman from Illinois, Mr. Marty Russo, to fill a vacancy on the Committee on Ways and Means.

I have already congratulated my friend, Marty. He will be an outstanding member of that committee. I certainly want to thank the committee for the very fine job that they have done and to publicly state to the Democratic side that I do not intend to pursue this matter any further, that I will not take it before the Democratic Caucus. I respect the leadership and I respect what they have done.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words. I rise to speak in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment and all other amendments which are going to enhance the Incumbent Protection Act which our good Speaker O'Neill characterized much earlier when he spoke against the Obey-Railsback bill, but then urged us to vote for it.

I want to commend him for his eloquent speech; but I rise more than that, to point out the real inequities that exist in campaigns. My good friend, the gentleman from New York, brought up this subject of Watergate and I would like to recite some history to you, which will point up the real inequities in Federal election law.

You know, back in 1974 there was a class that I will characterize as Watergate babies, and the reason I say Watergate babies is because my colleague happened to mention Watergate and Richard Nixon; but this class of Watergate babies, and I do not use that term disparagingly, I use it because they were the types of candidates that had no chance of winning, but were elected in the Watergate landslide and are still here.

I ask you, why are they still here? When they came in, they pushed out all the good Conservative Democrats, all my friends on that side of the aisle, and there are many of them. They replaced them as committee chairmen. They pushed through an image of the Democratic Party being propublic financing, proabortion, progun control, and pro everything else that the American people do not believe in and then they pushed through another image of being antidefense, anti-CIA, anti-FBI, and that is the kind of image the Democratic Party has and those Watergate babies are still here, except for a few of them.

Do you know why most of them are still here? Because in 1975, the day they got here, they immediately increased all the congressional perks, benefits that assure the reelection of incumbents.

Today you have almost unlimited mailing privileges. I know in my own campaign when I announced in January, all of a sudden the new computer terminal that my opponent incumbent had in his office, started working overtime and every week or every 2 weeks he was pumping out mass mailings addressed to Mr. and Mrs. John Doe to what seemed like every voter in the district.

I think he must have franked the whole voter registration and I know that there are many incumbents that have done just that.

Well, when you take that, when you take all of these free mailings that go out, you take the rolling billboard mobile offices that all these Watergate babies now have rolling around the countryside, when you take the 22 employees that they have with maybe 4 or 5 employees in Washington and the other 18 back in the district serving as PR men, this is where the inequity lies because the incumbent has a built-in advantage of using $200,000 to $300,000 of taxpayers' money which cannot be matched by a challenger.

So when we limit campaign contributions, we literally assure incumbents of being reelected time after time.

So when Speaker O'Neill characterized this as an Incumbent Protection Act, he is absolutely right. I am sure that none of us want to support that kind of legislation.

Let us give the challengers a fair shake. Let us let them get out and have the money to campaign against us. I urge defeat of this bill.

☐ 1640

Mr. RATCHFORD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, first of all, I think as a body we would do well to direct ourselves to the amendment pending before us. There will be plenty of opportunity for our constituents in 1980 to judge whether or not our approach to responsibility has been correct. I think we would do better this afternoon to direct our attention to the legislation, as opposed to baring our own breasts or engaging in personal confessions.

The reasoning behind this amendment is obvious, Mr. Chairman. It is an attempt to take away some of the immense advantages a wealthy candidate now enjoys. As my colleagues are aware, the Supreme Court said in January 1976 in Buckley against Valeo, that Congress could not limit how much an individual could spend of his or her money on his or her own election to Federal office.

Since that decision we have witnessed many campaigns for the House of Representatives in which the personal wealth of the candidate has been a decisive factor. Because of the Supreme Court's holding on the use of personal funds, our ability to legislate in this area is severely restricted.

I personally feel that the amendment pending before us falls within the restrictions set by the Court. Presently, under the law and under this decision, a rich candidate has the advantage of using his or her own personal funds to make unlimited loans to their campaigns, to be later repaid by their personal committees. He or she thus could avoid any risk of personal loss.

What the Fazio amendment does is to recognize that spending cannot be restricted, but it says that there shall be a limit—and I think the limit suggested is a reasonable one—on how much money, in this particular case, $35,000, one can loan his or her own committee and then subsequently be repaid.

The amendment, Mr. Chairman, moves toward a balance, a balance that does not now exist, and if there is anything needed in the area of financing our campaigns, it is a balance.

Mr. Chairman, the Fazio amendment achieves that. Let us direct our attention to the amendment, stay away from the extensive rhetoric, and get on to a vote on the bill pending before us.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. RATCHFORD. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I fail to see how this is not a rich man's statute or amendment.

Let us suppose a candidate goes out and borrows $50,000 from the bank and puts it in his campaign fund. Under this provision, the committee can always pay him back the $35,000. So I would have to assume that this is a provision that benefits the rich man. That is why I ask: What is $15,000 to a rich man?

But for a man who does not have the good fortune to be rich, this provision does much harm to him financially. I see this as a rich man's provision.

Mr. RATCHFORD. Mr. Chairman, I say in response to the gentleman that my own economic views are such that the level of $35,000 is reasonable, and when we go above that, we may indeed be in the rich man's arena.

Mr. PASHAYAN. It is reasonable, as long as one is rich, and all he has to pay back is an additional $15,000.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. RATCHFORD. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I want to associate myself with the gentleman's comments, and I want to direct my comments to the gentleman from New York (Mr. SOLOMON).

The gentleman who was replaced by the gentleman from New York was indeed one of the "Watergate babies," just as I am and as many other Members are. But I would also point out that the gentleman from New York replaced was one of the ranking Members in this House, both with respect to the use of perks and with respect to the issue of campaign reform.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. FAZIO) to the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The amendment to the amendment was agreed to.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are getting close to the close of the business for the day. We are now about to vote on the Obey-Railsback amendment, as amended, to S. 832.

In my judgment, it would be a dreadful mistake for the House to adopt this amendment, but we have already had one test vote on the rule, and it looks like we are going to be a few votes short on trying to defeat this Obey-Railsback amendment.

I have pointed out that it is unconstitutional. I have pointed out that it is prejudicial to challengers' abilities to make a reasonable race. And I have pointed out that it stifles public participation by those hundreds of thousands of people who think that when they make contributions to their PAC, they are doing something good in the political process.

But, Mr. Chairman, the House has heard this rhetoric, and I think most Members know how they are going to vote, and some Members know something about the bill.

Mr. Chairman, there will be another chance, however, even if the Obey-Railsback amendment is adopted, because the distinguished gentleman from South Carolina (Mr. CAMPBELL) will be offering a motion to recommit. That motion will allow the fans of Obey-Railsback to preserve everything that is in the bill with the exception of the $70,000 cap, which seems to the gentleman and to me to be the most unreasonable provision of Obey-Railsback. I think this gives each Member a chance for some kind of middle position that we otherwise will not get in the bill that has been stuffed down our throats under a closed rule without hearing.

So, Mr. Chairman, I would hope that even those who feel obligated to commit themselves or who have committed themselves to the Obey-Railsback substitute will be able to vote for the motion to recommit which will be offered by our colleague, the gentleman from South Carolina (Mr. CAMPBELL).

Mr. DAVIS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to my distinguished colleague, the other gentleman from South Carolina (Mr. DAVIS).

Mr. DAVIS of South Carolina. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, at the heart of this controversy today has been the idea that maybe because groups have organized together to become an interest group, that is bad. It also may even be further stated that we have the fact that if that interest group contributes to the political process, some Members are here voting because of that contribution.

I happen to think more of this body and of its Members than that. I think maybe we get contributions because of the way we vote, maybe for free enterprise, maybe because we are pro-labor, or maybe because we address specific issues. But to say that just because we have taken money, we are casting votes in the interest of that money, I think, is unsound.

I think it is, therefore, unsound to go a step further and say we are going to limit a group to organize and participate in the political process. This is what Obey-Railsback does. It says that we created the entities that are today considered bad because they have grown, as anything would grow over a period of 5 years.

Mr. Chairman, I think we ought to look at the whole system, the picture as a whole, and ask ourselves: Where are we standing if we think that because we have received contributions, we are that corrupt? Maybe we ought to limit ourselves rather than putting on limitations such as these.

Mr. Chairman, I hope the Obey-Railsback amendment will be defeated.

Mr. Chairman, at the heart of the controversy surrounding this bill is the belief that public confidence on the Congress is on the decline due to too much special interest money involvement in congressional campaigns and that this unduly influences legislative decisions.

I have yet to hear of, nor has it been proven, that a Member has consistently voted solely because of a campaign contribution. It has been proven, however, that House Members receive contributions because they vote the interest of a particular group.

By limiting the PAC's, we are imposing the judgment that certain kinds of constitutionally protected political activity, such as free spending by individuals and groups to promote and support their own candidacies or views, are excessive or "bad" and indicating corruption?

This kind of logic has the effect of making special interest and public interests two separate entities. Because a number of people are concerned enough to organize themselves around a particular issue does not make this issue one that is not legitimate. It makes that interest. An element within the public interest.

Political free speech is constitutionally protected. Political action committees provide political homes for thousands of individuals who would otherwise feel unable to make their views known and who might therefore become totally disenchanted by the political system. But because they can join with a group with the same interest, they feel their voice can be heard and they therefore participate. The increase in political action committees is a healthy exercise for all Americans because, as pointed out, it involves millions of Americans in the issues of the day and gives them a forum from which to exercise their political free speech.

It is interesting to note that the country's leading authority on campaign financing; Herbert Alexander, found that public financing of Presidential campaigns had significantly reduced the level of grassroot participation in the 1976 Presidential campaign because the limits on the use of funds and the State-by-State ceilings on spending had fostered a new cost effective means of campaigning.

Limiting the PAC's will have the same effect on House campaigns and, since it will restrict the amount of money available in elections, it will eventually force taxpayer financing of elections.

There has been much talk about the proliferation of PAC's in recent years. Since they have only been legal for the last few years, it is natural to see an increase.

It is interesting to note that the proponents of this legislation who complain about the increase in the number of PAC's fail to heed the warning of political studies that limiting PAC's will have the effect of causing the existing PAC's to splinter and more PAC's will then give less money to each candidate.

With respect to the limit on the aggregate amount a candidate can receive from all PAC's, I would like to point out that, had this bill been law in 1978, there would have been 176 instances of PAC's being unable to contribute to candidates of their choice, thus preventing them from exercising their right to political free speech. My question to each of you is, will this limitation pass the constitutional test of political free speech in Buckley against Valeo. The Buckley court said that the first amendment denies Government the power to determine that spending to promote one's political views is excessive, wasteful, or unwise.

Those of you who were successful challengers in 1978, might have had your campaigns severely restricted had these ceilings been in effect. The record shows that successful challengers always need substantial campaign treasuries in order to defeat incumbents. This flies in the face of the argument by the proponents of this legislation that it will solve the problem of the "entrenched incumbent."

A Harvard Institute of Political Study commissioned to study Federal election laws by the Committee on House Administration concluded that elections are under-financed, not over-financed. I might also point out that the committee leaders are failing to follow the results of the study the committee, itself, commissioned—presumably to be guided thereby.

Another effect if this bill in combination with the Supreme Court's ruling in Buckley against Valeo is that it will make it possible for the wealthy to come to Congress because a source of funds to the less affluent is cut off. Buckley held the provisions of the 1976 amendments to the FECA providing for ceilings on the amount candidates could spend on their own campaigns, an unconstitutional restriction of free political speech.

I am also concerned that this bill will force candidates into an increasing state of dependence upon interest groups now exempt from the campaign laws—unions and labor. Unions or labor are not limited as to such invaluable services as registration, or the get-out-and-vote, or member communication drives. Labor can spend as much as it desires on communication with its members. Individuals can contribute their time and talents without any limits because these efforts are not considered a contribution. Everyone knows that in the last Presidential election, it has been estimated that almost $11,000,000 was spent on phone banks and other activities in support of Carter and yet $11,000,000 did not have to be listed as an expenditure or contribution.

I urge you to defeat this bill and in a less hurried setting permit more thought to be given to whether or how something such as is proposed here should be done so that the problems inherent in this bill will not become the law.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution, and I yield back the balance of my time.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I sat through for several hours and listened to this discussion, although I have served on this committee, I have not entered this debate because the Obey-Railsback amendment and the issues that were being brought forth have certainly been well covered by other Members.

However, as sort of a conclusion, as I listened to everything that has taken place, the one regret I have is that we are not now voting on the issue of public financing, because that is the issue that everybody alludes to one way or the other in this whole discussion. All these questions of limiting or not limiting the PAC contributions and all these questions of whether we are influenced or not influenced by moneys that are given to us may be valid questions. They could all be answered if we were not in any way committed to either groups or organizations or major contributors and if we had the chance to be voting on this floor today on the issue of public financing.

Public financing, as the Members know, was defeated in the committee by an overwhelming vote in the Committee on House Administration. It was not even close. Yet after listening to this debate, I think we have shortchanged the American public and we have shortchanged ourselves by not standing up and voting on the issue of public financing.

□ 1650

I hope, even though I support the Obey-Railsback amendments that are being offered and the amendment to the amendment offered by the committee chairman, that we will again have a chance and an opportunity, if not this year, next year, to stand up and face this issue for all of the American people and for this Congress and to vote on public financing.

Mr. THOMPSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are, I hope, back to square 1 and will conclude this debate very shortly.

I simply want to reiterate the situation as I see it. We have adopted the three amendments to Obey-Railsback and have, thereby, perfected it and, I am informed by my cooperative friends on the other side, that they will ask for a rollcall on that subject.

I rise to restate what I think is in its perfected form now a really splendid bill and a splendid opportunity to do the right thing. I respectfully urge my colleagues to support the Obey-Railsback amendment, as amended.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from North Carolina.

Mr. NEAL. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Obey-Railsback amendment to set new limits on campaign contributions by political action committees, commonly known as PAC's.

Before I comment on what this proposal would do, I would like to say something about what it would not do. It would not, as some of my incoming mail contends, "restrict voluntary giving while leaving untouched the union bosses' use of forced dues." The use of union dues for political contributions is strictly forbidden by present law, just as is the case with corporate funds. This legislation would not change that provision of the law. It would, instead, apply equally to labor and corporations and to their PAC's, and those of the various organizations which maintain political action committees. It discriminates in no way against any interest, deprives no individual or group of any of their constitutional freedoms, nor denies them access to the political process.

What this legislation proposes is a ceiling on the total amount of money any PAC—labor, corporate, or otherwise—can give to any one candidate, and upon the total amount of PAC money any candidate may receive from all PAC's. Those limits for the candidate are an aggregate of $70,000 for a primary and general election combined, $85,000 total if a runoff is involved. For any PAC, the limits are $6,000 per candidate for a primary and general election combined, or a total of $9,000 if primary, general, and runoff elections are involved. So, Mr. Chairman, we are saying that the sky is not the limit, but considering the altitude of these ceilings, I would have to say it is up near the stratosphere.

I do not infer that there is something wrong with PAC money, Mr. Chairman. Far from it. Political action committees are a legitimate activity which, through collective effort, concentrate the resources of their membership, whatever their interest, in what they see as the most effective way. I do not for a moment believe there are Members of this House who occupy seats that have been bought by one or more political action committees; but I would not swear that somewhere down the line, if limitations are not imposed, we would not be able to say that, and Mr. Chairman, there is nothing in the Obey-Railsback proposal which would limit the growth of PAC's. We would not want to do that. We welcome this increase in interest in the political process. We do, however, want to limit the influence of any single PAC, or any group of PAC's acting collectively, on any Member of the House. By limiting the money a candidate can receive from any individual PAC and from PAC's collectively, we would limit what could become, and what certainly is perceived as, undue influence.

The other side of this argument is also important, Mr. Chairman. By limiting the influence of special interest groups, we are increasing the importance of the individual contributors, who also, of course, are subject to Federal elections laws.

Consider how PAC contributions have spiraled during the past several years. In 1972, PAC's gave a total of $5 million to candidates for the House. In 1976, they contributed $14.7 million. In 1978, PAC contributions to House candidates were $25 million. In 6 years, Mr. Chairman, PAC contributions, labor, business, and others, approximately doubled from election to election. If that trend were to continue, PAC contributions would be up to $225 billion by the election of the year 2000.

That extrapolation is farfetched, to be sure, but who would have thought that PAC campaign financing would have quintupled in 6 short years? I sincerely believe, Mr. Chairman, that left unrestricted, PAC money will become a predominant force in the democratic process, which, in effect, would render the process undemocratic.

Mr. Chairman, I see the proposal before us today as a continuation in the process of Government reform and a further attempt to restore confidence in our system of Government. Some of us have been working on these goals for some time now, and I would like to take a moment to list a few of the reforms which we have already enacted, for I do not think they are irrelevant to this discussion.

We passed a strong new financial code of ethics, which included financial disclosure requirements for Members and key staff members; a 15-percent limit on outside earned income; a $100 limit on any honorarium; limits on gifts; restrictions on the use of the frank; curbs on lame duck travel; abolition of unofficial office accounts; and a prohibition on personal use of campaign funds. We modified the antiquated seniority system; we passed "Government in the Sunshine" legislation and thereby opened up the workings of the Government to the citizens. We are continuing to work on lobbying disclosure—the House, of course, passed such a measure in the last Congress. I have supported all of these measures, and in addition I have made my entire voting record, as well as complete financial statements for myself and my family, available to the public, all because I think the good of restoring confidence in our system of representation democracy is so important.

Mr. Chairman, none of these steps, and certainly not the proposal before us today, are reform for reform's sake. It is crucial that we restore confidence in our system, and all of these changes are steps toward that end. It troubles me greatly that the Congress does not enjoy a better reputation among the people, because I truly believe this is their House, and that we are but the trustees. I believe, further, that the primary cause of voter apathy is that many individuals feel their one vote does not amount to anything, and that there is nothing they can do, as individuals, to change the course of events, or to strengthen the great system that has served us so well. If they feel that way about their vote, it stands to reason that they feel that way about giving their money to a candidate—any candidate—in whom they have no more than fleeting and passing interest.

By not passing this legislation, Mr. Chairman, I believe we would add much to that lack of confidence, to increased voter apathy, and to the eroding of the reputation of this House. Our people need to know that this still is their Government, responsive to their needs collectively and individually, and not subject to the influence of any interest capable of raising and giving enormous sums of money to candidates for the House.

Mr. Chairman, we have taken great care in this country to guarantee that this House is constituted for Representatives chosen under the "one person, one vote" doctrine of the Constitution. I think we can enhance that heritage by saying to the American people that we will not permit the power of the purse to negate that constitutional right.

I urge adoption of this amendment.

Mr. RAILSBACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would simply say at this relatively, I think, late time that I think we have had a good debate. I happen to think that the so-called Obey-Railsback amendment, which title I am getting, frankly, tired of hearing, is a constructive step in the right direction. It certainly is not a panacea. It does not even represent, in my opinion, any kind of a comprehensive election reform.

On the other hand, I strongly disagree with the insinuation that it is a proprotection incumbent bill because I think anybody that studies the facts and the statistics will soon see that it is anything but that. Incumbents are receiving checks that they did not solicit. There are some PAC's that are good; there are some that are not so good. There are many that, without a doubt, are trying to buy access. I do not like to say "buy influence," because I do not think we can prove that at all.

The motion to recommit with instructions to delete the aggregate cap would obviously have the effect of killing the bill. I am sure there are some who want to do that. The $70,000 cap, the $70,000 aggregate cap, again is a partial compromise elicited by some of us on our side of the aisle because we thought, along with some of the Members of the majority, that a $50,000 aggregate cap was simply high enough, given the rate of inflation, and so forth.

One other point. The chairman of the committee indicates to me that he is going to hold hearings on the question of indexing for inflation. It is my understanding that they are going to take a look at some of the other, I think, pressing needs for reform.

I would urge a vote against the motion to recommit, primarily because in my opinion it would have the effect, either intended or unintended, of killing the bill.

Mr. CAMPBELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the vote that we are about to take is, of course, directly on the Obey-Railsback proposal, as amended.

However, later, if this vote prevails, we will have an opportunity to address one of the shortcomings of this piece of legislation; that is, the ability to amend it as far as the aggregate ceiling goes.

I would disagree with the gentleman from Illinois respectfully that the effort to recommit would be an effort to kill the legislation. It would not. The motion to recommit will carry an instruction that the only section to be stricken would be the aggregate ceiling, and that being the one part that we would deal with.

I was not interested in or looking for a colloquy on it. I just wanted to correct that.

Mr. RAILSBACK. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Illinois.

Mr. RAILSBACK. I thank the gentleman for yielding.

Mr. Chairman, I have not and will not—because I do not believe it—attribute anything unconstructive to the gentleman. I do think, in fairness, however, to the Members, and particularly the Members on the other side, that they feel that if the aggregate cap, which the gentleman and I do not happen to feel very comfortable with, and the gentleman knows I agree with him on that, I view it, however, as a kind of tradeoff, because there are some on their side who do not like cutting the $10,000 back to $6,000 because they think it impacts on labor. So I think they are going to kill the bill.

Mr. CAMPBELL. Mr. Chairman, if I may reclaim my time, let me say this: If the motion to recommit prevails, as a member of the committee I would certainly vote to report it back out, with the portion that we have adopted here, immediately.

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words.

I would like to respectfully submit that the gentleman from Illinois (Mr. Railsback) and the gentleman from Wisconsin (Mr. Obey) have done an excellent job in an area which I think they firmly believe that they are making a constructive step forward. But in talking with one of the authors and in talking with a number of the supporters, they believe that Obey-Railsback is only one part of an overall view of campaign financing reform.

But what is to assure that those other parts receive due consideration? For example, since the Federal Election Commission reforms were enacted in 1974—and they originate and the numbers they deal with originate back in 1972—more and more emphasis has shifted away from the individual contributor. What we have essentially done in the last 7 years is take the individual contributor out of political campaigns.

The Harvard report stated that an increase in the disclosure threshold level was desirable, that in many ways this would protect contributors to challengers who are fearful of intimidation, either real or imagined. The report proposes that the limitation be increased beyond $1,000 per individual contributor. If we recommit this bill we have a chance to seriously address the problems of campaign financing. If we do not recommit this bill, we are approaching this piecemeal. We are looking here at one element in an overall package, an element, incidentally, that many of us might be willing to accept if the overall package took into account why PAC's have become more important.

There is one other item that deserves attention. That is the special interest groups which do not contribute money but which do create great influences in political races. Are we limiting them? The public interest groups, with all of their excellent intentions, are still free to roam the political terrain without any sort of intervention or limitation.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, with respect to the gentleman's last point, such organizations as he named have first amendment rights, as does any other organization, and therefore should not be fettered.

With respect to the remainder, I said earlier, and I restate here my intention—and when I make such promises I keep them—that the Committee on House Administration is going to go into the entire Federal Election Campaign Act, including a consideration of indexing for inflation and other matters not carried here. The bottom line here does not affect the individual about whom you and I are concerned.

☐ 1700

The motion to recommit would simply lift the ceiling and make 1,600 or 1,800 political action committees fair game at $6,000 each. That would be utterly absurd.

Mr. RITTER. If I could regain my time, I do not think there is anyone in this body who could argue that the private sector, that the ideas and the potential forward movers of free enterprise, have made significant gains in the United States of America since 1972.

What the gentleman is talking about, and in comparison with these special-interest groups which do not contribute money, the point I would like to make there is that these organizations can send out a whole variety of special mailings, a whole variety of political action which is not accounted for in this legislation.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Ritter) has expired.

(By unanimous consent, Mr. Ritter was allowed to proceed for 1 additional minute.)

Mr. RITTER. A contribution of this kind, an in-kind contribution, is patently illegal from a corporation source. A typewriter cannot even be used. No mailings can occur. Nobody on company time can be active.

We are talking about banning one element or severely restricting one aspect of political involvement and letting the others roam free. Let us be fair and look at the whole picture.

Thank you, Mr. Chairman.

Mr. DORNAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as long as this House plays around with the idea of limitations and putting caps on people's or groups' ability to spend money, they are going to have this issue come up on a yearly basis.

What we should do and would make Common Cause happy and any other public interest group that wants honesty in Government happy, is disclosure, disclosure, disclosure, not limitation.

The FEC forms are now getting as complex as your income tax 1040.

In trying to compile a record for a newspaper article on the 95th Congress, on this Congress, on the California delegation of 43, I have found more arithmetic errors, including on my own form, going back over them, and I have found more errors in filling out the FEC forms; and I have found more instances of coverup of what should be investigated by sheer whim of the very partisan FEC.

I went down and paid 40 cents for my opponent of last year's forms and found out that here is a 29-year-old guy who loaned his campaign $15,500 to pay back the money that he sent back to Alabama for those 15 $1,000 illegal campaign contributions that he took in October to come close to me. There will be no even regular audit, let alone an audit for cause. Disclosure does not even work.

Putting all these limitations to turn this House into a House two or three Congresses from now of rich men and women and failures, you pick the mix, is not the way to bring honesty to Government.

The way to do it is to make the disclosure work. The American public is showing more and more interest, more interest than maybe since our Founding Fathers went to their graves, in this political system by the very healthy proliferation of small PAC's. The more PAC's we have, the better it will be. The smaller the PAC, the smaller the membership; the smaller the little company or organization, the better off we are going to be.

Let us get our act together here on disclosure and not pass the accountant and campaign treasurers proliferation act and the incumbency act at the same time.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the gentleman for yielding.

I would just like to say that a Bernadette Budd this weekend at this campaign conference singled me out as being one who will not get 1 cent from any business or industrial PAC. She said I represent trees, not companies.

Mr. DORNAN. I sympathize with the gentleman.

Mr. WEAVER. I would like to say that a healthy system is where they can take some—all these PAC's the gentleman is talking about—I am not talking about one PAC. I am talking about this whole amalgam of PAC's saying, "Absolutely not," simply because I am trying to keep our national forests from being cut down all at once. That is not a healthy thing, I say to the gentleman.

Mr. DORNAN. I am sure there will be other PAC's that will compensate that are environmental PAC's. The more PAC's the healthier for the country. Let us be fair and stop this incumbency protection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Obey), as amended.

### RECORDED VOTE

Mr. DAVIS of South Carolina. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 217, noes 198, not voting 18, as follows:

[Roll No. 577]

AYES—217

Addabbo
Akaka
Ambro
Anderson, Calif.
Annunzio
Applegate
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Coelho
Conable
Conte
Conyers
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Diggs
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Fowler
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Glickman
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Jacobs
Jeffords
Jenrette

Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McHugh
McKinney
Madigan
Maguire
Markey
Marlenee
Matsui
Mattox
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOES—198

Abdnor
Albosta
Alexander
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Boggs
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dingell
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Flippo
Foley
Forsythe
Fountain
Frenzel
Frost
Gibbons
Gingrich
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Hightower
Hillis
Hinson
Holland
Holt
Huckaby
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
Latta
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McKay
Marks
Marriott
Martin
Mathis
Mazzoli
Michel
Miller, Ohio
Minish
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Nelson
O'Brien
Pashayan
Paul
Pickle
Quayle
Quillen
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Traxler
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—18

Anderson, Ill.
Chisholm
Collins, Ill.
Corman
Dixon
Dougherty
Flood
Garcia
Harsha
Jones, N.C.
Leach, La.
Murphy, N.Y.
Patten
Rodino
Rosenthal
Shuster
Treen
Winn

☐ 1720

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of New York for, with Mr. Jones of North Carolina against.

Mr. Rodino for, with Mr. Dougherty against.

Mr. Garcia for, with Mr. Harsha against.

Mrs. Collins of Illinois for, with Mr. Shuster against.

Mrs. Chisholm for, which Mr. Winn against.

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair (Mr. NATCHER), Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 832) to extend the authorization for the Federal Election Commission, pursuant to House Resolution 414, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment adopted by the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

### MOTION TO RECOMMIT OFFERED BY MR. CAMPBELL

Mr. CAMPBELL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CAMPBELL. In its present form, I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CAMPBELL, moves to recommit the bill, S. 832, to the Committee on House Administration with instructions to report the same back to the House forthwith with the following amendments:

Beginning with page 3, line 1:

1. Strike Section 3, relating to the aggregate limitation placed upon political committee contributions, of the text of S. 832 as amended:

On page 6, line 5:

2. In Section 5, relating to severability, of the text of S. 832 strike all that follows the word "thereby" and insert in lieu thereof a period.

Mr. CAMPBELL (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER. The gentleman from South Carolina (Mr. CAMPBELL) is recognized for 5 minutes.

Mr. CAMPBELL. Mr. Speaker, we have debated at great length all merits, demerits, shortfalls, and everything else of the Obey-Railsback bill. This House was denied the right in any manner to amend the proposals that were brought out of the Rules Committee. This motion to recommit accepts the reform and instructs the House Administration Committee to report back the bill with the cut in the PAC contributions, with the limitation on the advancement of credit, with all of the other aspects of the bill. It strikes only the aggregate ceiling. That is the only thing that it does, strikes the aggregate ceiling. It gives this House the opportunity to amend the proposal, to vote for a reform piece of legislation, but to eliminate one aspect of it that many of us cannot support.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we have not had a chance to debate this bill as freely as we would like because, of course, no amendments have been allowed under the rule. There have been no hearings on the matter pending before us, and it seems to me that a tiny compromise is now in order. This bill will probably go forward. It looks like the votes are there for it, but it seems to me that the gentleman from South Carolina has suggested a very tiny compromise that I would hope the Members of this whole House could accept.

Most Members on my side of the aisle think that a challenger would be hopelessly stymied if that total contribution or total ability of a candidate to accept only $70,000 remains in the bill. So, I would hope that this body would allow the bill to go forward with some unanimity, and accept the gentleman's motion to recommit.

I thank the gentleman from South Carolina for having constructed what I think is the best chance of the House to salvage a reasonable bill with some personal dignity for the day's work.

□ 1730

Mr. CAMPBELL. I thank the gentleman for his observations. This is not an effort in any manner to kill this legislation. As a member of that committee there are those of us who have pledged to vote with the majority in reporting the legislation back out with this one change.

Mr. LEWIS. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from California.

Mr. LEWIS. I thank the gentleman for yielding.

Mr. Speaker, in responding to this proposal for a minor adjustment in the bill, a moment ago I was speaking with a freshman Member from the other side of the aisle, the gentleman from Maryland, whose opponent last time was a multimillionaire who could not care less about any $35,000 limitation. Literally this bill in its present form I think maybe would hurt the gentleman from Maryland. I would suggest that both sides of the aisle ought to look at what we are doing here and give serious consideration to this minor adjustment.

I thank the gentleman.

Mr. CAMPBELL. I yield back the remainder of my time.

Mr. THOMPSON. Mr. Speaker, this is not a minor, insignificant motion to recommit but rather a monumentally bad one, the effect of which would be to devastate all of our work. I cannot be told that the Members of this body are not intelligent enough to have understood the merits of this legislation and understand exactly what it means and how much it will help to restore confidence in this body. I hope that the motion to recommit is defeated.

Mr. BARNES. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Maryland.

Mr. BARNES. I thank the gentleman for yielding. There were just made references to the gentleman from Maryland. I am that gentleman from Maryland to whom the references were made. I intend to vote against the motion to recommit.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CAMPBELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 189, nays 222, not voting 22, as follows:

[Roll No. 578]

YEAS—189

Abdnor
Addabbo
Albosta
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Biaggi
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Flippo
Foley
Forsythe
Fountain
Frenzel
Frost
Gibbons
Gingrich
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Hightower
Hillis
Hinson
Holland
Holt
Huckaby
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Latta
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McKay
Marks
Marriott
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nelson
O'Brien
Pashayan
Paul
Pickle
Quayle
Quillen
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Traxler
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Wilson, Bob
Wilson, Tex.
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Zeferetti

NAYS—222

Akaka
Alevander
Ambro
Anderson, Calif.
Annunzio
Applegate
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Coelho
Conable
Conte
Conyers
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Derrick
Dicks
Diggs
Dingell
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Fowler
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Glickman
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Jacobs
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Lederer
Lehman
Leland
Long, Md.
Lowry
Lundine
McCloskey
McHugh
Madigan
Maguire
Markey
Marlenee
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitten
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki

NOT VOTING—22

Anderson, Ill.
Chisholm
Collins, Ill.
Corman
Coughlin
Dixon
Dougherty
Erlenborn
Flood
Garcia
Harsha
Jones, N.C.
Leach, La.
McKinney
Murphy, N.Y.
Patten
Rodino
Rosenthal
Shuster
Treen
Wilson, C. H.
Winn

□ 1740

Mr. ERDAHL changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the Senate bill.

The Senate bill was passed.

A motion to reconsider was laid on the table.

### MOTION OFFERED BY MR. THOMPSON

Mr. THOMPSON. Mr. Speaker, pursuant to House Resolution 414, I move to take from the Speaker's table the Senate bill (S. 832) to extend the authorization for the Federal Election Commission, insist on the House amendments, and request a conference with the Senate thereon.

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. THOMPSON, NEDZI, BRADEMAS, DAVIS of South Carolina, JOHN L. BURTON, FAZIO, OBEY, FRENZEL, BADHAM, GINGRICH, and CAMPBELL.

### AUTHORIZING CLERK TO MAKE TECHNICAL AND TYPOGRAPHICAL CORRECTIONS IN S. 832

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Clerk be permitted to make technical, conforming, and typographical corrections in the title and text of Senate bill, S. 832.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

## GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the Senate bill, S. 832.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

## MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on October 12, 1979, the President approved and signed a bill and joint resolution of the House of the following titles:

H.R. 5419. An act to authorize the Secretary of the Interior to provide for the commemoration of the efforts of Goodloe Byron to protect the Appalachian Trail, and for other purposes; and

H.J. Res. 412. Joint resolution making continuing appropriations for the fiscal year 1980, and for other purposes.

## FIFTEENTH ANNUAL REPORT ON STATUS OF NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on the Interior and Insular Affairs:

*To the Congress of the United States:*

I am transmitting herewith the Fifteenth Annual Report on the Status of the National Wilderness Preservation System. This information has been compiled by the Secretaries of Agriculture and the Interior for lands under their respective jurisdiction and covers calendar year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *October 17, 1979.*

## CONFERENCE REPORT ON S. 428, DEPARTMENT OF DEFENSE AUTHORIZATION, 1980

Mr. PRICE submitted the following conference report and statement on the Senate bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes:

### CONFERENCE REPORT (H. REPT. No. 96–521)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Department of Defense Authorization Act, 1980".

### TITLE I—PROCUREMENT

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

#### AIRCRAFT

For aircraft: for the Army, $1,002,600,000; for the Navy and the Marine Corps, $4,534,900,000; for the Air Force, $7,842,340,000.

#### MISSILES

For missiles: for the Army, $1,202,900,000; for the Navy, $1,575,100,000; for the Marine Corps, $20,500,000; for the Air Force, $2,263,800,000.

#### NAVAL VESSELS

For naval vessels: for the Navy, $6,706,800,000.

#### TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $1,679,000,000; for the Marine Corps, $13,000,000.

#### TORPEDOES

For torpedoes and related support equipment: for the Navy, $336,800,000.

#### OTHER WEAPONS

For other weapons: for the Army, $170,500,000; for the Navy, $153,000,000; for the Marine Corps, $25,200,000.

#### REPORT ON B–52 AIRCRAFT MODIFICATION PROGRAM

SEC. 102. Of the amount authorized to be appropriated under section 101 for procurement of aircraft for the Air Force, $431,900,000 is authorized for the procurement of avionics and cruise missile integration for the B–52 aircraft modification program subject to the condition that the Secretary of Defense provide to the Congress at the earliest possible date, and not later than November 30, 1979, a report on—

(1) all uncertainties in the effectiveness of the B–52 aircraft as a cruise missile carrier over the next decade, including any degradation of defense penetration capabilities of the B–52 aircraft which could result from possible air defense advances by the Soviet Union; and

(2) the requirement for maintaining the defense penetration capability of the B–52 aircraft and the options available during the next decade to maintain such capability.

#### AUTHORIZATION OF APPROPRIATIONS FOR CONTRIBUTION TO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) FOR NATO

SEC. 103. There is authorized to be appropriated for fiscal year 1980 the sum of $243,100,000 to be available only for contribution by the United States of its share of the cost for such fiscal year of the acquisition by the North Atlantic Treaty Organization of the Airborne Early Warning and Control System (AWACS).

#### CERTAIN AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 104. (a) During fiscal year 1980, the Secretary of Defense, in carrying out the Multilateral Memorandum of Understanding Between the North Atlantic Treaty Organization (NATO) Ministers of Defense on the NATO E–3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978, may—

(1) waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program office:

(A) auditing;
(B) quality assurance;
(C) codification;
(D) inspection;
(E) contract administration;
(F) acceptance testing;
(G) certification services; and
(H) planning, programming, and management services;

(2) waive any surcharge for administrative services otherwise chargeable; and

(3) in connection with the NATO E–3A Cooperative Programme for fiscal year 1980, assume contingent liability for—

(A) program losses resulting from the gross negligence of any contracting officer of the United States;

(B) identifiable taxes, customs duties, and other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

(b) Authority under this section to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

### TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 201. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,866,461,000, of which $3,000,000 is authorized only for the performance and completion of a feasibility demonstration of launching Heliborne Missiles (HELLFIRE) from UH–60 helicopters.

For the Navy (including the Marine Corps), $4,542,992,000, of which (1) $60,000,000 is authorized only for the continued research, development, test, and evaluation of the 3,000-ton prototype Surface Effect Ship (SES), and (2) $30,000,000 is authorized only for joint Navy/Air Force full-scale engineering development of the Air-to-Ground Standoff Missile system which is to be available for production on or before December 31, 1984.

For the Air Force, $4,994,046,000, of which (1) $670,000,000 is authorized only for the concurrent full-scale engineering development of the missile basing mode known as the Multiple Protective Structures (MPS) system and the MX missile, as provided in section 202 of the Department of Defense Supplemental Appropriation Authorization Act, 1979 (Public Law 96–29), and (2) $30,000,000 is authorized only for the research, development, test, and evaluation required for competitive hardware demonstration of the Strategic Weapons Launcher and a derivative of a military aircraft or a commercial aircraft, in order to establish not later than September 30, 1981, the utility of these aircraft as cruise missile carriers.

For the Defense Agencies, $1,110,618,000, of which $42,500,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

### REPORT ON NEW BASING MODE FOR INTERCONTINENTAL BALLISTIC MISSILES

SEC. 202. The Secretary of Defense shall submit to the Congress in writing, not later than March 1, 1980, a report evaluating in detail the ability of the basing mode for land-based intercontinental ballistic missiles known as the Multiple Protective Structure (MPS) system to survive foreseeable attempts by the Soviet Union to neutralize such system.

### RESTRICTION ON THE USE OF FUNDS FOR DEVELOPMENT OF THE EXTREMELY LOW FREQUENCY COMMUNICATION SYSTEM

SEC. 203. None of the funds authorized to be appropriated by this Act for the development of the Extremely Low Frequency (ELF) communication system may be obligated or expended for the development of such system unless the President certifies to the Congress in writing that the use of funds for such purpose is in the national interest, that a site has been selected for the deployment of such system, and that the President has approved such site for the deployment of such system, and in no event may any of the funds authorized to be appropriated by this Act be used for full scale development or construction of another test-bed facility for an Extremely Low Frequency (ELF) communication system.

## TITLE III—ACTIVE FORCES

### AUTHORIZATION OF END STRENGTHS

SEC. 301. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1980, as follows:

(1) The Army, 776,700.

(2) The Navy, 528,000.

(3) The Marine Corps, 189,000.

(4) The Air Force, 558,000.

### AUTHORIZED STRENGTHS OF RESERVE GENERAL AND FLAG OFFICERS

SEC. 302. (a) Section 3218 of title 10, United States Code, is amended by striking out "and those serving in the National Guard Bureau" and inserting in lieu thereof "those serving in the National Guard Bureau, and those counted under section 3202 of this title".

(b) Section 5457(a) of such title is amended by inserting after "rear admiral" a comma and "exclusive of those counted under section 5442 of this title,".

(c) Section 5458(a) of such title is amended by inserting after "combined" a comma and "exclusive of those counted under section 5443 of this title,".

(d) Section 8218 of such title is amended by striking out "and those serving in the National Guard Bureau" and inserting in lieu thereof "those serving in the National Guard Bureau, and those counted under section 8202 of this title".

### ANNUAL OFFICER GRADE DISTRIBUTION REPORT AND PROMOTION PLAN TO BE INCLUDED AS PART OF THE ANNUAL MANPOWER REQUIREMENTS REPORT RATHER THAN AS A SEPARATE REPORT

SEC. 303. (a)(1) Section 686 of title 10, United States Code, providing for an annual officer grade distribution report, is repealed.

(2) The table of sections at the beginning of chapter 39 of such title is amended by striking out the item relating to section 686.

(b) Paragraph (3) of section 138(c) of such title, providing for an annual manpower requirements report, is amended to read as follows:

"(3)(A) The Secretary of Defense shall submit to Congress a written report, not later than February 15 of each fiscal year, recommending the annual active duty end strength level for each component of the armed forces for the next fiscal year and the annual civilian personnel end strength level for each component of the Department of Defense for the next fiscal year, and shall include in that report justification for the strength levels recommended and an explanation of the relationship between the personnel strength levels recommended for that fiscal year and the national security policies of the United States in effect at the time. The justification and explanation shall specify in detail for all military forces (including each land force division, carrier and other major combatant vessel, air wing, and other comparable unit) the—

"(i) unit mission and capability;

"(ii) strategy which the unit supports; and

"(iii) area of deployment and illustrative areas of potential deployment, including a description of any United States commitment to defend such areas.

"(B) The Secretary of Defense shall also include in the report required under subparagraph (A) a detailed discussion of—

"(i) the manpower required for support and overhead functions within the armed forces and the Department of Defense;

"(ii) the relationship of the manpower required for support and overhead functions to the primary combat missions and support policies; and

"(iii) the manpower required to be stationed or assigned to duty in foreign countries and aboard vessels located outside the territorial limits of the United States, its territories, and possessions.

"(C) In such report, the Secretary of Defense shall also identify, define, and group by mission and by region the types of military bases, installations, and facilities and shall provide an explanation and justification of the relationship between this base structure and the proposed military force structure together with a comprehensive identification of base operating support costs and an evaluation of possible alternatives to reduce such costs.

"(D) The Secretary of Defense shall also include in such report with respect to each armed force under the jurisdiction of the Secretary of a military department—

"(i) the estimated requirements in members on active duty during the next fiscal year;

"(ii) the estimated number of commissioned officers in each grade on active duty and to be promoted during the next fiscal year; and

"(iii) an analysis of the distribution by grade of commissioned officers on active duty at the time the report is prepared.".

## TITLE IV—RESERVE FORCES

### AUTHORIZATION OF STRENGTHS

SEC. 401. (a) For fiscal year 1980, the Selected Reserve of the reserve components of the Armed Forces shall be programmed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 355,700.

(2) The Army Reserve, 197,400.

(3) The Naval Reserve, 87,000.

(4) The Marine Corps Reserve, 33,600.

(5) The Air National Guard of the United States, 92,500.

(6) The Air Force Reserve, 57,300.

(7) The Coast Guard Reserve, 11,700.

(b) Within the average strengths prescribed by subsection (a), the reserve components of the Armed Forces are authorized, as of September 30, 1980, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 6,244.

(2) The Army Reserve, 4,288.

(3) The Naval Reserve, 707.

(4) The Marine Corps Reserve, 67.

(5) The Air National Guard of the United States, 1,560.

(6) The Air Force Reserve, 681.

(c) The average strength prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

### AMENDMENTS TO SELECTED RESERVE EDUCATIONAL ASSISTANCE PROGRAM

SEC. 402. (a) Section 2131(b)(1) of title 10, United States Code, is amended by striking out "50 percent" and inserting in lieu thereof "100 percent".

(b) Section 2133(b) of such title is amended to read as follows:

"(b)(1) A member who fails to participate satisfactorily in training with his unit, if he is a member of a unit, during a term of enlistment for which the member entered into an agreement under section 2132(a)(4) of this title shall refund an amount computed under paragraph (2) unless the failure to participate in training was due to reasons beyond the control of the member. Any refund by a member under this section shall not affect the period of obligation of such member to serve as a Reserve.

"(2) The amount of any refund under paragraph (1) shall be the amount equal to the product of—

"(A) the number of months of obligated service remaining during that term of enlistment divided by the total number of months of obligated service of that term of enlistment; and

"(B) the total amount of educational assistance provided to the member under section 2131 of this title.".

(c) The amendments made by this section shall apply only to individuals enlisting in the Reserves after September 30, 1979.

### DISCRETIONARY AUTHORITY OF SECRETARY CONCERNED TO RETAIN CERTAIN RESERVE OFFICERS ON ACTIVE DUTY UNTIL AGE 60

SEC. 403. (a) Section 3855 of title 10, United States Code, is amended by inserting "Veterinary Corps," after "Dental Corps,".

(b) Section 8855 of such title is amended by inserting "veterinary officer," after "dental officer,".

### REPEAL OF AUTHORITY FOR ADDITIONAL PAY FOR PERFORMANCE OF ADMINISTRATIVE FUNCTIONS BY OFFICERS OF THE NATIONAL GUARD AND RESERVE COMPONENTS

SEC. 404. (a)(1) Section 309 of title 37, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 5 of such title is amended by striking out the item relating to section 309.

(b) The amendments made by this section shall apply only with respect to administrative functions performed after September 30, 1980.

## TITLE V—CIVILIAN PERSONNEL

### AUTHORIZATION OF END STRENGTH

SEC. 501. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1980, of 983,600.

(b) The strength for civilian personnel

prescribed in subsection (a) shall be apportioned among the Department of the Army, the Department of the Navy (including the Marine Corps), the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of the enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program, and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 1¼ percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

**(e) During fiscal year 1980, the Secretary of Defense shall manage the manpower resources of the Department of Defense in a manner that will insure that those functions of the Department of Defense involving maintenance, construction, engineering acquisition, or repair activities will be provided civilian manpower resources sufficient to fulfill the work requirements for which funds have been appropriated on a schedule consistent with the requirements of national security and military readiness.**

## TITLE VI—MILITARY TRAINING STUDENT LOADS

### AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 601. (a) For fiscal year 1980, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 54,865.

(2) The Navy, 61,913.

(3) The Marine Corps, 22,618.

(4) The Air Force, 43,249.

(5) The Army National Guard of the United States, 7,985.

(6) The Army Reserve, 4,772.

(7) The Naval Reserve, 906.

(8) The Marine Corps Reserve, 3,156.

(9) The Air National Guard of the United States, 1,958.

(10) The Air Force Reserve, 1,276.

(b) In addition to the number authorized for the Army, the Army National Guard of the United States, and the Army Reserve in subsection (a), such components are authorized military training student loads of not less than the following numbers to be utilized solely for one station unit training:

(1) The Army, 19,603.

(2) The Army National Guard of the United States, 6,631.

(3) The Army Reserve, 1,556.

**(c) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1980 shall be adjusted consistent with the manpower strengths authorized in titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.**

## TITLE VII—CIVIL DEFENSE

### AUTHORIZATION OF APPROPRIATIONS

SEC. 701. There is authorized to be appropriated for fiscal year 1980 for the purpose of carrying out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251–2297) the sum of $106,800,000.

### INCREASE IN AMOUNTS THAT MAY BE APPROPRIATED FOR CONTRIBUTIONS TO STATES FOR PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 702. The last proviso of section 408 of the Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out everything after the last semicolon and inserting in lieu thereof "and appropriations for contributions to the States for personnel and adminstrative expenses under section 205 shall not exceed $40,000,000 per annum.".

## TITLE VIII—GENERAL PROVISIONS

### AMENDMENTS TO THE UNIFORM CODE OF MILITARY JUSTICE

SEC. 801. (a) Section 802 of title 10, United States Code (article 2 of the Uniform Code of Military Justice), is amended—

(1) by inserting "(a)" before "The" at the beginning of such section; and

(2) by adding at the end thereof the following new subsections:

"(b) The voluntary enlistment of any person who has the capacity to understand the significance of enlisting in the armed forces shall be valid for purposes of jurisdiction under subsection (a) of this section and a change of status from civilian to member of the armed forces shall be effective upon the taking of the oath of enlistment.

"(c) Notwithstanding any other provision of law, a person serving with an armed force who—

"(1) submitted voluntarily to military authority;

"(2) met the mental competency and minimum age qualifications of sections 504 and 505 of this title at the time of voluntary submission to military authority;

"(3) received military pay or allowances; and

"(4) performed military duties;

is subject to this chapter until such person's active service has been terminated in accordance with law or regulations promulgated by the Secretary concerned.".

(b) Section 836(a) of such title (article 36 (a) of the Uniform Code of Military Justice) is amended by striking out "The procedure, including modes of proof, in cases before courts-martial, courts of inquiry, military commissions, and other military tribunals," and inserting in lieu thereof "Pretrial, trial, and post-trial procedures, including modes of proof, for cases arising under this chapter triable in courts-martial, military commissions and other military tribunals, and procedures for courts of inquiry,".

### WAIVER OF APPLICABILITY OF OMB CIRCULAR A-76 TO CONTRACTING OUT OF CERTAIN RESEARCH AND DEVELOPMENT ACTIVITIES

SEC. 802. (a) Except as provided in subsection (b), neither the implementing instructions for, nor the provisions of, Office of Management and Budget Circular A-76 (issued on August 30, 1967, and reissued on October 18, 1976, June 13, 1977, and March 29, 1979) shall control or be used for policy guidance for the obligation or expenditure of any funds which under section 138(a) (2) of title 10, United States Code, are required to be specifically authorized by law.

(b) Funds which under section 138(a) (2) of title 10, United States Code, are required to be specifically authorized by law may be obligated or expended for operation or support of installations or equipment used for research and development (including maintenance support of laboratories, operation and maintenance of test ranges, and maintenance of test aircraft and ships) in compliance with the implementing instructions for and the provisions of such Office of Management and Budget Circular.

(c) No law enacted after the date of the enactment of this Act shall be held, considered, or construed as amending superseding, or otherwise modifying any provision of this section unless such law does so by specifically and explicitly amending, repealing, or superseding this section.

### AMENDMENTS RELATING TO THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

SEC. 803. (a) Section 2112(b) of title 10, United States Code, is amended by adding at the end thereof the following new sentence: "In so prescribing the number of persons to be graduated from the University, the Secretary of Defense shall, upon recommendation of the Board of Regents, institute actions necessary to ensure the maximum number of first-year enrollments in the University consistent with the academic capacity of the University and the needs of the uniformed services for medical personnel.".

(b) Section 2114(b) of such title is amended by striking out "uniform" in the first sentence of such section and inserting in lieu thereof "uniformed".

(c)(1) The first two sentences of section 2115 of such title are amended to read as follows: "The Secretary of Defense may allow not more than 20 percent of the graduates of each class at the University to perform civilian Federal service for not less than seven years following the completion of their professional education in lieu of active duty in a uniformed service if the needs of the uniformed services do not require that such graduates perform active duty in a uniformed service and as long as the Secretary of Defense does not recall such persons to active duty in the uniformed services. Such persons who execute an agreement in writing to perform such civilian Federal service may be released from active duty following the completion of their professional education.".

(2) The section heading of such section is amended to read as follows:

"§ 2115. Graduates: limitation on number permitted to perform civilian Federal service".

(3) The item related to section 2115 in the table of sections at the beginning of chapter 104 of such title is amended to read as follows:

"2115. Graduates: limitation on number permitted to perform civilian Federal service.".

### AMENDMENTS RELATING TO COMPENSATION OF HEALTH PROFESSIONALS

SEC. 804. (a) Section 2121(d) of title 10, United States Code, relating to stipends for members of the Armed Forces Health Professions Scholarship program, is amended to read as follows:

"(d) Except when serving on active duty pursuant to subsection (c), a member of the program shall be entitled to a stipend at the rate in effect under paragraph (1)(B) of section 751(g) of the Public Health Service Act (42 U.S.C. 294t(g)) for students in the National Health Service Corps Scholarship program.".

(b) Section 313(a) of title 37, United States Code, relating to special pay for medical officers who execute active duty agreements, is amended—

(1) by striking out clause (4) and redesignating clauses (5) and (6) as clauses (4) and (5), respectively; and

(2) by inserting after the first sentence of such subsection the following new sentence: "However, while serving an active duty obligation resulting from a medical education program leading to appointment or designation as a medical officer, such an officer shall be paid $9,000 (rather than an amount determined under the preceding sentence) for each year of the active duty agreement.".

(c) The amendments made bv this section shall take effect on October 1, 1979.

### SIX-YEAR SERVICE OBLIGATION FOR PERSONS ENLISTING AFTER AGE 26

SEC. 805. (a) Section 511(d) of title 10, United States Code, is amended—

(1) by striking out "who is under 26 years of age,"; and

(2) by striking out the comma after "in an armed force".

(b) Section 651 of such title is amended by striking out "before his twenty-sixth birthday".

(c) The amendments made by this section shall apply only to individuals who become members of an Armed Force after the date of the enactment of this Act.

### RESTRICTION ON CONVERTING PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

SEC. 806. (a) During fiscal year 1980, no commercial or industrial type function of the Department of Defense that on the date of the enactment of this Act is being performed by Department of Defense personnel may be converted to performance by a private contractor—

(1) to circumvent any civilian personnel ceiling; and

(2) unless the Secretary of Defense shall provide to the Congress in a timely manner—

(A) notification of any decision to study such commercial or industrial type function for possible performance by a private contractor, together with a certification that the government in-house cost calculation for the function is based on an estimate of the most efficient and cost effective organization for in-house performance;

(B) if a decision is made to convert to contract performance, upon completing the study described in subparagraph (A) and before contracting for the performance of such function by a private contractor, a report showing—

(i) the potential economic effect on employees affected, and the potential economic effect on the local community and Federal Government if more than 50 employees are involved, of contracting for performance of such function; and

(ii) the effect of contracting for performance of such function on the military mission of such function; and

(iii) the amount of the bid accepted for the performance of such function by the private contractor whose bid is accepted and the cost of performance of such function by Department of Defense personnel, together with costs and expenditures which the Government will incur because of the contract.

(b) The Secretary of Defense shall submit a written report to the Congress by February 1, 1980, describing the extent to which commercial and industrial type functions were performed by Department of Defense contractors during fiscal year 1979. The Secretary shall also include in such report an estimate of the percentage of commercial and industrial type functions of the Department of Defense that will be performed by Department of Defense personnel and the percentage of such functions that will be performed by private contractors during fiscal year 1980.

### ADVANCE PAYMENT OF STATION HOUSING ALLOWANCES FOR MEMBERS OF THE UNIFORMED SERVICES ASSIGNED OVERSEAS

SEC. 807. (a) Section 405 of title 37, United States Code, relating to allowances for members on duty outside the United States or in Alaska or Hawaii, is amended by inserting after the third sentence in such section the following new sentence: "A station housing allowance prescribed under this section may be paid in advance.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

### ANNUAL REPORT ON NATO READINESS

SEC. 808. (a) Each year the Secretary of Defense shall assess, and make findings with respect to, the readiness status of the military forces of the North Atlantic Treaty Organization and shall submit a report of such assessment and findings to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives on the same date that the President transmits to the Congress the Budget. The first such report shall be submitted on the date the Budget for fiscal year 1981 is transmitted.

(b) The annual assessment by the Secretary of Defense under subsection (a) shall include the assessment and findings of the Secretary of Defense with respect to—

(1) deficiencies in the readiness of the North Atlantic Treaty Organization (including an analysis of such deficiencies in each member nation of the North Atlantic Treaty Organization) with respect to—

(A) war reserve stocks;

(B) command, control, and communications systems (including the susceptibility of such systems to degradation by potential overt activities of the Warsaw Pact);

(C) electronic warfare capabilities;

(D) offensive and defensive chemical warware capabilities;

(E) air defense capabilities (including ground and air systems and the integration of ground systems with air systems);

(F) armor and anti-armor capabilities;

(G) firepower capabilities;

(H) forward deployed units and the proximity of such units to assigned general defensive positions;

(I) the availability of ammunition;

(J) the availability, responsiveness, and overall effectiveness of reserve forces;

(K) airlift capabilities to meet reinforcement and resupply requirements;

(L) the ability to protect, cross-service, and stage air assets from allied air fields;

(M) the maritime force capabilities (including sealift, minelaying, and minesweeping capabilities);

(N) logistical support arrangements (including the availability of ports, air fields, transportation, and host nation support);

(O) training (including the availability of the facilities and equipment needed to conduct realistic operational exercises); and

(P) the compatibility of operational doctrine and procedures among armed forces of the member nations;

(2) planned corrections in the identified readiness deficiencies of the United States with respect to the North Atlantic Treaty Organization and that portion of the Budget transmitted to the Congress by the President on the date such report is transmitted which is allocated for such corrections; and

(3) commitments made by other member nations of the North Atlantic Treaty Organization to correct readiness deficiencies of such nations (including any deficiencies of such nations in the items listed in paragraph (1)) and an identification of particular improvements to be made in readiness by weapons system, program, or activity.

### QUARTERLY SELECTED ACQUISITION REPORTS TO CONGRESS

SEC. 809. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94–106; 89 Stat. 539) is amended to read as follows:

"(a) Beginning with the quarter ending December 31, 1979, the Secretary of Defense shall submit quarterly to the Congress written selected acquisition reports for those major defense systems which are estimated to require a total cumulative financing for research, development, test, and evaluation in excess of $75,000,000 or a cumulative production investment in excess of $300,000,000. The report for the quarter ending on December 31 of any fiscal year shall be submitted within 20 days after the President transmits the Budget to the Congress for the following fiscal year, and the reports for the other three quarters of any fiscal year shall be submitted within 30 days after the end of the quarter. If a preliminary report is submitted for any quarter, then the final report for such quarter shall be submitted to the Congress within 15 days after the submission of such preliminary report.".

### AUTHORIZATION OF APPROPRIATIONS FOR ASSISTANCE FOR 1980 OLYMPIC WINTER GAMES

SEC. 810. There is authorized to be appropriated to the Secretary of Defense for fiscal year 1980 an amount not to exceed $10,000,000 for the purpose of providing assistance for the 1980 Olympic winter games, as authorized by section 816(a) of the Department of Defense Appropriation Authorization Act, 1979 (Public Law 95–485; 92 Stat. 1626). Except for funds used for pay and nontravel related allowances of members of the Armed Forces, no funds may be obligated or expended for the purpose of carrying out such section unless specifically appropriated for such purpose. The costs for pay and nontravel related allowances of members of the Armed Forces may not be charged to appropriations made pursuant to this authorization.

### PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM

SEC. 811. (a) The President shall prepare and transmit to the Congress a plan for a fair and equitable reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability and feasibility of resuming registration under the Military Selective Service Act as in existence on the date of the enactment of this Act;

(2) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using existing records, together with a discussion of the impact of such method, or of alternative methods of establishing such a registration system, on privacy rights under the Constitution and under statutes protecting such rights (including section 552a of title 5, United States Code, commonly referred to as the "Privacy Act") and any proposal for reform of such Privacy Act or other statutes, relevant court decisions relating to Selective Service procedures, and the impact of such alternative methods on other constitutional issues;

(3) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(4) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(5) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(6) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to the discretion of the President;

(7) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible;

(8) the desirability, in the interest of preserving discipline and morale in the Armed Forces, of establishing a national youth service program permitting volunteer work, for either public or private public service agencies, as an alternative to military service;

(9) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate; and

(10) other possible procedures that could be established to enable the Armed Forces to meet their personnel requirements.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.

### PRESERVATION OF SELECTIVE SERVICE SYSTEM AS AN INDEPENDENT AGENCY

SEC. 812. Section 1 of the Military Selective Service Act (50 U.S.C. App. 451) is amended by adding at the end thereof the following new subsection:

"(f) The Congress further declares that the Selective Service System should remain administratively independent of any other agency, including the Department of Defense.".

### STUDY OF TITAN II MISSILE SYSTEMS

SEC. 813. The Secretary of the Air Force shall conduct an investigation of Titan II missile systems located within the United States to assess the physical condition of those facilities and components thereof as well a relevant maintenance procedures. Not later than 180 days after the date of the enactment of this Act, the findings of that investigation, along with recommendations for any needed physical or procedural improvements to protect the public safety (including the safety of military personnel assigned to those systems) shall be reported to the Committees on Armed Services of the Senate and House of Representatives.

### LIMITATION ON OVERSEAS TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS

SEC. 814. Section 406 of title 37, United States Code, relating to travel and transportation allowances for dependents, is amended—

(1) by striking out "A" at the beginning of subsection (a) of such section and inserting in lieu thereof "Except as provided in subsection (i) of this section, a";

(2) by striking out "In" at the beginning of subsection (h) of such section and inserting in lieu thereof "Except as provided in subsection (i) of this section, in"; and

(3) by adding at the end of such section the following new subsection:

"(i)(1) After September 30, 1980, and except as provided in paragraph (3) of this subsection, the allowance and transportation authorized by subsection (a) and subsection (h) of this section for travel and transportation of dependents may not be provided with respect to travel and transportation of any dependent of a member of the Army, Navy, Air Force, or Marine Corps from any place inside the United States to any place outside the United States, or from any place outside the United States to any place inside the United States, during any period in which the number of dependents accompanying members of the Army, Navy, Air Force, and Marine Corps who are stationed outside the United States and who are authorized by the Secretary concerned to receive such allowance or transportation for dependents exceeds 325,000.

"(2)(A) The Secretary of Defense shall allocate among the three military departments the limitation established by paragraph (1) with respect to the total number of dependents who may be accompanying members of the Army, Navy, Air Force, and Marine Corps stationed overseas who are entitled under subsection (a) or (h) to travel and transportation for dependents before the allowance for such travel and transportation is suspended under such paragraph.

"(B) The Secretary of each military department, in his discretion, shall administer the limitation on the number of dependents who may be provided travel and transportation under subsections (a) and (h) allocated to his military department under subparagraph (A) in such manner as the Secretary considers to be fair and in the best interest of the United States.

"(3) Paragraph (1) does not prohibit the provision of travel and transportation under subsection (a) or subsection (h) of this section for travel and transportation of dependents from a place outside the United States to a place inside the United States if the travel and transportation of such dependents to such place outside the United States was authorized under subsection (a) or subsection (h) of this section at the time of the travel and transportation of such dependents to such place outside the United States.".

### PURCHASES OF GASOHOL AS A FUEL FOR MOTOR VEHICLES

SEC. 815. To the maximum extent feasible and consistent with overall defense needs and sound vehicle management practices, as determined by the Secretary of Defense, the Department of Defense is authorized and directed to enter into contracts by competitive bid, subject to appropriations, for the purchase of domestically produced alcohol or alcohol-gasoline blends containing at least 10 percent domestically produced alcohol for use in motor vehicles owned or operated by the Department of Defense.

### EXTENSION OF PERIOD FOR CERTAIN RESERVISTS TO ELECT COVERAGE UNDER SURVIVOR BENEFIT PLAN

SEC. 816. Section 208 of the Uniformed Services Survivors' Benefits Amendments of 1978 (Public Law 95–397; 10 U.S.C. 1447 note) is amended—

(1) by striking out "the end of the nine-month period beginning on the effective date of this title" and inserting in lieu thereof "January 1, 1980"; and

(2) by striking out "at the end of the one-year period beginning on the effective date of this title" and inserting in lieu thereof "on March 31, 1980".

### EXTENSION OF PERIOD FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE

SEC. 817. Paragraphs (1) and (2) of section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), are amended to read as follows:

"(1) After October 1, 1980, the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, may not exceed 1,073.

"(2) After September 30, 1981, the total number of civilian employees of the Department of Defense in grades GS–13 through GS–18 (including positions authorized under section 1581 of title 10, United States Code) may not exceed the number equal to the number of such employees employed by the Department of Defense on July 30, 1977, reduced by the same percentage as the percentage by which the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, is reduced below 1,141 during the period beginning on October 1, 1977, and ending on September 30, 1980.".

### SENSE OF CONGRESS CONCERNING IMPORTATION OF STRATEGIC AND CRITICAL MATERIALS

SEC. 818. It is the sense of the Congress that the United States should have unlimited access to strategic and critical materials which are vital to the defense and security of the United States and that every effort should be made to remove artificial impediments against the importation of such materials into the United States.

### REPORTING REQUIREMENT REGARDING SALARIES OF OFFICERS OF FEDERAL CONTRACT RESEARCH CENTERS

SEC. 819. (a)(1) Chapter 139 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2359. Salaries of officers of Federal contract research centers: Reports to Congress

"The Secretary of Defense shall notify the Congress not later than January 31 of each year of any officer or employee of a Federal contract research center the amount of whose compensation paid out of Federal funds during the preceding calendar year exceeded the annual rate of basic pay authorized (without regard to any limitation on the payment of such pay) for level II of the Executive Schedule under section 5313 of title 5 on the last day of such year. Such notification shall include a detailed statement of the reasons for the payment of such amount of compensation to each such officer or employee.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2359. Salaries of officers of Federal contract research centers: Reports to Congress.".

(b) The first notification under section 2359 of title 10, United States Code, as added by subsection (a), shall be made not later than January 31, 1980.

(c) Section 407 of Public Law 91–121 (83 Stat. 208; 10 U.S.C. 2358 note) is repealed.

### TECHNICAL AMENDMENTS TO TITLES 5 AND 10, UNITED STATES CODE, TO REFLECT CHANGES MADE BY THE DEPARTMENT OF DEFENSE REORGANIZATION ORDER OF MARCH 7, 1978

SEC. 820. (a) Section 136(a) of title 10, United States Code, relating to the Assistant Secretaries of Defense, is amended by striking out "nine" and inserting in lieu thereof "seven".

(b) Section 3013 of such title, relating to the Under Secretary and Assistant Secretaries of the Army, is amended by striking out "five" and inserting in lieu thereof "four".

(c) Section 5034(a) of such title, relating to the Assistant Secretaries of the Navy, is amended by striking out "four" and inserting in lieu thereof "three".

(d) Section 8013 of such title, relating to the Under Secretary and Assistant Secretaries of the Air Force, is amended by striking out "four" and inserting in lieu thereof "three".

(e)(1) Paragraphs (13), (14), (15), and (16) of section 5315 of title 5, United States Code, relating to positions at level IV of the Executive Schedule, are amended to read as follows:

"(13) Assistant Secretaries of Defense (7).

"(14) Assistant Secretaries of the Air Force (3).

"(15) Assistant Secretaries of the Army (4).

"(16) Assistant Secretaries of the Navy (3).".

(2) Paragraph (96) of section 5316 of such title, relating to positions at level V of the Executive Schedule, is amended to read as follows:

"(96) Deputy Under Secretaries of Defense for Research and Engineering, Department of Defense (4).".

### CORRECTION OF ERRONEOUS SECTION DESIGNATION

SEC. 821. (a) The last section in chapter 49 of title 10, United States Code, relating to military unions (as added by Public Law 95–610; 92 Stat. 3085), is redesignated as section 976.

(b) The item relating to such section in the table of sections at the beginning of such chapter is amended by striking out "975" and inserting in lieu thereof "976".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

Melvin Price,
Charles E. Bennett,
Samuel S. Stratton,
Richard H. Ichord,
Lucian N. Nedzi,
Chas. H. Wilson,
Richard C. White,
Bill Nichols,
Bob Wilson,
Wm. L. Dickinson,
Bill Whitehurst,
Floyd Spence,
Robin Beard,

When differences regarding intelligence-related activities are under consideration only:

Bill D. Burlison,
Clement J. Zablocki,
Norman Y. Mineta,
Edward P. Boland,
J. K. Robinson,
Bill Whitehurst,
*Managers on the Part of the House.*

John C. Stennis,
Henry M. Jackson,
Harry F. Byrd, Jr.,
Sam Nunn,
John Culver,
Gary Hart,
John Tower,
Strom Thurmond,
John W. Warner,
Gordon Humphrey,
*Managers on the Part of the Senate.*

### Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

## TITLE I—PROCUREMENT

### Aircraft

#### ARMY

#### *C–12 (Huron)*

The budget, as submitted, contained no request for C–12A aircraft. The House added $22.5 million for 20 C–12A aircraft. The Senate bill contained no authorization for C–12A's.

Conferees reached an agreement to authorize $13.7 million for 10 C–12A aircraft.

#### *AH–1S (Cobra-Tow) helicopter*

This aircraft was not requested in the fiscal year 1980 budget. However, the House amendment contained $66.3 million for procurement and $1.7 million for spare parts for 34 helicopters for the National Guard.

The Senate bill did not authorize any AH–1S's.

The conferees agreed to authorize 15 AH–1S helicopters in the amount of $29.5 million plus $500,000 for spares.

#### *Modification of aircraft (Guardrail V)*

In the fiscal year 1980 Defense Department request of $2.4 million for modifying the RU–21 aircraft there were no funds for the new Guardrail V system. The House amendment contained $14.9 million for this modification, including $12.5 million for Guardrail V. The Senate bill contained $2.4 million for the RU–21 modification.

The Senate recedes.

#### NAVY

#### *A–6E (Intruder)*

The budget submission included a request for $56.7 million to procure airframe, avionics and engine peculiar ground support and $12.4 million for spares for the A–6E aircraft. No aircraft procurement was requested. The Senate bill added $88.9 million to the $56.7 million request, for a total of $145.6 million, to procure six aircraft in fiscal year 1980. The House amendment authorized the amount requested. The conferees agreed to an authorization of $145.6 million to procure six aircraft in fiscal year 1980.

The House recedes.

#### *F–14A (Tomcat)*

The budget request was for $464.7 million for 24 aircraft plus $115.7 million for advance procurement for 24 aircraft in fiscal year 1981. In addition, $58.0 million was requested for spares and repair parts for 24 aircraft.

The Senate bill approved authorizations in the amounts requested. The House amendment provided authorization of $640.2 million to procure 36 aircraft in fiscal year 1980, $157.2 million to provide long-lead items for the procurement of 36 aircraft in fiscal year 1981, and $76.1 million for spares and repair parts.

The conferees agreed to authorization of $569.5 million to procure 30 aircraft in fiscal year 1980, $126.5 million for long-lead procurement for 30 aircraft in fiscal year 1981, and $67.0 million for spares and repair parts for 30 aircraft.

#### *F/A–18 (Hornet)*

The Senate bill provided for authorization of $926.1 million to procure 25 aircraft (plus spares for 10 aircraft above the request) in fiscal year 1980 and $91.5 million for advance procurement for 48 aircraft in fiscal year 1981. The House amendment provided for authorizations of $955.4 million for 30 aircraft in fiscal year 1980 and $147.9 million for the advance procurement for 72 aircraft in fiscal year 1981. The Senate bill authorized $60.7 million for spares and repair parts while the House amendment provided for $109.3 million.

The conferees agreed to authorization of $890.0 million to procure 25 aircraft in fiscal year 1980 and $130.1 million which will provide for the procurement of long-lead items for 72 aircraft in fiscal year 1981. The conferees also agreed to an authorization of $96.8 million for spares and repair parts.

The conferees further agreed to the following statement concerning the use of advance procurement funds for the F/A–18 which could not be included as bill language under the rules of the House.

#### *Authorization for advance procurement of items and services for F/A–18 aircraft*

Of the amount authorized to be appropriated under section 101 for the procurement of aircraft for the Navy and Marine Corps, $130,100,000 shall be available only for the advance procurement of long-lead items for 72 F/A–18 aircraft during fiscal year 1981, and the Secretary of Defense shall contract for items and services required for such advance procurement on a termination liability basis.

This method of contracting and budgeting reduces the funding needed prior to the procurement authorization of full funding of the aircraft, and more accurately represents the manufacturing effort actually incurred during the advance procurement period.

The House recedes.

#### *P–3C (Orion)*

The budget request was for $259.6 million to procure 12 aircraft in fiscal year 1980 plus $58.3 million for advance procurement items for 12 aircraft in fiscal year 1981. The Senate bill approved the amount requested for procurement in fiscal year 1980 and reduced the amount requested for advance procurement by $16 million; providing an authorization of $42.3 million. The House amendment authorized the amounts requested.

The conferees agreed to a net reduction in P–3C procurement of $12.3 million of which $4.0 million is apportioned to the procurement of fiscal year 1980 aircraft and $8.3 million is apportioned to advance procurement for fiscal year 1981. Authorizations of $255.6 million and $50.0 million, respectively, are approved.

#### *C–9B (Skytrain)*

No authorization was requested for C–9B procurement in fiscal year 1980. The Senate bill contained no authorization. The House amendment provided authorization of $73.8 million to procure five aircraft and $7.4 million for spares and repair parts.

The conferees agreed to authorize $29.5 million for two aircraft and $1.5 million for spares and repair parts.

#### Modification of aircraft (Navy)

The budget request included $781.4 million for the modification of Navy aircraft. The Senate bill provided an authorization of $781.1 million, a reduction of $300,000 relating to modifications of the C–9B aircraft. The House amendment provided for a general reduction of $100.0 million and an authorization of $681.4 million.

The conferees agreed to authorize $726.1 million for Navy aircraft modifications.

### AIR FORCE

#### A–7K (Corsair)

There were no A–7K aircraft requested in the fiscal year 1980 Air Force budget; however, the House amendment contained an addition of $135.5 million in authorization for the procurement of 12 A–7K two-place trainer aircraft for the Air National Guard. This amount included $123.35 million for procurement, $3.65 million in advance procurement and $8.5 million in spares. The Senate bill contained $149.2 million for the same 12 A–7K aircraft.

Conferees agreed to authorize $123.35 million for 12 A–7K's and $8.5 million for spares. The $3.65 million in advance procurement contained in the House bill was deleted.

#### E–3A (airborne warning and control system (AWACS))

Although the Senate authorized three E–3A Airborne Warning and Control System (AWACS) aircraft requested for fiscal year 1980, it deleted $68 million requested for advance procurement for three AWACS planned in fiscal year 1981. The House amendment contained the $68 million requested in advance procurement as well as authorization of the three E–3A's requested.

During conference, the Senate conferees pointed out that the AWACS program had been restructured and the Air Force planned to buy only two E–3A's in fiscal year 1981, two in fiscal year 1982 and two in fiscal year 1983 instead of three aircraft in fiscal year 1981, and three in fiscal year 1982. Therefore, only $55 million would be needed for advance procurement authorization for fiscal year 1981 and the conferees agreed to that amount.

#### C–130H (Hercules)

The Air Force budget submission did not contain a request for C–130H aircraft. The House added $77.22 million for procurement of eight aircraft and $2.47 million for spares for a total authorization of $79.69 million. The Senate bill contained a total of $79.0 million for eight C–130H aircraft.

The conferees agreed to $79.69 million in authorization, as provided in the House amendment, for eight C–130H aircraft and spares.

The Senate recedes.

#### Modification of aircraft

The budget request contained $1,575.1 million for the modification of Air Force aircraft. The Senate bill provided an authorization of $1,590.1 million, with the addition of $15 million for reengining the KC–135 tanker aircraft. The House amendment provided an authorization of $1,495.1 million, a net reduction of $80.0 million after the addition of $87.0 million for EF–111 electronic countermeasures modification and $15.0 million for reengining KC–135 aircraft and the imposition of a general reduction of $182.0 million.

The conferees agreed to authorization of $1,637.9 million for Air Force aircraft modifications including the addition of $15.0 million for KC–135 reengining and $47.8 million for EF–111 electronic countermeasures modifications.

#### General reduction

The House amendment reduced the authorization for the Air Force aircraft modification account by $182 million as a general reduction. The Senate bill made no similar reduction.

The conferees agreed to a general reduction in the aircraft procurement account of $100 million to be distributed at the discretion of the Air Force with the exception that *no* reduction is to be taken against the KC–135 reengining modification account.

## Missiles

### ARMY

#### Hawk

The House amendment authorized $71.9 million for procurement of 397 Hawk missiles and replacement rocket motors. The Senate bill authorized $36.5 million for procurement of 197 missiles.

The House recedes.

#### Roland

The House amendment authorized no funds for procurement of the Roland missile system. The Senate bill authorized $283.3 million for procurement of 18 fire units and 410 missiles.

The House recedes.

#### Patriot

The House amendment authorized $396 million for procurement of 5 fire units and 155 missiles. The Senate bill authorized $426 million.

The Senate recedes.

#### Stinger

The House amendment authorized $106 million for procurement of 3,200 missiles. The Senate bill authorized $81 million for procurement of 2,400 missiles.

The House recedes.

#### TOW

The House amendment authorized $28.7 million for procurement of 6,260 missiles. The Senate bill authorized $13 million for procurement of 2,060 missiles.

The Senate recedes.

#### Pershing IA

The House amendment authorized no funds for procurement of Pershing IA missiles. The Senate bill authorized $70.6 million.

The Senate recedes.

#### Chaparral modifications

The House amendment authorized $28.1 million for Chaparral modifications, including $12 million to expedite the fielding of the Forward Looking Infrared (FLIR) modifications. The Senate bill authorized $16.1 million.

The Senate recedes.

#### Hawk modifications

The House amendment authorized $103.3 million for Hawk modifications. The Senate bill authorized $44.1 million.

The conferees agreed to authorize $84.9 million for Hawk modifications, including $26.7 million to complete procurement of the tracker adjunct system; $4 million for procurement of passive decoy sets; and $10 million for Hawk mobility improvements.

#### Spares and repair parts

The House amendment authorized $128.9 million for missile spares and repair parts. The Senate bill authorized $117.5 million.

The House recedes.

#### Defense acquisition radar

The House amendment authorized $29.7 million for procurement of 9 Defense Acquisition Radars. The Senate bill contained no authorization for this radar.

The Senate recedes.

#### Other financing

The House amendment reduced the fiscal year 1980 missile request by $65 million based upon the assumption that termination of the Roland program would make this amount in the fiscal year 1979 Roland appropriation available for financing the 1980 Army missile program.

The Senate bill contained no such financing adjustment, since the Senate bill continued the authorization for the Roland.

The conferees agreed to continue the procurement of the Roland system, and therefore, the House recedes.

### NAVY

#### BGM–109 Tomahawk

The Department of Defense requested no authorization for procurement of either the land-attack or anti-ship versions of the Tomahawk missile. An authorization of $3.3 million was requested for long-lead items for 24 anti-ship missiles to be procured in fiscal year 1981.

The Senate bill authorized $19.4 million for the procurement of six land-attack missiles in fiscal year 1980 and approved the $3.3 million requested for long-lead items.

The House amendment provided $19.3 million for the procurement of six anti-ship missiles and $19.4 million for six land-attack missiles in fiscal year 1980. The House amendment also included authorizations of $3.3 million for long-lead items for 24 anti-ship and $7.4 million for 24 land-attack missiles to be procured in fiscal year 1981. In addition, $11.2 million was authorized for Tomahawk missile support.

The conferees agreed to an authorization of $19.4 million for the procurement of three anti-ship and three land-attack missiles in fiscal year 1980 and an authorization of $10.7 million for long-lead items for 24 missiles of each version in fiscal year 1981. The conferees urge the Department of Defense to preserve an initial operating capability for the land-attack and anti-ship Tomahawk in 1982.

The House recedes.

#### AIM–7F/M (Sparrow), AIM–9L/M (Sidewinder), AIM–54A/C (Phoenix)

The budget request contained $64.3 million to procure 240 AIM–7F and AIM–7M Sparrow missiles. The Senate bill provided an authorization of $48.9 million to procure 120 AIM–7M missiles. The House amendment approved the amount and numbers of missiles requested. The conferees agreed to an authorization of $64.3 million for the Sparrow missile procurement program as requested.

The budget request contained $21.3 million to procure 320 AIM–9L and AIM–9M Sidewinder missiles. The Senate bill provided an authorization of $16.3 million for 160 AIM–9M missiles. The House amendment approved the amount and numbers of missiles requested. The conferees agreed to an authorization of $21.3 million for the Sidewinder missile procurement program as requested.

The budget request contained $101.4 million to procure 180 AIM–54A and AIM–54C missiles. The Senate bill provided an authorization of $89.3 million for 60 AIM–54C missiles. The House amendment approved the amount and numbers of missiles requested. The conferees agreed to an authorization of $101.4 million for the Phoenix missile procurement program as requested.

The Senate recedes.

### AIR FORCE

#### Ground launched cruise missile (GLCM)

The budget request contained $25.0 million for the Ground Launched Cruise Missile (GLCM) procurement program. The Senate bill approved the amount requested for procurement. The House amendment approved $8.2 million for GLCM procurement and transferred $16.8 million to the Air Force research, development, test and evaluation account. The conferees agreed to adopt the House position.

The Senate recedes.

#### AIM–7F/M (Sparrow)

The budget request contained $144.2 million for 1,320 AIM–7F and improved AIM–7M Sparrow missiles. The Senate bill authorized $84.5 million for 660 AIM–7M missiles. The House amendment authorized the amount and numbers of missiles requested. The conferees agreed to an authorization of $124.2

million of the AIM–7F/M Sparrow missile procurement program.

### *AIM–9 L/M (Sidewinder)*

The budget request contained $86.8 million for 2,050 AIM–9L and improved AIM–9M Sidewinder missiles. The Senate bill authorized $71.8 million for 1,025 AIM–9M missiles. The House amendment authorized the amount and numbers of missiles requested. The conferees agreed to an authorization of $86.8 million for the Sidewinder missiles procurement program as requested.

The Senate recedes.

### *Other missile support*

The budget request contained $599.6 million for other missile support. The Senate bill authorized $611.6 million for these programs. The House amendment authorized $596.6 million. The conferees agreed to an authorization of $611.6 million.

The House recedes.

## NAVAL VESSELS

The House amendment authorized a shipbuilding program totaling $6,790.4 million. The Senate approved a shipbuilding program totaling $5,791.6 million.

The conferees agreed on a compromise shipbuilding program totaling $6,706.8 million as follows:

| *Authorization (number)* | *Millions* |
|---|---|
| SSN–688 class attack submarine (2) | $809.6 |
| CVN repeat *Nimitz* class nuclear powered carrier (1) | 2,094.0 |
| TAGOS ocean surveillance ships (3) | 104.0 |
| Outfitting | 82.7 |
| Escalation on prior year programs | 97.7 |
| LSD–41 long lead funding | 41.0 |
| LPH conversion (1) | 49.5 |
| Financing adjustment, DDG–2 conversion | −55.0 |
| Financing adjustment, SSN nuclear submarine | −21.2 |
| Programs not in dispute | 3,504.5 |
| Total, Naval vessels, Navy | 6,706.8 |

The conference agreement relating to major areas of difference is further discussed below.

### *SSN–688 nuclear attack submarine*

The House amendment authorized $831.5 million for two SSN–688 nuclear attack submarines.

The Senate bill authorized $429.6 million for one SSN–688 nuclear attack submarine. The Senate bill also contained authorization for long lead funding for another SSN–688 submarine.

The conference agreement provides $809.6 million for two SSN–688 attack submarines and advanced procurement for future submarines.

### *CVN Nimitz nuclear-powered aircraft carrier*

A major difference in conference was the propulsion system for a new aircraft carrier. The Senate bill authorized $1,760 million for a *Kennedy* class conventionally powered carrier.

The House amendment contained $2,094 million for a *Nimitz* class nuclear-powered aircraft carrier.

The conferees agreed on the nuclear-powered ship.

### *LSD–41 landing ship dock*

Advance procurement for the Landing Ship Dock (LSD–41) was a conference item due to a difference of $500,000 between the amounts authorized by the House and Senate. The Senate receded to the House figure, authorizing $41 million in fiscal year 1980 for procurement of long lead items associated with procurement of the lead ship of this class. The decision of the managers to adopt the lower figure is a financial adjustment and implies no lessening of congressional support for this program. The conferees strongly endorse the report language adopted by both the Senate Armed Services Committee (S. Rept. 96–197) and the House Armed Services Committee (H. Rept. 96–166) which called for construction of the first LSD–41 in fiscal year 1981, leading to an expeditious replacement of the LSD–28 class ships now approaching block obsolescence.

### *LPH conversion*

The Senate bill authorized $49.5 million for conversion of one LPH amphibious assault ship to a light carrier.

The House amendment provided no authorization for this purpose.

The conferees note Navy testimony that antisubmarine warfare and mine countermeasure platforms are inadequate. The conferees agreed that priority should be given to addressing these serious shortages and that the Navy must move more rapidly toward providing air-capable platforms.

Conversion of one LPH assault ship to a light carrier is authorized at the cost of $49.5 million. A light carrier will add to the Navy's at-sea air capability and complement existing fleet carriers. It can be converted to undertake a variety of missions such as antisubmarine warfare, mine countermeasures operations and amphibious assault.

Before any actual conversion is undertaken, the Secretary of the Navy shall report to the Committees on Armed Services of the House and Senate on the cost and details of the conversion, and the advantages and disadvantages of the proposed conversion, in sufficient detail to allow the committees to review and further evaluate the conversion. The conversion shall not be undertaken until the expiration of a period of thirty days of continuous session of Congress following the submission of the Secretary's report.

### *TAGOS ocean surveillance ships*

The House amendment provided $104 million for three TAGOS ocean surveillance ships.

The Senate bill authorized no funds for these ships.

The Senate recedes.

### *Financing adjustment*

Section 106 of the House amendment authorized financing adjustment of $55 million for an additional SSN–688 nuclear attack submarine from unobligated funds previously appropriated for the DDG–2 destroyer modernization program.

The Senate bill authorized financing adjustments of $76.2 million.

The House recedes.

## TRACKED COMBAT VEHICLES, ARMY

### *Fighting vehicle systems*

The House amendment authorized $225.4 million for procurement of 208 fighting vehicles and $2 million for a cost reduction study. The Senate bill authorized $225.4 million for the fighting vehicle systems and directed a cost reduction study but authorized no funds for such a study.

The conferees agreed to authorize $226.4 million for fighting vehicle systems, including $1 million for a cost reduction study.

The cost reduction study should be conducted cooperatively by the Army and the Office of the Secretary of Defense to explore all promising manufacturing options (to include competitive procurement), rates of production and manufacturing techniques.

The House and Senate Armed Services Committee reports directed the results of this study be submitted to the Armed Services Committees by December 31, 1979. However, since additional time may be required to insure a quality study effort, the Army should submit the study to the Armed Services Committees of the House and Senate by April 1, 1980.

### *Combat engineer vehicle*

The House amendment authorized $51.5 million for procurement of 56 combat engineer vehicles (CEV's). The Senate bill authorized no CEV's.

The Senate recedes.

### *M60A3 tank production*

The House amendment authorized $216.8 million for procurement of 251 M60A3 tanks.

The Senate bill authorized no new M60A3 tank production.

The conferees agreed to authorize $55 million for procurement of 64 new M60A3 tanks.

### *XM–1 tank*

The House amendment authorized $576.9 million for procurement of 352 XM–1 tanks. The Senate bill authorized $562.7 million for procurement of the same number of tanks.

The Senate recedes.

### *M60 modifications*

The House amendment authorized $117.4 million for M60 tank modifications. The Senate bill authorized $177.4 million, including $60 million for conversion of an additional 251 tanks from the M60A1 to the M60A3 configuration.

The conferees agreed to authorize $162 million for M60 tank modifications including $44.6 million for conversion of an additional 187 M60A1 tanks to the M60A3 configuration.

### *Spares and repair parts*

The House amendment authorized $140.4 million for tracked combat vehicle spares and repair parts. The Senate bill authorized $106.2 million.

The Senate recedes.

### *Depot maintenance facilities*

The House amendment authorized $20.1 million for depot maintenance facilities. The Senate bill authorized $6.6 million.

The Senate recedes.

## TORPEDOES, NAVY

### *Torpedo MK–48*

The Senate bill authorized $121.7 million for 144 MK–48 torpedoes.

The House amendment provided $46.6 million only for continuing testing and engineering support of previously approved MK–48 torpedo programs.

The House recedes.

### *Torpedo MK–48 modifications*

The Senate bill authorized $5.3 million for MK–48 torpedo modifications.

The House amendment provided for $10.8 million for MK–48 torpedo modifications.

The House recedes.

## OTHER WEAPONS

## ARMY

### *M198 howitzer*

The House amendment authorized $54.7 million for procurement of 208 M198 howitzers. The Senate bill authorized $28.8 million for procurement of 107 M198 howitzers.

The House recedes.

## NAVY

### *MK–15 close-in weapon systems (CIWS)*

The Senate bill authorized $109.4 million for 61 CIWS gun units.

The House amendment provided for $114.4 million for 61 CIWS units.

The House recedes.

## MARINE CORPS

### *M198 howitzer*

The House amendment authorized $15 million for procurement of 55 M198 howitzers. The Senate bill authorized $21.5 million for procurement of 80 M198 howitzers.

The House recedes.

### *Report on B–52 modification program (sec. 102)*

Section 103 of the House amendment to the Senate bill directed that the Secretary of

Defense provide to the Congress at the earliest possible date a report on all uncertainties in the effectiveness of the B-52 aircraft as a cruise missile carrier including the requirement for maintaining the defense penetration capability of the B-52 and the options available during the next decade to maintain such capability.

The report was required to be submitted no later than September 30, 1979.

The conferees agreed that a study and report on the effectiveness of the B-52 as a cruise missile carrier and as a penetrating bomber over the next decade would be helpful in arriving at decisions regarding strategic aircraft during the next several years. The conferees agreed to extend the reporting date to no later than November 30, 1979.

The Senate recedes with an amendment.

### *E-3A NATO airborne early warning and control system (AWACS) (sec. 103)*

The budget request contained $250.2 million in the Air Force aircraft procurement account for the NATO Airborne Early Warning and Control System (AWACS) program. The Senate bill authorized $243.1 million for the NATO AWACS within the Air Force aircraft procurement account and prohibited the reprogramming of funds appropriated for that purpose. The Senate also denied $7.1 million of the amount requested, since this amount was proposed to pay the costs of administrative expenses not properly included in a defense procurement act.

The House amendment authorized the amount requested in a separate section and contained no provision regarding reprogramming of funds.

The conferees agreed to authorize $243.1 million for the NATO AWACS program in a separate section which provides that the funds authorized to be appropriated shall be available only for the United States' contribution of its share of the cost of this program for fiscal year 1980.

### *Authority provided Secretary of Defense in connection with the NATO airborne warning and control system (AWACS) program (sec. 104)*

With the fiscal year 1980 budget submission, the President requested special legislation authorizing the Secretary of Defense to take necessary actions to implement an international agreement signed in December 1978 for the procurement of the NATO AWACS. The Senate bill and the House amendment differed in the following respects as to the legislation approved for this purpose.

The Senate bill authorized the Secretary of Defense to assume contingent liability for losses resulting from the gross negligence of U.S. contracting officers. The House amendment provided that the authority granted the Secretary in this section be limited to the extent provided in appropriations acts as required by the Congressional Budget Act of 1974. The conferees agreed to accept the additional authority provided in the Senate bill and also to accept the requirement for implementing appropriations legislation contained in the House amendment.

### *Restriction on obligation of aircraft modification funds*

Section 102 of the House amendment to the Senate bill provided that the amounts authorized to be appropriated for the modification of aircraft shall be available only for aircraft modification and that none of the funds specified could be obligated or expended for any other purpose.

The Senate bill contained no similar provision.

After considerable discussion, the conferees agreed to delete the House provision. The Department of Defense is directed to submit a full accounting, by program, of the obligations and expenditures of funds authorized to be appropriated for aircraft modifications to the Committees on Armed Services of the Senate and House of Representatives concurrently with the submission of the budget request for fiscal year 1981 and subsequent years.

The House recedes.

### *Structural soundness of the KC-10A advanced tanker cargo aircraft (ATCA)*

Section 103 of the Senate bill contained language providing that no funds authorized to be appropriated for the KC-10A Advanced Tanker Cargo Aircraft (ATCA) may be obligated until the Federal Aviation Administration had reinstated the type certification for the commercial operation of the DC-10 aircraft and until the Secretary of Defense notifies the Congress that the KC-10 aircraft is structurally sound.

The House amendments contained no similar provision.

The conferees agreed to delete the Senate provision since the Federal Aviation Administration rescinded the grounding orders relating to the DC-10 aircraft on July 13, 1979.

The Senate recedes.

## TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

### GENERAL

The Department of Defense requested authorization of $13,541,441,000 for the fiscal year 1980 Research, Development, Test and Evaluation appropriations. The following table summarizes the Senate and House modifications to the Research and Development budget request:

R.D.T. & E. SUMMARY

[In thousands of dollars]

| | Request | House | Senate | Conference |
|---|---|---|---|---|
| Army | 2,927,000 | 2,772,422 | 2,933,900 | 2,866,461 |
| Navy[1] | 4,489,341 | 4,569,544 | 4,524,396 | 4,542,992 |
| Air Force | 5,005,100 | 4,940,265 | 4,994,100 | 4,994,046 |
| Defense agencies | 1,086,600 | 1,064,118 | 1,076,600 | 1,068,118 |
| Director, test and evaluation | 33,400 | 42,500 | 33,400 | 42,500 |
| Total, R.D.T. & E. | 13,541,441 | 13,388,849 | 13,562,396 | 13,514,117 |

[1] Includes $5,341,000 in special foreign currency.

As shown, the conferees agreed on a total of $13,514,117,000 which is $27,324,000 less than the amount requested for fiscal year 1980.

The details of the differences between the Senate bill and the House amendment and the positions adopted by the conferees are reflected in the following tables:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—ARMY, FISCAL YEAR 1980

[In thousands of dollars]

| Item No. | Program element | Budget request, fiscal year 1980 | House authorization | Senate authorization | Change from House | Conference |
|---|---|---|---|---|---|---|
| 101 | Defense research sciences | 118,680 | 110,335 | 118,680 | +8,345 | 114,000 |
| 102 | Missile technology | 29,350 | 27,850 | 29,350 | +1,500 | 27,850 |
| 103 | Communication-electronics | 13,291 | 8,000 | 13,291 | +5,291 | 10,500 |
| 104 | Recovery from injury (A813) | 4,957 | 3,465 | 4,957 | +1,492 | 4,500 |
| 105 | Test, measurement, and diagnostic equipment technology | 700 | 0 | 700 | +700 | 0 |
| 106 | Medical systems in chemical defense | 1,890 | 3,600 | 1,890 | −1,710 | 3,600 |
| 107 | Military energy technology | 2,635 | 0 | 2,635 | +2,635 | 1,000 |
| 108 | Very high speed integrated circuits | 12,000 | 0 | 12,000 | +12,000 | 0 |
| 109 | Terminal homing systems | 9,500 | 0 | 9,500 | +9,500 | 9,500 |
| 110 | Advanced land mobility system concepts (D188) | 15,936 | 1,560 | 15,936 | +14,376 | 15,936 |
| 111 | Advanced technology demonstration of test, measurement, diagnostic equipment | 700 | 0 | 700 | +700 | 0 |
| 112 | Night vision advanced development (DK70) | 14,017 | 11,863 | 14,017 | +2,154 | 14,017 |
| 113 | Advanced development of automatic test equipment and systems | 2,800 | 0 | 2,800 | +2,800 | 1,400 |
| 114 | Fuels and lubricants (advanced development) | 600 | 600 | 3,600 | +3,000 | 2,000 |
| 115 | Ballistic missile defense advanced technology | 113,668 | 120,855 | 113,668 | −7,187 | 120,855 |
| 116 | Ballistic missile defense systems technology program | 114,784 | 120,840 | 114,784 | −6,056 | 120,840 |
| 117 | Surface-to-surface missile rocket system (D216) | 72,250 | 69,250 | 72,250 | +3,000 | 70,250 |
| 118 | Assault breaker | 9,200 | 3,000 | 9,200 | +6,200 | 9,200 |
| 119 | Antitank guided missile (ATGM) improvements | 12,000 | 0 | 12,000 | +12,000 | 12,000 |
| 120 | Field artillery cannon system (D285) | 3,306 | 2,306 | 3,306 | +1,000 | 2,306 |
| 121 | Special purpose detectors | 3,000 | 0 | 3,000 | +3,000 | 0 |
| 122 | Tactical operations system (TOS) | 36,482 | 0 | 36,482 | +36,482 | [1] 0 |
| 123 | Command and control | 18,590 | 0 | 18,590 | +18,590 | 9,000 |
| 124 | Aircraft avionics | 756 | 0 | 756 | +756 | 756 |

| Item No. | Program element | Budget request, fiscal year 1980 | House authorization | Senate authorization | Change from House | Conference |
|---|---|---|---|---|---|---|
| 125 | CH-47 modernization | 23,146 | 20,146 | 23,146 | +3,000 | 22,500 |
| 126 | Roland | 11,299 | 0 | 11,299 | +11,299 | 11,299 |
| 127 | Heliborne missile—Hellfire | 58,000 | 61,000 | 58,000 | −3,000 | 61,000 |
| 128 | Fire and forget—Hellfire | 15,000 | 0 | 15,000 | +15,000 | 0 |
| 129 | Countermine and barriers (D300) | 4,593 | 3,393 | 4,593 | +1,200 | 3,393 |
| 130 | Tank systems | 31,569 | 49,569 | 63,369 | +13,800 | 49,569 |
| 131 | High mobility weapons carrier | 2,500 | 0 | 2,500 | +2,500 | 2,500 |
| 132 | Cavalry fighting vehicle (CFV) XM3 | 331 | 0 | 331 | +331 | 0 |
| 133 | Tank gun cooperative development | 51,890 | 39,390 | 47,490 | +8,100 | 43,090 |
| 134 | Tactical data system interoperability (D324) | 6,984 | 4,984 | 6,984 | +2,000 | 4,984 |
| 135 | Family of military engineer construction equipment (FAMECE) | 25 | 0 | 25 | +25 | 0 |
| 136 | Battlefield systems integration | 3,300 | 0 | 3,300 | +3,300 | 0 |
| 137 | Chaparral | 6,052 | 10,052 | 6,052 | −4,000 | 10,052 |
| 138 | Standoff target acquisition systems | 66,460 | 66,460 | 52,960 | −13,500 | 66,460 |
| 139 | Mechanized infantry vehicle | 0 | 0 | 3,000 | +3,000 | 0 |
| 140 | Classified programs | 34,946 | 27,546 | 32,946 | +5,400 | 27,546 |
| 141 | U.S. Army Training and Doctrine Command (TRADOC) studies and analyses | 2,300 | 2,200 | 2,300 | +100 | 2,200 |
| 142 | Theater nuclear force survivability (TNF/S) analysis | 2,480 | 0 | 2,480 | +2,480 | 0 |
| 143 | Technical information activities | 4,890 | 3,915 | 4,890 | +975 | 3,915 |
| 144 | TRADOC operational testing | 26,935 | 26,935 | 24,935 | −2,000 | 24,935 |
| 145 | OTEA operational testing | 12,613 | 12,613 | 11,613 | −1,000 | 11,613 |
| 146 | Programwide activities | 52,210 | 52,210 | 49,210 | −3,000 | 49,210 |
| 147 | Viper | 3,000 | 18,100 | 3,000 | −15,100 | 18,100 |
| 148 | Advanced diesel engine (development technology) |  |  |  |  | 14,200 |
|  | Other, Army | 1,895,385 | 1,890,385 | 1,890,385 |  | 1,890,385 |
|  | Total | 2,927,000 | 2,772,422 | 2,933,900 | +161,478 | 2,866,461 |

[1] Without prejudice.

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—NAVY, FISCAL YEAR 1980

[In thousands of dollars]

| Item No. | Program element | Budget request, fiscal year 1980 | House authorization | Senate authorization | Change from House | Conference |
|---|---|---|---|---|---|---|
| 201 | Defense research sciences | 204,716 | 191,000 | 204,716 | +13,716 | 198,000 |
| 202 | Command and control technology | 26,870 | 30,870 | 26,870 | −4,000 | 26,870 |
| 203 | Energy and environmental protection technology | 11,686 | 2,400 | 11,686 | +9,286 | 3,000 |
| 204 | Very high speed integrated circuits | 10,430 | 0 | 10,430 | +10,430 | 0 |
| 205 | Avionics | 10,396 | 12,896 | 10,396 | −2,500 | 11,896 |
| 206 | Antiradiation missile (ARM) system technology | 3,513 | 0 | 3,513 | +3,513 | 1,500 |
| 207 | Air-to-air missile technology demonstration | 6,883 | 0 | 6,883 | +6,883 | [1] 0 |
| 208 | Advanced air launched air-to-surface missile system (WO627) | 6,956 | 3,915 | 6,956 | +3,041 | 3,915 |
| 209 | Surface launched munitions | 5,618 | 8,618 | 5,618 | −3,000 | 5,618 |
| 210 | Laser countermeasures/counter countermeasures | 3,010 | 0 | 3,010 | +3,010 | 0 |
| 211 | Environmental protection | 5,053 | 3,000 | 5,053 | +2,053 | 3,000 |
| 212 | Manufacturing technology | 5,500 | 0 | 5,500 | +5,500 | 0 |
| 213 | Surface electromagnetic/optical systems (XO665) | 10,114 | 3,359 | 10,114 | +6,755 | [1] 3,359 |
| 214 | Laser communications study | 0 | 0 | 2,000 | +2,000 | 0 |
| 215 | Extremely Low Frequency (ELF) communications | 13,494 | 0 | 6,750 | +6,750 | 6,750 |
| 216 | Trident missile system | 40,640 | 0 | 40,640 | +40,640 | 25,640 |
| 217 | High speed collision avoidance and navigation system | 1,429 | 2,429 | 1,429 | −1,000 | 1,429 |
| 218 | Air launched/ship launched antiship missile Harpoon | 7,970 | 0 | 7,970 | +7,970 | [1] 0 |
| 219 | Modular glide weapon improvement program | 9,317 | 2,000 | 9,317 | +7,317 | 2,000 |
| 220 | Maritime patrol aircraft (MPA) program | 4,024 | 0 | 4,024 | +4,024 | 0 |
| 221 | Vertical/short takeoff and landing (V/STOL) aircraft development | 16,779 | 0 | 14,779 | +14,779 | 3,000 |
| 222 | NATO identification system | 2,000 | 0 | 2,000 | +2,000 | 0 |
| 223 | Medium range air-to-ground standoff weapon | 15,844 | 30,844 | 9,644 | −21,200 | 30,000 |
| 224 | Air control | 2,521 | 0 | 2,521 | +2,521 | 1,250 |
| 225 | Advanced identification techniques (AIT) | 3,595 | 0 | 3,595 | +3,595 | 0 |
| 226 | Hydrofoil craft (advanced) | 442 | 0 | 442 | +442 | 442 |
| 227 | Landing vehicle assault (LVA) | 17,797 | 14,115 | 17,797 | +3,682 | 14,115 |
| 228 | Navy energy program (advanced) | 17,180 | 6,100 | 17,180 | +11,080 | 8,000 |
| 229 | Avionics development (WO572) | 5,881 | 4,072 | 5,881 | +1,809 | 4,072 |
| 230 | Airborne tactical signal exploitation | 2,000 | 0 | 1,000 | +1,000 | 0 |
| 231 | Area air defense (SO854) | 25,307 | 15,057 | 11,907 | −3,150 | 15,057 |
| 232 | Air-to-air missile (AAM) systems engineering | 44,711 | 32,000 | 44,711 | +12,711 | 32,000 |
| 233 | Close-in weapon system (Phalanx) | 2,114 | 1,000 | 2,114 | +1,114 | 1,500 |
| 234 | NATO Seasparrow | 5,091 | 2,000 | 4,191 | +2,191 | 4,191 |
| 235 | Computer systems engineering development | 1,126 | 0 | 1,126 | +1,126 | 0 |
| 236 | Joint defense improvements | 2,121 | 0 | 2,121 | +2,121 | [1] 0 |
| 237 | Joint Army/Navy guided projectile | 22,072 | 25,072 | 22,072 | −3,000 | 22,072 |
| 238 | Gun systems improvement (SO178) | 15,170 | 11,870 | 15,170 | +3,300 | 15,170 |
| 239 | Navy energy program (engineering) | 9,015 | 4,000 | 9,015 | +5,015 | 5,000 |
| 240 | AV-8B+ | 0 | 0 | 5,000 | +5,000 | 5,000 |
| 241 | Surface effect ship | 0 | 100,000 | 0 | −100,000 | 60,000 |
| 242 | Major caliber lightweight gun | 0 | 32,000 | 0 | −32,000 | 1,000 |
| 243 | Submarine ASW standoff weapon | 8,049 | 8,049 | 0 | −8,049 | 7,000 |
| 244 | Advanced ASW target | 11,104 | 11,104 | 5,000 | −6,104 | 5,000 |
| 245 | Submarine tactical warfare system | 42,782 | 42,782 | 38,612 | −4,170 | 38,612 |
| 246 | SSNX | 10,000 | 10,000 | 0 | −10,000 | 5,000 |
| 247 | Radar surveillance equipment (advanced) | 13,375 | 13,375 | 4,575 | −8,800 | 7,500 |
| 248 | Combat system architecture | 10,000 | 10,000 | 8,800 | −1,200 | 8,800 |
| 249 | Combat system integration | 12,054 | 12,054 | 8,054 | −4,000 | 8,054 |
| 250 | Combat system engineering development site | 44,818 | 44,818 | 41,818 | −3,000 | 44,818 |
| 251 | 5-inch rolling frame missile | 19,051 | 19,051 | 18,051 | −1,000 | 19,051 |
| 252 | Radar surveillance equipment | 14,993 | 14,993 | 7,993 | −7,000 | 7,993 |
| 253 | A-6 squadron | 3,446 | 3,446 | 2,246 | −1,200 | 3,446 |
| 254 | Tactical information system | 17,819 | 17,819 | 14,519 | −3,300 | 14,519 |
| 255 | Advanced design submarine nuclear propulsion plant | 7,854 | 7,854 | 0 | −7,854 | 5,000 |
| 256 | Ship development (advanced) | 14,219 | 14,219 | 12,419 | −1,800 | 27,419 |
| 257 | Ship development (engineering) | 63,953 | 63,953 | 54,953 | −9,000 | 59,953 |
| 258 | Penguin | 9,284 | 9,284 | 0 | −9,284 | 8,500 |
| 259 | Marine ground combat/supporting arms | 1,554 | 1,554 | 6,554 | +5,000 | 6,554 |
| 260 | Light carrier design | 0 | 0 | 25,000 | +25,000 | 10,000 |
| 261 | SEAMOD | 0 | 0 | 8,000 | +8,000 | 8,000 |
| 262 | APRAPS | 0 | 0 | 3,100 | +3,100 | 3,100 |
| 263 | Advanced target systems development | 1,037 | 0 | 1,037 | +1,037 | 0 |
| 264 | Aerial target fund | 7,447 | 0 | 7,447 | +7,447 | 6,500 |
| 265 | Surface warfare training device | 23,691 | 3,940 | 10,000 | +6,060 | 10,000 |

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Footnote at end of table.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—NAVY, FISCAL YEAR 1980—Continued

[In thousands of dollars]

| Item No. | Program element | Budget request, fiscal year 1980 | House authorization | Senate authorization | Change from House | Conference |
|---|---|---|---|---|---|---|
| 266 | International R.D.T. & E. | 1,316 | 621 | 1,316 | +695 | 1,316 |
| 267 | Test and evaluation support | 191,516 | 191,516 | 184,516 | −7,000 | 187,516 |
| 268 | Navy studies and analyses (reduction) |  | −12,000 |  | +12,000 | [1] −12,000 |
| 269 | Advanced computer technology |  |  |  |  | 12,000 |
| 270 | 30 mm gun pod |  |  |  |  | 2,000 |
|  | Financing adjustment from fiscal year 1979: |  |  |  |  |  |
|  | ELF communications |  |  | −13,250 | −13,250 | −20,000 |
|  | Surface effect ship |  |  | −44,000 | −44,000 | 0 |
|  | Other, Navy | 3,361,594 | 3,542,495 | 3,542,495 |  | 3,542,498 |
|  | Total[2] | 4,489,341 | 4,569,544 | 4,524,396 | −45,148 | 4,452,992 |

[1] Without prejudice.

[2] Includes $5,341,000 in special foreign currency.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—AIR FORCE, FISCAL YEAR 1980

[In thousands of dollars]

| Item No. | Program element | Budget request, fiscal year 1980 | House authorization | Senate authorization | Change from House | Conference |
|---|---|---|---|---|---|---|
| 301 | Defense research sciences | 113,184 | 107,000 | 113,184 | +6,184 | 110,000 |
| 302 | Aerospace avionics | 63,200 | 55,200 | 63,200 | +8,000 | 55,200 |
| 303 | Training and simulation technology | 11,400 | 10,500 | 11,400 | +900 | 10,500 |
| 304 | Personnel utilization technology | 4,800 | 4,500 | 4,800 | +300 | 4,500 |
| 305 | Advanced simulator technology | 0 | 2,000 | 0 | −2,000 | 2,000 |
| 306 | Advanced computer technology | 2,700 | 4,700 | 2,700 | −2,000 | 4,700 |
| 307 | Advanced drone/remotely piloted vehicles development (2233) | 5,500 | 3,500 | 5,500 | +2,000 | 3,500 |
| 308 | Advanced avionics for aircraft | 12,000 | 12,000 | 8,300 | −3,700 | 12,000 |
| 309 | Cruise missile carrier aircraft | 30,000 | 0 | 30,000 | +30,000 | 30,000 |
| 310 | Penetrating manned bomber | 5,000 | 0 | 5,000 | +5,000 | 0 |
| 311 | Strategic bomber enhancement | 12,800 | 0 | 12,800 | +12,800 | 0 |
| 312 | AN/ALQ-161 defensive avionics system | 0 | 15,000 | 0 | −15,000 | 0 |
| 313 | Strategic weapons launcher/AMST competitive flyoff | 0 | 30,000 | 0 | −30,000 | 0 |
| 314 | Missile surveillance technology | 21,800 | 4,400 | 21,800 | +17,400 | 4,400 |
| 315 | Minuteman squadrons | 30,300 | 40,300 | 30,300 | −10,000 | 40,300 |
| 316 | Postattack command and control system (E-4) (2212) | 25,500 | 24,500 | 25,500 | +1,000 | 24,500 |
| 317 | PARCS range extension | 5,000 | 6 | 5,000 | +5,000 | 0 |
| 318 | WWMCCS ADP/E-4 | 800 | 0 | 800 | +800 | 0 |
| 319 | Air Force satellite communication system | 70,600 | 19,200 | 60,600 | +41,400 | 19,200 |
| 320 | Bomber penetration evaluation | 54,900 | 54,900 | 30,000 | −24,900 | 54,900 |
| 321 | SAC communications | 18,000 | 18,000 | 12,000 | −6,000 | 18,000 |
| 322 | Combat aircraft technology (2600) | 8,000 | 2,000 | 8,000 | +6,000 | 2,000 |
| 323 | Enforcer aircraft | 0 | 6,000 | 0 | −6,000 | 6,000 |
| 324 | Theater ballistic missile | 4,000 | 0 | 4,000 | +4,000 | 2,000 |
| 325 | Engine model derivative program | 26,000 | 39,300 | 26,000 | −13,300 | 39,300 |
| 326 | FAC-X | 1,000 | 0 | 1,000 | +1,000 | 1,000 |
| 327 | Ground launched cruise missile | 44,100 | 60,900 | 44,100 | −16,800 | 60,900 |
| 328 | Low level laser guided bomb | 12,000 | 8,000 | 12,000 | +4,000 | 8,000 |
| 329 | Common NATO munitions (2639; 2641) | 16,700 | 2,200 | 12,800 | +10,600 | 2,200 |
| 330 | Reconnaissance equipment (2057; 2368) | 20,400 | 4,900 | 20,400 | +15,500 | 4,900 |
| 331 | Precision location strike system (PLSS) | 24,900 | 70,200 | 0 | −70,200 | [1] 15,000 |
| 332 | Combat rescue replacement helicopter | 500 | 6 | 500 | +500 | 0 |
| 333 | F-4 squadrons | 500 | 2,000 | 500 | −1,500 | 2,000 |
| 334 | 30 mm gun pod | 0 | 7,000 | 0 | −7,000 | 0 |
| 335 | Advanced attack weapon | 35,800 | 35,800 | 34,800 | −1,000 | 34,800 |
| 336 | Pave mover | 6,700 | 6,700 | 4,000 | −2,700 | 6,700 |
| 337 | Close air support system | 54,000 | 54,000 | 60,000 | +6,000 | 60,000 |
| 338 | Advanced communication system | 12,000 | 12,000 | 6,000 | −6,000 | 12,000 |
| 339 | Aircom | 500 | 0 | 500 | +500 | 0 |
| 340 | Special activities | 353,139 | 368,239 | 467,739 | +99,500 | 440,739 |
| 341 | Development planning | 2,100 | 1,100 | 2,100 | +1,000 | 1,100 |
| 342 | Next generation trainer aircraft | 1,900 | 0 | 1,900 | +1,900 | 1,900 |
| 343 | Management headquarters, research and development | 19,751 | 17,800 | 17,751 | −49 | 17,751 |
| 344 | Productivity, reliability, availability, and maintainability (PRAM) | 7,900 | 3,000 | 5,900 | +2,900 | 5,900 |
| 345 | Public affairs | 300 | 0 | 300 | +300 | 300 |
| 346 | General reduction |  |  | −12,500 | −12,500 | −12,500 |
| 347 | Very high speed integrated circuits |  |  |  |  | 30,430 |
| 348 | Advanced warning systems |  |  |  |  | 12,000 |
| 349 | Night attack aircraft | 12,800 | 12,800 | 12,800 | 0 | 25,300 |
|  | Other, Air Force | 3,852,626 | 3,820,626 | 3,820,626 |  | 3,820,626 |
|  | Total | 5,005,100 | 4,940,265 | 4,994,100 | +53,835 | 4,994,046 |

[1] Without prejudice.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—DEFENSE AGENCIES, FISCAL YEAR 1980

[In thousands of dollars]

| Item No. | Program element | Budget request, fiscal year 1980 | House authorization | Senate authorization | Change from House | Conference |
|---|---|---|---|---|---|---|
| 401 | Foreign weapons evaluation (OSD/JCS) | 9,100 | 0 | 9,100 | +9,100 | 0 |
| 402 | Technical support (OSD/OJCS) | 19,982 | 10,000 | 19,982 | +9,982 | 14,000 |
| 403 | Laser communication experiment (DARPA) | 0 | 5,000 | 0 | −5,000 | 5,000 |
| 404 | Classified program (NSA) | 1,200 | 0 | 1,200 | +1,200 | 0 |
| 405 | WWMCCS ADP (DCA) | 4,694 | 2,614 | 4,694 | +2,080 | 2,614 |
| 406 | WWMCCS system engineering (DCA) | 34,166 | 29,046 | 24,166 | −4,880 | 29,046 |
| 407 | Director, test, and evaluation | 33,400 | 42,500 | 33,400 | −9,100 | 42,500 |
|  | Other, defense agencies | 1,017,458 | 1,017,458 | 1,017,458 |  | 1,017,458 |
|  | Total | 1,120,000 | 1,106,618 | 1,110,000 | +3,382 | 1,110,618 |

## ARMY

### Advanced diesel technology engine

The Senate bill authorized $14.2 million for development of a diesel engine within the XM-1 tank development program. The House amendment did not include authorization for diesel-engine development. The conferees agreed to an authorization of $14.2 millions in a new program, Advanced Diesel Technology Engine.

The conferees intend that this authorization be directed toward completing advanced technology work on the AVCR-1360 diesel engine by building two new engines and rebuilding two existing engines and to conduct design, test, and durability improvements on those engines.

This program should follow the proposals the Under Secretary of Defense made to the House and Senate Committees in May of 1979 and would include modification of two prototype test vehicles to accept the AVCR-1360 engine with modified controls, cooling systems, and to include automotive testing. The program would also include Army field tests, lab tests, and program support for the above-mentioned effort.

### Anti-tank guided missile

The Senate bill authorized $12 million for the Anti-Tank Guided Missile program as requested by the Department of Defense. The House amendment did not include authorization for this program.

The conferees authorized $12 million for continued support of technology, rather than a structured development program, in view of the inability of the Department of the Army to propose a specific program. The technology supported should be selected for its potential to improve anti-tank weapon operational effectiveness. Weapon lethality and reducing exposure of missile-launching troops should be emphasized. The Army should also use funds provided in this program to explore interoperability and standardization of anti-armor weapons within NATO.

In order to reduce confusion over the Army's requirements and plans, work performed during fiscal year 1980 should be structured to complete a comprehensive plan for an expedited development program so that the Congress can act on a specific proposal in the fiscal year 1981 budget request.

### Tactical operations system (TOS)

The Army requested $36.5 million for the Tactical Operations Systems. The Senate bill authorized the full amount. The House amendment did not authorize any funds. The Senate receded to the House. The conferees support the concept of the TOS but not the program as presented by the Army. The conferees, therefore, deleted the request for authorization without prejudice.

### Tank gun cooperative development

The Senate bill authorized $47.49 million of the $51.89 million requested for the Tank Gun Cooperative Development program. The House amendment authorized $39.39 million. The conferees agreed to authorize $43.09 million.

The authorization of $43.09 million approved by the conferees is $8.8 million below that requested. The reduction is the amount identified by the Army as excess to the authorization required for fiscal year 1980.

The Senate insisted on providing authorization of $3.7 million for continued development of an interim round for the 120-mm smoothbore gun, and the House receded.

### Terminal homing systems

The Senate bill authorized the full Army request of $9.5 million to initiate development of the 8-inch anti-radiation projectile.

The House amendment deleted the entire request.

The House action was based on the Army's plan to develop an entirely new 8-inch guided projectile with an anti-radiation seeker without consideration of previous Navy efforts that resulted in the successful development of an 8-inch guided projectile.

Subsequent to passage of the House amendment and Senate bill, the Army advised the Committees on Armed Services that an investigation of the Navy's 8-inch guided projectile resulted in the selection of the Navy's projectile body for the anti-radiation projectile. Consequently, the House receded to the Senate position with the understanding that the Army will proceed with the Navy 8-inch guided projectile body.

### Theater nuclear force survivability analysis

The Senate bill authorized $2.48 million as requested for the Theater Nuclear Force Survivability Analysis program. The House amendment denied all authorization.

The conferees denied Army authorization for this program with the understanding that theater nuclear force survivability analysis may be continued in programs approved for Department of Defense agencies, including the Defense Nuclear Agency.

## NAVY

### Advanced computer technology

The Senate bill authorized the Navy request for $26.87 million and $1.126 million for the Command and Control Technology and Computer Systems Engineering Development programs, respectively.

The House amendment authorized $30.87 million, an addition of $4 million to the Navy request for Command and Control Technology and deleted the entire request of $1.126 million for the Computer Systems Engineering Development program.

The conferees authorized $26.87 million for the Command and Control Technology program but provided no authorization for the Computer Systems Engineering Development program. In addition, the conferees agreed that funds are required for continued development during fiscal year 1980 for advanced computers.

The conferees established a new program elements, Advanced Computer Technology, with an accompanying authorization of $12 million of which $7 million is for the large-scale integrated circuit (LSI) 43/44 project and $5 million for the Advanced S-1 computer project. The $5 million for the S-1 is in addition to the $1.5 million authorization requested and approved for this project under the Command and Control Technology program. The authorization of the LSI 43/44 is predicated on the availability of funds for the S-1 project.

### Light carrier design

The conferees authorize $10 million in R&D funding for continued design work on a Light Carrier. The conferees expect the Navy to move as rapidly as possible to develop a Light Carrier design to the point where a Light Carrier can be authorized. These funds may not be applied to any purpose other than Light Carrier design without a reprogramming action.

### Surface electro-magnetic/optical system (project X0665)

The Senate bill authorized the full Navy request for $10.114 million which included $6.755 million for the continued development and testing of an infrared search tracker (IRST) system.

The House amendment deleted the $6.755 million requested for this project. Last year, the conferees, in the joint explanatory statement accompanying the conference report on H.R. 10929, conveyed to the Navy the necessity for technology exploitation that culminates in an operationally deployable system. The basis for this concern emanated from the Navy's long-term research and development investment in infrared systems with no substantive deployment of hardware in the fleet. The conferees agreed that the authorization for the IRST project be deleted without prejudice. In the event the Navy continues this project during fiscal year 1980, the conferees expect that a shipboard implementation plan for infrared systems including IRST and forward-looking infrared (FLIR) be provided in conjunction with the fiscal year 1981 budget submission.

### Trident II

The Senate bill authorized the full Navy request for $40.64 million for the Trident II missile system.

The House amendment deleted the entire request in the absence of a requirement for the Trident II missile, or a description of the Trident II system alternatives, and on the basis of the high cost of the system considering other Navy requirements for funds.

The conferees agreed to an authorization of $25.64 million for the improved accuracy program, tradeoff studies and concept design of the Trident II missile.

The conferees requested that the Secretary of Defense provide to the Committees on Armed Services by March 1, 1980, a report on the requirement for the missile, the design alternatives of the total missile system, its affordability—that is, how the program will be funded within the constraints of the Navy budget—and a management plan for completing the development and production of the missile system components and integration.

## AIR FORCE

### Bomber penetration evaluation

The Air Force requested $54.9 million to continue evaluation of the B-1 as a penetrating bomber. The House authorized the full amount; the Senate authorized $30 million. The Senate receded to the House. The conferees agreed that this would be the final authorization for the Research, Development, Test and Evaluation for the B-1 as a penetrating bomber unless the Department of Defense could demonstrate that such testing was part of an approved program to deploy a penetrating bomber. The future requirement to test the effects of electromagnetic pulse on the B-1 should be funded in the aircraft survivability program.

### Common NATO munitions/night-attack program

The Air Force requested $16.7 million for the Common NATO Munitions program which included $12.5 million for the Airborne Tracker Laser Illuminator System (ATLIS II) project. The Senate bill authorized $12.8 million which included $12.5 million for the ATLIS II project. This authorization was predicated upon a reduction of $12.5 million from the overall Air Force research and development account.

The House amendment deleted the request for authorization for the ATLIS II program.

The conferees agreed on the requirement for a Laser Designator capability for the F-16 aircraft.

The conferees, therefore, agreed to authorize $12.5 million under the Air Force Night-Attack System program element for the purpose of a competition for the selection of a laser designator-equipped pod for the F-16 and other aircraft.

The conferees are concerned over the proliferation of the electro-topical pods and request that the Air Force, Army, and Navy provide a coordinated report to the Congress, as part of the fiscal year 1981 budget submission, on a plan to reduce the types of pods being developed and procured for the three services in order to achieve maximum commonality.

### *Missile surveillance technology*

The Senate bill authorized $21.8 million as requested for the Missile Surveillance Technology program and the House amendment authorized $4.4 million.

The conferees agreed to a reduction of $17.4 million in the authorization requested for the Missile Surveillance Technology program and provided authorization of $12 million to initiate a new program titled Advanced Warning Systems. The conferees also agreed to authorize $4.4 million for the Missile Surveillance Technology program to allow continuation of the infrared background measurements program.

The conferees have been advised that prior to January 1980, Defense Systems Acquisition Review Council meetings will be convened to address the requirement to improve or replace the Defense Support Program system and which new technologies should be pursued if a requirement is established. This authorization is provided to give the Department of Defense the funding flexibility required to make a decision and present schedule and cost estimates for a new warning satellite program to Congress, if such a program is required.

All appropriations provided through this authorization are to be used only for continuing base technology efforts until the requirement, the system characteristics and the technologies to be incorporated in a new warning satellite have been established and presented to Congress by the Secretary of Defense. The funds authorized are intended to be used to maintain all feasible technical options that might be used in the new system.

### *The M–X missile*

The House amendment in section 201(1) identified $670 million only for concurrent full-scale engineering development of the Multiple Protective Structure (MPS) basing system and the M–X missile. The Senate bill contained no such provision.

The Senate recedes.

Section 202 of the House amendment required the Secretary of Defense to submit a report to Congress by March 1, 1980, evaluating the ability of the MPS missile basing to survive attempts by the Soviet Union to neutralize such a system. The Senate bill section 202 authorized appropriations of $670 million for research and development of the M–X missile and required the President and the Secretary of Defense to report no later than October 1, 1979, on the final characteristics of the missile system. The Senate bill further stated that if a final-basing system chosen was other than a land-based system, the President or his designee would be required to certify to Congress that a land-based system is not in the best interest of national security and that the approved basing system is either militarily more effective than any land-based system or less costly and equally or more militarily effective than any land-based system. Additionally, the Senate bill stipulated that no funds may be expended for the program for 60 days after receipt of such a report unless both Houses passed a resolution of approval within that period.

In view of the President's decision and his report to Congress on the selection of a M–X basing mode subsequent to Senate action on the bill, the Senate agreed with the House position to include the House language in section 202.

### *Precision Location Strike System (PLSS)*

The Air Force requested $24.9 million for the development of a PLSS for detection and location of enemy air defense radars. The House authorized $70.2 million; the Senate deleted the entire amount.

The conferees agreed to authorize $15.0 million, the reduction made without prejudice, with the direction that no funds are to be obligated or expended until a report on the restructured program is submitted to the Congress by the Secretary of Defense.

### DEFENSE AGENCIES

### *Blue/green laser communications*

The Senate bill authorized $2 million for a joint office of Naval Research and Defense Advanced Research Projects Agency (DARPA) analysis of the potential of blue-green laser technology for communicating with patrolling submarines. The House amendment authorized $5 million for DARPA to initiate a feasibility demonstration.

The conferees agreed to authorize $5 million for DARPA to be used for both the feasibility demonstration and a review of the potential of this technology. The conferees ask that a report be submitted by March 1, 1980, that defines the cost, risk, schedule and capability of an operational system.

### *Technical support OSD/OJCS*

The Senate bill authorized $19.982 million as requested by the Department of Defense, and the House amendment authorized $10 million. The conferees agreed to authorize $14 million of which $2.5 million is to be used specifically by the Under Secretary of Defense for Research and Engineering to establish a list of "Military Critical Technologies." This list is to be provided to the Secretary of Commerce in compliance with the Export Administration Act of 1979.

### *Very high-speed integrated circuits*

The Senate bill authorized $12.0 million for the Army, $10.43 million for the Navy, and $8.0 million for the Air Force to begin development of very high-speed integrated circuits. The House amendment provided no authorization for this work. The conferees agreed to authorize the full amount requested.

In approving the authorization for $30.43 million, the conferees established a new program line in the Air Force titled Very High-Speed Integrated Circuits. Management of this tri-service program, including funding control, is to be executed by the Under Secretary of Defense for Research and Engineering.

The conferees concurred in the concerns of the House and approved authorization for this program with the following understanding:

The export of the technology developed in this program would be controlled where applicable by the International Traffic in Arms Regulations until the state-of-the-art for such technology progresses to the point where national security permits its transfer to other controls for export.

The contracts awarded for this program must include the clauses contained in amendment number 0003 dated September 24, 1979, to the Request for Proposals issued for this program on June 22, 1979. These clauses provide the Government the option of having licenses granted so that the technology developed under this program can be used in practice by the Department of Defense and its contractors as needed for future programs.

### *World wide military command and control system (WWMCCS)*

The Defense Communications Agency requested authorization of $4.694 million for the WWMCCS Automatic Data Processing-Joint Technical Support Activities (ADP–JTSA) program and $34.166 for the WWMCCS System Engineering program. The Senate bill authorized the full request for the WWMCCS ADP–JTSA but levied an undistributed reduction of $10 million against the WWMCCS System Engineering program. The House amendment reduced the WWMCCS ADP–JTSA program request by $2.08 million and the WWMCCS System Engineering program by $5.12 million.

The conferees accepted the House authorization levels but agreed to provide the Department of Defense the flexibility to apply the reduction across the full set of Defense Communication Agency WWMCCS activities.

The reports accompanying the Senate bill and the House amendment both expressed concern about the WWMCCS program. The Senate report requested that the Department of Defense undertake a critical review of all strategic surveillance, warning and command and control programs and submit a report on its findings by January 15, 1980. The House report requested that the Department of Defense present an integrated plan with the fiscal year 1981 budget submission that clearly indicated what type of ADP capability is required by the various commands for their command and control functions and how the Defense Department plans to modernize both the computer hardware and software elements of the WWMCCS in support of these requirements.

The conferees agreed to the authorization with the understanding that the Department of Defense will address the concerns expressed in both reports.

### *Advanced self-protection system*

Section 201 of the House amendment provided that $13.19 million be authorized only for the joint Navy/Air Force development of a common electronic self-protection system for integration into, but not limited to, the Navy F–18 and Air Force F–16 aircraft.

The Senate bill did not contain any such provision.

The conferees agreed with the intent of section 201 of the House amendment, but concluded that specific language was not required in the law and, therefore, the House recedes. It is the clear intent of the conferees of both Houses that the joint Navy/Air Force development of a common electronic self-protection system should go forward.

## TITLE III—ACTIVE FORCES

Active duty military strengths in the Senate bill and House amendment differed by a total of 10,100. The conferees' agreement is summarized in the following table:

| | House | Senate | Conference |
|---|---|---|---|
| Army | 780, 337 | 776, 700 | 776, 700 |
| Navy | 529, 002 | 524, 000 | 528, 000 |
| Marine Corps | 189, 000 | 189, 000 | 189, 000 |
| Air Force | 558, 761 | 557, 300 | 558, 000 |
| Total | 2, 057, 100 | 2, 047, 000 | 2, 051, 700 |

The conference agreement is 4,700 above the Senate position and 5,400 below the House. The changes from the Administration request are in the Army, for which the conference agreement is 2,700 above the Administration request in order to accommodate the President's decision to defer troop withdrawals from Korea in fiscal year 1980, and in the Air Force.

### *Double counting of reserve general officers (sec. 302)*

The House amendment contained a provision (sec. 804) that amends current law to provide that a Marine Corps reserve general officer who is serving on extended active duty—and charged against the active duty ceiling—will not be charged against the reserve general officer strength while so serving.

The Senate bill (sec. 303) amends current law in a similar manner but extends the amendment to include all services.

### *Officer grade distribution reporting requirement (sec. 303)*

Current law requires each of the Service Secretaries to submit an officer grade distribution report and promotion plan to Congress by April 30 of each year. Section 304 of the Senate bill required that this information be included as part of the Manpower Requirements Report rather than as separate reports.

No similar provision was contained in the House amendment.

The House recedes.

## TITLE IV—RESERVE FORCES

Section 401(b) of the bill contains the authorization for the number of reservists on full-time active duty for the purpose of organizing, administering, recruiting, instructing and training the Reserve components. The House and Senate differed on the strength for such full-time active duty Reserve personnel in the Naval Reserve. The Senate increased the Administration request by 1,500 personnel for a total of 1,707. The House amendment had authorized 207, the amount requested. The conferees agreed to an increase of 500 (bringing the total in the bill to 707). The additional full-time support personnel should be used in a test program involving high-priority missions of the Naval Reserve or to offset deficiencies in critical skills in the active Navy.

The conferees expect the Naval Reserve to be provided full-time support consistent with the average strength of 87,000.

The conferees believe that critical types of units with important capabilities such as deployment-related units, aviation, ship and aircraft maintenance, intelligence and other highly professional skills should be retained in the force structure consistent with modernization programs and that 17 Reserve Naval Mobile Construction Battalions should be retained.

There were no other differences between the Senate bill and the House amendment on Reserve component strengths.

### *Amendments to the Reserve Educational Assistance Program (sec. 402)*

Section 402 of the House amendment amended the current Reserve Educational Assistance Program (sections 2131(b)-2135 of title 10, United States Code). The House amendment increases from 50 to 100 percent the reimbursement for a year's education expenses, although still limited to the existing limit of $500 per year. The recoupment provision of the Reserve Educational Assistance Program is revised in order to take into account the amount of time a participant serves satisfactorily in the Selected Reserve in computing the amount to be refunded.

The Senate recedes.

### *Retention of reserve veterinary officers to age 60 (sec. 403)*

Section 403 of the House amendment granted permissive authority to the Secretary of the Army and the Secretary of the Air Force to retain reserve veterinary officers to age 60 under the same conditions as reserve officers of other health professions and chaplains.

No similar provision was included in the Senate bill.

The Senate recedes.

### *Administrative duty pay (sec. 404)*

The Senate bill contained a provision (sec. 402) that would terminate the authority to pay Administrative Duty Pay to reserve and national guard commanders for performing administrative functions.

The House amendment contained no similar provision.

The House conferees expressed concern that unilateral action at this time terminating this authority would have an adverse impact on these individuals who spend significant time above and beyond their normal paid drill periods performing administrative tasks. However, the House conferees agreed payment is no longer functional and eventually should be terminated.

In order to minimize the impact of this termination, the conferees agreed to an amendment delaying for one year termination of this authority and request the Secretary of Defense to submit a report evaluating possible changes to the overall Reserve Compensation System by December 31, 1980.

The House recedes with amendment.

## TITLE V—CIVILIAN PERSONNEL

For fiscal year 1980, the Department of Defense requested an end strength of 985,100. The House authorized a Department-wide end strength of 986,292. The Senate authorized a civilian end strength for each of the services totaling 980,900. The conferees agreed to provide for an overall Department of Defense-wide authorization for civilian personnel of 983,600—a reduction of 1,500 from the Administration request. The conferees agreed that in allocating civilian manpower spaces in fiscal year 1980, the Department of Defense should follow the specific recommendations made by the respective committees concerning increases for Naval Air Rework Facilities and for medical support activities. In accommodating the reduction, the Department of Defense should include a reduction in support personnel for dependent activities overseas and give consideration to the areas addressed in the reports of the House and Senate Committees on Armed Services concerning civilian personnel.

### Civilian Manpower for Maintenance-Related Activities

The Senate bill contained a section which provides that the Secretary of Defense shall manage manpower resources in a manner that will insure that activities engaged in maintenance, construction, engineering acquisition, or repair are provided sufficient civilian manpower to perform the work for which funds have been appropriated.

The House recedes.

### Intelligence Analysis

The conferees agree on the need to improve intelligence analysis capabilities. The conferees strongly recommend that the services set a goal for fiscal year 1980 of increasing the number of production analysts in the intelligence community by 300 active duty military in the military services and Defense Intelligence Agency, and a related increase of 100 civilians for the Army and 100 civilians for the Defense Intelligence Agency. The United States must continue to invest in high technology systems for intelligence collection, but it must not neglect the need to train and maintain an adequate number of expert analysts to give meaning to the intelligence data collected. These increases should provide additional top quality line analysts and are specifically not to be used for other intelligence activities.

## TITLE VI—MILITARY TRAINING STUDENT LOADS

The Senate bill and the House amendment differed on military training student loads for the Army, Army National Guard, and Army Reserve.

The Senate bill specifically authorized a portion of the requested student loads for utilization solely for One Station Unit Training.

The House amendment, although containing the same numbers overall, authorized these training loads without any specific allocation for One Station Unit Training.

The House recedes.

### Training Load Adjustments

The Senate bill contained a provision requiring the Secretary of Defense to adjust the military training student loads in order to be consistent with the manpower strengths authorized in Titles III, IV, and V of this Act. The House amendment contained no such provision.

The House recedes.

### Scholarships for Military Junior Colleges

The conferees agreed to endorse the language of the Senate report which recommends that 30 of the additional two-year R.O.T.C. scholarships requested by the Army for fiscal year 1980 be allocated to military junior colleges.

## TITLE VII—CIVIL DEFENSE

The House provided $138 million for civil defense. The Senate authorized $106.8 million. The House recedes.

The House version also contained a five-year authorization for civil defense. The multi-year authorization included a provision containing a new civil defense policy statement and related program elements. The Senate conferees were unable to accept the House provisions for a series of specific authorizations totaling $989.9 million over a five-year period for civil defense operations without any hearings having been held on the nature of the programs that would be funded by such authorizations. The House recedes.

However, the conferees do agree that civil defense is a vital and necessary part of a sound deterrent posture, and therefore, recommend to the appropriate executive agencies that earnest efforts be made over the next five years to increase the commitment to and effectiveness of the nation's civil defense, with funding each successive year at a level that reflects both the inflation rate and the Soviet threat.

The House amendment contains a provision to eliminate various limitations on appropriations for personnel and administrative expenses, student travel, radiological instrument procurement and personal equipment for state and local civil defense workers. The Senate bill contains a provision that increases the limitation on appropriations for personnel and administrative expenses from $35 million to $40 million and retains the existing limitations on other activities. The House recedes.

The Senate amendment to the Federal Civil Defense Act establishing a Federal-State matching requirement for the construction of emergency operations centers was not agreed to. The Senate recedes.

## TITLE VIII—GENERAL PROVISIONS

### *Amendments to the Uniform Code of Military Justice to improve military discipline (sec. 801)*

The Senate bill contained a provision (sec. 801) intended to improve military discipline by limiting the right of an accused to raise defects in the enlistment process to defeat court-martial jurisdiction, and to clarify the President's authority to issue a manual of procedure not only for trial procedures, but pre-trial and post-trial procedures as well.

The House amendment has no similar provision.

The House recedes.

The House conferees were reluctant to take a step which might be misinterpreted as providing further encouragement to an already serious recruiting malpractice problem. However, it is inappropriate to address the issue of malpractice in a court-martial proceeding.

The conferees agree that the current management technique of using recruiting quotas has increased the likelihood of recruiting malpractice. The Secretary of Defense is urged to review the management of recruiting in the military services and to consider an alternative aproach to the current quota system.

The conferees have also agreed that a more effective administrative process to permit enlistees to raise questions of the validity of their enlistment is necessary. The conferees expect the Secretaries of each of the services to establish an administrative process that will provide each enlistee a voluntary opportunity to raise any improper matters in his or her enlistment, as well as permit service management to uncover recruiting malpractice. The general framework of this process shall permit an enlistee at the end of his basic training period, or at a similarly appropriate point, the opportunity to raise such matters.

The service secretaries shall report back to each of the Committees on Armed Services by December 31, 1979 on the process that will be established to uncover recruiting malpractice.

### *Waiver of OMB Circular A-76 for contracting out of certain research and development activities (sec. 802)*

Section 801 of the House amendment contained a provision exempting most research and development (R&D) activities from the application of Office of Management and Budget (OMB) Circular A-76. This circular establishes the policies and procedures to be used by executive branch departments for implementing the general policy that the Government will rely on competitive private enterprise where practicable to supply the products and services it needs. Only those support activities for R&D which are more structured in nature, such as facility and equipment maintenance, are excluded from the prohibition contained in the House provision.

The Senate bill had no similar provision.

The Senate recedes.

### *Uniformed Services University of the Health Sciences (sec. 803)*

Section 802 of the House amendment requires that the Secretary of Defense take actions to insure the Uniformed Services University of the Health Sciences operates at full capacity, upon recommendations of the Board of Regents and consistent with academic capabilities. It also makes a technical correction (changes "uniform" to "uniformed") and clarifies original Congressional intent to allow up to 20 percent of graduates to serve in civilian Federal service in lieu of military service by clarifying the language to indicate that authority is *permissive* in nature.

No similar provision was included in the Senate bill.

The Senate recedes.

### *Stipend increase for Health Professions Scholarship Program (sec. 804(a))*

The House amendment contained a provision (sec. 806(a)) that would increase the stipend for the Health Professions Scholarship Program participants to the same level as that received by participants in the National Health Service Corps Scholarship Program—administered by the Department of Health, Education and Welfare—($453 per month) and provide for annual adjustments thereafter at the same time and in the same amount as the HEW stipend.

The Senate bill contained a provision (sec. 807) that would adjust the current stipend ($400 per month) in the future.

The Senate recedes.

### *Special pay for medical officers during periods of obligation (sec. 804(b))*

The House amendment contained a provision (sec. 806(b)) that provides $9,000 per year to military physicians who are not in internship or residency training but who are serving their initial active duty obligation.

No similar provision was included in the Senate bill.

The Senate recedes.

### *Six-year military service obligation for persons enlisting after age 26 (sec. 805)*

The House amendment contained a provision that extends the 6-year statutory military obligation to all enlistees by terminating the exception for enlistees age 26 and over. The Senate bill contained no similar provision.

The Senate recedes.

### *Restrictions on contracting out (sec. 806)*

The Senate bill declared that it was United States policy that the provisions of the Office of Management and Budget Circular A-76 prohibiting the use of private contractors to avoid personnel or salary limitations and prohibiting personnel actions in violation of Civil Service personnel regulations are binding on the Department of Defense. Further, commercial or industrial type functions being performed by Department of Defense personnel at Davis-Monthan Air Force Base on January 1, 1979, may be contracted out to a private contractor only if such action does not affect technical skills necessary to critical military capabilities, mobilization capabilities, or accountability in the Department of Defense.

The Senate bill also required an annual report by the Secretary of Defense on conversion of commercial or industrial type functions to performance by private contract for the year preceding the fiscal year in which the report is provided and an estimate of such conversion for the fiscal year in which the report is provided.

The House amendment contained language that provides that no commercial or industrial type function may be converted from performance by Department of Defense personnel to performance by private contractor to circumvent a civilian personnel ceiling or unless the Secretary of Defense—

(1) Notifies the Congress of a decision to study a function for conversion;

(2) Submits a report showing the economic impact of such a conversion on the community, the employees affected, and the military mission or function; and

(3) Notifies the Congress of a final decision to convert a function to performance by private contractor, and submits the amount of the bid accepted and the cost of performance by government personnel, together with all other costs and expenditures the government could incur by such conversion.

The House amendment also provided that no funds may be obligated or expended for a contract after a decision to convert until the appropriate congressional committees have had 30 legislative days to review the decision.

The conferees agreed on language similar in most respects to that contained in the House amendment without the requirement for the 30 legislative day delay before obligation of funds can occur and with the requirement for an annual report of such conversions as contained in the Senate bill.

### *Advanced housing allowance (sec. 807)*

Section 807 of the House amendment authorized the Department of Defense to make advanced payments of the overseas housing allowance.

No similar provision was included in the Senate bill.

The Senate recedes.

### *Annual report on NATO readiness (sec. 808)*

This section of the House amendment required the Secretary of Defense to assess annually and report to the Congress on the readiness status of the military forces of the North Atlantic Treaty Organization (NATO), including an annual assessment of deficiencies, a reporting of planned corrections in the identified readiness deficiencies and the portion of the budget which is allocated for such corrections, and a reporting of commitments made by other member nations to correct their readiness deficiencies. There was no similar provision in the Senate bill.

The conferees agreed that the Secretary of Defense should also include within the required report an assessment of the readiness status and deficiencies relating to NATO tactical and theater nuclear capabilities.

The Senate recedes.

### *Selected acquisition reports (sec. 809)*

Both the Senate bill (sec. 804) and the House amendment (sec. 809) contained provisions requiring quarterly selected acquisition reports to the Congress. Both provisions contained essentially the same language and the technical differences were resolved by the conferees.

### *Assistance to the 1980 Winter Olympic Games (sec. 810)*

Both the Senate bill (sec. 805) and the House amendment (sec. 810) authorized an amount not to exceed $10 million for providing assistance under certain conditions to the 1980 Winter Olympic Games.

The Senate provision required specific appropriations to carry out the provisions of the section. The House provision had a similar requirement but excluded pay and non-travel related allowances.

The Senate recedes.

### *Presidential recommendations for Selective Service (sec. 811)*

The House amendment contains a requirement for the President to provide a report on his recommendations for reform of the Selective Service System. The Senate bill contains no similar provision.

The Senate recedes with an amendment.

The President's recommendations with regard to the feasibility of establishing a registration plan through a centralized automated system should specifically address court decisions with respect to the requirement for issuing induction orders in the proper "order of call," as well as those dealing with conscientious objectors, classification procedures, and other relevant court decisions.

Both the House and Senate Committee on Armed Services have made a detailed review of the plan presented with the President's fiscal year 1980 budget for registration and induction under the Selective Service System following mobilization. Both committees have concluded that this ambitious plan will not work and that peacetime registration is needed. If the President intends to rely on this or some other post-mobilization registration plan as the foundation of our mobilization capacity at time of emergency, then the report called for in section 811 should also address the extent of testing of the plan that will be done, the acquisition schedule, and capability of computers, and other necessary equipment, the extent of agreements with state election officials or other non-Federal agencies, the schedule for training Federal and non-Federal personnel who would be involved in registration, and the likelihood that induction orders issued under such a plan would survive potential court challenges.

### *Preservation of the Selective Service System as an independent agency (sec. 812)*

The House amendment contained a provision (sec. 813) that expresses the Congress' view that the Selective Service System should remain an independent agency. The Senate bill contains no similar provision.

The Senate recedes.

### *Study of Titan II (sec. 813)*

Section 814 of the House amendment requested a study of the physical condition of Titan II facilities and maintenance procedures. Findings and recommendations of the studies were to be furnished to the Committees on Armed Services and to the Members representing the districts in which Titan facilities are located within 180 days of enactment.

No such provision was included in the Senate bill.

The Senate recedes with an amendment deleting the requirement that the studies be furnished to the Members representing the districts in which Titan facilities are located.

*Junior enlisted dependents (sec. 814)*

The Senate bill contained a provision (Sec. 302) that would have allowed reimbursement for travel and transportation of dependents only to service members above the pay grade of E-4 who have over two years of service in an effort to reduce the number of dependents overseas. This provision would be less favorable to junior enlisted personnel than current law.

The House amendment contained a provision (Sec. 814) that would have prohibited the Service Secretaries concerned from differentiating among members (or dependents of members) on the basis of a member's grade, rank, rating or years of service, with respect to these benefits. This provision would be more favorable to junior enlisted personnel than current law.

The conferees, after lengthy discussion, agreed to drop both provisions from the bill (in effect retaining current law) and to include a provision mandating the Secretaries to undertake a program to reduce the total number of dependents including the use of discretionary authority in the granting of travel entitlements by prohibiting payment after September 30, 1980, of travel and transportation benefits to members assigned overseas when the total number of dependents authorized to be overseas and entitled to receive travel allowances exceeds 325,000. This level would represent a reduction of about 10,000 in the current number of so-called command sponsored dependents and addresses, in part, the intent of the provision contained in the Senate bill.

The House conferees reluctantly dropped the language contained in the House amendment with the understanding that the language of the conference report leaves the implementation of any restrictions resulting from the ceiling to the discretion of the Service Secretaries concerned. It is the intent of the conferees that the Service Secretaries implement any restrictions on travel entitlements fairly and in a manner in the best interest of the United States. The conferees agreed that junior enlisted members should not bear the unilateral burden of restrictions in travel entitlements or in reductions of dependents overseas, but that the Secretary in his discretion can consider such factors as age, size of family, length of service, number of overseas tours and overall morale of the service in implementing travel restrictions.

The conferees unanimously expressed concern with the current capability to evacuate the dependent population from overseas during a period of hostilities. In view of this concern, the Secretary of Defense, by March 31, 1980, is requested to submit and certify as to its effectiveness to the Committees on Armed Services of the Senate and House of Representatives, and evacuation plan for military dependents in Europe. This plan should address not only the dependents of U.S. service members, but also the impact of the other noncombatant U.S. citizens who would be competing for the limited evacuation resources during a time of extreme emergency, including the potential impact of the requirement to evacuate combat casualties.

*Gasohol (sec. 815)*

The House amendment contained a provision designed to encourage the use of alcohol and alcohol-blends as a fuel in military motor vehicles.

The Senate bill contained no such provision.

The Senate recedes.

*Extension of cut-off for electing coverage under the Reserve Survivor Benefit Plan (sec. 816)*

The House amendment contained a provision (sec. 819) that would extend the cutoff date for electing into the Reserve Survivor Benefit Program for 6 months, from September 30, 1979, to March 31, 1980.

No similar provision was included in the Senate bill.

Public Law 95-397 modified the Survivor Benefit Plan to permit reservists who have completed 20 years of satisfactory service to provide survivor benefit coverage in the event they die before reaching age 60. Those reservists who had already completed 20 years of service by October 1, 1978, were given until September 30, 1979, to elect coverage before age 60.

The Senate recedes.

*Extension in time period for reductions in high grade civilians (sec. 817)*

The House amendment contained a provision (sec. 820) that would extend for one year the period of time during which reductions in high grade civilians (GS-13 and above) mandated under Public Law 95-79 are required.

No similar provision was included in the Senate bill.

Enactment of the Civil Service Reform Act resulted in certain restrictions on reducing the grades of high grade civilians. The conferees agree that this extension is granted only for this reason and that further extensions of the required reduction will not be considered.

The Senate recedes.

*Sense of Congress expression concerning importation of strategic and critical materials (sec. 818)*

The Senate bill contained a provision to amend the Strategic and Critical Materials Stock Piling Act to require the cessation of importation of strategic materials from Zimbabwe-Rhodesia and further to lift all trade sanctions against that country. Subsequent to the passage of the bill in the Senate, Congressional action was taken on other legislation providing procedures for ending sanctions against Rhodesia and the House conferees, therefore, declined to yield.

The conferees agreed, however, on a new section 818 expressing the sense of Congress that the United States should have unlimited access to strategic and critical materials which are vital to the defense of the United States and that every effort should be made to remove artificial impediments to the importation of such materials.

*Requirement for reporting salaries of officers of Federal Contract Research Centers (sec. 819)*

Section 806 of the Senate bill directs that the Secretary of Defense report to Congress annually on all employees of Federal Contract Research Centers whose salaries are in excess of that paid to Government employees at the pay grade of level II of the Executive Schedule and the reasons for their salaries being above that amount. This reporting requirement would begin September 30, 1979, according to the Senate bill.

The House amendment had no similar provision.

The conferees agreed to include the provision in the conference report but changed the date establishing the reporting requirement to January 31, 1980.

The House recedes with an amendment.

*Technical amendments to Defense reorganization order (sec. 820)*

The House amendment makes technical amendments to several sections of titles 5 and 10, United States Code, to reflect changes made by the Department of Defense reorganization order of March 7, 1978.

The Senate recedes.

*Correction of erroneous section designation on prohibition against military unions (sec. 821)*

The House amendment corrects an erroneous section designation in title 10, United States Code.

The Senate recedes.

*Extension of Polaris program*

Section 803 of the Senate bill contained language which would prohibit the deactivation of any Polaris submarines prior to one year following the enactment of this legislation.

The House amendment provides no such provision.

The Senate recedes.

*Limitation on reduction of forces at Guantanamo Bay*

Section 811 of the House amendment contained a provision to prohibit the use of any funds authorized by the bill for reduction of personnel support or equipment levels at Guantanamo Bay, Cuba, or reducing military functions supported by Guantanamo Bay.

No such provision was included in the Senate bill.

The House recedes.

*Pay of administrators and instructors in junior ROTC*

Senate bill contained a provision (sec. 809) that would require the Department of Defense to reimburse schools with Junior ROTC units for 60% (vice 50%) of the difference between the salary of administrators and instructors and military retired pay.

No similar provision was included in the House amendment.

The House conferees indicated that no problem is apparent in recruiting personnel, no programs have been terminated based on financial conditions, and no complaints have been received from the schools.

The Senate recedes.

Melvin Price,
Charles E. Bennett,
Samuel S. Stratton,
Richard H. Ichord,
Lucian N. Nedzi,
Chas. H. Wilson,
Richard C. White,
Bill Nichols,
Bob Wilson,
Wm. L. Dickinson,
Bill Whitehurst,
Floyd Spence,
Robin Beard,

When differences regarding intelligence-related activities are under consideration only:

Bill D. Burlison,
Clement J. Zablocki,
Norman Y. Mineta,
Edward P. Boland,
J. K. Robinson,
Bill Whitehurst,

*Managers on the Part of the House.*

John C. Stennis,
Henry M. Jackson,
Harry F. Byrd, Jr.,
Sam Nunn,
John Culver,
Gary Hart,
John Tower,
Strom Thurmond,
John W. Warner,
Gordon Humphrey,

*Managers on the Part of the Senate.*

## PRODUCT LIABILITY PROBLEMS ADDRESSED BY INTRODUCTION OF NEW LEGISLATION

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, along with several colleagues, I am introducing the National Product Liability Act. This bill has the support of the National Product Liability Council and is in response to the serious problems faced by manufacturers, sellers, distributors, purchasers, and users of products due to the unavailability or astronomical cost of product liability insurance.

The product liability problem affects thousands of businesses, both large and small. Many have testified at great length before various committees and subcommittees here in the States that the viability of their businesses is threatened by developments in the product liability insurance market.

The effects on our economy are numerous and serious. The job security of many employees is threatened. Competition may be lessened by the suspension of smaller enterprises unable to afford to buy insurance and unwilling to "go bare."

Consumers are adversely affected by these economic side effects and by the higher cost of goods. One of the most tragic effects on consumers is that some who are injured may not be compensated adequately due to the absence of insurance or the bankruptcy of the product seller.

The Commerce Department itself recognized the need for relief from rising product liability costs. The Commerce Department also recognized the need for uniformity. A major part of the problem confronting sellers is that they face divergent and sometimes conflicting State laws defining the limits on their liability. This diversity has caused confusion and uncertainty in the law of product liability. It may be that this uncertainty can only be cured by Federal legislation.

Mr. Speaker, this bill does not create a Federal cause of action and will not add to the caseload of our burdened Federal courts. Furthermore, it does not attempt a massive revision of the tort law. Instead, it provides relief in basically three areas.

First, the bill provides a statute of repose which will bar actions 10 years after a product is first sold to anyone. The bill retains the State statute of limitations, provided the statute runs within the 10-year period. The statute applies to all goods and provides for injuries arising out of multiple exposures to a product such as a pharmaceutical. In such cases, the statute of repose period runs from the date the consumer was last exposed to the product.

The statute of repose will not bar actions which arise out of alterations or modifications of a product if the seller owed the buyer a statutory or contractual duty to make a change or if the seller made, authorized or furnished materials for the accomplishment of a modification and such modification introduced a new hazard which was the cause of the injury.

The statute of repose will not apply to claims based on express warranty so that the period may be lengthened if the manufacturer or seller guarantees the product.

Second, the bill provides standards for determining when liability will attach for defects in product formulas and designs. A manufacturer will not be found liable unless the plaintiff can show that the manufacturer failed to adopt an available safer design of which he knew or should have known at the time of manufacture because it was in substantial use. The safer design must be a practical one.

If a product is suited to a number of functions, the manufacturer will not be liable for failing to attach a safety device for every conceivable use when to do so would make the product unsuitable for some uses, if the person injured or his employer knew or should have known the safety device was available.

The bill also makes compliance with mandatory Federal standards a defense to a cause of action based on a design defect if the Federal standard applied to the particular hazard which caused the injury.

Third, the bill provides standards for determining when a warning is necessary and adequate. The manufacturer has a duty to warn of all identifiable hazards associated with use and misuse of the product; the nonmanufacturing seller need only pass on all warnings that the manufacturer provides, unless he actually knows of other hazards to which consumers should be alerted, in which case he must make a reasonable effort to alert the last known consumer.

The bill also provides defenses if a product has been altered and the injury arises out of the alteration or if the product is misused in such a way that it causes injury.

The bill attempts to alleviate some of the burden of strict liability on nonmanufacturing seller shall not be liable unless the plaintiff proves that the defendant seller exercised significant control over the characteristics, function or design of or warnings given with respect to a product or otherwise had actual knowledge of the defect which caused the injury. This exclusion does not apply, however, where the manufacturer of the product cannot be subjected to service of process in the State where the suit is brought or has been judicially declared insolvent.

Mr. Speaker, this bill sets out a potential solution to the product liability problem which we should consider. As the Consumer Protection and Finance hearings on product liability continue, I hope that the issues raised in the bill will be fully discussed.

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## PAY TO MEMBERS OF CONGRESS

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. WHITTEN. Mr. Speaker, many people and some Members, particularly Members of the Senate do not seem to fully understand the provision adopted by the Congress affecting appropriations for pay to Members of Congress, which, of course, means Senators and House Members

As we pointed out in our committee report, 58 percent of programs in the laws we have had built-in escalation clauses—that is, provisions to increase the amount of funds available to offset inflation. Inflation is thus doubled.

Largely as a result of this fact, the purchasing power of the dollar has gone down 50 percent since 1967.

One of the places where such laws have taken over is that of Federal executive pay, which under existing law increased 12.9 percent—effective October 1, 1979. I voted against such law.

Our Committee on Appropriations does not have authority to change the law but is limited to appropriating.

When the matter of appropriating came before the committee, believing we should scale back—we reduced the 12.9 to 5.5 percent and provided that such 5.5 percent would be in lieu of the 12.9 percent called for by law.

The Senate, by turning this proposal down until after October 1, made such 12.9 percent effective. Thus, we were faced with cutting back to 5.5 percent. We insisted that Members of the Senate take the same reduction—we were successful.

Much publicity went out that the Senate opposed the 5.5-percent limitation—many Members did attempt to be exempted—had they succeeded in being left out—they would thereby retain the 12.9 percent. Some doubtless did not intend that, but it is a fact.

Mr. Speaker, I include here the particular language we sponsored which spells out in a nutshell what we insisted upon. I quote:

> For the fiscal year 1980, funds available for payment to executive employees, which includes Members of Congress, who under existing law are entitled to approximately 12.9 percent increase in pay, shall not be used to pay any such employee or elected or appointed official any sum in excess of 5.5 percent increase in existing pay and such sum if accepted shall be in lieu of the 12.9 percent due for such fiscal year.

And a copy of the report which reads as follows:

> ### EXECUTIVE PAY
>
> The committee notes that in the last 2 years since Federal executive pay has been frozen, that the consumer price index has risen by about 23 percent and that the purchasing power of the dollar has decreased by about 50 percent since 1967. The committee also recognizes the necessity to take steps to achieve a balanced budget as well as the necessity to slow down and control inflation, which unless controlled will lead to financial disaster.
>
> A balanced budget means a balance of income and outgo. Present conditions are such that it appears that this balance depends on keeping income up while reducing expenditures, particularly that part of expenditures within the annual review and appropriating process of the Congress. Approximately 58 percent of the budget is for programs which have built-in automatic increases to offset inflation, which itself is additional inflation.

Our problem is that our rate of inflation is so great that we must take immediate steps to moderate increases and help move toward stability.

One of these places where such laws have taken over is that of Federal executive pay, which under existing law would increase by 12.9 percent.

In an effort to help deal with these problems, the committee is providing that for the fiscal year 1980, funds available for payment to executive employees, which includes Members of Congress, who under existing law are entitled to approximately 12.9-percent increase in pay, shall not be used to pay any such employee or elected or appointed official any sum in excess of 5.5-percent increase in existing pay and such sum if accepted shall be in lieu of the 12.9 percent due for such fiscal year. This action, sharply decreasing such automation increases, is taken in an effort to contribute toward the objective of immediately slowing and over a period eventually stopping further inflation. The limitation of 5.5 percent represents a significantly sharp decrease and amounts to only about one-fourth to one-third of the actual rate of inflation during this period. It is hoped that this example will be followed by other parts of the Federal Government, private industry, and State and local government. Unless we slow down, we face disastrous inflation which has wrecked the economy of other nations.●

## 1978 REPORT OF THE NATIONAL CANCER ADVISORY BOARD—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 90- )

The SPEAKER pro tempore (Mr. FARY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

*To the Congress of the United States:*

I am pleased to send to the Congress the 1978 Report of the National Cancer Advisory Board, as required by Section 410(g), Part A, Title IV, Public Health Service Act.

JIMMY CARTER.

THE WHITE HOUSE, *October 17, 1979.*

## CONGRESSWOMAN MIKULSKI ON ENEMIES LIST AT WHITE HOUSE

(Ms. MIKULSKI asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. MIKULSKI. Mr. Speaker, I note in this week's issue of Newsweek that I have been put on some kind of enemies list at the White House. Apparently an anonymous "senior staffer" to the President crossed my name off the receiving line for the departure of Pope John Paul II because of my supposed attacks on the President's anatomy.

This comes as a surprise to me; especially since I have been working for the last month to get hospital cost containment out of committee and this is supposed to be one of the President's legislative priorities.

I did vote against the Department of Education, because I thought it was a boondoggle. And I voted against the first gas rationing proposal, because I thought it was unfair. If the test of friendship for this administration is to vote for legislation that is unnecessary or inequitable, then I am not going to be invited to their parties.

I am afraid that the Carter White House has confused an independent voting record with a political endorsement.

## GASOLINE DECONTROL VOTE SHOULD BE REVERSED

(Mr. DINGELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DINGELL. Mr. Speaker, last week the House acted in what I consider to be a poorly considered fashion when it approved an amendment by the gentleman from New Jersey to decontrol gasoline. At the conclusion of the consideration of this bill in the Committee of the Whole, I will request a separate vote on that amendment. I urge my colleagues to reconsider their vote last week and to reject the amendment.

### DECONTROL AMENDMENT WOULD PERMIT PRICING VIOLATORS TO GO FREE

The gasoline amendment is drafted in a manner which is far broader than its supporters would intend. By precluding the expenditure of funds to enforce gasoline price regulations, companies and individuals who have been found in violation of the regulations could not be prosecuted.

The Special Counsel's Office has identified several billion dollars in pricing violations by major oil companies. Some of those overcharges relate to gasoline prices. If DOE is unable to spend funds to enforce those regulations, the companies will go free.

This congressional "pardon" of oil company sins was certainly unintended, but is one example of the flaws in this poorly crafted amendment.

### HISTORY OF CONTROLS

Our gasoline regulatory program is an outgrowth of the wage and price controls begun in 1970 to control inflation. The price controls were extended in the Emergency Allocation Act of 1973 and allocation controls were added at that time.

### CONTROLS WILL EXPIRE NATURALLY ON SEPTEMBER 31, 1981

The gasoline decontrol amendment adopted last week is effective for only 1 year. It would remove controls only until September 30, 1980. At that time, controls could return, but only for 1 additional year because, by law, all authorities to control gasoline expire on September 30, 1981. It makes little sense to remove controls for just 1 year, particularly when, by law, they will expire in 2 years.

### ALTHOUGH ALLOCATION CONTROLS WERE CRITICIZED, THE GRAMM AMENDMENT RETAINS THEM

During the recent gasoline shortages, the gasoline allocation program was subjected to much criticism, and the experience, no doubt, played a major role in last Friday's vote. Interestingly, though, the allocation controls were later restored by an amendment from the gentleman from Texas, so this problem has not been solved.

### THE AMENDMENTS HAVE CREATED CONFUSION IN THE LAW

The end result of the passage of the Courter and Gramm amendments, unfortunately, is serious confusion in the law on gasoline regulations. For example, the Gramm amendment makes reference to language in the EPAA relating both to allocation and price, but it is uncertain as to whether the Secretary retains pricing authority, and many lawsuits will certainly arise over that issue. If the Gramm amendment does not permit the Secretary to administer pricing rules, but does permit allocation, other lawsuits will arise. For example, suppose an oil company is ordered to supply gasoline to a farmer, and the company states that it will comply, but will sell the gasoline at $3 per gallon. It is clear that without some pricing authority, the allocation authority is useless, so questions will arise over the implied extent of pricing authority.

### CONSUMERS, MARKETERS, FARMERS, OTHER PRIORITY USERS WILL SUFFER

In short, by our vote of last Friday, we have raised all types of unforeseen problems. All types of people may suffer the consequences of Friday's vote. Consumers may face skyrocketing prices for gasoline at a time when inflation is already at a record high. Gasoline jobbers and marketers may face a termination of their supplies, as oil companies use the decontrol opportunity to shift their products to company-owned outlets. Priority users may lose their protection of supplies at equitable prices.

### DECONTROL MEANS HIGHER PRICES

Having noted that the amendments passed last week have created a whole new set of problems, let us look at the various consequences of the amendments. On the pricing side, the impact is clear—higher prices. There is bound to be disagreement over the amount of increase which decontrol will cause, but some facts are certain:

First. We are in for a period of tight supplies.

Government officials, market analysts, and the oil industry all agree with this analysis.

Second. Any significant reduction in Arab oil exports is likely to bring back the gas lines of last summer.

Reports of production decreases in Iran, Kuwait, and Saudi Arabia suggest that these shortages could occur.

Third. During the shortages last summer, people paid $1.50 for gasoline. In any future shortage, prices could go easily to that level, or higher.

If we remove price controls from gasoline, the consumer will be left with no protection from the price gouging which could legally occur during shortages. We could also see immediate price increase, for example, to spot market price levels. Even those increases could increase the inflation rate by 1.5 percent and cost the average family $300 per year. Gasoline decontrol will erase nearly all of the consumer benefits of crude oil controls.

### PRESENT REGULATIONS DO NOT DENY COMPANIES A FAIR PROFIT

The gasoline pricing regulations do not deny companies a fair profit. To the contrary, they are quite generous. The recently adopted gasoline "tilt" rule permits refiners to allocate a greater than pro rata share of costs to gasoline for purposes of determining the ceiling price. This regulation has added 5 cents per gallon over refiner margins of just 1 year ago. To give this figure some perspective, the crude oil phased decontrol has added only about 1 cent per gallon to date.

Retailers are also permitted higher margins than ever before. Margins are up by 50 to 100 percent over last year's levels.

### DECONTROL AMENDMENT REMOVES PROTECTION FOR JOBBERS, RETAILERS

The Emergency Petroleum Allocation Act of 1973 was passed for a variety of reasons, but one of the primary reasons was to protect independent marketers and retailers. During periods of shortage, there are powerful incentives for oil companies to sell their supplies through company-owned outlets and to deny product to independent retailers, jobbers, and others. Therefore, the Emergency Petroleum Allocation Act requires that available supplies be shared in an equitable manner, and states as one of the considerations for allocation "the preservation of an economically sound and competitive petroleum industry."

The largest organization of oil jobbers—the National Oil Jobbers Council—opposes the decontrol of gasoline at this time. They approved a resolution stating in part:

> Be it therefore resolved that NOJC supports such gasoline regulation on a temporary basis as long as gasoline supplies are not adequate provided that price controls are modified to permit a fair increase in the return on the marketer's investment and provided also that the regulations be removed and a free market restored as soon as the supply picture returns to balance.

Although they favor eventual removal of controls, they recognize that this is not the time for such decontrol for two important reasons:

First. The gasoline market is tight and likely to remain that way for the foreseeable future.

Second. The study of subsidization in the oil industry, mandated by Congress in the "Dealer Day" legislation of last year, is due to be completed soon.

Last year, the Congress enacted the Petroleum Marketing Practices Act to protect retail operators from unfair practices by oil companies. The legislation also required the Department of Energy to study the issue of subsidization—that is, to what extent do integrated oil companies subsidize their retail and wholesale outlets with upstream profits, thus making it difficult for independent marketers to compete. This study will be completed soon, and may suggest the need for remedial regulations on gasoline. The Courter amendment would prevent any such actions.

Under carefully considered legislation, it may be possible to put an end to unnecessary portions of the controls, while retaining protections for marketers and others. The decontrol amendment, on the other hand, would end all regulation. Even minor regulations, or emergency regulations, could not be prescribed or enforced.

### THE ALLOCATION PROGRAM WAS NOT THE CAUSE OF SHORTAGES

After last summer, the gasoline allocation program was subjected to much criticism, and some of the criticism was justified. The experience does not, however, justify the removal of controls. A review of the allocation experience indicates the following:

First. Many problems with the allocation program were caused by mismanagement by DOE, and not the nature of regulations.

As an example, DOE failed to update the allocation base period from 1972 for the past 6 years. Finally, when shortages arose, regulations had to be changed abruptly.

Second. Oil companies also create problems when they control allocation.

The shortages of distillate, a decontrolled product, in farm areas showed that oil companies do not necessarily respond well to market needs.

Small communities have had problems in obtaining aviation fuels for their commuter airlines. Aviation fuels are also decontrolled.

Third. When oil companies were permitted to reallocate 5 percent of their supplies to shortage areas, few took advantage of this opportunity.

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## INTRODUCTION OF THE INTELLIGENCE IDENTITIES PROTECTION ACT

(Mr. BOLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BOLAND. Mr. Speaker, in the past several years the intelligence activities of the U.S. Government have been exposed to the light of public scrutiny to a degree never before witnessed in this or any other country.

Presidential commissions, congressional committees, judicial decisions, investigative reporters, have all, at one time or another, given us a detailed glimpse of the day-to-day practices of our intelligence agencies.

To an unfortunate degree, some of these practices were found wanting—wanting in terms of their compatibility with American values, morals, laws, and constitutional precepts.

We have now, I believe, taken the painful but necessary steps to bring a halt to such practices and to insure that they do not occur again.

All of this has not taken place without rancor, divisiveness, and heated debate among our people and within the Government.

Significantly, however, both sides of the debate have always proceeded on the unquestioned assumption that it is both necessary and proper for this country to possess a clandestine intelligence service.

The operating heart of any such service is the use of undercover agents and officers overseas to collect intelligence information. Obviously, if the names of these people are spread upon the public record their usefulness is ended and the effectiveness of the clandestine service is diminished.

In my opinion and, I think, in the opinion of the overwhelming majority of the American people, unauthorized disclosure of the names of undercover intelligence agents is a pernicious act that serves no useful informing function whatsoever. It does not alert us to abuses; it does not further civil liberties; it does not bring clarity to issues of national policy; it does not enlighten public debate; and it does not contribute one iota to the goal of an educated and informed electorate.

Whatever the motives of those engaged in such activity, the only result is the complete disruption of our legitimate intelligence collection programs—programs that bear the imprimatur of the Congress, the President, and the American people. Such a result benefits no one but our adversaries.

Therefore, today I and the 13 other members of the Intelligence Committee have introduced "The Intelligence Identities Protection Act." It is a carefully drawn bill designed to protect the undercover identities of a narrowly defined group of U.S. intelligence officers and agents.

The bill achieves this purpose by making the unauthorized disclosure of such identities a criminal offense subject to different penalties and elements of proof depending on the status of the alleged offender. If the person disclosing the identity of an undercover CIA agent had authorized access to classified information containing such information, the prescribed penalty is a fine of $50,000 or 10 years imprisonment, or both. If the offender has had no access to classified information, the penalty is a fine of $10,000, or imprisonment for 1 year, or both, and the Government must prove that the defendant intended to impair or impede the foreign intelligence activities of the United States.

I fully recognize that this latter provision will be controversial. It could subject a private citizen to criminal prosecution for disclosing unclassified information obtained from unclassified sources. It was included in the bill only after careful, thorough, and somewhat agonizing deliberation. It reflects the realization that the unauthorized disclosure of the name of an undercover agent is no less damaging to the national security and no more beneficial to the public because it was disclosed by a private citizen instead of a CIA employee.

I trust that all of the bill's provisions will be fully aired in public hearings and that congressional debate will focus public attention on the crucial and controversial issues involved. In the final analysis what must be determined is whether an effective intelligence collection capability is compatible with the values upon which our democratic society is based. I think it is.

Mr. Speaker, I ask that a section-by-section analysis of the Intelligence Identities Protection Act be included in the Record at this point.

### Section-by-Section Analysis of Intelligence Identities Protection Act

The Act would add a new Title V to the National Security Act of 1947.

Section 501 would establish two separate offenses for the disclosure of information identifying certain United States intelligence personnel, depending on the status of the offender.

Section 501(a) would apply if the offender had authorized access to classified information containing the identity of certain intelligence personnel and discloses any information identifying such personnel. In such a case, the offender would be subject to a fine of $50,000 or imprisonment for not more than ten years, or both.

Section 501(b) would apply to any person who discloses information identifying certain United States intelligence personnel. In such a case, the offender would be subject to a fine of $5,000, or imprisonment for not more than one year, or both.

As to both categories, the government must prove that the intelligence relationship which is revealed by the disclosure is classified, that the disclosure was intentional, that the offender knew or had reason to know that the information disclosed identified protected intelligence personnel, that the offender knew or had reason to know that the United States was taking affirmative steps to conceal the intelligence relationship of the protected intelligence personnel, and that the person to whom the identifying information is disclosed was not authorized to receive classified information.

If the offender has not had lawful access to classified information, the government must also prove that the disclosure was made with an intent to impair or impede the foreign intelligence activities of the United States.

The Intelligence personnel whose identities are protected from disclosure by Section 501 (a) and (b) are:

Civilian officers or employees of the CIA or an intelligence component of the Department of Defense, or members of the Armed Forces assigned to duty with the CIA or such component, if such officer, employee or member is serving outside the United States at the time of the disclosure or has so served within 5 years preceding the disclosure.

Anyone, except a United States citizen residing within the United States, who is or has been an agent of, or informant or source of operational assistance to, the CIA or an intelligence component of the Department of Defense.

Section 502(a) establishes as a defense to a charge under 501 (a) or (b) the fact that the United States had, prior to the disclosure, publicly acknowledged or revealed the intelligence relationship which is the subject of the disclosure.

Section 502(b) (1) and (2) insure that a person who does not actually disclose information cannot be convicted under theories of aiding or abetting, misprision of a felony, or conspiracy unless the government proves an intent to impair or impede the foreign intelligence activities of the United States.

Section 502(c) requires the government, when attempting to prove the intent element of section 501(b), to produce some evidence of intent in addition to the inferences that may be drawn from the fact of the intentional disclosure. Thus, the legal principle that a person is presumed to intend the forseeable consequences of his actions cannot be used as the sole basis to prove that the defendant intended to impair or impede the foreign intelligence activities of the United States.

Section 502(d) insures that disclosures made directly to the Senate or House Intelligence Committee are not criminal offenses.

Section 503 makes clear that the federal government can prosecute a United States citizen or a permanent resident alien for an offense under Title 5, though the offense is physically committed outside of the United States.

Section 504 is intended to make clear that the provisions in this title cannot be the basis for an executive branch decision to withhold information from Congress.

Section 505 contains the definitions of the operative terms of the preceding provisions.

The term "classified information" means identifiable information or material which is protected from unauthorized disclosure for reasons of national security pursuant to the provisions of a statute or executive order.

The term "authorized" when used with respect to access to classified information, means having authority, right, or permission pursuant to the provisions of a statute, executive order, directive of the head of any department or agency engaged in foreign intelligence or counterintelligence activities, order of a United States district court, or provisions of any rule of the House of Representatives or resolution of the Senate which assigns responsibility within the respective House of Congress for the oversight of intelligence activities.

The term "disclose" means to reveal by any means whatsoever, including publication in the press or other public information media.

The term "intelligence agency" means the CIA or any intelligence component of the Department of Defense.

The term "informant" means any individual who furnishes or has furnished information to an intelligence agency in the course of a confidential relationship protecting the identity of such individual from public disclosure.

The terms "agent", "informant", and "source of operational assistance" do not include individuals who are citizens of the United States residing within the United States. Thus, for example, a disclosure that an American college professor, was, on a confidential basis, aiding CIA recruitment on campus could not be the subject of a criminal prosecution.

The terms "officer" and "employee" have the meanings given such terms by sections 2104 and 2105, respectively, of Title 5, United States Code.

The term "Armed Forces" means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

The term "United States", when used in a geographic sense, means all areas under the territorial sovereignty of the United States and the Trust Territory of the Pacific Islands.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I am delighted to yield to the very distinguished member of the select committee, the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Speaker, I am pleased to join with my colleagues on the permanent Select Committee on Intelligence and the committee's chairman, the gentleman from Massachusetts (Mr. Boland) in introducing the Intelligence Identities Protection Act.

Mr. Speaker, this legislation is desperately needed. We must provide all appropriate protection for the brave men and women who serve our vital national interests by working for our country undercover in foreign lands—often at their own personal peril.

After Philip Agee decided a few years ago to work for the destruction of his former employer, the Central Intelligence Agency, in some circles it has become a sort of perverse vogue to blow the covers off of U.S. intelligence personnel working secretly overseas.

The Director of Central Intelligence, Adm. Stansfield Turner, hit the mark dead center when he described as "traitors" those who are exposing the identities of our intelligence officers and agents. If these individuals were truly seeking to end all involvement of countries in the affairs of others, why are they only exposing U.S. operations and not those of the Soviet KGB or the Cuban DGI intelligence services? Is Philip Agee really anything other than a defector?

This legislation would make criminal the unauthorized disclosure of the identity of an intelligence officer or agent who is working overseas for the United States. If this act is undertaken by someone who gained the information through authorized channels, then the mere disclosure need only be proved for conviction. If the information is obtained through other means, then the Government must show that the individual charged with disclosure acted "with the intent to impair or impede the foreign intelligence activities of the United States."

While the need for this legislation cannot be overstated, the Congress must also act to revise existing statutes which seek to protect other types of information which have been classified to protect our national security. Hearings held in January of this year by the Intelligence Committee's Subcommittee on Legislation, on which I am honored to serve as ranking minority member, pointed clearly to the inadequacies of the current espionage laws. The call for change came from voices across the political spectrum, both from within the Government and without. It is my hope that in considering the legislation we are introducing today, the Intelligence Committee will, as well, consider proposals to change the espionage laws—including a proposal which I introduced in January, H.R. 1068, the Foreign Intelligence Information Protection Act of 1979, which 30 of our colleagues have joined as cosponsors.

Mr. Speaker, I commend the gentleman from Massachusetts for sponsoring this legislation, and I am sure that with his leadership in the Intelligence Committee, we will in due course be bringing this legislation to the floor for consideration by the full House of Representatives.

Mr. BOLAND. Mr. Speaker, I thank the gentleman.

As the gentleman from Illinois has indicated, this is a proposal which has been sponsored by the 13 members of the

Intelligence Committee. The Intelligence Identities Protection Act is a carefully drawn bill designed to protect the undercover identities of a narrowly defined group of U.S. intelligence officers and agents.

## THE EPA'S FUGITIVE DUST POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 15 minutes.

Mr. GRASSLEY. Mr. Speaker, the time has come to provide EPA with some guidance as to the effect of their application of the fugitive dust policy on the economy of rural agricultural States. In an attempt to stay within their statutory authority and apply the law in a universal fashion, EPA has clouded the future economy of many agricultural States. While it is understandable that EPA might be reticent to deviate from their interpretation of the act, their conclusions are unacceptable to Iowans and other affected States.

Rather than constant haggling, it seems to be a more intelligent solution to present EPA with a clear picture of what Congress wants. I do not believe any Member of Congress wants to see public health endangered by air pollution. I also believe that many Members of Congress want the States to have some input into what they consider to be their own public welfare. Iowans do not consider blowing agricultural dust detrimental to their public welfare. EPA cannot tell Iowans why blowing dust is detrimental to their welfare; they can only tell them that it might be detrimental to their welfare in some unknown ways.

EPA is in a bad spot. They want to error on the side of safety, so they are saying "since we don't know, we'll count blowing dust toward your achievement of ambient air quality standards." Individuals sue EPA constantly, and it is understandable that the Agency does not want to be left out on a limb.

The bill I am introducing today will provide EPA with the necessary guidance they should have. It merely amends the Clean Air Act to tell EPA that if they are satisfied that the primary attainment standards for public health have been met by a State, including its blowing dust, then a State may decide whether or not the concentrations of rural fugitive dust adversely affect that State's welfare.

This addition to the act should clarify the State and Federal roles in achieving national ambient air quality standards. It will also free EPA to concentrate on the more serious aspects of air pollution without exposing them to lawsuits. This measure warrants your support, and I hope you will join me in clarifying this policy.

H.R. 5618

A bill to insure the minimum degree of economic disturbance in the agricultural sector of the economy consistent with protection of the public health and welfare, by clarifying the administrative standards to be used in determining when secondary ambient air quality standards have been met in areas with rural fugitive dust

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. The Congress finds that:

(1) Certain States, particularly States with significant agricultural production, have a high proportion of natural, windblown fugitive dust from farm fields, open spaces, rural roads and similar sources.

(2) If these States must include such rural fugitive dust when determining whether secondary ambient air quality standards designed to protect public welfare have been met, less industrial growth will be allowed in these States than in others which do not have rural fugitive dust. Such a result was not intended and would unfairly penalize agricultural and other States with these conditions. There is an urgent need to resolve this problem.

(3) States should be given the discretion to determine for themselves whether concentrations of rural fugitive dust adversely affects their overall general welfare.

SEC. 2. Section 110 of the Clean Air Act is amended by adding the following new subsection at the end thereof:

"(k) For purposes of determining whether or not any applicable implementation plan meets any requirement of this section with respect to national secondary ambient air quality standards for total suspended particulates, concentrations of rural fugitive dust (as defined by the Administrator) shall not be taken into account."

## REPEAL OF AIRCRAFT USE TAX

The SPEAKER pro tempore. Under a preivous order of the House, the gentleman from South Carolina (Mr. HOLLAND) is recognized for 5 minutes.

● Mr. HOLLAND. Mr. Speaker, I am today introducing legislation to repeal the annual tax on use of civil aircraft. This levy has been on the books since the Congress enacted the Airport and Airway Revenue Act of 1970. It is one of several taxes which were imposed by that statute to provide revenue for the airport and airway trust fund—under which airport development and air navigation facility programs have been funded since 1970. By every measure, the aircraft use tax is one of the prize nuisance taxes of the many which have been inflicted on our citizens over the years—and we can strike a blow for tax reform by repealing this one forthwith.

Mr. Speaker, the aircraft use tax—also known as the aircraft registration tax—is levied on all civil aircraft at the following rates: $25, basic rate applicable to all civil aircraft, plus 2 cents per pound of maximum certificated takeoff weight in excess of 2,500 pounds, if aircraft is not turbine powered; or 3½ cents per pound of total maximum certificated takeoff weight, if aircraft is turbine powered.

The Internal Revenue Service (IRS) states that the amount of revenue collected from the $25 portion of the aircraft use tax is not known—but it was estimated some years ago by the Senate Finance Committee that it would raise $5 million in fiscal year 1978. IRS further advises that the total amount collected during fiscal year 1978 under the rates cited above was $22,609,000.

Now, Mr. Speaker, I do not contend that $22 million is a paltry sum—far from it. But it is true that the revenue derived from this tax is only a miniscule portion of the $1.4 billion raised annually by the several aviation taxes imposed by the 1970 act. The 8-percent airline ticket tax brings in the lions share of the revenue flowing into the trust fund—about $1.2 billion or some 85 percent.

It seems evident to me, Mr. Speaker, that the aircraft use tax is rightfully categorized as a nuisance levy. The $25 basic tax applies to all civil aircraft regardless of size—from the smallest to the largest. And most civil aircraft are small single-engine aircraft—at least 90 percent of the 200,000 active civil aircraft throughout the country. About 98 percent of all civil aircraft are general aviation aircraft. It should be noted here that the 1970 act also imposed a 7-cents-per-gallon tax on general aviation fuel—in addition to the aircraft use tax. So it cannot be said that general aviation would not be "paying its way" if we repeal the aircraft use tax.

Mr. Speaker, I am informed that IRS cannot estimate the costs it incurs in collecting the aircraft use tax. My guess is that they are exorbitant—perhaps in excess of the revenue collected. Many aircraft owners are not even aware that such a tax exists—and I am advised that IRS is undertaking a concerted enforcement campaign utilizing FAA registration records.

Mr. Speaker, I think it is time for us to repeal this irksome, inequitable levy. And I invite my colleagues to join me in this effort. It is a chance for us to do something positive for aviation—and we should bear in mind that more than 800,000 of our citizens are duly licensed aircraft pilots.

The bill I am introducing today is a tax reduction measure with minimal revenue implications. It is a proposal we can all support without reservation.

The full text of the bill follows:

H.R. 5620

A bill to repeal the tax on use of civil aircraft

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Airport and Airway Revenue Act of 1970, as amended (84 Stat. 236 et seq.), is amended—

(1) by striking out section 206 thereof, and

(2) by renumbering sections 207 through 211 thereof as sections 206 through 210.

SEC. 2. The effective date of this Act shall be January 1, 1980.●

● Mr. SCHULZE. Mr. Speaker, I rise to express my full support for the efforts of my friend and colleague, the gentleman from South Carolina, to repeal the existing tax on use of civil aircraft. This is one of those petty little levies which the country can well do without—and I am happy to join my colleague in cosponsoring the bill he is introducing today.

The gentleman has explained the rationale for proceeding with his proposal—and I concur fully with his remarks, the aircraft use tax raises very little revenue—yet, its enforcement consumes inordinate amounts of time and resources at the Internal Revenue Service, and submission of the requisite return is a bothersome annual chore for aircraft owners. I agree that its repeal would be in the best interests of all concerned—the Federal Government and aircraft owners alike.

I urge my colleagues to join me in cosponsoring the legislation proposed by my friend from South Carolina, Mr. HOLLAND.●

## GAO WARNS CONSUMERS AGAINST NOW ACCOUNTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on September 11, 1979, when my colleagues overwhelmingly passed legislation to permit nationwide NOW accounts (negotiable orders of withdrawal), I warned that this legislation was the biggest consumer rip-off to come down the pike in a long time. Nobody listened. Now, the General Accounting Office (GAO) has issued a report which supports me on this issue.

NOW accounts are accounts only for the wealthy. GAO states that—

> Depositors who can meet and maintain the minimum balance requirements can indeed benefit from transfer fund plans. However, those who cannot do so would fare better with regular checking and savings accounts.

What are these minimum balance requirements? They range from $200 to $5,000. In fact, the average balance in a New York State NOW account is $7,000. How many people in your district have $7,000 to put into a checking account?

There are some 35 million checking account customers in this country with balances of less than $200. NOW accounts will do nothing for them, and will probably hurt them in the long run. The interest paid on NOW accounts will have to come from somewhere, and it will most likely be from higher interest paid on loans and other bank services. Those charges will be borne by the small depositor while the rich guys happily collect interest on their consumer-oriented NOW accounts.

Both in the subcommittee, and again in the full Banking Committee, I offered an amendment which would have made NOW accounts available to those with a minimum deposit of $100. Both times it was defeated.

But, not only does the GAO agree with me that NOW accounts will not benefit the little guy, they also state that shopping around for the best NOW account isn't a simple matter.

Banks which offer NOW accounts are reluctant to advertise the conditions in simple language, and for good reason. Who wants to advertise a sham? GAO researchers noted that they could not get all the facts they needed to analyze the costs and benefits of the new NOW accounts from bank advertisements. Additional phone calls to bank officers were necessary to answer such basic questions as:

How is the interest compounded? How is the minimum balance compounded? How do service charges change when the depositor meets or fails to meet minimum balance requirements? This is basic information and it is being withheld.

The less sophisticated consumer will undoubtedly be duped into opening a NOW account which promises wealth from checking accounts. While profit-hungry financial institutions cackle with delight as they rake in new-found profit from NOW account service charges, their secretaries will be writing letters to 367 Members of the House of Representatives thanking them for their support on this issue.

Mr. Speaker, we blew it.●

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. FERRARO. Mr. Speaker, due to the fact that on the last two Fridays on which the House remained in session beyond the 3:30 adjournment target, I have been unable to be present on the floor of the House for several votes. The first of these occasions was on Friday, September 28, 1979, when my presence was required at a long-standing commitment to participate in a weekend conference with Italian legislators. The second time was last Friday, October 12, 1979, when my presence was required at the White House. Had I been present at those times, I would have voted as follows:

SEPTEMBER 28, 1979

Rollcall No. 526: Passage of H.R. 3642, to extend the programs under section 789 and title XII of the Public Health Service Act relating to emergency medical services, "yea."

Rollcall No. 527: An amendment to House Resolution 367, the rule providing for consideration of H.R. 2859, the Domestic Volunteer Service Act amendments. The amendment provided for 2 hours of general debate, "yea."

Rollcall No. 528: Passage of House Resolution 367, the rule providing for consideration of H.R. 2859, the Domestic Volunteer Service Act amendments, "yea."

Rollcall No. 529: A motion to resolve into the Committee of the Whole, "aye."

Rollcall No. 530: Passage of House Resolution 393, the rule providing for the consideration of H.R. 2172, the International Sugar Stabilization Act of 1979, "yea."

OCTOBER 12, 1979

Rollcall No. 567: Passage of H.R. 2061, the Justice System Improvement Act, "aye." ●

## VICE PRESIDENT MONDALE'S SPEECHES—AN APPROPRIATE BRACKET TO THE POPE'S STAY IN WASHINGTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, there were hundreds of significant speeches given during Pope John Paul's stay in America. But except for the words of the Pontiff himself, none touched me as deeply as those made by Vice President MONDALE at the Pope's arrival and departure.

These two short speeches bracket the time Pope John Paul spent in our Nation's Capital and appropriately express both our joyful anticipation of his presence and thoughtful reflection on that experience. We looked forward to learning more about a man who has become a moral and political force in the world. We then looked back on what he taught us about ourselves.

In his lyrical and moving comments, Vice President MONDALE captures the feelings many of us have about the Pontiff who captured our hearts. I would like to insert the Vice President's comments in the RECORD.

The comments follow:

(Following is a shortened version of Vice President Mondale's greetings to Pope John Paul II on his arrival at Andrews Air Force Base)

Your Holiness, distinguished visitors from the Holy See, and friends. It is with joy, with friendship, with honor that I welcome your Holiness to the capital of our nation.

For the American people, for President Carter and for this city you exalt by your presence, welcome to Washington on this glorious day.

We watched you from afar as you won the love of men and women all around the globe, in Mexico where you stirred the hearts of our neighbors, in Poland where you celebrated the irrepressible human spirit of your native land, in Ireland where you summoned the power of love, that it might triumph over hate.

We watched and we waited. And now you have come to America. We have discovered for ourselves what man it is who won the love of the world—truly a global leader, a lover of liberty, a messenger of hope and joy and love. And we have discovered something more. Through you, we have rediscovered a portion of ourselves.

In the midst of all the problems that confront us, we sometimes forget the enduring values that have struck deep roots in this American soil. And sometimes it takes a visitor from far away, a visitor who sees our visions and our dreams to put us back in touch with the meaning deep within our own land.

How many millions of Americans proudly repeated the words that you spoke when you arrived in our country: "And crown thy good with brotherhood, from sea to shining sea."

And how many in those happy and exuberant crowds were reminded that we believe as you do in the democracy born in Philadelphia, in the freedom you loved and praised in front of the Statue of Liberty, in the quiet strength and family spirit you found in our farm lands and too in the promises still to be met and the work yet unfinished in Harlem . . .

Your Holiness, welcome, welcome to Washington.

### REMARKS OF VICE PRESIDENT WALTER F. MONDALE AT THE FAREWELL CEREMONY FOR HIS HOLINESS POPE JOHN PAUL II

Your Holiness, distinguished visitors from the Holy See, ladies and gentlemen:

A great writer once said that when you truly treasure each moment, time passes slowly. Your Holiness, you have been in America only seven days—and yet you have bestowed so many treasures, and so renewed our spirit, that we feel your presence has always been among us, and that it always will.

Years ago, you wrote a poem to God, saying He was "a channel, unleashing a force called man." You, too, are a channel, carrying rivers of hope and love to all the people of the world.

You are the philosopher—who has taught us that in this modern age of complexity and doubt, there still is a sacred difference between right and wrong.

You are the statesman—who has promoted the cause of freedom the whole world over.

And you are the poet—who sings us a hymn to life, and assures us that life is not to be endured, but to be loved and enjoyed.

This is the successor of Peter that Americans of all races and religions have discovered. And they have welcomed your message.

You have said that where there is plenty, it must be shared; where there are arms, they must be controlled; where there are humans, there must be rights; where there are rights, there must be respect; and where there is life, there must be love.

Your Holiness: The moments of your stay will live in our memory for years. These thoughts you kindle will live forever. On behalf of the American people, I thank you. I wish you farewell.●

## STATEMENT OF REPRESENTATIVE FERNAND J. ST GERMAIN IN RECOGNITION OF NATIONAL SOLIDARITY DAY FOR CIVIL RIGHTS FOR THE HANDICAPPED TO BE OBSERVED IN PROVIDENCE, R.I., ON SATURDAY, OCTOBER 20, 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, nothing is so deplored in its presence, or missed in its absence, as is work. Who does not complain loudly about Monday morning after an enjoyable weekend? What worker does not look forward to his vacation each year? Yet, if every day were a Saturday, every week a vacation, how many would truly be happy with such an existence?

Of course, this is partly because most of us recognize that, in order to provide the necessities for ourselves and our families, we must work. Furthermore, a basic belief in our society is that the harder one works and the more demanding or necessary one's job, the greater the rewards will be. Beyond this, historically individuals have been defined by their jobs. What you do is who you are. This is even reflected in names—Smith, Farmer, Baker, come instantly to mind.

We have long recognized a responsibility to handicapped individuals. We have provided support, so that those who cannot provide for themselves will be provided for by society. It is now time that we realize that many people who are handicapped in one way or another are quite capable of performing demanding tasks. Not only are they capable, they are more than willing.

They, too, want a chance to accept the challenges, and, if successful, to reap the rewards of today's complex workplace. They want the self-esteem that comes with knowing they are contributing, and the respect of their employers and coworkers, who will recognize their competence. What they do not want is to remain in low-paying, undemanding jobs when they are capable of much more. They do not want to be condescended to, to be subsidized, merely carried on a payroll. They want the chance to prove what they can do and the chance simply to be rewarded for their abilities, rather than stigmatized by their disabilities. We must allow handicapped people the chance to define themselves, as do the rest of us, not by what they cannot do, but by what they can do.

In assuring the handicapped their right to protection against discrimination in employment, all of us will benefit, not only in obvious economic ways, such as reducing welfare costs and increasing income tax revenues, but in more intangible ways as well. Underutilizing the abilities of our work force breeds discontent; it leads to less productivity; it denies us access to the very best our society has to offer. All Americans must be able to seek jobs knowing that they will be judged not on some extraneous factor, such as their sex, race, or handicap, but on their qualifications for the job. Only then can we truly say that our Nation fulfills the vision of our forefathers by providing equal opportunity for all.●

## THE RETURN OF THE SWEATSHOP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 10 minutes.

● Mr. WEISS. Mr. Speaker, maintenance of fair labor standards is entirely dependent on uniform enforcement of Federal laws covering the workplace.

If a sector of the American workforce is unprotected by minimum wage standards and occupational safety and health provisions, all workers in our Nation suffer as a consequence. Unscrupulous employers are able, in a situation such as this, to pit the unprotected group against other workers and to undermine job security, fair pay practices and due process for all employees.

This scenario is a reality in the United States today. Millions of undocumented workers are presently laboring in atrocious conditions for subsistence wages. The hard-won gains of the labor movement are being imperiled because of the existence of this enormous subclass of undocumented aliens.

The solution to this growing problem lies not in wholesale deportation of workers who are not citizens or registered aliens, but rather in a realistic and fair response by the Federal Government.

An article appearing in the August 13 issue of the New Leader examines this entire question and offers some compelling proposals. Because this issue is germane to so many of my colleagues, I am sure they will be interested in this thoughtful analysis:

### THE RETURN OF THE SWEATSHOP

(By Jay Mazur)

Our modern industrial society is rich in paradox. Although various economic and social forces have combined to provide the majority of workers with a respectable standard of living and at least some protection from arbitrary employer power, the very same forces have resulted in many other workers being made to suffer the indignities of the common sweatshop. In some industries, moreover, sweatshops operate alongside shops whose employees receive decent wages, and enjoy the benefits and job security offered by collective bargaining. A striking example is the New York garment industry, where today well over 500 sweatshops noted for subminimum wages, long hours, no fringe benefits, employer intimidation, and frequent firings coexist with the shops covered by union contracts. Hidden away in the alleys and garages of the South Bronx, Brooklyn and Queens, and in parts of Manhattan, these sweatshops have gradually increased their share of the city's garment production. Consequently, wages and working conditions throughout the industry, as well as in other labor-intensive industries, are being undermined.

The return of the sweatshop is not attributable to human greed alone. True, sweatshop owners are a special breed of businessmen who, unlike most businessmen, seek to maximize profits unconstrained by socially agreed upon norms; they left nothing—not the health, the livelihood, or the worthiness of the workers—stand in their way. But the large-scale abuse of labor standards is ultimately not just a matter of personal morality. In significant measure, the sweatshop has been able to flourish again because of the misguided policies government leaders have pursued throughout this dismal decade. In the case of the garment industry—perhaps the only one where Adam Smith's laws of the market are still obeyed—unrestricted imports of cheaply-made goods from abroad and the sluggish behavior of the U.S. economy have greatly intensified competitive pressures. At the same time, government programs that were playing an important role in the enforcement of labor codes have been undercut. Add to all this the recent immigration of several million undocumented workers—"illegal aliens," in the unfortunate popular term—and you have all the ingredients for the rebirth of the sweatshop.

Possessing no legal rights to residence or employment in this country, the new immigrants find themselves condemned to the status of the underclass. They are easy prey for employers eager to unjustly depress labor costs, who see them as ideal employees. In labor intensive industries, where competition is severe, the ability of employers to compel undocumented workers to accept low and even subminimum wages helps sweatshops multiply and thrive. Comprehensive wage data does not yet exist, but the most authoritative studies' demonstrate that the typical undocumented worker earns less and works longer hours than the native worker employed in a comparable job. What is more important, it is estimated that almost 25 per cent of undocumented workers earn less than the Federal minimum wage.

The dollar savings is only one of the factors making undocumented immigrants an enticing labor force. As part of an underclass bereft of legal standing and protection, these workers are easily disciplined and, therefore, highly unlikely to join a union or even report employer violations of state and Federal labor laws. Those who speak up, or exhibit pro-union sympathies, soon find themselves on the street or in the clutches of the Immigration and Naturalization Service (INS). Insecure in their homes and their jobs, undocumented workers live in fear of detection, detention and eventual deportation—a fear that provides employers with their most effective disciplinary weapon.

The workings of this discipline is a heartrending drama played out daily in the garment sweatshops of New York. One recent poignant incident involved a group of undocumented women workers who came to the offices of Local 23–25 of the International Ladies' Garment Workers' Union (ILGWU) seeking redress from their employer, the owner of a nonunion shop in the Elmhurst section of Queens. For weeks they had labored daily from 7:00 a.m. to 11:00 p.m., earning a mere $15 for this 16-hour day, but their immediate grievance was much more basic: Their paychecks had been returned marked "insufficient funds." When they asked the employer to make good the checks, he replied, knowing full well that they were undocumented workers, that he would do so if they would produce their "green cards," the registration document foreigners are required to secure from the INS that in effect amounts to a work permit. A union organizer sent to look into the situation was confronted with the same response. Scared of deportation, these workers dropped their complaints and changed their addresses that very night. Some of them have since been placed in jobs in union shops; the rest, unfortunately, must have moved on to other sweatshops where in all likelihood, they will once again be abused and exploited.

Union organizing drives in industries where undocumented workers make up a large proportion of the labor force are hampered in two ways. First, many undocumented workers are unfamiliar with the nature and purposes of unions. Coming from poor countries where unions are often government-controlled, employer dominated, weak, or simply nonexistent, many foreign workers look upon union organizers as extensions of the government. They suspect that involvement with a union—signing a union authorization card, attending a meeting, or merely talking to an organizer—might very well increase the probability of apprehension by INS agents. Understandably, undocumented workers prize anonymity, and contact with unions necessarily diminishes this.

Second, many employers have cleverly used the INS as insurance against union drives. In California, for instance, employers faced with union representation elections have frequently called in INS agents shortly before the voting. On election day, many potential union supporters are either back in their home countries, or attempting to avoid deportation. To some extent, this practice has been curtailed by an ILGWU suit against the INS which resulted in a court order requiring that INS agents obtain search warrants before raiding shops. But this ruling, along with a whole series of others, is only the beginning of an effort to clarify many constitutional questions involving the rights and status of undocumented aliens.

To eradicate sweatshops, we first need to eliminate or at least to erode their economic advantages. Since the advantages stem primarily from their ability to compel workers to accept inferior wages and working conditions, the course of action is clear: The basis of compulsion—fear among undocumented workers—must be removed. This can be accomplished by easily transforming "illegal aliens" into legal resident aliens—workers who lack full citizenship rights, yet need not fear deportation to their homelands. In other words, I am suggesting that we declare a full amnesty for undocumented workers already living in the United States. Such a policy would, in a single sweep, end the underclass status of millions of individuals.

A full, unqualified amnesty, however, is a highly controversial proposal. President Carter's limited amnesty, as embodied in the legislation proposed last year by Representative Peter Rodino (D.-N.J.) in the House and by Senators Edward M. Kennedy (D.-Mass.) and James O. Eastland (D.-Miss.) in the Senate, quickly came under heavy attack from large agribusiness interests and lobbyists for small, labor-intensive enterprises. Both of these groups, of course, have a strong interest in preserving the status quo. Some of their allies on the Hill have gone so far as to suggest that fines be imposed on undocumented workers. Representative William S. Broomfield (R.-Mich.) introduced a bill calling for fines of $500 to $2,000 and prison terms of one to five years for apprehended "illegals."

Nor is opposition to a full amnesty limited to those with a direct economic stake in maintainng an underclass of frightened, intimidated workers. Many ordinary citizens also oppose amnesty. They erroneously view it as an open invitation to millions of unskilled, low-wage workers sitting on the other side of the Mexican border, or in countries like Greece, the Dominican Republic, Haiti, and now even Vietnam. This inspires the concern that the flood of foreign labor into the U.S. will threaten their jobs, undermine their unions, and increase the burdens on their tax-financed social welfare systems. In short, amnesty is not a popular proposal.

But much of the anti-amnesty sentiment reflects a popular mythology about undocumented workers. According to these legends, foreign workers aggressively compete with native workers for decent-paying jobs. They come to stay, to permanently sink their roots in the American economy. And they arrive laden with dozens of sickly children who need health care, education and food stamps.

The facts belie each myth. Undocumented workers are not a significant cause of unemployment among native workers. An exhaustive study of apprehended undocumented aliens conducted for the U.S. Department of Labor found that over 75 percent of them held unskilled or semiskilled jobs, with the vast majority receiving wages far below the level usually acceptable to Americans. Only 1.6 per cent worked as professionals or in technical jobs, and only 15.5 percent could be classified as craftsmen. Thus, at most a very small portion of undocumented workers are effectively in economic competition with native American workers.

This rather slight competitive impact can be partially explained by refuting the widespread myth that all undocumented workers come to the United States in order to begin a new life. Numerous studies have shown that generally they are temporary immigrants, intent upon returning home as soon as they have enough money to buy a house, some more land, or a store. Typically, an undocumented worker will undergo severe deprivations or work several jobs to accumulate the needed sum in as short a time as posible. Many who are from Mexico come for stays of as little as six months, or are "shuttle" migrants who spend a few working months a year in the U.S. and otherwise reside and work in Mexico. Undocumented workers who emigrate from the Caribbean or the Eastern Hemisphere countries tend to stay longer, since distance and the cost of travel make short trips impractical, but the available data indicate that they rarely extend their time in the U.S. beyond 2–3 years.

The assertion that undocumented workers drain government revenues by further burdening already overtaxed social services is another unsupported myth. The U.S. Labor Department study found that only a small number of undocumented workers ever avail themselves of tax-financed services: Five percent of those sampled had made use of free medical care; 3.9 percent had received unemployment benefits; 1.3 percent had succeeded in procuring food stamps; and less than 1 percent had obtained welfare payments. To the extent that undocumented immigrants make use of essential services—fire protection, police water—they do draw on public funds. Yet the irony here is that their illegal status accounts for the adverse effect. Municipalities are increasingly reliant on Federal grants that are based on population estimates. Unfortunately, the illegal status of the undocumented immigrants prompts them to hide from census takers and other collectors of information. Clearly, amnesty would eliminate this problem.

Unnoticed in the hue and cry over the use of services, incidentally, are the considerable cash contributions undocumented workers make to the public coffers. Every study has found that approximately 75 percent of them have Federal income and Social Security taxes withheld from their paychecks. These payments are partly "free" additions to the government's treasury, because most undocumented workers are so fearful of any contact with an official agency that they hardly ever file for the income tax refund they are usually entitled to. Similarly, since it is unlikely that many undocumented workers will be in the U.S. long enough to qualify for Social Security, their payments help to replenish these hard-pressed funds. Like all of us, meanwhile, undocumented workers buy goods and pay for services. In areas with large concentrations of undocumented workers, this participation in the local economy is of no small weight. Despite the infrastructural costs arising from the physical presence of undocumented immigrants, therefore, their net contribution to the economy and to the well-being of the society is positive.

While amnesty must be the cornerstone of any serious effort to counter the sweatshops, it has to be accompanied by a renewed commitment to enforcing labor standards and reforming the INS. The policing of labor codes has fallen off drastically. In New York State, for example, the State Labor Department's budget was slashed by 40 percent in 1976, wiping out the unannounced field investigations that had been an integral component of the Division of Labor Standards' activities since the early 1930s. At present, inspections are performed only in response to complaints from workers, leaving sweatshop employers virtually free to act as they please.

Compliance with local and national labor codes can be immediately tightened without further legislation if adequate funding is restored. Inefficiencies caused by overlapping jurisdictions can be remedied as well by coordinating the activities of the various Federal and state agencies responsible for the enforcement of wage, child labor, health, and safety standards, and by targeting the industries most prone to abuse. Ultimately, though, new standards and penalties have to be set. Criminal penalties and stiff fines should be imposed on employers who violate basic labor standards, and goods produced under illegal conditions should be permanently confiscated.

In addition, the Immigration and Naturalization Service must be reorganized. Historically, the INS has suffered from severe underfunding and administrative neglect—a phenomenon influenced by the desire of agribusinesses and nonunion employers in a low-wage industries to maintain a steady flow of undocumented immigrants. The consequent highly selective enforcement of the immigration codes encourages abuses and undermines the agency's credibility. Moreover, the Service is plagued with massive bureaucratic backlogs; it frequently takes 48 months to process those fortunate "green card" applications that do not get lost in the INS' enormous file, deterring potentially "legal" immigrants from following proper procedures.

Whether the nation will choose these policies as a way out of the sweatshop is as yet unclear. The mood is changing, however, and the signs are promising. Recently, the Carter Administration established a Select Commission charged with a full review of immigration and refugee policies, thereby tacitly acknowledging the shortcomings of its earlier proposals. As critics had noted, the limited amnesty proposed by the President arbitrarily disenfranchised immigrants who had come to the U.S. since 1970, and also lent itself to abuse, for there is no way to accurately determine the length of an undocumented worker's stay.

Arresting the slide back into the sweatshop is the immediate task confronting the Select Commission. This is contingent on relieving undocumented workers of the stigma of illegality. Despite our society's increased reliance on immigrant labor, we have consistently denied any obligations to these workers. In this way, we have condemned them to the status of an underclass and acquiesced in their exploitation. Only by freeing them from their vulnerability to unscrupulous employers can we restore a modicum of justice and decency to the workplace. And only such a policy is in keeping with the American tradition of championing human rights throughout the world.

Beyond amnesty lies the troubling question of regulating the future flow of immigrants. While unrestricted immigration is not the answer, the long controversy over immigration policy suggests that simple, pleasing solutions are not readily available. The United States must begin to rethink its overall approach to immigration in the light of current economic realities, not only here but in the home countries of prospective immigrants. We must realize that the labor market is becoming truly international in scope and that national boundaries, even when heavily patrolled by guards, are becoming increasingly irrelevant for thousands of foreign workers.●

## FLOOD CONTROL REGULATION PROCEDURES

(Mr. WHITTEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. WHITTEN. Mr. Speaker, in the Continuing Resolution which we got through the Congress last Friday night, October 12, 1979, and which was immediately signed by the President, I included the following provisions, which became law.

I quote:

> SEC. 108. None of the funds available to the Department of Defense—Civil, Department of the Army, Corps of Engineers—Civil in fiscal year 1980 shall be available, except on a voluntary basis, for the acquisition of land or easements at or around the four lake projects in the Yazoo Basin, Mississippi, pending the submission to Congress of a plan for changing the curve by which the flow is regulated in line with the instructions contained on page 60 of the conference report accompanying H.R. 4388 and of alternative solutions for the protection of Coffeeville, Mississippi, and other properties affected by the flood control operation at the project.

The report referred to and by reference a part of this action, provides as follows. I quote:

> The Chief of Engineers is directed to review the current flood control regulation procedures for the Yazoo Basin Headwater lakes with a view toward determining whether modifications should be made in these procedures that would increase the downstream flow in the rainy non-farming season so as to decrease soil erosion from the foothill area and enable the Corps to retard or stop the flow at such times as may improve the planting, cultivation and harvesting of crops on lands near the reservoirs.

Mr. Speaker, this action came because lands were being taken by eminent domain or threat of such action, certainly without my knowledge and I believe at prices below real value. Public hearings had not been held and from present information, the town of Coffeeville, Yalobusha County, Miss., was endangered and its economy being threatened.

The Corps of Engineers can obtain land by consent of the owner.

According to the Corps of Engineers, time has proven early estimates of flooding have proven faulty. Doubtless the clearing of land has been a factor too.

For some years, many landowners and some engineers have believed that the corps might, by changing its procedures; letting the water out during the rainy season, improve farming conditions generally.

Mr. Speaker, there are four reservoirs, four dams, Arkabutla, Sardis, Enid, and Grenada, each different but all part of the same project and becoming the same stream, the Yazoo River.

These dams were provided for by law before I came to Congress. Since I came here, I was able to get jury trials for the landowner, 75 percent of the land rental back to the counties for roads and schools, recreation facilities, and roads, for State parks.

Once again, I have been able to get the Congress to support my efforts to relieve to some degree present problems. The Corps of Engineers assure me they will be cooperative.

Mr. Speaker, I wish to thank my colleagues here and Members of the Senate for their support.●

## GENERAL LEAVE

Mr. SWIFT. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from South Carolina (Mr. HOLLAND).

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. DOUGHERTY (at the request of Mr. RHODES), from 2 p.m. today, on account of official business.

Mr. GARCIA (at the request of Mr. RANGEL), for the balance of this week, on account of death in family.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PASHAYAN) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 15 minutes, today.

Mr. GRASSLEY, for 15 minutes, today.

Mrs. SMITH of Nebraska, for 30 minutes. on October 18, 1979.

(The following Members (at the request of Mr. SWIFT) to revise and extend their remarks and include extraneous material:)

Mr. HOLLAND, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Ms. FERRARO, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. WEISS, for 10 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PASHAYAN) and to include extraneous matter:)

Mr. MICHEL.
Mr. FINDLEY in two instances.
Mr. MCKINNEY.
Mr. DANIEL B. CRANE.
Mr. DANNEMEYER.
Mr. DOUGHERTY.
Mr. GILMAN in two instances.
Mr. MCCLOSKEY in two instances.
Mr. BROYHILL.
Mr. SYMMS.
Mr. ROTH.
Mr. DERWINSKI in two instances.
Mr. MITCHELL of New York.

Mr. Lott.
Mr. Bereuter in two instances.
Mr. Miller of Ohio in two instances.
Mr. Ashbrook in three instances.
Mr. Solomon.

(The following Members (at the request of Mr. Swift) and to include extraneous matter:)

Mr. Benjamin.
Mr. Pickle in 10 instances.
Mr. Wolff in two instances.
Mr. Gudger in two instances.
Mr. Hamilton.
Mr. Stark.
Mr. Sabo.
Mr. Conyers.
Mr. Ford of Michigan.
Mr. Roe.
Mr. Santini.
Mr. Dodd in two instances.
Mr. Solarz in two instances.
Mr. Scheuer.
Mr. Cavanaugh.
Mr. Udall.
Mr. Won Pat.
Mr. Wright.
Mr. Edwards of California.
Mr. AuCoin.
Mr. Duncan of Oregon in three instances.
Mr. Kildee.
Mr. Zablocki in two instances.
Mr. Hawkins.
Mr. Bedell.

## SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 83. Joint resolution to authorize the Camp Fire Girls of Cundys Harbor, Maine, to erect a memorial in the District of Columbia; to the Committee on House Administration.

## ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3173. An act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1980, and for other purposes.

## ADJOURNMENT

Mr. SWIFT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p.m.) the House adjourned until tomorrow, Thursday, October 18, 1979, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2658. A letter from the Deputy Assistant Secretary of the Interior of Land and Water Resources, transmitting a management plan for the upper Missouri River, Mont., pursuant to section 3(b) of the Wild and Scenic Rivers Act, as amended; to the Committee on Interior and Insular Affairs.

2659. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for additional authorization for appropriations for the Tinicum National Environmental Center; to the Committee on Merchant Marine and Fisheries.

2660. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the General Services Administration Building in Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2661. A letter from the Comptroller General of the United States, transmitting a report on the coordination of Federal weather programs (LCD-80-10, October 16, 1979); jointly, to the Committees on Government Operations and Science and Technology.

2662. A letter from the Chairman, U.S. Water Resources Council, transmitting a draft of proposed legislation to authorize State participation in municipal and industrial water supply agreements for payment for water supply from Federal water resources development projects in order to promote water conservation together with cost recovery; jointly, to the Committees on Interior and Insular Affairs and Public Works and Transportation.

2663. A letter from the Federal Inspector for the Alaska Natural Gas Transportation System, transmitting his first quarterly report on the Alaska natural gas pipeline project, pursuant to section 7(a)(5)(E) of Public Law 94-586; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SLACK: Committee on Appropriations. H.R. 2583. A bill to amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments for periods of employment as a justice or judge of the United States, and for other purposes (Rept. No. 96-467, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 5192. A bill to amend and extend the Higher Education Act of 1965, and for other purposes; with amendment (Rept. No. 96-520). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Committee of Conference. Conference report on S. 428 (Rept. No. 96-521). Ordered to be printed.

## REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. SMITH of Iowa: Committee on Small Business. H.R. 4660. A bill to amend the Small Business Act and an act to amend the Small Business Act (Public Law 94-305, 90 Stat. 669) to provide regulatory flexibility for small businesses and small organizations to minimize unnecessary burdens in complying with Federal rules and reporting requirements. (Rept. No. 96-519, pt. 1). Reported with amendments, referred to the Committee on the Judiciary for a period ending not later than November 30, 1979, for consideration of such provisions of the bill and amendments as fall within the jurisdiction of that committee pursuant to clause 1(m), rule X, and ordered to be printed.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO (for himself and Mr. Mitchell of Maryland):

H.R. 5612. A bill to amend section 8(a) of the Small Business Act; to the Committee on Small Business.

By Mr. ASPIN:

H.R. 5613. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Ways and Means.

H.R. 5614. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BOLAND (for himself, Mr. Zablocki, Mr. Burlison, Mr. Murphy of Illinois, Mr. Aspin, Mr. Rose, Mr. Mazzoli, Mr. Mineta, Mr. Fowler, Mr. Robinson, Mr. Ashbrook, Mr. McClory, Mr. Whitehurst, and Mr. Young of Florida):

H.R. 5615. A bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources; to the Permanent Select Committee on Intelligence.

By Mr. COELHO (for himself, Mr. Corman, Mr. Fazio, Mr. Mineta, Mr. Panetta, Mr. Rousselot, Mr. Johnson of California, Mr. Matsui, Mr. Pashayan, Mr. Lloyd, Mr. Van Deerlin, Mr. Clausen, Mr. Goldwater, Mr. Moorhead of California, Mr. Burgener, Mr. Stark, Mr. Bob Wilson, and Mr. Thomas):

H.R. 5616. A bill to preserve the existing tax status of wine used in the production of distilled spirits; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 5617. A bill to provide for certain priorities in the disposal or treatment of hazardous waste, to provide for liability, compensation, cleanup, and emergency response for hazardous substances released into the environment, to provide for the cleanup of inactive hazardous waste disposal sites, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

By Mr. GRASSLEY:

H.R. 5618. A bill to insure the minimum degree of economic disturbance in the agricultural sector of the economy consistent with protection of the public health and welfare, by clarifying the administrative standards to be used in determining when secondary ambient air quality standards have been met in areas with rural fugitive dust; to the Committee on Interstate and Foreign Commerce.

By Mr. HANLEY (for himself and Mr. Mitchell of New York):

H.R. 5619. A bill to clear titles of Indian claims in the counties of Madison and Oneida, N.Y.; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND (for himself and Mr. Schulze):

H.R. 5620. A bill to repeal the tax on use of civil aircraft; to the Committee on Ways and Means.

By Mr. LEWIS:

H.R. 5621. A bill to provide that parking fees charged to Federal employees shall remain at current levels; to the Committee on Government Operations.

By Mr. MOFFETT:

H.R. 5622. A bill to provide for a comprehensive national program for domestic energy production and consumption, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Banking, Finance and Urban Affairs, Public Works and Transportation, Interior and Insular Affairs, Science and Technology, Ways and Means, and the Judiciary.

By Mr. PASHAYAN (for himself and Mr. Coelho):

H.R. 5623. A bill to assure that weather modification activities and the collection of hydrometeorological information necessary to the management of water resources can be conducted in conjunction with the management and administration of wilderness and other Federal lands; to the Committee on Interior and Insular Affairs.

By Mr. RAHALL:

H.R. 5624. A bill to amend the Tennessee Valley Authority Act of 1933 with respect to the determination of terms of sale of electric power; to the Committee on Public Works and Transportation.

By Mr. REUSS:

H.R. 5625. A bill authorizing the President of the United States to present a gold medal to the A. Philip Randolph Institute; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SENSENBRENNER (for himself, Mr. Broyhill, Mr. Roth, Mr. Sawyer, Mr. Corcoran, Mr. Stockman, Mr. Luken, and Mr. Ireland):

H.R. 5626. A bill to establish standards and procedures for determining legal and financial responsibilities in product liability actions; to the Committee on Interstate and Foreign Commerce.

By Mrs. FENWICK (for herself, Mr. Pepper, Mr. Hollenbeck, Mr. Sensenbrenner, Mr. Gradison, Mr. Hughes, and Mr. Rangel):

H.J. Res. 424. Joint resolution disapproving and invalidating regulations of the Department of Housing and Urban Development concerning the section 8 Housing assistance payments program for new construction, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEWIS:

H. Con. Res. 198. Concurrent resolution providing that parking fees charged to congressional employees and Members of Congress shall remain at current levels; to the Committee on House Administration.

By Mr. FLOOD (for himself and Mr. Derwinski):

H. Res. 450. Resolution to authorize the printing as a House document an anthology of Captive Nations Week proclamations, addresses, and other relevant material; to the Committee on House Administration.

By Mr. LEACH of Iowa (for himself and Mr. Pritchard):

H. Res. 451. Resolution condemning the use of poison gas in Laos; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

314. By Mr. WON PAT: Memorial of the Legislature of the Territory of Guam, relative to the Presidential Task Force report on economic development, Federal assistance, coordination of Federal grants, Federal organization and Federal presence; to the Committee on Interior and Insular Affairs.

315. By the SPEAKER: Memorial of the Senate of the Commonwealth of Massachusetts, relative to requiring home heating oil distributors to allow retail dealers a 30-day credit period; to the Committee on Interstate and Foreign Commerce.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN:

H.R. 5627. A bill for the relief of Alfonso Manuel Tellez; to the Committee on the Judiciary.

By Mr. LELAND:

H.R. 5628. A bill for the relief of Freya Alwi Shatry; to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3005: Mr. Bingham, Mr. Solarz, Mr. Dellums, and Mrs. Holt.

H.R. 3284: Mr. McCloskey and Mr. McKay.

H.R. 3677: Mr. Dornan.

H.R. 4113: Mr. Swift.

H.R. 5008: Mr. Bingham, Mr. Corrada, Mr. Flood, Mr. Weiss, Mr. Lagomarsino, Mr. Guarini, Mr. Dellums, Mr. Pashayan, Mr. Lehman, Mr. Kogovsek, Mr. Diggs, Mr. Hughes, Mr. Panetta, Mr. Markey, Mr. Vento, Mr. Levitas, Mr. Glickman, Mr. Moffett, Mr. Evans of the Virgin Islands, Mr. Stokes, Mr. Young of Alaska, Mr. Mitchell of Maryland, Mr. Moorhead of Pennsylvania, Mr. Erdahl, and Mr. Petri.

H.R. 5225: Mr. Quillen, Mr. Taylor, Mr. Kramer, Mr. Paul, Mr. Philip M. Crane, Mr. Guyer, and Mr. Davis of Michigan.

H. Con. Res. 147: Mr. Donnelly, Mr. Evans of Delaware, Mr. Forsythe, Mr. Guyer, Mr. Hollenbeck, Mr. Patten, Mr. Pritchard, and Mr. Thompson.

H. Res. 400: Mr. Shumway, Mr. Charles Wilson of Texas, Mr. Paul, Mr. Loeffler, Mr. Stenholm, Mr. Rousselot, Mr. Derwinski, Mr. Hillis, and Mr. Dornan.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

### H.R. 2313

By Mr. RUSSO:

—Page 26, after line 2, insert the following new section:

RESTRICTION ON COMMISSION REGULATION OF FUNERAL INDUSTRY

Sec. 305. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated under this Act to issue—

(1) in final form the proposed trade regulation rule described in subsection (b), and

(2) in proposed or final form any other trade regulation rule which sets forth rules substantially similar to the rules set forth in the proposed trade regulation rule described in subsection (b).

(b) For purposes of subsection (a), the proposed trade regulation rule described in this subsection is the proposed trade regulation rule which was published in the Federal Register of August 29, 1975, beginning on page 39901, and which concerns the regulation of funeral industry practices.

### H.R. 3000

By Ms. HOLTZMAN:

(To the amendment in the nature of a substitute; page and line numbers refer to H.R. 4839.)

—Page 58, insert after line 19 the following new section:

ENERGY CONSERVATION GRANTS

Sec. 602. (a)(1) The Secretary shall administer an experimental program under which grants may be made available to local governmental units to undertake any of the energy conservation activities described under subsection (b). Any local governmental unit desiring to receive a grant under this section shall submit an application therefor to the Secretary in such manner, at such time, and containing such information as the Secretary may require.

(2) In determining the amount of any grant to be awarded under this section, the Secretary shall consider—

(A) the contribution to energy conservation which can reasonably be expected to result from the activities for which the grant is made;

(B) the number of people to be affected by such activities; and

(C) such other factors as the Secretary considers appropriate.

The amount of any grant made to a local governmental unit shall not be more than $3 multiplied by the total number of individuals residing within the jurisdiction of such unit, as determined on the basis of the most recent census figures available from the Department of Commerce.

(b) The energy conservation activities for which grants may be made under this section may include the following:

(1) The establishment of a mechanism for coordinating all energy-related activities of the local governmental unit, such as the creation of an energy office, the designation of an agency to serve as a lead agency with regard to energy matters, or the establishment of citizen advisory groups.

(2) The establishment of local energy conservation targets which are consistent with any State energy conservation targets established by the President.

(3) The development of programs to encourage energy conservation in operations of the local governmental unit, including such activities as—

(A) retrofitting street lights;

(B) devising and implementing innovative heating and cooling systems;

(C) generating energy from such resources as local water sources, fuels, biomass, wind, wood, and other available resources;

(D) cogeneration of power;

(E) installing adequate installation and other energy-saving devices in public buildings; and

(F) installing a synchronized traffic signal system.

(4) The development of programs or laws to decrease energy consumption by the private sector, including—

(A) the revision of zoning laws and building codes to require energy conservation measures in new or existing buildings;

(B) the revision of zoning and other land use laws to encourage more efficient land development and discourage sprawl; and

(C) the development of more extensive public transit systems.

(5) Establishment of a central clearinghouse to provide information relating to energy conservation programs available to citizens of the local governmental unit, including—

(A) Federal, State, and local programs (such as programs providing assistance for the installation of solar energy devices, programs offering assistance to low-income individuals to encourage energy conservation measures, or tax credits available for certain energy conservation activities); and

(B) programs offered by utilities within the area, such as energy audits.

(6) Development of regional plans and projects with other local governmental units to promote conservation on a regional basis by providing for improved public transportation systems, areawide solid waste disposal treatment using alternative technologies, or such other conservation projects as may be effectively accomplished on a regional basis.

(c) Funds appropriated under this section may not be made available as grants or loans to any individual or to any private entity.

(d) Within one year after the date of the enactment of this Act, the Secretary shall submit a report to the Congress which specifies the recipients of the funds made available under this section, the amount of the grant received by each recipient, the projects for which the grants were made, and the actual or estimated energy savings resulting from such projects.

(e) For purposes of this section—

(1) the term "local governmental unit" means any city, county, township, parish, or other unit of general government which (A) is a political subdivision of a State, and (B) has taxing authority with respect to real property; and

(2) the term "Secretary" means the Secretary of Energy.

(f) There are authorized to be appropriated to carry out this section $50,000,000 for the fiscal year ending September 30, 1980.

By Mr. LEVITAS:

(To the amendment in the nature of a substitute); page and line numbers refer to H.R. 4839.

—Page 40, after line 23, insert the following new subsection:

(c) (1) Notwithstanding any other provision of this Act, funds authorized to be appropriated pursuant to this Act for purposes of—

(A) promulgating, administering, or enforcing any regulation, or

(B) issuing or enforcing any order, applicable to the mandatory allocation or price control of motor gasoline may be expended for such purposes.

(2) As of September 30, 1980—

(A) no regulation shall be promulgated, administered, or enforced, and

(B) no order shall be issued or enforced, under section 4(a) of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 753(a)) applicable to the mandatory allocation or price of motor gasoline.

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H.R. 3712

By Mr. JACOBS:

—Page 3, strike out line 22 and all that follows down through and including the material between lines 14 and 15 on page 30, and insert in lieu thereof the following:

SEC. 2. MORTGAGE SUBSIDY BONDS; CREDIT FOR CERTAIN MORTGAGE INTEREST AND MORTGAGE INSURANCE FOR FIRST-TIME HOME BUYERS.

(a) MORTGAGE SUBSIDY BONDS.—Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) MORTGAGE SUBSIDY BONDS.—

"(1) IN GENERAL.—Except as provided in paragraph (3), any mortgage subsidy bond shall be treated as an obligation not described in subsection (a)(1) or (2).

"(2) MORTGAGE SUBSIDY BOND DEFINED.—For purposes of this subsection, the term 'mortgage subsidy bond' means any obligation which is issued as part of an issue a significant portion of the proceeds of which are to be used directly or indirectly for mortgages on (or other owner-financing of) owner-occupied residences.

"(3) EXCEPTION FOR QUALIFIED VETERANS' BONDS.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to any qualified veterans' mortgage bond.

"(B) QUALIFIED VETERANS' MORTGAGE BOND DEFINED.—For purposes of subparagraph (A), the term 'qualified veterans' mortgage bond' means any obligation—

"(i) which is issued in registered form as part of an issue substantially all the proceeds of which are to be used to provide residences for veterans,

"(ii) the payment of the principal and interest on which is secured by the general obligation of a State, and

"(iii) which is issued as part of an issue no part of the proceeds of which is to be used to acquire or replace existing mortgages.

"(C) ADVANCE REFUNDING NOT PERMITTED.—An obligation which is issued for the advance refunding of another obligation shall not be treated as a qualified veterans' mortgage bond.

"(D) EXCEPTIONS TO NEW MORTGAGE REQUIREMENT.—Under regulations prescribed by the Secretary, the replacement of—

"(i) construction period loans,

"(ii) bridge loans or similar temporary initial financing, and

"(iii) in the case of a qualified rehabilitation (as defined in section 44D(1)(6)(B)), an existing mortgage, shall not be treated as the acquisition or replacement of an existing mortgage for purposes of subparagraph (B) (iii)."

(b) CREDIT FOR CERTAIN MORTGAGE INTEREST AND MORTGAGE INSURANCE FOR FIRST-TIME BUYERS.—

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"SEC. 44D. CERTAIN MORTGAGE INTEREST AND MORTGAGE INSURANCE FOR FIRST-TIME HOME BUYERS.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the qualified mortgage interest expenses, plus

"(2) the qualified mortgage insurance expenses.

"(b) QUALIFIED EXPENSES.—For purposes of subsection (a)—

"(1) MORTGAGE INTEREST.—

"(A) IN GENERAL.—The qualified mortgage interest expenses are 10 percent of so much of the mortgage interest expenses paid or incurred by the taxpayer during the taxable year with respect to a qualified residence as does not exceed $4000.

"(B) TARGETED AREA RESIDENCES.—In the case of mortgage interest expenses paid or incurred with respect to a targeted area residence, subparagraph (A) shall be applied by substituting '20 percent' for '10 percent'.

"(2) MORTGAGE INSURANCE.—The qualified mortgage insurance expenses are so much of the mortgage insurance expenses paid or incurred by the taxpayer at the time the mortgage is executed with respect to a qualified residence as does not exceed the lesser of one-half of 1 percent of the loan secured by the mortgage, or $250.

"(3) EXCLUSION OF EXPENSES ATTRIBUTABLE TO LOANS MADE THROUGH TAX-EXEMPT FINANCING.—No mortgage interest expenses or mortgage insurance expenses may be taken into account under this section if such expenses are attributable to a loan the funds for which are provided in whole or in part from the proceeds of any obligation the interest on which is exempt from tax under section 103.

"(4) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(c) INCOME LIMITATION.—

"(1) IN GENERAL.—If the adjusted gross income of the taxpayer for the taxable year exceeds $20,000 ($10,000 in the case of a married individual filing a separate return), the credit which would (but for this subsection) be allowed by subsection (a) for such year shall be reduced by $1 for each $20 of the adjusted gross income of the taxpayer in excess of $20,000 or $10,000, as the case may be.

"(2) SPECIAL RULE FOR TARGETED AREA RESIDENCES.—In the case of any targeted area residence, paragraph (1) shall be applied by substituting '$25,000' for '$20,000' and '$12,500' for '$10,000' each place they appear.

"(d) DEFINITIONS.—For purposes of this section—

"(1) MORTGAGE INTEREST EXPENSES.—The term 'mortgage interest expenses' means expenses for interest on—

"(A) any mortgage loan for the purchase of a qualified residence,

"(B) any qualified home improvement loan, or

"(C) any qualified rehabilitation loan.

"(2) MORTGAGE INSURANCE EXPENSES.—The term 'mortgage insurance expenses' means, with respect to a loan secured by a mortgage on a qualified residence, expenses to insure payment of such loan in the event of the mortgagor's default on such loan.

"(3) QUALIFIED RESIDENCE.—The term 'qualified residence' means a residence with respect to which each mortgagor meets the requirements of subsections (e), (f), and (g).

"(e) RESIDENCE REQUIREMENTS.—A mortgagor meets the requirements of this subsection with respect to a residence for the taxable year only if the residence—

"(1) is a single-family residence,

"(2) is used as the principal residence of the mortgagor, and

"(3) is located in the United States or a possession of the United States.

"(f) 3-YEAR REQUIREMENT.—

"(1) IN GENERAL.—A mortgagor meets the requirements of this subsection with respect to a residence only if the mortgagor had, at no time during the 3-year period ending on the date the mortgage with respect to such residence is executed, a present ownership interest in any other residence which was a principal residence of such mortgagor. For purposes of the preceding sentence, the mortgagor's interest in the residence with respect to which the credit under subsection (a) is claimed shall not be taken into account.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to—

"(A) any targeted area residence,

"(B) any qualified home improvement loan, and

"(C) any qualified rehabilitation loan.

"(g) Purchase Price Requirement.—

"(1) In general.—A mortgagor meets the requirements of this subsection with respect to a residence only if the acquisition cost of such residence does not exceed 80 percent of the average area purchase price applicable to such residence.

"(2) Average area purchase price.—For purposes of paragraph (1), the term 'average area purchase price' means, with respect to any residence, the average purchase price of single family residence (in the statistical area in which the residence is located) which were purchased during the most recent 12-month period for which sufficient statistical information is available. The determination under the preceding sentence shall be made as of the date on which the commitment to provide the financing is made (or, if earlier, the date of the purchase of the residence).

"(3) Separate application to new residences and old residences.—For purposes of this subsection, the determination of average area purchase price shall be made separately with respect to—

"(A) residences which have not been previously occupied, and

"(B) residences which have been previously occupied.

"(4) Special rule for targeted area residences.—In the case of a targeted area residence, paragraph (1) shall be applied by substituting '110 percent' for '80 percent'.

"(5) Exception for qualified home improvement loans.—Paragraph (1) shall not apply with respect to any qualified home improvement loan.

"(h) Targeted Area Residences.—

"(1) In general.—For purposes of this section, the term 'targeted area residence' means a residence which, at the time the mortgage is executed, is in an area which is either—

"(A) a qualified census tract, or

"(B) an area of chronic economic distress.

"(2) Qualified census tract.—

"(A) In general.—For purposes of paragraph (1), the term 'qualified census tract' means a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income.

"(B) Data used.—The determination under subparagraph (A) shall be made on the basis of the most recent decennial census for which data are available.

"(3) Area of chronic economic distress.—

"(A) In general.—For purposes of paragraph (1), the term 'area of chronic economic distress' means an area of chronic economic distress—

"(i) designated by the State as meeting the standards established by the State for purposes of this subsection, and

"(ii) the designation of which has been approved by the Secretary and the Secretary of Housing and Urban Development.

"(B) Criteria to be used in approving state designations.—The criteria used by the Secretary and the Secretary of Housing and Urban Development in evaluating any proposed designation of an area for purposes of this subsection shall be—

"(i) the condition of the housing stock, including the age of the housing and the number of abandoned and substandard residential units,

"(ii) the need of area residents for owner-financing under this section, as indicated by low per capita income, a high percentage of families in poverty, a high number of welfare recipients, and high unemployment rates,

"(iii) the potential for use for owner-financing under this section to improve housing conditions in the area, and

"(iv) the existence of a housing assistance plan which provides a displacement program and a public improvements and services program.

"(i) Other definitions and special rules.—For purposes of this section—

"(1) Mortgage.—The term 'mortgage' includes any other owner-financing.

"(2) State.—The term 'State' includes a possession of the United States and the District of Columbia.

"(3) Statistical area.—

"(A) In general.—The term 'statistical area' means—

"(i) a standard metropolitan statistical area, and

"(ii) any county (or the portion thereof) which is not within a standard metropolitan statistical area.

"(B) Standard metropolitan statistical area.—The term 'standard metropolitan statistical area' means the area in and around a city of 50,000 inhabitants or more (or equivalent area) as defined by the Secretary of Commerce.

"(C) Designation where adequate statistical information not available.—For purposes of this paragraph, if there is insufficient recent statistical information with respect to a county (or portion thereof) described in subparagraph (A) (ii), the Secretary may substitute for such county (or portion thereof) another area for which there is sufficient recent statistical information.

"(D) Designation where no county.—In the case of any portion of a State which is not within a county, subparagraphs (A) (ii) and (C) shall be applied by substituting for 'county' an area designated by the Secretary which is the equivalent of a county.

"(4) Acquisition cost.—

"(A) In general.—The term 'acquisition cost' means the cost of acquiring the residence as a completed residential unit.

"(B) Exceptions.—The term 'acquisition cost' does not include—

"(i) usual and reasonable settlement or financing costs,

"(ii) the value of services performed by the mortgagor or members of his family in completing the residence, and

"(iii) the cost of land which has been owned by the mortgagor for at least 2 years before the date on which construction of the residence begins.

"(C) Special rule for qualified rehabilitation loans.—In the case of a qualified rehabilitation loan, for purposes of subsection (g), the term 'acquisition cost' includes the cost of the rehabilitation.

"(5) Qualified home improvement loan.—The term 'qualified home improvement loan' means the financing (in an amount which does not exceed $15,000)—

"(A) of alterations, repairs, and improvements on or in connection with an existing residence by the owner thereof, but

"(B) only of such items as substantially protect or improve the basic livability of the property.

"(6) Qualified rehabilitation loan.—

"(A) In general.—The term 'qualified rehabilitation loan' means any owner-financing provided in connection with—

"(i) a qualified rehabilitation, or

"(ii) the acquisition of a residence with respect to which there has been a qualified rehabilitation, but only if the mortgagor to whom such financing is provided is the first resident of the residence after the completion of the rehabilitation.

"(B) Qualified rehabilitation.—For purposes of subparagraph (A), the term 'qualified rehabilitation' means any rehabilitation of a building if—

"(i) there is a period of at least 20 years between the date on which the building was first used and the date on which the physical work on such rehabilitation begins,

"(ii) 75 percent or more of the existing external walls of such building are retained in place as external walls in the rehabilitation process, and

"(iii) the expenditures for such rehabilitation are 25 percent or more of the mortgagor's adjusted basis in the residence.

For purposes of clause (iii), the mortgagor's adjusted basis shall be determined as of the completion of the rehabilitation or, if later, the date on which the mortgagor acquires the residence.

"(7) Joint occupancy.—Except as provided in subsection (c), in the case of any qualified residence with respect to which mortgage interest expenses or mortgage insurance expenses (as the case may be) are paid or incurred during any calendar year by 2 or more individuals—

"(A) the amount of the credit allowable under subsection (a) by reason of such expenses paid or incurred during such year by all such individuals with respect to such residence shall be determined by treating all such individuals as one taxpayer whose taxable year is such calendar year, and

"(B) there shall be allowable with respect to such expenses to each of such individuals a credit under subsection (a) for the taxable year in which the calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenses paid or incurred by such individual during such calendar year bears to the aggregate of such expenses paid or incurred by all of such individuals during such calendar year."

(2) Technical amendment.—Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(3) Clerical amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Certain mortgage interest and mortgage insurance for first-time home buyers."

(4) Effective date.—Notwithstanding section 4, the amendments made by this subsection shall apply to mortgages executed after December 31, 1979, and to taxable years beginning after such date and before December 31, 1982.

Page 33, line 2, strike out "103A(1) (4)" and insert in lieu thereof "103(g) (3) (B) (iii)".

Page 38, line 7, strike out "subsection (p) of section 103A" and insert in lieu thereof "subparagraph (C) of section 103(g) (3)".

Amend the title of the bill so as to read: "A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax, and to allow a credit for certain mortgage interest and mortgage insurance for first-time home buyers."

# EXTENSIONS OF REMARKS

## WHEN CORPORATIONS GET UP AND LEAVE TOWN

### HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. FORD of Michigan. Mr. Speaker, I would like to include in the RECORD today an excellent analysis of the problem of "runaway corporations" that appeared recently on the op-ed page of the New York Times. The article was authored by Victor S. Kamber, assistant to the president of the Building and Construction Trades Department of the AFL–CIO, who has studied the rootlessness of American corporations and the effect of this rootlessness on the economic and political health of our Nation with great care and insight.

As Mr. Kamber notes, corporate decisions to relocate operations and facilities from one part of the country to another (or overseas), although made secretly, unilaterally and solely in the self-interest of the corporations and their stockholders, have tremendous consequences for, and impose significant costs on, the workers and communities that depend on them for jobs and tax revenues. And the adverse consequences of corporate relocations are not suffered by the workers and local taxpayers alone.

The Commerce Department reports that in one 7-year period, from 1966 to 1973, the United States lost over 1 million manufacturing jobs because of plant relocations overseas. The overseas investments of U.S. corporations have grown from about $12 billion in 1950 to $150 billion in 1979. Typical of this trend and its poisonous effects on our economy is Chrysler Corp.'s recent announcement that at the same time it is closing the old Dodge main plant in Detroit it will build a $110 million four-cylinder engine plant in Saltillo, Mexico.

Although a dozen States have begun to consider legislation to prevent sudden, massive, uncompensated economic dislocations resulting from private corporate action, Mr. Kamber rightly states that only the Federal Government can enact truly effective legislation "in order to prevent one State or another from becoming the competitive victim in the relocation process."

To that end, together with 58 cosponsors, I have introduced H.R. 5040, the National Employment Priorities Act of 1979, to regulate the closing and relocation of business operations and facilities where such actions would have a significant impact on the local or national economy.

Mr. Kamber's thought-provoking column follows:

WHEN CORPORATIONS GET UP AND LEAVE TOWN

(By Victor S. Kamber)

WASHINGTON.—American corporations have found themselves yet again with one foot on each side of the fence.

Any moderately astute consulting firm can tell you that corporations are now spending more time and money on a worldwide scale to develop the paternal side of their personalities, hoping to promote greater loyalty, higher productivity and political malleability in their employees.

This same consultant can also tell you that this corporate paternal instinct is very likely to vanish the moment there arises an economically based reason for that same corporation to hotfoot it out of town.

Runaway corporations have levied a social and economic hardship on American communities in the last 15 years in the same social and economic manner that runaway parents create hardships not only for the spouses and children they might abandon but also for the communities whose social services and tax dollars must pick up the responsiblities they have left behind.

Discounting plant closures caused by economic misfortune, the planned and premeditated closings of large Northern shops in order to cash in on tax benefits or to relocate in areas where workers have historically settled for lower wages and fewer benefits is a sign not only of greed but also of social irresponsibility.

For instance, the now-famous closing of Lykes-Youngstown Sheet and Tube resulted in the immediate termination of some 5,000 employees. While this is a horrifying figure in itself, the closing of this plant actually resulted in associated loss of jobs for 11,199 workers in the surrounding Youngstown, Ohio, area. It has been estimated that the costs imposed on the Federal Government in the form of lost corporate, and income-tax payments, in unemployment compensation, food stamps, welfare and medical services resulting from the closing of that one steel plant will total nearly $50 million by the end of 1980.

While it is easy to cast a suspicious eye on such overwhelming figures, it must be clear that the bearer of the burden of this disaster was not the corporation that slowly undermined the fiscal health of the plant operation and escaped with great tax write-offs and other tax benefits. The bearer of this burden continues to be the taxpayer, the abandoned workers of Youngstown, their families and the associated small businesses that dealt with the corporation and relied on its employees for income.

The Federal Bureau of Labor Statistics offers a nearly incomprehensible figure regarding the loss of jobs in New England, the mid-Atlantic states and the Great Lakes region caused by runaway corporations that have relocated in areas they hope to be untouched by the wage standards imposed by arbitration with workers' groups.

The bureau says that at least 1.4 million workers have found themselves jobless because of such moves since 1966. Many of these men and women have invested so many years in one job or industry that the prospect of finding other adequate jobs in their home area is unlikely. Once again the economic and social burden of this displacement falls on the taxpayers' shoulders.

Citizens groups in various states have begun to take measures toward preventing such abandonment of responsibility by corporations. Several pieces of legislation recently proposed have emphasized the necessity of cooperation between industry, labor and the community.

Common aspects of these people in Ohio, Massachusetts and Wisconsin include these:

1. There should be advance public notice by any corporation intending to close or relocate. The amount of time of such notice required by each proposal varies from 60 days to two years. Considering the enormous interdependence a community shares with the corporations in its boundaries, the length of time must be adequate to prepare for the possible effects of tax-base loss and increased strain on government funds and social services.

2. There should be adequate severance pay for employees left behind.

3. There should be adequate and mandatory contributions by corporations to counterbalance the increased drain on public funds stemming from unemployment compensation and social and medical-welfare services. In order for corporations to benefit from the legal tax deductions and credits allowed during a relocation or divestiture, the corporations would have to cooperate with local and Federal Governments in avoiding the social and economic chaos possible in such moves.

It is clear that any truly effective legislation in this field must come from the Federal Government in order to prevent one state or another from becoming the competitive victim in the relocation process.

Obviously, no economic system can hope to prosper in an atmosphere in which change and progress are discouraged. On the other hand, no social system can survive amid thoughtless or greedy economic chaos. Industry, labor and the community as a whole must cooperate with each other to make the most careful and prosperous use of resources, the labor force and each other's good will. It is only reasonable.●

## UNITED FOR FAIR HOUSING

### HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. EDWARDS of California. Mr. Speaker, when it becomes law, the Fair Housing Amendments Act of 1979 (H.R. 5200) will help solve one of our Nation's most serious and persistent problems—that of discrimination in housing.

It is most encouraging to me that extremely diverse organizations with millions of members across the country are united in their advocacy of H.R. 5200. The Leadership Conference on Civil Rights, a coalition of 149 national organizations, considers the fair housing legislation a top priority. LCCR member organizations include:

American Federation of Labor-Congress of Industrial Organizations.

American Federation of State, County and Municipal Employees.

American Federation of Teachers.

American Jewish Committee.

American Jewish Congress.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

American Postal Workers Union.

American Veterans Committee.

Americans for Democratic Action.

Anti-Defamation League of B'nai B'rith

A. Philip Randolph Institute.

Asociacion Nacional Pro Personas Mayores.

NOTE.—Continued from October 16, 1979, and to be continued on future days.●

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## RABBI GOLDSTEIN'S LETTER TO A BLACK FRIEND

## HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. FINDLEY. Mr. Speaker, as most of my colleagues know, I have been one of the proponents in the House of Representatives for greater understanding of the Palestinian position within an inviolate framework of Israel's security. As a consequence, I have encountered some confusion, questioning, and occasional hostility from some members of the Jewish community within my congressional district. Recently, I met with some of the prominent Jewish leaders in Springfield. I asked for the meeting to explain to them in person why, in pursuing my deep and abiding support for Israel, I must recognize the plight of the Palestinians in the Middle East.

After our meeting, Rabbi Joshua Goldstein of Temple B'rith Shalom in Springfield sent me his Yom Kippur sermon, entitled, "Letter to a Black Friend." In it, Rabbi Goldstein speaks in stirring terms of the parallel struggles of blacks and Jews for freedom and integrity and of the similarities and differences between the two minority groups. The sermon is a moving call for mutual tolerance and understanding that cannot help but inspire all who read it. We are all part of one world and share in a greater responsibility for its betterment.

While I can only place an excerpt from the sermon in the CONGRESSIONAL RECORD, I especially want to point out the significant litany of facts which he cites toward the end of his letter. Rabbi Goldstein rightly states that "Israel has created a record that offers hope to the world" and he then recounts:

> The fact of Israel's humane treatment of the territories it acquired in 1967. The fact of Israel's willingness to give up those territories in return for recognition and peace. The fact that Israelis do not teach hatred for Arabs.

Rabbi Goldstein's sermon is a remarkable exposition of a reasonable and moderate position on the central issue of controversy in the Middle East—the future of the occupied lands. Rabbi Goldstein speakes of the loving care of Israel for the lands that Prime Minister Begin calls Judea and Samaria, yet he would willingly relinquish the occupied territories in exchange for a lasting comprehensive peace that would allow Arabs and Israelis to live side by side.

That is precisely the objective I have been seeking. And while I have recommended dealing with the PLO as a means of achieving this end, I am convinced that if the end itself could somehow be made clear, it would not be necessary for me or anyone in the United States to identify the bargaining agent for the Palestinians. For I do not believe it is the agent that causes all of this strife, but the unsettled and unsettling end toward which every one is working. For that reason, I am convinced that Rabbi Goldstein and I have far more in common than the subtle differences which separate us over the means to peace. And where there are differences, as he says, "where there is pain, there is hope."

I commend the Rabbi's sermon to each of my colleagues, and to all Americans. It represents a responsible attitude toward one of the most serious problems facing our Nation—and the world—today. If we could all but agree to the basic framework he outlines, the current difficulties we are experiencing would plague us no more.

Excerpt from Rabbi Goldstein's sermon follows:

I've written a letter to a black friend of mine, whom I've not seen in many years, but who went to college with me, and who is now a member of the Southern Christian Leadership Conference. And I would like to share that letter with you:

"My friend. It has been many years since we've talked. Perhaps that's the real problem we face. Most blacks and Jews just don't see each other anymore. And it's only when a crisis comes, it seems, that we feel the need to communicate.

"But, the crisis has come. A decade of disenchantment has burst forth in a rage. We Jews have sensed with deep unhappiness the rise of black anti-Semitism. And you have viewed certain Jewish positions on affirmative action and busing, as a reversal of the old Jewish liberalism. We see black aid and comfort to the PLO as an atrocious act, as bizarre as would be a black alliance with the Ku Klux Klan. And you may see the support of many Jews for the Bakke case as racist. And we're angry at each other. It seems to matter little, that neither of our communities is monolithic. That not all who bear Jewish names or black identities speak for their entire communities. And we seem to agree on only one thing: that we no longer share the same interests.

"Maybe we were too wrapped up in the idealism of the sixties. In the dream of brotherhood we shared. Because we neglected to talk about other aspects of our histories. You see, the Christian education which your enslaved descendants received, also taught about my people, the Jews. And Jews were, in no way, identified with the children of Israel. Blacks learned that Jews killed their savior, and that we were inimical to everything good.

"And Jews were not just villians whom your people learned about in songs and Sunday School lessons. Jews were also real human beings, with whom your ancestors came into direct contact. But these personal contacts did not destroy the image of Christ-killer. In fact, direct contact often reinforced the animosity.

"Like other whites, many Jews were slave traders and slaveholders. And some of my ancestors found slavery to be a profitable business. Apparently, we behaved no better and no worse than other white people. That's not a very palatable part of Jewish history. And it's even less palatable, when we recall that at the very time when many Jews owned slaves, most Jews were themselves enslaved, and lived in European ghettos far worse than those in the South Bronx and East St. Louis. History does have its ironies!

"In one other important respect, Jews were much more removed from black slaves than their Christian counterparts. Christian masters not only permitted, but promoted the conversion of slaves. Blacks shared the same religion as their owners, and often attended services with them. But Judaism never exhibited the proselytizing enthusiasm of evangelical Christianty. In fact, during the antebellum period, Southern Jewish congregations in Richmond, New Orelans and Charlestown, specifically indicated in their constitutions, that membership was restricted to white Israelites. These provisions reflect a clear and conscious desire to exclude blacks from Jewish fellowship. And the more we separated ourselves from you, the more stereotypes we developed about each other: All Jews are rich. All blacks are lazy. Jews are the ruling class in America. Blacks are prone to violence. Jews hate blacks. Blacks hate Jews. And on and on.

"My friend. I do not bring up our past animosities, in order to indicate that we are locked into our historical backgrounds. In fact, you and I once disproved that, by virtue of our friendship. We did not permit the past to prevent us from being friends. And yet, as a Jew, I cannot ignore history. You see, the same negative image of the Jew that was taught to blacks as part of the Christian Gospel, was what allowed the Holocaust to take place in Europe. And unless we can begin to understand the forces that have pitted us against each other in the past, there will be little hope for our future.

"All right. I've talked about the past. What about the present? What about now? I suspect that you and I have conflicting opinions on a number of key issues.

"I know from the black manifesto issued by the Southern Christian Leadership Conference, that you are upset by the fact that Israel trades with South Africa and Zimbabwe Rhodesia. And you want me to bring pressure on Israel to halt its support of those repressive and racist regimes.

"To respond to this, my friend, is to be reminded that the world still puts Jews under a special category. Even if Israel doesn't see herself as having higher moral standards, you apparently do. And so, the United States can trade with countries whose policies run counter to our own, but it's wrong for Israel to trade with South Africa. And you can meet with the PLO, even if it has not renounced its aim to destroy Israel, but it's intolerable and morally unacceptable for Israel to trade with South Africa.

"We Jews have had enough of humanity's double standards. What's more, Israel is forced into the position of trading with South Africa. Who else is there? Israel also used to help Black Africa until they themselves broke off these relations, in order to take a more pro-Arab position. And so I have one answer for you: Don't force more isolation on Israel. We're isolated enough, thank you. But if it's any consolation, trade does not imply acquiescence to a nation's internal policies. Israel has always opposed South African apartheid, because Jews can never condone discrimination. To do so, would be to violate our faith.

"And if you think I represent a Holocaust mentality, you are right. I have a Holocaust mentality, and I make no apologies for it. Because I believe that Jews need a place where we can control our own fate.

"Is there a way for me to defend Israel accurately without leaving myself open to the accusation of exaggeration? All I can tell you is the truth. Israel has created a record that offers hope to the world. If she were an island, surrounded by water, instead of oil-rich Arabs, then humanity would stand in awe of her achievements. Yes, Israel has her problems. It's not utopia. But it is a place where lives have been reclaimed. The fact of Israel's humane treatment of the territories it acquired in 1967. The fact of Israel's willingness to give up those territories in return for recognition and peace. The fact that Israelis do not teach hatred for Arabs. The fact that a country so dependent on its military has not become militaristic. The fact that Israel was one of the first countries to provide refuge for Indo-Chinese Boat people. The fact that Israel alone fights for the survival of Black Jews in Ethiopia, and for Christians in Lebanon . . . all these are facts, not propaganda.

"But now I am playing your game. I'm defending Israel on the basis of moral standards, that few other countries begin to approach. Is it really necessary for me to argue this way? Must I be an apologist for Israel? And can you not accept Israel's right to exist, even without her unprecedented accomplishments?

"My friend. You and I share a kinship of suffering. We've each gone down to Egyptland. We know the bitterness of slavery, the shame of discrimination. When I read Nat Turner's sermons to his fellow slaves. When you studied my people's history. When Martin Luther King raised his voice in righteous indignation. When we appreciated our common struggle for ethnic identity, we trembled with recognition. Is it all over between us now? Are we destined to enter our isolated camps as enemies? Are we content to accept that?

"Between us there are real conflicts and different judgments. And that produces a special pain, maybe because we had such high expectations of each other. But where there is pain, there is hope.

"Jews and blacks must not allow themselves to be used. We've got to be wary of those who would polarize us. We can't allow divided judgments to be converted into racial or religious prejudice. Because only the bigot profits from our falling apart. Yes, we have separate agenda and interests which do not, and will not, always coincide. But they become self-destructive when they blind us to our common bond of freedom and independence. We need each other. And it is only when we recognize this, can we fulfill the hope expressed in the old black spiritual:

O Brothers, don't get weary, O Brothers don't
get weary,
God's children are on their way to Canaan's
shore,
There to live as brothers evermore." ●

## COMMANDER ANTHONY J. LONGO, VETERAN OF FOREIGN WARS

### HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. DOUGHERTY. Mr. Speaker, on Saturday, October 20, the First District, Philadelphia County of the Department of Pennsylvania Veterans of Foreign Wars of the United States, is sponsoring a testimonial dinner honoring the Department of Pennsylvania commander, Anthony "Tony" J. Longo.

Commander Longo is the first Philadelphian elected to this high office of the Veterans of Foreign Wars in the Commonwealth of Pennsylvania in 28 years.

Commander Longo is a retired U.S. Postal Service supervisor who has been active in the Veterans of Foreign Wars since his discharge from the Army in 1945. He is a charter member of VFW Post 5205, Chestnut Hill, in Philadelphia.

He served the post as commander in the 1950's and later assumed leadership roles at the county and district levels. He was elected to his first statewide office in 1976 as department judge advocate moving to junior vice commander in 1977 and senior vice commander in 1978.

Commander Longo served with the 110th Field Artillery, 29th Division of the U.S. Army during World War II and also the Army Postal Service. He served in the China, Burma, and India theater of war. He was commissioned a first lieutenant in India in 1942.

He has also been active in such activities as the Chestnut Hill Community Association, the Chestnut Hill Business Men's Association, and the Sandy Run Country Club. He is married and has four children.

Mr. Speaker, I would like to ask my colleagues to join with me is saluting Commander Longo on his dedicated service to all veteran's of our great Nation and continued best wishes for his services in the future.●

## THE NATIONAL JUDICIAL COLLEGE—AN IMPRESSIVE RECORD OF JUDICIAL EDUCATION AND RESPONSIBLE ADMINISTRATION

### HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. SANTINI. Mr. Speaker, the National Judicial College of the University of Nevada in Reno—funded in part through the Law Enforcement Assistance Administration—is celebrating its 14th anniversary this year. We in Nevada are proud of the contributions which the National Judicial College is making to the advancement of judicial education in our Nation and to our State of Nevada.

The college is filling an indispensible role in upgrading and advancing the standards of judicial competence nationwide. U.S. Supreme Court Justice Warren E. Burger recently called the judicial college "one of the most important developments in the administration of justice in this century." Through the courses offered at the college, judges are able to observe their courtroom capabilities on videotape, discuss their good points and shortcomings with fellow judges, and undergo intensive training in sentencing, evidence, court, and juror management. Methods to reduce court delays are discussed.

Another administrative tribute to the college's effectiveness and efficiency is evidenced by the fact that the costs of the program has remained virtually the same during the last 4 years. While holding down the operating costs, the college has increased the programs and seen a significant expansion of enrollment.

This remarkable educational institution has provided much of the initiative for improvement in our State courts systems in recent years. The National Judicial College has kept our judicial system on an even keel by making the administration and delivery of justice an ongoing subject of education and improvement.

I am pleased that the House of Representatives passed H.R. 2061, the LEAA authorization, on October 12. The CONGRESSIONAL RECORD and history of the legislation demonstrate the continuing commitment of the House of Representatives to supporting judicial education and the National Judicial College of the University of Nevada, Reno.●

## A FAILURE OF INTELLIGENCE—IN BOTH SENSES OF THE WORD

### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. MICHEL. Mr. Speaker, syndicated columnist Patrick Buchanan reminds us of the numerous failures of our intelligence agencies during the past 25 years. We were caught by surprise on any number of occasions, including the installation of Soviet missiles in Cuba in 1962, the Yom Kippur war of 1973, and the North Vietnamese offensive in 1975.

But we are asked by the administration to rely on this same intelligence-gathering apparatus to verify the SALT II agreement. It seems to me that we have a twofold failure of intelligence: Our intelligence-gathering agencies do not have the kind of track record to make us feel secure and, it seems, the administration is not making intelligent or, at times, even intelligible moves in foreign affairs and national security.

At this time I wish to insert in the RECORD, "Miserable Failures of Spymasters," by Patrick Buchanan, from the Chicago Tribune, October 16, 1979.

#### MISERABLE FAILURES OF SPYMASTERS

(By Patrick Buchanan)

WASHINGTON.—On the eve of World War I, Kaiser Wilhelm—preparing to face the combined might of the British, French, and Russian empires—dispatched Gen. Ludendorff to visit the Austrian Army.

The general returned to Berlin with the disquieting news; "We are allied to a corpse."

As former Deputy Defense Secretary Robert Ellsworth and Kenneth Adelman write in the fall issue of Foreign Policy, Stansfield Turner should have given the President the same message before Carter toasted the shah on New Year's Eve of 1978 as the beloved leader of the Iranian people residing on an island of stability in the Middle East.

When the shah was swept off his island by an unanticipated wave, Carter sent Adm. Turner a terse message: "I am not satisfied with the quality of political intelligence."

The Iranian revolution was neither the first nor the greatest blunder of strategic intelligence in our time. The roll call is remarkable.

The British and French were astonished by the German breakthrough in the Ardennes which ended the "phony war" and destroyed the greatest army in Europe in six weeks. Stalin stubbornly refused to believe British warnings of impending German attack. Gen. Marshall was out horseback riding in Rock Creek Park when planes of the Japanese Imperial Fleet struck Pearl Harbor.

In the postwar era, U.S. intelligence has, time and again, been shocked by unanticipated events: the 1949 Russian detonation of an atomic bomb, years before expected;

the 1950 invasion of South Korean; the Soviet launching of Sputnik in 1957; the secret installation of missiles in Cuba in 1962; the ouster of Khrushchev and the explosion of the first Chinese atomic bomb on the same day in the fall of 1964; the Tet offensive of 1968; the Yom Kippur War of 1974; the North Vietnamese offensive of 1975.

Though U.S. intelligence was caught in varying stages of undress by each of these events, it is upon that intelligence that we are relying for verification of SALT II, for signs of any Soviet "breakout" which would give Moscow the strategic superiority the uses of which Henry Kissinger has begun to appreciate.

But the American record on predicting Soviet weapons development has been abysmal.

President John F. Kennedy once said he believed that a ballistic missile defense was beyond the capability of science. Three years after his death, the defense secretary announced that the Russians were deploying a rudimentary system around Moscow.

In the middle '60s, Robert McNamara informed the nation that the "Soviets have decided that they have lost the quantitative" strategic arms race and "are not seeking to engage us in that contest." Lest the point be missed, he emphasized, "There is no indication that the Soviets are seeking to develop a strategic nuclear force as large as ours."

In Brussels in 1974, before heading for Moscow to negotiate a SALT II agreement, Kissinger told the press, "I do not believe a country can rely politically or militarily on a first-strike capability and I do not believe that a country can achieve a first strike capability . . ." Even before SALT II has been approved by the Senate, the Soviets have achieved precisely that—the capacity to destroy 90 per cent of the U.S. land-based missile force in a first strike.

Nor does the record end there. During the period of SALT I, the United States underestimated the speed with which the Russians could match us in multiple warhead technology and accuracy of missiles. In 1976, we discovered that, for years, we had been underestimating by as much as 50 percent what the Soviets were spending on weaponry.

In Carter's term, the mistakes have continued:

Only recently did U.S. intelligence acknowledge that a military buildup had been under way for years in North Korea, forcing Carter to cancel plans for withdrawal of U.S. forces from the South.

Write Adelman and Ellsworth: "The U.S. Navy was agape last May . . . when the Soviets launched a nuclear-powered submarine that steams faster (40 knots) and dives deeper (more than 2,000 feet) than anything the United States has.".

So what, the question runs. Well, here is what. Given the vulnerability of our land-based missiles, given the vulnerability of our B-52 fleet, now less than half as large and 17 years older than it was when JFK rattled it in the Cuban missile crisis, America's deterrent rests largely upon the third leg of the Triad, 41 missile submarines.

A Soviet breakthrough in detecting and targeting those vessels, a Soviet "breakout" in deploying a missile defense, and it becomes: Red to move and win.

Incidentally, our advance warning system of any such breakthrough is manned by organizations which cannot yet tell us whether that 3,000-man Soviet combat brigade has been in Cuba 17 years, 17 months or 17 days.●

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## ASSESSING THE IMPACT OF INFLATION

## HON. WILLIAM E. DANNEMEYER

IN THE HOUSE OF REPRESENTATIVES

OF CALIFORNIA

*Wednesday, October 17, 1979*

● Mr. DANNEMEYER. Mr. Speaker, with the recent floor debate on the second concurrent resolution on the budget, attention was once again focused on the negative effects of inflation. Unfortunately, however, while everyone was in agreement that inflation is bad, there seemed to be no consensus of opinion as to what causes it much less any agreement on what should be done to stop it.

As I pointed out during the debate that took place September 19, such that such a problem exists is not new nor, after reviewing past efforts to come to grips with inflation, should it be surprising. The inflationary spiral of 1973–74, which followed on the heels of some $46 billion in deficit spending in 1971–72, had a lot to do with creating a climate favorable to passage of the Congressional Budget Act of 1974. It also had much to do with the House passing what is now rule XI (2)(1)(4) of the House rules, which requires that an inflation impact statement accompany each bill reported to the House floor by a committee of the House. Unfortunately, however, the promise of these two initiatives has not been matched by subsequent events; not only has deficit spending accelerated since passage of the Budget Act but, as I noted during the debate, inflationary impact statements have, if anything, produced the opposite effect of that intended. Rather than sound a warning against the dangers of further spending, they have been so consistent in their denial of inflationary impact as to provide a rationale for further spending.

So that my colleagues might get a clearer picture of my concern about these inflationary impact statements, I ask unanimous consent to insert, in the RECORD, a chart indicating the thrust and scope of all the inflationary impact statements attached to all spending bills passed from the beginning of this Congress to the start of the August district work period. After having read it, I hope you will agree with me that, if we are really serious about combating inflation, we must stop trying to create the illusion of substance and start with substance itself. Detailed inflationary impact statements, using common methodology and relating expenditures more to the deficit than to the total budget, would be a step in that direction.

INFLATIONARY IMPACT STATEMENTS: CONGRESSIONAL APPROPRIATIONS BILLS, 96TH CONG., JAN. 1, 1979, TO AUG. 2, 1979

| Bill No. | Date passed | Bill title | Size of inflationary impact statement: Paragraphs | Size of inflationary impact statement: Lines | Scope of inflationary impact | CBO cost estimate (outlays) (billions) |
|---|---|---|---|---|---|---|
| H.R. 4289 | June 6, 1979 | Supplemental Appropriations Act, 1979 | 4 | 23 | 0 | $11.0 |
| H.R. 4387 | June 19, 1979 | A bill making appropriations for Agirculture, Rural Development, and related agencies programs for the fiscal year ending Sept. 30, 1980, and for other purposes. | 4 | 24 | 0 | 12.8 |
| H.R. 4391 | June 18, 1979 | Military Construction Appropriation Act, 1980 | 2 | 10 | Strictly local | 3.48 |
| H.R. 4392 | July 12, 1979 | Department of State, Justice, and Commerce, the Judiciary and Related Agencies Appropriation Act, 1980. | 4 | 30 | 0 | 7.64 |
| H.R. 4393 | July 16, 1979 | Treasury, Postal Service, and General Government Appropriations Act, 1980 | 2 | 7 | Minimal | 8.82 |
| H.R. 4394 | June 27, 1979 | Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1980. | 3 | 20 | 0 | 72.2 |
| H.R. 4580 | July 17, 1979 | District of Columbia Appropriation Act, 1980 | 1 | 15 | 0 | .327 |
| H.R. 4388 | June 18, 1979 | Energy and Water Development Appropriation Act, 1980 | 4 | 24 | 0 | 10.7 |
| H.R. 4389 | June 27, 1979 | Department of Labor and Health, Education and Welfare Appropriations Act, 1980 | 2 | 6 | 0 | 73.57 |
| H.R. 4930 | July 31, 1979 | A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending Sept. 30, 1980, and for other purposes. | 1 | 12 | 0 | 10.26 |
|  |  | Total | 27 | 171 |  | 210.737 |
|  |  | Average size of inflationary impact statement | 2.7 | 17.1 |  |  |

| Bill No. | Date passed | Bill title | CBO cost estimate (outlays) | Stated scope of inflationary impact | Size of inflationary impact statement: Paragraph | Size of inflationary impact statement: Lines |
|---|---|---|---|---|---|---|
| H.R. 7 | June 20, 1979 | Monetary Control Act of 1979 | $1.0 billion | 0 | 1 | 8 |
| H.R. 39 | May 16, 1979 | Alaska National Interest Lands Conservation Act of 1979 | 558.0 million | 0 | 1 | 4 |
| H.R. 111 | June 21, 1979 | Panama Canal Act of 1979 | 2.187 billion | Existent but indeterminable | 3 | 7 |
| H.R. 1046 | June 26, 1979 | Magistrate Act of 1979 | 9.0 million | 0 | 1 | 4 |
| H.R. 1543 | May 30, 1979 | Trade Assistance Program Adjustment Act | 569.3 million | 0 | 1 | 9 |
| H.R. 1608 | May 21, 1979 | Veterans Health Care Adjustments of 1979 | 204.1 million | 0 | 2 | 6 |
| H.R. 1786 | March 28, 1979 | NASA Authorization Act of 1980 | 4.8 billion | 0 | 3 | 19 |
| H.R. 1787 | March 28, 1979 | NASA Supplemental Authorization Act | 185.0 million | 0 | 1 | 6 |
| H.R. 1798 | June 25, 1979 | Fishery Conservation and Management Act Authorization | 120.0 million | 0 | 1 | 4 |
| H.R. 1825 | July 9, 1979 | Archaelogical Resources Protection Act of 1979 | 4.0 million | 0 | 1 | 4 |
|  |  | Subtotal | 9.6364 billion |  | 15 | 81 |

| | | | | | | Size of inflationary impact statement | |
|---|---|---|---|---|---|---|---|
| Bill No. | Date passed | Bill title | CBO cost estimate (outlays) | | Stated scope of inflationary impact | Paragraph | Lines |
| H.R. 2035 | June 25, 1979 | Anadromous Fish Conservation Act of 1979 | 43.8 | million | 0 | 1 | 4 |
| H.R. 2043 | July 9, 1979 | Water Bank Act Amendments | 7.5 | million | 0 | 1 | 4 |
| H.R. 2277 | Mar. 26, 1979 | FAA Authorization | 77.8 | million | 0 | 1 | 9 |
| H.R. 2282 | July 16, 1979 | Veterans Disability Compensation and Survivors Benefits Amendments. | 2.9 | billion | 0 | 1 | 4 |
| H.R. 2283 | Mar. 21, 1979 | Council on Wage and Price Stability Extension | 22.24 | million | 0 | 1 | 6 |
| H.R. 2295 | May 31, 1979 | Coast Guard Authorizations | 1.38 | billion | 0 | 2 | 18 |
| H.R. 2374 | June 8, 1979 | Frederick Law Olmstead National Historic Site Act | 1.1 | million | 0 | 1 | 3 |
| H.R. 2444 | July 11, 1979 | Department of Education Organization Act | 42.6 | million | 0 | 1 | 4 |
| H.R. 2462 | July 7, 1979 | Maritime Authorizations | 184.2 | million | Positive | 1 | 13 |
| | | Subtotals | 4.6592 | billion | | 10 | 65 |
| H.R. 2520 | May 14, 1979 | National Ocean Pollution Research and Development and Monitoring Act Authorization, Fiscal Year 1980. | 4.3 | million | 0 | 3 | 18 |
| H.R. 2575 | May 31, 1979 | Department of Defense Supplemental Appropriation Authorization, 1979. | 1.148 | billion | 0 | 2 | 8 |
| H.R. 2641 | June 8, 1979 | Civil Rights Commission Authorization Act of 1979 | 14.0 | million | 0 | 1 | 2 |
| H.R. 2676 | Mar. 27, 1979 | Environmental Research Development and Demonstration Authorization Act of 1980. | 381.3 | million | 0 | 4 | 31 |
| H.R. 2729 | Mar. 27, 1979 | NSF Authorization Act, Fiscal Year 1980 | 1.0 | billion | 0 | 5 | 30 |
| H.R. 2774 | Mar. 22, 1979 | Arms Control and Disarmament Act Amendments of 1979 | 41.3 | million | 0 | 1 | 7 |
| H.R. 2807 | May 7, 1979 | Bankruptcy Act Amendments of 1979 | | | | | |
| H.R. 2814 | July 9, 1979 | Coosa River Improvement Act | 24.3 | million | Insignificant | 1 | 9 |
| H.R. 3055 | June 4, 1979 | Shipping Act Amendments of 1979 | 1.1 | million | 0 | 1 | 4 |
| | | Subtotal | 2.6143 | billion | | 18 | 109 |
| H.R. 3091 | Mar. 27, 1979 | Business Expenses of State Legislators, tax deductions | 2.7 | million in lost revenue. | 0 | 1 | 3 |
| H.R. 3173 | Mar. 29, 1979 | International Security Assistance Act of 1979 | 1.38 | billion | Beneficial | 4 | 17 |
| H.R. 3292 | July 9, 1979 | Fish and Wildlife Conservation Act of 1979 | 11.0 | million | 0 | 1 | 4 |
| H.R. 3324 | Apr. 10, 1979 | International Development Corporation Act of 1979 | 5.15 | billion | Beneficial | 7 | 25 |
| H.R. 3347 | June 8, 1979 | Treasury Department International Affairs Act | 23.1 | million | 0 | 1 | 2 |
| H.R. 3354 | Apr. 25, 1979 | Naval Petroleum Reserves Development Authorization, Fiscal Year 1980. | 85.2 | million | 0 | 1 | 5 |
| H.R. 3363 | Apr. 24, 1979 | Foreign Relations Authorization Act, Fiscal Year 1980 and 1981. | 4.57 | billion | 0 | 1 | 4 |
| H.R. 3434 | Aug. 2, 1979 | Social Services and Child Welfare Amendments, 1979 | 4.29 | billion | 0 | 1 | 3 |
| H.R. 3464 | June 6, 1979 | Supplemental Security Income Disability Amendments of 1979. | 495.0 | million | 0 | 1 | 3 |
| H.R. 3504 | July 9, 1979 | Smithsonian Quadrangle Development Planning Act | .5 | million | 0 | 1 | 6 |
| | | Subtotal | 16.0075 | billion | | 19 | 72 |
| H.R. 3509 | July 30, 1979 | Safe drinking Water Authorization Act | 248.1 | million | 0 | 3 | 24 |
| H.R. 3575 | June 25, 1979 | Peanut Marketing Flexibility Act | 1.8 | million in lost revenues | 0 | 1 | 0 |
| H R. 3577 | May 14, 1979 | National Advisory Committee on Ocean and Atmosphere Authorization Act | .55 | million | 0 | 1 | 4 |
| H.R. 3633 | July 27, 1979 | Nurse Training Amendments of 1979 | 204.0 | million | 0 | 2 | 18 |
| H.R. 3641 | July 16, 1979 | Public Health Service Act Extension | 94.5 | million | 0 | 3 | 15 |
| H.R. 3661 | July 16, 1979 | Navajo-Hopi Indian Relocation | 2.45 | million | Minimal | 1 | 3 |
| H.R. 3756 | May 7, 1979 | Insular Areas Authorizations | 36.4 | million | 0 | 1 | 4 |
| H.R. 3757 | May 7, 1979 | National Parks and Recreation Act Amendments | 71.9 | million | Minimal | 2 | 12 |
| H.R. 3767 | May 23, 1979 | Gold Medal for John Wayne | 15,000 | | | No statement | |
| H.R. 3821 | July 10, 1979 | Intelligence and Intelligence Related Activities Authorization Act, fiscal year 80 | 63.1 | million plus | 0 | 1 | 6 |
| | | Subtotal | 772.8 | million plus | | 15 | 86 |
| H.R. 3875 | June 7, 1979 | Housing and Community Development Amendments | 6.5 | billion | 0 | 14 | 106 |
| H.R. 3879 | May 17, 1979 | Temporary Commission on Financial Oversight, D.C., Authorization. | 11.0 | million | 0 | 1 | 2 |
| H.R. 3892 | May 21, 1979 | Private Health Care for Veterans | 270.5 | million | 0 | 1 | 3 |
| H.R. 3917 | July 19, 1979 | Health Planning and Resources Development Amendments of 1979. | 1.16 | billion | 0 | 2 | 14 |
| H.R. 3920 | June 25, 1979 | National Commission for Unemployment Compensation | .2 | million | 0 | 1 | 3 |
| H.R. 3923 | May 21, 1979 | National Historical Publications and Records Commission Authorization Extension. | 8.0 | million | 0 | 1 | 3 |
| H.R. 3930 | June 26, 1979 | Defense Production Act Amendments of 1979 (Synfuels) | 2.0 | billion | 0 | 2 | 26 |
| H.R. 3951 | July 16, 1979 | National Capitol Transportation Amendments of 1979 | 1.27 | billion | 0 | 1 | 2 |
| H.R. 3989 | June 25, 1979 | Fort Mitchell Regional Veterans Cemetary | 7.6 | million | 0 | 2 | 11 |
| | | Subtotal | 11.2273 | billion | | 25 | 170 |
| H.R. 3996 | July 25, 1979 | Amtrak Reorganization Act of 1979 | 3.04 | billion | 0 | 1 | 3 |
| H.R. 4011 | May 22, 1979 | Small Business Act | 1.34 | billion | 0 | 2 | 11 |
| H.R. 4015 | June 5, 1979 | Veteran Senior Citizen Health Care Act of 1979 | 85.0 | million | 0 | 1 | 2 |
| H.R. 4016 | June 4, 1979 | Federal Fire Prevention and Control Act Authorizations | 31.0 | million | 0 | 1 | 11 |
| H.R. 4035 | May 30, 1979 | Special International Security Assistance Act of 1970 | 1.09 | billion | 0 | 1 | 5 |
| H.R. 4057 | July 11, 1979 | Food Stamp Act Amendments of 1979 | 620.0 | million | 0 | 1 | 6 |
| H.R. 4303 | June 26, 1979 | Eliminate Restrictions on Excess Shelter Expense Deductions for Food Stamps. | 101.4 | million | 0 | 1 | 11 |
| H.R. 4476 | July 31, 1979 | Education Act Amendments of 1979 | 5.4 | billion | 0 | 1 | 9 |
| H.R. 4537 | July 11, 1979 | Trade Agreements Act of 1979 | 5.15 | billion in lost revenue | 0 | 1 | 6 |
| | | Subtotal | 16.8574 | billion | | 10 | 64 |
| S. 348 | June 4, 1979 | Medal for the Trans-Atlantic Ballonists | 45,000 | | Not available | No statement | |
| S. 532 | May 14, 1979 | Pension Policy Commission Act | 2.0 | million | Not available | No statement | |
| S. 613 | June 4, 1979 | Medal to Mrs. Hubert Humphrey | 15,000 | | Not available | No statement | |
| S. 961 | July 31, 1979 | Speedy Trial Amendments Act of 1979 | .1 | million | 0 | 1 | 3 |
| S. 1030 | Aug. 1, 1979 | Emergency Energy Conservation Act of 1979 | 1.6 | billion | 0 | 1 | 10 |
| | | Subtotal | 1.6022 | billion | | 2 | 13 |
| | | Total | 63.3771 | billion | | 114 | 660 |
| | | Average size of inflationary impact statement authorization bills. | | | | 1.6 | 9.3 |

Note: The above list includes all spending bills that have passed the House of Representatives, irrespective of Senate action, as of Aug. 2, 1979. Bills that are not expected to result in the outlay of any Federal funds, such as the Taiwan Relation Act (H.R. 2479), are not listed. ●

## NATIONAL FEDERATION OF INDEPENDENT BUSINESS

### HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. McCLOSKEY. Mr. Speaker, I have a constituent of whom I am inordinately proud, because he has spent a lifetime participating in good will efforts to improve our governmental processes as they relate to the free enterprise system.

TRIBUTE TO GEORGE J. BURGER

George J. Burger, Jr. joined the National Federation of Independent Business (NFIB) staff in July of 1947. The Federation at the time had less than 75,000 members. He has decided to hang up his spurs at the end of the year. Today, much to his credit, NFIB has in excess of 585,000 members.

The Federation has become an articulate and effective spokesman for the small business sector. Over the past three decades, George Burger has rendered a stellar contribution to it's growth and progress.

The Mandate, alerting members to important legislation impacting on small business, has been the cornerstone of NFIB operations. Until recent years, George was primarily responsible for the Mandate, and also wrote most of the testimony that was used by the Federation's legislative staff in testifying before various congressional committees.

George, working with his father, George Burger, Sr., who was Director of NFIB's Federal lobbying activities for nineteen years, has done much to improve the climate for small business.

Among the many developments in which he was involved were the following:

Establishment of the House and Senate Small Business Committees as a permanent fixture;

Creation of the Small Business Administration, first on a temporary basis and later as a permanent Agency;

The initial 7 percent investment tax credit;

Preservation of the Robinson-Patman Act against strong opposition;

Measures limiting bank holding companies;

Enactment of Keogh-type retirement programs; and

Stronger penalties for antitrust violations, and he worked diligently to strengthen antimerger statutes.

Mr. Burger took the initiative in development procedures to gather economic data from NFIB members. George personally discussed these findings with economists in Treasury, the Department of Labor, the Federal Reserve, Commerce, SBA and others. In 1971 Burger was invited to participate in quarterly meetings with Dr. Paul McCracken, Chief of the President's Economic Advisors, to discuss trends and problems of small business.

Mr. Burger took the initiative in having NFIB conduct a Quarterly Economic Survey of its members. This survey is under the supervision of economists with the University of California and Purdue University. Last year, with Burger's encouragement, the Federation created a Research Department under the direction of William Dennis. In addition to surveying employment trends and cost of doing business, special surveys have obtained information on tax reform proposals, the Federal paperwork burden, impact of an increase in the Federal minimum wage, National Health care, etc.

Everyone associated with small business should be eternally grateful for the positive influence George J. Burger, Jr., has had over the past thirty-two years.●

## ANTINUCLEAR SNAKE OIL

### HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. DANIEL B. CRANE. Mr. Speaker, many well-meaning individuals have been taken in by the snake oil salesmen of the antigrowth lobby. The "new hysteria of opposition" generated by the nuclear naysayers has truly frightened many people.

The Mattoon, Ill., Journal Gazette has printed a stinging indictment of the no-growth shock troops, repeating the speculation that the movement is an attempt by those who have made it financially to prevent others from climbing the ladder of success. I urge my colleagues and all Americans to heed the warnings given by this newspaper.

The editorial was written by William Missett, publisher-emeritus of the Oceanside, Calif., Blade Tribune I commend Mr. Missett's views to the attention of my colleagues.

[From the Mattoon (Ill.) Journal Gazette, July 20, 1979]

NUCLEAR POWER FOES OPPOSE PROGRESS

It was a supreme irony that on the very week that OPEC increased the price of its oil by 25 percent some 20,000 protestors demonstrated against the starting up of Diablo Canyon generating plant in California.

The plant is not in the planning stages, it has been built at great cost after complying with all of the regulations which enmesh the creation of all generating plants, and atomic ones in particular.

It was significant that the governor of California, Jerry Brown, spoke at the meeting, even though he was not on the planned program. Brown, who is running for the presidency, has attached himself to the antinuclear movement.

Who were the demonstrators? For the most part they are the scions of upper or middle-class families, who have been looking for a new "cause" to obstruct growth. You don't find poor people or minorities in this kind of effort.

Recently Robert Nisbet, Albert Schweitzer Professor of the Humanities at Columbia University, has come up with the interesting postulation that the environmentalists and their allies are against growth, per se.

He speculates that it is an attempt by those who have made it financially to prevent others in the country from rising from their present situation to a better position in the nation's economy and social structure.

The anti-nuclear brigade includes such figures as Ralph Nader, Dr. Spock, Jane Fonda and her husband Tom Hayden, and much of the groups that were anti-U.S. when we were in combat in Vietnam.

Hayden, with the aid of Gov. Brown, is attempting to build himself a political base in California by his all-out advocacy of solar power and his opposition to the nuclear industry.

The accident at Three Mile Island in Pennsylvania has triggered new opposition to generating electricity by nuclear power. It has been blown all out of proportion by the media and the intellectuals leading the antinuclear cause.

For twenty-five years no one has been killed in a nuclear accident. Nor was anyone killed at Three Mile Island. On the day that President Carter visited the plant the radiation was no higher than might be suffered from a dentist's X-ray machine.

This is a new hysteria of opposition with the Abalone Alliance at Diablo Canyon, the Clamshell Alliance at Seabrook, New Hampshire, the Prairie Alliance at Clinton, Ill., and the snail darter protectors in Tennessee.

They are against coal mining, against dams being built, against coal-fired generating plants, against refineries, against growth. In our opinion they are against the American dream of progress.●

## THE SAGEBRUSH REBELLION

### HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. UDALL. Mr. Speaker, out West we are seeing increasing evidence of a movement known as the "Sagebrush Rebellion." State legislators in several States, including my home of Arizona, have embraced this attempt to turn all or much of the Federal land in the West over to either State governments or to private citizens. I recently wrote a constituent newsletter on the topic, pointing out some of the problems and the fallacies in this approach.

So I was pleased to learn that Ben Avery, the distinguished outdoor editor of the Arizona Republic, had written a column on the Sagebrush Rebellion. Ben's words speak for themselves. I commend his article to my colleagues' attention.

[From the Arizona Republic, Sept. 16, 1979]

SAGEBRUSH REVOLT REPULSIVE

(By Ben Avery)

The Sagebrush Revolt! A catchy phrase. But beware of catchy phrases. What is behind it?

This movement started in Nevada, spearheaded by ranchers revolting against any controls on how they use public lands.

But Nevada is hardly a state to emulate. Nevada has no state lands today because greedy ranchers wanted them—and a poverty-stricken state prior to the gambling boom needed money. The state's lands were sold to the ranchers for a fraction of what they would be worth today. Since the ranchers of Nevada acquired the state lands, they have been spearheading moves, largely through the National Association of Counties and the national cattle and sheep growers associations to get the federal lands. They tried to, force legislation through Congress in the early 1950s to authorize their sale at a low price. The idea was to get them on the tax rolls, but the current permittees would have had the inside track.

Grazing lands on the tax rolls do not bring in much revenue, and ranchers don't line up to have their valuations raised any more than homeowners do.

The present revolt is really against the new Federal Land Management Act, which for the first time provides for management of federal grazing and mineral lands plus enforcement of rules. Of course, the revolt also is against the new higher fees for grazing and the U.S. District Court Decision forcing the U.S. Bureau of Land Management to comply with the Environmental Protection Act. A provision of the Land Management Act also requires that all BLM lands be evaluated for potential wilderness areas.

I doubt if the supporters of those acts are going to let the Sagebrush Revolt wipe them out by turning over the federal lands to the states so politically powerful ranchers at the local level can use them at low fees with no controls.

Don't get me wrong. The ideal situation would be to have the states own and control all of the public lands if there were assurance their management would not be controlled by the users for their personal gain. That's an ideal of government, however, that is almost a fantasy in this day and age of greed and political corruption.

The next best probably would be to have a federal agency manage all of the public lands. A federal agency might be impervious to local greed and corruption, but the maze of federal bureaucracy leaves much to be desired, and crazy-quilt federal laws don't help land management, which should be based on sound business practices and scientific land management.

Arizona's pulic lands—the state trust lands totaling about 9 million acres, BLM lands totaling about 13 million acres and National Forest lands totaling 11 million acres—are a tremendous asset to this state under wise, multiple-use management. They are used for grazing, mineral exploration and development, wildlife management to preserve all of our varied wildlife species, and a wide range of recreational activities that make Arizona an open-space jewel.

It would be my hope that level-headed ranchers would reject this misguided "Sagebrush Revolt" because they know that sound multiple use management requires the cooperation of ranchers, both the federal and state government agencies—and the body politic, the general public.●

## WORLD MILITARY EXPENDITURES AND ARMS TRANSFERS

### HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. ZABLOCKI. Mr. Speaker, I would like to call attention to the release on October 14 of World Military Expenditures and Arms Transfers 1968—1977 by the U.S. Arms Control and Disarmament Agency. This publication, the 11th in an annual series, is the single most comprehensive and authoritative source of statistical information on global military budgets and the international trade in weapons. The report, which is produced in conjunction with other Federal agencies, collates data from 145 countries concerning armed forces, weaponry, and international arms traffic as well as selected civilian statistical figures over a 10-year period. It is available upon request from the Arms Control and Disarmament Agency.

The survey notes that worldwide military spending approached $434 billion in 1977, an increase of nearly $30 billion over 1976. The developed countries continued to account for roughly three-quarters of the world's total military expenditures. A heartening trend may be indicated by the fact that for the first time, after adjusting for inflation, military spending by developing states decreased by almost 1 percent between 1976 and 1977. Much of this decrease reflected reduced spending by states in the Middle East.

The data presented in World Military Expenditures and Arms Transfers 1968–1977 also indicate that the international arms trade continues to grow. Over $17 billion worth of conventional armaments was transferred internationally in 1977, an increase of 7 percent over 1976 and a jump of 48 percent over the decade of the amount transferred internationally in 1966.

The United States and the Soviet Union were the two leading arms exporters, together accounting for over two-thirds of the world's total in 1977. Over three-quarters of the total transfers were received by less developed countries in 1977 with the three leading importers all being in the Middle East.

ACDA Director George M. Seignious II states in the foreword that:

> In a world of poverty and scarcity for many, over $400 billion is spent a year on weapons and military forces. Not only has the amount spent increased steadily, but the sophistication of the weapons in many countries has grown as well. These developments, on a highly interdependent globe where local crises could escalate to nuclear confrontation, pose a threat to the security and stability of all nations. Restraining these trends is the road to our future, and our common survival and well-being.

I hope that this valuable publication receives the careful attention that it deserves, and that it focuses renewed concern upon the serious problems and dangers posed by increased military expenditures and arms transfers. I urge my colleagues to avail themselves of this valuable information from the Arms Control and Disarmament Agency.●

## GETTING AWAY WITH MURDER IN THE UNITED STATES

### HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. STARK. Mr. Speaker, 3 years ago Orlando Letelier, a Chilean and critic of the Pinochet government was murdered in Washington along with an American associate when a bomb exploded under their car. A subsequent investigation led to Roger Townley, an American who, at the time, worked for the Chilean secret police. Townley, in turn, implicated three other members of the police.

Chile has continually refused to extradite these three men to be tried in Washington. This was demonstrated most recently and finally on October 2 when a five judge panel of the Chilean Supreme Court threw out all independent evidence in the case. This action followed the decision of Chile's chief justice to throw out the testimony of Townley on the grounds that it was a result of plea-bargaining.

Such behavior by a judicial body not only signals an affront to justice but an affront to human life as well. We cannot tolerate terrorism on our streets. The actions of the supreme court of Chile serve only to demonstrate its lack of independence and the central role Chile's top leaders played in this inexcusable act.

We cannot sit by and quietly condemn the Pinochet regime and an international act of terrorism. Only strong and determined action will be consistent with the values of our Nation and the values of our people.

I, therefore, urge my colleagues to join me in support of the resolution of Messrs. HARKIN, MILLER, and MOFFETT, a resolution to express the sense of the House on the failure of the Chilean Government to extradite the three Chilean secret service agents indicted by a Washington, D.C., grand jury for the murders of Orlando Letelier and Ronni Karpen Moffitt.

In conjunction with these brief remarks, Mr. Speaker, I would like to introduce into the RECORD editorial comments on this outrage from the New York Times, October 5, 1979, and the Los Angeles Times, October 15, 1979. I share the conclusion of the Los Angeles Times comment: By one means or another, the military junta in Chile should be made to understand that this is one murder case that will not go away quietly.

[From the New York Times, Oct. 5, 1979]

#### GETTING AWAY WITH MURDER IN CHILE

Chile's Supreme Court has refused again and finally to extradite three former secret police officials to be tried in Washington for the murder of Orlando Letelier. By so doing, Chile thumbs its nose at the United States, and at elemental justice. Strong evidence offered in American courts has shown the assassination was ordered by Chile's secret police. But the Chilean court now calls the evidence too slight to support prosecution even in Chile, let alone extradition. The State Department's prompt protest must now be followed by severe sanctions.

Mr. Letelier, an exiled critic of the Pinochet regime, and an American colleague were killed three years ago in Washington by a bomb placed under his car. A resourceful Federal investigation led to Michael Townley, an American working for DINA, the Chilean police, who planted the bomb. He implicated others, including DINA's chief and two high aides.

The Justice Department, observing proper Chilean procedures, then sought extradition. It went to the chief justice, but he said no—after excluding the most damaging evidence, Townley's testimony. He said it could not be trusted because it resulted from plea-bargaining for leniency. To reach that conclusion, the judge had to ignore voluminous independent evidence.

Then the American prosecutors appealed to a five-judge panel of the Chilean Supreme Court. This panel has now thrown out the whole case. That required sustained ingenuity and determination to avoid facts. First, the panel upheld the exclusion of the Townley confession. But he had made a similar confession to a Chilean general before there was any plea-bargaining. How did the court deal with that? It threw that out, too, apparently on the ground that the general lacked authority to accept a confession.

Next, the Chilean panel took up the independent evidence previously ignored—long enough to throw it out on technical grounds wholly out of place in extradition proceedings. Then the court scrapped still other evidence because it was authenticated by the wrong magistrate, or because American investigators, though formally invited to Chile, had somehow violated Chile's sovereignty.

Far from eliciting respect as the work of independent judges, this kind of judicial pyrotechnics is best understood in the context of the current Chilean regime, tightly controlled by persons who might themselves be implicated. Chile, in short, has stonewalled.

The United States is obliged to respond strongly. Our ambassador, already recalled twice over the matter, has now been recalled again. America gives too little aid to Chile for its withdrawal to mean much. The most promising sanction relates to the current return of American businesses and capital to Chile—the Congressional proposal to block private lending to Chile. The United States, far from blameless for the existence of the dictatorship, has a special duty to reaffirm human rights and its own sense of justice.

[From the Los Angeles Times, Oct. 15, 1979]

### COLD BLOOD ON THE STONE WALL

A few days ago the Supreme Court of Chile ruled, in effect, that officials of the Chilean secret police can plot the murder of a politician opponent on American soil and get away with it. The United States strongly protested the decision and called its ambassador home for "consultations." But the matter should not be dropped there.

In September 1976, a bomb exploded under the car of Orlando Letelier, Chile's former ambassador to the United States, as he drove along Massachusetts Avenue in Washington. Letelier and an American assistant were killed.

Michael Townley—an American employe of DINA, the Chilean secret police—subsequently admitted placing the bomb under the car, and he testified that the assassination was plotted by high-ranking officials of the Chilean intelligence agency.

A U.S. grand jury returned indictments against Gen. Juan Manuel Contreras, who was the chief of DINA at the time of the murder, and two aides. Washington then sought extradition of the three men from Chile to stand trial in this country.

The Chilean Supreme Court has now made a final decision to deny the extradition request on the grounds that the Townley confession resulted from plea-bargaining, and was thus not reliable evidence. The court found technical reasons for rejecting supporting evidence.

In one sense, the decision was predictable. Chile is run by a military dictatorship, and it is very unlikely that Letelier's murder could have been plotted without the knowledge and approval of the junta.

Chile's courts are supposedly independent. But the case was considered in an intimidating atmosphere created by officially inspired charges that the United States was trying to blacken Chile's international image. A Chilean news magazine that dared to suggest support for the American extradition request was closed down for two months.

In the absence of extradition, the United States would be satisfied if Chilean prosecutors would pick up the evidence and make a credible effort to win convictions in a Chilean court. But of course, the regime has no intention of allowing that to happen.

Many Chileans were outraged at the disclosures a few years ago of direct interference by the U.S. Central Intelligence Agency in their country's internal affairs. Those disclosures were a major factor in the ensuing shakeup of the CIA.

Now we are dealing with a cold-blooded murder that was plotted in Chile and carried out in an American city. The United States has a right to expect a great deal more than the stonewalling that has occurred.

This country provides little foreign aid to Chile but there are other forms of leverage.

The Chilean economy is heavily dependent on loans and investments from American banks and corporations. The United States obviously has a strong voice in such international lending institutions as the World Bank and Inter-American Development Bank. American trade unions representing dock and maritime workers could, if they chose, cripple Chile's exports to this country by imposing a boycott.

By one means or another, the military junta in Chile should be made to understand that this is one murder case that won't go away quietly.●

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## REAFFIRMING THE GOP COMMITMENT TO D.C. VOTING RIGHTS

## HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. McKINNEY. Mr. Speaker, as Members of Congress, all of us contributed to the fight for D.C. voting rights in our own particular way. Many of us signed on early, worked hard and we are proud of our accomplishment in getting this amendment through the Congress. Admittedly, we did not foresee the present difficulties which the amendment is encountering in some State houses throughout the Nation. However, I feel that we should not view these setbacks as a signal to abandon the amendment, and to back off from our earlier support, but rather as a challenge to each and every one of us to step forward and redouble our efforts toward achievement of our original goal.

When the first anniversary of the D.C. Voting Rights Amendment was observed approximately 2 months ago, I found little cause for celebration and more cause to worry. I worried that only six States had ratified the amendment. I worried that more attention was being focused on the movement's fratricidal infighting than on its common goal. I worried about the future of the movement and the future of the amendment in general. However, one fact that troubled me even more is the flagging bipartisan support for this issue.

The spirit of bipartisanship has accompanied the D.C. Voting Rights Amendment from its earliest days, and that bipartisanship has served us well. In fact, our greatest legislative accomplishments have come when we, Republicans and Democrats alike, have shared the burden of the fight for ratification together. In the early days of the fight, Republican support for the D.C. Voting Rights Amendment was evident everywhere. Not only was the amendment backed by a Republican President, and included in the Republican Party Platform in 1976, but the personal intercession of Republican National Committee Chairman, the Honorable Bill Brock, was responsible for lining up solid Republican support when the amendment passed both the House and the Senate.

Today, while many Republican Governors and State legislators can be counted in the ranks of those actively working for passage of the amendment, there seems to be a growing perception among many individuals that, in State after State, Republicans form the core of the opposition. We all know that the problems confronting the amendment cannot be attributed to one singular factor. While partisan politics does play a role in some States, the constitutional arguments, rural versus urban arguments, black versus white arguments, and, at times, us—the District—versus them—the States—arguments all contribute in one way or another to the amendment's fate.

As a Republican, I will accept the fact that much work has to be done within the ranks of my party to dispel the partisan myths which seem to accompany discussion of the amendment. I think that much of this burden should fall to the Republican leaders on the national level who were with us in the beginning and who now must continue to stand tall.

Last month, I wrote to Republican Chairman Brock expressing my dismay over the fact that "Republican efforts have fallen far short of what they could be in fostering continued support for this issue in the various State legislatures." I have offered my time and direct assistance in any endeavors which we might take to rectify this wrong. Please be assured that I am not advocating any diversion from the bipartisan efforts which have brought us this far. I am simply talking about a concurrent effort at establishing rapport with, and keeping up an ongoing communication with, Republican officeholders on the issue of D.C. Voting Rights.

Mr. Speaker, I do not adopt the philosophy of those who view the D.C. Voting Rights Amendment as a "problem without a solution." I do not think that it is time to start writing the amendment's obituary. I do not agree with those who think that perhaps it is time the amendment should be redrafted and we should start over again. No, instead, I call upon my colleagues in Congress on both sides of the aisle, but particularly Republicans, who have worked so diligently to bring the amendment this far to reaffirm their commitment. We must do this not only through words, but through actions to rectify the serious injustice which exists under the present system of "taxation without representation" in the Nation's capital.●

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## ATOMIC ACCIDENTS

## HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. DELLUMS. Mr. Speaker, as a participant in the public information project on the little-known history of atomic accidents, I am today introducing the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

### TWENTY-SIX CASES OF RESPIRATORY BERYLLIOSIS

(Source: HASI 36—"Health Protection in Beryllium Facilities, Summary of Ten Years Experience", May 1, 1958, pages 1, 2, 45.)

The first reports of occupational illness, which appeared as early as 1936, did not receive wide attention in the United States or were, in some instances, discredited. Today concurrence is unanimous among investigators that beryllium "per se" is the causative agent of the occupational illness which is unique to the industry. On the other hand, it has been clearly demonstrated that the application of suitable engineering control measures can make the handling of beryllium and its compounds no more hazardous than that of other more common toxic industrial materials such as mercury and lead.

It is interesting to compare the data in Figure 37 for the period during which the large number of illnesses occurred, where 1.5 percent of all dust samples show $>$ 100 ug/m$^3$, with data in Figure 33 (survey 7), where 5 percent of all samples show $>$ 100 ug/m$^3$. Ten cases of illness occurred in the immediately preceding quarter in 1950, and no cases occurred in 1956.

The average in-plant atmospheric beryllium concentration should not exceed 2 ug/m$^3$.●

## CONGRESSIONAL SALUTE TO NEW JERSEY FEDERATION OF BUSINESS AND PROFESSIONAL WOMEN'S CLUBS UPON THE CELEBRATION OF THE 60TH ANNIVERSARY OF ITS FOUNDING WITH SPECIAL PLAUDITS TO NEW JERSEY'S WOMEN MAYORS

### HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. ROE. Mr. Speaker, on Saturday, October 20, the New Jersey Federation of Business and Professional Women's Clubs, Inc. will assemble for its annual observance of National Business Women's Week to celebrate the 60th anniversary of its founding and to honor our State's women mayors. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to the businesswomen of New Jersey upon this most noteworthy occasion.

Mr. Speaker, at the outset may I most wholeheartedly commend to you the following distinguished honorees of this 60th anniversary celebration who have achieved the highest office of public trust—the chief executive officer—of the communities of our State, as follows:

The Honorable:
Irene Smith, Mayor of Belvidere.
Marie P. Koch, Mayor of Califon.
Dorothy Willis, Mayor of Chatham.
Lorraine Schierer, Mayor of Delran.
Sandra Greenberg, Mayor of Englewood.
Ann A. Mullen, Mayor of Gloucester.
Phyllis Kavett, Mayor of Howell.
Joanne Makely, Mayor of Mahwah.
Maureen B. Ogden, Mayor of Millburn.
Mary Patrick, Mayor of Millstone.
Helen Lucas, Mayor of Ogdensburg.
Sonya K. Fineberg, Mayor of Old Bridge.
Barbara Chadwick, Mayor of Rutherford.
Virginia M. McKinney, Mayor of Roselle Park.
Dorothy B. Manson, Mayor of Shrewsbury.
Ida E. Bruni, Mayor of Wrightstown.

Mr. Speaker, the National Federation of Business and Professional Women's Clubs has sponsored the observance of National Business Women's Week as a time to reflect on working women's role in society, in politics and in the economy. This prestigious organization spans six decades of dedicated service in helping to improve the status of women and we are proud of their outstanding achievements in the communities throughout our Nation.

The New Jersey Federation was organized in Trenton, N.J. on May 30, 1919, and is one of the first 19 State federations chartered by the National Federation. Their charitable and benevolent activities on behalf of all of our people, young and adults alike, are legion. As we all know, one of their top priorities and most able expertise have been devoted to active and dynamic participation in the political and government processes, and the outstanding success of their endeavors is applauded by all of us.

They are dynamically participating in the decisionmaking process on vast and diverse issues of international, national, and individual concerns affecting each and every one of our citizens and I appreciate the opportunity to seek this national recognition of our New Jersey Federation of Business and Professional Women's Clubs for the excellence of their contribution to the American way of life and the American dream.

Mr. Speaker, may I also commend to you the following roster of members who have attained leadership positions at the State and Federal level of the Federation of Business and Professional Women's Clubs:

The current esteemed officers of the New Jersey Federation of Business and Professional Women's Clubs, as follows:

STATE BOARD OF DIRECTORS

*1979–1980 Executive Committee*

The Honorable:
Anita K. Bernstein of Irvington, President.
Mary M. Gray of Trenton, President-elect.
Sister Carmela M. Cristiano of Guttenberg, 1st Vice President.
Margaret M. Murray of Parsippany, 2nd Vice President.
Phyllis Anderson of Bernardsville, Recording Secretary.
M. Susan Chambliss of Roselle, Corresponding Secretary.
Elizabeth J. Lemke of Cranford, Treasurer.
Marie Jensen of Clark, Assistant Treasurer.
Emma McGall of Westfield, Parliamentarian.

*1979–1980 Standing Committee Chairmen*

The Honorable:
Debra J. Colodin of Eatontown, By-laws.
Thelma Trmal of Parsippany, Finance.
Marion Johnson of Red Bank, Foundation.
Susan W. Stewart of Pennington, Legislation.
Zelda Reach of Montclair, Membership.
Carmela M. Cristiano of Guttenberg, Program.
Eileen Thornton of Trenton, Public Relations.
Blanche Corbman of Elizabeth, Young Careerist.

*1979–1980 Special Committee Chairmen*

The Honorable:
Ruth Simsek of Secaucus, Advertising Manager.
Anne M. Castele of Highland Park, Archivist.
Dorothy O. Bowers of Roselle, Career Education Awards.
Lorraine Conover of Plainfield, Circulation Manager.
Mary Emg of Trenton, Magazine Editor.
Eleanor Fandetta of Burlington, Nominating.
Carol Melvin of Atco, Policy and Procedure Manual.
Helen Roney of Andover, Resolutions.
LuAnne M. Holdcraft of Pennsauken, State Convention.
Margaret Lucca of Somers Point, State Convention.
Peggy Mills of Stratford, Past President's Club.

*1979–1980 District Directors*

The Honorable:
Marie McLaughlin of Madison, District No. 1.
Geraldine Runfeldt of Berkeley Heights, No. 2.
Grace D'Addazio of Union, No. 3.
Clara Dreibelbies of Linden, No. 4.
Josephine Konover of Princeton, No. 5.
Sophie Petracco of Bricktown, No. 6.
Amy Yeater of Woodbury, No. 7.
Muriel deAzevedo of Secaucus, No. 8.

*1979–1980 Club Presidents*

The Honorable:
Christine C. Smith of Turnersville, Alice Paul Club.
Suzanne Baldanza of Manasguan, Asbury Park.
Mary E. Haynie of Ventnor, Atlantic City.
Bernice A. Bramson of Bayonne, Bayonne.
Frances Manderrichio of Kenilworth, Berkeley Heights.
Dora Markle of Bedminster, Bernardsville.
M. Grace Shultz of Burlington, Burlington County.
Elizabeth A. Csuti of Sewaren, Carteret.
Concetta Forgione of Union, Connecticut Farms.
Ida M. Mizel of Elizabeth, Cranford.
Barbara Bravman of Cliffside Park, East Bergen.
Helen B. Zack of Elizabeth, Elizabeth.
Marianne Muolo of Scotch Plains, Fanwood-Scotch Plains.
Anna Schmitz of Woodbury, Gloucester County.
Eva G. Blackford of Bordentown, Greater Bordentown.
Mary Jane Sinclair of Morristown, Hanover-Par-Troy.
Susan Hagerty of Cranbury, Hightstown.
Evelyn E. Buttwell of Union, Hillside.
Marie Timoney of Hoboken, Hoboken.
Ruth E. Cimirro of Maplewood, Irvington.
Sister Mary Alexandrine of Jersey City, Jersey City.
Dorothy C. Miller of Matawan, Lenape.
Rae Silverman of Linden, Linden.
Elizabeth W. Palmer of Convent Station, Madison.
Rose M. Maker of Newark, Maplewood.
Naeda E. Kiesau of Middlesex, Middlebrook.
Anastasia Carumpalos of Millburn, Millburn-Short Hills.
P. Leah Santora of Middletown, Monmouth Shore.
Jean E. Battersby of West Caldwell, Montclair.
Linda J. Forbes of Mount Tabor, Morristown Area.
Constance V. Alongi of South River, New Brunswick.
Mary Lou Rizzo of Succasunna, Northwest Morris.
Mae Withers of Cedar Grove, Orange.
Mary R. Kizma of Palisades Park, Palisades.
Cathie A. Kennedy of Easton, Pa., Phillipsburg.
Carol Luerson of No. Plainfield, Plainfields.
Betty Anne Gooley of Bricktown, Point Pleasant.
Laverne A. Hebert of Kendall Park, Princeton.
Blanche M. Gadzinski of Weehawken, Secaucus.
Sophie A. Barszczewski of Bridgewater, Somerset.
Helen Pryslak of Basking Ridge, Somerset Hills.
Bonnie A. Reynolds of Secaucus, South Bergen.
Janice A. Iasello of Summit, Summit.

Bertha M. Conover of Branchville, Sussex County.

Anna H. Rhoades of Lakewood, Toms River.

Mary T. Emge of Trenton, Trenton.

Caroline C. Theisz of Bloomfield, Tri-Town.

Martha W. Gresham of Westfield, Westfield.

Eleanor A. Kvaska of No. Arlington, West Hudson.

Therese M. Schroeder of Rahway, Woodbridge.

STATE FEDERATION MEMBERS AT NATIONAL LEVEL

The Honorable:

Paula Laddy, First National Treasurer (1919).

Mary L. Johnston, Treasurer (1923).

Myra A. Blakeslee, Third Vice President (1937).

Libby E. Sachar, Finance Chairman (1954–1956).

Alba Thompson, Observer to United Nations (1956).

Helen G. Hurd, Acting Executive Secretary (1956).

Libby E. Sachar, Public Affairs Chairman (1957).

Helen G. Hurd, Chairman, Foundation Finance Committee (1960 and 1962).

Emma C. McGall, Chairman of Elections (1964).

Emma C. McGall, Legislative Chairman (1964–1966).

Emma C. McGall, Legislative Committee (1966–1967).

Helen G. Hurd, Chairman, Golden Anniversary Committee (1968–1970).

Genevieve Ford, Assistant United Nations Representative (1968–1972).

Charlotte McCracken, Chairman, Nominations (1970–1971).

Mary Louise Wetjen, Program Planning Committee (1970–1971).

Mildred McLean, Resolutions Chairman (1970–1971).

Mary Louise Wetjen, 1972 National Convention Contact Chairman.

Mildred deSimone, Chairman, Membership Committee (1972–73).

Mildred deSimone, Legislative Committee (1973–74).

Mildred de Simone, Career Advancement Scholarship Committee (1974–75).

Nancy Siracusa, Bylaws Committee (1976–78).

Roberta Rossi, Public Relations Committee (1977–78).

The highly respected members of the Anniversary Committee, as follows:

The Honorable:

Helen Hurd of Highland Park, General Chairman (Past President, NJFBPW; former Councilwoman).

Lorraine Schmierer, Speaker on behalf of honorees (first woman to serve as President of the New Jersey Conference of Mayors).

Betty Harragan, Keynote Speaker.

Charlotte McCracken of Elizabeth (Past President, NJFBPW).

Mary Louise Wetjen of Cranford (Past President, NJFBPW).

Mary Andiorio of Bernardsville.

Jay Bacchetta of Hackettstown.

Mrs. Bernstein; Emily Fogerty of Hillside.

Marie McLaughlin; Helen F. Meehan and Eleanor Hoffman of Madison.

Helen Zack of Elizabeth.

Maryann Davis; Rae Silverman of Linden.

Eleanor Luttgens of Roselle Park.

Roberta Rossi of Summit.

Caroline Theisz of Bloomfield.

Eileen P. Thornton of Trenton.

Leslie Turek of Sussex County.

Eleanor Voyski of Livingston.

Ann Weber of Berkeley Heights.

Eileen P. Thornton, Public Relations Chairperson.

Mr. Speaker, during National Business Women's Week, we do indeed salute the working women of America and I take special pride in today's congressional salute to the New Jersey Federation of Business and Professional Women's Clubs upon the celebration of their 60th anniversary dedicated to the business and professional women of our State who have made valued contributions and an outstanding record of achievements in every phase of civic, political, and economic life with special plaudits to this year's testimonial honorees, the distinguished lady mayors of the communities of New Jersey.●

## SOLVING FARM PROBLEMS

## HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, October 17, 1979, into the CONGRESSIONAL RECORD:

### SOLVING FARM PROBLEMS

By all indications, 1979 will be a good year for many farmers. The news seems even better when one considers that 1978 was, in virtually every respect, also a good year.

The underlying strength of America's agricultural sector has certainly been showing up in the statistics. Net farm income in 1979 should be nearly $30 billion, up from $28 billion in 1978. Growing conditions were generally favorable during late summer, and as a result record harvests are anticipated. The corn, wheat, and soybean crops are all expected to be larger than last year's. Moreover, American agricultural exports—which now account for 20% to 25% of farm income—are posting steady increases. Export value will probably total between $35 billion and $40 billion in 1980, up from an estimated $32 billion this year, and export volume will jump from 127 million tons to more than 145 million tons.

In spite of the solid overall outlook, however, there are several matters of concern to the farmer. I firmly believe that these matters should be addressed as quickly and completely as possible. The following legislative initiatives are intended to solve farm problems and thereby ensure that the farmer will continue to do well in the years to come:

Nitrite ban: Recent tests have suggested that nitrite may cause cancer in laboratory animals, yet no satisfactory substitute for this important meat preservative has been found. I have co-sponsored a bill that would temporarily prevent the Department of Agriculture and the Food and Drug Administration from banning nitrite as a food additive so that there would be time to review the tests and evaluate the alternatives. After a one-year moratorium, the agencies would be permitted to phase out nitrite gradually over a two-year period if such action were necessary and if a safe, effective, economically feasible substitute for nitrite were found.

Foreign investment in American farmland: An American farmer who sells his land must pay capital gains tax on the profits, but a foreigner who sells his land need not. This unfair tax break only increases incentives for foreigners to speculate in land, thus driving up its price beyond the reach of many Americans who might otherwise wish to buy. I have co-sponsored a bill to end the preferential tax treatment afforded to foreign owners of American farmland.

Marketing and bargaining: Food processors are frequently able to dictate marketing terms, especially to producers of perishable commodities. Farmers have formed bargaining associations in response, but these associations have often been circumvented or weakened. I have co-sponsored a bill to require that processors and accredited producer associations meet at reasonable times for the purpose of bargaining together in good faith. The bill would also rule out some unfair practices—such as attempts to break up producer associations—and would provide guidelines for mediation if an impasse were reached during bargaining.

Hopper car shortage: When farmers are ready to transport their commodities during the harvest this fall, they could face one of the worst shortages of hopper cars in recent years. The domestic hopper car manufacturers are simply unable to meet demand: they have reported a two-year backlog of orders—more than 120,000 cars. I have co-sponsored a bill that would increase the number of available hopper cars by suspending the import duties for two years on critically needed hopper cars produced abroad.

Uniform truck standards: Farmers are looking more and more to trucking as a way to transport their commodities. Congress has set maximum weight limits for trucks on the interstate system, but because ten states have adopted lower limits the movement of larger loads has been blocked. I have co-sponsored a bill to set uniform truck weight and length standards to facilitate the movement of farm products.

Alcohol fuels: In agricultural states such as Indiana, alcohol fuels could both become a significant source of energy and provide an important new market for farm products and wastes, especially if alcohol-producing facilities are developed rapidly. I have co-sponsored a bill to provide loan guarantees for the construction of facilities to produce alcohol. Priority would be given to farmers. The bill would also expand grants for research in alcohol fuels and offer tax incentives for marketing of "gasohol", a mixture of gasoline and alcohol.

Alternative energy sources: Independent sources of energy, sources free from domination by foreign interests, must be developed for America's farm regions. I have co-sponsored several bills aimed at saving energy and exploiting various alternative sources of energy. One bill would create a solar development bank to make long-term, low-interest loans to individuals and businesses for the purchase of solar energy equipment. Another bill would accelerate the development of wind power, a source of energy which looks promising in rural areas. Yet another bill would offer financial incentives for the production of "synfuels" through any acceptable technology, whether coal gasification or liquefaction, or extraction of oil from shale or tar sands.●

## REGULATIONS DECREASE STRAWBERRY ACREAGE

## HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. AUCOIN. Mr. Speaker, I want to address the issue today of unnecessary and unauthorized Federal regulation which has resulted in a sharp decline in the amount of acreage in Oregon devoted to growing strawberries.

This is not the first time I have expressed my anger on this subject. Last year, I paid a visit to the Secretary of Labor and hand delivered a carton of strawberries from Oregon with the message that he better enjoy them now while he has the chance.

That message has turned out to be more prophetic than even I realized.

In the last 10 years, strawberry acreage in my State has plummeted by more than 50 percent from 12,000 acres to just about 5,000 acres. This indicates a dim future for Oregon's $14 million strawberry crop.

What has caused this decline? The Department of Labor does not like the idea that 10- and 11-year-olds pick the strawberries, and it has done everything it can think of to block them—despite a clear mandate from Congress in the Fair Labor Standards Amendments of 1977.

This is not a child labor issue. It is an opportunity for Oregon farmers to secure a large short-term work force nearby their farms and for Oregon youngsters to earn a few dollars on weekends and after school.

A total of 19,670 youngsters under the age of 16—and 1,308 under the age of 11—are employed annually in the strawberry harvest in Oregon. For most, there are no other jobs at hand. Their pay of 8–10 cents per pound is valuable to them.

The Department of Labor's most recent effort to block these youngsters from working in the fields centers on the dangers of exposure to pesticides.

No reasonable person would ignore a problem such as this—if it is a problem.

A study just completed by the Extension Service of Oregon State University concludes that the Department of Labor's study was "poorly prepared and failed to show an adequate basis for (the) conclusion" that children may be harmed by exposure to certain chemicals.

What is more, the Department of Labor failed to make clear why the danger of pesticide exposure is so great for 10- and 11-year-olds, but it is OK for older youngsters and adults.

In short, the Department of Labor's thinking on this issue is muddled. One can hope it will simply withdraw from the issue as gracefully as possible and the sooner the better.

Despite court decisions permitting youngsters into the strawberry fields, the Department has continued to interfere. Farmers have lost important income because of hassles with the Department, and court actions last year cost farmers in excess of $3 million in legal fees.

This is a sad story of how our Government works. Over time, strawberry farmers who can afford it will invest in machines to tend their fields and harvest their crop.

In some respects mechanical harvesting of strawberries is cheaper. It certainly is more reliable than workers.

But there is a price. Thousands of youngsters will have lost out on a chance to gain valuable work experience. And, the product from the farms will change. To harvest strawberries mechanically, a sturdier stock is needed that yields a harder berry. It is not nearly as succulent as the current type that is handpicked.

For people in Oregon, the activity of the Department of Labor in blocking young strawberry pickers has come to be a symbol of excessive regulation by the Federal Government. It is a black eye the Federal Government does not need.●

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## CONTRACT AWARDS TO MINORITY-OWNED BUSINESSES

## HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. WRIGHT. Mr. Speaker, under consent to extend my remarks, I am placing in the RECORD information which has come to my attention concerning the award of contracts to minority-owned businesses, a matter in which I have a deep interest. I would like to take this opportunity to commend General Dynamics Corp., a major division of which is headquartered in my congressional district, for conducting an aggressive and highly rewarding program in this area. General Dynamics accelerated efforts in this area which now span approximately 4 years have met with steadily growing success.

In 1978 the Convair Division of General Dynamics won the National Award of Excellence from the Commerce Department's Office of Minority Business Enterprise; and this year the Defense Department awarded a special citation to the Fort Worth Division of General Dynamics for a subcontract involving approximately $5.4 million to a minority-owned electronics firm. General Dynamics was the first defense contractor in the Nation to receive such a citation.

I would hope that other large corporations will follow the fine example set by General Dynamics. It is certainly my judgment that all businesses and the Nation as a whole would be strengthened as a result.

The information to which I refer is as follows:

### GENERAL DYNAMICS CORPORATION

### MINORITY PURCHASES EXCEED $18 MILLION

General Dynamics Corporation has increased its purchases from minority owned firms ten-fold in the past three years. The Corporation's purchase awards to these firms have increased from $1.8 million in 1975 to more than $18 million in 1978!

General Dynamics has always been committed to providing equal opportunity to minority firms, but this diversified producer of aircraft, missiles, electronics, communications equipment, and construction materials has now achieved a leadership role in the minority business area.

Renewed emphasis was given this program in March 1976 when the Chairman reaffirmed General Dynamics' commitment to the affording of equal opportunity to minority business enterprises in furnishing purchased goods and services. He stated: "This company is committed to the concept of providing equal opportunities to minority businesses, and all members of management are expected to work toward placing General Dynamics in a position of leadership and excellence with respect to this important aspect of equal opportunity."

Extensive work was undertaken to identify qualified or qualifiable minority suppliers and, once they were identified, to assure that they were given an opportunity to compete. This is a key element of the General Dynamics program—to maintain the underlying principle of procurement through maximum competition while providing every possible opportunity for minority business to participate. They believe that only through continued supplier development provided by tough competition can strong suppliers be established. The added competition provided by minority suppliers has helped General Dynamics in the fight against inflation due to the frequently lower costs of MBE firms.

Each year, internal Divisional goals are established for purchases from minority-owned firms and, in order to monitor Divisional/Subsidiary performance, data reporting to the Corporate Material Department is required on a monthly basis. A consolidated report comparing Divisional performance to goals is furnished by Corporate Material to the Chairman and Divisional/Subsidiary heads on a quarterly basis.

Motivation of purchasing personnel to utilize minority suppliers is an important element of the overall program. Each Division/Subsidiary has developed its own incentive program for purchasing personnel. A Corporate-wide incentive is an "Outstanding Minority Business Effort of the Year" award of $1,000.

General Dynamics responds in writing to all letters received from minority vendors, directing them to appropriate contacts for their specific commodities/services. The minority vendor is supplied with a copy of a brochure which has been developed specifically for small and minority businesses entitled "How To Sell To General Dynamics—A Guide for Small and Minority Businesses." The brochure contains names, addresses and telephone numbers of all Purchasing supervision along with identification of the commodities purchased and includes a description of the purchasing procedures to be followed.

The Corporation is a member of the National Minority Purchasing Council and many divisions and subsidiaries, as well as the Corporate Office, actively participate in their regional Minority Purchasing Councils. For example, the Corporate Office in St. Louis participates in the Missouri-Southern Illinois Purchasing Council activities, provides printing services to the Council on a regular basis, and composes the Council newsletter.

General Dynamics' encouragement of minority business is an integral part of their purchasing activity which is mutually beneficial to business, the minority community, our cities and the nation. Federal directives encourage the utilization of minority-owned businesses, but General Dynamics has extended its program beyond Government contracts for F–16 international fighters, submarines and missiles, into LNG ships and other commercial products. Minority purchases have run the gamut from high technical engineering services to fuel oil suppliers and include long term multi-million dollar production awards.●

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## GUAM TRIBUNE NEW PAPER ON ISLAND

## HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. WON PAT. Mr. Speaker, I am pleased to announce that starting soon Guam will have a new daily newspaper—the Guam Tribune.

The publisher of the Guam Tribune is one of the island's most successful and respected businessmen, Mr. Marciano V. Pangilinan. He has long been highly active in a number of civic causes and is owner of Pangilinan Enterprises, Inc., which controls a number of local business firms.

I have long been privileged to be a close friend of Mark Pangilinan and salute his desire to bring to Guam a fresh new look in journalism. Competition is as vital a force in journalism as it is in other forms of business and we on Guam look forward to enjoying the Guam Tribune.

In these days of rapidly changing events, it is important that the people of Guam be assured of getting all of the facts on events which could affect us. I am confident that this is what the Guam Tribune will do. Mr. Pangilinan is a man of outstanding drive and experience and he has assured me that his publication will do everything it can to serve the public in a manner consistent with the highest tradition of journalism.

Guam is at present served by one daily paper—the Pacific Daily News—owned and operated by the Gannett chain. The Pacific Daily News has long been Guam's only daily paper and I am confident that the competition between it and the Guam Tribune will only serve to enhance the quality of both papers.

Recently, Editor and Publisher's magazine carried a story about the opening of the Guam Tribune. Because it contains a great deal of informative information about Mr. Mark Pangilinan, I ask that it now be carried in the RECORD.

Thank you.

### GANNETT SOON TO HAVE COMPETITION ON GUAM

A second daily newspaper is about to be published on Guam.

The *Pacific Daily News*, owned by the Gannett Group of Newspapers, faces competition from a new daily to be published by Marciano V. Pangilinan, a wealthy Guamanian businessman.

Gannett has no competition on the island of 110,000, located 6,000 miles west of California. The News is a morning publication with a circulation of 18,000.

Pangilinan plans on publishing a morning newspaper aimed at the same market. He is taking delivery in June of an 8-unit Goss Community Offset Press, together with late-model computerized typesetting equipment complete with VDTs. He is remodeling one of his large commercial buildings in downtown Tamuning to house the operation.

The owner of Pangilinan Enterprises, Inc., Pangilinan is one of the island's largest and wealthiest businessmen. He spends upwards of $350,000 a year advertising in the Pacific Daily News. Among his businesses, which are estimated to gross him $30 million a year, are a large department store, a Ben Franklin Store, the Honda Agency, Ace Hardware, a sporting goods store, insurance agency and propane gas service business.

He also has an advertising production staff of 18, which puts together all of his advertising camera ready for the News. He says that the News allows none of its advertisers any agency commission for this service. He also objects to its policy of emphasizing national and world news, rather than local news.

He is recruiting a staff of experienced stateside personnel for all the key positions, and has the cooperation of production supervisors from McClatchy Newspapers in California in planning his operation.

Pangilinan has a considerable following on the island, and has been active in many political and social activities. In addition to being head of the Filipino Community—which numbers 20 percent of the population—he is chairman of the board of trustees of the University of Guam, a director of the Medical Center of the Marianas and was head of the Guam Power Authority for many years.

A native of the Philippines, he arrived on Guam in 1947. He was recently honored by Ferdinand Marcos, president of the Philippines, as the "Overseas Filipino of the Year".

Guam's economy, which until fairly recently was entirely dependent on American military bases, has begun to broaden. Tourism, 85 percent of which comes from Japan, has taken hold, and Guam has become the center of a growing tourist business in the Mariana Islands as well as Micronesia, providing many basic services.

Although it is only 212 square miles in size, it is the largest island in that part of the Pacific, with the Philippines and Japan both 1,500 miles distant.

Pangilinan indicates that he sees considerable growth for Guam in these areas, as well as the importance of Guam as the most westerly bastion of the United States, and its proximity to China.●

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## AMENDMENTS TO FEDERAL CAMPAIGN ACT

## HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. CAVANAUGH. Mr. Speaker, I am pleased that the House is today considering amendments to the Federal Campaign Act in an effort to bring under control the ever increasing domination by powerful special interest groups over the Congress. I believe it is high time that this body consider returning Government to the people where it properly belongs and out of the hands of special interest groups where it is now.

I believe the Obey-Railsback bill, as well as the amendments which were offered to it, were just and fair to both business political action committees and to labor union political action committees, which will all be treated equally under this legislation, with no slant in either direction.

In the 1978 congressional elections, labor unions contributed $10.3 million, while other political action committees contributed $24.8 million. To see the effects of these contributions one had only to read the August 20, 1979, Washington Post that stated in June, when the House Ways and Means Committee watered down the windfall profits tax, 95 percent of the members of that committee who got more than $2,500 from oil PAC's voted the industry line—against the American consumer and for the oil industries.

When this same windfall profits tax bill came before the full House, of the 236 Congressmen who voted for the position of the oil industry 83 percent had received oil-related PAC money. In view of these statistics, as well as other data, I believe our lack of a good strong energy policy can be directly attributed to the contributions of oil companies and affiliated industries. This is just one instance of where excessive special interest contributions are dictating policy and injuring the public at large.

I have noticed in the mail I have received in recent weeks on the Obey-Railsback bill the groups who have written in opposition to these changes in campaign contributions limits have been the groups with the largest political action coffers and a record of the highest contributions to the Congress. On the other hand, the people who have written in to me supporting the bill have been individuals from my district who have requested that the Congress release itself from the hold of narrow special interest groups.

On many occasions I have had the personal experience of people in my congressional district telling me of their support or opposition to a legislative initiative and then having the special interest group that they belong to which is typically headquartered here in Washington tell me that the people were wrong—that they misunderstood the issue. I do not think this is the case at all. I have great confidence in the ability of my constituents to think for themselves and to reach rational decisions on what is good for them as citizens, Americans and Nebraskans.

The growth of special interest groups in recent years has been tremendous. In 1974 there were 608 special interest political action committees; today there are 2,000. In 1974 political actions committees contributed $8.3 million to candidates for elective office; in the last election in 1978 these PAC's contributed $35.1 million. This trend is frightening and detrimental to our democracy.

I fully recognize the value of special interest groups petitioning the Congress on issues which effect their industries and I invite their input; however, I do not believe that the power of the PAC's should be greater than that enjoyed by individual citizens. I feel the restrictions provided under the Obey-Railsback bill are a much better approach toward restoring the independence of Members of Congress to make well thought out, rational decisions on public policy than was the suggested public financing of campaigns which would have used tax dollars and which I firmly opposed in testimony presented to the House Administration Committee.

Some of the arguments given by the special interest groups against the Obey-Railsback bill have been that it will restrict the voluntary individual's contributions. This is hardly the case. Members will now be forced to go out into their districts and solicit both contributions and votes from the people they represent. This has been my practice since becoming a candidate for elective office. The primary financial support for any elective office should come from the congressional district residents, not from Washington based special interests. Some of my colleagues who have relied on PAC money rather than small individual contributions may find themselves in the position of finally getting to know the citizens in their district. I believe this will be a healthy and possibly enlightening experience for those here in the Congress who have become dependent on big PAC contributions.

We must not forget why we are in the Congress—it is to represent the people, all of them, including those who are members of special interest groups. However, the scales must weigh equally for the private citizen in Omaha, Nebr., as well as the interest groups here in Washington, D.C. This bill is a step in the right direction in restoring equality.

As you stated, Mr. Speaker, in your remarks earlier today, "To yield to special interest is to yield the rights of the American people." You could not have summed up the case in support of the Obey-Railsback bill any more eloquently or succinctly.●

## SHORTER HOURS, SHORTER WEEKS: SPREADING THE WORK TO REDUCE UNEMPLOYMENT

### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. CONYERS. Mr. Speaker, the Labor Standards Subcommittee, chaired by my distinguished colleague and friend, Mr. EDWARD P. BEARD, next week will be holding the first major hearings on worktime reduction as a means to combat unemployment that have occurred in the last 15 years. The focus of the hearings on October 23, 24, and 25 will be legislation (H.R. 1784), which I introduced that provides for increasing the overtime rate to double-time, the voluntary consent of employees in the scheduling of overtime, and the reduction in the standard workweek over a 4-year period to 35 hours.

Powerful new trends in the composition of the labor force make a shorter workweek an increasingly effective means to spread work equitably among the greatest number of workers. The expansion of women in the labor force, the increasing number of multiple-earner households, the reduced size of families, and a growing demand for leisure time are some of the reasons why worktime reduction and work-sharing are being so prominently discussed. Under these circumstances, shorter hours will not mean reduction in household income. For the economy as a whole, it could mean less unemployment, higher morale and productivity in the workplace, and a fuller utilization of our resources.

The hearings on the shorter workweek will examine the impact of changes in the labor force on working time and overtime.

One of the Nation's leading authorities on the labor force is Dr. Sar A. Levitan of George Washington University. Dr. Levitan was Chairman of the National Commission on Employment and Unemployment Statistics and is Director of the Center for Social Policy Studies. Among his numerous works is "Shorter Hours, Shorter Weeks: Spreading Work to Reduce Unemployment" (1977). An article, drawn from that work, entitled "Reduced Worktime: An Alternative To High Unemployment," offers an excellent analysis of changes in the work force and explores the shorter workweek as a policy tool to combat unemployment. I urge my colleagues to read the excerpts from the article that follows.

#### PAST TRENDS PRELUDE TO FUTURE?

#### THE QUEST FOR SHORTER HOURS

Before we turn to crystal ball gazing, an examination of past developments might be helpful to gain some insights about probable future trends in worktime. Although many people think the workweek is shrinking, adults employed full-time have experienced no significant gain in their leisure time in more than three decades. The picture of a 40-hour workweek as a standard becomes even clearer when one looks at the current distribution of working hours within the employed labor force. Over 42 percent of the persons employed in the United States work exactly 40 hours. Slightly more than 27 percent of the labor force is on the job in excess of 40 hours per week. Also, contrary to popular impressions, the population of workers on long schedules of 49 hours and higher per week is moving in just the opposite direction from what the prophets of cybernetics and the disappearance of work would have us believe. In 1948 about eleven percent of the employed population worked 49 hours or more. By 1976 this figure had grown in both absolute and relative terms, with 12.6 million people, or over 15 percent of all nonfarm workers, putting in more than 48 hours a week on the job.

Organized labor has always officially adhered to the position proclaimed by Samuel Gompers, founder of the American Federation of Labor, some 90 years ago: "So long as there is one man who seeks employment and cannot find it, the hours of labor are too long." However, labor unions have not applied the Gompers dictum with the same vigor during every time period. Since World War II, many unions have made demands for reducing the length of the workweek as part of the preliminary rituals, but have dropped these demands before the hard bargaining begins. This has been a recurring pattern in postwar collective bargaining.

In fact, studies of collective bargaining agreements show only minor changes in the length of the workweek from the late 1950s to the early 1970s. For example, a study of the major agreements found that 81 percent of the settlements (covering a thousand workers or more) in 1973 contained a basic workweek of 40 hours, compared with 79.4 percent in 1956. The percent of workers covered by contracts with less than a 40-hour weekly base remained virtually unchanged between 1956 and 1973 and included one of every nine workers in both years. It is interesting to note that contrary to the expectations of ever-declining work hours, the proportion of workers covered by agreements calling for a basic workweek of over 40 hours showed a slight increase in the 17-year period. This comparison reveals a surprisingly minor shift toward reduced weekly hours for workers covered by major collective bargaining agreements.

Yet, by mid-1974, one of every five major agreements, covering 2.1 million workers, included clauses calling for reduction of hours during slack work periods, and 119 of the 311 contracts, covering 800,000 workers, contained specific clauses dealing with the sharing of work. However, in a study prepared for the Congressional Research Service, Peter Henle stated that such clauses are invoked very infrequently in most industries and companies.

Before the onset of the recession in the mid-1970s, there was a good deal of media interest in four-day workweeks, flexible hours, and overtime. However, almost all agreements which establish a basic workweek still cite a five-day week. The Labor Department in the above cited study could not even find a single agreement which provided for a four-day, 40-hour workweek for all regular full-time employees.

Workers in most cases have only restricted rights to turn down overtime. A survey of 422,500 workers covered by major agreements found that less than one of six workers had the unrestricted right to refuse to work overtime. In most cases workers had restricted rights to turn down overtime but the majority of workers sampled had to provide a "reasonable excuse" and an alternate worker had to be available to do the job.

The relatively minor gains in the workweek reduction have led union leaders and others to call for added legislation and new federal programs. The argument behind these calls is that collective bargaining by itself will not be able to overcome all of the rigidities in worktimes. However, some observers—even within the ranks of labor—have argued that unions have not emphasized demands for shorter hours. In light of the recent deep recession and forecasts of continued high unemployment, demands for reduced worktime—as a means to put more men and women back on the job—have taken on a new urgency. During several recent labor-management disputes, worktime has become the number one issue dividing the camps. The prime example of this situation was the 1976 United Auto Workers strike against Ford Motor Company. In fact, representatives of both parties in the dispute asserted that if it were not for the worktime issue, the UAW and Ford might have averted a strike.

#### EARNINGS-LEISURE TRADE OFF

Productivity increases are, in a sense, a dividend that can be allocated to higher wages, more leisure, or a combination of the two. This explains the ability of the economy to raise real wages as well as to reduce working hours. The long-run trend shows that roughly 75 to 80 percent of the productivity dividend has been used to increase consumption and the balance has been allocated to increase leisure. However, contrary to the presumed demise of the work ethic, recent experience shows a marked decline from this historical pattern with only about eight percent of the rise in productivity being allocated toward reducing work time. If the post-World War II experience had followed the historic pattern, the standard workweek for full-time workers in the United States would be close to 35 hours.

One explanation for the priority placed on boosting earnings in recent years centers on the unleashing of a pent-up demand for consumer goods and services following the Great Depression and World War II. Increasing wages to finance these strong consumption desires became a habit while reducing the workweek was placed on the back burner. Birth rates which were very low during the 1930s skyrocketed after the war with renewed prosperity. Not only were there more children to feed, clothe and house; this generation of parents was determined to give their children "all the good things" they never had. This included hefty doses of added education and health care, whose costs continued to mount as demand rose. With the number of children increasing, and the child rearing costs per young one edging up, boosting income continued to be the first concern. Many Americans, in all groups, were willing to trade a portion of potential gains in leisure for more money. Also, keeping up with, and ahead of, the Joneses became the name of the game requiring sacrifices in leisure gains. Regardless of the Joneses, keeping ahead of inflation has become a new preoccupation since the late 1960s. Just to remain in place on the treadmill, many American families have had to trade leisure for income.

Evidence indicates that younger workers and females tend to prefer shorter hours to additional income. In 1976 the labor force increased by 2.2 million people; the increase included over 1.5 million women and 127,000 teenagers. Coupled with reduced pressures exerted by forces which drive people for more income over leisure, the composition of the labor force is shifting in the direction of those who give added weight to leisure.

Given reduced fertility rates, and the increasing number of multiple paycheck families, shorter hours do not necessarily mean reductions of per capita income for households. Also, with a wife taking on a full-time job, or even part-time work, coupled with a continued load of housework, a family probably experiences a net reduction in leisure time. The growth in married women's labor force participation rates could impact the family leisure-income trade-off in the direction of leisure.

In fact, one of the prime reasons women have placed a greater emphasis on so-called leisure time is that many females in effect have been multiple-job holders (workers in both the labor market and the home). Due to changing social mores, an increasing number of men are following suit and assuming similar dual responsibilities. This change, which creates a net reduction in real leisure, places an increasing number of male workers in a position of seeking less hours of labor in the market.

For all these reasons, it is reasonable to expect a tilt in the income-leisure decision. It probably will not be a massive swing of the pendulum, but even a small change can have an important cumulative impact.

### REDUCED WORKTIME AS A POLICY TOOL

Despite numerous unresolved problems, three factors indicate that the reduced worktime issue and related job security demands are not about to fade away:

1. The composition of the labor force will be more skewed toward those favoring additional leisure.

2. The pressures, which have resulted in only eight percent of productivity increases being allocated toward leisure, appear to be abating.

3. Coupled with these two secular forces is the foreboding that high unemployment rates will continue to plague the economy for years to come.

As indicated by the West European experience and several American examples, work sharing, shorter and flexible hours, and part-time employment can have a positive short-run role in combating unemployment and sharing the hardship caused by an economic downturn. The economy's ability to react to contractions or slumps is reduced if worktime, as well as wages and prices, remain sticky even during a severe recession. The consequences may be massive layoffs and unused productive capacity. Programs designed to reduce worktime rigidities have often demonstrated sizeable benefits to individual workers, companies, and society. The associated costs of such changes (compared to alternatives of unemployment insurance and increased welfare spending) often have been less than the standard recession-related measures.

Worktime changes, and even job security measures, in the long run cannot make a substantial contribution to fighting unemployment unless they are accompanied by adequate stimulation, job creation efforts, and manpower policies designed to improve the functioning of labor markets.

For example, the long-run employment picture in the steel industry probably was not dramatically altered by the extended vacation plan won by the Steelworkers Union in 1963. However, what has not been seriously considered in the United States to date is a policy-mix that would combine reduced worktime with fiscal, monetary and manpower efforts. If the workforce demands more leisure, this preference can be used to reduce unemployment. With a reduction in either the workweek or workyear, more jobs could be required to produce a given level of output. Fiscal and monetary policies can insure a healthy level of output, while innovative worktime programs could mean that given this level of output more jobs will be created. The battle to reduce unemployment could be aided if the long-run trend of the American workforce towards more leisure is properly harnessed.

Industries represented by strong unions and controlled by a few large firms probably will be the first to experience worktime changes. It should take some time for similar changes to affect unorganized or highly competitive industries, which cannot easily pass on to the consumer added costs from reduced worktime programs. This fact indicates that legislation may be required before shorter hours or shorter work years become widespread in the American economy. This would not be the first time that federal law had a major impact on worktime. The industry codes of the National Industrial Recovery Act and the Fair Labor Standards Act during the New Deal had a large role in establishing current work patterns, including the standard 40-hour week.

The introduction of work sharing and other work patterns requires institutional changes. Many laws, labor-management practices, and transfer payments, such as unemployment insurance, in effect hinder worktime changes. There is also the problem of timing, since worktime reductions may be most needed as an economic downturn strikes. However, such timing problems are not unique to worktime adjustments. The effectiveness of fiscal and monetary policies have often been diminished because of poor timing by government policy makers. For this reason it might be wise to diversify the arsenal of weapons to combat recessions by adding flexible worktimes as another built-in stabilizer. For example, during periods of growing forced idleness, unemployment insurance payments could be liberalized to compensate for part of the earnings lost due to reduced worktimes.

Such programs entail costs, but they must be compared to the alternative costs of continued widespread forced idleness. No industrialized nation is rich enough or strong enough to bear the human and material costs of extremely high unemployment rates indefinitely. Full employment, however, is also not a free good. There is a price to be paid in meeting tight labor markets. Reduced worktime, including work sharing, could be part of that price which must be compared to other alternatives.

Whatever other beneficial effects reduced and flexible worktime plans may create, they can have only a marginal impact on reducing unemployment. Yet, relying exclusively on stimulating demand through monetary and fiscal policies has proven to be less than adequate for our economic ills, and such medicine has demonstrated dangerous side effects. A mixture of traditional fiscal and monetary policy, coupled with a new emphasis on the supply side of the economy (and labor continues to be the largest supply factor) could offer a needed complement to current measures. If high levels of unemployment persist, and continue to be tolerated by the government, pressures for shortening worktimes will mount and become more intense than at any time since the Great Depression.●

## MAINSTAY OF MOUNTAIN HERITAGE

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## HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. GUDGER. Mr. Speaker, my mountain homeland of western North Carolina has been blessed by many outstanding citizens and by no means have all of them been men. Our mountain women stand tall as mainstays of our heritage, our culture, and our character.

I was sadly reminded of this the other day when I received word of the passing of Dr. Thelma Howell, one of the most remarkable ladies I have ever known. "Doc" Howell, as I called her, was cast in the same mold as Dr. Mary Martin Sloop, the founder of the Crossnore School, and Mrs. Lyndon McKee of Sylva, N.C., who was western North Carolina's first woman representative to serve in the North Carolina general assembly.

Doc Howell called Highlands, N.C., home, but all of western North Carolina—and even a part of Georgia—claimed her. She was such a vital person that I cannot really believe that she left us on September 23, 1979.

She had boundless energy and an indomitable will and was totally dedicated to the people of the mountains. She was quietly confident and resourceful, always working for progress and for education of her fellow mountain people. Like Dr. Sloop and Mrs. McKee, Doc Howell was an extraordinary person, a frontier woman who refused to be stopped by artificial boundaries.

After earning her A.B. degree from the old Trinity University and her master's from Duke University, she went on to earn her doctorate at North Carolina State University in Raleigh, the institution which later cited her for outstanding contributions to research graduate education in administration.

After teaching in North Carolina public schools for 8 years, from 1922 to 1930, she moved to the college level, first at Western Carolina Teachers College in Cullowhee from 1930 to 1934 and then to Wesleyan College in Macon, Ga., where she was department chairman and professor of biology from 1934 to 1959.

Part of the time while she was teaching at Wesleyan, she helped found and directed the Highlands Biological Station, from 1946 to 1972.

She was also the first woman to serve on the board of commissioners of the town of Highlands, holding that post for 14 years. She also served as chairman of the Macon County Democratic Party. My good friend, Bob Sloan, editor of the Franklin Press in Macon County, notes that she was a woman who took a stand on just about every cause. And I agree. But her biggest stand, her lifelong commitment was to the well-being of her own mountain people.

We shall all be a little poorer for her passing, but far richer because she devoted so much of her life to us.●

## MINORITY UNEMPLOYMENT PROJECTIONS

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### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. HAWKINS. Mr. Speaker, it has been nearly a year since the President signed into law the Humphrey-Hawkins' Full Employment and Balanced Growth Act of 1978; yet 'full employment' is as elusive today as it was in October last year. Despite the passage of the Humphrey-Hawkins bill, the Nation's unemployment level remains unacceptable. Recently, the Department of Labor reported a slight decline in the level of unemployment, but this report is of little comfort to the thousands upon thousands of Americans who are unemployed, and gives very little, if any, comfort to those Americans facing impending layoffs.

The unemployment picture for nonwhites, 89 percent of whom are blacks, is particularly alarming. A noted research firm, Data Resources, Inc., predicts that the unemployment rate among nonwhites will rise from 11.6 percent in the second quarter of 1979 to 13.5 percent in the fourth quarter of 1980; reaching 13.9 percent in 1981. This compares with an expected decline in the unemployment rate for whites from 6.4 percent in the fourth quarter of 1980 to 6.1 percent in 1981.

At my request, the Congressional Budget Office explored the effects of the upcoming recession on minority employment in selected industries. For the benefit of my colleagues, the projections of the Congressional Budget Office follow:

PROJECTED CHANGES IN NONWHITE EMPLOYMENT FOR SELECTED INDUSTRIES, 1979–81

| | Change in employment, in thousands of jobs, between 1979–II and— | | | |
|---|---|---|---|---|
| | 1980–IV | | 1981 | |
| | Optimistic assumption | Pessimistic assumption | Optimistic assumption | Pessimistic assumption |
| Contract construction | −12 | −25 | +1 | −13 |
| Mining | +1 | −3 | +1 | −2 |
| Finance, real estate, and insurance | +13 | −2 | +20 | +5 |
| Transportation and public utilities | +7 | −15 | +12 | −11 |
| Services | +107 | +55 | +168 | +115 |
| Wholesale retail trade | +18 | −43 | +43 | −19 |
| Federal Government | +1 | −7 | +2 | −6 |
| State and local government | +13 | −26 | +36 | −3 |
| Manufacturing—Total | −92 | −152 | −63 | −124 |
| Nondurables—Total [1] | −25 | −49 | −17 | −41 |
| Food and products | −4 | −18 | −4 | −18 |
| Textiles and products | −9 | −12 | −7 | −10 |
| Apparel and products | −1 | −5 | +2 | −2 |
| Petroleum products | −1 | −2 | −1 | −2 |
| Durables—total [1] | −63 | −99 | −45 | −82 |
| Primary metals | −13 | −16 | −9 | −12 |
| Fabricated metals | −9 | −14 | −9 | −14 |
| Nonelectrical machines | −1 | −9 | +1 | −7 |
| Electrical machines | −7 | −13 | −2 | −8 |
| Transportation equipment | −23 | −29 | −21 | −27 |
| Instruments and parts | −4 | −6 | −4 | −6 |
| Miscellaneous manufacturing | −4 | −5 | −3 | −4 |

[1] Note that the industries listed represent only some of the industries classified under this heading. Thus, the total of employment changes for the indicated industries need not equal the total for the entire industry group under which they fall.

Source: Data Resources U.S. Review, September 1979, table 12.3, p. 1.115; and U.S. Bureau of Labor Statistics, Employment and Unemployment During 1978: An Analysis, table 30, pp. A 29, A 30. ●

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## WEIGHING THE DETERRENT

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### HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. SKELTON. Mr. Speaker, the editorial page editor of the Kansas City Star, James W. Scott, wrote an article on October 14, 1979, which I would like to share with my colleagues. Mr. Scott stresses the fact that if we are to prevent war, the best hope is in a civil defense and survival capacity that would promise the destruction of an enemy no matter what it unleashes.

I recommend the reading of this article by Mr. Scott. It is entitled "Weighing the Deterrent" and is set forth as follows:

WEIGHING THE DETERRENT

(By James W. Scott)

Sometime in the 1980s the intercontinental ballistic missile (ICBM) force of the Soviet Union will reach a peak of strength that would let the Russians do this:

Destroy or neutralize most of the land-based missiles in the United States.

Wipe out an undetermined but substantial number of missile submarines and nuclear bombers.

Obliterate or threaten to destroy the cities of Western Europe and Japan.

This, of course, assumes that the president would not fire American missiles when the warning system showed the Russian rockets lifting off. The Soviets have no such assurance, and that is at once part of the deterrent and part of the hair-trigger peril under which the world lives.

But put yourself in the president's place. The screens show the Russian missiles are up. Are they headed for China? Is it a mistake? Has some third party spooked the warning system? (An Air Force research and development boss says the last is unlikely but not impossible.) The Soviet missiles will be hitting somewhere in 20 to 30 minutes. If they strike the American Minuteman and other ICBM fields, from 3 million to 10 million people will be killed.

So the president has six or seven minutes to decide. Should he "launch while under attack"? Should he wait until after the first strike, and then fire our remaining nuclear warheads at the Soviet Union knowing that surviving Russian rockets would be loosed to kill 100 million or more Americans?

The doctrine of Mutual Assured Destruction (MAD)—the balance of terror—has been the saving deterrent against World War III for years. What is new is the Soviet strength at all levels of weaponry that might make a first-strike gamble seem worth the risk to the Kremlin despite enormous slaughter on both sides. It might not have to come to that for Soviet purposes of dominance. Fear could be enough to dilute resolve around the world. Last month at a meeting in Brussels Henry Kissinger said that "never in history has it happened that a nation achieved superiority in all significant weapons categories without seeking to translate it at some point into foreign policy benefit."

In a modest Pentagon office in Washington, an Air Force general, a true young professional of the missile-nuclear age, talks of the rockets with a creepy mixture of dread and awed affection. He points out that the modern ICBM is just about a perfect strategic weapon: It has to be hit almost directly to knock it out. It sits dormant in the ground until needed. It uses no fossil fuel. It gets to its target thousands of miles away in 30 minutes while even the fastest bomber needs hours.

"It has enduring usefulness," he says, as if speaking of a highway or a canal. "After the initial spasm, if the missile survives, it could sit there for weeks and months, waiting to strike. And if everything does blow, what happens weeks or months later might be decisive."

"The initial spasm" is a genteel way of describing the convulsion that would rip up the land and burn and dissolve people, places and things for miles around in the region of U.S. missile silos in western Missouri and Kansas.

The truth is, there can be no real defense against the sort of cataclysmic destruction that has been part of the nuclear age since its birth. There is no place to hide from a hydrogen warhead.

The rockets around Sedalia and Wichita are not there to win World War III. They are there to prevent it. The best hope is a civil defense and survival capacity that would promise the destruction of the Soviet Union no matter what it unleashes.●

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## ADMINISTRATION'S PROPOSED BUDGET CUTS IN SCHOOL LUNCH PROGRAM NOT SUPPORTED BY EVIDENCE AND COULD SERIOUSLY DAMAGE CHILD NUTRITION

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### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. ASHBROOK. Mr. Speaker, I do not recollect ever having asked my colleagues to reject proposed cuts in Federal spending, but I feel strongly that the administration's proposals to cut back on support for the national school lunch program have been made without adequate justification. That, also, is the judgment of the General Accounting Office in testimony before our Committee on Education and Labor on March 13 of this year.

Because we are going to be debating the second budget resolution, and because the Budget Committee has adopted a substantial portion of the proposed school lunch cuts, it is imperative that every Member of this House understand the probable impact of those cuts.

Adequate nutrition for America's children is a matter—like national defense—of fundamental importance to every citizen. For more than 30 years the Federal Government has helped achieve the goal of adequate child nutrition through the national school lunch program. While State and local school food administrators are the first to admit that improvements can be made in the program, they know—and we should know—that ill-advised cuts in support can wreck the program because it is balanced on a thin edge of economic viability.

Among other cuts in child nutrition programs, the Carter administration proposed a $262 million reduction in support for school lunch, and an additional $110 million cut in the special milk program for schools. In concluding the GAO testimony on these cuts, Henry Eschwege, Director of the Community and Economic Development Division urged us to require the Secretary of Agriculture to make a comprehensive evaluation of our child nutrition programs, which earlier in his testimony he indicated was necessary to make any judgment on program changes which might be needed. The following paragraph from his testimony was headed "Conclusions and Recommendations" and I commend it to the attention of my colleagues:

> The Department made an effort to limit program cuts to children who would be least affected by the cuts. The lack of program information and evaluation material severely restrained both us and the Department from fully assessing the impact of the cuts and the viability of alternative proposals. The Department had little convincing evidence to support their proposed modifications in the School Lunch Program. . . .
>
> Unquestionably, the Department's proposed cuts will save money. They will also remove many children from these programs. Unfortunately we are unable to measure the trade-off between budget cuts—some or all of which could be well taken—and cutting children off from program benefits.

In so many words, Mr. Speaker, we are being told by GAO that the administration does not know what the effect of its proposed budget cuts will be, and we are being asked to act blindly in a matter as critical as the health and nutrition of school children. I cannot in good conscience do that.

I found Assistant Secretary Carol Tucker Foreman's testimony in support of these cuts vague and unpersuasive as to their impact, and I regret that our colleagues on the Budget Committee felt otherwise. The GAO testified that the cuts would not affect just the students from families with above average income, but "will affect children in all categories." The GAO made this appraisal of the impact:

> The Department estimates that these revisions will result in about 1.1 million of the 26.1 million participants dropping out of the program—a 4.2 percent reduction. Of the estimated 1.4 million children who will move from free lunch eligibility to reduce price eligibility, 350,000 will drop out. Another 370,000 children will move from reduced price eligibility to paying status, but 185,000 in this category will drop out. Another 580,000 paying students will drop out because of the 5-cent cut. These Department figures assume certain economic conditions based on estimates derived in part from projections provided by the Council of Economic Advisors.
>
> The Department sought to cut back on benefits at the middle and upper income levels. However, the results show that 31 percent of the estimated dropout will be from students formerly eligible for free lunches. Another 17 percent of those dropping out will be from those formerly eligible for reduced price lunches, and the remaining 52 percent of the children dropping out will be those affected solely by the 5-cent cut.

Those who administer the school lunch program fear that a major impact will be on those families with incomes just above the level which qualify their children for free or reduced price lunches. There are the families hit hardest by inflation—those who are getting no help and who are cutting not luxuries but necessities in trying to stay afloat financially.

Mrs. Foreman, with her customary sensitivity to the problems of hard-pressed middle-income families, told our committee that she could afford to pay an extra 5 cents for her children's lunches—and our colleague John Buchanan, Republican, of Alabama, had to remind her that precious few families have her $50,000 income. Past experience indicates that those extra costs for lunches will drive hundreds of thousands of students out of the program—most to "brown bags" with inadequate lunches or to no lunches at all. It may very well also wreck the program.

Unfortunately, few people outside those who run the program understand the economics of it. Like many enterprises, it survives on a very thin margin of financial viability. In most of the more than 85,000 participating public and private schools, the "paying student"—who pays the full difference between the true cost of a meal and the public support provided—really supports the program. In many schools, if enough of those students stop buying lunch the program would be insupportable, and thus could not be made available for the economically disadvantaged students who qualify for free and reduced price lunches. So we are talking about cuts in support leading to drops in participation which might well kill the entire program.

That is why I ask my colleagues to think hard about these particular cuts which may be embodied in the second budget resolution and could be forced through operation of the Budget Control Act. I am not opposed to all cuts in nutrition programs. No program is sacrosanct in the present budget crisis, nor can be if we expect ever to stop the disastrous spiral of inflation. But budget cuts should be justified.

We are committed to a $50 million cut in the entitlement for the WIC program because it cannot be effectively spent. Reductions may well be made in the summer feeding program through tightening up procedures for participation. I do not like the administration's proposal for slashing the special milk program because it was not thought through to insure that all children can get whole milk at school, but perhaps cuts could be made there. But in the school lunch program there is absolutely no evidence that the proposed cuts would not be a disaster. That is a risk I am not prepared to take.

Chairman Perkins and I disagree on a lot of things—often on spending priorities and sometimes on child nutrition issues. But we agree on this issue and we will stand together in opposing the cuts in the national school lunch program. I hope our colleagues on both sides of the aisle will carefully weigh the GAO testimony and think twice before approving these cuts.●

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## CAMBODIAN GENOCIDE—AN APPEAL FOR ACTION

### HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. SOLARZ. Mr. Speaker, our Nation has repeatedly urged the civilized societies of the world to appropriate most urgently needed aid for the refugees of Cambodia. Action is urgently needed to help prevent the millions of deaths of Cambodian people, by starvation and disease.

We are not alone in asking for a worldwide effort to help avert the annihilation of the Cambodian people. I would like to submit for the benefit of my colleagues, a statement submitted to me by my good friend Chhang Song, former Minister of Information of Cambodia, on behalf of the free Cambodian refugee communities of France and the United States. The purpose of their statement is to help coordinate the appeal for urgent measures to be taken by the civilized societies of this world, to save the Cambodian people:

CAMBODIAN GENOCIDE—AN APPEAL FOR ACTION

Recognizing the need for immediate action to avoid the complete and impending genocide of the Cambodian people.

We, the under-signed, representing the free Cambodian refugee communities of France and the United States, held an emergency meeting in Paris, France, on September 23, 1979, to coordinate our appeal for urgent measures to be taken by the civilized societies of this world.

We, hereby, (directing our appeal particularly to the United Nations and to the Presidents of the United States and La République Française).

1. Urge speeding the evacuation of all Cambodian refugees in Thailand.

(a) To preclude any (and further) forced repatriations to Cambodia; and

(b) To make possible the survival of other tens of thousands of would-be Cambodian escapees.

2. Urge negotiations at the highest levels with the Socialist Republic of Vietnam.

(a) To provide economic assistance to the more than 150,000 Cambodian refugees now in Vietnam; and

(b) To arrange, in cooperation with the United Nations, for the processing of these refugees for resettlement.

3. Urge the coordination of the efforts of all existing relief and refugee organizations to make a massive international effort to speed up shipments of food, medicine, clothing and other necessities to the Cambodian people inside Cambodia

(a) To reduce mass famine and the death toll of disease; and

(b) To help staunch the flow of refugees to the outside world.

4. Urge the creation of a neutral zone in Cambodia (50 kilometers wide and 200 kilometers long) located along the Cambodian-Thai border

(a) To provide a locus for the carrying out of the international relief effort, and, at the same time; and

(b) To provide an area of survival and hope.

In the same order of idea, we urge the neutralization of the Angkor Wat Temples area, to make possible an international effort for the preservation and maintenance of this world's art treasure for the benefit of all mankind.

In order to accomplish these objectives, we further call upon

1. The Cambodian communities, including both the refugee community and the Cambodians inside Cambodia: To put aside political considerations so that this massive humanitarian effort receives first priority, in the process to cease all military actions of Cambodian versus Cambodian to facilitate cooperation with the effort of the various international relief agencies for the direct distribution of aid to the people inside Cambodia.

2. The super-powers, their allies and the non-aligned nations: To put aside political considerations (and to urge respective Cambodian factions to do likewise) to avoid fueling the internal warfare which precludes humanitarian efforts. Particularly, the non-aligned nations must forestall petty argumentation over United Nations representation while the lives of the people to be represented are in jeopardy.

3. The United Nations: To call a special conference on Cambodia to consider all possibilities to avert complete genocide, even going as far as to provide United Nations forces to restore peace and order and even considering the possibilities of a United Nations interim trusteeship.

4. The United States: To formulate a long-term, comprehensive relief program designed to cope with any future influx of refugees from Cambodia to Thailand, respectfully recommending that the United States invoke the clauses of the Washington-Hanoi 1973 Paris Agreement, particularly Article 20(B) which calls upon the parties "to put an end to all military activities in Cambodia . . . totally withdraw and refrain from re-introducing . . . troops, military advisors and military personnel, armaments, munitions and war materiel."

We hereby designate Mr. Chhang Song, former Minister of Information of Cambodia and currently Executive Director of the Cambodia Affairs Institute in the United States, to serve as spokesman.

Paris, September 23, 1979.

Sim Var, former Prime Minister and Ambassador to Japan.

Yeam Sambaur, former Prime Minister and President of the National Assembly.

Sok Chhong, former Deputy Prime Minister and Minister of Finance.

Uy Say, former Minister of National Defense and Ambassador to Laos.

Sonn Voeunsai, former Deputy-Prime Minister and Permanent Representative to the United Nations.

Chhang Song, former Minister of Information.●

## THE CHANGING WATER POLICY

### HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BEREUTER. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial that recently appeared in the Lincoln (Neb.) Journal. The editorial provides a thoughtful, balanced discussion of Federal State water policy. I insert the editorial in the CONGRESSIONAL RECORD at this point:

#### WATER POLICY: IT'S A-CHANGING

At a regional water conference in Denver last weekend, a University of Colorado economist declared he wasn't joking—well, not entirely—when he suggested a tax of something like 400 percent on water.

What CU Professor Kenneth Boulding said is that it is a "fundamental principle nobody will ever conserve anything that is dirt cheap." That isn't a gag, Luke. It's an Enduring Truth.

Take water. Excessively cheap or subsidized water has been a central feature of this country's national water policy for a long time. Too long, as more people are coming to understand. While the price of federal reclamation project water remains dirt cheap, so to speak, there is insufficient incentive to conserve; rather, the tilt goes the other way, toward resource exploitation.

The Carter presidency is a time when historic federal water policies are being challenged at the highest level. The pressure to change is marked. It is not episodic. Revision is constantly promoted, inadvertently aided by inflation. Some change almost surely is coming, and that's not all to the bad.

For two years President Carter has sought a congressional requirement that states participate financially in approved new water projects, many of which are still on drawing boards of the U.S. Army Corps of Engineers and the Bureau of Reclamation or in the heads of promoters.

The Journal agrees with the president and others on this point: Leaving aside the specifics of minimum percentage participation, there should be state cost sharing of front-end money to pay for new water resource projects.

If the Legislature regards a proposed multimillion-dollar reclamation project as crucially needed in Nebraska, it being deemed an investment of great worth, then that same Legislature ought to put some bucks with its rhetoric.

There is something faintly irresponsible about insisting that a deficit-ridden national government continue to carry the full financial freight.

This newspaper also agrees that interest rates attached to federal reclamation project loans to beneficiaries are unconscionably low. For years they've been too low. The application of unrealistic rates through those years materially improved project cost-benefit arithmetic. Such favorable data was then used to justify economically any number of projects.

The recommendation here is that federal reclamation projects bear interest rates more related to the actual market; that is, a rate which reflects the average of market conditions over the last several years.

Why should Uncle Sam have to borrow money at 9 percent and 10 percent interest so that the government can then make 40-year reclamation loans at 3.5 percent interest? That's obscene economics. Better we should give away the money as grants than continue such a fiscal charade.

Where this publication parts company with some advocates of policy change is that it believes there's still a constructive place for the Corps of Engineers. That engineering unit has done fabulous good for the United States, even conceding some contemporary evidence of a pave-the-world mentality.

A balanced federal water policy may well force the moderating of traditional ideas and values, or at least the primacy of certain ideas. But there will continue to be a role for the corps, and in certain locations, it may be that construction of dams may prove the more satisfactory alternative to the attainment of multiple water resources objectives, particularly affecting vast geographical areas. Anyway, that alternative should not be completely shelved in a revision of federal policy.●

## DR. FREDERICK S. HUMPHRIES

### HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BONER of Tennessee. Mr. Speaker, I wish to rise today to commend Dr. Frederick S. Humphries, the faculty, staff, alumni, and friends of Tennessee State University for their noble and courageous activities leading to the merger of Tennessee State University and the University of Tennessee at Nashville. With Dr. Humphries as president, assuming the leadership role, an unprecedented consolidation of two institutions—one predominantly white, the other predominantly black—was realized. The Institution, Tennessee State University, now stands as a symbol of a unitary system of public higher education in Nashville.

The merger implementation itself has been an example of harmonious and well-organized activity which has bonded together two institutions of diverse character. Throughout an 11-year period in which a legal question moved from the Federal district court to the highest court in the land, the administration, faculty, staff, and students of the university stood firm in their commitment that the interest of public higher education could best be served by combining all of public higher education into a single institution in Nashville. The Supreme Court has now shown that this sentiment was and is both just and legal.

Without the support of friends of the university and a fine staff, it is certain that no one individual could have withstood the many trials, tribulations, and distratcions involved over the past 4 years. However, Dr. Humphries has demonstrated leadership of exceptional caliber during the last 4 critical years of the institution.

We, the Congress of the United States, congratulate Tennessee State University and recognize that it stands on the threshold of becoming the model multiracial public institution of higher education in this Nation.●

## THE CITIZEN'S ENERGY REVOLT

## HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. DODD. Mr. Speaker, last year our country was embroiled in a tax revolt propelled by Americans who would no longer countenance the combined burdens of State, local, Federal, and retirement taxes. Another revolution is now gathering a steady momentum that threatens to balloon to explosive proportions this winter as consumers try to come to grips with exorbitant fuel bills.

Today, the Citizen's Energy Revolt arrived at the steps of the Capitol where its proponents demanded that we, in Congress, respond to their needs instead of those of the Nation's oil companies. Their requests were hardly unreasonable: Adequate supplies of energy at affordable prices. Their frustration was also warranted in light of Congress and the administration's inability to come up with a politically viable comprehensive energy program that will deal effectively with out short- and long-range energy problems.

The longer we delay in enacting legislation that will enable us to achieve energy independence, the harder it becomes to reverse the self-destructive course we are currently pursuing. While America produces nearly 25 percent of the world's energy; our people, our industries, and our utilities consume nearly 30 percent of the world's available energy supplies. Our cars alone use up one-ninth of the world's energy. But our domestic consumption of fuel is only part of our problems. As long as OPEC sets the price for our energy here and abroad, there will be no free market forces at work that will insure competition among suppliers and induce lower energy prices.

In December, OPEC will be meeting again to discuss price increases and Libya has already raised their crude oil price $2.77 per barrel over the OPEC ceiling of $23.50. There are also reports that Iran is slowing crude production again, yet another indication that the U.S. Government must face up to continuing uncertainties in the OPEC supply line as well as escalating prices in the years to come.

Our dependence on OPEC for nearly half of the fuel oil we use has crippled our country economically as well as socially. In New England, where 70 percent of the fuel oil is imported, prices of distillate have nearly doubled since last year and elderly, and low- and middle-income people will be paying over $1,000 to heat their homes this coming year while conserving as much as they possibly can. Reducing consumption of energy by driving less is a relatively painless way to conserve energy, but drastic cutbacks in heating oil use can be life endangering and our citizens should not be forced to make the kind of impossible choices that they face this winter.

Too often our Government looks for easy solutions to bail us out of difficult problems. There are no easy answers to our energy problems, only the prospect of a lot of hard work in the years to come. To accomplish our goal of energy self-sufficiency while protecting consumers against interruptions in fuel supplies and unreasonable price hikes, a program needs to be passed now.

Our constituents, the American people, are becoming united in their demands for action from Congress. They are asking us to hold the lid on gasoline and oil prices, keep refineries running at full speed, insure sufficient fuel supplies, provide low-income energy assistance, and put an end to the unjustifiable profit margins that have been reported by our Nation's oil companies. Legislation to accomplish these goals will be presented to Congress in varying forms over the coming months, and I would urge my colleagues to become united in their efforts to enact effective energy legislation.●

## GUATEMALA AND HUMAN RIGHTS

## HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. SOLARZ. Mr. Speaker, it is my understanding that the Inter-American Commission on Human Rights at the Organization of American States is evaluating the need for a thorough study of the human rights situation in Guatemala. I strongly encourage this investigation, particularly in light of information alleging that Guatemala has committed serious human rights violations.

I believe that these human rights violations are matters of tremendous importance and utmost urgency. In my view, it is important that the Commission authorize and conduct, at the earliest possible date, an onsite investigation.

For the benefit of my colleagues, I would like to submit for the Record the conclusions of an investigation by the National Lawyers Guild and La Raza Legal Alliance into human rights violations in Guatemala:

### National Lawyers Guild and La Raza Legal Alliance Urge OAS to Conduct On-Site Investigation Into Human Rights Violations in Guatemala

The joint mission of the National Lawyers Guild and La Raza Legal Alliance which spent two weeks in Guatemala in March, 1979, today filed a communication to the Organization of American States, Inter-American Commission on Human Rights, urging an immediate on-site investigation by the IACHR of the human rights violations in Guatemala. The joint mission in its submission concluded that grave violations of human rights occur in Guatemala, with disturbing regularity. The mission's communication included testimony from 14 individuals, detailing death threats and physical assaults against these individuals.

The mission was invited to investigate the human rights situation in Guatemala by the Committee for Trade Union Unity (CNUS), a Guatemalan trade union confederation. In recent months, Union organizers have been prominent targets of assassinations by paramilitary death squads who operate without governmental interference. However, the current repression in Guatemala has affected all sectors of the popular movement and the population in Guatemala. As the mission concluded in its 28 page OAS submission:

### CONCLUSIONS

(1) Despite ratification of the American Convention on Human Rights, which guarantees freedom of association, and the International Labor Organization Conventions 87 and 98, which protect the right to organize trade unions, the right to legal recognition of unions and the right to strike, the government of Guatemala provides no effective protection for trade unions and workers. Violations of trade union rights range from refusal to recognize unions, delays or refusal to prosecute violations of the Labor Law, refusal to prevent the firing of actual or suspected union organizers, to assassinations of trade union officials.

(2) Because of police indifference, if not active hostility, the absence of easily accessible judicial procedures and a campaign of violence against sympathetic lawyers, peasants are provided with no effective legal protection of their rights to their land. This, in turn, has led to widespread violations of land rights, which then result in both extralegal struggles by the peasants and a campaign of violence directed against peasant leaders and organizations. In at least some areas, the mobile army plays an active role in the violence against peasants, and in some areas army officers acquire title to lands which are appropriated from peasants.

(3) Freedom of assembly, freedom of expression and the right to engage in peaceful demonstrations are not respected. These rights are subject to unreasonable and unjustified legal qualifications, such as the requirement of legally responsible sponsors for public rallies. In addition, excessive force is used to disperse public demonstrations, and retaliation sometimes takes place against individuals who participate in the exercise of these rights.

(4) Insuperable legal obstacles are created to the juridical recognition of opposition parties. In addition, physicial violence and assassinations are used as tools to prevent the growth of any opposition parties, even those of moderate tendencies.

(5) Although the right to form political organizations is guaranteed and discrimination on the basis of political belief is prohibited by Article 1 and 16 of the American Convention on Human Rights, the Guatemalan Constitution bans communist organizations and withholds political rights from communists (Constitution Articles 27, 63 and 64). This discrimination has been a permanent fixture of the Guatemalan Constitution since 1956. It is a discrimination which bears no relationship to the legitimate interests of the government and it cannot be justified under international law.

(6) Economic, social and cultural rights, which are of equal importance with political rights, are not adequately protected in Guatemala. Large sectors of the population, especially agricultural workers and urban slum dwellers, receive inadequate income, little or no medical care, no potable water, no electricity, and agricultural workers are exposed to deadly chemicals. Malnutrition affects 82 percent of the population under the age of five and infant mortality is 8.1 percent. Only 52 percent of the school age population receives a primary education.

These violations of the basic economic,

social and cultural rights are inseparably linked to the government's unwillingness to protect trade union rights and the land rights of peasants, and the policy of denying civil and political rights to all groups which represent the interests of the disadvantaged sectors of Guatemalan society.

(7) The government completely has failed in its obligation to safeguard the right to life and the right to physical integrity of its citizens. Private industry and large landowners are permitted to maintain "security forces" which assume governmental functions and commit grave crimes against the people of Guatemala. In addition, all the evidence points to direct involvement by the army and the national police in the assassinations, tortures and kidnappings which have become endemic in Guatemala.

(8) Every sector of the population—workers, students, clergy, lawyers and the poor—is affected by the above-mentioned policies and practices. There exists in Guatemala a reign of terror which obstructs the exercise of the most fundamental human rights and democratic freedoms guaranteed by the American Convention on Human Rights and by other pertinent international instruments.

(9) Immediate measures must be initiated to stop the systematic repression and governmentally orchestrated violence. We hope that the Inter-American Commission on Human Rights will take prompt action in this regard. We are confident that the Commission will find a similar pattern of events and that the current situation in Guatemala is one which demands international attention and censure.

Also appended to the communication by mission, was a five-page list of some of the well-documented cases of individuals who have been assassinated, kidnapped, exiled, tortured or disappeared. The prevailing violence in Guatemala, according to Amnesty International and newspaper reports, estimates some 1,300 political assassinations between July 1978 and June 1979 and additional cases of torture or "disappearance". The list of Acts of Violence was ". . . appended to the communication of the mission because the obvious relationship between the reality, these deaths and the intimidation, violence and interference with organizing efforts made by trade unions and opposition partie and all sectors, the popular movement in Guatemala."

The mission would appreciate it if it could be stated that copies of the report are available c/o Barbara Ellen Handschu 604 Brisbane Building, Buffalo, New York 14203, at $2.00 per copy. The Spanish edition should be available shortly.

For further information, contact Ms. Handschu, member of mission.●

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## PERSONAL EXPLANATION

## HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. ROTH. Mr. Speaker, due to hearings conducted by the National Alcohol Fuels Commission, on which I serve, in Jonesboro, Ark., on September 27 and 28, I was unable to be present and voting on a number of matters before the House. Had I been present, I would have voted in the following manner:

Rollcall No. 518, "yea" DOD amendment that sought to provide for the consolidation of military helicopter pilot training programs;

Rollcall No. 519, "yea", DOD amendment that adds $10 million for support of the Army graduate medical education programs.

Rollcall No. 520, "yea" House resolves itself into the Committee of the Whole.

Rollcall No. 521, "nay" DOD amendment to repeal the Maybank proviso.

Rollcall No. 522, "yea" DOD final passage.

Rollcall No. 523, "yea" conference report on S. 737.

Rollcall No. 524, "yea" conference report on S. 237.

Rollcall No. 525, "yea" International Travel Act, final passage.●

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## HISTORY REPEATED AS FARCE

## HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. SOLOMON. Mr. Speaker, 17 years ago, little question existed in the minds of U.S. leaders, or among the American people, that international communism as controlled by Moscow was on the move. Khrushchev, then in charge of the Kremlin, was threatening. His Deputy Foreign Minister V. V. Kuznetzov said immediately after the Cuban missile crisis in 1962: "This is the last time you Americans will be able to do this to me."

Nevertheless, the United States kept up its guard—until recently.

To an astonishing degree U.S. handling of the recent "crisis" over the presence of Russian combat troops in Cuba ignores the fundamental elements of a Soviet global strategy for world domination.

From an explicitly geopolitical framework, the United States as the leader of the free world's maritime alliance, faces terrifying prospects in the years ahead. In peninsular Europe, the Soviet Union, and the Warsaw Pact, have developed a military capability for rapidly overrunning the American bridgehead. Linked to this, the awesome growth in Soviet strategic nuclear power makes it highly unlikely the United States would threaten nuclear escalation to come to NATO's assistance. Should the Warsaw Pact move on Western Europe, the North American mobilization base—a base which has traditionally served for the development and production of trained manpower and equipment—would not find easy access to the European rimland, nor would it find the rimland in friendly hands. Offshore, the increased presence and power of Soviet naval activity increasingly threatens to outflank the approaches to the Eurasian-African rimland and all related reinforcement and supply routes. Indeed with base facilities in the Indian Ocean, the Atlantic Ocean, and now the Caribbean, the Soviet Union is moving into position to interdict supply routes from the Persian Gulf.

The overriding meaning of these developments is that the Soviet Union is on the verge of acquiring a strategic advantage from the exploitation of our geopolitical position.

Central to this exploitation is the use of proxy troops in the Third World, principally from Cuba. Despite this, President Carter has refused to take any action—directly or indirectly—to correct this situation. Whether it be Soviet and Cuban support of Ethiopia against Somalia, the Communist coup in Afghanistan and South Yemen, the Shah's overthrow in Iran, Vietnam's invasion of Cambodia, the destabilization of Rhodesia and South Africa by Marxist forces, the nonrecognition of Taiwan, the presence of Soviet troops in northern Japan and Cuba, or the increasingly destabilized situation throughout the Central American region, the United States under the Carter administration has either stood quietly in the background or has assisted revolutionary forces. Slowly, the United States is being forced to accept a posture of fortress America.

In an article appearing in the Washington Post on Monday, October 15, 1979, Dr. Ray S. Cline, Deputy Director of the Central Intelligence Agency during the 1962 Cuban missile crisis and presently executive director of the Center for Strategic and International Studies at Georgetown University, underscores the fundamental difference between the Cuban "mini-crisis" of a few weeks ago and the Cuban missile crisis 17 years ago. While President Kennedy sorted out his intelligence and established appropriate strategic priorities, President Carter totally misread the situation. Mistaking the presence of Soviet combat troops for the real menace—the destabilization caused by Cuban troops in the Caribbean, in Africa, and in the Middle East—the Carter Administration lost an important opportunity to face squarely present strategic realities and thereby enhance American prestige around the globe, help restore confidence and pride in our country domestically, and reaffirm the Monroe Doctrine as a symbol of our determination "to remain Master of our own House."

I commend the article to my colleagues as follows:

### History Repeated as Farce

(By Ray S. Cline)

President Jimmy Carter reached a new low in his TV performance as star of a little farce entitled "Shoot-Out With the Red Brigade in Cuba," story and music by the boys from All Thumbs Corral at 1600 Pennsylvania Ave. It was a melancholy moment for the nation as our commander-in-chief humorlessly explained that the Soviet brigade was not there and yet appeared to our satellite camera stare, was not there again today because Leonid Brezhnev assured him it would not go away. On the basis of this impeccable logic, the president proceeded to wish the brigade away as an international issue, and he preached a lesson on the urgency of an arms limitation treaty involving cooperative measures with the Soviet Union.

For me, this moment seemed especially sad and humiliating. In 1962, as deputy director of the Central Intelligence Agency, I made the alerting call to McGeorge Bundy and early in the morning of Oct. 16 took to the White House the photographs of Soviet missiles in Cuba that began the drama of the "13 days" of that year. I was in the White House when President Kennedy made his electrifying TV address to the nation—Oct 22, 1962 Kennedy had a real crisis, he sorted out his intelligence and his strategic priorities, and he courageously took the steps that forced the removal of Soviet strategic offensive weapons from the Caribbean He did not consider the Soviet troops in Cuba an offensive force and did not ask for their withdrawal. This presidential action added immeasurably to American security and international prestige. How discouraging to see history repeated as farce.

The facts are that Soviet troops organized in combat units were in Cuba in strength in 1962 and that a number of those combat troops have been in Cuba ever since. After many annual troop rotations and a buildup of various kinds of Soviet military technicians in Cuba, the exact status of the Soviet forces became fuzzy. When Carter early in 1977 deliberately cancelled the traditional aircraft reconnaissance overflights of Cuba as a gesture of good will to Fidel Castro, the CIA and the Defense Intelligence Agency went virtually blind in this region. Intelligence analysts with many other things to do got the signal that the White House attached no priority to fine points about Soviet forces in Cuba. Consequently, they did not keep up to date on reading the messages later discovered to have referred to the brigade. Nor, evidently, did they trouble to sift out the exact meaning of the flurry of Soviet activity that plainly accompanied Castro's shipment of Cuban proxy armies all over Africa and as far away as Yemen on the oil-rich Arabian peninsula.

Actually, a few thousand Soviet combat troops in Cuba are the least menacing of the many activities Moscow has been conducting in our Caribbean back yard. After the first Soviet venture into Angola in 1975, the Soviet military presence in Cuba and in the Caribbean expanded substantially in ways genuinely threatening to American security interests. Within four years the U.S.S.R. was flying long-range airborne reconnaissance missions to cover the Atlantic reaches, was deploying submarines in Caribbean waters and operating them from a base at Cienfuegos, and was manning, large, communications facilities both for military command and electronic intercepts of U.S. signals. Soviet air power now includes a fighter-bomber force with advanced-design MiG23s as well as transport planes to ferry Cuban troops wherever they are wanted.

Thus the non-crisis began when the Carter administration discovered what had been in Cuba all along. The president and his spokesmen panicked and misled the Congress and the public with assurances of no change in the status of Soviet forces in Cuba, then belatedly discovered that the troops had indeed been brigaded and were photographed in August 1979 on maneuvers with tanks and artillery. This fact, they thought, was a "smoking gun" of evidence, so they handed it to their dovish, pro-Castro friend on the Senate Committee on Foreign Relations, Frank Church. With one quick look at his problems in getting reelected in 1980 in conservative Idaho, Church took the gun and shot Carter in the foot by demanding removal of the Soviet brigade. It was this self-inflicted wound that the president thought he could heal by a judicious application of prime-time TV.

Actually, of course, the Carter-Church crowd got it backward. They seemed to believe that a few thousand combat troops were a danger if they maneuvered in Cuba but were acceptable if they were, as Brezhnev claimed, a "training center." It is exactly the fact that the Soviet Union is using Cuba as one vast training center for proxy armies and cobert intervention forces that is causing a real strategic crisis in the Caribbean, in Africa, in the Mideast. This global assault on American interests and American friends abroad, passively acquiesced in by the United States, is what is destabilizing international peace and discreting American foregn policy.

If President Carter had moved to meet this menace, he would at long last be facing strategic reality in a way that would hearten the American people and our allies. Instead, he gave us the baffling description of the little Red Brigade that is or is not there. This episode in presidential history is not crisis management; it is crisis mangling. It is small wonder our alliance partners watch in disbelief and dismay. How many real confrontation crises will the backroom strategic planners in Moscow calculate can safely be staged in the next 14 months? And will President Carter's men march up the hill and march down again, as they did in this case, without so much as a hint of concession from the Soviet Union?●

## COUNTRY MUSIC ASSOCIATION—13TH ANNUAL AWARDS PRESENTATION

### HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BONER of Tennessee. Mr. Speaker, on Monday, October 8, 1979, at the Grand Ole Opry House in Nashville, Tenn., I was privileged to join with hundreds of performers and other individuals to witness the Country Music Associations 13th Annual Awards Presentation sponsored by Kraft Foods, Inc. To receive a CMA award is to attain the highest degree of recognition accorded a country music performer or songwriter, for the CMA award is an honor indicative of a standard of excellence set forth by members of the country music industry itself. Voted upon by the entire membership of the Country Music Association, each of the CMA awards is given to that person or persons demonstrating outstanding achievement in country music.

Mr. Speaker, I was privileged and honored to witness the talented performers who appeared on stage at the Grand Ole Opry House before a national CBS–TV audience. At this time I would like to commend those performers who received the Country Music Association awards. They are as follows: Instrumental Group of the Year, Charlie Daniels Band; Female Vocalist of the Year, Barbara Mandrell; Entertainer of the Year, Willie Nelson; Single of the Year, "The Devil Went Down to Georgia" by the Charlie Daniels Band on EPIC records; Instrumentalist of the Year, Charlie Daniels; CMA Hall of Fame, Hank Snow and Hubert Long (postumous); Album of the Year, "The Gambler" by Kenny Rogers on EMI/US Records; Male Vocalist of the Year, Kenny Rogers; Vocal Duo of the Year, Dottie West and Kenny Rogers; Vocal Group of the Year, the Statler Brothers; and Song of the Year, "The Gambler' written by Don Schlitz and published by Writers Night Music.

In addition, Mr. Speaker, I would like to commend the officers of the Country Music Association, especially President Ralph Peer II, of the Peer Southern Organization, and the board of directors chaired by Tom Collins, of Pi-Gem Music, Inc. I would also like to commend Joe Walker, executive director; Dick Frank, legal counsel; and Mike Milom, legal counsel.

Mr. Speaker, the citizens of Tennessee join with the Nation in honoring the Country Music Associations 13th Annual Award Winners.●

## STATEMENT OF CONGRESSMAN THOMAS A. DASCHLE

### HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BEDELL. Mr. Speaker, on September 19, 1979, the Small Business Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Businesses, which I chair, held hearings to determine the extent of major oil companies' efforts to discourage their dealers from marketing gasohol.

One of the witnesses who testified at the hearing was our colleague and my good friend from South Dakota, Mr. DASCHLE. As the author of H.R. 3958, the Gasohol Marketing Freedom Act, Mr. DASCHLE is well acquainted with the nonmarket impediments which many gasoline dealers have confronted in attempting to market gasohol.

For the benefit of my colleagues, Mr. Speaker, and all others interested in furthering the production of alcohol fuels from renewable resources, I am today submitting Mr. DASCHLE's very fine statement.

The statement follows:

#### STATEMENT OF CONGRESSMAN THOMAS A. DASCHLE

Mr. Chairman, I welcome this opportunity to testify on gasohol marketing. The Congress this year has devoted considerable attention to alcohol fuels and with good reason. Alcohol produced from our nation's renewable resources can make an important contribution to the nation's energy supply and reduce our growing dependence on uncertain foreign sources of energy.

Most of this attention has been focused on the production of alcohol for fuel however. As the Administration and the Congress proceed to eliminate red tape and unnecessary obstacles to the production of alcohol fuel and provide financial incentives and assistance for alcohol fuel production, the importance of gasohol marketing increases daily.

Because of the importance of gasohol marketing, the Subcommittee's decision to examine this subject is both timely and most appropriate. I understand this is the first Congressional hearing on gasohol marketing and I would like to particularly thank this Subcommittee and its distinguished Chairman for holding this hearing.

The value of ethyl alcohol as a component of liquid motor fuel for internal combustion engines has been fully examined and well established. My testimony will not belabor the facts of gasohol, a blend of 10% ethyl alcohol and 90% gasoline, generally unleaded gasoline. My comments will be limited to the subject of gasohol marketing.

As the Subcommittee examines gasohol marketing it may seek to answer a number of pertinent questions including: Are there obstacles to the marketing of gasohol?; Do petroleum franchisors oppose the marketing of gasohol?; Can franchised dealers freely and without reservation market gasohol?;

and If a franchised dealer markets gasohol in spite of franchisor opposition, what are the possible consequences? I hope my testimony today will be useful to the Subcommittee as it seeks to answer these questions.

Franchised gasoline dealers are subtly and not so subtly pressured by franchisors not to market gasohol. This subtle and not so subtle opposition to gasohol marketing from the major oil companies is without any doubt a major institutional obstacle to the marketing of gasohol. Phillips Oil Company, Gulf Marketing and Refining, Conoco, Union Oil and the Mobil Oil Corporation have each clearly expressed their subtle opposition to gasohol marketing by questioning the feasibility and advisability of gasohol. A franchised dealer of any of these refiners' products does not need an interpreter to understand company policy on gasohol marketing.

Franchisor opposition to gasohol marketing has also been expressed without finesse. Consider the warning on gasohol marketing published by the Marketing Department of the Mobil Oil Corporation in Mobil Energy Update, an in-house publication for Mobil product dealers. The last paragraph in Energy Update reads, "Gasohol, of course, is a non-Mobil product and while the sale of a non-Mobil product is not absolutely prohibited by dealer and distributor marketing agreements, the marketing of an adulterated Mobil gasoline as a Mobil product is expressly prohibited. Therefore, if you are thinking about installing gasohol at a Mobil branded retail outlet, we suggest you first contact your Marketing Representative."

What effect does this warning have on franchised dealers who would like to market gasohol? One Mobil dealer who received a copy of Mobil Energy Update has told me he was on the verge of marketing gasohol, but, "there are a lot of unforeseen problems that could come into play at anytime. The major consideration is the Mobil Oil Corporation. Obviously they are dead set against this. That is, they will not come out up front and acknowledge this, but they will sabotage anyone (especially the first in the area) with all their tools at the disposal. . . . That is the crux of my fears and concerns."

Potential gasohol marketers do not have adequate legal protection from the pressures which can be brought to bear by a franchisor opposed to gasohol marketing. Legal protection, when it does exist, is clearly inadequate because it fails to take into account the very real unequal bargaining power between the franchisor and the franchised dealer. A franchisor opposed to gasohol marketing could possibly: (1) terminate the dealer, (2) withhold supplies of gasoline or other products, (3) unilaterally alter the terms of the lease contract, such as rental, or (4) charge discriminatory prices or terms for products delivered to a franchised dealer who chose to market gasohol.

Unfortunately, the Petroleum Marketing Practices Act (Dealer Day in Court), which specifies the grounds by which a franchisor may terminate a franchise relationship, as it is now in force, does not provide protection to a franchised dealer who chose to market gasohol. As written the Petroleum Marketing Practices Act would in fact sanction franchisor termination of a franchised dealer who marketed gasohol. One of the statutory grounds enumerated in the Petroleum Marketing Practices Act for franchisor termination of a franchise agreement is the adulteration of products. The Mobil Oil Corporation has certainly indicated it would consider the blending of ethyl alcohol and Mobil gasoline as an adulteration of the Mobil product.

Although franchised dealers are independent business men and women, the franchised dealer who would like to market gasohol is clearly operating at the mercy of the franchisor. If the franchisor indicates opposition to gasohol marketing, the franchised dealer had better take heed of this opposition or be willing to suffer the consequences of marketing gasohol which could include the loss of his or her business. This is the situation facing thousands of branded franchise dealers today. More than 146,000 "independent" managers of branded franchise stations to be exact who manage more than 82% of the retail gasoline stations in the nation.

This situation will undoubtedly continue until franchised dealers receive adequate legal protection and are assured the right to market gasohol. If gasohol is to be marketed freely and without reservation or fear by franchised dealers, franchised dealers need to be assured their franchise agreement will not be terminated if they market gasohol and they need assurance their franchisor will not engage in any act of economic reprisal or discrimination against them if they market gasohol. Unless these assurances are provided, gasohol will certainly not be marketed by thousands of franchised dealers.

Earlier this year I introduced H.R. 3958, The Gasohol Marketing Freedom Act. This legislation amends the Petroleum Marketing Practices Act to eliminate the mixture of alcohol and gasoline as grounds for termination of a franchise relationship and prohibits a franchisor from engaging in an act of economic reprisal or discrimination against a franchised dealer who markets gasohol. This legislation which has been referred to the Energy and Power and Consumer Protection and Finance Subcommittees of the Interstate and Foreign Commerce Committee when enacted will provide the assurances which are needed by franchised dealers to facilitate the marketing of gasohol. This measure is currently cosponsored by 65 members of the House.

This concludes my statement, Mr. Chairman. I would be happy to answer any questions which the members of the Subcommittee may have for me.

Again, let me commend this Subcommittee and its distinguished Chairman for the decision to hold this hearing, the first hearing on gasohol marketing.●

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## BARBARA MANDRELL

## HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BONER of Tennessee. Mr. Speaker, I rise today to honor an outstanding performer who brings joy and music to the hearts of country music fans across the Nation. On October 8, 1979, I was privileged to attend the 13th Annual Country Music Association Awards at the Grand Ole Opry House in Nashville, Tenn.

It was my privilege to witness Barbara Mandrell receive the Female Vocalist of the Year Award. I wanted to share with the Congress and the Nation the background of this outstanding artist.

Barbara Mandrell was born in Houston, Tex., December 25, 1948, the daughter of Irby Mathew and Mary Ellen (McGill). Barbara is married with three children. She has been a country music singer since 1959, performing throughout the United States and many foreign countries. She has been a member of the Grand Ole Opry since 1972. Barbara was named "Miss Oceanside"—California—in 1965; "Most Promising Female Singer" by the Academy of Country and Western Music in 1971, and received the CMA 1979 Award as "Female Vocalist of the Year." She is a member of the Musicians Union; Screen Actors Guild, AFTRA; a director of the Country Music Association; the Association of Country Entertainers and a member of the Order of Eastern Star. Barbara currently makes her home in Hendersonville, Tenn.●

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## THE VALUE ADDED TAX PROPOSAL

## HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BEREUTER. Mr. Speaker, I would like to call to the attention of my colleagues an editorial that appeared recently in the Norfolk (Nebr.) Daily News. The editorial provides a thoughtful discussion of the value added tax proposal. I request that the editorial be reprinted in full in the CONGRESSIONAL RECORD.

The editorial follows:

### A "NEW" TAX

Rep. Al Ullman, chairman of the House Ways and Means Committee, has promised to hold hearings on a new form of collecting taxes from Americans. It is called a "value added tax," and is used widely in Europe as a source of public funds.

Some regard VAT as a national sales tax, but with a different label. Mr. Ullman does not think that adequately describes the tax, since it is literally imposed on "value" of purchases and is paid by the buyer.

Those are distinctions of a subtle nature, arguable by economic theorists. In practice, the tax cannot differ much from existing ones on sales and service imposed by many states, in part because they feel the income tax is largely the province of the federal government and in part because the property tax levy does not apply broadly enough.

Whatever definition is used for the "VAT," the tax would have to be paid by many already contributing to the public treasury.

The only issue is whether or not it might spread the burden more fairly to some not paying as much as they should for governmental services because of exempt income. One might include in such a category those who derive much income from tax-exempt bonds, or relatively small numbers of retirees drawing disability pensions that are tax exempt, without actually being so disabled as to be able not to work. It might also include those able to evade income taxes on some other basis. Clearly, though, there would not be large numbers who could be tapped as "new" sources of revenue for a value added tax system. Mostly, the fees would be paid by those already paying.

Mr. Ullman recognizes that danger in arguing that VAT "on its own could go nowhere." He would make sure that it provided funds to make other tax adjustments, with the total take by the federal government not increased. He suggested that the new tax might be used to provide for a 25 percent cutback in the Social Security tax, without any loss of benefits. Or it might provide more rapid depreciation of business investments, or an end to the extra load on dividends, which are doubly taxed because they come from after-tax profits of corporations and are then subject to taxes as income to stockholders.

It might be possible to shift $120 billion to $150 billion from existing taxes to the value added system under such a combination of proposals, Mr. Ullman says.

Such a shifting will be found attractive by many who view the present tax system as oppressive. But before the rush to a "new" source, it is important to remember that any shifting in the tax base, or its broadening so far as federal levies are concerned, is not the answer to the nation's fiscal problems. The solution lies in demanding less in the way of taxes, not merely shifting the load.

As the system exists today, taking into account federal levies, state and local taxes, all bases have been touched. European nations which rely on the VAT do not have the proliferation of taxing units that the United States has.●

## CONSIDERATION BY THE INTERIOR COMMITTEE'S SUBCOMMITTEE ON ENERGY AND THE ENVIRONMENT ON NUCLEAR POLICY REVIEW

### HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. SYMMS. Mr. Speaker, our Interior Committee's Subcommittee on Energy and Environment met yesterday to review a proposal made by Chairman UDALL to proceed with the drafting of leigslation over a broad spectrum of nuclear policy questions. I can recall that when the decision was made to initiate the committee's own investigation of the event at Three Mile Island, coupled with a series of comprehensive hearings, there was a broad base of support that this posture was a responsible discharge of our rather unique jurisdiction. The chairman, as a participant in those hearings, demonstrated his aparent interest in assuring a full and balanced record and representing all interests on the committee.

As we all know, there have been a number of investigations undertaken by various groups including the NRC, the President's Kemeny Commission, and the Senate Environment and Public Works Committee. All of these efforts have one thing in common—an interest in developing a credible basis for drawing any conclusions about the lessons to be learned from Three Mile Island. There is only one vehicle that I know of for reaching this goal—writing a balanced and objective report illuminating the various issues and proceeding to evaluate what recommendations are constructive and supported by the record—not wish lists.

Mr. Speaker, I believe that a two part report that presents, in one part, finding of fact and in a second part, conclusions, is an essential ingredient to both develop and support useful and constructive legislation. I think that the report of the President's Commission as well as relevant studies underway by NRC could be an invaluable aid to us in the development of our conclusions. I think we should seriously consider the following:

First. The development of a report that makes a finding of fact based upon the transcript and submitted testimony. This report could either be a staff report or we may want to consider requesting the services of the Congressional Research Service with staff oversight.

Second. Upon completion of this report of a bipartisan task force of the subcommittee members and staff should be charged with the development of a report that presents conclusions on the finding of facts. This process would permit a balancing of all the facts and assure that our work product was internally consistent. This would also provide a mechanism for considering the work of the President's Commission and ongoing studies by industry and NRC.

Mr. Speaker, I believe that this approach will permit the development of legislation that is balanced, useful, and credible.

We have heard pleas before this committee that the confidence of the public and financial communities is in a fragile condition. Let us not take action that would further erode the confidence of these communities; our Nation cannot stand it.●

## ALBERT G. VINICK, CATHOLIC LAYMAN OF 1979-80

### HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BENJAMIN. Mr. Speaker, allow me to take this opportunity to ask my colleagues to join me in commending and congratulating Albert G. Vinick of East Chicago, Ind., for his selection as the Catholic Layman of 1979-80 by the Monsignor Connelly Council No. 1700, Knights of Columbus. Albert G. Vinick is a man of high character and honor, who has dedicated his entire life and work to the principals of charity, brotherly love, and patriotism which personify and exemplify the ideals of the Knights of Columbus.

The honoree was born in the coal town of Shenandoah, Pa., on March 25, 1903, where he graduated from grammar school before working in the coal mines to provide an income for his family after the injury of his father in 1917.

By 1919, Albert had become an apprentice carpenter and a volunteer fireman. In 1925 he entered the construction trades in Philadelphia and attended evening classes.

In 1929 Albert began working as a steelworker in East Chicago and later as a firebrick layer at a local refinery. He also joined St. Francis Catholic Church. He served in the church choir until 1951 and served as president of the Holy Name Society for several years after helping to organize it in 1933.

In 1939 Albert received his high school diploma as a result of correspondence courses. He also attended Indiana and Purdue Universities. In that year he also joined the Knights of Columbus and became Grand Knight in 1954-55. His service in the third degree has been continuous to the present date.

In 1932 Albert began work with the Democratic Party of East Chicago, Ind., and joined the Lithuanian White Rose Political and Benevolent Club and the Lithuanian Pleasure Club. He later founded the Lithuanian American Council of Lake County, Ind., in 1943, and continues to serve as the president of this organization.

In 1914 he was appointed to be a notary public. In 1939 he became involved in politics in the city of East Chicago and was appointed superintendent of water works for the city. Albert served in this capacity until 1952. Albert began to work for Inland Steel in 1952 as a field force engineer and subsequently retired from Inland in 1968 at the age of 65.

Albert was appointed as a trustee for the water works of the city of East Chicago in 1964 and is currently a member of the board. Since his retirement from Inland Steel, Albert has worked for the North Township County assessors office for 11 months and as a branch manager for a local savings and loan bank.

Albert G. Vinick will be honored by the Knights of Columbus on October 21, at a testimonial dinner to be held at the Knights of Columbus Hall in East Chicago, Ind. Those in attendance will include Ray J. Madden, former Congressman of the First District of Indiana, Robert A. Pastrick, mayor of the city of East Chicago, and Irv Lewin, commentator for WJOB radio in Hammond, Ind. Albert G. Vinick's work has been a great source of pride to the citizens of Lake County, and I am hopeful that he will continue in these efforts for years to come.●

## VERNON CHAPEL A.M.E. CHURCH TO HONOR ITS PASTOR, REV. REUBEN RUSSELL

### HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. KILDEE. Mr. Speaker, I am pleased to bring to the attention of my colleagues in the Congress a brief sketch of the accomplishments and contributions of Rev. Reuben Russell, pastor of Vernon Chapel A.M.E. Church in Flint, Mich. The church is honoring him with a special 3 days of services this weekend.

Since Reverend Russell came to Flint 13 years ago the membership of Vernon Chapel A.M.E. Church has nearly doubled and the congregation has been able under his leadership to move to a beautiful new church. Besides being a full-time minister of the Gospel and visiting the sick and shut-ins, counseling the troubled, consoling the bereaved, and conducting the other duties of the ministry, Reverend Russell also serves the community in its civic affairs. His involvement has included being vice chairman of the Urban Renewal Housing Board and former president of the Interdenominational Ministerial Alliance.

Reverend Russell's current civic involvement includes the following: Chairman of the Genesee Valley March of Dimes; first vice president of the NAACP; second vice president of the Concerned Pastors for Social Action; member of the NAACP Credit Union Board; member of American Red Cross Board; vice chairman of the Chaplain Advisory Committee of the Corrections Department of the State of Michigan; member of the Greater Flint O.I.C. Board; member of Panel Three of United Funds; member of the Genesee County Legal Aid Society Board of Directors, and a member of the Greater Flint Council of Churches.

Reverend Russell has given unselfishly of himself to his church and to his community, and I am proud to point out his distinctions to the Congress of the United States.●

## DESTROYERS BUILT AT INGALLS ARE THE BEST EVER CONSTRUCTED FOR THE NAVY

### HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. LOTT. Mr. Speaker, a newspaper in my district, the Sun/the Daily Herald, recently carried an account of how the *Harry W. Hill*, a destroyer built at Ingalls Shipbuilding, weathered its maiden voyage in the turbulence of Hurricane Frederic. The ship's superb performance further confirms my belief that destroyers built at Ingalls are the best ever constructed for the U.S. Navy. I am proud of the people who work at this shipyard for the outstanding job they do, and I call the following remarkable article to your attention:

#### Captain's Log Traces Tense Moments of Ship's Battle With Frederic

(By Kat Bergeron)

Somewhere in the Gulf of Mexico—Captain's Log, Sept. 12, 1979:

11 a.m.—Ship taking frequent heavy seas over bow. Shaking and shuddering along with heavy pitching. Making 25 knot speed and don't know of any other type ship which could make that much speed into 18-feet head seas.

11:30 a.m.—Wind and seas increasing . . . vessel in very violent motion.

12:36 p.m.—Last six minutes seemed the longest in my life.

The Harry W. Hill, an anti-submarine destroyer constructed by Ingalls Shipbuilding, was to undergo two tests before U.S. Navy approval for sea duty.

Thanks to Hurricane Frederic, she underwent three.

It was the unexpected trial on Sept. 12 which led to the entry in the Captain's Log, a diary which is filled with one man's account of a ship's maiden voyage through a turbulent storm. At 2:20 p.m. Captain Jimmy Watler simply wrote, "The worst is over."

That unanticipated trial, and the two planned exercises, have been so successful that the Navy has set a Nov 24th commissioning date for the vessel. The recently constructed ship is one of 30 Spruance-class destroyers being built by Litton Industries for military use.

However, it is the mid-September date that will stick in the minds of many Pascagoula shipyard workers. That's the day the employees-turned-crewmen experienced first-hand the hurricane's fury. Normally landlubbers, they learned what it means to have "sea legs."

More than 160 employees can now spin tales of the furious winds and 25-foot waves which buffeted the Hill's bow. Seasickness was common and they said they felt like they had been forced to ride on the world's bumpiest roller coaster at sea.

The senior Ingalls official aboard, who also happens to be the director of the shipyard's test trials, remembers a quote from one of the crewmen after the seas had calmed: "Why don't you radio the shipyard and request permission to surface?"

But now that the experience is over, the crew remembers most the anguish of not knowing whether their families and homes on land had survived the storm.

They had heard only sketchy reports of the damage to the Mississippi, Alabama and Florida Gulf Coast.

A radio relay system was finally set up so that contact could be made with the crewmen's relatives on land, but many had no information on their families until the boat docked Friday afternoon, nearly three days after departure. A clogged channel and downed navigational aids had prevented the destroyer's return after Frederic's departure.

The saga of the Harry W. Hill, DD–24's unexpected test began when Ingalls officials decided to take her to sea, rather than weather the hurricane near land. A week earlier, she had passed the first builder's test. It's much like the test-run a car is given once off the assembly line.

In the predicted 15-foot waves of the hurricane, the Hill could have easily been washed ashore, her 563-foot hull wreaking havoc to anything in her path. Then she would have been good for little but scrap metal.

But today, the Hill is docked in Pascagoula, ready for duty.

Two weeks ago, when the Navy paced the destroyer through her final acceptance trials, it was smooth sailing for the 7,800 ton, gas turbo-powered Hill. This was mild after being tossed around in the 100-plus mph winds and high seas. The ship suffered only a few broken rails and antennas.

"Well, when the full (Navy) crew takes her over, they'll at least be comfortable with the fact that this ship has been proven seaworthy," said Ron Elias of the Ingalls public information office.

He admitted that not many new ships get the kind of testing the Hill received Sept. 12. The crew was comprised mostly of Ingalls employees who normally participate in the builder's trials as part of their job (Capt. Watler is the trial master for most Ingall's constructed boats).

However, "hurricane tests" were new to them all.

A special edition of Ingalls News, a company tabloid published for its employees, has recorded the thoughts of some of those crewmen:

"We were being tossed around like a cowboy riding a bronco at a rodeo."—electrician Jack Power.

"When the ship's bow went under water a couple of times, I wasn't so sure it'd come back up."—rigger Chester Forehand.

"It was scary as hell. I didn't know if we'd make it through at first. But these destroyers proved to me they can take anything."—machinist Mike Wills.

"It was the kind of experience you like to forget in a hurry. Because we went through such an ordeal, I think it brought many of the guys onboard closer together. But the time at sea was not without a lot of worries and pressures. I didn't know until Friday whether I still had a family or a house."—test engineer Danny Givens.

Engineer Terry Walker spoke for most crewmen when he said "the worst thing for me was the waiting to return to shore (as the boat sat helplessly outside the Pascagoula channel, unable to enter because of obstructions), and not knowing what happened to my family."

The homes and property of some crewmen was ravaged by the hurricane, but miraculously, the storm had claimed no lives locally.

Today, the Harry W. Hill is docked in Pascagoula, waiting to be commissioned. The minor damages incurred from the storm are being repaired. The Navy's prospective commanding officer, Commander J.J. Hogan, who on request participated in the unexpected Sept. 12 trial, is readying her for the military ceremonies.

And 15 sailors, who were also onboard for the storm, now call her home—because after they finally reached land, they found their living quarters had been damaged.●

## TIME TO ACT ON HAZARDOUS WASTE

### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. FINDLEY. Mr. Speaker, I am introducing today a bill which, if enacted into law, will go a long way toward removing the environmental hazards caused by toxic chemical wastes. My bill, the Hazardous Waste Disposal Act of 1979, is a result of my long standing concern over the dangerous and potentially deadly consequences inherent in much of the material created from industrial processes. Congress addressed itself to this waste problem most recently in the Resource Conservation and Recovery Act of 1976. In that act, Congress provided authority to the Administrator of the U.S. Environmental Protection Agency to develop plans to regulate the management of hazardous wastes in the United States. In the 3 years since passage of RCRA, numerous deficiencies in the act along with EPA's inept implementation of its require that Congress again take action.

In hearings before both the House Subcommittees on Oversight and on Transportation and Commerce, testimony has been presented that is truly alarming. Inadequate disposal of hundreds of billions of pounds of hazardous waste at both active and inactive sites poses a severe threat to both man and the environment. These hearings have also laid bare EPA's failure to meet statutory deadlines for issuing regulations, to determine and catalog the location of all hazardous waste sites, and to enforce vigorously laws and regulations against polluters. Congress can no longer afford to wait for EPA to act to provide adequate protection to the public from these toxic materials.

The Hazardous Waste Disposal Act which I am introducing today addresses the inadequacies of existing law and EPA's lackadaisical enforcement.

Of particular concern to me has been the hazardous waste facility located in Wilsonville, Ill., a small community in my congressional district. A private company, the Earthline Corp., a division of

SCA, Inc., developed a waste disposal facility employing modern technology for hazardous waste treatment, storage and disposal. Yet, incredibly, Earthline chose to locate this dangerous hazardous materials disposal site partially within the city limits of Wilsonville, and on top of an abandoned coal mine. Learning this, the village took Earthline to court to force closing of the site.

In August of 1978 the residents won a judgment against Earthline when District Judge John Russell ordered the facility closed and removal of all the materials stored there. The decision was based on the fact that the facility is a public nuisance and a threat to the health of the public and the surrounding environment. In September of this year, the Illinois Court of Appeals affirmed the lower court decision.

In the course of my investigation of the problems stemming from the Earthline site at Wilsonville, I came to the conclusion that the law should not permit establishment of a hazardous waste disposal site in or near a populated area where people can be exposed to the hazards of a chemical wastes dump.

That is exactly what my bill does. It requires that all future hazardous waste disposal sites be located away from populated areas and be constructed on public lands. It also emphasizes the importance and desirability of using alternative means of disposing of these dangerous materials by recycling, neutralizing, and incinerating them rather than depending on land fill disposal as the sole means of discarding chemical refuse. Additionally, the bill requires companies engaged in the hazardous waste disposal business to establish a public trust fund to make restitution to those who suffer losses due to toxic waste pollution.

Had my bill been law, Earthline's request to build its facility in Wilsonville would have been automatically denied. If it were required that companies first attempt to recycle, detoxify, or incinerate wastes, many of the dangerous chemicals now stored in Wilsonville would not have been placed there in the first place.

Public disclosure of information about planned hazardous waste treatment facilities is another important feature of this legislation. Incredibly, even today Earthline and other responsible authorities are reluctant to provide a full public accounting of what is buried at the facility. My bill would make prior disclosure routine and would require that a public hearing on the proposed facility be held before a construction permit is issued.

It is time for U.S. EPA to get serious about the burgeoning hazardous waste problem in this country. Today, EPA does not even know where such wastes are buried. When EPA made a preliminary survey of the number of sites nationwide, the Earthline site in Wilsonville was left off the list. When I pointed out this mistake, I was told in effect that EPA does not consider this site to be dangerous. This flies in the face of Judge Russell's decision closing the facility because of the hazard it poses to the community and the environment. U.S. EPA should conduct a survey and catalog both active and inactive sites around the country, and my bill orders them to do so as expeditiously as possible.

Improper disposal of hazardous waste constitutes an extremely serious environmental problem. Thirty to forty million tons of waste material are being produced each year, and EPA acknowledges that 80 to 90 percent is disposed of by unacceptable means. If we are to prevent further economic and human hardship caused by hazardous waste pollution, such as occurred at Wilsonville, Congress must act. Chairman Florio of the Subcommittee on Transportation and Commerce has begun holding hearings on this problem and I am hopeful that the provisions in my bill will be swiftly enacted into law.●

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## HANK SNOW

## HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BONER of Tennessee. Mr. Speaker, I rise today to honor an outstanding performer who brings joy and music to the hearts of country music fans across the Nation. On October 8, 1979, I was privileged to attend the 13th Annual Country Music Association Awards at the Grand Ole Opry House in Nashville, Tenn.

It was my privilege to witness Hank Snow receive the CMA Hall of Fame Award. I wanted to share with the Congress and the Nation the background of this outstanding artist.

Hank was born in Brooklyn, Queens County, Nova Scotia, Canada. The lure of the sea drew the youngster into becoming a cabin boy at the age of 12. Once when the sea-going fellow returned from one of his trips, he learned his mother had obtained a cheap guitar from a mail order house. This gave the youngster his first try on a stringed instrument.

Not long after this, Hank learned that the late Jimmie Rodgers had been discovered by Ralph Peer, and was already recording for the RCA Victor Co. "The Singing Brakeman," as Jimmie was known, was not only to become Hank's idol, but would serve as his guiding star along the rough road to success. Although Hank worked at many jobs, including work on fish docks, as a stevedore, on farms, et cetera, he continued his practice on the guitar and often sang to entertain his friends and ward off loneliness. Finally he was encouraged by his friends to seek an audition at Radio Station CHNS in Halifax. He did his first radio show on the day of his audition.

Soon after acquiring his radio position, Hank decided to form the now famous Rainbow Ranch Boys and establish himself as the "Singing Ranger." As Hank matured professionally, more important things came his way. Soon he was invited to become a featured act on the "Canadian Farm Hour." After much persuasion, he was signed to his first recording contract with RCA Victor, Canada, in October 1936, under the recording supervision of Hugh Joseph. In 1974 Hank re-signed with RCA through 1987, which means he will be under contract with one label for 50 years—longer than any artist in any musical field.

In 1949 Hank made his first performing tour in the United States to coincide with the release of his first American record. Hank, who joined the Grand Ole Opry in 1950, has assembled an impressive file of hits, including, "I'm Moving On," "Rhumba Boogie," "Bluebird Island," "Golden Rocket," "Hello Love," and many more. He has recorded more than 80 albums, and more than 2,000 songs and instrumentals.

Hank has received many impressive awards in his lifetime, but still considers citizenship to the United States of America his greatest honor.●

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## NATIONAL PRODUCT LIABILITY ACT

## HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BROYHILL. Mr. Speaker, I am cosponsoring the National Product Liability Act which is being introduced today by Congressman F. James Sensenbrenner. During hearings before the Consumer Protection and Finance Subcommittee of the House Commerce Committee, it has become clear that a product liability problem exists. This problem affects the ability of businesses, both large and small, to obtain product liability insurance at an affordable price. However, the lack of affordable product liability insurance is not solely a business problem. The price of insurance affects the ultimate price of a product being offerea for sale. This higher price is passed on to consumer. Further, if a company elects to "go bare," because that company cannot afford the price of product liability insurance, the consumer who might be injured by that product may have no one from whom to seek compensation.

Because the product liability problem affects so many aspects of our society, it is important that we examine all possible solutions to the problem. The court reform provisions of the National Product Liability Act represents one potential solution to the problem. This may not be the only solution or the best solution. However, I do believe that it is important to get these ideas before the public so that they can be fully discussed and reviewed.

The Product Liability Risk Retention Act of 1979, which I am also cosponsoring, was introduced last week. The National Product Liability Act is a natural complement to the Risk Retention Act. The two of them together represent one possible solution to the product liability problem. Hopefully, in upcoming hearings, we will be examining whether or not this is indeed the correct solution.●

## PLO AND THE AMERICAN BLACKS

### HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. WOLFF. Mr. Speaker, I rise today to commend Vernon Jordan of the National Urban League for standing up for the values of one of the great American leaders of this century, Martin Luther King.

The philosophy of peaceful change through passive resistence and nonviolent action, developed by Martin Luther King and Mahatma Gandhi in the course of their respective struggles, is the major advance in the humanity of social change. The struggle of American blacks for freedom and equality, as led by Martin Luther King, is a model for social and political transformation in a democratic society.

This century has seen barbarism unparalleled; in the Holocaust, two world wars, and the birth of the potential for nuclear destruction. The Inquisition cannot rival the atrocity of this "modern" age. Terrorism is another manifestation of the violent nature of our time. Political change through the murder of civilians could not be any more at odds with the philosophy of passive resistance. Endorsing the PLO endorses the terrorist activities in which they are engaged, and flies in the face of Martin Luther King's teachings.

I would like to insert into the Record excerpts of Vernon Jordan's recent speech which appeared in Newsday, the respected newspaper from Long Island. I would like to express my agreement with his remarks. As Mr. Jordan says in his speech, the destinies of all Americans are "linked and intertwined," no matter what race or religion; we all have a common interest in ending racial and religious intolerance. At this point, Mr. Speaker, I would like to insert the Newsday piece into the Record:

#### PLO Flirtation: It's Not Good for the Blacks

(By Vernon E. Jordan, Jr.)

Like many of you, I was held spellbound last week, watching the journey of His Holiness, Pope John Paul II, in our nation.

The Pope took every opportunity to deliver an age-old message: Love thy neighbor, help the poor, feed the hungry. He called for a just society.

The Pope's message comes at a time when Americans appear to have abandoned the quest for social justice and retreated into an antisocial privatism.

In the 1960s there was a general consensus, shared by whites and blacks alike, that an activist government should achieve full employment, reverse the effects of discrimination and revitalize the cities. Today that consensus has been shattered. In its place we see the formation of a New Negativism in America that calls for a weak, passive government, indifference to the plight of the poor, abandonment of affirmative action and letting the cities twist slowly, slowly in the wind.

Make no mistake about it. Race is central to the rising support of the new negativism. People are not merely saying "no" to high taxes and inflation, they are saying "no" to inclusion of black and brown people into the mainstream. And behind that "no" are the vestiges of a racism that blights American life and casts a long shadow over our pretentions to speak on behalf of human rights throughout the world.

Perhaps the most insidious idea fostered by the new negativism, and one that is shared by too many Americans, is the strange idea that blacks and browns have made so much progress that special efforts are no longer needed.

So let us look for a moment at the thesis that there has been significant black progress, progress that should be trumpeted loudly to a self-satisfied nation.

##### THE BLACK-WHITE INCOME GAP IS GROWING

Income is a basic measure of progress. Some of us have made great strides. A few have reached parity with whites. We are often told about the 9 per cent of black families in the upper income brackets. But what about the other 91 per cent? How are they doing? A third are poor—three times the white rate. The majority are near poor. They earn less than the government itself says is needed for a minimum adequate living standard.

The shameful fact this nation must face is that the gap between whites and blacks is growing instead of closing. At the end of the '60s, the typical black family income was 61 per cent of the typical white family income. Today, it is down to 57 per cent.

Education is another basic area. Twenty-five years after *Brown* [the Supreme Court decision outlawing school segregation] more black children attend racially isolated schools than in 1954.

Yes, more blacks are attending college than ever before. But the majority are in two-year community colleges, while the majority of whites are in four-year schools that put them on career ladders denied to blacks. Black enrollments in medical and professional schools are declining while total enrollments rise.

Has there been progress in housing? Some. [Yet] one out of five black families lives in housing that the government says is physically deficient.

It is clear that the glass of racial progress is only half-full. It is clear that blacks remain disadvantaged.

We've got to make the 1980s a decade in which black people finally enjoy full equality. We've got to organize behind an agenda for the 1980s—an agenda that includes a national full employment policy, a massive drive for affirmative action in all aspects of national life, a national youth development policy that gives hope and skills to young people denied both, a national health policy that assures high quality health care for all and a housing program that assures a decent living environment for all.

And we've got to recognize that our agenda demands construction of powerful alliances. We can't do it alone. We shouldn't have to try to do it alone.

Black people must concentrate on forging alliances with other segments of our society for the good of all.

We must reach out to other groups who share our problems. An obvious ally is America's large hispanic population, which also suffers discrimination and disproportionate poverty. But other groups share our agenda, too, and every effort must be made to cross the artificial barriers of race and ethnicity and organize around issues of common concern.

I am concerned that our traditional alliances are under pressure these days. At the core of the civil rights alliance of the '50s and '60s were blacks, the labor movement and the Jewish community. Now the events following Andy Young's resignation have led to deep strains in that alliance.

While some have categorized statements on black-Jewish relations as being a declaration of independence, I believe we need a declaration of interdependence. For black or white, Christian or Jew, urban or rural, our destinies are linked and intertwined. We must strengthen the ties that bind us, not weaken them.

We should be very clear about the need to combat racism, anti-Semitism and religious bigotry in all its forms. The confusions of the past several weeks must not be allowed to polarize the civil rights alliance, nor must they be allowed to heighten or to release feelings of racism, anti-Semitism or religious bigotry.

The only ones who benefit from black-Jewish tensions are the enemies of both groups. It is time to stop providing joy to the cross burners and bomb throwers. It is time to strengthen the traditional, fruitful alliance between blacks and Jews.

##### BLACK-JEWISH RELATIONS

That alliance must be based on mutual respect, concern for each group's vital interests, and a refusal to categorize all blacks or Jews for the actions or statements of some. We will disagree about some issues. There will always be occasional disagreements over issues among members of any alliance. But those disagreements must be in the nature of family disputes that do not affect the overall harmony of our relations.

Black-Jewish relations should not be endangered by ill-considered flirtations with terrorist groups devoted to the extermination of Israel. The black civil rights movement is based on nonviolent moral principles. It has nothing in common with groups whose claim to legitimacy is compromised by cold-blooded murder of innocent civilians and schoolchildren.

Black people have the right and the duty as citizens to help shape our foreign policy. No one has the right to limit our involvement to predetermined "black" issues. But as we frame our foreign policy options we must be sensitive to the basic interests of our domestic allies and consistent with our historic values of justice and morality.

In the past several weeks we've seen more concern exhibited about Palestinian refugee camps than about America's ghettos. We've seen more concern about the PLO's goals than about black America's aspirations for equality. And we've seen more concern about Yasser Arafat's future than about the future of the millions of black kids growing up in poverty.

Given the recent preoccupation of some black leaders with these concerns, it becomes more important than ever that the black community and its allies focus strongly on the immediate problems facing the black poor. Our agenda for the 1980s comprises the vital survival issues for black people, issues that can't be allowed to be displaced by sideshows. That agenda for the 1980s depends on the success with which we can cut across racial, class and regional lines to unite Americans behind our blueprint for a progressive future.●

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## KENNY ROGERS

### HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BONER of Tennessee. Mr. Speaker, I rise today to honor an outstanding performer who bring joy and music to the hearts of country music fans across the Nation. On October 8, 1979, I was privileged to attend the 13th Annual

Country Music Association Award at the Grand Ole Opry House in Nashville, Tenn.

It was my privilege to witness Kenny Rogers receive the Male Vocalist of the Year Award. I wanted to share with the Congress and the Nation the background of this outstanding artist.

Kenny Rogers was born in Houston, Tex., August 21, 1938, the son of Floyd and Lucille (Hester). He attended the University of Houston. Kenny appeared on American Bandstand and was a member of the Bobby Doyle Trio and later the New Christy Minstrels from 1966 to 1967. From 1967 to 1976, he was lead performer with Kenny Rogers and the First Editon. He has performed numerous concerts throughout the United States, Canada, England, Australia, and New Zealand, starred in his own syndicated television series "Rollin," and has appeared on the Tonight Show. He has been a recording artist with United Artists since 1976, and his records include: "Just Dropped In to See What Condition My Condition Was In," "But You Know I Love You," "Ruby (Don't Take Your Love to Town)," "Tell it All Brother," "Heed the Call," "Reuben Jones," "Somethin's Burnin'," "Love Lifted Me," "Homemade Love," "Laura," "While the Feeling's Good," and "Lucille." He was named Cross-over Artist of the Year by Billboard Magazine in 1977. In addition to being named Male Vocalist of the Year, Kenny also received the 1979 CMA Award for Album of the Year, "The Gambler" and shared the Vocal Duo of the Year Award with Dottie West.●

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## HON. EZRA TAFT BENSON'S WORDS SHOULD BE REMEMBERED AND REPEATED

## HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. ASHBROOK. Mr. Speaker, one of the real patriots of our time is my good friend, the former Secretary of Agriculture in the Eisenhower administration, Hon. Ezra Taft Benson. His entire life has been dedicated to the moral uplifting of America through his work in public service and his church.

Like many patriots of the past, his words and advice have too often been unheeded by a country bent on following liberal-radical leadership over the precipice. Now that we are at that point where all Americans seem to be reconsidering the disastrous course we have been following it is well to remember and repeat the words of those Americans who did not advocate the course of action which has brought us to a political and economic weakness that threatens our future.

In August 1975, Secretary Benson spoke at a Sino-American Fellowship Prayer Breakfast in Taiwan. Recall those years since that time culminating in President Carter's infamous December 15 sellout to the Communists and the betrayal of our staunch friends and allies, the Nationalist Chinese on Taiwan.

From time to time, we should recall the prophetic warnings and advice of those great and patriotic Americans who tried to tell us what was happening. I call this address to the attention of all who would work at this late hour to turn this country around before it is too late. The address follows:

### THE PRICE OF LIBERTY—ETERNAL VIGILANCE

(By Ezra Taft Benson)

Gentlemen: You accord to me a great honor by extending this invitation to address you at your Fellowship Prayer Breakfast. It is a distinct honor and privilege for me to be here with you today amidst such a distinguished group.

I am not a stranger to your wonderful country. I well remember the two impressive and delightful hours my wife and I spent with General Chiang Kai-Shek and his lovely companion, the Madame, in 1960. I was very impressed by his gentlemanly qualities, his manner being characterized by a very marked kindliness. I was equally impressed with Madame Chiang Kai-Shek, and regard her as surely one of the amazing women of the world. I want you to know that your venerable leader, General Chiang Kai-Shek, is held in high esteem throughout the free world by patriots and lovers of liberty. His lifelong struggle against the tyranny of Communism is an example to free people in all nations. Our task is to see that his struggle was not in vain.

The establishment of Taiwan-Free China has besen an inspiration to all freedom-loving people. As a people, you have accomplished much under very difficult circumstances on this lovely island of Taiwan. Today, living standards are among the highest in Asia. You are second only to Japan in terms of standard of living. One of the most heartening trends in your agricultural economy has been the diminution of tenancy from 43 percent of the cultivated land to about 14 percent today. As tenants become owners, incentive increases. Standard of living is thereby raised. As I have traveled over the world, many have expressed admiration for the pioneer spirit which you have established and the manner in which you have moved forward in meeting your problems, solving them, and raising the economic level of your people. I commend you, and encourage you to continue this direction.

Today I would like to say a few words to you in regard to freedom and liberty. While I am saddened by action taken by other nations toward Taiwan—and I have specific reference to the expulsion of your country, a founding member, from the United Nations—it is my feeling that the time is coming that the United States will rue the day that it became a member of this Communist-dominated, international organization. In the face of international ostracism, your nation is to be admired for your courage, your lack of vindictiveness, and your resolution in facing the future with self-reliance and determination. Critical circumstances such as these are sometimes the forge by which the noblest qualities are fashioned—internal resolution, courage, self-reliance—qualities which will be needed for the more difficult days which lie ahead of us.

The dictum of Curran seems appropriate as a theme, that "the price of liberty is eternal vigilance." Taiwan is a free nation today because of the sacrifice of others. Your vigilance must preserve this liberty.

Freedom is an eternal principle. Heaven disapproves of force, coercion, and intimidation. Only a free people can be truly a happy people. Of all sad things in the world, the saddest is to see a people who have once known liberty and freedom and then lost it.

I have seen the unquenchable yearning of the human heart for liberty on two unforgettable occasions. These experiences are indelibly etched on the memory of my soul.

I saw this yearning spirit in the faces of many European people, in the aftermath of World War II. It fell my lot, under the direction of the President of the Church, to be among the first to go into war-torn European countries and distribute food, clothing, and bedding to the suffering members of our Church. I saw first hand entire nations prostrate, flat on their backs economically. I looked into the face of hunger—the pale, the thin, the many dressed in rags, and some barefooted. I saw the refugees, the poor unwanted souls who were driven from their homes to destinations unknown. They came with all their possessions on their backs. I visited some of their homes—shacks—where as many as twenty-two people were living in one room—four complete families. I saw men enslaved by habit barter their food and clothing for a cigarette. I saw some fortunate to get hold of an American magazine and pour over its pages and wonder if what they saw could possibly be true. I saw struggles on every hand to get to America—some legal and others illegal—all in an effort to enjoy freedom and liberty. These were a people who had once known freedom, but had let it slip away.

The second unforgettable experience was when I was in Russia in 1959. We had been touring seven European countries as a part of the objective of the government of the United States to develop world markets and create good will.

Mr. Krushchev had promised me that I would be able to visit a Christian Church in Russia. During our stay there, the guides did everything possible to prevent this. On the way to the airport, before leaving Moscow, I insisted that we go to a Baptist Church in Moscow. It was only a few minutes out of the way. Reluctantly, we were taken to the Church. Our guides had told us that the churches were empty, that no one attended church any more, and that religion is the "opiate of the people."

When we arrived at that Baptist Church, we found it full to overflowing. I looked into the faces of the people. Many were middle-aged and older, but a surprising number were young. As we were being ushered to pews, which had been vacated for our unexpected visit, people reached out and grasped for our hands to touch us "almost," in the words of one newsman, "as one would reach out for the last final caress of one's most beloved just before the casket is lowered." They were in misery and yet a light shone through the misery. They gripped our hands like frightened children.

Later in the service I was asked to address the congregation. I spoke to them about God and Jesus Christ, His Son. I encouraged them to be unafraid and to pray for peace. I witnessed to them the reality of the resurrection and that this life is only a part of eternity. Then, in closing, I told them that truth would endure and that time was on the side of truth.

I don't recall all I said, but I recall being lifted up and inspired by their rapt faces. When I sat down, the whole congregation broke into a favorite hymn of my childhood, "God Be With You Till We Meet Again." We walked down the aisle and they waved their handkerchiefs in farewell—it seemed all 1500 were waving as we left. When we finally left, the young lady Russian guide whispered to my wife, "I'm a Christian, too."

It has been my privilege to speak before many church bodies in all parts of the world, but the impact of that experience is almost indescribable. I shall never forget that evening as long as I live.

Seldom, if ever, have I felt the oneness of mankind and the unquenchable yearning of the human heart for freedom so keenly as at that moment. One correspondent described the experience in these words: "The Communist plan is that when these 'last believers' die off, religion will die with them. What the atheists don't know is that God can't be stamped out either by legislated atheism or firing squad. This Methodist backslider who occasionally grumbles about having to go to church, stood crying unashamedly, throat lumped, and chills running from spine to toes. It was the most heart-rending and most inspiring scene I've ever witnessed. With heavy hearts we left to rejoin the smug, smart-aleck atheist guides who took us to the church but refused to go in." (Tom Anderson, Editor and Publisher, Farm and Ranch Magazine.)

Never will I forget this victory of spirit over tyranny, oppression, and ignorance. Never can I doubt the ultimate deliverance of the Russian people.

In perilous circumstances, such as Taiwan finds itself today, it is quite natural that its people would have a concern about the ever-present external threat of Communist China. Freedom from aggression is a justifiable concern. As historians have pointed out, however, great nations do not usually fall by external aggression; they first erode and decay inwardly, so that, like rotten fruit, they fall of themselves.

The history of nations shows that the cycle of the body politic slowly but surely undergoes change. It progresses—

From bondage to spiritual faith;
From spiritual faith to courage;
From courage to freedom;
From freedom to abundance;
From abundance to selfishness;
From selfishness to complacency;
From complacency to apathy;
From apathy to fear;
From fear to dependency; and
From dependency to bondage.

The greatest threat to the freedom of any nation is erosion, not erosion from the soil but erosion of the national morality and character. What we have to fear is not force from without, but weakness from within.

Every nation yearns for liberty, but too frequently its own self-indulgence precludes the possibility of freedom. I speak of the trend of pleasure without conscience, wealth without work, business without morality, politics without principle, and worship without sacrifice. I believe personally there is a strong relationship between a strong, prosperous nation and the faith and righteousness of its people. This brings me to the crux of my message to you today.

There are indispensable conditions which must be met if a nation is to preserve freedom and prevent its own downfall. May I cite four of these conditions—pillars upon which a nation's security rests. The first pillar I name is:

1. A faith in God and in the universal brotherhood of all mankind.

I believe with all my heart the words of the American patriot, Patrick Henry, who, on the eve of the American Revolution said, "There is a just God who presides over the destinies of nations and who will raise up friends to fight our battles for us." (March 23, 1775.) Further, it is part of my faith that no people can maintain freedom unless their political institutions are founded on faith in God and belief in the existence of moral law. God has endowed men with certain inalienable rights and no government may morally limit or destroy these.

The Founding Fathers of the United States seemed to have a clear realization that, to survive, the new nation would need a reliance on the protection of God for their survival. In the Declaration of Independence there is an appeal to the "Supreme Judge of the world," and to "the laws of nature and nature's God." The document is concluded with this affirmation: "And for support of this declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor."

Here we see that the principle of supremacy of the individual over government is rooted in religious precept. The corollary to this recognition and reliance upon God is the belief in the worth of the individual. The two precepts go hand in hand. The truth is very evident and simple. There is a God in heaven who is the Sovereign power of the universe, and we are His literal offspring. He has endowed us with inalienable rights among which are life, liberty, and the pursuit of happiness. This He has implanted in the human breast. This is why men cannot be driven indefinitely or led by despotic rulers to intellectual or physical slavery and bondage. Fear and despotism may rule for a generation or two, or three, but in time the human spirit rebels, the spirit of liberty manifests itself, and its tyrannous hand is overthrown. Yes, as the offspring of God, we share a common paternity that makes us literally brothers, and thus a common destiny. When this truth sinks into the human heart, men demand their rights—life, liberty, and happiness. It is as the Apostle Paul told the Corinthians, "Where the spirit of the Lord is, there is liberty." (II Corinthians 3:17.)

I believe this spirit of liberty is beginning to manifest itself in Soviet Russia today, as evidenced by the testimonial of the Nobel Prize recipient, Alexander Solzhenitsyn.

"We the dissidents of the U.S.S.R. don't have any tanks. We don't have any weapons. We have no organization We don't have anything. Our hands are empty. We have only a heart and what we have lived through in the half century of this system. And when we have found the firmness within ourselves to stand up for our rights, we have done so. It's only by firmness of spirit that we have withstood. And if I am standing here before you, it's not because of the kindness or the good will of Communism, not thanks to détente, but thanks to my own firmness and your firm support. They knew that I would not yield one inch, not one hair. And when they couldn't do more they themselves fell back." (Congressional Record—Senate, July 8, 1975, S11956.)

In the meantime, we must not forget the Source of all our blessings—our prosperity, our wealth, our comforts, our freedom. We must not forget that it is by God's gracious hand that these blessings are preserved, and not by our own superior wisdom. May we keep alive our faith in God by worshipping Him and keeping His commandments. A second pillar of freedom is:

2. Strong homes and family ties.

The home is the rock foundation, the cornerstone of civilization. No nation will rise above its homes, and no nation will long endure when the family unit is weakened or destroyed. Even the Chinese Communists found, with their communal social experiment in dissolving the family, that they could not do that and endure as a nation.

I need not remind you of the great threat to the family in all nations of the world today. Divorce is epidemic. The father's place at the head of the home is being challenged, and mothers have, in many instances, left the hearth to join the work force, which weakens the stability of the home. Children, not growing up with strong parental guidance and spiritual influence, are allowed to roam freely. Not only does this lack of training and permissiveness sponsor indolence, but many of these youth, out of boredom, have turned to drugs, juvenile delinquency, or crime.

Your nation faces some of these problems as does my own, but I am heartened to know that in Taiwan, strong family ties are still fostered, this being a part of your cultural and traditional past. May God bless you to preserve this honorable tradition. For a third pillar, I name:

3. A political climate and governmental system which protects man's inalienable rights.

Every governmental system has a sovereign, one or several who possess all the executive, legislative, and judicial powers. That sovereign may be an individual, a group, or the people themselves. Broadly speaking, there are only two governmental systems in the world today. One system recognizes that the sovereign power is vested in the head of state (a monarchy or dictatorship) or a group of men (an oligarchy). This system is as old as history and rests on the premise that the ruler grants to the people the rights and powers he thinks they should have. It is the basis of Roman or civil law, and all dictatorships of history. The system is wrong regardless of how benevolent the dictator may be, because it denies that which belongs to all men inalienably—their right to life, property, and liberty. Since all men are brothers, it follows "that it is not right for any man to be in bondage one to another." (D&C 101:79.)

The other system is that which had its historic origin almost two hundred years ago, 1776, the year of the American independence. The Founding Fathers were men who understood the tyranny that can come out of the system of civil law. They had been indoctrinated in a different system of thought, that of common law, which was premised on the idea that true sovereignty rested with the people. Believing this to be in accord with truth, they inserted this imperative in the Declaration of Independence: "That to secure these rights (life, liberty, and the pursuit of happiness), governments are instituted among men, deriving their just powers from the consent of the governed."

Later, when the young nation had won her independence through the Revolutionary War, a free peoples' representatives drafted a second document, the Constitution of the United States, which opens with this Preamble:

"We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

Here the people were speaking. They recognized their sovereignty, not that of a king, emperor, or oligarchy. All rights and powers not granted specifically to the government were retained by themselves. This is the difference between freedom and despotism!

There are only two possible sources of man's rights. Rights are either God-given as part of the divine plan or they are granted by government as part of the political plan. Reason, necessity, tradition, and religious convictions all lead me to accept the divine origin of these rights. If we accept the premise that human rights are granted by government, then we must be willing to accept the corollary that they can be denied by government. I, for one, shall never accept that premise. As the French political economist, Frederick Bastiat, phrased it so succinctly, "Life, liberty, and property do not exist because men have made laws. On the contrary, it was the fact that life, liberty, and property existed beforehand that caused men to make laws in the first place." (*The Law*, 1850, p. 6).

Since God created man with certain inalienable rights, and man, in turn, created government to help secure and safeguard those rights, it follows that man is superior to government and should remain master over it, not the other way around. Even the nonbeliever can appreciate the logic of this relationship.

It just isn't good for government to do

for people what they can and should do for themselves. Any country which pursues policies that cause the self-reliance, initiative, and freedom of its people to slowly drain away is a country in danger. Let it be remembered that our primary task, under God, as government leaders is to protect the freedom of the people. This leads me to the final pillar:

4. Elected government officials who are wise and good, and a vigilant, informed citizenry.

You will note that I have qualified what, to me, should epitomize those fit to lead. They must be both good and wise. Some men are good, but too naive to be wise statesmen. Other men possess great intellect, but are not morally good. A nation, to endure, must have leaders at the helm whose mandate is higher than the ballot box.

If a government is really the sum of its people, and they are sovereign, then it follows that they must be watchful, vigilant and informed lest their liberties become gradually usurped by naive or unscrupulous leaders and they awaken to find their liberty gone. Despotism does not arise on the platform of totalitarianism, or anything resembling it. It is voted into office on platitudes of "democracy," "freedom," promises of "something-for-nothing," or what the government will provide the people. In reality, government should do nothing economically for a people that they cannot do for themselves. To pursue policies to the contrary, weakens national initiative and destroys character; and politicians who prey on the gullibilities of the electorate, to stay in public office, are unworthy of the trust given to them.

We must keep the people informed that collectivism, another word for socialism, is a part of the communist strategy. Communism is essentially socialism. Aexis de Tocqueville, with unusual insight, was able to foresee and predict the spiritual deterioration that would occur if the people forfeited their rights to a paternalistic welfare state. "After having thus successively taken each member of the community in its powerful grasp, and fashioned him at will, the supreme power then extends its arm over the whole community. It covers the surface of society with a network of small complicated rules, minute and uniform, through which the most original minds and the most energetic characters cannot penetrate to rise above the crowd. The will of man is not shattered but softened, bent and guided; men are seldom forced by it to act, but they are constantly restrained from acting. Such a power does not destroy, but it prevents existence; it does not tyrannize, but it compresses, enervates, extinguishes, and stupefies a people, till each nation is reduced to be nothing better than a flock of timid and industrial animals, of which government is the shepherd." (Democracy in America, Part II, Book IV, Chapter VI.)

Wise leaders ought to have then, as one of their major objectives, the education of citizens to the truth. "Enlighten the people generally," said Thomas Jefferson, "and tyranny and oppression will vanish like evil spirits at the dawn of day." (Works, 6:592.)

These are the pillars upon which any nation's national security rests:

1. A faith in God and in the universal brotherhood of all mankind.
2. Strong homes and family ties.
3. A political climate and governmental system which protects man's inalienable rights.
4. Elected government officials who are wise and good, and a vigilant, informed citizenry.

May these pillars stand as monuments in the sun on your beautiful island.

Yes, today we are in a worldwide battle, the first of its kind in history between two opposing systems, between freedom and slavery; between the spirit of Christianity and the spirit of the antiChrist for the bodies and souls of men. May God grant that we will win the battle by alertness, determination, by courage, and by an energizing realization of the danger.

The price of liberty is eternal vigilance. Are we willing to pay the price?

The days ahead are sobering and challenging and will demand the faith, prayers, and loyalty of all men to the truth.

As the ancient apostle declared: "The night is far spent, the day is at hand: let us therefore cast off the works of darkness, and let us put on the armour of light." (Romans 13:12.)

May God give us the wisdom to recognize the danger of complacency, the threat to our freedom and the strength to meet this danger courageously.

I pray God's blessings to be upon you and your "beautiful island," which is what Formosa means. I testify to you I know that God lives, that He governs in the affairs of men, and that He does provide for our protection and care as we turn to Him. May His bountiful blessings be upon you, each and every one. This is my prayer for you this day, in the name of Jesus Christ. Amen.●

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## GROWING HYDROCARBONS

## HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. BROWN of California. Mr. Speaker, over the past few weeks, I have inserted a number of articles dealing with "energy agriculture." There are a number of plants with commercial potential that produce hydrocarbons directly and can be used to replace imported petroleum in various industrial processes. As I have stated before, we need to look at replacing the end uses of petroleum and petrochemicals.

The jojoba plant produces a unique oil that is the only known replacement for sperm whale oil, a high grade lubricant and cosmetic base. By encouraging the commercial production of jojoba we can insure a supply of quality lubricating oil and, due to the low water demands and salinity tolerance, can offer a new crop to areas of the Southwest that currently have no agriculture industry. Research currently underway also shows that jojoba oil has promise for use as a feedstock in a number of chemical processes.

I encourage my colleagues to read the following article:

### THAR SHE GROWS

(By Noel Vietmeyer)

In the Southwest in recent years, drought has shriveled the land, desiccating crops, taxing water supplies, driving farmers to near ruin. The hunt is on for new crops that need less water, survive recurring droughts, and produce income. The most exciting candidate is an obscure wild plant, never before grown commercially. It goes by the strange name "jojoba" (pronounced, in the Spanish manner, ho-*ho-ba*), and its value lies in the oil in its seeds.

Virtually unknown three years ago, jojoba now appears so drought-tolerant and profitable that in recent months California farmers have planted more than 2,000 acres of it, many ripping out grapes, oranges, and avocados to provide the land. "In the last 90 days we've had orders for 540,000 seedlings," said Ramsey Harris, owner of a recently established jojoba company. In California, jojoba may well become the Cinderella crop of the 1980s.

Recently, for the first time, jojoba oil was produced to allow for testing in industrial products. The results were so impressive that several companies already are competing to purchase all available supplies. Demand has pushed the price so high that Dr. Thomas Miwa, a leading researcher at the U.S. Department of Agriculture, has dubbed the oil "liquid gold." Few crops—other than opium poppy or marijuana—are so profitable. Currently a gallon of the oil sells for $70; an oil-drum-full can bring over $3,000.

Jojoba oil may well become a new renewable resource, produced the world over by solar energy in dryland areas where sunlight is abundant. It might even be produced profitably in marginal, unproductive wastelands where uncertain rainfall makes growing conventional crops too risky. And, because of a remarkable coincidence, it is likely to save the sperm whale from extinction.

Jojoba is a scrubby shrub that grows wild in deserts straddling the westernmost section of the U.S.-Mexican border. Millions of jojoba shrubs dot Sonora Desert hillslopes in Arizona, California, and northern Mexico. Few plants can survive the region's inhospitableness, sparse rainfall (in places less than five inches per year), poor soils, soaring daytime temperatures (up to 115° F), and freezing nights. Not only does the jojoba survive in such a hostile environment, it also has a natural life span in excess of 100 years. Furthermore, it needs no water during the summer, when rain almost never falls anyway; its leaf pores (stomata) are virtually sealed by a waxlike film that prevents the evaporation that would quickly shrink it to parchment; and it shows remarkable resistance to salt, which is commonly found in desert regions and is lethal to most plants.

A haven of green in the cactus-strewn desert, jojoba is a woody, upright bush, growing up to 15 feet tall. Individual plants are either male and bear pollen, or female and bear tiny leaflike flowers that, when pollinated, develop into fruit. The greenish fruits are about the size of acorns. On maturing, their outer husk dries out, splits, and peels away, exposing the brown-skinned seeds inside.

A desert-stunted jojoba bush may annually yield less than one pound of seed, but healthy shrubs can bear five pounds, and pampered shrubs in plantations may yield more than 12 pounds of dry seed. Plantation yields of more than one ton of seed per acre seem attainable. By farming standards, these are exceptionally good figures.

Jojoba seeds are about half oil. The chemical structure and molecular shape of this oil are quite different from those of other vegetable oils. Corn, soybeans, olives, and other plants form their oils by combining glycerol and fatty acids, but instead of glycerol (a small molecule with three alcohol groups), jojoba uses a much larger linear molecule with just one alcohol group.

Only one other organism, the sperm whale, produces a similar oil in any quantity. Why in all of nature just one animal and one plant produce these unique substances which are liquid waxes rather than fats, is not known. That the two developed virtually identical oils is one of nature's great curiosities.

Actually, jojoba's promise has been known to science since the 1930s. I first heard of it over a decade ago when I was a graduate student at the University of California, Berkeley. In those days the plant was known to only a handful of botanists, among them Professor Nicholas Mirov, who introduced me to it. Mirov had spent a long career vainly trying to interest the world in jojoba, and he stressed the importance of my working to advance this crop.

For years I dreamed of being able to help. Then in 1971 the opportunity came when, as a staff scientist at the National Academy of Sciences, I met William P. Miller, a Cherokee, former Olympic silver medalist and now a federal administrator working to improve welfare and economic development on Indian reservations in the Southwestern states. I told him about jojoba and learned that the land where wild jojoba was widespread belonged to the most impoverished and destitute Indian tribes—people who had no jobs, no foreseeable economic future, no hope.

In 1972, through Miller's drive and initiative, the federal government put up money for the San Carlos Apaches in Arizona and several tribes in southern California to harvest jojoba seeds from their lands. The oil they extracted was so promising that the Indians have since gathered more than 400,000 pounds of seed, providing enough jojoba oil to fill a railroad tank car. The University of Arizona has distributed much of it to researchers and industries for analysis and testing in products as diverse as automobile lubricants and cosmetics.

The results prove that jojoba oil can provide an enormous range of valuable products. Leading jojoba chemists, such as Dr. Miwa and Dr. Jamie Wisniak at Israel's Ben-Gurion University, have demonstrated that jojoba oil can become a basic feedstock for many chemical industries. They have shown that its double bonds and ester group (a chemical structure formed when an acid combines with an alcohol) make it reactive to several chemical transformations, including hydrogenation, isomerization, sulfur chlorination, epoxidation, sodium reduction, and hydrolysis. All of these reactions produce new chemicals with properties that are important to industry.

The oil now purchased goes largely into specialty cosmetics because it penetrates skin, is nongreasy, and may control acne and other skin disorders. But in the future jojoba oil may be use mainly in automobile transmissions and engines and other high-speed machinery. Its lubricating power is so great that it exceeds the limits of conventional testing equipment. New tests will have to be devised before we can determine how good it really is. Chemically, it is similar to the high-performance, gas-saving engine oils recently marketed by the major U.S. oil companies. At least one race car in the 1977 Indianapolis 500 used a jojoba-based engine oil.

The bushes growing wild on Indian reservations in Arizona and California now provide almost all the available jojoba oil. Indians have formed jojoba cooperatives in Arizona and California. Through these cooperatives they have organized and managed the annual jojoba harvests and have sold seeds, oil, and jojoba-wax candles.

Pampered plantation shrubs can be cultivated and harvested far more cheaply than scattered wild plants, and they yield much more seed. In 1974, with federal support, Indians established the first jojoba plantations on the San Carlos Apache Reservation in Arizona and on tribal lands in southern California. Some plants were lost to frost, but others, notably those on California's Pauma Reservation, have thrived. By 1977 the shrubs bore small amounts of seed and in 1978 the yield was very good. To develop jojoba as a crop for California Indians, Governor Brown has provided $750,000 to establish more and much larger plantations on the reservations. Their planting is guided by Professor Demetrios Yermanos of the University of California, Riverside, one of the giants in jojoba's domestication.

These plantations should ensure that Indians get a fair share of the benefits of this liquid gold. But private enterprise is beginning to take up jojoba too. Over two dozen small jojoba companies were incorporated in the last few years and at least two Fortune 500 corporations have begun trial plantings. The Israeli government has launched a $4 million jojoba company financed by the World Bank and U.S. investors. Its first plantations (using seed from Arizona and California) are already in the ground in the Negev Desert and in saline soils near the Dead Sea. The Mexican government also has set up large jojoba plots in the states of Baja California and Sonora.

The major beneficiary of all this progress may be the sperm whale. Sperm whales are killed only for their oil; their meat is almost inedible. The oil is so valuable to industry that more sperms are killed annually than any other whale species. But jojoba oil is a virtual duplicate of sperm oil; in fact, it is molecularly purer and less contaminated with undesirable compounds. Jojoba oil now sells at more than 10 times sperm oil's price, but as plantations begin bearing over the next five or 10 years, the two should become marketplace competitors. Then all incentive for sperm whaling will be gone. No longer could anyone afford to send ships, planes, helicopters, and large crews to hunt the sperm whales.

Then the animals will live and multiply unmolested. After sighting the slanted spout of a sperm whale, a whaler captain will shrug, curse, and steam on. On that day, strolling under cloudless azure skies, the world's "sperm oil" producers will look out over their crop and sigh with satisfaction: "Thar she grows!"●

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## THE WAR ON INFLATION: MORE WINNERS AND LOSERS

## HON. PAUL N. McCLOSKEY, JR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 17, 1979*

● Mr. McCLOSKEY. Mr. Speaker, I wish to insert in the RECORD two recent articles on inflation, by Mr. George Marotta, a senior research fellow at the Hoover Institution on War, Revolution and Peace. I find myself in agreement with most of Mr. Marotta's points and believe they are worthy of consideration by our colleagues:

[From the Wall Street Journal, Aug. 6, 1979]

### NOTABLE & QUOTABLE

Although it is generally thought that everyone loses from inflation, this is not so. True, some lose more than others, but a small but growing number even gain from inflation. . . .

People who borrow money, including most of the younger people, are winners in the game of inflation. Whether for mortgage, consumer or capital goods, the goal and the hope is to pay the loan back with "inflated" dollars, thereby reducing the "real" interest carrying charges. . . . In fact, borrowers win twice in an inflationary period because interest paid is a business and personal tax deduction.

Conversely, people who save are losers, and they lose twice. First their rate of interest earned and their principal is reduced by the rate of inflation. . . . Furthermore, the saver's loss is made worse as he pays taxes on the interest that he really did not earn. . . .

The eroding value of the dollar . . . affects our other values by turning our world upside down. Saving and investing, previously a virtue, become gambling, while spending and borrowing become investing.

A society cannot debase its curency without affecting also its other values. The work ethic diminishes in direct proportion to the instability of the value of wages. Individual responsibility is eroded by uncertainty regarding the future value of the currency.

Uncertainty over the value of purchases causes confusion and mitigates against careful spending. . . .

The people's disillusionment increases as they watch the government tinker around the edges of the problem it created to enhance its power by instituting wage and price guidelines. The guidelines have served only to accelerate wage and price increases by business and labor which anticipate the imposition of actual controls.

Respect for government decreases further as one observes the federal officials "jawboning" others, such as business, labor and the hospitals. These are futile attempts to divert the public's attention from the main cause of inflation, government deficit-financing.

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[From the Santa Ana (Calif.) Register, Sept. 25, 1979]

### THE WAR ON INFLATION: MORE WINNERS AND LOSERS

(By George Marotta)

Each day finds more recruits joining in the battle against inflation. As prices steadily increase, more Americans are learning how to cope with this insidious enemy.

In the face of these counterattacks, one might conclude that inflation will be conquered soon. Alas, such is not the case.

The reason for pessimism is that people are not really *fighting* against inflation—they are only *hedging* against inflation. In fact, many of the actions they are taking are *adding* to the problem.

Over the past decade, the dollar has been so eroded by inflation that it buys less than half of what it did ten years.

Increasing numbers of Americans (and foreigners) are learning ruefully that one of the worst things you can do is hold dollars because they depreciate so rapidly. The first half of 1979 found inflation raging at the rate of over 13 percent on an annual basis.

Many are learning the primary lesson: to protect oneself against inflation you must get out of dollars and into something else. In fact, almost anything people bought over the past decade was better than holding dollars. But those who gained most bought gold, which has increased from $35 to over $350 an ounce. Other "winners" in the war on inflation bought real estate, silver, diamonds, antiques and other collectibles.

Many bought goods with borrowed monies on the correct assumption that they could pay back the loan with cheap dollars, thereby reducing the "real" rate of interest. Those who borrowed added to inflation by contributing to the demand for goods and bidding up the prices.

The prime interest rate's recent rise to the record level of 13 percent is evidence of the persistence of this round of inflation. Because it has been raging over eleven years, the longest in United States history, many believe interest rates will go even higher.

Even at these historic levels, people are willing to borrow and it's not difficult to see why. A 13 percent interest rate in a period of 13 percent inflation produces, in effect, an interest-free loan.

The best action people could take to slow down our nation's inflation would be to postpone purchases and to save money. This would reduce demand for goods and help to stabilize prices. However, banks only pay 5½ percent interest on passbook savings. In a period of 13 percent inflation, this is a loss of 7½ percent. To add insult to injury, the government taxes the interest which you did not really earn!

The government must feel some sympathy for the saver because it recently authorized banks to pay an additional ¼ percent on passbook savings, but the increase is grotesquely inadequate.

Since government fully taxes interest on savings and allows a tax deduction for interest paid on money borrowed, it is no wonder that more people are borrowing than saving. The level of savings in the United States, 4½ percent of disposable income, is the lowest among the major industrialized countries, while the level of payments on loans (both mortgage and consumer loans) for Americans is a record 40 percent of income.

Wages and salaries have doubled over the past decade and on the average have kept up with inflation. Take-home pay has decreased, however, due to the fact that federal and state taxes are taking a bigger bite because the graduated tax rates have not been adjusted or indexed for inflation. Many taxpayers are now being taxed at rates once applied only to the rich. This might be one reason why government is slow to stop inflation—they get 16 percent more revenue every time inflation goes up by 10 percent.

Guess what is the main cause of inflation: federal government deficit financing (spending more than is collected in taxes). The deficit this year will total more than $30 billion.

It is one of the supreme ironies of our time that government, the main perpetrator and beneficiary of inflation, reaps its windfall profits, while business, organized labor and consumers blame each other for causing the problem.

If large numbers begin hedging against inflation, the result will be a boom and bust economic expansion where everyone will suffer in the subsequent collapse.

What is the solution? If just one-tenth of the effort spent on hedging were marshalled into fighting inflation, we just might win the war on inflation.

Bold action is required. We must elect politicians who promise to do less for us (and to us) in the future and who would balance the budget. Since we have not done this in the past, another more permanent action we could take is to pass an amendment to the federal constitution to require a balanced budget in the future or to support the amendment to limit the increase in expenditures to the real increase in our national production.

A rational society is one that learns from its mistakes. We have made many fiscal and monetary mistakes over the past decade. The time is ripe for corrective actions. Our major weapon is, as usual, the ballot box.●

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## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations, or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, October 18, 1979, may be found in the Daily Digest of today's RECORD.

### MEETINGS SCHEDULED

### OCTOBER 19

8:00 a.m.

Energy and Natural Resources

Business meeting, to continue markup of S. 9, 222, and H.R. 39, bills designating certain public lands in the State of Alaska for protection of their resource values under permanent Federal ownership and management.

3110 Dirksen Building

9:00 a.m.

Business meeting, to continue markup of H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Appropriations

Defense Subcommittee

To consider, in closed session, H.R. 5359, making appropriations for fiscal year 1980 for the Department of Defense.

1223 Dirksen Building

Energy and Natural Resources

To continue hearings on S. 1699 and Amendment No. 395 to S. 1308, measures to expand the existing energy impact assistance to State and local governments contained in the Powerplant and Industrial Fuel Use Act of 1978 to reflect recent legislative initiatives to foster greater domestic energy production.

3110 Dirksen Building

*Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To hold oversight hearings on alleged fraud and mismanagement practices in the Community Services Administration.

3302 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the nominations of Jane McGrew, of Maryland, to be General Counsel of the Department of Housing and Urban Development; Gloria C. Jimenez, of North Carolina, to be an Assistant Director of the Federal Emergency Management Agency; and Ronald P. Laurent, of Illinois, to be President, Government National Mortgage Association.

5302 Dirksen Building

Foreign Relations

Business meeting, to continue mark up of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

4221 Dirksen Building

Judiciary

To resume hearings on S. 1246, to protect against the growth of a monopoly power among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development.

2228 Dirksen Building

Labor and Human Resources

Business meeting, to mark up S. 1724, 771, 1270, 1331, 1603, 1725, and 1805, bills to provide grants to States to assist low- and moderate-income individuals to meet the rising home energy costs.

4232 Dirksen Building

10:30 a.m.

Joint Economic

To hold hearings on the economic impact of racial discrimination on minority communities.

210 Cannon Building

2:00 p.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Government Affairs

Energy, Nuclear Proliferation, and Federal Services Subcommittee

To resume hearings on S. 1878, and 1879, bills to extend the authority of the General Accounting Office in areas relating to auditing procedures.

3302 Dirksen Building

### OCTOBER 22

9:00 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 1435, to provide for the more rapid depreciation by businesses of investments in machinery, equipment, and buildings to promote economic growth; S. 1021, to provide holders of municipal bonds to either exclude the bond interest from taxable income or to claim a Federal tax credit of 67 percent of the amount of interest; S. 1078, to provide a credit against taxes on an artist's estate for testamentary transfers of his art to the Federal Government; and S. 1467, to provide for a clarification of the existing method of accounting for property used by the railroad industry to determine depreciation allowances for income tax purposes.

2221 Dirksen Building

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To receive a report from officials of the Energy Information Administration of the Department of Energy on the current price and supply outlook for petroleum fuels.

3110 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

### OCTOBER 23

9:30 a.m.

Armed Services

To resume hearings on military implications of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

212 Russell Building

Judiciary

Business meeting, to mark up pending legislation and nominations.

2228 Dirksen Building

Select on Small Business

To hold hearings to examine the economic outlook for the small business.

424 Russell Building

Joint Economic

Economic Growth and Stabilization Subcommittee

To resume hearings to promote equitable economic deregulation of the railroad industry.

5110 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Labor and Human Resources

To hold oversight hearings to explore youth issues for the coming decade, focusing on the Federal role in public sector employment, training and educational programs.

4232 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To resume hearings on S. 1839, 1840, and 1841, bills authorizing funds through

fiscal year 1984 for programs under the Higher Education Act.
457 Russell Building

2:00 p.m.
Armed Services
To continue hearings on military implications of the SALT II Treaty (Exec. Y. 96th Cong., 1st sess.).
212 Russell Building

OCTOBER 24

8:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To hold oversight hearings to review the implementation of rural transportation programs and how they affect the quality of life in rural and small urban areas in America.
324 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 829 and 1644, bills to provide for Federal management of a 20-year coordination program in weather modification within the Department of Commerce.
235 Russell Building

Judiciary
Constitution
Business meeting, to consider S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.
155 Russell Building

Select on Small Business
To hold hearings to examine the Small Business Administration and the Farmers Home Administration loans and loan guarantees to industrialized cattle, hog, poultry, and dairy operations.
424 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Judiciary
To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

Labor and Human Resources
To continue oversight hearings to explore youth issues for the coming decade, focusing on the Federal role in public sector employment, training, and educational programs.
4232 Dirksen Building

Select on Indian Affairs
Business meeting, to mark up S. 668, to allow the Cow Creek Band of the Umpqua Indians of Oregon to file a claim with the U.S. Court of Claims for alleged failure of the United States to fulfill treaty obligations; H.J. Res. 199, to correct a land description as contained in P.L. 95–498, providing that certain public lands be held by the United States in trust for the Santa Ana Pueblo Indians; S. 1682, to authorize a 99-year lease of restricted land owned by Indians in Chelan County, Wash.; and S. 916, to improve and expand the educational opportunities available to native Hawaiians.
5110 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

OCTOBER 25

8:30 a.m.
*Veterans' Affairs
To hold joint oversight hearings with the House Committee on Veterans' Affairs on admission policies to Veterans' Administration's medical care facilities.
345 Cannon Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of Government-sponsored inventions in order to encourage private industry participation in Federal research and development programs
235 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 1383, 1439, and 1689, bills to establish on an emergency basis uniform weight and length limits for trucks using the National System of Interstate and Defense Highways to help conserve currently limited supplies of diesel fuel.
4200 Dirksen Building

Judiciary
To continue hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 1839, 1840, and 1841, bills authorizing funds through fiscal year 1984 for programs under the Higher Education Act.
4232 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations
2228 Dirksen Building

OCTOBER 26

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 829 and 1644, bills to provide for Federal management of a 20-year coordinated program in weather modification within the Department of Commerce.
235 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Joint Economic
To resume hearings on the Consumer Price Index figures and inflationary trends.
5110 Dirksen Building

OCTOBER 29

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1335 and 1336, bills to establish a program of financial assistance to improve the energy efficiency of residential heating systems.
3110 Dirksen Office Building

*Veterans' Affairs
To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.
5110 Dirksen Building

10:00 a.m.
Select on Indian Affairs
To hold hearings on the nomination of William E. Hallett, of Colorado, to be Commissioner of Indian Affairs.
1202 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Joint Economic
To hold hearings in observance of the 50th anniversary of the beginning of the Great Depression of 1929, focusing on the causes and effects of depression.
318 Russell Building

OCTOBER 30

10:00 a.m.
*Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 1408 and 1650, bills to provide for the development of aquaculture in the United States.
6226 Dirksen Building

Commerce, Science, and Transportation
To hold joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry, on S. 1408 and 1650, bills to provide for the development of aquaculture in the United States.
6226 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

OCTOBER 31

9:30 a.m.
*Committee, Science, and Transportation
To hold joint oversight hearings with the Select Committee on Small Business and the House Committees on Small Business and Science and Technology to review proposed techniques in the field of industrial development.
1202 Dirksen Building

Select on Small Business
To hold joint oversight hearings with the Committee on Commerce, Science, and Transportation and the House Committee on Science and Technology to review proposed techniques in the field of industrial development.
1202 Dirksen Building

Select on Small Business
To hold hearings to review the impact of private and commercial credit reporting services on small business, to focus on the accuracy, reliability, and assessability of information released by such services.
424 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Rules and Administration
To hold hearings on S. 392 and 597, bills to assure access for the elderly and handicapped to polling and registration locations for Federal elections; and other legislative and administrative business.
301 Russell Building

### NOVEMBER 1

9:30 a.m.

Select on Small Business

To continue hearings to review the impact of private and commercial credit reporting services on small business, to focus on the accuracy, reliability, and assessability of information released by such services.

424 Russell Building

### NOVEMBER 2

9:30 a.m.

Judiciary

To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

### NOVEMBER 6

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Credit and Rural Electrification Subcommittee

To hold oversight hearings to examine the current operations of the Farmers Home Administration, focusing on recent problems relating to the outstanding debt to the agency and personnel problems associated with loan supervisions and counseling; also to examine the implementation of the guaranteed agricultural loan programs and the economic disaster loan program; and to review the installation of a management information system at the agency.

324 Russell Building

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To resume hearings on S. 1108, to provide relocation assistance and guidlines for displacement of individuals who are forced to leave their homes and neighborhoods because of Federally funded projects.

3302 Dirksen Building

### NOVEMBER 7

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To continue hearings on S. 1108, to provide relocation assistance and guidelines for displacement of individuals who are forced to leave their homes and neighborhoods because of Federally funded projects.

1318 Dirksen Building

### NOVEMBER 14

9:30 a.m.

*Commerce, Science, and Transportation

To resume oversight hearings to review proposed techniques in the field of industrial development.

235 Russell Building

Foreign Relations

To hold hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D. 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

### NOVEMBER 15

9:30 a.m.

Foreign Relations

To continue hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

Governmental Affairs

Intergovernmental Relations Subcommittee

To resume oversight hearings to examine the scope of the general revenue sharing policy.

3302 Dirksen Building

### NOVEMBER 16

9:30 a.m.

Foreign Relations

To continue hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

### NOVEMBER 20

9:30 a.m.

*Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.

5110 Dirksen Building

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# SENATE—*Thursday, October 18, 1979*

*(Legislative day of Monday, October 15, 1979)*

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. HARRY F. BYRD, JR., a Senator from the State of Virginia.

### PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Our Father-God, whose name is love, whose word is truth, whose spirit is goodness, in whose service is perfect freedom, and in knowledge of whom standeth eternal life, into Thy hands we commend our work this day.

"God be in our head and in our understanding;
God be in our eyes and in our looking;
God be in our mouth and in our speaking;
God be in our mind and in our thinking;
God be at our end—and at our departing."

In Thy holy name we pray. Amen.

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., October 18, 1979.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY F. BYRD, JR., a Senator from the State of Virginia, to perform the duties of the Chair.
>
> WARREN G. MAGNUSON,
> *President pro tempore.*

Mr. HARRY F. BYRD, JR., thereupon assumed the chair as Acting President pro tempore.

### RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

### THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

### ORDER FOR RESTORATION OF LEADERSHIP TIME

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time of the two leaders be restored up to not to exceed 5 minutes each.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none. It is so ordered.

### PROTECTING OUR NATIONAL SECURITY

Mr. ROBERT C. BYRD. Mr. President, as Senate committees continue to work on the SALT II treaty and as the treaty and associated issues are discussed in the

Senate, in the media, and among the public, it is important to be attentive to the need to protect security-sensitive information.

In order to consider all aspects of the treaty and fulfill its constitutional responsibility, it is necessary for the Senate and certain of its committees to take account of some highly classified information.

In this respect, the Senate Select Committee on Intelligence, of which I am an ex officio member, has a particular responsibility. The committee has made an indepth study of the capabilities of the United States to monitor the SALT II treaty. I have been in the process of reviewing the committee's detailed and classified report on this subject, and I have been impressed by the quality of the work and the care with which the committee and its staff treat this sensitive information.

The Intelligence Committee, under the leadership of the Senator from Indiana (Mr. BAYH) and the Senator from Arizona (Mr. GOLDWATER), has rendered an important service to the Senate.

For the Senate to be able to make informed decisions on matters relating to our national security, and particularly on an issue as significant as the SALT II treaty, Senators need to have access to certain classified information. But in having access to this information, Senators and their staff assume the responsibility for avoiding any leaks or breaches of security.

The leaking of privileged information is not a new problem in Washington. Access to information is a source of power and, in this city, power can be used to pursue many different goals. Some individuals leak information for personal or career advancement; political figures may leak information in order to curry favor with the media; bureaucrats or staff may seek to promote their personal interests or those of the agencies they represent. Others may leak information because they believe that it is in the national interest to do so. And, of course, there are public officials who "selectively declassify" information to bolster their case for a particular program or to block programs that they oppose.

Some information leaks are harmless. Perhaps too much information is withheld from the public as sensitive when really it is not sensitive. But one leak creates an incentive for a counterleak. Soon the distinction between what is sensitive and what is not becomes blurred. If the process is unchecked, over time, there is little of value left to leak.

There is certain information that I believe all of us would agree is legitimately classified. I am referring to information on special defense programs and intelligence collection procedures and capabilities on which our national security depends.

The leaking of security-sensitive information is a very serious matter, a process that threatens the very foundations of our national security. It cannot be condoned.

Earlier this year, the leadership on both sides of the aisle consulted with the Director of Central Intelligence, Admiral Turner, and others in the administration to establish procedures for handling highly sensitive national security information related to the SALT II treaty.

The joint leadership discussed this with the chairmen and ranking members of the Armed Services Committee, the Foreign Relations Committee, and the Select Committee on Intelligence. On the whole, with one or two serious exceptions, these procedures seem to have worked very well.

With the continued cooperation of Senators and their staff—and their staff—these procedures can continue to work well.

I urge that, as the Senate debates SALT II in the weeks to come, Senators and our staffs remain mindful that it is the national security interests that are at stake, not our personal interests, not our interests in advancing ourselves, not our career interests, not our interests in playing to the media. It is the security of the Nation that we are talking about and we must be mindful always of the national security implications of the information at our disposal.

I want to compliment the staff of the Select Committee on Intelligence. I have been reading the highly secret report that was written, and which was alluded to in a newspaper column just this week. A staff member of that committee brought the report to my house in a briefcase. He would not leave without it. In other instances, it was brought by a staff member to my office. The staff member would not leave my office while I had the report.

That is the way it should be done. I do not take umbrage because, as a U.S. Senator or as the majority leader, I am not permitted to take such material home. I do not think I should be permitted to take it home. I could lose it; I could leave it somewhere inadvertently. I could copy it down. If I had it in my office, I could Xerox it. I could put it into a safe, intending that, of course, it be protected. But I do not have the kind of 24-hour security necessary to protect information of this kind. The Intelligence Committee is handling this highly secret information as it should.

So I compliment the members and the staff of the Select Committee on Intelligence for the strict regulations that are being followed with respect to that highly sensitive report. Insofar as this Senator is concerned, those regulations have been followed.

I think we all need to be mindful of this—Senators and our staffs—and we must proceed in a manner that reflects credit on the United States and fully protects our national security.

I yield the floor.

Mr. BAKER. Mr. President, I join in the admonitions of the majority leader and I do so not only as minority leader, but as an ex officio member of the Intelligence Committee and a member of the Senate Committee on Foreign Relations.

From that experience I have learned that nothing—nothing—is more important to the Senate's access to important information than the proof that we can keep a secret.

If we do not prove we can keep a secret, we are not going to have the quality of information we require from the intelligence community and others for fear of a resumption of the massive leaks that occurred in this town for so long.

It is imperative we prove we can keep our mouth shut.

I was a member of the original Intelligence Committee and I saw firsthand the negotiations that went on in that committee with the CIA, the DIA, the NSA, the other intelligence agencies, the FBI, and the concern, the real fear, they had that if we established an oversight committee of the Senate, that if they turned over that information it would be minutes, days, or weeks, until it was out and the lives of agents jeopardized, highly sensitive information compromised, and the national security of the Nation would be impaired.

I saw that concern, and I heard it over and over.

I participated in the effort to convince the intelligence apparatus of this Government that we could keep a secret.

So, Mr. President, it is of more than passing importance to me to see we perform on the promise that the Senate has implicitly made to every intelligence agency in the Government that we will treat that information discretely and appropriately. That is why we set up the Intelligence Committee, which is a select committee. We choose the members well, and I trust them. That is why we set up the special secure facilities, the National Office of National Security Information, located in a particular place in this Capitol. That is why we have done these things.

But, Mr. President, it is absolutely essential that every one of us turn his attention to plugging any incipient leaks, because to do otherwise is not only dangerous, but it is a breach of the confidence that the Government has placed in the Senate, and our ability to maintain those confidences in the future.

(Later the following occurred:)

Mr. GLENN. Mr. President, remarks were made on the Senate floor about 10 minutes ago, by the majority leader and the minority leader, regarding security matters in the Senate. I associate myself completely with the remarks that were made at that time. I was listening on the speaker in my office and came over as soon as I heard that subject come up.

Mr. President, I think we have reached the stage where, if we are not very careful, we are about to do irreparable harm to our Nation as well as to the U.S. Senate as an institution.

When reports appear in the public press, quoting top secret material that we are working in the U.S. Senate, with regard to the SALT treaty, in spite of all procedures and all the precautions we have taken, then I say we have to be very, very careful. Security matters are not established lightly. Security classifications of individual pieces of correspondence or individual studies or memorandums are not classified lightly, particularly in the area of what we can do with regard to monitoring the Soviet Union, what is being done by agents, what is being done at clandestine sites, what is being done by satellites, what is being done by all the potential intelligence sources. This is of the highest order of classification.

When some details of reports we have in the Intelligence Committee, which are of the highest classification in the land, start to show up in public print, we had better be careful.

Neither Members of the Senate nor staff members can take it upon themselves to decide unilaterally that these established classifications are not important, nor should they take these matters to the press or leak them to the press for their private political gain or for their personal ambitions.

When we do that, we risk the lives of agents who are representing this country outside this Nation's borders; we risk the lives of their families, perhaps. We also risk giving away the manner in which we obtain some of this information, so that it no longer will be available to us, from whatever source, whether in space or on the surface. If we do this, we vitally affect the lives of people as well as the ability to monitor the SALT treaty, and we give away intelligence information that might well be critical in other areas, quite apart from the SALT treaty.

I will not belabor this point. I have spoken on it repeatedly in committee.

Mr. HARRY F. BYRD, JR. Mr. President, I associate myself with the remarks made earlier by the distinguished majority leader and the distinguished minority leader concerning the need for the Senate to safeguard critical national security information. The majority leader, as he always does, ably put this matter into focus.

It is extremely important that we, as Members of the Senate as well as our staffs, who in many cases act briefly in our behalf, recognize that just because we are Senators or just because they are staff members, we have no right to leak to the press, or otherwise make available to the public or to individuals, classified documents pertaining to the national defense of our Nation.

I was delighted that I was in the Chamber this morning when the distinguished majority leader and the distinguished minority leader spoke about this matter. They are right in what they have said, and I am pleased to associate myself with their views and to express to each my appreciation, as an individual Senator, for their comments this morning.

## U.S. DISTRICT COURT RULING ON TERMINATION OF MUTUAL DEFENSE TREATY WITH TAIWAN

Mr. BAKER. Mr. President, the U.S. District Court for the District of Columbia held that President Carter exceeded his constitutional authority by unilaterally terminating the U.S. Mutual Defense Treaty with Taiwan.

The ruling came in a case brought by the distinguished Senator from Arizona (Mr. GOLDWATER). Senator GOLDWATER has been diligent in the defense of the Senate's prerogatives, and everyone in this Chamber has not always agreed with his positions and points of view. I agree with his advocacy of the point of view that the Senate has a role in the abrogation of a treaty solemnly ratified by this group.

But whether everyone agrees with him or not, I think we should all acknowledge today that Senator GOLDWATER has made an important contribution to the continuing unfoldment of the definition of the role of the Senate in the formulation of foreign policy.

I will await with great interest the further judicial review of the decision made on yesterday in the suit brought by Senator GOLDWATER. I urge that we take account of our responsibility. If the decision of the lower court is upheld, then, of course, it will be incumbent on the Senate to further consider that matter, that is, the abrogation of the treaty with Taiwan.

I am not taking a position now on the merits of that case. I am simply saying we owe Senator GOLDWATER a debt of gratitude for his effort to further extend and elaborate the institutional role of the U.S. Senate.

Mr. President, I offer him my congratulations. I offer him my congratulations not only for an effort well undertaken, but for a significant contribution.

Mr. JAVITS. Will the Senator yield?

Mr. BAKER. I yield.

Mr. JAVITS. The fact is that that amendment is still pending. That is, that matter is still before us.

I think we have facilitated Senator GOLDWATER'S action because Senators RIBICOFF, PERCY, and I advised the court that the appointment of counsel for the Senate in no way made that a preemptive appointment, which is an argument made against it.

I look forward also to the fact that it will be decided in a definitive way, as it should be. I think he has rendered a service in raising the issue.

All of us were very careful to preserve all his rights while these proceedings were going on.

Several Senators addressed the Chair.

Mr. BAKER. I thank the Senator from New York for his remarks. I agree with every one of them.

I have said this often, and I repeat it again: The first year I came to the Senate in 1967, one of my predecessors at this desk told me that JACK JAVITS—if he will excuse the informality—is not only a great Senator, but he is the Senate's lawyer.

In this case, and many others, he has proven his competence and the value of his contribution.

Mr. PROXMIRE. Will the Senator from Tennessee yield on that point with respect to Senator GOLDWATER?

Mr. BAKER. I am glad to yield.

Mr. PROXMIRE. I want to join the distinguished Senators in praise of the remarkable Senator from Arizona.

Not only did he perform a service in carrying this fight to the courts and in winning, but he performed a service because his cause was correct.

I feel very strongly that no President of the United States, Republican or Democrat, should be able to act unilaterally after the Senate of the United States has solemnly acted to affirm a treaty. We have that treaty power. We should jealously guard our powers. They have been eroded in the past.

I have great admiration, respect, and affection for the Senator from Arizona. I think in this case he served the cause of the country, not only in standing up for a Senate right, but because he is right. He is dead right in indicating that the Congress of the United States or the Senate of the United States should have this authority.

Mr. BAKER. Mr. President, I thank the Senator.

I am sure Senator GOLDWATER will be equally grateful for his remarks.

Mr. PROXMIRE. I might add that I know the Presiding Officer (Mr. HARRY F. BYRD, JR.) if he were not presiding, would want to speak on this matter.

Senator HARRY F. BYRD, JR. has also made a very strong fight for the right of the Congress, the Senate particularly, to uphold its authority under the Constitution.

I think I can speak for him in saying, he, too, feels very strongly that Senator GOLDWATER deserves great commendation for having won this battle in the courts.

I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I share in the compliments being extended to Senator GOLDWATER. I admire and respect him for his desire to uphold the prerogatives of this institution and, certainly, the constitutional process.

While I may disagree with the position that he has taken, I certainly do not disagree with respect to our admiration and respect for him.

I call attention that on this subject, Mr. President, I may have something more to say about this later. I do not intend to talk much at length right now because I first want to read this very lengthy ruling which I have in my hand.

But in this morning's Washington Post there is a paragraph which reads as follows, in regard to Judge Gasch:

> Gasch indicated in June that he felt Carter had exceeded his authority by unilaterally terminating the 1954 treaty, but said the members of Congress challenging his action lacked proper legal "standing" because Congress had not expressed an opinion on the issue.
>
> Within hours of his ruling, the Senate passed a resolution that declared its view that the Taiwan treaty could not be terminated without Senate approval.

That is an absolute error—absolute error. The Senate has not passed any resolution that declared its view that the Taiwan treaty could not be terminated without Senate approval.

Now, if the judge was under that impression, then that may have affected his decision. But, certainly, that is an error and it is conceivable that the judge was misinformed to that extent.

That is misinformation. I wanted to call it to the attention of the readers of the RECORD.

There was a vote in June on an amendment substituting language for the resolution that was reported by the Foreign Relations Committee, but there was never any final disposition of that matter.

The resolution itself is still on the calendar—Calendar No. 113 Senate Resolution 15, resolution concerning mutual defense treaties. So there was a vote on an amendment, but the final vote on the resolution itself never occurred. As a matter of fact, the chairman of the Committee on Foreign Relations had offered an amendment which clearly would have put the matter in focus, but the Senate was not able to reach a vote on it. So the matter went back on the calendar, without any final decision.

It is quite conceivable that the Senate could have rejected the resolution after having approved the amendment, which in effect would have killed the amendment.

So the record should show that the Senate did not pass any resolution that declared its view that the Taiwan Treaty could not be terminated without Senate approval. I hope the court takes cognizance of that fact.

I thank the Senator for yielding.

(Mr. PROXMIRE assumed the chair.)

Mr. HARRY F. BYRD, JR. Mr. President, on June 6, 1979, the Senate, by a vote of 59 to 35, adopted my proposal that no mutual defense treaty between the United States and any other nation could be abrogated without Senate approval. While the resolution itself was not formally adopted, the Senate spoke loud and clear as to the merits of the issue.

The distinguished Presiding Officer, the Senator from Wisconsin (Mr. PROXMIRE), was a cosponsor of that proposal, which received affirmative action on the part of the Senate.

Yesterday, Judge Oliver Gasch of the U.S. District Court for the District of Columbia upheld exactly that same proposition. He ruled that President Carter must have approval of the Congress or of the Senate before our defense ties with the Republic of China on Taiwan can be severed. Specifically, Secretary of State Cyrus Vance has been prohibited from taking any action to cause the defense pact to be terminated unless and until such approval is obtained.

I commend Judge Gasch for upholding the position taken by the Senate on June 6. But, more important, I commend him for having the courage to uphold the Constitution in what must have been a very difficult case.

Opinions on relations with Taiwan and with Mainland China differ in the Congress and in the country. Personally, I favor establishing diplomatic relations with mainland China—but I do not favor casting Taiwan overboard.

But the important point is that a mutual defense treaty cannot be terminated by a President alone, but must be done in partnership with the Senate—just as it was created jointly by the President and the Senate.

Judge Gasch's decision is a reversal for the President and is a reversal which could have been avoided had the President acted within the limits of his constitutional authority in the first instance. He exceeded his authority, and he has now been called to task.

Judge Gasch's decision is a victory for our distinguished colleague, the Senior Senator from Arizona, Mr. GOLDWATER, who brought the suit in Federal court. I congratulate Senator GOLDWATER.

The matter of Taiwan can be settled quickly. The President or his supporters in the Senate could submit the matter to the Senate for a decision. Frankly, I do not understand why it was not done previously.

### THE GASCH DECISION ON TREATY TERMINATION

● Mr. HELMS. Mr. President, the decision of U.S. District Judge Oliver H. Gasch on the role of Congress in treaty termination is an historic reaffirmation of the powers of the legislative branch in the face of usurpation by the executive branch.

This is an issue which has been under intense debate from the very first day of this session. The President acted arbitrarily and illegally in his unilateral decision to terminate the mutual defense treaty with the Republic of China; moreover, he acted imprudently in taking the action last December while Congress was out of session and not available for consultation as a body.

Now Judge Gasch has vindicated the position of those of us who argued that the President's action was unconstitutional and illegal. What his decision does is to reaffirm that the Senate, in particular, has a constitutional role in foreign policy, that the Senate indeed does participate in executive functions. It is perfectly obvious under the Senate rules that whenever we take up matters such as treaties or nominations, we go into executive session. We go into executive session because we are performing executive functions. Judge Gasch has ruled that when the United States is a "Party" to a treaty, that "Party" is not the President acting alone. The President merely communicates the decision of the constitutional process.

Now that the judicial branch has acted to reaffirm the plain meaning of the Constitution, and to reaffirm the precedents which I cited in my additional views in the Foreign Relations Committee Report on Senate Resolution 15, I think that it would be folly for the President to seek to appeal this decision. Appeal would merely exacerbate the constitutional crisis into which we have been thrown by the President's illegal actions. In the opinion of the Senator from North Carolina, the President was led into his decision by bad advice from the Department of State.

The State Department has had a long history of regarding the U.S. Congress as the main obstacle to its free wheeling concepts of foreign policy, concepts which have led to the diminishing of U.S. influence, and the erosion of U.S. interests. I hope that the President will reject any further advice he gets to continue his confrontation with Congress on this issue.

Mr. President, I believe that the main point is that elected and appointed officials are ultimately responsible to the people of the United States. The Constitution established the Congress, and the Senate in particular, to advise the President on foreign policy, and to act as a check upon arbitrary actions. The Gasch decision will not in any way interfere with the legitimate conduct of foreign policy by the President; it simply insures that stability and legality will strengthen U.S. policy decisions and guarantee that a national consensus lies behind the President. I cannot imagine that any President would want to act without the Congress behind him. That way would lead to dictatorship.

I think that the President's future course of action should be clear. If he wishes to terminate the Mutual Defense Treaty with the Republic of China, he should act now to send a message to the Senate and have his request approved by a two-thirds vote; or he could ask for legislation to be approved by a majority of both Houses of Congress. I think that he should feel confident in his decisions, confident that Congress will support them. By trying to evade the Constitution and to evade the test of congressional decision, he exposes his weakness to the world. It would be far better for the President, for the country, and for the world community to abandon any thought of appealing the Gasch decision, and to send a message to Congress properly requesting termination in the constitutional form.●

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 12:30 p.m., and that Senators may be permitted to speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. There is such an order.

The Chair recognizes the Senator from Wisconsin.

## BIRTHDAY OF SENATOR HELMS

Mr. BAKER. Mr. President, today is the birthday of our distinguished colleague from North Carorlina (Mr. HELMS).

I do not see him in the Chamber now, but if he were here, I would wish him happy birthday.

## THE ROOT OF THE PROBLEM

Mr. PROXMIRE. Mr. President, in 1967 I pledged to speak out on this Nation's shameful inaction on the Genocide Convention. In the 18 years that had passed since the Convention's adoption by the United Nations, 63 countries had endorsed the treaty's fundamental condemnation of genocide as a crime against humanity. I felt it a great wrong that the United States was not among them.

Today, 12 years after I made my pledge, 30 years after the treaty's initial adoption, the number of signatories has grown to 83—and still the United States has not ratified the Convention, choosing instead to stand conspicuously apart from this consensus of civilized nations.

Why does this country present such an image of disinterest? Is it that we as a people consider the issue an unimportant one?

I am convinced that this is not so. Americans are deeply concerned with human rights, in this country and abroad. Examples of political repression or religious persecution offend our moral consciousness. They outrage our sense of humanity. Genocide, the ultimate denial of human rights, is clearly repugnant to our national values. It is not a trivial matter to the people of this Nation.

Instead, it is the indifference of the Senate that is the root of the problem. Our Nation should have set an international example on this basic moral question, but through the Senate's lack of moral direction and initiative, we have yet to follow the example set for us by the rest of the world community. By neglecting this treaty for three decades, the Senate has neglected its moral obligation to the country and to itself.

I respectfully urge my colleagues to meet these obligations, and to ratify the Genocide Convention.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

## DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1980

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will now resume consideration of the pending business, H.R. 4930, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (H.R. 4030) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The Senate resumed consideration of the bill.

Mr. JAVITS. Mr. President, I understand that each side has 10 minutes.

The PRESIDING OFFICER. Each side has 5 minutes. There is a 10-minute limitation overall on time on the motion when made.

Mr. JAVITS. Very good.

I yield 30 seconds to the Senator from Alaska.

The PRESIDING OFFICER. The motion has not been made, so there is no time until the motion has been made.

Mr. STEVENS. Mr. President, I ask unanimous consent to proceed on my own time without interfering with the time of the Senator from New York at this time.

The PRESIDING OFFICER. No time is running until the motion has been made.

Without objection, it is so ordered.

The Senator from Alaska may proceed.

Mr. ROBERT C. BYRD. Mr. President, I have no objection to the Senator from Alaska proceeding, but I wish to call attention that the Senate will resume consideration of H.R. 4930 at 12:30 p.m. at which time no further points of order, debate, motions or amendments with respect to the bill shall be in order; except a motion to reconsider the vote by which an amendment by the Senator from New York (Mr. JAVITS) was agreed to.

The PRESIDING OFFICER. The Senator is absolutely correct.

I understood the Senator from Alaska asked unanimous consent to proceed.

Mr. STEVENS. I do ask unanimous consent to proceed for the purpose of offering a technical amendment to section 308 to correct an error made in that amendment.

The PRESIDING OFFICER. Without objection, the Senator from Alaska is recognized for that purpose.

### UP AMENDMENT NO. 658

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 658.
>
> On pages 57 and 58 delete Section 308 and insert in lieu thereof the following:
>
> "SEC. 308. Notwithstanding the provisions of any other law, the State of Alaska is exempted from application of the provisions of Section 7(i) of the Export Administration Act of 1979 (Public Law 96-72)."

Mr. STEVENS. Mr. President, section 308 was included in this bill at my request to rectify a problem created by passage of the Export Administration Act Amendments of 1979. The language presently in the bill, however, is too broad as it would render ineffective laws and regulations in existence prior to the enactment of Public Law 96-72 which was not our intention and, therefore, the language in the bill is in error.

The amendment I have sent to the desk would delete section 308 as included in the committee bill and substitute language exempting Alaska only from the provisions of section 7(i) of the Export Administration Act. This action will protect existing timber sales contracts in Alaska allowing for export of red cedar for which there is no domestic market.

Mr. President, this amendment has been cleared with the manager of the bill. It will allow the continued export of red cedar under limited circumstances from Alaska, and I believe this has been explained to all concerned.

I ask that this amendment, which is highly technical in nature, be adopted. It does not change the intent of the committee bill, but rather clarifies that intent.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. I thank the Senator from New York.

### UP AMENDMENT NO. 651

Mr. JAVITS. Mr. President, I move to reconsider amendment No. 651 and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New York has 5 minutes.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

Mr. President, this matter has been fully debated, and the appropriation is authorized by the 1978 amendments to the Economic Opportunity Act of 1964. The only question that has arisen is the nature of the distribution.

The nature of the distribution of the Community Services Administration today would be about three-quarters of the funds to the SSI recipients and the AFDC, and 25 percent to Governors under State plans dealing with mainly elderly people with incomes of less than 125 percent of the poverty level.

But there are 3 weeks before this goes into the computers of the distributing agency and, therefore, ample time for that agency to adopt the plans which have now emerged from the Finance Committee, which will emerge from the Human Resources Committee this Friday and which will emerge from committees in the House of Representatives.

Mr. President, I deeply believe we have enough confidence in our ability to get an agency to do what we want so that, if the money comes through conference, it will be worked out exactly the way we want it.

At worst, this is not an impossible distribution, but we prefer a more optimum one, and I am confident we will get it.

Lastly, in fairness to the Budget Committee, I reiterate what I said before. I am expressing my confidence as the author, and the cosponsors I think are with me, to Senator MUSKIE and to Senator BELLMON that we understand that what is worked out here if this carries, as I hope very much it will, will be entirely in their hands to work out between the budget and this appropriation, both of which will be in conference.

My sole purpose is to get this on the track so that there can be prompt action. Otherwise, it will be so delayed that it will not do what we all want it to do. That is my only purpose.

I know I and I believe the Senate will have complete confidence in them to work it out.

Mr. President, I yield 1 minute to Senator NELSON of Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 1 minute.

Mr. NELSON. Mr. President, I rise to endorse the proposal made by the distinguished Senator from New York. I do not think there is any other way to get the money out to give fuel asistance to the low income people than to adopt this proposal for the appropriations immediately.

Both the Human Resources Committee and the Finance Committee are dealing with programs now, but there is no way to put in place a new piece of legislation with a new formula and get the assistance out there in time before January, February, or March, if we follow that procedure. So I think it is urgent that we adopt this appropriation.

I wrote a letter to the President on this question urging immediate action on September 21, 1979. Mr. President, I ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
*Washington, D.C., September 21, 1979.*

Hon. JIMMY CARTER,
*The President, The White House, 1600 Pennsylvania Avenue, Washington, D.C.*

DEAR MR. PRESIDENT: On September 12, 1979, you spoke before the American Association of Retired People and the National Retired Teachers Association in Hartford, Connecticut, and outlined a Low-income Energy Assistance program for fiscal years 1980 through 1983 to provide financial assistance to low-income households to offset the impact of excessive heating bills and increasing energy costs.

I am in full accord with the Administration that there is an overwhelming and urgent need to help low-income persons, particularly older Americans, pay for increased residential energy costs. As you know, I have been working over the past few months with members of your Administration on an energy assistance program for low-income households, as well as on a weatherization program to conserve energy and reduce energy consumption in poor and near-poor households. On September 7, 1979, I introduced S. 1725 to provide authority of a Comprehensive Energy Conservation Services program to assist low-income individuals and families with their energy-related needs.

I am writing to you at this time because of the *immediate* crisis low-income Americans face this winter. As weather grows colder, reports are already beginning to surface in Northern States that people are unable to pay the cost to secure essential fuel oil for heating purposes. Over the next 30 days, that crisis will compound and place the health and well-being of many persons in jeopardy.

It is, therefore, my judgement that the Administration would be well advised to initiate an energy assistance program for low-income individuals and families for the 1979/1980 winter season as soon as possible. Such a program should be based on the programs that have been tried, tested, and implemented under the authority of 222(a)(5) of the Economic Opportunity Act over the past three years.

There are a number of factors which have led me to this judgment. First, it could take several weeks, perhaps one or two months, before Congress approves an authorization bill to conduct a new low-income energy assistance program. Right now, there are more than ten proposals pending before the Congress to deal with the energy-related needs of the low-income population, and at least six authorizing Committees that may consider such legislation.

Second, even assuming a new authorization bill could be enacted rapidly, an appropriation bill to implement the program subsequently would have to be enacted. This means that the House and Senate Appropriations Committees would be delayed in considering the appropriate funding level for an energy assistance program for low-income persons until after the authorization process was completed. Using existing legislative authority under the Economic Opportunity Act has the benefit of allowing the appropriations committees to begin their deliberations immediately.

Third, and perhaps most importantly, the Subcommittee on Employment, Poverty, and Migratory Labor has developed information that any new energy assistance program for low-income individuals and families needs 60 days lead-time from the point at which the appropriation bill is enacted to time at which eligible recipients actually receive assistance.

Given this time frame, and the uncertainties of the legislative process, I believe that the Administration should proceed to design and implement an energy assistance program based upon existing statutory authority.

During the past three years, the Community Services Administration (CSA) has operated a low-income assistance program, utilizing legislative authority which was originated by the Subcommittee on Employment, Poverty, and Migratory Labor. CSA has the experience to design and implement a program this winter that is effective and easy to administer, and with which the administrative agencies in the various States are quite familiar.

For these reasons, I urge the Administration to submit to Congress a supplemental appropriation bill requesting, at the very least, the $1.2 billion you have stated as the Administration's commitment to energy assistance for low-income persons for fiscal year 1980. If the Administration were to hold back its request for this appropriation until the windfall oil profits tax is enacted into law, a perilous situation could result this winter—a situation that must be avoided.

I will appreciate your serious consideration of this request, and stand ready to assist the Administration in whatever way I can be helpful.

Best wishes.

Sincerely,

GAYLORD NELSON,
*Chairman, Subcommittee on Employment, Poverty, and Migratory Labor.*

Mr. NELSON. Mr. President, on Thursday, October 11, 1979, the Community Services Administration published in the Federal Register the rules applicable to the fuel assistance program that will be dispensed this season by the Federal Government.

Mr. President, I ask unanimous consent that these rules be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

### COMMUNITY SERVICES ADMINISTRATION

[45 CFR Part 1061; CSA Instruction 6143– ]

### EMERGENCY ENERGY CONSERVATION PROGRAM; ENERGY CRISIS ASSISTANCE PROGRAM

Agency: Community Services Administration.

Action: Final rule.

Summary: The Community Services Administration is filing an amendment to the final rule on the Energy Crisis Assistance Program. This rule is required to implement the fiscal year 1980 appropriation which includes funding for the program. This rule details how these energy funds will be allocated and sets forth project application and post grant requirements.

Effective date: October 11, 1979.

For further information contact: Mr. Edward J. Freel or Mr. Wallace W. Lumpkin, 2000 K Street NW., Suite 350, Washington, D.C. 20006, Telephone (202) 254–9833, Teletypewriter (202) 254–6218.

Supplementary information: On September 4, 1979, CSA published in the Federal Register (44 FR 51780) (45 CFR 1061) a final rule for its FY 80 Energy Crisis Assistance Program with a notation that while the rule was final and effective in 30 days due to the emergency nature of the program, CSA would welcome comments through September 19, 1979, and that the rule could be amended to reflect comments, if warranted.

A number of comments have been received from the public and other federal agencies which CSA believes are important enough to warrant amending the rule. Subpart 1061–70 is reprinted in its entirety for the convenience of the public and supersedes the September 4, 1979 regulation.

CSA received 107 comments by September 19, 1979. Comments came from many different types of groups including Community Action Agencies (39), Aging Offices (12), Legal Service Agencies (10), and State Governments (15). Many of the comments referred to questons of clarification and those changes have been incorporated into the amended regulation.

Many comments urged CSA to designate Community Action Agencies as the local administering agencies. It is CSA's position that it would not be consistent with congressional intent to compel Governors to utilize a specific local administering network. CSA does anticipate that Governors will utilize Community Action Agencies where they have demonstrated the capability to effectively implement energy assistance programs. CSA wishes to remind prospective grantees that they must provide for the participation of the poor.

Many commentators urged GSA to raise the income eligibility level to 150 percent of the CSA poverty threshold, if not for all persons, then at least for the elderly and the handicapped. CSA does not believe that raising the income level to 150 percent of the poverty level would be consistent with congressional intent. CSA does believe that this question should receive serious consideration in the development of future energy assistance programs.

Many comments urged GSA to establish a timetable for processing the State Funding Plans and to provide the states with additional guidance for developing the State Fundings Plans. While it is not possible to provide a timetable for the review and approval of the State Funding Plans, CSA is committed to reviewing and approving the plans expeditiously. CSA will also be providing a guidance to the states concerning the review process to be used by the Regional Directors. In addition, a number of changes made in the regulation serve to clarify the type of information required in the plans.

Many commentators indicated that the reporting requirements were excessive. Appendix C in the original final rule has been revised, reformatted and included in the body of the regulation as § 1061.70–16. CAP Form 11, OEO Form 393 and CSA Form 380 will no longer be required for State and local governments; instead, standard assurances under Part V of OMB Circular A–102 should be provided. CSA has amended the regulation further to require that the CSA Form 440 and SF 269 be provided on a quarterly basis rather than bi-weekly. SF 272 should also be provided quarterly. Grantees, however, are to submit bi-weekly until January 30, 1980 the following information in addition to the other reporting requirements: total number of households assisted, total number of individuals assisted, total number of elderly-headed households assisted, total dollars obligated for heating fuel, and total dollars obligated for other purposes.

While CSA agrees that a bi-weekly reporting requirement is stringent, CSA also believes that it is in the public interest at least during the heating season to have current program information be available.

Many commentators indicated that the 10 percent administrative cost would not be sufficient to provide for adequate monitoring, processing of forms, certification, and outreach. CSA realizes the need for sufficient administrative funds and has made available from FY 79 Crisis Intervention Funds to each state up to $100,000 for planning and implementing the FY 80 Energy Crisis Assistance Program. This is in addition to the allowed 10 percent to be expended from FY 80 program funds. CSA believes that to permit more than 10 percent of the funds to be expended on administration would be inconsistent with the intent of the Congress.

This amended rule will go into effect on October 11, 1979. OMB clearance No. 116–R–3363 under the Federal Reports Act for the use of the reporting requirements in this application has been received. CSA is waiving a comment period because any further delay would be impractical and contrary to the public interest. Additional delay would render it impossible to publish a final rule prior to the onset of winter weather, would not provide Governors sufficient time to plan for winter-related problems in their states, and would not be consistent with Congressional intent that this program be operated during the cold weather months.

For these same reasons, an emergency exception to the regulatory analysis provision in Executive Order 12044 is appropriate. In addition, such an analysis would not be feasible because no monies have been appropriated to date, and it is unclear at what level the program will be eventually funded. In any event, CSA has conducted somewhat similar programs since FY 77 so that this rule will not be significantly different than the prior years nor impose significantly different burdens on grantees.

Graciela (Grace) Olivarez,
*Director.*

45 CFR Part 1061 is amended by revising subpart 1061.70, "Energy Crisis Assistance Program" to read as follows:

### Subpart 1061.70—Energy Crisis Assistance Program

Sec.

1061.70–1 Effective Date.
1061.70–2 Applicability.
1061.70–3 Policy.
1061.70–4 Who can apply for funds.
1061.70–5 Administration of the program at the State Level.
1061.70–6 Local administering agency[ies]
1061.70–7 How a local program is operated.
1061.70–8 What these funds can be used for.
1061.70–9 Who is eligible to participate in this program.
1061.70–10 Termination of program.
1061.70–11 How a Governor requests funds.
1061.70–12 General funding policies.
1061.70–13 Post-funding requirements.
1061.70–14 CSA application review and approval process.
1061.70–15 Coordination with utility/fuel vendors.
1061.70–16 State Funding Plans.
Appendices
A—Regional Office Addresses.
B—CSA Poverty Guidelines.
C—CAP Form 11, Assurance of Compliance with . . . Title VI of the Civil Rights Act of 1964.
D—CSA Form 393, Certificate of Applicant's Attorney.
E—CSA Form 440, Project Progress Review Report.
F—SF-269, Financial Status Report.
G—SF-272, Federal Cash Transactions Report.
H—OEO Form 380, Accounting System Certification Form.

Authority: Sec. 602, 78 Stat. 530 (42 U.S.C. 2942).

### Subpart 1061.70—Energy Crisis Assistance Program

### § 1061.70–1 Effective date.

October 11, 1979.

### § 1061.70–2 Applicability.

This subpart is applicable to Energy Crisis Assistance grants funded under section 222 (a)(5) of the Economic Opportunity Act of 1964 as amended, if the assistance is administered by the Community Services Administration.

### § 1061.70–3 Policy.

(a) The primary intent of the program is to make funds available to states to enable Governors to respond to energy-related crises affecting poor and near poor households, which are caused by the high cost of energy and an anticipated severe winter.

(b) This one-time CSA-funded program does not entitle any household to a certain amount and/or form of assistance.

### § 1061.70–4 Who can apply for funds.

(a) Governors of each State, Puerto Rico and the Virgin Islands, and the Mayor of the District of Columbia may apply for funds under this program. (Note: All references in this document to "Governor" include the Mayor of the District of Columbia.)

(b) The funds will be distributed by CSA among the States and the District of Columbia according to a formula based on climate, fuel, and low-income population factors. If additional funds for this program become available, CSA may revise the distribution formula if conditions so warrant.

(c) To make a request, the Governor will submit a State Funding Plan to the CSA Regional Office serving his/her state. (See Appendix A). This will begin the formal application process.

(d) For further information regarding the application process see § 1061.70–11.

### § 1061.70–5 Administration of the Program at the State Level.

The Governor may choose any agency to serve as the grantee of record for this program, which meets the following criteria:

(a) Has proven experience in administering, monitoring, or operating programs for the poor;

(b) Will be able to implement the program and provide services in a timely manner throughout the state;

(c) Has a sound fiscal system and proven acceptability of its audits; and

(d) Will be able to comply with CSA's program and financial reporting requirements.

Where there are either administrative or legislative impediments that would prevent an agency at the State level from implementing the delivery of services in a timely manner, CSA will work with the Governor to develop an alternate plan which could include the option of designating more than one grantee for the state.

### § 1061.70–6 Local Administering Agency(ies)

The Governor also has the flexibility to choose the local administering agency(ies), such as community action agencies, aging offices and welfare offices. [Note: This does not preclude using the single state grantee as a deliverer.] However, in making the determination regarding the local operator(s), the Governor must assure that the operator(s) has:

(a) Experience in operating programs that serve the poor;

(b) The ability to carry out, or arrange for the outreach activities outlined in § 1061.-70–7; and

(c) An adequate accounting system with appropriate fiscal controls.

### § 1061.70–7 How a local program is operated.

(a) *Serving clients.*—(1) *Reaching Potential Clients.*

(i) The local administering agency is required to provide assistance to those households that do not have access to other supportive service networks but are income eligible for this program as well as to those who do have such access.

(ii) To carry out this mandate effectively, local delivery systems must notify, inform, and contact persons potentially eligible for this program through, for example, the use of outreach workers, community groups, decentralized intake and certification systems, mass mailings, radio and TV spots, use of community newspapers, church bulletins, etc. In the State Funding Plan, the Governor must describe how outreach services will be provided to potential clients eligible for services. Expenses for these activities are to be included as administrative costs.

(2) *Serving the elderly.* Highest priority should be placed on serving the elderly. Therefore, local program operators should offer special services. Suggested activities include:

(i) Intake and certification by mail;

(ii) Scheduled appointments;

(iii) Transportation;

(iv) Use of senior citizen centers for provisions of services; and

(v) Intake and certification in residences for persons unable to leave their residences due to infirmity or fear of victimization.

In the State Funding Plan, the Governor must describe how priority will be given to serving the elderly.

(3) *Serving Renters.* This program is also intended to serve renters who are experiencing an energy related crisis. In the State Funding Plan, the Governor must indicate how renters in an energy-related crisis will be served. For example assistance might be provided where a renter lives in a building heated with natural gas provided for in his/her rent; but where because the heating is inadequate, the renter has to purchase two electric space heaters and pay the electric bill himself.

(b) *Limitations on payments.* In no event shall the sum of all assistance under this program made to and/or on behalf of any household, exceed the actual amount needed to ameliorate the household's energy-related problem or $400 whichever is less. In the event a Governor wants to set assistance limits at a lower level and/or provide for varying the maximum assistance level up to the $400 limit based on factors such as: climate, fuel, and low income population, he/she must provide in the State Funding Plan justification including the specific criteria used as the basis for changing or varying the limits of assistance.

(c) *Appeal by household which has been denied assistance.* (1) The grantee of record will ensure that each program operator will make known to all applicants procedures for review of the partial or complete denial of assistance under the program to any household. If the agency has an existing process which includes the elements listed below its continued use will satisfy the requirements of this policy.

(2) The state-designed procedures are to be applicable to partial or complete denials of requests for assistance for specific, tangible benefits to low-income households, e.g. utility payments, in-kind assistance, etc. for which the grantee of record currently is receiving CSA funds. The procedures will not apply to such activities as community organization, information and referral, etc.

(3) For purposes of this policy we will consider that there has been a denial of assistance when the benefits or services and/or funds currently are available, the local program operator has the authority to provide or disburse them, and the applicant falls within or believes that he/she can prove that he/she falls within the income eligibility and established program guidelines.

(4) CSA will provide a model form for States and local program operators to use in designing their intake/application form. CSA will notify the public in the Federal Register as soon as possible about this model form.

(5) In addition operators will develop procedures for reviewing denials of assistance which will include:

(i) Provisions for notifying the applicant in writing of the reasons for denial of assistance, that he/she may request a review of the denial and may submit additional information (in writing or orally) which the applicant believes would warrant a favorable determination;

(ii) Provisions for reviewing the denial of an application for assistance in a timely manner if such is requested by the applicant. This should include the specific assignment of responsibility to a senior level official other than the person making the initial determination;

(iii) Provisions for notifying the applicant in writing of the agency's final decision; and

(iv) The methods the agency will employ to publicize the existence of the appeal process.

(6) If the population served by the local program operator includes a sizable non-

English speaking group, procedures, written materials, and publicity shall be made available in that language.

(7) A written description of the above required procedures shall be maintained on file by the local program operator and shall be available for public inspection.

(8) All documents relating to specific denials of assistance and action(s) taken will be maintained in the agency's files for the length of time required by CSA policy on "Retention and Custodial Requirement for Records." These records will be available for review by CSA officials upon request.

### § 1061.70–8 What these funds can be used for.

Funds made available under this program must be used to provide assistance to eligible households to offset the high cost of household energy. Only the following types of assistance can be provided with these funds:

(a) Payments to vendors and suppliers of fuel, goods, and other services.

(b) The establishment of lines of credits with fuel/utility vendors for the benefit of eligible households. The Governors may provide limitations on the use of lines of credits such as: limiting the line of credit to the elderly and the handicapped only, establishing a specific duration of a future credit to the elderly and varying the maximum level (not to exceed $400). The Governor must describe in the State Funding Plan how future credits will be used in that particular state.

(c) Direct money assistance not to exceed $50 for the duration of the program to eligible households in those cases where a household is without resources to pay for other necessities as a result of paying utility/fuel bills, or as a means of implementing activities allowable under paragraph (d) of this section. Such payments shall be made by check only and not with coin or currency.

(d) Where necessary to prevent hardship or danger to health, the provision of immediate assistance in the form of goods or services such as emergency fuel deliveries, warm clothing, blankets, temporary shelter, emergency repairs to housing such as patching a roof or replacing a broken window, food, medicines or other supportive services. Funds under this program shall not be used to weatherize homes.

### § 1061.70–9 Who is eligible to participate in this program.

(a) *Income Eligibility*. Households with incomes at or below 125 percent of the CSA Poverty Guidelines and households whose heads receive SSI shall be eligible for assistance under this program. No state may change these income eligibility guidelines.

(b) *Program Eligibility*. The Governor may specify certain program eligibility criteria by defining what constitutes an energy-related crisis in that particular state. Where a Governor wants to establish such eligibility criteria, he/she must provide an explanation and justification in the State Funding Plan for the Eligibility criteria selected as well as a description of the procedures to be used in determining the program eligibility. The Governor may not require proof of unpaid fuel bills or notices of termination of utility service as criteria for eligibility under this program. The Governor also has the option to use income eligibility criteria as the sole eligibility critera.

(c) *Income disregard*. Payments made under this program are not to be considered as income for purposes of determining eligibility or benefits under any income maintenance program. The Governor also has the option assistance, veterans benefits, food stamps, or Supplemental Security Income.

(d) *Determination of Income Eligibility Required of Grantees*. Proof of income eligibility is required. The period for determining eligibility will be not more than 12 months nor less than the 90 day period preceding the request for assistance. When proof of eligibility is unavailable, an applicant must sign a declaration of income eligibility. In such cases, the local program operator must make a reasonable number of spot checks to verify income eligibility.

### § 1061.70–10 Termination of program.

No funds under this program may be obligated after September 30, 1980. For this program, "obligation" shall mean certification for assistance by the program operator of a specific eligible household.

### § 1061.70–11 How a Governor requests funds.

(a) Applications for funds under this program will be for the statewide coverage. CSA will establish set-asides to serve Native Americans and farmworker groups.

(b) Within 15 calendar days of the effective date of this subpart, the Governor will submit a State Funding Plan to the appropriate CSA Regional Office with all the information required in section 1061.70–16. The State Funding Plan must provide a timetable indicating when services will be provided at the local level.

(c) CSA requested from OMB a complete waiver of the clearinghouse review procedures for the FY 80 Energy Crisis Assistance Program. OMB has granted a waiver under the following conditions transmitted in a letter dated August 29, 1979:

(1) The Governor's State Funding Plan will be subject to modified procedures of Part III of A–95. To the fullest practicable degree, the State agency responsible for development of the plan will involve the State clearinghouse in the development phase. Where such early coordination is not possible, the plan will be sent to the State clearinghouse not later than simultaneously with the submission of the plan to CSA;

(2) The State clearinghouse will determine the degree to which areawide clearinghouses should be involved in the review process and a normal 45 day review period will be afforded, on an *after the fact* basis:

(3) CSA's approval of the State Funding Plan will be conditional, in that the State plan may be subject to possible subsequent revision to accommodate any appropriate recommendations for its modifications as provided by clearinghouses in the A–95 review process. The State operating agency will be instructed to make every effort to accommodate such recommendations and will provide appropriate clearinghouses with a statement as to its final judgment on each recommendation. As a result of this requirement CSA must require that any revisions made to the State Funding Plan be submitted to the appropriate CSA Regional Office for approval;

(4) CSA will provide State and appropriate areawide clearinghouses, via Standard Form 424, with an information copy of the "block" grant award to the State agency receiving the funds;

(5) In addition the State agency will provide, for each "sub-state" project grant award, information to the State and appropriate areawide clearinghouses as to the amount of monies awarded, to whom, and the purpose of each award. For these substate award notifications the use of Standard Form 424 is encouraged but is not mandatory.

(d) If a state fails to submit a State Funding Plan within 15 calendar days of the effective date of these regulations or if a submitted plan is not acceptable for approval, CSA may develop and implement a plan for the state.

### § 1061.70–12 General funding policies.

(a) *Matching Share*. A matching share is not required for this program. However, states and local program operators are encouraged to mobilize additional resources to supplement and support this program.

(b) *Maintenance of Effort*. Resources for similar services scheduled to be provided this heating season under state and local authorities shall not be reduced because of this program nor shall this program be used as a substitute for such services. The Director of CSA may make exceptions only in those situations where a strict application of this requirement would result in unnecessary hardship or be inconsistent with the purposes of the Energy Crisis Assistance Program.

(c) *Administrative Costs*. The grantee of record may expend up to 10% of the total state grant for administrative and program support costs. Where the grantee has contracted out performance of all or part of the work program, such as outreach, grantee must provide a reasonable portion of these administrative funds to those program operators to enable them to administer the program.

(d) *Overexpenditures*. If the grantee of record incurs expenditures in excess of the total amount of the approved grant, the amount of the overexpenditure must be absorbed by the grantee of record.

(e) *Procurement*. In accordance with OMB Circulars A–110 and A–102 all proposed sole source contracts where only one bid or proposal is received in which the aggregate expenditure is expected to exceed $5,000 must receive prior approval by the appropriate SCA Regional Office.

### § 1061.70–13 Post-funding requirements.

(a) *Audit*. The graduate of record will not be required to have a separate audit of this program. The program including its contracted-out components will be audited at the time of the grantee of record's regularly scheduled audit. Five copies of the audit shall be submitted by the auditor to the appropriate CSA Regional Auditor concurrent with submission to the grantee of record.

(b) *Project Reporting*. The grantee of record is required to submit a Project Progress Review Report CSA Form 440 on a quarterly basis to cover activities performed in this program. Grantee will also submit bi-weekly, until January 30, 1980 the following information in addition to the other reporting requirements; total number of households assisted, total number of individuals assisted, total number of elderly-headed households assisted, total dollars obligated for heating/fuel bills, total dollars obligated for other purposes.

(c) *Financial Reporting*. The grantee of record must submit a separate SF–269, Financial Status Report, covering activities for this program on a quarterly basis with a final report due 90 days after the end of the program. The grantee of record shall follow these procedures for submission of the SF 269: one copy to the appropriate CSA Regional Office, one copy to Grants Accounting Branch. Finance and Grants Management Division, CSA Headquarters, 1200 19th Street N.W., Washington, D.C. 20506, and one copy to Energy Crisis Assistance Task Force, 2000 K Street, N.W., Washington D.C. 20006.

(d) *Evaluation*. In the event that CSA undertakes a national evaluation of this program, the cooperation of the grantee of record, the local program operators and that of participating utility/fuel vendors will be requested.

(e) *Prohibition against transfer to another grant*. Funds unobligated at the termination of the grant cannot be transferred by the grantee of record to another grant.

### § 1061.70–14 CSA application review and approval process.

(a) CSA Regional Directors are delegated the authority for final approval of grants under this program.

(b) Based on a uniform review process, Regional Directors will determine the adequacy of State Funding Plans.

(c) Once a plan has been approved by the Regional Director, Regional Offices will expedite the processing and forward the Statement of CSA Grant (CSA Form 314) to the grantee of record chosen by the Governor. Upon receiving the CSA Form 314, the grantee of record must sign it and return it to the CSA Regional Office.

(d) A state may amend its State Funding Plan only with the prior approval of the appropriate CSA Regional Director.

(e) When a state deviates from its approved state plan, without CSA approval, upon investigation, CSA will take appropriate action.

§ 1061.70-15 Coordination with utility/fuel vendors.

The Governor must ensure that in each case where payment is certified that:

(a) Reconnection of utilities and/or delivery of fuel is made upon certification for payment:

(b) For any remaining balances, the customer is offered a deferred payment arrangement or a level payment plan:

(c) A reconnection charge is paid only where such a charge was company practice prior to September 1, 1979; and

(d) No security deposit is required to be paid except where such a deposit was required by state law or explicit state regulations prior to September 1, 1979 and, where required by law or regulation is included in a deferred payment arrangement.

§ 1061.70-16 State Funding Plans.

The Governor will submit a State Funding Plan to the appropriate CSA Regional Office. The State Funding Plan will include the following:

(a) A letter from the Governor within the 30-day comment period and a request for a specific amount of funds.

(b) The following elements as described in this subpart:

(1) State Administering Agency.
(2) Local Administering Agency(ies).
(3) Timetable for Implementation.
(4) Outreach Activities.
(5) Elderly Priority.
(6) Renters.
(7) Program Guidelines.
(8) Appeals Process.

(c) Information on the following:

(1) A plan for monitoring to ensure immediate investigation, and if warranted, redress in cases of poor administration of the program, faulty and/or inadequate eligibility certification, duplication and fraud.

(2) A summary of administrative costs and the activities to be performed.

(3) A list of the areas to be served by the program, the distribution of funds by area, and the specific factors used in making the allocation.

(4) A plan for providing management and fiscal technical assistance to the local administering agencies.

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APPENDIX A—CSA REGIONAL OFFICE ADDRESSES

Mr. Ivan Ashley, Regional Director, CSA Region I, E-400, John F. Kennedy Fed. Bldg., Boston, Massachusetts 02203, Phone: (617) 223-4080/FTS-8-223-4080, Boston: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Mr. John C. Finley, Acting Regional Director, CSA Region II, 26 Federal Plaza, 32nd Floor, New York, New York 10007, Phone: [212] 264-1900/FTS-8-264-1900, New York: New Jersey, New York, Puerto Rico, Virgin Islands.

Dr. W. Astor Kirk, Regional Director, CSA Region II, Old U.S. Courthouse, P.O. Box 160, 9th and Market Streets, Philadelphia, Pennsylvania 19105, Phone: [215] 597-1139/FTS-8-597-1139, Philadelphia: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia.

Mr. William "Sonny" Walker, Regional Director, CSA Region IV, 101 Marietta Street NW., Atlanta, Georgia 30303, Phone: [404] 221-2717/FTS-9-242-2717, Altanta: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.

Mr. Glenwood Johnson, Regional Director, CSA Region V, 300 South Wacker Drive, 24th Floor, Chicago, Illinois 60606, Phone: [312] 353-5562/FTS-8-353-5562, Chicago: Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin.

Mr. Ben T. Haney, Regional Director, CSA Region VI, 1200 Main Street, Dallas, Texas 75202, Phone: (214) 767-6126/FTS-8-729-6125. Dallas: Arkansas, Louisiana, New Mexico, Oklahoma, Texas.

Mr. Wayne Thomas, Regional Director, CSA Region VII, 911 Walnut Street, Kansas City, Missouri 64106, Phone: (816) 374-3761/FTS-8-758-3761, Kansas City: Iowa, Kansas, Missouri, Nebraska.

Mr. David Vanderburgh, Regional Director, CSA Region VIII, 1951 Stout Street, Federal Building, Denver, Colorado 89294, Phone: (303) 837-4767/FTS-8-327-1767, Denver: Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.

Mr. Alphonse Rodriguez, Regional Director, CSA Region IX, 450 Golden Gate Avenue, Box 36008, San Francisco, California 94102, Phone: (415) 556-5400/FTS-8-556-5400, San Francisco: Arizona, California, Hawaii, Nevada, Trust Territories.

Mr. N. Dean Morgan, Regional Director, CSA Region X, 1321 Second Avenue, Seattle, Washington 98101, Phone: (206) 442-4910/FTS-8-399-4910, Seattle: Alaska, Idaho, Oregon, Washington.

APPENDIX B—COMMUNITY SERVICES ADMINISTRATION

125 PERCENT OF POVERTY INCOME GUIDELINES FOR ALL STATES EXCEPT ALASKA AND HAWAII

| Size of family unit | Non-farm family | Farm family |
|---|---|---|
| 1 | $4,250 | $3,638 |
| 2 | 5,625 | 4,800 |
| 3 | 7,000 | 5,963 |
| 4 | 8,375 | 7,125 |
| 5 | 9,750 | 8,288 |
| 6 | 11,125 | 9,450 |

For family units with more than 6 members, add $1,375 for each additional member in a non-farm family and $1,163 for each additional member in a farm family.

POVERTY GUIDELINES FOR ALASKA

| Size of family unit | Non-farm family | Farm family |
|---|---|---|
| 1 | $5,338 | $4,562 |
| 2 | 7,050 | 6,013 |
| 3 | 8,763 | 7,463 |
| 4 | 10,475 | 8,913 |
| 5 | 12,188 | 10,363 |
| 6 | 13,900 | 11,813 |

For family units with more than 6 members, add $1,713 for each additional member in a non-farm family and $1,450 for each additional member in a farm family.

POVERTY GUIDELINES FOR HAWAII

| Size of family unit | Non-farm family | Farm family |
|---|---|---|
| 1 | $4,913 | $4,158 |
| 2 | 6,488 | 5,525 |
| 3 | 8,063 | 6,863 |
| 4 | 9,638 | 8,200 |
| 5 | 11,213 | 9,538 |
| 6 | 12,788 | 10,875 |

For family units with more than 6 members, add $1,575 for each additional member in a non-farm family and $1,338 for each additional member in a farm family.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. Mr. President, I reserve the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. HUDDLESTON I yield 5 minutes to the Senator from Maine (Mr. MUSKIE).

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. ROBERT C. BYRD. I yield 3 minutes to Mr. MUSKIE.

The PRESIDING OFFICER. The Senator from Maine is recognized for 3 minutes.

Mr. MUSKIE. Mr. President, the other day on the first Javits amendment I indicated my concern about the amendment. I still think from the point of view of the parliamentary situation that it is most unfortunate that this amendment has been offered to this bill. The issue is in the budget conference which has not yet completed its work. Yesterday that conference was on the verge of collapse. This program was an important bargaining chip for the Senate conferees to use in undertaking to close the gap between the Senate and House budget conferees.

Now, because of the events that have already taken place on this floor, and which are about to take place, the value of that bargaining chip has been pretty well dissipated.

The Senate ought to know that the Senate budget conferees this morning made an offer to the House conferees on a package of functions and programs which included not the $1.45 billion we are talking about for this amendment but the $1.6 billion that I indicated the other day it was our intention to offer. There is another way, a more orderly way to do it than this way.

But if we continue to ignore our regular procedures and to use ways like this in order to achieve objectives, no matter how worthwhile, pretty soon you are going to nibble away at the budget process, and there will not be much left. I appreciate the expression of confidence in me that the distinguished Senator from New York has just stated. But it is not a question of my credibility or my personal prerogatives or my integrity; it is a question of how you get these things done.

Every budget resolution is a package of tradeoffs. In order to get tradeoffs you have got to be prepared to give up something to get something. Now, surely, that is not an unfamiliar notion in the Senate of the United States, and a budget conference is no different. You have to give up something to get something, and that is all I have been arguing for.

But, Mr. President, I appreciate the fact that the other day a majority of the Senate, a bare majority, supported me in taking this position on procedural grounds. But it is not fair to them, to those who would have supported the program on its merits, to ask them to jump through that hoop again. It simply is not fair, and I do not think it is fair to ask me to do it.

So the value of the bargaining chip having been almost totally dissipated by what has already happened, I am not going to insist on a procedural position that I asked the Senate to take the other day.

I will vote for the Javits amendment now. This is the situation where we are, and I will support this amendment, having expressed my doubt about the procedure.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, I yield myself 30 seconds more.

Mr. President, when I said to Senator Muskie that I had confidence in him, of course, I have it personally. I have demonstrated that for 20 years, but I mean in respect of this negotiation. I do not believe he has lost his bargaining chip, whatever it may mean. I believe he still has it because of the fact that both issues are still in conference.

Mr. MUSKIE. Mr. President, will the Senator yield for a comment? Yesterday afternoon, when we included this in our package offer, Congressman Giaimo said to me, "You have not given us anything here. It is obvious the Senate wants this as badly as we do." That is what I mean by having dissipated the bargaining chip.

Mr. JAVITS. May I say to the Senator you are too experienced a Senator to take the word of a bargainer in anything like that. The actual fact is this has yet to emerge from both conferees, so I deeply believe nothing whatever has been lost, but if something has been lost——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERT C. BYRD. Mr. President, do I have more time? I yield 30 seconds.

Mr. JAVITS. The bigger point is if we are going to get this show on the road for people who otherwise might not survive the fact that we do not act, that is the whole issue, and I hope the Senate will vote "no" on the motion to reconsider.

I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, is there any time left at all?

The PRESIDING OFFICER. The Senator has 42 seconds remaining.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Massachusetts may have up to 3 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. No objection. Reserving the right to object, if I may, I would like to add Senator Durenberger and Senator Levin as cosponsors.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. KENNEDY. Mr. President, this amendment I am supporting with Senator Javits and others is a simple matter of strict necessity. We face an immediate crisis for our most needy families. My fellow Senators need only call their Governor's office to get a sense of the alarm and frustration that is growing over the impact of soaring prices on our constituents.

Mr. President, according to a DOE Advisory Committee, from 1972 to 1978, while the Consumer Price Index increased 55.9 percent, fuel prices increased 151.7 percent.

In 1978, the average median-income family spent 10.4 percent of their income on direct household expenditures for energy, while low-income families spent 25.3 percent, or more than one-quarter of their income directly on energy.

If energy prices increase by 50 percent this year, the average low-income family could find itself spending 38 percent of its family budget directly on energy, and as much as 27.5 percent even after eliminating automobile use.

National averages, while troubling, understate the true picture for regions like New England, where direct energy expenditures could approach 50 percent of the family budget if energy prices increase 50 percent over 1978.

Energy prices have far outstripped increases in income, resulting in a loss of $4 billion in purchasing power for 16.2 million low-income households since 1972.

Clearly, past Government efforts to alleviate this crushing burden are inadequate. The crisis intervention program is only reaching an estimated one-tenth of the eligible families at the current low appropriation levels.

Our amendment would appropriate $1.2 billion for the purpose of aiding low-income families this winter. Together with the $250 million we have already approved in the Labor-HEW appropriations bill, a total of $1.45 billion will thus be available as early as is legislatively possible this winter.

CSA has all necessary authority to spend this appropriation in a manner that is consistent with our intention here today.

I urge my colleagues to support this amendment.

Mr. President, the case for this amendment was made the other evening, and I know it has been restated here during the few moments before the vote. But one point I want to underline is the issue of timing. There are many good intentions of Members of the Senate and the administration about how to deal with a critical problem we are going to face in the colder climates this winter.

There are different ideas of the best way to meet this particular challenge. But what we are resorting to here today, Mr. President, is a mechanism and a means which has been tried, and has been successful in the past. It has worked effectively, it has provided relief, and this does provide the only opportunity for us to assist the millions of elderly people, needy people, and poor people in our society who are paying an enormously disproportionate share of their scarce income for heating bills.

It seems to me imperative that if we are serious about trying to deal with the problem this winter we must take action now to uphold earlier Senate action in favor of this particular amendment.

I join with my colleagues in urging the Senate to reject reconsideration of this amendment.

The PRESIDING OFFICER. All time has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Levin may proceed for 2 minutes.

● Mr. DOLE. Mr. President, I want to commend my distinguished colleague from New York, Mr. Javits, for offering the low-income fuel assistance amendment to the Interior appropriations bill. This amendment, which appropriates $1.2 billion to be transferred to the Community Services Administration, is a timely measure which received affirmative action by this body on Tuesday, and we must not reverse that action today. There have been arguments made during the debate on this amendment that the Senate should not allow this type of legislative language to be attached to an appropriations bill. I do not intend to demean those arguments, but I must confess that those poor and needy families who are beginning to feel the cold chill of the pending winter weather find it difficult to understand the parliamentary budgetary problems which have been debated on the Senate floor.

Mr. President, there is a time crunch. Old man winter is not about to wait for the Congress to go through their legislative shenanigans before he starts to flex his muscle. We have no choice, we must act now and act responsibly, or else innocent low-income families will bear the brunt of our irresponsibility. We need to get this program rolling and get this money out as soon as possible. If we can act affirmatively on this proposal, the bureaucratic mechanism needed to get these checks out can be set in motion immediately. This would mean that those qualified recipients could begin receiving their checks sometime in January.

### FINANCE COMMITTEE ACTION

Mr. President, the Finance Committee has recently acted on a low-income energy assistance program which is generally consistent with the Javits proposal. As the ranking Republican on that committee, I offered a low-income fuel proposal last week. I am happy to announce that the majority was able to see the necessity for this sort of assistance, and we were able to reach an adequate compromise.

The provisions adopted by the committee would involve direct cash payments to welfare recipients, including SSI, AFDC and food stamp recipients. States at their option could receive as a block grant the funds otherwise designated for direct cash payments to any or all of the three welfare recipient categories and use those funds for a plan of their own devising. The funds for payments to welfare recipients, for State block grants, would be allocated among the States under a formula which takes into account heating degree days, by low income population and residential energy expenditures.

Mr. President, the Javits amendment assures that the maximum amount of money allowed under the budget will go to low-income people this winter. The CSA has the needed authority to initiate this program. All they need are the funds to make it operable. Energy prices have risen dramatically and there is no question as to the necessity for this legislation. For those individuals who live in those regions of our country most severely affected by harsh winter weather there is no greater concern than that of enabling them to pay their heating bills. I have been concerned about this problem for some time, and I have had occasion to speak with not only consumers but also with small- and medium-sized fuel oil dealers.

Mr. President, the ripple effect of OPEC's price gouging on oil extends to both the consuming and selling sectors of our economy. I have listened to small- and medium-sized fuel oil dealers tell me about the severe cash flow problems they expect to encounter this winter. These dealers expect to be hit from both sides, as they are being forced to pay higher prices for the very fuel which they sell, while they expect that their own customers will have increasing difficulty in paying for this same fuel. It is a "no win" situation for both the dealers and the consumers, because their own money is being shuttled to OPEC's oil sheiks even as soon as they complete a transaction. They are at the mercy of OPEC, whose cartel price policies show "no mercy."

Small- and medium-sized oil dealers are accumulating increasing amounts of customer debt, because their customers cannot afford to pay for their fuel. Inflation, which itself is spurred on by OPEC's increasing oil prices, is making it more difficult for low- and middle-income customers to pay the inflated fuel bills. In turn, they cannot afford to pay the fuel dealers for oil, and need to have credit extended for longer periods of time.

Mr. President, unless we can rectify this situation these small- and medium-sized dealers will be driven out of business by this severe cash flow problem. Thus reducing competition in a sector of our marketplace already suspected of having too little competition and too much collusion. The smaller and medium-sized independent oil dealers feel, quite legitimately, that they are at the mercy of their suppliers, the large oil companies.

### FUEL OIL GUARANTEE ACT OF 1979

The Senator from Kansas is deeply alarmed at this problem for it threatens our free enterprise system. As a society, we cannot afford to let any segment of our national economy go out of business due to severe circumstances over which they have no control.

In an effort to remedy this problem, I introduced on September 20, 1979, the "Fuel Oil Guarantee Act," S. 1783.

This bill would give banks the necessary impetus to extend additional credit to fuel oil dealers when they need such credit in order to stay in business, and provide their users with needed fuel oil. The bill provides for a guaranteed loan program to be administered under the Small Business Administration.

The eligibility for these loans would be tied to the 1978 volume of fuel oil sold by the dealer rather than by the dollar volume of his business. In this way, small dealers whose dollar volume has been inflated by the outrageous OPEC price increases will not be squeezed out of business.

### OPEC: THE REAL ENEMY

Mr. President, the Senator from Kansas would like to state to his colleagues that he introduced this very legislation and is in support of the Javits low-income fuel assistance amendment to the Interior bill today, due in large part to the unconscionable price gouging practices of OPEC and the seeming inability of the Carter administration to adequately deal with our energy problem. During the last year, the price of home heating oil has been increased by 100 percent, while gasoline prices at the pump have increased by nearly as high a margin.

The essence of our problem is simply this: The Carter administration has persistently failed to deal effectively with OPEC, and has adopted policies which sanction and strengthen this foreign cartel. For example, since last November, the President has not bought any oil for our strategic oil reserves, which now holds only 94 million barrels—barely enough to let us survive for 12 days. In deference to OPEC's oil sheiks, Mr. Carter has unaccountably stopped building our strategic oil reserve. This policy only allows OPEC to threaten us more, raise prices higher, and wreak havoc on the very same consumers which the Javits amendment today seeks to assist. What we are really being forced to do is sanction OPEC policy toward the United States and insist that our taxpayers and consumers bear the brunt.

### NEEDED: A COHERENT ENERGY POLICY

Mr. President, in his July 15 television address, President Carter told us that we have met the enemy in the energy "moral equivalent of war," and that the enemy is us because of our inordinate consumption of energy. Certainly, the punitive consequences of OPEC's price racking policies on all our consumers would verify the President's finding that our own people are the enemy. It apparently has not occurred to the President to look in the opposite direction and see that if anyone is the enemy, it is OPEC, and that this cartel has declared the "moral equivalent of economic war" on us. By yielding to OPEC, failing to build up our strategic oil reserve, and engaging in a continuous policy of appeasement toward OPEC in general, the President is only enabling this cartel to punish our own people more severely in the future.

The Javits amendment, like my Fuel Oil Guarantee Act, will help to mollify the pressure on those segments of our economy most in need at this time of year. But such "first aid" proposals cannot cure our long-term energy crisis any more than a bandage can cure cancer.

What this country needs, and cries out for on a daily basis, is a coherent national energy policy which aims to weaken the very core of our energy disease—OPEC. Punishing our own consumers and then giving them first aid is not a cure to our disease, only a temporary treatment for the symptoms. It is at the very least a necessary gesture of succor which our Government is morally obligated to give to its own people. We must put the interests of our own people above the interests of foreign powers.●

Mr. LEVIN. Mr. President, I rise in support of Senator JAVITS' amendment. I believe that it is imperative that we act now, not next spring, to provide help to those citizens who may have difficulty meeting the increased cost of energy this winter, and who, without this help, may literally freeze in the dark.

With the price of home heating oil doubling over the past year or so, the consequences of not providing assistance of this sort could be tragic during the coming winter. We already know that the poor and elderly spend a much larger percentage of their total income on basic heating needs than do others in our society, as much as 50 percent of their income in some of the colder regions of the country. With the recent dramatic increases in fuel prices, this situation will only be aggravated, and many Americans simply will not be able to afford to keep their homes heated to a tolerable level. This is not a new problem; thousands of households in my own city of Detroit found their gas service discontinued last winter and this spring because of inability to pay their bills. The problem is not new, but it will be far more critical this year than ever before, assuming a normal winter or worse, if we do not help those faced with the stark choice of keeping their homes heated or their stomachs full.

Whatever the merits of deregulation of energy prices, and those of us in this body have disagreed over that issue in the past, we must all agree that we cannot inflict the burden of deregulation on those who were not involved in the decisions to deregulate, and who can least afford to bear their consequences. I note that even the American Petroleum Institute, which must certainly be one of the strongest proponents of decontrol of fuel prices, has recognized that the burden falls disproportionately upon the poor, and has urged that special consideration be given to their problems. These problems are not, in my view, a matter of political philosophy; they do not involve a judgment of the relative merits of free market capitalism versus Federal Government intervention. They are rather a matter of simple compassion for those who bear the brunt of policy decisions, whatever their merits, which have been made by their Government.

I know that some have argued that we need not address this issue now; that we can wait until we are able to calculate the revenues which will be produced by the windfall profits tax, and then pass a supplemental appropriation to provide this aid. I am one who not only supports a strong windfall tax, but believes that a strong tax is essential to justify decontrol of crude oil prices, and to make an investment in our Nation's energy future. I also believe that the tax should ultimately finance a program of assistance to those in our society who have difficulty meeting their fuel needs.

But in this instance, with winter weather already upon us in my State and other regions of the country, I do not think we can afford to wait. Even if we appropriate these funds today, it will still take some time for the CSA to put in place the machinery to distribute the money. If we wait until next year, until we can pass a supplemental, we may be in the ridiculous position of providing after-the-fact aid next spring to those who may already have suffered the dire consequences we hope to forestall.

Mr. President, I support this amendment, and I urge my colleagues to give it their overwhelming support.

Mr. JAVITS. Mr. President, I ask unanimous consent to proceed for 10 seconds.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that Senator BYRD of West Virginia be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. WEICKER. Mr. President, pending before this body is the Javits amendment which would provide $1.2 billion to the Community Services Administration for emergency energy assistance to elderly and poor persons during this winter season. This is in addition to the $250 million appropriated under the 1980 Labor-HEW bill the Congress accepted last month for CSA's emergency energy program.

As a cosponsor of the Javits amendment, I firmly believe that this is the best solution before the Senate and before this Congress to the problem of assisting poor and fixed-income Americans meet the high cost of energy this winter. Time is of the essence. Just last week, it snowed from New England to Washington, D.C. In many parts of the Northeast, the winter heating season has already begun. And with that, many of our elderly and poor will be faced with the intolerable choice of choosing between heating and eating.

The cost of energy, already high, has skyrocketed. Home heating oil will cost at least 50 percent more this winter than last, and could reach $1 a gallon, several times its cost 5 years ago. Thus, even if the winter is relatively mild, and less fuel is needed, fuel bills will be higher, tragically higher for those already on tight budgets who will have to make impossible choices between heating, food, clothing, and other necessities.

We all agree, here in the Congress and in the White House, that something should be done to save these people from the financial hardship this winter will have on them.

Mr. President, I realize that a number of alternative low-income energy assistance proposals are being debated at this time. But, we do have the crisis intervention program already in place in the sense of administrative procedures, several years of experience, and trained people to carry it out. While this program has had problems in the past, this is the first year we will have given CSA, the administrating agency, some leadtime by early funding. I am confident that they will do a much better job than in the past and we will really be able to respond to the need this winter.

The program mechanics are fairly simple: Each State will receive a share of the funds based on a formula which factors in the severity of the winter, the relative increase in the cost of fuel and the number of low-income individuals in the State. The State Governors submit a plan for the administration of the program. Eligibility requirements will be the same as in past years: Households at 125 percent or less of U.S. census poverty level—currently $7,750 for a family of four and $5,200 for a family of two—or for heads of households eligible for SSI, the supplementary security income assistance. Recipients receive up to a maximum of $400 per household and benefits will be in the form of assistance with utility bills relating to energy. Part of the benefit could be in the form of cash grants, maximum of $50, or for such emergency items as blankets, food, and so forth.

Mr. President, this Congress has precious little time to debate this issue; that the real issue is basic human need, and we must not forget that. I urge the Senate to reverse itself and vote in favor of keeping the heat on for millions of Americans this winter.●

● Mr. McGOVERN. Mr. President, I am pleased to have the privilege of joining with my distinguished colleague, Senator Javits in offering this important amendment.

I appreciate the concerns of many Members who have expressed concern about the need to enact legislation through the normal channels as well as the inappropriateness of attaching this amendment to the Interior appropriations bill. I do not think anybody can argue that it would be better to follow such procedures. We are, however, rapidly approaching an emergency which must be dealt with immediately.

As my colleague from New York has pointed out, even if we enact this proposal today, at least 80 days will pass before the first fuel assistance check is issued. In other words, no family would actually receive financial assistance until January. I can tell you that the winter is fast approaching South Dakota and that I am already receiving letters from constituents who have begun to draw down on their existing heating oil supplies. Many of them have no idea as to how they will afford additional supplies when their storage tank is empty.

This remains the only vehicle available for Congress to provide emergency assistance to those who will be most impacted by the increasing price of energy. Energy prices in the last 3 months have gone up at the rate of 68 percent over the last year. Hearings held in the Senate Human Resources Committee have already documented that many low income families will be spending upwards of 50 percent of their income to stay warm this winter.

Frankly, this is a very simple amendment. We are creating no new program. The Community Services Administration has all the authority they need to administer the funds. We have not increased the budget. We have simply transferred funds which were originally earmarked for the strategic petroleum reserve for emergency fuel assistance.

Mr. President, we cannot afford to argue the appropriateness of this amendment, or how much the transfer of these funds will affect the synthetic fuel budget in the bill. As my colleague, Senator Durkin, pointed out yesterday—how does one explain a parliamentary, procedural difficulty to families who are having to choose between heating, eating and paying the rent. We must take action now to make this money available. This is our only opportunity to prevent almost certain tragedies this winter.●

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the motion to reconsider the amendment (UP No. 651) of the Senator from New York which was agreed to. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh) and the Senator from Hawaii (Mr. Inouye) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh) would vote "nay."

Mr. STEVENS. I announce that the Senator from Nevada (Mr. Laxalt) and the Senator from Wyoming (Mr. Simpson) are necessarily absent.

The PRESIDING OFFICER (Mr. Baucus). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 11, nays 85, as follows:

[Rollcall Vote No. 365 Leg.]

YEAS—11

Armstrong
Byrd, Harry F., Jr.
Cochran
Exon
Helms
Kassebaum
Long
McClure
Morgan
Tower
Wallop

NAYS—85

Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kennedy
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tsongas
Warner
Weicker
Williams
Young
Zorinsky

NOT VOTING—4

Bayh
Inouye
Laxalt
Simpson

So the motion to reconsider was rejected.

AMENDMENT NO. 519

(Purpose: To increase funds for the Rural Fire Protection and Control Fund)

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the special orders relating to the Johnston-Durkin amendment and the Pressler amendment be reversed and that it be in order to consider now the Pressler amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I call up my amendment No. 519 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. Pressler) proposes an amendment numbered 519.

Mr. PRESSLER. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 33, line 7, delete "$58,018,000" and insert in lieu thereof "$73,518,000".

Mr. PRESSLER. Mr. President, I ask for a rollcoll vote on this amendment.

Mr. HUDDLESTON. Mr. President, may I inquire what the parliamentary procedure is with regard to a rollcall on a tabling motion that would precede his amendment?

The PRESIDING OFFICER. It will take unanimous consent to order the yeas and nays on a tabling motion.

Mr. HUDDLESTON. I ask unanimous consent that the yeas and nays be ordered on any tabling motion that may be made on Senator PRESSLER's motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PRESSLER. Mr. President, in regard to the rural fire protection and control program, I point out that it is the core fire control program in almost all the States. In my own State, as much as 40 percent of fire prevention and control activities derives from a State allocation of funds from the Federal program. Thus, Mr. President, there is a genuine national interest in maintaining a Federal presence in rural fire protection of eligible State and private forest lands. Fire does not respect the boundaries between State or private lands and Federal lands.

This program does not involve a large bureaucracy of Federal personnel out in the field. Instead, the program relies on non-Federal personnel and State and local efforts to apply Federal funds and Federal fire control and prevention research and expertise to the task of safeguarding Federal, State, and private forests. This is an exceptional approach to Federal involvement in the function of Government. All too often, Federal help instigates the creation of a new layer of bureaucracy. The rural fire protection and control program of the Forest Service has effectively carried on fire suppression assistance activities in cooperation with the States for years without creating more Federal bureaucracy.

This program is a matching program in which States put up the same amount as they are allocated from Federal funds.

Smoke management and suppression requirements of the Federal Clean Air Act have significant impact on States. As with so many other Federal programs which have stimulated new regulations and rules, the Clean Air Act does not adequately compensate other units of Government for the increased costs which they must bear as a result of such regulatory creations.

While this program does not immediately relate to clean air regulations, there is no doubt that it represents an easing of that burden on the States. Through the program fires are prevented and fought and, in the process and to the extent that these federally assisted activities are successful in combating fire, smoke is diminished as an air pollutant.

If I may be permitted to corrupt an old truism, where there is fire there is smoke. The Federal support in fighting fire helps other governmental units in a small way to bear the burden of Federal clean air standards.

I understand that the Office of Management and Budget rationale for recommending no money at all for this program was that, on a nationwide average basis, the Federal funds represented only 14 percent of all funds spent in the States on rural fire prevention and control activities.

I do not see the logic of that rationale. In fact, it seems to be a flimsy rationalization for destroying a minimal program which facilitates the dissemination of Federal fire prevention and control expertise and research to State and local governments.

I might also stress that it is strange that effective Federal assistance programs are proposed for elimination when we continue to pour money into ineffective Federal programs. This has been judged an effective Federal program. This is not the time to slash drastically the already very small Federal assistance for State and local fire prevention efforts, not with over 10,000 fires so far this year in California and extremely dry conditions in many States like Minnesota and fires in Montana.

Some could ask why is a Federal contribution to a legitimate Federal involvement in one of the most basic safety functions of Government everywhere in the world not considered a legitimate area? I certainly suggest that it is.

The cuts that are occurring in this area will have a great impact on many of our States. I have circulated to each Senator the listing of the amount under the fiscal year 1979 allocation, fiscal year 1980 projected under the committee bill, and what it would be under the Pressler amendment. This amendment restores it almost to the level of the fiscal year 1979 allocation.

For those reasons, Mr. President, I ask that this amendment be considered. I also ask unanimous consent that Senators THURMOND, BIDEN, and DURENBERGER be added as cosponsors of this amendment.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I yield back my time.

Mr. MAGNUSON. Will the Senator yield?

Mr. PRESSLER. Yes, I yield.

Mr. MAGNUSON. I have been very active in the establishment of a fire academy and things of that kind. The academy is supposed to dig out information where big fire departments might have technical information but smaller fire departments, particularly volunteer departments, will not have it. As I understand the amendment of the Senator from South Dakota, this would involve a great number of volunteer fire departments.

Mr. PRESSLER. Yes, as I understand it, for the development of fire control training courses for volunteer firemen, development and fabrication of firefighting tools and equipment used largely in rural areas, technical assistance in protecting firefighters, and direct funding of State-administered fire prevention control activities.

My understanding is that this would have a great impact on volunteer firemen.

Mr. MAGNUSON. Because most rural fire departments are volunteer departments. They do not have the expertise and this would allow them to participate in the national fire academy teachings, things of this kind.

Another thing: I understand that the amendment would lower the fire insurance rates in several places.

Mr. PRESSLER. That is good news.

(Mr. EXON assumed the chair.)

Mr. HUDDLESTON. Mr. President, I shall use my own time for a minute. I hope the distinguished chairman is not confusing this program with the rural fire department program that is administered through the Department of Agriculture, which does go directly to the rural volunteer fire departments.

Mr. MAGNUSON. No, this deals with forest fires and activities of that kind. That is of interest to me. We are talking about programs that are important to the small towns and the forest areas of my State, who have volunteers.

Mr. HUDDLESTON. I just wanted to make sure the Senator did not have this confused with the other program that is funded in the agricultural appropriation bill.

Mr. MAGNUSON. The two programs are separate.

Mr. HUDDLESTON. They are separate programs. This deals with fire control programs, not directly with fire departments. It provides grants to programs operated through the State foresters.

I yield myself, Mr. President, 3 minutes.

Mr. President, let me say first of all that I am fully sympathetic with the goal expressed by the Senator to maintain rural fire control support for State and private lands at the 1979 level. I have supported this program for many years, as has the Appropriations Committee. Repeatedly, successive administrations have attempted to phase out this program on the basis that the States should take it over on their own. Just as repeatedly, the Congress has restored funding for it in response to the various State and local agencies that benefit from the program.

But Mr. President, let me emphasize again that we cannot restrain Federal spending as the Senate has twice voted to do in budget resolutions and still fully fund every popular program. We cannot satisfy all the congressional demands for budget increases and still fully fund every ongoing program without permitting undesirable and unacceptable increases in Federal spending.

The committee has tried in every way that it can to accommodate Senators priorities. The committee recommendations alone provided $700 million in unbudgeted appropriations directly in response to individual Senators requests. Since we have had this bill on the floor we have added more than $2 billion more in response to Senators requests. The only reason that we are not in worse shape with respect to the budget and to the congressional spending ceiling is that the committee, after months of hearings and months of staff analysis, was able to develop substantial budget reductions to offset these congressional add-ons. Nevertheless, I must call to the Senate's attention that we are continuing to push beyond the Senate's own limitation on outlays for fiscal 1980. Senators who participated in the recent second budget resolution debate are well aware that, as a whole, we are already $2.5 billion over our own adopted outlay ceiling on the basis of appropriation bills already approved by the Senate. Now, in this bill, we are pushing another $400 million over that ceiling, even without fully assessing the impact of the $1.2 billion in outlays associated with the fuel assistance program, which was finally enacted just a few minutes ago.

Mr. President, we cannot have it both ways. We cannot vote on the budget resolution to restrain Federal spending and then vote for every budget increase that happens to be popular.

It is not that we have neglected the Forest Service. We are already $15 million over the budget for rural fire control, and for the Forest Service as a whole we are nearly $200 million over the budget. I hope Senators will keep these numbers in mind in deciding whether to support this additional increase in the appropriation bill.

One final note: let me point out to Senators that they failed to reduce this bill by more than $100 million on Tuesday by the margin of only one vote. Those 48 Senators who voted then to reduce this bill will, I hope, keep in mind their desire to cut Federal spending on this amendment as well.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEWART. Mr. President, I ask the Senator from South Dakota if he will yield some time to me?

Mr. PRESSLER. I will yield, Mr. President, but first I would like to list the groups supporting this, if that is possible at this time.

The PRESIDING OFFICER. The Senator from South Dakota has 4 minutes and 31 seconds remaining.

Mr. PRESSLER. Mr. President, this effort is supported by the Association of State Foresters, National Forest Products Association, Volunteer Firemen's Council, South Dakota Game Fish and Parks Department, National Fire Protection Association, American Forestry Association, and the Forest Farmers Association.

Mr. President, I ask unanimous consent to have printed in the RECORD a paper entitled "Rural Fire Protection and Control Program, State Allocations."

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

RURAL FIRE PROTECTION AND CONTROL PROGRAM—STATE ALLOCATIONS

| | Fiscal year 1979 allocation | Fiscal year 1980 projected under committee bill | Under the Pressler amendment |
|---|---|---|---|
| Alabama | $757,000 | $371,000 | $755,391 |
| Alaska | 520,000 | 255,000 | 518,895 |
| Arizona | 180,000 | 88,000 | 179,618 |
| Arkansas | 676,000 | 331,000 | 674,563 |
| California | 1,043,000 | 1,001,000 | 2,038,656 |
| Colorado | 744,000 | 365,000 | 742,438 |
| Connecticut | 144,000 | 71,000 | 143,697 |
| Delaware | 71,000 | 35,000 | 70,850 |
| Florida | 919,000 | 450,000 | 917,070 |
| Georgia | 872,000 | 428,000 | 870,168 |
| Hawaii | 189,000 | 93,000 | 188,603 |
| Idaho | 553,000 | 271,000 | 551,838 |
| Illinois | 287,000 | 141,000 | 286,397 |
| Indiana | 185,000 | 91,000 | 184,611 |
| Iowa | 150,000 | 73,000 | 149,685 |
| Kansas | 423,000 | 207,000 | 422,111 |
| Kentucky | 605,000 | 296,000 | 603,729 |
| Louisiana | 765,000 | 375,000 | 763,393 |
| Maine | 632,000 | 310,000 | 630,672 |
| Maryland | 404,000 | 198,000 | 403,151 |
| Massachusetts | 395,000 | 193,000 | 393,172 |
| Michigan | 770,000 | 377,000 | 768,383 |
| Minnesota | 582,000 | 285,000 | 580,777 |
| Mississippi | 781,000 | 383,000 | 779,359 |
| Missouri | 724,000 | 355,000 | 722,479 |
| Montana | 616,000 | 302,000 | 614,706 |
| Nebraska | 405,000 | 198,000 | 404,149 |
| Nevada | 330,000 | 162,000 | 329,307 |
| New Hampshire | 281,000 | 138,000 | 280,409 |
| New Jersey | 504,000 | 247,000 | 502,941 |
| New Mexico | 360,000 | 176,000 | 359,244 |
| New York | 715,000 | 350,000 | 713,498 |
| North Carolina | 829,000 | 406,000 | 827,259 |
| North Dakota | 170,000 | 83,000 | 169,643 |
| Ohio | 427,000 | 211,000 | 426,103 |
| Oklahoma | 414,000 | 203,000 | 413,130 |
| Oregon | 831,000 | 407,000 | 829,254 |
| Pennsylvania | 792,000 | 388,000 | 790,336 |
| Rhode Island | 137,000 | 67,000 | 136,712 |
| South Carolina | 789,000 | 386,000 | 787,343 |
| South Dakota | 575,000 | 282,000 | 573,792 |
| Tennessee | 708,000 | 347,000 | 706,513 |
| Texas | 651,000 | 318,000 | 649,632 |
| Utah | 300,000 | 147,000 | 299,370 |
| Vermont | 102,000 | 50,000 | 101,785 |
| Virginia | 793,000 | 389,000 | 791,334 |
| Washington | 837,000 | 410,000 | 835,242 |
| West Virginia | 450,000 | 221,000 | 449,055 |
| Wisconsin | 762,000 | 373,000 | 760,399 |
| Wyoming | 353,000 | 173,000 | 352,258 |
| Puerto Rico | 47,000 | 23,000 | 46,901 |
| Guam | 47,000 | 23,000 | 46,901 |

Mr. PRESSLER. Mr. President, I yield 2 minutes to my good friend from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 2 minutes.

Mr. STEWART. Mr. President, I rise today in support of Senator PRESSLER's amendment to H.R. 4930, the Interior Department and related agencies appropriation bill, which would restore funding for the rural fire protection and control program to the fiscal year 1979 level. As we know, the President recommended no money for the rural fire protection and control program for fiscal year 1980. The Senate and the House made recommendations of $15 million, or approximately one half of the funding level for 1979. I have concern that $15 mililon is only half of what is needed in this program and support the Senator from South Dakota's amendment which would raise the funding level for this program to $30.5 million.

There is a great deal of merit to this program which provides assistance to States in fighting and preventing forest fires on non-Federal, State, and private lands. The money to the States under this program funds State-administered fire prevention and control activities, helps to provide technical assistance for the fighting of certain types of rural fires, trains volunteer firemen, and assists in the development of firefighting equipment.

While there are States that have shown the ability to meet their firefighting needs through State funds, too many States, rich in timber resources, lack the ability to adequately address the problem of rural fire protection and control without the financial help this program provides. I speak not just for the rural areas in my own State of Alabama which benefit so greatly from this small Federal outlay, but for all rural areas which will feel the impact of this reduction in federal assistance. A reduction in this program will, in many cases, mean a loss of jobs, which, in turn means a loss of firefighting manpower. Put simply, a reduction in the assistance under this program will mean more fires and a greater loss of timber in every State.

Our forests represent one of our Nation's great natural resources; a renewable resource which, through care and conservation, can continue to serve a variety of our national needs. But care and conservation require dollars. The comparitively small amount of Federal outlay under the rural fire protection and control program goes an impressively long way. The Federal Government gets a return on its money every time the State forest services lend their assistance to Federal firefighters in their States. Much of the money under this program goes to volunteer firemen in the various States. I have seen on a firsthand basis the resourcefulness and dedication of the volunteer fireman, and the lengths which a dollar will go when placed in his hand.

The State Forest Services have a difficult and often defeating task in attempting to manage non-Federal, State, and private forest land. The assistance made available to the States under the rural fire protection and control program has done a great deal to aid them in their monumental task, and has caused a significant reduction in damage from fires to our timberland and our rural areas.

I commend the Senator from South Dakota for his amendment and urge the Senate to consider favorably this measure.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by the able junior Senator from South Dakota (Mr. PRESSLER) of which I am a cosponsor, to increase funding for forestry fire protection and control programs by $15,500,000. Failure to provide funding at a level at least approximately equal to that provided last year would severely cripple the status of these fire protection programs which depend on both Federal and State funds to provide forest fire protection to State and private forest lands.

Cooperative Federal-State forest fire protection programs originated with the Clark-McNary Act in 1924, which had as its purpose the protection of forest and water resources. Thus, there is a longstanding and well-recognized vested public interest at both national and State levels in the protection, conservation and development of forest and related natural resources. Protection of forest resources on State and private lands from destruction by wildfire is basic and absolutely necessary if benefits are to be realized, in the form of forest porducts, hunting and fishing, water supplies, and aesthetic, environmental values.

Sharply curtailing Federal-State cooperative forest fire protection at a time when protection, conservation and development of our natural resources and environmental values is a critical national need would be shortsighted, unwise, and unconscionable.

The results of drastically reducing Federal cooperative forest fire control funding would be:

First. Greatly decreased fire control capability on the State level in all States.

Second. Increased numbers of wildfires as well as forest acreage burned, not only destroying needed forest resources but also homes and other improvements within and in close proximity to forested areas.

Third. The reduction of technical forest fire control support currently being provided by the U.S. Forest Service to the States.

Fourth. A reduction in the number of State fire control crews available to help suppress wildfires on Federal lands.

Fifth. Increased siltation and pollution of lakes and streams from accelerated erosion resulting from wildfires.

Sixth. A reduction in the supply of forest products needed to meet future national needs and to serve international markets.

Seventh. A rise in unemployment as fire control employees lose their jobs.

Mr. President, wildfire is the greatest enemy of our forest resources. These additional funds are needed to help State fire control personnel combat this enemy in an effective manner. The States simply lack the resources to do the job without a modest amount of Federal funding and technical assistance. I believe this cooperative Federal-State fire protection program definitely serves the national interest, and I, therefore, urge the Senate to adopt this amendment.

The **PRESIDING OFFICER**. Who yields time?

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I have no requests for time. I have made the arguments I want to make. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time and move that the amendment of the Senator from South Dakota be laid on the table.

The **PRESIDING OFFICER**. The question is on agreeing to the motion to lay on the table the amendment of the Senator from South Dakota. All time has been yielded back, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Montana (Mr. MELCHER) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY) and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

The PRESIDING OFFICER (Mr. STEWART). Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 37, nays 56, as follows:

[Rollcall Vote No. 366 Leg.]

YEAS—37

Bellmon
Bentsen
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cohen
DeConcini
Eagleton
Exon
Glenn
Gravel
Hart
Hatfield
Hayakawa
Huddleston
Humphrey
Johnston
Levin
Long
Lugar
Metzenbaum
Moynihan
Muskie
Nunn
Proxmire
Randolph
Ribicoff
Stevenson
Stone
Talmadge
Tsongas
Weicker
Williams
Zorinsky

NAYS—56

Armstrong
Baker
Baucus
Biden
Boren
Boschwitz
Bradley
Bumpers
Cannon
Cochran
Cranston
Culver
Danforth
Dole
Domenici
Durenberger
Durkin
Ford
Garn
Goldwater
Hatch
Heflin
Heinz
Helms
Hollings
Jackson
Javits
Jepsen
Kassebaum
Leahy
Magnuson
Mathias
Matsunaga
McClure
McGovern
Morgan
Nelson
Packwood
Pell
Pressler
Pryor
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stewart
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—7

Bayh
Inouye
Kennedy
Laxalt
Melcher
Percy
Simpson

So the motion to table the amendment was rejected.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the yeas and nays on the Pressler amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I urge passage of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. PRESSLER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the special order relating to the Johnston-Durkin amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I want to express my strong opposition to the provision in the Department of the Interior appropriation bill which would reduce the entitlement for imported residual fuel oil from 50 percent to 30 percent and make future changes in the program subject to a one-House veto.

From the beginning there has been a great deal of confusion over the purpose of the entitlements for imported refined products. To some they appear to be nothing more than an unjustified giveaway for the benefit of the Northeast at the expense of the rest of the Nation. This, in my view, represents a serious misunderstanding of not only the entitlements program but the purpose of crude oil price controls. Whether one agrees with such controls or not, their clear intent is to distribute the benefits of "old" low-cost domestic crude oil to the American consumer. For obvious reasons of history, geology and geography, all Americans do not have equal access to "old" crude oil. This situation was remedied by equalizing, at least in a nominal sense, the access of all refiners to old crude oil. This was done through the entitlements program.

The effect of the program was to equalize petroleum costs for all but one class of consumers—those dependent upon imported refined product. There was no reason why people dependent upon imported product should not share equally in the benefits of the price controls. They certainly had as much right to these benefits as those dependent upon imported crude oil.

I therefore believe we should not tie the President's hands in this matter.

Mr. GLENN. Mr. President, much of the debate over this bill concerns large-scale items involving billions of dollars. That is both necessary and appropriate because of the immediate impact such expenditures have on our economy. I think it is wise to remind ourselves from time-to-time that there are also small items in appropriation bills which may have little impact on our economy in the succeeding year but which may have very large beneficial impacts in later years.

One such item in H.R. 4930 concerns low-grade heat recovery which is located under the item of heat recovery component technology. This modestly funded program, which will have a total of 8.5 million dollars in fiscal year 1980, is one that I have followed with active interest over the past few years.

The program concerns the utilization of waste heat from the presently operating uranium enrichment plants at Portsmouth, Ohio; Oak Ridge, Tenn.; and Paducah, Ky., as well as the facility at Savannah River, S.C. These plants, which are inherently inefficient, reject a total of 12.8 x $10^9$ btu per hour, equivalent to 4,000 MW of electricity, which is the equivalent of about 20 million barrels of oil per year.

The program to study the possible use of this waste energy is now beginning to produce results which to my mind provide the highest justification for increasing the funding levels for fiscal year 1980. I expressed that view to the distinguished chairman of the Appropriations Subcommittee on the Department of the Interior and related agencies, Senator BYRD, and I am pleased that my requests to provide an additional $4.5 billion appropriation to the Department of Energy for low-grade heat recovery technology was supported by the committee and is contained in this bill. I would like to take a moment to give an example, using the uranium enrichment facility at Portsmouth, Ohio, of the possible future benefits that may accrue from this program.

The Bechtel Corp. recently completed a study for the Department of Energy that concluded that approximately 1,600 new, direct, and indirect, jobs representing a payroll of the order of $20 million per year, could be created within 5 years from applications involving greenhouses, lumber predrying, and grain and hay drying. All of this I should add, in an area of chronic high unemployment in southeastern Ohio. The potential energy savings at Portsmouth alone are of the order of nearly 7 million barrels of oil per year. Equivalent benefits can be expected at the other nuclear facilities as well.

Mr. President, this is a program which can achieve benefits from energy conservation within a relatively short amount of time and with a relatively modest investment.

Mr. President, we are not going to solve our energy problem by making one massive investment in one kind of energy source. We need to seek out all the best ideas and fund them to the extent needed to establish their feasibility. And our No. 1 priority in this respect should be energy conservation. The waste heat utilization program is an excellent example of the kind of investments we should be making in conservation, and points to the kind of benefits we may expect. It is a program that is good not only for Ohio. It is good for the entire country.

Mr. President, this bill also is of importance to Ohio, and the Nation, for other reasons. Contained in the legislation is $15 million to be used to acquire lands identified for inclusion in the Cuyahoga National Recreation Area—funds that I requested in testimony before the Senate Appropriations Committee.

These funds will permit this vital land-acquisition program to continue—permitting the Department of the Interior to secure land in this essentially urban area before development costs and inflation make further acquisitions prohibitively expensive.

This new National Recreation Area in Ohio exists in the center of a heavily populated area—the corridor along several miles of the Cuyahoga River—stretching from Cleveland to Akron, Ohio. Intense development pressures are raising the costs for land. A centralized urban recreation area, like Cuyahoga, deserves priority funding not only to keep land acquisitions down, but also to expedite serving the millions of Ohioans and other Americans who need access to an expanded and improved Cuyahoga National Recreation Area.

The CRA is the only major open space left between Cleveland and Akron. It is within an hour's drive of 5 million people and an easy tankful of gas away from 15 million. Located near three major interstate highways and several State highways, and accessible by train, the area and its many attractions are already receiving national visitors as well. The Congress has established and is improving a priceless recreational and environmental facility for millions of Americans to use and appreciate.

Mr. President, also included in the bill are funds needed at several historic Ohio sites: $196,000 for the Perry Victory Column and $57,000 for its rehabilitation and exterior lighting, $161,000 for the Mound City Group, and $108,000 for the home of William Howard Taft. I am pleased that Cuyahoga and these sites will continue to provide recreational and cultural services to Ohioans and visitors from other States.

● Mr. MUSKIE. Mr. President, today the Senate will complete action on S. 4930, the Department of the Interior appropriations bill of 1979. While I support the bill in its final form, I do want to express my concern about one of its provisions.

I am speaking of section 303, as amended by the Appropriations Committee regarding the petroleum products entitlement policy authorized under section 4(a) of the Emergency Petroleum Allocation Act of 1973. The amendment effectively reduces the portion of an entitlement available to an importer of residual fuel oil from 50 percent to 30 percent. The amendment freezes all other petroleum product entitlements at their April 30, 1979 level. And, finally, the amendment provides that any future changes in entitlements policy be submitted to the Congress by the administration as an "energy action," subject to the disapproval of either House within 15 days of promulgation.

Mr. President, my concern with this provision is twofold: First, the change that is proposed for the residual fuel oil entitlement would mean higher energy prices in my home State of Maine and a number of other States. Second, subjecting the administration of our entitlements program to a one-House legislative veto is a legislative act, and is inappropriate on an appropriations bill.

This effort to legislate on an appropriation bill means the amendment is subject to a point of order, under rule 16. The bill, as passed by the House of Representatives, made no reference to the entitlements program.

I understand, however, that revisions to the amendment will be made in conference which will preserve the existing program. Under these circumstances, I will not raise the point of order in objection to this provision. And I reserve my right to oppose the conference report if this matter is not successfully resolved.●

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. HUDDLESTON. Mr. President, have the yeas and nays been ordered on passage?

The PRESIDING OFFICER. They have been.

Mr. HUDDLESTON. Mr. President, I would like to call the Senate's attention to a matter in the bill of particular interest to the distinguished Senator from Indiana (Mr. BAYH). This involves a section of the committee report, at page 40, that reflects a misunderstanding of an agreement made at the subcommittee level to provide funding for a Mining and Mineral Resources Research Institute to be located in the State of Indiana.

The subcommittee members accepted the amendment of the Senator from Indiana (Mr. BAYH), but apparently there was some confusion over the amendment's intent. The legislature of a State plays a role in forwarding to OSM the name of a public college or university that should be designated as a mineral institute by OSM. As Senator BAYH pointed out in subcommittee, the Indiana State Legislature does not meet again until after the first of the year—January 7, 1980, to be exact—and 30 days should be granted for the Legislature to designate Indiana's nominee. Therefore, I would like the record to reflect the date February 8, 1980,—not January 1, as stated in the report, as the date upon which the $270,000 designated for Indiana shall revert to OSM's operating account if no school in the State of Indiana—the State that ranks sixth in coal production from surface mining—is found eligible under current criteria.

Mr. STEVENS. Mr. President, I just want the Senate to know that the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from West Virginia (Mr. ROBERT C. BYRD) have been most patient with me on this bill, and I thank them for their consideration of a timing problem of mine which delayed consideration of this bill.

But, all in all, the bill before us is a good one, and I hope it has the support of the Senate.

I am also grateful to the Senator from North Dakota for his assistance on the bill and, as I say, I hope we will have an overwhelming vote for passage of the bill so that we can do well in conference on the subject.

Mr. ROBERT C. BYRD. Mr. President, I want to express my appreciation to the Senator from Alaska (Mr. STEVENS). Without his cooperation, the Senator from Kentucky, who is the acting manager of the bill, and I would have had an extremely difficult course to follow.

The Senator from Alaska is always attentive to his responsibilities as indicated by his presence at the hearings, his presence at the markup, and he has demonstrated the finest kind of cooperation always during our service together on this Interior appropriations bill.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh) and the Senator from Hawaii (Mr. Inouye) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. Laxalt), the Senator from Illinois (Mr. Percy), and the Senator from Wyoming (Mr. Simpson) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Simpson) would vote "yea."

The PRESIDING OFFICER (Mr. Pryor). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 86, nays 9, as follows:

[Rollcall Vote No. 367 Leg.]

YEAS—86

Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Goldwater
Gravel
Hart
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Warner
Weicker
Williams
Young
Zorinsky

NAYS—9

Armstrong
Byrd, Harry F., Jr.
Garn
Hatch
Helms
Lugar
Proxmire
Roth
Wallop

NOT VOTING—5

Bayh
Inouye
Laxalt
Percy
Simpson

So the bill (H.R. 4930), as amended, was passed.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GLENN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make clerical and technical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Pryor) appointed Mr. Robert C. Byrd, Mr. Hollings, Mr. Bayh, Mr. Johnston, Mr. Huddleston, Mr. Leahy, Mr. DeConcini, Mr. Burdick, Mr. Durkin, Mr. Stevens, Mr. Young, Mr. Hatfield, Mr. Bellmon, Mr. McClure, and Mr. Laxalt conferees on the part of the Senate.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to exceed 30 minutes, and that Senators may speak thereon up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## STATE VERSUS FEDERAL REGULATION OF INSURANCE

Mr. THURMOND. Mr. President, one of the recurring issues which comes before the Senate is the notion that the Federal Government can do a better job than the States in regulating insurance. History should teach us a lesson. The Federal Government has certainly not made a record of excellence as a regulator. Regulatory reform is now one of the key issues in the Senate.

Recently an article on this subject appeared in a major paper in my home State. I believe it is very important to share with my colleagues. If there is one message that most of us receive from home, it is "get the Federal Government off our backs."

Mr. President, I ask unanimous consent that the editorial "Federal Insurance Control Looms Again," from the State, Columbia, S.C., October 14, 1979, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Federal Insurance Control Looms Again

Armed with a new report from the General Accounting Office citing flaws and abuses in state insurance regulation, some members of Congress are likely to push again for federal takeover of insurance regulation. The GAO report should be further warning for the states to stand guard and clean up their insurance acts where necessary.

There have been several attempts in recent years to get Congress to repeal the 35-year-old McCarran-Ferguson Act, which specifically gives the individual states the right to regulate insurance.

In a way, it is rather easy to get the ball rolling in Washington towards federal insurance regulation. What happens is that any number of reports or accounts—the latest one by GAO serving as an example—can be dredged up showing where states have made messes of insurance. There have in fact been some insurance disasters, particularly in the car insurance field, but a few shambles here and there do not warrant dismantling the concept of state regulation.

The GAO document does not recommend outright that the national government take insurance authority away from the states, but the report provides fuel for those Congressmen who want to go off in that direction again.

Some of the findings of the new report, which concentrates on auto insurance, are that states do a poor job of devising rate classifications and that there is not much difference in rates between states which highly regulate the prices and those states which don't. It cites inadequate financial reporting requirements of insurance companies, and a revolving-door relationship between insurance regulatory agencies and the industry.

This latter point noted that the principal regulatory personnel, especially chief insurance commissioners, often are hired from the industry and also join insurance companies after leaving public office. This seems to be an odd criticism. As with many other highly specialized and complicated fields, there is bound to be some interchange between government and private industry.

Portions of the GAO report certainly have merit. A case in point: it urges the regulators and the industry to provide consumers with more information about insurance needs and cost options.

In the intricate, multi-billion dollar business of insurance, it is not hard to pull out consumer and regulatory horror stories that would tempt some members of Congress to step into this issue. The problem is, as experience has shown over and over, there is little likelihood that the federal government will do any better.

## SHIFTS IN UNITED STATES-SOVIET BALANCE OF POWER

Mr. THURMOND. Mr. President, a highly regarded evaluation of the shifting balance of military power from the United States to the Soviet Union will be made public in December of this year.

The International Institute for Strategic Studies in London will publish at that time its annual study of "The Military Balance."

Because of the importance of this report and the rapid trend against the United States, Editor John L. Frisbee of the Air Force Magazine has taken the unusual step of commenting on this study prior to its official publication. He warns that the U.S.S.R. is implementing a global strategy.

In an editorial in the October issue of this magazine, entitled "The Military Balance 1979–80," Editor Frisbee points to the lack of leadership in Washington, despite these serious developments.

Mr. President, I ask unanimous consent that this editorial be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

### The Military Balance 1979–80

Each year, in early September, the International Institute for Strategic Studies in London publishes "The Military Balance" for the current and coming years. Through an exclusive arrangement with IISS, AIR FORCE Magazine has reprinted the Institute report in our December issue for the past eight years. We will publish it again in December 1979.

The Institute, as most of our readers know, is an independent center for research in defense-related areas and is universally recognized as the leading authority in its field. Its reputation has been built on adherence to cold facts and, where judgments are made, on cautious conservatism. To paraphrase a TV commercial, when IISS speaks, people listen.

In the past, we have reserved comment on "The Balance" until it appeared in AIR Force Magazine. Because of some unusually significant reporting and analysis, we are breaking that precedent.

The Institute reports this year that in the strategic area, "the capabilities of the Super-Powers will continue to increase despite SALT II, if asymmetrically. On the Soviet side, older land-based missiles are being replaced by more accurate systems carrying greater numbers of warheads. Extrapolation of this trend will create a theoretical vulnerability of U.S. land-based systems by the mid-1980s which greater hardening cannot redress. . . . Given the time lag inherent in the production and deployment of new strategic systems and the new constraints introduced by SALT II, it will be eight to ten years before the U.S. could again restore a degree of invulnerability to their land-based deterrent forces. . . ."

That means the deterrent value of U.S. strategic forces will be pretty much limited—by 1982, we believe—to preventing an attack on the U.S. itself. This unwelcome wind of change will have turned inside out the nuclear umbrella that has protected U.S. allies and external interests. That leads to another significant IISS judgment.

Until this year, it generally has been accepted that the US had some 7,000 tactical nuclear weapons in Europe, compared to about 3,500 for the USSR—an apparently comfortable margin that should give the Kremlin long thought about starting trouble in Europe (or other theaters, for that matter) or about first use of nukes if a conventional war were launched.

Now the institute finds that instead of the rough parity reported in our March 1979 issue (p. 47), "there currently exists a 25% advantage to the Warsaw Pact in terms of *deliverable* [our emphasis] warheads likely to be deployed in a European conflict and a moderate 13% advantage to the Warsaw Pact in terms of the effectiveness of those warheads when measured against the three parameters of survivability, assurance of penetration, and flexibility. . . . We note that this balance is sustained by American central systems (*Poseidon* SLBMs) allocated to SACEUR for Europe's defense (but counted in SALT. If these central systems are removed from the equation, the Warsaw Pact advantage rises to almost 60% in both numbers and effectiveness. Continued deployment of SS–20 intermediate-range ballistic missiles . . . will alter the balance substantially in favor of the Warsaw Pact if NATO's Theater Nuclear Forces are not increased or modernized or both."

It follows from this that if US strategic and theater nuclear forces are both neutralized, potential conflict between the superpowers or their alliances is most likely to be at the conventional level, where the USSR has an advantage in military manpower and a wide quantitative lead in offensive equipment.

For example, the USSR's inventory of tanks, according to "The Balance," stands at about 50,000, compared to 10,500 for the US, and the Soviet Navy continues to emphasize amphibious ships and attack submarines. Finally, the Soviet Union is stockpiling (our term) large quantities of up-to-date military equipment in such strategic locations as Libya, South Yemen, Ethiopia, and Vietnam along the West's oil and raw materials supply routes.

From this evidence and a great deal more comparative data in the new "Military Balance," we find strong support for our belief that the USSR is implementing a carefully integrated global strategy, elements of which claim fleeting public attention but which, as a unified strategy, has been obscured by the shadows of détente, oil, and inflation.

In ten years, the USSR has moved patiently, step by step, from strategic inferiority to parity-plus, headed for superiority; from gross inferiority in theater nuclear forces to parity-plus, headed for superiority; from parity in conventional forces to superiority; and from a land-locked continental nation to a global presence headed for global hegemony. "Hair by hair," as the Russian proverb goes, "you can pluck the whole beard."

This outbound passage from military inferiority has cost the Soviet people dearly—from eleven to fifteen percent of each year's gross national product. But the Kremlin's goal of world domination has been judged by the few who rule to be worth the sacrifices of the many who serve.

The relative decline of Western power is not likely to be reversed by anything short of heroic measures. We do not see such measures in the immediate offing, but there is a growing grass-roots recognition—at least in this country—that all is not well. That's a first step. If the people will tell their leader where they want to go, perhaps the leader will lead them.

—JOHN L. FRISBEE, *Editor*.

## MESSAGES FROM THE HOUSE

At 12:21 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 1157. An act to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services:

Robert W. Komer, of Virginia, to be Under Secretary of Defense for Policy.

By Mr. WARNER, from the Committee on Armed Services:

Edward Hidalgo, of the District of Columbia, to be Secretary of the Navy.

By Mr. LEVIN, from the Committee on Armed Services:

Dennis P. McAuliffe, of New Jersey, to be Administrator of the Panama Canal Commission.

(The above nominations from the Committee on Armed Services were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

● Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: In the Air Force there are 2,142 officers to the grade of major and captain (list beginning with Douglas A. Abbott); and, in the Army there are 1,218 officers for promotion to the grade of colonel and lieutenant colonel (list beginning with Colbert L. Flannery), and in the Regular Army of the United States there are 1,923 officers for promotion to the grade of first lieutenant (list beginning with Bruce C. Abbott). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask that they be ordered to lie on the Secretary's desk for the information of any Senator.●

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of October 4, 1979, at the end of the Senate proceedings.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. COCHRAN:

S. 1907. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 1908. A bill to amend the act entitled "An act to provide for the sale of desert lands in certain States and territories", approved March 3, 1877; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON:

S. 1909. A bill to designate the Sheep Mountain Wilderness Area in the State of California; to the Committee on Energy and Natural Resources.

By Mr. McCLURE:

S. 1910. A bill to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands that were withdrawn or acquired for the purpose of relocating a portion of the city of American Falls out of the area flooded by the American Falls Reservoir; to the Committee on Energy and Natural Resources.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

### By Mr. CANNON (for himself and Mr. LAXALT):

S. 1908. A bill to amend the act entitled "An act to provide for the sale of desert lands in certain States and Territories," approved March 3, 1877; to the Committee on Energy and Natural Resources.

● Mr. CANNON. Mr. President, I introduce for myself and my distinguished colleague (Mr. LAXALT) a bill to amend the Desert Land Entry Act. Specifically, this bill deletes a provision of the act permitting nonresidents to apply for such land in the State of Nevada. Nevada is the only State in which nonresidents are permitted to apply and this exemption is specifically spelled out in the act. In August of last year the Bureau of Land Management reopened the Desert Land Entry application process in response to a suit brought by the Nevada Attorney General. While I am pleased that the act is once again open to applicants, I am concerned that the nonresident exemption will create difficulties.

Nevada is one of the fastest growing States in the Nation. The historical basis for the nonresident exemption which was to entice settlers to an unsettled and barren wilderness no longer applies. Further, the reopening of the application process has led to abuse outside the State by encouraging so-called agents to offer expensive assistance in obtaining "free" land. There is no free land.

In fact the chances of success are very slim. Land with agricultural potential long ago went into private ownership. Development estimates for any remaining marginal land range from $300 to $500 per acre. An economic farm unit requires from 600 to 1,000 acres—far larger than can be acquired under the Desert Land Act. There is little chance that an applicant with thorough knowledge of Nevada and the availability of water will succeed. The difficulties are compounded for the nonresident and the opportunity for fraud is great.

I believe the time is right for removing the nonresident exemption in Nevada and I hope this legislation will receive favorable attention.●

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By Mr. CRANSTON:

S. 1909. A bill to designate the Sheep Mountain Wilderness Area in the State of California; to the Committee on Energy and Natural Resources.

### SHEEP MOUNTAIN WILDERNESS AREA

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to designate the Sheep Mountain Wilderness Area in the Angeles and San Bernardino National Forests in California.

Mr. President, in 1975 I introduced legislation to designate a 52,000 acre Sheep Mountain Wilderness Area. At that time, the Forest Service was studying the suitability of designating 31,680 acres in the Angeles and San Bernardino National Forests as wilderness. Following hearings on my designation bill, the Senate Interior Committee recommended expansion of the study area to cover the full 52,000 acres, and the Congress subsequently enacted a Sheep Mountain wilderness study bill.

The Forest Service has now completed its wilderness study of Sheep Mountain and the administration is recommending that 30,400 acres be designated as wilderness. However, based on the data developed in the Forest Service study and additional information provided by individuals who are intimately familiar with the Sheep Mountain area, I strongly believe that 44,400 acres should be designated as wilderness. The bill I am introducing today calls for the 44,400 acre designation.

Located at the back of the Los Angeles Basin, the Sheep Mountain area offers a wilderness experience within an hour's drive of 10 million people. The area is rugged and precipitous; there are five dominating peaks—Mount San Antonio, Dawson Peak, Pine Mountain, Mount Badden-Powell, and Sheep Mountain—with elevations reaching nearly 10,000 feet. There are also beautiful waterfalls and deep pools with substantial numbers of rainbow trout. Some of the canyons, in particular Fish Fork of the San Gabriel River, are almost inaccessible and support perhaps the best trout fishery in southern California.

In addition to its wilderness value, the Sheep Mountain area is important as the habitat of the Nelson bighorn sheep, now considered vulnerable to extinction. Approximately 150 of these wild animals can be found on the hillsides within the boundaries of the proposed Sheep Mountain wilderness. These sheep herds have been isolated from others of their species and are now a stockier animal. But they need the protection wilderness designation affords. The Forest Service's recommendation for wilderness does not cover the entire bighorn sheep range and is inadequate for protection of the bighorn herds. The wilderness boundaries I'm proposing, according to available documents, more closely correspond to the boundaries of the actual range of the bighorn sheep.

I would like to add a few words about the wilderness proposal and its relationship to existing and proposed ski development in the Sheep Mountain area. There is an existing ski area at Mt. Baldy with a capacity to handle over 3,300 skiers at one time. The San Bernardino National Forest Supervisor has recently informed me that he has issued a new permit for the Mt. Baldy Ski Area which includes the Stockton Flats area within the ski permit boundary. Expansion of the Mt. Baldy Ski Area into Stockton Flats and construction of lift 1A there would provide ski opportunities for an additional 1,750 skiers. I do not want to preclude the option of expansion of the existing Mt. Baldy Ski Area into Stockton Flats, and have carefully drawn the boundaries in the Sheep Mountain wilderness bill to exclude this area.

The Forest Service has also looked at the potential for ski development on the northeast side of Mt. San Antonio, and in 1969 found that ski development of this area was not economical. However, I am aware of continuing interest in expansion of the Mt. Baldy Ski Area to the northeast of the mountain, and feel that this option should not be foreclosed. Thus, I have also excluded this area from the wilderness proposal.

Mr. President, I believe that we have refined the boundaries since the introduction of the earlier bill in 1975 so as to delete some nonconforming uses. The Sheep Mountain area has long deserved inclusion in the national wilderness system, and it is my hope that the 96th Congress will designate the Sheep Mountain wilderness area.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1909

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in accordance with section 3(c) of the Wilderness Act (78 Stat. 890), certain lands in the Angeles and San Bernardino National Forests which comprise about forty-four thousand four hundred acres and which are generally depicted on a map entitled "Proposed Sheep Mountain Wilderness", and dated October, 1979, are hereby designated as wilderness.

Sec. 2. As soon as practicable after this Act takes effect, a map and legal description of the wilderness area designated by and pursuant to this Act shall be filed with the Interior and Insular Affairs Committee of the House of Representatives and the Energy and Natural Resources Committee of the United States Senate, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

Sec. 3. The wilderness area designated by this Act shall be known as the "Sheep Mountain Wilderness" and shall be administered in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness.●

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By Mr. McCLURE:

S. 1910. A bill to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands that were withdrawn or acquired for the purpose of relocating a portion of the city of American Falls out of the area flooded by the American Falls Reservoir; to the Committee on Energy and Natural Resources.

### AMERICAN FALLS

● Mr. McCLURE. Mr. President, the bill I am introducing today will correct an oversight which should have been taken care of years ago. It will authorize and direct the Secretary of the Interior to transfer to the city of American Falls, Idaho title to its city parks—title which has been mistakenly retained by the Federal Government since 1925.

The facts leading to this situation are interesting.

When the original American Falls Dam was constructed by the Bureau of Reclamation in 1925, the old city of American Falls was moved from its low lying location behind the new dam. The new city, which was platted by the Bureau of Land Management on land purchased from private owners, included a number of city parks.

The city has developed the parks and has used them over the years without knowing they continued to be owned by the BLM. American Falls residents have paid taxes to maintain the parks for the past 54 years, and the parks have been treated as city property.

A recent title search turned up the fact that the Federal Government apparently owns the city golf course, the central city square, and several other smaller parks. Rather than having to lease the parks from the Government, the Bureau of Reclamation has suggested to the city officials that legislation giving title to the city would be the best way to solve the problem. I fully agree.

I am accordingly introducing this measure to accomplish that purpose. I see no reason that it should be controversial; it involves only a small amount of land which has in any case been treated as city property for some time. The Bureau of Reclamation has helped to draft the language I am introducing, and has no objections to its adoption. I might just note also that there is still plenty of land in my State owned by the Federal Government, so this small amount should not be missed.

Correction of this oversight is long overdue, and I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1910

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is hereby authorized and directed to convey by quitclaim deed to the city of American Falls, Idaho, without cost, the following real property located within or adjacent to the city limits of said city of American Falls, reserving all right-of-way and oil and gas in land to the United States:

(a) The area identified as the Campbell Stebbins Park, including the park area located between the Oregon Trail Highway and the Oregon Short Line Railroad, and the area identified as a Public Square, all as shown on the official plat of the Reclamation Addition to the city of American Falls approved October 18, 1923, and recorded in the county of Power, Idaho, as instrument No. 32042.

(b) Block 44 of the original townsite of American Falls;

(c) A tract of land containing 11.7 acres, more or less, described as follows:

Beginning at the Northwest corner of the Southwest quarter of the Southwest quarter (SW¼SW¼) of section 21, Township 7 South, Range 31 East, Boise meridian; thence South 45 degrees 16′ East, a distance of 1870.3 feet, more or less, to the Southeast corner of said SW¼SW¼; thence North 67 degrees 33′ West, a distance of 1434.9 feet, more or less, to a point on the West section line of said section 21, said point being 550.0 feet North of the Southwest corner of said section; thence North along the West section line a distance of 768.7 feet, more or less, to the Northwest corner of the SW¼SW¼ of said section 21, the point of beginning.

(d) A tract of land containing acres, more or less, described as follows: (Description to be provided later.)

(d) A tract of land containing eight and seventy-nine hundredths (8.79) acres more or less in the South Half of the Southwest Quarter (S½SW¼), Section Twenty-eight (28), Township Seven (7) South, Range Thirty-one (31) East, Boise Meridian, Idaho, and more particularly described as follows: Beginning at the Southwest corner of said Section Twenty-eight (28); thence North forty-four degrees and thirty-eight minutes (44°38′) East, one thousand eight hundred and sixty-eight and six-tenths (1868.6) feet to the 16 17 corner of said section; thence East along the North boundary of the Southeast quarter Southwest quarter (SE¼SW¼) of said Section Twenty-eight (28), three hundred sixty-seven and two tenths (367.2) feet to a point; thence South three hundred twenty-four and nine-tenths (324.9) feet to a point; thence North eighty-nine degrees and fifty-nine minutes (89°59′) West, ninety-two and eight-tenths (92.8) feet to a point; thence South forty-nine degrees and twenty-three minutes (49°23′) West, three hundred sixty-one and nine-tenths (361.9) feet to a point; thence South seventy-eight degrees and thirty-four minutes (78°34′) West, seven hundred and eight (708) feet to a point; thence South twenty-six degrees and fifty-five minutes (26°55′) West, three hundred thirty-three and seven tenths (333.7) feet to a point; thence South sixty-one degrees and fifty-one minutes (61°51′) West, two hundred seventy-one and six-tenths (271.6) feet to a point; thence South forty-three degrees and twenty-nine minutes West, (43°29′) two hundred eighty and three-tenths (280.3) feet to a point on the South Boundary of said Section 28; thence South eighty-nine degrees and fifty-nine minutes (89°59′) West along the South boundary of said Section 28, thirty-four and nine-tenths (34.9) feet to the place of beginning.

(e) A tract of land containing 8.0 acres, more or less, located in the West Half of the Southwest Quarter (W½SW¼), Section Twenty-eight, Township Seven South, Range Thirty-one East, Boise Meridian, Idaho, and more particularly described as follows:

Beginning at the Southwest corner of Section 28; thence South 44°58′ East, a distance of 1886.6 feet to the NE corner of the NW¼ SW¼ of Section 28; thence North a distance of 1320 feet to the NE corner of the NW¼ SW¼ of Section 28; thence West, a distance of 30 feet to a point on the East edge of Hillcrest Avenue; thence Southwesterly along a curve on the side of Hillcrest Avenue a distance of 2955 feet to a point on line between Sections 28 and 29; thence South 65.0 feet to the Southwest corner of Section 28, the place of beginning.

Such property shall be conveyed subject to the reservation of rights-of-way for ditches, canals, and pipelines constructed by the authority of the United States and to other existing rights-of-way of record. The conveyance of such property shall contain a reservation to the United States of all oil and gas in the land, together with the right to prospect for, mine, and remove the same under such regulation as the Secretary of the Interior may prescribe.●

## ADDITIONAL COSPONSORS

### S. 246

At the request of Mr. BENTSEN, the Senator from Hawaii (Mr. MATSUNAGA) was added as a consponsor of S. 246, a bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings.

### S. 531

At the request of Mr. BENTSEN, the Senator from Texas (Mr. TOWER) and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 531, a bill to allow State-inspected meat plants to sell meat to federally-inspected meat plants which could then sell it in interstate commerce after further processing.

### S. 1427

At the request of Mr. SCHMITT, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 1427, the United States-Mexico Good Neighbor Act.

### S. 1523

At the request of Mr. THURMOND, the Senator from Florida (Mr. STONE), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 1523, the Veteran Senior Citizen Health Care Act of 1979.

### S. 1681

At the request of Mr. PRYOR, the Senator from Oregon (Mr. HATFIELD), the Senator from Vermont (Mr. LEAHY), and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 1681, a bill to reduce paperwork in the administration of certain construction contract provisions of law relating to wage rates.

### SENATE RESOLUTION 241

At the request of Mr. MCGOVERN, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of Senate Resolution 241, calling for the earmarking of funds from the proposed windfall profits tax for railroad revitalization.

## NOTICES OF HEARINGS

### SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business has postponed the hearing scheduled for October 25 on the economic outlook to November 6, 1979. The hearing will be held at 9:30 a.m. in room 424 Russell Senate Office Building. If you have any questions regarding the hearing please contact the committee at 224–5175.●

### COMMITTEE ON VETERANS' AFFAIRS

● Mr. CRANSTON. Mr. President, I would like to announce that the October 25 joint hearing of the House and Senate Committees on Veterans' Affairs to investigate admitting practices and treatment of veterans in Veterans' Administration hospitals and clinics previously scheduled to begin at 9:30 a.m. in room 345 of the Cannon House Office Building will begin at 8:30 a.m.●

### COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Tuesday, October 23, 1979, at 3 p.m. in room 4232 Dirksen Senate Office Building on the nomination of John N. Gentry, of Virginia, to be Under Secretary of Labor.●

### SUBCOMMITTEE ON CIVIL SERVICE AND GENERAL SERVICES

● Mr. PRYOR. Mr. President, I wish to announce that the Subcommittee on Civil Service and General Services will continue hearings on the use of consultant services by the Federal Government on October 29, 1979, at 10 a.m. in room 1318 of the Dirksen Senate Office Building.

Anyone wishing additional information about the hearings may contact the subcommittee staff at 224–4551.●

### SUBCOMMITTEE ON THE CONSTITUTION

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Indiana (Mr. BAYH), I wish to announce that the mark-up session scheduled on S. 506, a bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, for Wednesday, October 24, 1979, in room 155, Russell Senate Office Building, at 9:30 a.m., has been postponed.

## AUTHORITY FOR COMMITTEE TO MEET

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate today, Friday, October 19, 1979 and Monday, October 22, 1979 beginning at 2:00 p.m. to hold markup sessions on conservation amendments to S. 932 and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

### FEDERAL DISTRICT COURT RULES PRESIDENT CARTER CANNOT TERMINATE THE TAIWAN DEFENSE TREATY WITHOUT LEGISLATIVE APPROVAL

● Mr. GOLDWATER. Mr. President, I am pleased to announce something that I am certain most of this body has already heard, and that is that U.S. District Court Judge Oliver Gasch yesterday afternoon ruled in favor of the lawsuit which I and 24 other Members of Congress have brought against President Carter's attempted unilateral termination of the Mutual Defense Treaty with Taiwan.

Judge Gasch of the U.S. District Court of the District of Columbia held in a 31-page opinion that treaty termination is a shared power belonging jointly to the executive and legislative branches.

He ruled that President Carter cannot revoke the Taiwan defense treaty without the advice and consent of two-thirds of the Senate or the approval of a majority of both Houses of Congress. He also enjoined Secretary of State Vance from taking any action to implement the

President's notice of termination given last December 23.

Mr. President, the judge's decision is a victory for the Constitution. It means that no single person or officer in this country can take the law into his own hands.

The decision is a victory for the American people. It means their elected representatives in Congress must be consulted and participate in major decisions of foreign policy that involve changing or repealing the law of the land.

Mr. President, the decision is a courageous one. The State Department put heavy pressure on the judge by trying to argue that a decision against the President would upset the Government's entire new program of normalizing relations with the People's Republic of China.

The judge wisely saw through this outrageous tactic. I can recall attending the last proceedings in open court when a lawyer representing the President and State Department warned the judge that he should not even decide this case on the merits because of the supposed consequences to the President's foreign policy. As I recall it, the judge calmly retorted from the bench by asking: "If that is true, why does the President not come to Congress and seek early approval of the action he wants to accomplish?"

Of course, the truth is that my lawsuit will not disrupt relations with the People's Republic of China and I have no intention of interfering with the establishment of official diplomatic relations between the United States and the People's Republic of China.

Mr. President, today is the first time in this Nation's almost 200 years of constitutional history that a Federal judge has ruled directly on the power of treaty termination. It is a historic moment for the concept of rule by law. It is a historic reaffirmation of the separation of powers.

The judge recognizes that treaties are a part of the supreme law of the land, just as any other legislative enactment is; and he has ruled that the President acting alone cannot repeal such a law.

If the President wishes to terminate the Defense Treaty with Taiwan, all he has to do is ask us in the Senate or Congress for authority. But he cannot repeal a treaty by himself, any more than he can repeal the Civil Rights Act or any other law.

I honestly think the President was persuaded into doing something, that the Federal Court has now ruled is unconstitutional, by persons in the State Department who wanted to enhance their power, not to promote his policy.

Mr. President, I would think that every Senator in this body would welcome the judge's decision. He has upheld the power of this institution under the Constitution.

It will be clear to anyone who will read his decision that the judge's conclusions did not turn on his interpretation of the vote in the Senate on June 6. He did not misread the import of that vote. Rather, he based his decision squarely on the Constitution itself. And this should bring joy to the hearts of every Senator who supports our representative system of government in which no one person can take the law into his own hands.

I hope that the President will now submit a proper request for legislative approval of his policy on its merits, rather than continue to battle the Congress over an issue of constitutional power.

Mr. President, I ask that the full text of the judge's opinion and order be printed in the RECORD.

Also, I ask that there may be printed in the RECORD a list of the other Senators and Congressmen who are parties to the lawsuit and a list of my attorneys.

The material follows:

[U.S. District Court for the District of Columbia, Civil Action No. 78-2412]

SENATOR BARRY GOLDWATER, ET AL., PLAINTIFFS, V. JAMES EARL CARTER, ET AL., DEFENDANTS

### ORDER

Upon consideration of plaintiffs' motion to alter or amend the Court's judgment in this case of June 6, 1979, the memoranda in support thereof and in opposition thereto, the arguments of counsel in open Court, the entire record herein, and for the reasons set forth in the Court's Memorandum of this same date, it is by the Court this 17th day of October, 1979:

Ordered that plaintiffs' motion to alter or amend the judgment of June 6, 1979 be, and hereby is, granted; and it is further

Ordered that the Order and accompanying Memorandum of June 6, 1979, be, and hereby is, altered and amended by this Order and accompanying Memorandum of this same date; and it is further

Ordered that defendants' motion to dismiss or, in the alternative, for summary judgment be, and hereby is, denied; and it is further

Ordered that plaintiffs' cross-motion for summary judgment be, and hereby is, granted; and it is further

Ordered that it be, and hereby is, declared as the Judgment of this Court that defendant President Carter's notice of termination of the 1954 Mutual Defense Treaty Between the United States and the Republic of China must receive the approval of two-thirds of the United States Senate or a majority of both houses of Congress for that notice to be effective under our Constitution to terminate the Mutual Defense Treaty of 1954; and it is further

Ordered that defendant Secretary of State Cyrus R. Vance and his subordinate officers be, and hereby are, enjoined from taking any action to implement the President's notice of termination unless and until that notice is approved as herein declared.

OLIVER GASCH,
*Judge.*

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[U.S. District Court for the District of Columbia, Civil Action No. 78-2412]

SENATOR BARRY GOLDWATER, ET AL., PLAINTIFFS, V. JAMES EARL CARTER, ET AL., DEFENDANTS

### MEMORANDUM

Before the Court is plaintiffs' motion under Rule 59(e) of the Federal Rules of Civil Procedure to alter or amend the Court's judgment in this case of June 6, 1979. This suit was brought by eight members of the United States Senate, a former senator, and sixteen members of the House of Representatives seeking declaratory and injunctive relief against the notice given by defendant President Carter to the Republic of China ("ROC" or "Taiwan") to terminate the 1954 Mutual Defense Treaty Between the United States of America and the Republic of China. Plaintiffs seek to have this Court declare that the termination of the 1954 Treaty cannot be legally accomplished, nor can notice be given of intended termination, without the advice and consent of the United States Senate or the approval of both houses of Congress. Plaintiffs contend that President Carter's unilateral notice of termination violated their legislative right to be consulted and to vote on the termination and also impaired the effectiveness of prior votes approving the 1954 Mutual Defense Treaty.

By Memorandum-Order dated June 6, 1979, the Court dismissed plaintiff's complaint without prejudice on the ground the plaintiffs lacked standing. Under the circumstances then presented, the Court believes that plaintiffs had not suffered the requisite injury in fact to support standing. The Court now concludes, for the reasons set forth in Part II A of this Memorandum, that all plaintiffs with the exception of former Senator Curtis[1] have suffered and are suffering a present judicially cognizable injury in their capacity as individual legislators. Accordingly, the Court hereby alters and amends its judgment of June 6, 1979 to hold that these plaintiffs have standing to seek a judicial declaration with respect to the constitutionality of the President's unilateral termination of the 1954 Treaty. The Court further concludes, for the reasons set forth in Part II B, that this case does not present a nonjusticiable political question, and thus the issue of treaty termination should be decided on the merits.

For the reasons set forth in Part II of this Memorandum, the Court holds that the termination of the 1954 Mutual Defense Treaty Between the United States of America and the Republic of China cannot be constitutionally accomplished without the advice and consent of the United States Senate or the approval of both houses of Congress.

### I.

A full discussion of the events leading up to the present diplomatic situation is contained in the Court's Memorandum-Order of June 6, 1979, and is incorporated herein by reference. The essential dispute concerns the constitutional validity of President Carter's unilateral notice of termination of the Mutual Defense Treaty, given on December 23, 1978 through the United States Deputy Secretary of State, Warren Christopher. According to the notice, the termination will be effective January 1, 1980 pursuant to the termination clause contained in Article X of the treaty.[2] The President has not submitted, for the purpose of obtaining legislative concurrence, the notice of termination to either the Senate or the Congress as a whole.[3] Instead the President maintains, and has continued to maintain, that he possesses the unilateral authority under the Constitution to terminate the Mutual Defense Treaty with the Republic of China.

### II.

Before reaching the merits of that constitutional question, however, it remains necessary to resolve the threshold issues of standing and political question, which are subsumed within the concept of justiciability These inquiries become particularly sensitive in the context of a suit by Senators and Congressmen seeking to challenge executive action, because of the accompanying political overtones and separation of powers concerns. Although in this context, standing to sue and the political question doctrine are interrelated to a large degree, the Court, as it did in its earlier opinion, believes it appropriate to address the standing issue first.[4]

### *A. Standing*

In moving this Court for an order to alter or amend its judgment of June 6, plaintiffs contend that the requirements for injury in fact expressed in the Court's earlier opinion have been satisfied and that they now have

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Footnotes at end of article.

standing to assert their derivative constitutional rights.

It has been noted that no special standards govern congressional standing questions. As articulated by the Court of Appeals for the District of Columbia Circuit, a legislator must satisfy the same basic requirements for standing as any other litigant: (1) that he has suffered injury in fact; (2) that the interests being asserted are within the zone of interests to be protected by the statute or constitutional guarantee in question; (3) that the injury is caused by the challenged action; and (4) that the injury is capable of being redressed by a favorable decision. *Harrington* v. *Bush*, 553 F.2d 190, 204, 205 n.68 (D.C. Cir. 1977). At issue here is the existence of injury in fact, a constitutionally mandated requirement inherent in the Article III "case or controversy" limitation on federal judicial power. *See Association of Data Processing Service Organizations, Inc.* v. *Camp*, 397 U.S. 150 (1970).

The Court of Appeals, beginning with its important decision in *Kennedy v. Sampson*,[5] has developed a comprehensive body of law setting forth an analytical framework for approaching cases involving congressional standing. The theory of standing established in Kennedy is one of derivative injury, based upon the right of each individual legislator to participate in the exercise of the powers of the institution.[6] This concept of derivative institutional injury requires a plaintiff Congressman to show, first, an injury in fact to the institution of Congress, and, second, that as an individual legislator he has been injured in fact because of the harm done to the institution. *Harrington v. Bush*, 553 F.2d 190, 199 n.41 (D.C. Cir. 1977). The institutional injury alleged by plaintiffs here is that President Carter's unilateral notice of termination of the 1954 Treaty has violated the constitutional right of Congress to be consulted and to vote on that termination.[7] Under the circumstances present at the time of the Court's June 6 decision, the Court could not discern the existence of a definite and concrete institutional injury, and thus held that the individual legislators could not claim a derivative injury to their participatory rights. In large part this was due to what the Court perceived as a substantial likelihood of resolution of the treaty termination issue through the legislative process and the Court's reluctance to interfere with a potential political solution.

The question of the availability of alternative political remedies to redress executive action is indeed another dimension underlying the congressional standing cases and the insistence on a clear showing of injury in fact.[8] It is in this context that the prudential and functional concerns expressed by the Supreme Court in *Baker v. Carr*, 369 U.S. 186 (1962), the leading statement on the political question doctrine, interrelates with the analysis of congressional standing. Both reflect the deference to be accorded a coordinate branch of government under our system of separation of powers.[9] Hence, courts are justifiably concerned when a suit by individual legislators seeks to vindicate derivative rights susceptible to being adequately redressed in the political arena.

The potential availability of a remedy through the legislative process, however, is not conclusive on the question of injury in fact and thus certainly not fatal to a legislator's standing claim. *Metcalf v. National Petroleum Council*, 553 F. 2d 176, 189 n. 129 (D.C. Cir. 1977); *see Reuss v. Balles*, 584 F. 2d 461, 468 (D.C. Cir.), *cert. denied*, 439 U.S. 997 (1978); *Kennedy* v. *Sampson*, 511 F. 2d 430, 435 n. 17 (D.C. Cir. 1974). Rather, in deference to the fundamental constitutional principle of separation of powers and in order to avoid abuse of the judicial process, the Court must require a clear showing of injury in fact. In each case where a denial of standing has been based in part on the existence of alternative political remedies, there was no impediment to the legislative process whatsoever and the powers of the plaintiff Congressmen remained rather clearly undiminished.[10] In those instances, there was a genuine risk that granting standing could have the effect of interfering with or circumventing the legislative process, and thus provide judicial redress for Congressmen who had simply failed to take advantage of, or to succeed in persuading their colleagues to take advantage of, an expedient opportunity for legislative action. The Court is convinced that this suit is distinguishable, given the present legislative posture and the nature of the derivative injury claimed.

At the time of the Court's June 6 decision, at least three resolutions dealing with the treaty termination power and the notice of termination given with respect to the 1954 Mutual Defense Treaty were then pending before, and apparently being actively considered by, the United States Senate.[11] The Court was especially concerned that a premature judicial declaration might circumvent legislative action directed at either approving or rejecting the President's notice of termination. Believing that the resolution of the ultimate issue of treaty termination authority in this case should in the first instance be in the legislative forum, the Court stated that its judicial powers should be exercised only after the legislative branch had been given the opportunity of acting.[12] At that time there was no indication whether the Senate or the Congress as a whole intended to assert a right to participate in the treaty termination process, nor whether the action likely to be taken would be such that a judicial declaration would interfere with it.

The legislative branch has now had further opportunity to act. On June 6, 1979, within hours after the Court's initial ruling in this case, the United States Senate voted 59 to 35 to adopt an amendment proposed by Senator Harry F. Byrd, containing language identical to original Senate Resolution 15,[13] as a substitute for the substitute amendment[14] proposed by the Senate Foreign Relations Committee. 125 Cong. Rec., pp. 13695–13696 (June 6, 1979). The language adopted by the Senate vote reads as follows:

"That it is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation." (125 Cong. Rec., p. 13672)

Subsequent to that vote, additional amendments were proposed by Senator Church, Chairman of the Foreign Relations Committee, and by Senator Goldwater, a plaintiff in this action.[15] Neither amendment came up for a vote, and Senate Resolution 15 as amended by Senator Harry F. Byrd's language has been returned to the Senate calendar without further action. The vote in favor of the Byrd amendment does not constitute final action by the Senate,[16] although it stands as the last expression of Senate position on its constitutional role in the treaty termination process. By that vote, the Senate rejected a Committee substitute that would have expressly approved of the action taken by the President in terminating this treaty.[17] No further steps have been taken by the Senate with respect to treaty termination powers.

The action taken by the Senate has admittedly not been decisive. It does, however, evidence at least some congressional determination to participate in the process whereby a mutual defense treaty is terminated, and clearly falls short of approving the President's termination effort.[18] At the same time, as was true in *Kennedy* v. *Sampson* Congress has given no indication that it disapproves of the individual suits, and there appears to be no action presently planned with which a judicial declaration would interfere.[19] It must be emphasized, moreover, that when President Carter gave notice to terminate the Mutual Defense Treaty without submitting it for congressional approval, effective legislative participation was delayed and became more difficult in light of that action.[20] Indeed, it can be argued that the theoretical ability of Congress to pursue an alternative political remedy through affirmative legislative action in these circumstances is not necessarily relevant to an analysis of injury in fact to a protected constitutional right, since the Constitution already limits the power of a coordinate branch to act in a particular area.[21] Without adopting the latter position, it certainly can be said that, by the President's unilateral action, the matter of the treaty termination became less amenable to congressional control than the matters involved in other cases presenting the availability of legislative solutions.[22]

It is in this vein that plaintiffs' efforts at pursuing an alternative political remedy, and the danger of the Court's preempting that remedy, must be viewed. Though any such assessment is certainly problematic in the context of relative congressional inaction, in this instance the Court is convinced that there is no apparent risk of circumventing or evading the legislative process by a decision on the merits. The Court therefore concludes that plaintiffs have suffered and are suffering injury in fact to their legislative right to be consulted and to vote on the termination of the 1954 Mutual Defense Treaty. Defendants do not challenge, and indeed there can be no serious dispute, that plaintiffs meet the remaining three requirements of standing relating to zone of interests, causation, and redressability.[23] Thus, plaintiffs satisfy the criteria for standing to sue in their capacity as individual legislators. Hence, unless plaintiffs have presented a nonjusticiable political question, the Court may decide the case on the merits.

### *B. Political question doctrine*

Defendants contend that even if plaintiffs have standing, they are not entitled to a judgment on the merits because this case presents a nonjusticiable political question. The political question doctrine reflects the view that under our governmental system of separation of powers some issues are not to be resolved by the judiciary but by one of the political branches of the government. Consequently, if a true political question comes before the courts for adjudication, it should be dismissed on nonjusticiable.

Political questions traditionally have been defined as those issues that have been committed by the text of the Constitution, either explicitly or by reasonable inference, to the autonomous control of a coordinate branch.[24] The textual commitment test is indeed an important aspect of the political question doctrine,[25] although other prudential and functional concerns also characterize this flexible restraint on judicial power. In *Baker* v. *Carr*, 369 U.S. 186 (1962), the Supreme Court stated that on the surface of any case held to involve a political question was at least one of the following formulations:

"a textually demonstrable constitutional commitment of the issue to a coordinate political department; or a lack of judicially discoverable and manageable standards for resolving it; or the impossibility of deciding without an initial policy determination of a kind clearly for nonjuricial discretion; or the impossibility of a court's undertaking independent resolution without expressing lack of the respect due coordinate branches of government; or an unusual need for unquestioning adherence to a political decision already made; or the potentiality of embarrassment from multifarious pronouncements by various departments on one question."

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Footnotes at end of article.

*Id.* at 217. Defendants contend that several of these formulations, including a textually demonstrable constitutional commitment to the Executive, are inextricable from the case at bar.

Cases invloving the foreign relations of the United States are commonly cited as examples of judicial abstention because the issues presented were political questions.[26] For example, courts have considered themselves bound by the Executive's determination regarding which political group represents the government of a foreign state,[27] which nation has sovereignty over disputed territory,[28] and whether certain aliens should be deported.[29] But as the Supreme Court noted in Baker v. Carr, "it is error to suppose that every case or controversy which touches foreign relations lies beyond judicial cognizance."[30]

Certainly, it is clear that the conduct of the foreign relations of the United States is committed by the Constitution to the executive and legislative branches of the government and "the propriety of what may be done in the exercise of this political power is not subject to judicial inquiry or decision."[31] This is the basis of the Supreme Court decisions in the foreign relations cases traditionally viewed as raising political questions. In none of these cases did the Court refuse to consider whether the President's action had exceeded his constitutional authority. Instead it concluded that the President's decision was within his authority and therefore binding on the courts.[32] In the area of foreign relations, as in any other area, a court generally should not dismiss a case as a political question if the Constitution does not entrust resolution of the issue to a coordinate political branch or if the challenged governmental action is *ultra vires. See Powell* v. *McCormack,* 395 U.S. 486, 519, 548–49 (1969); *United States* v. *American Telephone & Telegraph Co.,* 567 F. 2d 121, 125–28 (D.C. Cir. 1977). Unless the case raises other concerns of a prudential or functional nature, a judicial resolution under those circumstances requires no more than an interpretation of the Constitution—a responsibility that beyond question lies with the courts.[33]

Defendants urge that the executive power over foreign affairs[34] represents such a constitutional commitment and that the President's action in giving notice of termination in accordance with the terms of the Mutual Defense Treaty is within this authority. The Constitution carefully delineates the roles played by the executive and legislative branches in treaty formation, stating that the President "shall have Power, by and with the Advice and Consent of the Senate, to make Treaties . . . ."[35] The Constitution is silent, however, on the question of treaty termination. Although defendants argue that the President's recognized constitutional responsibility for the conduct of foreign affairs and the implementation of treaties includes the power to terminate treaties, they acknowledge, as they must, that there is no express constitutional commitment of this power. Their argument that such a commitment can be implied[36] is unsatisfactory, for it is just as possible to imply the requirement of a legislative role in the termination process. Thus, the "textual commitment" formulation of the political question doctrine does not bar judicial resolution of plaintiffs' claim.

Defendants also contend that this case presents a political question principally because of the "unusual need for unquestioning adherence to a political decision already made," the "potentiality of embarrassment from multifarious pronouncements by various departments on one issue," and the "impossibility of deciding without an initial policy determination of a kind clearly for nonjudicial discretion."[37] The Court finds that an interpretation of the Constitution with respect to the allocation of power between the political branches in the treaty termination process presents none of these prudential and functional concerns. Nor are any of the other formulations of a political question "inextricable from the case at bar."[38] In this case, the Court is not attempting to evaluate the wisdom of the underlying political decision or to substitute its judgment for that of a political department, but simply to determine whether the treaty termination was effectuated by constitutionally permissible means.

Many times in our history, courts have heard and resolved disputes concerning the allocation of power between the legislative and executive branches without raising the bar of the political question doctrine.[39] Rather than presenting a nonjusticiable political question, the procedure required by our Constitution to terminate the Mutual Defense Treaty must be decided on the merits. The Court is confronted with a dispute consisting of a clash of authority between the two political branches in a posture suitable for judicial resolution.

The prime question confronting the Court in this case is what governmental action is required by the Constitution to terminate the 1954 Mutual Defense Treaty with Taiwan. Because that treaty contains a termination clause stating that notice of termination may be given by either party, the narrower issue becomes whether the President of the United States is a "party" for purposes of this clause and thus able to take unilateral action with respect to the notice of termination.

Unlike its careful allocation of the power to enter into treaties, the Constitution contains no specific reference to the manner in which treaties are to be terminated. Nor is there any definitive evidence of the intentions of the Framers. No court has ever addressed the precise issue here presented of the President's authority to effect termination of a validly binding treaty, let alone a mutual defense treaty, without legislative participation.[40] A wide range of legal opinion has been presented by scholars and commentators, who are unable to agree concerning which branch of the federal government has authority to represent the United States in treaty terminations.[41]

Since the first treaty to which the United States was a party was terminated in 1798 by an act of Congress,[42] a variety of means have been used to terminate treaties: by statute directing the President to deliver notice of termination; by the President acting pursuant to a joint resolution of Congress or otherwise acting with the concurrence of both houses of Congress; by the President acting with senatorial consent; and by the President acting alone.[43] The final method of termination is of particular relevance here, but the precedents involving unilateral executive action[44] are of only marginal utility. None of these examples involves a mutual defense treaty, nor any treaty whose national and international significance approaches that of the 1954 Mutual Defense Treaty.[45] Virtually all of them, moreover, can be readily distinguished on the basis of some triggering factor not present here.[46]

The great majority of the historical precedents involve some form of mutual action, whereby the President's notice of termination receives the affirmative approval of the Senate or the entire Congress.[47] Taken as a whole, the historical precedents support rather than detract from the position that the power to terminate treaties is a power shared by the political branches of this government.

### A.

Defendants' argument that the President has authority to terminate unilaterally the Mutual Defense Treaty is premised on the executive power over foreign affairs. This authority derives from the enumerated Article II powers, including those that authorize the President to make treaties with the advice and consent of the Senate[48] and to receive representatives of foreign nations.[49]

Because the President has been termed "the sole organ of the federal government in the field of international relations,"[50] defendants argue that construing the Constitution to require that the Senate or the Congress also has a right to participate in treaty termination would be inconsistent with the President's constitutional authority over foreign affairs. They further urge that the Senate's role of advising and consulting in the making of treaties is not an independent source of legislative power, but only a limitation upon the treaty-making power of the President. Such limitations, they conclude, must be strictly construed and not extended by implication. *See Myers* v. *United States,* 272 U.S. 52, 164 (1926).

An attempt to justify a unilateral presidential power to terminate treaties by analogy to the Supreme Court's treatment of the removal power in Myers is unpersuasive. The power to remove executive personnel cannot be compared with the power to terminate an important international treaty. The removal power is restricted in its exercise to "purely executive officers" charged with a duty unrelated to the legislative or judicial power.[51] It concerns the President's administrative control over his subordinates and flows from the President's obligations to see that the laws are faithfully executed.[52] By contrast, treaty termination impacts upon the substantial role of Congress in foreign affairs—especially in the context of a mutual defense pact involving the potential exercise of congressional war powers—and is a contradiction rather than a corollary of the Executive's enforcement obligation. The same separation of powers principles that dictate presidential independence and control within the executive establishment preclude the President from exerting an overriding influence in the sphere of constitutional powers that is shared with the legislative branch. A power to terminate treaties that are made "by and with the advice and consent of the Senate"[53] simply does not fall within the limited scope of the Myers rationale.

Nor, for reasons more fully set forth below, can the President's status as the nation's spokesman and representative in foreign affairs serve as the basis for exclusive executive power over the entire process of treaty termination. While the President may be the sole organ of communication with foreign governments, he is clearly not the sole maker of foreign policy. In short, the conduct of foreign relations is not a plenary executive power.[54]

Defendants also suggest that the recognition power of the President[55] is directly implicated in the present situation because termination of the 1954 Mutual Defense Treaty was generally viewed as a prerequisite to normalization of relations between the United States and the People's Republic of China.[56] As a result, defendants urge that the President's notice of termination is supported by his exclusive "[p]ower to remove . . . obstacles to . . . recognition," a power that has been acknowledged by the Supreme Court. *United States* v. *Pink,* 315 U.S. 203, 229 (1942); *United States* v. *Belmont,* 301 U.S. 324 (1934).

The Pink and Belmont cases both involved the propriety of the Litvinov Assignment, an international executive agreement providing that Soviet claims to Russian assets in the United States would be assigned to the United States government and used to settle American claims resulting from Soviet nationalization decrees. Settlement of these claims had become a condition precedent to

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Footnotes at end of article.

the establishment of diplomatic relations with the Soviet government. The Supreme Court held that this agreement was valid and superseded New York state laws and policy against confiscation of private property.

Defendants rely on the following statement of Justice Douglas, writing for the Court in Pink: "Power to remove such obstacles to full recognition as settlement of claims of our nationals . . . certainly is a *modest implied power of the President* who is the 'sole organ of the federal government in the field of international relations.' . . . Unless such a power exists, the power of recognition might be thwarted or seriously diluted." 315 U.S. at 229–30 (citations omitted) (emphasis added).

Defendants' argument lacks merit. The power to terminate a Mutual Defense Treaty cannot similarly be described as a "modest implied power of the President." A holding that the recognition power incidentally confers the power to make an executive agreement settling property claims and that such agreement has supremacy over conflicting state law does not justify an incidental power to terminate treaties without congressional approval. The argument that any executive action becomes constitutional if it is ancillary to an act of recognition is without merit. If limitations imposed by other constitutional provisions exist, the recognition power cannot be used as a "bootstrap" to support the President's unilateral action in terminating the Mutual Defense Treaty with Taiwan.

### B.

The termination of a treaty is not a single act entrusted by the Constitution to one or the other of our political branches. Like treaty formation, treaty termination is comprised of a series of acts that seek to maintain a constitutional balance. Initially, a policy determination must be made concerning whether the treaty should be terminated and the appropriate negotiations to effect termination undertaken. Such actions are clearly within the competence of the executive branch. Similarly, the communication of the message terminating a treaty, as here by delivery of formal notice to the other party pursuant to the terms of the agreement, is committed to the President as the sole representative of our country in foreign affairs.[57]

But these purely executive functions are not the only elements involved in treaty termination. Termination of a treaty also involves a repeal of the "law of the land" established by the agreement. It is in this area that congressional participation is required under the present circumstances. The mere fact that the President has the authority to make an initial policy determination regarding the exercise of an option to terminate, and to notify the foreign state of termination, does not vest him with the unilateral power to complete the termination process and thereby effect the abrogation of the treaty. As two scholars have recently noted, "[i]t is inherently inconceivable that . . . a constitutional policy requiring joint action for external agreement and internal legislation could allow that agreement and law to be terminated by the president alone, against the intentions of the legislature."[58]

This conclusion is dictated by several constitutional factors: the status of treaties as the supreme law of the land, together with the obligation of the President to faithfully execute those laws; the implications to be derived from the constitutionally delineated role of the Senate in treaty formation; and the fundamental doctrine of separation of powers. It is further bolstered by the historical experience represented by constitutional interpretation and practice.

Article VI of the Constitution provides: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land . . . ."

U.S. Const. art. VI, cl. 2. Defendants argue, however, that the 1954 Mutual Defense Treaty is not a "law of the land" for supremacy clause purposes. They assert that only those treaties that are self-executing, and thus become effective as domestic law at the time the agreement goes into effect, constitute the supreme law of the land.[59] Careful consideration of the provisions of the Mutual Defense Treaty establishes that a number of its provisions are self-executing[60] and that still others have been implemented by subsequent legislation.[61] In light of the terms and conditions of the Treaty, as well as the acts subsequently taken by the Congress and the President which have fixed and defined the nation's responsibilities under it, it is now far too late to assert that this Treaty fails to have the status of the supreme law of the land under Article VI. Moreover, none of the factors that would impair that status are involved here.[62]

Article II, section three of the Constitution requires that the President "shall take care that the Laws be faithfully executed." This constitutional responsibility clearly extends to all laws of the land, including in this instance the Mutual Defense Treaty. The President cannot faithfully execute that treaty by abrogating it any more than he can faithfully execute by failing to administer. He alone cannot effect the repeal of a law of the land which was formed by joint action of the executive and legislative branches, whether that law be a statute or a treaty. The limits upon his authority are in no way altered by the inclusion of a termination provision in Article X of the Mutual Defense Treaty, allowing either party to terminate upon one year notice. The President's powers of administering the Treaty do not include the power to terminate in accordance with the provisions of Article X. The "party" to which the termination provision refers is the United States, not the President alone, and such termination can only be effectuated in accordance with United States constitutional processes.

The requirements imposed by the Supremacy Clause and the President's responsibility to faithfully execute the laws are further supported by the doctrine of separation of powers and its corollary concept of checks and balances, which lies at the heart of our constitutional system. In the treaty formation process, the Constitution expressly limits the Executive's role by requiring the advice and consent of two-thirds of the Senate.[63] This constitutional requirement reflects the concern of the Founding Fathers that neither political branch possess unchecked power.[64]

A judicial determination that the President enjoys unilateral authority to terminate treaties would raise the same fears and present the same possibility of abuse. It would be incompatible with our system of checks and balances if the executive power in the area of foreign affairs were construed to encompass a unilateral power to terminate treaties. It is undisputed that the President is without power to amend the terms of a treaty. Any such amendment must be submitted to the Senate for its advice and consent.[65] If the lesser power to amend treaties is denied the President, a fortiori, the greater power to annul should also be denied. In the present situation the President may very well be carrying out the wishes of the American people but because the legislative branch has not participated in the treaty termination process, there is no way to ascertain this fact. As Justice Frankfurter stated in *Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 529, 594 (1952): "The accretion of dangerous power does not come in a day. It does come, however slowly, from the generative force of unchecked disregard of the restrictions that fence in even the most disinterested assertion of authority."

The predominate United States' practice in terminating treaties, including those containing notice provisions, has involved mutual action by the executive and legislative branches.[66] In most instances, the President's notice of termination has received the affirmative approval of either the Senate or the entire Congress. Although no one constitutional interpretation has been accepted, nor has a definitive procedure emerged, the weight of historical precedent clearly supports the view that some form of congressional concurrence is required. Support can be found for requiring either of two alternatives: (1) the approval of a majority of both houses of Congress,[67] or (2) the consent of two-thirds of the Senate.[68] The latter is of course the most analogous to the treaty-making power,[69] while the former is based primarily on congressional authority to repeal a law of the land.[70]

When faced with an apparent gap in the Constitutional allocation of powers, the Court must refer to the fundamental design of the entire document and determine how its purposes would be best served in the gap area. The Court believes that either of these two alternative procedures for congressional participation is a constitutionally sound means of terminating treaties. The important point is that treaty termination generally is a shared power, which cannot be exercised by the President acting alone. Neither the executive nor legislative branch has exclusive power to terminate treaties. At least under the circumstances of this case—involving a significant mutual defense treaty with a faithful ally, who has not violated the terms of the agreement, and the validity of which has not otherwise been destroyed—any decision of the United States to terminate that treaty must be made with the advice and consent of the Senate or the approval of both houses of Congress. That decision cannot be made by the President alone.

In view of the foregoing, it is the declaration of this Court that the President's notice of termination must receive the approval of two-thirds of the United State Senate or a majority of both houses of Congress for it to be effective under our Constitution to terminate the Mutual Defense Treaty of 1954.[71] It is further ordered that the Secretary of State and his subordinate officers are hereby enjoined from taking any action to implement the President's notice of termination unless and until that notice is so approved.

OLIVER GASCH,
*Judge.*

Date: October 17, 1979.

### FOOTNOTES

[1] The Court continues to reject the particular standing claims of plaintiffs Thurmond and Curtis that are grounded on the allegation that the President's action has impaired the effectiveness of their prior votes approving the 1954 Treaty. An interest in ensuring enforcement or the proper administration of laws for which a legislator has voted is insufficient to confer standing. *See Harrington v. Bush*, 553 F. 2d 190, 213–14 (D.C. Cir. 1977); *Harrington* v. *Schlesinger*, 528 F. 2d 455, 459 (4th Cir. 1975). All plaintiffs other than former Senator Curtis also claim an injury to their legislative right to be consulted and to vote on treaty termination, and it is this injury that the Court now finds sufficient to support standing.

[2] Article X of the treaty contains a termination clause which states that the treaty "shall remain in force indefinitely," but continues: "Either party may terminate it one year after notice has been given to the other party."

[3] Had this been done under Senate Rules VII and XXVIII the President's message would have been given priority. Deferential attention in the Senate where both the Majority leader and the chairman of the Senate Foreign Relations Committee support the President's position would be expected.

[4] *See Reuss v. Balles*, 584 F. 2d 461, 465 n. 14 (D.C. Cir.), *cert. denied*, 439 U.S. 997 (1978); *Harrington v. Bush*, 553 F. 2d 190, 194 n. 6 (D.C. Cir. 1977).

[5] 511 F.2d 430 (D.C. Cir. 1974). In Kennedy, the Court held that the plaintiff Senator had standing to seek a declaratory judgment that a bill for which he had voted had become law despite a presidential pocket veto. The Senator's vote in favor of the bill and his constitutional right to participate in a vote to override the veto had been nullified by the executive action.

[6] *Id.* at 435–36.

[7] In *Kennedy v. Sampson*, the nullification of a specific constitutionally prescribed vote was sufficient to constitute injury in fact. *Id.* at 436. *See Harrington* v. *Bush*, 553 F.2d. 190, 211 (D.C. Cir. 1977). The impairment of other rights of Congress conferred by the Constitution may also serve as a basis for standing under the participatory rights analysis of Kennedy. See Note, Congressional Access to the Federal Courts, 90 Harv. L. Rev. 1632, 1641 (1977). The right to participate in the treaty termination process would constitute a right.

[8] *See Reuss* v. *Balles*, 584 F.2d 461, 468 (D.C. Cir.), *cert. denied*, 439 U.S. 997 (1978); *Harrington* v. *Bush*, 553 F.2d 190, 215 (D.C. Cir. 1977); *Metcalf* v. *National Petroleum Council*, 553 F.2d 176, 189 & n. 129 (D.C. Cir. 1977); *Harrington* v. *Schlesinger*, 528 F.2d 455, 459 (4th Cir. 1975); *Public Citizen* v. *Sampson*, 379 F. Supp. 662 (D.D.C. 1974), *aff'd mem.*, 515 F.2d 1018 (D.C. Cir. 1975).

[9] *See Reuss* v. *Balles*, 584 F. 2d 461, 465 n. 14 (D.C. Cir.), *cert. denied*, 439 U.S. 997 (1978); *Harrington* v. *Bush*, 553 F.2d 190, 215 (D.C. Cir. 1977); Note, *Congressional Access to the Federal Courts*, 90 Harv. L. Rev. 1632, 1643–52 (1977).

[10] Thus in *Public Citizen* v. *Sampson*, 379 F. Supp. 662 (D.D.C. 1974), *aff'd mem.*, 515 F.2d 1018 (D.C. Cir. 1975), a group of 17 Congressmen challenged a General Services Administration regulation authorizing agencies to grant exclusive rights to patents developed under federal research contracts. The Court found no injury in fact and denied standing because promulgation of the regulation could not deprive Congress of its "uncontested right and power" to dispose of government property by proposing legislation regulating the contractual authority of GSA. The powers of the plaintiff Congressmen in that case were not diminished in any respect.

Comparable factual situations were posed in *Metcalf* v. *National Petroleum Council*, 553 F.2d 176 (D.C. Cir. 1977), and *Harrington* v. *Bush*, 553 F.2d 190 (D.C. Cir. 1977). In *Metcalf*, the plaintiff Senator alleged that the NPC and its subgroups were unlawfully functioning as advisory committees in violation of the Federal Advisory Committee Act and the Federal Energy Administration Act. Standing was denied partly on the basis that plaintiff's power to act in his role as legislator and Subcommittee chairman to acquire accurate, unbiased information was completely intact. 553 F.2d at 189. In *Harrington*, a Congressman sued for a declaration that certain CIA activities were in excess of the agency's statutory authority, and an injunction prohibiting the CIA from using the funding and reporting provisions of the CIA Act of 1949 in connection with those illegal activities. The Court again denied standing, noting that the legislative process regarding the power to prescribe CIA activities remained unimpeded, and that plaintiff to a large extent was attempting to get more information concerning CIA funding than the Congress wished him to have. 553 F.2d at 199 n.41 201 n.50, 214–15.

Finally, in *Reuss* v. *Balles*, 584 F.2d 461 (D.C. Cir.), *cert. denied*, 439 U.S. 997 (1978), the Court of Appeals again appeared to base its denial of standing in part on the existence of an alternative political remedy. In that case a Congressman sought declaratory and injunctive relief alleging that 12 U.S.C. § 263(a) provided for an unconstitutional composition of the Federal Open Market Committee of the Federal Reserve System in violation of the Appointments Clause of the Constitution. In rejecting plaintiff's theory of legislator standing, the Court noted that the Congressman could simply introduce a bill requiring all FOMC members to be presidential appointees, and thus that "no supposed impairment of his legislative functions [was] due, in any part, to the actions or omissions of the named defendants." 584 F.2d at 468. *See also Harrington* v. *Schlesinger*, 528 F.2d 455, 459 (4th Cir. 1975) (holding that plaintiff Congressman lacked standing to challenge military expenditures as violative of statutes limiting United States involvement in Southeast Asia because of the available legislative solution of tightening the statutory restrictions).

[11] Memorandum Opinion of June 6, 1979, at 9 n.13. Additionally there was a commitment by the Senate leadership that Resolution 15 would be considered not later than June 8th. 125 Cong. Rec., pp. 4306–4314 (March 8, 1979).

[12] Memorandum Opinion of June 6, 1979, at 11.

[13] Senate Resolution 15 was introduced by Senator Harry F. Byrd on January 18, 1979. 125 Cong. Rec. 475.

[14] The Senate Foreign Relations Committee, on May 1, reported Resolution 15 with an amendment to strike all after the resolving clause and insert substitute language providing several grounds for unilateral Presidential terminations of treaties. 125 Cong. Rec. S5018. It was this substitute Committee amendment that was displaced by the Byrd amendment on June 6.

[15] The Church amendment would add the following language:

> The provisions of this Resolution shall not apply with respect to any treaty the notice of termination of which was transmitted prior to the date of adoption of this Resolution.

125 Cong. Rec. 13718 (June 6, 1979). The Goldwater amendment would add the following language:

> (1) The provisions of this resolution shall not be construed to approve or disapprove of the proposed termination of the Mutual Defense Treaty with the Republic of China, such proposed termination not having been submitted to the Senate or the Congress for approval prior to the date of adoption of this resolution.
>
> (2) Nor shall anything in this resolution reduce or prejudice any of the Constitutional powers of the Senate.

125 Cong. Rec. 15209–15210 (June 18, 1979).

[16] *See* Declaration of Murray Zweben, Parliamentarian of the Senate, dated June 29, 1979, submitted in support of Defendants' Opposition to Plaintiffs' Motion to Alter or Amend the Judgment of June 6, 1979.

[17] One of the grounds for unilateral Presidential treaty termination provided in the Committee substitute was "where . . . provisions of the treaty itself, give rise to a right of termination or suspension on the part of the United States. . . ." 125 Cong. Rec. S7014 (June 6, 1979). Article X of the 1954 Mutual Defense Treaty contains a termination clause giving either party the right to terminate one year after notice. *See* note 2, *supra*.

[18] The Court continues to reject defendants' suggestion that the enactment of the Taiwan Relations Act, Pub. L. No. 96–8, 93 Stat. 14 (April 10, 1979), can be interpreted as legislative ratification of the notice of termination. *See* Memorandum Opinion of June 6, 1979, at 9 n. 14.

[19] *See* Note, *Congressional Access to the Federal Courts*, 90 Harv. L. Rev. 1632, 1650–51. *See also Pressler* v. *Simon*, 428 F. Supp. 302, 304 (D.D.C. 1976) (three judge court), *aff'd mem. sub nom. Pressler* v. *Blumenthal*, 434 U.S. 1028 (1978).

[20] In each of the four instances where Presidents have initiated the termination process and then requested authority from Congress to terminate treaties, Congress has responded promptly to authorize completion of the termination process. President Taft received legislative ratification and approval to terminate a commercial treaty with Russia three days after his request came to the Senate. 37 Stat. 627. President Wilson on May 17, 1920 sought the "advice and consent" of the Senate to withdraw from the International Sanitary Convention. On May 26, 1921 two-thirds of the Senate present resolved to advise and consent to the denunciation of the convention. 61 Cong. Rec. 1793–1794. President Polk sought authority to terminate the Convention on Boundaries with Great Britain concerning the Oregon Territory. By joint resolution such action was authorized by Congress in less than five months. 9 Stat. 109–110. President Pierce requested authority to give notice to Denmark of the termination of a commercial treaty. Within four months the Senate unanimously gave the requested authority. S. Res. of March 3, 1855, 33d Cong., 2d Sess.; 9 Sen. Executive Journal 431.

The Court assumes that a request by the President in the instant case would have been met with similar deferential attention. See note 3 supra. The record discloses that, prior to President Carter's delivery of the notice of termination, Senator Goldwater and Senate Minority Leader Baker sought to have the President call a special session of Congress to allow for legislative participation. See Plaintiffs' Supplementary Memorandum on the Privileged Status in Congress of Presidential Messages, Exhibits 2–5.

[21] *See* Note, *Congressional Access to the Federal Courts*, 90 Harv. L. Rev. 1632, 1642 (1977).

[22] *See* note 10, *supra*.

[23] Clearly, the denial of plaintiffs' participatory role in the treaty termination process is "within the zone of interests to be protected or regulated by the . . . constitutional guarantee in question." *Ass'n of Data Processing Serv. Organization, Inc. v. Camp*, 397 U.S. 150, 153 (1970). In addition, it is the President's purported termination of the Treaty, without submitting the notice of termination for congressional approval, from which the denial of plaintiffs' role can be fairly traced. *See Simon v. Eastern Ky. Welfare Rights Organ.*, 426 U.S. 26, 41–42 (1976). Finally, a judicial decision declaring the constitutional requirements for terminating the Treaty can afford plaintiffs the precise relief requested, and thus the injury is one "likely to be redressed by a favorable decision." *Id.* at 38. The critical requirement to be satisfied by the congressional plaintiffs here is that they have suffered injury in fact. Any difficulty in demonstrating causation in this case could only derive from the same issue of alternative political remedies already resolved under the injury in fact inquiry. *See Harrington v. Bush*, 553 F.2d 190 (D.C. Cir. 1977).

[24] Wechsler, *Toward Neutral Principles of Constitutional Law*, 73 Harv. L. Rev. 1, 7–9 (1959).

[25] *See, e.g., Powell v. McCormack*, 395 U.S. 486, 518–21, 548–49 (1969).

[26] *See* L. Henkin, Foreign Affairs and the Constitution 210–16 (1972).

[27] *Guaranty Trust Co. v. U.S.*, 304 U.S. 126, 137–38 (1938); *Williams v. Suffolk Ins. Co.*, 38 U.S. (13 Pet.) 415, 420 (1839).

[28] *Foster & Elam v. Wilson*, 27 U.S. (2 Pet.) 253, 307 (1829).

[29] *Harisiades v. Shaughnessy*, 342 U.S. 580, 588–89 (1952).

[30] 369 U.S. 186, 211 (1962).

[31] *Id.* at 211 n. 31, quoting *Oetjen* v. *Central Leather Co.*, 246 U.S. 297, 302 (1918). *See also Chicago & S. Air Lines, Inc.* v. *Waterman S.S. Corp.*, 333 U.S. 103, 111 (1948).

[32] Henkin, *Is There a Political Question Doctrine?*, 85 Yale L. J. 597, 612 (1976).

[33] *See United States* v. *Nixon*, 418 U.S. 683, 703–05 (1974); *Powell* v. *McCormack*, 395 U.S. 486, 548–49 (1969); *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137 (1803).

[34] The President's powers over the conduct of foreign relations derive from a number of Constitutional provisions. U.S. Const., art. II, § 2 ("The President shall be Commander in Chief of the Army and Navy. . . ."; *id.* ("He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties. . . ."); *id.*, art. II § 3 ("[H]e shall receive Ambassadors and other public ministers; he shall take Care that the Laws be faithfully executed. . . .").

[35] U.S. Const., art. II, § 2.

[36] *See Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 579 (1952).

[37] *See Baker* v. *Carr*, 369 U.S. 186, 217 (1962).

[38] *Id.* The Court finds distinguishable those decisions that held actions challenging the legality of military operations in Southeast Asia to be nonjusticiable. Because of various pieces of congressional legislation in support of such operations and the changing nature of the hostilities, those cases primarily involved the difficulty posed by the "lack of judicially discoverable and manageable standards." *Id.* Thus, the courts were not competent to resolve disputes over the specific form of legislative action required to constitute congressional approval, whether unilateral action by the President escalating the activities had exceeded the scope cf congressional authorizations, or whether, if unauthorized, the President was nevertheless acting in good faith to terminate involvement in the war. *See, e.g., Mitchell v. Laird*, 488 F. 2d 611, 614–16 (D.C. Cir. 1973); *Holtzman v. Schlesinger*, 484 F. 2d 1307 (2d Cir. 1973), *cert. denied*, 416 U.S. 936 (1974); *DaCosta v. Laird*, 471 F. 2d 1146 (2d Cir. 1973). Simply determining what the constitutionally required allocation of power between the two political branches is with respect to treaty termination, and that some mutual participation is required, involves no such problems.

[39] *See, e.g., Buckley v. Valeo*, 424 U.S. 1 (1976); *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579 (1952); *Myers v. United States*, 272 U.S. 52 (1926); *United States v. American Tel. & Tel. Co.*, 567 F. 2d 121, 125–26 (D.C. Cir. 1977); *Senate Select Comm. on Presidential Campaign Activities v. Nixon*, 498 F. 2d 725 (D.C. Cir. 1974).

[40] In *Van Der Wyde* v. *Ocean Transport Co.*, 297 U.S. 114 (1935), the Supreme Court upheld the constitutionality of the President's delivery of a notice of termination of treaty provisions that were in conflict with the Seamen's Act of 1915, where such termination was specifically "requested and directed" by Congress in the Act. The Court found it unnecessary to pass on the question of "the authority of the Executive in the absence of Congressional action, or of action by the treaty-making power, to denounce a treaty of the United States. . . ." *Id.* at 117.

The Court has also recognized the President's power to determine compliance and the continuing validity of a treaty. *See, e.g., Clark* v. *Allen*, 331 U.S. 503, 508–14 (1947); *Charlton* v. *Kelly*, 229 U.S. 447, 474–76 (1913); *Terlinder* v. *Ames*, 184 U.S. 270, 285–88 (1902). That power, however, is sharply distinguishable from a power to act affirmatively to terminate a validly binding treaty—as here, in accordance with a treaty provision granting the United States the option to terminate. *See* note 46 *infra* and accompanying text.

[41] *See, e.g.*, L. Henkin, Foreign Affairs and the Constitution 167–71 (1972); Scheffer, *The Law of Treaty Termination as Applied to United States De-Recognition of the Republic of China*, 18 Harv. Int'l. L. J. 931 (1978); Nelson; *The Termination of Treaties and Executive Agreements by the United States: Theory and Practice*, 42 Minn. L. Rev. 879 (1958); Riesenfeld, *The Power of Congress and the President in International Relations: Three Recent Supreme Court Decisions*, 25 Calif. L. Rev. 643, 658-664 (1937); M. Reisman & M. McDougal, *Who Can Terminate Mutual Defense Treaties?*, The National Law Journal, May 21, 1979, at 19. *See generally Resolution Concerning Mutual Defense Treaties: Hearings on S. Res. 15 Before the Committee on Foreign Relations*, 96th Cong., 1st Sess. (1979).

[42] The first treaties terminated by the United States were the treaties of 1778 between the United States and France, terminated by the Act of July 7, 1798, 1 Stat. 578. The validity of that congressional action was upheld in *Hooper* v. *United States*, 22 Ct. Cl. 408, 425 (1887).

[43] *See generally Resolution Concerning Mutual Defense Treaties: Hearings on S. Res. 15 Before the Committee on Foreign Relations*, 96th Cong., 1st Sess. 157 (1979) ("History of Treaty Terminations by the United States," an appendix to a memorandum prepared by the Department of State Legal Advisor) [hereinafter cited as State Dept. Memorandum]; Emerson, *The Legislative Role in Treaty Abrogation*, 5 J. Legis. 46, 52–64 (1978); Scheffer, *supra* note 41, at 979–85, 993–95 (1978).

[44] Of the more than fifty treaty terminations in our nation's history, defendants point to thirteen instances in which the President acted to terminate a treaty and his action was unaccompanied by specific senatorial or congressional approval. *See* Supplementary Memorandum in Support of Defendants' Opposition to Plaintiffs' Motion to Alter or Amend; State Dept. Memorandum, *supra* note 43. Not all of the cited examples constitute precedent for presidential termination, since in two cases the notice of termination was subsequently withdrawn by the President. *See* 1965 notice of termination of the Warsaw Convention, 49 Stat. 3000, T.S. No. 876; 1933 notice of termination of the Extradition Treaty with Greece, 47 Stat. 2185, T.S. No. 855. For a critical analysis of these precedents for unilateral presidential termination, see Scheffer, *supra* note 41, at 979–86.

[45] Most of the terminations by the President alone involved commercial situations where the need for the treaty, or the efficacy of it, was no longer apparent.

[46] Unilateral executive action in terminating a treaty would presumably be permissible, as both parties recognize, when the treaty is superseded by an inconsistent law or treaty; when the treaty becomes impossible to perform or is otherwise rendered inoperative; when the treaty is violated or denounced by the other party; or when there has been a fundamental change in circumstances affecting the treaty. In such cases, the President may determine that the continuing validity of the treaty has been destroyed, either because under principles of international law the United States could justifiably withdraw from the treaty or because the treaty is in conflict with more recent legislation. Scheffer, *supra* note 41, at 987–88; *see, e.g., Clark* v. *Allen*, 331 U.S. 503 (1947); *Van Der Wyde* v. *Ocean Transport Co.*, 297 U.S. 114 (1935); *Charlton* v. *Kelly*, 229 U.S. 447 (1913); *Terlinder* v. *Ames*, 184 U.S. 270 (1902).

Many of the instances cited by defendants in which the President has acted alone involve one or more of the above factors. In others, if the treaty was not actually superseded by inconsistent legislation, there was at the very least a substantial participation by Congress in establishing the policy that led to the termination, the result of which amounted to an implied authorization. *E.g.*, 1933 termination of the Multilateral Convention for the Abolition of Import and Export Prohibitions and Restrictions of 1927, 46 Stat. 2461, T.S. No. 811. In those few remaining instances in which the presidential termination cannot otherwise be justified, the treaty had already become generally ineffectual or the matter involved was relatively insignificant. *E.g.*, 1944 Termination of the Inter-American Convention for Trademark and Commercial Protection of 1929, 46 Stat. 2907, T.S. No. 833; 1927 termination of the Convention with Mexico on the Prevention of Smuggling, 44 Stat. 2358, T.S. No. 178.

[47] *See* notes 66–70 *infra* and accompanying text. *See generally* authorities cited at note 43 *supra*.

[48] U.S. Const. art. II, § 2.

[49] *Id.* § 3.

[50] *United States* v. *Curtiss-Wright Export Corp.*, 299 U.S. 304, 320 (1936).

[51] *Humphrey's Executor v. United States*, 295 U.S. 602, 631–32 (1935); *see Weiner v. United States*, 357 U.S. 349 (1958).

[52] *Myers v. United States*, 272 U.S. 52, 235, 163–64 (1926).

[53] U.S. Const. art. II, § 2.

[54] As Justice Jackson, in referring to Article II, § 1 of the Constitution, stated in his concurring opinion in *Youngstown Steel & Tube Co. v. Sawyer*, 343 U.S. 529, 641 (1952): "I cannot accept that this clause is a grant in bulk for all conceivable executive power but regard it as an allocation to the presidential office of the generic powers thereafter stated."

[55] The President's power to recognize a goverment as the representative of a foreign state—in this case recognizing the People's Republic of China as the sole government of China—is not challenged. *See, e.g., United States v. Pink*, 315 U.S. 203, 229; *Guaranty Trust Co. v. United States*, 304 U.S. 126, 137–38 (1937). The recognition power flows from his express authority under U.S. Const. art. II, § 3, to "receive Ambassadors and other public ministers."

[56] *See, e.g.*, Declaration of Warren Christopher, Deputy Secretary of State, in support of Defendants' Motion to Dismiss or, in the Alternative, for Summary Judgment, ¶¶ 4, 7. Steps toward normalization were taken with the exchange of ambassadors on March 1, 1979.

[57] *See* Restatement (Second) of the Foreign Relations Law of the United States § 163(a)(1) (1965).

[58] M. Reisman & M. McDougal, *supra* note 41, at 19, col. 4.

[59] The distinction between self-executing and non self-executing treaties was first expressed by Chief Justice Marshall in *Foster v. Neilson*, 27 U.S. (2 Pet.) 253 (1829): "Our Constitution declares a treaty to be the law of the land. It is, consequently, to be regarded in courts of justice as equivalent to an act of the legislature, wherever it operates of itself, without the aid of any legislative provision. But when the terms of the stipulation import a contract—when either of the parties engages to perform a particular act, the treaty addresses itself to the political, not the judicial department; and the legislature must execute the contract, before it can become a rule for the court." Id. at 314. See generally L. Henkin, Foreign Affairs and the Constitution, 156-61 (1972); Restatement (Second) of the Foreign Relations Law of the United States § 141 (1965).

[60] The Treaty's key provision—Article V, which declares that each party would act to meet the common danger of an armed attack in the West Pacific area "in accordance with its constitutional processes"—is self-executing. Under the "constitutional processes" of the United States, the

President has authority to take certain action, short of a declaration of war by Congress, to alleviate the threat of armed attack. Thus the provision does not require the aid of implementing legislation in order to be operative. The mere fact that a congressional power exists does not mean that the power is exclusive so as to preclude the making of a self-executing treaty within the area of that power. Restatement (Second) of the Foreign Relations Law of the United States § 141 comment f (1965).

[61] For instances, Article VII, which provides for the location of United States forces in and about Taiwan, is not self-executing at least to the extent that it requires appropriations by Congress, but such appropriations have been made. This non self-executing provision has thus been legislatively implemented.

[62] *See* note 46 *supra* and accompanying text. The termination here is based solely upon the invocation of the termination provision in Article X of the Mutual Defense Treaty, rather than upon a determination that the Treaty is no longer validly binding.

[63] Article II, § 2 provides: "[The President] shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur . . . ."

[64] Alexander Hamilton, in discussing the treaty-making power, stated: "The history of human conduct does not warrant that exalted opinion of human virtue which would make it wise in a nation to commit interests of so delicate and momentous a kind as those which concern its intercourse with the rest of the world to the sole disposal of a magistrate, created and circumstanced, as would be a president of the United States." Federalist No. 75, pp. 505–06 (J. Cooke ed. 1961).

[65] *See The Amiable Isabella,* 19 U.S. (6 Wheat.) 1, 75 (1821); Restatement (Second) of the Foreign Relations Law of the United States § 163(2) (1965).

[66] At the Court's request counsel supplied information as to the number of treaties terminated and whether the terminations were effected by joint action or unilaterally. Different totals were submitted. Further study of these terminations indicates that in most of them there was some congressional action which was consistent with the position of the Executive.

[67] The passage of a joint resolution specifically authorizing or directing the President to give notice of termination has been a relatively common method employed by Congress in exercising its role in the treaty termination process. Two examples involving express presidential requests for such authority are particularly instructive. The termination of the 1827 Convention with Great Britain for the Joint Occupation of the Oregon Territory—the first termination pursuant to a notice provision in a treaty—was effected in 1846 following the enactment of a joint resolution authorizing President Polk to give the notice of termination. H.J. Res. of April 27, 1846, 9 Stat. 109. The 1832 Treaty of Commerce and Navigation with Russia terminated when President Taft's delivery of the notice of termination—again pursuant to treaty provision—was subsequently approved by joint resolution, H.J. Res. of December 21, 1911, 37 Stat. 627, following the President's message to the Senate of his intent to terminate "with a view to its ratification and approval," 48 Cong. Res. 454 (1911). In other instances, joint resolutions directing or authorizing the termination of treaties pursuant to notice provisions have been passed without any prior presidential initiative. J. Res. of Feb. 26, 1883, 22 Stat. 641 (Amity Treaty of 1871 with Great Britain); J. Res. of June 17, 187 18 Stat. 287 (Treaty of Commerce and Navigation of 1858 with Belgium); J. Res. of Jan. 8, 1865, 13 Stat. 566 (Reciprocity Treaty as to Fisheries, Commerce, and Navigation of 1854 with Great Britain). In addition Congress has enacted statutes which conflict with earlier treaties and which specifically request the President to terminate inconsistent treaties. Fishery and Conservation Management Act of 1976, Pub. L. No. 94–265, Title II, § 202(b), 90 Stat. 340; Seamen's Act of 1915, Pub. L. No. 63–302, § 16, 38 Stat. 1184. *See also* Trade Agreements Extension Act of 1951, Pub. L. No. 82–50, § 5, 65 Stat. 72.

[68] A least two treaties have been terminated pursuant to Senate approval without any participation by the House of Representatives. Pursuant to notice of termination delivered by President Buchanan, the 1826 Convention of Friendship, Commerce, and Navigation with Denmark was terminated following a unanimous Senate resolution. S. Res. of March 3, 1855, 33d Cong., 2d Sess. In connection with that termination, the Senate Foreign Relations Committee issued a report in April, 1856, which concluded that the treaty-making power—the Senate and the President acting together—could terminate a treaty without participation by the House of Representatives. S. Rep. No. 97, 34th Cong., 1st Sess. (1856). A second instance was the termination of the International Sanitary Convention of 1903 following a two-thirds vote of approval by the Senate as requested by President Wilson. S. Res. of May 26, 1921, 61 Cong. Rec. 1793.

[69] Several commentators have argued the constitutional soundness of terminating treaties in accordance with the same power that concludes those treaties. *E.g.,* Scheffer, *supra* note 41, at 1002–03; Riesenfield, *supra* note 41 at 660–61. There is also some eminent dictum to support that approach: in *Techt* v. *Hughes,* 229 N.Y. 222, 243, 128 N.E. 185, 192, *cert. denied,* 254 U.S. 43 (1920) Judge Cardozo stated: "[The] President and Senate may denounce the treaty, and thus terminate its life."

[70] The Supreme Court's decision in *Van Der Wyde v. Ocean Transport Co.,* 297 U.S. 114 (1935), would appear to be the strongest judicial authority for participation by the entire Congress in the treaty termination process. *See* note 40 *supra.* Requiring such participation is supported by the fact that a treaty, like a statute, constitutes the supreme law of the land whose repeal is the proper subject of congressional authority. In that regard, it is undisputed that a subsequent act of Congress which is clearly inconsistent with a treaty supersedes that treaty as domestic law to the extent of the conflict. *Chae Chan Ping v. United States,* 130 U.S. 581, 599–601 (1889); *Whitney v. Robertson,* 124 U.S. 190, 194 (1888); *Head Money Cases,* 112 U.S. 580, 597–99 (1884); *Diggs v. Shultz,* 470 F.2d 461, 466 (D.C. Cir. 1972). *See also Reid v. Covert,* 354 U.S. 1, 18 (1957).

[71] As previously indicated, nothing contained in the Taiwan Relations Act, Pub. L. No. 96–8, 93 Stat. 14, can be construed as legislative approval of or acquiescence in the President's notice of termination. *See* note 18 *supra.*

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### Parties to the Goldwater Lawsuit

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Barry Goldwater, Strom Thurmond, Carl Curtis, Jack Garn, Orrin Hatch, Jesse Helms, Gordon Humphrey, Paul Laxalt, James McClure.

#### CONGRESSMEN

Robert Bauman, Steve Symms, Larry McDonald, Robert Daniel, Jr., Bob Stump, Eldon Rudd, John Ashbrook, George Hansen, John Rousselot, Robert Dornan, Don Young, Newt Gingrich, James Collins, Mickey Edwards, Dan Quayle, Clair Burgener, Ken B. Kramer.

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## HANDLING THE CUBAN CRISIS/ PREVENTING OTHERS

● Mr. **McGOVERN.** Mr. President, in spite of assurances by the President that the administration is taking steps to protect our interests in the Caribbean, many Americans remain confused and concerned about the presence of Soviet troops in Cuba. The unfortunate linkage of the troops' presence with the SALT II treaty has clouded the issue, and if the calls for confrontation with the Soviets had been heeded, it would have been, in President Carter's words, "destructive to the national interest and to the security of the United States."

There are lessons to be learned from this "crisis," which one British newspaper called "a self-inflicted technical knockout." Don Oberdorfer of the Washington Post has written an excellent account of the handling of the Cuban troop situation which I recommend to my colleagues.

In his attempt to reassure the American people, President Carter presented a list of five responses to the Soviet troop presence—four of which are of a military nature. The fifth dealt with increasing foreign aid to countries in the Caribbean region in order to promote stability in the area. In my opinion, this is the best way to insure our own national interest and to prevent other Cubas. A Minneapolis Tribune editorial on aid to the Caribbean specifically cites Nicaragua and makes an excellent case for increased aid to that country, and I commend the editorial to my colleagues. I ask that the editorial and Mr. Oberdorfer's article be printed in the Record.

The material is as follows:

[From the Minneapolis Tribune, Oct. 5, 1979]

### Carter's "Point Five" : Aid to the Caribbean

"Fifth, we will increase our economic assistance to alleviate the unmet economic and human needs in the Caribbean . . ."

Though last in President Carter's list of responses in the Soviet-Cuban affair, that promise may be the most important. It could also be the most difficult to fulfill.

Aid dollars planted carefully can grow into political and economic benefits for the United States as well as for recipient countries. But the administration and Congress must be sure that any new aid reaches the right people. Too often in the Caribbean and Central America, the wrong people have reaped the harvest.

Nicaragua is a vivid example. Past aid programs may have given marginal benefits to the needy in that small, poor country, but economic control rested with President Anastasio Somoza until he was deposed three months ago. By then he had a billion-dollar fortune. And when Somoza and his clique left Nicaragua, they took with them every possible portable asset, thus impoverishing further a country already battered by internal warfare.

In a Wall Street Journal article this week, two American development specialists argue for $1.3 billion in international aid to Nicaragua during the next three years, half to come from the United States. On grounds of need, a case can also be made for increased assistance elsewhere in the area: to island countries like Jamaica, to Central American countries like Guatemala. Because the list could be longer, its limits are evident: Alone or in concert with others, the United States cannot fill all the "unmet economic and human needs" that Carter mentioned in his fifth response.

Budget limits impose one restraint. The foreign-aid appropriations bill for the coming year is facing its customary trials in Congress; the House this month lopped more than $1 billion off the administration request, and the Senate is moving toward nearly as great a cut. Prospects for an unexpected aid increase in the Caribbean may therefore be slim, especially when a specific request has yet to be made.

On Thursday, U.S. aid officials had not heard from the White House what increases for what countries the president had in mind during his Monday night speech. Moreover, aid flows have already risen sharply: to Caribbean islands alone, from $32 million five years ago to $125 million in the fiscal year just ended, with a $155-million request for the year ahead.

The proper use of aid dollars should impose at least as great a restraint as budget limits. For example, the military government of El Salvador last year gave the appearance of improving human rights. Though the changes were superficial, the Carter administration stepped up the aid flow. But repression increased, as did revolutionary violence in response. So more aid to El Salvador would be foolish in its current circumstances, which resemble those of Somoza-era Nicaragua. Several other countries are in similar situations.

Because of these restraints, aid must be granted more selectively than Carter's general promise suggests. His emphasis on security in the Caribbean and on Cuba's potential for Soviet-assisted troublemaking should lead to Nicaragua as the logical starting point for increased economic assistance.

Some U.S. policy-makers worry that Nicaragua might become "another Cuba"—a Communist regime linked to the Soviet Union. The United States could assure that result by alienating Nicaragua's new leaders, leaving much of the reconstruction effort to Cuba. The United States could probably assure the same unhappy outcome by conditioning a more generous aid program on the establishment of a non-socialist Nicaraguan government. Or the United States could make Carter's "Point Five" a turning point for American policy. Aid to Nicaragua should be generous. It should be provided quickly. It should carry no ideological strings. Otherwise, Americans may one day be worrying about how to prevent "another Nicaragua."

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[From the Washington Post, Oct. 16, 1979]

## CUBAN CRISIS MISHANDLED, INSIDERS AND OUTSIDERS AGREE

(By Don Oberdorfer)

As Sen. Richard Stone (D-Fla.) arrived at the ornate Senate Caucus Room for a Foreign Relations Committee hearing at 10 a.m. last July 17 a senatorial aide pulled him aside to impart a fascinating tip.

"I've been picking up reports on a recent buildup of Soviet combat troops in Cuba, perhaps as much as a brigade," said the aide, whom Stone will not identify.

In response to the expected question, the aide announced, as Stone recalled it, that the information did not come from a classified official paper, and therefore "you don't have a classification problem" about sounding a public alarm.

In the course of the hearing, supposedly addressed to the strategic arms limitation treaty (SALT II) on nuclear weapons, Stone pointedly inquired of the witnesses, retired members of the Joint Chiefs of Staff, about the impact of the hypothetical Soviet introduction of "as much as a brigade of combat troops in Cuba."

The press corps perked up at this new element in the dull SALT story. Off the record and off camera, Stone also had a private exchange that morning with John Carbaugh, a staff aide to anti-SALT Sen. Jesse A. Helms (R-N.C.).

Carbaugh had heard reports of his own about a Soviet combat force in Cuba. Within a few hours, Carbaugh passed his tip along to ABC Television, which began an independent investigation.

These small transactions in mid-July ballooned into a large-scale national and international controversy late in August, leading to a diplomatic confrontation with the Soviets in September and President Carter's televised address about Soviet troops in Cuba on Oct. 1.

Whatever the view of the importance or unimportance of the Soviet "brigade," whether insiders or outsiders to the Carter administration, whether Carter friend or Carter foe, nearly all those familiar with the details of this latest Cuban crisis agree that it was badly mishandled.

Accidents, miscalculations and, much more appalling to old hands, the seeming lack of any sophisticated calculation, contributed to the result, which was described by a British newspaper as "a self-inflicted technical knockout."

Among the other contributing elements:

An administration still divided at the top on Soviet policy after 2½ years in office, even as the pending SALT II generates a national debate about the nature and intentions of the Russians.

The present Washington fishbowl in which official secrets quickly leak or are leaked by contending factions, forcing premature announcements and decisions.

Members of Congress and congressional aides who possess the knowledge, power, maneuver skills and, increasingly, the inclination to do their own thing in U.S. diplomatic and military affairs.

The inherent ambiguity of the intelligence and misleading character of the term, "Soviet combat brigade," which created a widespread and erroneous impression that something fundamentally new and threatening had been found.

The results of all this—to create vast public concern and confusion, to endanger the strategic arms treaty, to jeopardize U.S.-Soviet relations—did not emerge overnight. They developed step by step since Stone brought the issue to light on July 17.

Soviet troops in Cuba and U.S. intelligence awareness of them go back many years, but a July 12 report by the highly secret National Security Agency marked the beginning of a new and troublesome phase.

The NSA report suggested that a Soviet brigade organization, separate from known military advisers or training elements, had been present in Cuba for several years.

Although there was no firm conclusion and no reference to the word "combat," the report touched off alarm bells in high places and led to a new increase in U.S. surveillance of Cuba.

Only five days later Stone had his tip. After attracting the interest of the media at the morning hearing on July 17, the Florida senator took his inquiry to a closed-door Foreign Relations Committee hearing with top Pentagon and intelligence officials which, by coincidence, had been scheduled for that afternoon.

Defense Secretary Harold Brown and the chiefs of U.S. intelligence agencies gave "an equivocal answer but not a flat denial," according to Stone, and then told a secret impromptu hearing of the NSA findings up to that point. Stone made it clear he would take his suspicions, but not the details of the briefing, to television cameras waiting for him outside.

The committee leadership, concerned about the potentially explosive controversy, asked for and obtained a public statement drafted by Brown and the intelligence chiefs on the spot to put the matter in perspective.

The statement issued in the names of Chairman Frank Church (D-Idaho) and the senior Republican, Sen. Jacob Javits (N.Y.), said there was "no evidence of any substantial increase" in Soviet military presence in Cuba over several years. It also said "our intelligence does not warrant the conclusion" that any "significant" Soviet forces, other than the long-known military advisory group, was present in Cuba.

The statement gave no hint of the intense internal study and debate on the issue, which only two days later, on July 19, produced a secret CIA finding that a brigade headquarters or structure, at least, was in Cuba separate from an advisory group.

The basis for this finding was simple and persuasive: Soviet officers and men had been overheard repeatedly to refer to a brigade headquarters, or "brigada." There was no agreement in this compromise finding, negotiated by CIA Director Stansfield Turner, on the organization, personnel strength or mission of the shadowy entity.

Turner was briefing Secretary of State Cyrus R. Vance on the finding late on July 19 when the two men were confronted by ABC television's inquiries.

Diplomatic correspondent Ted Koppel was informed that a "command structure" adequate for a brigade had been confirmed, but the charge of a brigade itself was rejected.

The next day Koppel broadcast a report attributed to undisclosed congressional sources that "a brigade of Soviet troops, possibly as many as 6,000 combat-ready men, has been moved into Cuba within recent weeks." He noted the administration denials.

Despite the new developments in intelligence and confirmation of the "command structure," the administration continued to use the cautiously worded denials of the July 17 Church-Javits statement, notably in a letter from Vance to Stone dated July 27.

When the letter became known it caused a furor among intelligence professionals. Some of them considered it "a lie" and determined to make sure that the true situation would reach the public.

Another step into the thicket came nearly a month later, after U.S. intelligence had obtained clear satellite photographs of Soviet troops acting as a unit, complete with tents, tanks and artillery, on field maneuvers at a prearranged time and place a few miles west of Havana's Jose Marti International Airport.

Based on the new evidence, the CIA's National Foreign Assessment Center issued a coordinated intelligence finding Aug. 22 that the previously identified structure was a "Soviet combat brigade." Beyond the important conclusion, the choice of words was crucial in what was to come.

The word, combat, had not been used in the findings before, but there is no indication that its threatening connotations and political implications were appreciated, or even examined, at the time.

Intelligence officials later explained that the "Soviet combat brigade" was so described to distinguish it from a training outfit. Once the words had been repeated in internal documents, with wide circulation and even public statements, "we can't back off," an inquiring official was told.

In fact, there is no sign that the Soviet force in Cuba had ever engaged in combat, and no indication that its mission is to be prepared to do so. There is no airlift or sealift attached to the unit to permit speedy "combat" deployment. There is no plausible "enemy" for the small force to do "combat" against.

According to those who have examined the evidence closely, it is more accurate to say that the Soviet force appears to have some role other than training and advising Cubans. (It also may have that role from time to time.) Even today, U.S. intelligence has not concluded what the real mission or missions are. Engaging in combat is not considered to be among the most likely possibilities.

The words, "Soviet brigade" or "Soviet nonadvisory brigade" or even "Soviet infantry brigade" would have been much more accurate, and much less alarming. But it was left to the sophisticated minds of the "wise men," the former high officials summoned to the White House on the eve of Carter's Oct. 1 address, to spot the semantic significance of the "Soviet combat brigade" and challenge it frontally. By then the damage had been done.

The coordinated intelligence finding of Aug. 22 presented the government with a hot potato at an awkward moment, with most top officials out of town or on vacation. The first inclination was to delay.

President Carter was informed of the finding Aug. 23 as he sailed down the Mississippi aboard a paddlewheel boat. Back in Washington, an interagency meeting of second-level officials at the White House concluded that the brigade reflected a long evolution rather than a sudden change in Cuba, and that it did not have a "short time fuse."

They hoped that major action could be delayed until after Labor Day, when Congress and the main administration figures would be back.

A telephone call from the Washington bureau of Aviation Week, a noted vehicle for leaks from the Pentagon and defense contractors, changed all that. On Thursday morning, Aug. 30, the magazine asked the State and Defense department press spokesmen about reports of Soviet combat troops in Cuba, and told the officials that a story on the matter was going to press that night.

The Aviation Week query touched off a near panic among high officials, but in fact it was a bluff. The magazine's information was considered neither solid enough nor important enough by its own editors to warrant publication in the issue that went to press that day. Lacking confirmation from the government, Aviation Week printed nothing about the Soviet brigade in its post-Labor Day issue.

Government officials, who assumed that Aviation Week was printing a complete version, decided to inform senior members of Congress immediately and to prepare an official announcement. This led to emergency calls late on Aug. 30 to eight ranking members of Congress, who were scattered throughout the world on the eve of Labor Day.

The decision by one of them, Frank Church, to make the news public in stark fashion set the terms of public dialogue. After informing Vance that he was going to make a statement—but not what he intended to say—Church summoned reporters to his living room in Boise and announced government confirmation of a Soviet brigade of ground combat troops in Cuba. Church demanded their "immediate withdrawal," and later said SALT II could not be ratified unless this were done.

In an effort to step back from Church's call for Soviet withdrawal, a negotiating objective considered impractical under the circumstances, Vance and the State Department fell back on the vague statement that, for the United States, "the status quo is unacceptable."

This was approved at a White House meeting Sept. 4 and put forward by Vance the next day in a press conference and by the president on Sept. 7.

No attempt was made to explain to the public until late in the affair that an unacceptable status quo could be altered by U.S. compensatory actions or that some situations which are unacceptable, in diplomatic language, persist nevertheless.

A powerful senator picked up the problem with the official language right away. When Vance completed a private briefing the day of his news conference, this close friend of the administration expressed surprise, in a tone of disapproval, of the "status quo" language.

It implies you are going to be able to do something about the Soviet brigade, the senator told Vance, thus setting up a public perception of failure if this does not happen.

The issue dominated the American press, was a major and growing impediment to the ratification of SALT II, and had been the subject of Church's announcement, a State Department announcement, Vance's news conference and a public announcement by Carter. Yet negotiations still had not begun with the Soviets. Vance was increasingly desperate for the return of Soviet Ambassador Anatoliy F. Dobrynin.

The Soviet official was still in Moscow, where his father was dying in a hospital and his mother gravely ill in the same institution.

Despite the poignant personal considerations, Vance felt Dobrynin's presence essential to the chances, such as they were, for a diplomatic settlement. Messages were dispatched through the Soviet embassy in Washington and the U.S. embassy in Moscow, and finally an appeal was made by Vance direct to Soviet Foreign Minister Andrei A. Gromyko.

Gromyko telephoned Dobrynin to ask him—but not order him——to return to accommodate Vance. The envoy was on the next plane, which took off shortly before the second of his parents died.

The Soviet position, which became clear on Dobrynin's return, had been foreshadowed by a message delivered by Deputy Ambassador Vasev several hours after Vance's news conference. The Soviets insisted that their force was a "training center" that had been in Cuba since 1962 and had not changed since in either the number of its personnel nor its function.

The Soviets were at the same time angered, puzzled and suspicious. They could not understand why the issue had suddenly emerged, and took the position that they had done nothing to cause this "manufactured" crisis.

Dobrynin, like his superiors in Moscow, proved unsympathetic. Either U.S. intelligence was so bad it did not spot the Soviet force in 17 years, or it was so slipshod that it failed to inform those at the top of the U.S. government—in either case no affair of the Kremlin, he said.

He asked two questions: Is the force a threat to the United States? Is it a violation of the previous U.S.-Soviet understandings about Soviet activities in Cuba? In both cases the U.S. answer was no.

In these circumstances the Soviets were willing to supply information about their Cuban force and later, in what they called a unilateral gesture to Washington, to supply certain "clarifications" about the role of their troops.

But they were unwilling to take any action to change the existing physical situation of the Soviet force on the ground, as suggested by the United States. And they have not agreed to do so in the future, though neither is this foreclosed.

In the midst of Vance's attempt to convince the Soviets to make at least face-saving concessions, an "or else" note crept into public utterances and private briefings at the White House. This generated confusion, which still persists, about retaliatory measures against Moscow for failure to remove or dissolve the brigade.

Presidential assistant Zbigniew Brzezinski, who hinted at retaliatory action on several occasions, took as his text a sentence in the presidential statement of Sept. 7: "We do have the right to insist that the Soviet Union respect our interests and our concerns if the Soviet Union expects us to respect their sensibilities and their concerns."

Brzezinski spoke Sept. 21 and on other occasions of "the principle of reciprocity" and of unspecified "consequences" for U.S.-Soviet relations if negotiations fail to settle the issue.

On Sept. 23 columnist James Reston of The New York Times, whose access to top officials is legendary, described a set of potential consequences apparently reflecting option papers under consideration.

These included "countermeasures along the borders of the Soviet Union," a stepup in U.S. propaganda and economic appeals to communist countries in Eastern Europe and even the Ukrainian minority within the Soviet Union, and an increase in U.S. "economic, technological and, particularly, military aid to Peking," Moscow's arch rival.

A battle raged within the U.S. government about countermeasures to be taken. Who won and to what extent is in doubt.

The U.S. compensatory measures announced in Carter's Oct. 1 address were limited to symbolic or nonmilitary displays in the Caribbean region, and increases in worldwide U.S. alertness or deployments which had previously been scheduled. The speech was devoid of anti-Soviet retaliatory measures.

State Department officials have told reporters that anti-Soviet options were not approved by Carter. These officials deny the existence of a "hidden agenda" of authorized retaliatory actions.

Hints from the White House run the other way. Some reporters have been told that the leaked announcement of Brown's coming trip to China flowed from U.S. displeasure about the Soviet brigade, and that the substance of Brown's dealings in Peking were likely to be affected. There is talk of three or four "associated measures" deliberately chosen but not announced at the time of the presidential speech. How much of this is substance and how much is smoke is still unclear.

It is easy to say, in hindsight, how the issue of Soviet troops in Cuba could have been more effectively handled under other circumstances.

If the administration had been either silent or more candid in the early stages. If the intelligence had been more definitive, and the description of the findings more precise. If there had been time and the means for quiet negotiations with the Soviets before the issue became public. If congressional leaders had been quietly supportive rather than outspoken. If some public rhetoric had not supported hopes for an unattainable diplomatic settlement, and other rhetoric had not fed expectations, in the midst of the negotiation, of hardline anti-Soviet action. If the whole thing had not developed while the top rank of official Washington, and the Soviet ambassador, were out of town.

What is impossible to say is whether any or all of this would have changed the final result in which the Soviet force, whatever it is, remains in Cuba and the U.S. government and public remain concerned and unsatisfied.

One certainty, in the opinion of veteran observers, is that the Carter administration's Cuban crisis was mismanaged. Worse than that, they fear that it was not managed at all.

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## THE PENALTY FOR THRIFT

• Mr. COHEN. Mr. President, this summer I introduced the Small Savers Incentive Act of 1979 to encourage more Americans to pursue a sensible savings program. Currently, our tax laws discourage average Americans from increasing their savings.

My bill would exempt from taxation the first $150 of interest earned on a savings account at a bank, savings and loan association, or credit union. For a husband and wife filing a joint return, the exemption would be $300. My bill would provide tax relief and motivation to a working family that is trying to preserve its income from destruction by inflation.

During the past weeks, two articles have appeared in the Wall Street Journal illustrating the need to promote savings and the benefits that accrue to both the individual and the national economy. The first, "Europe's Savings Rate, Far Outstripping United States, Aids Economic Growth," written by June Kronholz, appeared Friday, October 5, 1979. The second, "Slumps Usually Help Savings Institutions—But Not This Time," appeared Wednesday, October 17, 1979. It was written by Richard F. Janssen.

I commend both articles as current reading for my colleagues.

It is interesting to note that in Western Europe and in Japan, government incentives are behind the people's saving psychology. Here in the United States there are many government policies that stimulate the opposite psychology of spending and incurring debt.

As reported in the October 5 article, a high savings rate "has what one economist calls 'a virtuous effect' on a country's economic performance." In Germany, for example, businessmen turn to their banks to raise funds rather than offering stock on the market. The explanation, according to the article, is that "with high deposits, the banks have plenty of money available to lend for plant investment and expansion."

Admittedly, American savers are confronted by an inflation crisis that erodes their deposits. As Mr. Janssen points out in the October 17 article:

> Many people are hit so hard by inflation that they find themselves unable to save at all.

Savers are, in fact, penalized, not only by Government's failure to control inflation, but also by low ceilings on interest rates currently paid by savings institutions and regressive taxation on earned interest. Fair reforms are required to help savers fight inflation and to improve the ability of both commercial and thrift institutions to serve their customers.

Over the last 30 years, private personal savings have accounted for 65 percent of net saving in the country, always an important component of the Nation's capital stock. Moderate assistance to savers now will help Congress evaluate what future steps might be taken to curb inflation through emulating the European "saving psychology."

I ask that certain articles in support of my position be printed in the RECORD.

The articles follow:

[From the Wall Street Journal, Oct. 5, 1979]

### EUROPE'S SAVINGS RATE, FAR OUTSTRIPPING U.S., AIDS ECONOMIC GROWTH

(By June Kronholz)

FRANKFURT.—The late-summer sales are offering what, to Germans, are terrific bargains: canvas sandals for $30, large-size cotton dresses for $100, major appliances for perhaps double U.S. prices, and the usual array of last winter's heavy-duty underwear for $8.70 a set.

Despite such temptations, Renate Schumacher, a 24-year-old telephone operator, expects to stick to the budget she devised four years ago. From her take-home pay of about $740 a month, she regularly banks $284 and "whatever is left" after paying for rent, food and upkeep on her automobile.

Old stories of depression, deprivation and hyper-inflation are passed along like family recipes here, and they have turned West Germany into a nation of super-savers. This year Germans will spend more and borrow more than ever before, but they also will save more—the equivalent of about $60 billion. In all, they will squirrel away about 14% of their disposable incomes, more than double what Americans will put away.

#### VIRTUOUS HABIT

The importance of that high savings rate is that it has what one economist calls "a virtuous effect" on a country's economic performance. Instead of turning to stock offerings to raise money, German companies traditionally turn to their banks—an easier and more reliable way to raise funds. With deposits high, the banks have plenty of money available to lend for plant investment and expansion.

All this is a prime factor in the German economy's success story—and a comment on the comparatively slack economic performance of the U.S. The funds made available by saving have helped push productivity ahead at a faster rate in Germany since the 1960s than in any other Western nation. And even though productivity shows signs of slowing lately, it still is expected to rise five times faster this year than in the U.S.

Savings rates—the percentage of income that people put into bank accounts, bonds, securities, insurance and mortgages—have been growing steadily in most of Western Europe in recent years. The French are expected to save even more than the Germans—about 17% of their incomes this year, according to the Organization for Economic Cooperation and Development. In Italy, where the Consumer Price Index is rising faster than in any other major European country, savings will total about a quarter of disposable income, the OECD says.

There is some government encouragement behind these figures. Frenchmen get generous tax breaks on their savings-account interest, and the German government stimulates savings by offering a cash bonus to savers of up to about $100 in each year.

#### THE INVOLUNTARY FACTOR

Much of the growth in European savings is due to payroll-savings plans and other contractual savings programs. Britons, for instance, saved more than 14% of their disposable income last year, double the rate of the 1960s. But London's National Institute for Economic and Social Research estimates that about half of their current savings are involuntary—payroll-paid life-insurance and pension programs, for example.

Deepening fears of inflation seem, oddly, to encourage savings in Europe. Previous inflations spurred people to spend their money before it lost further buying power. "The logical thing to do is to borrow everything you can," says Roger Bookhouse, an economist for Bankers Trust Co. in London.

But, beginning in the 1970s, European consumers have been doing just the opposite. "They feel the need for a larger cushion," says F. T. Blackaby, deputy director of London's National Institute. "They fear the future."

In 1974, these economic fears, fueled by Germany's highest inflation rate (7%) since World War II, prompted Germans to bank so much of their money that the government, worried that the economy would stagnate, passed a series of measures to encourage spending. It was no use producing more if no one was buying. (The economy recovered anyway, and savings rates dropped back.)

This year, while other Europeans warily anticipate a recession inspired by high oil prices, Germany has no such concerns, inflation and unemployment are only about 4% each, and the real gross national product will grow by 4% this year, double the American rate, according to the Deutsche Bundesbank, Germany's equivalent of the U.S. Federal Reserve.

#### THEY SPEND, TOO

As enamored as ever with new cars and eager to travel because current foreign-exchange rates are in their favor, Germans will increase their consumer spending by 7% this year over 1978, the Paris-based OECD predicts. Dresdner Bank, Germany's second largest says that consumer loans, which weren't even offered by German banks until 1959, now average about $1,000 for every German and will jump about 20% this year.

Still, Germans are expected to keep saving, because—well, because they always have. "It's something Germans got with their mother's milk," says Herbert Wolf, chief economist for Commerzbank, a major bank.

A poll that Commerzbank conducted among its depositors concluded that Germans don't save to buy anything in particular. Indeed, when they buy a car, furniture or a package-tour vacation, it usually is on the installment plan, even though almost all borrowers have savings accounts too. Most Germans told Commerzbank that their savings were for emergencies or for old age, even though Germany has generous social-security and medical-care programs.

Because wages are rising twice as fast as prices in Germany—and because inflation isn't eating away at purchasing power—Germans can afford to save more than most people. Germany's commercial banks almost ignored private savers, leaving them to the savings banks, until they recognized the growth in disposable income 20 years ago. The commercial banks then quickly began opening 1,000 bank offices a year to help handle savings accounts.

Now, Dresdner estimates that 95% of Germans have savings accounts, and that bank savings alone average $3,900 a person. To handle all those depositors, Germany has 44,000 bank offices—one for every 1,400 people—and traveling tellers regularly visit elementary schools to open accounts for children as young as six.

Whatever motives Germans may have for saving, interest rates don't seem to be the primary one. A few years ago, a research firm discovered that two-thirds of Germany's depositors didn't know how much interest they were being paid.

Now, Germans are becoming more aware of interest rates, the major banks say. But passbook accounts still are the most popular way to save, even though they pay only 3.5% interest now and were paying a mere 2.5% a year ago. Other forms of bank saving, including certificates of deposit, pay higher interest rates, but aren't as popular.

Despite that low return, Gunnar Kockerols, who is studying for a doctorate in economics at the University of Frankfurt, says he regularly puts 40% of his income as a teaching assistant into a passbook account. With a certain doomsday logic, Mr. Kockerols says he saves "because of my own anxiousness and what might come," and he saves in a passbook account because "I want to be able to get to my money."

The German preference for a safe, handy investment helps explain the indifference to investing in company stock. Last year, Germans put the current equivalent of $31 billion into banks, but only $1 billion into stock, the Bundesbank says. The Frankfurt stock exchange, one of eight in the country, lists only 229 companies.

Other investments are similarly unpopular; bond holdings far outnumber stock holdings, but the Bundesbank says their sales have been falling for two years.

Not everyone learned the same lessons from Germany's bad economic times, of course. Although there are 15 bank offices within a short walk of her job, Kerstin Franke says she saves only about 3% of her income as a travel agent—and even that will be put into a piece of real estate as soon as she can manage it. "After the last war, the people who saved found their money was worth nothing," she reasons.

Nonetheless, economists don't expect many young people to scuttle their bank accounts as Miss Franke plans to do. The savings rate will grow slightly again this year, predicts Mr. Wolf, the Commerzbank economist. "Americans sleep well with debts," he explains. "But Germans sleep well only when they have money in the bank."

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[From the Wall Street Journal, Oct. 17, 1979]

## SLUMPS USUALLY HELP SAVINGS INSTITUTIONS—BUT NOT THIS TIME

(By Richard F. Janssen)

To the nation's thrift institutions, a recession usually looks a lot like the cavalry galloping to the rescue.

As consumers stop anticipating more inflation and as job security becomes more tenuous, saving looks smarter than spending. As market interest rates shrivel, passbook accounts—the instrument that the thrift institutions like best for financing their mortgage-lending activities because it costs them less than other money—again become attractive to savers.

That scene may yet be acted out, industry sources hope. But so far, the current slowdown is doing nothing to help the besieged mutual savings banks and savings and loan associations. The two main reasons:

Inflation remains high. Running at an annual rate of about 13% so far in 1979, it has outpaced passbook rates (a maximum of 5.5%) by so much for so long that savers are increasingly turning to alternatives bearing higher yields—yields that are rising even higher following the Federal Reserve Board's latest actions tightening the reins on credit. Many people are hit so hard by inflation that they find themselves unable to save at all.

Washington, discovering "the small saver," has put through one increase in passbook-rate ceilings and is intent on putting through more of them. That sounds as though it would help the thrift institutions by attracting more savings, but there are two catches. First, the rate ceilings shaping up won't be nearly high enough to protect the small saver from inflation, hence won't attract many new depositors. Second, these new ceilings will be paid to old depositors, too, of course, and will be high enough to strain the many thrift institutions that are stuck with older, low-yield mortgages.

### THE "GREATEST UNEASINESS"

Such mortgages are especially prevalent among thrifts in the northeast, and these institutions are feeling the "greatest uneasiness" these days, says Anita Miller, a member of the Federal Home Loan Bank Board. She notes that they are also burdened with low usury ceilings on new mortgages, branching restrictions and their region's low economic growth.

William Popejoy, president of First Charter Financial Corp., a big California S&L holding company, worries that unless there is an early decline in interest rates paid by other competitors for the saver's dollar, such as money-market funds, there will be "collapses and bankruptcies" among Northeast thrifts, with unpredictable ripple effects elsewhere.

Some commercial bankers have suggested removal of all passbook-rate ceilings so that banks could better compete for the saver's dollar with other suitors. So has President Carter. That might be fine for commercial banks, whose business-lending rates are mostly pegged to fluctuations in the prime rate, but the thrifts don't have that much flexibility.

### CHOICE OF EVILS

If ceilings were removed and the thrifts paid depositors drastically higher interest rates, their costs would immediately skyrocket. If they didn't pay such rates, they would lose deposits to banks that were paying them.

Most close observers therefore believe that the government won't remove the rate ceilings. It is more likely, they reason, that the ceilings will be raised gradually, bringing chronically higher home-mortgage costs and constricted housing starts without placating individual savers. "We are in a real predicament, with no easy answer to our problems," says Donald C. Sims, president of Union County Savings Bank in New Jersey.

The growing gap between the inflation rate and the passbook rate could further erode grass-roots faith in savings, observers say. It could even produce "a crisis of confidence in our banking system," says Jonathan E. Gray, a securities analyst with Sanford C. Bernstein & Co.

Savers' increasing ire is evident. Some are lobbying. Some are making angry phone calls to newspapers. It isn't only that "anyone who saves money is being penalized," says an anonymous caller to The Wall Street Journal newsroom; it's also that savings banks, by losing deposits, "could become illiquid to the point where some of them might fold."

### HAVES AND HAVE-NOTS

Some analysts worry that class-consciousness is being stirred by the contrast between low rates on passbook accounts, for which the banks and S&Ls typically don't set any minimum balances, and the 11 percent or more they're allowed to pay those who have $10,000 to set aside for at least six months in certificates. "People realize," says an aide at a West Coast thrift institution, "that they're being divided clearly into a nation of haves and have-nots."

Federal agencies approved an increase of one-quarter of a percentage point in passbook rates effective last July 1. S&Ls and savings banks now can pay 5½ percent and commercial banks can pay 5¼ percent. The increase was far from enough to stop savings from being "grievously eroded by inflation," a Treasury aide concedes, but he cites "the safety and soundness of our financial system" as the obstacle to doing more.

This fairness vs. failures dilemma makes things difficult for President Carter's aides. In following up the President's seemingly bold call last May to eliminate the "increasingly unfair" ceilings, these aides and the Federal Reserve Board have generally given support to a Senate bill that wouldn't require any change until 1982. After that, the ceilings would be nudged up by only one-quarter of a point each Jan. 1 and July 1 and wouldn't disappear entirely until 1990.

Increasingly, the bigger commercial banks are chafing at the lowest-common-denominator approach of the regulators, an approach that requires them to hold their interest rates down to what the weakest links can afford to pay. The U.S. financial system is "still an industry dominated by 'mom and pop' stores," says A. W. Clausen, president of huge Bank of America; he complains that federal rules aimed at preserving thousands of small thrift institutions are preventing "true economies of scale."

The situation poses some awkward problems for the big banks. Their top officers are crusading for elimination of the Fed's Regulation Q passbook ceilings, which apply directly to all other U.S. banks and thrifts. At the same time, "our retail marketing side is trying to convince the public to keep their savings coming," says Kay Williams, marketing vice president of the Bank of America division covering domestic retail banking. The marketing effort isn't having much success, though; the bank reported that its domestic consumer savings deposits at midyear had dropped nearly 5 percent from a year before, to $8.7 billion.

The big banks' double-edged campaigns are taking on some unusually abrasive aspects. To enlist public support for abolishing ceilings, Citibank has put up lobby posters blaming Regulation Q for preventing banks from keeping customers abreast of inflation. Because Citibank uses the slogan "The Citi Never Sleeps" (to promote its 24-hour electronic-teller machines), the customarily staid Manufacturers Hanover Trust Co. couldn't resist taking out full-page newspaper ads crowing, "We Caught the Citi Napping." The message: While Manufacturers Hanover has made full use of the two increases in the past six years in passbook ceilings, "Citibank still pays only 4½ percent interest" on passbooks.

That's true, a Citibank spokesman says, but he adds that the passbook is merely "there if people want it" and that "we haven't been pushing the product." Instead, Citibank has been promoting other savings accounts that pay the 5¼ percent limit and are related to use of the bank's plastic cards for electronic deposits and withdrawals.

Such public skirmishing among the giant banks only adds to the anxiety of thrift executives. Without the constraint of Regulation Q ceilings, the commercial banks could wage "bitter, sustained rate wars" against the thrifts, warns Louis H. Nevins, an official of the National Association of Mutual Savings Banks.

That, thrift-industry pessimists say, could bring near-extinction of the specialized consumer-savings, mortgage-lending institutions.

### TURNING TO ALTERNATIVES

Meanwhile, many S&Ls are becoming more like big banks. Less able to rely on the rank-and-file savers, they are turning more to larger-scale sources of capital. As of August, S&Ls' regular savings accounts had dwindled to about $123 billion from almost $142 billion a year before; the funds they raised by selling certificates of deposit of $100,000 and more, which are exempt from interest ceilings, had grown to almost $21 billion from below $13 million; S&L deposits in the form of six-month $10,000 certificates, whose rates are linked to those on Treasury bills, zoomed to $94 billion by the end of August from $15 billion a year earlier.

The Federal Home Loan Bank Board has proposed letting S&Ls reach out even farther afield by tapping the Eurodollar pool of some 700 billion U.S. dollars on deposit outside the U.S. Large-scale borrowings from abroad are usually possible at interest costs a little lower than at home, and the pool is brimming with surplus funds of the oil cartel.

But the interest rates that the thrifts have to pay on all the larger-scale borrowings are more than double what they pay on passbooks, so they are struggling to keep the cheap money coming in. They are seeking.

for one thing, to focus public attention more on the underlying problem of inflation.

To talk of raising passbook rates is "spitting in the wind," scoffs Robert Chil, spokesman for the California Savings and Loan League. Because of inflation, he says, most people with earnings up around $20,000 a year "barely can meet their bills, much less save any money."

### TAX INCENTIVE SOUGHT

The consumer pollster Albert E. Sindlinger agrees. "More than two-thirds of all U.S. households aren't in a position to add to their savings," he reports. And even if they were, he asks, "what sense would it make to save and get only 5.5% interest when the inflation rate is more than twice that?"

The thrifts are also pressing Congress to enact some sort of tax incentive for savings, such as an exemption of a portion of savings-account interest from the federal income tax As things now stand, analysts note, the tax typically trims a 5.5% interest rate to below 4%, so that when inflation is running at 13%, the small saver's account loses purchasing power at an annual pace of about 9%.

"I don't know anyone out there who can pay the kind of rate it would take to justify savings in this kind of inflation," says Mr. Sims of Union County Savings Bank.

The stock-brokerage houses and other sponsors of money-market funds are coming close, however—too close for the comfort of the traditional thrift institutions. These funds put money into Treasury bills and other high-yield, short-term instruments and pass along most of the interest to the investors. They usually pay about twice the passbook rate, and sometimes on amounts as low as $1,000.

The growth of such alternatives is raising doubt that individuals will come flocking back with passbook money even if inflation cools. Still, the conventional savings account isn't disappearing. Large and small savings institutions alike report that new accounts keep coming along. Customers apparently open them for convenience, to help establish a good credit rating, and out of habit. But people keep smaller amounts in their savings accounts these days while putting any larger sums they have into higher-yield varieties.

Some economists say that the U.S. faces a broader problem of inadequate savings in any form. After averaging 3.7% of after-tax income in the 1950s and 1960s, personal savings ouside of pension funds dropped to less than 1% in 1977 and 1978, Morgan Guaranty Trust Co. says. The bank contends that only if savers get a real, or after-inflation, return, will there be enough savings for the nation "to extricate itself from the morass of high inflation."

Once they get such a return, the argument goes, they will start saving more and spending less, thus damping inflation's fires.●

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## ALASKAN MARINE PILOTS

● **Mr. GRAVEL.** Mr. President, I call to the attention of my colleagues an article by Randy Bayliss which appeared in the September 1979 Alaska magazine, entitled "Pilots: The Mariner's Mariners."

This is an interesting article on the Alaskan marine pilots who guide the tankers through the narrows of Prince William Sound to eventually dock in Valdez. This is yet another phase of the TAPS terminal operations that I feel will be of interest to my colleagues. I ask that it be printed in the RECORD.

The article is as follows:

### PILOTS: THE MARINER'S MARINERS

(By Randy Bayliss)

En route to Valdez, after a 2,000-mile trans-Pacific crossing, the empty oil tanker has traversed three-quarters of Prince William Sound when she slows from 15 knots to 4 knots just abeam of Bligh Island. The master pivots her stern smartly into the seas. On the windward side, the waves furiously rebound off the hull. The leeward seas have been flattened, calm except for the whirlpools of turbulence which testify to the power of the maneuver. In this lee, a striking black-and-white steel 65-foot Norwegian trawler approaches, matches speed and nudges alongside just long enough for a lone figure to leap from her deck to a ladder hung over the side. After a 30-foot—three-story—climb up the ladder to the deck and the five-story stairway to the bridge, this man takes control of the tanker, navigates the Valdez Narrows and directs two or three large tugs in her docking at the loading berth. These most difficult tasks are reserved for the most capable of mariners—the pilots.

In April 1977, I was an observer aboard the tanker *ARCO Fairbanks*, with 35 to 40 veteran tanker captains undergoing terrain familiarization in Valdez Arm before the start-up of pipeline operations. There was a combined 1,200 years of seagoing experience aboard. In that distinguished crowd, two men easily stood apart. There was no mistake that they were the pilots and even a casual bystander knew instantly they were in control. No-nonsense, intent, but not forced, they'd emerge from one of the black curtain-surrounded radar consoles, stalk to the bridge windows, glare at an invisible trackline on the water and quietly direct the helmsman: "Come right a degree to 221." Onlookers knew to stand aside and the background noise seemed to hush just before the pilots infrequently spoke.

Although shipmasters and pilots are both professional mariners and similarly licensed, the difference lies in specialization. As a ship approaches the landfall, the master gets nervous; when the ship approaches open water, the pilot gets nervous.

Gone are the romantic days when first sighting of tall masts on the horizon emptied the harbor taverns and triggered a race of pilot cutters. (The fastest pilot won the fee, and, hopefully, the fastest was the best.) Today's pilots get contracts, attend maritime academies, train in simulators, operate anticollision computers, and undergo countless tests and certifications. Pilots are articulate, authoritative and rarely hesitate to express an opinion. While ordinary tourists view the landscape, pilots subconsciously take bearings, estimate distances and calculate velocity and drift. If you look deeply into their eyes, you can almost see radar images.

Two groups of pilots operate in Alaska. The Southwest Alaska Pilots Association dispatches out of Homer, halfway between Anchorage and Kodiak. They split their work between Valdez, nearby Cook Inlet, and the Seward/Kodiak areas and with Nome, icebound for eight months a year, their northernmost port. The Southeast pilots are based in Ketchikan, the southernmost "Gateway to Alaska." They pilot considerable seasonal cruise ship traffic through the foggy, spruce-on-rock fjords of the Panhandle. Alaskan pilots handle the largest ships to enter any United States port—the five 265,000-deadweight-ton oil supertankers loading at the Valdez trans-Alaska pipeline terminal. Other ships requiring pilots include container vessels, chemical and gas bulk carriers, and log ships. Pilots work 304 days a year, either on call or piloting.

Boarding a tanker at sea can be hazardous to your health. It's easy enough for the tanker to smooth out some 6- or 8-foot wind waves in relatively protected Valdez Arm, but out near Hinchinbrook Entrance is another matter. Swells of 15 to 20 feet may come from one direction (or more) and wind chop of 6 to 8 feet comes from another direction. The pilot times his leap at the crest of a swell. If the crest of the next swell is higher, he risks getting crushed against the tanker if the pilot boat doesn't get away. Or the pilot boat could be slammed against the ladder on the downward cycle of the swell and the ladder could be ripped loose. Or the ladder could become fouled on the pilot boat as it pulls away. . . . Fortunately, most tanker masters are licensed to take their ships into protected waters inside Prince William Sound.

A pilot memorizes the local terrain. I was sipping coffee with an off-duty pilot in the mess when he glanced out the partly open porthole, sighted a cloud-shrouded craggy peak and casually announced that we were abeam of Middle Rock. I jumped up and peered out the porthole: we were directly abeam, and not 10 feet either side of Middle Rock. It was no accident.

A pilot handles a different ship each day and each ship has its idiosyncracies. And the docking maneuvers are supersensitive. If a large tanker meets the berth moving faster than a third of a mile an hour, it'll damage the structure. At slow speeds, the tanker's rudder is not too effective and very few tankers have bow thrusters or twin screws for slow-speed maneuvering. An unloaded tanker rides high in the water with a great deal of steel buffeted by the wind. (The Cook Inlet pilots who guide ships between Homer and Nikiski have to deal with large ice floes and 8-knot tidal currents, and usually with no tugs docking.) Turnaround time at the Valdez oil pipeline terminal averages about 24 hours. The pilot reboards and directs the careful departure of the loaded tanker. Tugs pull the tanker away from the dock, the pilot using a hand-held VHF radio to command 7,500-horsepower tugs at each end of the tanker, one-fifth of a mile apart. The tugs pull the tanker a short distance from the berth, then one tug escorts the tanker to Middle Rock in Valdez Narrows 10 miles away. Outbound speed is held down to 6 knots for safety reasons so it takes about three hours to pass through the narrows.

The luxurious 65-foot pilot boat *Berling,* previously a yacht owned by a wealthy aerospace family, not only shuttles pilots to and from tankers, but also serves as a palatial residence for pilots during their two-week tour of duty in Valdez. Their mooring at Rocky Point is secluded and access is restricted by sumerged rocks, so there's a degree of privacy. But depending on the workload, visitors usually get royal treatment, and on the *Bering,* royal means royal. The anchorage is circled by magnificent Sitka spruce and while moored, the pilots commonly sight deer, eagles, puffins, otters and dozens of other forms of life. Off-duty pilots can cross-country ski and set crab pots in the winter and pick berries, catch salmon or beachcomb in the summer. If you can take the chilly rain, it's paradise.

I was chagrined to learn that even pilots have weaknesses. One calm summer evening, a pilot friend and I floated just yards outside the Valdez small-boat harbor in my 18-foot catboat, sails slatting annoyingly back and forth. We were complaining about government regulations, a popular sport with pilots. Fifty, then 30 yards astern, a female killer whale surfaced twice. I was fumbling hopefully for my camera when my intrepid pilot bolted to his feet and shrieked, "Start the engine!" Startled, I asked why. "We'll be killed," he replied. I assured him that killer whales only do that sort of thing by mistake and told him he'd seen too many silly movies. To reassure him, I rapped twice on the hull with my knuckle to make enough noise to let the killer whale know where we were. My friend accentuated my efforts by nearly stomping a hole in the deck with his boots. The bewildered killer whale didn't surface again for half a mile. Away went my camera.

Even the most capable mariners have a more serene perspective on killer whales when they are 80 feet above the water on a tanker bridge.●

## PAY ADVICE COUNCIL SHOULD MOVE TO END TAXFLATION

● Mr. DOLE. Mr. President, yesterday the Carter administration set into operation its new Pay Advisory Committee, comprised of representatives of business and labor. The theme of yesterday's inaugural meeting was that labor should desist from pushing for wage increases to catch up with prices and that business, likewise, should resist pressure for such wage increases. Alfred Kahn, the President's chief anti-inflation spokesman, said that wage increases in excess of productivity gains merely contribute to the inflationary spiral.

Mr. Kahn's statement is not wrong, but the administration seems to be looking at the wage question through the wrong end of a telescope. Moral suasion to restrain wage demands can never be as effective as changing the policies that encourage high wage demands. For example, take the familiar analogy to the football stadium where one spectator stands up to get a better view of the game. Because that spectator blocks the view of others, more people stand up until the entire stadium is standing. Everyone is on their feet, but no one has a better view than before. They are just maintaining their position, as workers try to do vis-a-vis inflation.

The administration's strategy is like telling the man in the last row to sit down in order to break up the trend. While it is possible that the man's example might spread, there is no guarantee that it will. The correct answer is to get the guy who started it all to sit down so that others need not try to see around him. Where inflation is concerned, that man in the front row is the Government, which encourages the financing of wage and price increases through the financing of a burgeoning Federal deficit.

Fortunately the administration is showing signs of focusing on the real problems, and we will have to wait to see whether they can adhere to fiscal and monetary restraint. The Pay Advisory Committee may be best understood as a sort of psychological backup to the real anti-inflation process. But the administration, if it is serious about wage restraint, ought to consider eliminating a major disincentive to such restraint.

It is simply this: Inflation pushes people into higher tax brackets, raising their real tax liability, and thus puts them farther behind than the inflation figures alone would suggest. This phenomenon is taxflation, and it is a major reason why people feel compelled to push for higher wages to maintain their standard of living. There is no excuse for allowing such an incentive for high wage demands to continue in times of high inflation.

Mr. President, the Senator from Kansas has introduced the Tax Equalization Act, S. 12, which would end taxflation. The Tax Equalization Act would require adjustment of the tax brackets, zero bracket amount, and personal exemption to compensate for the effects of inflation. Taxflation would cease to add to the financial difficulties of our citizens, and they could better afford to moderate their pressure for higher wages. Let the administration endorse the Tax Equalization Act, which would make the task of the Pay Advisory Council that much easier. It is in the interest of both business and labor.●

## ENERGY NEEDS OF "WARM WEATHER" STATES

● Mr. STONE. Mr. President, I believe that it is essential that any energy assistance program take into account the needs of "warm weather" States. I ask that a copy of my letter to the chairman of the Senate Committee on Labor and Human Resources, expressing my concerns with regard to this program, be printed in the RECORD.

The letter is as follows:

U.S. SENATE,
*Washington, D.C., September 28, 1979.*

Senator HARRISON A. WILLIAMS,
*Chairman, Senate Committee on Labor and Human Resources.*

DEAR MR. CHAIRMAN: For the last three days your committee has held hearings on the development of a new program to help low-income households meet the sharply rising costs of home energy. I commend your leadership in this area and strongly support such a program.

The citizens of my state, and in particular our large senior citizen population, have been severely impacted by rising energy costs. Sixty-six percent of all "low-income" households in Florida are headed by a person receiving Social Security Income. As the testimony before your committee has confirmed, low-income elderly families will be forced to spend between one-fourth and one-half of their income to meet their home energy costs. In fact, Florida has a large number of households in every age group which will be forced to choose between the basic necessities of life, without an energy assistance program.

I am very aware of the importance of meeting the heating needs of the low-income citizens of our country where the choice is often "to heat or eat". However, it is important to point out that while air conditioning is often viewed as a luxury, it is a necessity for thousands of citizens who reside in Florida and other southern states. Our elderly in particular suffer disease and death as a result of exposure to heat. Therefore, I believe that it is essential that any energy assistance program reflect energy needs beyond just home heating.

It is especially important that any agency assistance program take into account the needs of "warm weather" states because Florida's utility rates are among the highest in the country. This is so in large part because of Florida's historic dependence on imported residual fuel oil to generate electricity.

In summary, I respectfully submit that in developing any energy assistance program, criteria for assistance should be based on: (1) ability to pay for necessary energy; (2) need to protect health and well-being; and (3) actual cost increases of energy. These criteria will insure that all citizens who need assistance to meet their basic energy needs will be provided with the necessary assistance regardless of their geographic location.

Warm personal regards.

Most cordially,

RICHARD (DICK) STONE.●

## S. 1241—THE STATE-BY-STATE ALLOCATION

● Mr. DOMENICI. Mr. President, Senators MOYNIHAN, DURENBERGER, JAVITS, and I hold a great interest in moving forward on a more effective water resources development program. Our proposal is S. 1241. we are pleased with the interest it has stimulated. Unfortunately, there has been a good deal of misinformation floating about regarding the effect of S. 1241 and the way money under this bill is allocated among the States.

I recently asked that the Library of Congress compile a table showing the breakdown of S. 1241 by States. It must be recognized that there would, of course, be additional funds in the water program as a result of regional projects under S. 1241.

I ask that these tables be printed in the RECORD.

The tables are as follows:

S. 1241 ALLOCATIONS

| | Population (thousands) (1) | Area (square miles) (2) | Population (percent of whole) (3) | Area (percent of whole) (4) | Composite (col 3 and 4 divide 2) (5) | Allocation (dollars) (6) |
|---|---|---|---|---|---|---|
| Alabama | 3, 742 | 51, 609 | 0. 017550 | 0. 017203 | 0. 017377 | 60, 380, 140 |
| Alaska | | | | | | 100, 000, 000 |
| Arizona | 2, 354 | 113, 909 | .011040 | .037970 | .024505 | 93, 609, 100 |
| Arkansas | 2, 186 | 53, 104 | .010253 | .017701 | .013977 | 53, 392, 140 |
| California | 22, 294 | 158, 693 | .104561 | .052898 | .078730 | 300, 748, 600 |
| Colorado | 2, 670 | 104, 247 | .102523 | .034749 | .023636 | 90, 289, 520 |
| Connecticut | 3, 099 | 5, 009 | .014535 | .001670 | .008103 | 30, 953, 460 |
| Delaware | | | | | | 13, 333, 333 |
| District of Columbia | | | | | | 13, 333, 333 |
| Florida | 8, 594 | 58, 560 | .040307 | .019520 | .029914 | 114, 271, 480 |
| Georgia | 5, 084 | 58, 876 | .023844 | .019625 | .021735 | 83, 027, 700 |
| Hawaii | | | | | | 13, 333, 333 |
| Idaho | 878 | 83, 557 | 004118 | .027852 | .015985 | 61, 062, 700 |
| Illinois | 11, 243 | 56, 400 | .052731 | .018800 | .035766 | 136, 626, 120 |
| Indiana | 5, 374 | 36, 291 | .025205 | .012097 | .018651 | 71, 246, 820 |
| Iowa | 2, 896 | 56, 290 | .013583 | .018763 | .016173 | 61, 780, 860 |
| Kansas | 2, 348 | 82, 264 | .011012 | .027421 | 019217 | 73, 408, 940 |
| Kentucky | 3, 498 | 40, 395 | .016406 | .013465 | .014936 | 57, 055, 520 |
| Louisiana | 3, 966 | 48, 523 | .018601 | .016174 | .017388 | 66, 422, 160 |
| Maine | 1, 091 | 33, 215 | .005117 | .011072 | .008095 | 30, 922, 900 |
| Maryland | 4, 143 | 10, 577 | .019431 | .003526 | .011479 | 43, 849, 780 |
| Massachusetts | 5, 774 | 8, 257 | .027021 | .002752 | .014887 | 56, 868, 340 |
| Michigan | 9, 189 | 58, 216 | .043097 | .019405 | .031251 | 119, 378, 820 |
| Minnesota | 4, 008 | 84, 068 | .018798 | .028023 | .023411 | 89, 430, 020 |
| Mississippi | 2, 404 | 47, 716 | .011275 | .015905 | .013590 | 51, 913, 800 |
| Missouri | 4, 860 | 69, 686 | .022794 | .023229 | .023012 | 87, 905, 840 |
| Montana | 785 | 147, 138 | .003682 | .049046 | .026364 | 100, 710, 480 |
| Nebraska | 1, 565 | 77, 227 | .007340 | .025742 | .016541 | 63, 186, 620 |
| Nevada | 660 | 110, 540 | .003095 | .036847 | .019971 | 76, 289, 220 |
| New Hampshire | | | | | | 13, 333, 333 |
| New Jersey | 7, 327 | 7, 836 | .034364 | .002612 | .018488 | 70, 624, 160 |
| New Mexico | 1, 212 | 121, 666 | .005684 | .040555 | .023120 | 88, 318, 400 |
| New York | 17, 748 | 49, 576 | .083240 | .016525 | .049883 | 190, 553, 060 |
| North Carolina | 5, 577 | 52, 586 | .026157 | .017529 | .021843 | 83, 440, 260 |
| North Dakota | 652 | 70, 665 | .003058 | .023555 | .013307 | 50, 832, 740 |
| Ohio | 10, 749 | 41, 222 | .050414 | .013741 | .032078 | 122, 537, 960 |

S. 1241 ALLOCATIONS—Continued

| | Population (thousands) (1) | Area (square miles) (2) | Population (percent of whole) (3) | Area (percent of whole) (4) | Composite (col 3 and 4 divide 2) (5) | Allocation (dollars) (6) |
|---|---|---|---|---|---|---|
| Oklahoma | 2,880 | 69,919 | .013507 | .023306 | .018407 | 70,314,740 |
| Oregon | 2,444 | 96,981 | .011463 | .032327 | .021895 | 83,638,900 |
| Pennsylvania | 11,750 | 45,333 | .055109 | .015111 | .035110 | 134,120,200 |
| Rhode Island | | | | | | 13,333,333 |
| South Carolina | 2,918 | 31,055 | .013686 | .010352 | .012019 | 45,912,580 |
| South Dakota | 690 | 77,047 | .003236 | .025682 | .014459 | 55,233,380 |
| Tennessee | 4,357 | 42,244 | .020435 | .014081 | .017258 | 65,925,560 |
| Texas | 13,014 | 267,338 | .016037 | .089122 | .075075 | 286,786,500 |
| Utah | 1,307 | 84,916 | .006130 | .028305 | .017218 | 65,772,760 |
| Vermont | | | | | | 13,333,333 |
| Virginia | 5,148 | 40,817 | .024145 | .013606 | .018876 | 72,106,320 |
| Washington | 3,774 | 68,192 | .017700 | .022731 | .020216 | 77,225,120 |
| West Virginia | 1,860 | 24,181 | .008724 | .008060 | .008392 | 32,057,440 |
| Wisconsin | 4,679 | 56,154 | .021945 | .018718 | .020332 | 77,668,240 |
| Wyoming | 424 | 97,914 | .001989 | .032638 | .017314 | 66,139,480 |
| Total | 213,215 | 3,000,009 | .999942 | 1.000001 | 0.999983 | 3,999,938,878 |

PRESENT ALLOCATIONS

| | Corps of Engineers[1] | Bureau of Reclamation[2] | Soil Conservation Service[3] | Total State allocation |
|---|---|---|---|---|
| Alabama | 178,200 | | 3,291 | 181,491 |
| Alaska | 37,998 | | 0 | 37,998 |
| Arizona | 7,622 | 107,652 | 4,692 | 119,966 |
| Arkansas | 22,050 | | 5,751 | 27,801 |
| California | 96,820 | 135,049 | 7,765 | 239,634 |
| Colcrado | 3,400 | [5]72,045 | 2,014 | 77,459 |
| Connecticut | 18,000 | | 235 | 18,235 |
| Delaware | 0 | | 891 | 891 |
| District of Columbia | 3,500 | | 0 | 3,500 |
| Florida | 46,480 | | 330 | 46,810 |
| Georgia | 55,279 | | 958 | 56,237 |
| Hawaii | 12,205 | | 1,349 | 13,554 |
| Idaho | 5,400 | 1,742 | 97 | 7,239 |
| Illinois | 34,565 | | 7,564 | 42,129 |
| Indiana | 7,000 | | 661 | 7,661 |
| Iowa | 27,328 | | 4,829 | 32,157 |
| Kansas | 35,600 | 1,078 | 7,429 | 44,107 |
| Kentucky | 62,033 | | 3,697 | 65,730 |
| Louisiana | 81,758 | | 607 | 82,365 |
| Maine | 0 | | 325 | 325 |
| Maryland | 26,000 | | 641 | 26,641 |
| Massachusetts | 4,350 | | 1,113 | 5,463 |
| Michigan | 3,384 | | 637 | 4,021 |
| Minnesota | 15,959 | | 1,313 | 17,272 |
| Mississippi | 2,500 | | 9,387 | 11,887 |
| Missouri | 69,200 | | 1,252 | 70,452 |
| Montana | 30,355 | 6,274 | 859 | 37,488 |
| Nebraska | 100 | 10,110 | 2,617 | 12,827 |
| Nevada | 0 | 46,377 | 0 | 46,377 |
| New Hampshire | 0 | | 10 | 10 |
| New Jersey | 4,650 | | 2,335 | 6,985 |
| New Mexico | 5,645 | 3,215 | 1,021 | 9,881 |
| New York | 11,570 | | 1,912 | 13,482 |
| North Carolina | 37,200 | | 4,085 | 41,285 |
| North Dakota | 847 | 3,261 | 1,265 | 5,373 |
| Ohio | 14,800 | | 3,021 | 17,821 |
| Oklahoma | 39,438 | 0 | 12,372 | 51,810 |
| Oregon | 155,628 | 4,698 | 2,321 | 162,647 |
| Pennsylvania | 43,648 | | 3,068 | 46,716 |
| Rhode Island | 0 | | 5 | 5 |
| South Carolina | 14,423 | | 1,424 | 15,847 |
| South Dakota | 0 | 200 | 963 | 1,163 |
| Tennessee | 0 | | 3,254 | 3,254 |
| Texas | 77,767 | 30,681 | 18,601 | 127,049 |
| Utah | 0 | 54,715 | 845 | 55,560 |
| Vermont | 0 | | 150 | 150 |
| Virginia | 19,834 | | 1,885 | 21,719 |
| Washington | 57,258 | 43,185 | 1,005 | 101,448 |
| West Virginia | 27,200 | | 4,992 | 32,192 |
| Wisconsin | 500 | | 2,046 | 2,546 |
| Wyoming | 0 | 4,979 | 1,168 | 6,147 |
| Total | 1,397,494 | 525,261 | 138,052 | 2,060,807 |

[1] Taken from "Civil Works Appropriations, U.S. Army Corps of Engineers, Fiscal Year 1979." November 1978.

[2] As transmitted by Baretta Minardi (343-6995) of Bureau of Reclamation, June 6, 1979.

[3] As transmitted by Jim Spitz (447-4533) of Soil Conservation Service. ●

## CHARLIE SMITH—AGE 137

● Mr. CHILES. Mr. President, on October 5, Charlie Smith died at the age of 137. According to the Social Security Administration, he was the oldest living American. I mention his death because he lived in Florida, and because as a Senator from Florida and chairman of the Special Committee on Aging, I take pride in the example Mr. Smith set for all of us as we grow older. Of himself, Mr. Smith said, "Getting older makes me feel like a winner." This is indicative of the zeal with which he pursued life.

At the age of 115, Mr. Smith retired from his job as a fruit picker because he could no longer keep up with men one-fifth his age. Feeling confident about his health on his 135th birthday, he said, "I feel good and I look good. The cake is good and so am I." Mr. Smith, a former slave and Texas cowboy, was a living example of the contributions that can be made by older people. His positive attitude was contagious and his enthusiasm for life undaunted until the end.●

## THOMAS ALVA EDISON

● Mr. LEVIN. Mr. President, October 21, marks the 100th anniversary of the invention of the incandescent electric light. This device that we take for granted together with a host of other innovations is the brainchild of the Wizard of Menlo Park, Thomas Alva Edison. This gifted man combined the imagination of the theoretician with the technique of a manufacturing engineer so that his inventions enhanced the life of the populace instead of merely affording amusement to a few. His influence on the industrial genuises who ushered in the automotive age is manifested by the preservation of his laboratory at Greenfield Village in Dearborn, Mich.

The lives of all Americans and most of human kind have been brightened by the legacy of this gifted man and I rise today to memorialize our debt to him in the pages of the Congressional Record.●

## PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the Record the eight notifications I have just received.

There being no objection, the notices were ordered to be printed in the Record, as follows:

Defense Security
Assistance Agency,
*Washington, D.C., October 16, 1979.*

Hon. Frank Church,
*Chairman, Committe on Foreign Relations, U.S. Senate, Washington, D.C.*

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-01, concerning the Department of the Navy's proposed Letter of Offer to Spain for defense articles and services estimated to cost $400.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Ernest Graves,
*Lieutenant General, USA.*

[Transmittal No. 80-01]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Spain.

(ii) Total Estimated Value: Major Defense Equipment,* $0.0 million; other, $400.0 million; total, $400.0 million.

(iii) Description of Articles or Services Offered: Equipment and support for three Perry-class guided missile frigates to be built by the Spanish including shipboard hardware, logistic support and equipment, and technical assistance in computer programming and combat system development.

(iv) Military Department: Navy (LDE).

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: October 16, 1979.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., October 16, 1979.*

Hon. FRANK CHURCH,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-02, concerning the Department of the Navy's proposed Letter of Offer to Spain for defense articles and services estimated to cost $150.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
*Lieutenant General, USA.*

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[Transmittal No. 80-02]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Spain.

(ii) Total Estimated Value: Major Defense Equipment,* $0.0 million; other, $150.0 million; total, $150.0 million.

(iii) Description of Articles or Services Offered:

Equipment and support for one anti-submarine warfare aircraft carrier to be built by the Spanish to include shipboard hardware, logistic support and equipment, and technical assistance in computer programming and combat system development.

(iv) Military Department: Navy (LDF).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: October 16, 1979.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., October 16, 1979.*

Hon. FRANK CHURCH,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-03, concerning the Department of the Navy's proposed Letter of Offer to Spain for defense articles and services estimated to cost $50.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
*Lieutenant General, USA.*

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[Transmittal No. 80-03]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Spain.

(ii) Total Estimated Value: Major Defense Equipment,* $0.0 million; other, $50.0 million; total, $50.0 million.

(iii) Description of Articles or Services Offered: Construction of a Combat Systems Test Center for the purpose of developing, testing, and integrating the combat systems computer programs of the anti-submarine aircraft carrier and the guided missile frigates being built by Spain.

(iv) Military Department: Navy (LDG).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: October 16, 1979.

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DEFENSE SECURITY,
ASSISTANCE AGENCY,
*Washington, D.C., October 16, 1979.*

Hon. FRANK CHURCH,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-04, concerning the Department of the Army's proposed Letter of Offer to Thailand for defense articles and services estimated to cost $14.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
*Lieutenant General, USA.*

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[Transmittal No. 80-04]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Thailand.

(ii) Total Estimated Value: Major Defense Equipment,* $13.1 million; other, $1.6 million; total, $14.7 million.

(iii) Description of Articles or Services Offered: Thirty four (34) M198 155mm towed howitzers, twenty four (24) M101A1 105mm towed howitzers, supporting equipment, spare parts, and quality assurance team.

(iv) Military Department: Army (UPD).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: October 16, 1979.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., October 16, 1979.*

Hon. FRANK CHURCH,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-05, concerning the Department of the Air Force's proposed Letter of Offer to Oman for defense articles and services estimated to cost $15.3 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
*Lieutenant General,* U.S.A.

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[Transmittal No. 80-05]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36 (b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Oman.

(ii) Total Estimated Value: Major Defense Equipment,* $7.0 million; other, 8.3 million; total, $15.3 million.

(iii) Description of Articles or Services Offered: Two hundred and fifty (250) AIM-9P SIDEWINDER air-to-air missiles.

(iv) Military Department: Air Force (YAA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: October 16, 1979.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., October 16, 1979.*

Hon. FRANK CHURCH,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-06, concerning the Department of the Army's proposed Letter of Offer to Israel for defense articles and services estimated to cost $19.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
*Lieutenant General, U.S.A.*

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[Transmittal No. 80-06]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value: Major Defense Equipment,* $15.4 million; other 3.6 million; total, $19.0 million.

(iii) Description of Articles or Services Offered: Twenty-five (25) M88A1 tracked recovery vehicles.

(iv) Military Department: Army (XIL).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: Oct. 16, 1979.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., October 16, 1979.*

Hon. FRANK CHURCH,
*Chairman, Committee on Foreign Relations,*
*U.S. Senate,*
*Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-07, concerning the Department of the Army's proposed Letter of Offer to Israel for defense articles and services estimated to cost $41.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
*Lieutenant General, U.S.A.*

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[Transmittal No. 80-07]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value: Major Defense Equipment,* $0.0 million; other, 41.0 million; total, $41.0 million.

(iii) Description of Articles or Services Offered: Three hundred (300) M60A3 tank fire control systems, associated test equipment, and spare parts.

(iv) Military Department: Army (XHZ).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: Oct. 16, 1979.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., October 16, 1979.*

Hon. FRANK CHURCH,
*Chairman, Committee on Foreign Relations,*
*U.S. Senate,*
*Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-09, concerning the Department of the Army's proposed Letter of Offer to NATO for defense articles and services estimated to cost $17.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
*Lieutenant General, USA.*

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

[Transmittal No. 80–09]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: NATO.

(ii) Total Estimated Value: Major Defense Equipment*, $16.0 million; other, 1.0 million; total, $17.0 million.

(iii) Description of Articles or Services Offered: One hundred and seventy four (174) Improved Hawk air defense missiles.

(iv) Military Department: Army (URM).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: October 16, 1979.●

## JUSTICE SYSTEM IMPROVEMENT ACT OF 1979

Mr. KENNEDY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 241.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 241) to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes.

(The amendment of the House is printed in the Record of October 12, 1979, beginning at p. 28142.)

Mr. KENNEDY. Mr. President, I move that the Senate disagree to the amendment of the House, and that the Senate request a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. Kennedy, Mr. Biden, Mr. DeConcini, Mr. Baucus, Mr. Heflin, Mr. Thurmond, Mr. Laxalt, Mr. Dole, and Mr. Cochran conferees on the part of the Senate.

## HIGHER EDUCATION ACT AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 5386.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5386) to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such Act from the amount so appropriated for fiscal year 1979 shall be borne equally by all States.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill.

UP AMENDMENT NO. 659

(Purpose: To assure that funds not be withheld from a State student incentive grant program because of a failure to meet the requirements of section 415C(b)(4) of the Higher Education Act of 1965)

Mr. BENTSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. Bentsen) proposes an unprinted amendment numbered 659.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

Sec. 2. No fiscal year 1979 funds may be withheld from a State under subpart 3 of part A of title IV of the Higher Education Act of 1965 because of a failure of a State to meet the requirement of section 415C (b)(4) of that Act based upon the provisions of a State statute enacted prior to October 1, 1978.

Mr. BENTSEN. Mr. President, today I have the opportunity to submit a noncontroversial amendment to assure that $4.1 million of Federal funding will not be withheld from the Texas State student incentive grant program. This money has been promised to approximately 10,000 Texas students to make it possible for them to meet tuition costs; however, for two unacceptable reasons their education is being held in the balance.

First, in exercising its right to maintain quality education throughout the State, Texas employs an accreditation process for institutions of higher education. The national law, however, mandates that Federal grants must be distributed to all institutions of higher education unless they are in violation of the State constitution. The net effect is that the national law infringes on the State law to the extent that Texas would have to distribute its grant money to all institutions, whether they are accredited or not. Due to this mismatching of Federal and State guidelines, the funds have been withheld to prevent underqualified schools from being subsidized through the State student incentive grant program.

Members of the House agree that this bureaucratic inconsistency should not be allowed to cause students financial hardships or tie the hands of the State from encouraging quality higher education. The House-passed higher education reauthorization bill will permanently correct this situation.

The second reason making immediate action necessary is simply a problem in timing. Mr. President, if by February 1, 1980, enabling legislation is not passed, funds for Texas students to meet this year's educational costs will be forfeited back to the Federal bureaucracy.

Even though the situation will be corrected by the provision in the House-passed reauthorization bill, that legislation will not become law in time to benefit students this year.

We cannot let an inconsistency between national and State bureaucracy that will be corrected in future years and unfortunate timing in the legislative process block funds from 10,000 students this year. My amendment is designed only to free funds that have already been granted and are in a state of limbo because of the time delay for the reauthorization bill to pass.

I want to emphasize that the scope of this amendment is very narrow. It will not have any effect in future years nor will it do anything but correct this localized problem in Texas.

Mr. President, I ask that this noncontroversial amendment be accepted.

Mr. President, I ask that this amendment be accepted in order that some 10,000 students in Texas will have the benefit of the program that other States will also be receiving.

The PRESIDING OFFICER. Is there objection to the amendment?

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BENTSEN. I thank the distinguished majority leader for his assistance.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 5386), as amended, was passed.

The PRESIDING OFFICER. Is there further morning business?

The Senator from West Virginia.

## ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

## APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 84–689, appoints the Senator from West Virginia (Mr. Randolph) and the Senator from Utah (Mr. Hatch) to attend the North Atlantic Assembly, to be held in Ottawa, Canada, October 22–27, 1979.

## AUTHORITY FOR CERTAIN ACTIONS TO OCCUR PRIOR TO 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to submit statements for the Record and to introduce bills, resolutions, petitions, memorials, and that committees may have until 5 p.m. today also to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

### AUTHORITY FOR THE BUDGET COMMITTEE TO FILE REPORT BY MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Budget Committee have until midnight to file its report.

The PRESIDING OFFICER. Without objection, it is so ordered.

### PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I expect rollcall votes tomorrow. It is expected that the conference report on the D.C. appropriations bill, H.R. 4580, will be called up tomorrow.

There will likely be a rollcall vote on the matter in relation thereto. It is also expected that the conference report on the Defense Department authorization bill, S. 428, will be called up tomorrow and there will probably be a rollcall vote or votes in relation thereto.

Other matters may be cleared for action that, in the meantime, may be called up.

### RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until tomorrow.

The motion was agreed to and, at 2:21 p.m., the Senate recessed until tomorrow, **Friday, October 19, 1979, at 12 noon.**

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# HOUSE OF REPRESENTATIVES—*Thursday, October 18, 1979*

The House met at 10 a.m.

The Reverend Charles A. Rogers, Centenary United Methodist Church, Fort Ashby, W. Va., offered the following prayer:

O God, we thank You for the return of the wonderous day that brings with it the opportunities and the challenges which face each of us. Let not the unworthiness of Your servant stand between You and the Members of this body as we join in prayer.

Grant Thy blessings upon those who promote human welfare. Let Your favor rest upon those who seek to heal divisions which set men in hostile camps. Guide and strengthen them as they seek to bring classes and individuals to mutual understanding.

Direct and bless those who speak where many listen and write what many read. Teach them, that they may teach us: Inspire them that they may inspire us, grant that, thinking little of fame or profit, they may do their part to make the mind of the people wise, their hearts sound, their will righteous.

We pray especially for those who make up this honorable delegation, give them good health for the physical strains of their office, good judgment for the decisions they must make, wisdom beyond their own, and clear understanding for the problems of this hour.

May Your will be done, for the good of all the land and the peace of all the people. Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 975) entitled "An act to authorize appropriations for fiscal year 1980 for intelligence activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1030) entitled "An act to authorize the President to create an emergency program to conserve energy, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate, to a bill of the House of the following title:

H.R. 1825. An act to protect archaeological resources on public lands and Indian lands, and for other purposes.

The message also announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1871. An act to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program; and

S. Con. Res. 44. Concurrent resolution correcting the enrollment of S. 1030.

The message also announced that the Vice President, pursuant to Public Law 84-689, appointed Mr. BIDEN (chairman), Mr. JACKSON, Mr. MORGAN, Mr. DURKIN, Mr. JAVITS, Mr. STEVENS, Mr. COHEN, and Mr. MCCLURE to attend the North Atlantic Assembly to be held in Ottawa, Canada, October 22 to 27, 1979.

### REV. CHARLES ROGERS

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, the prayer was delivered by Rev. Charles Rogers, pastor of the Centenary United Methodist Church. He is a native of West Virginia. He was educated at West Virginia University and the New England College in Henniker, N.H. He has held pastorates in New Hampshire and at several places in West Virginia. He is a man who believes and teaches God as the infinite architect of the universe and the compassionate ruler of destiny. He is a good man, a great man, and he is a man of God in every sense of the word. We are proud to have him as pastor of our church, and may the Lord which dwelleth in heaven watch over him, his good wife and their family, keep them safe and guide and guard them and lead them along life's pathway.

### CAROLYNN CONYER WOSOBA

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, it was my pleasure this morning to hear the presentation of Carolynn Conyer Wosoba at an oversight hearing on identification of low-income children in school food programs.

The hearing was before the Subcommittee on Elementary, Secondary and Vocational Education.

Carolynn Wosoba, the talented 35-year-old superintendent of Anchorage Independent School District in Jefferson County, Ky., is one of two women school superintendents among Kentucky's 181 school districts.

The Kentucky Association of School Administrators honored Carolynn Wosoba in 1978 by voting her as "Superintendent of the Year" in Kentucky.

Carolynn is a native of Crittenden County in my congressional district and her parents are two favorite constituents of mine, Mr. and Mrs. Lal Conyer of Marion, Ky.

Carolynn Wosoba received her bachelor of science and master of arts degrees at Murray State University, in my district, and is now working on her doctorate in school administration at Indiana University.

I am very happy that Superintendent Carolynn Wosoba could testify today before Chairman CARL PERKINS and the aforesaid subcommittee.

## PITTSBURGH PIRATES—WORLD SERIES CHAMPIONS

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. I know, Mr. Speaker, that the House is curious to know what I, as a Member of Congress from the city of Pittsburgh, might want to discuss with the House today, but I will give a hint by holding up a copy of the sports page of the Washington Post.

But frankly, Mr. Speaker, I want to commend two great athletic teams, the Baltimore Orioles, who are almost the world champions of baseball, and, of course, my own Pittsburgh Pirates, who have become the world champions. Led by their leader and captain, Willie Stargell, who was voted the most valuable player of the series, the Pirates came back from a 3-to-1 deficit, only the fourth time in World Series history that a team has done this, to win in the seventh game of the World Series.

These Pittsburgh Pirates, who have scrapped and scraped all year long, really deserve the devoted attention of the Pittsburgh area fans who helped them along with moral encouragement throughout the season.

The "family," as the team likes to call itself, provided a year of thrills and excitement all season and right through the final game of the 1979 World Series.

I want to take this moment to commend each and every Pirate, the team ownership and managers and, most certainly, the loyal fans of the Pittsburgh area for a sports year that will not soon be forgotten.

Mr. PASHAYAN. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from California.

Mr. PASHAYAN. I thank the gentleman for yielding.

Mr. Speaker, I would like to associate myself with the remarks of the gentleman and to underscore the fact that the humility that Willie Stargell expressed in the great achievement I think is appreciated by all Americans, the fact that he was not bragging about it, he was not boastful about it, he was very humble. That, I think, underscores what a great athlete and what a great person he is.

Mr. MOORHEAD of Pennsylvania. And a real gentleman, I would say.

Mr. PASHAYAN. I agree.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding.

Mr. Speaker, I think this is a great tribute to the Pirates, and I would like to join my colleague also. The Pirates for many, many years have been famous. Whether they have been at the bottom of the heap in the cellar or at the top, their fans are the most supportive of any fans of any team anywhere in the Nation.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Ohio, our neighboring State.

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Speaker, I would also like to associate myself with the remarks of the gentleman from Pennsylvania. The Pittsburgh Pirates happen to be owned by John W. Galbraeth and Danny Galbraeth of Columbus, Ohio, so all of us from that area are also supportive of the Pirates and I congratulate the gentleman and his team.

Mr. MOORHEAD of Pennsylvania. I thank the gentleman for his kind remarks.

## IMPORTANCE OF PHYSICAL FITNESS

(Mrs. BYRON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BYRON. Mr. Speaker, first of all, I will take my hat off to the Pirates, but I do not think I need to defend the Orioles, which is not the real reason why I have taken the floor today, but I must say that I think we had one heck of a series and the Orioles will be back. But congratulations to the Pirates.

Mr. Speaker, during the last several weeks we have heard various freshmen Members of the House from this side of the aisle review some of the impressive accomplishments of the House Democratic leadership and the administration. I am sure that all objective observers will agree that the record they have reviewed is indeed commendable and I see no reason to repeat these achievements at this time.

I would like to take this opportunity to bring to the attention of my colleagues one aspect of this record that might have been overlooked. A great deal of the attention of this Congress has been directed toward solving our energy problems by becoming self-reliant as a Nation in meeting our energy needs in the future.

Part of the answer to achieving energy independence is the greater self-reliance of American citizens. More and more individuals are conserving energy through home weatherization, solar energy, wood stoves, and other measures which increase the ability of our people to provide for their own energy needs.

But there has been a remarkable growth in activities related to physical fitness which is instrumental in enabling individuals to provide for their own needs. Millions of Americans have been inspired toward engaging in activities which promote physical fitness by Democratic Presidents. President Kennedy began this movement and his contributions are still remembered through the 50-mile hikes which he sponsored, including one which will be held in my district this November 17 for the 17th time. These efforts are continued through the ongoing work of the President's Council on Physical Fitness and Sports and the outstanding example of President Carter's jogging. These activities will reduce our national health care costs and improve the quality of life for Americans for decades to come.

□ 1010

## PRESIDENT CARTER AND DECONTROL DECISION

(Mr. HANCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANCE. Mr. Speaker, I would like to take a minute this morning to make some observations concerning President Carter and the energy crisis. We all know there is no immediate answer to the energy problem. It has taken several years for this problem to be brought to our attention and there will be no easy answer to it.

Whatever the plan, however the implementation and whomever the President, there would be no simple answer, no quick solution.

President Carter was faced with a tremendous decision this past spring when the deadline came for crude oil price controls. The simplest answer politically would have been for him to do nothing and let controls continue for 2 more years. However, he chose to begin phasing out crude oil price controls, and I know he made the proper decision. It took great courage for him to make a decision such as this, and it was one which I join with him in believing was best for the country.

President Carter did not place controls on oil prices. For that we have to blame previous Congresses and the previous two Republican administrations. More than 6 years of controls have proven as self-defeating as any policy in recent history of the United States. Controls have delayed our efforts to conserve, given strength to the OPEC oil cartel, and put the dollar under tremendous strain. In making his decision to decontrol, President Carter faced tremendous pressure from many sides—and we all understand the pressures which come with a highly political issue in the midst of an upcoming national election. It would have been easy for him to bow to the politically expedient decision, but he chose the one which will prove far better for his country in the long run. The call of statesmanship and national leadership was to decontrol. President Carter answered that call and is to be commended for his judgment.

## MOVE TO UPSET DECISION ON COURTER DECISION

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, today we are going to continue with the debate on the Department of Energy. I understand that during that debate there may be a move to upset my amendment, which was passed last Friday morning by approximately three votes.

That amendment had to do with removing the burdensome allocation system that we have and removing price controls on motor fuels.

I urge my colleagues to resist any attempt, whether it be in the committee or the House to do the same.

I also would like to read for the next 30 seconds a couple of statements made by those people who know most about the allocation system.

For example, Mr. David Bardin, who is a former Administrator of the Economic Regulatory Administration of the DOE said the following:

> I dare say that if Congress had mandated an identical control system for milk, that we could be having milk shortages around the country.

Mr. Alfred Kahn, administration inflation fighter, said:

> The spectacle of the Department of Energy chasing gasoline and diesel fuel shortages all across the country and trying to solve them by continually modifying its allocations—and leaving new shortages in its wake * * *

I would also like to emphasize what the Washington Post said a number of days ago.

> If Mr. Carter wants to help the people who are confronted with those enormous bills for oil heat, he might usefully begin immediately by decontrolling gasoline.

I hope all will oppose any move to upset the decision that the House made last Friday.

## PRESIDENT HAS NO RIGHT TO TERMINATE TREATY WITHOUT CONCURRENCE OF SENATE

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, I think we can all be pleased that the U.S. Court has said that the President of the United States has no right to terminate a treaty without concurrence of the Senate. I am pleased that the court has spoken so decisively as it relates to our defense treaty with Taiwan.

I hope now that the President will renew our full relationship with Taiwan. I think the court has spoken decisively and that it is proper that the President of the United States abide by the Constitution, which he tells us he is so anxious to do. The President's amendments to the U.S. defense treaty with Taiwan should be submitted to the U.S. Senate immediately.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding.

I would like to commend the gentleman for bringing out this important point.

Mr. ROUSSELOT. It was a major headline. I am surprised it was missed by some of our colleagues.

Mr. RUDD. If the gentleman will continue to yield, I simply want to join my colleague in his statement today, noting that the court has correctly recognized the powers of Congress were ignored by the President in unilaterally abrogating our country's treaty with Taiwan.

Mr. ROUSSELOT. I am sure our colleagues on the other side overlooked it.

I thank my colleague from Arizona.

## HEW CONTINUES TO DISCARD USABLE MATERIAL

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as we debated on the floor the question of waste in Government, particularly at HEW, oftentimes we have been told that it is awfully difficult to find exactly where this waste occurs.

In this morning's Washington Post, it indicates that although we now have a probe going on of those people in Government who are apparently throwing away still-usable pieces of equipment, evidently the practice is continuing.

Yesterday, at a Montgomery County landfill in Rockville, a truck from HEW pulled up and unloaded equipment and told the people there to immediately crush it up by bulldozer.

As quoted in the paper, the bulldozer operator said, "They unloaded the stuff and told us we had to crush it up immediately and then bury it. Usually they only request us to cover it that fast when they bring in election files or chemicals. I tried to salvage some myself—they were good wooden swivel chairs and tables, stuff I could have used—but they said, 'No way,' that we had to get rid of the stuff right away."

It seems to me that this is something we ought to keep in mind when we deal in the expenditures billions and billions and even trillions of dollars and wonder where the money goes.

It strikes me that if HEW can do this on a regular basis, maybe there is a little bit more of that waste and fraud that we can get rid of over at HEW.

Maybe the gentleman from Illinois (Mr. Michel), is on the right track when he suggests that we should cut their budget and tell them to go find the fraud and waste so we can save the American people their hard-earned tax dollars.

## AMERICAN PEOPLE HAVE ALREADY PASSED JUDGMENT ON ENERGY PROGRAM

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, once again, the House has been treated to a series of canned leadership remarks delivered by the other side. I was fascinated to hear the gentlewoman from Maryland (Mrs. Byron) and the gentleman from Texas (Mr. Hance) talk about this administration and this Congress having an energy program. We do not need to have them put it in a good light.

The American people have already rendered a judgment on the energy program. They have rendered a judgment that it is a complete and utter failure.

Any attempt to put it in better light will be laughed at by the American people.

And then to hear the gentlewoman from Maryland (Mrs. Byron) fit it in with the physical fitness program of this administration fascinated me, because it seemed to me, and I hope this was not the case, that that physical fitness program may have been characterized by the President's problem in the foot race in the gentlewoman's own district.

☐ 1020

I just hope his dropping out of the running in that race was not characteristic of the entire physical fitness program. Certainly it did characterize, however, his energy efforts.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, if you have to fight rabbits every day you have to stay in good condition. The 1979 baseball season may be over, but it was interesting to notice today the designated hitters are still swinging here in the House of Representatives.

## DEPARTMENT OF ENERGY AUTHORIZATION ACT FOR FISCAL YEARS 1980 AND 1981—CIVILIAN APPLICATIONS

Mr. SHARP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Indiana (Mr. Sharp).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 391, nays 3, answered "present" 1, not voting 38, as follows:

[Roll No. 579]

YEAS—391

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bolling
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer

Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—3

Lloyd
Paul
Wilson, Bob

ANSWERED "PRESENT"—1

Nichols

NOT VOTING—38

Ashley
Barnard
Chisholm
Collins, Ill.
Conyers
Dellums
Diggs
Dixon
Edwards, Okla.
Evans, Ga.
Flood
Ford, Mich.
Ford, Tenn.
Fowler
Garcia
Harris
Harsha
Heckler
Ireland
Jenkins
Johnson, Colo.
Jones, N.C.
Leach, La.
Lujan
McEwen
Mitchell, Md.
Pepper
Rodino
Rosenthal
Satterfield
Seiberling
Spellman
Stark
Treen
Vander Jagt
Wilson, C. H.
Winn
Wyatt

☐ 1030

So the motion was agreed to.

The result of the vote was announced as above recorded.

☐ 1040

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3000, with Mr. STUDDS, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Tuesday, October 16, 1979, title II was open to amendment at any point.

Are there any further amendments?

AMENDMENT OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment.

Mr. LOEFFLER. Mr. Chairman, I reserve a point of order on this amendment.

The Clerk read as follows:

Amendment offered by Mr. VENTO: Page 40, after line 23, insert the following new subsection:

(c) Using such sums of the amount authorized to be appropriated under subsection (a)(2)(E) as may be necessary, the Secretary of Energy shall prepare and submit before December 31, 1979, a report to the Congress in which the Secretary shall examine the middle distillate situation, summarizing the relevant supply and demand data, information, and analyses on a State-by-State basis, and discussing in detail matters required to be addressed in findings made pursuant to section 12(d)(1) of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 760(d)(1)).

Mr. LOEFFLER. Mr. Chairman, I withdraw my point of order.

Mr. VENTO. Mr. Chairman, this amendment seeks to provide a study based on the various criteria the Secretary should use and report back to Congress by December 31, 1979, of the status of the middle distillate situation. This is similar to other language that has been tentatively adopted by a conference, but I think we ought to reemphasize our support for this now because of the critical nature of middle distillate in our economy. Our interest has been heightened with regard to middle distillates based on the action of the House in the preceding week on this matter. I have discussed this with the majority and the minority. I think that they are amenable to and accept the amendment.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Indiana.

Mr. SHARP. I thank the gentleman for yielding. I would like to indicate that the committee certainly has no objection and welcomes the amendment. We are hopeful that it will either become law through this bill or through S. 1030 which the gentleman previously amended.

Mr. VENTO. I thank the gentleman from Indiana.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Minnesota (Mr. VENTO).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title II?

AMENDMENT OFFERED BY MR. HEFTEL

Mr. HEFTEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEFTEL: Page 40, after line 23, insert the following new subsection:

(c)(1) There are authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, an amount not to exceed $2,000,000 for purposes of developing a plan for the consideration, establishment, and implementation of a reserve under the Strategic Petroleum Reserve Plan in the State of Hawaii in order to provide substantial protection against the interruption or reduction of petroleum imports to such State.

(2) The Secretary of Energy shall transmit a copy of such plan to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate before the earlier of March 31, 1980, or the expiration of 180 days after the date of the enactment of this Act.

Mr. HEFTEL. Mr. Chairman, the 1975 Energy Policy and Conservation Act provided for strategic storage in the noncontiguous areas, including Hawaii. The commonsense reason for it is that if you were to ship to Louisiana and then in an emergency bring it back to Hawaii, the cost of the shipping after it passed Hawaii, went to Louisiana and came back, would be greater than the cost we would have incurred in having the strategic oil storage in Hawaii in the first place. More important, the best calculation is that Hawaii, if an emergency arose, could be served by Louisiana within 63 days, and we do not have a standby supply that would last that long. So to the extent that strategic storage is necessary, Hawaii would almost have to have a reasonable amount of strategic oil stored in the State.

I would be glad to answer questions from both chairmen.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I yield to the gentleman from Indiana.

Mr. SHARP. I thank the gentleman for yielding. The committee is happy to support the amendment. It helps to carry forward the intent of the original act establishing the strategic petroleum reserve, and the money is for the purpose of developing a plan to assure that the noncontiguous territories of the United States and the State of Hawaii will have emergency preparation made for them, just as we hope to have that kind of preparation for the entire Nation.

Mr. HEFTEL. I thank the gentleman.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I yield to the gentleman from Texas.

Mr. LOEFFLER. I thank the gentleman for yielding. As the gentleman knows, I am a very strong supporter of the strategic petroleum reserve system, and am somewhat disappointed, in fact greatly disappointed, that we have not moved rapidly in the development of the strategic petroleum reserve storage capacity. Currently the goal is that we should have already achieved 250 million barrels of storage in the salt domes of Louisiana and Texas; yet we are only now at a level of some 90 million-plus barrels within the storage facility. Fortunately, to date the Department of Energy has finally provided the capability for withdrawal of this very valuable crude oil. I have some questions that I would like to ask the gentleman from Hawaii (Mr. HEFTEL). In view of the fact that we only have 90 million barrels that are currently in storage and a strategic petroleum reserve system that has been mismanaged and has not moved as rapidly as it should have, I wonder if the gentleman could enlighten me as to why we should move toward storage facilities today in the State of Hawaii when in fact the refinery capacity is relatively small, and basically what Hawaii needs more than crude is the refined product itself. I wonder if we might discuss that for just a moment.

☐ 1050

Mr. HEFTEL. I would be delighted.

Fortunately, we do have refining capacity.

Mr. LOEFFLER. What is the per-day output of the two refineries in Hawaii?

Mr. HEFTEL. I do not have the exact barrels-per-day output, but it exceeds 60,000 barrels per day.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I will yield to the gentleman.

Mr. SHARP. It should be pointed out that while the gentleman from Texas is focusing his attention, as it needs to be focused, on crude oil storage, that in fact the strategic petroleum reserve legislation does allow for storage of refined products.

Mr. HEFTEL. Mr. Chairman, we would have the refining capacity to protect the islands by virtue of having the strategic oil storage. As an example, if there were to be an emergency in which crude was not available, we would have to wait 63 days before Louisiana could actually bring to Hawaii the strategic storage in place.

When we point out Louisiana is not prepared to act if there were an emergency, it only heightens the need for Hawaii to protect itself because the 63 days for Hawaii would be elongated if Louisiana could not move faster than its most efficient production.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield further?

Mr. HEFTEL. I yield to the gentleman from Texas.

Mr. LOEFFLER. I would like to say to the gentleman from Hawaii that I understand the plight and I am sympathetic to the problems of Hawaii.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. LOEFFLER and by unanimous consent, Mr. HEFTEL was allowed to proceed for 2 additional minutes.)

Mr. HEFTEL. I yield to the gentleman from Texas.

Mr. LOEFFLER. Mr. Chairman, I believe it is in the interest of the United States, national security as well as to our own needs in the various regions we represent, that we should jointly encourage the Department of Energy to move ahead with the strategic petroleum reserve program to cut out the delay and the mismanagement, to move as expeditiously as possible in the purchase of the crude. In view of this dialog, Mr. Chairman, I will not oppose the gentleman's amendment.

Mr. HEFTEL. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Hawaii (Mr. HEFTEL).

The amendment was agreed to.

The CHAIRMAN pro tempore. If there are no further amendments to title II, the Clerk will designate title III.

Title III reads as follows:

### TITLE III—COMMERCIALIZATION AND RELATED ACTIVITIES

#### AUTHORIZATION

SEC. 301. There are authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, not to exceed—

(1) in the case of renewable resources activities—

(A) $5,000,000 for solar commercial planning functions;

(B) $1,479,000 for program administration functions; and

(2) in the case of conservation activities—

(A) $11,362,000 for buildings and community systems conservation functions;

(B) $3,062,000 for transportation conservation functions;

(C) $80,000,000 for State and local conservation functions under part C of title III of the Energy Policy and Conservation Act, as amended by the Energy Conservation and Production Act; and

(D) $6,783,000 for State and local conservation functions not provided for under subparagraph (C).

#### AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER: Page 41, after line 24, insert the following new section:

#### AUTHORIZATION FOR CERTAIN CONSERVATION FUNCTIONS

SEC. 302. (a) There are authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, not to exceed $30,000,000 for purposes of carrying out the program described in subsection (b).

(b)(1) The Secretary of Energy shall establish and shall implement not later than January 1, 1980, a program under which the Secretary will enter into one or more contracts to—

(A) conduct a continuing national public awareness campaign to inform the public of methods of conserving energy, including the savings to the public (and the Nation) from such conservation; and

(B) conduct a continuing national evaluation program to determine the effectiveness of the campaign conducted under subparagraph (A).

(2) Such program shall be designed to achieve over the duration of the program—

(1) a reduction in domestic energy consumption of at least 5 percent; and

(2) an aggregate savings to the public of at least $17,500,000,000.

(3) Not later than January 1, 1980, and not less frequently than every 3 months thereafter during the duration of the program, the Secretary shall prepare and transmit to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the program, and the activities thereunder, established under this section, including the results of the evaluation under paragraph (1)(B) and such other information and recommendations as the Secretary may deem appropriate.

(4) To the extent provided in any appropriation Act, funds authorized to be appropriated under this section shall remain available for obligation or expenditure until September 30, 1981.

Mr. OTTINGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OTTINGER. Mr. Chairman, the majority on the committee has acceded to the suggestions of the minority with respect to an advertising program for conservation, to do this on a national testmarket basis and for a much more modest sum than was originally proposed. This amendment calls for a $30 million national test program in that respect. I believe we have reached agreement on it.

Mr. Chairman, I would ask support of the committee.

Mr. LOEFFLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at the outset of the consideration of title II of this bill, I offered an amendment which would have in essence provided for reduction from $95 million to $30 million for the test-marketing system with respect to advertising on conservation. The chairman of the subcommittee, the distinguished gentleman from Michigan (Mr. DINGELL), has assured us earlier during consideration of H.R. 3000 that the advertising will not be of a political nature and that he will vigorously pursue any activities that are directed in that way.

Mr. Chairman, for that reason I have no opposition and I join the gentleman from New York in support of the amendment.

Mr. DINGELL. Will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Michigan.

Mr. DINGELL. I commend the gentleman for his most statesmanlike comment. I also support the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title III?

If not, the Clerk will designate title IV.

Title IV reads as follows:

### TITLE IV—POWER MARKETING, FEDERAL LEASING AND OTHER ACTIVITIES

Sec. 401. (a) Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for expenses for the following power marketing programs:

(1) Alaska Power Administration, including expenses for engineering and economic investigation to promote the development and utilization of the water, power, and related resources of Alaska, and for energy conservation and renewable energy programs, $2,910,000;

(2) Southeastern Power Administration, and energy conservation and renewable energy programs, $2,400,000;

(3) Southwestern Power Administration, and energy conservation and renewable energy programs, $33,180,000;

(4) Western Area Power Administration, for construction, rehabilitation, operation, and maintenance of electric power transmission facilities, and power marketing activities, and for energy conservation and renewable energy programs, $128,150,000, including purchase, maintenance and operation of one fixed-wing aircraft and an additional 100 full-time permanent positions in fiscal year 1980, of which $107,400,000 shall be derived from the Department of Interior reclamation fund;

(5) Western Area Power Administration, for the Emergency Fund established pursuant to the Act of June 26, 1948 (43 U.S.C. 502), to assure continuous operations during unusual or emergency conditions, $200,000, all of which shall be derived from the reclamation fund; and

(6) Western Area Power Administration, for continued work on the transmission system of the Upper Colorado River Storage Project, authorized by section 1(1) of the Act of April 11, 1956 (Public Law 485 of the Eighty-fourth Congress; 70 Stat. 105), and legislation supplementary thereto, including the Act of August 10, 1972 (Public Law 92–370), $5,152,000.

(b) The Bonneville Power Administration is hereby authorized to make expenditures from the Bonneville Power Administration Fund to purchase, promote, and encourage energy conservation and the utilization of renewable energy sources. Such Administration may expend for such purposes amounts derived from bonds, notes, and other evidences of indebtedness. Such bonds, notes, and evidences of indebtedness issued under section 13 of the Federal Columbia Transmission System Act may be expended without regard to the provisions therein respecting construction, acquisition, and replacement of the transmission system.

Sec. 402. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act for expenses for the following Federal leasing and fuel data gathering and analysis programs:

(1) Federal leasing expenses, $3,368,000; and

(2) Fuel Data Gathering and Analysis expenses, $3,000,000.

### AMENDMENT OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLINGER: Page 41, after line 24, insert a new title IV as follows and renumber the following titles accordingly.

### TITLE IV

### TAX CREDIT STUDY

Sec. 401. (a) There is authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, not to exceed $38,500 to conduct the study under subsection (b).

(b) The Secretary of Energy shall conduct a study to assess the various proposals for Federal tax credits for residential coal-heating equipment, as contained in legislation introduced in the Congress during the 96th session. The study shall include an estimate of the costs to the United States of the various tax credit proposals and an evaluation of the possible savings in consumption of heating oil and natural gas that would result from the proposals. Not later than one year after the date of the enactment of this Act, the Secretary of Energy shall submit to the Congress a report of the results of the study.

Mr. DINGELL. Mr. Chairman, I reserve a point of order on the amendment.

Mr. CLINGER. Mr. Chairman, I am sure that many of my colleagues can recall when the coal furnace was one of the most popular sources of home heating throughout the United States. Instead of modern refineries, processing plants, supertankers, and pipelines, the average American family depended primarily on coal for its home heating needs. Gradually, however, coal was replaced with what were then cheap and convenient substitutes. Ironically, heating oil and electricity are no longer inexpensive nor are they easily available.

Today, I hear my colleagues debate exotic and futuristic forms of energy, from breeder reactors to passive solar collectors. However, there is significant controversy between those who oppose and those who defend each alternative. Perhaps it is time Congress reexamined some tried and true methods.

I believe all Americans want to contribute to the solution of the energy problem. They are tired of waiting in gas lines in the summer and hearing forecasts of inadequate supplies of heating oil in the winter. In dramatic ways, consumers are changing spending habits with the purchase of smaller cars, storm windows, and added insulation, all in an effort to fight rising costs and stretch short supplies.

American ingenuity is also at work in the trend toward alternative sources of heat, like stoves, furnaces, and boilers using wood, peat, and coal. Under the National Energy Act, the Department of Energy can recommend to the Internal Revenue Service additional items of equipment for conservation and renewable energy tax credits.

In a recent study, last year the Department of Energy conducted an "assessment of proposed Federal tax credits for residential wood-burning equipment". I am sure this study helped the committee on Ways and Means which recently held hearings on a residential tax credit for wood- and peat-burning stoves.

My amendment would simply call for a similar study to determine if coal-heating equipment would be worthy of a tax credit. The cost of the study would be about the same as the study for wood-burning stoves, about $38,000.

In my area of the country, there is an industry undergoing a rebirth—the manufacture of coal stokers. Stokers are home heating devices that automatically feed small-grade coal about the size of peas or rice into furnaces. It is my understanding that coal-burning devices for the heating of hot water are also being produced.

Through the study called for in my amendment, members of Congress would have the information we need to make educated decisions on the costs to the Treasury versus the benefits of oil and gas savings.

The President supports the increased use of plentiful coal supplies, and a preparatory study of this nature certainly conforms with the administration's policy.

☐ 1100

### POINT OF ORDER

The CHAIRMAN pro tempore. Does the gentleman from Michigan (Mr. DINGELL) insist on his point of order?

Mr. DINGELL. Mr. Chairman, I do.

The CHAIRMAN pro tempore. The gentleman will state his point of order.

Mr. DINGELL. Mr. Chairman, I make a point of order that the amendment is not germane.

Mr. Chairman, the legislation before us, H.R. 4839, is a 1-year authorization bill for the Department of Energy. It is an authorization bill which relates to the energy activities of the Department of Energy, as opposed to taxable matters and taxes.

The amendment is not germane for several reasons. The first is that it relates to matters other than energy, in that it directs a study with regard to tax credits. Nowhere in the proposal before us, Mr. Chairman, do we find anything relating to tax credits in the legislation.

Now, without denegrating the able author of the proposal, and I am sure the gentleman is very sincere in this matter, there is another defect yet also in the amendment now pending.

I would point out that the Secretary of Energy, according to the language of the amendment in paragraph (b) is directed to conduct a study to assess various proposals for Federal tax credits for residential coal heating equipment as contained in the legislation in the Congress. I now quote: "During the 96th session."

Now, I assume that refers to the 96th Congress. The 96th Congress will be for this fiscal year, plus portions of the succeeding fiscal year.

I would observe that if the study includes matters which were introduced during the 96th Congress. It will include matters which were introduced after the conclusion of the fiscal year in which we find ourselves and after the conclusion of the period covered by the authorization proposal.

The amendment further in its last three lines says as follows:

> Not later than one year after the date of the enactment of this Act, . . .

That mandates actions by the Secretary of Energy 1 year after the date of enactment of this statute, which would be whatever date it might be, but it would be 1 year after at least probably the conclusion of the fiscal year in question. Again I recall to the Chair the fact that the proposal before us is a 1-year authorization bill and that this mandates actions by the Secretary well after the conclusion of the period covered in the 1-year authorization bill which is before the committee.

For that reason, I believe that the amendment is nongermane. I would urge that position on the Chair.

The CHAIRMAN pro tempore. Does the gentleman from Pennsylvania (Mr. Clinger) desire to be heard on the point of order?

Mr. CLINGER. I do, Mr. Chairman.

The CHAIRMAN pro tempore. The Chair will hear the gentleman.

Mr. CLINGER. Mr. Chairman, just in response and in defense of the amendment, I would point out that the amendment is really addressing the question of what savings can be made in oil and gas in this country if encouragement is given to the use of coal burning stoves. In no sense is it attempting to interfere with or to countervene anything that the Committee on Ways and Means would have to do. It does not in any way dictate to them. It just provides for a study to determine the feasibility for encouragement of coal burning stoves and primarily the emphasis in the study would be to determine how much can we save, how much can we be expected to save in the way of oil and gas as a result of this kind of encouragement; but the study in no way mandates going any further than that, just to determine the feasibility of such a plan.

Mr. DINGELL. Mr. Chairman, just one further observation with regard to this matter.

I think there is merit in the amendment. It has not been reviewed by the committee. We will have conservation legislation coming forward shortly and I would be happy to discuss with the gentleman the possibility of the inclusion of a proposal of this sort in that legislation at the appropriate time.

The CHAIRMAN pro tempore. Does the gentleman from California (Mr. Pashayan) desire to be heard on the point of order?

Mr. PASHAYAN. Yes, Mr. Chairman. I oppose the point of order.

The CHAIRMAN pro tempore. The Chair will hear the gentleman on the point of order.

Mr. PASHAYAN. Mr. Chairman, I rise to oppose the point of order. I cannot agree with my distinguished colleague that this matter is not germane. Surely a study to be conducted within a year, although the year does extend beyond the period of time of the authorization, goes to the very heart of what the Department of Energy ought to be doing. That the gentleman rests his case on the fact that this is not germane or the fact that the study is not germane to the bill, I do not think stands up, because if the Department of Energy does not do this kind of thing, surely then what are we expected to do? If anything, the Department of Energy, if it has the resources to do anything at all, certainly ought to have the resources to conduct exactly this kind of study.

I think this is most germane to the issue at hand.

The CHAIRMAN pro tempore. Does the gentleman from Texas (Mr. Kazen) desire to be heard on the point of order?

Mr. KAZEN. Yes, I do, Mr. Chairman.

The CHAIRMAN pro tempore. The Chair will hear the gentleman.

Mr. KAZEN. Mr. Chairman, I would also urge upon the Chair the fact that this proposal is very vague and indefinite, in that the study shall be based on all legislation which may be introduced in the 96th Congress, which is an impossibility for the Secretary to undertake, since all of the proposals in the 96th Congress have not yet been introduced and there is no limit to when they can be introduced before the end of the 96th Congress and the impossibility of meeting this 1-year deadline is within the ambiguity of this amendment.

Therefore, for that reason, Mr. Chairman, I urge that the point of order be sustained.

The CHAIRMAN pro tempore. Does the gentleman from California desire to be heard further on the point of order?

Mr. PASHAYAN. Yes, Mr. Chairman.

The CHAIRMAN pro tempore. The Chair will hear the gentleman.

Mr. PASHAYAN. Mr. Chairman, I would like to ask a question of my good friend, the gentleman from Texas. I do not see the word "all" here. I am not so sure that it is meant to be read in the legislation.

The CHAIRMAN pro tempore. The Chair will advise the gentleman, this is not the time for debate. It is a time to address the Chair on the point of order.

Mr. PASHAYAN. Well, Mr. Chairman, I am going to the point of order. The point of order the gentleman was making was that it was nongermane because it pertains to prospective legislation.

The gentleman said that the bill contained the word "all" legislation. I am addressing the gentleman's point by saying the bill does not use the word "all." It says "legislation introduced" and that might very well have only retrospective application.

The CHAIRMAN pro tempore (Mr. Studds). The Chair is prepared to rule. The amendment offered by the gentleman from Pennsylvania directs the Secretary of Energy with funds separately authorized by the amendment for fiscal year 1980 to conduct a study to assess legislative proposals introduced in the 96th Congress which provides Federal tax credits for residential coal heating equipment in order to evaluate the costs of those proposals and possible savings in the consumption of heating oil and natural gas that would result therefrom.

The Secretary shall report his findings not later than 1 year after enactment.

The possibility that the study might not be completed within the fiscal year 1980 does not seem to the Chair to be crucial in this case, since the study is only to be funded by fiscal year 1980 funds and since other activities of the Department of Energy funded by the bill for fiscal year 1980 are ongoing in nature and could also involve continued participation beyond September 30, 1980.

A more central question is the issue of the tax study. While ordinarily revenue matters are within the jurisdiction of the Committee on Ways and Means and would not be germane to a bill reported by another committee, in the present case the Department of Energy is mandated by its organic statute (Public Law 95-91) to annually study and recommend changes in all laws and regulations needed to encourage more conservation of energy.

The Chair would also observe that title III, which the committee has already dealt with, does address the issue of energy conservation programs in the Department.

As a new title, the amendment imposes upon the Secretary of Energy for fiscal year 1980 a more specific responsibility to study energy conservation consequences of certain tax proposals than those currently required by law, but nevertheless a responsibility within the ambit of the Secretary's existing authority and confined to the fiscal year covered by the titles of the bill read to this point.

☐ 1110

The Chair would further observe that the observation made by the gentleman from Texas (Mr. Kazen) are addressed to the merits and the substance of the amendment rather than to its germaneness.

The Chair, therefore, overrules the point of order.

### AMENDMENT OFFERED BY MR. DINGELL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. CLINGER

Mr. DINGELL. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Dingell as a substitute for the amendment offered by Mr. Clinger: Page 41, after line 24, insert a new title IV as follows and renumber the following titles accordingly:

### TITLE IV

### TAX CREDIT STUDY

Sec. 401. (a) There is authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, not to exceed $38,500 to conduct the study under subsection (b).

(b) The Secretary of Energy shall conduct a study to assess the feasibility of Federal tax credits for residential coal-heating equipment. The study shall include an estimate of the costs to the United States of various tax credit proposals and an evaluation of the possible savings in consumption of heating oil and natural gas that would result from the proposals. The Secretary of Energy shall sumbit to the Congress a report of the results of the study within fiscal year 1980.

Mr. DINGELL. Mr. Chairman, I think this substitute does everything that the author of the original amendment wanted to have done. It meets the objections which I had stressed of a procedural character, and it also meets our objections along substantive lines.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for yielding.

This substitute is perfectly acceptable to me certainly. I feel it accomplishes what I intended to accomplish, and that is to obtain a study this year.

Mr. DINGELL. Mr. Chairman, I thank the gentleman.

As I had indicated, I am sympathetic with the purposes of the gentleman. I simply wanted to offer language to meet the objections I had mentioned.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. LOEFFLER. Mr. Chairman, I thank the distinguished chairman of the subcommittee as well for his courtesy.

We on this side support the substitute language.

I also wish to commend the gentleman from Pennsylvania (Mr. CLINGER) for offering his amendment. I believe it is a good amendment and a step in the right direction.

This amendment deals with the question of conservation, and this is a minimal study to assess the feasibility of coal-heating techniques. It encourages conservation.

Again, Mr. Chairman, I commend the gentleman from Pennsylvania (Mr. CLINGER), and I thank the gentleman from Michigan (Mr. DINGELL) for offering his substitute.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. CLINGER).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. CLINGER), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN pro tempore. The Chair will inquire, are there further amendments to title IV?

PARLIAMENTARY INQUIRY

Mr. KAZEN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. KAZEN. Mr. Chairman, I will ask, is the Chair calling for amendments to this title IV which has just now been presented?

The CHAIRMAN pro tempore. The Chair is calling for amendments to title IV as it appears in the bill.

Mr. KAZEN. I thank the Chair, and Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, the purpose of section 401 of H.R. 3000 is to authorize appropriations for fiscal year 1980 for four of the five Federal power marketing administrations: The Alaska Power Administration, the Southeastern Power Administration, the Southwestern Power Administration, and the Western Area Power Administration.

Section 401, as originally contained in H.R. 3000, authorized the following sums for use in fiscal year 1980: $2,660,000 for the Alaska Power Administration, $1,400,000 for the Southeastern Power Administration, $32,180,000 for the Southwestern Power Administration, and $128,152,000 for the Western Area Power Administration. This is a total of $164,392,000.

Mr. Chairman, the Committee on Interior and Insular Affairs to which section 401 was exclusively referred, perceived certain deficiencies in the budgets of these administrations which could be rectified by the authorization of additional funds. Consequently, the committee added $7,600,000 of additional appropriations to section 401 which brought the total appropriations authorization for the Federal power marketing administrations for fiscal year 1980 up to $171,991,000. This figure is now contained in the section 401 presently before the committee.

Specifically, the Committee on Interior and Insular Affairs added $250,000 for Alaska, $1,000,000 for Southeastern, $1,000,000 for Southwestern, and $2,000,000 for Western Area all to be used by these power administrations to carry out energy conservation and renewable energy programs. In addition, the committee provided $2,500,000 to the Western Area Power Administration so that it could correct its severe personnel shortage by the hiring of 100 additional personnel. Also, $850,000 was added for Western Area to allow it to purchase one fixed-wing aircraft so that it will be able to patrol its vast service area.

Mr. Chairman, the Committee on Interior and Insular Affairs also modified section 401 to authorize the Bonneville Power Administration to utilize its existing bonding authority for energy conservation and renewable energy programs. Bonneville was placed on a "self-financed" basis in 1974 with enactment of the Federal Columbia River System Transmission Act. That act allows the Bonneville Power Administration to use its revenues to carry out its activities and may issue bonds, subject to a limit of $1¼ billion, to the U.S. Treasury to help finance such activities. However, that act did not authorize the Bonneville Power Administration to issue bonds to carry out energy conservation and renewable energy programs. The change adopted by the Committee on Interior and Insular Affairs and embodied in section 401 of H.R. 3000 allows the Bonneville Power Administration to use this existing bonding authority for energy conservation and renewable energy programs. It does not authorize any additional bonding authority.

Mr. Chairman, I strongly support the provisions of section 401 and urge my colleagues to do so also.

Mr. LUJAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I concur with the remarks of the gentleman from Texas, the very able chairman of our subcommittee, and will only add a few remarks for the record on the authorizations for the Western Area Power Administration (WAPA).

As the gentleman pointed out, our committee added $1,250,000 to the WAPA authorization for the purpose of hiring staff personnel, and we added $850,000 for the purpose of buying a fixed-wing aircraft. Neither of these added authorities was tacked on as a light gesture or a whim. Our committee has done more than most committees in cutting Federal spending this year, and it was only after we had heard very convincing testimony that we agreed to add this $2.5 million for WAPA.

Relative to the additional personnel, we agreed to the increase because WAPA is a new agency, just getting started, and its mission is a very large mission, marketing Federal power throughout the Rocky Mountain States, the Southwest and several of the Plains States. It received some personnel from the Bureau of Reclamation when it replaced the Bureau in this function. But it did not receive all of the personnel which the Bureau had utilized for this purpose. Thus the Western Area Power Administration has functioned for a year or more under almost impossible circumstances and only by heroic efforts on the part of its people. They need these staff people badly. And they need the aircraft we authorized so as to service the far-flung area they administer, because it is often impossible to obtain commercial flights into some of the smaller communities that they serve.

So it was only after the closest and most careful deliberation that we added the increased authorizations. They are justified and they are needed.

For these reasons we were very disappointed when the other body chose to delete these funds from the appropriations bill that was passed earlier this year. Deleting the funds did not delete the need, and it will cost the Government much more in the long run than if the funding had been left intact. I am stressing this point now, in anticipation of WAPA's coming back for a supplemental appropriation based on this authorizing act, and I want the record to show that our committee fully believes that such supplemental appropriations are justified and necessary.

Mr. Chairman, I support the committee's amendments to title IV of H.R. 3000, and urge the acceptance of this title by the Committee of the Whole.

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The CHAIRMAN pro tempore. Are there further amendments to title IV? If not, the Clerk will designate title V.

Title V reads as follows:

TITLE V—NUCLEAR ASSESSMENT, SPENT FUEL DISPOSITION OPERATIONS, AND DECONTAMINATION AND DECOMMISSIONING

AUTHORIZATION

SEC. 501. There are authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, not to exceed—

(1) $71,693,000 for uranium resource assessment operating expenses;

(2) $2,500,000 for uranium resource assessment construction for purposes of project 80–GPP–1, general plant projects, Grand Junction, Colorado;

(3) $3,110,000 for uranium resource assessment, acquisition and fabrication of capital equipment not related to construction;

(4) $13,300,000 for spent fuel disposition functions; and

(5) $28,000,000 for decontamination and decommissioning functions.

INTERIM STORAGE OF SPENT NUCLEAR FUEL

SEC. 502. (a) There is authorized to be appropriated to the Department of the fiscal year ending September 30, 1980, not to exceed $5,000,000 for the purposes of subsections (b), (c), (d), (e), and (f) of this section.

(b) (1) For the purpose of providing for the interim storage of spent fuel withdrawn from the core of any nuclear reactor licensed by the Nuclear Regulatory Commission and, where appropriate and consistent with applicable law, foreign nuclear reactors, the Secretary of Energy, in accordance with the provisions of this section, shall conduct a study regarding such storage. Such study shall include—

(A) a determination of the extent to which away-from-reactor interim storage capacity for spent fuel is required by January 1, 1985, because of a lack of adequate existing or planned capacity at existing reactor sites and at future reactor sites within the United States;

(B) an evaluation of the time it will take to establish interim storage capacity at away-from-reactor facilities and the estimated costs thereof, as compared to the time and costs associated with the expansion or modification of existing storage facilities at reactor sites;

(C) consideration of any available conclusions, findings, and recommendations developed by any Federal agency or interagency study of such storage; and

(D) such other factors as the Secretary and other participants in the study shall include.

(2) In making the determination under paragraph (1)(A), the Secretary (A) shall specify the criteria used in making any such determination and (B) shall consider and provide in the report specific data regarding—

(i) the need for away-from-reactor storage capacity, the number of away-from-reactor interim spent fuel storage sites which should be selected, and the number of away-from-reactor facilities which should be in operation by January 1, 1985, to provide the required away-from-reactor interim storage capacity for spent fuel from such reactors;

(ii) the amount of additional interim spent fuel storage capacity at existing and future reactors located within the United States, which, taking into account technical, economic, and regulatory considerations, could be provided by the private sector through—

(I) the modification or expansion of existing and planned storage facilities;

(II) the maximum efficient use of such existing or planned spent fuel storage facilities; or

(III) the intra-utility and inter-utility transshipment of spent fuel; and

(iii) the need for providing storage capacity for spent fuel discharged from future nuclear power reactors.

(3) The study required under this subsection shall—

(A) identify the location of—

(i) one or more potential away-from-reactor spent fuel storage sites, as may be appropriate, which the Secretary believes will comply with the requirements for licensing by the Nuclear Regulatory Commission and which should be considered for such purpose, and

(ii) such existing or future reactor sites which should continue to be used to the fullest extent possible, with or without expansion or modification, for such purpose;

(B) determine the period for which each such away-from-reactor site identified therein is expected to be needed for such interim storage of spent fuel; and

(C) specify the capacity of each away-from-reactor site identified therein.

(4) The identification of potential sites under paragraph (3) shall be made only after consideration of—

(A) the problems associated with transporting such spent fuels to away-from-reactor storage sites;

(B) the identity and location of nuclear powerplants which will use such sites for the interim storage of spent fuel because of their inability for technological, economic or regulatory reasons, which shall be identified by the Secretary, to expand or modify existing reactor storage capacity at such sites;

(C) the safety and environmental factors associated with the transportation and storage of such spent fuel on an interim basis at such sites;

(D) any law affecting the establishment and operation of such sites, including section 107 of the Department of Energy Appropriations Act of 1978—Civilian Applications; and

(E) any other factors as may be appropriate.

(c) To the maximum extent practicable, the Secretary of Energy shall, within one month after the effective date of this section—

(1) issue a report of the results of the study under subsection (b), including his recommendations and those of the other participants in the study and a statement of reasons for each recommendation contained in the report;

(2) publish in the Federal Register a brief summary of the report and a statement of its availability to the public; and

(3) submit a copy of the report of the President, the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and the Governor of any State in which any potential site (as identified in the report under this subsection) of any away-from-reactor spent fuel storage facility may be located.

(d)(1) After completion of the study referred to in subsection (b), the Secretary shall hold public hearings in each State in which any away-from-reactor interim spent fuel storage facility may be located, based upon the study's preliminary identification of the probable location of one or more sites for such facilities. Such hearings shall also be held in the case of any other such sites as the Secretary may subsequently identify.

(2) Hearings required under this subsection shall be held in the vicinity of each potential site. The Secretary shall provide for adequate notice of such hearings. Such notice shall be printed in each newspaper which serves a substantial number of residents within a one-hundred-mile radius of such potential. The Secretary shall give adequate notice of any such hearing to the Governor of the State in which such site is located.

(3) The Secretary shall give the Governor so notified (or his designee) and other interested persons an opportunity for the written and oral presentation of data, views, and arguments and shall provide an adequate opportunity for the oral or written submission of rebuttal and supplementary information.

(4) There shall be a written transcript of each hearing under this subsection which shall be available to the public and may be copied at a reasonable cost of reproduction

(5) Hearings under this subsection shall be completed by March 1, 1980, unless the Secretary, taking into consideration the date the report required by subsection (c) is submitted to Congress and other factors, finds that a longer period is required to complete such public hearings and publishes in the Federal Register his reasons therefor.

(e)(1) The Secretary shall to the maximum extent practicable, within 45 days after the date all public proceedings required under subsection (d) are completed, and after consideration of all relevant matters presented during such proceedings and consideration of any other factors he identifies and determines are relevant, issue and submit to the President and to the Committees on Interior and Insular Affairs and on Interstate and Foreign Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a final report which—

(A) reviews the findings and recommendations contained in the reports issued under subsections (c) and (f) and confirms or modifies the findings or recommendations to the extent appropriate; and

(B) designates one or more away-from-reactor sites as a potential site or sites for the interim storage of spent fuel, and identifies to the extent practicable the at-reactor sites which should continue to be used with or without modification or expansion for such storage.

(2) The final report required under this subsection shall include a statement of reasons for each designation and recommendation contained in such report. The Secretary shall publish in the Federal Register a brief summary of the report and a statement of its availability to the public, and shall submit a copy of the report to the Governor of any State in which there is located a site of a spent fuel storage facility, as designated in such report. Each report shall include the views and comments, if any, for the Governor of any State in which there is located a site of a spent fuel storage facility, as designated in such report, and of the other Federal participants in the study.

(f) Not later than February 1, 1980, the Secretary of Energy shall prepare and transmit to the President and the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report and recommendations respecting—

(1) the estimated acquisition, construction, maintenance, and operating cost of each proposed away-from-reactor spent fuel storage site and facility identified in accordance with the provisions of subsection (b)(3);

(2) how any potential spent fuel storage site and facility identified under subsection (b)(3) should be acquired and constructed;

(3) how any potential interim away-from-reactor spent fuel storage facility should be managed and operated, and by whom;

(4) the methodology to be used in establishing charges to be made to cover the full costs of acquisition, construction, maintenance, and operation of any such site (including all costs associated with the decontamination and decommissioning of any such facility);

(5) an estimate of the per unit amount of such charge;

(6) an estimate of a fee covering all costs, including ultimate disposal costs, as compared to an estimate of a fee covering only the full costs of interim storage of spent fuel;

(7) the ownership of such spent fuel;

(8) the appropriate methods and periods for paying for such full costs by persons using or proposing to use any such site or facility;

(9) persons eligible to make use of such a facility; and

(10) such other factors as the Secretary may deem appropriate.

(g)(1) If the Secretary determines that acquisition by the Federal Government of one or more away-from-reactor sites selected and designated in the report under subsection (e) is appropriate after determining that private acquisition is not practicable, the Secretary may—

(A) acquire such away-from-reactor sites, including any facilities thereon, by purchase, lease, condemnation, or otherwise, and

(B) design such facilities as may be appropriated for such sites.

Such acquisition authority for any away-from-reactor site or facility for the interim storage of spent fuel under this subsection shall be subject to the authorization and appropriation for fiscal year 1981 and subsequent fiscal years of funds by the Congress for such acquisition. Funds appropriated to the Department for fiscal year 1980 and funds and revenues otherwise available to the Department in such fiscal year shall not be available for such acquisition.

(2) If the Secretary designates any away-from-reactor site or sites for the temporary

storage of spent fuel pursuant to this section, such designated site or sites should, by January 1, 1984, be in operation to receive spent fuel from nuclear powerplants that lack available storage at existing storage facilities at reactor sites. Such operation shall be subject to the availability, or acquisition (where appropriate), of a site for such a facility, the authorization and appropriation of such funds as may be necessary for the construction or modification of such facility and the operation thereof, and the requirements of other applicable provisions of law.

(h) Nothing in this Act shall be construed to preclude the Secretary from entering into negotiations, after the submission of the report referred to in subsection (c)—

(1) for the transfer of spent fuel to any potential interim spent fuel storage facility which may be designated under this section,

(2) for other related matters, including the payment of the full costs of the acquisition, construction, maintenance, and operation of any such site and facility, including the costs associated with decontamination and decommissioning, and

(3) with the owners of existing away-from-reactor storage sites and facilities as may be necessary to obtain information regarding the availability or suitability of such sites for selection or designation in the reports issued under subsection (c), (e), and (f)

except that no agreement regarding any such transfer or related matters shall be executed prior to the authorization and appropriation of funds for purposes of such agreement or for the acquisition of any designated site or sites.

(i) The Secretary of Transportation, the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency shall participate in the study and selection of sites and subsequent hearings and in the development of the reports and recommendations under this section.

(j) This section shall take effect on October 1, 1979, or on the date of the enactment of this Act, whichever is later.

### URANIUM MILL SITE AT EDGEMONT

SEC. 503. (a) The Secretary of Energy shall undertake an investigation with funds appropriated pursuant to section 501(5) to determine whether Federal funding is appropriate for 90 percent of the cost of any stabilization, decommissioning, and decontamination actions necessary in connection with the uranium mill tailings site owned by the Tennessee Valley Authority and located at Edgemont, South Dakota. Such study shall take into consideration whether such tailings resulted all or in part from activities conducted under Federal contract. Such investigation shall include an analysis of the total costs which would be required to undertake such actions with respect to such site, including the costs of acquiring and managing any disposal site and facilities which may be necessary for disposal of radioactive materials removed from the site. Not later than one hundred and twenty days after the date effective of this section, the Secretary shall submit a report to the Congress containing the results of his investigation under this section. Such report shall include any recommendation for legislation to provide for such funding. Any such recommended legislation shall be consistent with the provisions of the Uranium Mill Tailings Radiation Control Act of 1978. The report shall also contain the comments and recommendations of the Tennessee Valley Authority.

(b) This section shall take effect October 1, 1979, or the date of the enactment of this Act, whichever is later.

### FOREIGN SPENT NUCLEAR FUEL OF UNITED STATES ORIGIN

SEC. 504. (a) The Secretary of Energy shall immediately take steps to prepare for the removal of spent nuclear fuel of United States origin from countries which may become ineligible for additional nuclear exports pursuant to sections 128 and 129 of the Atomic Energy Act of 1954. These steps should include, where appropriate, (1) the initiation of specific and detailed feasibility studies for retrieving such fuel, and (2) the acquisition, in accordance with applicable provisions of law and this section of physical capacity for implementing a retrieval operation.

(b) There is hereby authorized to be appropriated to carry out this section, $5,000,000 for the fiscal year 1980.

### AMENDMENT OFFERED BY MR. WYDLER

Mr. WYDLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by the Mr. WYDLER: On page 56, line 21 and 22, substitute the following new title: "TRANSITIONAL STORAGE OF SPENT FUEL."

On page 57, after line 7, insert the following new subsections:

(b) In providing for transitional storage of spent nuclear fuel the Secretary of Energy shall give primary consideration to such fuel from United States civilian nuclear power plants to insure that each has the ability to maintain full core reserve (FCR) in its spent fuel storage capacity.

(c) Upon the initiation of operation of the away-from-reactor (AFR) storage facility referred to in section 502 of this Act, the Secretary shall, as soon as is practicable, in according with the provisions of this title, authorize removal of all the spent fuel referred to in this title to said AFR.

On page 57, redesignate the subsection (b) as subsection (d).

Mr. WYDLER. Mr. Chairman, I think this amendment is a fairness amendment to treat American industry and American problems at least as well as we are planning to treat foreign industry and foreign problems in the legislation before us. This is a genuine energy continuity amendment. It is intended to make sure that this country does not have to shut down nuclear powerplants in the 1980's for reasons other than normal refueling or conventional operating problems. The interim storage of spent fuel, which would be done in the away-from-reactor storage facility, cannot possibly be accomplished by the 1985 date. And, even if that timetable could be met, we could face the domestic emergency of shutting down nuclear plants in the meantime.

The present legislation provides for retrieval of U.S.-supplied spent fuel from foreign reactors because of weapons proliferation concerns. In this amendment we are simply providing similar coverage for our own utilities. Given our tight energy supply problems, it would be criminal to do otherwise. We cannot condone the neglect of our own utility industry. It would require roughly a year leadtime to modify an existing DOE facility to prepare it for transitional storage. But doing this in a timely manner will preclude the eventuality of losing hundreds of millions of barrels of oil—I repeat that: hundreds of millions of barrels of oil—because of nuclear shutdowns.

I think that should be a very clear and present danger to the Congress today, since we are hearing the message from the Middle East oil-producing countries that they want to cut back their oil production, they want to increase the price of their oil and to do it on a continuing basis. We must make provisions for our own industry even as we are making provisions for foreign industry to see that our own nuclear plants, which are vital to the economic health and well-being of our country, are provided for.

Therefore, Mr. Chairman, I ask that the members of the committee support this much-needed amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, the gentleman is not eliminating the provision for spent fuel interim storage from foreign countries, I take it?

Mr. WYDLER. The gentleman is exactly correct. There is in the bill at the present time a provision which provides for the emergency storage of spent fuel from foreign countries. My amendment merely puts America on the same basis as the foreign countries and provides that in setting up these facilities we can provide that they can be used for emergency purposes for American spent fuel as well. So it does not eliminate the present provision; it merely adds that these facilities can be used for American spent fuel as well as foreign spent fuel.

Mr. OTTINGER. If the gentleman will yield further, I understand that we already have made a provision for the away-from-reactor storage in this legislation.

Mr. WYDLER. There is a study in the legislation to provide for away-from-reactor storage, and some day I hope there will be such a facility and, obviously, I will support the efforts to bring that into being. This amendment provides when and if we do that—I hope it will be at an early date, but it certainly will not be in time to take care of potential problems we have that may arise on an emergency basis—if and when that date comes that we have that facility, this amendment provides that that will then be used in place of the provisions as set forth in my amendment. So that would then become the away-from-reactor storage point.

Mr. OTTINGER. I do not understand what this paragraph (c) means. Can the gentleman explain that?

Mr. WYDLER. That is just what I was trying to explain to the gentleman. I am sorry if I did not do it very well. I am trying to explain to the gentleman that when the away-from-reactor storage facility referred to in the act, which is part of the act, at that point, when that becomes available, at that point this provision will cease and the material will be shipped to that point.

Mr. OTTINGER. This says that the Secretary has to take the spent fuel away from the transitional storage facility and place it in away-from-reactor storage at that time.

Mr. WYDLER. Exactly.

Mr. OTTINGER. I thank the gentleman for his explanation.

Mr. SHARP. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, there are two things we have to recognize: First, we are moving ahead to deal with the question of away-from-reactor storage for domestic spent fuel. Second, we have to recognize there are fundamental distinctions between what the Nuclear Nonproliferation Act requires of us in terms of foreign spent fuel and what we are trying to accomplish on the domestic scene.

Let me take the first point. We do set up in this bill a way to bring the Congress to a decision on the basic question of AFR's in the next session. When we deal with this bill next year, we will be in a position to hopefully specifically designate whether or not we wish to go forward with a particular given site. Everybody recognizes there is a whole series of procedural things that have to be done, before a final decision can be made.

This bill sets up an orderly process so we can make that decision. We are by our decision this year, not to delay any of the gut considerations that must occur on the question of AFR's, that is, with respect to what to do about the storage of spent fuel which many of us recognize will become a problem at domestic reactors unless either the industry or the Government resolves it, and we are setting up a mechanism by which the Government can resolve the question.

But second, we have to recognize there is I think, some unfairness in this foreign-domestic comparison. The Nuclear Nonproliferation Act of 1978, which a previous Congress adopted overwhelmingly provides for the United States to take back, under certain conditions, spent fuel. It set up a mechanism by which the U.S. Government could maintain some control over nuclear fuels which leave this country. But the emergency that is envisioned in this bill relates to political emergencies. This bill calls for a contingency planning so that on 2 weeks' notice we could take a full core and be able to provide for its shipment and storage.

The emergency that the gentleman from New York, I think, is trying to avert is one that in fact is not an emergency; it is a matter of predictability, it is a matter of long-term planning, and that is the ability to have full core reserve at every domestic site.

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It must be recognized that under the guidelines of the NRC and under the practices of the nuclear industry in this country, I am told, there is at every site full core reserve capacity at this time. Therefore, it is not as if we are talking about a sudden emergency.

I assume that the gentleman is not raising here the question that there is some serious risk at the reactor sites at the present time in their storage facility. That would be a whole other issue.

We are dealing with two kinds of situations. One is an international emergency, for which contingency planning must begin. The other is the question of how to take care of a predictable situation where at some point some domestic reactors are clearly going to have trouble holding onsite their spent storage.

We have set up in the bill a way to deal with that. I do not think we should try to mix the two issues together.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I will be glad to yield to the gentleman from New York.

Mr. WYDLER. As I understand the gentleman's first point, it is to the effect that we are making plans for away-from-reactor storage; therefore, we do not need this. The point is that this amendment is specifically intended to cover the period of time between today and the day when we have that facility, just as we are doing for foreign fuel.

In other words, someday we may have that AFR facility, the away-from-reactor storage facility, and if we have the foreign emergency, we will have a place to put it—just so.

Under my amendment, if we have just an emergency, we will have a place to put domestic fuel. Actually, it is exactly the same whether we are talking about the Bingham provision or my own, except mine takes care of the emergencies for American plants, and the gentleman's amendment takes care of emergencies for foreign plants.

Mr. SHARP. Mr. Chairman, if I may reclaim my time, I guess the gentleman is telling us here—and I have difficulty believing he is—that he anticipates some kind of nuclear accident which will generate an emergency in the storage plant.

Is that the emergency the gentleman is talking about?

Mr. WYDLER. If the gentleman will yield, I am saying nothing of the kind. That is not what I am saying.

Mr. SHARP. I will reclaim my time, if I might, and say if that is not what the gentleman is indicating, then I think we are not talking about the same kind of emergency.

The CHAIRMAN pro tempore. The time of the gentleman from Indiana (Mr. SHARP) has expired.

(By unanimous consent, Mr. SHARP was allowed to proceed for 2 additional minutes.)

Mr. SHARP. The emergency situation we are talking about on the international scene is a political one where we identify that somebody is about to misuse fuel and where the United States seeks to quickly take control of that fuel.

The gentleman from New York (Mr. BINGHAM), who is very knowledgeable about this situation, I think will be here in a moment to discuss this matter.

The emergency the gentleman keeps describing is not of a sudden or immediate character. It is something that one knows in a predictable way, and the fact is that utilities can now arrange to move spent fuel from one plant to another so they will not have a reactor shut down. That is a quite predictable thing. I hardly think it deserves the characterization of an emergency.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from New York.

Mr. WYDLER. I cannot agree. I think to have a reactor shut down in the United States certainly would create an emergency for the American public. It would create the need for more foreign oil. I do not know what the gentleman's emergency might be but it is too restrictive for me.

Mr. SHARP. Mr. Chairman, if I may reclaim my time, my point is that it is not an emergency in terms of a timetable that something is going to happen now and the reactor plant is going to close down. Any given reactor can tell you their estimate of when they are going to need storage.

They are prepared, is my point, and they better darn well be prepared to take a full core and place it in their storage at this time in the event of some emergency situation in the reactor. Even that takes time, obviously. That is not the emergency to which the gentleman, I think, is referring.

I think the gentleman is referring to projections that by 1982 or by 1983, a given reactor may have difficulty finding any place to store fuel.

It is precisely that possibility that we are trying to address in this legislation in the provision on the AFR.

Mr. LUJAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, much will be said about this amendment, but it simply covers an oversight contained in H.R. 3000 as it now exists.

Section 502 of this bill prepares for the needed longer term storage of spent fuel in an away-from-reactor facility. I support this section.

The original section 504 of this bill authorizes foreign spent fuel storage by the DOE, presumably until the away-from-reactor facility is completed. This is for nonproliferation purposes. I also support this original section.

However, there is an oversight contained in these two sections of the bill. They fail to similarly provide transitional storage for U.S. spent fuel until the away-from-reactor facility is completed. This amendment is a simple correction of that oversight. This amendment provides the same transitional storage for U.S. fuel as H.R. 3000 provides for foreign fuel.

This amendment does not result in any abrupt change in current U.S. practices with spent fuel. We customarily ship spent fuel in the United States and store it in different places, both in the Department of Energy facilities and private facilities. This amendment would result in a gradual and smooth buildup of these present activities. These practices are fully safe and are reviewed by the public.

I urge my colleagues to support this simple solution to correct this oversight that would otherwise discriminate against spent fuel from U.S. reactors.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from New York.

Mr. WYDLER. I think we and Members of this Congress have to really get it clear in our minds that although the two situations may not be exactly the same, the emergencies that occur are likely to arise, and the emergencies are really the problems that will be faced by perhaps 16 currently operating nuclear plants which are supplying electrical power to the consumers of our country having to shut down for some inspections. It may or may not happen, but possibly needing some place to temporarily store some spent fuel. That would be an emergency in my judgment, because the result would be, if that storage space was not available and it could not be done, these plants would have to close.

That would mean that the electrical

rates in those areas would go way up. It means we would have a shortfall in our electrical production capacity. It means we probably would have to use more foreign oil. I call that an emergency. It is not exactly the same kind of emergency. It is an American emergency, if utilities are not allowed their flexibility in managing these plants but it is a serious problem we all are trying to face here in the Congress.

I hope that the Members will give to the American industry at least the same protection that they are now going to offer to foreign industry.

Mr. LUJAN. The gentleman is absolutely correct. They were talking about any emergency that might not exist.

Let me give a small example of something that would happen that is not a catastrophe, but let us say that there was a small rupture somewhere that needed to be fixed, and you needed to take the core out in order to repair it. If you need to do that, and if you do not have the facility to do that, you would be operating under unsafe conditions. You have to have full core reserves in these reactors.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Indiana.

Mr. SHARP. That is required under NRC, so that is a practice on any given site. They can take the core out and put it in storage they have available.

The issue, I think the gentleman correctly wants to address and which we have sought to address, is that at some point you can only stack up so many cores, and at some point you are going to want to have a long-term facility.

I could not agree more with that thinking, but I certainly do not characterize that in the same characterizations as an emergency where in 2 weeks you have got to have something.

We can predict in every given reactor. That is what the GAO is trying to study and trying to get an accurate handle on, what we need over the next 5, 10, or 15 years.

Mr. LUJAN. Maybe the gentleman does not understand that there are presently reactors without a full-core capacity, so if something happened, for example, at the San Onofre, in California, right today, that the core had to be removed, there is not enough space in that particular reactor site for a full-core reserve.

Now, what would the gentleman do? Operate it unsafely or provide space for the full core to be pulled out so that the repair could be made? It would be unsafe to continue to operate it simply because of the limitation that the gentleman is talking about.

The CHAIRMAN pro tempore. The time of the gentleman from New Mexico (Mr. Lujan) has expired.

(At the request of Mr. Corcoran and by unanimous consent, Mr. Lujan was allowed to proceed for 1 additional minute.)

□ 1140

Mr. CORCORAN. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. Certainly I yield to the gentleman.

Mr. CORCORAN. In the example the gentleman gave us, could he tell us presently what that particular utility does with the storage of its spent fuel?

Mr. LUJAN. They are having to ship to GE at Morris, Ill., as I understand, because they do not have the capacity.

Mr. CORCORAN. So the point of the gentleman is if there is a rupture or some sort of difficulty, there is not at the site capability of storing or of accomplishing core reserve?

Mr. LUJAN. That is correct. The point I am making is if there is a very, very small rupture, then because they do not have the facility to move the core out, then just what do they do with it? Do they not fix it? That could be disastrous. Nothing would happen but it would get worse and worse all the time.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. Certainly.

Mr. McCLORY. Would this amendment accommodate a nuclear generating plant located in my district which is rapidly using up its available temporary storage faciltiies in pools which are at the same location as the generating plant. The company desires to revise or to modify the storage area so that it can accommodate additional spent fuel rods.

The CHAIRMAN pro tempore. The time of the gentleman from New Mexico has again expired.

(At the request of Mr. McClory and by unanimous consent, Mr. Lujan was allowed to proceed for 2 additional minutes.)

Mr. McCLORY. If the gentleman will yield further, would this amendment accommodate that kind of an emergency situation?

Mr. LUJAN. It would help in the sense that if they do not have capacity right now, they do not have sufficient capacity, what are they going to do with it? This amendment says take those rods that are now stored, put them in a temporary facility, and while we are arguing about away-from-reactor storage areas, for the time being, let us put them somewhere where it will be safe. It is prudent to follow such a course.

Mr. McCLORY. If the gentleman will continue to yield, it may be right nearby or it may be an expansion, or it may be a modification?

Mr. LUJAN. No. No. That is not the case. What this amendment says is we must look at a facility someplace else. We cannot do it right there.

Mr. McCLORY. So, that if they do run out of space within this temporary facility, then there would be an emergency situation, which would be covered by this amendment, and which then would accommodate this nuclear generating plant?

Mr. LUJAN. To expand, is the gentleman asking?

Mr. McCLORY. The gentleman talks about another area of some kind, an emergency area.

Mr. LUJAN. Yes, a traditional area.

Mr. McCLORY. So the question I ask is that such an area would be available under this amendment?

Mr. LUJAN. Certainly. That is exactly the point.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage the gentleman from New York (Mr. Wydler) in a colloquy if I might. I know the gentleman has discussed this several times already in this debate, but I want to make sure, absolutely clear, that the gentleman's amendment in no way impinges on the language that is already in the bill relating to storage of foreign supplies; is that correct?

Mr. WYDLER. Will the gentleman yield?

Mr. LAGOMARSINO. I am glad to yield to the gentleman.

Mr. WYDLER. Yes, that is correct. In other words, my amendment does not change the language that is in the bill except to add to it a provision which makes it possible for American industry to use the facilities that we are going to provide in any event for foreign countries. So my amendment does not change that provision at all, it just makes those facilities available for American industry as well.

Mr. SHARP. Mr. Chairman, will the gentleman yield on that point?

Mr. LAGOMARSINO. I yield to the gentleman.

Mr. SHARP. Mr. Chairman, I think there is a misunderstanding among us as to what the amendment does. The bill does not authorize the construction, the purchase, or new site for storage of foreign spent fuel and, therefore, the gentlemen's amendment does not authorize any new construction, any new facility. What it does say is that existing Federal storage could be used in an emergency. It does not get at the gut issue that a number of people have been trying to address, and that is a genuine problem, a predictable problem of backing up storage at reactor sites. So I think that we are not really solving what people think is being solved by this amendment. The amendment does not address that gut issue.

Mr. WYDLER. Mr. Chairman, will the gentleman yield further?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

**Mr. WYDLER. I would say to the gentleman I do not understand the distinction there. Whatever we are doing for foreign industry and for foreign spent fuel we are going to make available for American industry and American spent fuel. I do not care about all of these little differences. The fact of the matter is, it seems to me, the basic point is if American industry has a problem and needs help, we should be providing help to it, at least to the extent that we provide it to foreign countries and foreign industry.**

**Mr. LAGOMARSINO. I just want to make the point that the language already in the legislation, which is language I cosponsored with the gentleman from New York (Mr. Bingham) is clearly necessary to give credibility to U.S. efforts to prevent nuclear proliferation.**

**This legislation would enable the United States to develop the option of retrieving U.S.-origin nuclear material from a country that violates our nuclear nonproliferation agreement. U.S. laws have established our responsibility for recovering nuclear material used in vio-**

lation of intended peaceful purposes. While we have that provision in our laws, we have no actual means to accomplish that retrieval. The small amount of money set aside for this purpose in this bill simply makes more credible our commitment to vigorously pursue the goal of nonproliferation of nuclear weapons.

Apart from the general principle of being able to meet a contingency need for retrieval, we must look to the very real problem we face with the misuse of nuclear fuel by India and its 1974 nuclear explosive test. In less than 6 months, we face the automatic cutoff for cooperation in nuclear energy with countries that violate safeguards against proliferation. That will specifically affect India, which has said that once U.S. exports of nuclear fuel ends, India considers that it can start to reprocess U.S. nuclear material stored at its reactor site at Tarabur. Such reprocessing would result in large supplies of weapons-grade material.

If we are to persuade India and other countries not to proceed with their declared intention to start reprocessing, we had better have the means to implement our policy and provide for a contingent capability to retrieve our U.S. fuel.

The only thing that concerns me about the gentleman's amendment is whether or not it will interfere or impinge on our credibility or our ability to take care of these nuclear problems in foreign countries. In other words, if they feel we do not have the capacity to carry out storage, they are going to ignore the requirements and we are going to face even greater problems of proliferation.

Mr. WYDLER. I would say to the gentleman that we cannot measure these things exactly because, as I am sure the gentleman realizes, we do not know exactly what the emergencies are going to be. But my answer to the gentleman would clearly be no. I think there are adequate facilities in our country to handle both problems and any potential problems without any great difficulty.

### AMENDMENT OFFERED BY MR. SHARP AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. WYDLER

Mr. SHARP. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Sharp as a substitute for the amendment offered by Mr. Wydler: On page 56, line 21 and 22, substitute the following new title: "TRANSITIONAL STORAGE OF SPENT FUEL."

On page 57, after line 7, insert the following new subsections:

(b) In providing for such transitional storage of spent nuclear fuel the Secretary of Energy shall give primary consideration to such fuel from U.S. civilian nuclear powerplants to insure that such plants have the ability to maintain Full Core Reserve (FCR) in their spent fuel storage capacity in order to cope with any emergency.

On page 57, redesignate the subsection (b) as subsection (d).

### POINT OF ORDER

Mr. WYDLER (during the reading). Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN pro tempore. The gentleman will suspend until the Clerk reports the amendment.

Mr. WYDLER. Mr. Chairman, I make a point of order. I believe the gentleman from Indiana was already recognized on this amendment and there were other people standing on the amendment.

The CHAIRMAN pro tempore. The gentleman from Indiana has been recognized to offer a substitute for the gentleman's amendment, and the Clerk is reporting the substitute amendment.

Mr. WYDLER. The gentleman had already been recognized on my amendment. Is the Chairman aware of that?

The CHAIRMAN pro tempore. The Clerk will report the amendment. The gentleman is on the committee which considered the pending title and is entitled to separate recognition to offer an amendment, and the Clerk will report the substitute.

The Clerk concluded reading the amendment.

□ 1150

Mr. SHARP. Mr. Chairman, the gentleman from New York will recognize that the major portion of his language is in this amendment. What I have sought to do is to compromise and accept the notion that, in principle, certainly we will provide for any kind of critical emergency on a temporary basis while we resolve the long-term problem.

I personally think it is not actually necessary to do so, but we will in this amendment provide that in Federal facilities there will be a chance to provide storage in the event of an emergency. However, at this point the amendment would not deal with the long-term question of other spent fuel. That kind of question is to be resolved in the next bill.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I understand the gentleman's amendment. I did not mean that I was objecting to his amendment, but I was merely trying to raise a point of order because I think other Members were trying to be recognized.

I have read the amendment, and frankly I think it does cover the problems I am trying to address. I just feel that we should, as a nation, make some provision for our own industry when they have serious problems. I think this amendment will do that. so I would be willing to accept the gentleman's amendment.

Mr. SHARP. I thank the gentleman.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I have no great objection, but it seems to me that the two provisions, the one that is presently in the bill and this provision, are totally separate matters. The provision in section 504 merely provides for removal of spent fuel from abroad, from other countries. It has nothing to do with storage. It does not make any provision for storage.

It says:

These steps should include, where appropriate, (1) the initiation of specific and detailed feasibility studies for retrieving such fuel, and (2) the acquisition, in accordance with applicable provisions of law and this section of physical capacity for implementing a retrieval operation.

It contemplates using the existing storage of the United States. The thing I want to make absolutely clear is that we are not making any provision, if we do accept the amendment, for the creation of any new transitional storage.

Mr. SHARP. It is my understanding that the original amendment, as well as the amendment I have offered to it, simply provide for storage on an emergency basis. The Federal Government can take spent fuel on an emergency basis and provide for the placing of it in an existing Federal facility that now exists. It clearly would not be a long-term solution. I think the gentleman from New York and I both agree on this.

Mr. WYDLER. I would agree. That is my interpretation. The away-from-reactor (AFR) storage problem on an interim and not transitional basis is faced in section 502 of the act. I think that is where it should be; section 504 with my amendment covers transitional storage for domestic reactors so they can be assured of full-core reserve at all times.

Mr. GOLDWATER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of this amendment offered by my colleague from New York (Mr. Wydler). I think its is an appropriate amendment inasmuch as our storage capacity for spent fuel rods is reaching a dangerous point of undercapacity, and therefore putting us in a position where we might have to shut down a nuclear reactor or in fact not be allowed to build any new ones. We need this capacity, and we do not have the adequate capacity for the future.

That is why this amendment is important as we proceed, by 1985 and probably longer, to build away-from-reactor storage capability.

Mr. Chairman, I also feel that it is somewhat criminal that we have never adopted a policy in this country of completely completing the nuclear fuel cycle, going to reprocessing, and establishing a permanent waste disposal policy and facility. It is a fact that if we proceeded with the full fuel cycle, we could extend the available energy supply some sixty-fold of the nuclear reactor capacity in this country. That is an issue that has plagued us for many, many years, and because we failed to address ourselves adequately to it, we are finding ourselves wasting energy and increasingly moving behind the world in the proper utilization and efficient utilization of nuclear energy.

But nevertheless, faced with the existing policy of storing spent fuel rods in pools of water and reaching a capacity, we need to transition into this away-from-reactor policy which will be established later on in the future. Mr. Wydler's amendment addreses itself to that.

Mr. Chairman, I would like to ask the gentleman from Indiana (Mr. Sharp), when he puts in the word "emergency", what his definition of an emergency is.

Mr. SHARP. Mr. Chairman, if the gentleman will yield, I am assuming from the conversations that have occurred in the debate so far that we mean a sudden problem. The gentleman from New Mexico mentioned the possibility of a rupture that requires the removal of fuel. The Federal Government will certainly be available to take the fuel core or to guarantee there is storage available at another reactor to cover a serious situation that could lead to a closedown of a plant.

I do not know how to precisely define the situation. I was trying to distinguish an unexpected emergency from a predictable situation. I think we ought to plan for the predictable needs of the 1980's and that is what we are trying to do in this legislation. We can see a need for storage in the near future; and we can decide how to handle it in advance.

Mr. GOLDWATER. Would the gentleman agree, therefore, that the word "emergency" should be interpreted in its broadest extent, encompassing any adverse or unusual situation that could be looked upon as an emergency?

Mr. SHARP. Well, it is hard to dispute the general statement the gentleman has made. I guess I would find that to be acceptable. I would think that any court or any administrator or any Member of Congress would have difficulty specifying a course of action out of that language, but I certainly would take a fairly broad interpretation.

Mr. GOLDWATER. I thank the gentleman.

Our energy needs are in this day and time are such that, failing to select a site to serve as a transitional storage facility would impair our ability to maintain our reactors at peak capacity. In debating this legislation we have over and over pointed up the necessity of alleviating our dependence on foreign oil. By taking the steps this amendment would, we are going a long way to meeting the goal of energy self-sufficiency. The costs associated with modifying our plants, maintaining them, and administering their operation are fundamental to a policy of developing nuclear technology for a system capable of meeting this Nation's demand for power from our public utilities.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I would agree with the gentleman in everything he said. Of course, I would include in those situations one in which, because there was not adequate storage on site for spent fuel at a particular nuclear plant, and circumstances were such that the plant was going to have to shut down with the resulting devastation to the economy and to the country, that the Department of Energy would be in a position to help out.

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I simply would like to provide my colleagues with a perspective on this amendment from the point of view of a trained scientist familiar with the technical details that are involved. To clarify my own situation, no reactors are now in my district, nor are there any planned. However, we are close to several, and transport of the materials is a factor. My intention is to provide a few facts in a hope for a reasoned approach and consideration of this amendment.

The amendment is wise in requiring that the Secretary of DOE would insure that U.S. reactors maintain full core reserve in their spent fuel pools.

□ 1200

I will get into the meaning of "full core reserve" in a short while if my colleagues are interested. Scientists and regulatory officials know that in the meantime a full core reserve is the only prudent practice in operating our reactors. Maintaining this full core reserve insures that inspections and maintenance will not unnecessarily be deterred or postponed for lack of storage.

Let me assure my colleagues that spent fuel storage as practiced presently is safe. I know many of you read in the newspapers about leaks, and the leaks you may have heard about concern defense-related liquid solutions associated with producing weapons grade material. They do not relate to the fuel storage from electric utility uses of nuclear power. We have hundreds of reactor years of safe experience in fuel storage. Storage has been shown to be equally safe both for storage in water and in a dry environment. Scientists have done three analyses and detect no deterioration even after almost two decades of storage, but this transitional storage is planned for merely another 5 years.

I would like to talk for a moment about the transportation of spent fuel because there is a transportation factor involved. The transportation of spent fuel has been shown to be fully safe on the basis of very extensive experience. This is not at all surprising to a technical person looking at the very stringent regulations and facilities involved in spent fuel transportation. Regulations are thorough and require tough, thick, impact-resistant casks used for transporting spent fuel. I might add this is in contrast to the containers of other dangerous energy-related materials such as gasoline, such as liquefied gas, and other chemicals such as chlorine, such as a number of highly poisonous acids.

In summary, I assure my colleagues that the technical matters involved in this amendment are sound.

Mr. WYDLER. Mr. Chairman, would the gentleman yield to me?

Mr. RITTER. I yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding. The gentleman is making an excellent statement, and I appreciate it very much. I think, however, that the committee is ready to support the amendment. I wonder if maybe we could do that and proceed. I appreciate the gentleman's statement; it is an excellent one.

Mr. RITTER. I had finished my statement, and I would gladly yield back the remainder of my time.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment. I think that the compromise which has been reached in this section is one which indicates the ability of both sides in this issue to work together, and to achieve reductions and sound accommodations that meet the desired goals of those who stand on both sides of this issue. At the same time I think that it also recognizes the need to preserve the understanding that was struck by the Committee on Interior and Insular Affairs and the Committee on Interstate and Foreign Commerce to give the Department of Energy until later next winter to study this question.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding. I want to strongly support this amendment.

Mr. Chairman, Arkansas Power & Light Co. has two nuclear plants in my district. Their first plant (Arkansas Nuclear 1) to go critical and start furnishing power a few years ago will be one of the first domestic powerplants which will have to shut down within the next year because of this storage problem unless positive steps are taken. I strongly support the Wydler amendment which looks to taking care of our own reactors before we solve international problems by retrieving foreign spent fuel. Proliferation concerns are important but our own energy supply situation is critical and that is where our emphasis should be for handling spent fuel emergencies.

Mr. MARKEY. I think that this gives us a real opportunity to have the Department of Energy study the GAO report which was issued in June of this year. The GAO report indicated that utilities and commercial enterprises have a real opportunity to be able to provide onsite storage of nuclear wastes. I think we need the opportunity to have good, strong oversight by the Congress when that report is returned to us by the Department of Energy. At that time I think we would be fully prepared to be able to deal more adequately with the AFR issue. I would hope at this time that the amendment offered by the gentleman from Indiana is accepted.

● Mr. BINGHAM. Mr. Chairman, I rise in support of the substitute offered by the gentleman from Indiana (Mr. SHARP) to the amendment offered by the gentleman from New York (Mr. WYDLER). While the gentleman from New York has indicated very clearly that it is not his intention in any way to compromise the basic objective of the section under consideration—to enable the United States to meet important security responsibilities spelled out in the Nuclear Nonproliferation Act of 1978—his amendment, as originally drafted, would have had the effect of requiring the use of funds authorized by section 504 for the purpose of domestic spent fuel transfers even in the absence of an emergency. The language offered by Mr. SHARP simply insures that the Secretary of Energy will both take steps to prepare for the retrieval of foreign spent fuel in the event we are faced with an international nonproliferation emergency, and make available the same facilities and equipment for the transfer of domestic nuclear-spent fuel should an emergency at a U.S. nuclear plant site require such action.

As I have stated on a previous occasion before this body, there is a dire need in this country to have a credible capability to retrieve and store safely U.S.-origin nuclear-spent fuel when it serves our vital security interests in preventing the spread of nuclear weapons. There is a lot of U.S.-supplied nuclear fuel spread all over the world, and we recognized our interest in seeing that it is not misused by passing the Nuclear Nonproliferation Act last year by unanimous vote. Nothing concrete, however, has been done to implement those provisions relating to spent fuel. Section 504 of H.R. 4839 would remedy this situation. It directs the Secretary of Energy to develop a spent fuel retrieval capability so that if a country violates an international safeguards agreement or otherwise misuses U.S. materials we will be in a position to respond quickly and effectively.

I would remind my colleagues that India would not be in the position she is today—able to convert U.S. origin spent nuclear fuel into an arsenal of nuclear weapons—had we acted decisively after her 1974 nuclear test to cut off further nuclear trade and to retrieve the remaining spent fuel for safe storage in the United States.

I would hope that the debate has shown today that more must be done, and done quickly to defend vital U.S. foreign and security interests in a tough stance against the spread of nuclear weapons worldwide.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Indiana (Mr. SHARP) as a substitute for the amendment offered by the gentleman from New York (Mr. WYDLER).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. WYDLER), as amended.

The amendment, as amended, was agreed to.

### PERSONAL EXPLANATION

Mr. BINGHAM. Mr. Chairman, I wish to state that I was unavoidably absent from the floor during the discussion on the amendment offered by the gentleman from Indiana (Mr. SHARP) as a substitute for the amendment offered by the gentleman from New York (Mr. WYDLER). Had I been present, I would have risen in favor of the Sharp substitute.

Mr. CORCORAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have in my congressional district, at Morris, Ill., the only away-from-reactor (AFR) nuclear spent fuel storage facility operating in the country today. This facility, operated by GE, has contracts with several utilities throughout the United States to store their excess spent fuel.

In February 1977 GE, anticipating its storage space problems in the early 1980's, applied to the Nuclear Regulatory Commission for a license to expand the storage capacity of the Morris facility.

On October 18, 1977, the Carter administration announced its proposal to take responsibility for excess spent fuel produced by commercial nuclear reactors. The announcement outlined four basic commitments: Federal ownership of AFR's; one time fee for interim storage and ultimate disposal; Federal assumption of title to fuel; and Federal responsibility for ultimate disposal.

In response to my local problem and the President's proposal I introduced, on December 15, 1977, legislation (H.R. 10301) to establish a Federal policy on spent fuel storage and nuclear waste management, something we still lack in this country despite 30 years of commercial nuclear power. No action was taken on this proposal, which would have established a specific timetable for evaluation and subsequent action on storage facilities.

In the meantime, the Carter administration continued its studies and assigned task forces to formulate specific recommendations following the President's decision in April 1977, not to reprocess spent fuel. Among these was the Interagency Review Group on Nuclear Waste Management (IRG), a 14-member body whose evaluations confirmed the need for a Federal leadership role in nuclear waste management, including the desired availability for more than one away-from-reactor (AFR) facility for storing spent fuel. The IRG has strongly recommended a "regional siting" approach on the ground that while there is no need for 50 storage sites, there is a need for from three to six sites. Moreover, since may regions benefit directly from nuclear power, it is not unreasonable to expect that each region will bear some of the interim storage burden. Furthermore then as a matter of fairness, no one region or State in the country becomes a so-called dumping ground for nuclear spent fuel as is the case today. The National Governor's Association supported this concept in testimony before our subcommittee during hearings on the administration's spent fuel storage bill, H.R. 2586.

Mr. Chairman, now let us review the congressional commitment to AFR spent fuel storage. As the House moves to approval of the fiscal year 1980 Department of Energy authorization bill, and as the Subcommittee on Energy and Power continues its ongoing process of hearings on the administration bill (H.R. 2586), it is extremely important that we recognize the commitment made in the last Congress to proceed with the implementation of the President's spent fuel executive directive of October 1977. Despite the failure of the administration to transmit enabling legislation last year to deal with this issue, the 95th Congress felt strongly enough about the matter to approve the construction of an initial away-from-reactor storage facility. This congressional approval was given via the passage of the conference report to accompany H.R. 12928, the Energy and Water Resources Appropriations bill, which included Project 79–1–p, a construction line item. This measure was subsequently signed into law by the President (Public Law 95–482) constituting both an authorization and an appropriation bill.

Pending at the close of the 95th Congress was additional clarifying language in section 403 of H.R. 11392, the fiscal year 1979 DOE authorization bill. This language was proposed based on an extensive hearing record constructed before the Energy and Power Subcommittee of the House Commerce Committee as well as extended deliberation by the full committee during its markup process. The author of that section, Mr. Gammage of Texas, provided some important insight into the impact of Project 79–1–p. A colloquy on the House floor between the author and the chairman of the Appropriations Subcommittee on Energy and Water Development, Mr. BEVILL of Alabama, confirmed the intent of Congress to proceed on an AFR program during fiscal year 1979 via the following language:

> H.R. 11392, Section 403: "The Secretary (of Energy) shall conduct a study, select sites . . . and construct facilities at away-from-reactor sites . . . At least one such facility shall be in operation by January 1, 1984 . . ."

Mr. Chairman, the design, construction, long-lead procurement and acquisition authority for regional AFR's given the Department of Energy for fiscal year 1979 via Project 79–1–p has been sustained for fiscal year 1980 by the conference report on H.R. 4388, the Energy and Water Resources Development Appropriations Act. The conference report, which has been approved by both the House and the Senate, earmarks an addtional $5 million for Project 79–1–p. The spent fuel storage studies called for in the bill we are considering today (section 502 of H.R. 3000), complement the work that is presently being done on Project 79–1–p. The studies contained in section 502 will also facilitate the progress of Project 79–1–p as is made clear in the legislative history on H.R. 4388.

Mr. Chairman, I would like to point out that President Carter and the Department of Energy requested $30 million to go forward with the program outlined in section 502; however, only $5 million is provided in the pending bill on the grounds that this is what is needed for study and site selection, but that acquisition should not go forward without specific congressional approval as would be provided in the administration's spent fuel storage bill, H.R. 2586, which is pending further hearings in our Energy and Power Subcommittee.

I am very hopeful and determined that we can move on a schedule which addresses all aspects of this issue both by Congress and the affected agencies to solve these nuclear storage problems.

In fact, extensive documentation of

the environmental ramifications of AFR storage is now available. I would like to describe some of the major elements of that documentation at this time in order to inform my colleagues of the work that has already been completed in this regard.

Mr. Chairman, as you know I am disappointed by the continuing opposition of President Carter to reprocessing of spent fuel. In view of our energy crisis I do not think we should deny ourselves the contemplated demonstration testing at Clinch River, Tenn., of this particular nuclear option. However, I am pleased to report that the administration is commendably aggressive in its commitment to solving our nuclear waste management problems. To the extent appropriate DOE has proceeded to fulfill the requirements imposed by the National Environmental Policy Act—NEPA—related to implementing the President's spent fuel proposal.

In August 1978 DOE filed a draft environmental impact statement—EIS—entitled "Storage of U.S. Spent Power Reactor Fuel," examining all alternatives for implementing the President's October 1977 policy statement relative to domestic spent fuel—DOE/EIS-0015-D—A supplement to this draft EIS was made public in December 1978—DOE/EIS-0015-DS.

A document entitled "Preliminary Estimates of the Charge for Spent Fuel Storage and Disposal Services" was made public by DOE in July 1978. This was followed by a December 1978 release of a draft environmental impact statement, "Charge for Spent Fuel Storage" which established the basis for determining both interim storage charges and final disposal—DOE/EIS-0041-D.

Also in December 1978 a draft environmental impact statement dealing with the storage of foreign spent power reactor fuel was published—DOE/EIS-0040-D.

A great deal of public discussion of the need for and the attributes of the program was included in the February 1978 "Report of the Task Force for Review of Nuclear Waste Management," commonly known as the Deutch report. This effort culminated in the Interagency Review Group report to the President on Nuclear Waste Management submitted in March 1979. And, as I understand it, a decision memorandum has been forwarded to the President. In his August 2 environmental message, the President announced that his long-awaited national waste management policy was about to be clarified, thus completing a 2-year cycle on this important issue.

In an important supportive effort the Nuclear Regulatory Commission released in August its final generic environmental impact statement on the handling and storage of spent fuel (NUREG-0575). This assessment, available to the public, includes the impacts of implementing a program for away-from-reactor interim storage, particularly in terms of regulatory considerations. This underlies the ongoing program of approving licenses for onsite (at reactor) expansion of storage capacity. NRC, by the way, as a recipient of some 65 applications for expansion permission has independently determined that substantial away-from-reactor storage will be needed sometime between 1982 and 1983. This progress by NRC should be considered an important aspect of the adherence to NEPA concerns.

Thus I think it should be clear to my colleagues that as far as NEPA and the public comment process is concerned, the pertinent agencies are virtually ready to proceed with activities directly related to site selection and construction of our interim storage facilities for nuclear spent fuel.

Based on the need to proceed with both the authorization process for a definitive project and a parallel path for review of the enabling legislation for transfer of title and establishment of charges for the one-time fee arrangement, we are now being asked to vote on provisions within section 502 of H.R. 3000 which are intended to complement the process initiated in fiscal year 1979. Had the administration moved more expeditiously on the pertinent legislation, we would be involved in a more important vote; namely, giving the Department of Energy the authority to take title to domestic spent fuel. I personally am hopeful that we can bring the Subcommittee on Energy and Power's hearings on H.R. 2586 to a rapid close so that further action on this important program can be taken.

There are several broad issues here on which there is general agreement. First is the issue of need for the interim storage capacity. Essentially all witnesses who have appeared before us during hearings on H.R. 2586 have urged proceeding with the program. The only difference of opinion was stated by the General Accounting Office which, although it concluded that some away-from-reactor storage would be needed as early as 1981, felt that DOE should concentrate its efforts on getting resolution of the question of whether spent fuel would be reprocessed and its valuable fuel residue recovered for further use.

While this forward-looking perspective by GAO is commendable it begs the question before Congress: Are we going to jeopardize the ability to maintain operations of existing nuclear powerplants in the mid-1980's because of a failure to act today? Our responsibility is to anticipate today the energy needs and the practical problems associated with meeting those needs in the coming years and take reasonable planning steps starting now to meet both long-term and short-term needs.

Of course, had it not been for President Carter's decision to force the NRC to terminate its licensing of commercial spent fuel reprocessing plants in 1977, we could now be looking forward to the operation of privately funded facilities in South Carolina, Tennessee, New York, and possibly other States, all capable of storing the excess fuel. In each of these cases the processing facilities would have provided for their own onsite temporary storage until the fuel was loaded into the plant. Hopefully we will some day get back to this mode of operation since every other industrial nation with a substantial commitment to nuclear power is proceeding this way. But clearly that is not the question before us today.

Even more disturbing to me was the GAO's failure to account for the very real prospect that activities of intervenors and regulatory bodies will preclude achieving even a modest improvement in the ability to store the fuel within their own systems. For example, GAO noted that their estimates were based on utilities being able to fulfill their intrautility shipment plans.

However, the Natural Resources Defense Council (NRDC), the same organization which has represented to Congress that implementing the President's AFR policy is unacceptable to them, has proceeded to intervene against Duke Power, in South Carolina, and Commonwealth Edison, in Illinois, to block the shipments of spent fuel between reactors. Intervenors have also challenged the efforts of utilities to expand their onsite capacity to the maximum extent possible. These tactics must be recognized for what they are—blatant efforts to force the shutdown of existing nuclear powerplants.

But perhaps more serious is the action of regulatory bodies such as the Minnesota Pollution Control Agency. This agency, on behalf of the State of Minnesota, has intervened against Minnesota utilities to block expansion onsite. In a case involving this agency and Northern States Power, the agency agreed to allow onsite expansion contingent on the commitment that once the AFR becomes operational, Northern States must halt additional onsite storage and ship to the AFR any spent fuel which is discharged from the reactor after the date on which the AFR became operational. The point is that GAO based its conclusions on the assumption that all current and planned expansions of onsite capacity would be utilized to the maximum extent possible. Thus, we can see that the simplistic assumption of GAO does not meet the test of reality. What we must come to understand is that dealing with this issue is a Federal concern and that the States expect the Government to deliver on its commitment. We cannot allow the unavailability of a firm commitment to build an AFR to be used for harassment of our nuclear electricity production industry.

In my own State of Illinois the State attorney general has taken steps to attempt to block the onsite expansion at two operating facilities, the Dresden and Zion plants, which include five of the seven nuclear units currently providing some 30 percent of our electricity. The GAO's response to my inquiry about their assessment of which this institutional obstacle might be overcome was "we don't know." I submit to my colleagues that it is up to Congress to deal with this debilitating uncertainty.

A key issue important to our discussions is the extent to which regional spent fuel storage facilities will be encouraged. The Interagency Review Group has strongly recommended this approach since it puts the need for providing this interim management option into perspective—many regions benefit directly from nuclear power so it is not unreasonable to assume that each region will shoulder some of the burden. The National Governor's Association has supported this concept in testimony before the committee and I understand that each Governor involved has recognized the important role of regional facilities.

For example, Governor Riley of South Carolina supports expansion of the Barnwell facility from 400 tons to 1,750 tons in order to accommodate excess spent fuel from nuclear plants in the Southeast. Other regional demands of consequence include the Northeast and the Midwest. The Department of Energy should proceed on a course which emphasizes the use of regional facilities. To date, the proposals presented to Congress would permit aggressive pursuit of this option.

Another important aspect of our efforts to implement the President's spent fuel storage proposal is the establishment of a charge to be paid by the utility at the time fuel is accepted for storage or waste is accepted for disposal. It is his expressed intent that the charge to be paid by utilities for this service will recover all costs including applicable research, acquisition of sites, construction, operation, surveillance, and decommissioning. The utilities support this proposal because they need a sound basis for approaching their local electricity rate commissions. Recently a Connecticut public utility commission approved the use of the DOE estimates for disposal costs as a recoverable expense to be charged customers benefitting from the energy derived from the nuclear fuel.

There has been a bit of confusion over what this one-time fee actually means. I would like to briefly discuss some of these issues. First, the one-time fee would be charged for each batch of fuel assemblies or waste canisters delivered to the Government facility. This fee would be paid at least once a year for the 30 to 40 years of powerplant operations and would include any updates on both costs incurred and revised cost estimates. For example, a utility beginning to operate a power plant in 1980 would be making payments each year through the year 2010 to 2020.

Second, the Government has already established a procedure for full cost recovery over a reasonable period of time. This is currently the basis for charging for uranium enrichment services provided by the Government from the Oak Ridge, Tenn., Portsmouth, Ohio, and Paducah, Ky., plants. These costs include labor, materials, power, research, plant additions, and inventory charges plus a contingency. Criteria have been published describing the basis for the charge and must be submitted to Congress any time a change is contemplated. Third, the charge would be annually updated to include the most recent experience in construction and operation.

As we all know, the technology for the spent fuel storage pools is currently in use at 72 reactors in the United States alone and essentially every Government nuclear installation. Detailed engineering designs for the final repository have been completed for a full range of options—including every candidate geologic media. Extensive documentation is provided in the April 1979 draft environmental impact statement on "Management of Commercially Generated Radioactive Waste" published by DOE. Estimates for repository construction, including mining, back filling, and shaft sealing are provided for salt, granite, shale, and basalt. Various fuel cycles from the throwaway to the residual fuel recovery are also analyzed. By the time the first payments are made by a utility we will have constructed the interim storage facility, and should have specific site construction programs under way. As long as Congress does its part, we should have the first repository operational long before the final fuel is discharged from currently operating reactors. Thus, every utility will be a participant in paying for its share of the storage and disposal system.

The action of this body during its consideration of title I to provide for an Intermediate Scale Technology Demonstration project could contribute significantly to the Department of Energy's refinement of its cost estimate for the disposal-only portion of the fee to be paid by utilities. There is no better way to get the important experience needed than through the construction of a specific site facility which, although designed at a smaller scale, can be used as a basis for examining handling facilities, emplacement techniques, and waste forms in enough detail that even more confidence can be placed in a scale-up of the design. In the event that Congress cannot move expeditiously to resolve the more important question of establishing a comprehensive waste management policy, projects such as these can provide the needed direction for the ongoing program. I personally support this approach because it will enhance rather than detract from our future legislative responsibilities in this area.

While utilities will continue to take whatever actions are available to avoid the shutdown of nuclear power reactors due to inadequate spent fuel storage, the ability of utilities to adopt temporizing measures in expanding spent fuel storage facilities or transshipments is diminishing. Passage of the pending bill (and the approval of H.R. 2586 or a similar measure) is needed to provide AFR capacity because it is the only viable alternative in the near term, because it is the best economic alternative, and because the problem is directly related to uncertainties created by Government policies and, thus, resolvable only by Federal action.

For these reasons I urge passage of this section of the bill as a most important part of this year's Department of Energy authorization bill.

(Mr. CORCORAN asked and was given permission to revise and extend his remarks.)

### AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

**Amendment offered by Mr. Gonzalez: Page 45, line 6, strike section 502.**

Mr. GONZALEZ. Mr. Chairman, once again it looks to me as though the House, the Congress generally, is playing nuclear roulette with the fate of the American people, again with a very limited background of thoroughgoing and forthright presentation of all of the issues involved.

My amendment is very simple: It strikes out all of the provisions relating to a study by the Department of Energy on the problem of storage for nuclear reactor wastes, away from the site of such reactors and implementation thereof.

What we are being asked to do, constantly, in the business of nuclear power, is to clean up after this, that or the other mistake. In this case we are being asked to create storage space in communities that don't have nuclear wastes to worry about, to take care of the problems of the communities that do have nuclear wastes to worry about.

I do not see why my community, or any other community that is free of nuclear wastes ought to become the potential waste bin or dumping ground for some place that cannot handle its nuclear trash.

Today, nuclear wastes are stored on the site of nuclear power plants. That is the way it ought to be. That is the way they argued it should be, before T.M.I. Those who create the poison have to live with it.

But Section 504 of this bill would relieve those places of their responsibility to live with what they have created. It would transfer their poison to other places that have been wiser, or you might even argue, more fortunate than to have a nuclear junkpile in their backyards.

I know that the committee will argue that unless away-from-reactor disposal is made available, certain powerplants will run out of storage space in 1983. But the people of this country did not make any agreement to be responsible for storage of this waste. It is the people who create waste that have to be responsible for its disposition, not innocent communities hundreds of miles away. If a power company built a reactor, then its responsibility was to assure that the wastes would be taken care of. But section 504 of this bill relieves them of this responsibility and commands others, who are not responsible, to assume all the risk and all the consequences of this thoughtless act. This is manifestly wrong.

I know too that the committee will argue that without the capacity for away-from-reactor storage, certain powerplants will begin to run out of storage space in 1983 and be faced with the possibility of shutting down. But everyone knew, from day one, how long that storage space would last, and now that the predicted end is near, they are saying that we have to create dump grounds elsewhere, or see tragic consequences. This is nothing other than simple blackmail, and it does not change the fundamental rights and wrongs of the situation. It still does not answer the question of why some communities must become the recipients of the poisons of other communities.

It might be said that if my amendment is adopted it will be the beginning of the end of nuclear power in this country. I say, if that is so, then so be it. We can live without nuclear power, and it might well be that we may not be able to live with it. But if we have to live with nuclear power, let those who created the poison be responsible for it, and live with it. Do not make innocent people have to live with a monster they had nothing to do with, never asked for and never wanted. Let those who did the deed live with its consequences.

□ 1210

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. CORCORAN and by unanimous consent, Mr. GONZALEZ was allowed to proceed for 2 additional minutes.)

Mr. CORCORAN. Mr. Chairman, will the gentleman yield for a comment?

Mr. GONZALEZ. I yield to the gentleman from Illinois.

Mr. CORCORAN. I respect what the gentleman has said in terms of raising the issue of why have we not provided by now for not only interim storage of spent fuel but also permanent disposal of nuclear wastes.

As I tried to point out in my earlier comments on this section of the bill, one of the problems that has come upon us recently has been the decision of the Carter administration to stop the breeder reactor program. The original idea was that the spent fuel would be used as part of a new technology in developing additional nuclear fuel. For that reason the storage sites were relatively small at the nuclear powerplants. We now find ourselves in a different situation.

There are two things happening which I think are progressing reasonably well under current circumstances. One, section 502 of the bill, which answers the problem the gentleman raises in that it provides for a need study, public hearings and all of the procedures so that we can come to a final determination on whether or not the spent fuel should be stored on site or at away-from-reactor facilities. Second, section 502 of the pending bill helps bring us to that day when we can ultimately have permanent disposal sites for high level nuclear wastes.

Mr. GONZALEZ. I appreciate the gentleman's effort to make the point that I know he wants to make. However, that would be well if that is as far as it went. However, a very careful evaluation of the language of this section will reveal to the gentleman we go beyond that. We are actually making a very definite commitment. If you look at it you will see it goes beyond just coming in with a study and recommendations. It sets up a plan of action; this has been, incidentally, an approach which resembles the way the whole matter of private commercial development of nuclear fission has been presented to the Congress and therefore to the country. It has been absent of all of the established facts.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. CORCORAN and by unanimous consent, Mr. GONZALEZ was allowed to proceed for 1 additional minute.)

Mr. CORCORAN. Will the gentleman yield?

Mr. GONZALEZ. Surely I will yield to the gentleman from Illinois.

Mr. CORCORAN. I am sure the gentleman and I can disagree on what we have read, but I can assure the gentleman, having participated in the development of the section as a member of the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce which has jurisdiction in this section, that it is the intent, and I declare it is the language of the section that it is a study, and all the other actions are conditioned on that study.

Mr. GONZALEZ. In other words, Mr. Chairman, the gentleman is saying as far as the intent of the committee writing this section is concerned, all you were really asking for is a study and any implementation thereof would have to, of necessity, be evaluated by the Congress subsequently?

Mr. CORCORAN. Will be evaluated, to use the gentleman's words, by the Congress subsequently.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. Certainly I will yield to the gentleman.

Mr. SHARP. Mr. Chairman, that is precisely our intent. On both pages 54 and 55 there are references to both the words authorizations and appropriations. In other words, that the Federal Government cannot buy, cannot purchase land, cannot call for construction.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(At the request of Mr. SHARP and by unanimous consent, Mr. GONZALEZ was allowed to proceed for 2 additional minutes.)

Mr. GONZALEZ. I yield to the gentleman from Indiana.

Mr. SHARP. They cannot take title to spent fuel until there is a further authorization and appropriation. Our assumption is that through this study, through the preliminary groundwork the department will engage in, that on the next authorization bill or on a separate piece of legislation we would then be in a position to have exactly the debate the gentleman properly wishes to have.

Mr. Chairman, there was an effort by the administration and some others to try to get Congress to put money in the bill for the purchase of an AFR facility. We rejected that on the grounds we did not have the documentation of exactly what is the problem, whether we wish to go with further onsite storage or whether the Federal Government should provide storage, so we tried not to resolve all of those gut questions but put us on a timetable so we will have the information available to us in a much more thorough manner when we consider the next authorization bill.

Mr. GONZALEZ. I sincerely thank the distinguished subcommittee chairman and also the gentleman from Illinois (Mr. CORCORAN).

Mr. Chairman, upon reading this amendment, my interpretation leaves me to believe it is essentially erroneous and it does not in any way make a commitment in the way of providing any future site based on a study.

Mr. SHARP. That is right, Mr. Chairman. In fact, we avoided precisely, as one of the gentlemen here can tell you, any allowance of designation of any given site.

We do ask the administration to come forward with potential sites so that when we get down to discussing the issue we will know what we are talking about, where we are talking about, how it will be used. Then and only then will Congress decide: Yes, go forward and buy it, or, No, do not do it.

Mr. GONZALEZ. I have always been in favor of studies. I do not want to be narrow in my interpretation. If this seems to be the consensus here among those who have written the section, I might well ask unanimous consent to withdraw my amendment.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, I would like to reassure the gentleman that withdrawal of the amendment would be appropriate. I have expressed the same concerns as the gentleman in the well. I serve on both subcommittees, that of the Committee on Interior and Insular Affairs and that of the Committee on Interstate and Foreign Commerce.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(At the request of Mr. MARKEY and by unanimous consent, Mr. GONZALEZ was allowed to proceed for 2 additional minutes.)

Mr. MARKEY. The language which is in this bill is exactly that. It is intended to allow and mandate the Department of Energy to conduct a study and report back to the Congress on what are their recommendations, but to give them no authority or no appropriations that would allow them to act without specific authorization and appropriations from the Congress. We will have that opportunity then to be able to give specific instructions to them. I think the gentleman's motion to withdraw the amendment would be appropriate because, indeed, we do build in those protections.

Mr. GONZALEZ. I thank the gentleman from Massachusetts.

Mr. Chairman, if it is in order, I ask unanimous consent that I may be allowed to withdraw my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in considering this section 502, I think it is important for us to keep a few facts clearly in mind. There was some confusion in the discussion of the amendment by the gentleman from Texas that I should like to correct at this time so that there will be no misunderstanding of these facts.

Mr. Chairman, the gentleman stated there is about 75 million gallons of waste, nuclear waste in this country. I should like to point out that of the nuclear wastes in this country, about 99.9 percent of them have nothing whatsoever to do with our nuclear energy program.

□ 1220

These wastes come almost exclusively from our defense program, our nuclear weapons program. There are virtually no wastes at all from our nuclear energy program, because we have only reprocessed a handful of fuel elements from our nuclear plants. Part of the tank of wastes at West Valley in New York come from commercial fuel elements, but most come from the Department of Defense. This one small tank is partially nuclear energy wastes and this bill does contain a provision to glassify that waste.

So it is important to remember that the nuclear wastes referred to around the country are almost entirely associated with the defense program.

It is important to remember also that each spent fuel bundle, about 6 or 7 inches square and about 10 feet high, contains the electric energy equivalent of between 6 and 10 million barrels of oil in fuel that has not yet been used. There is only about 2 percent waste in a spent fuel element, and we do not get the waste until we reprocess and we do not have any reprocessing program today. I think we would have a reprocessing program, and I regret that it has been delayed.

This study, of course, will, along with the provisions that are provided in title I of the bill, help lead to a reprocessing program at the appropriate time. I have no doubt that we will do that.

I believe, as a matter of fact, that we will come to a conclusion to create a Federal nuclear fuel cycle corporation, where the Federal Government preempts all the fuel cycle from mine mouth to waste disposal and carries out all the operations on a contract basis and leases the fuel elements to nuclear powerplants and has them returned intact for reprocessing. But it is important to get the simple facts in context and to go ahead now with these studies.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I would be glad to yield.

Mr. SHARP. Mr. Chairman, I would just like to take exception to one of the gentleman's facts. I think the gentleman is accurate when he says 90 percent of the volume of radioactive waste does come from the military and 10 percent from our energy program. It is my understanding that given the measure of radioactivity, that it is, in fact, 50–50 in terms of radioactivity.

Mr. McCORMACK. Well, of the wastes themselves, it is about 99.9 percent defense.

In the future the portion from the energy program will increase. As we reprocess the fuel and separate the wastes, and as the radioactivity dies away from the defense wastes, then there will be more activity from the nuclear energy program.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I would be glad to yield.

Mr. WYDLER. Mr. Chairman, I think the gentleman's statement is excellent. I think it tends to put in perspective what the responsibilities of the American people are, because the American people have a responsibility, whether they like it or not or want it or not, to take care of the waste material that has been granted in our country from our nuclear bombs, our atomic weapons, which are there to protect our Nation. That is a Federal problem. There is no way we can escape that and it has to be dealt with at the Federal level.

Some of the earlier discussion, I am afraid, indicated that these spent fuel rods, which are going to be put away from reactor storage facilities, are wastes and, of course, as the gentleman so clearly pointed out, they are not waste. They are one of our most valuable assets, one of our treasures, as a matter of fact, because they contain enormous amounts of power and energy which we can use to develop the economy of our country in the next 100 years. So obviously, it is not a question of disposing of wastes, but it is a question of preserving those assets, so that when we finally make the decision to use them, as we inevitably will, they will be there for us to use them.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman. He is completely correct.

I should point out that not only are these spent fuel elements a great treasure for the United States, they are the greatest source of eneregy we have in this country.

The CHAIRMAN pro tempore. The time of the gentleman from Washington (Mr. McCormack) has expired.

(By unanimous consent, Mr. McCormack was allowed to proceed for an additional one-half minute.)

Mr. McCORMACK. When the wastes are separated from the spent fuel, they will occupy a very small volume, indeed. When we glassify these wastes, a typical 1,000-megawatt nuclear plant will provide only 10 canisters of waste, about 1½ feet in diameter and 6 to 10 feet high per year. That is the entire volume of high level wastes per year produced by a nuclear powerplant. We have the technology now to totally remove all of the high level wastes completely from the biosphere forever. That technology exists. It is being used in France today. We have already demonstrated it in this country. We simply have to go ahead and do it.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that section 502 as it emerged from the Committee on Interior and Insular Affairs and the Committee on Interstate and Foreign Commerce is, indeed, a fine compromise position. The study provided for in this section is the away-from-reactor spent fuel storage program. It is inherently a neutral assessment of the nuclear future of our country. It makes no real decision on whether or not reprocessing is something which in the future will be encouraged by our Government. It makes no determination as to whether or not there is the ability at already existing nuclear power facilities for onsite spent fuel storage.

It does not really answer the question of whether or not reracking and expansion of onsite storage pools are an answer which might be able to get us through the interim period while we are awaiting a permanent solution to the nuclear waste disposal problem in this country.

The GAO report, issued on June 27 of this year, indicated that they found that the Department of Energy had greatly overestimated the need for spent fuel by almost four times, making the real storage requirement only about 25 percent of what DOE had projected. When utilities were interviewed by the GAO, only one utility did not have an option to expand its existing storage capacity, and that utility is in fact considering the possibility of building an independent storage facility in partnership with another group of utilities. The study of the problem of commercial spent fuel in section 502 of this bill took a great deal of time and painstaking care to structure. I think all parties understood that it did not make a determination that either reprocessing or Government purchase of AFR capacity was going to be a necessary result of any DOE study. Rather, we intend that there be an impartial zero base analysis of the whole question of away-from-reactor capacity and then recommendations would be returned to the Congress that we would be able to act upon.

I think that is, indeed, what this section of this measure indicates and I would hope that the broad-based support that we receive here will also be present when the recommendations and studies are returned from the Department of Energy.

The CHAIRMAN pro tempore. Are there further amendments to title V?

Mr. FUQUA. Mr. Chairman, are we through with title V?

The CHAIRMAN pro tempore. The Chair is not aware of any further amendments to title V.

Mr. FUQUA. Mr. Chairman, I ask unanimous consent that three amendments be offered to title I of the bill, despite the fact that the title has been passed over in the reading. One amendment is a technical amendment that I will offer. One is an amendment by the gentleman from North Carolina (Mr. Neal) that has been agreed to; and one is an amendment by the gentleman from Washington (Mr. McCormack) that has been agreed to by both the minority and the majority committees involved.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. WYDLER. Mr. Chairman, reserving the right to object, I am just going to announce that I will not object to this particular request, but any further requests of this type, I will object to.

Mr. FUQUA. Mr. Chairman, I appreciate the gentleman's consideration.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

### AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: Page 2, line 4, strike out "$48,000,000" and insert in lieu thereof "$56,000,000".

Mr. FUQUA. Mr. Chairman, this is a technical amendment to clarify an error that was made in the amendment offered by the gentleman from West Virginia (Mr. RAHALL) last week when the bill was considered. The committee accepted the gentleman's amendment. Inadvertently it was printed incorrectly in the RECORD.

I ask that the amendment be adopted.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA).

The amendment was agreed to.

□ 1230

### AMENDMENT OFFERED BY MR. M'CORMACK

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCCORMACK: Change section 107, paragraph (B), subparagraph (2) on page 5, lines 12 and 13 by deleting the following:

"(2) Waste treatment technology and other activities, $20,950,000."

And adding the following:

"(2) Waste treatment technology and other activities, $21,950,000."

The CHAIRMAN pro tempore. The gentleman from Washington (Mr. MCCORMACK) is recognized for 5 minutes in support of his amendment.

Mr. McCORMACK. Mr. Chairman, his amendment is to add $1 million to the subject of waste treatment technology.

The purpose of the amendment is to accelerate the program for research and development into incineration or other methods of reducing the volume of the low-level radioactive wastes that are produced in this country.

About half of the low-level wastes comes from hospitals and from industrial use. Every time somebody goes to a hospital for any kind of therapy and requiring nuclear medicine, any time this type of equipment is used, hospitals eventually have to dispose of radioactive materials, syringes, boxes, anything at all, and there is a considerable volume of this low-level waste.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, as I mentioned before, we have already agreed to accept the gentleman's amendment. We think it is a very worthy amendment, and I urge its adoption by the committee.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman from Florida (Mr. FUQUA).

Mr. Chairman, despite the fact that the amendment has been agreed to, I think there is another point that must be understood here. It is a very important point. That is that for the low-level wastes that are being shipped across this country today, there are only two functioning low-level waste repositories. About half of the material comes from hospitals and other nonnuclear industries, and it has a huge volume. There is very, very little radioactivity involved.

We are shipping these materials all over the country as if they are dangerous materials, only to comply with the regulations, and the important thing, I think, is to reduce the volume as much as possible so we do not have the problem of handling these materials just to meet the requirements of regulations.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Washington (Mr. MCCORMACK).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. NEAL

Mr. NEAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NEAL: On page 2, line 8, strike: $88,150,000 and insert $85,050,000.

On page 19, after line 8, insert the following new item:

(11) Project 80–FE–12, peat-fueled combustion demonstration plant, site undetermined (A–E and long-lead procurement only), $3,100,000.

On page 35, after line 18, insert the following new item:

(15) Project 80–FE–12, peat-fueled combustion demonstration plant, site underdetermined (A–E and long-lead procurement only), $3,100,000.

Mr. NEAL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NEAL. Mr. Chairman, one of this country's largest untapped energy sources is peat. We have enough peat in the United States to produce the energy equivalent of about 250 billion barrels of oil. That is roughly comparable to Saudi Arabia's total oil reserves.

What is more, the commercial use of peat is no pipe dream. European countries have been burning it successfully for years. We know that with only a few technological refinements we can use peat to produce electricity in the United States. We even have studies indicating that, in generating electric power, peat would be cost-competitive with both coal and nuclear power. We know also that peat is a cleaner-burning fuel than coal.

In view of these facts, it is absolutely incredible that our Department of Energy is not spending a penny to develop peat combustion technology.

We are sitting on an energy resource of enormous value, at a time when this Nation is on the verge of critical energy shortages, and we are simply ignoring it.

Mr. Chairman, that is why I am introducing an amendment to the Department of Energy Authorization Act for fiscal 1980, to provide $3.1 million for first-year funding of a demonstration peat-fueled electric generating plant. It is recognized that this will be the first module in a full-sized commercial electrical generating facility. The Senate version of the DOE authorization bill already contains a similar provision.

This demonstration plant would fill a serious gap in our energy development program. It would fully explore the potential of peat-fired power production by testing and refining the latest available equipment. It would also measure the environmental effects of harvesting and burning peat.

Mr. Chairman, the DOE authorization bill already contains $6.7 million for peat gasification research and development. My amendment would make our peat development program a more balanced one. The Science Committee staff has informed me that no additional funding is necessary, beyond what is in the bill, for the purposes of my amendment. It was pointed out that many aspects of the combustion program, particularly as they relate to peat harvesting, will complement the gasification program.

Mr. Chairman, some will ask why the Government cannot just wait until the utility companies get around to developing this obvious resource on their own. Well, we do not have that luxury anymore. We need energy now. Furthermore, we have to recognize that utilities are not rushing into peat fuel development. Why? Primarily because the available technology has not been refined for use in the United States. Large-scale use of our American varieties of peat—which are different from European peat—will require development of new kinds of boilers and a new harvesting system. This equipment seems to be technologically feasible and easily obtainable, but private utilities now seem unwilling to make the initial investment. I have seldom seen a situation in which the Government had so much to gain from providing an incentive.

I have no doubt that the availability of Federal matching funds would bring forth utilities eager to build a peat-fired electric plant.

One such organization is the North Carolina Electric Membership Corp., which represents 28 consumer-owned electric cooperatives. This group has offered to pay more than half of the cost of constructing a 150-megawatt peat-fired generating plant. After extensive research, the North Carolina cooperatives have estimated that such a plant could generate electricity at a cost of about 17 mils per kilowatt hour. That compares favorably with the Virginia Electric Power Co.'s current cost of 15 mils using old equipment and 20 to 23 mils using new coal or nuclear equipment.

Under the North Carolina proposal, the Federal share of the cost would be $72 million over 6 years. In addition, the cooperative organization's directors recently approved a resolution agreeing to "repay that portion of any moneys the Federal Government has expended for production equipment if the project results in a successful and economic savings to its members." That could reduce the ultimate Federal share to about 20 percent.

As an example of peat's potential value, consider the fact that North Carolina's peat reserves—only 2 percent of the Nation's reserves—are said to be sufficient to supply all of that State's electric power for 23 years. Other States have even greater stores of peat.

Mr. Chairman, our energy forecasters tell us to expect serious electricity shortages by the 1990's because of problems in bringing nuclear plants on line and in mining sufficient coal. In addition, President Carter has now committed the country to reducing its oil imports by half by 1990.

It is obvious, then, that we had better develop alternatives. Peat is one of our best hopes for closing the energy gap. It is this country's second most abundant fossil fuel. Yet we do not have even one commercial peat-fired generating plant, even though peat's potential in this field has been amply demonstrated in Russia, Finland, Ireland, and other countries.

In addition to its other appealing qualities, peat is not likely to compound our air pollution problems. Compared with coal, peat is a relatively clean-burning fuel. It has significantly less sulfur, ash and nitrogen than coal. The demonstration plant would, however, measure peat-burning's effect on air quality and would answer questions about peat harvesting's impact on the environment and on land use.

On balance, when one considers the availability and potential value of peat, the only remaining question is: What are we waiting for?

I hope that my colleagues will get us started by supporting this amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, the committee has had a chance to review the gentleman's amendment. I think it is an excellent one, and I urge the committee to adopt it.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from North Carolina (Mr. NEAL).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title V?

### AMENDMENT OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment to title V.

The Clerk reads as follows:

Amendment offered by Mr. VENTO: Section 502(b)(1), add the following new subsection (C) and renumber accordingly:

(C) be based on the assumptions that:

(i) these facilities will be designed solely for the interim, short-term storage of spent fuel;

(ii) these facilities will be used solely for the near term need;

(iii) the storage capacity shall not be expanded beyond the level needed to meet the amount of spent fuel withdrawn from the core of any nuclear reactor licensed by the Nuclear Regulatory Commission prior to 1990, and, where appropriate and consistent with applicable law, foreign nuclear reactors: and

(iv) facilities for the long-term or permanent storage of spent fuel and nuclear high level waste shall be made available as soon as possible.

### PARLIAMENTARY INQUIRY

Mr. WYDLER (during the reading). Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. WYDLER. Mr. Chairman, may I ask, is this amendment being offered to title V, and, if so, have we not completed title V?

The CHAIRMAN pro tempore. The Chair will state that the committee is still on title V. The Clerk has not yet designated title VI.

The Clerk will continue to report the amendment.

The Clerk concluded the reading of the amendment.

Mr. McCORMACK. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. The gentleman from Washington (Mr. McCORMACK) reserves a point of order on the amendment.

The gentleman from Minnesota (Mr. VENTO) is recognized for 5 minutes in support of his amendment.

Mr. VENTO. Mr. Chairman, the need or the concern that is expressed in this amendment deals with the study and study criteria stated with regard to away-from-reactor storage. I have shared this amendment with members of the various committees who are concerned with this particular issue, and I was hopeful that we would have this particular provision accepted by those committees. Nevertheless there is concern with regard to the amendment and what the impact of it would be.

What I want to point out today is that what comes through to us on this away-from-reactor study, which is a very unusual study, it all but authorized the quick implementation and construction of away-from-reactor facilities in this legislation.

I think all of us ought to recognize that, and I believe we do recognize it. We also recognize the critical problem in terms of dealing with spent fuel. That problem is with us now, especially with nuclear reactors throughout the country. By 1990 I assume there will be some 150 nuclear reactors operating, all of which will be producing spent fuel, with the real possibility of no resolution regarding permanent or long-term disposal of nuclear material. I think that this would obviously be an abrogation of our responsibility and purpose with AFRS.

My fear with regard to the study is that the time frame for short-term storage is something like a time frame of 30 to 50 years. The problem is that once that has been attained, the pressure really is off with regard to finding permanent or long-term types of storage solutions.

All this amendment would propose to do would be to recognize that up until 1990 there would be a certain amount of spent fuel produced which would require away-from-reactor storage, and that we ought to have certainly short-term storage, that is, a 30- to 50-year short-term storage available. That storage could continue to be used, with this amendment, after 1990, but it would limit the amount of away-from-reactor storage or short-term storage anticipated by the criteria of this study to the 1990 level. This AFRS program will likely be implemented within a year without a congressional veto but hopefully rigorous oversight.

The point is that this amendment really provides an option, to say we were going to obviously provide this capacity but we are not going to go beyond that 1990 base as a solution to the problem.

Obviously that has met with some opposition, and I really think the best interests of nuclear reactors, and so forth, would be served by reaching a long-term or permanent type of storage agreement. But unfortunately, it is my judgment that if this is passed into law, absent the proposed amendment, the impetus to find permanent and long-term storage would be severely retarded.

However, I do agree with the intent of what we are trying to do here. I think we do not have the answers. The interagency group study pointed out the lack of information and the unanswered questions. We cannot force human knowledge or the answers to implement a long term, permanent storage solution to be created by law. There are many questions that should be answered. I certainly hope they will be answered so we can proceed with a plan for the storage of various types of waste and hazardous materials, especially those related to nuclear reactors.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. Does the gentleman from Washington (Mr. McCORMACK) insist on his point of order?

Mr. McCORMACK. Mr. Chairman, I do not insist on my point of order. I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from Washington (Mr. McCORMACK) is recognized for 5 minutes.

Mr. McCORMACK. Mr. Chairman, with all due respect to the gentleman from Minnesota (Mr. VENTO), because I appreciate the intent of his amendment, I believe that it would put unnecessary, unwieldy restraints upon the programs which will be evolving during the coming years between the administration and the Congress.

I believe that section 502 sets out a study program which is a reasonable one. As did the gentleman who sponsored this amendment in its written form with the committees involved, I say it is a completely neutral study. Indeed I think that is what it should be.

In my own mind, I am convinced that in the very near future the administration will come forth with programs for fuel reprocessing, and that the requirements for fuel storage will be very much reduced as we get a nuclear fuel cycle in operation. But we cannot be exactly sure of the dates and what this amendment does is provide dates which might conceivably confuse the situation and make it unworkable.

□ 1240

Indeed, the amendment contains language which I consider to be vague beyond the point of workability, where it says that spent fuels shall be stored solely for the near-term need. I think defining "near-term need" is almost impossible.

For these reasons, in spite of the fact that I respect the gentleman's attempts to try to define that we shall not protract the surface storage of spent fuel indefinitely, I must rise in opposition to the amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Chairman, I just want to assure the gentleman that there is no mystery intended by the amendment in terms of subtle meanings that are difficult to define.

I just want to remind the body that we did have amendments before us that said within 1 year, within 2 years, we would in fact arrive at a solution of permanent long-term storage. The intent of this amendment certainly is not to put it in a 1- or 2-year time frame but, rather, to just suggest that the away-from-reactor storage study on the construction that may be authorized under this would in fact fall into some sort of a reasonable time frame. That is the intent of it.

So I think the Members ought to think about it, those who voted for the 1-year and the 2-year construction permit. This really just says we are going to keep this as a long term storage solution on track, that we are not going to let the near-term storage of spent fuels anticipated by this away-from-reactor storage study lulling us into complacency and pretend to fill the need itself. We should keep this on track.

Mr. McCORMACK. I thank the gentleman for his comments.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I want to congratulate the Committee on Interstate and Foreign Commerce on the amendment that they wrote, which I think is very superior to this amendment. I oppose the amendment that is being offered and I support the action of the Committee on Interstate and Foreign Commerce.

Mr. McCORMACK. I thank the gentleman for his remarks.

Mr. Chairman, I only want to say that, in all due respect to the gentleman from Minnesota, I do believe that the wording of his amendment is too vague, is too restrictive, and it will do more damage than good.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, with a great deal of respect to the author of the amendment, I think it is duplicative of provisions already included in the section. It breaches understandings arrived at.

My good friend, the gentleman from New York (Mr. WYDLER), mentioned it was the Committee on Interstate and Foreign Commerce which crafted section 502. It really was not. It was three committees working in concert, the Committee on Interior and Insular Affairs, the Committee on Science and Technology, and the Committee on Interstate and Foreign Commerce.

Mr. Chairman, I oppose the amendment offered by the gentleman from Minnesota on the grounds that it is duplicative of provisions already included in this section.

The purpose of this amendment is to insure that the Secretary, in studying the need for away-from-reactor spent fuel storage, limits his determination of such need to spent fuel discharged from reactors licensed to operate before 1990. The purpose of this limitation is to insure that assistance is provided only to those reactors which were designed to have limited onsite storage capacity and with the expectation that such fuel would be shipped offsite to a reprocessing plant. As reprocessing is not presently an option, these reactors may be running out of storage capacity. As this problem was supposedly caused by Government actions, then, it is argued, the Government should offer relief by providing interim storage capacity. This amendment would then seek to limit that assistance only to those who relied on past Government policies and would require reactors licensed after 1990 to anticipate the problem and provide their own adequate storage capability.

The issue of providing away-from-reactor spent fuel storage capacity for future reactors is already addressed in section 502(b)(2)(ii), which specifically directs the Secretary of Energy to study and submit data on the need for providing storage for future reactors. Thus, the Secretary would then be providing information as to which reactors now under construction would be able to provide their own additional on-site storage capacity for their discharged spent. The existing provisions would not then guarantee space to all such factors, as would this amendment, and, thereby, the existing text would reduce the potential size of the need.

As to the argument that the Government should provide storage for all existing and future reactors, the Department has testified that their intention is only to assist those reactors which face an immediate storage problem as a result of changing Government policies and not to establish a continuing program, which I believe is consistent with the terms of the present text.

It should be noted that the proposed amendment is vague in the sense that it does not define such terms as "short term storage" or "near term needs." The present text, in section (b)(3)(B) directs the Secretary to determine the period of time for which such storage should be provided.

Finally, subparagraph (iv) of the proposed amendment states that—

> Facilities for the long term or permanent storage of spent fuel and nuclear high level waste shall be made available as soon as possible.

The objective of our program should not be to perpetuate storage, but find a suitable method of disposal.

For these reasons, I oppose this amendment and urge its defeat.

Mr. CORCORAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. CORCORAN. Mr. Chairman, we have a carefully established, bipartisan compromise on which the members of two Committees, Commerce and Interior, have agreed.

It is the purpose of the study in section 502 of this bill to determine the need for away-from-reactor storage space for our nuclear spent fuel. Our Nation's utilities are running out of onsite storage space. It is imperative that this condition be redressed if we are not to force utility shutdowns in the 1980's and beyond.

We certainly hope that permanent, effective nuclear waste disposal facilities are in place and operating by 1990. Storing our spent fuel should not be made contingent upon those facilities, however. These are two separate problems. And to arbitrarily say that we will shut down our nuclear utilities in 1990 if such facilities are not in place, and that is what this amendment does, is shortsighted, ill-advised, and dangerous to our energy future.

I have consistently argued that the nuclear option must remain a part of that future. Our utilities are already abandoning nuclear power because of our refusal to make a firm commitment to support nuclear growth. Tuesday's Washington Post highlights this fact by announcing Vepco's decision to refrain from completing two nuclear plants that it had under construction.

This amendment, which would plan to terminate the away-from-reactor program before it begins, would also send an unfortunate message of withdrawal from nuclear power.

We cannot afford to do that. I ask that the recommendation of the two committees having jurisdiction in this matter be accepted, and this amendment defeated.

Mr. SHARP. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I think the author has raised some significant points that I am not sure those of us on the Committee on Interior and Insular Affairs are totally in disagreement with. I think basically we want to keep the focus on finding a long-term solution and certainly have no intention of allowing the AFR issue to become a means to skirt that question. I do not think that is the intent of most of the supporters of the language of the bill.

Secondly, I think another aspect of the amendment that the gentleman intends is another one about which I think there is strong support, and that is that we do not want the Federal AFR program, if one is adopted, to become a substitute for initial storage onsite at the reactor, because many of us, in our initial judgments on this issue, feel that onsite storage is likely to be safer. The less traveling and the less maneuvering of this material in the country, the better off we are.

So I think the intent, in getting this study, is to try to keep it focused on real problems and not to become a substitute for responsibilities of local utilities and not as an evasion of the long-term waste solutions that are needed.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I have listened carefully to my colleagues in response to the amendment and what its intent was. I just want to assure the Members that the amendment would not preclude or would not have precluded storage after 1990. This sets a limit as to the amount of away from reactor based on capacity of nuclear plants that existed, powerplants that existed, by 1980. So it is not something that would be cut out at that time or stopped.

I think with the discussion here today and the reaction of my colleagues, suggesting that the intent is that a long term or permanent storage should not be retarded with this intent, that a more permanent solution is something that should be kept in focus, I will rely on those assurances and the record that we have established, and I ask unanimous consent to withdraw my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN pro tempore. Are there additional amendments to title V? If not, the Clerk will designate title VI.

Title VI reads as follows:

### TITLE VI—OTHER RENEWABLE RESOURCES AND CONSERVATION ACTIVITIES

#### AUTHORIZATION

SEC. 601. There are authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, not to exceed—

(1) $6,675,000 for analysis and technology transfer functions regarding buildings and community systems;

(2) $25,000,000 for energy extension service functions;

(3) $18,000,000 for appropriate technology functions;

(4) $5,000,000 for purposes of urban waste energy conservation activities, of which no amount may be transferred to any other agency or instrumentality of the United States;

(5) in the case of fossil energy activities—

(A) $3,750,000 for coal utilization and supply functions;

(B) $3,000,000 for shale oil development and commercialization functions;

(C) $500,000 for enhanced oil recovery functions;

(D) $4,000,000 for unconventional gas development functions;

(E) $500,000 for purposes of supply initiatives; and

(F) $4,295,000 for program administration functions;

(6) $23,000,000 for solar applications—market development and training functions; and

(7) $10,509,000 for industrial conservation functions.

#### AMENDMENT OFFERED BY MR. DASCHLE

Mr. DASCHLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DASCHLE: Page 58, after line 19, insert the following new section:

#### COLLECTION, EVALUATION, AND DISSEMINATION OF INFORMATION REGARDING BIOMASS

SEC. 602. (a) (1) The Secretary of Energy shall collect, evaluate, and disseminate to the general public information regarding—

(A) the collection of biomass and the conversion of biomass to energy and to fuels for the production of energy, including the technology of such collection and such conversion,

(B) any financial assistance and any financial incentive available from any source in connection with the conversion of biomass to energy or to fuels for the production of energy (including the construction of plants for such conversion) or in connection with the production of energy from fuels produced from biomass,

(C) the utilization of fuels and byproducts produced from biomass, and

(D) any law of the United States applicable to the collection, acquisition, transportation, transfer, conversion, or disposal of biomass, or fuels or byproducts produced from biomass.

(2) The Secretary shall inform the general public of the availability of information collected and evaluated under paragraph (1).

(b) Not later than 60 days after the close of each fiscal year occurring after the date of the enactment of this Act, the Secretary shall submit to each House of the Congress a report describing the activities undertaken by the Secretary to carry out subsection (a), the results of such activities, and any recommendations of the Secretary regarding the implementation of such subsection in such fiscal year.

Mr. DASCHLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. DASCHLE. Mr. Chairman, I am offering an amendment today to H.R. 3000, the Department of Energy authorization for fiscal year 1980. This amendment directs the Secretary of Energy to collect, evaluate, and disseminate to the general public information regarding biomass energy resources and fuels produced from biomass. This information will include information on technology for collection and conversion of biomass, use of fuels from biomass, use of the byproducts of the conversion of biomass to fuel, financial assistance and incentives for use of biomass, and appropriate Federal laws. I believe this is both a practical and needed amendment.

There is growing interest throughout the country in making wise and fuller use of our Nation's vast renewable energy resources, particularly biomass and the fuels which can be produced from biomass. The American people in unprecedented numbers in every region and in every State are discovering, exploring, and using biomass and fuels produced from biomass because they want our country to become more energy self-sufficient and less dependent on uncertain and increasingly expensive foreign sources of energy.

I believe the public's growing recognition of and interest in biomass and fuels from biomass is very encouraging and well founded. Biomass and fuels from biomass can certainly make an important contribution to the Nation's energy supply. For example, the Department of Energy has recently estimated a total of approximately 156 billion gallons of ethyl and methyl alcohol for fuel could be produced from biomass in 1980. This quantity of alcohol for fuel compares very favorably with the approximate 110 billion gallons of gasoline we are estimated to consume annually.

Biomass and fuels from biomass are not the single solution to the Nation's energy supply problems, but they can and should play a more important role in the Nation's energy future. Petroleum, coal, oil shale, tar sands, natural gas, and other energy resources can help us meet our national energy needs, but unlike biomass, these energy resources are finite and will eventually be exhausted. As long as the Sun shines, biomass will be available to produce alcohol for fuel for our cars, trucks, and tractors and to heat our homes and businesses, methane, and densified biomass which can supplement and replace coal.

Not only is biomass renewable, it is abundant, available in every region of the Nation and in many cases not being utilized as an energy resource. Urban wastes, logging and forestry wastes, cannery wastes, cheese whey, citrus wastes, agricultural products, and residues including animal wastes are forms of biomass which can be converted to fuel.

A large and growing number of people are eager to make wise and fuller use of biomass energy resources, but they lack adequate information. This desire for information is clearly indicated by the unprecedented large number of requests for information made in recent months. The Bureau of Alcohol, Tobacco, and Firearms, which regulates the production of ethyl alcohol for fuel, received fewer than 100 inquiries about these regulations during 1978. In comparison, during the first 5 months of this year, the Bureau received more than 6,000 such requests. During 1978, the Bureau received 18 applications for an experimental permit to produce alcohol fuel. Through August of this year, the Bureau had received more than 3,000 applications for an experimental permit.

In my office, I have established a toll-free line to assist my constituents obtain information. During the last 3 months my office has been swamped with requests for information about alcohol fuels and gasohol. Since early July, I have received more than 2,500 calls and letters from people who are seeking information about the rules and regulations governing alcohol fuel production, financial assistance and incentives for alcohol fuels, alcohol fuel production technology, alcohol fuel use, and other similar questions. While the majority of these requests have come from South Dakotans, people from 16 other States and the District of Columbia have contacted my office for information.

As my staff and I have contacted the executive branch for information to answer these requests, we have learned no fewer than seven Federal agencies and no fewer than seven different offices within the Department of Energy have some responsibility for biomass and fuels from biomass. My staff and I have experienced frustration as a result of the countless calls we have made to obtain useful information and I can easily imagine the frustration a private citizen must experience as he or she tries to obtain information on biomass and fuels from biomass from the Federal Government.

This lack of information and the inability of citizens to readily obtain adequate information are unquestionably two major obstacles to the wise and fuller use of biomass and fuels produced from biomass. The purpose of my amendment today is to eliminate these obstacles and make adequate information available to the general public.

This amendment is needed because the interest shown by the Department of Energy in biomass and fuels from biomass has been disappointing and without the direction this amendment provides it is likely the Department would make no measurable improvement in its efforts to collect, evaluate, and disseminate information on biomass and fuels from biomass to the public. This amendment is practical because the Department has substantial resources available to it and it is fully capable of providing the public with adequate information on biomass and fuels from biomass at no additional cost to the taxpayers. I urge the adoption of this amendment by the House.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, the committee has had an opportunity to look at the gentleman's amendment. I think the study will serve a very useful function. We support it and urge the committee to adopt it.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Texas.

Mr. LOEFFLER. Mr. Chairman, I am not aware of receiving the amendment at the Republican desk. I am wondering if the gentleman would make one available to us.

Mr. DASCHLE. I brought them over last week and talked with several Members on the minority side. There should be an amendment there.

Mr. OTTINGER. Mr. Chairman, if the gentleman will yield, the amendment provides for a study of various factors that need looking at in the biomass area without providing new funds whatsoever. It is within the existing level of funds. I would hope that the gentleman would accept the amendment.

Mr. LOEFFLER. Mr. Chairman, I now have a copy of the amendment. I thank the gentleman for his explanation.

Mr. DASCHLE. I am under the impression that you have accepted the amendment on the minority side; is that correct?

Mr. BROWN of Ohio. No, I would like to reserve a point of order on the amendment.

The CHAIRMAN pro tempore. The Chair will advise the gentleman from Ohio that it is too late to reserve a point of order on the amendment.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise to support the amendment offered by the gentleman from South Dakota. This amendment would require the Department of Energy "to collect and disseminate to the general public information regarding" the identification, collection, and conversion of biomass resources, including agricultural commodities. It would also provide for information for the public on financial assistance from any source available for this conversion, including the construction of conversion plants. This amendment would also provide for information on any laws concernig biomass resources and on the use of the products of the conversion of biomass resources, such as alcohol in the product popularly known as gasohol.

The gentleman from South Dakota's point is well taken. There is no need for Congress to even concern itself with programs to give incentives for the production, commercialization, and use of alternative energy sources if the Department of Energy does not adequately inform the public of the existence of these programs. More people write or call my office inquiring about how they can learn more about becoming involved in the commercialization or use of alternative energy sources than almost any other subject. For example, I have constitutents interested in commercializing alcohol fuels, waste oil technology, wind energy technology, compost technology, electric vehicle technology, and more. Likewise, I am inundated with questions about grants, loans, or tax incentives available for installation of alternative energy systems in residences and commercial buildings.

While not all the energy sources I have mentioned are related to biomass resources, an informational program starting with biomass conversion is a big step in the right direction. That this informational program would not require additional funding makes the amendment much more attractive. However, I would support it even if additional funding were required. It is ludicrous to promulgate programs without adequately informing the people whom they are to benefit.

Use of appropriate technology, new methods of conservation, and new inventions and developments involving alternative technology are decentralized activities by nature. Small businessmen, farmers, and homeowners have a vested interest in these activities, and they are the ones who are going to make the difference in our energy situation. Information on Government programs involving these activities needs to reach these people if it is going to be an effective catalyst.

It is this kind of Government involvement with citizens and business that is both useful and desirable. What is not useful or desirable are Government attempts to alter the free enterprise system by imposing controls and mandatory allocation requirements on the sale of petroleum products. This is the kind of Government that our constituents identify with the Department of Energy and the Congress—especially since last summer. We have an opportunity here to do something to stimulate the economy and benefit our constituents rather than stifle free enterprise with controls and allocations—that even if effective and helpful, which I am sure they are not—the DOE has been proven incapable of enforcing.

Let us give the American entrepreneurs, farmers, homeowners, and other private citizens the chance to solve this energy problem. They are the strength of this country and are the ones to whom its position and welfare today is due. It is not the Congress or an administrative department that has all the answers or definitely knows the best direction to pursue in this situation. The beauty of our system is that those citizens who have ideas and want to help, can—unless by ineffective Government, we preclude the opportunity. To be effective, the electorate must be informed, and I think the Government, and the DOE in particular, has a responsibility to keep them informed. I urge swift passage of this necessary amendment.

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Mr. OTTINGER. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to inform the gentlewoman that I think the committee has accepted the amendment. I understand the minority will accept the amendment. We would be glad to see it pass. I agree with the gentlewoman's comments.

Mrs. SMITH of Nebraska. I am glad the gentleman does. I thank the gentleman.

I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from South Dakota (Mr. DASCHLE).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: On page 58, following line 15, add the following new subsection:

(G) Project 80–RA–1, coal-to-methanol demonstration plant, site to be determined, $7,500,000; *Provided*, That all sums authorized under this project number may be used in accordance with section 7 or section 19 of the Federal Nonnuclear Act of 1974, as deemed appropriate by the Secretary.

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Chairman, I rise in support of my amendment.

Mr. Chairman, when this bill was considered last week, I offered an amendment for two other projects, and I announced at that time that I would offer an amendment to authorize some $7½ million for coal-to-methanol demonstration projects.

This is in effect dealing with demonstration programs of synthetic fuels technology. It is going to be critical in the effectiveness of any of our national commitments to synthetic fuels.

I think it has the support of both the majority and the minority, and I ask that the committee adopt the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Florida (Mr. Fuqua).

The amendment was agreed to.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as we approach the end of this legislation, my good friend, the gentleman from Indiana (Mr. Fithian), had colloquy in which he wished to engage.

Mr. FITHIAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Indiana.

Mr. FITHIAN. Mr. Chairman, I note that in this title VI, section 601(4) you have identified money to improve the energy management of urban and domestic waste. I would like to endorse and support this position in that I deeply believe that we have too long overlooked the energy production and conservation potential that lie within the ways with which we manage the wastes of our society. In light of this, I would like to ask the gentleman if these moneys would be available to cover such areas of commercial energy production as the anaerobic digestion of waste organic materials for the production of gaseous fuels; the commercial expansion of energy conversion devices that can convert the latent chemical energy of waste into more usable and valuable forms, such as electricity and the commercialization of other small gas generators that operate on waste materials?

Mr. DINGELL. I would like to assure the gentleman that it is precisely these sorts of waste management concepts and techniques that we had in mind when this bill was put together. I share your views that improved waste management holds a real near-term opportunity for not only reducing energy consumption but, also, producing new sources of domestic energy.

I thank the gentleman.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, it is my understanding that within the authorized $3,750,000 for the coal utilization and supply functions of the Department of Energy, as provided for in title VI of this measure, there are sums available to allow the Department to examine the "produce-ability" of New England's one significant fossil fuel resource.

I refer to the anthracite coal field that underlies the southeastern portion of Massachusetts and part of Rhode Island: The so-called Narragansett Coal Basin.

Am I correct in the hope that the DOE budget for 1980 permits the modest investment of $50,000, as originally requested by the Department, to pay for the examination of the production possibilities of the Narragansett Coal Basin, which is New England's only identified fossil fuel resource?

Mr. DINGELL. Yes, the gentleman is correct. It is our intention to maintain that program at the recommended DOE level.

I assure the gentleman of our continuing interest in the matter toward that end.

Mr. MARKEY. I thank the gentleman.

Mr. DINGELL. I thank the gentleman from Massachusetts (Mr. Markey), and I yield back the balance of my time.

Mr. WALGREN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the purpose for which I rise is to engage the chairman of the Subcommittee on Energy Development and Application of the Committee on Science and Technology, the gentleman from New York (Mr. Ottinger), in a colloquy to make clear is the understanding of the committee that the funds authorized for coal preparation under this bill, some $12½ million, include funds to proceed to the pilot plant stage to make usable pellets from lignite.

As I understand the situation, lignite amounts to about 30 percent of our national coal reserves.

We are presently unable to use lignite effectively because of its water weight and difficulties in transportation. But, as a result of basic research sponsored by DOE, a breakthrough was achieved resulting in the economical pelletizing of lignite, increasing the BTU content and allowing ready transfer of the material away from the mine site. This is a major breakthrough bringing us close to the commercial use of huge energy reserves that are presently beyond our reach.

The next step toward the use of lignite would be the funding of a pilot plant to demonstrate that this can be done on a large scale. It is important that we proceed with a pilot plant now.

Is it the understanding of the committee that DOE will allocate the funds necessary to go forward with such a pilot plant out of the funds for coal preparation provided by the Congress in this bill?

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. WALGREN. I yield to the gentleman from New York.

Mr. OTTINGER. Yes, indeed, that is my understanding, that the administration's Department of Energy does intend to go ahead with the pilot plant.

I applaud my colleague from Pennsylvania (Mr. Walgren) for his leadership on this subject, and moving forward on a pilot plant at this time merely awaits the approval of the appropriations bill; but the funds are in the fiscal year 1980 program for completion of a pilot plant.

Mr. WALGREN. I appreciate that, and I yield back the balance of my time.

### AMENDMENT OFFERED BY MR. PEASE

Mr. PEASE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Pease: Page 57, lines 19 and 20, strike out "$25,000,000 for energy extension service functions" and insert in lieu thereof "$35,000,000 for energy extension service functions".

Page 58, after line 19, insert the following new section:

### ENERGY EXTENSION SERVICE CHALLENGE GRANT PROGRAM

Sec. 602. Section 512(c) of the National Energy Extension Service Act is amended by striking out paragraph (3) and inserting in lieu thereof the following new paragraph:

"(3) In addition to the funds allocated to States under the preceding provisions of this title from sums appropriated therefor, the Director shall make grants for fiscal year 1980, in a total amount not less than $10,000,000, for the implementation of energy extension service activities in States which have elected to meet the challenge of helping to finance energy extension service activities by including provision in their plans developed pursuant to sections 505 and 506 for the commitment of funds to meet such challenge (by units of State or local government or both) in a manner which will effectively contribute to the achievement of the purposes of this Act. Grants under this paragraph shall be available to States on a first-come first-served basis reflecting the degree of promptness with which such plans are submitted to the Director and are approved by him as meeting the requirements of this paragraph; and the amount of the grant to any State with a plan so approved shall be equal to the lesser of $1,000,000 or twice the amount committed to meet such challenge in accordance with the State's plan by units of the State government and of local governments within the State.".

Mr. PEASE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. PEASE. Mr. Chairman, this is an amendment dealing with the Energy Extension Service, which is in existence and which would be funded at an authorized level of $25 million by the bill before us today.

Originally, the Committee on Interstate and Foreign Commerce decided on a figure of $25 million for the Energy Extension Service.

The Committee on Science and Technology, on which I serve, decided on a figure of $35 million. The compromise struck by the two committees was the $25 million figure.

The intention of my amendment today was to increase that figure back up to $35 million and to create a Federal-State matching grant program to encourage the States to make even greater use of the Energy Extension Service concept.

However, this amendment has somewhat been overtaken by time. As members of the committee know, we have spent a great deal of time on this energy authorization bill.

In the meantime, both of the Committees in Appropriations of the House and the other body have acted to appropriate $25 million in this authorization bill. Since a $35 million authorization would be bucking that, and since I also understand that both the Committee on Interstate and Foreign Commerce and the Committee on Science and Technology will be holding hearings later this month on an energy management participation act, which would include discussion of expansion of the Energy Extension Service, I will not press to completion this amendment, but rather use it as an opportunity to emphasize the great potential that we have in the energy extension service to bring to the homes of ordinary Americans actual knowledge of the technology needed to make their homes more energy efficient.

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Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I am happy to yield to the gentleman.

Mr. OTTINGER. Mr. Chairman, the committee has had an opportunity to look at the gentleman's amendment. As the gentleman knows, our committee originated the idea of an Energy Extension Service and it was primarily the work of the gentleman from Arkansas who did serve in this body, Mr. Thornton. We provided for the higher figure in our own authorization, but in negotiations with my good friend from Michigan the Committee on Interstate and Foreign Commerce provided less, as the gentleman pointed out, and we arrived at the $25 million figure. Since that time the Appropriations Committee has acted at the lower figure.

As the gentleman indicates, we are going to be having hearings. I assure the gentleman we will do that promptly on the new administration program, the EMPA program, and we will take a very good and close look at the concept in seeing if we cannot expand this very important service.

I think the gentleman is really performing a very useful function by bringing this to the attention of the committee and the House. But I would hope he would go ahead and not press the amendment to a vote at this time since there is an agreement between ourselves and the Committee on Interstate and Foreign Commerce and since the Appropriations Committees have already acted.

Mr. PEASE. I thank the gentleman from New York for his comments.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I would like to commend the gentleman for his amendment. I think there is a critical need to educate the public on conservation. During committee authorization hearings, we learned that lack of capital and access to information were primary barriers to realizing effective conservation by homeowners and small businesses. This is the mission of the Energy Extension Service. It is clearly a good way to help get the word to the people on energy savings. Many simple measures are now available if only the public were aware of them.

In our hearings we also heard about the need to get the States actively involved in the Energy Extension Service program. Matching State funds, as suggested in the gentleman's amendment, is one good step in this direction, and will help get the necessary State participation in this program. For this important reason, I support the concept suggested by the gentleman's amendment.

However, I must reluctantly oppose this amendment for several reasons. First, the Science Committee and the Commerce Committee have worked many hours on this bill to forge an acceptable agreement on DOE authorizations. These committees have concluded that the Energy Extension Service should be funded at $25 million for fiscal year 1980. I do not think that we should disturb this agreement now. Second, as you may well know, the Interior Appropriations Committee has already appropriated $25 million for this program for fiscal year 1980. Thus, an additional authorization at this point would really serve no purpose.

Our committee will consider the gentleman's idea during our upcoming hearings on the EMPA bill, a measure to consolidate the Energy Extension Service program with state grant programs. Our committee plans hearings on the EMPA bill this month, and I am encouraged that the gentleman's proposal be considered during these hearings. Although I believe it is not appropriate to consider the gentleman's idea now, I do believe that the committee's upcoming hearing on the EMPA bill will provide a proper forum for the effective consideration of his proposal.

Mr. MOORHEAD of California. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I am happy to yield to my friend from California.

Mr. MOORHEAD of California. Mr. Chairman, I rise to oppose this amendment which would increase the funding for a worthless program an additional $10 million. We have already increased their funding in this bill last year's $15 to $25 million. Last year the Energy and Power Subcommittee saw fit to trim funding for this program by $10 million. DOE asked for $25 million and we gave them $15 million. Ultimately, the Appropriations Committee and our colleagues on the House floor confirmed the wisdom of our $10 million cut and $15 million was appropriated. DOE is back again this year asking for $25 million for this same project. This amendment would make it $35 million.

Hearings held in the Energy and Power Subcommittee could unearth no new justification to increase funding. In fact, DOE officials could put forth no reasons why this program should not be phased out. It still duplicates other DOE programs. In another part of this authorization, DOE will get over $85 million for State and local conservation programs. National Energy Act provisions already require utilities to act as energy extension agents for consumers. Several million is already provided to weatherize low-income homes. Information on conservation and solar applications is readily available to small business and others just by writing or calling DOE, HUD, Commerce, the Small Business Administration, energy organizations like the Solar Lobby and of course many consultants in the private sector. HUD and DOE operate a Joint Solar Information Center. Many States and local governments have their own energy conservation programs not withstanding this program.

Virginia, for example, has an entirely State-funded program including a toll free hot line. California has a similar self initiated program. The program I am seeking to cut seems to work to defeat other DOE activities seeking to promote commercialization of solar applications by going into direct competition with individuals in the private sector who provide consulting services to small businesses and others. The only real beneficiaries of the program are those employed by DOE. It is a good make work program but it does nothing to solve our energy problems. There is no doubt in my mind that the DOE energy extension service pilot program overlaps and duplicates several other Federal programs.

An expanded energy extension service would overlap local and State programs as well as Federal programs. One of the most persuasive arguments against this program is the fact that the States themselves should pick up the bill for State energy conservation programs. Twenty-eight State legislatures have called for a constitutional convention to balance the Federal budget. Only 34 States are needed. There are nearly 100 resolutions spending in the Congress calling for a constitutional amendment to balance the Federal budget.

The President has promised to balance the budget. We are under the gun and this is where it starts, right here, by trimming back unnecessary duplicative programs. The States can help us balance the Federal budget right here by taking over some of their own conservation efforts. Everyone in his right mind is for conservation but we will not do any conserving with a wasteful, useless Federal program like the extension service. It would be a mistake to call this a conservation program. There is no evidence that the pilot program has saved one drop of oil or one lump of coal. The program we are seeking to contain could be more accurately called the DOE employee expansion plan. I ask a no vote.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has again expired.

(At the request of Mr. DINGELL and by unanimous consent, Mr. PEASE was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I am happy to yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I have great respect and affection for the gentleman and I rise reluctantly to oppose the amendment. I believe there is considerable merit to the concept the gentleman has set forth and I commend him for having done so.

I again reiterate that I must regretfully oppose the amendment because I do not believe this is either the proper time or the proper forum for making the kind of change the gentleman has suggested in the Department of Energy programs. The amendment would impose whole new responsibilities on the Department just at the time the Department is commencing a new program of legislative initiatives, both to conserve energy and also to reorganize the Energy Extension Service program, on which, parenthetically, I observe that the committees, including the Interstate and Foreign Commerce Committee, will shortly be working.

As my good friend from Ohio knows, his committee, the Science and Technology Committee, and the Interstate and Foreign Commerce Committee on which I serve, will be holding hearings on the legislation proposed by DOE, particularly on the Energy Management Partnership Act, better known as EMPA. This would revise and expand Energy Extension Service programs and coordinate the services activities within the Federal and State energy programs.

The gentleman's proposal should be properly considered by the committees working on EMPA. I give the gentleman my personal assurances that it will be given consideration in the forthcoming hearings of the Interstate and Foreign Commerce Committee.

I also assure my good friend from Ohio that I am favorably disposed toward this concept, and only want to see that it is properly integrated in a comprehensive restructuring of the Energy Extension Service and its programs.

I do commend the gentleman for his interest in this matter and for having brought this to the attention of the House.

Mr. PEASE. I thank the gentleman for his contribution and for his assurance that this matter will be thoroughly considered in the hearings upcoming in the Science and Technology Committee and the Interstate and Foreign Commerce Committee.

Mr. Chairman, I would like to make just two brief comments before I ask unanimous consent to withdraw my amendment.

One is that study after study shows that a very large component of any solution to our energy problem is going to be conservation. We simply have a major stake in conservation. Indeed, a recent Harvard University study concluded if the United States were to make a serious commitment to conservation we might well consume 30 to 40 percent less energy than we do now and still enjoy the same or a higher standard of living.

Secondly, I would like to make the point that many people allude to the miracle of American agricultural production. We are able to feed the United States and half of the world as well.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has again expired.

(By unanimous consent Mr. PEASE was allowed to proceed for 1 additional minute.)

Mr. PEASE. Mr. Chairman, a major reason why American agriculture is so fabulously successful and productive is we have had the Agricultural Extension Service over the years pointing the way to American farmers, bringing them on their own farms the new technology to further increase their productivity. This same thing can happen with energy conservation.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. Are there further amendments to title VI?

### AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN: Page 58, insert after line 19 the following new section:

### ENERGY CONSERVATION GRANTS

SEC. 602. (a) (1) The Secretary shall administer an experimental program under which grants may be made available to local governmental units to undertake any of the energy conservation activities described under subsection (b). Any local governmental unit desiring to receive a grant under this section shall submit an application therefor to the Secretary in such manner, at such time, and containing such information as the Secretary may require.

(2) In determining the amount of any grant to be awarded under this section, the Secretary shall consider—

(A) the contribution to energy conservation which can reasonably be expected to result from the activities for which the grant is made;

(B) the number of people to be affected by such activities; and

(C) such other factors as the Secretary considers appropriate.

The amount of any grant made to a local governmental unit shall not be more than $3 multiplied by the total number of individuals residing within the jurisdiction of such unit, to be determined on the basis of the most recent census figures available from the Department of Commerce.

(b) The energy conservation activities for which grants are to be made under this section may include the following:

(1) The establishment of a mechanism for coordinating all energy-related activities of the local governmental unit, such as the creation of an energy office, the designation of an agency to serve as a lead agency with regard to energy matters, or the establishment of citizen advisory groups.

(2) The establishment of local energy conservation targets which are consistent with any State energy conservation targets established by the President.

(3) The development of programs to encourage energy conservation in operations of the local governmental unit including such activities as—

(A) retrofitting street lights;

(B) devising and implementing innovative heating and cooling systems;

(C) generating energy from such resources as local water sources, fuels, biomass, wind, wood, and other available resources;

(D) cogeneration of power;

(E) installing adequate installation and other energy-saving devices in public buildings; and

(F) installing a synchronized traffic signal system.

(4) The development of programs or laws to decrease energy consumption by the private sector.

(5) Establishment of a central clearinghouse to provide information relating to energy conservation programs available to citizens of the local governmental unit, including—

(A) Federal, State, and local programs (such as programs providing assistance for the installation of solar energy devices, programs offering assistance to low-income individuals to encourage energy conservation measures, or tax credits available for certain energy conservation activities); and

(B) programs offered by utilities within the area, such as energy audits.

(6) Development of regional plans and projects with other local governmental units to promote conservation on a regional basis.

(c) Funds appropriated under this section may not be made available as grants or loans to any individual or to any private entity.

(d) Within one year after the date of the enactment of this Act, the Secretary shall submit a report to the Congress which specifies the recipients of the funds made available under this section, the amount of the grant received by each recipient, the projects for which the grants were made, and the actual or estimated energy savings resulting from such projects.

(e) For purposes of this section—

(1) the term "local governmental unit" means any city, county, township, parish, or other unit of general government which (A) is a political subdivision of a State, and (B) has taxing authority with respect to real property; and

(2) the term "Secretary" means the Secretary of Energy.

(f) There are authorized to be appropriated to carry out this section $30,000,000 for the fiscal year ending September 30, 1980.

Ms. HOLTZMAN (during the reading). Mr. Chairman, I ask uanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. DINGELL. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. The gentleman from Michigan reserves a point of order.

Ms. HOLTZMAN. Mr. Chairman, as prior speakers have pointed out, one of the most effective ways of dealing with the present energy crisis and reducing our dependence on OPEC nations is a major effort at energy conservation.

I want to commend the gentleman from Michigan and the gentleman from Florida as well as other members of his committee for the concern they have shown in the past about energy conservation.

What my amendment would do, however, is to plug a gap in present energy conservation measures. This bill provides funds to State governments to engage in energy conservation. States are given money to set up energy offices and to develop State energy conservation plans. There is no way, however, to assure that the money will trickle down, in a meaningful way, to local governments. There are no funds in this measure or in any other to provide funds to counties or cities for the creation of local energy offices, or for the undertaking of an effort to encourage conservation by county governments, and city governments. There are no funds to help advise or educate local citizens about energy conservation problems or projects.

I want to commend the committees for providing funds for energy conservation at the State level. The problem has been, and this is true nationwide, is that the county and city governments have not received any substantial part of this money.

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Since State and local governments consume 13 percent of the energy consumed in this country, a major effort at the municipal, county, and local level to encourage energy conservation and to give local governments the means to do this would make an important dent in our energy consumption.

Mr. OTTINGER. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I will be happy to yield to my colleague from New York.

Mr. OTTINGER. Mr. Chairman, I am in total sympathy with the gentlewoman's effort. In fact, I was very concerned in the programs that we worked out for hospitals, schools, and for State governments, that municipal governments were in fact not included. They own huge numbers of buildings that ought to be retrofitted and for which they do not have the funds.

I understand that my chairman is either going to make a point of order or oppose the amendment. I would just like to assure the gentlewoman, that in my conversations with the chairman that he is sympathetic to this proposal. He will give the gentlewoman's proposal a full hearing and try to work out some way to get money to localities in the future.

I think it is a real need that the gentlewoman has pointed out, and I would hope that we would act in this area as expeditiously as possible. The committee is going to have a joint hearing with my subcommittee on Energy Development and Applications on the Energy Management Partnership Act very shortly, and perhaps we can include the gentlewoman's amendment at that time.

Ms. HOLTZMAN. I wonder if I can engage the gentleman from Michigan in a colloquy about this amendment, given the concerns expressed by my colleague from New York.

Is there any way, given the present structure of the Department of Energy authorization bill, that the gentleman could assure that some of the moneys going to State governments would be required to be shared with county and local officials so that we can have an effective conservation effort at the local level? Is there some language that could be put in the report? Is there something that could be done in connection with the conference with the other body to insure that there will be funds in fact going to localities?

Mr. DINGELL. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the gentlewoman is a very valuable Member of this body, and it always pains me when I have to oppose her on any matter. The answer to the question is, if we will refer to title III, which is Commercialization and Related Activities, there is an item (C) at page 41, line 17, which provides $80,000,000 for State and local conservation functions under part C of title III of the Energy Policy and Conservation Act, as amended by the Energy Conservation and Production Act; and (D) $6,783,000 for State and local conservation functions not provided for under subparagraph (C).

If the gentlewoman would yield further, I would observe that we will shortly be commencing work on a series of conservation initiatives which will go more broadly into these areas, at which time I assure the gentlewoman that we will very sincerely look at the possibility of utilizing some of the mechanisms she has set forth in her amendment. I want her to know that not only I, but her good friend and colleague from New York (Mr. OTTINGER), who is a very valuable member of our subcommittee, are very interested in seeing to it that we move forward to the consideration of these, because I recognize the value of many of the steps that the gentlewoman has suggested to the House in her amendment.

Ms. HOLTZMAN. Would the gentleman respond further? Under the language he has pointed out on page 41 of the bill, and for the purpose of legislative history, would the gentleman's view be that funds under sections (C) and (D) of title III, section 301, could be used for the creation of local energy conservation offices, by municipalities, and counties as well as by States?

Mr. DINGELL. I have to confess to the gentlewoman that I would like to give her an affirmative answer. I have never had a chance to study her amendment in sufficient detail to give her an affirmative answer. I would advise further that the administration has sent EMPA to the Congress, and we will consider and at that time, in connection with that legislation, try to provide for more direct grants to local communities as opposed to it going through the States. That program is directed in large part at meeting the needs of local units of government.

Ms. HOLTZMAN. Because of the assurance the gentleman has given me, in a moment I am going to ask permission to withdraw my amendment. But, I am very concerned that we will have to postpone adoption of this measure, because time is not on our side. The OPEC nations have already announced that they are going to be cutting back on oil production, and the more we delay in getting conservation enacted all across the country—not just at State or Federal levels, but at local levels as well—the worse off we will be.

I do not intend to beat my head against a stone wall, by insisting on my amendment when the committees oppose its adoption now, but I would urge the gentleman from Michigan to act as promptly as possible, whether in conference with the other body on this bill or holding hearings on my proposal, to get energy conservation implemented at the local level.

Mr. DINGELL. I commend the gentlewoman for her concern in this matter, and we will look forward to working with her.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for his assurance.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The CHAIRMAN pro tempore. Are there further amendments to title VI? If not, the Clerk will designate title VII.

Title VII reads as follows:

### TITLE VII—OTHER DEPARTMENTAL ACTIVITIES

#### AUTHORIZATION

SEC. 701. There are authorized to be appropriated to the Department of Energy for the fiscal year ending September 30, 1980, not to exceed—

(1) for uranium enrichment operating expenses—

(A) $680,683,000 for purposes of diffusion operations and support;

(B) $6,200,000 for purposes of centrifuge operations and support; and

(C) $2,566,000 for purposes of uranium enrichment program direction;

(2) for uranium enrichment construction projects—

(A) $7,000,000 for purposes of project 80–UE–6, $\mathrm{UF}^6$ tails cylinders and storage yards, gaseous diffusion plants;

(B) $16,200,000 for purposes of project 80–GPP–1, general plant project, various locations;

(C) $28,500,000 for purposes of project 80–UE–5, motor and switchgear upgrading, gaseous diffusion plants;

(D) $10,500,000 for purposes of project 80–UE–4, power recovery demonstration cells, gaseous diffusion plants;

(E) $17,000,000 for purposes of project 80–UE–3, plant facilities security improvements, gaseous diffusion plants;

(F) $17,000,000 for purposes of project 80–UE–2, control of water pollution, gaseous diffusion plants;

(G) $7,000,000 for purposes of project 80–UE–1, control of gaseous effluents, gaseous diffusion plants, Oak Ridge, Tennessee, and Paducah, Kentucky; and

(H) $290,000,000 for purposes of project 76–8–g, enriched uranium production facilities, Portsmouth, Ohio (for a total project authorization of $802,630,000);

(3) $18,400,000 for purposes of uranium enrichment capital equipment not related to construction;

(4) $3,700,000 for purposes of commercial waste management operating expenses relating to site and repository licensing, support studies, decontamination and decommissioning, low-level waste management operation, and repository site selection (other than the research and development aspects of such selection);

(5) for operating expenses for administrative activities of the Department—

(A) $14,500,000 for purposes of policy analysis and systems studies;

(B) in the case of management and support—

(i) $149,871,000 for purposes of salaries and expenses, of which not more than $2,500,000 shall be available for purposes of the Office of the Secretary;

(ii) $86,906,000 for purposes of support services; and

(iii) $6,148,000 for purposes of the salaries and expenses for the Office of Inspector General;

(C) $3,500,000 for international affairs functions;

(D) $36,870,390 for intergovernmental and institutional relations functions;

(E) $3,600,000 for in-house energy management functions;

(F) $44,254,000 for purposes of cost of work for others, and changes in inventory and working capital; and

(G) $16,400,000 for purposes of security investigations;

(6) for construction for the administrative activities of the Department—

(A) in the case of in-house energy management—

(i) $19,700,000 for purposes of project 80–DA–1, modifications for energy management, various locations;

(ii) $4,500,000 for purposes of project 80–DA–2, automated energy management system, Argonne National Laboratory, Argonne, Illinois;

(iii) $4,200,000 for purposes of project 80–DA–3, process waste heat utilization, Portsmouth Gaseous Diffusion Plant, Piketon, Ohio;

(iv) $4,000,000 for purposes of project 80–DA–4, automated energy management system, Pantex Plant, Amarillo, Texas; and

(v) $5,000,000 for purposes of project 80–DA–5, conversion of boiler numbered 5 to high sulfur coal firing, Argonne National Laboratory, Argonne, Illinois; and

(B) $9,000,000 for purposes of project 80–PE&D–1, plant engineering and design, various locations, and

(7) $4,815,000 for capital equipment acquisition and fabrication not related to construction for purposes of the administrative activities of the Department.

### OPERATORS TRAINING PROGRAM

SEC. 702. (a) The Secretary of Energy, in consultation with the Nuclear Regulatory Commission, State utility commissions, and the public, shall develop a program to be available for the training and retraining of persons, including supervisory personnel, to operate civilian nuclear reactors and related powerplant facilities in accordance with applicable requirements of law and regulations. The purpose of the program is to assure that such personnel are properly trained to operate such facilities and to assure that such facilities are safely and reliably operated in accordance with applicable requirements of law and regulations.

(b)(1) The Secretary of Energy shall provide to the appropriate committees of Congress, not later than three months after the enactment of this section, the program developed under this section, which shall be accompanied by a report discussing the extent to which the program will improve the training of such operators, the estimated annual costs thereof, the proportion of the costs to be borne by the Federal Government and the proportion to be borne by the private sector. The report shall include the views, comments, and recommendations of the Nuclear Regulatory Commission.

(2) The Secretary of Energy shall conduct research on critical aspects of man-machine interactions in the operations of civilian nuclear reactors.

(c)(1) If, within 60 calendar days of continuous session of Congress after the program, with supporting report, have been submitted to the appropriate committees of the Congress neither House of Congress has adopted a resolution disapproving such program, the Secretary of Energy shall commence operations under such program.

(2) The provisions of section 551(f) and 552(e) of the Energy Policy Conservation Act shall apply to a resolution under this subsection in the same manner as such provisions apply to resolutions under such sections except that in applying section 551(f), the term "energy action" shall be treated as a program submitted under this section.

(d) The sum of $5,000,000 is authorized be appropriated for fiscal year 1980 to carry out this section.

### COMMERCIAL WASTE MANAGEMENT REPORT

SEC. 703. (a)(1) As soon as practicable but not later than the date on which the Secretary transmits to the Congress legislation authorizing appropriations for the Department of Energy for fiscal year 1981, the Secretary shall transmit to the President and the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, and Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the national program for management of commercial high level waste and spent fuel.

(2) The report required under this subsection shall provide an identification of the geologic formations, regions, areas, and sites under study by the Department for the determination of qualification or rejection for application for license as permanent repositories for nuclear high level waste or spent fuel. For each geologic formation, region, area, or site identified, the Secretary shall provide—

(A) the criteria used to determine its qualification for study or for rejection for further study; and

(B) an accounting of funds requested for work on each specific geologic formation, region, area, or site for fiscal year 1981.

(b) The report required under subsection (a) shall include a detailed description of how the Department's commercial waste management program relates to the recommendations of the Interagency Review Group on Nuclear Waste Management.

### INTERNATIONAL ENERGY ASSISTANCE

SEC. 704. (a) The Secretary shall use, to the fullest extent practicable, the Department's domestic energy research, development, and demonstration activities in support of the Department's international energy program.

(b) The Department shall coordinate its international energy program with research, development, demonstration energy programs of the Department of State, the Agency for International Development, and any other agency of the United States which has responsibilities in international energy.

(c) There is authorized to be appropriated to the Department not to exceed $10,000,000, for the fiscal year ending September 30, 1980, of which—

(1) $200,000 shall be available for the preparation of a comprehensive plan, to be submitted to the Congress by December 31, 1979, which shall contain recommendations for the design of an international energy program which shall concentrate primarily upon the problems of less developed countries; and

(2) $9,800,000 shall be available to implement high priority projects identified in the plan described in paragraph (1), after it has been submitted to the Congress and approved by the Congress.

(d) All activities carried out under this section shall be performed within the framework of the Development Coordination Committee, established by section 640B of the Foreign Assistance Act of 1961. To the extent appropriate, programs and projects under this section shall be implemented in cooperation with, and with the participation of, the Agency for International Development.

### AMENDMENT OFFERED BY MR. M'CORMACK

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: At page 67 line 2 add a new section 705 to read as follows:

705. (a) The Secretary of Energy shall establish, operate and maintain approximately twelve low-level radioactive waste repositories located at appropriate sites in the continental United States on property owned or purchased by the United States Government. The Secretary shall enter into agreements with individual states within which such repositories are to be located for the establishment of the repositories. The repositories shall be made available for the storage of all low-level radioactive wastes generated or used in the region served, and disposable as such in accordance with Federal law. The repositories shall be licensed by the Nuclear Regulatory Commission. The Secretary of Energy shall recover all costs for operating and maintaining these repositories from fees charged for storage of the low-level radioactive wastes. The number of repositories shall be determined by the Secretary of Energy with the goal of serving each region of the country, and in order to minimize the distance that the low-level radioactive wastes will be transported.

(b) There is hereby authorized to be appropriated to the Secretary for fiscal year 1980 the sum of $10,000,000 to carry out this section.

Mr. McCORMACK. Mr. Chairman, this amendment presents a new concept as far as this legislation is concerned, and a new departure from where we have actually been with respect to handling of low-level wastes in this country. What the amendment would do would be to direct the Department of Energy to establish about 12 low-level radioactive waste repositories located around the country on federally owned land in such a manner that the transportation of these wastes would be minimized, and so that each region of the country would be served.

In doing so, the repositories would be licensed, and the Secretary would enter into agreements with the individual States where the repositories are located for the establishment of the respositories. Of course, there would be total cost recovery.

Mr. Chairman, this is a subject which requires our critical attention now. There are only two sites for storing low-level radioactive wastes that are operated in this country. One is in Nevada, and one in South Carolina.

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About 2 weeks ago the Governor of the State of Washington closed the site in Washington State because the Nuclear Regulatory Commission and the Department of Transportation were not enforcing their own regulations with respect to packaging of containers for shipping materials to the site. There is nothing wrong with the site, but the containers were not being properly packaged according to the law. This incident dramatizes the problem we are facing today. The container that precipitated the incident was from a pharmaceutical manufacturer in New England, and this container that had some radioactive material in it was designated as low-level waste, so it was shipped clear across the country for storage at Hanford. What is interesting about this is that most of the pharmaceuticals, most of the material that is used in hospitals for the radioactive diagnosis of various types of illnesses in human beings goes into the human being.

A large percent of this radioactive material that comes to the hospital in some sort of a container gets put inside of a person, and that person is then examined to diagnose for illness. All that radioactivity that goes inside of that person is ultimately excreted and goes into the sewer. There is no control whatsoever. It goes into the sewer and into the river. But the small percentage that is left in the container, because it is designated as low-level waste, has to be packaged very carefully and very properly according to very strict rules, as I think it should be, and then, in this instance, shipped 3,000 miles to be buried. This is absurd. It is absurd especially when we have 2,390 hospitals and medical schools in this country that are producing these wastes today. We have 201 such facilities in California, 102 in Illinois, 81 in Michigan, 161 in New York State, 119 in Pennsylvania, and 171 in Texas, and a corresponding number in other States. Every one of them is producing radioactive material in their diagnoses of human beings, and these containers and the equipment that is used to handle it, everything that touches it or has any potential contact, is marked low-level waste and must be permanently stored under very strict rules. I think it is absurd to put 99 percent of the radioactivity from a container into a human being, to be excreted into the river, and to then take the empty container and ship it across the country for burial, and spend all of this energy and money required to do so. Last year 49 percent of all of the low-level wastes in this country were either institutional, that is, from hospitals or medical schools, or industrial wastes. About 43 percent came from resins used in the cleanup of the cooling water nuclear powerplants, and about 8 percent from military wastes and government wastes.

The problem is that there is a huge volume involved in these wastes. For instance, if you remember when the President visited Three Mile Island and we watched him on TV walking through the control room of the plant, we saw that he was wearing yellow shoe covers. When he walked into what was considered to be a contaminated zone, he stepped across a ribbon marking the area and he wore the yellow shoe covers. Then he wore the yellow shoe covers through the operating room, and he came back out. When he came back out he took off the shoe covers, and he dropped them into a box, and they became low-level waste forever—whether they were radioactive or not. The same applies to large volumes of such wastes, such as cardboard, paper, masking tape, and other similar materials that may have been used at that site. This creates these large volumes of waste, and we are now shipping them all the way across the country, even though the amount of radioactivity in them, if any, is very low. Here we are, using energy and time and saying that wastes should all go to one of two sites: one in South Carolina and one in Nevada. The governors of these States have indicated they are not going to sit still forever and allow this situation to continue. They are being constantly harassed by the press because some truck goes through their State with an improperly packaged container. Not only do the Nuclear Regulatory Commission and the Department of Transportation have to shape up and enforce their regulations for packaging, but we should stop this business of shipping low-level wastes all the way across the country.

What my amendment would do is say there should be a site in each region of the country. If hospitals and other facilities are going to produce these wastes, then at least we should handle them in the region where they are used or generated.

If the members of the Committee will recall, early today I submitted an amendment which was adopted that called for accelerated research and development into the consolidation of these low-level wastes, such as by incineration or by other methods. If we can reduce the volume of the wastes, this would help the problem. It would take a while to institute the utilization of these devices, and, of course, we must still store the wastes of whatever volume. I remind you it is the hospital diagnoses that are potentially most critically affected here. Hospitals are allowed to store only a small amount of radioactive materials. If they are not allowed to store it, they will not be able to obtain it, and they will have to stop their diagnostic procedures. We must put an end to the hysteria and the nonsense associated with sensational press stories about nuclear wastes, both high and low level. Of course we must keep all traces of radioactivity under control, but we must reduce the transportation requirements, and have each region in the country manage its own wastes.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New Mexico.

Mr. LUJAN. I thank the gentleman for yielding. I want to congratulate the gentleman from Washington for bringing this amendment before us. It makes so much sense that many of us wonder why it has not been done before. It just does not make sense to be shipping this stuff all over the country. It certainly does not make any sense to saddle one, two, or three particular States with that responsibility. I think the gentleman is correct in this amendment.

Mr. McCORMACK. I thank the gentleman.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. Weaver, and by unanimous consent, Mr. McCormack was allowed to proceed for 2 additional minutes.)

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Oregon.

Mr. WEAVER. I thank the gentleman for yielding. I would like to ask the gentleman if the State in which one of these 12 or so sites would be located would have to consent to this, or could this be done by the Federal Government without the State's consent?

Mr. McCORMACK. Under the law, individual States cannot veto actions of the Nuclear Regulatory Commission. There is a procedure for licensing that, of course, calls for environmental impact statements and public hearings, allows intervenors. The States can act as intervenors. In fact, the States have a de facto veto, because the Federal Government is not going to insist upon putting a site where a State would object. Of course, if all of the States in the region object, it would simply mean that their hospitals cannot function any more using diagnoses using radioactive materials. Under the law, the Federal preemption clause prevails for nuclear licensing. The NRC has that preemptive authority, but in fact has not been using it.

Mr. WEAVER. If the gentleman will yield further, the State of Oregon has a law prohibiting the dumping of radioactive wastes within its territory. Could the NRC, the Secretary of Energy, establish a site within Oregon contrary to Oregon law?

Mr. McCORMACK. Contrary to Oregon law, it is legally possible. Of course, the option is simply not to allow Oregon to have any radiopharmaceuticals in the State.

Mr. WEAVER. Would the gentleman accept an amendment that provides that the State consent to the establishment of such a site?

Mr. McCORMACK. No, I would not. Such an attempt would constitute a violation of the commerce clause which is about the oldest relationship that has been established between the Federal Government and the States. I would not presume to violate it.

Mr. WEAVER. Would the gentleman yield further, then?

Mr. McCORMACK. I yield to the gentleman.

Mr. WEAVER. Under what authority does the Governor of Washington prohibit the shipping in of radioactive wastes?

Mr. McCORMACK. It is a State-owned operation, and that is the beauty of my amendment. We would have a dozen sites operated and owned by the Department of Energy on Federal land. In the case of the State of Washington, the site would be owned and operated by the State of Washington.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. Runnels, and by unanimous consent, Mr. McCormack was allowed to proceed for 3 additional minutes.)

Mr. RUNNELS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New Mexico.

Mr. RUNNELS. I thank the gentleman for yielding. I want to congratulate my friend from the State of Washington for discussing openly a subject matter that many people are scared to talk about.

I walk daily in the Halls of Congress and in these buildings, and I have yet to see one soul run from having association with HAROLD RUNNELS. If you are scared of storing nuclear waste, then you should get up immediately and leave. You should leave the Halls of Congress because as I talk to you now I am a walking disposal for nuclear waste. All of you know that I had lung cancer 18 months ago, and when they opened my chest, they inserted in the tumor in my lungs 33 radioactive iodine 125 implants. I wore a bracelet on my wrist that said, "Danger: radioactive." Now I am saying to you that nuclear medicine may have saved my life. If you have ever been told that you have cancer, you will not be scared of it either. You will thank the good Lord that somebody brought it along during your stage in cancer.

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After I had that operation just this year, 12 months later I was told I had cancer of the bone in my back and, as you know, I had surgery for the second time.

Mr. Chairman, I am just trying to say since then I have had enough radiation both front and back to be the equivalent of approximately 200,000 X-rays. I go once a month and have inserted in my veins nuclear medicine to give me liver scans, bone scans, brain scans, to see where it jumps next.

Mr. Chairman, I am saying let us do this sanely, let us do it seriously. It can save. It is not always a killer. I support this amendment.

Mr. McCORMACK. I thank the gentleman from New Mexico.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Arizona.

Mr. UDALL. I want to commend the gentleman for his leadership in trying to find a way out of this difficulty. As a country we have been producing waste for 35 years and we have yet to dispose of the first pound of these high-level wastes.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. UDALL and by unanimous consent, Mr. MCCORMACK was allowed to proceed for 3 additional minutes.)

Mr. UDALL. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Arizona.

Mr. UDALL. The low-level waste in tonnage and volume, as the gentleman has stated, are obviously the biggest part of the waste problem we have. Yet very little has been done and it is causing increasing controversy in many of the States including my own.

Mr. Chairman, I like, basically, what the gentleman is trying to do although I do have misgivings with it. Here is a brand new program which obviously will cost at least several tens of millions of dollars. Neither the committee of the gentleman nor our committee has had a chance to move on this. We have in the Interior Committee some other legislation pending which we hope to bring here one of these days on nuclear policy that touches on some of this. There has been no input from the industry, from the hospitals, from the State governors on this specific program the gentleman provides.

Mr. Chairman, I would much prefer to have a study. I am not trying to bury this with a study—I have a substitute here for the gentleman's amendment which would essentially say to the Secretary of Energy: Let us get going on these low-level nuclear wastes, bring us back a program within 6 months which would provide for the kinds of things the gentleman has talked about. My substitute basically uses the gentleman's language to outline what the secretary should propose.

Mr. Chairman, I am afraid I would have to oppose the amendment of the gentleman in its present form. I wonder if we could do the compromising thing here and go along with this very short study and then be in a position when we come back next year, in the appropriate committees, to write this thing into law and get going on these low-level wastes. We simply have to find repositories and get rid of the stuff.

Mr. Chairman, the gentleman is right. We cannot just nominate the State of Washington and maybe South Carolina and say, "You take care of all the waste." The wastes ought to be in several places, particularly the low-level wastes.

Mr. Chairman, I think the gentleman has a good idea but I would be reluctant to endorse it without some hearings, some input, some further study.

Mr. McCORMACK. Mr. Chairman, if we were to request a study, if we were to accept the gentleman's substitute and request a study by the Department of Energy, could we then, the gentleman's committee and mine, get together very early in the year and write legislation on this one point alone rather than getting it involved in all other nuclear regulatory legislation?

Mr. UDALL. Mr. Chairman, I would love to work with the gentleman and with the appropriate committees on that subject, and I think we could. At least for the low-level. We have to go with the bits and pieces of this thing and eventually confront this monster of high-level waste and do something about it. I would be glad to work with the gentleman to try to put together a solid, specific program. Within a few months, next year or early the following year, we could have these places in operation and not be here talking about what we are going to do about nuclear waste 10 years from now.

Mr. McCORMACK. Under those conditions I would accept the gentleman's substitute.

Mr. OTTINGER. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I am advised by the chairman of the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, the gentleman from Michigan (Mr. DINGELL), he also would cooperate and support such a study leading to fast action along the lines the gentleman has indicated.

Mr. WYDLER. Mr. Chairman, would the gentleman yield to me?

Mr. McCORMACK. I would be glad to yield to the gentleman.

Mr. WYDLER. Mr. Chairman, I support the gentleman's amendment. I support the proposed compromise. I would merely like to say I am glad to hear the chairman of the Committee on Interior and Insular Affairs say that we should do something about the problem of high-level wastes as well, and God knows we should.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. WYDLER and by unanimous consent, Mr. McCORMACK was allowed to proceed for 1 additional minute.)

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. WYDLER. God knows, we should be doing something about high-level waste. The fact of the matter is, we can do something about it when the day comes that the gentleman from Arizona and the gentleman from New York and the gentleman from Washington and the ladies and gentlemen sitting in this Chamber decide they are going to do something about it. We have the technology available. Let us apply it. Let us get on with the job.

Mr. McCORMACK. Mr. Chairman, in conclusion, I should observe that we receive more radiation in this room just from the granite in the building than we would if we were living immediately next door to a low-level waste site. I think it is important for us all to understand that.

### AMENDMENT OFFERED BY MR. UDALL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. M'CORMACK

Mr. UDALL. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL as a substitute for the amendment offered by Mr. McCORMACK: At page 67, line 2, add a new section 705 to read as follows:

SEC. 705. Using such sums authorized to be appropriated under section 701(4) as may be necessary, the Secretary of Energy shall conduct a study on low-level radioactive waste and prepare and transmit a report thereon to the appropriate authorizing committees not later than May 1, 1980. Such study shall provide a plan to establish, operate and maintain low-level radioactive waste repositories located at appropriate sites in the continental United States. The Secretary, as part of the study, shall consider the advisability of entering into agreements with individual states within which such repositories would be located for the establishment of the repositories. The repositories, if established, would be made available for the storage of all low-level radiative wastes generated or used in the region served, and disposable as such in accordance with Federal law. Any such repositories, if established, shall be licensed by the Nuclear

Regulatory Commission. The Secretary of Energy should provide for recovery of all costs for operating and maintaining these repositories from fees charged for storage of the low-level radioactive wastes. The number of repositories shall be determined in the study by the Secretary of Energy with the goal of serving each region of the country, and in order to minimize the distance that the low-level radioactive wastes will be transported.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Chairman, I urge the adoption of the amendment offered as a substitute for the amendment of the gentleman from Washington (Mr. McCormack).

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Arizona (Mr. Udall) as a substitute for the amendment offered by the gentleman from Washington (Mr. McCormack).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. McCormack), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MRS. BOUQUARD

Mrs. BOUQUARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. Bouquard: On page 67 of the committee amendment after line 2 insert the following new section:

URANIUM ENRICHMENT REPORT

Sec. 705. (a) As soon as practicable but not later than the date on which the Secretary transmits to the Congress legislation authorizing appropriations for the Department of Energy for fiscal year 1981, the Secretary shall transmit to the President and the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, and Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the long term policy and plan for U.S. uranium enrichment.

(b) The report required under this subsection shall provide a full and complete statement of the Department's policy governing commercial uranium enrichment services and an associated plan, with appropriate projections, to the year 2000. The report of the policy and plan shall include, but not be limited to:

(1) the enrichment policies of the U.S. government, including preproduced enriched uranium inventory management, international market share and nonproliferation objectives, and timing for decisions on new capacity additions including energy efficient advanced isotope separation technology;

(2) operations of the current and authorized enrichment facilities, including operating and transaction tails assay, electric power purchase commitments and availability, and incremental replacement of gaseous diffusion capacity with energy efficient centrifuge capacity;

(3) enrichment service contract demand for domestic civilian and military uses, and for foreign civilian uses;

(4) international commitments related to the Nuclear Non-Proliferation Act of 1978, nuclear fuel-bank set-asides, and any bulk purchase agreements including purchase of feed or tails materials;

(5) estimated annual on-budget costs and total estimated project costs for each increment of authorized and projected additional capacity;

(6) projection of anticipated revenues including foreign exchange;

(7) recommendations for opportunities to encourage private sector involvement in funding; manufacturing, construction, and operation of future increments of enrichment capacity as a supplement to existing government commitments;

(8) impact of domestic uranium production capability and resource availability on enrichment operations, including constraints on uranium production due to land withdrawal.

Mrs. BOUQUARD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Tennessee?

Mr. DINGELL. Mr. Chairman, we have not seen the amendment. Until we have had a chance to do so, I must object.

The CHAIRMAN pro tempore. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of the amendment.

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Mrs. BOUQUARD. Mr. Chairman, I feel my amendment is quite straightforward, I think, as a parallel to section 703, which calls for a report on waste management. I think it is rather noncontroversial.

Mr. Chairman, as my colleagues know, the three committees of jurisdiction on this title, title VII, have cooperated fully in fashioning a strong and important continuing commitment to our domestic uranium enrichment program.

More specifically, we have before us an authorization for $290 million for fiscal year 1980 which will assure that ample funds are made available to at least maintain, if not accelerate, the schedule for the Portsmouth, Ohio, gas centrifuge enrichment plant. When Congress first endorsed the administration's decision to build this next increment in enrichment capacity using the very energy efficient centrifuge technology, we fully expected that the Department of Energy would take us seriously. During the Science Committee's hearings on this matter, it became clear that the Department was rather cavalier in its treatment of the congressional mandate to get on with this job.

The delays in this project contemplated by the Department could ultimately add $1.7 billion to the cost of the project, a cost that would be paid by consumers of electricity. Just as critical a factor related to this delay is the erosion of interest within the private sector to provide competitive supplies of technology and products for this program. I personally reject the notion that DOE has the latitude to make decisions of this nature without consulting Congress.

During the Science Committee markup of H.R. 3000, an additional $70 million in authorization was added to this project. This addition did not affect the appropriations since we also made specific provision for the application of the excess revenue of approximately $133 million from the sale of enrichment services to the program. This provision is spelled out in section 804, thus, to the extent possible, the enrichment program is paying for itself and poses essentially no burden on the budget. Over the long-term all costs will be recovered as is now prescribed by law. During fiscal year 1980 it is expected that total revenue will slightly exceed the costs for operation as well as construction.

While I am reasonably satisfied with the outcome of our actions, I would like to point out to my colleagues that arriving at a reasoned decision on enrichment funding was difficult if not cumbersome. It was necessary to pursue resolution of a number of issues after the fact of the hearings through exchanges of letters with a number of department officials. One of my major concerns is that we will be asked to make decisions on the fiscal year 1981 budget request under the same conditions.

To avoid this problem, I have proposed an amendment comparable to that proposed in section 703 which is related to congressional interest in the commercial waste management program. In my proposed section 705, a new section in title VII, I am calling for the Department of Energy to transmit to the congressional committees of jurisdiction a comprehensive policy statement and long-term plan in time for review as a basis for fiscal year 1981 budget decisions. As in the above section 703, this amendment authorizes no new funds and calls on the Department to assemble its various positions into a cohesive and comprehensive picture of where the enrichment program is headed. I might add that the Senate Energy Committee reported S. 688, its version of the fiscal year 1980 DOE authorization, with a comparable study provision calling for submittal to Congress by February 1, 1980.

While I found merit in some of the issues addressed in the Senate proposal, there were additional issues which lacked resolution in my view. I attempted to characterize these in my additional views on the committee report.

What I have been concerned most directly about were the Department's projections of demand including potential foreign commitments related to our nonproliferation and export market objectives, the basis for production planning including plant efficiency and uranium feed requirements, the impact of decisions to delay new capacity versus possible total and operating cost benefits of maintaining the currently authorized schedule, and the importance of preserving an aggressive schedule in the selection of industry participants so that the supporting manufacturing base will be developed in a timely manner.

My amendment addresses all of these specific issues as well as others which must be factored into a comprehensive policy. What we have learned is that decisions on the uranium enrichment program are intimately linked with key international issues such as commitments to provide a stockpile of enriched uranium for the proposed international nuclear fuel bank and with other seemingly unrelated issues such as natural uranium production and availability.

The specific elements of this amendment are as follows: The Department is to provide Congress with a uranium enrichment plan incorporating currently authorized capacity additions including the Portsmouth, Ohio, GCEP as well as projections of any additional capacity needed by the year 2000. We should expect that DOE will use their planning base of 325,000–380,000 megawatts electric installed capacity to make this projection of the timing and amount of capacity needed. An important element in this projection is the current objective for capture of a fraction of the foreign market as well as other factors such as uranium availability which affects operating tails assay assumptions.

During the course of the Science Committee's hearing on enrichment conducted in Oak Ridge, Tenn., on September 22 of this year, Dr. Stanley Weiss, Deputy Assistant Secretary for Resource Applications, and Mr. Bill Voigt, Director of Uranium Resources and Enrichment, both reviewed this amendment and indicated that the Department of Energy had no objections to it, and in their opinion the material requested in the amendment was reasonable and necessary for the determination of a sound management decision on enrichment policy.

I would urge the adoption of this amendment.

Mr. FUQUA. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the distinguished chairman.

Mr. FUQUA. Mr. Chairman, let me say that the gentlewoman was prepared to offer this in the committee, but because it was to this title of the bill, the gentlewoman was persuaded not to offer it at that time and offer it on the floor.

I certainly have no objection to the amendment of the gentlewoman. I do think that there is one technical suggestion that should be made in reference to the committees, that also the Committee on Foreign Affairs should be reported, because of the nonproliferation activity involved.

Mr. BINGHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentlewoman for yielding. I appreciate the suggestion.

I hope the gentlewoman would not object to including the Committee on Foreign Affairs among the committees to be advised of the report.

Mrs. BOUQUARD. I would certainly be happy to send it to this committee.

Also, this is straightforward. It is merely to report the direction of our enrichment program, the way they are going, the funds that will be needed and the recommendations that they will be making involving the private sector in the program.

Mr. UDALL. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I would like to tell the gentlewoman that the friendly folks on the Committee on the Interior think this is a good amendment and we will support it.

Mrs. BOUQUARD. Mr. Chairman, I thank the chairman and we will see that the gentleman's committee receives this report.

Mr. DINGELL. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I withdraw my reservation of a point of order.

The CHAIRMAN pro tempore. The reservation of a point of order is withdrawn.

Mr. DINGELL. Mr. Chairman, I indicate that with the suggested change referring to the Committee on Foreign Affairs, I would have no objection to the amendment.

Mrs. BOUQUARD. Mr. Chairman, I thank the gentleman from Michigan.

Mr. WYDLER. Mr. Chairman, will the gentlewoman yield?

Mrs. BOUQUARD. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I make it unanimous.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that immediately following the words "Interior and Insular Affairs" appear the words "The Committee on Foreign Affairs".

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the modification to the amendment.

The Clerk read as follows:

On page 67 of the committee amendment after line 2 insert the following new section:

### URANIUM ENRICHMENT REPORT

SEC. 705. (a) As soon as practicable but not later than the date on which the Secretary transmits to the Congress legislation authorizing appropriations for the Department of Energy for fiscal year 1981, the Secretary shall transmit to the President and the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, the Committee on Foreign Affairs and Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the long term policy and plan for U.S. uranium enrichment.

(b) The report required under this subsection shall provide a full and complete statement of the Department's policy governing commercial uranium enrichment services and an associated plan, with appropriate projections, to the year 2000. The report of the policy and plan shall include, but not be limited to:

(1) the enrichment policies of the U.S government, including preproduced enriched uranium inventory management, international market share and nonproliferation objectives, and timing for decisions on new capacity additions including energy efficient advanced isotope separation technology;

(2) operations of the current and authorized enrichment facilities, including operating and transaction tails assay, electric power purchase commitments and availability, and incremental replacement of gaseous diffusion capacity with energy efficient centrifuge capacity;

(3) enrichment service contract demand for domestic civilian and military uses, and for foreign civilian uses;

(4) international commitments related to the Nuclear Non-Proliferation Act of 1978, nuclear fuel-bank set-asides, and any bulk purchase agreements including purchase of feed or tails materials;

(5) estimated annual on-budget costs and total estimated project costs for each increment of authorized and projected additional capacity;

(6) projection of anticipated revenues including foreign exchange;

(7) recommendations for opportunities to encourage private sector involvement in funding; manufacturing, construction, and operation of future increments of enrichment capacity as a supplement to existing government commitments.

(8) impact of domestic uranium production capability and resource availability on enrichment operations, including constraints on uranium production due to land withdrawal.

Mrs. BOUQUARD. Mr. Chairman, I urge adoption of this amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from Tennessee (Mrs. BOUQUARD), as modified.

The amendment, as modified, was agreed to.

### AMENDMENT OFFERED BY MR. LUJAN

Mr. LUJAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUJAN: On page 65 after line 20, insert the following new section,

### SITE RECOMMENDATION FOR A HIGH-LEVEL WASTE GEOLOGICAL STORAGE REPOSITORY

Section 704(a) the Secretary of Energy, in selecting a site for locating a permanent geological repository for nuclear high-level wastes, should give primary consideration to candidate sites located on Federal Government lands with suitable hydrology and geology which are in, or immediately contiguous with, sites having significant quantities of high-level byproduct and special nuclear materials, as defined by Section 11 of the Atomic Energy Act of 1954.

And renumber the final section.

Mr. LUJAN. Mr. Chairman, I rise in support of this amendment to H.R. 3000, which makes the primary consideration for selection of the site for a permanent geological repository to be a location that already has high-level wastes.

The purpose is to limit, as far as we can, the locations in the United States where high-level wastes would be buried. Of course, the Secretary of the Department of Energy must fully take into account the hydrology and geology of the locations to assure that the repository will fully conform with safety requirements. Already investigations by the Department of Energy are far enough along that we know that reasonable prospects exist in Federal lands contiguous to or in Federal sites where high-level wastes exist.

I believe this is a prudent and reasonable guidance in our search for a proper repository location. It does not unduly limit the possible locations in our quest for a fully safe repository.

Further, Mr. Chairman, it assures the

public that we are not needlessly putting significant quantities of high-level wastes in more and more places in the country. Instead, by this amendment, we are being responsible custodians of the lands of this Nation by eliminating needless duplication of high-level waste locations.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I would be glad to yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I want to thank the gentleman for yielding and indicate that in the present form that this amendment is drafted, I have no objection to it.

I think it is important to understand that as the amendment is drafted, it would refer to about 10 or a dozen sites within the United States, including weapons test sites in Nevada, Louisiana, and Alaska and many national nuclear sites.

The fact is that we probably will not select permanent sites for high-level wastes for 20 or 25 years, in any event. Site selection is not a matter of immediate critical concern.

What we should be doing, of course, is studying the best materials and the best conditions for permanent storage. Such programs are already underway in several places, studying various types of rock. These studies will be followed by long-term demonstrations. We have work going on now drilling holes in various types of rock; and this year we will have electric heaters in these holes. Next year we hope to have radioactive wastes canisters in, I hope.

However, we are not talking about selecting a permanent site until after we have a reprocessing program in operation, and until after we are glassifying the wastes. I think it is acceptable, but it will take about 15 years. I think it is important to remember that when the wastes are glassified from a reprocessing plant, they can be stored indefinitely right in the building where they are glassified.

In France, they are making about a canister a day of glass, about the size of a 55-gallon drum.

It simply goes into a hole in the floor. They have 240 holes in the floor in a big concrete block and they put 10 of these cans on top of each other and then put a plug on top and you can walk right around on top of it.

When we say, "What about a permanent site?" they say, "Oh, in 10 or 20 or 25 or 30 years we'll pick a site."

Maybe that is what we are doing here, too, so the gentleman's amendment is acceptable, even though it has no real meaning at this time. It does not mean that we are going to locate any waste site anywhere during the coming years, but it is, I think, a perfectly legitimate thing to consider sites that already contain wastes.

Mr. LUJAN. Mr. Chairman, I thank the gentleman for his support.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I would be glad to yield to my friend, the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, can the gentleman tell us where these major sites are?

Mr. LUJAN. Well, there are a number of sites. I do not know that I can specify all the different sites, but Nevada, for example, is one that can be considered. There are some sites in the State of Washington. There are some sites at other places.

Mr. WEAVER. Are there any in Oregon that would qualify under this?

Mr. LUJAN. I do not know of any specifically. I do not think there are any that already contain high-level wastes in the State of Oregon, but I cannot assure the gentleman that there are none. I do not believe there are.

Mr. WEAVER. Mr. Chairman, if the gentleman will yield further, I know of none in Oregon, either, and Oregon has a law prohibiting the storage of radioactive material in Oregon.

I wonder if the gentleman would accept an amendment to require consent of the States here.

Mr. LUJAN. This is simply a study. We are not mandating that they go anywhere. We are just saying to the Secretary that where there are already contaminated lands and where the hydrology and geology is proper, to look at those sites and see which are the better sites.

It is simply a study. It is not mandating anything.

I suppose that if we had that kind of an amendment, every State would want to pass such a law. It is getting back to the same thing we were talking about with the low-level wastes.

□ 1350

The CHAIRMAN. The time of the gentleman from New Mexico (Mr. LUJAN) has expired.

(By unanimous consent, Mr. LUJAN was allowed to proceed for 2 additional minutes.)

Mr. LUJAN. Mr. Chairman, let me ask, what is going to happen to States like Oregon in the case of the study that is going to come up now for low-level wastes?

If Oregon says, "You can't put it here," does that mean the hospitals in Oregon cannot use any kind of nuclear material? What is the solution? Or are we going to say, "Let Oregon have the benefit of this technology, but send the stuff somewhere else?"

This creates a little problem, but at the moment I think it would be best to just leave the amendment as it is.

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I will be glad to yield to the gentleman from Nevada.

Mr. SANTINI. Mr. Chairman, would it be appropriate to style this amendment, I say to my good friend, the gentleman from New Mexico (Mr. LUJAN), as an ill-disguised attempt to exclude consideration of his congressional district from possible waste disposal.

Mr. LUJAN. No, that is not so.

Mr. SANTINI. Is this goal a possible motivation?

Mr. LUJAN. No.

Mr. SANTINI. Is this goal an indirect influence?

Mr. LUJAN. None at all. The effort is to say, "Look. Don't just look at one place. Look at places where it might be appropriate to put the high level waste. If the land is already contaminated, let us look at that."

That is a very reasonable direction to take.

Mr. SANTINI. Of course, and it is the gentleman's hope, then, that his congressional district will come into the forefront of consideration as a result of his amendment and perhaps be the No. 1 candidate for disposal?

Mr. LUJAN. We are not talking about "No. 1 candidates" here. We are looking at 10 or 12 different areas that need to be looked at to see where the best place to put it is. This has no parochial interest involved at all.

As the gentleman can very well understand, it is in the national interest that we must look at different places and see where the best place is. There may be more. There probably will be more than just one place where high-level wastes can be disposed of.

We are setting a pattern with low-level wastes here with the amendment offered by the gentleman from Washington (Mr. McCORMACK), as amended by the amendment offered by the gentleman from Arizona (Mr. UDALL). There are going to be several locations. Perhaps that is the answer in this case. I do not know. We had better look at all of them.

The CHAIRMAN pro tempore. The time of the gentleman from New Mexico (Mr. LUJAN) has again expired.

(On request of Mr. SANTINI, and by unanimous consent, Mr. LUJAN was allowed to proceed for 2 additional minutes.)

Mr. SANTINI. Mr. Chairman, will the gentleman yield further?

Mr. LUJAN. I yield to the gentleman from Nevada.

Mr. SANTINI. Mr. Chairman, in the gentleman's pursuit of the national interest, does he see anything inconsistent in suggesting a criteria that may give as a matter of law primary consideration to those areas under consideration rather than, as I would urge upon my friend, the idea that the primary consideration ought to be safety?

Mr. LUJAN. Mr. Chairman, I think this does deal with safety in saying that it must be lands with suitable hydrology and geology. It must be or should be lands that are already contaminated.

Let us not spread it all over the country. Where these conditions exist, then that is where we ought to look at it more strongly. There is no mandate to put it in any particular site.

Mr. SANTINI. Mr. Chairman, if my good friend and turquoise enthusiast would yield once more, does he not agree that by imposing this kind of artificial criteria, he may well be foreclosing areas that either geologically or perhaps due to hydrology would be appropriate candidates for disposal, because he is confining those sites to those that fit his description as to where it might be appropriate to put the material?

Mr. LUJAN. No, I do not believe that.

Mr. SANTINI. Mr. Chairman, if the gentleman will yield further, I say, yes, it does have that result.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the gentleman's amendment which would require that the Secretary of Energy, in selecting a site for a long-term geological repository for waste storage, give primary consideration to sites located on Federal lands which are already being used to store significant quantities of high level byproduct and special nuclear materials.

While the resolution of the nuclear waste issue is of paramount importance which requires that we proceed in an expeditious manner, I do not believe it advisable that we limit the Secretary's ability to select the most appropriate site by directing him to give primary consideration to Government-owned sites which are already being used for the storage of significant quantities of high level byproduct and special nuclear materials.

Many of the sites presently in use were selected on the basis of a criteria that was far more lenient than those applicable today. In many of the localities adjoining these sites, a significant portion of the population believes that they are being forced to contend with dangers far more serious than they were originally led to believe. Their concerns have recently been reflected in the actions of a number of State officials who have voiced their opposition to the continued or expanded use of their State for the storage or disposal of nuclear waste.

The Governors of Illinois, South Carolina, and New York which presently have waste storage facilities in their States have each expressed their concern that announced plans for interim storage of spent fuel and low level waste sites discriminate against their States because of the existence of such facilities within their State, and they all feel that their residents are being compelled to bare a disproportional share of the responsibility for handling nuclear waste. Recently, even the pro-nuclear Governor of the State of Washington felt compelled to temporarily close the low-level waste burial site in that State, and a similar site in the State of Nevada was also recently temporarily closed. Local opposition to the proposed Government-owned WIPP site in New Mexico has been significant.

To require the Secretary to give primary consideration to existing Government-owned waste storage sites not only restricts the Secretary's ability to select the most suitable site, but, more importantly, may actually impede to implementation of a waste disposal policy by increasing the opposition of the affected local communities and officials who believe that such a requirement discriminates against them because of their prior willingness to cooperate in previous Government efforts in regard to nuclear waste storage and disposal.

Because I believe the Secretary's ability to select a site for a terminal waste repository should be based on an objective evaluation of all the relevant criteria applicable to the construction and operation of such a facility, and because I believe it is unfair to discriminate against those communities which have cooperated in past efforts to store and dispose of such waste, and because I believe that giving primary consideration to existing sites would, in the long run, be counterproductive.

Mr. Chairman, I regretfully, in spite of my respect for its author, urge the defeat of this amendment.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask my friend, the gentleman from New Mexico (Mr. LUJAN), the author of the amendment, a question. The gentleman does not intend, by this good advice which he is giving to the Secretary about where to look, to change the environmental impact statement requirements or infringe on legal procedures or any of the rest of the requirements?

Mr. LUJAN. Not at all, Mr. Chairman, if the gentleman will yield.

Mr. UDALL. The gentleman is simply sending a little message or a little valentine to the Secretary, and he is just telling him where he ought to look?

Mr. LUJAN. Mr. Chairman, it is more than just a "little message" or "little valentine." This grows out of a feeling that the Department of Energy has not looked at the whole waste question, and we are saying, "There are some lands out there already. Don't you know that? There are lands out there that are already contaminated and that have good hydrology and good geology. Why don't you look at those?"

We are drawing for him a little map and saying these would be places where he ought to look.

Mr. UDALL. Mr. Chairman, my dilemma is that I do not know that the amendment is necessary. Knowing how people operate and having visited with the Governors of a lot of Western States, I understand their feelings and I know they do not have any enthusiasm for being selected as the home for the repository of waste materials and nuclear waste materials.

If we do not pass the amendment, I suggest that these places mentioned in the amendment are where the Secretary will look anyway. Does the gentleman not agree with that, that since certain Western States already have a history of being a repository for waste materials, the Secretary would probably look at those sites first?

Mr. LUJAN. Mr. Chairman, if the gentleman will yield, I say they have not been looking, and we are just pointing them in that direction.

I do not know if the gentleman received a letter this morning from the White House, but I did. It said in effect: We know how difficult it is to vote on these tough, tough issues, but you have done a good job in voting on tough, tough issues before. Keep it up.

Maybe that is the kind of a letter that the Secretary of Energy needs, saying, "Look, you have been trying to resolve this problem, and here are some places that you ought to look at."

Mr. UDALL. Mr. Chairman, I say to the gentleman that is probably where they will look, and the thing that concerns me is that this looks to me like a loaded gun pointed at our friend, the gentleman from Nevada (Mr. SANTINI), whose State has had enough guns pointed at it lately. The more folks in Washington seem to suggest the western public lands are where we are going to be looking, it concerns me that we may do something unnecessarily to stir up the folks in a couple of these specific Western States.

Mr. LUJAN. No. No, it is certainly not my intention to point a gun at my friend, the gentleman from Nevada (Mr. SANTINI). Far be it from me to cause him any more problems than he already has.

It is simply my intention to tell the Secretary of Energy exactly what the amendment says: "Look at these contaminated lands over there. Don't contaminate this whole country. You have already got places where you can put it. Look at these primarily and see if you can't come to a resolution and use those lands. Don't go all over the country."

□ 1400

Mr. UDALL. I do not have strong feelings. I suggest that there are maybe more important, far reaching amendments than this. I can live with it if it passes. But for the reasons that I have stated, I personally am going to vote against the amendment.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, I would simply like to point out that it is not as if there has been an ignoring of other possible sites. This bill alone continues up to $100 million for studies in the State of Nevada and the State of Washington, I am told, on the permanent storage question, in terms of research on that issue.

Mr. SANTINI. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I want to commend my very good and very imaginative friend, the gentleman from New Mexico, for desiring to remove possible consideration of his congressional district under his well structured criteria and wishing to visit a targeted blessing on my congressional district. We have had many blessings of late, underground nuclear testing, and MX missiles are coming our way. The gentleman wants to add to the gratuitous grab bag of benefits that are being dumped on our State with this amendment. But the amendment is wholly and entirely unnecessary.

There is a study going on right now and, as the gentleman from Arizona, the chairman of our committee, observed, that study is doing exactly what the gentleman is hoping his amendment might lock into legislative concrete.

But, second, I think it is most inappropriate for the gentleman to restructure criteria for nuclear waste disposal to suit his own individual district needs but to the exclusion of the safety and transportation concerns of the Nation. Safety ought to be the primary consideration, not whether there is some study going on right now. As the gentleman has written his amendment, safety is not mentioned anywhere in it, except by inference, and the gentleman has put his well crafted product before this body, nothing is said with regard to the hazards that inevitably will occur from transportation. I think there is in place a mechanism to examine this issue, and this kind of don't-dump-it-in-my-backyard legislative attempt is inappropriate for this body to consider as a meaningful piece of legislative contribution to this bill.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to my friend, the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, let me tell the gentleman that he has totally misread the intent of this amendment. This amendment simply says "put it in the best place that exists, wherever it may be."

Mr. SANTINI. "Outside my congressional district."

Mr. LUJAN. No, it does not say "outside my congressional district," because if my congressional district has contaminated lands, as some lands are contaminated, and if it has the proper hydrology, the proper geology, then let us put it in there.

Mr. SANTINI. Reclaiming my time, if the gentleman will hear me through, again does not the gentleman agree that safety ought to be the principal criteria, not some arbitrary determination of what is being looked at now or which lands have been spoiled now?

Mr. LUJAN. If the gentleman will yield, that is exactly correct. I think safety is a primary interest. That is why the words "the proper hydrology and the proper geology" are in the amendment. As a matter of fact, that is what I had in mind when I put those words in there, that high-level waste be in a perfectly safe place.

Mr. SANTINI. Reclaiming my time, safety is a much easier word than hydrology and geology, and I am just disappointed that somehow that shorter word never found its place in this particular amendment.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. SANTINI. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, I am very sympathetic to my dear friend, the gentleman from Nevada, but I am really at a loss on how to vote for this amendment myself because it does not put the stuff in Oregon. So I am unsure yet as to how to vote. My sympathy certainly lies with the principle the gentleman from Nevada has enunciated, but I would just like to say that there must be something fundamentally wrong with an industry that produces material that everybody wants out of their area.

Mr. SANTINI. I can certainly say that we have had our share of adverse experiences of late, to confirm the gentleman's suspicions. I would urge my good friend, the gentleman from Oregon, my seatmate on the Committee on Interior and Insular Affairs, that if he is wavering, let him waver in the interest of his friend, the gentleman from Nevada.

Mr. LUJAN. Mr. Chairman, if the gentleman will yield further, let me tell the gentleman that, as he well knows, my own home State has been as cooperative as his home State has been to this industry. There is no question about it. It is not a ploy to put it in Nevada. If New Mexico is the best place to put it, after they look at the hydrology and the acceptability and the contamination of lands already there, then so be it. But let us look at all of them.

Mr. SANTINI. I appreciate the gentleman's remarks.

I would not characterize the amendment as a ploy; merely as a constructive endeavor to respond to noble constituent concerns.

Mr. Chairman, I urge the defeat of the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Mexico (Mr. LUJAN).

The question was taken; and on a division (demanded by Mr. LUJAN) there were—ayes 12, noes 13.

### RECORDED VOTE

Mr. LUJAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1410

### QUORUM CALL VACATED

The CHAIRMAN pro tempore. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

### RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from New Mexico (Mr. LUJAN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 208, noes 197, not voting 28, as follows:

[Roll No. 580]

AYES—208

Abdnor
Addabbo
Albosta
Anderson, Ill.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Biaggi
Bowen
Breaux
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, Phillip
Butler
Carney
Carter
Chappell
Cheney
Cleveland
Coleman
Collins, Tex.
Conable
Conte
Conyers
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dornan
Edwards, Ala.
Edwards, Okla.
Emery
English
Ertel
Evans, Del.
Evans, Ga.
Fascell
Fenwick
Ferraro
Fish
Forsythe
Fountain
Gaydos
Gibbons
Gingrich
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Huckaby
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Kazen
Kelly
Kemp
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lehman
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lujan
Lungren
McCloskey
McDade
McDonald
McEwen
McKinney
Madigan
Marriott
Martin
Mathis
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Neal
Nichols
Oakar
Pashayan
Paul
Pepper
Petri
Peyser
Preyer
Pursell
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Roth
Rousselot
Roybal
Royer
Rudd
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Solomon
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Van Deerlin
Vander Jagt
Vanik
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wolff
Wydler
Wylie
Yatron
Young, Fla.
Zeferetti

NOES—197

Akaka
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Aspin
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Bouquard
Brademas
Brinkley
Brodhead
Brown, Calif.
Burlison
Burton, John
Byron
Campbell
Carr
Cavanaugh
Clausen
Clay
Clinger
Coelho
Corcoran
Corman
Cotter
D'Amours
Davis, S.C.
Deckard
Dellums
Derrick
Dicks
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Evans, Ind.
Fary
Fazio
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Frenzel
Frost
Fuqua
Gephardt
Giaimo
Gilman
Glickman
Gonzalez
Gore
Gramm
Gray
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Holland
Holtzman
Hopkins
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kindness
Kogovsek
LaFalce
Lederer
Lee
Leland
Levitas
Long, La.
Lowry
Luken

Lundine
McClory
McCormack
McHugh
McKay
Maguire
Markey
Marks
Marlenee
Matsui
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Montgomery
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Pickle
Price
Pritchard
Quayle
Rahall
Rangel
Ratchford
Reuss
Richmond
Rose
Rostenkowski
Russo
Sabo
Santini
Schroeder
Shannon
Sharp
Simon
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stark
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Vento
Walgren
Waxman
Weaver
Weiss
Whittaker
Whitten
Wirth
Wolpe
Wright
Wyatt
Yates
Young, Alaska
Young, Mo.
Zablocki

NOT VOTING—28

Andrews, N.C.
Applegate
Beilenson
Boland
Bonker
Chisholm
Collins, Ill.
Diggs
Dixon
Duncan, Oreg.
Early
Erdahl
Flood
Ford, Mich.
Fowler
Garcia
Harsha
Horton
Jones, N.C.
Leach, La.
Mavroules
Rodino
Rosenthal
Runnels
Smith, Iowa
Volkmer
Wilson, C. H.
Winn

☐ 1430

The Clerk announced the following pairs:

On this vote:

Mr. Jones of North Carolina for, with Mr. Rodino against.

Messrs. IRELAND, MARRIOTT, and GOLDWATER changed their votes from "no" to "aye."

Messrs. JOHNSON of Colorado, RATCHFORD, GILMAN, HYDE, and SPENCE, Mrs. BOGGS, and Messrs. McKAY, KINDNESS, and DOUGHERTY changed their votes from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 67, after line 2, insert the following new section:

PAPERWORK REDUCTION

SEC. 705. (a) Not later than 180 days after the date of the enactment of this Act, the Secretary of Energy shall compile, index, and maintain, in accordance with guidelines developed by the Office of Management and Budget and other applicable provisions of law, a central file containing a copy of each type of application form, each type of information request or requirement form, and every other type of form used by the Secretary to obtain information from any person who participates in, or is affected by, any energy program conducted by the Secretary. The Secretary shall carry out this subsection through the Energy Information Administration.

(b) Not later than one year after the date of the enactment of this Act (but in no event later than September 30, 1980), the Secretary of Energy shall—

(1) promulgate regulations to require, to the extent consistent with the provisions of law applicable to energy programs conducted by the Secretary—

(A) the consolidation of all forms used by the Department of Energy to obtain information which is identical from any person who participates in, or is affected by, any such energy program.

(B) the elimination of forms used to obtain information which is available from any other authority of the United States, and

(C) such further simplification, and reduction of the number, of such forms as may be practicable,

(2) submit to the Congress a report identifying any provision of law applicable to the Department of Energy which interferes with the carrying out of paragraph (1), and

(3) reduce, in accordance with criteria established by the Office of Management and Budget, for fiscal year 1980 the level of paperwork burden hours (as defined and allocated by the Office of Management and Budget) expended by the Department of Energy by 5.5 percent or to the maximum extent practicable.

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Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, as we contemplate passage of the energy authorization, it is fitting that we consider an amendment to reduce the amount of paperwork it will generate. Experts predict that all the progress made in cutting paperwork over the past 2 years is threatened by the spate of new energy related legislation soon to be enacted. In light of these predictions, it is crucial that we take action to reduce Federal paperwork.

According to the former Director of the Commission on Federal Paperwork, there are going to be huge increases in paperwork coming up unless something is done quickly. Today, we have the opportunity to contain the paperwork problem at the very moment at which it promises to explode. By taking the steps I have outlined in my amendment, we can blunt the growth of Federal paperwork before it has a chance to overtake us. But we must move quickly and decisively to counter this threat.

My colleagues will recall a week ago last Tuesday the President announced that Federal paperwork has been cut by about 15 percent over the past 2 years. This is a significant accomplishment that is much to the administration's credit. But the sad fact is that the programs contemplated in this energy authorization combined with other new efforts may increase Federal paperwork at a rate so fast that it will completely wipe out those gains. We must take steps to forestall these increases. While OMB is predicting a minimum of 16 million man-hours being added to the paperwork burden as a result of new programs, others are calling this figure low and estimate 80 to 100 million more hours could be added to the Government burden over the next 2 years. It will take as many as 3 million hours in new paperwork to implement the National Energy Conservation Policy Act alone.

The reality of the present situation is that as new programs come down from Congress, the bureaucracy responds by issuing some new form or reporting requirement. This situation is further exacerbated when these programs come in the form of a response to a critical situation. Under such circumstances, painfully little attention is paid to the paperwork burden these requirements generate. We must have some assurance that the paperwork reduction process will not be short circuited by the overzealous advocates of particular programs. That assurance will only come if we mandate it by stating our intentions and giving the Department the tools to avoid duplication and to reduce paperwork.

Earlier this year, I asked the General Accounting Office whether it could provide me with a list of all the forms presently in use by the Federal Government. Their response was that it would be impossible to compile such a list without devoting their entire staff to the project for a number of years. If we are ever going to get a handle on the problem we have to force each Department and agency to take account of its own paperwork and to seek out and guard against duplication.

In working with the Office of Management and Budget on this matter, I have found that it has developed a system that Departments can use in reducing their paperwork. My amendment mandates the Department of Energy to adopt that system. The amendment is quite similar to the one which was adopted earlier this year in the Housing bill. It requires the Department of Energy to take the following steps:

First. To make recommendations to Congress for reduction and consolidation that cannot be accomplished through rules and regulations;

Second. To make a good faith effort to achieve a 5.5-percent reduction in its paperwork for fiscal year 1980;

Third. To compile and index its paperwork forms within 180 days of enactment of the bill; and,

Fourth. To use the compilation to eliminate and guard against future duplication and to consolidate existing forms.

My amendment implements the basic recommendation of the Commission on Federal Paperwork and has the support of the Office of Management and Budget. With your support we can send a clear message to the people that we are serious about solving the paperwork problem.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has been gracious enough to make a copy of this amendment available to the committee. It has been reviewed by the committee staff. We find it acceptable, and on behalf of the committee I am most pleased to accept the amendment and I commend the gentleman for offering it.

Mr. PANETTA. I thank the gentleman from Michigan.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Texas.

Mr. LOEFFLER. I thank the gentleman for yielding.

I would also like to associate myself with the remarks of the gentleman from Michigan, the distinguished chairman of the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce. On this side of the aisle we support the gentleman's amendment. I particularly support it in view of the fact that the gentleman has unfortunately had to call the attention of the Department of Energy to proper management policies.

I encourage adoption of the gentleman's amendment and urge its support.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. PANETTA).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title VII? If not, the Clerk will designate title VIII.

Title VIII reads as follows:

## TITLE VIII—PROVISIONS REGARDING USE OF FUNDS

### LIMITATION OF REPROGRAMING OF FUNDS

SEC. 801. (a)(1) Subject to the limitations of sections 201(b) and 802, no amount appropriated pursuant to this Act (other than title I) may be used for any program, function, or purpose in excess of the amount expressly authorized to be appropriated for that program, function, or purpose by this Act, nor may the amount available for any program, function, or purpose from sums appropriated pursuant to this Act (other than title I) be reduced by more than 5 percent of the total of the sums appropriated pursuant to this Act for such program, function, or purpose or by more than $10,000,000 (whichever is the lesser), except that such funds may be so used (and available funds so reduced) in any case in which—

(A) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of an adjournment of more than 3 calendar days to a day certain or an adjournment sine die) has passed after the receipt by the appropriate authorizing committees of the House of Representatives and the Senate of notice given by the Secretary of Energy or the Federal Energy Regulatory Commission, as the case may be, containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action, or

(B) each such committee before the expiration of such period has transmitted to the Secretary of Energy or the Federal Energy Regulatory Commission, as the case may be, written notice stating in substance that such committee has no objection to the proposed action.

(2) In the case of any office or unit within the Department to which funds are authorized to be appropriated without reference to a particular program, function, or purpose, paragraph (1) of this subsection shall be applied to such office or unit as if the references in such subsection to "program, function, or purpose" were to that office or unit.

(3) At the time of any reprograming of funds appropriated pursuant to this Act (other than title I), the Department shall report to the appropriate authorizing committees of the House of Representatives and the Senate the mature and amount of, and reasons for, such reprograming.

(b)(1) Except as otherwise provided in this Act—

(A) no amount appropriated pursuant to title I of this authorization Act may be used for any program in excess of the amount expressly authorized for that particular program by this Act, and

(B) no amount appropriated pursuant to title I of this authorization Act may be used for any program which has not been presented to or requested of the Congress,

except that such funds may be so used in any case in which (i) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than 3 calendar days to a day certain) had passed after the receipt by the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate of notice given by the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (ii) each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action.

(2) Notwithstanding any other provision of this Act, the aggregate amount of funds appropriated pursuant to the authorization contained in any of the following provisions of this Act shall not, as a result of reprograming, be decreased by more than 10 percent:

Section 101 (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), or (K);
Section 102 (A), (B), (C), (D), or (E);
Section 103 (A), (B), (C), or (D);
Section 104 (A), (B), (C), or (D);
Section 105 (A) or (B);
Section 106(A);
Section 107 (A), (B)(1), (B)(2), (B)(3), (C), (D), (E)(1)(a), (E(1)(b), (E)(1)(c), (E)(2), (E)(3), (E)(4), (E)(5), (E)(6), or (F);
Section 108 (A)(1), (A)(2), (A)(3), (A)(4), or (B);
Section 109 (A), (B), or (C);
Section 111 (A) or (B);
Section 112 (A) or (B);
Section 113 (A), (B), (C), (D), (E), or (F);
Section 114;
Section 115 (A), (B), or (C);
Section 116 (A), (B), or (C);
Section 117;
Section 118 (A), (B), (C), or (D); and
Section 119.

### LIMITATION REGARDING MANAGEMENT SUPPORT SERVICES

SEC. 802. No amount appropriated pursuant to this Act may be used in the fiscal year ending September 30, 1980, for any management support services contract unless the contract was entered into in accordance with the provisions of Circular A–76 of March 1979, and Bulletin 78–11 of May 5, 1978 of the Office of Management and Budget, and Department of Energy Order 1370.1 of June 5, 1978, which prescribe policies concerning the use of contracts for such services.

### LIMITATION ON THE USE OF UNEXPENDED BALANCES

SEC. 803. (a) If so specified in an appropriation Act, the unexpended balances of any appropriations to the Department for—

(1) operating expenses,

(2) plant and capital equipment, or

(3) any program, purpose, or function not covered under paragraphs (1) and (2),

may be transferred to the new appropriation account established for the same program, purpose, or function pursuant to an appropriation authorized by this Act, and balances so transferred may be merged with funds in the applicable newly established account and thereafter may be accounted for as one fund for the same time period as originally enacted; except that no such amounts appropriated for plant and capital equipment may be merged with amounts appropriated for operating expenses. The Secretary of Energy shall report such transfers to the appropriate committees of the Congress within 30 days after making such a transfer.

(b) No limitation under any other section of this Act applicable to any funds shall be considered to be inapplicable by reason of this section.

### LIMITATION ON THE USE OF CERTAIN REVENUES

SEC. 804. (a) Part C of title VI of the Department of Energy Organization Act is amended by adding at the end thereof the following new section:

"LIMITATION ON THE USE OF CERTAIN REVENUES

"SEC. 661. (a) When so specified in an appropriation Act, (1) any revenues received in any fiscal year by the Department in providing uranium enrichment services may be retained and used solely for the purpose of offsetting any costs incurred by the Department in conducting uranium enrichment service activities, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and (2) the amount of appropriated funds which would otherwise be available for obligation or expenditure for such activities shall be reduced by the amount of any revenues so retained. Revenues from other programs shall not be available for such activities.

(b) Except as otherwise provided in subsection (a) or as specifically provided by any other law, receipts of the Secretary and the Commission, including any payment received because of overcharges by persons under the jurisdiction of the Secretary or the Commission, in fiscal years beginning after September 30, 1979, shall be deposited in the Treasury of the United States as miscellaneous receipts in accordance with section 3617 of the Revised Statutes (31 U.S.C. 484).

"(c) Clause (2) in the first sentence of subsection (a) shall not apply with respect to reprogramming authority allowed under section 801 of the Department of Energy Civilian Programs 1980 Authorization Act or any comparable reprogramming authority.

"(d) This section does not apply to the power marketing functions of the Department.

"(e) Not later than 120 days after the close of a fiscal year, the Secretary shall prepare and transmit to the Congress a report on—

"(1) revenues received during such fiscal year from uranium enrichment activities and other programs, and

"(2) the cost incurred in such year in providing uranium enrichment services.".

(b) The table of sections for the Department of Energy Organization Act is amended by inserting after the item relating to section 660 the following new item:

"Sec. 661. Limitation on the use of certain revenues.".

(c) Section 111 of the Energy Reorganization Act of 1974 (42 U.S.C. 5821) is amended by striking out subsection (h) and redesignating subsection (i) as subsection (h).

### OPERATING EXPENSES

SEC. 805. (a) Amounts appropriated for operating expenses for research, development, and demonstration programs pursuant to authorizations in titles I, VI, and VII of this Act may not be used for—

(1) the acquisition of land, except as provided in subsection (b), and

(2) any item of equipment, if the estimated costs to the Federal Government of such item exceeds $2,000,000, unless such item has been previously authorized by statute or the use of such funds is in accordance with subsection (c).

(b) Subject to subsection (c), the Secretary may use up to 1 percent of all funds appropriated pursuant to authorizations in titles I, VI, and VII of this Act for operating expenses, for research, development, and demonstration programs to construct, expand, modify, or acquire any facilities, including laboratories or major items of equipment, or to acquire land at any location under the control of the Secretary, if—

(1) the Secretary determines, in writing, that—

(A) such action would be necessary because of changes in the national programs authorized to be funded by this Act or because of new scientific or engineering developments, and

(B) deferral of such action until the enactment of the next authorization Act would be inconsistent with the policies established by Congress for the Department, and

(2) in the case of any project the estimated cost of which exceeds $50,000, the determination under paragraph (1) is made in accordance with subsection (c).

(c) No action required to be made in accordance with this subsection shall take effect unless—

(1) a period of 30 calendar days (not including any day in which either House of Congress is not in session because of an adjournment of more than 3 calendar days to a day certain) has passed after the Secretary has transmitted to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a written report containing a full and complete statement concerning the proposed action, including—

(A) in the case of the vesting of property under subsection (b), the reasons for determining such vesting to be appropriate, and

(B) in the case of any obligation or expenditure of funds under subsection (b), the nature of the construction, expansion, or modification involved, the cost thereof, including the cost of any real estate action pertaining thereto, and the reason why such construction, expansion, or modification is necessary and in the national interest, or

(2) each such committee before the expiration of such period has transmitted to the Secretary a written notice to the effect that such committee has no objection to the proposed action.

EXEMPTION FROM FISCAL YEAR LIMITATION

SEC. 806. (a) Authorizations in this Act for any construction line item project shall remain effective without fiscal year limitation through the fiscal year ending September 30, 1982, except that any such authorization may remain available without fiscal year limitation beyond that date—

(1) if funds to carry out the projects involved are appropriated or otherwise provided pursuant to applicable law prior thereto, or

(2) if such authorization period is specifically extended by statute enacted after the date of the enactment of this Act, but only to the extent specifically so extended.

(b) If so specified in an appropriation Act, any amount appropriated pursuant to this Act may remain available until expended.

INTERAGENCY TRANSFERS

SEC. 807. If so specified in an appropriation Act, funds authorized to be appropriated by this Act (other than under section 601(4)) for operating expenses may be transferred to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriations to which they are transferred. Except to the extent expressly provided, no limitation under this Act applicable to any funds shall be considered to be inapplicable by reason of this section.

PERSONNEL EXPENSES

SEC. 808. Appropriations authorized by this Act for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

LIMITATION OF FUNDS FOR FACILITIES FOR DEPARTMENT OF ENERGY

SEC. 809. No funds authorized to be appropriated by this Act may be used for the renovation, furnishing, or repair of facilities to provide temporary or permanent space for personnel relocated as a result of the establishment and activation of the Department of Energy and for which funds were appropriated by chapter V of title I of the Supplemental Appropriations Act, 1978.

LIMITATION ON USE OF GASOLINE BY DEPARTMENT

SEC. 810. No funds authorized to be appropriated pursuant to this Act for the fiscal year ending September 30, 1980, may be used to purchase motor gasoline or to reimburse any other Federal agency for motor gasoline in an amount which exceeds 85 percent of the amount of motor gasoline purchased (and for which reimbursement was made to another Federal agency or entity) during the fiscal year ending September 30, 1979, by any component of the Department for which funds are authorized to be appropriated by this Act.

LIMITATION ON CONTRACTING

SEC. 811. Authority under this Act to enter into contracts obligating the United States to make outlays may be exercised only to the extent as may be provided in advance in appropriation Acts.

MILITARY APPLICATIONS

SEC. 812. (a) Nothing in this Act shall apply with respect to any authorization in any other law for appropriations for the fiscal year ending September 30, 1980, for any military application of nuclear energy, for research and development in support of the armed forces, or for the common defense and security of the United States.

(b) For purposes of subsection (a):

(1) The term "military application" means any activity authorized or permitted by chapter 9 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2121, 2122).

(2) The term "research and development", as used in this section is defined by section 11 x. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2014).

(3) The term "common defense and security" means the common defense and security of the United States as used in the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011 et seq.).

COORDINATION WITH THE ENERGY REORGANIZATION ACT OF 1974

SEC. 813. With respect to the fiscal year 1980, the provisions of this title shall supersede the provisions of section 111 of the Energy Reorganization Act of 1974.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: Page 74, after line 3, insert the following new section:

POSTEMPLOYMENT RESTRICTIONS

SEC. 805. In the case of any employee of the Department of Energy whose basic pay is paid from funds authorized to be appropriated by this Act, section 605(a) of the Department of Energy Organization Act (42 U.S.C. 7215(a)) shall not apply with respect to any appearance, attendance, or written or oral communication made by such employee after the date of the enactment of this Act and before September 30, 1980.

Redesignate the following sections accordingly.

Mr. ECKHARDT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, all this amendment does is provide that during the period covered by this authorization the present restrictions which exist in the Department of Energy Organization Act concerning postemployment restrictions will not be effective. The reason for so providing is that these postemployment restrictions were placed in the Department of Energy Organization Act prior to the time that the Ethics in Government Act was enacted. The Ethics in Government Act now covers this area, and it seems appropriate and proper that the same standards be applicable to all employees including Department of Energy employees. This amendment does not change existing law permanently, but it gives a little time in which these provisions are suspended and during which the Ethics in Government Act's provisions apply. If this were not passed, I am told that a number of employees of the DOE would leave employment because of the underly restrictive provisions of the Department of Energy Organization Act. This amendment will give the committee time to study the matter and, if it thinks desirable, permanently amend the Department of Energy Act.

Mr. DINGELL. Mr. Chairman, would my good friend, the gentleman from Texas, yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Texas has been gracious enough to make a copy of this amendment available to the committee. We have had a chance to review it. We have no objection to it. As a matter of fact, we find it helpful. I further would advise the gentleman from Texas that the point he raises is an excellent one. It is one which needs correction, and I have instructed the staff that to prepare to move forward toward consideration of substantive changes in the law to deal with the long-term question the gentleman is so wisely dealing with on a short-term basis. I am happy to accept the amendment.

Mr. ECKHARDT. I thank the Chairman.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The amendment was agreed to.

Mr. DINGELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, last night just before the House adjourned I had an opportunity to address the House for 1 minute under a unanimous-consent request. I rise essentially to reiterate the remarks that were inserted in the RECORD at that time at page 28679. I rise at this time to advise my colleagues in the House that when we go back into the House I will request a separate vote on the Courter amendment which immediately decontrolled gasoline on the effective date of the legislation on which we now labor.

Mr. Chairman, there are a number of points that my colleagues should have clearly in mind at the time that the matter comes before the House. The first is that the controls will expire according to law on September 30, 1981, and that between now and that time we will see, through the phased decontrol of crude oil, the phased decontrol of gasoline. Gasoline at that time will rise to the world market price. By a curious anomaly, although the allocation controls were criticized, the amendment and bill as modified by the adoption of the Gramm amendment permit the allocations which were so sternly criticized to continue and the price controls, which were not criticized, have been removed.

The amendments on which we have labored in the Courter and the Gramm amendments create serious confusion on gasoline regulations. For example, there is a strong possibility—as a matter of fact, it is almost certain—that the amendments as they have been adopted will eliminate funds for the enforcement of cases now relating to gasoline price violations, and as a result persons who have profited greatly in the violation of law will, by the Gramm-Courter amendment, receive the benefit of expiation and legislative forgiveness of the amounts due the Federal Government, and also will receive the shelter from criminal prosecution for violation of the law. There is also the possibility that through the adoption of these amendments, if the House does so, we may find that although there may be allocation to priority categories of users, small retailers, jobbers, ranchers, farmers, and others, the price cannot be specified under which that allocation will take place, with the result that if there were to be disorder, and allocation were to be required, we could find that allocation could take place but that the price could not be subject to any Federal order. The consequence would be that the person required to allocate could say, certainly he will allocate but since the recipient would be outside a regular chain of distribution, there would be a strong possibility that the allocation could take place at two or three or four or five times the regular market price, something which I think is both unwise and unnecessary. My colleagues must bear carefully in mind that in the event that a major shutoff in supply, gasoline prices would be highly volatile. We could witness ourselves in situations where we would see not a repetition of a $1.50 price which took place during the Iranian crisis, but that prices could go to $2, or according to former Deputy Secretary of Energy Mr. O'Leary, the strong possibility exists that $2 or $3 or $4 gasoline prices could occur.

Last of all, it should be noted that in the near future the studies required by title III of the Petroleum Marketing Practices Act, the so-called Dealer Day in Court, will be submitted to the Congress with regard to how we shall retain competition in the retail and in the wholesale portions of the gasoline marketing industry. To require decontrol at this time is literally to foreclose whatever option we might have to assure that the steps to assure competition are carried out as recommended in that study, and I do not think that the House wishes to be guilty of that particular action.

Last of all, the two major small business organizations in this industry are strongly opposed to gasoline price decontrol. The National Oil Jobbers Council, representing jobbers who are both wholesalers and retailers, have passed a resolution resolving opposition to decontrol at this particular time, and the Service Station Dealers of America, formerly known as the National Congress of Petroleum Retailers, are pointing out that decontrol at this particular time may cause many problems.

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For these reasons, when we get back into the House, I urge very strongly that my colleagues join me, not only in securing a separate vote on this question of gasoline price decontrol, so unwisely adopted earlier in the committee, but also that they join me in overturning the action of the committee in view of the reasons just expressed.

Mr. **STOCKMAN**. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it has been indicated when we go back into the House there will be an effort to reverse the Courter amendment. I just want to take a few moments to try to clarify some of the issues and attempt to respond to some of the alarmist rhetoric we have heard about what might be the effect of the decontrol amendment that was adopted.

Mr. Chairman, it has been said in the last few days without price controls in the gasoline market the price of gasoline might rise to $1.50 or $2 a gallon. We just heard in the well of this House a moment ago that indeed it would be even more than that, that it might rise to $3 or $4 a gallon. I think that must tax our credulity just a little bit because I would remind the House that $4 per gallon is the equivalent of oil at $150 per barrel in crude oil prices and I do not think anyone could imagine such an outcome. We are in bad shape in the oil market but certainly not that bad.

Mr. Chairman, what the House has to remember is that today the inventories of gasoline and crude oil have been rebuilt in our refining system.

Mr. Chairman, in contrast to these exaggerated predictions, the fact of the matter is we have rebuilt the crude oil inventories and the gasoline inventories in our refining system. The market supply and demand are now back in balance and if we were to pass this amendment and DOE were to decontrol the price of gasoline tomorrow, in my view it would not rise by even a plug nickel. As a matter of fact, this was testified to before a House committee just yesterday. A spokesman from the Department of Energy appeared before a committee and said there would be no impact on the price of gasoline at the present time. I hope the House would keep that in mind as we reconsider this amendment.

Mr. Chairman, I think the more important point that needs to be made today is that I have had many Members say, "Yes, we wanted to junk, we wanted to jettison that whole allocation system because that clearly has been counterproductive, but do we not need some kind of price controls to protect us, just in case the market is unstabilized?"

I would have to say to the House, Mr. Chairman, before you think the price controls are going to do you any good in protecting your consumers or holding down the price of gasoline, just consider the experience that we have gone through these past 9 months. During the last 9 months we did have the Iranian shutdown, we did have an unstable market. What is the outcome in terms of impact of this whole gasoline price control system on the price of gasoline?

Mr. Chairman, let me give the House some very interesting information: Between January and September, Exxon's price for No. 2 distillate, which is totally uncontrolled, totally unregulated, rose by 54 percent. During that same 9-month period Exxon's wholesale price for gasoline, which is regulated under the program that this move would try to preserve, also rose by 54 percent.

Mr. Chairman, the point is the gasoline price controls over any considerable period of time—3, 4, 5 months or so—do not hold down the price of gasoline because basically that system is simply a revolving door that allows the rising price of crude to be passed through.

Mr. Chairman, the point is, they are not effective in protecting the consumer, as many Members of this House may have been erroneously led to believe.

Mr. Chairman, the gentleman from Michigan suggests that may be true, when the market is in balance the price controls do not protect the consumer. It may be over a period of 8 or 10 months we get the same outcome anyway, but we we should still have the gasoline price controls in case we have another crisis in the world oil market, in case we have another world production outage and we get turmoil in the marketplace.

I would remind the House there are a lot of other countries around the world who went through the same shortage, the same tight market, during April and May that we had in this country. We had price controls on gasoline and they did not. The interesting thing is if you look at the retail price of gasoline at the pump in those countries you will find that even during the crisis period of May and June, their retail price of gasoline, minus the heavy tax they pay, was no different than ours. During June in this country when the price of gasoline was 90 cents a gallon at the pump, in West Germany, minus the dollar tax they pay, the price per gallon of gasoline was 90 cents, as well.

Mr. Chairman, the point is, even during periods of disruption the gasoline price controls do not do a great deal of good. However, certainly, over any 8- or 9-month period they have absolutely nothing to do with holding down the gasoline price because the scarce commodity in the world today is crude oil. If there is an outage of crude oil, the crude oil price is going to rise and this system simply passes it through and it does not protect the consumer.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. STOCKMAN was allowed to proceed for 1 additional minute.)

Mr. STOCKMAN. What I am suggesting to the House is that we made the right decision to jettison the whole allocation system. I think there is a clear majority in the House to get rid of it.

Mr. Chairman, the further point I am making is that by reversing that amendment under the hope that we are bringing back some price-control protection, we are not doing that at all and so, therefore, the bottom-line meaning of a vote to reverse the amendment that we adopted last week is simply to bring back the allocation system and all the dislocation, all of the disruption that that caused in the market during this previous spring.

Mr. Chairman, I would hope that the House would sustain the wise judgment that we made last week. I hope we will not be misled by that wild, exaggerated predictions that have been made about price. I hope we will understand that this gasoline price-control system really does not hold down the price and by reinstituting the current program the only thing we are doing is taking 3,000 pages of allocation regulations, putting them back on the market and if we get another shortage we will get the same disruption.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. BAUMAN and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 3 additional minutes.)

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I want to concur in what the gentleman from Michigan has said. There is a theory of politics that says that the voter reacts most forcefully to the issues that touch his life intimately. I happen to subscribe to that. I think all of us as practicing politicians realize it.

Mr. Chairman, the issue that is being raised in the Courter amendment and the attempt now to repeal the previous action will have an intimate impact on every one of our constituents. Any Member who votes to continue the gasoline allocation system that has messed up this Nation's economy for 5 years will feel the retribution of every person who sits in a gas line henceforth.

The gentleman from Maryland, together with Members from the other States in the Washington area, sat through repeated meetings with the officials of the Department of Energy who candidly admitted that one of the reasons the Washington area and southern Maryland, suffered so much, was the allocation system and its inability to respond to the needs of the marketplace as well as the months and months of delay in changing allocations.

We have seen thousands of small businessmen, independent gasoline station operators, wiped out over the last several years because of this system. We know the major oil companies do not suffer, but the small businessman suffers, the person who needs gasoline to bring his groceries from the store, his kids to school, to go back and forth to work where there is no mass transit, they are the ones who suffer. All of the experts admit, with a few apologies from some of our friends here who like big government, that it is the Federal gasoline allocation system that is at fault.

Mr. Chairman, if the Members will vote to reverse themselves on this amendment they will have to go home and explain to the people who will suffer that we were willing to continue a system proven false, proven a failure and a system that has harmed this country, harmed individuals and made them suffer.

Mr. Chairman, I do not want that responsibility and we have the chance to reverse a very bad policy today by standing by the Courter amendment.

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Mr. STOCKMAN. Mr. Chairman, I appreciate the gentleman's comments.

Let me just say further that the man who ran this program during the worst period in June, Mr. Bardin, testified before our committee and he said that if you had an allocation program for milk like this you would get the same outcome. You would have lines at the supermarket.

Mr. BAUMAN. If milk were under allocation, there would be babies crying all across this country.

Mr. STOCKMAN. I think the gentleman is precisely correct.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I would be happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman taking the well to explain to the House what the gentleman has heard in committee. My understanding is that if we keep the allocation system as it presently relates to gasoline it could be that the cost would be shifted to higher prices for heating oil. Could the gentleman explain that?

Mr. STOCKMAN. Well, I think that is a very distinct possibility and it is a point that we have made before. If you are regulating the refinery margin on gasoline, but not on heating oil, costs that would normally be borne by that gallon of gasoline will be shifted over to heating oil and that means you are going to have people who are in very severe financial straits paying their heating bills this winter, helping to subsidize some teenager who drives his hotrod to school.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. STOCKMAN) has again expired.

(At the request of Mr. ROUSSELOT and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. STOCKMAN. I would be happy to yield.

Mr. ROUSSELOT. Then it is very possible if we reverse what this House very wisely did last Friday, that it could mean that the cost increase will be shifted to heating oil.

Mr. STOCKMAN. That is precisely correct.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman making that point.

AMENDMENT OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DANNEMEYER: Page 78, line 11, insert "(a)" after "SEC. 810.".

Page 78, after line 20, insert the following new subsection:

(b)(1) The Secretary of Energy shall advertise in the Federal Register to request bids from distributors of alternative fuels produced in the United States for the purchase of such alternative fuels for use during the fiscal year ending September 30, 1980, in motor vehicles owned by the Department of Energy.

(2) The Secretary shall require that each such distributor who submits such a bid include in such bid an agreement—

(A) to provide a quantity of an alternative fuel—

(i) which will produce an amount of energy which is not less than the amount of energy produced by 200,000 gallons of motor gasoline, and

(ii) the cost of which does not exceed the cost that the Secretary would incur to purchase 200,000 gallons of motor gasoline,

(B) to pay any amount, as determined by the Secretary, by which any cost of constructing, operating, and maintaining any facility for the storage of such alternative fuel exceeds the cost of constructing, operating, and maintaining any facility for the storage of motor gasoline that would have been incurred if such motor gasoline had been purchased by the Secretary in lieu of such alternative fuel,

(C)(i) to pay the cost of equipping such motor vehicles to consume such alternative fuel, and

(ii) to deposit in an escrow account established by the Secretary funds sufficient to pay any cost of refitting such motor vehicles to consume motor gasoline if the Secretary determines that the utility of such alternative fuel is inadequate or if such distributor fails to provide the quantity of such alternative fuel specified in such bid, and

(D) to pay any amount, as determined by the Secretary, by which any cost of repairing or maintaining such motor vehicles equipped to consume such alternative fuel exceeds the cost that would have been incurred to repair and maintain such motor vehicles if such motor vehicles had not been so equipped.

(3) The Secretary shall refuse to accept any bid which is submitted more than 60 days after the date the Secretary advertises for bids under paragraph.

(4) The Secretary shall accept at least one bid which satisfies the requirements of this subsection unless the Secretary has good cause to reject each such bid.

(5) For purposes of this subsection, the term "alternative fuel" means any liquid fuel, other than motor gasoline, consumable by a motor vehicle for propulsion, including gasohol, liquefied methane, liquefied coal, and any liquid hydride.

Mr. DANNEMEYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. HUGHES. Mr. Chairman, reserving the right to object, I wonder if we could have a copy of the amendment or have it read, one of the two.

Mr. DINGELL. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California (Mr. DANNEMEYER) that the amendment be considered as read and printed in the RECORD?

Mr. HUGHES. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The Clerk will report the amendment.

The Clerk concluded the reading of the amendment.

Mr. DINGELL. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. The gentleman from Michigan reserves a point of order.

Mr. DANNEMEYER. Mr. Chairman, the amendment I am proposing here today has one simple purpose: To encourage development of alternative fuels by requiring the Department of Energy to provide a market for those fuels whereby they could be tested. The market would consist of the general-purpose vehicle fleet owned and operated by the Department of Energy (DOE).

For years now, we have been hearing about the need to develop alternative fuel supplies. Subsequently, some of these products, such as gasohol, have come on the market and even more recently, legislation has been passed by the House of Representatives calling for Government price supports for synthetic fuels. Clearly, the need is there, as last spring's gas crunch attested; the question is, How can we get these alternative fuels into production in the shortest time and at the least cost to the hard-pressed American taxpayers?

Those advocating the Government-owned or Government-operated synfuels approach argue that the task is either beyond the financial capability of private enterprise or should be controlled by Government to prevent excess profitmaking. But such thinking is overly simplistic. Aside from the fact that Government intervention in, and control over, our existing domestic energy industry is largely responsible for the shortages we are faced with, it is also a fact that there are any number of firms, some of them either new or small, which have developed, or claim to have developed, new types of fuel and are anxious to try them out, but for one reason or another have no ready market or have a market too small to be cost efficient. Likewise, there are other firms that could accelerate development of their products if they only could sell more of it.

Some will argue, so what. If the product is worthy and the price is right, it will develop, and should develop, without Government interference. But, the fact is, the Federal Government buys a lot of fuel and, by so doing, it intervenes in behalf of—or gives an advantage to, depending on your point of view—whatever supplier it contracts with. Since that is the case, the question is not should the Government help one side or the other but which one on what terms? Carrying this logic one step further, if there is to be a national policy to encourage the production of synthetic or alternative fuels, why not have the Government, through its fuel purchase policy, "tilt" toward alternative, rather than conventional, fuel suppliers? Such a policy would not only be far cheaper than Government owned or operated energy facilities but it would involve a minimum of Government regulation. In fact, the role of Government would be far more what it should be—that of being helpful rather than getting in the way or casting a wet blanket over the whole process.

More specifically, what I am suggesting is that the Department of Energy, since this would be a test program and the Department of Energy is responsible for such testing, be required to solicit bids for alternative fuels as well as for gasoline, and if a supplier of alternative fuels can match or beat the price of gasoline, he be given the contract. Bids would be for 200,000-gallon increments of fuel and all costs—to the Department of Energy—of converting to that fuel would be borne by the supplier. Likewise, any extra maintenance costs would have to be made good by the supplier and the supplier would be further required to put into escrow a sufficient sum of money to lower the costs of reconverting to motor gasoline should he be unable to deliver sufficient quantities of the fuel or should the fuel not work as anticipated.

To make sure that the alternative fuels are going to be produced in this country, bidders would be required to so certify before their bid could be accepted. If more than one bidder appeared, and met the qualifications outlined above, within 60 days of the date the fuel purchase order was put up for bid, the Secretary of the Department of Energy would make the choice between the respective bidders based on the facts outstanding. However, if there was only one bidder who qualified, that bidder would get the contract; the Secretary would not have the option of sticking with motor gasoline unless he could show good cause for not awarding an otherwise qualified bidder that contract.

Were this amendment to be adopted, it would provide, at no cost to the taxpayer, a mechanism to accelerate the development of alternative fuels. For the year ending September 30, 1979, DOE owned and operated 11,441 general purpose vehicles which, during the course of the year, used 9,982,181 gallons of fuel. Roughly 30 percent of this amount was supplied under defense fuel supply contracts, which come under the aegis of the Defense Logistic Agency, and 2 percent was diesel fuel, but that still leaves 6.79 million gallons of gasoline for which substitutes could be found. Even if we pass the 15-percent reduction in usage of gasoline envisioned in section 810 of H.R. 4839, DOE's fuel utilization will still be high enough to permit such an experiment to go forward. Of course, there will be some limitations brought about by distribution factors, some of the vehicles may be thinly spread over a wide area and then not able to get to a fuel supply center while some others might have to be used for long distance travel away from alternate fuel supply centers, but in areas where there are sizable concentrations of DOE vehicles it ought to work. While most of these vehicles are operated by the contractors hired to operate the DOE facility, that should not be too great a problem. At least, the concept should be given a try; at the very worst, either no bidders meet the qualifications, in which case we are no worse off than we are right now, or a bidder cannot deliver on his commitment, in which case there is a bit of inconvenience but no great loss to the taxpayer.

Lest there be any confusion, this is not a subsidy or loan guarantee program. This is, purely and simply, a program that would give producers, or would-be producers, of alternative fuels, a chance to deliver on their claims. If a producer says he can supply an alternative fuel at a price competitive with motor gasoline, then he would have an opportunity, provided he met the other conditions. But, if a bidder could not meet the conditions he would not get the contract or if the condition were not fulfilled once the contract was signed, he would have to make good the cost to the Government of going back to gasoline. In short, it is a "put up or shut up" type proposition which, given the research and development orientation of the Department of Energy, seems entirely appropriate. If we are going to condition DOE's gasoline purchases to reduction of usage, why not also attach the condition that DOE give alternatives a try. It is entirely consistent, in both purpose and method, therefore, I urge adoption of this amendment.

### POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I rise to insist on my point of order.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. DINGELL. Mr. Chairman, the rules of the House require that amendments to legislation shall be germane, first, to the bill, and second, to the portion of the bill to which they are directed.

Mr. Chairman, without addressing at this particular moment whether or not the amendment is germane to the bill, I will address the second point, which is the lack of germaneness of the amendment to the portion of the bill to which it is offered.

Mr. Chairman, if the Chair will observe, the portion of the bill to which the amendment is offered, it can be observed it is a limitation on the use of gasoline by a department. It then is a limitation on funds, which reads as follows:

> No funds authorized to be appropriated pursuant to this Act for the fiscal year ending September 30, 1980, may be used to purchase motor gasoline or reimburse any other Federal agency for motor gasoline in an amount which exceeds 85 percent of the amount of the motor gasoline purchase.

In other words, we have here a limitation. The proposal that is offered by my dear friend, the gentleman from California, is one which would set up a rather large program which would require the Secretary of Energy to do a whole series of things, none of which are consistent with or which are relevant to this limitation.

First, to advertise in the Federal Register, to request bids from distributors of alternative fuels produced in the United States for the purchase of such alternative fuels for vehicles owned by the Department of Energy.

Second of all, there is a series of requirements that the Secretary shall require that each distributor who submits such a bid to do a series of things; to provide a quantity of an alternative fuel, which will produce an amount of energy which is not less than the amount of energy produced by 200,000 gallons of motor gaosline.

I would ask the Chair to note that the section with which we are dealing is a limitation on use of gasoline. This is for alternative fuels, which will have an equivalent energy release of 200,000 gallons of gasoline.

Now, whether the gentleman speaks of hydrogen or whether the gentleman speaks of different alcohols or synthetic fuels produced from other sources with which I might not presently be familiar, I am not able to say; but the fuels here are much broader and are not petroleum products necessarily, but are synthetics.

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Further, the individual who submits a bid must agree to pay the cost of constructing, operating, and maintaining facilities for storage of alternative fuels insofar as it exceeds the cost of constructing, operating, and maintaining facilities for the storage of motor gasoline; to pay the cost of equipping motor vehicles using such alternative fuels; to deposit in an escrow fund established by the Secretary sufficient funds to pay the cost of retrofitting motor vehicles to consume motor gasoline if the Secretary determines such alternative fuels are adequate; and to pay any amount, as determined by the Secretary, by which any cost of repairing or maintaining motor vehicles equipped to consume such alternative fuels exceeds the cost if such motor vehicles had not been so equipped.

Then it sets up matters relating to the bidding, and it further sets up matters relating to whether the Secretary shall accept bids or not accept bids.

Then it goes on to define the liquid fuel, which it specifically defines as "other than motor gasoline," whereas the section in question deals with gasoline.

So, Mr. Chairman, I point out that on this basis the amendment is not germane to the portion of the bill to which it is directed.

In addition to this, Mr. Chairman, there are other sections relating to synthetics, relating to conservation, and relating to procurement. Those are not the sections in question here, but I would point out, Mr. Chairman, that I am unaware of any portion of the bill to which this would be germane, because, as the Chair would observe, it sets up a very large process for the Department of Energy to procure synthetic fuels. That is something which is not found elsewhere in the legislation.

So, for those reasons, Mr. Chairman, I would urge that the Chair find this matter to be not germane to the legislation before us.

The CHAIRMAN pro tempore. Does the gentleman from California (Mr. DANNEMEYER) wish to be heard on the point of order?

Mr. DANNEMEYER. Yes, I do, Mr. Chairman.

The CHAIRMAN pro tempore. The Chair will hear the gentleman.

Mr. DANNEMEYER. Mr. Chairman, section 810 of the committee bill which is before the committee now for its consideration contains a restriction on the use of funds during the existing fiscal year for the purchase of motor gasoline. That is in section 810 of the bill before the committee.

For instance, it provides that the Department of Energy is required to reduce its consumption of gasoline by not less than 15 percent during this 1980 fiscal year.

That is the very thrust of this proposed amendment. It is designed also to reduce the quantity of gasoline that is being consumed by the Department of Energy through the medium of soliciting alternative sources of supply. It is not specific; it just says, "alternative fuels" in the proposed amendment.

It is submitted that the reduction of gasoline by 15 percent which is mandated in the committee bill is consistent with the thrust of the amendment which seeks delaying of the funds for making available alternative fuels.

In a nutshell, Mr. Chairman, there is little difference between reducing the use of gasoline by 15 percent, either by cost or other means, and achieving that reduction of gasoline consumption by the use of alternative fuels.

On that basis, Mr. Chairman, the amendment proposed by the gentleman from California is, I believe, within the scope of section 810 of the committee bill.

The CHAIRMAN pro tempore (Mr. STUDDS). The Chair is prepared to rule.

The Chair will observe that the rules of the House require that the amendment first be germane to the pending portion of the bill to which it is offered.

Title VIII deals with operating funds and personnel expenses of the entire Department of Energy for the fiscal year 1980. The amendment appears to the Chair to be confined to fiscal year 1980 and to constitute an appropriate restriction or direction on how the Department uses its operating funds for the fiscal year in question, and it is, therefore, germane.

The Chair, therefore, overrules the point of order.

Mr. FUQUA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment that has been offered by my friend, the gentleman from California (Mr. DANNEMEYER), not only has imperfections as to its drafting, since it relates to vehicles owned by the Department of Energy, it is my understanding that the Department of Energy uses GSA vehicles and owns no vehicles other than those that may be test vehicles that it owns outright itself. So this amendment probably should be directed to the General Services Administration rather than to the Department of Energy.

In addition, many of the vehicles are located in somewhat remote areas where research facilities are conducted, and, consequently, are not readily available to anything other than the normal sources of fuel.

But, Mr. Chairman, let me get to the heart of the matter. The gentleman from California (Mr. DANNEMEYER) has explained that he has someone who has expressed interest in a liquid hydride, that they can make this material, and that it can be used in the Department of Energy vehicles, even though the Department does not own any.

I might point out that this gentleman is well known to our committee, and he is well known to the other body. He has been heard in a hearing before the other body, and he met with the staff and with members of the Subcommittee of the Committee on Science and Technology, but to this date he has failed to provide any information about the process by which he arrives at this or about the technology. We have offered to provide the testing by the Department of Energy, and he has refused to cooperate with them and provide any money or any information so that they can test this process that he is talking about.

I think what we need to do is to go on with the known fuels that we have and not try to have just a single-purpose fuel from one individual. There have been certain representations made by this individual that have not been proven or that have raised serious questions as to the motivation and as to what the purposes were in trying to develop this material. Certain names have been used in allegations that people could cut corners if certain people would invest in other types of things. I think this amendment is something we should not be addressing ourselves to.

I would much prefer that if this technology has a viable use—and I hope that it does; possibly it does—we can define it and we can examine it under the proper circumstances. Then we can make a report and have the Department of Energy make a report to this Congress. Perhaps then we can proceed to try to incorporate this into some of the alternative fuels we may have.

But, Mr. Chairman, until that time I think it is better that we reject this amendment and wait until we can find further information.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Chairman, I would like to ask the gentleman in the well if he knows whether the producer of this particular product has a patent.

Mr. FUQUA. Mr. Chairman, I understand that he has a patent request which is pending, and by that means I thought maybe he might be able to reveal some of his technology to Government people, as others do, so that they may test the product and determine if this is a viable product.

Mr. DANNEMEYER. Mr. Chairman, it is my understanding—and the gentleman can correct me if I am wrong—that the producer or developer of this particular fuel does not have it patented, that it is a proprietary interest, and that the reason he is reluctant to submit it to the Department of Energy for its evaluation is his fear that the proprietary interest which he has developed, all from private funds, would be exploited to his disadvantage. Therefore, all he is asking for is just an order to provide the fuel to see if it will work in an automobile.

Mr. Chairman, I ask the gentleman in the well, how can the Government or how can the taxpayer lose if the gentleman can produce a fuel that would power a car consistent with what gasoline will do?

Mr. FUQUA. Mr. Chairman, I do not think we ought to change all the GSA automobiles so that they can use this fuel when we do not know whether it will work or not.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I am happy to yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, may I say to my friend, the gentleman from California (Mr. DANNEMEYER), that we have extensive programs of research, both in photovoltaics, which is the source of electricity the gentleman is talking about to make hydrogen, and in the preparation of hydrides and the use of hydrogen fuels.

The CHAIRMAN pro tempore. The time of the gentleman from Florida (Mr. FUQUA) has expired.

(On request of Mr. McCORMACK, and by unanimous consent, Mr. FUQUA was allowed to proceed for 2 additional minutes.)

Mr. McCORMACK. Mr. Chairman, if the gentleman will yield further, we have extensive programs on the preparation of hydrides and on the propulsion of automobiles from hydrogen.

Now, with all due respect, I recognize that it is possible to make hydrogen from this process. We who are acquainted with these technologies and who have been working on them recognize it is possible to make hydrogen from solar energy, using photovoltaic cells. There is nothing new about the technology. We know it is possible to make hydrides and it is possible to run automobiles on the hydrogen from those hydrides.

All these things have been done a number of times and in a number of places. We have ongoing research and development programs in each of these technologies, and we have had success in integrating them.

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I think the thing to recognize is that we do have a reasonably well based program based on the state of the art, and that clearly we are not ready yet to start powering automobiles this way, particularly because the hydrogen made this way is very expensive, and any hydrogen must be made from some conventional energy source. The cheapest of them, which happens to be nuclear electricity, still provides a source of hydrogen that is too expensive to be competitive.

There is no doubt about the fact that we are going to have hydrogen-driven cars and airplanes early in the 21st century, but I think it is impetuous of us to try to impose this program on the Department of Energy at this time, and I sincerely request the gentleman from California withdraw his amendment, in the knowledge that we will be going on with these programs in an orderly manner.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from California.

Mr. DANNEMEYER. One of the things which has intrigued the gentleman from California on this subject is: How are taxpayers of this country going to lose if we merely establish a proposal whereby a developer of this fuel will be given an opportunity to bid to see if the fuel that he produces and brings forward will run an automobile? How are the taxpayers going to lose on that?

Mr. FUQUA. Mr. Chairman, let me say to the gentleman that I can bring in 100 new technologies that people have been by to see me or have written me about that have some type of technology that they think may work, and I have some confidence in them. I have confidence that this process may work. But I think it should go through the normal procedure and the process that we have in this government. If not, we will be running like somebody shooting a gun in a chicken yard, in all different directions.

What we are after and what the gentleman from Washington is proposing is that we can have some hearings, try to discuss this matter, and through the normal procedure maybe we can offer the gentleman some help and some hope.

Mr. DANNEMEYER. I thank the gentleman.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to suggest to my colleagues that we do not look seriously and carefully enough at innovative ideas.

I just want to give the committee a little vignette. One pair I know has set up in their back yard an innovative solar heating arrangement. They thought it would be interesting to the Department of Energy. It was too simple. It did not seem to be of real interest, and the Department of Energy could not send anybody to look at it. Well, that is perhaps understandable. Maybe it would be impossible to send an inspector to every back yard.

But then we have another idea, a very complicated device developed by two Ph. D.'s from MIT. I do not know exactly what it was because I am not particularly knowledgeable in that area. What answer did they get from the DOE? "We are not interested in something that looks as though it might be commercially viable. This might be commercially viable. We are not interested. We want to develop back-yard solar energy."

Where do you go in this country to find somebody who is going to take an idea seriously? What kind of idea do they consider interesting?

If people had behaved this way about Henry Ford, we would not be in automobiles yet. Somebody has to take an interest in people who have not got very much money, who have an idea, an idea that might be useful, and really get busy to see if their idea is workable.

Mr. FUQUA. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Florida.

Mr. FUQUA. I thank the gentlewoman for yielding.

Mr. Chairman, I will say to the gentlewoman that we have a program within the Department of Energy called appropriate technology, and a small inventors' program. They are trying to help small inventors, as the gentlewoman says, and people who have some excellent ideas they have developed in their own garage or backyard.

Mrs. FENWICK. But look what happens to them. On the one hand they are told that the Department is only interested in backyard stuff and, on the other hand, they are told the idea is too good, "it might be commercially viable, do not bring it to us."

It is easy to say that a given device might be commercially viable, suggesting that they ought to be able to get independent financing; but that kind of money is not moving around any more. The savings of the American people are dropping and dropping. There is not very much loose money.

Mr. HUGHES. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentlewoman for yielding.

Mr. Chairman, I have read the amendment very carefully, and I think it is seriously flawed. It would require the Secretary of Energy to actually advertise for bids for any number of alternative fuel. What standards would you advertise? What would you accept? Much of the technology has not been proven. How do you determine whether it is efficient or effective? We are going to use the fleet of Department of Energy vehicles; or perhaps General Services vehicles, as has been represented by the chairman of the Committee on Science and Technology. There are no standards by which the Secretary of Energy could make an intelligent decision as between competing technologies.

Mrs. FENWICK. I agree. I am not speaking specifically on this. This amendment brought to my attention something that I feel is a very grave lack in the Department of Energy attitude.

Mr. HUGHES. If the gentlewoman will yield further, I agree with what our colleague, the gentleman from California, wants to do, but I think this misses the target. I would hope that my colleagues would reject the amendment.

Mrs. FENWICK. Mr. Chairman, I hope that this colloquy will serve to put the Department of Energy on notice that you cannot say to one group, "It is too good," and you cannot say to another group, "It is too bad." You have to find some ideas interesting.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask my colleague, the gentleman from California (Mr. Dannemeyer) a question. I tried to listen to this debate on his amendment, which incidently appears to me to be harmless, but maybe I do not read as carefully as other Members do who seem to oppose it.

My understanding is that the gentleman is not mandating that the Secretary use every one of the 11,000 vehicles of the Department of Energy. Is my figure right? Is it 11,000 vehicles that the Department of Energy has?

Mr. DANNEMEYER. There are 11,441 vehicles owned by the Department of Energy as of September 30, 1979.

Mr. ROUSSELOT. Is the gentleman mandating that a given portion of those vehicles be subject to this experimentation?

Mr. DANNEMEYER. Not at all.

Mr. ROUSSELOT. So it is strictly up to the Secretary; is that correct?

Mr. DANNEMEYER. That is correct. The Secretary would be required to solicit a bid which would then be evaluated as to whether or not the fuel of this alternative source is competitive with gasoline, and if it is a dependable source of supply.

Mr. ROUSSELOT. And those are the only two requirements in opening it up for bid that the Secretary must abide by?

Mr. DANNEMEYER. There are several others that I think redound to the benefit of the taxpayers. The third element is that the provider of the alternative fuel, for instance, must put up the money, estimated to cost $400 per vehicle, to convert cars to run on hydrogen. In addition, he has to provide that he has to put enough money in escrow so that if he does not continue to provide the fuel, if he runs short, the money is there to reconvert the cars back to gasoline. I do not see how the taxpayer can lose.

Mr. ROUSSELOT. Maybe there is some sophisticated reasoning that we did not quite grasp, as our colleagues who oppose this. This seems like a very, very reasonable amendment and does not put an undue burden on the Secretary. Maybe that is why it will not pass—because it is so reasonable.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Chairman, I want to congratulate the gentleman from California on his amendment.

Mr. Chairman, I introduced a bill recently to promote the use of hydrogen, because I found, in looking at the emphasis that the Department of Energy puts on various alternate sources of energy, that hydrogen is down at the bottom of the pile. In fact, hydrogen research has been reduced from $28 to $18 million. There is a de-emphasis on this source of energy. Of all the supply of energy in the world, hydrogen is at the top, and it is nonpolluting.

It seems to me that we would want to do all we can to promote the use of this source of energy. This is one very good way to do it. I want to compliment the gentleman.

Mr. ROUSSELOT. Mr. Chairman, I think the gentleman from Iowa has made an excellent point. It will indeed force attention on alternative sources of energy in automobiles. I think that this amendment will force proper attention within the DOE. It still leaves the bidding process, and everything else, to the Secretary. I think the gentleman's point is well taken.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I would support the gentleman from California in his amendment. I think there is a misconception here that we may be looking at some exotic fuel that would require radical changeover of motors and Government vehicles. Reading the amendment, I find that this is not the case, that it in fact includes gasohol, which can be burned practically as the automobile is.

I support the gentleman's amendment.

Mr. DANNEMEYER. If the gentleman will yield, the gentleman is correct. Any alternative fuel would be adequate.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague emphasizing the basic thrust of his amendment. It seems very reasonable, and I hope that that is not a strike against the amendment.

☐ 1530

Mr. DANNEMEYER. The Department of Energy seems to say, "Our program development for hydrogen fuel for cars is not on line until the year 2000, so please don't bother us before then."

Mr. ROUSSELOT. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Washington.

Mr. McCORMACK. I thank the gentleman for yielding.

I think it is important to understand that there is a misconception that has been flowing through part of the colloquy that has been going on on the floor during recent minutes.

The misconception is that hydrogen is a source of energy. It is not a source of energy. It is simply a transmitter of energy, somewhat as a copper wire is a transmitter of electricity. We must make the hydrogen before we can use it.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. Rousselot) has expired.

(At the request of Mr. McCormack and by unanimous consent, Mr. Rousselot was allowed to proceed for 1 additional minute.)

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Washington.

Mr. McCORMACK. Regardless of how we consider the merits of this amendment, I think it is fundamentally important to understand that hydrogen is not a source of energy. It is only a conductor of energy. We must make the hydrogen before we can use it, and we always lose energy when going from making it to using it, because the laws of thermodynamics demand that that is what happens. The most practical method to make hydrogen is to use electrolysis, and electricity may come from any electric source at all; such as hydroelectricity, nuclear energy, coal, solar energy, or whatever.

In all instances it is much more expensive to use hydrogen as a fuel than conventional fuels available to us today. I think we should understand those simple facts.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. Rousselot) has again expired.

(By unanimous consent, Mr. Rousselot was allowed to proceed for 2 additional minutes.)

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Washington.

Mr. McCORMACK. I should like to point out also that the Subcommittee on Energy Research and Production which I have the responsibility for chairing, received from the administration a request for $2.7 million for the production, storage, transportation, and use of hydrogen for fiscal year 1980. We increased that by $4 million, to a total $6.7 million. We have an aggressive program underway. We are pushing this as rapidly as the technology will allow.

I hope the gentleman will understand these simple facts.

Mr. ROUSSELOT. I appreciate that, but the facts that my colleagues has presented so much to the point do not in any way affect this amendment which merely encourages the Secretary to be involved in advertising in the Federal Register to request bids from distributors of alternative fuels.

Just because the cost of producing hydrogen may presently be very expensive does not mean that the Secretary could not carry on this program to determine if that could be utilized in automobiles.

Mr. McCORMACK. If the gentleman will continue to yield, I do not disagree with his point. I would submit that the orderly method would be to go through the regular research, development, demonstration programs we have.

Mr. ROUSSELOT. But the facts my colleagues has presented do not take away from the thrust of this amendment to encourage the Secretary to utilize whatever vehicles he determines should be used for this kind of experimentation; does it?

Mr. McCORMACK. No, except for the fact I think it is ill-advised as far as timing is concerned.

Mr. ROUSSELOT. The timing is off?

Mr. McCORMACK. Yes.

Mr. ROUSSELOT. Knowing how slow bureaucracy moves, maybe this will be a little extra push.

● Mr. DORNAN. Mr. Chairman, I wish to join my colleagues Mr. ROUSSELOT, and Mr. GRASSLEY in support of the fine amendment offered by my distinguished friend and colleague, Mr. DANNEMEYER.

As I understand the gentleman's amendment, it allows for the Department of Energy to solicit competitive bids on the purchase of alternative fuels, fuels other than gasoline. I think that the gentleman's amendment is a splendid idea; for it will give the Federal Government a clear legislative mandate to consider the purchase of alternative fuel systems. Last year, I asked the representatives of the General Services Administration and the General Accounting Office to examine ways in which the procedures for processing competitive bids on new energy systems could be improved. Apparently, current policies and regulations preclude straight competitive bids on alternative fuels. I think that this amendment will serve to correct this problem.

As a member of the Committee on Science and Technology, I can well appreciate the reservations of my distinguished chairman (Mr. McCORMACK) for whom I entertain the highest respect and admiration. But I also must concede that I am more strongly persuaded by the reasoning of the gentlewoman from New Jersey (Mrs. FENWICK). We cannot simply follow current procedures, and go along with business as usual in the field of energy development and application. We cannot depend upon the good will of the representatives of the agencies or departments of this Government to somehow see us through the current energy crisis. If there is one fundamental lesson that I have learned as a Member of this distinguished body, it is this: There is absolutely no reason to believe that the Federal bureaucracy will by itself respond in new and imaginative ways to cope with this Nation's dangerous energy crisis.

Government has failed. It has failed miserably, from the attempt to regulate natural gas prices to absurd attempts to direct the allocation of oil and gasoline throughout the United States. In spite of this failure, we are being asked by the administration to embark upon a desperate, crash program to develop synthetic fuels, through the good offices of the proposed $88 billion Energy Security Corporation. Notwithstanding the environmentally hazardous nature and the immense cost of such a program, we are being urged to swallow the same old snake oil.

In the meantime, we neglect other, more imaginative means of advancing research and development of new energy resources—whether solar, geothermal, hydrogen, or solar-hydrogen—in and through the private sector. It seems to me that we should act now on the lessons of history. It makes much more sense to rely upon the inventive genius of the private sector and encourage individual entrepreneurs to develop and market alternative fuels through a competitive bidding program, at no extra cost to the taxpayers, than to rely upon yet another massive, inevitably wasteful and incompetent bureaucracy.

I heartily ask for the adoption of the Dannemeyer amendment.●

Mr. WEAVER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think that this debate has opened up one of the most important issues that we face in energy in this country.

I have been most impressed by what both gentlemen from California have said and what the gentlewoman from New Jersey said, the gentlewoman's plea that we stop repressing and suppressing these various energy forms in this country.

I have, I hope, the attention of such distinguished leaders on energy as the gentleman from Washington, the gentleman from Michigan, and the gentleman from Florida and the gentleman from Texas and others. I would like to relate a simple story comparable to that of the gentleman from California (Mr. DANNEMEYER).

In the Northwest we are building thermal plants, the utilities are, at a cost of 40 to 60 mils per kilowatt hour.

I had occasion to visit last week, not a dreamer, not an idealist, not somebody with a method that he did not know anything about, but a man who owns the largest independent lumber company in the United States of America. This is one of the great industrial giants in this country, Roseburg Lumber Co. They presently produce 40 megawatts of electricity in their plant using wood waste.

I asked him, "Could you produce more from the wood that is out in the forest now being burnt as waste up in the forest?"

He said, "I certainly could. I could immediately put 50 megawatts of firm, base load electricity on line."

I would like very much for the gentleman from Washington (Mr. McCORMACK) to listen to this story, because he just said that nuclear energy was the cheapest energy around to produce electricity.

This gentleman, Alan Ford, whose family owns this whole huge lumber combine, who is an expert in producing electricity from wood waste, because they are doing it now and have been for years, said he could produce 50 megawatts—that is enough for a city of 25,000 people—for 20 mils, 22 cents a kilowatt hour, and he could do it tomorrow; but the reason he did not do it is that the utility that serves his area will not buy it from him.

He now produces as much as he needs for his mill operations, but the utilities would not buy it from him except at down power, exactly the situation faced by the constituents of the gentleman from California.

Yet, we build and are building and are going to sell to our consumers in the Northwest 40 to 60 mils per kilowatt hour of electricity, while his wood waste goes wasted in the forest because of the very bureaucratic inertia or whatever it is that refuses to use these other energy sources.

Now, this is why we simply must open up every possible avenue that we have in this Nation to these other energy sources that are going to waste.

The Dannemeyer amendment is certainly a start and certainly should be supported.

Mr. McCLORY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to speak in support of this amendment because I believe that it does precisely what I think should be done.

I have in my congressional district two gentlemen, a Dale Pate and a Herb Hansen, from Elgin, who have developed a motor fuel from alcohol and water which, with a very small modification in any motor vehicle, operates in the same way that gasoline does. I know this, because I have seen it demonstrated, and I have operated the automobile with this fuel of 90 percent alcohol and 10 percent water.

The alcohol can be produced from agricultural products, and it can be produced from garbage, from waste material. Garbage is in plentiful supply. The alcohol can be readily and plentifully produced. This would provide a ready and early answer to the gasoline crunch that we are experiencing.

I would like to ask the gentleman from California (Mr. DANNEMEYER), if I do not correctly interpret the amendment that he is proposing here, so that my constituents and others who are able to produce such alternate fuels, would have an opportunity to bid and to see their inventions and their developments come to fruition through widespread use of alternate fuels such as these gentlemen in Elgin, Ill., have developed.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California.

Mr. DANNEMEYER. I thank the gentleman for yielding.

The gentleman has correctly interpreted the proposed amendment. It does not specify what type of alternative fuel is being talked about. It can be any that the marketplace would produce. I think that is the genius of it.

Mr. McCLORY. I am in strong support of the amendment of the gentleman from California (Mr. DANNEMEYER).

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. DANNEMEYER).

The question was taken; and on a division—demanded by Mr. FUQUA—there were—ayes 35, noes 17.

So the amendment was agreed to.

□ 1540

Mr. KOSTMAYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

AMENDMENT OFFERED BY MR. KOSTMAYER

Page 79, insert after line 25, the following:

SMALL BUSINESSES

SEC. 814. (a) In order to carry out a policy that the Department maximize procurements of research and development from small businesses, not less than 25 percent, determined on the basis of value, of research and development projects and services procured by the Department with funds authorized to be appropriated under this Act shall be procured from small businesses, except as provided in subsection (b).

(b) If the Secretary determines that compliance with the 25 percent requirement set forth in subsection (a) is impracticable, the Secretary shall transmit to the Committees on Science and Technology, Interstate and Foreign Commerce, Small Business, Interior and Insular Affairs, and Government Operations of the House of Representatives, and to the Committees on Energy and Natural Resources, Governmental Affairs, and Small Business of the Senate, a report which—

(1) apprises such Committees of the impracticability of compliance with such requirement, and

(2) lists the reasons for such determination of impracticability.

(c) For purposes of this section, the term "small business" shall have the meaning given such term under section 3 of the Small Business Act.

Mr. KOSTMAYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KOSTMAYER. Mr. Chairman, I ask unanimous consent to modify the amendment so as to read in the third line "12 percent" instead of "25 percent."

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KOSTMAYER. Mr. Chairman, this is a very modest amendment. It simply would require that 12 percent of the research and development funds of the Department go to small businesses.

Last year the Department of Energy spent a little over $6 billion for research and development, 5.6 percent of that went to small business. I would like to raise that figure to 12 percent.

I recognize that some flexibility is required and, therefore, my amendment would permit the Secretary of Energy to waive this requirement if he felt that it could not be complied with.

Mr. Chairman, this has the support of many small business groups in the country, including the National Federation of Independent Businesses and the Small Business Legislative Council, which is made up of 43 small business groups.

I would like to read one very brief comment from a recent article in the Washington Star which I think makes the point I am trying to make and points out some of the advantages of trying to spread these funds around.

The National Science Foundation concluded, for example, that in the post-World War II period firms with fewer than 1,000 employees were responsible for half of the "most significant new industrial products and processes." Firms with 100 or fewer workers produced 24 percent of such innovations—and developed 24 times more major innovations per R. & D. dollar. Yet these small firms received only 3.5 percent of Federal R. & D. money.

It is my understanding, if I am not incorrect, Mr. Chairman, that my very good friend from Washington (Mr. McCORMACK) is opposed to this and will offer a substitute. I have had the opportunity to look at that substitute. Essentially it is very broad and very general and simply promotes the idea of small business. It eliminates the 12 percent.

If we need to do anything in the Department of Energy it is to get them to be more inventive, to be more resourceful, to direct some of this money to some smaller companies. That is all we are asking. We are asking simply for 12 percent, and we are giving the Secretary of Energy the right to waive that requirement if he sees fit.

If the gentleman from Washington does offer his substitute I will ask for a rollcall vote. I hope it will be rejected and that my amendment will be accepted.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

There is already a procedure set up within DOE for getting bids and potential awards on research to small business; is that correct?

Mr. KOSTMAYER. That is correct.

Mr. ROUSSELOT. So it will require no new procedure, just a higher level of activity for small business?

Mr. KOSTMAYER. The gentleman is correct. Last year the Congress passed amendments to the Small Business Act which established a procedure whereby the various agencies of the Government would work with SBA to arrive at targets. According to a GAO report, the Department of Energy, as the gentleman might imagine, has been somewhat negligent. This will spur them on and establish a target.

Mr. ROUSSELOT. If the gentleman will yield further, the procedure is well established and is understood by all who are potential bidders for this kind of research, and it is expected that it will not require any great new bureaucratic effort in order to comply with the 12 percent, meeting that new target?

Mr. KOSTMAYER. The gentleman is correct.

Mr. ROUSSELOT. If the gentleman will yield further, I think his amendment is well taken. There is no doubt about the fact that many of the smaller businesses that would like to be engaged in this kind of research feel rather overwhelmed in their ability to reach out and participate in this because they many times feel the sophistication and skills all rest with the larger corporations of the country.

I compliment the gentleman and I think it is an excellent amendment.

Mr. KOSTMAYER. I thank the gentleman and I urge the adoption of my amendment.

Mr. GRAMM. Mr Chairman, will the gentleman yield?

Mr. KOSTMAYER. I am delighted to yield to the gentleman from Texas.

Mr. GRAMM. Mr. Chairman, I would like to ask the gentleman a question as to whether he has any concern on imposing an artificial constraint whereby if we could order project proposals in terms of potential return that we have got to not take those projects for which money is appropriated that we can afford but instead we have to take some artificial formula and fund 25 percent or use 25 percent of our money on projects that are proposed by small business? What are we trying to do here? Are we trying to promote small business or are we trying to promote energy?

Mr. KOSTMAYER. Perhaps the gentleman from Texas did not hear me when I said that the Secretary of Energy could waive this when he felt that it was not applicable.

Mr. GRAMM. If the gentleman will yield further, it seems to me to impose a constraint at all simply limits our ability to get the maximum energy per buck, which is what we ought to be trying to do.

Mr. KOSTMAYER. I do not think that anybody thinks the Department of Energy is getting the maximum energy per buck. If there is anything wrong with this Department it is that it is not being innovative. The gentlewoman from New Jersey spoke about the garage projects and the backyard projects.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent Mr. KOSTMAYER was allowed to proceed for 2 additional minutes.)

Mr. KOSTMAYER. All this amendment does is establish a target which can be waived, and I think a very modest target. The Governmentwide average figure is about 8 percent.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. Yes, I yield to the gentleman from Oregon.

Mr. WEAVER. I want to compliment the gentleman for his excellent amendment. It will obviously produce more energy. The debate we just previously had shows that it is the small entrepreneur that is going to develop the new and innovative ideas that will produce this energy and these projects should be given to the small, more of them to the small business to do away with the sloth, inertia, suppression, and repression that large industry, committed to previous courses, obviously shows today. We need to bring the small business person into this energy picture, and this is a way to do it.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I am glad to yield to my colleague from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding. I must admit that I find many aspects of the gentleman's amendment attractive. I do remember that several months ago I had the opportunity to be in California and I was at the plant producing the only solar photovoltaic cells on a production line basis. That plant happened to be run by ARCO. It used to be a small business and was absorbed by ARCO. The management there made the point over and over again that before they were absorbed by ARCO they were not able to come up with the capital to pursue their business.

It seems to me that kind of innovation then would be somewhat stymied by the gentleman's amendment. I am a little bit hesitant about just putting an artificial figure in without the kind of flexibility that would permit that kind of operation to go forward.

Mr. KOSTMAYER. I think the gentleman makes a very good point and I think his point is that the small company, before they were absorbed by ARCO, was not getting it simply because they were small. I do not think that is any reason, simply because they were small.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania has again expired.

(By unanimous consent Mr. Kostmayer was allowed to proceed for 1 additional minute.)

Mr. KOSTMAYER. Mr. Chairman, before this company was absorbed by ARCO they were not getting it; once they were absorbed by ARCO and they were larger, they got it.

I do not think that is a good reason to deny people research and development funds simply because they are not among the largest corporations in the country.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman.

Mr. WEAVER. Mr. Chairman, I would just simply like to respond to the gentleman's excellent point that I talked to the president of the solar division of ARCO when he was here. He said for $10 million he could cut the cost of the silicon by 80 percent if he just had $10 million, and that is half of the cost of a photovoltaic cell, by the way, the silicon. It would be an enormous reduction in cost and he could not get the $10 million.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding further because I think it is well to note that before they were absorbed by ARCO they were getting $20 million of Federal money for their projects, and it is only after they were absorbed by ARCO that they were able to go even further. I think that is the point.

☐ 1550

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. Luken and by unanimous consent, Mr. Kostmayer was allowed to proceed for 2 additional minutes.)

Mr. KOSTMAYER. Mr. Chairman, before yielding to my friend from Ohio, if I might, I yield to the gentleman from Florida to explain a change he has proposed in the amendment.

Mr. FUQUA. Mr. Chairman, I was proposing that we accept the gentleman's amendment with two modifications, as follows:

Following the part where it says, "impracticable," add the words, "in the case of any such project and service." So, it will be on an individual basis rather than a totality that they carry out the purpose of the amendment for the various projects. If we had a synthetic fuel project, they could try to do that on research projects.

Then, in the section 2, after the word "impracticability," add the words: "Nothing in this section precludes the Secretary from proceeding with such project or service upon transmittal of such report."

It would not hold up the project if he determined that it was impractical to do that, but I think it would still make the point that we are very much interested in the project and small business.

Mr. KOSTMAYER. In other words, make a case-by-case judgment rather than a collective judgment.

Mr. FUQUA. Yes.

Mr. KOSTMAYER. I have no objection to that change.

AMENDMENT OFFERED BY MR. FUQUA TO THE AMENDMENT OFFERED BY MR. KOSTMAYER, AS MODIFIED

Mr. FUQUA. Mr. Chairman, I offer an amendment to the amendment, as modified.

The Clerk read as follows:

Amendment offered by Mr. Fuqua to the amendment offered by Mr. Kostmayer, as modified: "In subsection (b) of the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer), following the word 'impracticable,' insert: 'in the case of any such project and service,'. And in subsylvania (Mr. Kostmayer), following the word 'impracticability' insert 'Nothing in this section precludes the Secretary from proceeding with such project or service upon transmittal of such report."

The CHAIRMAN pro tempore. The gentleman from Florida (Mr. Fuqua) is recognized for 5 minutes.

Mr. FUQUA. Mr. Chairman, I appreciate the gentleman from Pennsylvania agreeing to this change in his amendment. I think it clarifies a problem that I did have with the amendment. We are all very much concerned with small business, and that they participate to the maximum extent possible in the development of our energy resources.

I urge the adoption of the amendment to the amendment offered by the gentleman from Pennsylvania.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Chairman, I am having trouble following what the amendment does. Would the gentleman care to tell us again?

Mr. FUQUA. It in fact says that it should be on a case-by-case basis for a project or service or an individual basis rather than collectively on each project. If there was a project of a certain type, that there should be 12 percent small business involvement in that R. & D. project rather than the total.

Mr. McCORMACK. Do I understand that if we are letting contracts for fabrication of components for a fusion machine, or a nuclear breeder, 12 percent must go to small business?

Mr. FUQUA. It is impractical, in the language of the amendment.

Mr. McCORMACK. If the gentleman will yield further, it strikes me that requiring this on a project-by-project basis makes the amendment even more damaging than it was before, because in the first instance, as the gentleman from Pennsylvania (Mr. Kostmayer) originally proposed his amendment, the requirement was for 12 percent of all DOE expenditures.

Mr. FUQUA. That still is in effect.

Mr. McCORMACK. Then let me proceed to ask the gentleman again what this amendment does.

Mr. FUQUA. Well, it would be on an individual basis. Under the illustration the gentleman used, the fusion project, if the Secretary determined that it was impractical to use 12 percent small business, he has to make that finding to the various committees of the Congress, but the project could go ahead.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield.

Mr. KOSTMAYER. In a given project, when we are talking specifically we ought to make it clear that we are not talking about subcontracting here. We are talking about prime contractors. One of the problems—I want to make it clear for the record—is that some contracts are leased to small business people, but they very often get only what is left over. Our intent and the intent of the amendment is to get 12 percent of the price contracts, 12 percent of the prime contracts to small business—not subcontracts.

Mr. FUQUA. To the extent practicable.

Mr. COURTER. Mr. Chairman, will the gentleman yield for the purpose of my engaging in colloquy with the gentleman from Pennsylvania?

Mr. FUQUA. I yield to the gentleman from New Jersey.

Mr. COURTER. I have a question, with regard to his interpretation of that one word, that word being "impracticable," would the gentleman just for the record, for the history of this particular amendment, indicate to me what is impracticable and what is not impracticable?

Mr. KOSTMAYER. I think that is largely a judgment the Secretary of Energy would have to make. That is a highly technical judgment, and probably would have to be made on a case-by-case basis.

Mr. COURTER. It seems to me that the word really is saying, at his discretion. It seems to me that what the gentleman is trying to do is develop some sort of policy to encourage small corporations that sometimes in fact are more innovative with regard to producing new forms of energy. That is what the gentleman is doing.

Should not the standard be not what is impracticable, but a standard to encourage the effort we can best do in the long-term energy needs of the United States? "Impracticable" to me does not fill the bill.

Mr. KOSTMAYER. I would just say that I certainly concur with what the gentleman from New Jersey has said. Of course, we would not want to promote something which is not practicable.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I am just wondering why this amendment does not have a minority set-aside and why it is not targeted to apply to areas of high unemployment.

Mr. KOSTMAYER. That is already part of the law.

Mr. HYDE. If we are looking at this from the point of view of social needs, there are senior citizens, junior achievement groups, farmworkers, and many others to be included.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, I think we are missing the point if we just consider this to be a social positon or consider it just for the benefit of small business. I happen to be chairman of the Small Business Subcommittee on Energy Research and Development, and it is our concern not just from the standpoint of encouraging small business or seeing to it that small business prospers, but simply because we need the energy research and development.

The CHAIRMAN pro tempore. The time of the gentleman from Florida has expired.

(At the request of Mr. Luken and by unanimous consent, Mr. Fuqua was allowed to proceed for 1 additional minute.)

Mr. LUKEN. So that it is in the interests of producing the innovations and the inventions. Reports have come out of the small business subcommittees which have shown that one-half of all the major inventions in this country and innovations in this country in this century have come from small business. We do not have to take that literally or 100 percent, but it does dramatize the point that we are doing this not just in the name of helping small business, but of producing the kind of innovation and research and development that we actually need, and the big companies with their entangling alliances with the Department of Energy and the Department of Defense are not producing. That is why we need it.

AMENDMENT OFFERED BY MR. M'CORMACK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. KOSTMAYER, AS MODIFIED

Mr. McCORMACK. Mr. Chairman, I offer an amendment as a substitute for the amendment, as modified.

The Clerk read as follows:

Amendment offered by Mr. McCormack as a substitute for the amendment offered by Mr. Kostmayer, as modified: Insert a new section 802 and renumber accordingly:

Section 802. (a) The Secretary shall, (1) assure that small business concerns will have realistic and adequate opportunities to participate in the programs authorized in this Act; and (2) use all authority provided by law to protect trade secrets and other proprietary information submitted by small businesses under this Act and to avoid the unnecessary disclosure of such information.

(b) At least once every six months, or upon request, the Secretary of Energy shall submit to the appropriate committees of the House of Representatives and the Senate a full report on the actions taken in carrying out subsection (a) during the preceding six months, including the extent to which small business concerns are participating in the programs involved and in projects and activities of various types and sizes within each such program, and indicating the steps currently being taken to assure such participation in the future.

☐ 1600

Mr. McCORMACK. Mr. Chairman, I think it is time, when considering this amendment, that we decide if our purpose is to fund and conduct research and development programs to provide energy technologies for this country; or if our purpose is to run a social action program within the Department of Energy authorization bill. It gets down to just as simple a question as that. If we want to play around and say that incompetent people are going to be given money to do energy research just because we set a quota, then we should accept the Kostmayer amendment.

The Kostmayer amendment says that we will give 12 percent of all the money we spend for energy research and development in photovoltaics, which is a high technology, in fusion research, which is a very high technology, in energy physics, in advanced chemistry, in advanced physics, in nuclear physics, in the fission program, in the breeder program, in the entire synthetic fuels program, in the geothermal program, in the wind program, in battery research, in hydroelectricity, in solar-thermal, in OTEC, in shale oil development, and everything else—that we give 12 percent of $4.5 billion to small companies whether or not they are qualified. That is what the amendment says. Forget the production of energy. Forget about obtaining scientific information. Just give these small companies some money, 12 percent of the $4½ billion. I think that is absurd.

What we are trying to do in this program is to develop energy technologies for this country and to bring the best energy technologies forward to the point where commercialization can realistically occur in the private market. Congressional authorization and funding can bring research, development, and demonstration programs on a concept from the laboratory through the pilot stage and through the demonstration stage and out to where it can be used in the commercial world, and our goal is to do this as efficiently as we can and as quickly as we can, and to get the best scientific and engineering facts that we can.

That is what we are after. To the extent that small businesses can compete, that is fine. I have no objection to that and my amendment says that the Secretary shall assure that small business concerns will have a realistic and adequate opportunity to participate and also to protect proprietary information, and that the Department shall report to us on what it is doing to carry out the purposes of this act. But to say outright that we are going to give 12 percent of this $4.5 billion to companies that qualify under some law—and we have about a dozen definitions of what a small business is—and they are going to get part of that money whether they can do the job or not is totally unrealistic.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding. I want to commend the gentleman. I have served on the Small Business Committee since 1960 when I was appointed to that body by John McCormack. There is on the books right this minute a small business set-aside authority that sets aside 12.5 percent of Government contracts for small business. In addition to that, those small businesses are not always small businesses. American Motors is cataloged as a small business, which the gentleman from Pennsylvania (Mr. Kostmayer) who offers this amendment should know.

The gentleman should also know that there are certain of these contracts and certain of these businesses that are well beyond the capacity or the ability of any small business in the country to carry forward, and we are dealing with projects and undertakings that require immense expertise, vast resources, and enormous skills, and there is no way that that kind of work can be set aside for small business. I think that if there is something wrong with the question of small business set-asides and small business set-asides in the area of research and development for the Department of Energy, then there is a committee which is constituted with special expertise to handle this matter.

It is called the Small Business Committee. The gentleman from Ohio (Mr. Luken), serves on it. He would probably consider the legislation. He has the expertise; he has the subcommittee; he has the staff. I do not think we should try to rewrite that law on the House floor in a DOE authorization bill.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. Dingell, and by unanimous consent, Mr. McCormack was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. If the gentleman will yield further, I am satisfied that the gentleman from Ohio (Mr. Luken) and the Small Business Committee, ably chaired by the gentleman from Ohio (Mr. Smith), would not only have the willingness and the ability but the capability of dealing with this matter aggressively and energetically and to see to it that not only are the contracts let but that they are properly oversighted by a committee which has a long history of sympathy and a long history of ability for dealing with these questions. So I would urge that the amendment offered by the gentleman from Washington (Mr. McCormack) be adopted and that we go on about the business of the House.

Mr. McCORMACK. I thank the gentleman.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I would be glad to yield to the gentleman from Texas.

Mr. GRAMM. I thank the gentleman

for yielding. I would like to commend the gentleman from Washington (Mr. McCormack). I think he has cut through the veneer of politics we are trying to put on top of one of the most important programs this Congress is trying to undertake. I think he has pointed out very clearly why we cannot play politics with this bill, and that is exactly what the Kostmayer amendment is—politics, pure and simple, trying to impose a constraint that makes no economic sense and no scientific sense. I intend to support the substitute amendment and oppose any amendment to it the gentleman might offer, or his amendment, even as amended.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I thank the gentleman for yielding.

Mr. LUKEN. I thank the gentleman for yielding. The gentleman from Washington seems to equate small business with incompetence. We could just as well equate big business with bureaucracy and waste, as we can often equate government with waste, because in any kind of a big operation there is that problem of waste and inefficiency. That is the problem that we are trying to attack. Just as the gentleman is concerned about the vagaries of small business, we are concerned about not only the alliances between big business and big government but the fact that big business in itself has a tendency to be bureaucratic and slothful and inefficient and not productive and, therefore, I think that in order to produce the kind of innovations which the gentleman from Michigan and the gentleman from Washington desire, we have to take some drastic action, not in the name of social action but in the name of producing what we need to produce. That is why we are in favor of it and not in the name of social action.

Mr. McCORMACK. I thank the gentleman. I want to say that I am well aware of the fact that there are some small industries that are high quality industries, such as those that make valves and gauges. They provide an extremely valuable contribution, and they are continuously drawn upon by the Department of Energy and by Department of Energy contractors.

However, they do not come anywhere near 12 percent of the total bill. At the present time, after attempting to involve small business, the Department of Energy has only been able to get up to about 5 percent of its expenditure for small business. The Kostmayer amendment says go to 12 percent, whether or not the small business is qualified. That is what is wrong with the Kostmayer amendment. The substitute that I have offered here to the Members directs the Secretary to assure that small business will be given a realistic opportunity, and that is what we should be trying to do.

### AMENDMENT OFFERED BY MR. KOSTMAYER TO THE AMENDMENT OFFERED BY MR. M'CORMACK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. KOSTMAYER, AS MODIFIED

Mr. KOSTMAYER. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment, as modified.

The Clerk read as follows:

Amendment offered by Mr. Kostmayer to the amendment offered by Mr. McCormack as a substitute for the amendment offered by Mr. Kostmayer, as modified: Page 79, insert after line 25, the following:

SMALL BUSINESSES

Sec. 814. (a) In order to carry out a policy that the Department maximizes procurements of research and development from small businesses, not less than 12 percent, determined on the basis of value, of research and development projects and services procured by the Department with funds authorized to be appropriated under this Act shall be procured from small businesses, except as provided in subsection (b).

(b) If the Secretary determines that compliance with the 12 percent requirement set forth in subsection (a) is impracticable, the Secretary shall transmit to the Committees on Science and Technology, Interstate and Foreign Commerce, Small Business, Interior and Insular Affairs, and Government Operations of the House of Representatives, and to the Committees on Energy and Natural Resources, Governmental Affairs, and Small Business of the Senate, a report which—

(1) apprises such Committees of the impracticability of compliance with such requirement, and

(2) lists the reasons for such determination of impracticability.

(c) For purposes of this section, the term "small business" shall have the meaning given such term under section 3 of the Small Business Act.

Mr. DINGELL. Mr. Chairman, I reserve a point of order on the amendment.

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Mr. KOSTMAYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the substitute amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. DINGELL. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The Clerk will continue to report the amendment to the substitute amendment.

The Clerk concluded the reading of the amendment to the substitute amendment.

The CHAIRMAN pro tempore. Does the gentleman from Michigan (Mr. Dingell) insist upon a point of order?

Mr. DINGELL. Mr. Chairman, I do not insist upon my point of order.

Mr. KOSTMAYER. Mr. Chairman, very simply, I have amended the substitute offered by the gentleman from Washington (Mr. McCormack) by adding my original amendment as amended by the gentleman from Florida (Mr. Fuqua).

Mr. MITCHELL of Maryland. Will the gentleman yield, Mr. Chairman?

Mr. KOSTMAYER. I yield to the gentleman from Michigan.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of this gentleman's amendment. It is interesting whenever we in the Congress embark on a massive spending effort, which is required, we almost always overlook the matter of the role of small business in that effort.

Mr. Chairman, let me suggest I have been looking at the Department of Energy since its inception and I think it has failed flagrantly in terms of involving small business. It simply has not done that.

By way of illustration I will refer to another agency of Government, Mr. Chairman, the Department of Defense. The Department of Defense insists upon using only the giant businesses to almost a total exclusion of small business. Mr. Chairman, I submit further there is a role for small businesses. They are capable and efficient. They can produce and they can help our country in this energy effort.

Mr. Chairman, the question is raised about the Department of Defense getting but 5 percent out to small business. I am surprised that it is that much.

My figures do not reveal that much. It is the practice, pattern, and policies of our agencies to support the larger businesses and not the smaller ones.

Mr. Chairman, I heard my friend, the gentleman from Michigan (Mr. Dingell) raise a point about the problem of defining a small business, indicating that American Motors is defined as a small business and I think my colleague, the gentleman from California (Mr. Rousselot) addressed that problem last year. American Motors is not defined as a small business. It is a subsidiary of American Motors which was defined as a small business, so there are limitations imposed.

Mr. Chairman, I like the gentleman's amendment because it says, where it is really impractical to meet the 12-percent goal, then there is a waiver provision, there is an out. The Secretary can come in and say, "Well, look, we really, really tried but we just cannot do it."

Mr. Chairman, it is my argument that without establishing a hard target, there will be no maximum effort on the part of the Department of Energy to help small business. I would urge the total support of this House for the gentleman's amendment.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Florida.

Mr. FUQUA. I appreciate the gentleman yielding. I do not have a copy of the amendment but am I assured by the gentleman it does incorporate the language I suggested to his previous amendment, in this amendment?

Mr. KOSTMAYER. The gentleman from Florida is assured, this substitute as amended by the gentleman from Pennsylvania does include the amendment as offered by the gentleman from Florida.

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to my friend from California.

Mr. LEWIS. Mr. Chairman, I thank my colleague for yielding.

I would like to commend my colleague for his amendment. At a time when the rate of productivity growth in the United States lags behind most of our competitors in the world economy, and our country is suffering from unemployment, inflation and a large negative balance of payments, it is imperative that we encourage productivity in our Nation's most productive sector, that of small business.

Small businesses creates the vast majority of new jobs in our Nation. In fact, studies show that of the major innovations introduced into the marketplace in the past 25 years, small firms were found to produce about 24 times more per R. & D. dollar than large firms, and 4 times as many as medium-sized firms. In this time of fiscal austerity, it is necessary that the Congress realize this and spend its money in the most productive manner.

One of my concerns has been this body's apparent lack of assertiveness in setting criteria for Federal agencies. Our rules and authorizations have been too lax, especially in the area of small business. The agencies know small business is more cost efficient and has a greater per dollar rate of productivity than large firms. However, they continually show a lack of confidence in small firms' ability to produce, by awarding their money to the less effective larger firms. This is not to downgrade the importance of the large company, but it is essential that my colleagues realize the important role played by small business.

It is time we let the agencies know that the Congress is concerned how our tax dollars are located and that we want the most from every R. & D. dollar that is spent. This amendment is an attempt to do this and I urge my colleagues to support it.

I thank the gentleman for yielding.

Mr. KOSTMAYER. Mr. Chairman, I ask unanimous consent that the language offered by the gentleman from Florida (Mr. FUQUA) earlier be considered as part of this amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, what kind of parliamentary request is that, that the language offered formerly be considered part of what is pending now? I mean, if we are going to offer amendments, let us offer them.

The CHAIRMAN pro tempore. The Clerk will report the modification requested by the gentleman from Pennsylvania.

The Clerk read as follows:

> In line 11 of the Kostmayer amendment to the substitute McCormack amendment, following the word "impracticable," add the words, "in the case of any such project and service,".
>
> In subsection (b)(2), add at the end the following, "Nothing in this section precludes the secretary from proceeding with such project or service upon transmittal of such report.".

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania (Mr. KOSTMAYER)?

Mr. BAUMAN. Mr. Chairman, has that been reduced to writing?

The CHAIRMAN pro tempore. The Clerk read it.

Mr. BAUMAN. Yes, I think the Clerk did an excellent job under the circumstances, but I demand that it be reduced to writing.

The CHAIRMAN pro tempore. The Chair will observe that it appears to the Chair that the Clerk was reading writing.

Mr. BAUMAN. The reading was not written.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania (Mr. KOSTMAYER)?

There was no objection.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. KOSTMAYER was allowed to proceed for 2 additional minutes.)

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, in the Dannemeyer amendment passed just previously, there is a possibility for misunderstanding and I would appreciate an opportunity to clarify the intent of the gentleman who offered the amendment. The amendment says it will produce an amount of energy, which is a certain amount. The problem exists in the fact that alcohol contains somewhat less energy than gasoline when it is mixed with gasoline but as gasohol it produces an equivalent amount of energy. I would like to hear from the author of the amendment. It is my understanding he means for it to consider the amount of energy which is produced from the fuel that is consumed.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from California.

Mr. DANNEMEYER. This is precisely the meaning the gentleman from Iowa should take from the language. We will note on line 14 it specifies that whatever quantity of the alternative fuel that is forthcoming, that quantity shall equal the quantity of energy that is in 200,000 gallons of gasoline. That if the quantity of the alternative fuel could differ, the Btu content of the constituent part of the alternative fuel could differ. It is just that it must meet the total energy count of 200,000 gallons of gas.

Mr. BEDELL. As it is used in a vehicle?

Mr. DANNEMEYER. That is correct.

Mr. BEDELL. I thank the gentleman. I thank the gentleman very much for yielding so we could clarify that matter.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I have served on this committee for a while. I have become convinced in the energy business we have a little thing like we have in the military where President Eisenhower warned us of the military-industrial complex. To some extent we have that same kind of complex involved in the energy field, with the Gulf Oil's and the ARCO's and the Boeing's. I have nothing against that. I just think that a lot of very, very innovative technology comes out of small business and never gets an opportunity in a lot of these very, very large contracts.

Mr. Chairman, I think the amendment of the gentleman from Pennsylvania reflects on the fact that there needs to be a greater focus on that kind of technology without completely eliminating the Boeing's, the ARCO's and the Gulf Oil's.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania (Mr. KOSTMAYER) has expired.

(At the request of Mr. GLICKMAN and by unanimous consent, Mr. KOSTMAYER was allowed to proceed for 1 additional minute.)

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Mr. GLICKMAN. Mr. Chairman, if the gentleman will yield further, I think this amendment gives the Secretary of Energy the kind of flexibility he needs.

The CHAIRMAN pro tempore. Does the gentleman from Pennsylvania yield the floor?

Mr. KOSTMAYER. I do, Mr. Chairman.

Mr. GLICKMAN. Mr. Chairman, this amendment gives a kind of flexibility. There is a cult out there, a group of very large businesses who are getting a large, at least in aggregate numbers, a large percentage of these contracts.

I think that in essence, to try to get a good comprehensive balanced energy policy, we ought to do our best, not so much for social purposes, but as from the gentleman from Ohio (Mr. LUKENS) said, for good sound energy development purposes, insuring that there is balance to these contracts.

So for that reason, I urge adoption of the Kostmayer amendment.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the Kostmayer amendment to the McCormack substitute.

Mr. Chairman, I want to make clear what we are talking about, and draw a distinction between the amendment to the substitute of the gentleman from Pennsylvania and to the substitute itself that I submitted.

The gentleman from Pennsylvania says that the Department of Energy must grant 12 percent of all its contracts to small business or it must explain why. It must do it if practical, but if impractical, it must explain why.

Now, there are two critically important problems associated with that provision. The first is that we are at about 5 percent today of the DOE contracts with small business.

Most of the projects are ongoing projects, some of them running into hundreds of millions of dollars. What we are saying to them is that, "You go from 5 percent now to 12 percent. In other words, you go from about $200 million to about $500 million and do it right now, or you explain why to the Congress, and what is more, you explain it to the court." We can be certain that under the substitute of the gentleman from Pennsylvania, the moment that some small business is not given a contract, as soon as it loses a contract, it will be running to court and saying, "We are protected. They aren't spending 12 percent for small business. Therefore, they have to prove to the court that it isn't practical to grant a contract to us."

I want to point out the kind of problems that we build ourselves into in trying to provide social reform, superimpose it on a piece of legislation that is designed to provide energy research for this country. Here we are dealing with huge pieces of ultra-sophisticated equipment for which contracts are already let, and we are saying that, effective with the beginning of this fiscal year, these must be changed.

I want to remind you that the McCormack substitute says that the Secretary shall assure that small business concerns will have realistic and adequate opportunities to participate and to protect them and to report to us; but setting quotas is destructive. Putting limitations on is creating invitations to go to court, and that is destructive.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I would be glad to yield.

Mr. KOSTMAYER. Mr. Chairman, I thank the gentleman for yielding.

I just wanted to say that the gentleman from Florida added language to allow the Secretary to exempt an individual project if he found it was impossible or impractical that 12 percent of the funds necessary to pay for that project could not go to small businesses; so I think that objection has been met.

Second, the Secretary can waive in individual circumstances or in collective circumstances this requirement at any time.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman for his point.

I want to remind the gentleman that every time the Secretary tries to do that, he is going to wind up in court, and we will be suffering further delays in our attempts to try to solve our energy problems.

Mr. EMERY. Mr. Chairman, will the gentleman from Washington yield?

Mr. McCORMACK. I would be glad to yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, I wonder if the gentleman can tell me what the usual procedure is at this point in time for a small business or any business to win one of these contracts. Does he have to go to a competitive bid and prove that he is able to do it?

Mr. McCORMACK. There are a number of procedures, including competitive bids, including nonsolicited applications, solicited applications; there is a spectrum of mechanisms.

Mr. EMERY. Well, the point I am getting at, as I understand the system, if, in fact, small business has the technology, has the expertise and has the capability to bid on a research and development project or any portion of the project or any components or materials of the project, he is not prohibited from doing it; is that correct?

Mr. McCORMACK. That is correct. Small business has a complete opportunity to compete, but we are dealing in high technology and in many cases the larger corporation will obviously win out, because what we want to do is accomplish a certain goal or gain certain information.

Mr. EMERY. Is there, in fact, a provision in the law now that requires that small businesses have an opportunity to compete on winning a portion of these contracts or on the purchase, and things like that?

Mr. McCORMACK. I am sorry, Mr. Chairman, I cannot hear the gentleman's question.

Will the gentleman restate his question?

Mr. EMERY. Under the present law, is there a provision that either guarantees or requires that small businesses have an opportunity to bid competitively on the projects or on the sale of components or materials for a project?

The CHAIRMAN pro tempore. The time of the gentleman from Washington, (Mr. McCormack) has expired.

(At the request of Mr. Emery and by unanimous consent, Mr. McCormack was allowed to proceed for 3 additional minutes.)

Mr. McCORMACK. Mr. Chairman, I think I can answer the question of the gentleman by saying that small businesses are not precluded in bidding on any contract because they are small. I think that answers the gentleman's question.

Mr. EMERY. My concern at this point is that I feel that the wording of the Kostmayer amendment and most of the language that I have seen is sufficiently cumbersome so that it may, in fact, preclude an opportunity for a high technology business, be it large or small, from providing the material and the expertise and the highly technological and complicated material that it might have when the Government actually needs it; but on the other hand, if there is some way that we can provide in the law that small businesses have an equal opportunity to offer their expertise with a reasonable assurance that they are not going to be overlooked, that might be desirable.

Mr. McCORMACK. Mr. Chairman, the gentleman is completely correct.

I think the gentleman's point is well taken. The McCormack substitute says that the Secretary shall assure that small business concerns will have realistic and adequate opportunities to participate in the programs authorized in these acts, and then it says that they shall be protected in their proprietary information and that every 6 months the department will report to us on this.

It seems to me this is the most we can realistically do without tying our own hands.

Mr. EMERY. Mr. Chairman, I feel that the gentleman from Washington has made a very valuable contribution to this debate. I support the language that the gentleman offers, because I feel that it does afford small business a reasonable opportunity to enter into these procedures whereby they may offer their services and have a reasonable opportunity of being accepted, without placing necessary encumbrances on the highly technological research and development programs that the Government is involved in.

Mr. McCORMACK. Mr. Chairman, I thank the gentleman for his comments.

Mr. GRAMM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the Kostmayer amendment. I oppose it basically because I think the gentleman from Washington has given us a good intermediate step. The gentleman requires the Department of Energy to look at small business proposals. He requires the Department of Energy to give information to this Congress, to the relevant committees, as to the extent to which small businesses are getting contracts, where those contracts are being made; that gives us the facts to assess whether or not small businesses are being treated fairly.

At its very best, the Kostmayer amendment is a quota amendment. It is a quota amendment in the same sense that every other amendment which seeks to set a numerical number in the decisionmaking process is a quota amendment. It simply says that the burden of proof is on the Department of Energy if it does not give a specific quota to businesses that are qualified as small businesses. It seems to me that while I support small business and I view small business in the same vein as the flag and motherhood and apple pie, as everyone else does here, and the farmer, that it is important to remember that we are talking about big dollars. The President is talking about $88 billion for synthetic fuel.

Now, what I think the gentleman from Washington has said far more eloquently than I can say it is that we ought not to be playing politics here.

□ 1630

The gentleman has given us the vehicle to assure that small business is fairly treated, and to be sure the Congress gets information as to what extent they are getting contracts. I think it is very important that we not impose this quota on programs that are vitally important to the energy consumer in this country and indeed to the whole leadership position of the American economy.

So, Mr. Chairman, I urge my colleagues to vote down the Kostmayer amendment and to vote for the substitute offered by the gentleman from Washington (Mr. McCormack).

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I am happy to yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, in listening to the debate awhile ago, I think I recall my colleague, the gentleman from Illinois (Mr. Hyde), asking if there were set-asides—and I think he may have done it facetiously—but he received an answer that indicated there were already in the law requirements for set-asides as they relate to minority and unemployment areas.

Would my colleague tell me if that is correct as far as the Department of Energy is concerned?

Mr. GRAMM. I do not know.

Mr. ASHBROOK. Mr. Chairman, some Member at that table responded and said they were already in the law, and that is why I wondered.

The point in asking the question is that I wondered how it is working if that is already in the law now, and if it is causing some problems, probably we should vote this amendment down. But if it is in the law and it is not causing problems, if the Department of Energy operates under those constraints or those restraints, whatever we want to call them, and they do not cause any problems, then there is nothing we should be concerned about.

Mr. GRAMM. Mr. Chairman, I will reclaim my time, and I wish to reemphasize the point that I made and the gentleman from Washington (Mr. McCormack) made that this should not be considered a social engineering bill; this is a bill to make our Nation more energy-independent and more energy-efficient.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, let me just make a comment along those lines.

I think some pressure has to be put on some of these agencies to go out and contract with small business. I remember some time ago we had some problems with some of the small machine shops in Albuquerque because the laboratories were not being very fair in putting out bids into the local area.

We had a meeting with all the machine shops; there were about 30 or 40 of them. The result was that within a month the amount of business that was going to these small machine shops had increased something like 300 or 400 percent, and it has gone up and it has enhanced the business of the laboratory.

I just think that we have to make some effort to go to the agencies and say, "You are not doing enough. We don't think you are doing enough, and we are going to set some guidelines for you."

Therefore, Mr. Chairman, in this particular instance I am going to have to support the amendment offered by the gentleman.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, I would like to address the points of the gentleman from Texas (Mr. Gramm) on the question that has been developed about the effectiveness of the existing program.

I think actually what the amendment offered by the gentleman from Washington (Mr. McCormack) would do is basically to continue the existing program, and those of us who are in favor of the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer) believe we have to take more concrete action. We believe that the record shows that we must.

I, as chairman of the Subcommittee on the Impact of Energy Programs, Environment and Safety Requirements, and Government Research on Small Business, asked the General Accounting Office for a report and an investigation, and they went into it in some detail. They reviewed the effectiveness of these efforts, and their conclusion was concentrated on the contracting practices of the Department.

The CHAIRMAN pro tempore. The time of the gentleman from Texas (Mr. Gramm) has expired.

(On request of Mr. Luken, and by unanimous consent, Mr. Gramm was allowed to proceed for 3 additional minutes.)

Mr. LUKEN. Mr. Chairman, will the gentleman yield further?

Mr. GRAMM. I am happy to yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, the General Accounting Office reviewed the small business contracting practices in the solar research and development area, and they found problems applicable to the Department's overall effort to encourage small businesses.

They made these points: Department goals for awarding contracts to small businesses appear to be based on incomplete information. Guidance for maximizing small business contract awards is insufficient. Information necessary to monitor and evaluate efforts to maximize small business contract awards is lacking. And finally, the Department's office which is responsible for maximizing participation of small business in department programs lacks the needed independence the Congress mandated.

Mr. Chairman, I think that this will be the inevitable result, that there will be a failure in this area. There will be a failure to carry out the encouragement of the general standards suggested by the gentleman from Washington (Mr. McCormack), and that even though there are outs in this program, as suggested by the gentleman from Pennsylvania (Mr. Kostmayer)—and the quota is not accurate; it is not a complete and hard and fast quota—it will at least strengthen the program and will improve the development of energy in our programs.

Mr. GRAMM. Mr. Chairman, I am reclaiming my time, and I would just like to respond by saying that I do not object to the conclusions that come out of the gentleman's subcommittee in dealing with all those problems. What I object to is that in this program which involves great expenditures and sets standards for the long-term security of the United States, we are playing politics by setting a quota which is designed to carry out social engineering in a program that I feel should be above that.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, I am sorry, but I must disagree with the gentleman. I think we ought to move ahead on this matter of the awarding of contracts and put pressure on the Department to treat the problems of small business more seriously.

Admittedly, the Kostmayer amendment is imperfect, but let us pass it and let us get the attention of the Department of Energy.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, very quickly I should point out that we checked last year to see how well they were trying to accede to some of these contract awards to small business, and it was unbelievable how ineffective they were in trying to see that some of this went to small business.

It appears to me that if we accept the amendment offered by the gentleman from Washington (Mr. McCormack), we are going to be right where we were then. If we are going to go by past experience, at least we had better realize that we are bound to repeat what happened in the past.

Mr. GRAMM. Mr. Chairman, I yield back the balance of my time.

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is with reluctance and with regret that I rise to oppose the amendment of my good colleague and friend, the gentleman from Pennsylvania (Mr. Kostmayer).

I would like to say a few words first about the kind of projects that we, this Congress, and our committee, have asked the Department of Energy to carry out. Many of these projects are enormous. We, the Congress and the committee, have asked the Department of Energy to come up with synfuel projects, fission projects, fusion projects, very large scale photovoltaic projects, and so forth. We have not, as a Congress put any quotas on who would carry out these projects.

We are all—all of us who are sitting here—in favor of small business. As the gentleman from Texas (Mr. Gramm) said, it is like apple pie, it is like motherhood, and is like the flag and we want to see it flourish. But scientific R. & D. is not amenable to quotas.

We are dealing with energy projects which have been designed and designated by the respective committees involved in promoting energy development in this country. The project mix was not developed for any particular constituency, large or small.

To the extent that we establish a quota of 12 percent, 7 percent higher than the present access of small business to DOE R. & D. and try to stick hard and fast to it so that the Department of Energy and its Secretary are going to spend every other day on Capitol Hill explaining why such and such a project cannot fit into this quota, puts us in for one enormous bureaucratic snafu. We are further bureaucratizing a Department of Energy that is already overbureaucratized, and we are creating a new kind of political hassle which can only stifle productive research and development.

Mr. Chairman, if we are serious about stimulating small business in this U.S. Congress, we would do well to start doing something about the incredible level of regulations that Congress and the bureaucracy are, in increasing amounts, saddling small business with.

We have, of course, in the name of apple pie and motherhood and health and safety, which are all wonderful goals—and none of us disagree with these goals—created a bureaucratic hell for those involved in or wanting to be involved in small business. We have established a climate where small business is becoming an endangered species. If we were serious about helping small business instead of hindering it on the major fronts—and I refer to regulations, taxes, and our inflationary climate—we would do something in this Congress along those lines, and we would then help small business. This amendment promises a chunk of the DOE pie that really does not exist and will only create greater confusion and havoc in our energy program.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. RITTER. In a moment, after I have finished, I will be glad to yield.

Mr. Chairman, what we are essentially doing here is establishing a new kind of quota system.

I ask, Why do we not begin to have a quota now for those small businesses or those big businesses doing the Government's contracting that have a certain percentage of handicapped or that have a certain percentage of the blind? These are certaily positive social goals. It is simply not relevant to our energy R. & D. programs.

□ 1640

They are tangent to the point of developing liquid fuels in this country, or fusion or, in general developing the domestic American energy that small business needs to survive.

I urge my colleagues in their wisdom and in their strong support of the small business community in this country to support the McCormack substitute.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. RITTER. I yield to my colleague, the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Mr. Chairman, first of all, this is not a social purpose; this is an energy purpose. The most innovative things done, especially in the area of solar energy, have been done by small companies who then, as they get close to really doing something, find the contracts going to the larger corporations who really have enough venture capital to do their own R. & D. We find, at least in my district, that small solar companies find out that there are grants given to large corporations to reinvent something they have already done.

Second of all, I would view this not as a quota, but as a target which can be waived.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania (Mr. RITTER) has expired.

(On request of Mr. JOHN L. BURTON and by unanimous consent, Mr. RITTER was allowed to proceed for 1 additional minute.)

Mr. JOHN L. BURTON. If the gentleman will yield further, it is not a social purpose. It is an energy-related purpose. In our State and, I am sure, in the State of Florida, in the Midwest and in other areas, in solar energy they are really doing the innovative work because they are not tied to anything, they are not going to burst into atomic energy, they are not going to burst into oil shale. They are going to do the most esoteric stuff, and it is a target that can be waived. I do not think it ties hands.

Mr. RITTER. Let me say, Mr. Chairman, that there is a program in the Energy Development and Applications Subcommittee on which I serve which deals with so-called appropriate technology, which is largely pitched toward small business, the individual inventor and innovator. That program has received substantial increases in budget this year. Last year, in its first and primary year of operation, it could not handle effectively the amount of volume of activity that was going on.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania (Mr. RITTER) has again expired.

(On request of Mr. BROWN of Ohio and by unanimous consent, Mr. RITTER was allowed to proceed for 4 additional minutes.)

Mr. RITTER. In the face of information coming down from the Department that they were just not prepared to deal with the flood of proposals and that they really had not gotten their act together from that first year of operation, we nevertheless felt that stimulating small energy businesses—and, yes, stimulating those kinds of California innovative companies which are just getting off of the ground—we virtually tripled their budget. We did it knowing that there would be increased bureaucratic snafu, but we felt that it was important to move forward. By coming in and simply establishing a quota, which has no real basis we are hurting the overall program. The Department of Energy has sufficient problems with congressional pork barreling. To be forced to, in all of those cases where it, indeed, may be "impracticable," as the language stated, to come back to the Committee on Science and Technology, and have to argue under all kinds of political pressures, the "impracticable," as the language stated, we are further submerging the capability of that Department to begin to get its act together as it is trying to do today.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, the gentleman in the well is a distinguished metallurgist. He comes from the faculty of Lehigh University and, as I understand, has done research in a number of different scientific fields and now heads, or did, before he came to the Congress, the research operation of that university.

This whole debate has bothered me a good deal. I have an interest in a small business back in Ohio. I know that the Congress frowns on that sort of thing, but it is what I do in real life. I have been a little concerned that we are now turning scientific effort into a social effort here. I am surprised by some of my colleagues on my side of the aisle where I thought there was a sort of standard rejection of the idea of quotas. I am put in mind of the story about the difference between scientists such as the gentleman in the well and economists and politicians. The story goes that, for a scientist, 2 plus 2 equals 4, at least somewhere between 3 and 5 with an allowance for error in Government work; for economists, 2 plus 2 equals either 4 or 22 or 12, if one of your premises is wrong; and for politicians, 2 plus 2 equals whatever the majority votes for it to equal that day.

It seems to me that if we are going to run our energy policy on the basis of whatever the majority votes for it to equal that day, we are not going to help many small businesses by resolving the energy crisis. I know the gentleman in the well is one of the few scientists here, along with the gentleman from Washington, and others, but I cannot think of very many others. Most of us are liberal arts graduates, with a little overlarding in law. But the thing that concerns me is that we are saying we want to solve the energy crisis, a scientific problem, to a great extent, but in order to do it we want to have 12 percent for somebody here and 12 percent for somebody there. Why do we not go it on a geographic basis? Every State should have one-fiftieth of the research projects. The reason we do not is because many institutions in various States, perhaps including the one from which the gentleman in the well comes, are better scientific research institutions than others in the energy field.

I would just say to the gentleman that I think he makes a very persuasive argument as a scientist for sticking to scientific fact and not trying to put these quotas in for where research is done. Who do you want to do your research? Who do you want to do your brain surgery? You do not take your brain surgery to somebody on a quota basis. You do not take your brain work in the scientific area to somebody who, because they meet some kind of a requirement other than scientific skill, would be asked to do the job. We want people to do the job who will solve the job. Of course, we want to help small business, but can we not figure out a way to do it in some area that is a little less technical than this?

Mr. RITTER. We are talking about scientific research and development, and to establish quotas here is something akin to establishing quotas for distribution of the world's food resources simply because it is theoretically just.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania (Mr. RITTER) has again expired.

(On request of Mr. EMERY and by unanimous consent, Mr. RITTER was allowed to proceed for 2 additional minutes.)

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. RITTER. I yield to my good friend and colleague, the gentleman from Maine.

Mr. EMERY. I thank the gentleman for yielding.

Mr. Chairman, I guess I have to agree very much with what our colleague, the gentleman from Ohio (Mr. BROWN), mentioned a few minutes ago. I guess the thing that really bothers me is if we are going to talk about the purchase of wrenches or piping or if we are going to talk about services that can be provided as efficiently by small business as anyone else, that is exactly where the contract ought to go, it ought to go to the small businessman, it ought to go to those suppliers closest to the need. It ought to be a project that takes into account the availability of goods and services at the lowest possible rate and takes advantage of the small business community every time, so far as I am concerned. But if we try to write into the law a provision which talks about research and development activities and try to put a quota on those activities of some percent, then ultimately we are going to get a situation where the best technology and the best minds and the best equipment and the most experience is going to be counted out because of the bureaucratic percentage. I think that is wrong.

If we really want to correct the problem which I think in some cases does exist, we ought to go back and do the job a little differently, that is, to differentiate and distinguish between research and development, high technology versus low technology research and development, and, more importantly, differentiate between the purchase of equipment and services, of goods as opposed to the development of expensive, complicated high-technology devices, all of which seem to be covered under the language that has been offered. I think that is a flaw. I agree with the gentleman's point. I agree with the gentleman from Ohio. I think we ought to defeat this attempt, try to rewrite the law in a different section and try to address the point.

Mr. RITTER. I might add that the gentleman from Maine happens to have a strong background in electrical engineering and has worked with computers professionally.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from Pennsylvania.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania (Mr. Ritter) has again expired.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania (Mr. Ritter) be allowed to proceed for 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GLICKMAN. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. CONTE. Mr. Chairman, this body has mandated that the Department of Energy encourage and accelerate small business participation in this country's energy research and development efforts. However, DOE's actions to date continue to show the same bias in favor of the large corporations and technology firms. The result is that technological innovation has suffered, research money wasted and many creative areas ignored.

In a recently conducted study by GAO, it was determined that while DOE's goals for awarding contracts to small businesses were based on incomplete information, past goals have been too low. DOE has not even begun to develop a goal for small businesses in the coming year.

Small firms have compiled a striking record of innovation and technological leadership. Firms with less than 1,000 employees accounted for almost one-half of major U.S. innovations since 1953. At the same time, the cost for employing research and development scientists and engineers is almost twice as great in firms of over 1,000 employees.

However, while small businesses represent 98 percent of all the businesses in the country, DOE has set a goal of just 15 percent of all DOE contracts for small business procurement.

Mr. Chairman, this country cannot afford to maintain procurement policies that virtually exclude small science and technology-oriented firms, and further stifle the contribution that small business can make to a national energy program. I urge the support of the entire body on this amendment.

Mr. FUQUA. Mr. Chairman, we have been debating this amendment and amendments thereto for way over an hour. We have been very lenient with every Member and we have been very well educated and informed about the merits of the various amendments. I would hope that we could get some resolution and vote.

Mr. Chairman, I ask unanimous consent that all debate on the original Kostmayer amendment and all amendments thereto end in 5 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. SOLOMON. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. FUQUA. Mr. Chairman, I move that all debate on the original Kostmayer amendment and all amendments thereto terminate at 5 o'clock.

The CHAIRMAN pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Fuqua).

☐ 1650

The question was taken; and on a division (demanded by Mr. Walker) there were—ayes 30, noes 17.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1700

### QUORUM CALL VACATED

The CHAIRMAN pro tempore. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

### RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from Maryland (Mr. Bauman) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 252, noes 133, answered "present" 1, not voting 47, as follows:

[Roll No. 581]

AYES—252

Addabbo
Akaka
Albosta
Alexander
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boland
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Burlison
Burton, John
Burton, Phillip
Byron
Carter
Cavanaugh
Chappell
Clay
Cleveland
Clinger
Conyers
Corman
Cotter
D'Amours
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dodd
Donnelly
Downey
Duncan, Tenn.
Early
Eckhardt
Edgar
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harris
Hawkins
Hefner
Heftel
Hightower
Hollenbeck
Holt
Holtzman
Howard
Hubbard
Huckaby
Hutto
Ichord
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Roberts
Roe
Rose
Rostenkowski
Roth
Roybal
Runnels
Russo
Sabo
Santini
Sawyer
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Traxler
Trible
Udall
Ullman
Van Deerlin
Vento
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Tex.
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NOES—133

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Bereuter
Bethune
Buchanan
Burgener
Butler
Campbell
Carney
Cheney
Clausen
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel

Daniel, Dan
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Findley
Fish
Frenzel
Gilman
Goldwater
Gradison
Grassley
Green
Grisham
Hagedorn
Hammerschmidt
Hansen
Harkin
Heckler
Hinson
Hopkins
Hughes
Hyde
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lederer
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Madigan
Marriott
Martin
Mathis
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Myers, Ind.
Neal
O'Brien
Paul
Pease
Petri
Pursell
Quayle
Regula
Rhodes
Rinaldo
Ritter
Robinson
Rousselot
Royer
Rudd
Satterfield
Schroeder
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Solomon
Spence
Stangeland
Stockman
Symms
Tauke
Thomas
Vander Jagt
Vanik
Walgren
Walker
Wampler
Whittaker
Williams, Mont.
Wilson, Bob
Wylie
Young, Fla.

### ANSWERED "PRESENT"—1

Mitchell, Md.

### NOT VOTING—47

Anderson, Ill.
AuCoin
Beard, Tenn.
Biaggi
Boggs
Bolling
Bonker
Brown, Calif.
Carr
Chisholm
Coelho
Collins, Ill.
Conable
Crane, Philip
Diggs
Dixon
Drinan
Duncan, Oreg.
Fazio
Flood
Garcia
Gray
Harsha
Hillis
Holland
Horton
Ireland
Jones, N.C.
Leach, La.
Lee
Lundine
McEwen
Myers, Pa.
Oakar
Pickle
Rodino
Rosenthal
Scheuer
Stark
Steed
Thompson
Treen
Volkmer
Wilson, C. H.
Winn
Wirth
Wydler

☐ 1710

Mr. LATTA changed his vote from "aye" to "no."

So the motion was agreed to.

The result of the vote was announced as above recorded.

☐ 1720

### PARLIAMENTARY INQUIRY

Mr. FUQUA. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The Chair will advise the Members that there is a reasonably complex situation before the Committee. To attempt to elucidate it, we must have order. The Chair will advise the gentleman from Florida the order in which the questions will be put.

The gentleman from Florida (Mr. Fuqua) will state his parliamentary inquiry.

Mr. FUQUA. Mr. Chairman, prior to the recent vote there was an amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer) to the amendment offered by the gentleman from Washington (Mr. McCormack) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer), as modified. Somewhere along the line I had an amendment to the Kostmayer amendment. Could the Chair state the parliamentary situation and the sequence in which the votes will occur?

The CHAIRMAN pro tempore. The Chair will attempt to do so. The Chair will inform the Committee that all time has expired. The order in which the votes will be put is as follows: The first vote will occur on the amendment offered by the gentleman from Florida (Mr. Fuqua) to the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer), as modified. The second vote will occur on the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer) to the amendment offered by the gentleman from Washington (Mr. McCormack) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer), as modified. The third vote will occur on the amendment offered by the gentleman from Washington (Mr. McCormack) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer), as modified and the final vote will be on the original Kostmayer amendment as amended. The Chair will now put the question.

The question is on the amendment offered by the gentleman from Florida (Mr. Fuqua) to the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer), as modified.

The amendment to the amendment, as modified, was agreed to.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer), as modified, to the amendment offered by the gentleman from Washington (Mr. McCormack) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. Kostmayer), as modified, as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

### RECORDED VOTE

Mr. KOSTMAYER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 220, noes 168, not voting 45, as follows:

[Roll No. 582]

### AYES—220

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Applegate
Ashbrook
Ashley
Aspin
Baldus
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bingham
Blanchard
Boland
Boner
Bonior
Brinkley
Brodhead
Broomfield
Buchanan
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Cavanaugh
Clausen
Clay
Coelho
Conte
Conyers
Corman
Coughlin
D'Amours
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dicks
Dodd
Donnelly
Dougherty
Downey
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fisher
Fithian
Florio
Ford, Tenn.
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gilman
Glickman
Gonzalez
Gore
Grassley
Gray
Guarini
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hollenbeck
Holtzman
Hopkins
Howard
Hughes
Hutto
Ichord
Jacobs
Jeffords
Jenkins
Jenrette
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Lewis
Long, Md.
Lujan
Luken
McHugh
Maguire
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Natcher
Nelson
Nichols
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Quayle
Rahall
Rangel
Reuss
Richmond
Rinaldo
Roe
Rostenkowski
Roth
Rousselot
Roybal
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Simon
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stewart
Stokes
Studds
Synar
Tauke
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Vanik
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wolff
Wolpe
Yates
Yatron

### NOES—168

Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Atkinson
Badham
Bafalis
Bailey
Barnard
Bethune
Bouquard
Bowen
Breaux
Brooks
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Carter
Chappell
Cheney
Cleveland
Coleman
Clinger
Collins, Tex.
Corcoran
Cotter
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Devine
Dickinson
Dingell
Dornan
Duncan, Oreg.
Duncan, Tenn.
Early
Emery
Erdahl
Erlenborn
Fary
Fenwick
Ferraro
Findley
Fish
Foley
Forsythe
Fountain
Frenzel
Giaimo
Gibbons
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Green
Grisham
Gudger
Hall, Tex.
Hammerschmidt
Hansen
Hefner
Heftel
Hightower
Hinson
Holt
Hubbard
Huckaby
Hyde
Ireland
Jeffries
Johnson, Calif.
Johnson, Colo.
Kelly
Kemp
Kindness
Lagomarsino
Latta
Leath, Tex.
Lent
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Martin
Mazzoli
Michel
Miller, Ohio
Minish
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Neal
Nedzi
O'Brien
Pashayan
Preyer
Price
Pritchard
Pursell
Quillen
Railsback
Ratchford
Regula
Rhodes
Ritter
Roberts
Robinson
Rose
Royer
Rudd
Satterfield
Sawyer
Sebelius
Shelby
Shumway
Shuster
Skelton
Slack
Snowe
Stanton
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Taylor
Van Deerlin
Vander Jagt
Walker
Wampler
White
Whitehurst
Whitley
Whittaker
Whitten
Wright
Wyatt
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—45

Anderson, Ill.
AuCoin
Beard, Tenn.
Bevill
Biaggi
Boggs
Bolling
Bonker
Brademas
Brown, Calif.
Carr
Chisholm
Collins, Ill.
Conable
Crane, Philip
Diggs
Dixon
Drinan
Fazio
Flippo
Flood
Ford, Mich.
Garcia
Harsha
Hillis
Holland
Horton
Jones, N.C.
Leach, La.
Lee
Lundine
Murphy, Ill.
Myers, Pa.
Oakar
Pickle
Rodino
Rosenthal
Stark
Steed
Treen
Volkmer
Wilson, C. H.
Winn
Wirth
Wydler

☐ 1730

The Clerk announced the following pairs:

On this vote:

Mr. Drinan for, with Mr. Jones of North Carolina against.

Messrs. ULLMAN, DE LA GARZA, EDWARDS of Alabama, and NICHOLS changed their votes from "no" to "aye."

Mr. DANIEL B. CRANE changed his vote from "aye" to "no."

So the amendment, as modified, to the amendment offered as a substitute for the amendment, as modified, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Washington (Mr. McCORMACK) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. KOSTMAYER), as modified, as amended.

☐ 1740

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 112, noes 15.

So the amendment offered as a substitute for the amendment, as modified, as amended was agreed to.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KOSTMAYER), as modified, as amended.

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 101, noes 35.

So the amendment, as modified, as amended, was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title VIII?

Mr. FUQUA. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. BAUMAN. Reserving the right to object, Mr. Chairman, the leadership has consistently told us that the House would conclude its business at certain hours and in the last 2 weeks we have repeatedly been unable to depend upon that commitment.

I am told that there are two amendments, one of which may be accepted, the other may go out on a point of order.

The last experience we had with a minor amendment involved an hour and a half of debate. We just concluded that.

Now, if we are going to be here for another 2 or 3 hours of debate, it could be very difficult.

Mr. FUQUA. Well, Mr. Chairman, let me say to the gentleman that we would at some point like to close the amendments to the bill.

Mr. BAUMAN. Well, but 5:30 has come and gone and we should have risen.

Mr. FUQUA. Once this agreement is reached, it could be the intention for the Committee to rise and reconsider the bill on Tuesday, if that is agreeable with the leadership.

Mr. BAUMAN. If the debate is limited now, we will rise immediately?

Mr. FUQUA. We would rise as soon as we could dispose of the amendments, if that were possible.

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. FUQUA. Mr. Chairman, I move to strike the last word.

I yield to the distinguished majority leader.

Mr. WRIGHT. Mr. Chairman, I think all of us realize that every Member has had ample opportunity to offer, to debate, to consider, and to vote upon amendments to this bill. Some 23 amendments have been adopted.

We have been advised by some of the Members that they intend to demand rollcall votes on each of these amendments when we go back into the Whole House.

Now, that is their privilege, if a sufficient number should arise and demand it, and I would not deny that privilege to the House; but obviously, tonight is not the time to do that and tomorrow is Friday and we have given a commitment as to an hour of adjournment and it would be in the nature of breaking good faith with Members if we were to have an interminably long series of votes tomorrow, putting off that period of adjournment when there are other things that are scheduled to come up tomorrow.

For that reason, as suggested by the gentleman from Florida, I think it would serve everybody's purpose, there being only two amendments remaining, one against which a point of order probably lies and the other which probably would be accepted, that we should conclude debate in 20 minutes. It would be our purpose, for that reason, to ask unanimous consent again that debate might be concluded in 20 minutes or 30 minutes, if that is more satisfactory, to any of the Members, so that we could get to the point that this debate would be terminated. We would know what we could do and what we would know would be that we will come back in on Tuesday and all Members may have whatever opportunity they wished to demand rollcall votes and we would have those rollcall votes on Tuesday when all the membership would expect to be present and it would be fair to all Members.

Mr. RHODES. Mr. Chairman, will the gentleman from Florida yield?

Mr. FUQUA. I would be happy to yield to the distinguished minority leader.

Mr. RHODES. Mr. Chairman, it is my understanding that there are only two amendments pending. I wonder why we do not go ahead and dispose of them.

It is my further understanding that one of them may be accepted. I think we would probably make haste faster if we went ahead in the ordinary course of the business of the House and not worry about it.

Mr. FUQUA. Mr. Chairman, I yield to the gentleman from California (Mr. LAGOMARSINO), for the purpose of offering his amendment.

The CHAIRMAN pro tempore. The Chair will advise the gentleman from Florida that the gentleman from California must seek his own time for the purpose of offering an amendment.

Does the gentleman from Florida yield back his time?

Mr. FUQUA. Mr. Chairman, I yield to the majority leader.

Mr. WRIGHT. Mr. Chairman, the reason that it is going to be necessary at some point for us to establish a time certain upon the completion of debate and not an hour, like 6 o'clock or 6:15, but rather a certain number of minutes, is that it would be the purpose of the managers of the bill to rise with the matter unresolved, so that we could come back and we would know that when we came back, then the votes would come.

On the other hand, if we were to report the bill back, having completed action on all amendments and report the bill back to the House, under the rule we would have to begin voting now and there would be no alternative for us, except to stay tonight until we completed action on the entire bill, including all the amendments which lie between this point and final passage.

So, Mr. Chairman, I would ask unanimous consent that all debate on this bill and all amendments thereto may close in 20 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. PEYSER. Mr. Chairman, reserving the right to object, and I would not like to object, but I would like to question something.

I have been waiting on this floor for 4 hours to offer an amendment that I think is critical to this bill. I would just like an assurance that I would have at least 5 minutes to present this amendment.

Now, if there are only two amendments and we are talking about 20 minutes, then there should be the opportunity of 5 minutes and I want an assurance of that.

I do not want to get shut out in 40 seconds.

Mr. FUQUA. Mr. Chairman, I yield to the majority leader.

Mr. WRIGHT. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto shall conclude in 20 minutes, with 5 of those minutes reserved for the gentleman from New York (Mr. PEYSER) and 5 reserved for the gentleman from California (Mr. LAGOMARSINO).

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

### AMENDMENT OFFERED BY MR. LAGOMARSINO

Mr. LAGOMARSINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGOMARSINO: Page 78, after line 9, insert the following new section and renumber subsequent sections accordingly:

LIMITATIONS ON STORAGE OF SPENT NUCLEAR FUEL IN THE TERRITORIES AND POSSESSIONS OF THE UNITED STATES OF AMERICA

SEC. 810. No funds authorized to be appropriated pursuant to this Act may be used for the transportation to or the interim, long-term, or permanent storage of spent nuclear fuel or high-level radioactive waste on any territory or possession of the United States or the Trust Territory of the Pacific Islands unless—

(1) the President submits to the Congress a report on the transfer at least 30 days before such transfer and on a day during which both Houses of the Congress are in session or either or both Houses are not in session because of an adjournment of three days or less to a day certain; or

(2) the President determines that an emergency situation exists with respect to such transfer and that it is in the national interest to make such transfer and the President notifies as soon as possible the Speaker of the House of Representatives and the President of the Senate of such transfer.

The provisions of this section shall not apply to the cleanup and rehabilitation of Bikini and Enewetak Atolls.

☐ 1750

Mr. LAGOMARSINO. Mr. Chairman, this amendment requires the President to submit a report to Congress if he authorizes the transfer of spent nuclear fuel to U.S. territories or insular possessions.

As you may know, a specific island in the Pacific Basin is being considered for the interim storage of spent nuclear fuel. Except for a story that appeared in the Washington Post, however, we in Congress might not yet have known of the proposal. Even the Secretary of the Interior, who is specifically responsible for these territories and possessions, apparently did not know of the proposal.

For this reason, I decided to sponsor this amendment, which specifically requires the President to notify Congress 30 days before authorizing a policy of transferring the spent fuel.

The Congress has a special commitment to U.S. territories and possessions. The residents of the various States have the protection of two Senators, several Representatives, a Governor, and State and local legislators. The inhabitants of the territories have only the Secretary of Interior and the Congress and in some cases, nonvoting delegates. We have a unique and special responsibility for the welfare of those who live in the territories and possessions of the United States, and for the protection of the many uninhabited islands. This amendment fulfills part of the responsibility to these territories.

As I have stated, my primary concern in introducing this amendment is to insure that Congress is kept fully informed of the administration's policy toward the interim or permanent storage of spent nuclear fuel in U.S. territories or insular possessions. The Congress has a unique responsibility to our territories and possessions, and cannot properly fulfill this responsibility without the cooperation of the executive branch.

In drafting this amendment, the transfer of nuclear spent fuel refers to the policy of transferring spent nuclear fuel to U.S. territories or possessions. It is not intended to require the President to submit a report to Congress on every single transfer of spent fuel that might take place. However, it is intended to include any change in the policy of transferring spent nuclear fuel to U.S. territories or possessions. For example, such changes would include, but not be limited to, changes in location, significant changes in quantity, or changes in the source of the spent fuel.

The transfer itself refers to the interim storage of spent nuclear fuel, and is intended to exclude incidental military transfers that might occur.

I urge adoption of the amendment.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, on behalf of the Committee on Interior and Insular Affairs, I would like to indicate that the committee has no objection to this amendment.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, I am a little concerned with this amendment. Does this mean that no kind of nuclear fuel can be transferred to any of the territories at any time unless the President declares an emergency? Is that the intent of the amendment?

Mr. LAGOMARSINO. No. No, it is only that if the President is going to transfer spent nuclear fuels to one of the territories, he has to advise Congress 30 days before he does it so we will be aware of that.

Mr. LUJAN. Mr. Chairman, may I ask, does that kind of protection hold true for any particular State? Suppose they want to take it out to California. Notwithstanding the California law, suppose they want to take it to California; does the President then have to give notification?

Mr. LAGOMARSINO. Mr. Chairman, my understanding is that under the present law that is the situation.

In any event, this amendment would not interfere with any law that would relate to the storage of nuclear fuel one way or another on lands other than the ones to which we are referring in the amendment.

Mr. LUJAN. So this is a prohibition against the storage of any nuclear fuels in the territories, so now by this amendment we are limiting storage to the 50 States?

Mr. LAGOMARSINO. No. Mr. Chairman, if I may reclaim my time, it is not a prohibition; it is merely a requirement that the President advise us that he is going to do so.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, the gentleman from California (Mr. LAGOMARSINO) knows of course from his work as ranking minority member of the International Economic Policy and Trade Subcommittee of the important role that multinational storage facilities can play in reducing nonproliferation and security problems. I know the gentleman, who has labored long and hard on behalf of an effective nonproliferation policy, shares with me a concern about the slow pace of our efforts to provide meaningful alternatives to reprocessing. I simply wanted, then, to establish for the record that the gentleman's amendment is not intended to impede serious research and evaluation of promising multinational sites?

Mr. LAGOMARSINO. Mr. Chairman, the gentleman from New York is correct. Multinational storage can provide a secure interim resting place for fuel that might otherwise be prematurely reprocessed and available for explosive devices. I look forward then to an expeditious but careful evaluation of alternative storage sites, and I intend and the gentleman from New York intends to monitor such work closely. My amendment simply assures that the Congress be properly consulted on this matter, so that interests of the Pacific territories can be properly and fully taken into account.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman from California (Mr. LAGOMARSINO) for his statement, and on that basis I support the amendment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, on behalf of the Committee on Interstate and Foreign Commerce, I am happy to support the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. LAGOMARSINO).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 89, noes 11.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will inform the gentleman that he has just counted for a division. A quorum is present.

Mr. BAUMAN. Mr. Chairman, I renew my demand for a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

### AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 79, after line 25, insert the following new title:

### TITLE IX—REPORTS

#### PETROLEUM SUPPLY REPORTS

SEC. 901. During the period covered by this Authorization, Energy Information Administration shall obtain them from each oil company not later than the third day (excluding Saturdays, Sundays, and legal public holidays as specified in section 6103 of title 5, United States Code) of each calendar month beginning after the date of the enactment of this title a report specifying—

(1) the total refining capacity of such company on the last day of the last previous calendar month;

(2) the percentage of the total refining capacity of such company used during the last previous calendar month;

(3) the estimated total refining capacity of such company during the calendar month during which the report is submitted;

(4) the percentage of such estimated total refining capacity of such company estimated to be used during the calendar month during which the report is submitted;

(5) the amount and location of all crude oil held or stored by such company, or under contract to such company, on the last day of the last previous calendar month;

(6) the estimated amount and location of all crude oil to be held or stored by such company, or under contract to such company, during the calendar month during which the report is submitted;

(7) the inventory of refined petroleum products of such company, by category of products, and the location of such products, on the last day of the last previous calendar month; and

(8) the estimated inventory of refined petroleum products of such company, by category of products and the estimated location of such products, during the calendar month during which the report is submitted.

#### PUBLISHING AND MAKING PUBLIC REPORTS

SEC. 902. Notwithstanding section 552 of title 5, United States Code (known as the Freedom of Information Act), the Administrator of the Energy Information Administration shall publish, and make available to the public, each report submitted pursuant to section 901 not later than the sixth day (excluding Saturday, Sundays, and legal public holidays as specified in section 6103 of title 5, United States Code) of each calendar month during which such report is submitted.

#### DEFINITIONS

SEC. 903. For purposes of this title—

(1) the term "oil company" means—

(A) any importer into the United States of any crude oil or refined petroleum product; or

(B) any refiner in the United States; or

(C) any first purchaser of crude oil of more than 150,000 barrels per year who is incorporated in the United States, resides in the United States, or does business in the United States; and

(2) the term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and all other territories and possessions of the United States.

Mr. PEYSER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The Clerk will continue to report the amendment.

The Clerk concluded the reading of the amendment.

#### POINT OF ORDER

Mr. LOEFFLER. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN pro tempore. The Chair will hear the gentleman.

Mr. LOEFFLER. Mr. Chairman, this amendment is not germane. The amendment imposes new comprehensive mandatory information reporting requirements on oil companies, not the Department of Energy.

The bill which we are considering would merely authorize appropriations for the Department of Energy. The bill does not institute any new requirements directly on individuals.

Number two, Mr. Chairman, the amendment is also nongermane because it permanently changes the purpose, coverage, and extent of the Freedom of Information Act by making the Freedom of Information Act inapplicable to information gathered in reporting pursuant to proposed new comprehensive programs.

For these two reasons, Mr. Chairman, this amendment is not germane and should be ruled out of order.

The CHAIRMAN pro tempore. Does the gentleman from New York (Mr. PEYSER) wish to be heard on the point of order?

Mr. PEYSER. Yes, I do, Mr. Chairman.

The CHAIRMAN pro tempore. The Chair will hear the gentleman.

□ 1800

Mr. PEYSER. Mr. Chairman, I think the gentleman does not know that the amendment does not bring about any new requirement. I believe what he has read is the old amendment, which is the reason we had the amendment read now. It no longer says that it requires the oil companies to report. It simply says that the Energy Information Agency shall obtain the information from the oil companies, which is a perfectly legitimate and germane action to take.

On the question of violation of the Information Act, Mr. Chairman, I think that is something that the Congress is going to have to decide, whether this is appropriate or not, because what this amendment is doing is saying that the information from now on will be obtained by the Department of Energy from the oil companies so the Department of Energy is the source of the information to the Congress and not the American Petroleum Institute. So it would seem to me that this is a totally germane amendment as long as we no longer have the oil companies involved in the opening of this amendment to report, and the Information Act is something that the Members here have to vote on. It certainly is not a question of germaneness, and for that reason I believe the amendment should stand, Mr. Chairman.

The CHAIRMAN pro tempore. Does the gentleman from Ohio (Mr. BROWN) wish to be heard on the point of order?

Mr. BROWN of Ohio. I do, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Ohio (Mr. BROWN) is recognized.

Mr. BROWN of Ohio. Mr. Chairman, there is some confusion at our desk because we are not clear about the precise language of the amendment being offered, since we did not have a copy of the amendment. We have two different copies that have been given to us at diffierent times. But there is another point with reference to germaneness that appears to be in at least one or the other of these, and perhaps both, and that is the requirement in this authorization legislation that goes beyond the calendar year for which the authorization legislation is drawn.

If I read correctly, the first paragraph of the amendment says section 901, and it says the Administrator of the Energy Information Administration shall obtain from each oil company no later than the third day, excluding Saturdays, Sundays and holidays, of each calendar month beginning after the date of the enactment of this title, a report specifying, and leaves no terminal date for which this amendment would be applicable.

Mr. PEYSER. Mr. Chairman, I would ask the Clerk to read the opening again on this, because I think the gentleman is absolutely right in what he is saying. But that is not what the amendment says. If the Clerk would read that opening part, it would answer his question.

The CHAIRMAN pro tempore. Without objection, the first two lines of the amendment will be reread by the Clerk.

There was no objection.

The Clerk read as follows:

> SEC. 901. During the period covered by this authorization, the Energy Information Administration shall obtain from each oil company not later than the third day . . .

Mr. BROWN of Ohio. Mr. Chairman, let me just observe that it is very difficult for us to attend to the germaneness problems of the amendments when we are not given the amendment so that we can understand what it is. I would appreciate in the future if the gentleman would follow the proper form.

Mr. PEYSER. Mr. Chairman, I appreciate the problem and I apologize to the gentleman for that inconvenience.

Mr. BROWN of Ohio. Mr. Chairman, the point of order is still appropriate because of the direction of the amendment to the Freedom of Information Act and the modification of that act, which is not a subject of this authorization.

The CHAIRMAN pro tempore (Mr. STUDDS). The Chair is prepared to rule.

The first point made by the gentleman from Texas is mooted by the change in wording, as noted by the gentleman from New York and the gentleman from Ohio, since the amendment addresses conduct of the Department and does not directly regulate the activities of others.

The amendment is prefaced by the words "During the period covered by this authorization * * *"

In the opinion of the Chair, it covers activities of the Department during the fiscal year in question and does not constitute a permanent change in law.

The reference to the Freedom of Information Act does constitute an indirect waiver of its provisions, but it does not constitute a permanent change in that act. It refers only to public access to information obtained pursuant to section 901, which is a 1-year requirement.

The Chair, therefore, feels that the amendment is germane and overrules the point of order.

The gentleman from New York (Mr. Peyser) is recognized for 5 minutes in support of his amendment.

Mr. PEYSER. Mr. Chairman, I again apologize for any inconvenience that was brought about by a change in the amendment before the gentleman had an opportunity to see it.

Mr. BROWN of Ohio. If the gentleman will yield, the inconvenience is not here; the inconvenience is for all of the Members in the Chamber because we now have four versions of the amendment as it was reputedly offered.

Mr. PEYSER. I thank the gentleman. I did specifically ask and had the Clerk read that portion of the amendment so that it would be clearly understood, even prior to asking unanimous consent. However, to come to the amendment—because I do not want to take any more time on this than anyone else—it seems to me that this amendment comes to the very heart of every problem we are facing in this country on the oil crisis. The people of this country have not believed the condition that exists in the oil industry in this country for the simple reason that no arm of the Federal Government has been directly responsible for gaining this information. Consequently, the information has been continually provided to us by the American Petroleum Institute, which makes absolutely no sense, plus the fact, Mr. Chairman, as has happened to the gentleman from Michigan, in the committee which he Chairs, when he has requested information from the Department of Energy he has gotten information that is 2 or 3 months old by the time he has received it. I know, incidentally, after talking to the oil companies, that everything I am asking for they can comply with, in fact, they are complying with today, and it just seems to me that we ought to have that information available to the Congress of the United States immediately and not 3 months late.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Chairman, I have listened with interest and, as I understand it, the gentleman is trying to get information. I am deeply concerned with the time schedule that the gentleman has in his amendment. I have looked at it. The 3-day period and the reporting thing in 6 days seems unreasonable, in that they could not comply with it. Although I am in some sympathy with what we are trying to do to get the proper information, I am deeply concerned that it is an undue restriction, and I have put an amendment at the desk to the gentleman's amendment that would lengthen this time period considerably. I hope that when that amendment is considered that the gentleman will be in favor of it.

Mr. PEYSER. What is the time limit in the gentleman's amendment?

Mr. CAMPBELL. I changed the gentleman's amendment, where the gentleman has the 3d day, to the 10th of the month, and I changed the gentleman's 6 days to 15.

Mr. PEYSER. Mr. Chairman, basically I would have no objection to that if it is a reasonable request and a reasonable time. I think the important thing is that this is going to be the first opportunity that the Members of the House of Representatives are going to have to vote on an issue that says that the oil companies basically have to be responding to the Department of Energy itself to provide the information on a monthly basis that tells them how much oil has been refined, how much crude is on hand, where this is, and by company, so we are no longer in the dark on this entire situation. I trust that this amendment will be passed and accepted.

Mr. FUQUA. Mr. Chairman, I renew my unanimous consent request.

I ask unanimous consent that all debate on the bill and all amendments thereto close in 15 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. FUQUA. Mr. Chairman, I move that all debate on the bill and all amendments thereto conclude in 15 minutes.

The CHAIRMAN pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Fuqua).

The question was taken; and on a division (demanded by Mr. Bauman) there were—ayes 93, noes 36.

### RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 267, noes 107, answered "present" 1, not voting 58, as follows:

[Roll No. 583]

### AYES—267

Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bingham
Blanchard
Boland
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Carter
Cavanaugh
Chappell
Clay
Cleveland
Clinger
Coelho
Conyers
Corman
Cotter
D'Amours
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hinson
Holt
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leath, Tex.
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Marks
Marlenee
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mineta
Minish
Mitchell, Md.
Moak.ey
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Natcher
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Roberts
Roe
Rostenkowski
Roybal
Rudd
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

### NOES—107

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Bereuter
Bethune
Buchanan
Butler
Campbell
Carney
Cheney
Clausen
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Dannemeyer
Deckard
Derwinski
Dornan
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Findley
Fish
Frenzel
Gilman
Gingrich
Goldwater
Gradison
Grassley
Grisham
Guyer
Hammerschmidt
Hansen
Heckler
Hollenbeck
Hopkins
Hyde
Jacobs
Jeffords
Jeffries
Kelly
Kindness
Kramer
Leach, Iowa
Lent
Levitas
Lewis
Livingston
Loeffler
Lujan
Lungren
McClory
McDade
McDonald
Marriott
Martin
Mathis
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Myers, Ind.
Neal
Nichols
Paul
Petri
Pursell
Quayle
Regula
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Schroeder
Schulze
Sensenbrenner
Shumway
Shuster
Snowe
Solomon
Spence
Stangeland
Stockman
Symms
Tauke
Thomas
Vander Jagt
Walker
Wampler
Williams, Mont.
Young, Fla.

### ANSWERED "PRESENT"—1

de la Garza

NOT VOTING—58

Anderson, Ill.
AuCoin
Beard, Tenn.
Bevill
Biaggi
Boggs
Bolling
Bonker
Broomfield
Brown, Calif.
Carr
Chisholm
Collins, Ill.
Conable
Crane, Philip
Diggs
Dixon
Downey
Drinan
Fazio
Flippo
Flood
Garcia
Green
Hagedorn
Harsha
Hillis
Holland
Horton
Jones, N.C.
Kemp
Leach, La.
Lee
Lundine
McEwen
Madigan
Markey
Miller, Calif.
Moffett
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Oakar
Ottinger
Pickle
Rodino
Rose
Rosenthal
Satterfield
Stark
Steed
Treen
Volkmer
Waxman
Wilson, C. H.
Winn
Wirth
Wydler

☐ 1820

So the motion was agreed to.

The result of the vote was announced as above recorded.

● Mr. LIVINGSTON. Mr. Chairman, one critic of last week's vote to decontrol gasoline complained that this Congress was becoming known as the decontrol Congress. I hope he is right, because our economy—and our energy situation—is showing us the results of bureaucratic tampering with market forces. We can try to fool the law of supply and demand, but that is like trying to fool the law of gravity. Sooner or later it catches up with us. In the energy field, it caught up with us in the form of gasoline lines, dependence on OPEC oil, and unpredictable price increases. The tragedy is that so many of us saw it coming. As Nobel Prize winner Milton Friedman states:

> Do you want to produce a shortage of any product? Simply have government fix and enforce a maximum price on the product which is less than the price which would otherwise prevail.

Some of my colleagues claim to champion consumers by advocating controls on crude oil, heating oil, or gasoline. But controls on domestic petroleum products mean shortages of those products. And domestic shortages must be made up by imports—at whatever price the sheiks wish to charge. And when the sheiks—or the shah—have political troubles, the consumer gets the worst of both worlds—skyrocketing prices and gasoline lines.

In the long run, consumers and producers will be better off in an energy market where supplies and prices are determined by the market. Doing away with the DOE gasoline allocation system will be a much more effective move to eliminate gasoline lines than any elaborate rationing plan we can dream up. As a matter of fact, it is now fairly common knowledge that the allocation system—with its constantly changing set-asides, priorities, and base periods—actually caused the gasoline lines. It was the regulations, not the oil companies, which allocated gasoline according to places where the demand existed in 1977 or 1978, instead of where it was needed in the spring of 1979.

Decontrol will mean higher prices—although nothing even approaching the instant $2 per gallon scare stories. As for its inflationary impact, I call your attention to the fact that both Germany and Japan have been paying world market prices for years. And their inflation rates are one-third to one-half of ours. Decontrol of crude oil will also mean millions more barrels per day of crude oil, produced by Americans in America. Decontrol of gasoline will mean that refiners can afford to invest in unleaded refining capacity to alleviate a pending shortage. Decontrol of gasoline means that gasohol and substitute fuels will be more competitive, both in the marketplace and for investment capital. And decontrol will mean real conservation. Consumers conserve when it is in their best economic interest to do so, not because Jimmy Carter or anyone else politely asks them to do so.

In closing, I wish to make one point that is not often heard. And that is that in the energy industry, it is the little guy who really feels the brunt of the bureaucratic maze. The big integrated companies and multinationals can cope. They simply shift their investments overseas. Or they hire swarms of attorneys and accountants to combat the swarms of Government attorneys and accountants. But what about the independent producers who drill 80 to 90 percent of the exploratory wells in this country—the guys who try to run one or two rigs on a shoestring without a 30-man corporate legal staff? Or what about the independent service station dealer who is required to comply with the DOE regulations on calculating ceiling prices, a regulation that has changed more than 100 times since August 19, 1973?

To be sure, decontrol of crude oil and petroleum products is no instant cure for an energy market suffering from decades of Federal manipulation. But we need to give it a chance to work. In the long run, it is our only chance.●

● Mr. DRINAN. Mr. Chairman, I wish to commend the gentleman from Pennsylvania (Mr. KOSTMAYER) and the gentleman from my home State of Massachusetts (Mr. CONTE) for offering this amendment which would require the Energy Department to procure at least 25 percent of research and development projects and services from small businesses.

It is appropriate that small businesses, which often face discriminatory rates by power utilities, be given the opportunity to assist this country in solving its energy problems. And it is only fair that small businesses, which employ 58 percent of our work force and account for 43 percent of our gross national product, be guaranteed access to Department of Energy research, development, and demonstration contracts.

I became aware of the necessity of guaranteeing this access through my sponsorship with the gentleman from Iowa (Mr. BEDELL) and the gentleman from Wisconsin (Mr. REUSS) of H.R. 2447, the Small Business Procurement Reform Act. Standing between a small business and any Federal contract on which it wishes to bid is a mountain of paperwork. Large firms often have large staffs well versed with bid specifications and who have early and complete notification about prospective contracts. The interests of small businesses need to be protected by legislation such as this amendment.

In the 95th Congress I joined with the gentleman from Iowa (Mr. BEDELL) and 85 other Members of the House in sponsoring H.R. 3984, a bill to guarantee a substantial role for small businesses in the development, demonstration, and marketing of solar energy equipment and energy-related inventions. I found that the changing distribution of solar R.D. & D. funds pointed toward favored treatment of large corporations which are already dominating the solar energy field.

The General Accounting Office has found that DOE's structure and function unfortunately results in large corporations being the recipients of most DOE contracts. This amendment would assure that small businesses have a fair share of the remaining contracts.

Finally, Mr. Chairman, I would like to cite a National Science Foundation study that found that small businesses produce 24 times more major innovations per research and development dollar expended than do large firms. This amendment can lead not only to a better investment of Federal R.D. & D. funds, but also to the energy innovations that we desperately need and that small businesses will gladly provide if they are provided adequate funding.●

● Mr. GORE. Mr. Chairman, not many years ago, the idea of controlled nuclear fusion seemed a distant dream, a wish of grand dimensions and little likelihood of success. Today all that is changed. Today we can say with confidence that the work of laboratories around the world—including our own National Laboratory at Oak Ridge—will make possible a day in which many of us will see the lamps which light this Chamber powered by the force which kindles the stars.

Or, rather, we could confidently say so except for one little problem, a problem so foolish in so many ways that it would be funny were the need for a secure and plentiful energy course not so vital for our Nation's future. The problem? We cannot have controlled fusion without helium, and this Nation is squandering its reserves of helium at an alarming rate.

We will need helium to cool the giant lasers and power the magnets which will generate the fields to contain fusion reactions. We will need liquid helium to cool the reacting core and carry the heat from the chamber to the turbines. But our helium reserves are mixed with natural gas. And therein lies our problem.

Helium can be separated from natural gas by a relatively simple procedure, and today nearly 1 billion cubic feet are extracted and sold each year to be used in jobs as diverse as lifting blimps and filling divers' air tanks. But far more helium is extracted and simply vented into the atmosphere because it cannot be sold or not extracted at all and left in the gas stream to dissipate when the gas is burned for fuel. What goes into the atmosphere is lost to us and what remains is a steadily shrinking pool.

By the beginning of the next century

this Nation will have spent more than $15 billion to learn how to build a prototype of a commercial fusion reactor. We will be near the end of the long road toward true energy independence for millenia to come. But at just that time, if we do not change our course, we will be nearing the end of our reserve supply of the helium necessary to let fusion happen. Fifteen billion taxpayer dollars will have been wasted. Worse still, we will have squandered a vital resource, virtually foreclosed a crucial energy technology, and guaranteed the next generation of Americans a power crisis more hopeless and unnecessary than the one we struggle against today.

Beginning with the passage of the Helium Act in 1960, the Federal Government purchased and stockpiled available helium. But in 1973 the Nixon administration quietly terminated the program, calling the termination an economy measure. If ever there was a false economy, this is it.

We can correct that mistake and preserve the possibility of a secure energy future for this Nation. But we must act soon. As many of my colleagues know, the distinguished chairman of the Energy and Power Subcommittee has introduced legislation to establish a Federal helium stockpiling program on a new and sounder basis. I am happy to have the opportunity today to urge my colleagues to join me in support of that effort.

Too often, as we all well know, this House acts only when the crisis is upon us, and too often action taken in the midst of a crisis comes too late to help. Such will be the case with helium. If we wait until the problem has become obvious to all, the solution will be floating unreachable in the atmosphere above our heads. By acting now we can leave the next generation a more secure and stable future. They will not forgive us if we fail.●

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. Dingell).

The question was taken; and on a division (demanded by Mr. Bauman) there were—ayes 82, noes 23.

So the motion was agreed to.

### PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Chairman, how many responded to that division?

The CHAIRMAN pro tempore. One hundred and five.

Mr. BAUMAN. I thank the Chairman.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Natcher) having assumed the Chair, Mr. Studds, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes, had come to no resolution thereon.

## LEGISLATIVE PROGRAM FOR FRIDAY, OCTOBER 19, 1979

Mr. MYERS of Indiana. Mr. Speaker, I would ask to address the House for the purpose of inquiring what the program will be tomorrow, and I yield to one of the leadership of the majority side for the purpose of inquiring about the program for tomorrow.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, tomorrow the House will meet at 10 a.m. and take up H.R. 2172, the International Sugar Stabilization Act. It is an open rule, and the rule has already been adopted. It will be for general debate only, general debate of 2 hours. We will not proceed to any consideration of amendments.

☐ 1830

The House will consider H.R. 3683, Consolidated Farm and Rural Development Act, with an open rule and 1 hour of debate. We will attempt to finish that bill.

If possible, the House will consider H.R. 2218, Endangered Species Act authorizations. We will consider the rule only.

Following that, we will consider H.R. 4955, supplemental refugee assistance authorization, with an open rule and 1 hour of debate. We will consider the rule only.

Mr. MYERS of Indiana. The program provides that we would adjourn by 3 p.m. The past two Fridays, as we all remember, went into the late hours on Friday evening, which caused many problems for those who were trying to catch planes.

Is there any expectation or possibility that we will go beyond 3 o'clock tomorrow?

Mr. FOLEY. As the majority leader, the gentleman from Texas (Mr. Wright) indicated earlier, it is the intention of the leadership to adhere to the 3 o'clock adjournment on tomorrow.

Mr. MYERS of Indiana. It was the intention to adjourn at 5:30 today, and it is now 6:30. I hope that will be the case, because I think everyone is willing to stay here and work if there is something important, but as the gentleman described the program tomorrow, it does not seem to have anything too pressing.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, can the gentleman tell us when it is the intention to bring up the sugar bill for amendment?

Mr. FOLEY. It is the present intention to bring it up on Tuesday.

Mr. ROUSSELOT. I thank the gentleman.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2727, MODIFYING METHOD OF ESTABLISHING QUOTAS ON IMPORTATION OF CERTAIN MEAT

Mr. ZEFERETTI, from the Committee on Rules, submitted a privileged report (Rept. No. 96–525), on the resolution (H. Res. 454) providing for the consideration of the bill (H.R. 2727) to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT S. 1030, AUTHORIZING PRESIDENT TO CREATE EMERGENCY PROGRAM TO CONSERVE ENERGY

Mr. ZEFERETTI, from the Committee on Rules, submitted a privileged report (Rept. No. 96–528) on the resolution (H. Res. 457) waiving certain points of order against the conference report on the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2313, AMENDING FEDERAL TRADE COMMISSION ACT

Mr. ZEFERETTI, from the Committee on Rules, submitted a privileged report (Rept. No. 96–527) on the resolution (H. Res. 456) providing for the consideration of the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3948, AMENDING FEDERAL AVIATION ACT OF 1958

Mr. ZEFERETTI, from the Committee on Rules, submitted a privileged report (Rept. No. 96–526) on the resolution (H. Res. 455) providing for the consideration of the bill (H.R. 3948) to amend the Federal Aviation Act of 1958 to eliminate the age limitation presently imposed on certain pilots of aircraft, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2335, PROVIDING FOR RESEARCH, DEVELOPMENT, AND EVALUATION PROGRAM TO DETERMINE FEASIBILITY OF COLLECTING IN SPACE SOLAR ENERGY

Mr. ZEFERETTI, from the Committee on Rules, submitted a privileged report

(Rept. No. 96-529) on the resolution (H. Res. 458) providing for consideration of the bill (H.R. 2335) to provide for a research, development, and evaluation program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR PRINTING OF HOUSE DOCUMENT ENTITLED "THE CELLER-KEFAUVER ACT: THE FIRST 27 YEARS"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-530) on the resolution (H. Res. 196) to provide for the printing as a House document of the publication entitled "The Celler-Kefauver Act: The First 27 Years," which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION AUTHORIZING PRINTING OF PROCEEDINGS INCIDENT TO PRESENTATION OF PORTRAIT OF THE HONORABLE ROBERT N. GIAIMO

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-531) on the resolution (H. Res. 235) to provide for the printing of the proceedings incident to the presentation of a portrait of the Honorable ROBERT N. GIAIMO, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION AUTHORIZING PRINTING AS HOUSE DOCUMENT STAFF REPORT TO COMMITTEE ON FOREIGN AFFAIRS ENTITLED "THE ASSASSINATION OF REPRESENTATIVE LEO J. RYAN AND THE JONESTOWN, GUYANA TRAGEDY"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-532) on the resolution (H. Res. 349) providing for the printing as a House document of the staff report to the Committee on Foreign Affairs entitled "The Assassination of Representative Leo J. Ryan and the Jonestown, Guyana Tragedy," which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION APPROVING PRINTING OF ADDITIONAL COPIES OF REPORT ACCOMPANYING DEFENSE PRODUCTION ACT AMENDMENT AND EXTENSION

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-533) on the resolution (H. Res. 396) approving the printing of additional copies of the report accompanying the Defense Production Act Amendment and Extension, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION AUTHORIZING PRINTING OF REPORT OF OFFICIAL VISIT BY SPEAKER'S DELEGATION TO UNION OF SOVIET SOCIALIST REPUBLICS

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-534) on the resolution (H. Res. 397) providing for the printing of the report of the official visit by the Speaker's delegation to the Union of Soviet Socialist Republics, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION APPROVING PRINTING OF ADDITIONAL COPIES OF PUBLICATION ENTITLED "A GUIDELINES HANDBOOK ON FEDERAL LOAN GUARANTEE PROGRAMS"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-535) on the resolution (H. Res. 402) approving the printing of additional copies of the publication entitled "A Guidelines Handbook on Federal Loan Guarantee Programs," which was referred to the House Calendar and ordered to be printed.

## REPORT ON CONCURRENT RESOLUTION PROVIDING FOR PRINTING ADDITIONAL COPIES OF COMMITTEE PRINT ENTITLED "7TH EDITION OF THE IMMIGRATION AND NATIONALITY ACT WITH AMENDMENTS AND NOTES ON RELATED LAWS"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-536) on the concurrent resolution (H. Con. Res. 184) providing for printing additional copies of the committee print entitled "7th Edition of the Immigration and Nationality Act with Amendments and Notes on Related Laws," which was referred to the House Calendar and ordered to be printed.

## CO-OP MONTH

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, in this day when Government programs have lost the confidence of the American people, it is worthwhile to reflect on a program which is an outstanding example of how Government dollars can work to directly benefit people. The Rural Electric Cooperative system is a self-help program which has done exactly what it was expected to do—provide high quality electric service to rural Americans at a price they can afford.

In the mid 1930's, as few as 1 out of every 10 homes in rural America was served with electricity. In fact, in several European countries, barns were served with electricity before millions of rural American families had a light bulb in their homes.

I am pleased that South Dakotans were among the pioneers in the rural electrification movement. President Franklin D. Roosevelt created the Rural Electrification Administration in 1935, and in 1936 the Congress passed the rural electrification program to assist rural Americans in obtaining affordable electrical service by providing low-interest, long-term Government-backed loans. On November 29, 1935 the first South Dakota rural electric cooperative was filed with the Secretary of State in Pierre for the Clay-Union Rural Electric Cooperative by E. J. Manning, Leonard Sudger and K. C. Strong. Six months later they received their first loan from the Rural Electrification Administration, and on October 3, 1937 the first line was energized. They and countless others have spurred the rural electric movement forward in South Dakota and the Nation.

My parents still talk about the day when their farms in Faulk and Edmunds Counties were hooked up by REA. In the thirties when the rural electrification system began, fewer than 10 percent of the rural areas were served with electricity. Now, in South Dakota alone, there are 33 rural electric cooperatives serving 79,000 consumer-members, and nationwide 25 million consumer-members are served by the rural electric systems. The co-ops have shown outstanding success in reaching rural individuals and communities in isolated areas, and I want to take this opportunity to commend the rural electric cooperatives for their outreach.

The most outstanding feature of the rural electric cooperatives is that they provide high quality electric service to the consumer-members at cost. The co-ops are owned and operated by the people they serve, and every consumer-member has a voice in the operation of the co-op through his vote at the annual meeting of his rural electric cooperative.

Just as commendable is the community service and information which rural electrics provide to keep their consumer-members, as well as others in the communities they serve, abreast of the latest developments in the energy field. Programs on winterization and energy conservation benefit us all.

The rural electrics, with their fingers on the pulse of the people, are also a step ahead of the Federal Government in their willingness to pursue alternative means of generating electrical and other forms of energy.

October is co-op month. I join the South Dakota rural electric cooperatives in their observance of co-op month, and commend them for their grassroots involvement which has developed the rural electric systems and continues to make them pioneers in the field of energy service to consumers.

## U.S. ARMED FORCES: SILENT PARTNERS IN DISASTER RELIEF

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, the combined effects of Hurricanes David and Frederic during August of this year has resulted in a major catastrophe for the island nations of Dominica and the Dominican Republic. The resulting losses in both human and economic terms total several thousand dead and injured, hundreds of thousands homeless and extensive damages exceeding $1 billion.

In response to this catastrophe, which has been described as one of this Century's most devastating hurricane disasters, elements of the United States Army, Air Force, Navy, including the Seabees, Marines and Coast Guard undertook a major humanitarian role in providing disaster relief to the affected Caribbean area. Under adverse conditions they rescued victims, delivered food and medical supplies, repaired vital highways and hospitals and helped restore communications and utilities to the victims of this disaster.

Working hand-in-hand with host countries, these forces use their training and equipment to provide the all important initial relief assistance which enables the more traditional disaster relief agencies to respond. Often arriving on the scene even before the disaster has ended, their heroics should not go unrecognized. To this end, at least one American serviceman gave his life with many others injured in an attempt to airlift emergency aid during hazardous weather.

This important public service aspect of our Nation's defense forces often goes on unnoticed. These men and women are a part of the continuing tradition of this nation's proud history of unselfish humanitarian relief and rescue efforts.

At a time when the United States is seeking to reassure its neighbors and allies throughout the region of our continued commitment and concern, the magnificent contributions of our Armed Forces speak louder than any words. In stark contrast to the recent increase of militarisms by other nations in the area, the United States has once again demonstrated its resolve to protect the independence and viability of our allies in the Caribbean.

I urge my colleagues to join with me in recognition of the invaluable contribution being made by our Armed Forces in disaster assistance and in encouraging their increased participation in the future.

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## EXECUTIVE ORDER ON COORDINATION OF FEDERAL CONSUMER PROGRAMS

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. HORTON. Mr. Speaker, the creation of an independent consumer agency has long been a goal of mine. I fought hard for such an agency in the 95th Congress and preceding Congresses. My efforts, and those of my colleagues who supported and support the concept, were thwarted by a combination of powerful business lobbying and congressional disinclination to establish another agency. I believed, and continue to believe, that such an agency would greatly enhance the responsiveness of Government agencies to the needs of ordinary citizens.

After the consumer agency bill was defeated last year, President Carter asked his Special Assistant for Consumer Affairs, Esther Peterson, to review agency consumer affairs activities throughout the Government and to develop recommendations for their improvement. Mrs. Peterson convened an 80-member Federal task force to conduct that analysis, and solicited the views of hundreds of consumer, farm, labor, and business groups. On Wednesday, September 26 in a ceremony at the White House, President Carter signed the embodiment of those recommendations: An Executive order to improve the effectiveness, management, and coordination of Federal consumer programs.

In my view, this order is a major step forward. I should add, however, that the order is not—and indeed, is not intended to be—a substitute for an independent consumer agency. Such an agency would have powers that could not be included in the Executive order, such as the authority to seek judicial review of agency actions.

I would like to commend Esther Peterson for her efforts in developing the Executive order, and to ask that Mrs. Peterson's statement at the signing ceremony be placed in the RECORD. The text follows:

### REMARKS OF ESTHER PETERSON AT THE SIGNING OF THE EXECUTIVE ORDER ON FEDERAL CONSUMER PROGRAMS

As many of you know, I have been a part of the American consumer movement since its very early days. I have seen it grow in size and influence, and I would like to think that I have contributed to that growth. There is no doubt in my mind, and I'm sure no doubt in yours, that the consumer movement has improved the quality of American life and has helped to reorder our national priorities. All around us we can see evidence of the consumer movement's impact: recalls and bans of dangerous and defective products, a national commitment to preservation of a liveable environment, an increasing accountability of corporations for the social consequences of their actions. A great deal of progress has been made by and because of the consumer movement.

But until April of last year, no President had ever made the consumer interest an explicit and a regular component of White House decision-making. And until today, no President had ever directed Federal agencies to assure that the consumer interest is an integral part of their decision-making.

By issuing the Executive Order on Consumer Affairs, President Carter has given those of us in the consumer movement a tremendous opportunity. He has created a framework for us to use to work with and within the agencies of the Executive Branch on behalf of consumer needs.

I am hopeful that in the years to come, today will be looked upon as something of a turning point in the history of the American consumer movement. For today the consumer interest has been recognized for what we always knew it was, or should be—a vital component in the making of domestic policy. And it has been recognized in the best of ways—in an order that requires agencies to act on that recognition, and that spells out the steps needed to assure that the consumer viewpoint is effectively integrated into the structures and processes of government.

The Order requires each agency to develop a consumer program that includes the following five elements:

First, a professional consumer affairs staff authorized to participate on behalf of consumer interests in the development and review of all agency rules, policies, programs, and legislation;

Second, effective procedures for participation by consumers themselves in the development and review of all agency rules, policies, and programs, including provisions to assure that consumer concerns are adequately analyzed and considered in agency decision-making;

Third, development of informational materials for consumers;

Fourth, consumer affairs training for agency staff members and, where appropriate, technical assistance to consumers and their organizations; and,

Fifth, procedures for systematically investigating and responding to consumer complaints, and for incorporating analysis of those complaints into the development of agency policies.

Standards for each of these elements are briefly set out in the Order.

The head of each agency is required under the Order to designate a senior-level official to work full-time on policy direction and oversight of the agency's consumer affairs activities. The designated official will report directly to the head of the agency, and will advise the agency head of the potential consumer impact of policies under consideration within the agency.

Each agency is to prepare a draft program for complying with the requirements of the Order. These draft consumer programs are to be published in the Federal Register by November 25. After the plans have been revised in light of public comment, they are to be submitted to me for final approval before they go into effect.

Within the next week, I will be sending to the heads of Executive agencies guidelines for the preparation of these consumer programs. The guidelines will indicate in some detail the types of information that must be set forth in the agency consumer programs in order to permit effective review by the public and by my staff.

The Order also requires each agency to submit, as part of its annual budget proposal, a separate statement of the level of funding to be allocated to each of the five major categories of consumer affairs activities identified in the Order. For the first time, consumer affairs expenditures will be broken out of an agency's overall budget proposal, so that the adequacy of these expenditures can be evaluated. I and my staff will review the proposed funding levels for these activities, and will forward our assessments to the Director of the Office of Management and Budget.

The Order will also set into motion the development of a separate job series for consumer affairs personnel, and special programs for their recruitment and training. This will enhance opportunities for professional development and career advancement in the consumer affairs field, and will assure that consumer affairs personnel are accorded the recognition and the opportunities that they deserve.

Finally, the Order creates a Consumer Affairs Council—an interagency body to develop new consumer affairs initiatives and to coordinate government activity under the Order. President Carter has asked me to chair the Council.

This Order is based on the work of an 80-member Federal task force that I convened to analyze consumer affairs activities throughout the government and to develop options for their improvement. The task force consulted with literally hundreds of consumer, labor, farm, and business groups, and with Federal consumer affairs employees. I'd like to thank the members of the task force for their hard work and for the quality of their analysis. I look forward to working with them in the months ahead on the implementation of this Order.

I'd especially like to express my appreciation to the director of the task force, Lee Gray of the consumer affairs office of the Department of Transportation. She did an exceptional job of organizing and running this very large undertaking, and I am grateful to her.

As the President noted in his remarks, this Administration has fought for the creation of an independent consumer agency to represent consumer interests before other agencies and in the courts. This is still one of our priorities. We believe that the Order being issued today would complement an independent consumer agency.

I'd like to say just a few words about how the Order differs from the Ford Consumer Representation Plans issued several years ago. The most fundamental difference is that the Executive Order establishes government-wide standards of performance that agencies must comply with; in many cases this will require substantial changes in agency procedures, and an upgrading and expansion of agency consumer affairs activities. By contrast, the so-called Ford plans were essentially just statements of what agencies were already doing. There are other significant differences as well:

The Executive Order requires that each agency have a senior official working full-time on oversight of consumer affairs activities and reporting directly to the head of the agency; the Ford venture did not require this or any other structural change.

The Order sets up a mechanism for continuous monitoring and evaluation of agency performance; the Ford plans did not.

The Order requires the submission of separate budget data for consumer affairs activities so that the adequacy of expenditures for these activities can be assessed: the Ford plans did not provide for budget reviews.

In short, unlike the Ford plans, the Executive Order is a genuine step, and a major step, toward making government more responsive to consumer needs.●

## THIRD DISTRICT OF NEBRASKA FIGHTS TO KEEP ITS DOCTORS

The SPEAKER pro tempore (Mr. ANTHONY). Under a previous order of the House, the gentlewoman from Nebraska (Mrs. SMITH) is recognized for 30 minutes.

Mrs. SMITH of Nebraska. Mr. Speaker, I rise today to bring to the attention of the entire House, a matter of the utmost urgency to many thousands of citizens in the Third District of Nebraska.

Three counties in Nebraska, facing chronic and critical physician shortages, have acquired the services of five foreign doctors to meet their needs. One by one, as their student visa status drew near expiration, these doctors, together with their hospital administrators and the people of the communities, came to me to ask for my assistance that they might be able to stay in the areas and develop a practice. These are not physicians who have made a quick jump to Nebraska to get their hands on a permanent visa. Four of the five are married with children born in the United States. Two of the five have made arrangements to purchase the medical clinic in town, which had been closed since 1977, when the town's last doctor retired. Four of the five have made arrangements to purchase homes in town. All of the five belong to parishes and civic groups. They are well-respected and deeply cared for by the people they wish to serve. Two of the doctors, a husband and wife team, are the only people in town who can communicate with some 50 migrant Nicaraguan workers.

All of these five physicians have been scheduled deportation hearings. Three of the five have been given orders to voluntarily depart by mid-December of this year. The other two, the couple in Rushville, have their hearing set for October 23. The most they can hope for is a 90-day period, at the end of which they, too, will have to depart.

Mr. Speaker, on behalf of these fine communities in my Third District of Nebraska, I have introduced private bills to make it possible for these five physicians to serve these areas where their knowledge and skill are so desperately needed.

I speak of H.R. 1892—for the relief of Dr. and Mrs. Teodoro Ando; H.R. 5068—for the relief of Dr. and Mrs. Samuel K. K. Chung; H.R. 5455—for the relief of Dr. Estela Chan; and H.R. 5456—for the relief of Dr. Rogelio Narvaez and Dr. Perlita Acuna Narvaez.

I am gratified that the distinguished Judiciary Subcommittee on Immigration, Refugees, and International Law, will be holding hearings on these doctors and other meritorious bills at 10 a.m. Wednesday.

If in its wisdom the subcommittee requests a report on my bills from the Department of Justice, a stay of deportation can be issued on the doctor's behalf. In turn, while the report is pending, these doctors can obtain permission from the Immigration and Naturalization Service to begin their practice. I have letters and petitions with thousands of signatures of support from each of these communities, from each of these areas' medical boards and hospital administrators, from professionals in each of these communities, and requests from the State health systems agency and even from the Governor of Nebraska to do all that I can to insure the stay of these fine doctors.

Each of these doctors has a permanent Nebraska medical license—a State in which one must pass all medical exams with a 75 percent, or above, average and which issues no temporary licenses to foreign doctors. All five of these doctors have passed all medical exams and have taken the VQE and are awaiting the results. Of the five, all are certified general practitioners, two are also anesthesiologists, one has trained as a radiologist/urologist, and the fifth has trained in pediatrics and obstetrics/gynecology.

The communities these doctors will serve are not interested in being used as havens by foreign medical graduates to provide them with quick access to a permanent residency visa. These are areas in critical need of quality, primary medical care. There is substantial evidence available to support this claim. To highlight some of the most significant facts regarding these areas, the following statistics have been provided by the Greater Nebraska Health Systems Agency and by HEW—Health Resources Administration. A word of caution should be stated in regard to the designation of an area by HEW, that it is or is not a physician shortage area. The ratio for such designation is at least 3,500 people to every 1 primary care physician. While in New York City, that many people can be found within perhaps a few city blocks, in Nebraska it is quite another story. For example, Cherry County, mentioned below in connection with the doctors. Narvaez, has a population of 6,400 and 3 doctors, thus leaving it with a ratio of about 2,130 to every 1 doctor and therefore, not qualifying it as a physician shortage area. But Cherry County encompasses 6,846 square miles. Thus each of these doctors, theoretically, is responsible for an area encompassing approximately 2,282 square miles. I would hardly call that adequate medical care.

### RE H.R. 5068—FOR THE RELIEF OF DR. AND MRS. SAMUEL K. K. CHUNG

According to HEW standards prepared by the Health Resources Administration, Dawes County is neither a physician shortage area, nor medically underserved. However, according to the Health Systems Agency of Nebraska for a population of 10,078, there are seven physicians, one of whom is the physician mentioned above that is considering moving back to Canada to be with his son, and the remaining six physicians are all located in Chadron, Nebr., which has a population of over 6,000 and a 45-bed hospital which is about 30 miles east of Crawford, the community which Dr. Chung would serve.

The town of Crawford, in Dawes County has a population of about 1,300, a 21-bed hospital and a 54-bed nursing home. There is one physician in town, other than the doctor for whom I submitted a private bill, and this current physician is seriously considering leaving the area to return to Canada to live with his son who is severely mentally damaged from the Vietnam war and who cannot obtain a visa to live in the United States. The greater community of Dawes County has an infant mortality rate of 24.13 per every 1,000 live births, 13.8 percent of the population are over 65, and 16.2 percent of the area's families are under the poverty level.

### RE H.R. 1892—FOR THE RELIEF OF DR. AND MRS. TEODORO ANDO AND H.R. 5445—FOR THE RELIEF OF DR. ESTELA CHAN

According to HEW standards prepared by the Health Resources Administration, Webster County is a medically underserved area, but not a physician shortage area. However, HEW lists Webster with a population of 4,812 and four physicians. According to the Nebraska Health System Agency, of these four physicians, one is now deceased, one is over 65 and semiretired, and another is Dr. Ando, for whom H.R. 1892 has been submitted.

The town of Red Cloud, in Webster County, has a population of about 1,600, but serves medically a population of about 7,000 because of its 45-bed county hospital. There is also a 54-bed nursing home in town, a complex for the elderly and another nursing home 6 miles outside of town. Other than the two doctors for whom I have submitted private bills, there is one elderly, semiretired physician. Webster County has an infant mortality rate of 41.52 per 1,000 live births, an average age of 41.8 years, 22.7 percent of the population are over 65, and 16.6 percent of the people are under the poverty level. Fifty miles away from Red Cloud is a 195-bed hospital for which these two doctors serve as the only anesthesiologists.

### RE H.R. 5456—FOR THE RELIEF OF DR. ROGELIO NARVAEZ AND DR. PERLITA ACUNA NARVAEZ

According to HEW standards prepared by the Health Resources Administration, Sheridan County is medically underserved, but not a physician shortage area. However, HEW lists Sheridan with a population of 6,790 and six physicians. According to the Nebraska Health Systems Agency, of these six, the one listed in Rushville, Dr. Francisco Dozon has moved out of the State, and the other five are in Gordon, a town of approximately 2,200 people and a 40-bed hospital. In addition to Gordon, these five doctors, two of whom serve only as surgeons, provide service to nearby Martin, S. Dak., population about 1,000 and also to Cherry County in Nebraska, located in range country, which has a population of about 6,400 spread out across an area encompassing 6,846 square miles and only three other doctors, all of whom are located at one end of the county in Valentine, Nebr.

The town of Rushville, in Sheridan County, has a population of about 1,100, a 19-bed hospital, a 42-bed nursing home, and serves medically, a community of about 5,000 throughout the county. The husband and wife doctor team for whom I have submitted a private bill are the only doctors in the area. 20 miles away from Rushville is the Pine Ridge Indian Reservation in Wounded Knee, S. Dak. The total population of the reservation is about 15,000. Of these people, about 9,000 travel to Rushville for medical needs, both routine and emergency, because they feel they receive better treatment there than they do from the reservation's own public service hospital. The people of Rushville desperately want a physician. The community raised nearly $40,000 for the services of an American doctor in California, in addition to agreeing to furnish temporary housing, travel expenses, a car, transporting expenses for his property and fees for malpractice insurance, only to be turned down at the last minute.

On October 23, several members of the community are traveling over 350 miles to testify on behalf of the doctors at their deportation hearing in Omaha. They know that a permanent stay is hopeless—they are merely trying to get an extra 30 days. The infant mortality rate in Sheridan is 21.04 per 1,000 live births, there are 18.2 percent of the population over 65, with an average age of 35.2, and 14.3 percent of the population under the poverty level.

In closing, I assure my colleagues that these bills for the medical relief of these communities in my district are of such unquestionable merit that any objective analyses of them would find them deserving of the most substantive and expeditious of actions.

I am confident that the subcommittee will review these bills in a swift and just manner. At such subsequent time as these bills are considered by the full Judiciary Committee and eventually by the whole House, I respectfully urge my colleagues to follow the most sincere and responsible course of action this most honorable of legislative bodies can pursue and pass these bills in the name of justice and mercy, and with humanitarian concern for the people of the Third District.

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## RESOLUTION TO PROHIBIT FUNDING OF MR. DIGGS' FOREIGN TRAVEL UNTIL RESOLUTION OF APPEAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. SENSENBRENNER) is recognized for 15 minutes.

Mr. SENSENBRENNER. Mr. Speaker, late yesterday the U.S. District Court for the District of Columbia granted permission to the gentleman from Michigan (Mr. DIGGS) to leave the country for a trip, which was reported in the press as a junket, between October 24 and November 12 to European and African countries. I believe that this trip is inappropriate at this time, and I also believe that Mr. DIGGS should not be granted permission to travel abroad at taxpayers' expense while the appeal from his conviction of 29 counts of mail fraud and salary kickbacks is pending.

Today I have introduced a resolution prohibiting the use of contingent funds or other official funds for foreign travel for this gentleman until such time as his appeal is resolved. I would like to see the Members of this House cast a vote for or against this trip. While I recognize that foreign travel is important to give Members of Congress some insight into problems in foreign countries, under these circumstances the trip would be inappropriate. I would hope that the chairman of the House Committee on Foreign Affairs, my colleague, the gentleman from Wisconsin (Mr. ZABLOCKI) would deny the gentleman from Michigan (Mr. DIGGS) permission to travel abroad until such time as the appeal has been resolved either in affirming the conviction or reversing the conviction. If not, I would hope that the House would approve the resolution which I have introduced, because I do believe that it would be important for the integrity of the proceedings of this House that such a trip not occur under these circumstances.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding. I want to thank the gentleman for his leadership on this matter because I think when we considered the matter of Mr. DIGG's expulsion here some weeks ago, one of the reasons given for a censure action rather than the expulsion action was that Mr. DIGG's case was still under appeal, and the censure of the House is a very serious matter that was undertaken at that point. One of the provisions of that was that the Member was going to continue to serve in his capacities in the House, but I think this goes far beyond that because in this particular case, as I understood the court ruling and would have understood from the press reports, what was being talked about doing was he was going to represent the country in these nations. I think that we have a very serious matter when a man who is under conviction and is appealing a conviction that has not been settled yet is going out of the country to represent us in some nations that evidently have not been visited by an American Representative in some time. So I think the gentleman is absolutely right that at this time this trip seems entirely inappropriate, and I would hope that the House would follow the gentleman's suggestion.

Mr. SENSENBRENNER. I thank the gentleman for his remarks. They are right on target.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from California.

Mr. LUNGREN. I thank the gentleman for yielding. I would also like to compliment the gentleman for bringing this matter to the attention of this body. I intend to offer a resolution tomorrow which will state that no Member of the House convicted of a felony shall, prior to the completion of his sentence or the successful appeal of his sentence, travel outside the United States at taxpayer expense without the prior approval of the majority of the Members of the House by a recorded vote. The reason I do this is that I have been informed at this moment that the trip which was announced in the newspaper is now not going to take place. A newspaper reporter indicated to my office that the chairman of the committee said that the trip was canceled, but that the gentleman from Michigan

(Mr. DIGGS) has indicated that the trip is not canceled, but merely postponed. It seems to me that during this period of time when we have been discussing the questions of ethics as they were argued on the floor very forcefully and with much emotion yesterday by our Speaker and by others, that it behooves us to consider how the American people really look at this House. The whole question of how we can discipline our Members goes to the power that we have under the Constitution to really uphold the esteem and the integrity of this House. In my judgment, the House was not correct in merely censuring Mr. DIGGS. I thought that the appropriate action was one of expulsion, but the House did not go along with that. However, in voting for censure, I do not believe that Members of this House thought that the offenses for which Mr. DIGGS was convicted and the actions for which he was recommended to be censured by the Committee on Ethics would allow him to therefore go on and represent the United States in other countries.

The other thing is that it appears to me the reason why we have Members go overseas is not only to represent this country, but to gather some experience that will allow that to be utilized in further consideration of legislation in this House, and I would think that when one is under a sentence of 3 years in prison, there is some question about whether that experience would be readily available to the members of the committee when he returned.

We should also be very, very careful to note that we are not dealing here with a situation where one has merely been accused, where the presumption of innocence is appropriate. We are talking about a situation where one has been convicted by a jury of his peers involving the question of the misuse of funds, taxpayers' funds, while in office and as a result of his position in office, and as such once one is convicted and is sentenced, even though one has an appeal pending, the presumption of innocence is no longer appropriate and the doubt is actually in favor of the sentence itself. I think we could do nothing less than bring this to the attention of the Members of this body and to insist that this House go on record on this particular question if in fact the trip is not canceled and would be considered at a later date.

Mr. SENSENBRENNER. I thank the gentleman from California for his statement. The information which he has imparted that the gentleman from Michigan (Mr. DIGGS) has stated that the trip has not been canceled but has merely been postponed indicates very clearly that this House should take action prior to the recess that has been announced for the 2d of November, lest Mr. DIGGS stealthily go off to Africa at taxpayers' expense when the Congress of the United States has been adjourned until January of next year. So I thank the gentleman for his research work. I believe that the resolution which he is proposing to apply to all convicted felons is good legislation, but that does not obviate the necessity for the Members of this House to deal with the trip proposed by the gentleman from Michigan (Mr. DIGGS) either next week or at some time in the future before his appeal is resolved by the U.S. Court of Appeals for the District of Columbia Circuit.

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## NONFUEL MINERAL POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. MARRIOTT) is recognized for 5 minutes.

Mr. MARRIOTT. Mr. Speaker, our Nation is facing a resource crisis potentially more devastating than any that could arise from a shortage of petroleum. The approaching crisis is over nonfuel minerals, and it is the result of the absence of a national nonfuel minerals policy. Of the 32 minerals on which we rely, we import 23 of them by 50 percent or more. The most vital of these resources are cobalt, chromium, and manganese, of which we import over 90 percent. More realistically we import about 100 percent. The absence or restriction of just these three minerals could severely damage our aerospace industry, our communications systems, and our steelmaking and heat-resistant alloys industries. In fact, we heard in committee today, Mr. Speaker, that if the Soviet Union in their efforts in southern Africa would team up with those nations in southern Africa in terms of these three minerals, we could well have the entire Western World shut down in approximately 6 months.

I found it quite appalling that we relied so much on South Africa and the Soviet Union and Rhodesia for these three minerals. In the meanwhile, the Soviet Union imports only six minerals of which but two approach 50 percent. Yet they are wasting no time in positioning themselves to buy great quantities of minerals from our supplies in Southern Africa, the Persian Gulf of metals.

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In fact I understand now that the Soviets are in Rhodesia negotiating to buy up minerals of which they already have great supplies. I have also heard, Mr. Speaker, if we continue to push around South Africa and Rhodesia and do nothing in terms of our foreign policy decision with Zaire that we may very well find ourselves in a very precarious position in the next 6 months.

Our chaotic and absurd resource diplomacy toward Rhodesia, Nigeria, and Zaire strongly dictate the need for a national policy. We must immediately begin to reexamine our action in the light of our needs for these essential minerals. If we do not start now with a nonfuel minerals policy by the late 1980's and early 1990's the problem will make the Arab oil embargo of 1973 look like a walk through the park.

I yield back the balance of my time.

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## KING CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, on May 30, Federal District Judge John Wood was murdered as he left his San Antonio home to drive to the courthouse. He was the first Federal judge ever murdered. It could have been a crime of insanity, or one committed by someone aggrieved by Judge Wood, or it could have been the deliberate act of criminals who seek to show their contempt for the law, and to prove that they are beyond its reach, as I believe. It was too well planned to have been fortuitous.

No one knows, because the crime has not been solved.

The usual kinds of response have sprung up in the wake of Judge Wood's death. The Federal Bureau of Investigation assigned a number of agents to the case, and accorded it a high priority. Local lawyers banded together to offer a huge cash reward for information leading to the arrest and conviction of the person or persons responsible. A Federal building may be named in his honor. The FBI continues to investigate leads of all kinds, and routinely questions anyone arrested for drug offenses about their possible knowledge of the case.

Unhappily, the investigations have produced no arrests, no charges.

Even more unhappily, there has been no one charged with an earlier assault, a vicious shooting attack against an assistant U.S. attorney, James Kerr. Just as in the attack on Judge Wood, Kerr was assaulted as he left home for work.

Each one of these cases was an assault upon law itself. Each one was an attack that told the prosecutors not to be too diligent, and the judges not to be too severe. No matter how much we might vow that these terroristic tactics will not deter the forces of law, they cannot help but have their effect: the assailants have not, after all, been charged in either case. Every judge, every district attorney in the western judicial district is under Federal marshal protective custody.

No one knows when or whether either of these cases will be resolved. No one knows whether either one of these cases had anything to do with the drug traffic that Kerr was investigating and Wood was hearing cases upon. Most people, though, believe that the drug business had everything to do with each case.

No one knows whether these assaults was connected with a case that Kerr was about to prosecute before Judge Wood; whether they related to something more far reaching than that; or whether the mysterious death in the Bexar County Jail of Sante Bario, a top Drug Enforcement Administration agent who had been arrested on bribery charges, was related in any way. The circumstances in each of these three cases leave much to be explained. Nothing has been explained, and life in the community has returned more or less to normal.

But the impact of the assault on Jim Kerr and the murder of Judge Wood has not faded. Law enforcement remains a joke if it cannot solve cases as flagrant as these. The judicial system remains open to threats as long as these crimes go unsolved.

It is time, I think, for Congress to evaluate just how these assaults has affected law enforcement, just how they have affected the courts. I do not think we can pretend that the Federal investigative agencies, the Federal prosecutors or the Federal judges do not feel the weight and burden of these unsolved crimes. I do not think we can pretend that the investigators are not frustrated, the prosecutors feeling that it could happen again, and the judges at least touched by the hand of fear.

The House may not be able to solve these crimes; certainly it does not have the resources for that. But it can focus on what has been done so far, on how the situation affects the administration of justice, and on what might be done to better protect those who must prosecute Federal cases and sit in judgment upon them. If we cannot solve these matters, we can at least seek to protect the people whom we have asked to enforce and administer our laws.

With that in mind, I am asking the Committee on Judiciary to review these matters and offer such recommendations as may be fitting and appropriate.

I offer for the RECORD a letter I have today directed to the Honorable ROBERT KASTENMEIER, chairman of the Subcommittee on Courts, Civil Liberties, and Administration of Justice:

WASHINGTON, D.C., *October 18, 1979.*

File Ref.: B8:lgi

Hon. ROBERT W. KASTENMEIER,
*Chairman, Subcommittee on Courts, Civil Liberties, and the Administration of Justice, Washington, D.C.*

DEAR MR. CHAIRMAN: I am greatly concerned about the impact of two unresolved crimes in San Antonio upon the functioning of the courts in my area, and the administration of justice, in general.

The first case involves a shooting assault upon Assistant United States Attorney James Kerr, who was shot at by gunmen as he sat in his car. Mr. Kerr's car was shot up considerably, but he escaped serious harm. Mr. Kerr was, and is, responsible for investigation and prosecution of drug offenses in the Western District of Texas, and was at the time of the assault preparing a major case.

The second case involves the murder of U.S. District Judge John Wood. Judge Wood was shot outside his car as he was preparing to leave for the courthouse. As you know, this is the first time in history that a United States Judge has been murdered.

Judge Wood presided over many drug cases, and James Kerr prosecuted many cases before his court. There are many who believe that both assaults were related to drug cases, even though the assaults might not have been related themselves.

Neither case has been closed; no one has been arrested for the assault upon Kerr, or the murder of Wood.

Clearly, these unresolved cases have had their effect upon courts and law enforcement in the Western District of Texas, and perhaps elsewhere as well. Certainly no prosecutor can now feel safe, and judges themselves cannot feel completely free of intimidation. Kerr is under the protection of marshals. Judge Wood had been, before his murder, protected by marshals, but he had asked that the surveillance be dropped. Judges in the Western District now receive protection.

The fact that protection must be extended is intimidating. The fact that neither of these cases has been solved is even more intimidating. The basic processes of law enforcement are very much threatened.

With that in mind, I suggest that it would be appropriate, and I believe it is necessary, for the Congress to examine the effect of these incidents upon law enforcement and the administration of justice. It would be appropriate to determine what might be done that has not already been done to solve these cases. It would be appropriate to determine what might be done, while these cases are open, to assure that no one connected with the investigation, prosecution or adjudication of Federal laws need feel threatened.

Above all, Congress should express its sense of outrage and concern over these matters, and insist that no stone be left unturned in these cases. Terrorism cannot be tolerated; it undermines confidence in government, and in this case threatens the whole basis of law. I hope very much that your Subcommittee will take cognizance of this, and undertake to do everything possible to counter the chilling effect these incidents have had upon all law enforcement, particularly in the Western District of Texas.

With best wishes, I am

Sincerely yours,
HENRY B. GONZALEZ,
*Member of Congress.*

## SEVEN EASY WAYS TO CHARGE BANK CUSTOMERS MORE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, while reading the October 15, 1979, issue of Bank Letter, I came across an interesting insert. Under "Highlights of the American Bankers Association 1979 Annual Convention' there was a presentation made on "A List of Easy Ways to Charge Your Customers More." I can only assume that the Speakers had a very attentive audience.

Here are some of their suggestions:

First. Impose service charges on checking accounts;

Second. Do not pay interest on savings accounts with low balances, and impose service charges on those with excessive withdrawals, excessive withdrawals were defined as more than one or two a month;

Third. Increase charges for nonsufficient fund checks, it was suggested that $8 a bounce might be good;

Fourth. Increase charges for stop payments, $8 looked like a good figure here, too;

Fifth. Impose a service charge for cashing a check for a noncustomer;

Sixth. Charge for reconciling a customer's account; and

Seventh. Impose commitment and computer fees on all loans, computer fees and charges for simply putting the loan on the books. One of the speakers' bank charges $25 for this burden.

I found this to be a very interesting topic for a discussion group. The ABA may have broken new ground in the field of seminars, opening all kinds of possibilities for other professions. For example:

First. The next American Medical Association convention could include "Seven Easy Ways of Performing Unnecessary Surgery";

Second. The American Petroleum Institute could present a discussion entitled "Five Easy Ways to Contrive a Gasoline Shortage";

Third. The National Gas Association could sponsor a seminar on "Six Easy Ways to Withhold Gas from Consumers";

Fourth. And, the American Bar Association could present "Ten Easy Ways to Rip-off Your Client Through Hopeless Litigation."

The possibilities are endless.●

## ENERGY CONSERVATION BLOCK GRANTS FOR LOCAL GOVERNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

Mr. AUCOIN. Mr. Speaker, all of us are concerned about the energy crisis. And each of us has our own approach to solving our energy problems. If there is any common element to any of those approaches it is that conservation has the greatest potential for reducing our reliance on scarce fossil fuels—and doing so at the least cost. It is our cheapest source of new energy.

One difficulty with the Federal Government's approach to energy conservation is that it relies on the application of a Federal standard in local areas, without the participation of local residents in the development of those standards. More often than not the Federal standards are inappropriate and lack general community acceptance. One need only look at energy conservation standards for federally assisted housing to see the truth in that statement.

It seems to me that the best approach to energy conservation is to rely on local decisionmaking. By doing so, conservation can be achieved through community consensus rather than through Federal mandates.

Because I believe our best hope for conservation lies at the local level, I am introducing today legislation designed to encourage our Nation's communities to develop and implement comprehensive energy conservation plans.

Many Members read in Monday's Washington Post about Portland, Oreg.'s trend-setting efforts to achieve significant energy savings through a multifaceted energy conservation program. I represent Portland and I am proud of the innovative approach it has taken to saving energy. No small part of the credit for that program belongs to Portland's former mayor—and now Secretary of Transportation—Neil Goldschmidt.

The program that Portland has adopted and is preparing to implement would give homeowners 5 years to weatherize their homes. After that, if the homes did not meet city conservation standards, the homes could not be sold. A similar restriction would be applied to multifamily and commercial buildings.

The program also would revise zoning laws to promote higher population density near main public transit routes and place on the 1980 ballot a 1 cent per gallon gasoline tax to finance traffic flow improvements. In addition the city would provide information to builders and homeowners on solar energy systems and require trash haulers to offer customers without charge the option of separating their recyclable garbage.

The legislation I am introducing would encourage local governments to develop plans similar to Portland's. In addition my legislation would provide grants to cities for the development of proven alternative energy systems such as geothermal projects, industrial cogeneration, solid waste heat recovery and other systems that will conserve scarce fossil fuels.

My legislation—actually two separate bills—would expand HUD's existing authority to provide community development block grants and urban development action grants to eligible communities. One advantage of this approach is that it simplifies administration by providing that new initiatives are implemented through existing federal programs. In addition, energy conservation programs can be directly linked at the local level with other community and economic development programs designed to benefit low-income persons.

Mr. Speaker, let me briefly summarize each of the bills.

The first bill would encourage units of local government to adopt and implement community development energy plans and programs designed to achieve significant energy savings within their jurisdiction. To fulfill this objective, the Secretary of HUD would be authorized to expand the existing community development block grant program and make available to local governments energy conservation block grants. Local governments receiving the energy block grants would be expected to: develop and implement a local energy conservation plan; enact or modify local ordinances, such as building codes and zoning laws, to encourage or mandate conservation; encourage energy conservation improvements in public buildings and provide financial or other assistance to effect energy conserving improvements of residentical structures, primarily for low- and moderate-income tenants and homeowners.

Grants would be awarded to local governments based on funding criteria for the community development block grant program. The structure of entitlement and discretionary applicants would be maintained. However, in allocating funds to local governments, the Secretary would be authorized to take into account the potential energy savings possible as a result of the energy block grant program.

The second bill would establish a new program similar to the urban development action grant program. This program, entitled the energy development and conservation action grant program, would provide grants to local governments to assist in the expansion and development of feasible energy supply or conservation systems of proven technology.

The purpose of this program is to provide capital grants to local governments for alternative energy systems that may be technically feasible, but not yet economically feasible. The grants would provide only that subsidy necessary to lower the capital cost to the point of economic feasibility. This approach recognizes that most alternative energy systems have not developed the cost efficiences that result from widespread use and higher levels of energy output. In addition, alternative energy systems that offset the use of scarce fossil fuels have a social value that may not be reflected in the cost savings from reduced consumption of fossil fuels.

The most exciting aspect of the energy action grant program is that it could provide a vehicle for one or more neighborhoods in a community to cooperatively tap into an alternative energy system. It is not farfetched to imagine that the solid waste collected from residences in one area of town could be hauled a short distance to a neighborhood solid waste heat recovery plant.

The electricity generated by such a plant would provide for some of the energy needs of the neighborhood. Scarce fossil fuels would be saved through solid waste recovery as well as through reduced fuel consumption by trash haulers.

Mr. Speaker, I want to emphasize that I am not offering these proposals in the expectation that they will be adopted by the Congress exactly as written. Instead, I hope that these two proposals will be the catalyst for further discussion.

The bills do embody concepts that are fundamental to the success of any energy conservation program.

It is imperative, for example, that Federal efforts to promote community energy conservation be directed through existing administrative structures. It would be confusing to local governments—and counterproductive for conservation efforts—to require that they deal with yet one more Federal agency for funding of activities that are directly linked with other community development efforts. There is no reason to duplicate in another agency of the Government, the housing and community development expertise that HUD has now. Moreover, HUD is structured to deal with local governments through area and regional offices that are already staffed to handle housing and community development programs.

Another reason for linking the energy conservation programs to community development and housing is that the greatest energy savings will be obtained through improvements in existing residential and commercial buildings. For that reason, it makes sense to tie the energy conservation block grants and action grants to ongoing housing and community development efforts.

By linking inducements for energy conservation plans and programs to the existing community development block grant program, which relies on local decisionmaking, we would also recognize the importance of citizen participation and local decisionmaking in energy conservation efforts. Local control is important. When the Washington Post editorialized not long ago on Portland's innovative program, it noted that the program would not work in every community in the country because a program of that type must have community support. I agree with that statement. Indeed, the Portland program's greatest strength is that it was developed only after a long series of public hearings and is based upon the community consensus that emerged from those hearings.

With the exception of fiscal year 1980, the bills do not call for a specific authorization level. For fiscal 1980, $600 million would be authorized for the energy block grant program and $200 million for the Energy Action Grant program. I would expect that authorization levels for subsequent years would rise with increased demand and proven benefits from the program. However, I want to stress that in determining the appropriate level of funding we must give proper and careful consideration to the impact on the Federal budget, particularly on other housing, community development, and energy programs.

I strongly believe, however, that the benefit from these proposals will be worth a strong funding commitment from the Federal Government. It is estimated that in the energy conservation block grant program, a $2 billion expenditure over 3 years would yield energy savings which are the equivalent of 26.4 million barrels of oil annually after the third year.

Energy savings for the energy action grant program are more difficult to estimate because of the innovative nature of alternative energy projects. Energy savings will be determined on a case-by-case basis.

The resolution of our energy problems requires a grassroots commitment from all Americans. The proposals I am making today move the emphasis of our Federal efforts in that direction. There are many refinements of these proposals that can and should be made. However, the fundamental concepts are sound. I hope they will earn the support of the House next year when it considers the reauthorization of the community development block grant programs and the urban development action grant program.●

## 'TWAS THE EVE OF THE HEATING SEASON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 10 minutes.

● Mr. WOLFF. Mr. Speaker, I believe this little parody of one of the famous Christmas poems expresses the feelings of many Americans. I know that this is a major concern of the citizens in the Sixth District of New York.

> Twas the eve of the heating season,
> And all through this land;
> Many Americans are worried,
> About their home heating demands.

Mr. Speaker, I rise today to again call attention to a very serious situation. Just as soon as the Nation picks itself up from the havoc caused by long lines and high cost of automobile fuel costs, a new cloud of uncertainty appears on the horizon. The dark cloud is caused by the concern over the price and availability of home heating oil. Even though the President and the administration are confident that adequate supplies will be available. I do not share their sense of optimism.

DOE has taken a number of actions which they feel will guard against supply shortfalls. One of the Department's actions includes establishing 240 million barrel stockpile by the end of October. I am encouraged by this action and the current success of the stockpile effort. More needs done, however, so that no American will have to make the cruel choice of deciding whether to eat or stay warm. Many consumers will again be asked to make sacrifices in their budget as the price of heating oil climbs and when budget's are already strained to the breaking point. The consumer has had enough.

Mr. Speaker, any disruption in supply will have a disastrous effect on the residents in my district as well as the entire State of New York. Approximately 83 percent of the Long Island consumers heat their homes with oil. With this high dependence on heating oil, Long Island is particularly vulnerable to any shortfall.

The State energy office in Albany estimated that for the month of September, the major oil companies reported that supplies to New York were about 8.4 percent below the levels of last year. This, of course, can be attributed to the stockpile target at the primary storage level. Major suppliers have not moved the product into the secondary and tertiary markets.

Not only is there some concern about the availability of oil, many citizens are worried about how much it will cost to heat their homes. The price of heating oil averages about 81 cents a gallon in New York with some areas reporting prices as high as 91 cents. There has been an increase from 41 cents a gallon in July of 1967 to over 81 cents in October of this year. The average statewide price of heating oil has increased 66 percent since last September. A $1 per gallon price for home heating oil is fast becoming a reality.

Distributers have had their share of hardships, for there have been a number of changes in credit arrangements between the distributers and suppliers within New York. Dealers have had to secure additional loans at high interest rates to pay for higher priced oil. Some banks have become increasingly apprehensive about extending credit to dealers. To complicate matters, some suppliers have eliminated early payment discounts, thus forcing prompt payment.

I, along with many of my colleagues, recently addressed this body in an effort to bring attention to an action by Gulf Oil & Refining Co. Gulf Oil planned to eliminate the 1-percent-discount terms for dealers and institute a strictly enforced 10-day payment schedule on all accounts. The dealers were also informed of the termination of seasonal financing program for the 1979–80 heating season. I am pleased to report that this situation has partially been resolved. I call this to the attention of my colleagues, however, as an example of the kind of hardships the oil distributers of my district have faced in obtaining credit.

Frankly, Mr. Speaker, I am very concerned about how this country will fare this winter. I am not as optimistic as the administration in its assessment of the supply situation. Finally, even if there is no substantial shortfall in supply, who will be able to afford to heat their homes with the price rising as it is. To help alleviate the serious consequences of this situation, I urge the Department of Energy to take the following actions to assure that no homes go cold this winter.

First, the Department of Energy should immediately issue regulations that would require refiners to operate at maximum production levels through the end of the heating season. It is within the current authority of the Department to require maximum distillate production. It is not sufficient to end the home heating oil supply buildup program upon the achievement of the 240-million-barrel target. It is imperative that DOE seek a maximization of heating oil supplies, through continued maximum production and distribution to marketers and homeowners.

DOE should also move to immediately require the refiners to start shipping their supplies into the secondary and tertiary ends of the distribution system where the oil can be used to heat homes and not to drive up prices. This action is imperative to New York for much of the heating oil supply is delivered over waterways which freeze during parts of the winter months. I applaud the administration for establishing the 240-million-barrel target. By all indications, this target will be met. It is now time to get the oil into the retail market so that temporary or spot shortfalls do not materialize.

Finally, price controls on middle distillates should be reimposed by the administration. The American people are tired of having their income diminished by higher energy costs while many of the oil companies reap enormous and unjustified profits. I call your attention to a recent Congressional Research Service report on increases in price of distillate fuel. The report concluded that the home heating oil industry had realized large increases in their profit margin during an 8-month survey period. Furthermore, I would like to insert into the RECORD a recent New York Times article concerning the price of heating oil. The article raises some serious questions about the profits of many of the oil companies.

### PRICE OF HOME HEATING OIL JUMPED TWICE AS FAST AS THE COST OF CRUDE

(By Matthew L. Wald)

The retail price of home heating oil rose nearly twice as fast as the price of crude oil from January 1977 to May 1979, according to statistics from the Federal Department of Energy. And industry analysts say growing refinery and dealer profit margins are continuing to add heavily to prices.

In contrast to a public perception that increases imposed by oil exporting countries is the overwhelming factor in the rise in home heating oil costs this winter, the figures show that the percentage increase in refinery, wholesale and retail margins was at least as rapid.

The industry has reported sharp rises in profits, but spokesmen say high interest rates and rising costs for labor and other components of production also contributed to a rise in heating oil prices above the increases mandated by the higher costs of crude set by the Organization of Petroleum Exporting Countries.

Spokesmen for the major oil companies were reluctant to provide figures that would show whether their profit margins had changed. They said there were too many factors, including a changing mix of crude oil types and refined products, to allow such a calculation. Other industry sources agreed that the calculation would differ for each refinery, but said the figures did show strong growth in the average profit margin.

#### INQUIRY BY U.S. PRICE COUNCIL

The refinery profit margins are now the subject of an inquiry by the Council on Wage and Price Stability. According to the council's chairman, Alfred E. Kahn, the panel was found "a fair number" of companies, mainly small refiners, to be out of compliance with the voluntary standard of a 6.5 percent annual growth in profit margin. Earlier this year, Amerada Hess was found to be exceeding the standard, but it has since come back into compliance, according to a spokesman for the council.

The price increases from domestic sources come at a time of growing concern about how the poor will keep warm this winter, and even how some lower-middle-income families will stay out of poverty.

Connecticut has set a special legislative session to deal with the problem, and New York may do the same. Concurrently, Congress is debating special fuel aid, a "windfall profits" tax on oil companies and the reimposition of price controls on oil products. Heating oil controls were ended in June 1976.

Energy Department figures show that the average of a gallon of home heating oil rose 58.1 percent between January 1977 and May 1979, from 40.6 to 64.2 cents, while the cost of the crude oil from which it is made rose 32.3 percent, from $11.64 a barrel to $15.40, with the refiners' margin increasing the most.

#### CRITICS POINT TO PROFIT MARGIN

Comparable figures for months later than May are not available from the Federal agency, but according to a study by the Congressional Research Service, retail prices for home heating oil rose 50.1 percent (from 53.7 to 81 cents a gallon, on average) while the price of crude oil rose 47.4 percent, from 31.2 to 46 cents a gallon from January to August of this year.

Critics of the oil industry say that the profit motive, not higher costs, is the reason for the greater markups.

"These are businessmen and they're going to make as much money as they possibly can," said Representative Toby Moffett, Democrat of Connecticut, who is chairman of the Energy Subcommittee of the Government Operations Committee. "The fact that this is a necessity people can't do without is not something that is going to affect their behavior."

Representative Moffett, whose proposal to reinstitute price controls on refineries was defeated 2 to 1 in the House on Thursday, said his subcommittee had heard testimony over the last few weeks showing increases in gross refiner margins of up to 100 percent.

Explaining how some factors of the cost increased even faster than crude oil, William Harlow, a spokesman for the Department of Energy, said: "It's not going to be a one-to-one correlation. The rate is going to go up for any kind of product, because of the piping that costs more, the refineries, and the shipping that costs more."

### FIGURING THE MATHEMATICS

Mathematically, however, the correlation would be less than one to one unless other factors were increasing as fast or even faster than crude oil. For example, if heating oil was selling for 40 cents a gallon and the cost of crude oil accounted for 60 percent of that, a 30 percent increase in the cost of crude would add only 7.2 cents, or 18 percent.

"What's in there is inflation, higher labor cost and higher fuel cost," said John Buckley of Northeast Petroleum Corporation, a Boston-area fuel oil wholesaler and retailer. "And then I think there's higher profit. That will vary from refiner to refiner, but they're making more money."

Wholesalers and retailers, as well as the major oil companies, are also operating on higher margins, according to the figures. From January 1977 to May 1979, for example, the wholesale margin rose from 8.4 to 12.1 cents a gallon, or 44 percent, according to the Department of Energy figures.

One result is that, according to Government figures, crude oil, which in 1976 accounted for 63.8 percent of the cost of heating oil, accounted for only 58.6 in June.

Industry sources differ as to the reasons for the higher margins. All note that when home heating oil was decontrolled in June 1976, the action allowed the price level to be dictated by market conditions, instead of the Government's reckoning of costs and fair profit margins.

### VARIED FACTORS NOTED

But beyond that, the major oil companies say it is not possible to break down the costs of producing home heating oil.

First, they note, crude oil is sold in a variety of different grades, requiring different refining processes. In addition, transportation costs for getting the crude to the refineries differ. Some refiners have relatively cheap long-term contracts, while others must buy on the expensive spot market.

The Government figures are for the composite refiner acquisition cost of crude oil, a weighted average including foreign and domestic sources, including transportation costs to the refinery.

A bigger problem, oil industry representatives say, is apportioning the cost of production between the different products.

"The analogy that's always used is with the cow," said Earl Ross, of the American Petroleum Institute. "What's the cost of the lesser type cuts as against the prime rib?" While the cost of raising the cow may be known, he went on, there is no logical division between the cost of hamburger and the cost of steak.

"There is no generally accepted procedure for allocating total operating and investment costs among the hundreds of coproduced products of a refinery," said an Exxon spokesman. He added, however that the company's American subsidiary, Exxon USA, reported "refining/marketing" profits that were 48 percent lower this year than last.

### HOW COMPANIES CAN RECOUP

However, with one of the petroleum products—gasoline—still controlled, there are financial incentives to looking at the costs in certain ways.

"Refiners have been allowed because of the lack of controls to pump more of the costs into middle distillates instead of gasoline, in an effort to recoup more of their investment," said Allan Darrow, public affairs director of the National Oil Jobbers Council. If they feel they are not earning enough on gasoline, he suggested, oil companies can try to make up the difference in a product for which the market is very strong, and on which there are no controls, such as home heating oil.

Some oil companies, however, say that at least part of the increases in margins are eaten up by increases in costs for components of production other than oil. Texaco, for example, listed "rising manufacturing and labor expenses, taxes and inflation."

Interest rates have become a major concern, with many OPEC nations now requiring payment for expensive oil within 30 days, which leaves refiners borrowing money to pay for a tanker-load while it is still at sea.

Interest is also a major concern for wholesalers and retailers, who to purchase the same number of gallons they did last year may have to borrow twice as much money, and at higher interest rates.

"You've gone in one year from 9 percent to 14 percent," said Mr. Buckley of Northwest Petroleum. "We've had to borrow way out of line, disproportionately to earlier years."

Financing one gallon of home heating fuel cost roughly half a penny a month last year he said, but it is now "pushing past a penny a month" because of higher interest rates and product price. "If we buy it in August and sell it in December, that's 5 cents," he said.

Other retailers said that the cost of fuel to run their delivery trucks, the cost of the trucks themselves, and everything else a small business buys, including insurance, labor, and electricity, had risen in costs.

Mr. Speaker, the long term solution to our heating oil problems, of course, depends on the actions taken to solve our entire energy crisis. This includes the development and use of safe alternative sources of energy, production of synthetic fuels, and increased conservation. To provide some stability in the international arena, the oil-importing nations should band together to negotiate from strength with OPEC on the price of oil.

The time has come to act now so that homes do not go cold as we approach "the eve of the heating season."●

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## TAXATION OF FOREIGN REAL ESTATE INVESTMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 10 minutes.

● Mr. FASCELL. Mr. Speaker, in recent years, we have witnessed increasing numbers of large-scale purchases of American real estate by foreigners. Foreign investors view American real estate as a sound investment and a strong hedge against inflation. American real estate may also offer foreigners predictable annual income, long-term appreciation potential, and overall investment security. In addition, the current tax system provides further incentives for such foreign investment by giving foreigners a significant advantage over Americans in purchasing this Nation's land.

Under current tax law, a foreign investor or corporation is not required to pay capital gains taxes on the gain attributable to appreciated real estate, provided that the investment is not effectively connected with the conduct of American trade or business. The critical test is whether the investment is effectively connected with the conduct of American trade or business. If a foreign investor or corporation were engaged in an American trade or business, then the real estate would be taxable in the United States. As such, the present law allows the foreign investor several ways of reclassifying the real estate gain as not effectively connected with American trade or business, and thus, the profit is exempt from American capital gains taxes. For example, foreign investors engaged in American trade may sell their real estate on an installment basis, postponing real estate payments until subsequent years when the investors are no longer engaged in American trade. A capital gain attributed to the payments received in the years after. the sale is treated as not effectively connected with American trade and, therefore, not taxed. In this manner, the present tax law gives an undue tax advantage to foreign investors as compared with Americans.

The tax advantage provided to foreign investors allows them a sizable edge over domestic investors in bidding for American real estate. Foreign investors may buy real estate for more money than an American and still make the same or higher profit. As a result, we may see a continuing trend toward foreign ownership of the most desirable holdings of American real estate.

In addition, the tax advantage encourages a favorable climate for foreign investment in American real estate. Increased demand in the saturated American real estate market pushes up prices at an abnormally high rate, thereby increasing the rate of inflation.

To remove the tax advantage and the associated harmful effects, I am introducing legislation today to close the loopholes in our tax laws. The legislation would impose capital gains taxes on nonresident alien individuals and foreign corporations which sell or exchange real property located in the United States.

This measure goes beyond legislative proposals to tax the sales of foreign-owned rural and farm lands. It applies equal treatment to all real estate, whether office buildings, apartments, shopping centers, factories, undeveloped land, or other property. Agricultural and rural lands comprise only a small portion of the total amount of real estate purchased by foreigners. It is important to note that in Department of Commerce statistics compiled from public sources, only 24 percent of the $360 million spent by foreigners on American real estate in the first half of 1978 involved rural or farmlands. This is but one indication of the considerable size of foreign purchases of real estate not used for agricultural purposes.

This legislation follows the approach advocated by the Department of the Treasury to impose capital gains taxes on foreign sales of all real estate, not just farmlands. The Treasury estimates that taxing the capital gains on the sale of American farmlands alone would raise Treasury revenues by $22 million in 1979. By extending the tax coverage to include all real estate, the Treasury predicts that revenues in 1979 would rise by an additional $120 million to a total of $142 million.

In short, we should recognize that the tax treatment of sales of American real estate is not equitable. Why should a foreign investor be granted a tax advantage denied to American investors? In addition, removing the current tax advantage would help reduce the rate of inflation and increase Treasury revenues.

I hope that this legislation will receive prompt attention and urge that it be approved as soon as possible. The text of my bill follows:

H.R. 5633

A bill to amend the Internal Revenue Code of 1954 to provide that the nonresident alien individuals and foreign corporations shall be taxed at capital gain rates on gain from the sale or exchange of real property located in the United States

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. TAXATION OF NONRESIDENT ALIEN INDIVIDUALS AND FOREIGN CORPORATIONS ON GAINS FROM THE SALE OF REAL PROPERTY LOCATED IN THE UNITED STATES.

(a) GAINS FROM SALE OF REAL PROPERTY.—

(1) NONRESIDENT ALIEN INDIVIDUALS.—Section 871 of the Internal Revenue Code of 1954 is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) GAINS FROM SALE OR EXCHANGE OF REAL PROPERTY.—In the case of a nonresident alien individual, there shall be treated as gross income which is effectively connected with the conduct of a trade or business within the United States—

"(1) gain from the sale or exchange of real property located in the United States, and

"(2) that portion, in excess of $3,000 for the taxable year, of the gain from the sale or exchange of stock in a corporation, or interest in a partnership, trust, or estate, determined by the Secretary to be properly attributable to—

"(A) the net unrealized appreciation in real property located in the United States which is held by such corporation, partnership, trust, or estate, and

"(B) in the case of the sale or exchange of stock in a corporation, an amount equal to the gain, if any, realized by such corporation on the sale of property described in paragraph (1) which was not recognized by that corporation under section 337.

Any such gain shall be taxable as provided in subsection (b)(1) whether or not such individual is engaged in trade or business within the United States during the taxable year."

(2) FOREIGN CORPORATIONS.—Section 882 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(g) GAINS FROM SALE OR EXCHANGE OF REAL PROPERTY.—In the case of a foreign corporation, there shall be treated as gross income which is effectively connected with the conduct of a trade or business within the United States—

"(1) gain from the sale or exchange of real property located in the United States, and

"(2) that portion, in excess of $3,000 for the taxable year, of the gain from the sale or exchange of stock in a corporation, or interest in a partnership, trust, or estate, determined by the Secretary to be properly attributable to—

"(A) the net unrealized appreciation in real property located in the United States which is held by such corporation, partnership, trust, or estate, and

"(B) in the case of the sale or exchange of stock in a corporation, an amount equal to the gain, if any, realized by such corporation on the sale of property described in paragraph (1) which was not recognized by that corporation under section 337.

Any such gain shall be taxable as provided in subsection (b)(1) whether or not such corporation is engaged in trade or business within the United States during the taxable year."

(3) CONFORMING AMENDMENTS.—

(A) Subparagraph (B) of section 864(c)(1) of such Code is amended by striking out "section 871(d) or sections 882(d) and (e)" and inserting in lieu thereof "sections 871(d) and (g) and sections 882(d), (e), and (g)".

(B) Paragraph (2) of section 871(a) of such Code is amended by striking out "paragraph (1) or subsection (b)" and inserting in lieu thereof "paragraph (1), subsection (b), or subsection (e)".

(C) Subparagraph (A) of section 871(d)(1) of such Code is amended to read as follows:

"(A) from real property held for the production of income and located in the United States, or from any interest in such real property (other than gains from the sales or exchange of such real property or an interest therein), including (i) rents or royalties from mines, wells, or other natural deposits, and (ii) gains described in section 631(b) or (c), and".

(D) Subparagraph (A) of section 882(d)(1) of such Code is amended to read as follows:

"(A) from real property held for the production of income and located in the United States, or from any interest in such real property (other than gains from the sale or exchange of such real property or an interest therein), including (i) rents or royalties from mines, wells, or other natural deposits, and (ii) gains described in section 631(b) or (c), and".

(b) WITHHOLDING OF TAX.—

(1) NONRESIDENT ALIEN INDIVIDUALS.—The first sentence of subsection (b) of section 1441 (relating to withholding of tax on nonresident aliens) is amended by striking out "or 631(b) or (c)", and inserting in lieu thereof "631(b) or (c), or 871(g)".

(2) FOREIGN CORPORATIONS.—Subsection (a) of section 1442 (relating to withholding of tax on foreign corporations) is amended by inserting "the reference in section 1441(b) to section 871(g) shall be treated as referring to section 882(g)," after "sections 881(a)(3) and (4),".

SEC. 2. REPORTS BY FOREIGN CORPORATIONS HOLDING REAL PROPERTY IN THE UNITED STATES.

(a) Part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information returns) is amended by adding at the end thereof the following new subpart:

"Subpart G—Information Concerning Certain Foreign Corporations With Real Property Holdings in the United States

"Sec. 6060A. Annual reports by certain foreign corporations with real property holdings in the United States.

"Every corporation having 20 percent or more of its assets in holdings in real property located in the United States at any time during the taxable year shall file an annual report with the Secretary at such time, in such manner, and setting forth such information relating to such real property as the Secretary may prescribe by regulation."

(b) Section 6652 of such Code (relating to failure to file certain information returns, registration statements, etc.) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following subsection:

"(g) INFORMATION REQUIRED WITH RESPECT TO CERTAIN FOREIGN CORPORATIONS WITH REAL PROPERTY HOLDINGS IN THE UNITED STATES.—In the case of a failure to file a report required under section 6060A (relating to annual reports by certain foreign corporations holding real property in the United States) on the date and in the manner prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause, there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the corporation failing so to file $10 for each day during which such failure continues. The total amount imposed by this subsection for failure to file an annual report shall not exceed $5,000."

SEC. 3. APPLICABILITY OF TAX TREATIES.

Sections 894 and 7852(d) of the Internal Revenue Code of 1954 shall not apply after the period which begins on the date of the enactment of this Act and ends 5 years after such date with respect to sales and exchanges of real property to which section 871(g) or 882(g) of such Code applies.

SEC. 4. EFFECTIVE DATES.

The amendments made by section 1 shall apply to sales and exchanges of real property on and after the date of the enactment of this Act. The amendments made by section 2 shall apply to taxable years beginning after the date of the enactment of this Act.●

## LOCAL GOVERNMENT ENERGY CONSERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN), is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill titled the Local Government Energy Conservation Act, which would for the first time provide grants directly to local governments to undertake energy conservation activities.

My bill provides $300 million for grants to localities to conserve energy. Any local government could submit an application to the Secretary, who would determine eligibility largely on the basis of the energy conservation potential and the number of people affected. Grants would be made for such conservation activities as establishing a local energy office or a mechanism for coordinating all energy-related activities, retrofitting street lights, generating power for local water sources or fuels, cogeneration of power, devising and implementing innovative heating and cooling systems; energy generated from biomass, wind, and wood stoves.

Under the bill, a central clearinghouse could be established by cities or counties to provide information on energy conservation to citizens including the establishment of an energy office or a citizen's advisory group to coordinate local energy-related activities. Local energy-conservation targets would be established; programs to encourage energy conservation by both local governmental units and the private sector would be promoted.

At present $364 million has been provided to fund energy conservation measures by the States. While some of this money trickles down to local levels there is no broadbased program to provide local jurisdictions with funds to establish their own energy conservation offices. We need to provide localities with the tools to make their own decisions about energy conservation and to implement them. Energy conservation is by nature a decentralized activity and can often be most effective at the local level.

Many communities have already implemented energy conservation programs. San Diego County enacted the first program in the Nation which required solar water heaters on new residential buildings which are not served by natural gas. Portland, Oreg., requires all homes and businesses to undergo an energy audit and to upgrade their insulation if necessary, and Davis, Calif., has long had a comprehensive plan. As a result, gas consumption in Davis has dropped by 38 percent since 1973 and the amount of electricity used by 14 percent.

Any effective national energy program must provide the tools and resources to all levels of government. While there is much that can be done at the State level, local communities must be thoroughly involved in the effort to save energy. This is what my bill does.

Conservation, clearly the safest, fastest way to reduce oil consumption, has not been given the priority it deserves. With OPEC nations cutting back on oil production and increasing oil prices, we have no time to waste.

I urge prompt adoption of this legislation.●

## LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows to:)

Mrs. Chisholm (at the request of Mr. Wright), for today, on account of illness.

Mr. Brown of California (at the request of Mr. Wright), for October 18, 19, and 22, on account of family illness.

Mr. Rodino (at the request of Mr. Wright), for today, on account of illness in the family.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Pashayan) to revise and extend their remarks and include extraneous material:)

Mr. Sensenbrenner, for 15 minutes, today.

Mr. Marriott, for 5 minutes, today.

Mr. Ritter, for 5 minutes, today.

(The following Members (at the request of Mr. Kostmayer) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 15 minutes, today.

Mr. Weaver, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Jones of Oklahoma, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, today.

Mr. Wolff, for 10 minutes, today.

Mr. Fascell, for 10 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Nelson, for 20 minutes, on October 22, 1979.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Bingham, to follow the vote on the Sharp substitute amendment for the Wydler amendment to H.R. 3000 in the Committee of the Whole today.

Mr. Conte, prior to the vote on the Kostmayer amendment to H.R. 3000 in the Committee of the Whole today.

(The following Members (at the request of Mr. Pashayan), and to include extraneous matter:)

Mr. Gilman.
Mr. Goodling.
Mr. Daniel B. Crane.
Mr. Harsha.
Mr. Ashbrook in three instances.
Mr. Abdnor.
Mr. Grassley in two instances.
Mr. Vander Jagt.
Mr. Livingston.
Mr. Dornan.
Mr. Derwinski.
Mr. Lagomarsino.
Mr. Ritter.

(The following Members (at the request of Mr. Kostmayer) and to include extraneous matter:)

Mr. Danielson.
Mr. Brown of California.
Ms. Mikulski.
Mr. Patterson in two instances.
Mr. Solarz in three instances.
Mr. Benjamin.
Mr. Ambro.
Ms. Oakar.
Mr. Barnes.
Mr. Gore in two instances.
Mr. Fascell.
Mr. Rodino in two instances.
Mr. Edgar in two instances.
Mr. Mazzoli in two instances.
Mr. Mottl.
Mr. Bedell.
Mr. Skelton.
Mr. Udall.
Mr. Neal.
Mr. Dingell in two instances.
Mr. Murphy of New York.
Mr. Sabo.
Mr. Leland.
Mr. Mineta.
Mr. Gephardt.
Mr. Moffett.
Mr. Fisher.
Mr. Conyers.
Mr. McDonald.
Mr. Hawkins.
Mr. Harris.
Mrs. Schroeder.

## ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 58 minutes p.m.), the House adjourned until Friday, October 19, 1979, at 10 a.m.

## EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first, second, and third quarter of calendar year 1979 in connection with foreign travel pursuant to Public Law 95–384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1979 AND SEPTEMBER 1979

| | Date | | | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Name of Member or employee | Arrival | Departure | Country | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Hon. Alvin Baldus | 7/4/79 | 7/6/79 | Ottawa, Can | | 75.00 | | | | | | 75.00 |
| | 7/6/79 | 7/7/79 | Toronto, Can | | 75.00 | | | | | | 75.00 |
| | 7/7/79 | 7/9/79 | Quebec City | | 75.00 | | | | | | 75.00 |
| | 7/9/79 | 7/9/79 | | | 75.00 | | | | | | 75.00 |
| Total transportation | | | | | | | 180.36 | | | | 180.36 |
| Alan Zepp | 7/4/79 | 7/6/79 | Ottawa, Can | | 75.00 | | | | | | 75.00 |
| | 7/6/79 | 7/7/79 | Toronto | | 75.00 | | | | | | 75.00 |
| | 7/7/79 | 7/9/79 | Quebec City | | 75.00 | | | | | | 75.00 |
| | 7/9/79 | 7/9/79 | Montreal | | 75.00 | | | | | | 75.00 |
| Total transportation | | | | | | | 255.84 | | | | 255.84 |
| Committee total | | | | | 600.00 | | 436.20 | | | | 1,036.20 |
| George Dunsmore | 7/4/79 | 7/6/79 | Ottawa, Can | | 75.00 | | | | | | 75.00 |
| | 7/6/79 | 7/7/79 | Toronto, Can | | 75.00 | | | | | | 75.00 |
| | 7/7/79 | 7/9/79 | Quebec City | | 75.00 | | | | | | 75.00 |
| | 7/9/79 | 7/9/79 | Montreal | | 75.00 | | | | | | 75.00 |
| Total transportation | | | | | | | 201.90 | | | | 201.90 |
| James Swiderski | 7/9/79 | 7/23/79 | Rome, Italy | 805,350 | 975.00 | 847,095.76 | 1,035.00 | | | | 2,010.00 |
| Hon. Richard Nolan | 7/20/79 | 7/21/79 | Geneva, Switz | 313.35 | 192.00 | (Military aircraft) | | | | | 192.00 |
| Hon. Thomas S. Foley | 8/25/79 | 9/1/79 | Peking, China | 808.45 | 525.00 | (Presidential aircraft) | | | | | 525.00 |
| | 9/1/79 | 9/3/79 | Hong Kong, PRC | 1,198,548 | 234.00 | (Presidential aircraft) | | | | | 234.00 |
| Hon. Kika de la Garza | 9/12/79 | 9/16/79 | Caracas, Ven | Trip assigned by Speaker O'Neill with Interparlimentary Union Group and funded by Union | | | | | | | |
| Committee total | | | | | 2,226.00 | | 1,236.90 | | | | 3,462.90 |

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Oct. 11, 1979.

THOMAS S. FOLEY, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

| Name of Member or employee | Date |  | Country | Per diem [1] |  | Transportation |  | Other purposes |  | Total |  |
|---|---|---|---|---|---|---|---|---|---|---|---|
|  | Arrival | Departure |  | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Hon. Cardiss Collins | 8/5/79 | 8/7/79 | Tokyo | 42, 068 | 194. 00 | Transportation provided |  |  |  | 42, 068 | 194. 00 |
|  | 8/7/79 | 8/10/79 | Seoul | 108, 900 | 225. 00 | By Air Force carrier |  |  |  | 108, 900 | 225. 00 |
|  | 8/10/79 | 8/12/79 | Hong Kong | 803. 10 | 156. 00 |  |  |  |  | 803. 10 | 156. 00 |
|  | 8/12/79 | 8/15/79 | Bangkok | 4, 594. 50 | 225. 00 |  |  |  |  | 4, 594. 50 | 225. 00 |
|  | 8/15/79 | 8/18/79 | Singapore | 481. 50 | 225. 00 |  |  |  |  | 481. 50 | 225. 00 |
| Hon. John Erlenborn | 8/25/79 | 9/1/79 | Colombo, Sri Lanka | 2, 325 | 150. 00 |  | 3, 451. 00 |  |  | 2, 325 | 3, 601. 00 |
|  | 9/1/79 | 9/4/79 | Paris, France | 1, 147. 50 | 270. 00 |  |  |  |  | 1, 147. 50 | 270. 00 |
| Committee total |  |  |  |  | 1, 445. 00 |  | 3, 451. 00 |  |  |  | 4, 896. 00 |

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Oct. 10, 1979.

JACK BROOKS, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

| Name of Member or employee | Date |  | Country | Per diem [1] |  | Transportation |  | Other purposes |  | Total |  |
|---|---|---|---|---|---|---|---|---|---|---|---|
|  | Arrival | Departure |  | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Biaggi, Hon. Mario | 5/20 | 5/24 | Switzerland | 865. 60 | 500. 00 |  | 1, 509. 00 |  |  |  | 2, 009. 0 |
| Corrado, Ernest J | 4/13 | 4/21 | United Kingdom | 299. 76 | 701. 00 |  | 1, 499. 60 |  |  |  | 2, 200. 6 |
| Corrado, Ernest J | 5/26 | 6/5 | Philippines | 4, 431 | 600. 00 |  | 2, 319. 00 |  |  |  | 2, 919. 0 |
| de la Garza, Hon. E | 4/15 | 4/18 | Columbia | 12, 582 | 300. 00 |  | 1, 369. 63 |  |  |  | 1, 669. 6 |
| Howell, Martin | 5/2 | 5/4 | Mexico | 5, 118. 75 | 225. 00 |  | 467. 00 |  |  |  | 692. 0 |
| Kitsos, Thomas | 4/16 | 4/18 | Switzerland | 515. 80 | 300. 00 |  | 1, 677. 00 |  |  |  | 1, 977. 0 |
| Losch, Ronald | 4/13 | 4/21 | Switzerland | 1, 545. 30 | 900. 00 |  | 757. 00 |  |  |  | 1, 657. 0 |
| McCloskey, Hon. Paul | 4/11 | 4/17 | Switzerland | 1, 032. 90 | 600. 00 |  | [3] 723. 00 |  |  |  | 1, 323. 0 |
| Murphy, Hon. John M | 6/6 | 6/7 | United Kingdom | 47. 08 | 98. 87 |  | [4] 605. 23 |  |  |  | 704. 1 |
| Murphy, Hon. John M | 6/7 | 6/9 | France | 1, 957. 50 | 450. 00 |  | [4] 96. 95 |  |  |  | 546. 9 |
| Smith, G. Wayne | 4/16 | 4/18 | Switzerland | 515. 80 | 300. 00 |  | 1, 677. 00 |  |  |  | 1, 977. 0 |
| Snyder, Hon. Gene | 4/16 | 4/21 | Switzerland | 1, 030. 20 | 600. 00 |  | [5] 1, 599. 00 |  |  |  | 2, 199. 0 |
| Wallace, Sidney | 4/13 | 4/21 | United Kingdom | 299. 76 | 627. 73 |  | 1, 499. 00 |  |  |  | 2, 126. 73 |
| Wallace, Sidney | 5/25 | 6/9 | United Kingdom | 611. 76 | 1, 266. 34 |  | [6] 708. 00 |  |  |  | 1, 974. 34 |
| Wyman, Barbara | 6/15 | 6/23 | West Germany | 168. 08 | 704. 00 |  | 969. 00 |  |  |  | 1, 673. 00 |
| Zaunbrecher, Dusty | 6/10 | 6/16 | West Germany | 144. 00 | 480. 00 |  | 969. 00 |  |  |  | 1, 449. 00 |
| Committee total |  |  |  |  | 8, 652. 94 |  | 18, 444. 41 |  | 0 |  | 27, 097. 35 |

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Returned to State Department unused portion of ticket amounting to $34.

[4] Military transportation.

[5] Traveler traded air ticket for coach class, receiving State Department credit of $842.

[6] Traveler has made written request to State Department for additional $64 representing increased per diem rate for London effective June 1, 1979.

Note: All per diem paid by State Department.

Sept. 15, 1979.

JOHN M. MURPHY,
Chairman, Committee on Merchant Marine and Fisheries.

ADDENDUM TO REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979

| Name of Member or employee | Date |  | Country | Per diem [1] |  | Transportation |  | Other purposes |  | Total |  |
|---|---|---|---|---|---|---|---|---|---|---|---|
|  | Arrival | Departure |  | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| James Pierce Myers | 2/13 | 2/21 | Panama |  | 600. 00 |  |  |  |  |  | 600. 00 |
| Commercial transportation from Washington to Panama |  |  |  |  |  |  | 371. 00 |  |  |  | 371. 00 |
| Transportation furnished by DOD from Panama to Washington |  |  |  |  |  |  | 258. 125 |  |  |  | 258. 125 |
| Anthony Raymond | 2/13 | 2/21 | Panama |  | 600. 00 |  |  |  |  |  | 600. 00 |
| Commercial transportation from Washington to Panama |  |  |  |  |  |  | 371. 00 |  |  |  | 371. 00 |
| Transportation furnished by DOD from Panama to Washington |  |  |  |  |  |  | 258. 125 |  |  |  | 258. 125 |
| Hon. James M. Hanley | 2/15 | 2/21 | Panama |  | 450. 00 |  |  |  | 21. 60 |  | 471. 60 |
| Transportation furnished by DOD |  |  |  |  |  |  | 516. 25 |  |  |  | 516. 25 |
| Hon. Charles H. Wilson | 2/15 | 2/21 | Panama |  | 450. 00 |  |  |  |  |  | 450. 00 |
| Transportation furnished by DOD |  |  |  |  |  |  | 516. 25 |  |  |  | 516. 25 |
| Hon. Patricia Schroeder | 2/15 | 2/21 | Panama |  | 450. 00 |  |  |  |  |  | 450. 00 |
| Commercial transportation from Washington to Panama. |  |  |  |  |  |  | 371. 00 |  |  |  | 371. 00 |
| Transportation furnished by DOD from Panama to Washington. |  |  |  |  |  |  | 258. 125 |  |  |  | 258. 125 |
| Hon. Gladys Noon Spellman | 2/15 | 2/21 | Panama |  | 450. 00 |  |  |  |  |  | 450. 00 |
| Transportation furnished by DOD. |  |  |  |  |  |  | 516. 25 |  |  |  | 516. 25 |
| Hon. Edward J. Derwinski | 2/15 | 2/21 | Panama |  | 450. 00 |  |  |  |  |  | 450. 00 |
| Transportation furnished by DOD. |  |  |  |  |  |  | 516. 25 |  |  |  | 516. 25 |
| Hon. Tom Corcoran | 2/15 | 2/21 | Panama |  | 450. 00 |  |  |  |  |  | 450. 00 |
| Transportation furnished by DOD. |  |  |  |  |  |  | 516. 25 |  |  |  | 516. 25 |
| E. David Minton | 2/15 | 2/21 | Panama |  | 450. 00 |  |  |  |  |  | 450. 00 |
| Transportation furnished by DOD. |  |  |  |  |  |  | 516. 25 |  |  |  | 516. 25 |

Footnotes at and of table.

| Name of Member or employee | Date |  | Country | Per diem [1] |  | Transportation |  | Other purposes |  | Total |  |
|---|---|---|---|---|---|---|---|---|---|---|---|
|  | Arrival | Departure |  | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [3] |
| Robert E. Lockhart | 2/15 | 2/21 | Panama |  | 450.00 |  |  |  |  |  | 450.00 |
| Transportation furnished by DOD. |  |  |  |  |  |  | 516.25 |  |  |  | 516.25 |
| Joseph Fisher | 2/15 | 2/21 | Panama |  | 450.00 |  |  |  |  |  | 450.00 |
| Transportation furnished by DOD. |  |  |  |  |  |  | 516.25 |  |  |  | 516.25 |
| Ronald McCluskey | 2/15 | 2/21 | Panama |  | 450.00 |  |  |  |  |  | 450.00 |
| Transportation furnished by DOD. |  |  |  |  |  |  | 516.25 |  |  |  | 516.25 |
| Nancy K. Desrochers | 2/15 | 2/21 | Panama |  | 450.00 |  |  |  |  |  | 450.00 |
| Transportation furnished by DOD. |  |  |  |  |  |  | 516.25 |  |  |  | 516.25 |
| Geraldine Rudolph | 2/15 | 2/21 | Panama |  | 450.00 |  |  |  |  |  | 450.00 |
| Transportation furnished by DOD. |  |  |  |  |  |  | 516.25 |  |  |  | 516.25 |
| Warren Guerin | 2/15 | 2/21 | Panama |  | 450.00 |  |  |  |  |  | 450.00 |
| Transportation furnished by DOD |  |  |  |  |  |  | 516.25 |  |  |  | 516.25 |
| Andrew Feinstein | 2/15 | 2/21 | Panama |  | 450.00 |  |  |  |  |  | 450.00 |
| Transportation furnished by DOD |  |  |  |  |  |  | 516.25 |  |  |  | 516.25 |
| Rosemary Storey | 2/15 | 2/21 | Panama |  | 450.00 |  |  |  |  |  | 450.00 |
| Transportation furnished by DOD |  |  |  |  |  |  | 516.25 |  |  |  | 516.25 |
| Hon. Gene Taylor | 2/15 | 2/20 | Panama |  | 375.00 |  |  |  |  |  | 375.00 |
| Transportation from Washington to Panama furnished by DOD |  |  |  |  |  |  | 258.125 |  |  |  | 258.125 |
| Commercial transportation from Panama to St. Louis, Mo |  |  |  |  |  |  | 434.63 |  |  |  | 434.61 |
| Committee total |  |  |  |  | 8,325.00 |  | 9,807.63 |  | 21.60 |  | 18,154.23 |

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollars equivalent; if U.S. currency is used, enter amount expended.

Oct. 3, 1979.

JAMES M. HANLEY Chairman.

### ADDENDUM TO REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1979

| Name of Member or employee | Date |  | Country | Per diem [1] |  | Transportation |  | Other purposes |  | Total |  |
|---|---|---|---|---|---|---|---|---|---|---|---|
|  | Arrival | Departure |  | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Local in country expenses for CODEL Lloyd. | 5/3 | 5/7 | Mexico |  |  | 14,525 | 638.45 | 6,800 | 298.90 | 21,325 | 937.35 |
| Local in country expenses for CODEL Fuqua. | 6/6 | 6/7 | England |  |  | 5,550<br>522.74 | 243.96<br>1,099.66 |  |  | 5,550<br>522.74 | 243.96<br>1,099.66 |
|  | 6/7 | 6/12 | France |  |  | 12,488.22<br>8,442.82 | 2,931.60<br>1,981.88 | 7,050 | 1,654.92 | 19,538.22<br>8,442.82 | 4,586.52<br>1,981.88 |
| Committee total |  |  |  |  |  |  | 6,895.55 |  | 1,953.82 |  | 8,849.37 |

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Oct. 11, 1979.

DON FUQUA,
Chairman, Committee on Science and Technology.

### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

| Name of Member or employee | Date |  | Country | Per diem [1] |  | Transportation |  | Other purposes |  | Total |  |
|---|---|---|---|---|---|---|---|---|---|---|---|
|  | Arrival | Departure |  | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [1] |
| Donovan | 9/11 | 9/15 | Brussels | 12,453 | 428.00 |  | 885.00 |  |  |  |  |
| Sletzinger | 9/11 | 9/15 | Brussels | 12,453 | 428.00 |  | 885.00 |  |  |  |  |
| Committee total |  |  |  |  | 856.00 |  | 1,770.00 |  |  |  |  |

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Oct. 2, 1979.

DANTE FASCELL, Chairman.

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## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2664. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notice of various transfers of funds between categories of appropriations to the Department of Defense, pursuant to section 834 of the Department of Defense Appropriation Act, 1979; to the Committee on Appropriations.

2665. A letter from the Secretary of State, transmitting the fourth monthly report on development related to Zimbabwe-Rhodesia; to the Committee on Foreign Affairs.

2666. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Abelardo L. Valdez and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2667. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held on October 24 and 25, 1979, in Pittsburgh, Pa.; to the Committee on Interstate and Foreign Commerce.

2668. A letter from the Deputy Assistant

Administrator for Noise Control Programs, U.S. Environmental Protection Agency, transmitting proposed standards limiting the noise levels emitted from garbage trucks; to the Committee on Interstate and Foreign Commerce.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 5228. A bill to designate the building known as the Federal Building in Wilmington, Del., as the "J. Caleb Boggs Building" (Rept. No. 96–522). Referred to the House Calendar.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 5259. A bill to name a certain Federal building in Santa Fe, N. Mex., the "Joseph E. Montoya Federal Building-U.S. Courthouse"; with amendments (Rept. No. 96–523). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4320. A bill to consent to the amended Bear River compact between the States of Utah, Idaho, and Wyoming (Rept. No. 96–524). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 454. Resolution providing for the consideration of H.R. 2727. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes (Rept. No. 96–525). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 455. Resolution providing for the consideration of H.R. 3948. A bill to amend the Federal Aviation Act of 1958 to eliminate the age limitation presently imposed on certain pilots of aircraft, and for other purposes (Rept. No. 96–526). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 456. Resolution providing for the consideration of H.R. 2313. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act (Rept. No. 96–527). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 457. Resolution waiving certain points of order against the conference report on S. 1030. A bill to authorize the President to create an emergency program to conserve energy, and for other purposes (Rept. No. 96–528). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 458. Resolution providing for the consideration of H.R. 2335. A bill providing for a research, development, and evaluation program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes (Rept. No. 96–529). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Resolution 196. Resolution providing for the printing as a House document of the publication entitled "The Celler-Kefauver Act: The First 27 Years" (Rept. No. 96–530). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Resolution 235. Resolution providing for the printing of the proceedings incident to the presentation of a portrait of Hon. Robert N. Giaimo (Rept. No. 96–531). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Resolution 349. Resolution providing for the printing as a House document of the staff report to the Committee on Foreign Affairs entitled "The Assassination of Representative Leo J. Ryan and the Jonestown, Guyana Tragedy" (Rept. No. 96–532). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Resolution 396. Resolution approving the printing of additional copies of the report accompanying the Defense Production Act Amendment and Extension (Rept. No. 96–533). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Resolution 397. Resolution providing for the printing of the report of the official visit by the Speaker's delegation to the Union of Soviet Socialist Republics (Rept. No. 96–534). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Resolution 402. Resolution approving the printing of additional copies of the publication entitled "A Guidelines Handbook on Federal Loan Guarantee Programs" (Rept. No. 96–535). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 184. Concurrent resolution providing for printing additional copies of the committee print entitled "7th Edition of the Immigration and Nationality Act with Amendments and Notes on Related Laws" (Rept. No. 96–536). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Rhode Island:

H.R. 5629. A bill to reduce the disability limitation and to eliminate the time limit imposed by the Vietnam Era Readjustment Assistance Act of 1974 so that more disabled veterans may benefit from affirmative action programs; to the Committee on Veterans' Affairs.

By Mr. BLANCHARD (for himself, Mr. Wright, Mr. Broomfield, Mr. Nedzi, Mr. Annunzio, Mr. Garcia, Mr. Dingell, Mr. Pursell, Mr. Ford of Michigan, Mr. Bonior of Michigan, Mr. Hillis, Mr. Traxler, Mr. Brodhead, Mr. Conyers, Mr. Diggs, Mr. Fauntroy, and Mr. Hawkins):

H.R. 5630. A bill to authorize emergency loans and loan guarantees to the Chrysler Corp.; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BRINKLEY:

H.R. 5631. A bill to amend the Internal Revenue Code of 1954 to provide a trade or business deduction to firemen for meals which they eat while at their post of duty overnight; to the Committee on Ways and Means.

By Mr. DAVIS of Michigan:

H.R. 5632. A bill to amend section 5(d) of Public Law 874 to prevent taking into account Federal funds made available under that act in the distribution of State educational funds; to the Committee on Education and Labor.

By Mr. FASCELL:

H.R. 5633. A bill to amend the Internal Revenue Code of 1954 to provide that nonresident alien individuals and foreign corporations shall be taxed at capital gain rates on gain from the sale or exchange of real property located in the United States; to the Committee on Ways and Means.

By Mr. FISHER:

H.R. 5634. A bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself, Mr. Broyhill, Mr. Luken, Mr. Gradison, Mr. Jones of Oklahoma, Mr. Carter, Mr. Holland, Mr. Brown of Ohio, Mr. Satterfield, Mr. Martin, Mr. Gramm, Mr. Duncan of Tennessee, Mr. Shelby, Mr. Frenzel, Mr. Schulze, Mr. Moorhead of California, Mr. Stockman, Mr. Corcoran, Mr. Moore, and Mr. Lee):

H.R. 5635. A bill to establish a national commission on hospital costs, to encourage voluntary efforts to contain hospital costs, to provide for the orderly development of State hospital cost containment programs, to encourage philanthropic support for nonprofit hospitals, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. GIBBONS:

H.R. 5636. A bill to amend the Internal Revenue Code of 1954 to increase the minimum accumulated earnings credit from $150,000 to $200,00; to the Committee on Ways and Means.

By Mr. PREYER:

H.R. 5637. A bill to amend title II of the Social Security Act to provide that a child's entitlement to child's insurance benefits on the wage record of an adopting parent shall terminate upon such child's readoption by his or her natural parent; to the Committee on Ways and Means.

By Mr. STACK:

H.R. 5638. A bill to amend title 5, United States Code, to provide premium pay for employees for time in an on-call status away from their duty posts; to the Committee on Post Office and Civil Service.

By Mr. TRAXLER:

H.R. 5639. A bill to amend the Internal Revenue Code of 1954 to repeal the inclusion in gross income of unemployment compensation added by the Revenue Act of 1978; to the Committee on Ways and Means.

By Mr. AuCOIN:

H.R. 5640. A bill to amend the Housing and Community Development Act of 1974 to provide for grants to be made by the Secretary of Housing and Urban Development to local governmental units and Indian tribes for the development of energy conservation plans and programs; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

H.R. 5641. A bill to amend the Housing and Community Development Act of 1974 to provide for grants to be made by the Secretary of Housing and Urban Development to cities, urban counties, and Indian tribes for energy development and conservation action; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

By Mr. CLAY:

H.R. 5642. A bill to amend chapter 79 of title 5 of the United States Code to provide for the application of occupational safety and health standards to the Federal workplace, and for other purposes; jointly, to the Committees on Education and Labor and Post Office and Civil Service.

By Mr. GORE (for himself, Mr. Bowen, Mr. Daschle, Mr. Ottinger, Mr. Edgar, Mr. Ichord, Mr. Whitley, Mr. Burlison, Mr. Kogovsek, Mr. Young of Alaska, Mr. Volkmer, Mr. Cheney, Mr. Montgomery, Mr. Andrews of North Dakota, Mr. Kindness, Mr. Leach of Iowa, Mr. Stangeland, Mr. Hinson, Mr. Bauman, Mr. Lott, Mr. Cleveland, Mr. Wampler, Mr. Fowler, Mr. Gudger, Mr. Skelton, Mr. Gingrich, and Mr. Charles Wilson of Texas):

H.R. 5643. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of cooperative electric and telephone companies; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 5644. A bill to establish a program under which the Secretary of Health, Education, and Welfare, acting through the Social Security Administration and under agreements made with appropriate State agencies, will assist low-income and elderly households in meeting the increased costs of residential fuel, and to amend the Internal Revenue Code of 1954 to provide a middle-income energy tax credit for households which use heating oil; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, and Ways and Means.

By Mr. MAZZOLI:

H.R. 5645. A bill to grant to the Little Sisters of the Poor all right, title, and interest of the United States in the land comprising certain alleys in the District of Columbia; to the Committee on the District of Columbia.

By Mr. PREYER:

H.R. 5646. A bill to amend the Privacy Act to transfer coverage of certain insurance records, to improve information practices in the insurance industry, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Government Operations.

By Mr. QUAYLE:

H.R. 5647. A bill to amend the Internal Revenue Code of 1954 to provide for the economic stimulation of the economy through increased savings and investment; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 5648. A bill to establish an interagency task force on suburban development; to the Committee on Government Operations.

By Ms. HOLTZMAN:

H.R. 5649. A bill to establish a program under which the Secretary of Energy shall make grants available to local governmental units to assist them in undertaking energy conservation activities; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE:

H.R. 5650. A bill to modify the restrictions contained in section 170(e) of the Internal Revenue Code in the case of certain contributions of literary, musical, or artistic composition, or similar property; to the Committee on Ways and Means.

Mr. BEDELL (for himself, Mr. McCloskey, Mr. Mitchell of Maryland, Mr. Markey, Mr. Oberstar, Mr. La Falce, Mr. Barnes, Mr. Quayle, Mr. Kildee, Mr. Ottinger, Mr. Gradison, Mr. Drinan, Mr. Stark, Mr. Frenzel, Mr. Stokes, Mr. Waxman, Mr. McHugh, Mr. Glickman, Mr. Brodhead, Mr. Rahall, Mr. Leland, Mr. Pease, Mr. Wolpe, Mr. Won Pat, Mr. Panetta, and Mr. Dellums):

H. Con. Res. 199. Concurrent resolution expressing the sense of Congress with respect to employment practices in South Africa of U.S. companies doing business in that country; to the Committee on Foreign Affairs.

By Mr. BOLAND:

H. Res. 452. Resolution to provide for the further expenses of investigations and studies to be conducted by the Permanent Select Committee on Intelligence; to the Committee on House Administration.

By Mr. BREAUX (for himself, Mr. Murphy of New York, Mr. Forsythe, Mr. Studds, Mr. AuCoin, Mr. Bowen, Mr. Pritchard, Mr. Young of Alaska, Mr. Trible, and Mr. Treen):

H. Res. 453. Resolution disapproving the proposed deferral of budget authority for fiscal year 1980 for the promotion and development of fishery products and research pertaining to American fisheries; to the Committee on Appropriations.

By Mr. SENSENBRENNER:

H. Res. 459. Resolution prohibiting use of official funds for expenses of foreign travel by Representative Charles C. Diggs, Jr.; to the Committee on House Administration.

By Mr. SMITH of Iowa:

H. Res. 460. Resolution providing for the expenses of the investigation and studies by the Committee on Small Business; to the Committee on House Administration.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 264: Mr. Dornan and Mr. Green.

H.R. 325: Mrs. Heckler.

H.R. 801: Mr. Hall of Texas.

H.R. 1000: Mr. Kemp and Mr. Lungren.

H.R. 2139: Mr. Brodhead.

H.R. 2279: Mr. Lent and Mr. Broomfield.

H.R. 2291: Mr. Atkinson, Mr. Bailey, Mr. Bedell, Mr. Davis of Michigan, Mr. Derwinski, Mr. Gray, Mr. Kogovsek, Mr. Lowry, Mr. Madigan, Mr. Price, Mr. Royer, Mr. Sebelius, Mr. Stangeland, Mr. Tauke, Mr. Walgren, Mr. Walker, and Mr. Wylie.

H.R. 2744: Mr. Steed.

H.R. 2763: Ms. Oakar.

H.R. 3932: Mr. Gingrich, Mr. Thomas, Mr. Ritter, Mr. Guyer, Mr. Daniel B. Crane, and Mr. Edwards of Oklahoma.

H.R. 3958: Mr. Carr.

H.R. 4024: Mr. Blanchard.

H.R. 4513: Mr. Hagedorn and Mr. Kindness.

H.R. 4526: Mr. AuCoin.

H.R. 4563: Mr. Anthony and Mr. Hamilton.

H.R. 4646: Mr. Taylor, Mr. Patterson, Mr. Blanchard, and Mr. Hopkins.

H.R. 4782: Mr. Nichols.

H.R. 4885: Mr. Forsythe, Mr. Whitehurst, Mr. Spence, Mr. Hinson, Mr. Michel, Mr. Lungren, Mr. Emery, Mr. Livingston, Mr. Whittaker, Mr. Simon, Mr. Mottl, Mr. Courter, Mr. Jones of Oklahoma, Mr. Frenzel, Mr. Burgener, Mr. Neal, Mrs. Holt, Mr. Blanchard, Mr. Bedell, and Mr. Dornan.

H.R. 4906: Ms. Holtzman, Mr. Maguire, Mr. Mineta, and Mr. Oberstar.

H.R. 5038: Mr. Bailey.

H.R. 5371: Mr. Petri, Mr. Duncan of Tennessee, Mrs. Holt, Mr. Regula, Mr. Benjamin, Mr. Whitehurst, Mr. Lujan, Mr. Roth, and Mr. Hubbard.

H.R. 5420: Mr. Grisham, Mr. Pashayan, Mr. McCloskey, Mr. Fish, Mr. Lee, Mr. Erlenborn, Mr. Royer, Mr. Hinson, Mrs. Fenwick, Mr. Petri, Mr. Kindness, Mr. Cleveland, Mr. Campbell, and Mr. Miller of Ohio.

H.R. 5570: Mr. Studds.

H.J. Res. 300: Mr. Dougherty, Mr. St Germain, Mr. Paul, Mr. Applegate, and Mr. Murphy of Pennsylvania.

H.J. Res. 322: Mr. Fithian.

H.J. Res. 394: Mr. Robinson, Mr. McDonald, Mr. Young of Alaska, Mr. Philip M. Crane, Mr. Goldwater, Mr. Winn, Mr. Robert W. Daniel, Jr., Mr. Livingston, Mr. Hinson, Mr. Whitehurst, Mr. Dannemeyer, Mr. Lagomarsino, Mr. Lott, Mr. Spence, Mr. Collins of Texas, Mr. Campbell, Mr. Courter, Mr. Roe, Mr. Flood, and Mr. Stockman.

H. Res. 218: Mr. Burgener, Mr. Dougherty, Mr. Derwinski, Mrs. Fenwick, Mr. Loeffler, Mr. Skelton, and Mr. Thomas.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

### H.R. 2313

By Mr. KEMP;

—Page 26, after line 2, add the following new section:

RESTRICTION OF COMMISSION ACTIONS AGAINST CEREAL MANUFACTURERS

Sec. 305. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Ac (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982 for the purpose of—

(1) continuing any administrative or other proceeding brought by the Federal Trade Commission against the Kellogg Company, General Mills, Incorporated, and the General Foods Corporation which is pending on the date of the enactment of this Act; or

(2) initiating any such proceeding, based upon any allegation of anticompetitive practices, against any such business organization after such date of enactment;

until the Commission carries out a study in accordance with subsection (b)

(b) The Commission, in carrying out the study specified in subsection (a), shall—

(1) examine the economic impact which may result from any proceeding specified in subsection (a) against the Kellogg Company, General Mills, Incorporated, and the General Foods Corporation, including the impact upon—

(A) individuals employed by such business organizations and any labor organizations representing such individuals;

(B) the communities in which such business organizations are located; and

(C) other business organizations, employees, and labor organizations;

(2) study any impact which such proceeding may have upon—

(A) the collective bargaining rights of labor organizations; and

(B) employee wages, pension rights, insurance benefits, and working conditions, and any other contractual rights of employees; and

(3) determine whether any individual employed by the Kellogg Company, General Mills, Incorporated, or the General Foods Corporation who suffers a loss of employment caused by the economic impact resulting from such proceeding would be entitled—

(A) to be provided with new employment by his employer; and

(B) to receive payment or reimbursement for relocation expenses incurred by such individual.

### H.R. 3000

By Mr. CAMPBELL:

(To the amendment offered by Mr. Peyser.)

—Strike out "third" in section 901 and insert "tenth" in lieu thereof; and

In section 902, strike "sixth" and insert "fifteenth" in lieu thereof.

By Mr. COURTER:

(Page and line numbers refer to H.R. 4839.)

—On page 79 at the end of title VIII:

Strike the next to the last word.

Strike out the last three words.

By Mr. STOCKMAN:

(Page and line numbers refer to H.R. 4839.)

—On page 79, at the end of title VIII:

Strike the last word.

Strike the last paragraph.

### H.R. 3712

By Mr. GEPHARDT:

—Page 32, beginning in line 15, strike out "single-family".

Page 32, beginning in line 23, strike out "single family owner-occupied residences" and insert "one to four family residences (one unit of which is owner-occupied)".

Page 34, after line 18, insert the following:

(2) State housing finance agency obligations authorized by enabling legislation enacted after April 25, 1979, and before October 18, 1979.—

(A) In general.—The amendments made by this Act shall not apply to obligations issued by a State housing finance agency pursuant to legislation enacted after April 25, 1979, and before October 18, 1979, which authorized such agency to issue tax-exempt obligations or increased the amount of tax-exempt obligations which may be issued by such agency.

(B) DOLLAR LIMIT FOR STATE HOUSING FINANCE AGENCIES.—The aggregate amount of obligations which may be issued by State housing finance agencies with respect to any State by reason of subparagraph (A) may not exceed the lesser of—

(i) the aggregate amount authorized by the legislation referred to in subparagraph (A), or

(ii) $100,000,000, reduced by the aggregate amount of obligations which are issued by the housing finance agencies of such State after April 24, 1979, and to which the amendments made by this Act do not apply solely by reason of paragraph (1).

(C) MORTGAGE COMMITMENTS MUST BE MADE BEFORE JANUARY 1, 1981.—Subparagraph (A) shall not apply with respect to any issue by a State housing finance agency unless substantially all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to owner-financing before January 1, 1981, and such issue meets the requirements of subclause (I) of paragraph (1)(C)(ii).

(3) CERTAIN LOCAL ACTION PURSUANT TO LEGISLATION ENACTED BEFORE OCTOBER 18, 1979.—

(A) IN GENERAL.—For purposes of paragraph (1), if—

(i) on April 25, 1979, legislation was pending in a State legislature authorizing a local governmental unit to issue tax-exempt obligations,

(ii) before October 18, 1979, such legislation was enacted (and any referendum required in connection with the issuance of tax-exempt obligations was held), and

(iii) any action with respect to the issuance of such obligations by the local governing body would have met the requirements of paragraph (1) if such legislation had been in effect (and such referendum had been held) when that action was taken,

then such legislation shall be treated as in effect (and such referendum shall be treated as having been held) at the time when such action was taken.

(B) DOLLAR LIMIT FOR LOCAL GOVERNMENTAL UNITS.—The aggregate amount of obligations which may be issued by local governmental units with respect to the area comprising any local governmental area by reason of subparagraph (A) may not exceed the lesser of—

(i) the aggregate amount authorized by the legislation referred to in subparagraph (A), or

(ii) $100,000,000, reduced by the aggregate amount of obligations which are issued by local governmental units with respect to such area after April 24, 1979, and to which the amendments made by this Act do not apply solely by reason of paragraph (1) (determined without regard to the application of subparagraph (A) of this paragraph).

(C) MORTGAGE COMMITMENTS MUST BE MADE BEFORE JANUARY 1, 1981.—Subparagraph (A) shall not apply with respect to any issue by a local governmental unit unless substantially all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to such owner-financing before January 1, 1981.

(4) TREATMENT OF CERTAIN LEGISLATION ENACTED BEFORE NOVEMBER 18, 1979.—For purposes of paragraphs (2) and (3), any legislation which was passed by at least 1 house of a State legislature before October 18, 1979, and which was enacted before November 18, 1979, shall be treated as enacted before October 18, 1979.

(5) ONGOING LOCAL PROGRAMS FOR REHABILITATION LOANS.—

(A) IN GENERAL.—If before April 25, 1979, a local governmental unit had a qualified rehabilitation loan program, then the amendments made by this Act shall not apply to obligations issued by such governmental unit for qualified loans if substantially all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to qualified loans before January 1, 1981.

(B) LIMITATION.—The aggregate amount of obligations which may be issued by local governmental units with respect to the area comprising any local governmental area by reason of subparagraph (A) may not exceed the lesser of—

(i) $10,000,000, or

(ii) the aggregate amount of loans made under the qualified rehabilitation loan program during the period beginning on January 1, 1977, and ending on April 24, 1979.

The limitation established by the preceding sentence shall be reduced by the aggregate amount of obligations (if any) which are issued under the qualified rehabilitation loan program after April 24, 1979, with respect to the same local governmental area and to which the amendments made by this Act do not apply solely by reason of paragraph (1) (as modified by paragraph (3)).

(C) QUALIFIED REHABILITATION LOAN PROGRAM.—For purposes of this paragraph, the term "qualified rehabilitation loan program" means a program for the financing—

(i) of alterations, repairs, and improvements on or in connection with an existing residence by the owner thereof, but

(ii) only of such items as substantially protect or improve the basic livability of the property.

(D) QUALIFIED LOAN.—For purposes of this paragraph, the term "qualified loan" means the financing—

(i) of alterations, repairs, and improvements on or in connection with an existing 1 to 4 family residence (1 unit of which is owner-occupied) by the owner thereof, but

(ii) only of such items as substantially protect or improve the basic livability of the property.

(E) DOLLAR LIMIT ON QUALIFIED LOANS.—For purposes of this paragraph, a loan shall not be treated as a qualified loan if the financing is in an amount which exceeds $20,000 plus $2,500 for each unit in excess of 1.

(6) OFFICIAL ACTION BY LOCAL GOVERNING BODY WHERE COURT ACTION DETERMINING SCOPE OF AUTHORIZING LEGISLATION WAS PENDING.—For purposes of paragraph (1), if—

(A) before April 25, 1979, a State had enacted a law under which counties were authorized to issue tax-exempt obligations for public purposes,

(B) on such date the question of whether or not that law authorized the issuance of obligations to finance owner-occupied residences was being litigated in a court of competent jurisdiction, and

(C) there is written evidence which was in existence before April 25, 1979, that the governing body of a county in such State had taken action indicating an intent to establish a program for issuing tax-exempt obligations to finance owner-occupied residences, and an appropriate official of the county files with the Secretary of the Treasury or his delegate an affidavit that this was the intent of the governing body on such date.

then such action shall be treated as official action indicating an intent to issue any obligation issued pursuant to such program. In any such case, limitations similar to the limitations of subparagraphs (B)(ii) and (C) of paragraph (3) shall apply, except that "$50 million" shall be substituted for "$100 million" where it appears therein.

Page 34, line 19, strike out "(2)" and insert in lieu thereof "(7)".

Page 36, line 13, strike out "(3)" and insert in lieu thereof "(8)".

Page 37, after line 3, insert the following:

(B) RENTAL HOUSING PROJECTS APPROVED BY SECRETARY OF HUD.—The amendment made by section 3 shall not apply to a project which was in the development stage on April 24, 1979, if—

(i) a plan specifying the number and location of rental units was preliminarily approved by the Secretary of Housing and Urban Development pursuant to section 221(d)(4) or section 232 of the Housing Act on or before such date, and

(ii) fees for processing the project with the Department of Housing and Urban Development and other expenditures for the project had been incurred on or before such date.

Page 37, line 4, strike out "(B)" and insert in lieu thereof "(C)".

Page 37, after line 22, insert the following:

(D) CERTAIN REDEVELOPMENT MORTGAGE BOND FINANCING PROJECTS.—Clause (ii) of subparagraph (C) shall be treated as satisfied if, before April 25, 1979—

(i) the developer of a project acquired the land for such project,

(ii) there was approval by the mayor's advisory committee of a city of a comprehensive proposal (under a State law authorizing tax-exempt obligations for use only in redevelopment areas) for such project, subject to revisions to be made, and

(iii) a revised proposal was submitted to the redevelopment agency and city council containing the revisions.

The aggregate amount of obligations which may be issued by local governmental units with respect to the area comprising any local governmental area by reason of this subparagraph may not exceed $20,000,000.

By Mr. JACOBS:

—Page 3, strike out line 22 and all that follows down through and including the material between lines 14 and 15 on page 30, and insert in lieu thereof the following:

### SEC. 2. MORTGAGE SUBSIDY BONDS; CREDIT FOR CERTAIN MORTGAGE INTEREST AND MORTGAGE INSURANCE AND FIRST-TIME HOME BUYERS.

(a) MORTGAGE SUBSIDY BONDS.—Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) MORTGAGE SUBSIDY BONDS.—

"(1) IN GENERAL.—Except as provided in paragraph (3), any mortgage subsidy bond shall be treated as an obligation not described in subsection (a)(1) or (2).

"(2) MORTGAGE SUBSIDY BOND DEFINED.—For purposes of this subsection, the term 'mortgage subsidy bond' means any obligation which is issued as part of an issue a significant portion of the proceeds of which are to be used directly or indirectly for mortgages on (or other owner-financing of) owner-occupied residences.

"(3) EXCEPTION FOR QUALIFIED VETERANS' BONDS.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to any qualified veterans' mortgage bond.

"(B) QUALIFIED VETERANS' MORTGAGE BOND DEFINED.—For purposes of subparagraph (A), the term 'qualified veterans' mortgage bond' means any obligation—

"(i) which is issued in registered form as part of an issue substantially all the proceeds of which are to be used to provide residences for veterans,

"(ii) the payment of the principal and

interest on which is secured by the general obligation of a State, and

"(iii) which is issued as part of an issue no part of the proceeds of which is to be used to acquire or replace existing mortgages.

"(C) Advance refunding not permitted.—An obligation which is issued for the advance refunding of another obligation shall not be treated as a qualified veterans' mortgage bond.

"(D) Exceptions to new mortgage requirement.—Under regulations prescribed by the Secretary, the replacement of—

"(i) construction period loans,

"(ii) bridge loans or similar temporary initial financing, and

"(iii) in the case of a qualified rehabilitation (as defined in section 44D(i)(6)(B)), an existing mortgage,

shall not be treated as the acquisition or replacement of an existing mortgage for purposes of subparagraph (B)(iii)."

(b) Credit for Certain Mortgage Interest and Mortgage Insurance for First-Time Buyers.—

(1) In general.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"Sec. 44D. Certain Mortgage Interest and Mortgage Insurance for First-Time Home Buyers.

"(a) Allowance of Credit.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the qualified mortgage interest expenses, plus

"(2) the qualified mortgage insurance expenses.

"(b) Qualified Expenses.—For purposes of subsection (a)—

"(1) Mortgage interest.—

"(A) In general.—The qualified mortgage interest expenses are 10 percent of so much of the mortgage interest expenses paid or incurred by the taxpayer during the taxable year with respect to a qualified residence as does not exceed $2,000

"(B) Targeted area residences.—In the case of mortgage interest expenses paid or incurred with respect to a targeted area residence, subparagraph (A) shall be applied by substituting '20 percent' for '10 percent'.

"(2) Mortgage insurance.—The qualified mortgage insurance expenses are so much of the mortgage insurance expenses paid or incurred by the taxpayer at the time the mortgage is executed with respect to a qualified residence as does not exceed the lesser of one-half of 1 percent of the loan secured by the mortgage, or $250.

"(3) Exclusion of expenses attributable to loans made through tax-exempt financing.—No mortgage interest expenses or mortgage insurance expenses may be taken into account under this section if such expenses are attributable to a loan the funds for which are provided in whole or in part from the proceeds of any obligation the interest on which is exempt from tax under section 103.

"(4) Application with other credits.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(c) Income Limitation.—

"(1) In general.—If the adjusted gross income of the taxpayer for the taxable year exceeds $20,000 ($10,000 in the case of a married individual filing a separate return), the credit which would (but for this subsection) be allowed by subsection (a) for such year shall be reduced by $1 for each $20 of the adjusted gross income of the taxpayer in excess of $20,000 or $10,000, as the case may be.

"(2) Special rule for targeted area residences.—In the case of any targeted area residence, paragraph (1) shall be applied by substituting '$25,000' for '$20,000' and '$12,500' for '$10,000' each place they appear.

"(d) Definitions.—For purposes of this section—

"(1) Mortgage interest expenses.—The term 'mortgage interest expenses' means expenses for interest on—

"(A) any mortgage loan for the purchase of a qualified residence,

"(B) any qualified home improvement loan, or

"(C) any qualified rehabilitation loan.

"(2) Mortgage insurance expenses.—The term 'mortgage insurance expenses' means, with respect to a loan secured by a mortgage on a qualified residence, expenses to insure payment of such loan in the event of the mortgagor's default on such loan.

"(3) Qualified residence.—The term 'qualified residence' means a residence with respect to which each mortgagor meets the requirements of subsections (e), (f), and (g).

"(e) Residence Requirements.—A mortgagor meets the requirements of this subsection with respect to a residence for the taxable year only if the residence—

"(1) is a single-family residence,

"(2) is used as the principal residence of the mortgagor, and

"(3) is located in the United States or a possession of the United States.

"(f) 3-Year Requirement.—

"(1) In general.—A mortgagor meets the requirements of this subsection with respect to a residence only if the mortgagor had, at no time during the 3-year period ending on the date the mortgage with respect to such residence is executed, a present ownership interest in any other residence which was a principal residence of such mortgagor. For purposes of the preceding sentence, the mortgagor's interest in the residence with respect to which the credit under subsection (a) is claimed shall not be taken into account.

"(2) Exceptions.—Paragraph (1) shall not apply with respect to—

"(A) any targeted area residence,

"(B) any qualified home improvement loan, and

"(C) any qualified rehabilitation loan.

"(g) Purchase Price Requirements.—

"(1) In general.—A mortgagor meets the requirements of this subsection with respect to a residence only if the acquisition cost of such residence does not exceed 80 percent of the average area purchase price applicable to such residence.

"(2) Average area purchase price.—For purposes of paragraph (1), the term 'average area purchase price' means, with respect to any residence, the average purchase price of single family residences (in the statistical area in which the residence is located) which were purchased during the most recent 12-month period for which sufficient statistical information is available. The determination under the preceding sentence shall be made as of the date on which the commitment to provide the financing is made (or, if earlier, the date of the purchase of the residence).

"(3) Separate application to new residences and old residences.—For purposes of this subsection, the determination of average area purchase price shall be made separately with respect to—

"(A) residences which have not been previously occupied, and

"(B) residences which have been previously occupied.

"(4) Special rule for targeted area residences.—In the case of a targeted area residence, paragraph (1) shall be applied by substituting '110 percent' for '80 percent'.

"(5) Exception for qualified home improvement loans.—Paragraph (1) shall not apply with respect to any qualified home improvement loan.

"(h) Targeted Area Residences.—

"(1) In general.—For purposes of this section, the term 'targeted area residence' means a residence which, at the time the mortgage is executed, is in an area which is either—

"(A) a qualified census tract, or

"(B) an area of chronic economic distress.

"(2) Qualified census tract.—

"(A) In general.—For purposes of paragraph (1), the term 'qualified census tract' means a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income.

"(B) Data used.—The determination under subparagraph (A) shall be made on the basis of the most recent decennial census for which data are available.

"(3) Area of chronic economic distress.—

"(A) In general.—For purposes of paragraph (1), the term 'area of chronic economic distress' means an area of chronic economic distress—

"(i) designated by the State as meeting the standards established by the State for purposes of this subsection, and

"(ii) the designation of which has been approved by the Secretary and the Secretary of Housing and Urban Development.

"(B) Criteria to be used in approving state designations.—The criteria used by the Secretary and the Secretary of Housing and Urban Development in evaluating any proposed designation of an area for purposes of this subsection shall be—

"(i) the condition of the housing stock, including the age of the housing and the number of abandoned and substandard residential units,

"(ii) the need of area residents for owner-financing under this section, as indicated by low per capita income, a high percentage of families in poverty, a high number of welfare recipients, and high unemployment rates,

"(iii) the potential for use for owner-financing under this section to improve housing conditions in the area, and

"(iv) the existence of a housing assistance plan which provides a displacement program and a public improvements and services program.

"(i) Other definitions and special rules.—For purposes of this section—

"(1) Mortgage.—The term 'mortgage' includes any other owner-financing.

"(2) State.—The term 'State' includes a possession of the United States and the District of Columbia.

"(3) Statitical area.—

"(A) In general.—The term 'statistical area' means—

"(i) a standard metropolitan statistical area, and

"(ii) any county (or the portion thereof) which is not within a standard metropolitan statistical area.

"(B) Standard metropolitan statistical area.—The term 'standard metropolitan statistical area' means the area in and around a city of 50,000 inhabitants or more (or equivalent area) as defined by the Secretary of Commerce.

"(C) Designation where adequate statistical information not available.—For purposes of this paragraph, if there is insufficient recent statistical information with respect to a county (or portion thereof) described in subparagraph (A)(ii), the Secretary may substitute for such county (or portion thereof) another area for which there is sufficient recent statistical information.

"(D) Designation where no county.—In the case of any portion of a State which is not within a county, subparagraphs (A)(ii) and (C) shall be applied by substituting for 'county' an area designated by the Secretary which is the equivalent of a county.

"(4) Acquisition cost.—

"(A) In general.—The term 'acquisition cost' means the cost of acquiring the residence as a completed residential unit.

"(B) Exception.—The term 'acquisition cost' does not include—

"(i) usual and reasonable settlement or financing costs,

"(ii) the value of services performed by the mortgagor or members of his family in completing the residence, and

"(iii) the cost of land which has been owned by the mortgagor for at least 2 years before the date on which construction of the residence begins.

"(C) Special rule for qualified rehabilitation loans.—In the case of a qualified rehabilitation loan, for purposes of subsection (g), the term 'acquisition cost' includes the cost of the rehabilitation.

"(5) Qualified home improvement loan.—The term 'qualified home improvement loan' means the financing (in an amount which does not exceed $15,000)—

"(A) of alterations, repairs, and improvements on or in connection with an existing residence by the owner thereof, but

"(B) only of such items as substantially protect or improve the basic livability of the property.

"(6) Qualified rehabilitation loan.—

"(A) In general.—The term 'qualified rehabilitation loan' means any owner-financing provided in connection with—

"(i) a qualified rehabilitation, or

"(ii) the acquisition of a residence with respect to which there has been a qualified rehabilitation,

but only if the mortgagor to whom such financing is provided is the first resident of the residence after the completion of the rehabilitation.

"(B) Qualified rehabilitation.—For purposes of subparagraph (A), the term 'qualified rehabilitation' means any rehabilitation of a building if—

"(i) there is a period of at least 20 years between the date on which the building was first used and the date on which the physical work on such rehabilitation begins,

"(ii) 75 percent or more of the existing external walls of such building are retained in place as external walls in the rehabilitation process, and

"(iii) the expenditures for such rehabilitation are 25 percent or more of the mortgagor's adjusted basis in the residence.

For purposes of clause (iii), the mortgagor's adjusted basis shall be determined as of the completion of the rehabilitation or, if later, the date on which the mortgagor acquires the residence.

"(7) Joint occupancy.—Except as provided in subsection (c), in the case of any qualified residence with respect to which mortgage interest expenses or mortgage insurance expenses (as the case may be) are paid or incurred during any calendar year by 2 or more individuals—

"(A) the amount of the credit allowable under subsection (a) by reason of such expenses paid or incurred during such year by all such individuals with respect to such residence shall be determined by treating all such individuals as one taxpayer whose taxable year is such calendar year, and

"(B) there shall be allowable with respect to such expenses to each of such individuals a credit under subsection (a) for the taxable year in which the calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenses paid or incurred by such individual during such calendar years bears to the aggregate of such expenses paid or incurred by all of such individuals during such calendar year."

(2) Technical amendment.—Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(3) Clerical amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Certain mortgage interest and mortgage insurance for first-time home buyers."

(4) Effective date.—Notwithstanding section 4, the amendments made by this subsection shall apply to mortgages executed after December 31, 1979, and to taxable years beginning after such date.

Page 33, line 2, strike out "103A(l)(4)" and insert in lieu thereof "103(g)(3)(B)(iii)".

Page 38, line 7, strike out "subsection (p) of section 103A" and insert in lieu thereof "subparagraph (C) of section 103(g)(3)".

Amend the title of the bill so as to read: "A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax, and to allow a credit for certain mortgage interest and mortgage insurance for first-time home buyers."

By Mr. JONES of Oklahoma:

—Page 3, strike out line 22 and all that follows down through and including the material between lines 14 and 15 on page 30, and insert in lieu thereof the following:

Sec. 2. Mortgage Subsidy Bonds.

(a) In General.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by inserting after section 103 the following new section:

"Sec. 103A. Mortgage Subsidy Bonds.

"(a) General Rule.—Except as otherwise provided in this section, any mortgage subsidy bond shall be treated as an obligation not described in subsection (a) (1) or (2) of section 103.

"(b) Mortgage Subsidy Bond Defined.—

"(1) In general.—For purposes of this title, the term 'mortgage subsidy bond' means any obligation which is issued as part of an issue a significant portion of the proceeds of which are to be used directly or indirectly for mortgages on owner-occupied residences.

"(2) Exceptions.—The following shall not be treated as mortgage subsidy bonds:

"(A) any qualified mortgage bond; and

"(B) any qualified veterans' mortgage bond.

"(c) Qualified Mortgage Bond; Qualified Mortgage Issue; Qualified Veterans' Mortgage Bond.—

"(1) Qualified mortgage bond defined.—

"(A) In general.—For purposes of this title, the term 'qualified mortgage bond' means an obligation which is issued as part of a qualified mortgage issue.

"(B) Obligation must be issued after June 30, 1981.—No obligation issued before July 1, 1981, may be treated as a qualified mortgage bond.

"(2) Qualified mortgage issue defined.—

"(A) Definition.—For purposes of this title, the term 'qualified mortgage issue' means an issue by a State or political subdivision thereof of 1 or more obligations, but only if—

"(i) all proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are to be used to finance owner-occupied residences, and

(ii) such issue meets the requirements of subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l).

"(B) Good faith effort to comply with mortgage eligibility requirements.—An issue which fails to meet 1 or more of the requirements of subsections (d), (e), (f), (g), and (h) and paragraphs (4) and (5) of subsection (l) shall be treated as meeting such requirements if—

"(i) the issuer in good faith attempted to satisfy all such requirements before the mortgages were executed,

"(ii) 95 percent or more of the proceeds devoted to owner-financing was devoted to residences with respect to which (at the time the mortgages were executed) all such requirements were met, and

"(iii) any failure to meet the requirements of such subsections and paragraphs is corrected within a reasonable period after such failure is first discovered.

"(C) Good faith effort to comply with other requirements.—An issue which fails to meet 1 or more of the requirements of subsections (i), (j), and (k) and paragraphs (1), (2), and (3) of subsection (l) shall be treated as meeting such requirements if—

"(i) the issuer in good faith attempted to satisfy all such requirements, and

"(ii) any failure to meet such requirements is due to inadvertent error after taking reasonable steps to comply with such requirements.

"(3) Qualified veterans' mortgage bond defined.—For purposes of this section, the term 'qualified veterans' mortgage bond' means any obligation—

"(A) which is issued in registered form as part of an issue substantially all of the proceeds of which are to be used to provide residences for veterans,

"(B) the payment of the principal and interest on which is secured by the general obligation of a State, and

"(C) which is part of an issue which meets the requirements of subsection (l)(4).

"(d) Residence Requirements.—

"(1) For a residence.—A residence meets the requirements of this subsection only if—

"(A) it is a single-family residence which can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided, and

"(B) it is located within the jurisdiction of the authority issuing the obligation.

"(2) For an issue.—An issue meets the requirements of this subsection only if all of the residences for which owner-financing is provided under the issue meet the requirements of paragraph (1).

"(e) 3-Year Requirement.—

"(1) In general.—An issue meets the requirements of this subsection only if each mortgagor to whom financing is provided under the issue had a present ownership interest in a principal residence of such mortgagor at no time during the 3-year period ending on the date the mortgage is executed. For purposes of the preceding sentence, the mortgagor's interest in the residence with respect to which the financing is being provided shall not be taken into account.

"(2) Exceptions.—Paragraph (1) shall not apply with respect to—

"(A) any financing provided with respect to a targeted area residence,

"(B) any qualified home improvement loan, and

"(C) any qualified rehabilitation loan.

"(f) Purchase Price Requirement.—

"(1) In general.—An issue meets the requirements of this subsection only if the acquisition cost of each residence the owner-financing of which is to be provided under the issue does not exceed 80 percent of the average area purchase price applicable to such residence.

"(2) Average area purchase price.—For purposes of paragraph (1), the term 'average area purchase price' means, with respect to any residence, the average purchase price of single family residences (in the statistical area in which the residence is located) which were purchased during the most recent 12-month period for which sufficient statistical information is available. The determination under the preceding sentence shall be made as of the date on which the commitment to provide the financing is made (or, if earlier, the date of the purchase of the residence).

"(3) SEPARATE APPLICATION TO NEW RESIDENCES AND OLD RESIDENCES.—For purposes of this subsection, the determination of average area purchase price shall be made separately with respect to—

"(A) residences which have not been previously occupied, and

"(B) residences which have been previously occupied.

"(4) SPECIAL RULE FOR TARGETED AREA RESIDENCES.—In the case of a targeted area residence, paragraph (1) shall be applied by substituting '110 percent' for '80 percent'.

"(5) EXCEPTION FOR QUALIFIED HOME IMPROVEMENT LOANS.—Paragraph (1) shall not apply with respect to any qualified home improvement loan.

"(g) DOWNPAYMENT REQUIREMENT.—

"(1) 5-PERCENT REQUIREMENT.—An issue meets the requirements of this subsection only if 75 percent or more of the owner-occupied financing provided by the issue (other than qualified home improvement loans and qualified rehabilitation loans) is 95-percent financing.

"(2) 95-PERCENT FINANCING DEFINED.—For purposes of paragraph (1), financing of a residence is 95-percent financing if such financing is 95 percent or more of the acquisition cost of such residence.

"(3) LARGER DOWNPAYMENT PERMITTED IN CASE OF GRADUATED PAYMENT MORTGAGES.—For purposes of determining whether a graduated payment mortgage meets the 95-percent financing requirement of paragraph (1), the percentage of the acquisition cost of the residence which is not required to be financed by the mortgage shall be increased to the lesser of—

"(A) 10 percent of the acquisition cost, or

"(B) the sum of—

"(i) 5 percent of the acquisition cost, plus

"(ii) the excess of—

"(I) the aggregate amount payable before the crossover point under a comparable standard mortgage, over

"(II) the aggregate amount payable before the crossover point under such graduated payment mortgage.

For purposes of the preceding sentence, the crossover point is the first day of the first payment period for which the payment under the graduated payment mortgage is greater than the payment would be under a comparable standard mortgage.

"(h) INCOME REQUIREMENTS.—

"(1) IN GENERAL.—An issue meets the requirements of this subsection only if—

"(A) at least 50 percent of the owner-financing provided under the issue is provided for mortgagors whose family income is 90 percent or less of the median family income for the statistical area in which the residence is located, and

"(B) all owner-financing provided under the issue is provided for mortgagors whose family income is 115 percent or less of the median family income for the statistical area in which the residence is located.

"(2) DETERMINATION OF FAMILY INCOME.—For purposes of this subsection, the family income of mortgagors, and median family income, shall be determined under regulations prescribed by the Secretary which, to the extent not inconsistent with the purposes of this subsection, shall be consistent with the regulations prescribed under section 8 of the United States Housing Act of 1937.

"(3) SPECIAL RULE FOR TARGETED AREA RESIDENCES.—In the case of any targeted area residence, paragraph (1)(B) shall be treated as satisfied if the mortgagor's family income is 140 percent or less of whichever of the following is the greater:

"(A) the median family income for the statistical area in which such residence is located, or

"(B) the statewide median family income for the State in which such residence is located.

"(i) LIMITATION ON AGGREGATE AMOUNT OF QUALIFIED MORTGAGE BONDS ISSUED DURING ANY CALENDAR YEAR.—

"(1) IN GENERAL.—An issue meets the requirements of this subsection only if the aggregate amount of bonds issued pursuant thereto, when added to the aggregate amount of qualified mortgage bonds previously issued by the issuing authority during the calendar year, does not exceed the applicable limit for such authority for such calendar year.

"(2) 5-PERCENT LIMIT.—Except as provided in paragraph (3), the applicable limit for qualified mortgage bonds for any issuing authority for any calendar year shall be 5 percent of the average annual aggregate principal amount of mortgages executed during the immediately preceding 3 calendar years for single-family owner-occupied residences located within the jurisdiction of such issuing authority.

"(3) AT LEAST $50,000,000 MAY BE ISSUED IN EACH STATE DURING EACH CALENDAR YEAR.—If, but for this paragraph, the aggregate amount of qualified mortgage bonds which could be issued in any State during any calendar year is less than $50,000,000, the aggregate amount which may be issued by each issuing authority in such State during such calendar year (determined without regard to this paragraph) shall be increased to the amount determined by multiplying such aggregate amount by a fraction—

"(A) the numerator of which is $50,000,000, and

"(B) the denominator of which is the aggregate amount of qualified mortgage bonds which could be issued by all issuing authorities in such State during such year (determined without regard to this paragraph).

"(4) OVERLAPPING JURISDICTIONS.—Except as provided in paragraph (5), if 2 or more governmental units have authority (determined without regard to paragraph (1)) to issue qualified mortgage bonds with respect to residences in the same geographical area, for purposes of this subsection only the unit having jurisdiction over the smallest geographical area shall be treated as having issuing authority with respect to such area unless such unit agrees to surrender part or all of such authority for such calendar year to the unit with overlapping jurisdiction which has the next smallest geographical area.

"(5) STATE MAY PROVIDE DIFFERENT FORMULA.—The State may, by law enacted after the date of the enactment of this section, provide a different formula for allocating the 5-percent limitation (and, if applicable, the $50,000,000 limitation) among the governmental units in such State having authority to issue qualified mortgage bonds.

"(6) TRANSITIONAL RULES.—In applying this subsection to any calendar year, there shall not be taken into account any bond which—

"(A) was issued on or before April 24, 1979, or

"(B) by reason of section 4(b) of the Mortgage Subsidy Bond Tax Act of 1979, receives the same tax treatment as bonds issued on or before April 24, 1979.

"(j) PORTION OF LOANS REQUIRED TO BE PLACED IN TARGETED AREAS.—

"(1) IN GENERAL.—An issue meets the requirements of this subsection only if at least 20 percent of the proceeds of the issue which are devoted to providing owner-financing is made available (with reasonable diligence) for owner-financing on targeted area residences for at least 1 year after the date on which owner-financing is first made available with respect to targeted area residences.

"(2) LIMITATION.—Nothing in paragraph (1) shall be treated as requiring the making available of an amount which exceeds 40 percent of the average annual aggregate principal amount of mortgages executed during the immediately preceding 3 calendar years for single-family owner-occupied residences located in targeted areas within the jurisdiction of the issuing authority.

"(k) REQUIREMENTS RELATED TO ARBITRAGE.—

"(1) IN GENERAL.—An issue meets the requirements of this subsection only if such issue meets the requirements of paragraphs (2), (3), and (4) of this subsection. Such requirements shall be in addition to the requirements of section 103(c).

"(2) EFFECTIVE RATE OF MORTGAGE INTEREST CANNOT EXCEED BOND YIELD BY MORE THAN 1 PERCENTAGE POINT.—

"(A) IN GENERAL.—An issue shall be treated as meeting the requirements of this paragraph only if the excess of—

"(i) the effective rate of interest on the mortgages provided under the issue, over

"(ii) the yield on the issue, is not greater than 1 percentage point.

"(B) EFFECTIVE RATE OF MORTGAGE INTEREST.—

"(i) IN GENERAL.—In determining the effective rate of interest on any mortgage for purposes of this paragraph, there shall be taken into account all fees, charges, and other amounts borne by the mortgagor which are attributable to the mortgage or to the bond issue.

"(ii) SPECIFICATION OF SOME OF THE AMOUNTS TO BE TREATED AS BORNE BY THE MORTGAGOR.—For purposes of clause (i), the following items (among others) shall be treated as borne by the mortgagor:

"(I) all points or similar charges paid by the seller of the property, and

"(II) the excess of the amounts received from any person other than the mortgagor by any person in connection with the acquisition of the mortgagor's interest in the property over the usual and reasonable acquisition costs of a person acquiring like property where owner-financing is not provided through the use of qualified mortgage bonds.

"(iii) SPECIFICATION OF SOME OF THE AMOUNTS TO BE TREATED AS NOT BORNE BY THE MORTGAGOR.—For purposes of clause (i), the following items shall not be taken into account:

"(I) any expected rebate of arbitrage profits, and

"(II) any application fee, survey fee, credit report fee, insurance charge, or similar amount to the extent such amount does not exceed amounts charged in such area in cases where owner-financing is not provided through the use of qualified mortgage bonds.

Subclause (II) shall not apply to origination fees, points, or similar amounts.

"(iv) PREPAYMENT ASSUMPTION.—In determining the effective rate of interest, it shall be assumed that the mortgage prepayment rate will be the rate set forth in the most recent mortgage maturity experience table published by the Federal Housing Administration for the State (or, if available, the area within the State) in which the residences are located.

"(C) YIELD ON THE ISSUE.—For purposes of this subsection, the yield on the issue shall be determined on the basis of—

"(i) the issue price (within the meaning of section 1232(b)(2)), and

"(ii) an expected maturity for the bonds which is consistent with the assumption required under subparagraph (B)(iv).

"(3) NON-MORTGAGE INVESTMENT REQUIREMENTS.—

"(A) IN GENERAL.—An issue meets the requirements of this paragraph only if—

"(i) at no time during any bond year may the amount invested in non-mortgage investments with a yield higher than the yield on the issue exceed 150 percent of the debt service on the issue for the bond year, and

"(ii) the aggregate amount invested as provided in clause (i) is promptly and appropriately reduced as mortgages are repaid.

"(B) Exception for temporary periods.—Subparagraph (A) shall not apply to—

"(i) proceeds of the issue invested for an initial temporary period until such proceeds are needed for mortgages, and

"(ii) temporary investment periods related to debt service.

"(C) Debt service defined.—For purposes of subparagraph (A), the debt service on the issue for any bond year is the scheduled amount of interest and amortization of principal payable for such year with respect to such issue. For purposes of the preceding sentence, there shall not be taken into account amounts scheduled with respect to any bond which has been retired before the beginning of the bond year.

"(4) Arbitrage and investment gains to be used to reduce costs of owner-financing.—

"(A) In general.—An issue shall be treated as meeting the requirements of this paragraph only if an amount equal to the sum of—

"(i) the excess of—

"(I) the amount earned on all non-mortgage investments (other than investments attributable to an excess described in this clause), over

"(II) the amount which would have been earned if the investments were invested at a rate equal to the yield on the issue, plus

"(ii) any income attributable to the excess described in clause (i),

shall be paid or credited to the mortgagors as rapidly as may be practicable.

"(B) Investment gains and losses.—For purposes of subparagraph (A), in determining the amount earned on all non-mortgage investments, any gain or loss on the disposition of such investments shall be taken into account.

"(l) Other Requirements.—

"(1) State opinion that issue meets federal requirements.—An issue meets the requirements of this subsection only if a preliminary official statement of such issue has been submitted to a State agency and—

"(A) such agency has, within 30 days after the date of such submission, issued an opinion that such issue meets the requirements of subsections (i) and (j) of this section, or

"(B) 30 days have elapsed since such submission and during such 30-day period the State agency has not issued an opinion that the issue does not meet the requirements of subsections (i) and (j) of this section.

"(2) Obligations must be registered.—An issue meets the requirements of this subsection only if each obligation issued pursuant to such issue is in registered form.

"(3) Requirement of more than 1 lender.—

"(A) In general.—Except as provided in subparagraph (B), an issue meets the requirements of this subsection only if the mortgages are originated by 2 or more persons.

"(B) Exceptions.—Subparagraph (A) shall not apply if—

"(i) due diligence was exercised in offering an opportunity to participate and not more than 1 person was willing and able to originate the mortgages, or

"(ii) a sound public purpose is served by having 1 person originate all owner-financing provided under the issue.

"(4) Mortgages must be new mortgages.—

"(A) In general.—An issue meets the requirements of this subsection only if no part of the proceeds of such issue is to be used to acquire or replace existing mortgages.

"(B) Exceptions.—Under regulations prescribed by the Secretary, the replacement of—

"(i) construction period loans,

"(ii) bridge loans or similar temporary initial financing, and

"(iii) in the case of a qualified rehabilitation, an existing mortgage,

shall not be treated as the acquisition or replacement of an existing mortgage for purposes of subparagraph (A).

"(5) Certain requirements must be met where mortgage is assumed.—An issue meets the requirements of this subsection only if a mortgage with respect to which owner-financing has been provided under such issue may be assumed only if the requirements of subsections (d), (e), (f), and (h) are met with respect to such assumption.

"(m) Targeted Area Residences.—

"(1) In general.—For purposes of this section, the term 'targeted area residence' means a residence in an area which is either—

"(A) a qualified census tract, or

"(B) an area of chronic economic distress.

"(2) Qualified census tract.—

"(A) In general.—For purposes of paragraph (1), the term 'qualified census tract' means a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income.

"(B) Data used.—The determination under subparagraph (A) shall be made on the basis of the most recent decennial census for which data are available.

"(3) Area of chronic economic distress.—

"(A) In general.—For purposes of paragraph (1), the term 'area of chronic economic distress' means an area of chronic economic distress—

"(i) designated by the State as meeting the standards established by the State for purposes of this subsection, and

"(ii) the designation of which has been approved by the Secretary and the Secretary of Housing and Urban Development.

"(B) Criteria to be used in approving state designations.—The criteria used by the Secretary and the Secretary of Housing and Urban Development in evaluating any proposed designation of an area for purposes of this subsection shall be—

"(i) the condition of the housing stock, including the age of the housing and the number of abandoned and substandard residential units,

"(ii) the need of area residents for owner-financing under this section, as indicated by low per capita income, a high percentage of families in poverty, a high number of welfare recipients, and high unemployment rates,

"(iii) the potential for use of owner-financing under this section to improve housing conditions in the area, and

"(iv) the existence of a housing assistance plan which provides a displacement program and a public improvements and services program.

"(n) Other Definitions and Special Rules.—For purposes of this section—

"(1) Mortgage.—The term 'mortgage' includes any other owner-financing.

"(2) Bond.—The term 'bond' includes any obligation.

"(3) State.—The term 'State' includes a possession of the United States and the District of Columbia.

"(4) Statistical area.—

"(A) In general.—The term 'statistical area' means—

"(i) a standard metropolitan statistical area, and

"(ii) any county (or the portion thereof) which is not within a standard metropolitan statistical area.

"(B) Standard metropolitan statistical area.—The term 'standard metropolitan statistical area' means the area in and around a city of 50,000 inhabitants or more (or equivalent area) as defined by the Secretary of Commerce.

"(C) Designation where adequate statistical information not available.—For purposes of this paragraph, if there is insufficient recent statistical information with respect to a county (or portion thereof) described in subparagraph (A)(ii), the Secretary may substitute for such county (or portion thereof) another area for which there is sufficient recent statistical information.

"(D) Designation where no county.—In the case of any portion of a State which is not within a county, subparagraphs (A)(ii) and (C) shall be applied by substituting for 'county' an area designated by the Secretary which is the equivalent of a county.

"(5) Acquisition cost.—

"(A) In general.—The term 'acquisition cost' means the cost of acquiring the residence as a completed residential unit.

"(B) Exceptions.—The term 'acquisition cost' does not include—

"(i) usual and reasonable settlement or financing,

"(ii) the value of services performed by the mortgagor or members of his family in completing the residence, and

"(iii) the cost of land which has been owned by the mortgagor for at least 2 years before the date on which construction of the residence begins.

"(C) Special rule for qualified rehabilitation loans.—In the case of a qualified rehabilitation loan, for purposes of subsection (f), the term 'acquisition cost' includes the cost of the rehabilitation.

"(6) Qualified home improvement loan.—The term 'qualified home improvement loan' means the financing (in an amount which does not exceed $15,000)—

"(A) of alterations, repairs, and improvements on or in connection with an existing residence by the owner thereof, but

"(B) only of such items as substantially protect or improve the basic livability of the property.

"(7) Qualified rehabilitation loan.—

"(A) In general.—The term 'qualified rehabilitation loan' means any owner-financing provided in connection with—

"(i) a qualified rehabilitation, or

"(ii) the acquisition of a residence with respect to which there has been a qualified rehabilitation,

but only if the mortgagor to whom such financing is provided is the first resident of the residence after the completion of the rehabilitation.

"(B) Qualified rehabilitation.—For purposes of subparagraph (A), the term 'qualified rehabilitation' means any rehabilitation of a building if—

"(i) there is a period of at least 20 years between the date on which the building was first used and the date on which the physical work on such rehabilitation begins,

"(ii) 75 percent or more of the existing external walls of such building are retained in place as external walls in the rehabilitation process, and

"(iii) the expenditures for such rehabilitation are 25 percent or more of the mortgagor's adjusted basis in the residence.

For purposes of clause (iii), the mortgagor's adjusted basis shall be determined as of the completion of the rehabilitation or, if later, the date on which the mortgagor acquires the residence.

"(8) Determinations on actuarial basis.—All determinations of yield, effective interest rates, and amounts required to be paid or credited to mortgagors under subsection (k)(4)(A) shall be made on an actuarial basis taking into account the present value of money.

"(o) Special Rule for Issue Used for Owner-Occupied Housing and Rental Housing.—In the case of an issue—

"(1) part of the proceeds of which are to be used for mortgages on owner-occupied residences in a manner which meets the requirements of this section, and

"(2) part of the proceeds of which are to be used for rental housing which meets the requirements of section 103(b)(4)(A),

under regulations prescribed by the Secretary, each such part shall be treated as a separate issue.

"(p) Advance Refunding of Mortgage

SUBSIDY BONDS NOT PERMITTED.—On and after the date of the enactment of this section, no obligation may be issued for the advance refunding of a mortgage subsidy bond (determined without regard to subsection (b)(2))."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 103 the following new item:

"Sec. 103A. Mortgage subsidy bonds."

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H.R. 3947

By Mr. DOUGHERTY:

(To the committee amendment.)

—Strike out subsections (c) and (d) of the matter proposed to be inserted by the committee amendment (page 54, lines 8 through 25) and insert in lieu thereof the following (and redesignate the succeeding subsection accordingly):

(c) No action with respect to the proposed closure or the realignment of Fort Indiantown Gap, Annville, Pennsylvania, or New Cumberland Army Depot, New Cumberland, Pennsylvania shall be taken until the Secretary of the Army has conducted a study of the economic impact on central Pennsylvania of (1) the proposed closure or realignment, as the case may be, of each such military installation, and (2) the recent nuclear accident that occurred at Three Mile Island, Middletown, Pennsylvania.

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# EXTENSIONS OF REMARKS

## JAMES M. CARTER—DISTINGUISHED FEDERAL JUDGE

### HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. DANIELSON. Mr. Speaker, I bring to your attention and that of our colleagues a significant anniversary in the career of a great public servant which will be observed this afternoon in San Diego, Calif.

It is a great pleasure for me to announce that today, at 3 p.m., the U.S. Court of Appeals for the Ninth Circuit will convene in a special session in the U.S. Courthouse in San Diego to honor Circuit Judge James M. Carter who will be completing 30 years of distinguished service as a Federal judge. Chief Judge James R. Browning of the Ninth Circuit will preside, and there will be several speakers representing the bench, the bar, and the public. I regret that due to our heavy calendar of business here in Washington I cannot personally attend.

Judge Carter has had an outstanding career. Born in Santa Barbara, Calif., on March 11, 1904, he received his early education in the California public schools and graduated from San Fernando High School in 1920. He later received his A.B. degree from Pomona College, attended Harvard Law School for 1 year and graduated from the University of Southern California Law School with the degree of juris doctor in 1927.

He engaged in the general practice of law in Los Angeles following his graduation until July of 1940 when Governor Olson appointed him director of the Department of Motor Vehicles for the State of California. In 1943 he was appointed assistant U.S. attorney in Los Angeles, and was appointed U.S. attorney by President Truman in July of 1946. In October 1949 he was appointed U.S. District Judge by President Truman, and was appointed U.S. Circuit Judge for the Ninth Circuit on December 1, 1967. Judge Carter accepted status as senior U.S. Circuit Judge on September 30, 1971, but has remained active, carrying a substantial caseload since that time. In January 1972, he was appointed as a member of the Temporary Emergency Court of Appeals by the Chief Justice of the United States.

It has been a personal privilege for me to have known Judge Carter for more than 30 years. I first met him in 1948 when I applied for a job as an assistant when he was U.S. attorney in Los Angeles, and I am eternally grateful that he provided me with the opportunity to begin my career at the bar. Judge Carter was a magnificent U.S. attorney; no U.S. attorney's office could have had higher morale than that which prevailed in his office. Under his direction the duties of the office were carried out vigorously and fairly. I clearly remember his commending to his staff of the mandate of Justice Sutherland in his decision in *Berger* v. *United States,* 1935, 295 U.S. 78, 88:

> The United States Attorney is the representative not of an ordinary party to a controversy, but of a sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all; and whose interest, therefore, in a criminal prosecution is not that it shall win a case, but that justice shall be done. As such, he is in a peculiar and very definite sense the servant of the law, the twofold aim of which is that guilt shall not escape or innocence suffer. He may prosecute with earnestness and vigor—indeed, he should do so. But, while he may strike hard blows, he is not at liberty to strike foul ones. It is as much his duty to refrain from improper methods calculated to produce a wrongful conviction as it is to use every legitimate means to bring about a just one.

After Judge Carter assumed the bench his role in the administration of justice was changed. Yet I know from personal experience and from numerous comments I have received from those who have handled litigation before him as a judge, and who have been his colleagues on the bench, that he has continued to follow the precepts of fairness and evenhandedness which are so well epitomized in the Berger decision.

Mr. Speaker, I am sure that you, and all of our colleagues, join with me in expressing our thanks to Judge Carter for his many contributions to the administration of justice and wish him health and happiness throughout the rest of his career.●

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## PEACEFUL MISSOURI COUNTRYSIDE IS A FIRST-STRIKE TARGET

### HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. SKELTON. Mr. Speaker, the October 14, 1979, Kansas City Star carried a guest editorial that I wrote concerning the importance of civil defense, entitled "Peaceful Missouri Countryside Is a First-Strike Target." I wish to share this article with the Members of this body, which is set forth as follows:

PEACEFUL MISSOURI COUNTRYSIDE IS A FIRST-STRIKE TARGET

(By IKE SKELTON)

Recently, I was asked what is unique, what is different about the 4th Congressional District of Missouri, the district I represent in the United States Congress. My first inclination—when asked such an open-ended question—is to provide an answer from a wealth of delightful images acquired after years of traveling the roads of west-central Missouri.

There are the softly rolling green hills of Lafayette County. The Saline County back roads lined on both sides with 7-foot-high corn—some of the best in the nation. Down in Vernon County on a cold snowy winter's day you can see the stark beauty of a weathered barn against the backdrop of flat land and an early twilight sky.

The people here are special. From the gentle sternness seen in the face of the late President Harry Truman of Independence to the stubborn, intelligent opinions voiced by a Benton County farmer. From the excited laughter of rural and urban people at the Missouri State Fair to the smiles and quiet talk of a small brother and sister playing after school in their front yard in Warrensburg.

These lovely images make west-central Missouri very special. But this area of the state has something which sets it apart from most every place in the world. Western Missouri is a potential holocaust. We have our own terrifying Damoclean sword. It is the 150 Minuteman Intercontinental Ballistic Missiles located throughout Missouri's 4th Congressional District.

They are one of the nine missile fields in America that make up part of our national strategic defense. Experts in Washington agree if there were ever a nuclear assault against the United States, western Missouri would be among the first areas attacked.

An attack would mean that this part of Missouri would be turned from gently rolling hills, small towns and suburban housing into an inferno—a hell on earth.

Here is what the area just east of Independence, south of the Missouri River, north of Lamar and west of the Lake of the Ozarks would look like. There would be 150 huge craters created by an enemy using two one megaton nuclear bombs on each of the missile silos located here.

Each crater would be about as deep as a 35-story building is tall and about one-quarter of a mile wide. The wind created by the nuclear explosion would be approximately 400 miles an hour as far as two miles from where the bomb landed. By comparison, tornadoes are about 200 to 300 miles an hour. Then there is the heat.

Two miles from the point of impact it would still be hot enough to incinerate an unprotected human being. At ground zero, people, large and small buildings—everything—would be vaporized. The wind velocity and heat there are impossible to imagine. Remember, these things are happening at only one missile silo. Identical horrors are being repeated 149 other times throughout west-central Missouri.

There is a way to protect thousands of people in this region if we start acting now. The answer is civil defense. Don't laugh. It's true. This relic from the cold war era does have the potential for saving many lives here. But there is one major problem. As protection against nuclear weapons it is currently ineffective, but we can change things. That is why immediate planning is necessary. Although local civil defense officials, who are very professional and dedicated, have been doing a yeoman's task in trying to meet the demands of this problem, the federal government must carry the ball. The ultimate responsibility is with Congress and the White House.

There are about 10 million people (5 percent of the U.S. population) who are in high risk areas similar to the one in west-central Missouri. This generally means people living near missile silos, Strategic Air Command bomber bases and nuclear submarine bases.

There are only two types of effective protection if there is a nuclear strike against western Missouri. Presently we have neither. One is blast shelters. Only these have the potential for withstanding the tremendous force caused by a nuclear explosion. It's the strongest kind of in-place protection known to us. Of course, certain caves would suffice as blast shelters. These types of shelters would be necessary if there were only 15 minutes to one-half hour of warning before an attack. It takes a missile about 30 minutes to get here from the Soviet Union. The second type of protection involves moving people from these high risk areas, if there is enough time, to areas that are not likely to be targets. This second approach is called crisis relocation. It is based on the assumption there would be several days of heightened international tension before a war. This period would give us enough time to evacuate. We would need two or three days.

Blast shelters are very expensive, although a number of countries have been constructing such facilities. They are Switzerland, Sweden and Finland. It would cost about $3 to $4 billion to build blast shelters for the 10 million people in high risk areas.

By comparison, crisis relocation, although it is criticized by many experts, would cost relatively little, with large costs not seen until evacuation actually took place.

So, what are the chances for the people in west-central Missouri having blast shelters or a crisis location plan? The experience in the 1950s was that very few people were willing to construct even flimsy fallout shelters at their expense. Remember, the missiles have been with us in Missouri since the early 1960s and there have been no great efforts to install shelters here. There are other possibilities. One is to offer tax breaks to people who build blast shelters in their homes.

We don't know how successful this would be, although mandatory construction, with partial or full subsidy, has proved a practical approach in a number of European countries for developing shelters in single-family homes, apartments and commercial structures.

As for crisis relocation, there is now a plan on paper for west-central Missouri. I feel crisis relocation has the potential for working, even with its inherent problems. Besides, we may not have an alternative. Blast shelters for the people in western Missouri and the other Americans who also are prime targets may not be politically and financially possible.

I would be surprised if the White House and the Congress were to agree in the near future on a civil defense shelter program that will cost several billion dollars for 10 million people. I've already been presented the argument that the federal government should provide protection of this type for every American and not just a relative few.

Of course, the cost for sheltering every American would be prohibitive.

My position is that the people in western Missouri and other Americans who find themselves under the nuclear gun deserve special protection—either a crisis relocation plan we know will work and/or a shelter plan able to withstand the blast of a nuclear explosion. After all, these people didn't ask to have missiles put in their backyards and yet they well understand the necessity of a strong national defense so they aren't protesting against them.

At the beginning of this article, I said the people of west-central Missouri make this a pleasant and special area of the nation. When you look at what they have done—become sitting ducks for the benefit of 200 million other Americans—I think these uncommon people deserve special attention. Congress and the White House must lead the way and there must be public support.●

## THE AGING MORK AND MINDY HAVE FOUND A NEW CAUSE

### HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. DANIEL B. CRANE. Mr. Speaker, recently the Decatur (Ill.) Herald, which serves a large portion of my district, editorialized on the need for prudence and restraint on the part of those engaged in antinuclear rhetoric and demonstrations.

We have recently witnessed the pitiful antics of the two aging protestors Mork and Mindy (also known as Tom Hayden and Jane Fonda), as they attempt to recapture their youth via mass demonstrations.

The Decatur Herald has put this matter in perspective, and I commend the editorial to my colleagues.

NUCLEAR ISSUE MORE DIFFICULT

With its entourage of rock singers and film stars, the anti-nuclear rallies in New York City and elsewhere seemed almost like the anti-war demonstrations of the 1960s.

Heading the New York parade of stars was actress Jane Fonda and her husband Tom Hayden, once a leader of the anti-war movement and now possessed of political ambitions. Also with them on the New York platform was Ralph Nader.

In some ways, their "war" against nuclear plants is more difficult than the one against the Vietnam war.

All through Vietnam public opinion continued to shift against the war, due partly to the growing number of protests and demonstrations.

But the Vietnam protestors were aided by other factors which may be absent from the nuclear issue.

People were constantly reminded of the war through flickering images on nightly television newscasts, and, more important, by growing casualty rates from the front.

Television news will cover the nuclear protests only as events warrant. As for casualties, even the near disaster at Three Mile Island resulted in no loss of life or even serious injury. How close we came to disaster remains a matter of dispute.

In Vietnam people could see and perceive events and react according to their own sense of values. Seldom was it necessary to become involved in technical questions of military strategy or diplomacy.

A portion of nuclear politics is involved in broad policy questions. Washington University environmentalist Barry Commoner makes a distinction between democratic and undemocratic forms of energy.

For Commoner, nuclear energy, synthetic fuels manufactured from coal and petroleum are essentially undemocratic because their production and distribution is limited to giant corporations.

Solar energy and the production of synthetic fuels from agricultural products are, in Commoner's view, potentially more democratic because production can be spread around to more people. Nearly every farmer, for instance, can build a still to manufacture alcohol for the production of fuel.

But beyond the manner of producing and distributing energy are numerous technical questions which may be beyond the capacity of a protest movement to resolve.

Among signs at the rally in New York was one demanding that the nation turn away from atomic power to safe forms of energy.

But the problem is that all energy carries risks. Coal offers environmental hazards plus high risk of injury and death to miners.

Natural gas poses fewer environmental problems but supplies are frequently short and cost is rising.

Even solar energy could take huge chunks of land for storage ponds and could cut further into land available for agricultural production.

One reason gasohol is popular now is the availability of a surplus of corn and sugar, beets. But a continued surplus will depend to an extent on the availability of agricultural land.

As an issue Vietnam could be dramatized and isolated in ways that will prove difficult in dealing with energy.

Vietnam protesters could quite easily say, "Hell no, I won't go" or even "Yankee come home" without having to deal with other matters.

But the question of nuclear energy also involves jobs, other sources of energy, capital formulations, relative safety of different forms of energy, and the like.

Simply demanding that "nukes" be replaced won't create another source of energy. Slogans won't keep people warm no matter how many people show up at a rally.●

## COMMENT ON OREGON'S PROJECT RELATING ETHICS TO MEDICAL COSTS

### HON. ROBERT DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. DUNCAN of Oregon. Mr. Speaker, on September 18 I inserted as an extension of remarks an article extracted from the American Medical News of September 14. The article, "Oregon Educator Emphasizes Ethics as Basis for Cost-Related Medical Decisions," described an innovative program created, developed and implemented at the University of Oregon Health Sciences Center in Portland, Oreg. The program, designed to teach medical students the true social and ethical costs of medical treatment and hospitalization, is the work of Drs. Joyce Atlee Campbell and Michael T. Mackler. Though inserted in full exactly as it appeared in the AMA's News, the article omitted the names of these two physicians.

I applaud the efforts of all personnel involved in the project at the Health Sciences Center, and especially congratulate Drs. Campbell and Mackler on their creativity and hard work.

## OCCUPATIONAL SAFETY FOR FEDERAL EMPLOYEES

### HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. CLAY. Mr. Speaker, today I am introducing the "Federal Employee Occupational Safety and Health Act of 1979." This bill will make available to Federal and postal employees many of the safety and health protections which are already available to employees in the private sector.

When Congress enacted the Occupational Safety and Health Act of 1970, Federal employees were excluded from coverage. In addition, there has been uneven compliance with Executive Order 11807, which details the health and safety obligations of Federal agencies. At Hill Air Force Base in Utah, Federal civilian employees were exposed to dangerous levels of toxic chemicals. At the old Biscayne Postal Facility in Miami, Fla., there is reason to believe that postal employees may have been exposed to unacceptably high levels of cancer-producing asbestos fibers. In Mechanicsburg, Pa., it was reported that a dozen workers at the Defense Supply Depot were exposed to a significant level of PCB, a chemical which produces liver damage, birth defects, and various skin diseases.

Mr. Speaker, these and other examples are some of the reasons why injuries and accidents have risen from 1 among every 23 Federal employees in 1974, to 1 among every 16 Federal employees in 1977. Were it possible to bring the Occupational Safety and Health Act of 1970 to the floor without crippling amendments, I would recommend strengthening its provisions covering Federal employees. Instead, my bill affords Federal employees a safe and healthful work environment by amending title 5 of the U.S. Code. The bill makes the Office of Personnel Management the enforcing authority with responsibility to issue citations for violations of Federal safety and health laws; the Occupational Safety and Health Review Commission is the adjudicatory authority with the right to impose civil sanctions; and judicial review is available to aggrieved parties.

The principle provisions of the Federal Employee Occupational Safety and Health Act of 1979 are as follows:

Covers executive agencies, the Postal Rate Commission, and the U.S. Postal Service.

Requires that each agency maintain a safe and healthful work environment and that each agency and employee comply with Federal safety and health standards.

Authorizes the Office of Personnel Management (OPM) to conduct unannounced inspections and investigations and requires that agencies maintain and make available adequate safety and health records.

Requires that OPM issue citations for violations of Federal safety and health standards and establishes enforcement procedures.

Authorizes the Occupational and Health Review Commission (OSHRC) to impose civil penalties upon agencies for failure to comply with OPM citations.

Provides for court review of OSHRC orders by agencies and OPM and prohibits discharge or discrimination against employees for complaining, testifying, or otherwise asserting rights afforded by this bill.

Authorizes the OPM to take steps to restrain agency conditions which could cause death or serious harm to employees.

Authorizes the OPM to provide training, education, and consultation with agencies and authorizes agencies to conduct preventive health programs for employees.●

## RECENT ACTION OF INTERSTATE COMMERCE COMMISSION MAY NOT BE PROPER

### HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. HARSHA. Mr. Speaker, as you, our colleagues, and I know, section 8 of article I of the U.S. Constitution vests exclusively in the Congress the power to regulate commerce among the several States. Even though we know that fact, recent actions by the Interstate Commerce Commission have led me to the belief that that Agency does not.

Yesterday, I mailed to each Commissioner of the ICC a letter expressing my concerns about several of their recent actions which I would like to share with you:

OCTOBER 15, 1979.

DEAR COMMISSIONER: I have reviewed the notice of intent to open rulemaking decided by the Commission on September 20, 1979, docketed as Ex Parte No. MC–135, Master Certificates and Permits.

While I have knowledge of the issues involved in the proceeding, I have no desire at this time to express myself in any manner as to the merits of "possibly easing entry requirements in several specialized fields of for-hire motor carrier transportation" or as to "the appropriate relationship between easier entry, and a zone of reasonableness for rates . . ."

I will reserve my expressions on these subjects as they come before the Congress, and that brings me to the primary purpose of this letter.

I was of the opinion that the ICC was aware that the appropriate Committees of the Congress are actively engaged in consideration of legislation relating directly to the issues embraced in Ex Parte No. MC–135. I refer specifically to H.R. 4549, H.R. 4550 and H.R. 4586. To date, the Surface Transportation Subcommittee of the House Public Works and Transportation Committee, of which I am the Ranking Minority Member, has held four days of regional hearings. Additional hearings are scheduled. We are hearing from and will hear from the same categories of witnesses you mention in your notice—shippers, carriers, government agencies, academic and public policy institutions and concerned private citizens.

Thus, I appreciate your unusual action of serving a copy of the notice upon every Member of the Congress. I say "unusual" because a few months ago the ICC indicated to the Congress that it did not desire communications from Members expressing their views on issues pending before the ICC.

I also appreciate the specific remarks of Commissioner Gresham on this issue. He is correct—the questions he raises must be answered by the Congress before the ICC makes any further substantial changes in the areas of entry and ratemaking. Ex Parte No. 297, with its impact on collective ratemaking, obviously falls within the same category as Ex Parte No. MC–135. Commissioner Gresham is also correct when he states "This Commission has no authority beyond that expressly delegated to it by Congress."

I hereby request, in light of the current Congressional review of your delegated authority, that further proceedings in Ex Parte No. MC–135 and Ex Parte 297 be suspended until Congress has clearly set forth the direction the ICC should take in these matters.

Sincerely,

WILLIAM H. HARSHA.●

## A SALUTE TO THE SANTA MONICA HOSPITAL MEDICAL CENTER AUXILIARY

### HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. DORNAN. Mr. Speaker, one of the great and unique characteristics of our Nation has been its spirit of voluntarism.

There is one such volunteer organization back in my 27th District of California, which for the past 37 years has been a great asset to the community of Santa Monica, Calif. This organization, the Santa Monica Hospital Medical Auxiliary, founded in 1942, has been working on behalf of the medical center to maintain good public relations in the community, to provide volunteer services for the hospital, to open new financial resources for the hospital, and to promote medical careers among the area's young.

On Thursday, October 25, the 470 members of the auxiliary are going to celebrate a notable event; the raising of a total of $1 million for the medical center. This milestone has been attained by the many diverse fund-raising efforts of the auxiliary, such as a gift shop, thrift shop, art shows, Christmas card sales, and membership dues. This $1 million has been used for the benefit of such departments as radiology, nuclear medicine, cardiology, maternity, and pediatrics.

A hospital stay can be an anxiety provoking experience for some. But the auxiliary also conducts programs which will benefit the patients by making their visits more pleasant, such as teas for expectant parents, flowers on Mother's Day for mothers, prayer booklets, and puppets for the children.

I would like to extend my sincere thanks and congratulations to the medical center auxiliary members for the valuable work they have done over the years. I am sure you have earned the gratitude of the citizens of Santa Monica.●

## POSITIVE COMMENTS FROM A CONSTITUENT

## HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. MITCHELL of New York. Mr. Speaker, occasionally a letter from a constituent deserves wider dissemination and accordingly I place the following in the RECORD:

GFM MACHINES INC.,
*October 5, 1979.*

**Subject: Cuba and SALT II.**

Hon. DONALD J. MITCHELL,
*Rayburn House Office Building,*
*Washington, D.C.*

DEAR DON: I know you like to receive the comments of people in your district. Accordingly, I will present mine regarding the problem of Russian combat troops in Cuba and the SALT II treaty.

First, I believe it is necessary that we recognize that this is 1979 and not 1962. Unfortunately, President Carter did not have the options available to President Kennedy during the Cuban missile crisis. In 1962 the United States had nuclear superiority, unchallenged naval power, as well as unmatched conventional forces. In short, strategic tactical power the Soviets could not match.

Today, the Soviet Union's navy can challenge any task force the United States could send into the area or any other part of the world for that matter. They have a nuclear missile force equal to (if you believe reports from Washington) but more likely superior (if you use more reliable information).

Personally, I was pleased by the development of Russian combat forces in Cuba. An uneasiness about the United States global retreat all over the world has been developing among the American people and our allies for a long time. It appeared that this fact was beginning to dawn on the people in Washington. The presence of Russian combat troops in Cuba presented the possibility to draw the line and that line should have been drawn a long time ago. For once the President had Congress and the American people behind him. The President, it seems, understood this as he stated with strength he would not permit a status quo on the Russian troops issue. Then came his speech in which he chose political expediency and did exactly what he stated he would not do, and accepted a status quo. In addition, he threw the ball which he has consistently shown an inability to handle, into the hands of the Senate by stating that failure to ratify the SALT II treaty would create a crisis much greater than the Russian combat troops in Cuba. His weak responses of sending a few ships into the Caribbean, military units in Florida, renewed surveillance flights over Cuba (which he should have never stopped in the first place) and promise to defend nations in South America, together with beefing up the U.S. forces at Guantanamo are completely inadequate. They are nothing more than cosmetic attempts to save face before the American people and the watching world.

I would like to make known that I am strongly against SALT II in its present form. Contrary to the statements of the President (who needs passage for political reasons) it is not in its present form a proper treaty. Those who back it march down the road of appeasement, and appeasement leads to war. If modern history teaches us anything, it is this undeniable fact.

No one wants war. A statement often made, but not true. From the dawn of history wars have been fought, and they were started by countries that perceived they could only accomplish their objectives by armed conflict. Wars are started and for a purpose.

SALT I was a complete failure. It did not lessen the danger of war, it increased it. SALT II, if ratified in its present form, will further increase the risk of war. Both SALT I and SALT II deal primarily with nuclear ballistic missiles. In my judgment the next war will not be fought with nuclear ballistic missiles. It is further my opinion there will be a war (started by the Soviet Union) sometime between now and 1985. During the last fourteen years I have spent 4½ years in Europe. During that period I have watched the Soviet Union not only building up their conventional armed capability in all areas, but the most efficient industry which exists in the world today to produce that military equipment on a continuing basis. This includes every area . . . land, sea, and air.

Our company represents seven Austrian machine tool builders in the United States and Canada. In addition, I have connections with a great many other machine tool companies in Europe. With few exceptions the tremendous flow of the latest and technically advanced machines sold to the Soviet Union and the Eastern Block countries have been for the production of arms. I have spent hundreds of hours with influential people of the machine tool industry of Europe who supplied these machines. In addition, with the representatives of the Eastern Block countries and the Soviet Union who were in charge of the plants who received this equipment. I have relatives and friends who are continually in the Eastern Block countries and the Soviet Union involved with the negotiations for purchase of this equipment, and then the technical engineering work to establish the equipment in the production plants where the equipment is to be used.

The Soviet Union now has the most powerful military establishment and armed forces the world has ever known. The power of the Soviet Union is tremendous in all areas. This is not news to you. You stated in a recent article in the Herkimer Evening Telegram that the Soviet Union leads the United States in seventeen out of every twenty categories. What you are also, I am sure, aware of (or should be) is that they also have the ability to replace equipment rapidly as it is destroyed in combat. Look back at the Six Day War in the Middle East for a lesson in how fast military equipment of all types is destroyed on both sides in only a limited small war. Today, the United States does not have the conventional military equipment to match the Soviet Union, but even worse, we do not have the capability to produce it on a scale which even starts to approach that of the Soviet Union and Eastern Block countries. These are facts. Doesn't this trouble you? Doesn't it trouble the other members of the Armed Services Committee? If it doesn't, it should. The United States is facing a war we are not prepared to fight, and have no chance of winning.

Let's take a hypothetical situation. The Russians and Warsaw Pact countries invade Western Europe through upper Austria and across the plains of Germany. Based on all the information I have, and from what I have personally observed, it would take them between ten to fourteen days to reach the coast of Spain. Present NATO forces could not stop them. You, of course, counter with the fact I have left out our tremendous nuclear capability for a retaliatory strike against the Soviet Union itself; the so called nuclear umbrella to protect Western Europe. Based on the facts as we know them today the nuclear retaliation as a means of protecting Western Europe is a myth. It does not in reality exist.

Make an honest appraisal. If you were president in such a situation, would you push the button to release our missiles in the full knowledge of the fact that in the return exchange a minimum of 70 million Americans would die immediately, and millions more over a period of time due to radioactive fallout? You know the answer. So do I. Any president would rationalize that national interest would not be served by meeting our commitment to Western Europe. The decision should be easy because the American Government has found lately that meeting our commitments are secondary when it does not serve what is termed the national interest. I don't need to provide examples. You know better than I. However, what you may not know as well as I is the perception of that fact by the people of Western Europe and much of the rest of the world as well. In an emergency would America meet our commitments to defend Western Europe? Ask that question of Europeans. They don't think so.

Our previous Secretary of State doesn't think so by his recent statement to our allies in Europe that they should not depend so heavily on our nuclear umbrella to protect them in the event of an attack on Western Europe by the Soviet Union. What is worse, the Soviet Union's plans are predicated on that belief. In such a situation the nations of Western Europe would have two choices. Complete destruction, or seeking accommodations with the Soviet Union. Europeans are realistic and would accept the latter. A short conventional war, with an advance of only a short distance into Europe, and a settlement of accommodation with Western Europe will leave the Soviet military might intact.

Perhaps our perspectives are different. Your relatives live in the United States. Mine live in upper Austria just a few short miles from borders of three Warsaw Pact countries. I have spent more time in Europe than you have spent in Washington. However, my perspectives are not based on emotions, but rather on sound reasoning.

With Europe neutralized, the Soviet Union could then face the Chinese threat effectively.

The Soviet Union is preparing for war. That preparation began a long time ago. The Cuban missile crisis of 1962 accelerated it. SALT I and détente (a one way street) allowed the Soviet Union the world atmosphere they desired to proceed and accelerate their preparation. I recognize that these are statements no one in the United States wants to hear. Many refuse even when presented with uncontested facts to believe it. Over forty years ago no one wanted to believe Germany was preparing for war with the ultimate objective of world conquest. The parallels between that period and this period (particularly 1938 and 1979) are surprising when reviewed in detail. America and Europe were not perceptive then, and the American Government is even less perceptive now regarding the Soviet threat. The global plan of the Soviet Union is abundantly clear. It is being carried out according to a worked out program and plan. The program may be altered as events demand (example 1962 Cuban missile crisis) but the plan is fixed, firm, and unchanging. Its objective is world domination.

Today, the United States lacks a realistic foreign policy. Without a proper perspective of the Soviet threat there can be no effective foreign policy. We deal with, and react to, the effects and not the cause of the problem. Not since John Foster Dulles' program of massive retaliation have we dealt effectively with the Soviet Union. It was discarded because uninformed and blind political people in Washington called it "brinksmanship". It was. But it was, and is, the only effective way to deal with the Soviet threat. It was a plausible policy then because America had the military strength to back it up. Today, we are practicing brinksmanship of a different and more dangerous sort. The brinksmanship of appeasement. We have been for years appeasing the Soviet Union by one concession after another. All under the seemingly worthy objective of promoting peace in the world through improved relations with the Soviet Union. Détente and SALT I were fostered under that program. We were reducing tension in the world. Exactly what the Soviet Union's plan required.

While we have honored the spirit of détente and agreements of SALT I, the Soviet Union proceeded at an astonishing rate with their plan for world domination. To accomplish this the first order of priority was unchallenged military superiority in all areas. Today, for all practical purposes, they have accomplished that objective. At the same time they have spread their influence and control over strategic geographical areas throughout the world. And during all these activities they have been probing and testing American resolve. In almost all cases they have tested and found the United States impotent. Seems a little like Nazi Germany's actions preceding World War II. Arms build up, defiance of treaty agreements regarding production armament, testing, and probing in one area after another.

The appeasement of, and concessions made to Hitler in the interest of preserving world peace. World War II could have been prevented by a proper perception of Germany's real objectives, and the will to halt them. That failure resulted in the most destructive war in history; human suffering beyond description and with the irresponsible decisions made at the war's conclusion of which this country must shoulder the major blame, the enslavement of 130 million people. An enslavement that continues today. The stakes are high when you participate in the game of international politics. Next time the freedom threatened will include all free nations unless that threat is properly suppressed. Increasing military spending by 3 percent or 5 percent will not meet the requirements.

The present Cuban crisis is only a rather small incident in the unfolding drama, but it was predictable. The 3,000 combat troops in Cuba are insignificant when viewed in the light of the more important operations of the Soviet Union in Cuba. Soviet submarines of every type (except nuclear powered) equipped with nuclear ballistic missiles have visited Cuban ports for years. Soviet bear bombers in reconnaissance configuration with Russian pilots have been flying intelligence gathering missions in and out of Cuba for years. Russian piloted Migs have been in Cuba for years. Recently the latest type Mig 23's have been sent to Cuba. A large submarine base is under construction in Cuba. Highly sophisticated Soviet equipment in Cuba monitors telephone communications conducted in the United States of all types. Why does the administration and State Department try to explain away this growing Soviet threat only ninety miles from the United States mainland?

The continuing extension of Soviet influence in Angola, the horn of Africa, Afghanistan, and South Yemen, to mention only a few, are other areas where the resolve of the United States has been tested and found wanting. Why? Perhaps Senator Munn's recent statement "There is evidence that we have been tranquilized to the point where U.S. military budgets no longer provide for defense of our national interest" gives an answer. The statement is true, but is extremely lacking in presenting the total picture of the disparity of the United States versus Soviet military capabilities.

My direct question to you as my Congressman in Washington is why has the government failed to have a proper perspective of the developing situation? It has been developing under both Democratic and Republican administrations. Why have, for years, the Soviet intentions been misunderstood? Why has this government allowed a steady decline of our military strength in face of accelerated increases of Soviet military power? Why does the President state to the American people on one day that a status quo in the presence of Soviet combat troops in Cuba will not be permitted, and a few days later completely reverse his stand and state that they present no threat to the United States? Then base this on promises from Soviet government officials of the highest level that those troops will never be used for offensive purposes. Again in a test the Soviets stood firm and the United States backed down. Soviet promises are worthless. You know it, and I know it. Look at the record.

It is apparent that the Soviet threat is not clearly understood in Washington. Our foreign policy is ineffective because it lacks a proper perspective of this Soviet threat. And until this changes, no foreign policy we formulate will be effective. The often heard statement that "nice guys finish first" is not the rule. In almost all the cases when a completely honorable person deals with a completely unscrupulous person, the unscrupulous person comes out ahead. This is not an easy fact to accept, but it is a fact. This is the basic problem with the United States versus the Soviet Union. It is high time we recognized that the Soviet Union is the enemy of the United States and the free world. No amount of good will, concessions, or treaties will change their goals. In the past history of this country this fact would have been understood, squarely faced, and dealt with. What has changed?

A long letter? Yes. But its length should reveal the deep concern of one American in your district.

Very truly yours,
ROBERT W. SELWOOD, *President.*●

## BEDELL STATEMENT ON SOUTH AFRICAN RESOLUTION

## HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. BEDELL. Mr. Speaker, today I am introducing House Concurrent Resolution 199, a refinement of House Concurrent Resolution 139, concerning employment practices of U.S. companies in South Africa.

We have heard much discussion in recent months about the nature and extent of U.S. business involvement in South Africa. Many proposals have been made with the objective of influencing South African policy through the regulation of U.S. business practices in that country.

In debating the alternatives, however, we have sometimes lost sight of the direct impact that working for an American business has on black South African employees themselves. Nonwhite employees of U.S. companies in South Africa continue to labor under discriminatory practices that, in our own country, were outlawed by the Civil Rights Act of 1964. The South African Government has shown little resistance to "private" initiatives by U.S. firms to achieve such basic goals as desegregation of work facilities, equal pay and hiring practices, better training and advancement opportunities for nonwhites, and improvement in the lives of black employees outside the workplace. Yet only 120 of the 280 American businesses in South Africa have agreed to adhere voluntarily to these principles, as embodied in the so-called Sullivan Code.

I am therefore introducing House Concurrent Resolution 199, which conveys the sense of Congress that U.S. businesses in South Africa should refrain from engaging in discriminatory employment practices and that they should pursue the affirmative goals for black employees set forth in the Sullivan Principles. The resolution also urges U.S. companies to recognize black trade unions and to negotiate and conclude agreements with them.

Mr. Speaker, this resolution aims at bringing about improved working conditions and greater opportunities for advancement for nonwhites in South Africa. Just as important, passage of the resolution would communicate to the South African authorities our willingness to support with official U.S. policy the dismantling of apartheid. In this way, perhaps we can promote justice and peaceful change in troubled South Africa.●

## HOSPITAL COST CONTROL

## HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. LAGOMARSINO. Mr. Speaker, I submit for the benefit of my colleagues, the following editorial, "Hospital Cost Control," which appeared in the Lompoc Record, October 8.

The editorial follows:

HOSPITAL COST CONTROL

President Carter is pushing very hard for the enactment of hospital cost controls and scored another recent victory in bringing this to the House floor when the Commerce Committee by a slim margin approved the measure.

The bill, H.R. 2626, would allow most private hospitals one year to voluntarily reduce their rate of cost increase to 11.5 percent annually. Hospitals not meeting this target would be subject to federally imposed penalties such as loss of Medicaid and Medicare funds, and a 150 percent excise tax on "excess" revenues.

While we are sympathetic with the concept of controlling escalating hospital costs, we strongly oppose mandatory government regulations as the answer. Under this proposed measure, hospitals would be limited in how much they can increase their prices even if their own costs of doing business increases by a much larger amount. It is logical to believe then that limiting hospital charges would result in decline of care.

Curiously enough this legislation exempts public hospitals which now are increasing costs faster than private hospitals. It exempts, also, salaries of nonsupervisory personnel whose wages account for up to two-thirds of hospital costs.

This move is Carter's first step toward price control throughout the economy.

When will they get the message in Washington that inflation in health care, as in other industries, will decrease only when Congress stops spending more than it takes in? More and expensive government regulation only compounds the problem.●

## STATEMENT OF BLACK AND JEWISH ORGANIZATIONS

### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. HAWKINS. Mr. Speaker, I would like to call to the attention of my colleagues the following statement issued by black and Jewish organizations in the Leadership Conference on Civil Rights.

The statement addresses the recent reporting of a so-called "rift" between American blacks and Jews. While accepting that differences exist between the two communities, the statement reaffirms the commitment of the signatory organizations to continue working together to achieve the shared goals and purposes of the leadership conference to encourage a just and equitable society. Free expression of views is at the heart of our democratic society; coalition politics is the strength of our democratic system. This statement confirms these two tenets.

The statement follows:

#### Joint Statement by Black and Jewish Organizations in the Leadership Conference on Civil Rights

The undersigned Black and Jewish organizations are deeply concerned over recent reports of a rift between Blacks and Jews. That we have our differences is clear. But to suggest that such differences constitute an irreparable rift is to misunderstand the nature of a coalition and of our relationship.

The essence of our plural democracy is that it encourages every group to express its views on whatever issues it chooses in accordance with its own values and judgment. It is out of such differing values, judgments and priorities that the temper of our society is forged.

A free plural society demands not the elimination of differences but the expression of differing views without rancor, racism or anti-Semitism.

For 30 years we, together with other groups, have worked through the Leadership Conference on Civil Rights in furtherance of its stated purpose: to establish "an integrated, democratic, plural society in which every individual is accorded equal rights, equal opportunities and equal justice without regard to race, sex, religion, ethnic origin, handicap or age; and in which every group is accorded an equal opportunity to enter fully into the general life of the society with mutual acceptance and regard for difference."

In pursuit of that goal, as members of the Leadership Conference, we have committed ourselves to support, "as a matter of right—a useful job at a decent wage for all who are employable or who can be made so by training or retraining; income sufficient to provide all others with the essentials for living in dignity and self-respect; decent housing in a decent environment for all; medical care for all in health, sickness and disability; and education to the limit of each person's capacity to benefit from it."

That shared commitment continues undiminished. Our years together have been marked by great advances, great achievements. The work that still must be done is too important to let differences divide us.

#### SIGNATORIES TO JOINT STATEMENT BY BLACK AND JEWISH ORGANIZATIONS IN THE LEADERSHIP CONFERENCE ON CIVIL RIGHTS

Richard M. Ballard, National President, Phi Beta Sigma Fraternity, Inc.

Syd Bykofsky, President, United Hebrew Trades.

Marjorie Merlin Cohen, Executive Director, National Council of Jewish Women.

Bishop Charles H. Foggie, Secretary, Board of Bishops, African Methodist Episcopal Zion Church.

Bertram Gold, Executive Director, American Jewish Committee.

Benjamin Hooks, Executive Director, National Association for the Advancement of Colored People.

Vernon Jordan, President, National Urban League.

Aline Kaplan, Executive Director, Hadassah.

Frieda S. Leemon, National President, Pioneer Women.

Theodore R. Mann, Chairman, National Jewish Community Relations, Advisory Council.

Emanuel Muravchik, Executive Director, Jewish Labor Committee.

Bayard Rustin, President, A. Philip Randolph Institute.

S. Garry Oniki, Executive Director, Office for Church in Society-United Church of Christ.

Nathan Perlmutter, Executive Director, Anti-Defamation League of B'nai B'rith.

Nathan Peskin, Executive Director, Workmen's Circle.

William M. Ross, Executive Director, Recruitment and Training Program.

Eleanor R. Schwartz, Executive Director, National Federation of Temple Sisterhoods.

Simon Schwartz, President, United Synagogue of America.

Rabbi Henry Siegman, Executive Director, American Jewish Congress.

Harris B. Stone, National Commander, Jewish War Veterans of the U.S.A.

Inez W. Tinsley, National President, National Association of Colored Women's Clubs.

Rabbi Alexander Schindler, President, Union of American Hebrew Congregations.

Evelyn Wasserstrom, President, B'nai B'rith Women.

Dr. Fredda Witherspoon, National President Iota Phi Lambda Sorority, Inc.

Dorthy Height, President, National Council of Negro Women.

#### ADDITIONAL SIGNATURES

Janice Kissner, Grand Basileus, Zeta Phi Beta Sorority, Inc.

Rabbi Arthur Lelyveld, President, Synagogue Council of America.

Theodore R. Hagans, President, National Business League.

Walter Hubbard, President, National Office of Black Catholics.●

## H.R. 5606

### HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. SABO. Mr. Speaker, the Railroad Retirement Act of 1974 provides for the disbursement of pension checks on the first day of each month to qualified railroad retirees. For many retirees this check represents the major portion of their monthly income. Financial difficulties arise when the check arrives on a weekend or holiday and banks are not open.

Unlike the social security system which allows for checks to be delivered prior to the first day of the month if such date coincides with a holiday or weekend, the Railroad Retirement Act provides for no such arrangement. A recent example of this problem was Labor Day. Due to the Labor Day holiday, retirees who received their railroad pension checks on Saturday, September 1 of this year had to wait 3 days; until Tuesday, September 4, to cash their checks. Certainly these people had little opportunity to enjoy their Labor Day holiday.

For this reason yesterday I introduced H.R. 5606, a bill to amend the Railroad Retirement Act of 1974 to make monthly annuities payable before the first day of the month when the first day is on a weekend or holiday.●

## A TRIBUTE TO A. H. "BILL" GALLARDO, ORANGE COUNTY HISPANIC LEADER

### HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. PATTERSON. Mr. Speaker, in each community there are a few good people who are known for getting things done. They are the ones you can rely on to roll up their shirt sleeves and dig in to get the job done. For the past 20 years, A. H. "Bill" Gallardo has been one of those people. His involvement in the Hispanic community and his many achievements on behalf of the working person have made him a local legend in Orange County. On November 2, the LULAC Council and the Tiempo Sobre El Tiempo will salute Bill Gallardo for his dedication to the local community and his many accomplishments during his career.

Bill began his career as an apprentice to a plasterer in 1945, and worked throughout the county before becoming a business representative in 1953. He served in that capacity for 18 years before becoming the representative-coordinator for the California Labor Federation of the AFL–CIO.

In addition to his many years of commitment to the union and to working people, Bill has been very involved in the Committee on Political Education, and has earned the reputation of the man most likely to get out the vote. His involvement in voter registration programs, voter education projects, and get-out-the-vote efforts have made him a friend to campaigners in Orange County. His tireless dedication and commitment encouraged others to invest that extra ounce of effort which so often can draw those few critical votes to turn the tide.

Within the Hispanic community, Bill

has been involved with the LULAC Council since 1949, and helped raise the $4,000 that started their first education program. He has been a member of the Amigos Beneficial Club, the Political Association for Spanish Speaking Organizations, and the Latin American Political Education Organization. On the national level he has championed Hispanic rights through his involvement in the Labor Council for Latin American Advancement.

I am delighted to join with the LULAC Council and the Tiempo Sobre El Tiempo in honoring this capable and responsible member of my community. Through his unselfish dedication to both the working people and the Hispanic community he has made a significant contribution to Orange County and made a mark on the lives of many of us. I ask my colleagues to join with me in commending this fine man.●

## THE FAILURE OF CHILE TO EXTRADITE THREE INDICTED TERRORISTS TO THE UNITED STATES

### HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. MOFFETT. Mr. Speaker, many Members have contacted me, and my colleagues Representative HARKIN and Representative GEORGE MILLER requesting further information about our resolution expressing the sense of the House with respect to the failure of the Government of Chile to extradite the three DINA officials indicted for the terrorist murder of Orlando Letelier and Ronni Karpen Moffitt. I would like to have printed in the RECORD the text of this resolution, and to encourage other Members to join as cosponsors:

RESOLUTION

Expressing the sense of the House of Representatives with respect to the failure of the Government of Chile to extradite Manuel Contreras, Armando Fernandez, and Pedro Espinoza to the United States, and to urge the President to take certain actions with respect to Chile.

Whereas the Congress has repeatedly expressed its condemnation of international terrorism;

Whereas the President on several occasions has committed the United States to the strongest possible measures against governments which have condoned acts of international terrorism or which harbor individuals who have committed acts of international terrorism;

Whereas on August 1, 1978, a Federal grand jury indicted General Manuel Contreras, Captain Armando Fernandez, and Colonel Pedro Espinoza, all of whom were members of the Chilean intelligence service, for conspiracy in the 1976 murders of Orlando Letelier and Ronni Karpen Moffitt, and on September 18, 1978, the United States Government filed requests with the Government of Chile for the extradition of those so indicted;

Whereas this act of terrorism on the streets of Washington, D.C., against an American citizen and a United States resident with diplomatic status was a result of action by the Government of Chile;

Whereas Amnesty International, the International Commission of Jurists, the United Nations Human Rights Commission Ad Hoc Working Group on Chile, and the United Nations General Assembly have stated that the regime of Augusto Pinochet has violated basic human rights and political freedoms in Chile since the military coup of 1973 in that country; and

Whereas the Pinochet regime, in refusing to extradite Manuel Contreras, Armando Fernandez, and Pedro Espinoza, is harboring and protecting individuals wanted in the United States to stand trial for acts of international terrorism: Now, therefore, be it

*Resolved*, That the United States House of Representatives—

(1) expresses its great concern at the refusal of the Government of Chile to extradite Manuel Contreras, Armando Fernandez, and Pedro Espinoza to the United States; and

(2) calls upon the President to take the following actions immediately:

(A) to recall the United States Ambassador to Chile;

(B) to order the application to Chile of all relevant statutes limiting bilateral and multilateral assistance to countries with terrorist governments or countries harboring terrorists;

(C) to prohibit deliveries of defense articles or defense services to Chile pursuant to sales made before the date of enactment of the International Security Assistance and Arms Export Control Act of 1976;

(D) to recall all advisory and other military personnel from Chile;

(E) to prohibit the issuance of United States visas to Chilean military or intelligence personnel or anyone acting under the auspices of Chilean military or intelligence services;

(F) to prohibit any credits or loan guarantees to be granted by the Export-Import Bank with respect to Chile and to prohibit any export licenses required under the Export Administration Act of 1979 to be granted with respect to Chile;

(G) under the authority contained in the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), to order the immediate suspension of private bank loans to Chile; and

(H) to demand that the Pinochet regime in Chile restore fully to the people of Chile the rights they had traditionally enjoyed before the military coup of 1973, including the right of the more than 50,000 Chilean exiles to return to their country and the right of the families of more than 650 political prisoners who have disappeared to be informed of the whereabouts of those political prisoners.●

## PROFITS ARE FOR EVERYBODY

### HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. VANDER JAGT. Mr. Speaker, in recent times profit has become a dirty word. It is frequently described as obscene, unconscionable, excessive, and undeserved. But is profit really the boogeyman of our society, the tool of corporate economic oppressors?

To the contrary, profit is the linchpin of our free market economy, the raison d'etre for producing goods and services. Nevertheless, the vast majority of Americans are amazingly ill informed about the role and level of profit in our economy. When asked about the level of profit of corporations on sales volume, the popular response is invariably many times higher than the real level of profit. For example, a recent national survey indicated that the average person's estimate of what an automobile manufacturer makes in profit per sales dollar—37 cents—was almost seven times higher than the profit margin of General Motors, 5.5.

Mr. Speaker, I would like to place in the RECORD a very interesting essay on profits by Barry Crickmer which was printed in the October, 1979 issue of Nation's Business. This article presents an illuminating analysis of profit in terms of philosophy, reality and popular perception:

PROFITS ARE FOR EVERYBODY

(By Barry Crickmer)

Profit. Investors hope for it, economists measure it, pensioners live off it, and politicians run against it. But what is it?

In the business world, profit is what's left of the money a business takes in after all expenses have been paid. It may be stated as before-tax profit—before payment of the 46 percent federal tax on corporate income—or as after-tax profit, which is what most people think of as profit. This money is available for reinvestment in the business or distribution to the owners, when it's taxed again as income.

The most amazing thing about profit is that it exists at all. Consider a typical business: Suppliers exchange their goods, and workers exchange their labor for the company's money; consumers exchange their money for the company's products. These exchanges are voluntary. In every case, both parties to the exchange expect to benefit from it. If there were no mutual benefit, there would be no exchange.

SOMETHING LEFT OVER

After all these mutually beneficial exchanges, the successful business earns a profit—there is something left over. Was it taken from someone? No. Everyone involved has more than he or she started with. So there is something new, something that exists now, but did not exist before.

Profit may be defined more broadly as what remains after the costs of production. By this definition, profit is not limited to capitalist economies. In fact, no economic system could survive without profit.

As the economics commentator of Izvestia once put it:

> "The basic difference between the primary economic principles of capitalism and socialism does not mean that under socialism profit is no longer an economic category. As long as commodity-money relations still operate, and they do under socialism, profit is a factor. . . . Lenin insisted that state-owned enterprises operate without loss, that they bring in a profit."

It is not the existence of profit, but rather its generation and disposition that differentiate the two systems.

In the broadest sense, profit is not even limited to the human sphere. Any successful organism must be able to withstand minor interruptions of its productive activity. To do that, it must produce more than it consumes in the act of production. Dispensing with profit would be equivalent to dispensing with life itself.

Sophisticated arguments about profit focus not upon the need for its existence, but on such questions as: Who makes it? Who gets it? Who decides how it will be used?

Profit in a market-regulated capitalist

economy is a signal, an incentive, and a discipline.

As a signal, profit is very honest. It tells potential investors what the consumer wants to buy. It doesn't respond to what some people think other people ought to buy. It doesn't always react to what people say they want to buy.

The signal is tripped only when people are willing to spend money to purchase a product or service.

### BIG REWARDS, BIG PROFITS

As an incentive, profit attracts capital to serve the consumer. If consumers are willing to pay well for widgets, people with money to invest will voluntarily put it into widget factories. They do so in hopes of making a high return, but there is no guarantee. Big rewards are nearly always associated with big risks. In the words of a Japanese proverb: "Where profit is, loss is hidden nearby."

Interestingly, in the series of mutually beneficial exchanges leading to profit, all the parties but one know exactly what they will get for what they give. The exception is the investor, who exchanges his capital for the chance to earn a profit.

As a discipline, profit has several functions. First, it attracts competition, which ultimately lowers prices. Where free competition is possible, high profits are always self-limiting.

Second, it keeps investors constantly on the lookout for more productive uses of their capital.

Third, it pressures managers to use resources with maximum efficiency and grades them on their performance.

And finally, lack of profit eliminates businesses that are inefficient or unwilling to satisfy the consumer, freeing what remains of their capital for other purposes.

Few people are aware of how extensively the profit-and-loss system culls business deadwood. Only one new business in three survives through its fourth year. There are about 8,000 formal bankruptcies annually, while many times that number of businesses just quietly disappear. The point is that profit accomplishes something useful when moving in either direction.

Profit totals for all U.S. businesses always seem impressive because ours is a very big economy. Proportionately, however, the amount of national income that goes to business owners is rather small. And the employees' share of the income pie is increasing steadily, at the expense of profit.

This trend seems fortunate for workers, but in the long run it isn't. New jobs come from capital investment. And capital investment comes from profits. It now takes more than $50,000 to create one new industrial job.

Not only is the owners' share of the income pie shrinking, but also it is smaller in absolute terms than it appears to be, thanks to the pernicious effects of inflation.

### TAXING AN ILLUSION

Inflation can create an illusion of profit where none exists. Worse yet, the Internal Revenue Service is quite willing to tax the illusion. These paper profits appear because of the effects of inflation on inventory value and depreciation allowances.

Take the case of Acme Widgets. Because of inflation, the cost of making a widget has increased from $1 to $1.10. Since the selling price had been $1.05, Acme must charge more to reflect its higher costs. So the price is raised to $1.15.

At the moment of that price increase, the company had 100,000 widgets in a warehouse, all made at the older, $1-per-unit cost. But now they are worth $1.15 in the marketplace, rather than $1.05. By the stroke of a pen—or more likely a computer—Acme's inventory has grown $10,000 in value.

That $10,000 looks like profit. But can it be treated like profit? Used to expand the business? Distributed to the shareholders? No. Acme's inventory must be restocked as it is sold, and the replacements will be more costly to produce. So the $10,000 is already committed—that is, what's left of it after the IRS exacts its share.

### NEXT YEAR'S SEED

The depreciation problem is similar. Plant and equipment wear out or become obsolete and must be replaced. Prudent businesses set aside money to cover these expenses. This money is not taxed, because it represents capital, not profit. It is the seed for next year's crop.

But depreciation allowances for tax purposes are based on original costs, not replacement costs. Due to years of inflation, the replacement cost of a machine is likely to be several times its original cost. Yet only the original cost can be sheltered from taxation.

As a result, says economist George Terborgh of the Machinery & Allied Products Institute, "companies are counting a lot of capital consumption as profit, paying taxes on it and paying out much higher dividends than they think."

In 1978, for example, businesses shelled out $84 billion to the tax man, a full $17 billion more than they would have paid if profits had been adjusted for inflation. Dividends paid to shareholders, at $44.3 billion, appeared to be 41 percent of reported corporate earnings, but were actually 67 percent of adjusted after-tax profits.

On paper, U.S. companies were able to set aside $69 billion in 1978 to finance future growth. When that figure is adjusted for inflation and underdepreciation, the amount retained shrinks to only $26 billion.

Even General Motors Corp., the nation's largest industrial company, is adversely affected by inflation. General Motor's 1978 annual report candidly tells shareholders that, despite a 20 percent gain in sales over the past five years, the corporation's earning power has not increased at all in 1973 dollars. The GM profit margin slid to 5.5 percent of its sales in 1978, compared with 10.3 percent in 1965.

Contrast that 5.5 cents profit with a recent national survey that shows the average person's estimate of what an auto manufacturer makes per sales dollar—37 cents. The public perception of profits is consistently about five times greater than the actual figures. Ironically, when asked to state a so-called fair or reasonable profit, most people pick a figure that is two to three times the actual level of profit.

Why should the typical American care about profit as long as his own job is secure? Because the level of profit is closely related to improvements in the overall standard of living.

America's high standard of living has come from improvements in productivity, that is, from producing more from a given amount of capital and labor.

Such improvements may come from research, which reveals new and better production techniques as well as new and better products, or from the substitution of electrical, chemical, or mechanical energy for human effort.

Capital investment pays for the research and the improved machinery. And profit provides the capital.

Most Americans are painfully aware that their standard of living is not growing as it did in the past. But not many could give the reason: U.S. productivity is not growing as fast as it once did, either.

### MARKED SLOWDOWN

From the end of World War II to 1969, productivity increased by about 2.5 percent every year. Since 1969, the gains have slowed until, as the President's 1979 Economic Report notes, "productivity growth in 1978 showed a very marked slowdown from accustomed rates, adding substantially to inflationary pressures and raising fundamental concerns about underlying trends." Behind these concerns is a productivity increase for 1978 of only 0.6 percent.

America's productivity is still the highest in the world, but the lead is diminishing. Most major foreign competitors have had substantially higher rates of productivity growth in recent years.

Why is American productivity growth comparatively poor? Partly because this nation's competitors still have some catching up to do. But more importantly, other countries encourage the use of profit to increase productivity. Many American policies, on the other hand, have the reverse effect.

### HIDDEN TAX BURDENS

First, the federal government taxes an investor's return twice—once as income to the corporation and again as income to the investor.

Second, tax incentives to companies to use their profits for research, modernization, and expansion are inadequate. Such incentives are often called loopholes and are resented by those who don't understand their purpose.

And third, the government imposes hidden tax burdens on industries.

That third point deserves expansion. A look at U.S. productivity performance by industry shows that three sectors of the economy—construction, mining, and utilities—have had the slowest growth. Not coincidentally, these sectors have been most affected in recent years by increased federal regulation. In fact, the dip in productivity matches the growth in regulation almost perfectly.

Higher productivity is to a society what a salary increase is to an individual. The gain can be spent for any desirable purpose, or reinvested, without having to cut back on some other budget category.

What happens to productivity depends on what happens to profit—how much of it we are able to generate and how we allocate it.

To increase profit, the risk-and-reward mechanism must operate freely. A market-regulated economy is uniquely designed to harness self-interest to the general interest. Profit is the carrot, and loss is the stick. When each producer tries to maximize his own personal profit, resources are used with optimal efficiency and the total wealth of the society increases at the fastest possible rate. Other systems—depending on moral suasion or government coercion—are spectacularly inefficient by comparison.

Pitting selfishness against selfishness for the good of all is an ingenious device, but many people have trouble understanding or accepting the concept. And yet, the U.S. system of government is based on a similar principle.

At the federal level, the principle is called the division of power. But it goes much deeper than that. American governments at all levels are stabilized by continual, open competition for power. As an astute French observer once remarked: "If one were required to condense into a single statement the basic concept of freedom incorporated in the Constitution, one would say that the guiding idea of the Founding Fathers was to combat evil with evil. They believed that division was a natural fact of life . . ."

### ROMANTIC IDEALISTS

And so it is with economics. Selfishness cannot be eliminated, but it can be channeled into socially productive activities. This approach is offensive to romantic idealists who prefer to believe that people, when properly informed, will set aside their own interests is favor of the general interest. This rarely happens. Despite hundreds of years of attempts to make men good, human beings remain a stubborn mixture of virtue and vice. Which is probably why no one has ever found a better way to increase freedom, wealth, and happiness than a capitalist economy.

"Unfortunately, this point is so poorly understood in America today that we needed to be reminded of it by two guests from abroad," says Richard L. Lesher, president of the Chamber of Commerce of the United States.

When the Egyptian-Israeli peace treaty signing brought the leaders of those nations to Washington, both men, appearing before U.S. Chamber of Commerce audiences, in Washington, D.C., and New York City, appealed to American business to help develop their countries.

"Come and be my partner," said Egyptian President Anwar Sadat.

Israeli Prime Minister Menachem Begin made it plain that his government wants private companies to profit from their investments in Israel. Profit, he said, "is the secret of human progress for all walks of life."●

## JUSTICE FOR TAIWAN AND DAY OF RECKONING FOR CARTER'S STATE DEPARTMENT

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. ASHBROOK. Mr. Speaker, I am pleased to announce that U.S. District Court Judge Oliver Gasch has ruled that President Carter has violated the Constitution in trying to unilaterally terminate our mutual defense treaty with nationalist China. It is indeed reassuring to know that no President is above the laws of this Nation. I am pleased to be one of the plaintiffs in this suit.

The Carter administration has attempted to circumvent one commitment after another with our close ally and friend Taiwan. Recently it was announced that our treaty relating to air transportation was also in danger of termination. This all out assault on America's close ties with Taiwan has now been shown for what it really is. Mr. Carter is willing to circumvent our own Constitution in order to appease the Communists in China. It is a sad day when the whims of the Communists take precedent over American law. The courageous decision by Judge Gasch is a historic step in the direction of bringing morality back into our foreign policy and bringing America back into the decisionmaking process.

The battle is not over yet. The Justice Department is committed to helping the White House overcome whatever legal hurdles are put in the path of appeasement. It may take a decision from the Supreme Court to finally resolve this matter. At least for now the forces of justice have triumphed with the forceful reaffirmation of the system of checks and balances embodied in our Constitution. In Judge Gasch's own words:

> Treaty termination impacts upon the substantial role of Congress in foreign affairs—especially in the context of a mutual defense pact involving the potential exercise of congressional war powers.

The Judge went on to eloquently state that the ability of a president to terminate a treaty unilaterally would open the "possibility of abuse," and the need for congressional approval of presidential actions involving treaties "lies at the heart of our constitutional system." I hope my colleagues who were so quick to criticize another President's foreign policy actions just a few years ago will join me in welcoming a major decision against the imperial presidency of Mr. Carter.●

## FIFTIETH ANNIVERSARY OF ST. GEORGE HELLENIC ORTHODOX CHURCH

### HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. BENJAMIN. Mr. Speaker, it is my privilege today to congratulate the congregation of the St. George Hellenic Orthodox Church in East Chicago, Ind., in recognition of its 50th anniversary.

The Hellenic Greek Orthodox Community was founded in 1929 in East Chicago. Citizens of Hellenic origin began settling in its Indiana harbor community in 1903. A group of industrious individuals from the Greek community coordinated plans to erect a church. Through their conscientious efforts, construction on the church was completed in 1938. The first parish priest was Reverend Demetriades.

The church is presently under the leadership of Reverend Anthony Kanavos who has been pastor since 1948. Reverend Kanavos and his congregation of 200 Greek Americans are dedicated to preserving the Greek culture, and its ethnic and strong family orientation.

The membership of the church consists of families who put equal amounts of energy into their work to preserve the Hellenic heritage in this country. They are a proud group of people who attend to the word of God and the fellowship of their Greek backgrounds through inspiring services delivered each week by Reverend Kanavos.

The children attend language school 5 days a week and regular Sunday school programs. The native tongue of their parents and grandparents is not lost to the changing times.

The church is associated with the American Hellenic Educational and Progressive Association, an organization dedicated to maintaining the Greek traditions. This kind of dedication has been a part of the Greek citizenry since the first wave of Greek immigrants settled in Florida in 1767.

It is at this time that I ask my fellow colleagues to join me in a heartfelt message of congratulations to the Reverend Kanavos and the membership of the St. George Hellenic Orthodox Church on their 50th anniversary. The dedication to tradition that is so much a part of this church is refreshing and an inspiration to all Americans. The pastor and membership deserve our warmest congratulations and best wishes for a long and continuing service to the Greek-American community and all citizens of northwest Indiana.●

## THE ALL-UNIONS COMMITTEE TO SHORTEN THE WORK WEEK

### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. CONYERS. Mr. Speaker, on October 23, 24, and 25 the Labor Standards Subcommittee will conduct the first major hearings in 15 years on work time reduction as the means to spread around work and combat unemployment. The hearings will focus on legislation I introduced on February 10, 1979—the Fair Labor Standards Amendments (H.R. 1784)—to eliminate compulsory overtime, raise the overtime rate to double-time, and reduce over a 4-year period the standard workweek to 35 hours.

This legislation has the support of more than 100 major labor organizations, including 20 national and international unions, across the Nation. Two significant national labor conferences in the past few years have been held on the shorter workweek, and generated tremendous support among working people. The national movement afoot to build support for a shorter workweek could not have proceeded as far as it has without the tremendous organizing efforts of the All-Unions Committee to Shorten the Work Week, which is based in Detroit.

Last April the All-Unions Committee National Conference to Shorten the Work Week was keynoted by its president, Frank Runnels, who is also president of Cadillac Local 22, United Auto Workers. Runnels' address was a major document in laying out the reasons for labor advocacy of the shorter workweek, the historical background for this advocacy, and the direction the All-Unions Committee will be taking to mobilize national support for H.R. 1784. I wish to bring to the attention of my colleagues, in preparation for the hearings next week excerpts from the text of Mr. Runnel's remarks.

The excerpts follow:

#### ADDRESS BY FRANK RUNNELS

Friends: Let me add my own welcome to those of you who have come to Washington today in behalf of the campaign to shorten the work week. Our meeting today marks a new step in that campaign.

In last Wednesday's Detroit news there was an article that tells the story of why we are here today—the headline on page 4 reads: "30,000 Seek 3,000 Ford Jobs," and the story goes like this: "more than 30,000 people have taken applications for the 3,000 jobs at the new Ford Motor Company plant near Batavia, Ohio. Kevin Downey, Ford industrial relations analyst, predicted that there would be 50,000 applications by the end of the week."

That my friends tells a sad story.

While I'm at it, let me quote from another article in the same paper, this time from a column by Cart T. Rowan: unemployment for the nation as a whole showed a modest decline to 5.7 percent in February.

But, the rate of unemployment among black workers increased from 11.2 to 11.9 percent.

What this means, brothers and sisters, is that in the month of February the unemployment rate among black workers was nearly 2½ times the rate of white workers.

Let me ask you: how secure is any worker's job . . . how secure is any strike . . . how secure is any union . . . how secure is the labor movement as a whole . . .

When 30,000 people line up for 3,000 jobs: or when nearly 350,000 black teenagers are left to drift aimlessly without a job?

How much longer can the labor movement hope to protect the jobs and conditions of its members with this kind of a situation?

Brother Wendell Young is a vice president of the all unions committee to shorten the work week. He is also president of Local 1357 of the Retail Clerks Union in Philadelphia. Brother Young has lost nearly 10,000 jobs in '78.

Brother Edman is president of steelworkers Local 1462 in Youngstown, Ohio. He is also on the steering committee for the all unions committee to shorten the work week. Brother Mann, lost over 5,000 in last year and another 5,000.

How long can the labor movement protect itself in the face of wholesale lay-offs that have gutted membership of locals like 1357 of the Retail Clerks?

How long can we last in the face of plant closures like that threatened by Youngstown Sheet and Tube at their Briar Hill Works in Youngstown, Ohio. I ask you . . . how much longer are we going to sit still for this?

I am sure that you out there could point to hundreds of other areas that tell the same sad, sad story.

Now another set of figures:

In February of this year even if we were to accept the official figure of 5.7% it means that one worker out of the six had no job at all. And, another 25% of the workforce were forced to try to live on the money they earned working less than 35 hours a week.

So, we had 6% of the workforce out of work . . . 25% of the workforce underemployed . . . and that very same time in the month of February, 25% of the workforce . . . nearly 24 million workers . . . were forced to work more than 40 hours a week.

How are we going to deal with this situation?

We who formed the All-Unions Committee to shorten the work week on October 25, 1977, are convinced that there is an answer—a very simple answer:

We say "cut the hours of labor without cutting income until with the number of hours going down and the number of jobs going up, we can eliminate unemployment and provide security, dignity and hope for those who do not and will not have a job under our present system."

I admit that our solution is not all that original. As a matter of fact, it has been with us for a very long time.

The struggle for shorter hours . . . as a way to make life better . . . as a way to obtain a greater share of the increased production made possible by new technology—while at the same time creating new jobs . . . dates from the earliest days of our nation . . . back to 1791 when carpenters in Philadelphia struck to reduce the work day to twelve hours.

It is the same solution as was found by the women in the textile industry in New England . . . by coal miners in Ohio and Pennsylvania . . . by building trades unions in a dozen cities who fought for and won a ten hour day in the first half of the last century.

Our solution is the same as that advocated by the Federation of Organized Trades and Labor Unions in the United States and Canada in 1884.

And that was reaffirmed by Samuel Gompers when he said, and I call your attention to the banners on the wall:

"So long as there is one who seeks employment and cannot find it, the hours of labor are too long."

Our solution is the same solution that lay at the base of the general strike of May 1, 1886 and to the many struggles through the many years between that date and the CIO upsurge that forced enactment of the Fair Labor Standards Act of 1938.

I said that ours was a simple answer but I did not say it was *simplistic*. I did not say that it was going to be simple or easy to achieve.

No, far from it: History shows that no employer, anywhere, has ever given up anything without a struggle.

We need not look back to Hay Market . . . or to the 1919 steel strike, or to the Flint sit-in to see if things have changed.

We only have to look to the great coal strike of 1978 or to the strike by members of Steelworkers Local 88-88 at the Newport News Shipyard to understand the brutal realities of corporate America today.

We only have to look at the last session of Congress or to the present effort of the Carter Administration to impose wage controls to understand that corporate America has got a lot of political clout to back up its ruthless economic might.

In February there were at least eight and three quarter million workers in our country who were either unemployed or underemployed—and I ask you: What greater challenge is there to the labor movement than to give leadership—than to come up with solutions—that will provide those eight and three quarter million jobs?

What greater challenge? What greater obligation does the American labor movement have . . . than to create jobs for eight and three quarter million human beings . . . men and women . . . young and old . . . white, black and brown—who, because they have no jobs, are also without security . . . without dignity—and yes—in all too many instances—without hope?

Consider today's reality where technological change and slow economic growth have combined to perpetuate the stagnation that has marked our nation's job market for a quarter of a century.

Every year we have to create jobs that will provide employment for at least two million young people who enter the work force. We have to provide jobs for some two and a half million workers who are displaced by new machinery and new technology every year. We must find jobs for those who are presently out of work.

When it is all added up, these three things mean that our economy must provide over one hundred thousand jobs every week for the next four years to even approach full employment.

Tell me, how can we do this without a shorter work week with no cut in pay?

We are also not going to fall for any phony propaganda about declines in productivity being the cause of the inflation spiral.

If they want to play the numbers game, let them answer these figures:

In the period from 1955 to 1976, the production work force in manufacturing industries grew by less than three percent. In this same period, production more than doubled.

Let me repeat, in the period from 1955 to 1976, a production workforce that grew by less than three percent was able to more than double production.

You don't have to be a mathematician—you don't need a fancy computer—or even a slide rule—to see that with this type of job erosion, our economy cannot be sustained on a forty hour work week.

Just as sure as you and I are here today, the forty hour system that was established in 1938 has built a wall around all of the jobs in our country—and that wall has locked out nearly nine million people.

As long as that forty hour wall stands, there is no way that we will be able to create the jobs that we must have.

There are no shortcuts—there are no cheap gimmicks—there are no substitutes: the entire labor movement must renew the battle for shorter hours. It is time to tear that old forty hour wall down!!!

It is time the labor movement stops passing meaningless resolutions. It is time we put our time, our strength, our resources . . . and yes, our heart and soul into renewing the movement for shorter hours. This demand is to fight for and win the best measure of economic security for the employed, the unemployed and the under-employed.

We have begun to build that movement and we are here today to build it some more.

The all unions committee to shorten the work week gives all of labor an opportunity to come together in a fighting spirit of solidarity to renew the struggle that has lay dormant for over 40 years.

The idea for an all unions committee to shorten the work week was conceived in mid August, 1977 when nine local union and district and regional officers met in the office of UAW Local 22 in Detroit. We agreed to take the lead in an effort to build a movement to reduce the hours of labor.

We decided to form an organization that would, and I quote from our founding resolution, "help initiate, develop and coordinate a national movement to create jobs by reducing the hours of labor through the process of education, legislation and collective bargaining."

We decided to call a founders meeting and the all unions committee to shorten the work week was founded on October 25, 1977 by labor leaders who represented a quarter of a million workers. From that meeting we went on to bigger and better things.

On April 11, 1978, our organization initiated the first national all unions conference to shorten the work week. Douglas Fraser, President of the United Auto Workers, Albert Fitzgerald, President of the United Electrical Workers, and William Marshall, President of the Michigan State AFL-CIO were guest speakers, along with Conyers as 750 representatives of nearly a million members of 23 international unions launched a national campaign to reduce the work week.

Many will ask why doesn't the established labor movement take on this fight? Then ask: Why do we need a separate organization . . . and how does the all unions committee fit into the picture?

I think we can provide very simple and very straight forward answers to these questions.

The very nature of our labor movement makes an independent organization necessary.

No single union can concentrate its' energies exclusively on the issue of shorter hours.

No single union can coordinate the efforts to build a national movement.

No single union can win a reduction in hours for all workers.

No single union can win legislation to extend a reduction in hours to the unorganized workers of the nation.

I submit to you that the all unions committee to shorten the work week is that organization.

As I said, our purpose is to "help initiate, develop and coordinate a national movement to create jobs by reducing the hours of labor through the process of education . . . legislation and collective bargaining."

What is new . . . what is different about the all unions committee to shorten the work week is that our organization is working to bring together all unions without regard to industry, craft or affiliation.

It is not our intention to tell any union how their program should operate . . . nor is it our intention for this movement to become involved in inner union politics.

Not only is there a need for the all unions committee to shorten the work week, the many precedents for such independent labor organizations.

There was the eight hour league.

There was the CIO, that pooled the resources of several international unions to support and direct campaigns to organize workers in basic industry.

There was the AFL committee for unemployment compensation, that led the campaign for unemployment insurance.

There was the black lung association that initiated campaigns to enact black lung legislation at state and national levels.

We have—we need these organizations today . . . just look around:

Here is the Brown Lung Association.

We have the Coalition of Labor Union Women—we have the Coalition of Black Trade Unionists.

And, since October 25, 1977, there has been the all unions committee to shorten the workweek.

All are based in the labor movement . . . all are independent of the formal trade union structure . . . all came into being in response to specific needs . . . all are necessary . . . all contribute to the strength and to the unity of the labor movement.

Although this is a grassroots organization led primarily by local union officers, we consider it extremely important that we be able to work with the leaders of international unions and with the leaders of other official labor bodies.

The all unions committee is a part of the labor movement . . . but we will not be . . . we will not attempt to become . . . a substitute for any existing labor organization.

Our purpose is to renew the movement for shorter hours.

And let me tell you brothers and sisters: The all unions committee has been about the business of renewing the movement for shorter hours!

Last April we organized the first national all unions conference to shorten the work week in Dearborn and 750 representatives attended that conference.

It was at that conference that Congressman Conyers announced his sponsorship of H.R. 1784.

And at that time, brothers and sisters, there was only one Member of Congress who had both the foresight and the courage to put his name on legislation to reduce the work week to 35 hours . . . raise the penalty for overtime to double time . . . and outlaw compulsory overtime.

Today there are thirteen Members of Congress who are sponsors of H.R. 1784. Like I said the all unions committee has been about the business of renewing the movement for shorter hours!

In the year since that conference in Dearborn five State AFL-CIO conventions have gone on record in support of H.R. 1784.

City Central Labor Councils from Pittsburgh to Baltimore and back to Youngstown, Ohio, and out to Oakland, California, have endorsed H.R. 1784.

The convention of the United Electrical, Radio and Machine Workers endorsed H.R. 1784 and so did the convention of the International Typographical Union.

District 31 of the United Steelworkers of America is solidly behind the campaign to win congressional enactment of H.R. 1784.

The Coalition of Black Trade Unionists at their convention last May in Memphis endorsed H.R. 1784, and so did the convention of District 12 of the Amalgamated Meat Cutters and Butcher workmen.

Thousands of signatures have been collected in shops across the country as rank and filers have worked to back up their demand for a shorter work week.

As I said brothers and sisters the all unions committee has been about the business of renewing the movement for shorter hours.

Legislation to limit the hours of labor, either by outlawing compulsory overtime or imposing a 35- or a 32-hour work week have been introduced in the State Legislatures of New York, Washington, Oregon, Illinois, Wisconsin, and Minnesota, and are in preparation in Ohio, Pennsylvania, Michigan and a number of other States. As I said brother and sisters the all unions committee has been about the business of renewing the movement for shorter hours.

Brothers and sisters one of the nice things about making opening speeches is that one gets the opportunity to be the first to make important announcements.

And I have an important announcement to make:

On October 23, 24 and 25 of this year there will be hearings on H.R. 1784 before the House Subcommittee on Labor Standards which is chaired by Congressman Edward P. Beard of Rhode Island.

As I said, the all unions committee to shorten the work week has been about the business of renewing the movement for shorter hours, and now we have to make a decision: What are we going to do next? This is the question that this meeting must address itself to.

Yes, we are going to meet with representatives of 25 Members of Congress later this afternoon. Yes, the all unions committee will be among those organizations presenting testimony before the Congressman's subcommittee in October.

This work is important and we will present the facts. But, it is not enough just to develop arguments and present facts. We must accept bigger challenges —we must set bigger goals for ourselves.

We have to marshal the troops. We have to take a leaf from Martin Luther King, Jr., who said: "Congress must not only hear our voices—Congress must hear the sound of our feet as well."●

## CITIZENS CALL FOR ENERGY ACTION

### HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. HARRIS. Mr. Speaker, across the Nation today, Americans are protesting the high cost of energy. They are protesting the self-interested international oil companies, and the refusal of this Congress to act responsibly on energy issues. The people are protesting decontrol of oil prices, and the Government's failure to come to grips with a problem individual Americans have to deal with every day. They are protesting the Department of Energy, which through sins of omission and commission, ineptitude and insensitivity, has exacerbated energy shortages and driven prices out of reach of many Americans.

One of the most telling actions today is the planned march of senior citizens on the American Petroleum Institute headquarters. Older Americans, most of whom live on fixed incomes, are among the most vulnerable to energy price increases. They are tired of seeing the slick oil ads on TV, extolling the virtues of the petroleum industry. And they are frightened. They are frightened of the bills that will come this winter because they do not know how they are going to pay them. Though I cannot walk with the senior citizens in front of API today, I support their challenge to the oil lobbyists to justify outrageous prices and outrageous profits.

Here in Congress we have our own challenge. The challenge from the American people to act responsibly. To reimpose controls on petroleum prices. To enact standby rationing authority. To expand support of alternative fuel development. And to produce an energy policy worthy of the American people.

I urge my colleagues to heed the call of the Citizen-Labor Energy Coalition.●

## THE NFBPWC SUPPORTS NEW SUSAN B. ANTHONY COIN

### HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Ms. OAKAR. Mr. Speaker, as you are aware, there has been much negative publicity surrounding the new Susan B. Anthony dollar coin. For a change of pace, I wish to submit for the RECORD a press release from the National Federation of Business and Professional Women's Clubs, Inc. urging its 165,000 members to renew their support of the new dollar coin.

Shortly following the oversight hearings on the new dollar coin conducted by the House Subcommittee on Consumer Affairs and General Oversight and Renegotiation the latter part of September, I received among numerous other phone calls, an unsolicited call from the National Federation of Business and Professional Women reacting to the criticism leveled at the new dollar coin. The advocacy of the dollar coin by BPW demonstrates but one arm of the many business and professional concerns who have communicated their absolute endorsement of the coin, not only from the time of conception, but also since its distribution and circulation.

I trust that positive comment exampled by the following, will do much to alleviate many of the problems the coin has experienced. I remain grateful to the National Federation of Business and Professional Women for their efforts in this matter.

The press release follows:

BUSINESS AND PROFESSIONAL WOMEN SUPPORT SUSAN B. ANTHONY DOLLAR COIN

The 165,000 members of the National Federation of Business and Professional Women's Clubs, Inc. (BPW) were urged today to renew their support of the Susan B. Anthony dollar coin.

Julia K. Arri, BPW's national president, of California, issued this statement following criticism leveled at the new dollar coin during hearings conducted last week by the Subcommittee on Consumer Affairs of the House Committee on Banking, Finance and Urban Affairs:

"Women have waited a long time for a coin bearing the resemblance of a real woman. We cannot afford to lose the Susan B. Anthony dollar coin. I am urging each of our 165,000 BPW members to keep this Susan B. Anthony dollar coin in circulation by using it in their professional and personal transactions."

The new coin was hailed as a breakthrough for women, because it was the first time that a portrait of a "real" American woman, rather than a symbolic woman, appeared on the circulating coinage of our Nation.

Since 1935, BPW has steadfastly supported efforts to honor the great American suffragette and was among the first to lend its support for a Susan B. Anthony design to be issued on a dollar coin. Stella B. Hackel, Director of the Mint, applauded BPW's support in an official presentation made at BPW's national convention in Boston last July.●

## NAVY LEAGUE OPPOSES DECLINE IN NAVAL POWER

## HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. ASHBROOK. Mr. Speaker, the Navy League is one of the most respected civilian patriotic groups. It would be natural that the league would be at the forefront of Americans who view the decline in U.S. seapower as a threat to the survival of this country. The Navy League has long sought an adequate Defense Department commitment to a 600-ship Navy as a necessary part of any adequate military preparedness.

The national president of the Navy League, John J. Spittler of Columbus, Ohio, recently wrote a letter to President Carter criticizing proposed fleet reductions and asking the Commander in Chief to "pay more than lip service to the serious needs of the Navy."

That letter is must reading for every American who wants to guard against pre-World War II weakness which found this Nation virtually powerless when confronted by aggressors who moved against the free world. The letter follows:

### An Open Letter to the President of the United States

Dear President Carter: Much has been written about your administration's plans for the 1981 defense budget and the ensuing four years. Frankly, the data I have seen and the reports I have read appall and frighten me. For I find it inconceivable that your planners could even remotely consider a budget that comes so close to decimating United States maritime power.

As I understand it, your Pentagon planners would, among other things:

Reduce the Navy's five-year shipbuilding program to 46 ships, fewer than 10 ships a year and some 100 fewer overall than the program sought by your predecessor in office—a program endorsed by you in the first year of your presidency.

Cut aircraft procurement to a level well below the current rate at which the Navy loses aircraft in peacetime operations, even though naval aircraft procurement in the past two years also has been below that level.

Markedly reduce weapons procurement across the board, even though stockpiles of key weapons are lower now than they have been for years.

Call for further civilian personnel reductions that would cripple even further the Navy's ability to maintain and repair its ships and aircraft.

Eliminate all funding for new amphibious assault ships, without which naval sealift and Marine Corps combat capabilities both will be drastically reduced.

Downgrade allocations for research and development, thus continuing a trend begun in your earlier defense budgets.

Slash the production line of one of our most competent aircraft producers so severely that it might well be forced out of business.

Reduce nuclear-submarine construction capability to the point that only one shipyard would be building such ships, and then at a rate only an eighth that of the Soviet Union's building rate.

In short, Mr. President, your planners, presumably operating under your specific instructions, would further reduce the Navy in the very near future to a level under 400 ships—at a time when over 600 are required—thus leaving the United States with a fleet only marginally able, if that, to maintain sustained air operations, far less capable of keeping even the present reduced inventory of ships and aircraft in operation, and allocated fewer resources than at any time in the last half century upon which to rebuild that fleet in time of crisis.

Mr. President, can this possibly be the legacy you wish to leave your country? Do you really want our once-mighty Navy to be second best? In short, does the evidence speak for itself?

You may well attempt to answer those questions, and many others which could be asked, by contending that only minimum-level planning figures are involved. It also is recognized that you have instructed your Secretary of Defense both to ask for an increase in the 1980 defense budget, and to anticipate more funds for the defense portion of the 1981 budget which you will submit to the Congress in January. Mr. President, that is all to the good. But it is not enough.

Will you momentarily reflect on the uses to which the limited additions to the 1980 budget will be spent? For example, the $2.7 billion addition you recently have requested of Congress will serve only: (1) to close the gap between the allowed 6-percent inflation rate and the actual double-digit rate; (2) to counter changes in currency rates caused by the weakened dollar; (3) to pay for the higher fuel costs imposed by OPEC; and (4) to more fully fund maintenance and repair work already planned, and already in the budget.

Those expenditures may pay fully for what you previously have requested, Mr. President, but they won't buy any new hardware. They can't commence the rebuilding process of our naval and military weapons inventory that is so vital to the nation's safety. In fact, they'll do no more than permit the Navy to operate in a more realistic environment, rather than being forced to plan and operate under totally unrealistic funding postulates imposed by planners whose motives become more suspect.

And what will the 1981 budget permit the Navy to do to improve the situation? As nearly as I can interpret the more credible analyses I have read, Mr. President, the 1981 funds you reportedly plan to request will, in the long run, only maintain the Navy at about today's dangerously reduced level. I do understand and appreciate, however, that there were some concessions made affecting the whole 1981–1985 period and mitigating to some extent the worst effects of the earlier defense program guidance given the services last July.

DDG–47s will be built at a more sensible rate of four a year. An experimental destroyer will be continued in the R&D stages—but will not be funded for construction until two years after originally planned. The attack submarine rate will be up slightly, although it still will be below what is required to build the Navy to previously approved and vitally essential force levels. Funding for the much-needed LSD–41 amphibious assault ship will be restored in the later years of the period.

Aircraft production will climb above the rate of loss to attrition, but those aircraft remaining in the Navy's inventory will have to be flown far longer than desirable from either a safety or an operational viewpoint. The business base of one long-time supplier of Navy aircraft will be sustained, so that means he won't be forced to completely shut down. Weapons procurement will be up, thus increasing stockpiles modestly.

But even if those plans do become reality, at the end of the five-year period the Navy still would be barely able even to meet today's commitments, let alone those that will undoubtedly be imposed during the increasingly dangerous years ahead.

Because the fact is, Mr. President, what your budget planners refer to as an "enhanced" shipbuilding program still would be more than 40 ships below what the Chief of Naval Operations submitted to the Chairman of the Senate Armed Services Committee this year as being absolutely necessary if the Navy is even to hope to hold its own on the high seas. Insufficient numbers of aircraft will be built. Weapons stockpiles still might not be enough to carry us through the first stages of a sustained war. Navy manpower will be down, with the shores establishment being manned at only three-quarters of demonstrated need. And the Navy still will be struggling just to stay even with the maintenance and repair backlog, while the major overhaul picture becomes next to impossible.

The defense budget increases you now appear willing to approve will be of minimal help, although they might impress some uninformed voters. But they still are a mighty long way from insuring that five years from now we will have a Navy adequate to carry out the traditional role of securing freedom of the seas.

While our Navy is struggling to maintain bare steerageway, on the other side of the world the Soviet Union is building aircraft carriers and cruisers at an unprecedented rate.

They could have as many as eight carriers in five years. They already have a cruiser at sea with a system as good as our AEGIS radar-and-weapons capability—a capability we won't have in our fleet for at least two more years. As noted, their submarine construction rate is eight times ours. And each year they're operating farther from their home bases on an ever larger scale and with greater effectiveness, competence, and confidence.

Mr. President, no matter what happens to SALT II, no matter whether the Soviet brigade in Cuba stays or goes, the United States still needs an ever more powerful Navy. All the strategic warfare capability imaginable will not protect our waterborne oil lines if they become threatened by Soviet fleet units Nor will our strategic forces enable is to go to the aid of our allies around the world in confrontations short of nuclear war without further endangering our safety. Nor, finally, will our strategic forces afford assurance to our merchant marine, and those of our allies, that they can sail the seas peacefully and trade where and when they wish without intimidation by a foreign power.

So, as you face the budget decisions immediately ahead, I implore you to pay more than lip service to the terribly serious needs of the Navy. Throughout the country I hear those who, despite the vigorous denials made by your budget planners, are convinced the Navy is deliberately, systematically, and ruthlessly being decimated—against the recommendations of your senior naval and military advisers. When your planners slash naval ship and aircraft procurement plans for the future to the levels here indicated, I cannot but wonder if perhaps those critics aren't right.

Mr. President, when historians write the record of your time in office, you'll not want to be remembered for the methodical sinking of the Navy in which you once served and on which our Nation, and the entire Free World, so strongly depend. But that may well be the most conspicuous mark you leave on the pages of history unless you act now to reverse this suicidal trend. For the military reality in today's world is that to be second best is to be dead last!

Sincerely,

J. J. SPITTLER,
*National President,*
*Navy League of the United States.*●

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## MOTHERS, GRANDMOTHERS PREPARE FOR NEW CAREER AT CCB

### HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Ms. MIKULSKI. Mr. Speaker, I would like to call the attention of my colleagues to an article in the East Baltimore Guide of September 27, 1979 headlined "Mothers, Grandmothers Prepare for New Career at CCB."

As a former instructor at Community College of Baltimore I was delighted to read of the response by East Baltimoreans to the new Harbor Campus. I am particularly pleased to see that so many of my neighbors are taking advantage of this opportunity to extend their own education. Many of the students are women who have raised their families and are now interested in returning to work or entering new careers.

With the increasing complexity of modern society, all of us need the chance to brush up on our skills and to learn new ideas. I believe this article is an excellent example of the value of community education for mature students.

MOTHERS, GRANDMOTHERS PREPARE FOR NEW CAREER AT CCB

(By Dr. Sidney Kobre)

East Baltimore housewives are ambitious to advance themselves in business and professional worlds by getting more college education.

This is the inspiring conclusion I reached the other day while talking to mothers and grandmothers from East and Southeast Baltimore, who were registering for the Fall Semester classes at the Community College of Baltimore.

Homemakers had come early to the Forum in the Bard Building of the Harbor Campus where they received registration assistance from the advisors on duty. These adult students went over the schedule of classes and selected the ones most suitable for their purposes. They sat alongside the young students, just out of school, accustomed to making our schedules and forms. The homemakers got into the swing of registration quickly. CCB has extended its registration to accommodate other East Baltimoreans through next week.

In the registration area I walked over and talked to some of these housewives. They proved the soundness of the long-range view of President Harry Bard and Dr. William V. Lockwood that a college constructed adjacent to East Baltimore and convenient to East Baltimoreans would stimulate the interest of area residents to take college courses.

A variety of cultural and career programs, excellent instructors, well-equipped laboratories plus promotion through word-of-month of satisfied students and graduates, and through the columns of the East Baltimore Guide would make the Harbor Campus, at Lombard Street and Market place, appealing to East and Southeast Baltimoreans.

It seems to be working out that way. One of the East Baltimoreans I talked to was Mrs. Betty Piscor, of 2903 Fait avenue. A mother of six children and some grandchildren, Mrs. Piscor is well-known in East Baltimore for her work with young people at St. Casimir's Church and for her teaching of craft work to many adults.

Left a widow a number of years ago, she reared her sons and daughters nearly all of whom are grown now and have homes and children of their own. Mrs. Piscor has always wanted to do occupational therapy work and has attended the Community College of Baltimore's Harbor Campus and Liberty Campus to prepare for her career.

"This does not involve hospital work, as much as going into the homes of people to help them," she explained. "I have done much craft work and this type of therapy is related closely. I hope to complete my courses of study at CCB by next June."

Mrs. Picor's children were all reared in East Baltimore and went to school there. Veronica, 21, is now attending Towson State University, Ramona is 24, Patrick, 27, Ray, 29, David, 20 and Brenda, 16.

Another East Baltimore homemaker I chatted with, Mrs. Cecilia Poole, of 413 S. Duncan Street, prefers the business world. A graduate of Seton High School, class of 1954, she desires to take a refresher course in secretarial science to prepare a job in a business or industrial concern.

"I like the business world," she said. "I expect to help support my family." This is Mrs. Poole's first year at CCB, where she was directed to attend for career preparation by the Maryland Displaced Homemakers organization, as she is divorced .

I also talked to Mrs. Linda Roth. who was born and went to school in East Baltimore and has many friends there now. She lives at 4111 Shannon Drive in Northeast Baltimore. A mother of two, Kelly 8, and Craig, 12. Mrs. Roth is interested seriously in becoming an accountant. She has worked for the Curtis Bay Towing Company in the business office and is sure that studying accounting will enable her to advance in the business world. An excellent dancer, too, Mrs. Roth is a member of the Polynesian Dance Group, the Aloha Lani, which has performed before a number of East Baltimore organizations.●

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## PERSONAL EXPLANATION

### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. McDONALD. Mr. Speaker, due to my congressional schedule I was unavoidably absent late in the afternoon on Friday, October 12, 1979, and missed four votes. While I was paired on each vote missed, I did not receive a live pair on each vote. If I had been present I would have voted as follows:

"Yes" on the amendment to H.R. 2061 that sought to strike the national priority grant program.

"Yes" on the amendment to H.R. 2061 that sought to strike the mini-block program.

"No" on the amendment to H.R. 2061 that extends the coverage of the Public Safety Officers Death Benefits Act administered by the LEAA to rescue squad personnel.

"No" on final passage of H.R. 2061, the Justice System Improvement Act of 1979.●

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## THE CASE AGAINST THE OIL COMPANIES

### HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. AMBRO. Mr. Speaker, it has been said in many ways but the axiom that "if we refuse to learn the lessons of history we shall be forced to relieve it" becomes starkly clear in the article by Robert Sherrill, "The Case Against the Oil Companies," published in last Sunday's New York Times Magazine. I commend it to my colleagues, most especially to those who persist in believing, as did Adam Smith, that the free market system applies to the oligopoly that is the petroleum industry and for their edification I reprint it here:

THE CASE AGAINST THE OIL COMPANIES

(By Robert Sherrill)

(NOTE.—Often in the past 50 years, the oil companies have sounded the alarm that the nation's wells were running dry. Each time, says the author, after the companies got what they wanted, the crisis ended. The problem, now as in the past, highlights the public's need for independent information.

Quite frankly, the oil industry has developed the reputation over the years of being a robber, cheating and despoiling the environment.—Frank Ikard, President of American Petroleum Institute, 1971.

Ever since Jimmy Carter arrived in Washington he has been trying to convince the American people that the periodic oil and natural-gas shortages are not contrived deceptions used by the industry to squeeze more profits from consumers. In his first major speeches to the nation in 1977, when he put on a sweater and declared moral war on the energy problem, he said, "I realize that many of you have not believed that we really have an energy problem." He seemed sympathetic. But then, there he was again, during the great gasoline shortage of 1979, back on television, giving his fifth energy speech, still with the same theme. This time he had obviously lost patience. "The energy crisis is real," he said, going up half an octave. "It is worldwide. It is a clear and present danger to our Nation. These are the facts—and we simply must face them."

The address was probably the most impassioned of his political life. Yet neither that plea nor the gas shortage itself seemed to have much effect on public perception. After the speech, 65 percent of the public still thought the current energy shortage was a hoax, according to a New York Times/CBS poll.

It's not hard to understand why the majority of Americans feel the way they do. Over the years, they have been told by many knowledgeable politicians and lay experts that the oil companies are quite capable of duplicity. George P. Shultz, a Secretary of Labor in Richard M. Nixon's Cabinet, who headed a Cabinet Task Force on Oil Import Control, found that "the industry is capable of behaving irrationally . . . and even of contriving an apparent disaster" and of "downward manipulation" of reserve statistics to squeeze more money out of consumers. In 1973, the Federal Trade Commission charged eight of the largest oil companies with conspiring to destroy competition and with conspiring to cheat the public out of billions of dollars by price fixing. The oil companies' lawyers are still in court fighting those charges, but in its sweeping accusations—and in its futility—the case stands as the nagging question of this energy decade. It has been a decade in which headlines such as "Oil Giants Exploited Energy Shortage, Probers Charge"—a vintage piece from The Washington Star—have appeared almost as regularly as Mobil's ads proclaiming the industry's innocence.

Above all, this has been a decade of *déjà vu*. Opening his famous "obscene profits" investigation in 1974, Senator Henry Jackson delivered a Whitmanesque outburst:

"The American people want to know why the prices of home heating oil and gasoline have doubled when the companies report high inventories of these stocks. . . .

"The American people want to know whether major oil companies are sitting on shut-in wells and hoarding production in hidden tanks and at abandoned service stations. . . .

"The American people want to know why the oil companies are making soaring profits. . . ."

It was an outburst that still seems perfectly contemporary, for the rumors, manipulation and suspicions of 1979—scarcity in the midst of plenty, tankers waiting to unload, charges of hoarding by the companies, hidden supplies, blame on the Middle East—have not changed. It is the *déjà vu* more than anything else that makes Americans now so hard to convince. For more than 50 years, Americans have been confronted with periodic energy "crises," and they have noticed that the only thing certain is that the crisis or prediction of crisis has been accompanied by increased oil prices, concessions from the Government to the major oil companies, expanded oil-company holdings or some combination of these. What follows is an account that might be called Six Crises.

### 1920: A TASTE OF THE FUTURE

The United States was producing about 65 percent of the world's oil in those days. The Standard Oil companies dominated, but they had few overseas sources. This made them unhappy and restless. Standard wanted to share in the oil of Iraq, then the most productive country in the Middle East. But Iraq was under British control, and the British would not let Standard in.

A propaganda war was called for, and suddenly the American people were plunged into a crisis. On Jan. 1, 1920, the U.S. Geological Survey—drawing its information, as always, from the oil companies—told The New York Times that "the position of the United States in regard to oil can best be characterized as precarious." Dr. George Otis Smith, director of the U.S.G.S., then warned that within the near future "Americans will have to depend on foreign sources or use less oil, or perhaps both." Within weeks, another U.S.G.S. official predicted that "unless our consumption is checked, we shall by 1925 be dependent on foreign oilfields to the extent of . . . possibly as much as 200 million barrels of crude each year, except insofar as the situation may . . . be helped to a slight extent by shale oil. . . . Within perhaps three years, our domestic production will begin to fall off with increasing rapidity, due to the exhaustion of our reserves." Oil industrialists began telling the press that, when America's oil reserves were gone, it would be at the mercy of the British, an ungrateful lot who had been saved by United States oil in World War I and now only waited for a chance to gouge us.

The people were soon given a taste of that merciless future. In some parts of the country, gasoline was sold only in one- or two-gallon lots. In some places, the price more than doubled—to 35 cents, equivalent to more than $1 in today's currency. The magazine Automotive Industries reported rumors of refineries shipping gasoline away from urban centers until the prices went up. There was talk of having to make synthetic gasoline from Kansas wheat. There was even some loose talk of going to war with Britain, if necessary, to get "our" share of the oil supply.

The strategy worked. Seeing the State Department and the Congress militantly carrying the oil companies' flag, and seeing the American public exercised, the British gave in and agreed to join hands with the Americans in Iraq. With that, the crisis ended, almost as suddenly as it had begun.

This was not by any means the first time the oil industry had declared that it was running dry, but it was such a dramatically successful use of the technique as to inspire two British writers, E. H. Davenport and Sidney Russell Cooke, to observe in their book "The Oil Trusts and Anglo-American Relations," published in 1924: "There is this strange habit peculiar to the American oil industry which one should observe in passing. Although it doubles its output roughly every 10 years, it declares every other year that its peak of production has been passed and that its oilfields are well-nigh exhausted. . . . One cannot doubt that the lugubrious prophecies of American oil men are in some way related to the wish for higher prices."

### 1929–31 "PERFECT PATTERN" OF MONOPOLY

This time, the crisis was created in the name of "conservation." In 1929, the Federal Oil Conservation Board warned that the United States was "exhausting its petroleum reserves at a dangerous rate." It advised bringing in all the foreign oil possible, particularly from South America, and to cut back on production in the United States. The most important foreign source in this hemisphere was in Venezuela, where the dominant American producers were Standard and Gulf—the latter company being controlled, interestingly, by the family of Andrew Mellon, who was then Treasury Secretary and the most influential aide to President Hoover. Gulf and the other international companies wanted a good patriotic excuse for bringing their cheaper oil into this country. Thus the big push to "conserve" our resources.

But then, in 1930, independent oil operators began bringing in the fabulous East Texas field. Here came the legendary Spindletop and subsequent discoveries, some with wells gushing 10,000 barrels daily. The major oil companies had had little to do with the discovery of the East Texas fields. So, the majors, pretending to be horrified at the wildcatters' wasteful production methods, demanded that the government of Texas force the small companies to "conserve"—i.e., sell only as much as the big companies said they should sell. When the small companies refused to knuckle under, the majors gave them a rugged dose of competition by slashing the price they would pay for crude—from nearly $1 a barrel to 10 cents. The resulting economic devastation forced the Texas legislature in 1933 to pass a "market demand" law. Production of oil would thereafter be "prorationed," held down to what the "market" (that is, the major oil-company buyers) desired, and, since Texas was the dominant oil state, the price paid for oil in Texas would pretty well determine the national price. Thereafter, when the majors wanted to create enough scarcity to bolster prices, they simply placed smaller orders and the state prorationing commission ordered lower production. Senate investigators later concluded that the system had been set up not for conservation but rather as part of "a perfect pattern of monopolistic control over oil production . . . and ultimately the price [was] paid by the public."

### 1947: "AN HONEST MAN IS RARE"

During World War II, Interior Secretary Harold Ickes persuaded President Roosevelt to establish a Government corporation (the Petroleum Reserves Corporation) to buy out the American oil partners—Standard Oil of California and Texaco—in Saudi Arabia. Ickes, who had seen enough profiteering to conclude that "an honest and scrupulous man in the oil business is so rare as to rank as a museum piece," wanted the public to have more control over supplies. The oil companies were powerful enough to kill Ickes' proposal in the cradle; they had ideas of their own for further strengthening their Middle Eastern cartel.

Standard Oil of California and Texaco had controlled the concession in Saudi Arabia since before World War II, but their marketing outlets were not adequate to handle Arabia's bountiful output, so they brought in the great Standard Oil of New Jersey and Mobil as partners. This is the Arabian American Oil Company (Aramco) we know so well today. A domestic arrangement like that would clearly be a violation of America's antitrust laws, and could be expected to encounter fierce public resistance. Again, it was time for an emergency and a storm of gloom.

In 1947, the chief of the Department of State's Petroleum Division flatly stated that "sufficient oil cannot be found in the United States." Two years later, Julius Krug, the Secretary of Interior, said that the "end of the United States oil supply is almost in sight." Giving credence to the gloom, the oil companies claimed shortages and raised prices. But the true character of the"shortages" did not go unnoticed. In 1949, the Senate's Special Small Business Committee observed that, "during the year and a half the committee has been investigating the oil industry, there never has been a real overall shortage. . . . At the time that consumers were feeling the greatest pinch, in January and February 1947, there were 220 million barrels of crude oil in storage, mainly controlled by the larger units, which could have been distributed among independent refiners who were running under capacity."

### 1959: PUTTING THE LID ON FOREIGN IMPORTS

By now the major companies were making enormous discoveries overseas, but so were some of the more aggressive independent oil men—fellows like J. Paul Getty and William Keck and the Hunts, father and sons. The world, by the mid-50's, was awash with oil, and the development of a freewheeling, truly free-enterprise market suddenly seemed to be a dreaded possibility. The majors had long ago perfected the art of global price fixing by controlling supply. They were not about to send so much cheap foreign oil to the United States—still the world's largest market—that prices would be forced down. But the independent men felt no such restraints. They were wild hares, and the majors feared—rightly—that there were so many independents roaming the globe with their drilling rigs that they couldn't possibly be controlled.

The majors rose to the occasion by proclaiming, and having their friends in Congress and in the Eisenhower Administration also proclaim, the imminence of a national-security crisis. Americans, it seems, were in danger of being subverted by cheap foreign oil. Most of it must be blocked at our shore. The argument went like this: Middle East oil could be produced for one-tenth the cost of domestic oil. So naturally it could be bought for much less. If it were allowed to undercut domestic prices, our oil men couldn't afford to go out and find new oil in American fields, and if they didn't find new oil at home we would increasingly become dependent on foreign oil, and if we became dependent on foreign oil, we would be terribly vulnerable in case of war.

With that patriotic reasoning, Congress inserted a provision into the 1958 Trade Agreement Act to give the President power to set mandatory controls over oil imports. President Eisenhower, whose closest adviser in such matters was Treasury Secretary Robert Anderson, a Texas oil man, lost no time in imposing the controls. Foreign-oil imports were held down to about 12 percent of domestic production, and only the companies with refineries—for the most part, the large companies—were allowed to import. The larger companies made millions, bringing oil in at a price between $1.25 and $1.50 less per barrel than domestic oil.

Did the import-quota program make the nation more secure in its oil supply? Hardly. One effect was that the independent oil industry began a long slow decline. Another was that it gave the major international companies the excuse they wanted to take most of that wonderfully cheap Middle East oil and develop new markets in Europe. That's where they began building their refineries—not in America. They were doing it, moreover, with indirect subsidies from the American taxpayers.

Opposition to the program became intense in the 60's. Prof. M. A. Adelman, an oil expert at the Massachusetts Institute of Technology, argued, along with others, that keeping foreign oil out was costing American consumers at least $4 billion a year. And Pentagon officials proclaimed that, as far as they were concerned, the oil-import program had not had the slightest thing to do with national security. In 1974, when the program was dead and candor could be indulged in, Z. D. Bonner, president of Gulf Oil Corporation, acknowledged that "oil import controls were used as a price-control mechanism."

### 1973: "ALL THE SHEIKS' HORSES"

By the mid-1960's, there was so much Middle East oil available that Professor Adelman was predicting that a Middle East oil price "as low as $1 a barrel, though not imminent, has a 50–50 chance of occurring in, say, five years." A dollar a barrel. In February 1969, Fortune magazine writer Gilbert Burck predicted that "barring a great international cartel that will tie up the world of oil as no international organization has ever tied up anything before, everyone in the oil business faces a long series of adjustments. . . . All the sheiks' horses and all the sheiks' men will never put the comfortable old price structure together again. Consumers everywhere should rejoice."

Fortune was not giving the oil industry sufficient credit for ingenuity. A "great international cartel" capable of tying up oil as never before already existed. The Organization of Petroleum Exporting Countries (OPEC) had been formed in 1960. So far it had been dormant. But with a little luck, and the right emergency, perhaps enough lightning could be directed through this monster's body to make it rise and do the major companies some profitable service.

In the early 1970's, the right crisis seemed at hand. The Middle East was in a froth. Arabs and Jews were at each others' throats. Israel's Middle East enemies were talking about using oil as a weapon—and if they did, the major oil companies would be ready to exploit the showdown.

But first the consuming public was softened up with a series of smaller, preparatory crises. Although, in fact, the majors were holding the highest inventory of gasoline they had ever had, they managed to produce a "gasoline shortage" in the spring of 1973 even before the Arab embargo. By June they were warning of a likely shortage of home heating oil the next winter, although, as David Bird wrote in The Times, "the warnings are surprising some people, because the stocks on hand seem to be larger than they were at this time last year."

The shortage, contrived or not, gave the majors an excuse to cut off gasoline supplies to independent wholesalers and discount dealers; about 3,000 went out of business in 1973. Meanwhile, the majors were forcing the price of gasoline up 39 percent, and their profits shot up 63 percent in the first nine months of 1973—with the embargo still to come. When it did come, the majors were ready.

On Oct. 6, 1973, Egypt and Syria invaded Israel. Two days later, the major companies met with representatives of OPEC to begin talking about a new price structure. Bearing in mind that up to this moment OPEC had never in its life shown anything remotely resembling courage, one may justifiably conclude that its new aggressiveness was somehow the result of collaboration with the companies. (As one oil-company executive earlier told Newsweek, "In the Middle East, we carry the enemy flag.") On Oct. 16, OPEC announced a stunning 70 percent increase in prices and the next day declared that the Arab members of OPEC would cut production 5 percent each month "until Israeli withdrawal is completed from the whole Arab territories occupied in June 1967 and the legal rights of the Palestinian people are restored." It also declared that, because of the United States' and the Netherlands' friendship with Israel, those two countries would be cut off completely.

Enterprising reporters, however, found abundant evidence that the Arab embargo did not, in fact, cause any shortages. Libya did not shut off its supplies. Neither did Iraq. Nor Iran. If the Netherlands was being boycotted, what were all those tankers doing out there in the harbor waiting for a berth? Jack Bax, a press aide for the city of Rotterdam, told reporters in January 1974, "Personally, I think the whole thing is a hoax." And if there was a shortage in this country, why were fuel-oil barges backed up along the Ohio River? So much oil was available in the United States that some crafty merchants were buying low-sulfur oil on the Gulf Coast for 21 cents a gallon and shipping it to Europe to resell for 34 cents.

Nevertheless, the market operated as though there were a scarcity, and profits went through the ceiling. Occidental Petroleum Company announced that 1973 earnings were 665 percent higher than those of 1972. Other big companies were not burdened with quite such embarrassingly large percentage increases, but they were doing all right. On Jan. 1, 1974, OPEC raised the price to $11.65 a barrel—five times the price it had been only three years earlier. By the end of 1974, Exxon Corporation, the world's largest oil company, moved to the top of the Fortune 500 list—easily unseating General Motors, which for 40 years had held the premier position. Four other oil companies—Texaco, Mobil, Standard Oil of California and Gulf—joined Exxon in the top seven rankings.

Two weeks ago in The Times, reporter Jeff Gerth shed more light on how the giant Exxon, for example, was able to make the most of the moment. Reporting on a previously unpublicized civil trial in Canada—a Nova Scotia public utility successfully blocked Exxon price increases—Gerth said that "during 1973 and 1974, Exxon documents show, the company disguised increases in its profit margins by backdating them to blend in with price increases tied to OPEC increases. These concealed profit increases appear to contradict broad assurances that Exxon submitted in writing in early 1974 to the Senate Finance Committee that its price increases since 1973 had 'essentially only' covered increased costs."

On its own, OPEC might have remained a motley assembly of whiners, but with the patient instruction of the majors, it had become the industry's friend supreme in raising prices. It had also become the great dramatist, writing the panic script that made oil at any price acceptable to the consumer nations. A few years later, when a reporter at The Washington Star asked James Lee, president of Gulf Oil, if he thought OPEC was a "good thing," he admitted that it had "done us a favor by forcing the price of oil as it did." Carmichael C. Pocock, chairman of Royal Dutch Shell, also conceded that, since OPEC took over the pricing of oil at the production level, "our role is much happier."

Some expert observers believe that OPEC's economic terrorism could have been permanently ended in 1975 if the major companies and our Government had made the effort to do so. The inevitable glut of oil developed by the end of 1974 because the higher prices had curtailed use. As 1975 opened, world oil prices were beginning to sag. OPEC looked shaky. A group of energy specialists brought together by the Brookings Institution predicted in January 1975 that OPEC would likely be crushed by falling prices by 1978.

At that point, the oil companies apparently cut back production. John Blair, former chief economist for the Senate Antitrust and Monopoly Subcommittee, states, in his book "The Control of Oil," that "had it not been for the cutbacks, the market would have been flooded with 'distressed' oil, OPEC would indeed have broken down, and oil prices would have fallen sharply." But if the major oil companies betrayed the consumers, so did our Government officials: most of the top policy makers in the Ford Administration publicly denounced all efforts to drive down world oil prices.

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## HOUSE RESOLUTION 453

## HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. BREAUX. Mr. Speaker, on October 5, 1979, the President transmitted a special message to the Congress proposing a deferral of budget authority to promote and develop fishery products and research pertaining to American fisheries in the amount of $2,400,000.

Under the Saltonstall-Kennedy (S-K) Act, an amount equal to 30 percent of the gross receipts from custom duties on fishery products is transferred by the Secretary of Agriculture to the Secretary of Commerce to be used for researching, assessing, managing, and developing American fisheries resources and for developing and increasing markets for fishery products of domestic origin. These funds are supplemental to other funds appropriated to the Secretary for these purposes under the department's general authority.

The amount of funds appropriated under the S-K Act for fiscal year 1980 is $26,679,106. Of this amount, $2,400,000 is proposed for deferral because the Secretary of Commerce has supposedly not yet developed plans for the use of these funds. It is my understanding, however, that presently there are unfunded projects under consideration for marketing, research and development which amount to between $5 and $10 million. It is imperative that these funds which are earmarked for these programs be released and expended for the purposes for which they were intended.

These funds can become available for use at anytime before the end of this fiscal year if either the House or Senate passes a resolution disapproving this deferral. Passage by the House of House Resolution 453 will accomplish this purpose.●

## THE ENVIRONMENTAL PROTECTION AGENCY AS A PROPONENT OF BETTER SCIENTIFIC RESEARCH

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### HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. BROWN of California. Mr. Speaker, over the past several years I have watched the Environmental Protection Agency change in its approach to and use of the scientific resources of this country. For good cause, the EPA has been criticized for its many past mistakes in neglecting the science part of their mission, while moving ahead with their regulatory role. As one of the critics, I have regularly urged the EPA to improve its research capabilities, and better utilize the scientific resources of other agencies while developing regulations.

An interview in the October 1979 issue of BioScience confirms an impression I have had about the EPA, which is that they are making progress in this direction. While many other topics of interest to this body are addressed in this article, the points made about science were the ones which most pleased me.

I commend this article to my colleagues.

The article follows:

### EPA MUST BE AT FRONTIERS OF SCIENCE, SAYS ADMINISTRATOR COSTLE

Few people would want to change places with Douglas Costle. Except for the commanding view of the Potomac River from his office window in southwest Washington, D.C., being administrator of the Environmental Protection Agency (EPA) has few obvious rewards. Yet Costle, who has been in the hotseat since March 1977, has managed at least to avoid alienating the myriad interest groups watching his every move—environmental activists, industry lobbyists, and members of Congress. This past year has been a difficult one for EPA, with the energy crisis forcing the environmental watchdog into some of its most difficult and controversial decisions regarding ambient air quality standards. In addition, 1979 was the year when such major issues as the long-term health effects of pesticides and delayed leaching of hazardous wastes came to the fore, and all of them have fallen right into EPA's lap.

A former trial lawyer with experience in the Civil Rights Division of the Justice Department, the Economic Development Administration of the Commerce Department, and two San Francisco law firms, Costle, 40, has been in government service for the past 10 years. He was commissioner of the Connecticut Department of Environmental Protection before coming to Washington to join the Congressional Budget Office, where he was assistant director for natural resources. In 1976, he joined the transition team of the newly elected President, Jimmy Carter, and four months later was made head of EPA. No stranger to the executive branch, Costle had first become involved in presidential politics under Richard Nixon, serving as a senior staff associate for environment and natural resources of the President's Advisory Council on Executive Organization in 1970.

Costle has managed in his two-and-a-half years at EPA to take the regulatory bull by the horns. He helped form the Interagency Regulatory Liaison Group, composed of representatives from EPA, the Food and Drug Administration, the Occupational Safety and Health Administration, and the Consumer Product Safety Commission. Costle is also chairman of the U.S. Regulatory Council, which he describes as a governmentwide version of IRLG engaging in "shirt-sleeve trouble-shooting efforts" aimed at overall regulatory reform.

Costle is sensitive to the need for high-quality scientific input into the decisions made at EPA about health and the environment. With the aid of his scientific adviser, Richard Dowd, he has strengthened the role of EPA's 80-member scientific advisory board, which provides information directly to the administrator through its five standing committees and one ad hoc subcommittee. He also has tried to upgrade the standards for R&D at the agency, both intramural and extramural. Costle talked with *BioScience* about some of the difficult issues he's facing now, and the ways in which scientists have been incorporated into the decision-making procedure at the Environmental Protection Agency.

Q. Some environmentalists are worried that President Carter's energy plan will have an adverse impact on the environment, and fear that the Energy Mobilization Board will be able to overrule EPA's action for the sake of obtaining more fuel. Is that likely to happen in the next several years?

A. The basic thrust of the Energy Mobilization Board is to put an otherwise very prolific regulatory process under some sort of self-discipline. For example, the SOHIO [oil-transporting] project in Southern California [begun in 1970 and abandoned by the company last year] needed something on the order of 725 permits. Most of those were state and local, but there were a handful of federal permits as well.

At the present time there's no way to put all parties on a deadline, to force them to make a decision—up or down—within a fixed period of time. The whole purpose of the Energy Mobilization Board is not to wipe away the substance of the protection that these permits may be intending to afford, whether it's occupational safety or health or local zoning or air pollution, but simply to say, "We've got to have a deadline and a time frame within which to make a decision."

Q. What would happen if these decisions are anti-energy and pro-environment?

A. Well, that's always a matter of opinion. My own sense is that the energy-environmental "conflict" is sometimes overplayed. We're convinced, for example, that you can burn a lot more coal in this country and still stay within the fabric of environmental laws and not befoul the air and the water in the process. It will cost a little more, but it's not that we lack the technology. The only issue is: Do we have the political will when we build these things to build them right? Over the past several years, the Congress and the administration have said: Yes, we do have that will. . . .

Q. Many scientists now are saying that it's dangerous to rely on synfuels as a source of energy because they are so polluting. Do you see a potential conflict between the need for energy and the need for a clean environment?

A. Synfuels have to be looked at in two pieces. First are the problems that might be associated with the manufacture of the fuel. There are a variety of processes to convert coal into other fuels, liquids or gases, and some of them are potentially more hazardous than others to worker health. But they're fundamentally no different from today's chemical plants or refineries. It's simply a matter of dealing with some very hazardous substances in the process of conversion. . . .

The fuels themselves, when burned, are not toxic when they are used, and as near as we can tell they do not produce toxic byproducts. There is a longer-range issue here, though, which has to do with the net $CO_2$ balance—a global atmospheric issue as to whether we're releasing $CO_2$ faster than the earth's natural systems can reabsorb it, and whether that won't create a "greenhouse effect." There seems to be a coalescing of opinion among scientists that it could be a serious problem, but there is virtually no agreement as to when it will become critical. Very few scientists say there's an imminent threat, but a growing number say that in 40, 50, 60, or 70 years—depending on what assumptions you make, and there's so much debate you can't pick any "correct" assumptions at this juncture—it can become a serious problem. What that tells us basically is that, over the long run, we have to decrease our reliance on fossil fuels. When you look at new energy systems, particularly in the next century, you're looking at inherently more environmentally benign technologies such as solar, controlled thermonuclear, and biomass. The long-run future for energy, over the 40- to 50-year horizon, is pretty promising. The real problem, I think, is to manage the energy transition over the next 40 or 50 years. . . .

Q. So you think of the current sources of energy, then, as rather temporary, and you'd guess that 50 years from now we'll be relying on a whole different set of sources?

A. Essentially, yes. It's a sense of the long-range, global environmental issues that will continue to drive us in that direction. The present synfuel program's impact on the $CO_2$ problem will be negligible. We won't be building that many plants to make a difference in the overall global climate. If in 20 years we decide to build 15,000 of them around the world, however, then we'll have a problem.

Q. In the areas you deal with, which involve highly technical scientific judgments, you often have to balance scientific opinion against political and social needs. What kind of role do scientists play in the regulatory decision-making process at EPA?

A. The average scientist spends his whole career being trained in the discipline of saying, "Never overstate the evidence." In the face of ambiguity, he must discount the ambiguity and fall back to a position where he can feel very secure that what he's saying flows from the particular facts he's using. The scientific approach essentially says, "Discount all the other things that may be indicators if they are not conclusively, finally established scientific 'facts' on which there is a scientific consensus." That's the process of science. Consensus is a moving thing. You conduct a new study that changes the significance of your earlier evidence, but you're not sure how far you go so you put out your new findings and peers review it. Then they decide your study is kind of interesting so they do another study; over time the consensus slowly moves in effect to catch up with scientific research. But the consensus always lags behind.

The approach of a public health administrator is almost exactly the opposite. As he approaches that ambiguity, being careful not to understate the evidence, he errs on the side of prudence and caution, rather than saying, "I want dead bodies to show [before drawing my conclusions]." Increasingly, that's the kind of world we're going to be living in, particularly if we look at the risks of chemical exposure, especially chronic risks. When you're talking about long-term neurological deterioration, teratogenetic effects, or cancer, you can't afford to wait 25 years for the evidence to pile up.

Q. With this basic difference between a regulator and a scientist, how do you ever bring their two views together? Can you give us an example of how a regulatory standard was arrived at depending largely on the weight of scientific consensus?

A. The recent revision of the ozone standard is a good case in point. When we reviewed the standard beginning in 1977, we had better evidence than we had eight years ago when the standard was first set. There was general agreement in the scientific community that the initial standard [0.08 ppm] was in error, because it was based primarily on a single study that had been misread. Subsequent reviews indicated that there had been misreading in that initial data set. We knew, therefore, that we were going to have to make some changes; it's part of our responsibility to set standards in the most objective, scientifically acceptable way we can.

Essentially, then, we approached a new range of data, and we found in the case of ozone a substantial band of uncertainty. One set of studies indicated clear health effects at concentrations of 0.15 ppm, and other studies suggested health impacts at various levels, down to 0.10 ppm. Most scientists we talked to, both outside the agency and inside, agreed that the range was somewhere between 0.10 and 0.15, and if we set a standard within that band we'd be on scientifically defensible ground. The issue then became, "Where in that band do you set the standard?" That was driven essentially by three considerations: first, margin of safety, which informed the way we read some of the more ambivalent evidence; second, what we thought the directional error of the studies was—that is, what additional studies were likely to show; and finally, a very clear predisposition [toward prudence in the face of ambiguous scientific evidence] on the part of the Clean Air Act itself.

Now a scientist who says "I will only go with proven scientific fact" would have set the standard at 0.15, while a public health administrator would say, "But we've got these other studies, and while they're not as unambiguous as some of the studies at the high end of the spectrum, we have to take them into account." We approached that spectrum from the other end, and settled it at 0.12. I feel very comfortable with that, as do the scientists we've polled, including those independent scientists on our science advisory board.

Q. Are scientists able to shift gears when they serve on your science advisory board, or when they work in EPA laboratories, and say, "This might not be something I would state in an academic paper, but I am here to render advice to an agency that has to make political decisions, so I'm willing to be a little less precise"?

A. It's not quite that simple. We ask our scientists to be scientists. We ask members of our science advisory board—approximately 80 nongovernment, outside experts in the variety of fields which we regulate—to give their unbiased, objective, best scientific judgment to help us characterize the evidence so that I, as a policy maker, know what I'm deciding and what the evidence is. My policy judgment is informed, essentially, by a statutory construct—in this case, the Clean Air Act. We try to use the scientists to make sure that we're not loading the deck or reading scientific data with a bias. That's sometimes hard to do, but we've been working very hard the last two years to improve and strengthen the role of outside scientists as evaluators of the data. We don't ask them to set the standards; for the most part, they don't want to do that. They'd rather advise us on what the scientific facts are and what the scientific uncertainties are. Under law, the policy makers have to make the final judgment, as informed as possible.

We've been setting up much stronger peer review systems of the scientific work that's done at EPA, involving outside scientific research institutions to critique the quality of science that we do in-house, and increasingly to provide peer review to critique the quality of science that we contract to be done for us on the outside. We're also strengthening the science advisory board so that they have a clearer opportunity to oversee and to criticize constructively the whole regulatory process and the use of science in that process.

Q. How much research do you do in-house?

A. Our total in research dollars last year was $346 million, and a lot of that was for technology research, probably half of it energy-related. . . . Of that $346 million, we spent about $107 million, or 30 percent, on internal research, and much of it was in the area of validating what other people seemed to be finding. The whole purpose of EPA, when it was established in 1970, was to retain sufficient expertise inside to do the kind of research we need on demand, and to be able adequately to assess the work done outside for its relative utility to us.

Q. In the past, some agencies have been criticized for maintaining both a research program and a regulatory function under one roof. This criticism was especially strong regarding the old Atomic Energy Commission. Do you think there's a potential conflict within EPA in its dual role as both researcher and regulator?

A. Because of the complexity of the regulatory issues we deal with today, I think regulatory agencies that do not have a research capability are in deep trouble. At EPA, we need to have an established relationship with the scientific community and good science, which means we need a mix of in-house and external research going on and a very strong system of peer review of that scientific research for quality control. If we try to regulate the environmental area the way the Interstate Commerce Commission regulates the transportation industry, which is exclusively through the adjudicatory hearing process and cross-examination, we probably wouldn't get very much done. In many instances we are on the frontiers of science, and we need our own scientific capability to lead us in the right direction.

Q. Can't an argument be made that you should rely on the established research agencies for your scientific information?

A. That never really works, because usually what happens is that the research agencies want to research what they find interesting, and the law says we should regulate things that people are concerned about. For the most part, the two areas overlap, but there are some critical areas where they don't necessarily. If a regulatory agency isn't able to commission research in an area where the law is telling it to set a standard, it can't do the job.

Q. Even the researchers who work at EPA want to do what's interesting to them, yet they work here because you need them to conduct certain kinds of studies. How do you keep them happy?

A. We try to create a mix. We think the researchers who work here ought to have an opportunity to pursue promising avenues of interest, but not in the same sense that a wholly independent academic institution can, because we do have certain regulatory questions that we have to be in a position to answer. So there has to be a large "directed" element to our research. We want to avoid the risks of so defining the research that we constrain innovation and the kind of independence that in fact produces breakthroughs and understanding, without just letting them float out there, doing things that have no relevance. Increasingly, Congress is setting fixed time deadlines in making regulatory decisions, and so we have to focus our research dollars on areas of research that will help answer those questions in a way that still preserves and protects the integrity and independence of the individual scientist to carry out his work.

Q. Perhaps your biggest regulatory headache, and the one that is certain to be with you for many years to come, is the disposal of hazardous wastes. In a recent issue of National Wildlife magazine, you were quoted as saying: "We look back on the Middle Ages and say, 'No wonder they had black plague, they used to throw their garbage in the streets.' Now, I just hope that in the year 2025 my grandchildren don't look back on this generation and say, 'No wonder they had problems, look at all the chemicals just carelessly introduced into the environment, uncontrolled.' " How can we go about cleaning up the chemical mess we've created?

A. Hazardous waste is probably one of the most difficult legacies of the chemical revolution. Since World War II, all manner and form of chemicals have been invented, and they're now a very big part of our lives. As a society, we're not about to repeal the chemical revolution—it's brought about some real benefits—but we're just now learning that there may be side effects, in this case delayed side effects, that we're going to have to control.

Air and water pollution were the most conspicuous environmental problems in the early 1970s, when this agency was set up. Hazardous waste disposal, in land particularly, was the least obvious. Everybody knew there were garbage dumps, but nobody realized there might be chemicals going into those dumps, or that there might be dumps like Hooker's [the chemical company responsible for burying the waste-filled drums now leaching from the Love Canal in Niagara Falls, N.Y.] It's a problem that I don't think society has approached with very much common sense. We should have realized as a society a long time ago that, if we have a company manufacturing chemicals, we're going to have wastes, and they're going to end up somewhere. We're now talking about between 50 and 60 million metric tons a year being generated by as many as 300,000 companies.

Q. I've heard it said that less than 20 percent of that is adequately disposed of.

A. That's right; in fact, we think it may even be less than 10 percent. When they designed Love Canal 15 years ago, nobody thought about the problem or even knew what to do with the wastes but simply bury them, and that was acceptable in those times. Today, we can design a landfill for probably about $4 million that could handle what was put there. Look at the price we're paying for not having done that. The state of New York has already spent close to $25 million; there are allegedly $2 billion in claims against the company for personal injury. That's inflation.

Look at the example of kepone here on the James River [in Virginia]. For $250,000, that pesticide could have been manufactured in a facility that would have protected the workers and kept kepone from getting into the James River. That money was not spent, and over $12 million in claims has already been paid out to the workers. It was a small plant, with only a handful of workers, but they were seriously injured in the manufacturing process. So they have $12 million in claims paid already, several million more in pending claims, and the scientists say it would cost from $2 to $8 billion to clean up the James River. That's inflation.

We think that about 80 percent of hazardous waste is disposed of on site, where it's manufactured, which means it can later get into the environment. The other 20 percent may be going to as many as 30,000 different sites. So it's a massive problem that we are only now beginning to get a handle on. I'm afraid that we're going to see increasingly contaminated groundwater as a part of this legacy of past disposal practices that were uncontrolled. We really have three jobs ahead of us:

First, we must impose some regulatory control on how the industry operates in terms of how waste is handled, and there are technologies for handling the waste. We can segregate the waste according to the appropriate technology for dealing with it. Some things should be put in a landfill; other things probably can only be incinerated; other things can be recovered. We're going to have to break that waste stream down and manage it.

Secondly, we've got to go back and find all the ticking time bombs that the Love Canal situation may represent. That's going to be expensive, and it's going to take time.

Third, we have to deal with the lasting legacy, that is, the contaminated groundwater. Some of it may not be usable; in other instances maybe it can be cleaned before use, but we need technological breakthroughs in terms of drinking water protection. We're finding increasingly that these chemicals are showing up in drinking water, due to contaminated groundwater or surface water. We did a mass spec analysis on Cincinnati's finished drinking water, which had been through their treatment plant. We found over 700 synthetic organic chemicals, albeit in very small amounts, but they're there. Now an average person in Cincinnati drinks a quart of water a day. There's not enough of any of those chemicals to make him immediately sick. But what happens if he's exposed to it for 20 years?

I think it would be prudent to make an investment in technology in order to give us an insurance policy against a future health effect that could be very grave. We're still just learning about the synergistic effect of chemicals, about the independent cancer-causing potential of chemicals. We know even less about other kinds of effects, such as teratogenic or neurological There's just so much we don't know. What worries me is that the public will assume we know more than we do. . . .

Q. Is the hazardous waste problem the largest job you face in the future?

A. It's going to be a very high priority, probably the highest priority, and probably the most difficult problem we'll be dealing with.

Q. Have you begun any programs to address hazardous wastes?

A. Yes, we're adopting regulations now that will put a basic regulatory infrastructure in place, at the direction of the Congress which includes, also at their direction, a system delineating where that waste is generated and where it's moved and by whom. We can then begin to track it; we'll have a map in our hands. We're beginning to prescribe, in those same regulations, treatment techniques depending on what kind of wastes we're dealing with. We're operating within the limits of knowledge at this point. That knowledge will improve as time goes on, but we have to make a start right now.

We've got a proposal before Congress now for a superfund, which would create a fund for going back and dealing remedially with the legacy of inherited landfills. We're working very hard now to understand the drinking water problem enough to begin to set standards for chemical concentrations in drinking water.

Q. How much is the superfund proposal for?

A. It's for $1.5 billion, essentially to keep a pot of about that size, which would allow us to deal with emergencies as they arise. We have the authority, when we can find the culpable party, to hold him responsible, but if he doesn't have the financial wherewithal, or if he can't be found, that becomes moot. We have a situation now where we're getting leakage in the Susquehanna River [in Pennsylvania] of some pretty toxic chemicals that were just dumped in a mine up there. We don't know who dumped them, and they've begun to leach out. There are a lot of midnight haulers and dumpers, and we're going to have to bring that practice under control by licensing landfills, by requiring standards of operation. That's imposing a regulatory structure in a relatively short period of time on what is a very large, complicated set of existing practices. It will not be easy.—Robin Marantz Henig.●

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# HOSPITAL COST CONTAINMENT AND REPORTING ACT OF 1979

## HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. GEPHARDT. Mr. Speaker, with committee consideration of hospital cost containment legislation now complete, the full House probably will act on this measure in the near future. In the ongoing effort to alert Members of Congress to some of the problems embodied in the administration's bill, H.R. 2626, I have joined with my colleagues in a series of letters that discuss the inequality of rigid 4-year controls. We hope that the exposure of these major shortcomings has convinced Members to join the bipartisan effort to defeat this legislation.

Given that hospitals may be swept under the mandatory program unfairly, the problem is exacerbated by the unyielding nature of the controls. We hope that you agree that this type of legislation is unjust and unworkable. When H.R. 2626 comes before the full House, we will offer a bipartisan substitute based on voluntary limits which eliminates the inequities that exist in this regulatory approach, and explores more sensible and effective methods of dealing with this problem. A description of that substitute, referred to as the Hospital Cost Containment and Reporting Act of 1979, follows:

### THE HOSPITAL COST CONTAINMENT AND REPORTING ACT OF 1979

### I. NATIONAL COMMISSION ON HOSPITAL COSTS

*Establishment and membership*

The bill establishes a National Commission on Hospital Costs, appointed by the President, composed of 15 members—five representatives of hospital administration, five representatives of entities which reimburse hospitals (including the Administrator, Health Care Financing Administration), five individuals who are independent of both hospitals and reimbursers—each of whom is exceptionally well qualified to assist in the function of the Commission. The President shall first appoint the members within 60 days of enactment, and the Commission will be terminated three years after a majority of the members are appointed.

*Duties of the Commission*

A. The Commission shall report to the appropriate Committees of Congress and the President, at least annually, on its activities, the implementation of this Act, and on the rate of increase in hospital expenses and on the success of the voluntary efforts of hospitals to meet the voluntary goals for hospital cost containment established by this Act.

B. No later than one year after a majority of the Commission is appointed, the Commission shall submit a report on measures to control health care costs (including changes in third-party reimbursement for hospitals and physicians, payments for drugs and supplies, utilization of health facilities and services, and capital expenditures).

C. Not later than two years after a majority of the Commission is appointed, the Commission shall submit a report regarding long-range strategies to combat rising hospital expenditures with special attention paid to the supply of, and the demand for, health care services.

The "demand" study will emphasize the strengthening of competitive forces, where appropriate, (specifically, the use of deductibles, coinsurance, cost- or risk-sharing, changes in the tax deduction and exclusion from income provisions of the Internal Revenue Code relating to health services, as well as pre-paid health care plans) and the desirability of increasing the use of these and similar methods in both public and private health insurance programs. Also analyzed will be alternative systems (both federally- and state-based) of financing health services, and alternative methods (other than retrospective reimbursement) of paying for health services.

The "supply" study will analyze the impact of capital expenditures on hospital operating expenses and quality and the need for increasing or decreasing both capital expenditures and other factors leading to increases in the intensity of hospital services, particularly advances in medical care technology. The extent of underutilized capacity and the impact of capacity on hospital expenditures and patient utilization will be similarly analyzed.

The feasibility and the efficacy of methods to reduce unneeded capacity will be studied with special attention paid to the costs and benefits of the State Certificate of Need programs required by the Health Plannnig Act and Section 1122 of the Social Security Act. Last, the impact of increases in the supply of professional health personnel, as well as changes in the types of such personnel being trained will be analyzed.

This report will also be required to analyze several other areas of concern regarding hospital costs of which the most important is the costs to hospitals of federal and state regulatory requirements—the report will be required to make recommendations for more cost-effective regulations. Other areas analyzed will include the direct and indirect impact of increases in wages and other employee benefits, increases in energy and utility costs, and the costs to hospitals of serving the medically needy.

### II. FEDERAL SUPPORT OF STATE COST CONTAINMENT PROGRAMS

The Secretary will be authorized to make grants to states to assist them in planning, establishing, or operating state hospital cost containment programs. In order to facilitate the widest variety of programs, the state will not be requried to establish a program providing for mandatory approval of hospital rates or budgets in order to be eligible for a Federal grant. Each program must provide adequate assurances to the Secretary that the program will—

1. cover all non-Federal acute-care hospitals in the state other than psychiatric hospitals;

2. provide for an administering body (either public or private) other than the State Medicaid Agency and an advisory council;

3. provide for appropriate coordination with the state's health planning program and with Professional Standards Review Organizations located in the state;

4. not treat as revenue, directly or indirectly, any amount attributable to a philanthropic gift or grant.

If the state program chooses to review and approve prospective budgets or rates for hospitals, then the program must—

1. provide that hospital budgets not disapproved within 150 days following submission will be deemed approved;

2. insure that no hospital will experience

a decrease in its approved budget because it achieved savings in the previous year;

3. provide for an appeals mechanism.

The Secretary may waive any of the requirements (other than the three requirements immediately above applicable to mandatory programs), and must monitor the programs and make recommendations to the states regarding improvements.

*Authorizations*

For state programs the bill authorizes $10 million for Fiscal Year 1980 and such sums as may be necessary for the two-succeeding fiscal years.

III. VOLUNTARY GOALS FOR HOSPITAL COST CONTAINMENT

The bill establishes a voluntary goal for hospital cost containment for calendar year 1979 and for each succeeding year equal to four percentage points below the rate of increase in total hospital expenses experienced in calendar year 1977. The goal would be adjusted for changes in the rate of inflation measured by the GNP deflator. The National Commission on Hospital Costs would be required to monitor the success of hospitals in meeting the goal each year, and report to the Congress.

IV. ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HOSPITALS

For purposes of determining reasonable costs under Medicare, Medicaid, or Title V, the bill prohibits the deduction from operating costs of revenue from philanthropic sources, or otherwise taking such revenue into account.

The bill also prohibits treating as revenue of a hospital, directly or indirectly, any amount attributable to a philanthropic gift or grant.

V. REGULATORY REFORM

*Coordinated audits*

The bill provides for common audits of hospitals by Medicare and Medicaid.

V. SWING BEDS

The bill would allow a hospital to use acute-care beds to provide long-term care, and to be reimbursed under Medicare and Medicaid at the average daily rate paid for long-term care by the Medicaid program.●

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## A SALUTE TO YOUNG LEADERS OF CALIFORNIA'S BLACK COMMUNITY

### HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. PATTERSON. Mr. Speaker, the California Federation of Black Leadership is an organization of concerned black people in leadership positions who have joined together to define common problems and to seek viable solutions. For 4 years, they have served as a center for political, social, and economic education for black people and have fostered the goal of a comprehensive plan for black progress. During that time, they have achieved many of their objectives and gained the respect and admiration of all those who support the causes of human rights, recognize the dignity of the individual, and value the belief of equal opportunity for all mankind.

This year, the California Federation of Black Leadership is expanding their program. Under the cochairmanship of Joshua White and Leon Berry, they are sponsoring a youth award banquet, an effort to honor black youths who have achieved outstanding recognition in their schools and in their communities. This banquet is an extension of the goals of the federation which include fostering leadership skills in future generations.

Mr. Speaker, I ask my colleagues to join with me in saluting the black youths being honored by the California Federation of Black Leadership. They are to be commended for their individual achievements and encouraged to continue their participation in our society for they clearly have the potential to be the leaders of tomorrow.●

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## PROTECT CITIZEN'S ROLE: LIMIT PAC'S IN POLITICS

### HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. HARRIS. Mr. Speaker, one of the most disturbing trends in national politics over the last several years is the proliferation of special interest political action committees and their rapidly expanding influence in elections, and on public policy.

I, like most Members of this body, vigorously encourage individuals of all persuasions to become active in politics—to contribute and to work for the political party, candidate, or cause of their choice. This grassroots involvement is the essence of American participatory democracy.

The flood of PAC money however, is drowning the individual, crowding out the influence that one person can have on politics, and replacing concerned citizen involvement with the overbearing presence of special interest money. These funds flow to congressional campaigns and can dominate elections. Whether we have the guts to admit it or not, the pervasive presence of special interest PAC money is altering the course of public policy.

We must limit the influence of PAC dollars and redirect political debate from narrow issues to a broader consideration of public policy. By passing the Campaign Contributions Reform Act today, we can take a small, but positive step to preserve an important role for the individual in American politics.

There are now nearly 2,000 PAC's in existence—an increase of 300 percent in the last 5 years. In 1978, these PAC's funneled $25 million to House candidates, an increase of 70 percent over 1976. Even more frightening, 162 House candidates received more than half of their campaign funds from political action committees in 1978. This overbearing presence threatens to undermine our grassroots political structure.

Some have referred to this Congress as "the best that money can buy." Sunday's Washington Post carried an article entitled "96th Congress: Where Money Begets Power." That article legitimately points out that we, as Members of Congress, cannot ignore the presence and the power of special interest money.

Under today's laws, newspapers can write stories like the Post article, raising the specter of a direct tie between PAC money and votes on the floor.

Our reputation as individuals, and as a Congress is at stake here. But far more importantly, the ability of Congress to legislate with the confidence of the people is at stake.

We must not continue to permit special interest PAC money to cloud our motivations, encourage speculation by the media, and destroy the grassroots structure of American politics. By passing this bill, we will make it clear that we are responsive to the people—to the public interest—and not to the narrow, self-interested groups that dump millions into political campaigns.

This is a compromise bill. It preserves the legitimate role of organized citizens to present their views and contribute to campaigns, but it limits the role of special interest PAC's to a manageable scale. It preserves the role of individual, and will begin to restore our standing with the American people. It is an important step that we must take. I urge my colleagues to support the Campaign Contribution Reform Act, and to reaffirm their commitment to our open democratic system.●

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## HYDROGEN FROM COAL

### HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. GRASSLEY. Mr. Speaker, last month I sponsored H.R. 5399 (Hydrogen Fuel Development and Use Act of 1979) and asked my colleagues for their support of this legislation.

A great deal of discussion is now taking place in Iowa to produce hydrogen from high sulfur content coal for the generation of electricity. I feel this is not only a positive step forward for Iowa, but many other States as well.

The DOE and Jet Propulsion Laboratory sponsored a seminar recently in which preliminary figures were compiled on the cost of producing hydrogen from coal. Because of my keen interest in seeing this legislation go forward, I would like to present these findings to my colleagues and their staffs.

The findings follow:

COST OF HYDROGEN FROM COAL

What is the cost of hydrogen from coal and the parameters used in calculating the cost of hydrogen from coal?

COST

The "first year costs" for a large scale "grass roots type" coal gasification plant are estimated to be $4.07 per million BTU higher heating value (HHV). This translates to 24.8 cents per pound hydrogen, hence 25 cents per pound hydrogen.

PARAMETERS

1. First year cost estimates include depreciations on the total capital requirement, interest, return on equity, taxes, insurance and investment tax credit for the first year of operation. Also included is one year of

labor cost, operation cost, maintenance cost, and coal cost. Not included is the unknowable effects of inflation over the life of the project. If costs inflate at an average of six percent per year while the price charged for hydrogen remains unchanged, then it is necessary to charge $5.47 per million BTU for the product.

2. Total capital requirement for this calculation is $1.66 billion.

3. Finance assumptions are as follows:

75 percent of the capital is financed at 10 percent interest.

Return on the remaining 25 percent equity capital is 15 percent.

Plant depreciation life is 20 years.

Taxable life is 16 years.

Sum of the years digits accelerated depreciation is used with flow-through accounting.

Federal and State income tax is 50 percent.

Property taxes and insurance is 2.7 percent.

Investment tax credit is 10 percent.

4. Under the assumptions given in parameter 3, 13.48 percent of the total capital requirement of $1.66 billion must be returned each year.

5. Labor costs for operation and maintenance is estimated as $12.1 million per year. 435 full-time jobs will be created.

6. Variable operating and maintenance cost such as utilities materials, chemicals, and catalysts are estimated as $31.4 million per year.

7. Twelve million tons of coal are used each year. At an average cost of $22 per ton ($1/MMBTU), the fuel cost is $263.7 million per year.

8. The plant produces 396 billion BTU per day for 330 days of the year (90 percent capacity factor). The annual production of hydrogen fuel is 130.7 million MMBTU/year. 97.36 percent by volume of the product gas is hydrogen, 1.96 percent is methane, .17 percent is argon, and .51 percent is nitrogen. There is less than five parts per million by volume CO, three parts per million by volume $CO_2$, one part per million by volume $H_2S$, and two parts per million by volume $H_2O$.

9. Thirty-five identical gasifiers are used in the plant described. The economics of scale are reached for six or more gasifiers. Therefore, plants roughly ⅙ of this size would produce hydrogen at about the same price.

10. The cost of 25 cents per pound is at the plant fence. To compare to gasoline, add distribution costs, taxes, and retailing costs. Pipeline distribution cost average about 6/10 of a cent ($.006) per pound of hydrogen per 100 miles of pipeline. Federal gasoline tax is four cents per gallon of gasoline. State taxes vary and there also exist some local taxes (Utah State tax on gasoline is nine cents per gallon). These estimates predict a comparative cost of hydrogen of roughly 68 cents per gallon before taxes and 81 cents per gallon comparative to gasoline pump price.

11. One gallon of gasoline contains the same energy as 2.25 pounds of hydrogen (LHV). Hydrogen vehicles are more efficient than their gasoline counterparts even after the addition of hydride weight. For example, the U.S. Postal Service Jeep, as converted to hydrogen by Billings, was 15 percent more efficient. If a hydrogen vehicle is 12.5 percent more efficient, then 2.0 pounds of hydrogen will provide the same mileage as one gallon of gasoline.

What are the basic assumptions used in figuring the cost of hydrogen from coal in comparison to the cost of crude oil and/or gasoline and other petroleum products?

### COSTS AND OUTPUTS

Capital cost of the plant, $1.66 billion.

Cost of coal, $22/ton or $1/MMBTU.

Hydrogen from coal cost, $4.07/MMBTU (HHV) or $.25/lb. of hydrogen.

Higher heating value plant output, 396 billion BTU/day, (HHV) (4836 MW).

Lower heating value plant output, 335.1 billion BTU/day (LVH).

### CRUDE OIL CONSUMPTION*

*(Jan.–June 1979)*

Imported Crude Oil (43.2%), 8,143,000 Barrels/day.

Domestic Crude Oil (56.8%), 10,717,000 Barrels/day.

Total Crude Consumption, 18,860,000 Barrels/day.

### CRUDE OIL PRODUCT BREAKDOWN

| One barrel of Crude | 42 gallons—5,800,000 BTU/Barrel of crude | |
|---|---|---|
| | Volume percent per bbl | BTU/gal |
| Motor gasoline | 44.1 | 110,000 |
| Distillate (diesel, home heating oil) | 21.3 | 138,690 |
| Residual | 11.3 | 149,690 |
| Jet fuel | 6.6 | 135,000 |
| Ethane | 0.1 | |
| Liquid gases | 2.3 | 95,167 |
| Kerosene | 1.0 | 135,000 |
| Petro chemical | 4.1 | |
| Special napthas | 0.4 | 124,952 |
| Lubricants | 1.3 | 144,405 |
| Wax | 0.1 | |
| Coke | 2.5 | |
| Asphalt | 3.2 | 158,000 |
| Road oil | 0.1 | |
| Still gas | 0.7 | |
| Miscellaneous | 0.9 | |
| Total | 100.0 by volume | |

Source: API (American Petroleum Institute), Washington, D.C., and U.S. Bureau of Mines standard for heating values.

If hydrogen replaced gasoline as a fuel, how long would it take a $1.66 billion plant to pay for itself with the savings between low cost hydrogen and gasoline at $1.00 per gallon?

| | |
|---|---|
| Assuming $1 per gallon of gasoline | $1.00 |
| Minus 4¢/gal Federal tax, 9¢/gal State tax and 7.9¢/gal retailing cost (per gal) | −0.209 |
| Price of gasoline after distribution (per gal) | 0.791 |
| Hydrogen plant annual operation and maintenance | $0.333/million Btu |
| Annual coal costs | $2.020/million Btu |
| Cost per pound of hydrogen excluding capital cost of plant | $\frac{\$2.353}{10^6\text{Btu}} \times \frac{61{,}000\text{ Btu}}{\text{pound of }H_2} = \$0.144/\text{lb of }H_2$ |
| Assuming distribution costs of 1,000 miles (ave.) by pipeline at $0.006/100 mile/lb. of hydrogen | $0.06/lb |
| Cost of hydrogen after distribution | $0.204/lb of $H_2$ |
| Cost of hydrogen per gasoline equivalent (2 lbs. H2=one gallon gasoline, plant capital cost not incl.) | $0.407/gal. gasoline equiv. |
| Economic savings of hydrogen over gasoline at $1/gal | $0.791<br>−0.407<br>0.384 |
| Daily output of a $1.66 billion plant | $\frac{396\text{ billion Btu/day}}{61{,}000\text{ Btu lb }H_2} = 6.492\text{ million lb/day}$ |
| Translated to equivalent gallons of gasoline | 3.245 million gal |
| Daily savings | 3.245 million gal×$.384/gal =$1.246 million/day |
| Number of days to raise the capital for a $1.66 billion plant | $\frac{1.66\times10^9}{1.246\times10^6} = 1332\text{ days} = 3.65\text{ years}$ |

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*Source: American Petroleum Institute as reported in U.S. News & World Report.

Conclusion: A $1.66 billion plant will take 3.7 years to pay for itself if the product hydrogen is used as an alternative to gasoline at $1 per gallon.

How many $1.66 billion plants will it take to produce enough hydrogen to replace all the gasoline now made from foreign oil imports?

Volume of gasoline coming from imports: (8,143,000 bbl/day) (42 gal/day) × .441 = 150,820,000 BTU/gal) = 16,590 billion BTU/day.

Daily energy consumption of gasoline from imported oil: (150.82 million gal/day) (110,000 BTU/gal) = 16,590 billion BTU/day.

Number of hydrogen production plants required to replace all gasoline made from imported oil:

$$\frac{16{,}590\text{ billion Btu/day gasoline}}{335.1\text{ billion Btu/day hydrogen}} = 49.5\text{ hydrogen plants}$$

Taking into account all of the major fuels made from crude oil (gasoline, diesel, home heating oil, and jet fuel), how many years of crude oil imports at $20/barrel cost the same capital outlay as would the capital cost of enough coal to hydrogen plants to replace these fuels and eliminate all oil imports?

Imported crude oil: 8,143,000 bbl/day.

Daily cost at $20/barrel: 162,860,000 dollars/day.

BTU product yield from a barrel of crude oil:

| | Million Btu |
|---|---|
| Motor gasoline | (.441)(42)(110,000)=2.037 |
| Distillate (home heating oil and diesel) | (.213)(42)(138,690)=1.241 |
| Jet fuel | (.066)(42)(135,000)= .374 |
| | $\frac{3.652\text{ million Btu}}{\text{barrel crude oil}}$ |

Amount of energy derived from imported crude oil in the product form of motor gasoline, diesel, home heating oil, and jet fuel:

$$3{,}652\,\frac{\text{Million BTU}}{\text{bbl crude oil}} \times 8{,}143{,}000\text{ bbl/day} = 29.74\text{ Tera Btu/day}$$

Number of coal to hydrogen plants required to match this fuel energy requirement:

$$\frac{29.74\times10^{12}\text{ Btu/day}}{335.1\times10^{9}\text{ Btu/day}} = 88.75\text{ hydrogen production plants}$$

Number of years of capital outlay for imported crude oil at $20/barrel equaling the capital requirement of enough hydrogen production plants to replace motor gasoline, diesel, home heating oil, and jet fuel made from imported crude:

$$\frac{(88.75\text{ plants})\ \$1.66\text{ billion each}}{(\$162{,}860{,}000/\text{day})\ 365\text{ days/year}} = 2.48\text{ years}$$

### COMPARISON SUMMARY

A $1.66 billion coal-to-hydrogen plant will require 3.7 years to pay for itself if the product hydrogen is used as an alternative to gasoline at $1.00 per gallon.

Fifty coal-to-hydrogen plants at a cost of $1.66 billion each will produce enough hydrogen to replace all gasoline made from imported crude oil.

Eighty-nine coal-to-hydrogen plants, at a cost of $1.66 billion each, will produce enough hydrogen to replace all the major fuels made from imported oil: motor gasoline, diesel, home heating oil, and jet fuel.

Assuming imported crude oil cost $20 per barrel, the amount of capital used to purchase two and one-half years of imported crude oil would pay for the construction of enough hydrogen plants (89 at a cost of $1.66 billion each) to eliminate imported crude oil.

Expenditures for crude oil imports would pay for hydrogen plants to replace gasoline.

diesel, home heating oil and jet fuel made from imported crude oil in the number of years shown.

| | (In years) |
|---|---|
| Motor gasoline | 1.52 |
| Diesel and home heating oil | .73 |
| Jet fuel | .23 |
| Total | 2.48 |

I feel this report offers each of us an opportunity to deduce the cost of coal gasification plants, including hydrogen cost in comparison to gasoline and other crude oil products. It is also possible to estimate the length of time necessary for a hydrogen plant to pay for itself with hypothetical savings from the elimination of foreign oil imports.

I need not remind my colleagues of the OPEC ministers bold statements just this week regarding a new round of increases in foreign oil later this year. If nothing else, those signals should not be taken lightly by this Congress or this country. We should, instead, get our energy policies together and begin to take bold new steps for all mankind. We have crawled long enough.●

## TWO THOUSAND EDITIONS OLD

## HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. MINETA. Mr. Speaker, on October 20, 1979, in Los Angeles, Calif., the Japanese American Citizens League (JACL) will be celebrating the 50th anniversary of its weekly newspaper, the Pacific Citizen. Since 1929, the Pacific Citizen has been the only national Japanese American weekly newspaper which has consistently reported the achievements, contributions, problems, and issues affecting persons of Japanese ancestry.

The editor of Pacific Citizen is Harry Honda, and Harry will be honored this weekend for the 27 years he has been with Pacific Citizen. A native son of Los Angeles, "newspapering" has been Harry Honda's lifelong career that began in 1936, and which was interrupted by military service (1941–45) and college on the GI bill (1946–50). He was on the staff of the English edition of the Shin Nichibei at the time the Pacific Citizen was relocated from Salt Lake City in September, 1952, to Los Angeles, and he was asked to be its editor.

His prewar newspaper career includes working on the English sections of Japanese vernacular newspapers in Los Angeles and San Francisco. Harry is a graduate of Maryknoll School, Belmont High, Los Angeles Junior College, and Loyola University at Los Angeles in political science. He was president of the Downtown Los Angeles JACL in 1951.

I wish to share with my colleagues the following articles written by Harry Honda, entitled "2,000 Editions Old." This article highlights the past 50 years of Pacific Citizen and the goals that have guided its publication under the direction of Harry Honda.

### 2,000 EDITIONS OLD: THE PACIFIC CITIZEN SUMMARY

(By Harry Honda)

Somewhere in Salt Lake City is a treasure that the Pacific Citizen has left behind when JACL's membership publication was relocated to Los Angeles a quarter century ago. The late Saburo Kido, wartime National president, remembered seeing that treasure—the bound volume of prewar issues—at Headquarters when it was located there. He was banking on it to start writing JACL history in a PC series that was published in 1961-62.

What there is on file are scattered issues—31 out of the 163 published up to the eve of the 1942 Evacuation.

Only known copy of the first edition, a six-page quarto (half tabloid) dated October 15, 1929, survives in the JACL-Japanese American Research Project Collection at the UCLA Library. We borrowed it long enough to have it microfilmed for our files. It was then called the Nikkei Shimin (Japanese American Citizen), edited as a semi-monthly by Iwao Kawakami for the San Francisco New American Citizens League, as that JACL chapter was then called. In an early 1930 edition, it was renamed the Pacific Citizen.

In 1932, Earl Tanbara and Asayo Kuraya assumed the editorial responsibilities when Iwao moved to San Diego. The PC became the "official publication" of the fledgling Japanese American Citizens League during its 1932 national convention at Los Angeles. JACL at this time consisted of 20 chapters representing urban and rural Japanese American concentrations along the west coast.

Between 1933 and 1939, the PC was printed in Seattle at Jimmie Sakamoto's Japanese American Courier plant, while the editorial office was in Sab Kido's law office in San Francisco.

In 1940, with Evelyn Kirimura as editor, the PC was again a San Francisco operation. She turned out the first Holiday Issue of 18 tabloid pages in December. Its front and back pages were printed in red and green ink. Some of the advertisers have continued to extend their best wishes in our last Holiday Issue.

The JACL Convention in 1938 passed a compulsory PC subscription policy, requiring the head of each JACL family to subscribe at 25 cents a year and the chapters to submit $12 per year subsidy either in advertising or as a contribution. The policy was suspended with Evacuation.

The prewar PC was generally a four-page tabloid. Kay Nishida, English editor of the Nichibie in San Francisco, then the dean of Nisei writers, was a regular columnist in the late 1930s. Information on farming, national defense, home-making and job opportunities was featured when more than four pages were published during 1941.

The attack on Pearl Harbor also shut down the presses in Nihonmachi. To overcome this emergency, the PC was mimeographed at National Headquarters, then manned by Mike Masaoka as executive secretary. The PCs were bundled and sent to the chapter to distribute. Holiday issue plans were washed out, though some of the greetings appeared in the January, 1942, issue which reappeared in printed format.

The first L.A.-edition of the PC came out October 4, 1952.

Our charge was to maintain the high tone of the Tajiri years and place the PC on a self-supporting basis. We begged for indulgence by trying to pack in as much hard news while the editorial "hole" shriveled way to advertising that Tats Kushida had mustered.

The October 17, 1958, issue was memorable in that it was No. 1,000. Two decades will have passed to reach No. 2,000 on July 7, 1978.

The PC has a two-fold operating policy; to represent JACL as a public relations media, and to serve as an educational resource by reporting the achievements, contributions, problems and issues affecting persons of Japanese ancestry. The editorial policy is broad enough to include both JACL-oriented and general news. Space is provided for divergent views to help guide public policy.

As part of the multi-ethnic press in America, the PC stays abreast of major issues facing Japanese Americans. We are still a minority among minorities and we do not forget that. JACL is about to celebrate its 50th year of existence. While much has been accomplished—citizenship for the issei, immigration bars removed, helping to tell the Japanese American story—but people are fickle, forgetful and factious. Human nature is that way. Hence, the purpose for founding JACL in 1930 is still valid—that persons of Japanese ancestry shall not be denied their freedom and rights because of race, creed or color.●

## ARIZONA STATE FUNERAL BOARD AND THE FEDERAL TRADE COMMISSION

## HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. UDALL. Mr. Speaker, I recently received a letter from the Arizona State Board of Funeral Directors and Embalmers concerning the Federal Trade Commission's proposed rule on funeral services. After meeting with representatives from the FTC, the board's members decided to hold a public meeting to discuss the rule and to accept testimony from concerned citizens and groups. As a result of that hearing the board now supports the Commission's position and opposes any efforts to prohibit the Commission from putting it into effect.

I have looked at this issue carefully, for it affects many people in southern Arizona. And I have come to agree with the board and with the FTC that some action is needed to protect consumers for funeral services, who are especially suspectible to fraud and unethical practices. The vast majority of businessmen in the funeral industry are good, upright people, and I can certainly understand their reluctance to accept Federal regulations which they feel are unneeded. But there is a minority in the funeral industry which does engage in questionable practices and those are the firms which will be most affected by the rule. The FTC is involved in controversial actions in several other industries, and perhaps in some the Commission is acting unjustly or has exceeded its authority. But in this area the need for action is proven and I favor the proposed rule.

The letter from the board of funeral directors follows; I commend it to my colleagues' attention:

ARIZONA STATE BOARD OF FUNERAL
DIRECTORS AND EMBALMERS,
*Phoenix, Ariz., October 10, 1979.*

Re Support of Federal Trade Commission Funeral Industry Rule.

Hon. MORRIS UDALL,
*Cannon House Office Building,*
*Washington, D.C.*

DEAR CONGRESSMAN UDALL: On September 25, 1979, a delegation of this Board met with representatives of the Federal Trade

Commission concerning the progress of the proposed Commission rule on funeral services disclosure standards and also concerning common enforcement problems in this consumer protection area.

Subsequent to that very productive and informative meeting, this Board held a public meeting on October 9, at which the proposed federal rule was discussed and debated at length. As a result, it is now the consensus of the Board that the Federal Trade Commission should be permitted to promulgate its proposed funeral industry rule in the most expeditious manner feasible.

It is the Board's view that the promulgation of minimum federal standards of fair dealing in this area would greatly facilitate the Board's local enforcement efforts and more effectively protect Arizona consumers from deceptive practices. The following points are called to your attention:

1. Funeral services consumers are uniquely vulnerable to deceptive practices, in part due to their bereaved and depressed mental state and the general lack of public information concerning funeral arrangement transactions.

2. Since the potential for consumer fraud in such "grief transactions" is very great, the demonstrated need exists for active and aggressive coordinated enforcement efforts by federal, state and local consumer fraud agencies in this area.

3. The establishment of minimum fair dealing standards in the funeral industry by the Federal Trade Commission would not inhibit local consumer fraud enforcement but rather would permit local agencies (such as this Board) with limited financial resources to build from such standards and focus on local enforcement problems.

4. It is in the best interest of local consumer fraud enforcement agencies and the funeral industry that the proposed federal rule be finalized most expeditiously to facilitate early coordination of local legal requirements and enforcement programs with the minimum standards and to prevent "dragging out" the rule-making process with the resultant disruption and confusion to business.

In conclusion, the Board welcomes the anticipated assistance of the Federal Trade Commission in protecting funeral services consumers in Arizona, and strongly urges an early resolution of the present uncertainties concerning this vitally needed rule.

Sincerely,

Keith L. Rotterson, George Menke, Ruth R. Ada, Lyle M. Ferguson, Marian Lupu, Msgr. Richard W. O'Keeffe.●

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## EFFORTS TO COMBAT COOLEY'S ANEMIA

### HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. BARNES. Mr. Speaker, this Saturday, October 20, has been proclaimed Cooley's Anemia Day in the State of Maryland. Gov. Harry Hughes announced this event as part of a nationwide effort to combat the disease.

Cooley's anemia is an inherited blood disease characterized by a diminished production of hemoglobin, the substance in red blood cells which enables them to carry oxygen to the tissues of the body. It is found primarily in children whose ancestors were natives of the Mediterranean area, particularly those of Greek and Italian descent. There is no known cure for Cooley's anemia, and the only effective treatment is frequent blood transfusions. Individuals with the condition rarely live beyond the age of 20.

It is estimated that there are approximately 200,000 individuals in the United States who carry the trait, and at least 2,400 patients are being maintained with the aid of transfusion therapy.

I trust that my colleagues will join with in supporting the continued efforts in Maryland and around the Nation to combat Cooley's anemia.●

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## FEDERAL ENERGY ASSISTANCE PROGRAMS AND THE POOR

### HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. SOLARZ. Mr. Speaker, I would like to bring to the attention of my colleagues the remarks recently submitted to the Senate Committee on Labor and Human Resources by Mr. Joseph Langer, of the Metropolitan New York Coordinating Council on Jewish Poverty. This group, of which Mr. Langer is the director of operations, represents major and grassroots Jewish agencies and organizations in advocating the needs of the Jewish poor. They provide a link between the Jewish poor and Government agencies which aid the needy of our Nation, and help to develop programs in neighborhoods with large concentrations of Jewish poor.

As the representative of a district with one of the largest Jewish populations of any congressional district in the country, I commend the Metropolitan New York Coordinating Council on Jewish Poverty for their efforts to help maintain, stabilize and upgrade the social and physical health of many Jewish neighborhoods.

The testmony follows:

#### FEDERAL ENERGY ASSISTANCE PROGRAMS AND THE POOR

(By Joseph Langer)

Since 1973, the cost of energy has risen drastically. OPEC price increases, continuing double-digit inflation and oil decontrol have made all Americans pay an increasing portion of their budget for the purchase of energy to meet their basic household needs. The future looks dim indeed. Costs will continue to climb at excessive rates.

While the entire population has felt the impact of increasing energy costs, the burden has been experienced extremely by the poor, the elderly, the lower middle class and individuals on fixed incomes. It is estimated that the average low income family will be spending more than 25% of their income on household fuel and utilities this year. In the Northeast, as winter arrives, the price of home heating oil will have risen as much as 100% from last year. This situation will force many low income households to pay more than 40 percent of their income for the purpose of heating their homes. The average homeowner in New York State will have to shell out an extra $500.00 in the period of only a few months. The rentor or co-op owner will receive an equivalent pass-along. The large oil firms have, inexplicably tightened their credit terms recently and many homeowners and landlords will be forced to pay for fuel in advance of delivery.

The poor will be forced into an extreme dilemma during this winter trying to chose between heating their homes and feeding their families.

II

The experiences of Federal energy assistance programs in 1977, 1978 and 1979 have been bleak.

The General Accounting Office in its audit "Meeting Winter Heating Bills for Needy Families: How Should the Federal Program Work" reports that the distribution of funds were not managed well and there was no assurance that families in the greatest need were served by these energy assistance programs.

In the first year program, funds were distributed to States based on the severity of winter, the number of poverty households, and the regional fuel cost.

State plans for identifying priorities and methods of payment were not effectively reviewed and approved within program time constraints. Federal criteria was unclear, with the result that allocations to local projects, towns and cities, varied among States and within States. Eight States designated no specific priority system. Other States adopted a variety of different priorities including services to the elderly only, all eligible recipients on a first come first serve basis, eligible recipients with power disconnects or fuel bills only, and all eligible recipients with specific exclusion and limitations on payments.

There was no provision made for heaters, blankets and other energy costs by many projects. Nor in the case of the elderly, who are known to immediately pay their bills and literally go without food, was there any provision made to look at paid bills, not just utility disconnect notices. No allowances were made for rentors, the bulk of the poor in major urban centers as New York City, to meet fuel costs incubated as pass-alongs by landlords.

As the GAO report concluded, the Community Services Administration could not assure that the local programs were alleviating crisis situations. A great percentage of the Federal appropriation was unspent. During the first year of the program New York City did not spend 1 cent of its funds while Chicago spent $7 million dollars.

III

Unfortunately the proposed Energy Assistance Program and legislation, circulated late this summer by the Administration, perpetuates and incorporates many of the failures of past Federal programs.

States have again been designated as the agency responsible for administration of the program. They are also assigned the task of developing a plan which describes how the program will be implemented within the state and the priorities of those to be serviced. Previous experience teaches us that the states have not completed this delegated task successfully and are not the sensitive vehicles to address the delivery or services to localized poor. We suggest that a more appropriate methodology in assuring that the poor receive energy assistance would be to utilize municipalities as the administrative vehicle which is more in touch with the needs of the local community.

Under the Administration's proposed plan, the bulk of the appropriation will go to SSI recipients, AFDC recipients and food stamp recipients. Assistance to the elderly and poor outside of these categories is unclear. The proposed plan of the State Department of Social Services compiling lists of the "other" poor is unrealistic. Nearly 75 percent of the elderly, for example, who are poor do not receive SSI. There are no provisions to insure that they receive benefits. This plan makes no provision whatsoever for Outreach to the isolated, undercovered, poor.

The Administration's proposal utilizing poverty levels as eligibility criteria eliminates the bulk of energy hardship cases from receiving benefits. The lower living standard of the Bureau of Labor Statistics is a more realistic measurement device that is geared to individual communities. The BLS measure would provide a much broader eligibility target and much needed assistance to those on fixed incomes and the lower income working poor.

The Administration's plan is geared totally to the homeowner and there are no provisions for the rentor, who is effected by the energy crisis through higher rental costs as a result of pass alongs by landlords. The poor in most urban areas do not own homes but live in apartments. They are paying higher rental costs yet receive no relief. They have to go without the necessities of life but are not considered in this proposed program just as they were systematically eliminated in other programs.

To utilize utility shut off notices as the sole criteria for receiving assistance is circumventing the entire spirit of energy assistance programs. In the case of the poor, and especially the elderly, we know they will deprive themselves of the basics including food in order to meet their utility obligations. Provisions must also be made for space heaters, insulation, blankets, and warm clothing to assist the poor as a result of temperature cutbacks, in staying warm during the winter months.

S. 1724 sponsored by Senators Williams and Javits provides much more realistic approach to assist households which cannot meet the high cost of fuel and other energy related costs. It provides immediate assistance to the poor that is so critical for families this winter.

We suggest that provisions for the many urban poor who are renting apartments be incorporated into the bill. Provisions must be made for rentors with low incomes to meet pass along energy costs.

We commend the Outreach activities stipulated in the bill especially those involving Community Action Agencies, Area Agencies on Aging and other appropriate Agencies in outreach and certification activities.

The experience of the Metropolitan New York Coordinating Council on Jewish Poverty and its affiliated agencies has proven that local community based agencies have an appropriate handle and contact with the isolated poor and are able to deliver services on an expeditious basis eliminating red tape and bureaucracy and provide the most services for the program dollar.

We urge that provisions in S–1724 be made for other than fuel costs including clothes, space heaters and localized insulation to insure that the poor stay warm during the winter months.

The Metropolitan New York Coordinating Council on Jewish Poverty, founded a decade ago, as a coordinating body representing 46 major Jewish organizations, social service agencies and Jewish community councils. The Coordinating Council is the united voice of the Jewish community in serving the needs of the Jewish poor and elderly within their neighborhoods. It is the primary vehicle for assessing local needs, bringing resources to neighborhoods, and acting as the communal advocate and ombudsman for ameliorating the plight of the Jewish poor in the neighborhood they live in.

The Coordinating Council urges that Congress pass appropriate legislation to assist the poor with their increased energy costs as quickly as possible so it will be administratively in place before the winter. We respectfully suggest that our recommendation be incorporated into the pending legislation.

We pray that the prophesy of Congressman Frederick Richmond, quoted in the New York Times, that we will have to see someone die before Congress acts, is false and that this proposed legislation is reported out by the Committee expeditiously.

Thank you.●

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## CAMBODIAN FAMINE DEMANDS GENEROUS AMERCAN RESPONSE

### HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. SOLARZ. Mr. Speaker, yesterday the Subcommittee on Asian and Pacific Affairs unanimously recommended the enactment of a $35 million disaster relief program. This legislation, which will be taken up by the Foreign Affairs Committee next Wednesday, is to prevent the needless death of over two and a half million Cambodians who will starve to death in the next few months if a large scale international relief effort is not quickly undertaken in that country.

As a member of the Subcommittee on Asia, I have been active in efforts to prevent the unfolding of this further tragedy on the stricken Cambodian population, and in urging the administration to move quickly and compassionately to assist these suffering people.

I would like to enter for the RECORD a copy of an eloquent plea by the major charitable organizations of our country to the Secretary of State. These 13 groups urge a generous and timely response by the American Government to the human disaster which has engulfed Cambodia.

These voluntary organizations have participated valiantly and effectively in other major humanitarian relief efforts—such as the ones undertaken by the international community in Biafra and Bangladesh—where, even under extremely difficult circumstances, not unlike the ones in Cambodia, we were able to fully participate in assisting the beseiged civilian populations.

Mr. Speaker, I hope that this appeal by these voluntary organizations will not go unheeded by the administration and by this Congress.

The material follows:

OCTOBER 1, 1979.

Hon. CYRUS R. VANCE,
*Secretary of State,*
*Washington, D.C.*

DEAR MR. SECRETARY: Reports of serious food shortages in certain areas of Cambodia have been a source of concern to us for some months. Recently, it has become apparent that a major international effort will be required if widespread famine affecting millions of Cambodians is to be averted. Independent reports from a variety of recent visitors to the area—including representatives of the press, religious organizations, and international relief agencies—all attest to the urgency of the situation.

On several recent occasions, you have spoken of your hope that the international community act to prevent starvation in Cambodia. We are very much aware of the unusual complexities of assistance to people in a country at war, especially when our government does not recognize any of the conflicting parties as representative of those people. The normal procedures for adequate supervision, control, and monitoring are at once more important and more difficult. We understand that lengthy negotiations between international agencies and various governments in Southeast Asia have now succeeded in establishing arrangements under which relief supplies may be provided, distributed, and monitored. This should remove what we hope will prove the final obstacle to the launching of a major international response.

We are aware that restrictions prohibit any form of U.S. development assistance to Cambodia. However, there are no statutory prohibitions against the use of U.S. Food For Peace (PL–480, Title II) commodities or against the use of Disaster Assistance funds after October 1, 1979. We wish, therefore, to register our strong support for your efforts to encourage an international response to the Cambodian famine fully commensurate with the need. We urge you to pursue all available bilateral and multilateral channels, including private and voluntary organizations, to see that the United States moves quickly and effectively in responding to this crisis. Some of our organizations have already begun our own efforts to respond as an expression of broad public concern.

Sincerely,

The Most Reverend Edwin B. Broderick, Executive Director, Catholic Relief Services/U.S. Catholic Conference, Inc.

Dr. George A. Chauncey, Chairman, Interreligious Taskforce on U.S. Food Policy.

Dr. Bernard A. Confer, Executive Director, Lutheran World Relief.

Stephen Hayes, Director, Office of Peace and Development Education, International Division, Young Men's Christian Association of the U.S.A.

Herbert Katzki, Associate Executive Vice President, American Jewish Joint Distribution Committee.

Dr. Paul F. McCleary, Executive Director, Church World Service.

Rosalie Oakes, Executive, World Relations Unit, National Board of the Young Women's Christian Association of the U.S.A.

Louis Schneider, Executive Secretary, American Friends Service Committee.

Joseph Short, Executive Director, OXFAM-America.

Arthur Simon, Executive Director, Bread for the World.

Edward F. Snyder, Executive Secretary, Friends Committee on National Legislation.

Edgar Stoesz, Associate Executive Secretary, Mennonite Central Committee.●

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## A BILL TO PRESERVE EQUITABLE IRS TAX TREATMENT OF RURAL COOPERATIVES

### HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. GORE. Mr. Speaker, electric and telephone cooperatives are the backbone of rural America. Congress helped nurture the growth of co-ops in the 1930's and 1940's in order to improve the quality of life in rural areas. Privately owned utilities brought necessary services to urban areas, but they either could not or would not furnish the needs of rural areas.

The goal of cooperatives is not profit, but reliable service at the lowest price.

This is one of the principal reasons why we have seen co-ops on the forefront of major technological changes and innovative cost-cutting measures.

There are more than 1,000 electric co-ops in this country operating in 46 States. They provide service to 25 million people and cover more than 50 percent of the land area in the United States. Telephone co-ops operate in 30 States and provide telephone service to more than 750,000 people. Co-ops are an indispensable part of rural life and continue to provide opportunities for growth and development.

Unfortunately, it seems that the Internal Revenue Service does not share Congress' enthusiasm for cooperatives. Recent rulings by the IRS have attempted to chip away at their tax exempt status and have placed unnecessary and unreasonable financial burdens on cooperatives.

Today, I am introducing legislation which will preserve equitable IRS tax treatment of rural cooperatives in an effort to keep utility rates at reasonable and affordable rates. The bill would reinstate traditional IRS tax treatment of income from pole rentals and telephone directory advertisements. The bill would alter recent IRS rulings which concluded that income from pole rentals and "yellow page" advertisements were not related to co-op business endeavors and thus not exempt from taxation.

In order to bring service to the greatest number of people at the lowest possible cost, electric, and telephone co-ops have entered into reciprocal agreements to share the cost of their poles.

Joint use minimizes costs and encourages efficient use of rights-of-way. Electric co-ops in many areas were the first to build poles, and thus over the years have received income from telephone co-ops for the rental of the right-of-way. The revenue is not significant in terms of overall cooperative income, and the IRS has traditionally treated pole rentals as business-related income and thus nontaxable.

Late last year, I was informed by Mr. Fred Key, general manager of the Middle Tennessee Electric Membership Cooperative in Murfreesboro, Tenn., that the IRS had shifted its longstanding policy and was going to begin taxing pole rental income. In its letter to Mr. Key, the IRS informed him of a recent technical advisory ruling which concluded that income from pole rentals bears "no substantial causal relationship" to co-op's tax-exempt purpose. Mr. Key estimates that this IRS policy reversal could cost his customers $50,000 next year. This is not a great deal of tax revenue for the IRS, but it is the type of unnecessary cost that forces rates to soar.

The IRS apparently believes that the joint use of poles is not related to the purpose and goals of rural co-ops. This is completely illogical. The purpose of co-ops is to provide wide ranging low-cost service. One means to achieve this is to share the costs of putting up poles. The rental revenue received, say by the electric co-op, is money that the telephone co-op would normally have to spend on putting up its own poles. The revenue is not unrelated to the purpose of the co-op—it is essential to the purpose. Duplication of poles is of course ludicrous, but the IRS ruling seems to be encouraging that practice.

The telephone co-ops are faced with a similar problem with income derived from directory advertisements. The IRS has ruled that income from "yellow page" advertisements is not related to the telephone co-op purpose and, therefore, is taxable.

It would seem fairly obvious that the small amount of income from such advertisements should be used to help offset the costs of printing. Certainly the telephone co-op is not competing with any other business in publishing the yellow pages and it is difficult to argue that yellow pages are unrelated to the business of telephone co-ops. Unfortunately, the IRS does not see it that way.

The bill that I have introduced would alter IRS tax treatment of related business income such as pole rentals and directory advertisements. The legislation would exclude those activities from unrelated business income which are customarily provided by rural telephone and power companies. The bill will insure that the IRS will tax only those activities, for example, investment income, which are properly taxable and unrelated to co-op activities.

Mr. Speaker, I think it is time to put a halt to the IRS campaign against cooperatives.

I applaud IRS efforts to tighten the tax laws, but I am afraid their efforts in this area are totally misguided. The tax revenue from these rulings which the IRS expects to gain from cooperatives is negligible in the aggregate, but it translates into significant costs for the co-ops and frustrates their efforts to meet the needs of their customers.

I hope Congress will move swiftly on this legislation.●

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## INTRODUCTION OF INTELLIGENCE IDENTITIES PROTECTION ACT

## HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. MAZZOLI. Mr. Speaker, yesterday I joined with the chairman and members of the Intelligence Committee to introduce legislation which is designed to meet head on a particularly troubling and destructive phenomenon—the deliberate disclosure of the names of undercover U.S. intelligence officials.

Such disclosures have been on the increase in recent years, and are coming at a time when an effective intelligence collection capability is perhaps more necessary to the well-being of our Nation than ever before in our history. Needless to say, blowing the covers of intelligence agents can only serve to destroy such a capability.

Not only are lives threatened, but legitimate intelligence collection activities are rendered useless, the careers of dedicated intelligence officers are disrupted, service morale is lowered, and the taxpayer's money is wasted.

Those engaged in publicly identifying undercover intelligence officers claim to be patriotic Americans and contend that their actions are based on the best motives. The sincerity of their motives may well be beyond question. However, the plain fact is, they are wrong. No useful or legitimate purpose whatsoever is served by exposing the identities of undercover intelligence officials engaged in legitimate and useful intelligence activities.

The legislation, the "Intelligence Identities Protection Act," has been carefully crafted to respond to the problem with which we are faced.

It prescribes criminal penalties for the unauthorized disclosure of information that identifies certain undercover U.S. intelligence personnel. If the alleged offender has had authorized access to classified information which identifies undercover intelligence personnel, the penalty would be 10 years imprisonment or a fine of $50,000, or both.

If the offender has had no such access, the penalty would be imprisonment for 1 year or a fine of $10,000, or both. In addition, for this latter category, the Government would have to prove a specific intent to impair or impede the foreign intelligence activities of the United States.

These provisions were not quickly or easily drafted. It is fully recognized that the act would operate to restrict speech and publication and thus will raise first amendment concerns. To that extent, it is unfortunate that we must act at all. But the problems are there and must be dealt with effectively—no matter how much controversy ensues.

To state that the proposed legislation touches on first amendment issues is not to say that such issues cannot be resolved in a manner consistent with our constitutional principles. I trust that by introduction of this bill we will engender a healthy public debate that will focus the attention of our people and the Congress on the disclosure problem and the appropriate remedy.●

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## IMPORTANT CAUCUS MEETING

## HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. MOTTL. Mr. Speaker, I urge my Democratic colleagues to attend an important Democratic caucus meeting at 10 a.m. next Tuesday, October 23, at which two significant matters will be before us.

One item of business will be a resolution to put the caucus on record as favoring enactment by Congress of legislation giving the President standby authority to impose wage and price controls. A second matter is election of a Member to fill a vacancy on the Committee on Ways and Means.

Neither of these items can be acted upon unless enough caucus members are present to establish a quorum.

I personally believe that the President should have authority to impose wage and price controls, because inflation is clearly getting out of hand. But regardless of our individual views, if the caucus is to be an effective tool for using our party's substantial House majority to influence national issues, we must take interest in its activities and meetings.

Again, I urge my Democratic friends to attend Tuesday's meeting.•

## SARA HAMPTON—WOMAN OF ACHIEVEMENT, 1979–80

## HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

• Mr. ANDERSON of California. Mr. Speaker, each year the San Pedro Business and Professional Women's Club recognizes outstanding contributions made in service to the local community by naming a "Woman of Achievement." It is a privilege to bring to the attention of my colleagues the news that Sara Hampton has been selected by her peers to receive this special award this year.

To her many friends in San Pedro and the entire South Bay area, Sara Hampton is known as a person always willing to lend a helping hand. The numerous positions she has held on citizen boards and committees is evidence of her never-ending generosity and concern for others. In the past, she has served as a member of Mayor Tom Bradley's advisory council for the Fort McArthur/cannery project, chairperson for the Wilmington Community Council Advisory Board, and president of the Harbor Area YWCA board of directors.

Her dedication toward positive community work continues as she now holds officer positions in the following organizations and committees: Harbor Area Planning Committee, San Pedro Business and Professional Women's Club, and the West Channel/Cabrillo Beach Recreation Complex Committee. In addition to these heavy responsibilities, she is currently a participating member of the American Red Cross board of directors, the United Way Advisory Council, the Salvation Army Advisory Board and Auxiliary, Los Angelenos, the Department of Motor Vehicle Panel, the L.A. Police Forum, the South Bay Women's Insurance Club, the San Pedro Historical Society, the Harbor Area Ethnic Coalition, the Friday Morning Club, and the San Pedro Coordinating Council.

Sara Hampton has won the respect and admiration of many, not only for her involvement in community affairs, but also for the accomplishments of her professional career as an insurance underwriter. Through her persistence and by her competence, she broke into a field where employment opportunities for professional women are not widespread. Her performance has truly been inspiring.

My wife, Lee, joins me in congratulating Sara Hampton for the recognition she is about to receive. We extend our heartfelt best wishes and appreciation for the contributions she has made to her profession and to the people and community of the South Bay. We also send to her and her brother, George, and sister, Lois, our sincere hopes for a bright and prosperous future.•

## HARNEY PEAK WILDERNESS

## HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

• Mr. ABDNOR. Mr. Speaker, this morning I appeared before the Subcommittee on Public Lands in support of enactment of my bill, H.R. 5301, to designate the Harney Peak Wilderness.

It is my understanding the subcommittee intends to put together a number of the less controversial areas proposed for wilderness designation under the RARE II process and to act relatively quickly to pass the necessary legislation to approve these areas.

I believe the Harney Peak Wilderness is one such area. I hope it will be included in the legislation which is recommended for enactment.

Following is the text of my remarks to the subcommittee:

> Mr. Chairman and Members of the Subcommittee, it is a pleasure for me to appear before you today in support of my bill, H.R. 5301, to designate the Harney Peak Wilderness on 10,700 beautiful acres in the Black Hills National Forest in my Congressional district.
>
> In appearing before you, I am fully cognizant that the large majority of my constituency reacts negatively to the very concept of "Wilderness." They perceive the designation in terms of a lock-up of potentially needed resources. They are violently opposed to the continued expansion of the authority of the Federal Government, and they are particularly concerned when such expansion takes the form of increased ownership or control of a basic and precious resource; that is, our land.
>
> On the other hand, my constituents know that I am anything other than a wild-eyed, environmentalist rabble-rouser. While I would acknowledge that we have abused our environment unduly in far too many instances, I truly believe that the worst examples and the large bulk of the cases of such abuses are associated with our urban areas—not rural areas, like South Dakota. As such, I sincerely resent the holier-than-thou attitude many of our urban cousins take in suggesting that they know better than local rural people what should be done with our nation's abundant Federal public lands.
>
> Personally, I am a staunch supporter of multiple-use management of our public lands—not just in some cases or even in most cases, but in virtually every case for which there is not an obvious and compelling reason for a more limited use, such as is provided under the Wilderness designation. In terms of the best interests of my state and rural America in general, I strongly believe the balance of needs is tilted far more toward the developmental side of the scale than toward the preservationist side. Indeed, rural America has a vast abundance of undeveloped resource potential which can and must be realized if our nation is to maintain its standard of living, much less sustain a position of preeminence in the world economy.
>
> Even so, I have absolutely no qualms about recommending wilderness designation to this particular tract of national forest land. I do not regard it as necessarily inconsistent to believe that rural development is receiving too little attention and rural preservation, relatively speaking, too much, and yet to believe that the Harney Peak area in particular should be preserved in its current state of natural beauty—forever. I honestly believe that the large majority of my constituents, who are opposed to wilderness in principle, would take that very position. In fact, I know of no one who has voiced the opinion that the Harney Peak area should not remain unspoiled by the works of man.
>
> Very much to the contrary, there was a great deal of opposition expressed in regard to designation of the so-called Beaver Park area of the Black Hills, which was the initial recommendation of the Forest Service as a potential representation of the Black Hills Ponderosa Pine in the Wilderness System. Due to the degree of local opposition expressed, I suggested and the President agreed in his recommendations to Congress to substitute the Harney Peak area for Beaver Park.
>
> There are a number of unique features which justify inclusion of the 10,700-acre Harney Peak area in the Wilderness System. The area boasts some of the highest elevations east of the Rocky Mountains, ranging from 4,050 to 7,242 feet above sea level. Rolling hills, two lovely mountain lakes, granite walls, and stands of Ponderosa Pine contribute to the splendor and provide habitat, as well as a breathtaking backdrop, for a variety of wildlife. Wildlife which populate the area and add to the wilderness experience of human visitors include Rocky Mountain goats, elk, deer, grouse, turkey, as well as other nongame birds and mammals. ffl
>
> The Harney Peak Wilderness will comprise about one-third of the existing Norbeck Wildlife Preserve, which was created by Congress in 1920. As such, I requested the Department of Agriculture to draft the legislation, which I introduced as H.R. 5301, in such fashion as to address any potential conflicts between the wildlife preserve and wilderness designations. We are assured that the two need not be in conflict, that the wilderness designation will not disrupt management policies necessary for the Norbeck area as a whole, and, finally, that the original intent of Congress to recognize the Norbeck area as a geographically complete unit of nature will be preserved.
>
> The "Norbeck core" area initially considered by the Forest Service under the RARE II process for inclusion in the Wilderness System comprised 9,400 acres. In making their final review of the area prior to furnishing the draft legislation, however, the Forest Service concluded that the 10,700-acre unit to be authorized by H.R. 5301 reflects the logical, natural boundaries, without major addition to the area initially considered.
>
> The name, "Harney Peak Wilderness," has been suggested by the Department of Agriculture and describes the area geographically since its most distinctive feature is Harney Peak. Senator McGovern has suggested the nomenclature, "Black Elk Wilderness," however; and I have written a large number of my constituents on this issue. Until such time as I have a better idea of the will of my constituency, I would request that the Committee maintain the "Harney Peak" nomenclature. If the committee acts and we subsequently tend to favor the "Black Elk" designation, there should be no problem in having it adopted by the Senate.

Again, Mr. Chairman and Members of the Subcommittee, I urge enactment of H.R. 5301, to designate the Harney Peak Wilderness. The 10,700-acre area it would protect is certainly not in any immediate or foreseeable danger of desecration, but its merits for inclusion in the Wilderness System are obvious.

The Subcommittee and my constituency may be assured I will continue to work to achieve a greatly increased degree of development of the vast natural resources of South Dakota, but the conclusion is inescapable that the highest and best use of the Harney Peak Wildernes is now and will continue to be to preserve it in the most natural state possible. That is the aim of H.R. 5301. I am delighted to be associated with this important legislative effort, and I am anxious to see it concluded successfully. The Harney Peak Wilderness will be a credit to the Wilderness System, and it represents a fitting legacy for the future of the Black Hills ecosystem.●

## TRIBUTE TO THE 200TH ANNIVERSARY OF THE DEATH OF POLISH PATRIOT GEN. CASIMIR PULASKI

### HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. DINGELL. Mr. Speaker, on the 200th anniversary of the death of Gen. Casimir Pulaski, I would like to call attention to the growing presence of the Polish spirit.

The courage of Pulaski is well known to all and requires no lengthy recital. His own words best exemplify his spirit—

> I came here to sacrifice everything for the independence of America. I wish to live in a free country and I will fight for that country's freedom.

Pulaski was a man of Polish nobility, who gave up a comfortable life and came to the foreign shores of a newly emerging nation to fight for the common cause of liberty. His bravery and valor remain etched in America's early history. Needless to say, the name of Pulaski inspires pride in each and every person of Polish descent.

But, Pulaski does not stand alone in the annals of prominent Poles. Copernicus, Paderewski, Chopin, and Madame Curie are a distinguished few from a long list of famous compatriots. Poles have made an indelible mark in all fields of human endeavor: Business, politics, science, law, medicine, the arts. Moreover, this country has witnessed only recently the respect and love of the American people for yet another Polish visitor—one who came to our shores carrying the message of world peace and brotherhood.

I refer to none other than His Holiness, Pope John Paul II. Pope John Paul is the embodiment of the Polish spirit. His presence is living testimony to the intelligence, industry, charity, humility, and strength of the Polish people.

While the visit of the Pope buoys and rekindles our ethnic pride, it is a poignant reminder of the brotherhood of all mankind. Just as Pulaski gave of his life in battle for those universal principles of human rights, the Pope's appeal is to a universal understanding that we are our brother's keeper and that we must share those bounties that God has so richly bestowed.

The Polish people are proud of who and what they are. Their character and moral fiber have made them a great people. The sufferings of their fathers both here and abroad have been an unforgettable lesson that we must heed the call of those in need and bear responsibility for our fellow man.

We are indeed fortunate to live today in a nation that allows individual and collective expression of pride, self-accomplishment and self-determination. We are also fortunate to have reaped the inheritance of a land blessed with the fruits of plenty.

The Polish people have been responsible for weaving much of the fabric of freedom and progress in this country. They are a compassionate people whose work and labors continue in the greater good of all mankind.

It is my firm belief that the Polish people are the salt of this Earth. But, just as salt is composed of individual grains, our common bonds are no stronger than the virtue of each and every individual who is proud to call himself Polish.●

## STARVATION IN CAMBODIA IS STILL AVOIDABLE BUT THE PRESENT EFFORT IS INADEQUATE

### HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. SOLARZ. Mr. Speaker, Dr. Jean Mayer, the distinguished president of Tufts University, the Vice Chairman of the President's Commission on World Hunger, today issued a statement deploring the existing efforts in Cambodian relief as "wholly inadequate—financially, logistically, and diplomatically."

Dr. Mayer who is one of the world's most experienced specialists on famine, was formerly involved in the international relief efforts in Bangladesh and Biafra. He has long been an outspoken critic of the use of hunger as a weapon of war, and he severely criticized both parties in Cambodia for their use of this most awful weapon.

Mr. Speaker, I ask that this summary of Dr. Mayer's remarks today at the Federation of American Scientists Washington office be printed in today's RECORD, so that my colleagues might have the opportunity to review them when they consider what action we must take in the Congress on this crisis of hunger in Cambodia.

#### STATEMENT ON STARVATION IN CAMBODIA

(By Dr. Jean Mayer)

I call upon every American to personally support the efforts of UNICEF, Oxfam-America and the International Red Cross to feed the starving people of Cambodia. The situation is acute. In addition to the famine, there is a very immediate danger of widespread epidemics that might not be confined to Southeast Asia. UNICEF and the Red Cross have reached a tenuous understanding with the Heng Samrin Government in Phnom Penh that the food and medicine will not go to military units but will be targeted to civilians, in particular the most vulnerable and malnourished. As always in famines, that is the women and young children. Most of the children under five have already died. We may still be able to save some 600,000 between five and nine years old, if we act quickly, and on a massive scale. If we do not, the Khmer nation, the great majority of the people of Cambodia, will be eliminated by starvation.

We are flying in 50–60 tons a day. A ship with 1,500 tons has landed; 6,000 tons are on the way. But it is nowhere near enough.

Initially we need to send in the order of 1,000 tons of food a day. To adequately feed these people we should eventually send about 2,500 tons a day, but at this point we do not have the capacity to distribute this much.

The only way to get adequate food to the area quickly is by ship. We should immediately send to Cambodia grain ships now on the high seas headed for areas that have grain reserves and can wait a few weeks for another shipment, as was done once before in the famine in Bangladesh.

Compared with the Sahelian desert, where we had a very successful relief operation four years ago, it is easy to distribute food in Cambodia. There are roads, whatever their condition. But in addition to more food, there must be the right equipment. Unloading at Phnom Penh is done by hand. We need ships with unloading equipment. We need small boats to take the food up rivers and trucks with the right spare parts so they can be repaired. Cargo planes are still essential, and at some point helicopters will be useful, although in areas where fighting is going on that may be counterproductive at present.

At this point UNICEF, which is in overall charge of relief operations, is getting about 5 percent of the necessary support. For example, our government committed $2 million and $5 million in commodities. We need twenty times that much. Approximately half of that will have to come from the United States.

The President has committed us up to the level of his authority. There is a Congressional ban on direct aid to Cambodia. In addition, there is no money left in Title II, the relief budget of PL 480. But there is plenty left in Title I, allocated to sponsored programs. It is up to Congress to lift the ban and to pass a supplemental appropriation, or to indicate by vote that the necessary funds can be transferred from Title I to Title II. I call upon our representatives and senators to act immediately, in the name of humanity.

The whole responsibility does not rest with the United States. Both sides in the Cambodian conflict have been contemptible in their utter neglect for human life. The international community should assume responsibility in the face of this outrage. If our relations with the Soviet Union and the People's Republic of China mean anything, we can act together in this crisis. The United States should take the initiative in calling an emergency meeting with Russia and China, the Secretary-General of the United Nations and UNICEF, to see to it that enough food and medical supplies get into Cambodia and to the refugees.

The situation is complicated by two facts. The Vietnamese themselves are short of food by as much as 2 million tons. Sending the food by ship rather than overland we can make certain it reaches the refugees. The Thais are producers of rice. We must insure that the relief operations do not make their situation worse. We can do that partly by buying rice from the Thais for the refugee camps. But if human life means anything in the international community, we must act.

For some years I have been urging an international convention against the use of hunger as a tool of war and for the right of international relief organizations to feed and care for civilian refugees without asking permission of the combatants. At best what we have in Cambodia, after months of horror, is a toleration that each side will not interfere with the other's food shipments.

Situations like that in Cambodia can no longer be tolerated. We have the knowledge to prevent famines, we have the technological means to do so. Man-made famines should never again be permitted to happen. I call upon the nations of the world to take action.●

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## EDUCATIONAL ASSISTANCE

### HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. LELAND. Mr. Speaker, I would like to include in the RECORD an article recently published in the October, 1979 edition of Glamour magazine. This article contains valuable sources for information on financial assistance for college or graduate school. I commend Glamour magazine on providing this information to its readers.

Because of our tight money situation and the cutback in available State and Federal educational assistance programs, these resources are invaluable. I hope that my colleagues will distribute this information to their interested constituents.

WHERE TO LOOK FOR EDUCATIONAL ASSISTANCE, ON CAMPUS, ON THE JOB

Whether you need money for college, graduate school, to write a book or produce a film, there are thousands of sources of funding that you may not be aware of. Following are names of organizations and books to turn to.

The Foundation Center publishes Foundation Grants to Individuals, which you can find in your public library or purchase by sending a check or money order for $15 to: The Foundation Center, 888 Seventh Ave., New York N.Y. 10019. Write to them also for a list of the libraries they maintain in over seventy cities which contain useful publications.

Your public or university library is a great source of information. Look in the card catalog under "Grants," "Grantsmanship," "Financial Aid," "Scholarships," "Fundraising." Ask the reference librarian for guidance. Besides the volume mentioned above, look for *Grants and Aid to Individuals in the Arts*, edited by Daniel Millsaps (Washington International Arts Letter Editors, $13.95, paper) and the *Grants Register*, edited by Roland Turner (St. Martin's Press, $26.50). The latter provides information on scholarships, research grants, fellowships, travel grants, competitions and prizes.

The Business and Professional Women's Foundation publishes a helpful booklet, "Financial Aid: Where To Get It, How To Use It." Write to them, enclosing a check or money order for $1, at 2012 Massachusetts Ave. NW., Washington, D.C. 20036. Write also for information on three scholarship programs they administer. Career Advancement Scholarships are awarded to women at least twenty-five years old whose studies have been interrupted and who plan to return to school part-time. Kelly Services Second Career Scholarships support study in business fields for women at least thirty years old who have become displaced homemakers through divorce or the death of their husband. Clairol Loving Care Scholarships provide funds for full-time study in many areas for women over thirty. For all, you must be a U.S. citizen.

For sources of financial aid for graduate and post-graduate science education, consult "A Select List of Major Fellowship Opportunities for U.S. Citizens." Write to: Publications Office, National Science Foundation, Washington, D.C. 20550.

For information on scholarships based on financial need, write: A Student Consumer's Guide, Box 84, Washington, D.C. 20044.●

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## NOBEL PEACE PRIZE CARRIES AN IMPORTANT MESSAGE

### HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. EDGAR. Mr. Speaker, I want to take this opportunity to call to the attention of my colleagues the following article on the work of Mother Teresa, winner of the Nobel Prize for peace.

The Order of the Missionaries of Charity, founded by Mother Teresa in 1950, symbolizes better than anything I know the concept of personal sacrifice for the greater good. The Nobel Committee has performed a service by focusing our attention on this concept in a time when individual preoccupation and greed seem to be on the rise.

All of us have an obligation to ourselves, but we all have social obligations as well. Charity may begin at home, but it never should end there.

Mother Teresa is a true inspiration to all of us, but I remind everyone that respect for her work will mean nothing unless all of us identify ways in which we can further her mission of peace and love.

The article follows:

[From the New York Times, Oct. 18, 1979]

STUBBORN FIGHTER FOR THE POOREST OF THE POOR: MOTHER TERESA

(By Judith Cummings)

Ambulance drivers of Calcutta once risked beatings by angry crowds when occasionally they were caught dumping a dying man or woman back on the streets, instead of confronting the futility of overcrowded hospitals. Into this desperation and hopelessness came an Albanian nun, Mother Teresa, to found a mission that gave to thousands something their lives could never promise before, a dignified place to die.

A stubborn fighter who wears the sari of her adopted India, Mother Teresa discovered her calling in helping "the poorest of the poor" and threw herself into the task. She founded a new Roman Catholic order, the Missionaries of Charity.

The outgrowth has been a worldwide network with 158 branches, spread from Papua, New Guinea to the South Bronx. Its mercy missions include medical centers that care for 53,000 lepers in Africa and Asia, schools for destitute children, food centers to distribute rice and powdered milk to families that lack the barest means of survival.

"GOD'S WORK, NOT MINE"

While regarded almost as a saint in India, where her admirers stretch across all religious, caste and ethnic barriers, for years she was little known in the West. But when Pope Paul VI, more than a decade ago, wanted to establish a home for the poor of Rome, the 20,000 nuns there were passed over as he sent a message to the subcontinent for Mother Teresa to take up the challenge. Her efforts won her the first Pope John XXIII Award, and her characteristic reply to such recognition and praise has been that it is "God's work, not mine."

The 1,800 sisters of the order live under a demanding code that requires them to not merely accept their service to the poor but to welcome it.

"The great thing about the poor," Mother Teresa has said, "is that they are not discontented. They don't hate us despite their immense suffering. It is a mystery we cannot understand."

And in the face of India's struggles to deal with a population of 650 million, she has maintained her support of Roman Catholic prohibitions on abortion and birth control.

The people "can have babies whenever they want," she says. "We have helped 30,000 babies in the past three years. We have destroyed nothing."

Agnes Gonxha Bojaxhiu, the daughter of an Albanian grocer and his wife, was born on Aug. 27, 1910, in Skopje, then in the Ottoman Empire and now in Yugoslavia.

By the time she was 12, a pupil in a non-Catholic school but inspired by the guidance of the village priests, she knew she would become a nun. Missionaries from her country were joining in the work of the Sisters of Loretto, an Irish order in India, and at the age of 17 she set sail. She took her first vows May 24, 1928.

The school for the daughters of prosperous families where she taught for 20 years was a sheltered oasis in the squalor of Calcutta, and at the age of 36, while riding a night train to Darjeeling, she received what she recognized as her call. "The message was clear," she once recalled. "I was to leave the convent and help the poor, while living among them."

ORDER BEGAN IN 1950

Her initial request for ex-cloisteration was turned down, but she waited a year and tried again, this time gaining temporary approval from Rome to take a tiny room with a Christian family. Embarking on the teaching of slum children wherever crude shelter was available, she was told by her superiors that her challenge was not only to give a needed service but also to prove that she could attract others to toil in her wake.

The Order of the Missionaries of Charity received canonical sanction Oct. 7, 1950, and Mother Teresa took Indian citizenship.

"I have been told I spoil the poor by my work," the gray-eyed nun has said. "Well, at least one congregation is spoiling the poor, because everyone else is spoiling the rich."●

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## BUFFALO SCHWABEN VEREIN CELEBRATES 100 YEARS OF SERVICE TO THE WESTERN NEW YORK GERMAN-AMERICAN COMMUNITY

### HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. KEMP. Mr. Speaker, on October 21, 1979, the Buffalo Schwaben Verein, under the capable leadership of its President, Karl Schwartz, celebrates 100 years of dedicated service to the western New York German-American community.

Founded on August 2, 1879 by German immigrants to help other immigrants feel at home in their new country, the group originally named itself the Surtemberger Schwaben Unterstuetzungs Verein. A cultural group as well as a center for assistance for newcomers, the Schwaben Verein nurtured the lively and colorful heritage of these new citizens who came primarily from the Schwabish area of Germany.

One of the most important functions of the Schwaben Verein during the 100 years of its existence has been its program to help its members in times of sickness, unemployment and death. Since its founding, when insurances and government supports in time of need did not exist, the society has given $59,769 in sick benefits to its members, $76,580 to families of deceased members, over $10,000 to western New York charities, and sizeable donations to an orphanage and home for children in Wuertemberg, Germany.

It is a privilege for me to honor the members of the Buffalo Schwaben Verein and its hardworking officers—Karl Schwartz, Ludwig Weber, Robert Wiesenmayer, Ludwig Muerder, and Gottlieb Sterr—as they celebrate a centennial of service to the German-American community of western New York.●

## LBJ'S COMMISSIONER OF EDUCATION OPPOSES FEDERAL TESTING LEGISLATION

### HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. GOODLING. Mr. Speaker, as you are aware, the Elementary, Secondary, and Vocational Education Subcommittee has scheduled markup for October 24, 1979, on the proposed Federal testing legislation. Numerous persons have contacted me regarding the enormous consequences at stake in this legislation. On October 11, 1979, during one of our hearings, the subcommittee had the good fortune of receiving testimony from Harold Howe, the former Commissioner of Education during the Johnson administration. I am inserting former Commissioner Howe's testimony for the Members' review since his remarks represent a responsible and sober assessment of this legislation. In essence, Mr. Howe noted that:

> * * * Two bills before the committee constitute overkill in reaching for solutions to whatever problems exist in the testing field. In my view, the enactment of such legislation is unwarranted and unwise. Although I believe that you have done education a service to open up this subject, I strongly recommend that you not rush into detailed national legislation concerning it.
>
> * * * I am not saying that there are no problems and no abuses in the field of testing, but I do assert that they are not sufficiently serious to warrant legislation which fundamentally alters the nature of institutional freedom for schools and colleges and moves federal authority further toward domination of the educational scene * * *.●

## JUVENILE JUSTICE REFORM

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. RODINO. Mr. Speaker, I had the privilege of participating in the second annual conference at the Peter W. Rodino Institute of Criminal Justice Conference of Jersey City State College on October 12th. The topic for this year's conference was "juvenile justice reform, and among those distinguished participants were Attorney General Benjamin Civiletti, New Jersey, Attorney General John Degnan, New Jersey Public Advocate Stanley Van Ness, Prof. Andrew von Hirsch of Rutgers University, School of Criminal Justice, Jerome Miller of the National Center on Institutions and Alternatives, Prof. Alan Dershowitz of Harvard Law School, Allen Breed, Director of the National Institute of Corrections, the Honorable John P. Collins of the Superior Court of Pima County, Tucson, Ariz., the Honorable Bertram Polow of the Appellate Division of Superior Court, Sommerville, N.J., the Honorable Orman W. Ketcham of the National Center for State Courts, Williamsburg, Va.

Mr. Speaker, I believe that Mr. Civiletti's remarks to the conference reflect careful thought and deep insight into the problems confronting our system of juvenile justice, and I would urge my colleagues to read them.

Mr. Speaker, I insert Attorney General Civiletti's remarks at this point in the RECORD as follows:

#### ADDRESS OF THE HONORABLE BENJAMIN R. CIVILETTI

I am pleased to have the opportunity to address this conference, because the very distinguished people here today are considering a grave subject. It is a self-evident truth that a nation which fails its children cannot long survive. My own association with the Department of Justice in the last several years, commencing with my position as head of the Criminal Division, has convinced me of how critical it is that conferences such as this one be held, that they involve those people who are responsible for the making of the laws and their execution on both a national and local level.

In surveying the current state of affairs, several facts present themselves which, in this International Year of the Child, are sobering indeed.

In 1974, Congress passed the Juvenile Justice and Delinquency Prevention Act, to which I shall return later in my remarks. Section 101(a) of that legislation summarizes the initial findings which motivated the enactment of the Bill and which are as valid, if not more so, today. It reads, in part, as follows:

1. Juveniles account for almost half the arrests for serious crimes throughout the United States today;

2. Understaffed, overcrowded juvenile courts, probation services, and correctional facilities are not able to provide individualized justice or effective help;

3. Present juvenile courts, foster and protective care programs, and shelter facilities are inadequate to meet the needs of the countless, abandoned and dependent children, who, because of this failure to provide effective services, may become delinquents.

The three points covered here, namely the high incidence of juvenile crime, the problems surrounding detention, and the failure of the juvenile justice system itself, are still the major moral and legal issues facing us today. Let me elaborate.

First, we have not only the figure of 50 percent given in the 1974 Act, but a whole host of alarming statistics to support the impression which most of us get that our young people are responsible for a disproportionately high percentage of the crimes which are committed in the United States. To be sure, I think that the picture may be exaggerated to some extent. For example, the 93 percent rise in arrests of juveniles for violent crimes exhibited in the decade from 1967 to 1976 has been slowed considerably, and in the case of some crimes, may actually have been reversed since then. Recent figures show that violent crime arrests account for roughly only 10 percent of all juvenile arrests. Nevertheless, it would be both wrong and foolhardy to take much comfort from these slowing trends.

I would therefore strenuously maintain that, irrespective of what figures you choose to cite, there is a serious and continuing problem to be confronted by prosecutors, judges, and correctional officers with respect to the high incidence of crime committed by adolescents.

The second observation in the 1974 Act concerned the abysmal conditions under which juvenile offenders are incarcerated. Behind this general observation lurk a number of specific ills which cry out for attention.

I need not rehearse here the many difficulties besetting correctional institutions throughout the United States. With respect to juveniles, the difficulties are the most troublesome.

Status offenders are a major part of these difficulties. It should be pointed out that, according to the Children's Defense Fund, 18 percent of the juveniles currently being held in jails in this country have not been accused or convicted of a crime for which an adult would be held criminally accountable. Four percent have not even committed any offense whatsoever.

Although a study done by LEAA has shown that the population of public juvenile facilities has declined somewhat in recent years, it is also estimated that as many as 500,000 juveniles may be admitted to adult facilities each year. There they may be molested, assaulted, or tragically led to take their own lives.

Principally, it is highly probable that any criminal inclinations they have may be heightened and solidified. Add to this the fact that blacks and Hispanics are represented among juvenile criminals far in excess of general population percentages, and it is evident that the systems for detaining problem youths, far from serving the interests of the nation, are likely to undercut them.

The third observation in the 1974 Act was directed at the juvenile justice system itself, at the procedures followed in family courts and other judicial bodies which hear cases involving minors. In the past, it was widely assumed that juvenile delinquency was a social disorder which required appropriate treatment rather than punishment.

The practice of keeping juvenile cases away from regular prosecutorial channels, and entrusting them instead to social workers in a nonadversarial process was largely based on this assessment and outlook. As we now know, however, this system, despite its good intentions, did not work very well. Curiously, it came under attack increasingly from all sides and persuasions. The system was considered overly paternalistic at the expense of some of the basic rights accorded those accused under our legal system. The juvenile justice system seemed to have become another instance of an institution designed to protect a certain class of people which unexpectedly worked against their interest.

As a result, changes began to appear. In the last few years several states have "recriminalized" juvenile delinquency, redefining it as a crime rather than a social disorder. Prosecutors have been given more authority to deal with juvenile cases, and the adult courts are playing a larger role as well. The problem is that the system still lacks uniformity of purpose and outlook and is therefore as unpredictable, if not more so, than it was several years ago. Different states may have procedures which bear no resemblance to each other. Needless to say, it is far from clear that this situation will provide a greater deterrent effect. At any rate, the present lack of predictability and uniformity undermines our ability to inculcate in our youth a respect for justice and the legal system.

These are formidable problems, and perhaps the point which emerges most clearly is that they are not susceptible to facile solutions. We will have to look afresh at our outlook on the legal system and our expectations from our system of criminal justice. We will need to balance the very real needs and rights of society to security, against the interests of the juvenile offenders, which are, in the final analysis, the interest of us all. We will need to come up with programs which can be applied uniformly and consistently, without arbitrariness or caprice. None of this will be easy to accomplish, but it is clear that all attempts at piecemeal or reflex solutions have failed.

Good starts have already been made on many levels. Many local task forces have been formed around the country to consider courses of action in the communities. I am also pleased that private foundations have taken an interest in this field and have provided sorely needed supplements to public funding of projects in delinquency prevention. Most to the point is the 1974 Juvenile Justice and Delinquency Prevention Act, to which I have been referring. That Act created within the LEAA the Office of Juvenile Justice and Delinquency Prevention (OJJDP) which has for five years assisted state and local governments in this area, and done the kind of first class research which is essential for an understanding of the hurdles confronting us. The three year authorization of OJJDP was renewed by amendment of the Act in 1977, and the further renewal will be required next year. In fact, the Department of Justice is proposing a set of amendments to the Act for passage in 1980, which will not only extend the authorization for OJJDP until 1984, but will also facilitate the tackling of the three knotty problems which I have noted.

I would like to share with you my reflections on what should and will be done to improve the current state of affairs, and I will address the problems in reverse order. First, the difficulties resident in the juvenile justice system itself: The OJJDP is committed to develop training programs for judicial and juvenile facilities personnel in order to ensure that the judicial process from start to finish considers carefully the interests of all segments of society and does not lead to the unintended consequences which have plagued the system up until now. Recognizing the validity of many of the criticisms of the juvenile courts, the Justice Department will be doing its part to facilitate dialogue on what our objectives should be, and the development of a system which will accomplish those objectives.

Let me state unequivocally that this is not and should not be a partisan or ideological issue. As a nation, we must come to grips with a process which has not only failed to protect us from disruptive youths, but has hampered us from developing the energies and talents of even the noncriminal juveniles. OJJDP is committed to cooperating with people like you across the country to correct this malady. Better state representation on the National Advisory Committee for Juvenile Justice and Delinquency Prevention, provided by the proposed amendments for 1980, will further this cooperative spirit and will hopefully lead to greater uniformity of philosophy and practice in different regions of the country.

With respect to correctional facilities, there is much to be addressed. OJJDP will do a considerable amount of research to determine whether, and to what extent, racial discrimination operates indirectly in the criminal justice system, so as to account in part for the disproportionate appearance of minority youths in houses of detention. Most important, the Department of Justice will reaffirm its goal of deinstitutionalizing juvenile offenders, particularly status offenders, to the fullest possible degree. Despite some unfortunate local moves to allow the detention of some juveniles in adult prisons, a major objective will be the removal of all juveniles from those institutions, and the diversion of criminal minors, whenever possible, to community-based residences near their homes. An LEAA study has already shown an increase in the number of group homes, shelters, and other noninstitutional settings. These "open" facilities now represent some 40 percent of all juvenile facilities, and that is a very encouraging sign.

A very important provision of the 1980 amendments would clarify Section 223(a) (12) (A), so as to clearly prohibit the placement of juveniles who have not been charged with or adjudicated for offenses that would be criminal if committed by an adult in facilities that are secure or that are used for the lawful custody of adult offenders. This change in the Act should permit states to continue their progress toward full deinstitutionalization of noncriminal juveniles. In those cases where the practices of states and localities are in violation of the law, the Department will take action to enforce its provisions.

Finally, the Department has been actively supporting the passage of S. 10 and H.R. 10 in the United States Congress, which would give standing to the Attorney General to sue state institutions which are not providing inmates with treatment rehabilitation, and sanitary conditions which are their constitutional rights. If enacted, this Bill would do a great deal for the improvement of the lot of juveniles confined to state facilities.

I have deliberately saved for last the most difficult problem of all, which is the unacceptably high incidents of criminal acts by juveniles in the first place. In a sense, all the other problems I have discussed are derivative of this one; yet it is so vast and elusive as to seem nearly insoluable.

Nevertheless, there is much that we can do and much that the Department of Justice can provide leadership for.

The reauthorization of OJJDP proposed in the 1980 amendments will allow that Agency to continue and to expand its research into types of juvenile crimes, including violent assaults, sexual crimes, and drug abuse. Such studies have proved valuable in determining causal links between behavior and other factors, but important as they are, they are unlikely to lead to any solutions by themselves. Nor are attempts to attack isolated parts of the problem likely to be fruitful. We will need a concerted and holistic approach which respects the extremely complex nature of the present crisis.

It will be necessary to reshape even the community-based facilities being advocated for juvenile offenders so as to provide effective education and treatment and thereby lessen the likelihood that correctional facilities will breed repeat offenders. OJJDP stands ready to work with all parties involved to accomplish this goal. Obviously, the control of narcotics trafficking is another crucial element in the attempt to address juvenile crime, and both the Drug Enforcement Administration and the Criminal Division will be actively pursuing that goal.

Above all, however, the assertion of the inviolability of every child's right to quality education will do more than anything else to guarantee that youths will perceive their own stake in society, in its discipline, in its orderliness. Children who need an equal start in life, and who are at the age when perceptions of society and government are formed for a lifetime must be given that fair opportunity.

These are just some of the ways in which we can intelligently and creatively come to grips with the problems of juvenile crime. I am proud that the Justice Department has been taking a leadership role in this field. Twenty-five hundred years ago, in another democracy, Socrates paid his accuser this great compliment: "Of all our political men, he is the only one who seems to me to begin in the right way, with the cultivation of virtue in youth; he is a good husbandsman, and takes care of the shoots first . . . that is the first step; he will afterwards attend to the elder branches; and if he goes on as he has begun, he will be a very great public benefactor."

I am pleased to affirm the commitment of the Justice Department to that concept, to ask you to join in that commitment, and to invite you to call upon our assistance in your efforts.

Thank you.●

# COMPARATIVE RISK FOR A MORE BALANCED GOVERNMENT APPROACH TO PROBLEM SOLVING

## HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. RITTER. Mr. Speaker, our concerns about protecting the environment have had laudable success, but, I fear, only when narrowly considered. Now we have the advantage of experience and are taking broader looks at the consequences of our corrective environmental actions. Unfortunately, in some cases, the overall results of well-intentioned actions sometimes have had a net harm to the public. Some corrective actions have decreased economic competitiveness, thereby resulting in loss of U.S. jobs in the face of international competition.

These important concerns were the subject of my recent talk on the occasion of the 1,800th meeting of the Philosophical Society of Washington, a 108-year-old scientific society in Washington. I wish to share the gist of my talk with my colleagues.

Let me be more specific with an example from my home district. The Environmental Protection Agency (EPA) mandated a limiting of the overall gaseous emissions from the Bethlehem Steel Corp. plant in Bethlehem, Pa. The limit was administered by the State of Pennsylvania. To help meet certain limits, a contrivance called the "Blue Goose" was built on an oversized railroad car to receive coke from coke ovens and, in the process, to collect and clean the puff of emitted gases.

All of this appears reasonable and beneficial. But when we consider the different costs involved in avoiding these puffs of gas, it turns out that each "Blue Goose" costs $5 to $6 million. Each consumes 1,200 gallons of diesel oil per day for operation. More than a dozen of these will be required. Such huge quantities of heavy construction and of fuels do not simply materialize. On the contrary, the many different adverse effects on public health and safety from manufacturing and fueling this flock of "Blue Geese" might well turn out to be greater than from the puffs of gas they eliminated.

In cases where the cure is more harmful than the ailment, we should reconsider the cure. This is particularly true when we add the economic cost of the cure. "Blue Geese," for example, are costly. These costs can be recovered only in the cost of the steel produced. Not only does this add to inflation by increasing the cost of steel products, but it puts the already-beleaguered U.S. steel producers at a greater price disadvantage compared to imported steel. Loss of production translates into a loss of U.S. jobs.

This is not an isolated example. There are others in my district, just as there are doubtless others in the districts of my colleagues. An example for many of us is the impact of emission controls on motor vehicles, first for automobiles and soon for trucks. A National Academy of Sciences report for the Congress in 1973 estimated the average cost of each catalytic converter to be $233 and to decrease automobile mileage by 25 percent. Some recent scientific studies cast doubt on whether certain emission controls have significantly reduced harm to public health or property. However, there is no doubt about the harm resulting from 25 percent reduced mileage, like the risks from increased petroleum transport, including supertankers, the worsened U.S. balance of trade, and the increased need for petroleum from precarious sources like the Middle East. All of these should enter into our consideration of the net risks from emission controls.

We now have had a good deal of experience with environmental cures. The Nation today has a wealth of trained environmentalists and risk analyzers. What we need to do is to use them to help us make sensible public analyses and comparative risks. These overall comparisons of risks are badly needed and have been neglected for too long. To help correct this, I have introduced a bill, H.R. 4939, to encourage better use of comparative risks by Government. The bill requires that risks from proposed "cures" be compared with the original risks they were meant to address. It also requires comparison between the risks within various groups of alternatives, such as between the various choices of foods, of transportation, and of energy.

In our competitive technological age, the United States must make much better use of comparative risks. It must look beyond just the risks from some present problem without first comparing them with the risks that would flow from the proposed solution itself, and from alternative routes. The Government should make these risk comparisons as a matter of policy as it considers proposed legislative and regulatory actions. I urge the interest of my colleagues in this effort, which will go a long way toward determining what kind of society we will live in in the 1980's and beyond.●

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## DUST IS UNCONTROLLABLE AND NOT HARMFUL

## HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. GRASSLEY. Mr. Speaker, as you know, I am deeply concerned that the policymakers and regulation writers at EPA have decided that we in Iowa and those in other agricultural States must now spend money to somehow clean up the dirt on our farms. "Dust is dust" they say, and dust counts as a pollutant whatever the source. They admit that we have no health problem but they are only trying to safeguard our general welfare. This is so, even if we must clean up the dirt on our farms.

I think it is time to put some public focus on this issue—in the House Agriculture Committee, in the Interstate and Foreign Commerce Committee, with my colleagues, with the farming community and with the mayors and county officials of the agricultural areas of this country.

That is why yesterday I introduced a bill which would direct EPA to recognize that dust in Iowa and other agricultural States is a fact of life, that it is not harmful and that it is basically uncontrollable. The rationale behind this legislation is eloquently expressed in an article written by Mr. William Burger, chairman of the Iowa Development Commission. I include a copy of this article in the RECORD at this point:

[From the Des Moines Register,
Aug. 3, 1979]

### DUST IN IOWA IS A FACT OF LIFE

(By William Burger)

The Environmental Protection Agency's tentative rejection of two key provisions in Iowa's clean-air plan is a classic example of bureaucratic short-sightedness. While clinging to misconceptions about Iowa's rural-oriented economy and the requirement for mandatory pollution control equipment, EPA has lost hold of an indispensable tool—common sense.

Although it conditionally approved Iowa's clean-air plan, EPA rejected the plan's fugitive-dust provision and its lack of legislation requiring "reasonably available control technology" in areas where pollutants must be reduced. The move was ill-conceived.

Since the Clean Air Act amendments of 1977 were passed, requiring states to submit revised implementation plans, EPA has twice gone on record stating that rural fugitive dust requires "special consideration" when incorporated into clean-air plans. EPA has not decided—contrary to some reports—that dust is dust and has to be counted, whatever the source. If anything, EPA has decided not to decide on a singular fugitive-dust policy. But even that remains unclear.

Last April, officials of Iowa's Air Quality Commission and representatives from the Kansas City and Washington, D.C., EPA offices met to discuss the dust issue. EPA officials from both offices stated that their fugitive-dust policy was designed to give states as much latitude as possible in dealing with non-traditional sources of dust. They went a step further, telling Iowa officials that the policy was purposely left vague to allow for case-by-case review.

Iowa's Air Quality Commission proceeded accordingly. Recognizing Iowa's unique character as a farm state, the commission developed an implementation plan that would achieve the primary health standard and realistically recognize the role and character of fugitive dust. The proposed plan has obtained non-partisan endorsement from Iowa's congressional delegation.

Yet, contrary to all previous written and stated policy and common sense, EPA rejected the two key provisions.

Common sense has a large hand in Iowa's fugitive-dust policy for several reasons, the most prominent being that Iowa's industry is already meeting the standards and cleaning up its share of pollutants. Iowa's Department of Environmental Quality's annual report states that, "90 percent of all major industries were in compliance with emission standards, and another 5 percent were on compliance schedules."

If the state's industry is already cleaning up its share, who's going to clean up the fugitive dust EPA wants washed from Iowa's air? The taxpayer will, at a cost of billions.

If EPA's rejection of the fugitive-dust provision goes unchallenged, Iowa cities and counties will be forced to spend enormous sums on "offset" projects designed to reduce sources of dust, such as paving dirt and gravel roads. EPA estimates that 3.95 pounds of dust are generated for each vehicle-mile traveled on an unpaved road. More than 78,000 miles of Iowa's 112,619 miles of highways are unpaved. Putting concrete on these roadways (assuming one mile of concrete costs about $165,000) would cost Iowa taxpayers more than $13 billion. Asphalt or blacktop wouldn't be much cheaper.

Add to these costs the financial burden of requiring industry to install additional control technology, and you have a severely crippled state economy.

A hint of audacity also underscores EPA's demand for specific legislation to be passed by the Iowa Legislature. Debate should be left up to the elected representatives of Iowa.

The heart of the issue needs to be addressed: Iowa is an agricultural state, with 94 percent of its land devoted to agricultural use. Natural "background" pollutants account for roughly one-third of Iowa's air quality, while cities and industries add approximately another third. The rest is rural fugitive dust, which the wind carriers into urban townships.

Dust in Iowa is a fact of life. It is uncontrollable—a lid can't be put on it, filters can't catch it, and pavement can't be poured over all of it. Farmers, as rescourceful as they are, can't grow corn from concrete.

Iowans and DEQ have developed a clean-air plan that is sound and healthy for Iowa. The state should defend its position vigorously and resist any EPA changes, challenging the federal agency in court, if necessary. Then, at least the issue will be settled in an arena of justice, fairness and, above all, common sense.

I am hopeful that this legislation will help begin to focus debate on this issue right now, before agricultural States find themselves greatly disadvantaged by this unrealistic and wrong headed policy. The EPA already has the authority to change its policy in this area. I suggest they do it before they have to defend it before the representatives of the farm States of the country.●

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## SISTER CAROLYN LOPEZ OF DENVER; A DISSENTER TO POPE JOHN PAUL II

## HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mrs. SCHROEDER. Mr. Speaker, the recent visit of Pope John Paul II to the United States was a grand tribute to a fundamental right of all Americans: the freedom of religion. During his visit, the Pope issued declarations of love, equality, and compassion. However, there were also reactionary condemnations of birth control, divorce, abortion, homosexuality, and the exclusion of women from full participation in the Catholic ministry. Just as we honor one's right to worship as he or she chooses, so we must honor the right of those to express dissenting views within their own religion. There are many Catholic women who do not agree with all of the Pope's pronouncements and who have not had an opportunity to express their views.

It is to all Christians that we address a fresh and insistent call to action. It is not enough to recall principles, state intentions, point to crime, injustices, and other prophetic denunciations. These words will lack real weight unless they are accompanied for each individual by the lively awareness of personal responsibility and by effective action.—A letter addressed to Cardinal Maurice Roy, May 1971, Pope Paul VI.

I would like to submit the following letter sent by Sister Carolyn Lopez of Denver, one of the dissenters, to Pope John Paul II explaining her position:

OCTOBER 11, 1979.

DEAR POPE JOHN PAUL II: It is only days since your visit to our United States of America. You came with words of challenge to us. You addressed the ills of our society: discrimination, materialism, the arms race, and irresponsibility to the destitute. You came among us and allowed us to touch you and pray with you. Thank you.

You addressed so well the realities of the world community, but where is the challenge of human rights of the people of God in the Roman Catholic Church? Our Church has emerged from a patriarchy era which no longer exists today as before. Are we to remain a "sexist" institute and call it "ordained?" Where are the faithful to go with talents in management, education, and preaching? No longer can we continue to deny participation to those whose lives are directly affected by major decisions made by Church leaders.

I write to say clearly where I stand and I do not stand alone. I stand in solidarity with all women out of love and concern for the Church. I stand to call the church to repentance for the injustice of sexism and belief that she can change. I stand against oppression in a society where women and children suffer and are denied their rights. I stand against oppression where sexism, racism and classism are interrelated and morally wrong. I stand that the Church may be challenged to address sexist structures and the reinforcement of those structures. I stand to challenge the Church to question the exclusion of women from sacramental ministry, thus limiting our potential for fullness of service. I stand against clericalism that stifles the richness of all God's people to answer the call to minister in the fullness of the Spirit.

Women have nurtured much of the life of the Church over the centuries and so I ask that you consider carefully the potential of women. As Life came to the world through a Woman, so today I believe, in the Spirit of Mary, life can continue to be manifested. The time is ending that women will continue to endure the psychological experience of second-class citizens before God, and be spectators in the balcony of the Church.

"* * * if one member suffers, all the members suffer with it." (I Cor. 12:16) The time has come for the suffering to stop and the healing to begin. I ask that you continue to be a leader for the world and also to our Church. May you lead all your brother priests to embrace all God's people with the conviction that "all are created equal" before the Creator.

Todo es gracias!

Sister CAROLYN LOPEZ, O.L.V.M.●

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## THE MISSING 30,000

## HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 18, 1979*

● Mr. HALL. Mr. Speaker, today the Subcommittee on International Organizations, on which I am honored to serve, will hold the last in a series of hearings on the phenomenon of disappearances.

The increasing "disappearances" of real or imagined opponents of repressive regimes is a new and alarming trend in human rights violations. In an article in today's Washington Post, our distinguished subcommittee chairman, DON BONKER, describes this latest challenge to international respect for human rights.

I commend Chairman BONKER's excellent article to the attention of my colleagues:

[From the Washington Post, Oct. 18, 1979]

THE MISSING 30,000

(By DON BONKER)

It is 7 a.m. Five men in civilian clothes burst into a home and seize a 23-year-old man. The chief of the gang tells the young man's mother that her son has been named a subversive by a prisoner under custody and is being taken in for questioning. She is told that she can inquire about her son the following day. But the next day—and a thousand days later—the police deny knowing anything about him.

In another incident, a 31-year-old woman who lives through the terror of imprisonment and returned to tell about it reports: "I was told by my captors I was not detained, nor disappeared. I was just absorbed, kidnapped, sucked up."

Scenes from "Holocaust"? No, these incidents are examples of a new phenomenon in the violation of human rights called the "disappeared person." This brutal and cynical practice is occurring almost daily in a significant number of countries. It is further evidence that the 20th century has not spent itself of horrors.

Though the phenomenon of the "disappeared person" is prevalent worldwide, most documentation comes from South and Central America. At a recent human-rights conference in Chile, the secretary general of Amnesty International estimated that in the last decade some 30,000 Latin Americans have disappeared. The number of documented missing reaches the hundreds in parts of Africa and Asia, as well as in Brazil, Uruguay and Paraguay. These numbers soar to the thousands in Chile and Argentina.

Since the military coups in Chile and Argentina, many thousands have disappeared without a trace after arrest by police, security forces or parapolice. In certain cases, husbands and wives have been taken together, sometimes with their young children.

Tragically, a substantial number of unaccounted-for children have been abducted or have been born in captivity to pregnant kidnap vicitims. No attempts have been made by governments to investigate such disappearances, and these abuses continue unchecked.

After a recent visit to Buenos Aires, V. S. Naipaul wrote: "There is still, for the distinguished or well-known, legal arrest on specific charges. But below that there is no law. People are taken away and no one is responsible. The army refers inquirers to the police and the police refer them back to the army. A special language has developed: an anxious father might be told that his son's case is 'closed.' No one really knows who does what or why; it is said that anyone can now be made to disappear, for a price."

In Argentina, one does not need to be a terrorist to be arrested, tortured or murdered. It is enough to have belonged to a trade union or a student organization or to have helped persons classified by the military as "subversive." People are simply picked up, some to return as corpses, minus their heads and hands to prevent identification. A few are released and warned not to speak, but most are subjected to brutal conditions in secret camps.

Until recently, little international attention focused on this terrifying violation of human rights. In the last session of the United Nations General Assembly, a resolution was passed asking for intergovernmental cooperation to search and account for the disappeared.

More recently, a subcommission of the United Nations adopted a resolution stating that disappearances continue to occur and that the "dangers involved for such persons warrant urgent reaction." If the situation were to continue, the subcommission recommended, some form of emergency remedy must be applied by the international community.

The House International Organizations Subcommittee will hold today the last in a series of hearings on the phenomenon.

If, as President Carter has said, human rights is the "soul of American foreign policy," then we as a nation steeped in traditions of freedom and justice must respond to the mounting evidence. We must let the word go forth to the relatives of the disappeared, to those locked in secret detention camps and to the exiles around the world that "if you are silenced, we will speak for you." ●

# SENATE—*Friday, October 19, 1979*

*(Legislative day of Monday, October 15, 1979)*

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio.

## PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God of men and nations, we come to Thee with thanksgiving for our precious heritage. We know that freedom comes not as an individual attainment but as an obtainment—Thy gift to man as part of his createdness. We know too that individual worth and dignity derive not from the State but from the Creator Spirit and that every man has value because he is an immortal soul with an eternal destiny. Then wilt Thou give us grace and wisdom to comport ourselves according to the high vision of the Founding Fathers? Be with all who serve in the Government keeping our inner life pure and our outer life strong.

Through Him who gave His life for the many. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., October 19, 1979.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWARD M. METZENBAUM, a Senator from the State of Ohio, to perform the duties of the Chair.

WARREN G. MAGNUSON,
*President pro tempore.*

Mr. METZENBAUM thereupon assumed the chair as Acting President pro tempore.

## RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## LOW INCOME ENERGY ASSISTANCE

Mr. ROBERT C. BYRD. Mr. President, skyrocketing energy prices, coupled with double-digit inflation, are forcing each of us to make difficult choices. Family budgets are strained to the very limit. With winter approaching, the poor and the elderly fear that they will not be able to afford to heat their homes. Faced with the frightening choice between food and heat, many American families are desperately in need of assistance to offset the impact of excessive heating bills and other energy costs.

On October 18, the Senate acted to insure that adequate and immediate funding will be provided for energy assistance for low-income families. In approving an amendment sponsored by the distinguished Senator from New York (Mr. JAVITS) and the distinguished Senator from Massachusetts (Mr. KENNEDY) to the Interior appropriations bill, the Senate expressed a real concern and sensitivity for the plight of a significant portion of this Nation's population. Through the adoption of this amendment, which provides $1.2 billion to the Community Services Administration for assistance to the elderly and certain low-income families for home heating bills, the Senate indicated a commitment to providing for the needs of those most affected by increased energy costs.

On Tuesday, I joined with Senator HUDDLESTON, the distinguished floor manager, in opposing the Javits amendment as originally written. The amendment, as introduced, made transfers from one account to another which we found undesirable.

Subsequently, I was pleased to work with Senators JAVITS and HUDDLESTON to modify the amendment.

The amendment was modified to provide for a direct appropriation, rather than a transfer of funds. I supported adoption of the amendment in that form.

I was pleased to do so. There were a great many other Senators who also, having taken the previous position, joined in supporting the modified version.

According to information recently provided by the Department of Energy, while the Consumer Price Index for the years 1972 to 1978 increased 55.9 percent overall, fuel prices increased 151 percent. In 1978, the average middle-income family spent 10.4 percent of their income on direct expenditures for energy, while low-income families spent more than one-fourth of their income on such expenses. Last year, home heating oil averaged 45 cents a gallon; this year the price is expected to exceed 80 cents a gallon. This means that some families will spend almost 50 percent of their income to heat their homes and drive their cars. As energy prices have far outstripped increases in income for most Americans, these soaring prices mean genuine hardship and sacrifice for many of our citizens.

The funds which the Senate approved, together with the $250 million already approved in the Labor-HEW appropriations bill, will provide energy assistance to those who need it as soon as possible. The Community Services Administration has already issued regulations to get this program moving. This money will allow us to deal with the critical problem which we are about to face, while allowing other committees to develop more permanent assistance programs.

Both the Senate Finance Committee and the Labor and Human Resources Committee are preparing legislation to provide for low-income energy assistance and it is expected that these measures will be reported shortly. Similar action is also underway in the House.

I share that commitment.

We will not turn our backs on those who will be forced to suffer hardships. This must be our foremost concern.

Mr. President, I reserve the remainder of my time.

## RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

## STATEMENT BY SENATOR GOLDWATER

Mr. TOWER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator GOLDWATER regarding the Intelligence Committee's report on SALT II monitoring.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## LEAK OF CLASSIFIED INFORMATION FROM THE INTELLIGENCE COMMITTEE'S REPORT ON SALT II MONITORING

● Mr. GOLDWATER. Mr. President, this past week brought to light a situation that I had predicted would occur sooner or later. I am, of course, referring to the leak of classified information from the Intelligence Committee's report on SALT II monitoring.

When the issue of monitoring and verification first arose a couple of years ago, I voiced my concern that, as the treaty debate itself became more intense, we would see a massive hemorrhage of classified information. Unfortunately, my fears were borne out and I do not think we have seen the end of it.

The newspaper article which appeared this week was another example of selective leaking by the "SALT-sellers" and the "SALT-shakers" in the never-ending battle of each side to prove their case. In the process of this leaking and counterleaking, not only have those responsible for it brought undue and lasting harm to our national security but, they have also cast a dark shadow of suspicion over the Senate and the Congress as a whole.

There are a lot of things which go on in the name of politics which are legal, ethical, and moral. But in this particular case, I cannot find any way in which these adjectives could apply. First of all the person or persons who leaked this information performed an illegal act, not only under U.S. law, but under the Rules of the Senate and Senate Resolution 400 which establish procedures for the proper handling of classified information. And, believe me, when we get to the bottom of this, the guilty party is going to have to pay the piper. In all of this, however, the thing which saddens and angers me is the unethical and immoral behavior of those people who resort to any means in order to achieve their ends. Whatever anyone may think about the merits of the SALT II treaty, there is never any excuse to endanger our national security by divulging sensitive intelligence sources and methods.

One of the biggest problems facing the Senate right now is to reestablish our reputation for being able to exercise proper handling of classified information. Having been involved in this intelligence oversight business from the very beginning, I can assure my colleagues it has taken a long time to gain the trust of the intelligence community. And, if we brush off this latest incident in a pro forma manner, we will have destroyed a very good working relationship which has been built up over the years. The Senate Select Committee on Intelligence has been extremely careful of how we deal with all of the sensitive information which comes into our possession.

Even when we had disagreements with the intelligence community or among ourselves, they were handled in a very mature, responsible way and we have not taken our disputes to the front steps of the Capitol. We, as a committee have established rigid rules and procedures for the "care and feeding" of the information given to us for use by the Senate. And in this regard, I was gratified to hear that four of my distinguished colleagues recognized the necessary discomforts which we have to live with in order to make use of this material.

If any of us decides not to play by the rules, it is going to have a lasting effect on the reputation of the Senate as well as create a danger to our Nation's security that will not diminish regardless of how many treaties we may or may not ratify.●

## WINDFALL PROFITS TAX

Mr. TOWER. Mr. President, my opposition to imposition of a so-called "windfall profits" tax on the domestic oil industry is well known. At just the time when the industry needs all the capital it can get to invest in more domestic exploration and production, the administration and the Congress seem bent on nailing yet another nail in its coffin.

I received recently a petition signed by some 5,000 citizens of Texas and elsewhere calling simply for the Federal Government to let the system of private enterprise work in solving our energy problems, and specifically calling for defeat of the windfall profits tax.

Today, in the Wall Street Journal, the lead editorial expresses with great eloquence the very heart of this issue. I commend this excellent editorial to my colleagues attention and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### SCRAP THE "WINDFALL PROFITS" TAX

When Congress passed the Natural Gas Policy Act with its 23 natural gas categories, we thought the lawmakers had reached the limit in unbelievable complexity and bad law—an "unintelligible piece of legislation that will generate tons of regulatory paperwork and litigation." That was before we observed the Senate Finance Committee at work on the oil "windfall profits" tax.

In principle a windfall profits tax is simple enough. First you apply the income tax to profits, and then you apply the windfall profits tax to what is left—a straightforward procedure that ordinary humans can understand. In fact, it's so simple you wouldn't believe what webs of bafflement the Finance Committee can weave with it in practice.

Begin with an ordinary category that people can comprehend—oil producers. Differentiate them into different categories so they can be treated differently. Then do the same thing to oil. And—presto—depending on who they are and what kind of oil they own you can tax them differently.

As the web is now woven domestic oil producers each face a different bite from the tax spider. They may pay a tax of 50%, 60%, 75%, or escape altogether, on a multiplicity of crude oil categories arbitrarily base-priced at six (or more) levels ranging between $7.50 and $17 a barrel. And if that's not enough complexity to feed a jillion lawyers, accountants and bureaucrats, the tax on "upper tier" and "lower tier" oil is variable and changes monthly during the first two years.

Now imagine thousands of producers, independents and multinationals tracking these categories through crude oil gathering, storage and pipeline systems in order to report accurately to their various customers and the IRS the precise amounts of oil in each of the multiple categories that are mixed together in a common stream. Then tell us it is possible for the government to monitor this system for compliance.

The political process has not created a windfall profits tax but what the Independent Petroleum Association calls a "mecca for manipulators seeking to gerrymander categories to beat the tax." It offers greater rewards to people adept at changing oil from higher taxed to lower taxed categories than it does for finding new oil. By creating artificial distinctions that make it profitable to cheat, the tax begets years of scandal, corruption and litigation.

These costs must be set against the revenues raised, and there are other costs as well. One is the cost of removing future energy development from efficient private hands to inefficient government hands. Another is the cost of rending the fabric of property rights by confiscating oil owner's equity. Then there is the cost of the enormous increase in the regulatory burden that comes with the Finance Committee's bill. The "regulatory tax," already running at over $100 billion a year, is a senseless tax that raises costs and discourages output without raising a cent in revenues.

Moreover, by adding to the regulatory morass it will add to the difficulty people already face in going about their business without being vulnerable to the charge that they are violating some law or regulation. It will make it easier for government to bring charges of wrong-doing, making it more costly for private business to resist Washington's will.

When all these costs are taken into account, the cost of this tax is going to be greater than any benefits from the revenues it raises. At this point the best thing that can be done with the tax is to scrap it. Congress should be content with the vast windfalls in additional income tax revenue that it can reap just by decontrolling the price of oil. The Congress's own Joint Committee on Taxation says that simple act alone will bring in $148-275 billion in new revenues over the coming decade. And if that's not enough largess for the proteans on the Hill to rain on their constituents, they can draw on the *$1 trillion* in new tax revenues that the Joint Committee on Taxation forecasts over the next decade from existing tax law.

You can tax an activity to death or you can regulate the life out of it. Before Congress does both to the oil industry, it should back off and take a fresh look at the "windfall profits" tax.

## SENATOR JAKE GARN'S OPENING STATEMENT ON SALT BEFORE THE COMMITTEE ON ARMED SERVICES

Mr. TOWER. Mr. President, I would like to draw the attention of my colleagues to the exceptionally thoughtful testimony on the proposed SALT II treaty presented to the Committee on Armed Services on October 17 by Senator JAKE GARN, of Utah.

Senator GARN is recognized among his colleagues as one who has given careful study to the treaty's intricate details, to its fateful implications, and to the wider context in which the treaty must be considered by the Senate in its deliberations. He is a recognized expert in the field of nuclear weapons and verification and a respected analyst of U.S. foreign and defense policies.

In his opening statement to the committee, Senator GARN describes the sobering geopolitical context in which the treaty is being presented to the Senate. He details the inequitable, unverifiable, and destabilizing terms of the treaty as it now stands. And he proposes the types of constructive, binding amendments to the treaty's text which would help assure that it could truly become an instrument of meaningful arms control.

I concur with Senator GARN that the treaty, as presented to the Senate for its advice and consent, is fatally flawed, that it is profoundly inimical to the security interest of the United States and that it is clearly not a viable arms control agreement. I also concur with Senator GARN's warning that we must avoid the temptation to "construct a place of mirrors consisting of SALT III 'hopes,' unilateral 'reservations,' and nonbudget year projections of how much we plan to spend on defense."

Mr. President, the analyses and proposed amendments outlined by Senator GARN represent the concern of many of his colleagues. The amendments he proposes are reasonable, fair, and constructive. They seek equity, verifiability, real arms control, and increased international stability. They represent the types of steps I believe we must take and they deserve the most careful consideration by all Senators in their deliberations on SALT.

If the Soviets agree to such constructive changes, then both the Soviets and we will have achieved a real measure of arms control. Both will be able to save defense expenditures. Relations will be improved. If, on the other hand, the Soviets refuse to move in the direction of such meaningful arms control measures, they will have given a clear signal of their ultimate intentions. We will then have the knowledge, the foresight, and the time to reinvigorate our defenses in such a way that the Soviets will have a real incentive to negotiate a viable treaty. In either case, we will benefit.

Mr. President, I ask unanimous consent that Senator GARN's statement before the Armed Services Committee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### STATEMENT ON THE SALT II TREATY BEFORE THE SENATE ARMED SERVICES COMMITTEE

(By Senator JAKE GARN)

Mr. Chairman and Members of the Committee, I thank you for the opportunity to appear before you today. As a former member of this Committee, I know well the heavy responsibility with which this Committee is entrusted in its review of the SALT II Treaty. I also know of the Committee's ability to make a careful and exhaustive study of the issues that come before it. You have already demonstrated in the course of these hearings on SALT that you are committed to serious and detailed analysis of the effects of the SALT treaty on the military posture of the United States. I look forward to studying your analysis and conclusions and am confident that they will be a valuable contribution to the Senate review of this most important issue.

#### SALT II: A LOSS OF FAITH

The SALT II treaty in its current form is a very disappointing treaty. It is the product of negotiations during a time in which the U.S. was questioning the very premise of our right to world leadership and our willingness to shoulder the responsibilities that such leadership carries with it. It represents a loss of faith by this country in its essential purpose of fostering and preserving freedom for all those who aspire to it. It represents a loss of nerve in the face of the blustering Russian bear. It represents a loss of will to use vigorously our substantial power in support of justice, peace, and western interests. It represents a loss of power brought on by a series of international developments.

These developments have arisen for a variety of reasons, but they combine to threaten seriously the sources of strength from which countries draw their power, such as a healthy growing economy, a reliable and sufficient source of natural resources, the political cohesion both here at home and between the U.S. and our allies that comes from a strong shared understanding of common political values. Our global leadership responsibilities and national security requirements provide the framework that drives our foreign and defense policy. However, in recent years, confusion and disagreement in the U.S. makes one wonder whether the U.S. has such a framework anymore.

Yet, without such a framework, our policies cannot be effective. Clearly, we must have a military ready and capable of fighting to preserve these interests and supported in these goals by Americans and our allies. The Administration seems to hope that events in the world or in the Soviet Union will restrain Soviet aggressive drives. There is no evidence to support such hopes.

Instead, the Soviets have proven their intention to continue in their drive to achieve predominant influence in the world. Though perhaps militarily insignificant that Soviet Combat Brigade in Cuba represents part of an increasing pattern of expanding Soviet military activity.

Perhaps even more significant is the continuing build-up of Soviet and Cuban forces in the Middle East and Africa, especially in the Persian Gulf area. More than 2 billion dollars worth of military equipment has been poured into Ethiopia and South Yemen in the past two years.

Soviet airlift capability into the region has been demonstrated, according to some reports. Saudi Arabia, one of the few remaining nations friendly to the West, is virtually surrounded by Marxist dominated states. Is it any wonder they have been reluctant to support the U.S. promoted Egyptian-Israeli Peace Treaty?

Considering the almost tragic level of dependence of our economy on foreign sources of oil, these developments have far greater political significance than the Soviet Brigade in Cuba, and I do not minimize the significance of that unit. It is past time for us to challenge the political and military adventurism of the Soviet Union. We must resurrect the faith in ourselves as a nation that we seem to have lost.

Vietnam and other events led us to this loss of faith. Many believed that it was the arrogance of American attitudes and power that led us into war, that tempted us to interfere with the governments of small nations, and that created Soviet paranoia and thus the Soviet drive to build a military colossus. In recent years, consequently, there has been a conscious effort on the part of key leadership elements to diminish U.S. power and the healthy self-confidence upon which it rested.

These people believed that the rule of international law would be enough without military power to back it up, that nations should be left to carry on their own struggle for democracy—even when faced with overwhelming power—and that the Soviets will be satisfied with military parity. Theirs has been and is a policy founded on hope—not reality. Events do not support the expectations of the past decade.

However, we have tried their approach. We quit Vietnam, normalized relations with China while shrugging off too quickly our responsibility to the people of Taiwan, undermined our committment to Korea, left the democratic government of Thailand essentially naked, spurned a democratic revolutionary movement in Angola, turned away from democracy in Rhodesia, signed the Helsinki Agreement legitimizing the subjugation of Eastern Europe in the unfulfilled hope that the Soviets would agree to mutual force reductions in Europe, and muttered nervously as our once staunch ally Iran was racked by externally supported religious reactionaries whose commitment to human rights is even less than that demonstrated by the Shah.

We have shown a serious lack of concern for the security and well-being of some of our most loyal allies. I suppose there will be some who say that when the Soviets and Cubans foment instability and revolution in Mexico, that we must not interfere in the "internal" affairs of another nation. This is a convenient oversimplification of reality.

So, we have tried the twin paths of a reduced military posture and detente. At the same time, we have seen the rise of the monopoly power of cartels, the continuous escalation of terrorism and terror states such as Uganda, and constant aggressiveness by Soviet military and political action forces. I suggest that it is time that we change our policy toward the Soviets from one of detente on their terms, to one of determination to cooperate where possible but face down ruthless and morally bereft governments where necessary.

We must move from a stance of listlessness to one of leadership. We should make the commitment now to demand certain standards of global behavior and clear military equality under SALT II, and then we must do what is necessary unilaterally to protect our interests.

As many have stated, we must rebuild our power, but first we must restore our confidence. That can be done by refusing to submit to Soviet scare tactics. We need not be fearful or desperate. The Soviets do not have all the cards in their hand. If we act with purposefulness and vigor, we can cement our alliances and present a formidable lineup which would strengthen our own hand and cause the Soviets to think twice about fomenting trouble; but this lineup of allies and friends will melt away if the U.S. does not provide leadership. Our leadership can best be exhibited by accurately evaluating the SALT II Treaty and then either amending it where necessary or rejecting it.

Let me turn now to an examination of the case against this SALT II Treaty before us.

### THE SALT II TREATY: THE CASE AGAINST

In many statements, the President has strongly defended the emerging SALT II Treaty as equitable, verifiable, separable from the realities of international politics, and successful as an arms control agreement. Some believe all of these assertions, many believe at least one of them. I believe that the President is mistaken on all counts.

After a thorough review of the treaty provisions, the parallel degradation of our intelligence collection capabilities in recent years, the shifting strategic balance, the aggressive Soviet behavior under SALT I, and the failure of this Administration to propose and fund an adequate defense posture, I find myself choosing the difficult but necessary task of proposing amendments or, if they are not accepted, rejection of this treaty. My approach to the proposed SALT II Treaty is in keeping with the traditional role of the Senate in the treaty making process: we must critically examine the case for any treaty presented by the President, and take corrective steps if necessary. This is our Constitutional responsibility. Senator Nunn has stated the case well:

"We have not competed effectively with the Soviet Union in the military arena. Unless we and our allies are prepared to do so, we can expect future arms control agreements with Moscow to do little more than ratify the emerging Soviet military superiority.

"On the other hand, if the free world makes it clear by its actions that it will not allow the Soviets to obtain military superiority, arms control becomes * * * a feasible and sensible element of our national security * * *"

Why do I join him and others in being skeptical about the Administration's programs for national security and its SALT II centerpiece? Let's consider these facts:

First, the Shifting Strategic Balance:

The Soviets spend well over $20 billion a year on strategic forces, while we spend under $10 billion.

The Soviets have about 2,500 strategic nuclear delivery vehicles, the U.S. has about 2,000.

The U.S. has about 9,000 warheads, and the Soviets have about 5,000, but each side will have 12,000–15,000 warheads by 1985.

The Soviets have more than twice as much throw weight and at least three times as much megatonnage as the U.S.

The U.S. technological lead is being reduced.

Second, the Inequities and Imprecisions of SALT II:

The Soviets will significantly increase their throw weight and megatonnage advantage, and will probably have more warheads than the U.S. by 1985 if the nuclear weaponry of the Backfire bomber is counted.

The Soviets are allowed 308 "Heavy" ICBMs; the U.S. is allowed none. These missiles have about as much destructive potential as all U.S. strategic forces.

The Soviets do not have to count some 400 (by 1985) Backfire bombers as part of their strategic forces, while the U.S. must count some 227 B–52s which are mothballed, and 4 B–1 RDT&E aircraft.

The Soviet SS–20 is not counted, even though with a single one-half megaton warhead, instead of the three it normally carries, it would have intercontinental range.

There is no adequate definition of "new missile," heavy bomber or missile launcher in the Treaty, despite efforts to convince us that there is.

There is no specification of the maximum allowable throw weight or launch weight for "light" or "heavy" missiles.

Third, Concerns that are not Treaty Inequities:

The Soviets are reported to have at least 1,000 ICBMs in storage. They may have several thousand.

The Soviets have much "harder" missile silos.

Warhead accuracy for Soviet 5th generation ICBMs is reportedly better than Minuteman III warhead accuracy.

Soviet strategic defensive forces; strategic command, control communications, and intelligence capabilities; and civil defense capabilities are readily acknowledged by most experts as vastly more effective than similar U.S. capabilities.

Fourth, Verification capabilities, Suppression of Information, and Violations of SALT I:

The Soviets are allowed to encrypt any missile telemetry they wish if they claim it is not necessary for treaty verification. I am convinced that by allowing any encryption at all, the verification of SALT is unacceptably compromised.

The loss of sites in Iran for monitoring Soviet ICBM tests has seriously degraded a previously marginal verification capability.

Admiral Turner, the Director of Central Intelligence, has reportedly said it will take five years to recover fully our capabilities to monitor SALT. Even the Administration doesn't claim it will fully recover before 1983.

Secretary of Defense Brown initially said it would take one year to obtain an adequate capability, if we are fortunate. The President, contradicting his two senior advisors, said SALT II will be verifiable "the day it is signed." Both claims rely on hopes, not facts.

Since President Carter has been in the White House, nothing official has been released concerning new Soviet weapons developments; this is contrary to the policy of previous Administrations.

The Carter Administration has only reluctantly fulfilled FOIA (Freedom of Information) requests for information on SALT violations, including construction by the Soviets of new ABM battle management radars.

Since the SALT-selling began, the Administration has unfortunately damaged our intelligence capabilities by leaks of the most sensitive information; this desperate attempt to prove verifiability has damaged our relations with our allies and made verification more difficult.

The Carter Administration has refused to release complete and accurate projections of the Soviet threat or the military balance in the 1980s. (The basic reason is that such projections would show that there is no basis for claims of essential equivalence in the 1980s. Somehow, essential equivalence seems to exist whether or not we have B–1, MX, or Trident II).

The record of the U.S. government in forcing Soviet compliance with the terms of the SALT I accord is abysmal. Since 1972, the Soviet Union has violated both the spirit if not the letter of many provisions of SALT I with almost complete impunity. To date these violations have included:

Deployment of the SS–19, a heavy missile with five times the payload of the weapon it replaces.

Building of the mobile SS–20, an intermediate range ballistic missile with the range-payload capability of an ICBM.

Construction of ballistic missile "launch control silos" which can rapidly be converted into ICBM launchers.

Deployment of anti ballistic missile battle management radars under the guise of early warning radars.

And a host of ABM-related actions, including the possible upgrading of SA–5 air defense missiles to an ABM capability, testing of the SA–5 radar in an Anti-Ballistic Missile mode, development of a mobile, rapidly deployable ABM radar, and development of a tactical ABM system.

Fifth, the separation of SALT II from International Politics:

The effect of this isolation of SALT II is that it undermines the confidence of our Allies by:

Suggesting the decoupling of U.S. strategic nuclear forces from the defense of Europe, although this is denied.

Preventing a rapid redressing of the TNF (theater nuclear force) balance in Europe.

Diverting the Backfire threat against Europe.

Limiting the range of conventional GLCMs and SLCMs and raising serious questions about the U.S. intent to transfer cruise missile technology to our allies in Europe.

The consequences will be:

Lack of their cooperation with the U.S. outside of Europe.

And later, Finlandization of Europe.

Sixth, Soviet Behavior Under SALT I:

The Soviets have emplaced a combat Brigade in Cuba and are rapidly building up the offensive capabilities of the Cuban Armed Forces. This issue, of course, has been much discussed in recent weeks, and I won't go into more detail in this statement.

The Soviets have stalled the talks on Mutual and Balanced Force Reduction (MBFR) in Europe and have delayed other negotiations.

They have supported Cuban mercenaries in Angola, Ethiopia, South Yemen.

They have sponsored invasions of and instability in North Yemen, Zaire, South Vietnam, Cambodia.

They have supported revolution and instability in Iran, Afghanistan, and Zimbabwe-Rhodesia.

They have engaged in a massive buildup of conventional and power projection forces.

They have attempted subversion of the governments of Portugal and Egypt.

They have lent assistance to the terrorist regimes of Libya and Uganda.

They have failed to abide by the Helsinki Accords and have committed grevious actions against the human rights of Soviet citizens.

Finally, SALT II Is Not Arms Control.

Even if the Soviet Union abided by every provision of the SALT II agreement, but ignored the spirit of the accord, it could triple its number of warheads by 1985 (to some 12,000–15,000) and triple the destructiveness of its warheads.

The treaty does little to prevent the introduction of dramatically improved Soviet ICBMs in the early 1980s.

The treaty does not effectively limit warheads; it limits launchers, and even those ineffectively and inequitably.

### SALT II AND THE U.S. ROLE IN THE WORLD

SALT II is an instrument of foreign and national security policy. As such, it must be viewed in the context of America's role in the world, and the foreign policy objectives designed to fulfill that role. I would like to turn, then, from the specific terms of SALT II to the relationship between the treaty and the U.S. role in the world.

Like any country, the United States has at least four fundamental objectives: national survival, safety, well-being and ideological and spiritual enhancement. The efforts of nations are generally directed at meeting all four of these goals, but the changing world environment alters their order of importance from time to time.

Other nations have more ambitious goals—the expansion of their power and influence or the creation of an empire or sphere of influence. When confronted by such an adversary, democratic societies are faced with some hard choices—choices which in recent years we have been increasingly reluctant to make.

The end of World War II left the United

States in possession of overwhelming military and economic power. If we had so desired, we could have literally conquered the world. I don't suggest that we should have done so, but we had that capability. No one could have stopped us. But what did we do? We reduced our military power, demobilized our millions of troops, mothballed most of our ships and planes, and returned to a peacetime economy and began to provide vast sums of money to rebuild the shattered economies of friend and foe alike. Even with our reduced strength, we were still the most secure nation in the world; our national survival virtually was guaranteed. Quite naturally, we turned our attention to improving our well-being, and we demonstrated our ideological and spiritual values by helping to rebuild a war-torn world, and by coming to the aid of countries seeking freedom and independence, such as Korea. The United States became a beacon to the world, not only because of its military strength, but because of the inherent humanist values of its society and the emphasis on them.

America was befriended and emulated. But such a place in the world, cannot be taken for granted, as America's people and its leadership seem to have done. It has to be earned daily to be continually justified.

I am one who believes the United States cannot escape the responsibility to lead the world in the search for freedom, self-determination, and lasting peace. There is no question that we have the resources. We must also have the will. As I have already said, I believe that the people of this country have that will, but in our democratic society, it needs to be expressed by the elected leadership. That is what I expect and hope that the Senate will continue to do in this debate on SALT II.

We must chart a course for the American people and then express it through our collective action as we consider the treaty. To the extent that we do this, the Senate will make a statement to the world about the course America will take. The world and its leaders are watching very carefully. They wait to see not only the outcome of this great debate, but what the nature of the debate itself will reveal about the forces at work in our society today. They certainly have every reason to be confused about the internal dynamics of our nation, in view of the vagueness, indecisiveness and contradictions in U.S. foreign policy in recent years. What they see during this debate will determine their view of America's future role in the world.

There are, then, two important reasons the debate on SALT II is so vital to America's future: First, the ultimate outcome will impact our ability to live and prosper in the world. And second, the way we reach that outcome will tell the world what we believe about ourselves, and what we are prepared to do to preserve and share the values and ideals we hold as a nation.

Against this backdrop, I believe the SALT debate must confirm that the United States is prepared to be the leader of the free world. We must demonstrate that we have the resolve to develop and maintain the necessary economic, political, and military strength to fulfill that role, and that we will not be afraid to use that strength to support our allies and friends in their efforts to choose their own course toward freedom.

We must admit that our society has problems, but not allow a preoccupation with them to deter us from our global responsibilities. Nor should we apologize for the strength that the United States has achieved through its free and pluralistic society.

We must make it clear that we recognize the condition of the world we all live in. that there are competing interests and ideologies which may be impossible to reconcile. The world must know that our experience with detente has convinced us that the Soviet Union is still our ideological enemy and potential military adversary.

In short, the SALT debate should affirm that we have placed the national security of the United States and its allies at the head of our fundamental national objectives, even though we know there is no such thing as absolute security in today's world. Not only must we develop and improve our own military capability, we must continue to rely on the strength of our allies. Where we can identify areas of mutual self-interest with our adversaries, we should seek to establish agreements and understandings with them.

But, those agreements must be negotiated by the United States and her allies from a position of strength. They must not be based on weakness or fear of the consequences of failure to reach an agreement. Our obligation to ourselves and to the world is too great to allow that. If we find ourselves adopting this SALT II treaty, or any other agreement, on the basis of fear, then I am afraid that we are already dangerously close to having failed the test of world leadership.

## NEW DIRECTIONS FOR U.S. NATIONAL SECURITY STRATEGY

What does all of this mean, for the direction of United States national security strategy? And what, then, does that strategy mean for SALT II?

The national security strategy of the United States must first recognize the military strength of our major adversary, the Soviet Union. Since the time of the Cuban missile crisis, the Soviet Union has been engaged in the most massive arms build-up in the history of the world. It has gone, with the help of SALT I and U.S. unilateral restraint, from a position of inferiority with the United States to a position today where its military strength is more than equal to our own.

The capabilities of its conventional forces in the Warsaw Pact countries is vastly superior to that of the NATO alliance. The impressive technological improvements in Soviet strategic forces have been coupled with a counterforce targeting and damage-limiting doctrine to pose a real and direct threat to our own strategic forces. The near-term vulnerability of our ICBM force is acknowledged by virtually every responsible analyst, including the Administration. The Soviet Union has rejected the concept of Mutual Assured Destruction and its basic assumption that nuclear war is unthinkable.

The Soviets believe it is possible to not only fight and survive a nuclear war, but to win it, and they have designed their military forces and civil defense program accordingly. Our response to this growing Soviet strength must be based on these realities, not on the idealistic hopes of the SALT process which, so far, has provided little reason for confidence.

With or without SALT, our national security policy must be modified along the following lines: We must change our strategic targeting—aiming most of our own weapons at Soviet military targets, instead of at cities; reduce the vulnerability of our ICBM force; develop the technology which will allow us to build defenses against in-coming missiles, both for our own civilian population and our weapons; modernize our bomber force; ensure the survival of effective command, control, communications and intelligence systems under attack; modernize our capacity to conduct limited theater nuclear operations; improve our conventional forces with modest increases in the number of Army and Marine divisions; improve our ability to project our conventional forces by expanding our tactical air and military transport forces; expand military consultation with, and consider increasing military assistance to, our allies and pro-Western governments and parties; and, assist our allies and freedom-loving people in deterring Soviet proxies, such as Cuban forces in Africa, by providing them with funds, arms, training and intelligence.

We must have a vigorous program and ready forces in all areas of our defense posture. The fabric of our military cloak must be a seamless web of capabilities. As Professor Michael Howard of Oxford University said in a recent article in *Foreign Affairs:*

"The maintenance of adequate armed forces in peacetime, and the will to deploy and support them operationally in war, is in fact a symbol of that social unity and political resolve which is as essential an element in nuclear deterrence as any invulnerable second-strike capability."

We can no longer afford to be passive in the world. Our allies and friends need to know that they can rely on the United States for assistance. The Soviet Union must know that we will not stand by idly while it attempts to create a new, world-wide Russian Empire. Winston Churchill said it very well on a visit to the U.S. in 1946:

"From what I have seen of our Russian friends and allies during the war, I am convinced that there is nothing they admire so much as strength, and there is nothing for which they have less respect than for weakness, especially military weakness.

Mr. Churchill went on to say, in essence, that peace could be maintained in the world only if the democracies remained united and strong. The policies I have mentioned would make it possible for the United States and her allies to preserve and protect international peace, through strength.

## ESSENTIAL CONDITIONS FOR SALT II

What can we say, then, about SALT II in the context of a new, more active, although not provocative, U.S. national security strategy? I believe such a strategy suggests five basic criteria for acceptance and ratification of a new SALT treaty:

First, the treaty must meet the criteria of equality, stability, and verifiability, and it must arrest the growth of Soviet strategic forces.

Second, we and our allies must be prepared to modernize and improve theater nuclear forces or obtain agreement to equitable arms limitations in this area with the Soviet Union and her allies;

Third, we and our allies must be willing to modernize and expand our conventional forces so as to pose an effective conventional deterrent;

Fourth, we and our allies must be prepared to resist the destabilization of third world nations by Soviet power and proxy forces;

Fifth, we must rebuild our vital intelligence organizations and restore their effectiveness.

If these conditions cannot be met, then SALT II should not be ratified. Instead, we should then seek to restore and maintain strategic nuclear "parity-plus" with the Soviet Union and declare our intent to use strategic nuclear weapons to protect ourselves and our allies.

## SALT AND U.S. SECURITY

The SALT process can be of great value to the United States. It should be able to enhance our security in the following ways:

(1) By establishing equal limits on the quantity of nuclear arms—not just the number of launchers—which may be held by the U.S. and the Soviet Union, and in so doing, end the expansion of Soviet strategic forces.

(2) By reducing arms, it will lower the chances of accidental war.

(3) By allowing us to build and develop weapons and forces which may be necessary to deter a potential attack or the use of nuclear coercion against us or our allies, it

will support our alliance structure and discourage the proliferation of nuclear weapons.

(4) By prohibiting or markedly slowing the deployment of weapons systems that would destabilize the strategic balance by giving one side a "first strike" or war-winning capability over the other, it will maintain crisis stability. At the same time, no SALT treaty should restrict our options to meet the threat more than it reduces the growth of that threat.

As difficult as these objectives may be to achieve, we must not weaken our commitment to them. We must remember that the security of the United States is the only reason to participate in the SALT process in the first place. It is not to seek an agreement simply for the sake of having an agreement.

A flawed SALT treaty which would give the Soviet Union low-cost, "politically meaningful" nuclear superiority would be worse than no treaty at all. It would be the foundation for a continuing policy of global expansion by the Soviet Union, and allow it to divert military resources to the build-up of other forces while extending its nuclear umbrella over Western Europe, the Middle East, Africa and the Far East.

The treaty that has been signed by the President is such a flawed treaty. I have already described why I believe: that it is not equitable; that it is not adequately verifiable; that it only masquerades as arms control; and that it does not effectively limit the spread of nuclear weapons.

To accept this treaty, as proposed, would be to turn away from our obligation as a world power to preserve international peace. A treaty which would assist the Soviet Union in achieving a war-winning nuclear capability by the mid-1980s is an even greater threat to peace than an uncontrolled arms race. At least in a race, the outcome is in doubt. I believe that we do not have to choose between either nuclear inferiority or an expensive arms race. We have a third option.

That option is to return to the bargaining table with a renewed commitment to insist on a fair and equitable treaty. Throughout the SALT negotiating process, the Soviet Union has taken firm, immovable positions on every issue critical to its national interests. The United States, in the spirit of detente has accepted the Soviets' position on most major issues. I believe we can reach compromises with the Soviet Union at the negotiating table, but we cannot do it without first drawing the line beyond which we are unwilling to move; beyond which we will not sacrifice our own national interest. Such a demonstration of our steadfast commitment to our own interests is in itself an important deterrent to war.

### RESERVATIONS ARE NOT ENOUGH

A demonstration of steadfast commitment to our own interests will not result from attaching reservations to the resolution of ratification where amendments are needed. Such a course would be one of self delusion. The Senate's "interpretation" of the treaty will not carry much weight if the Soviet Union has a different interpretation which is supported by the Administration.

Consequently, I have introduced a resolution, S. Res. 221, which details a comprehensive approach to renegotiation of SALT II. Also, in my recent testimony before the Senate Foreign Relations Committee, I have proposed a number of amendments to the treaty, which I believe represent the minimum degree of improvement necessary for this treaty to be consistent with our national security interests. I ask that the Committee include in the record, following my statement, a copy of the resolution, along with the section-by-section analysis of its key provisions; a copy of the amendments and the explanatory statements which I have offered are attached to my longer statement and I ask that they be included in the RECORD.

I fully understand, of course, that it is not the responsibility of this Committee to consider amendments to the treaty, but I submit this package for your consideration as an illustration of the specific reasons that I find this treaty, as negotiated, to be unacceptable.

### REDRESSING THE STRATEGIC IMBALANCE

In my statement before you today I have touched on the question of the dangerous and growing imbalance of strategic arms in favor of the Soviet Union. I recognize this Committee's predominant concern with the question of American military strength, and I am confident that you will continue to act wisely, and in the best interests of national security, in seeking to redress that imbalance, with or without the proposed SALT II Treaty, or even as it may be amended. I know that this Committee will not be deterred from that primary responsibility regardless of the outcome of the debate on SALT II. Much will have to be done in our defense program, as witnesses who have appeared before you already in these hearings have testified. For my part, also regardless of the outcome of SALT II, I expect to actively support the efforts of this Committee to seek the kind of improvements in our defense forces which are necessary if any SALT treaty is to be a viable part of our national security posture.

### BACKFIRE AMENDMENT

I propose an amendment to Treaty Article II, Paragraph 3 of the Treaty to make the treaty more equitable and improve the arms control impact of the treaty. This "Backfire amendment" would require counting each Soviet Backfire bomber as three-quarters of a Strategic Nuclear Delivery Vehicle (SNDV) and each U.S. based FB–111 as one-half of an SNDV. These treaty counting rules would match the capabilities of the aircraft.

Now, the Soviets don't really argue for exclusion of the Backfire on the basis of its range. They believe that it should be excluded on the basis of intended use—that is its mission. And, the Soviets tell us that it has a mission as a theater attack system. So, that is the crux of the argument. Are strategic systems to be defined as those that have strategic capabilities or only those which are intended and scheduled for a strategic use?

I believe that we must stick to a definition of strategic which is written in terms of capabilities. To not do so would open up a huge loophole in which both sides would build systems with a strategic reach but disclaim their limitation under any SALT agreements by virtue of the fact that "they do not have a strategic mission".

If the proponents of excluding Backfire really believe in their own case, why have they insisted on a "phony" Backfire letter which alleges to limit Backfire but has no force of international law? Do they suspect the Soviets might use the Backfire in a strategic role after all, only then to use the letter as proof of their efforts to preclude this?

If SALT III is productive, then both sides can consider more refined measures of what is "strategic" and "peripheral" and "theater" and so forth, and weapons can be allocated to the various categories on both a capabilities and mission basis. But we are not at that point yet. By leaving out Backfire the Soviets will have some 2750 SNDVs (2250 plus 500 or so Backfire bombers) to our 2315 (2250 plus 66 FB–111s) by 1985. This will allow them to have more ICBMs, SLBMs, and bombers than the U.S. This is hardly the stuff of which essential equivalence is made.

I therefore urge my colleagues to vote for this amendment, and by so doing perhaps save the U.S. several billions of dollars. If the Soviets were to agree to include Backfire then we would not be encouraged to produce an aircraft equivalent to the Soviet Backfire. Let's find out now whether the Soviets are serious about equity and real arms control.

### BACKFIRE AMENDMENT

Amendment to Treaty Article II, Paragraph 3, to require counting each Backfire bomber as three-quarters of a Strategic Nuclear Delivery Vehicle (SNDV) and each U.S. based FB–111 as one-half of an SNDV.

Add the following new subparagraph b and redesignate the other subparagraphs: "(b) also currently for the Soviet Union the Backfire bomber, and for the United States the FB–111. However, owing to their lesser capabilities, the Backfire will count as three-quarters of a Strategic Nuclear Delivery Vehicle (SNDV) and the FB–111 as one-half SNDV."

### HEAVY MISSILE AMENDMENTS

I propose two amendments, to Treaty Article IV, Paragraphs 3, and 9, to provide for equity between the Parties in terms of "heavy" ICBMs. The two amendments would have the effect of allowing the U.S. to modify 308 light ICBM silos to a heavy silo configuration and to test and deploy 308 "heavy" (of SS–18 size) ICBMs. They would not require the Soviets to dismantle their "heavy" ICBMs and they would not require that we build any heavy ICBMs.

These amendments do nothing to slow the Soviet buildup of heavy ICBMs, they do nothing to encourage the U.S. to build such missiles, they do not offset our Minuteman ICBM vulnerability and they do not affect any plans for the MX ICBM. So, one might ask what do they accomplish. Are they merely an attempt to kill the treaty with a very reasonable amendment that should have wide support in the Senate? No, the real purpose is to underscore the need, stated by the Administration, that we must maintain essential equivalence with the Soviet Union. This is a fundamental requirement that we all recognize.

These amendments will establish the principle of equality for sublimits, and ensure that the Jackson Amendment to SALT I is not disregarded. If we are not even allowed the option of building heavy ICBMs, I believe many in the world would be right to question the ability or intention of the U.S. to maintain parity with the Soviets. A failure to pass these amendments would expose essential equivalence as the charade that many now suspect it may be. Let's either pass these amendments or tell the American people and the world that we do not intend to maintain essential equivalence.

### MODIFICATION OF SILO LAUNCHERS TO HEAVY CONFIGURATION AMENDMENT

Amendment to Treaty Article IV, Paragraph 3, to allow for modifications of 308 U.S. light ICBM silo launchers to a configuration which would allow them to launch SS–18 size ICBMs.

Add the following: "The United States will, however, be allowed to modify light ICBM silo launchers to a configuration which would allow them to launch heavy ICBMs in numbers equal to the number deployed by the Soviet Union.

### U.S. HEAVY ICBM TEST AND DEPLOYMENT AMENDMENT

Amendment to Treaty Article IV, Paragraph 9, to allow the U.S. the option of deploying heavy ICBMs of the SS–18 size (in addition to the MX.)

Add the following sentence: "In addition, the U.S. may flight-test and deploy one new-type heavy ICBM."

### MPS BASING MODE AMENDMENTS

These amendments would allow the construction of a multiple protective structure basing mode for ICBMs. This may be absolutely essential if we are to ensure the invulnerability of our ICBMs. It is far from clear that the current draft of the SALT II Treaty allows the construction of most types of MPS.

The Carter Administration is arguing that the Soviets have agreed to MPS in principle provided that we provide for adequate verification. This is not clear, and is indeed little more than an assertion by the State Department. Paul Nitze has testified that he does not believe that the current SALT II draft allows the MPS. I believe that the most promising MPS systems are banned by the Treaty and that the only type that may be allowed will be far more costly and less effective as a result of Treaty constraints.

The Soviet Union will have essentially no real verification problem relating to MPS. The U.S. is an open society and the Soviets could verify the number of MX missiles produced without even satellite photography. Yet we are planning to spend enormous sums to obtain a system that is verifiable by national technical means. To make matters worse the Soviets are very unlikely to agree that any system would be verifiable by national technical means. Preventing the deployment of MX is a major Soviet objective and they have every reason to attempt to prevent such a deployment.

The Administration answer to this is that they will ignore Soviet objections and go ahead and deploy the MX. I find this highly unlikely and a rather bad precedent if this policy was implemented. We have no interest in spurring on a race to determine who can interpret arms control agreements in the least restrictive manner.

I have proposed two amendments that would assure U.S. deployment of the MX in an MPS mode and would allow the use of the most cost-effective deployment mode by introducing the opportunity for cooperative verification, including on-site inspection.

### MPS BASING MODE AMENDMENT

Amendment to Treaty Article IV, Paragraph 1, to allow for construction of a Multiple Protective Structures or other basing mode for ICBMs.

Add the following to Paragraph 1: "This provision does not prohibit construction of vertical or horizontal shelters, trenches, or hard points that would be essential to ensure the effective invulnerability of ICBMs, so long as each Party provides a means of verification to the other to include if necessary an authorization for non-notice, on-site inspection."

### DEFINITION OF MPS AS NON-MOBILE AMENDMENT

Amendment to Protocol Article I, to allow the deployment of MPS ICBM Launchers if satisfactory verification procedures can be established.

Add the following language: "The term mobile shall not be interpreted to mean vertical or horizontal multiple protective structures, trenches or other survivable type basing modes, but shall refer to road and cross-country transporter-erector-launchers systems. If a Party offers to provide satisfactory verification procedures, then the Party may develop and deploy one survivable ICBM basing mode and its associated ICBM."

### NONCIRCUMVENTION AMENDMENT

This amendment would assure that the noncircumvention provision of the Treaty will not be used as a wedge by the Soviet Union to disrupt the NATO alliance by preventing cooperation between the United States and our NATO allies in the modernization of European defensive forces. The Soviet Union hopes to undermine the confidence of our allies and stunt the growth of their military capabilities by prohibiting the transfer of essential technology and hardware from the U.S. to our allies. On the one hand our lead in technology is "ballyhooed" as the offsetting strength to Soviet and Warsaw Pact quantity, and then our comparative advantage is traded away.

The meaning of the noncircumvention provision of the SALT II Treaty is almost completely ambiguous in its present form. What it does and does not prohibit could be a subject of endless confrontation unless this provision is clarified by an amendment to the Treaty. The Soviets are certain to object to almost every U.S. technical exchange or weapons transfer program under the noncircumvention amendment. The Soviets recognize that without sophisticated weaponry and communications there is simply no chance that NATO could defend itself against a Soviet attack. Thus, the use of the SALT negotiations to hamper NATO defense planning and cooperation has long been a major objective of the Soviet Union.

### NONCIRCUMVENTION AMENDMENT

Amendment to Treaty Article XII, to clarify U.S. ability to assist the NATO alliance in maintaining the Eurostrategic balance.

Add the following to the end of Article XII: "This provision shall not be interpreted so as to prevent either Party from supplying scientists, data, technology, systems or other assistance and cooperation to allies, for the purpose of modernization or force buildup."

### VERIFICATION AMENDMENT

I have proposed this amendment because telemetry is vital to the verification of the qualitative aspects of the agreement. Photography or other sources of intelligence are inadequate substitutes. The legitimization of encryption in SALT II allows the Soviets to hide essential design features of their missile systems. No one should seriously believe that the Soviets will abide by U.S. interpretations of what can and cannot be encrypted any more than they abided by U.S. interpretations of SALT I.

Indeed, the Secretary of Defense admits that there is no current agreement on what can and cannot be encrypted and that this issue will be ultimately resolved by the Standing Consultative Commission. Any encryption of telemetry opens the possibility that false or misleading information is being broadcast and the real data is being sent out over encrypted channels.

Senator Glenn observed before this Committee that the current margin of uncertainty on the technical parameters of Soviet missile systems is as large as 50 to 70 percent. To put this in perspective, we must recognize that the Soviet missiles are already three to seven times greater in terms of throw weight and launch weight as U.S. ICBMs. We are literally dealing in potential increments in Soviet capabilities due to cheating that are equal to entire U.S. strategic systems or even all U.S. strategic forces. How, then, can the Carter Administration claim that SALT II is "adequately verifiable?"

Current U.S. capabilities to monitor the critical qualitative terms of SALT II are grossly inadequate. Short term substitutes for the U.S. monitoring sites in Iran have severe limitations and are comparatively easy to counter if the Soviets took intelligence counter-measures. The effectiveness of the proposed U–2 collection depends on active Soviet cooperation, or at least no conscious policy to deny information. The Soviets can almost completely negate the effectiveness of the U–2 collector if they so choose.

There is simply no agreement under SALT II on what constitutes National Technical Means of verification. Administration spokesmen have admitted that the Soviets do not even regard overseas collection bases as National Technical Means of verification. The SALT II agreement, as written, would legitimize the encryption of telemetry. The Secretary of Defense has admitted that "Neither party can unilaterally determine whether denial impedes verification. If questions arise on this issue they will be resolved in the Standing Consultative Commission."

It is not a question of "if." Questions *will* arise and when they do it could take years to settle them if they ever are. The Standing Consultative Commission has been generally ineffective in settling issues unless there has been a clear, unequivocal Soviet violation. The encryption issue clearly would not be such an instance.

We have publicly taken the position that existing levels of encryption have not impeded National Technical Means of verification. We will certainly take the position that most of the fifth generation Soviet ICBMs will be modifications of existing missiles. Otherwise we would have to charge the Soviets with violating SALT II. Yet they can be almost completely different in their technology and existing levels of encryption would significantly hurt our ability to determine their characteristics. We will be caught in a dilemma of our own making. We cannot claim they are new (they might not actually be, by the ineffective SALT II definition) and yet we would be claiming that suddenly we cannot verify the capabilities of "old" Soviet ICBMs.

Any encryption of telemetry will make it easier for the Soviets to broadcast false information on the open channels and deliberately deceive U.S. intelligence analysts. While there is a limit concerning the degree to which this can be exploited, it is clearly possible to go well beyond the Treaty limits either through telemetry denial or the broadcast of false information—even if we regained collection capabilities comparable to what we had prior to the loss of Iran.

I have proposed an amendment that would completely ban the encryption of telemetry and would provide protection for required ground based telemetry collection stations. Without such an amendment it will not be possible to verify SALT II unless one is willing to accept levels of uncertainty that could permit the clandestine deployment of thousands of additional warheads and megatons. This is not what I regard as "adequate verification."

Amendment to Treaty Article XV, Paragraph 2, to prohibit specific forms of interference.

Add the following to Paragraph 2: "In this context, 'National Technical Means' shall be defined as both Party's technical intelligence systems; it shall also include the geographic location necessary for the proper functioning of such systems. Specifically, each side will not encrypt any missile telemetry nor will it seek to pressure nations assisting the verification process, through location of systems of their soil or agreement for overflight rights, to halt such assistance."

(Also, the Second Understanding should be conformed by deletion of all the language of the Second Understanding).

### PROHIBITION AGAINST DELIBERATE CONCEALMENT MEASURES AMENDMENT

The President, Secretary of State and Secretary of Defense constantly assure us that there will be no deliberate concealment measures allowed under SALT II. The wording of the SALT II concealment prohibition is identical to the SALT I prohibition. This has not stopped Soviet concealment activities. The Soviet Union has a concealment and deception program under way right now, and this will continue under SALT II.

It has involved, according to official and unofficial reports, various forms of photographic concealment at the ICBM test ranges, ICBM base areas, and submarine construction and maintenance facilities. There have been reports of heavy concealment related to the mobile SS–16 ICBM program and the construction of submarine berth tunnels. The Soviets have been encrypting telemetry.

The word "impede" verification is often interpreted by the U.S. government to mean "prevent" verification, opening a wide range of "legitimate" Soviet concealment activities that are supposedly ineffective in preventing verification.

This proposed amendment is designed to prevent the Soviet Union from legitimately engaging in activities that can degrade our verification capabilities without technically violating the current practices exception. We want to assure that the Soviets will not be allowed to complete submarine berthing tunnels, that they will not construct enough aircraft hangers to prevent us from monitoring the number of Backfire bombers deployed, that they will not be allowed to conduct silo loading operations at night or in bad weather so as to prevent U.S. photographic coverage.

Amendment to Article VX, Paragraph 3, to require changes in current practices where necessary to prohibit the use of deliberate concealment measures.

Delete the last sentence of Paragraph 3 and add: "This obligation shall require reasonable changes in current construction, assembly, conversion, and overhaul practices necessary to ensure verification. Where a Party is unwilling to change certain practices because of certain reasons (cost, weather, or others), then that Party must allow for on-site inspection by the other."

### GLCM/SLCM RANGE EXTENSION AMENDMENTS

I am proposing two amendments to the Protocol. The amendments would extend the range of both unMIRVed and MIRVed GLCMs and SLCMs that are not limited by the Protocol from 600 to 2500 km. This change is necessary if U.S. cruise missiles are to overcome the disadvantages of Eurasian geography and be able to reach targets in the Soviet Union from Western Europe or contiguous seas.

Immediate deployment of our SLCMs and GLCMs should be allowed under the protocol, because the Soviets already have SLCMs with less than a 600 km range on submarines. These can approach our coasts so as to give these SLCMs strategic target attack capability. Also, they have MRBMs which can strike Western Europe from the Soviet Union with three MIRVs. These do not count under SALT II. For that reason our equivalent systems, the MIRVed GLCMs/SLCMs of less than 2500 km range should not count under SALT II.

### GLCM/SLCM RANGE EXTENSION AMENDMENT

Amendment to Protocol Article II, Paragraph 1, to allow the deployment of SLCMs and GLCMs with ranges of up to 2500 km.

Substitute "2500" for "600."

### MIRVED GLCM/SLCM RANGE EXTENSION AMENDMENT

Amendment to Protocol Article II, Paragraph 2, to allow flight testing of MIRVed GLCMs and SLCMs with a range of less than 2500 km.

Substitute "2500" for "600".

(Also, conforming changes in the statements and understandings of Protocol Article II will be necessary. This should be done by changing "600" to "2500" wherever it appears.)

### PROTOCOL EXTENSION AMENDMENT

Mr. President, I propose an amendment to the Protocol of the SALT II Treaty by adding to the Protocol an Article V. This Protocol Extension Amendment states that the Protocol shall not be extended beyond December 31, 1981 unless the Senate concurs by a two-thirds vote. Moreover, failure to extend the Protocol by either Party will not be grounds for violations or abrogation by the other Party of the provisions of the Treaty.

This issue is of the utmost importance and concern to our allies in Western Europe, particularly in light of the disadvantageous shift in the balance of power that has taken place over the past decade. The Soviets have moved from a position of strategic nuclear inferiority vis-a-vis the United States to that of parity or essential equivalence.

In addition, they have undertaken a marked quantitative and qualitative upgrading of their conventional force capabilities in Europe. And with the deployment of the SS-20, a mobile Intermediate/Medium Range Ballistic Missile with three MIRVed warheads, the Soviet Union has taken a significant step forward in the area of theater nuclear forces.

Our allies are sincerely troubled that SALT II places no restrictions on the deployment of the SS-20, which poses an immediate threat to their security, yet severely limits the range of the ground- and sea-launched cruise missiles. It is often argued that the United States will be free to deploy cruise missiles of unlimited range after the termination of the Protocol. However, it is widely recognized that the Soviets will vigorously attempt to have the restrictions contained in the terms of the Protocol extended beyond December 31, 1981. Our distinguished colleague from Colorado, Senator Hart, on offering clarifying language to the resolution of ratification with respect to this issue of extending the Protocol correctly noted:

"It is vital that the Soviet Union understand that these issues are *not* permanently resolved, and that serious negotiations must continue to seek mutually acceptable answers." It is essential, therefore, that the Senate make explicit as part of the Protocol text the interpretation of the United States government that the Protocol cannot be extended without the concurrence of two-thirds of the Senate.

Mr. President, I urge my colleagues to support this amendment, and thereby assure our allies in Western Europe that our commitment to their security will not be weakened by our desire to achieve bilateral arms control agreements with the Soviet Union.

### PROTOCOL EXTENSION AMENDMENT

Amendment to the Protocol by adding a Protocol Article V, to require the approval of two-thirds of the Senate before the Protocol could be extended beyond its termination date of December 31, 1981.

Add the following new article (Article V) to the text of the Protocol: "The Protocol shall not be extended by the U.S. beyond December 31, 1981 unless the Senate concurs by a two-thirds vote. Failure to agree to an extension of the Protocol by either Party will not be ground for violations or abrogation by the other Party of the provisions of the Treaty."

### AGREED STATEMENTS AND COMMON UNDERSTANDING AMENDMENT

This amendment proposes the incorporation by reference of the agreed statements and the common understandings in the Treaty. As the Treaty stands now, many of the key terms are not in the Treaty itself, but are in the agreed statements and common understandings. The Soviet Union has not printed these in its version of the Treaty. The proposed amendment assures that there will be no confusion concerning the legal status of these statements and understandings. Without such protection, the Treaty itself is largely without content.

### AGREED STATEMENTS AND COMMON UNDERSTANDING AMENDMENT

Amendment by addition of a new Treaty Article XIX (redesignate present Article XIX as Article XX), to provide that the agreed statements and common understandings are considered part of the Treaty.

Add the following:

"ARTICLE XIX

"Each Party agrees that the agreed statements and common understandings, the Joint Memorandum on Data Base, and the Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations are an integral and inseparable part of the Treaty."

## VISIT TO THE SENATE BY PARLIAMENTARIAN FROM THE UNITED KINGDOM

Mr. TOWER. Mr. President, today we have a very distinguished Parliamentarian from the United Kingdom visiting with us.

It is my pleasure to introduce and to present to the Senate the Honorable Geoffrey Pattie, a Member of Parliament and an Under Secretary of State for Defense in the British Government.

He has the peculiar responsibility of being the civilian chief of the Royal Air Force.

I present Mr. Pattie to the Senate at this time.

[Applause.]

### RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 2 minutes so that Members may welcome our distinguished visitor.

There being no objection, the Senate, at 12:08 p.m., recessed until 12:10; whereupon, the Senate reassembled when called to order by the acting President pro tempore (Mr. METZENBAUM).

## ORDER OF BUSINESS

Mr. TOWER. Mr. President, I yield to the distinguished Senator from Utah (Mr. HATCH) the remainder of the time under the control of the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I yield 2 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the distinguished majority leader.

## THE GENOCIDE CONVENTION: A LEADING HUMAN RIGHTS TREATY

Mr. PROXMIRE. Mr. President, the past few years have witnessed an increased awareness of the crime of genocide. The now famous television broadcast of the "Holocaust," which was viewed by tens of millions of Americans, coupled with greater media coverage of incidents abroad, have been instrumental in expanding the public's comprehension of this brutal act.

Adding to this higher level of consciousness of genocide is the human rights movement, a movement which we have watched grow to great heights during this decade.

Mr. President, the United States has long been a leader in the push for human rights. We are now at a very important crossroads in this movement. And this body has the opportunity to spearhead this drive through its actions.

One action we can take is the ratification of the Genocide Convention. In ratifying this treaty, the Senate will show its support for outlawing mass slaughter, perhaps the greatest violation of human rights ever seen.

Mr. President, the time for ratification of this important treaty is here. We should wait no longer. Ratifying this treaty would add even greater impetus to this movement, perhaps more than ever seen before. Our body may hold in its hands the lives of millions of people across the world. Surely, we cannot turn our backs on them.

Mr. President, I urge swift ratification of the Genocide Convention of 1949.

## ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Utah is recognized.

## ORDER OF BUSINESS

Mr. HATCH. Mr. President, I reserve the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, how much time does the Senator have as the acting minority leader?

The ACTING PRESIDENT pro tempore. Just under 1 minute.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. Just over 4 minutes.

## ORDER FOR THE RECOGNITION OF SENATOR PROXMIRE ON MONDAY, OCTOBER 22, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. PROXMIRE, on Monday, after the two leaders or their designees have been recognized under the standing order, be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar, beginning with the Department of Agriculture and going through page 2.

Mr. HATCH. Mr. President, the nominations have been cleared on this side of the aisle.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

## DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of James C. Webster, of South Dakota, to be an Assistant Secretary of Agriculture.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

## DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Robert W. Komer, of Virginia, to be Under Secretary of Defense for Policy.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Edward Hidalgo, of the District of Columbia, to be Secretary of the Navy.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

## PANAMA CANAL COMMISSION

The legislative clerk read the nomination of Dennis P. McAuliffe, of New Jersey, to be Administrator of the Panama Canal Commission.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

## NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the U.S. Air Force and in the Army placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the votes by which the nominees were confirmed.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

## LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. KENNEDY, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1157.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved*, That the bill from the Senate (S. 1157) entitled "An Act to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

That this Act may be cited as the "Department of Justice Appropriation Authorization Act, Fiscal Year 1980".

SEC. 2. There are authorized to be appropriated for the fiscal year ending September 30, 1980, to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) the following amounts:

(1) For General Administration, including hire of passenger motor vehicles, and miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration: $33,168,000.

(2) For the United States Parole Commission, including the hire of passenger motor vehicles: $5,555,000.

(3) For General Legal Activities, including—

(A) the hire of passenger motor vehicles;

(B) miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Deputy Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration;

(C) not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate;

(D) advance of public moneys under section 3648 of the Revised Statutes (31 U.S.C. 529);

(E) pay for necessary accommodations in the District of Columbia for conferences and training activities; and

(F) not to exceed $105,000 which may be transferred from the "Alien Property Funds, World War II", for the general administrative expenses of alien property activities, including rent of private or Government-owned space in the District of Columbia:

$106,267,000, of which $3,000,000 shall be made available for the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals.

(4) For the Antitrust Division, consumer protection and kindred laws: $46,915,000.

(5) For United States Attorneys, Marshals, and Trustees, including—

(A) purchase of firearms and ammunition;

(B) lease and acquisition of law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(C) supervision of United States prisoners in non-Federal institutions;

(D) bringing to the United States from foreign countries persons charged with crime; and

(E) acquisition, lease, maintenance, and operation of aircraft:

$242,573,000.

(6) For Support of United States Prisoners in non-Federal institutions, including necessary clothing and medical aid, payment of rewards, and reimbursements to Saint Elizabeths Hospital for the care and treatment of United States prisoners, at per diem rates as authorized by section 2 of the Act entitled "An Act to authorize certain expenditures from the appropriations of Saint Elizabeths Hospital, and for other purposes", approved August 4, 1947 (24 U.S.C. 168a): $25,100,000.

(7) For Fees and Expenses of Witnesses, including expenses, mileage, compensation, and per diems of witnesses in lieu of subsistence, as authorized by law; including advances of public moneys: $27,052,000, but no sums authorized to be appropriated by this Act shall be used to pay any witness more than one attendance fee for any one calendar day.

(8) For the Community Relations Service: $5,428,000.

(9) For the Federal Bureau of Investigation for—

(A) expenses necessary for the detection, investigation, and prosecution of crimes against the United States;

(B) protection of the person of the President of the United States and the person of the Attorney General;

(C) acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies;

(D) such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General;

(E) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(F) acquisition, lease, maintenance, and operation of aircraft; firearms and ammunition; payment of rewards; and

(G) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157 and 1160), under regulations prescribed by the Secretary of State; and

(H) not to exceed $12,100,000 to counter terrorism in the United States; and

(I) not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and to be accounted for solely on his certificate:

$584,408,000, but, in addition to this amount reimbursement received from the Committee on Appropriations, House of Representatives, and the Committee on Appropriations, United States Senate, for the assignment of investigative and support staff or other assistance may be credited to this amount and none of the sums authorized to be appropriated by this Act for the Federal Bureau of Investigation shall be used to pay the compensation of any employee in the competitive service. Using sums authorized to be appropriated by this Act, the Federal Bureau of Investigation shall classify the offense of arson as a part I crime in its Uniform Crime Reports.

(10) For the Immigration and Naturalization Service, for expenses necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including—

(A) advance of cash to aliens for meals and lodging while en route;

(B) payment of allowances to aliens, while held in custody under the immigration laws, for work performed;

(C) payment of expenses and allowances incurred in tracking lost persons as required by public exigencies in aid of State or local law enforcement agencies;

(D) payment of rewards;

(E) not to exceed $80,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate;

(F) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(G) acquisition, lease, maintenance, and operation of aircraft;

(H) firearms and ammunition and attendance at firearms matches;

(I) operation, maintenance, remodeling and repair of buildings, and the purchase of equipment incident thereto;

(J) refunds of maintenance bills, immigration fines, and other items properly returnable except deposits of aliens who become public charges and deposits to secure payment of fines and passage money;

(K) payment of interpreters and translators who are not citizens of the United States and distribution of citizenship textbooks to aliens without cost to such aliens;

(L) acquisition of land as sites for enforcement fence and construction incident to such fence;

(M) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157, and 1160) under regulations prescribed by the Secretary of State; and

(N) research related to immigration enforcement which shall remain available until expended:

$319,386,000, of which $2,100,000 shall be made available to redesign, update, and maintain the nonimmigrant control system applicable to arrival and departure of aliens in and from the United States, $5,000,000 shall be made available to install fully automated systems for processing and recordkeeping in District offices, and not to exceed $50,000 may be used for the emergency replacement of aircraft upon the certificate of the Attorney General.

(11) For the Drug Enforcement Administration for its activities, including—

(A) hiring and acquiring law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(B) paying in advance for special tests and studies by contract;

(C) paying in advance for expenses arising out of contractual and reimbursable agreements with State and local law enforcement and regulatory agencies while engaged in cooperative enforcement and regulatory activities in accordance with section 503a(2) of the Controlled Substances Act (21 U.S.C. 873(a) (2));

(D) paying expenses not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate;

(E) paying rewards;

(F) paying for publication of technical and informational material in professional and trade journals; purchase chemicals, apparatus, and scientific equipment;

(G) paying for necessary accommodations in the District of Columbia for conferences and training activities;

(H) acquiring, leasing, maintaining, and operating aircraft;

(I) research related to enforcement and drug control to remain available until expended;

(J) contracting with individuals for personal services abroad, and such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management;

(K) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157, and 1160), under regulations prescribed by the Secretary of State; and

(L) paying for firearms and ammunition and attendance at firearms matches:

$202,366,000, including such sums as are authorized by section 709(a) of the Controlled Substances Act (21 U.S.C. 904(a)), for the fiscal year ending September 30, 1980.

(12) For the Federal Prison System: $344,011,000, including the following:

(A) (i) For the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions;

(ii) purchase and hire of law enforcement and passenger motor vehicles;

(iii) compilation of statistics relating to prisoners in Federal penal and correctional institutions;

(iv) assistance to State and local governments to improve their correctional systems;

(v) purchase of firearms and ammunition; medals and other awards;

(vi) payment of rewards;

(vii) purchase and exchange of farm products and livestock;

(viii) construction of buildings at prison camps; and acquisition of land as authorized by section 4010 of title 18 of the United States Code; and

(ix) transfer to the Health Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for the direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions.

(B) For Federal Prison Industries, Incorporated, to make such expenditures, within the limits of funds and borrowing authority, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Control Corporation Act, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase and hire of passenger motor vehicles.

(C) (i) For planning, acquisition of sites and construction of new facilities, and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, to remain available until expended and the labor of United States prisoners may be used for work performed with sums authorized to be appropriated by this clause.

(ii) The Attorney General shall take such steps as may be necessary to acquire or to construct, in Los Angeles County, California, a Federal detention facility.

(iii) In addition to any other sums that are authorized to be appropriated by this Act, there are authorized to be appropriated $2,600,000 for planning and site acquisition to carry out clause (ii).

(D) For carrying out the provisions of sections 4351 through 4353 of title 18 of the United States Code, which establishes a National Institute of Corrections, to remain available until expended.

SEC. 3. None of the sums authorized to be appropriated by this Act may be used to pay the compensation of any person employed after the date of the enactment of this Act as an attorney (except foreign counsel employed in special cases) unless such person shall be duly licensed and authorized to practice as an attorney under the laws of a State, territory, or the District of Columbia.

SEC. 4. (a) Sums authorized to be appropriated by this Act which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations prescribed by the Attorney General.

(b) Sums authorized to be appropriated by this Act may be used for the purchase of insurance for motor vehicles and aircraft operated in official Government business in foreign countries.

(c) Sums authorized to be appropriated by this Act for salaries and expenses shall be available for services as authorized by section 3109 of title 5 of the United States Code.

(d) Sums authorized to be appropriated by this Act to the Department of Justice may be used for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

(e) Sums authorized to be appropriated by this Act may be used for—

(1) expenses of primary and secondary schooling for dependents of personal stationed outside the continental United States at costs not in excess of those authorized by the Department of Defense for the same area, when it is determined by the Attorney General that schools available in the locality are unable to provide adequately for the education of such dependents; and

(2) transportation of those dependents between their place of residence and schools serving the area which those dependents would normally attend when the Attorney General, under such regulations as he may prescribe, determines that such schools are not accessible by public means of transportation.

(f) There are authorized to be appropriated for the fiscal year ending September 30, 1980, such sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs.

(g) Sums authorized to be appropriated for "Salaries and expenses, General Administration", "Salaries and expenses, United States Attorneys, and Marshals", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Bureau of Prisons" may be used for uniforms and allowances as authorized by sections 5901 and 5902 of title 5 of the United States Code.

(h) The first sentence of section 5924(4)(B) of title 5, United States Code, is amended by striking out "or the United States Information Agency," and inserting in lieu thereof the following: ", the International Communications Agency or the Department of Justice."

SEC. 5. Section 5315(19) of title 5 of the United States Code, is amended to read as follows:

"(19) Assistant Attorneys General (10).".

SEC. 6. Notwithstanding the second of the paragraphs relating to salaries and expenses of the Federal Bureau of Investigation in the Department of Justice Appropriation Act, 1973 (86 Stat. 1115), sums authorized to be appropriated by this Act for such salaries and expenses may be used for the purposes described in such paragraph until, but not later than, the end of the fiscal year ending September 30, 1980. Any dissemination by the Federal Bureau of Investigation of identification and other records to a financial institution chartered or insured by the Federal Government shall be on a cost reimbursed basis.

SEC. 7. With respect to any undercover investigative operation of the Federal Bureau of Investigation which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence—

(1) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act may be used for leasing space within the United States, the District of Columbia, and the territories and possessions of the United States without regard to section 3679(a) of the Revised Statutes (31 U.S.C. 665(a)), section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)), section 305 of the Act of June 30, 1949 (63 Stat. 396; 41 U.S.C. 255), the third undesignated paragraph under the heading "Miscellaneous" of the Act of March 3, 1877 (19 Stat. 370; 40 U.S.C. 34), section 3648 of the Revised Statutes (31 U.S.C. 529), section 3741 of the Revised Statutes (41 U.S.C. 22), and subsections (a) and (c) of section 304 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 395; 41 U.S.C. 254 (a) and (c));

(2) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions without regard to the provisions of section 648 of title 18, United States Code, and section 3639 of the Revised Statutes (31 U.S.C. 521); and

(3) the proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation without regard to the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484);

only upon the written certification of the Director of the Federal Bureau of Investigation (or, if designated by the Director, the Associate Director) and the Attorney General (or, if designated by the Attorney General, the Deputy Attorney General) that any action authorized by paragraph (1), (2), or (3) of this subsection is necessary for the conduct of such undercover operation.

(b) As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under paragraphs (2) and (3) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited into the Treasury of the United States as miscellaneous receipts.

SEC. 8. During the fiscal year for which appropriations are authorized by this Act, each organization of the Department of Justice, through the appropriate office within the Department of Justice, shall notify in writing the Committees on the Judiciary, of the House of Representatives and the Senate, and other appropriate committees, and the ranking Minority members thereof, a minimum of 15 days before—

(1) reprograming of funds in excess of $250,000 or 10 percent, whichever is less, between the programs within the offices, divisions, and boards as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(2) reprograming of funds in excess of $500,000 or 2 percent, whichever is less, between programs within the Bureaus as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(3) any reprograming action which involves less than the amounts specified in paragraphs (1) and (2) if such action would have the effect of significant program changes and committing substantive program funding requirements in future years;

(4) increasing personnel or funds by any means for any project or program for which funds or other resources have been restricted;

(5) creation of new programs or significant augmentation of existing programs;

(6) reorganization of offices or programs; and

(7) significant relocation of offices or employees.

SEC. 9. (a) The Attorney General shall perform periodic evaluations of the overall efficiency and effectiveness of the Department of Justice programs and any supporting activities funded by appropriations authorized by this Act and annual specific program evaluations of selected subordinate organization's programs, as determined by priorities set either by the Congress or the Attorney General.

(b) The evaluations shall be performed by the appropriate Department level program review staff.

(c) Subordinate Department of Justice organizations and their officials shall provide all necessary assistance and cooperation to the Department level program review staff in the conduct of the evaluation, including full access to all information, documentation, and cognizant personnel as required.

(d) Completed evaluations shall be made available to the Committees on the Judiciary of the Senate and House of Representatives and other appropriate committees.

(e) If the Committee on the Judiciary of either the Senate or the House of Representatives requests the Attorney General to perform an evaluation of the sort described in subsection (a) of this section, the Attorney General shall make the evaluation requested and provide such evaluation to the committee making the request not later than 60 days after the date the request is made, but the committee making the request may extend the time for providing such evaluation.

SEC. 10. In addition to any other sums authorized by this Act to be appropriated for the activities of the Federal Prison System, there are authorized to be appropriated $5,748,770 to improve the quality of medical services within the system.

SEC. 11. In addition to any other sums authorized by this Act to be appropriated for the activities of the Federal Prison System, there are authorized to be appropriated $30,000 to improve the quality of legal services within the system.

SEC. 12. (a) On or before September 1, 1980, the Attorney General shall submit to Congress—

(1) a plan to assure the closure of the United States Penitentiary at Atlanta, Georgia, by September 1, 1984; and

(2) a plan to alter the function of the United States Penitentiary at Leavenworth, Kansas, to that of a modern correctional institution capable of housing not more than 500 prisoners by September 1, 1985.

(b) The plan prepared under this section shall prohibit the use of the United States Penitentiary at Atlanta, Georgia, as a correctional institution by a State or political subdivision after the closure of the institution by the Federal Government.

SEC. 13. (a) In order to create an independent and objective unit—

(1) to conduct and supervise audits and investigations relating to programs and operations of the Immigration and Naturalization Service,

(2) to provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations, and

(3) to provide a means for keeping the Commissioner of the Immigration and Naturalization Service and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action,

there is hereby established in the Immigration and Naturalization Service of the Department of justice an Office of Inspector General (hereinafter in this section referred to as "the Office").

(b)(1)(A) There shall be at the head of the Office an Inspector General (hereinafter in this section referred to as "the Inspector General") who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. The Inspector General shall report to and be under the general supervision of the Commissioner, who shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpena during the course of any audit or investigation.

**(B) The President shall first submit to the Senate a nomination for the position of the Inspector General not later than 90 days after the date of the enactment of this Act.**

**(2) The Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.**

**(3) For the purposes of section 7324 of title 5 of the United States Code, the Inspector**

General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

(4) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Service, and

(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for the performance of investigative activities relating to such programs and operations.

(c) The following provisions of the Inspector General Act of 1978 (Public Law 95–452) shall apply to the Inspector General, the Office, the Commissioner, and the Service under this section in the same manner as those provisions apply to an Inspector General, an Office, the head of the establishment, and an establishment under such Act:

(1) Section 4 (relating to duties and responsibilities of an Inspector General and the manner in which they are carried out).

(2) Section 5 (relating to reports required to be prepared and furnished by or to an Inspector General and their transmittal and availability).

(3) Section 6 (relating to the authority of an Inspector General and related administrative provisions).

(4) Section 7 (relating to the treatment of employee complaints by an Inspector General).

(d)(1) There shall be transferred to the Office—

(A) the offices of the Service referred to as the "Office of Professional Responsibility", the "Office of Performance Review", and

(B) such other offices or agencies, or functions, powers, or duties thereof, of the Service as the Commissioner may determine are properly related to the functions of the Office and would, if so transferred, further the purposes of this section;

except that there shall not be transferred to the Inspector General under subparagraph (B) program operating responsibilities.

(2) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under paragraph (1) are hereby transferred to the Office.

(3) Personnel transferred pursuant to paragraph (2) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

(4) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to paragraph (1), such office or agency shall lapse. Any person, who, on the effective date of this section, held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

(e) For purposes of this section:

(1) The term "Service" means the Immigration and Naturalization Service.

(2) The term "Department" means the Department of Justice.

(3) The term "Commissioner" means the Commissioner of Immigration and Naturalization.

(f) Section 5316 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(152) Inspector General, Immigration and Naturalization Service".

(g) The provisions of this section and the amendment made by subsection (f) of this section shall take effect on the date of the enactment of this Act.

(h) In addition to any other sums authorized to be appropriated by this Act, there are authorized to be appropriated $376,000 to carry out this section.

Sec. 14. The Attorney General shall make arrangements with an appropriate entity for an independent, comprehensive management analysis of the operations of the Immigration and Naturalization Service for the purpose of making such operations efficient and cost effective. After the completion of such analysis, the Attorney General shall promptly submit a report to the appropriate committees of Congress on the results of such analysis together with any administrative or legislative recommendations of the Attorney General to improve the operations of the Service.

Sec. 15. (a) The Attorney General shall during the fiscal year for which appropriations are authorized by this Act, transmit a report to each House of the Congress in any case in which the Attorney General—

(1) establishes a policy to refrain from the enforcement of any provision of law enacted by the Congress, the enforcement of which is the responsibility of the Department of Justice, because of the position of the Department of Justice that such provision of law is not constitutional; or

(2) determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding, because of the position of the Department of Justice that such provision of law is not constitutional.

(b) Any report required in subsection (a) shall be transmitted not later than thirty days after the Attorney General establishes the policy specified in subsection (a)(1) or makes the determination specified in subsection (a)(2). Each such report shall—

(1) specify the provision of law involved;

(2) include a detailed statement of the reasons for the position of the Department of Justice that such provision of law is not constitutional; and

(3) in the case of a determination specified in subsection (a)(2), indicate the nature of the judicial, administrative, or other proceeding involved.

(c) If, during the fiscal year for which appropriations are authorized by this Act, the Attorney General determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding because of the position of the Department of Justice that such provision of law is not constitutional, then the representative of the Department of Justice participating in such proceeding shall make a declaration in such proceeding that such position of the Department of Justice regarding the constitutionality of the provision of law involved constitutes the position of the executive branch of the United States with respect to such matter.

Sec. 16. (a) Section 709(a) of the Controlled Substances Act (21 U.S.C. 904) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1979," the following: "and $202,366,000 for the fiscal year ending September 30, 1980,".

(b)(1) Section 709 of such Act is amended by adding after subsection (b) the following new subsection:

"(c) In carrying out its functions under this title, the Drug Enforcement Administration may pay tort claims, in the manner authorized by section 2672 of title 28, United States Code, when such claims arise in foreign countries in connection with Drug Enforcement Administration operations abroad,"

(2) Section 511(d) of such Act (21 U.S.C. 881(d)) is amended by (A) by striking out "All provisions" and inserting in lieu thereof "The provisions", and (B) by striking out "and the award of compensation to informers in respect of such forfeitures".

(c)(1) Paragraph (4) of section 102 of such Act (21 U.S.C. 802(4)) is amended to read as follows:

"(4) The term 'Drug Enforcement Administration' means the Drug Enforcement Administration in the Department of Justice.".

(2) Sections 508 and 516 of such Act (21 U.S.C. 878, 886) are each amended by striking out "Bureau of Narcotics and Dangerous Drugs" each place it occurs and inserting in lieu thereof "Drug Enforcement Administration".

(3) Section 513 of such Act (21 U.S.C. 883) is amended (A) by striking out "Director of the Bureau of Narcotics and Dangerous Drugs" and inserting in lieu thereof "Administrator of the Drug Enforcement Administration", and (B) by striking out "Director may" and inserting in lieu thereof "Administrator may".

Sec. 17. The National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to use funds, and to authorize States to use funds, for programs, projects or events devoted to the international aspects of crime prevention and criminal justice.

(b) Notwithstanding any other provision of law, the State of California is authorized to utilize the proceeds of block grants awarded during fiscal year 1979 or fiscal years previous thereto to fund the 1980 Congress on the Prevention of Crime and Treatment of Offenders.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Kennedy, I move that the Senate disagree to the amendments of the House, that the Senate request a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Acting President pro tempore (Mr. Metzenbaum) appointed Mr. Kennedy, Mr. Metzenbaum, Mr. Bayh, Mr. Baucus, Mr. DeConcini, Mr. Thurmond, Mr. Mathias, Mr. Cochran, and Mr. Dole conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I am ready to yield back the remainder of my time.

Mr. HATCH. Mr. President, I am prepared to yield back the remainder of my time and do so.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to extend beyond 1 p.m. and that Senators may speak therein up to 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## THOMAS ALVA EDISON AND AMERICA'S NEED TO REVITALIZE THE SPIRIT OF INNOVATION

Mr. THURMOND. Mr. President, on Sunday, October 21, we commemorate the 100th anniversary of Thomas Alva Edison's magnificent achievement that gave us the first practical electric light. Edison was a prolific inventor as attested by the record he set and retains for U.S. patents held by a single individual, an almost unbelievable 1,093. His basic scientific discoveries eventually led to the tremendous electronics industry that affects virtually every facet of our lives today. Certainly we in America, and people all around the world, want to express our feeling of gratitude to the memory of this great American inventor.

Mr. President, we would be remiss, however, if we did not, at this centennial time, take a hard look at our current state of innovation in the United States. It is almost disturbing and regrettable to see that America today is rapidly losing its traditional leadership in technological innovation.

An article titled "The Sad State of Innovation" in the October 22, 1979, issue of Time magazine provides some facts and some insights about how new ideas are now being stifled by redtape and corporate timidity. In recent years, the number of patents is down, the rate of spending on research and development is down, and, as a result, growth in productivity is down.

Mr. President, foreign manufacturers are effectively challenging our American industrial production. Our increasingly severe trade deficits are further weakening the dollar.

We in Government must share much of the blame for this innovation recession. High taxes and excessive Government regulations adversely affect our American businesses as they attempt to produce and to trade in domestic and international markets.

Mr. President, surely we must take advantage of every opportunity to correct this situation that is so dramatically suppressing innovation in America. Our concern must extend to the small, the medium, and the large size businesses. It must extend to the individual consumers in today's inflation-ridden economy. It must extend to the overall public interest, particularly as related to our Nation's security.

Mr. President, in order to share this excellent article with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### THE SAD STATE OF INNOVATION

Candles and kerosene lamps flickered that Sunday night as the lab assistant connected two wires leading from the bottom of a glass bulb to a set of storage batteries. The pieces of carbonized cotton sewing thread inside the bulb suddenly lighted up. In dozens of earlier experiments, the filament had blazed a few minutes before breaking, but this time it continued to glow. Forty hours later the bulb was still alight, and Thomas Alva Edison boasted to his staff: "If it will burn that number of hours now, I know I can make it burn a hundred." Man had entered the age of electricity.

On Oct. 21 a crowd of scientists, industrialists and other celebrities will gather amid the historic buildings at Greenfield Village in Dearborn, Mich., to commemorate the hundredth anniversary of Edison's banishment of darkness. In Edison's laboratory—disassembled in Menlo Park, N.J., by his good friend Henry Ford, then crated and shipped to Dearborn along with seven railroad cars full of the clay soil on which it sat—the audience will watch a re-enactment of the scene. Madeline Edison Sloane, the inventor's great-granddaughter, will throw the switch that opened a new era. As the German historian Emil Ludwig described the original event, "When Edison snatched up the spark of Prometheus in his little pear-shaped glass bulb, it meant that fire had been discovered for the second time, that mankind had been delivered again from the curse of night."

The centennial of Edison's great achievement comes at a time when American innovative genius, so well personified by Edison, has begun to fade. The nation that produced Robert Fulton, Robert Goddard, Edmund Land and many others now has far fewer folk-hero tinkers. Laments James G. Cook, president of the Thomas Alva Edison Foundation: "Over the past decade, America has been losing its traditional leadership in technological innovation. Our Edison-like spirit of inventiveness seems to be going the way of the gas lamp."

Most of the important indicators are pointing down. The number of patents granted to U.S. citizens dropped from 56,000 in 1971 to 44,482 last year. Spending on research and development, which peaked at 3 percent of GNP in 1964, was only 2.2 percent last year. While the U.S. percentage has been decreasing, West Germany's has averaged 3 percent annually since 1971, and last year increased to 3.2 percent. Japan's has risen from 1.3 percent in 1965 to 1.9 percent in 1977. Says Paul E. Gray, president-elect of the Massachusetts Institute of Technology: "We have lost a certain edge in technological innovation."

Innovation means more than just new air-blown popcorn poppers or home computer games for a society already overrun with gadgets. America's dismal economic record over the past decade largely reflects the decline of research and new product development. Growth in productivity, which measures a worker's output per hour, depends upon new machines and industrial processes that help the worker produce more. While U.S. productivity increased at a rate of 3.1 percent annually from 1955 to 1965, it increased at only 2.3 percent from 1965 to 1973. So far this year, productivity has been declining at an annual rate of more than 3 percent. As the congressional Joint Economic Committee warns, without productivity growth, the American standard of living will decline in the 1980's.

The Yankee dollar's weakness on money markets also reflects decreased innovation. For years high-technology exports such as computers and telecommunications equipment provided a comfortable trade surplus. But since the early 1970's foreign manufacturers have strongly challenged American industrial products, and the U.S. has been suffering increasingly severe trade deficits, thus weakening the dollar. It is all too easy to blame the trade deficit on skyrocketing oil prices, though they are a major cause; Japan, which must import all its oil, has maintained a trade surplus by developing high-technology products and aggressively selling them abroad. A prime example: every one of the million video tape recorders sold in the U.S.—including those marketed under American labels—was developed and made in Japan.

Many scientists and businessmen blame the Government for the innovation recession. M.I.T.'s Gray complains that high taxes on capital gains and excessive Government regulation have discouraged new entrepreneurs. The 1969 increase in capital gains taxes from 25 percent to 49 percent dried up venture money, especially for small companies. From 1969 to 1975 the amount of new capital acquired annually by small firms sank from $1.5 billion to $15 million.

The labyrinth of Government regulation has not only shifted research from new products to the "defensive research" necessary to comply with burgeoning environmental and safety rules, but has also increased the cost of bringing out new developments. Says Chrysler Chairman Lee Iacocca: "I never invent anything any more. Everything I do is to meet a law." In the early 1960's it cost $1 million and took up to five years to bring a drug through the Federal Drug Administration's regulatory maze. It now costs $18 million and can take ten years. As a result, the number of new drugs introduced by U.S. pharmaceutical firms has fallen off 50 percent. Writes British Essayist Henry Fairlie: "The once rambunctious American spirit of innovation and adventurousness is today being paralyzed by the desire to build a risk-free society."

Businessmen must share the opprobrium for stifling innovation. Says Donald Frey, chairman of Bell & Howell:

"The biggest problem in the U.S. is not the lack of inventive capacity but the lack of businessmen willing to take the risk investments." The bottom-line obsession of many managers results in quick payoff investments to retool old products rather than expensive long-term spending to develop new ones. Though Texas Instruments this year will spend $155 million on research, Vice President George Heilmeier admits: "We have become conservative and spend less on basic research."

Some entrepreneurs also complain that corporate giants are indifferent to small projects. Harry J. Bixler, president of Boston's Avco Everett Research Laboratory, contends that new products that promise tidy but unextravagant revenues go unsupported by Big Business even though the initial investment might be low. Says he: "Large companies could care less about the guy who has a $100,000 idea. They'd lose that in the paper-clip account." Such technological triumphs as Xerography and Polaroid film were developed by small innovator-entrepreneurs only after larger firms turned down the ideas.

There are a few bright spots in the otherwise gloomy innovation picture. Last year's reduction in the capital gains tax from 49% to 28% resulted in a flood of new money looking for risky but promising investments. Boston's Route 128 complex of small, high-technology firms and California's Silicon Valley are awash with funds.

Large technology-based firms like IBM and Bell Labs are also sinking megabucks into research. Bell Labs will spend $1 billion on research this year, with large amounts going to develop fiber optics—systems that carry information in rays of light traveling through slender glass fibers rather than in electric currents moving through bulky cables. IBM's research budget this year will be $1.25 billion, and the company has become the first to master the mass production of a silicon memory chip small enough to pass through the eye of a needle yet able to store 64,000 bits of information. Bell & Howell's Frey maintains it is a myth that only small firms can be innovative, adding that only large corporations have the capital and the distribution network to take new products from lab to market.

Even some of the "defensive research" is starting to pay off. Last week the 3M Co. introduced a lithograph printing plate that uses nonpolluting tap water instead of chemical developers to produce an image. General Motors' new zinc-nickel oxide battery pack—which can be completely recharged 300 times and will power a car for 100 miles—cost $33 million and took ten years to develop, but it has now opened up for the first time the possibility of a practical, mass-produced electric car.

The Government has also begun to recognize its responsibility for the low level of innovation. "Whether intended or not, the Government is inevitably involved in today's innovative process," concedes Richard A. Meserve, policy analyst for the White House Office of Science and Technology Policy. In the past three years President Carter has shifted the balance of federal R. and D. spending, which this year will total $30 billion, toward basic research. Carter this month will also present the results of a 20-month Commerce Department study on innovation. Presidential recommendations are expected to include modifications of patent and antitrust laws to protect inventors and encourage joint developments, tax breaks for small innovative businesses, and the creation of cooperative technology centers to get technical information flowing among business, Government and academe.

No one has yet precisely defined the ingredients necessary for a society to generate innovation. Historian Barbara Tuchman notes that the 12th and 13th centuries enjoyed "one of civilization's great bursts of development," with the introduction of the compass, the spinning wheel and the windmill. Mid-19th century Europe and the U.S. enjoyed similar explosions. But why? Perhaps necessity is indeed the mother of invention, and the demands of the current energy and environmental crises may yet revive the spirit of the Yankee tinkerer.

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## STATE RESPONSES TO S. 10, THE RIGHTS OF INSTITUTIONALIZED PERSONS

Mr. THURMOND. Mr. President, Senate bill 10 is currently before the Judiciary Committee. This bill would grant standing to the U.S. Attorney General to initiate suit against any State institution which does not comport with his idea of what institutional conditions should be. S. 10 would also authorize the Attorney General to intervene in any suit which has been filed by an inmate or patient of a State institution.

Mr. President, this bill represents a very serious danger to State-Federal relations. While the conditions in some Federal institutions continue to be atrocious, Federal officials assume they can best tell State institutional care professionals how to run State institutions.

It should come as no surprise, then, that State officials are very concerned about the intrusive nature of S. 10. These State officials are concerned about their citizens, and they are fearful that a Federal policy of confrontation, through lawsuits, is going to be more harmful than a policy of cooperation, through consultation and aid. If conditions need to be improved, why should we force the States to waste valuable needed resources in protracted litigation. It is in the best interest of everyone, especially the inmates, to have a coordinated Federal attempt at cooperation with the States, without Federal control.

Over the last several months, I have been in communication with many State Governors and attorneys general and I would like to share with my colleagues the responses from these officials in 29 States. Without exception, the responses which I have received have expressed opposition to the approach authorized by S. 10. I ask unanimous consent that these responses be printed in the RECORD. I hope that my colleagues will review these responses and will check with the officials in their States in order that they will be able to understand the serious problems which would be caused by S. 10.

There being no objection, the responses were ordered to be printed in the RECORD, as follows:

State of Arkansas,
*Little Rock, Ark., May 31, 1979.*

Re S. 10.

Hon. Strom Thurmond,
*U.S. Senator, Russell Senate Office Building, Washington, D.C.*

DEAR SENATOR THURMOND: This Office has reviewed the referenced bill and agrees with your observation that it may well strain federal-state relationships in the absence of any federal funding to permit states to comply with equitable affirmative relief ordered by federal courts. In addition, since individual plaintiffs may bring actions under present law imposing a lesser burden of proof, the need for this legislation is dubious.

Thank you for giving this Office the opportunity to review and comment upon this measure.

Yours truly,

Frank B. Newell,
*Administrative Assistant.*

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October 3, 1979.

Hon. Strom Thurmond,
*Russell Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR THURMOND: I am writing concerning S. 10 which proposes to authorize the Attorney General to institute legal action on behalf of institutionalized persons in cases where such persons are purportedly deprived to rights, privileges or immunities provided by the Constitution or Laws of the United States.

It is important to note that the Justice Department already has adequate authority to act in those cases where it is deemed necessary, and that existing controls and regulations administered by other Federal agencies, vis a vis the Developmental Disabilities Act, Medicaid and Medicare regulations, Education of all Handicapped Children's Act (94–194) provide sufficient protection for residents of state-run institutions.

Furthermore, Connecticut, through its protective services, and advocacy laws, and other statutes protecting the handicapped already has sufficient authority to protect the rights of the institutionalized and it is currently exercising it, as evidenced by recent federal court action initiated by Connecticut's Office of Protection and Advocacy of the Handicapped and Developmentally Disabled Persons in a case concerning the care of mentally retarded persons within this State.

Should the bill be approved by the Committee, I would urge you to consider these existing remedies prior to making a decision on the bill.

With best wishes,

Cordially,

Ella Grasso,
*Governor.*

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William J. Scott,
Attorney General,
*Chicago, Ill., September 26, 1979.*

Hon. Strom Thurmond,
*U.S. Senate, Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR THURMOND: I am responding to your letter of September 14, 1979 to William J. Scott, Attorney General of the State of Illinois. Mr. Scott recently underwent coronary bypass surgery or he would have answered your letter personally. He sends his regrets and has asked me to respond for him.

I agree with your conclusion that S10 would give the United States Department of Justice too much oversight authority with respect to the operations of state institutions. Section 1 of the Act gives the Attorney General of the United States almost unlimited discretion to decide when to inject the United States government into the operations of State facilities. That is not to say that some involvement at some time might not be required because there are instances where the rights, privileges, and immunities secured by the Constitution are being violated, but the Bill as it now stands would give the Attorney General of the United States the independent discretion to make that type of finding. Further, Section 2 of the Act gives the Attorney General of the United States the authority to virtually mandate and require sovereign states to do those actions which the Attorney General of the United States, in his opinion, feels are required when they may not actually be required.

It is difficult for state and local governments to operate institutions in a manner which best serves not only the residents of its institutions but also the taxpayers who are required to support those institutions. Adding yet another federal bureaucratic taskmaster is not the answer and unless S10 is modified it would seem to be a poor Bill in its current posture.

Again, Mr. Scott had desired to answer your inquiry personally but that was impossible and if there is anything more that can be done by this office please contact me at the above address or call me at (312) 793–3117.

Very truly yours,

Frank M. Grenard,
*Executive Assistant.*

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Department of Legal Affairs,
Office of the Attorney General, the Capitol,
*Tallahassee, Fla., May 14, 1979.*

Hon. Strom Thurmond,
*U.S. Senator,*
*Washington, D.C.*

Re S. 10 (H.R. 10 in the House of Representatives)

DEAR SENATOR THURMOND: Thank you very much for your letter of May 1, 1979, regarding S. 10 (H.R. 10 in the House of Representatives), which would permit the United States Attorney General to bring suit directly against state prisons and mental institutions to assert violation of federal constitutional rights.

I share your concern for this legislation and am strongly opposed to this proposal. I have previously contacted Florida's senators and governor on this matter and urged their opposition to this bill. For your information, I am enclosing my correspondence to Senator Chiles.

Should you need additional assistance or information, please feel free to call on me.

Sincerely,

Jim Smith,
*Attorney General.*

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Office of the Governor,
*Atlanta, Ga., June 14, 1979.*

Hon. Strom Thurmond,
*U.S. Senate,*
*Washington, D.C.*

DEAR STROM THURMOND: Thank you for your reecnt letter sharing with me your concerns regarding S. 10, which addresses the rights of institutionalized persons. It is my understanding that a similar bill has already passed the House.

I am in agreement that the mentally disabled must be assisted in obtaining legal services, and I am confident that Georgia's current statutes make adequate provisions to provide these services. In 1977, I appointed a committee to rewrite our statutes regarding rights of the mentally ill, mentally retarded, alcoholics and drug abusers who may need involuntary commitment and treatment in order to protect themselves as well as others. This committee included attorney advocates for the mentally ill and mentally retarded, citizen interest groups, members of the General Assembly and others. The resulting amendments were enacted in 1978 and received additional "fine tuning" in the 1979 session of the Georgia General Assembly.

In regard to state correctional facilities, I am strongly opposed to giving the United States Department of Justice opportunities for direct intervention into the state correctional system without a formal process addressing specific complaints, and I am opposed to federally established minimum standards for state correctional facilities without input from the states and without benefit of state legislative action.

A national policy to define and protect the constitutional rights of inmates of state and local institutions should only be established in formal consultation with state government.

With kindest regards, I am

Sincerely,

GEORGE BUSBEE.

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THE DEPARTMENT OF LAW,
STATE OF GEORGIA,
*Atlanta, Ga., May 10, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*
Re S. 10

DEAR SENATOR THURMOND: I have received your letter dated May 1, 1979 regarding S. 10, a Bill which is presently pending before the Senate Judiciary Committee. I can assure you that I have similar concerns regarding many aspects of the Bill. I have previously communicated these concerns to various members of Congress, and I shall continue to monitor the situation carefully.

I do appreciate your expression of concern regarding this matter.

Sincerely,

ARTHUR K. BOLTON,
*Attorney General.*

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STATE OF HAWAII,
DEPARTMENT OF THE ATTORNEY GENERAL,
*Honolulu, Hawaii, May 18, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: This letter is to acknowledge receipt of your letter of May 1, 1979 relating to bill S. 10 which grants standing for the United States Attorney General to initiate suits against the states on behalf of institutionalized persons. I appreciate your forwarding me your informative comments on the bill.

After an initial review of S. 10, I agree with you that the individual states should have the authority to regulate the operation of its institutions with minimum federal infringement. The State of Hawaii is capable of effectively operating its own institutions. It appears that allowing the United States Attorney General to initiate suits against state institutions may not be the appropriate means of remedying problems that exist in such institutions. Furthermore, there are presently sufficient avenues of relief for an institutionalized person who has any complaints, including filing suit in federal court under 42 USC 1983.

I will keep in mind your comments on S. 10 when I consult with Governor George R. Ariyoshi on this matter. Again, thank you for your sincere efforts in providing me information on this matter.

Very truly yours,

WAYNE MINAMI,
*Attorney General.*

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STATE OF IDAHO,
OFFICE OF THE ATTORNEY GENERAL,
*May 24, 1979.*
Senator STROM THURMOND,
*U.S. Senate, Committee on the Judiciary,*
*Washington, D.C.*

DEAR SENATOR THURMOND: Thank you for your correspondence concerning Senate Bill 10, sponsored by Senator Birch Bayh of Indiana. This office has already corresponded with the National Association of Attorneys General, indicating our opposition to the bill. However, we feel obliged to personally advise your office that we are in opposition to Senate Bill 10.

A copy of your correspondence with its enclosures, has been forwarded on to the Idaho Governor's Office.

Very truly yours,

MICHAEL B. KENNEDY,
*Deputy Attorney General,*
*Chief, Criminal Justice Division.*

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OFFICE OF THE GOVERNOR,
*Indianapolis, Ind., May 22, 1979.*
Hon. STROM THURMOND,
*U.S. Senator, Russell Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR THURMOND: Having reviewed S. 10, it is my opinion that the bill would permit unnecessary federal control over institutional care at the state level. While it may be true that 10 or 15 years ago, many states were not meeting their obligations to those confined in state institutions, fortunately, that is no longer true.

In the past several years, Indiana, like many other states, has moved affirmatively in this area. Examination of Indiana's mental and correctional institutions would show that significant progress has been made in the provision of care and protection to inmates, as well as in respect for human rights. Where Indiana and other states have fallen short in meeting their responsibilities in the institutional area, advocacy organizations for the various persons confined have shown they can be very effective in their use of the judicial system.

In view of the states' progress in the provision of institutional care and judicial remedies which assure additional progress, S. 10 would be an unnecessary layer of federal intervention in an area already being handled effectively at the state level.

Kindest personal regards,

OTIS R. BOWEN, M.D.,
*Governor.*

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STATE OF KANSAS, OFFICE OF THE
ATTORNEY GENERAL,
*Topeka, Kans., May 9, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: Thank you for your letter of May 1, 1979, concerning S. 10. At this point I am opposed to passage of such legislation as it appears to pose another bureaucratic problem where there are already legal remedies available. I know of no instance when the Office of Attorney General of Kansas was unwilling to cooperate in fulfilling the duty of caring for the mentally ill. Until a need is shown in this state I cannot support S. 10.

Very truly yours,

ROBERT T. STEPHAN,
*Attorney General of Kansas.*

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STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT,
*Baton Rouge, La., May 25, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: Thank you for your letter of May 1, 1979, informing me of S. 10 which would allow the United States Justice Department to initiate suits against the states on behalf of institutionalized persons. As you have noted, this bill raises many questions concerning federal interference in state affairs and promotes conflict rather than cooperation.

I will be contacting the Louisiana Congressional Delegation concerning this legislation and have shared your letter with other state officials. I appreciate your calling this matter to my attention.

Sincerely,

EDWIN EDWARDS.

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STATE OF MAINE, DEPARTMENT OF
THE ATTORNEY GENERAL,
*Augusta, Maine, June 15, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: This is in response to your letter of May 1, 1979, expressing concern over S. 10, a bill to authorize the Justice Department to bring a civil action to enforce the rights of persons residing in state institutions and prisons. My office has followed the course of S. 10 and its companion H.R. 10 and shares your concern with the possible impact of this legislation on the operation of state government.

In 1975 a class action was filed against the State of Maine on behalf of persons residing at Pineland Center, Maine's institution for the mentally retarded. The class as certified by the U.S. District Court included not only current and future residents of Pineland, but also residents who had been released from Pineland Center years ago. The suit was brought initially by Pine Tree Legal Assistance, Inc., of Portland, Maine, but control of the suit was quickly taken over by the Mental Health Law Project, Washington, D.C.

The dual nature of the certified class and dual representation of the class made defense of the suit very difficult. The suit was settled by consent in July 1978, but only after two years of negotiation, and at a cost of several million dollars, including $90,000 in attorney's fees. The negotiations were so protracted and so costly because of dual representation. Pine Tree Legal Assistance and the Mental Health Law Project frequently disagreed on the goals of the lawsuit and on the terms on which the goals could be achieved.

The State of Maine is sensitive to the needs and rights of persons residing in her institutions and prisons. This office believes, however, that persons in institutions and prisons are adequately represented at this time. In fact, Maine's experience as related above suggests the interjection of the Justice Department in institutional litigation may significantly impede the resolution of the issues raised in such litigation by inserting yet another party with a potentially different point of view. That will only aggravate the rather ironic predicament confronting the states, which compels them to expend money to meet litigation costs when that money might otherwise be used to remedy problems in state institutions and prisons.

Thank you for your personal invitation to comment on S. 10 and please be assured of Maine's support for your position.

Very truly yours,

RICHARD S. COHEN,
*Attorney General.*

STATE OF MARYLAND,
EXECUTIVE DEPARTMENT,
*Annapolis, Md., May 24, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Dirksen Building,*
*Washington, D.C.*

DEAR SENATOR THURMOND: Thank you for letter of May 1, 1979 concerning S. 10, which would give the United States Department of Justice certain rights of suit on behalf of persons in state institutions.

Maryland is concerned about federal decision making in dealing with areas of state responsibility. Attorney General Sachs is working with the National Association of Attorneys General in an effort to tighten up conditions in which federal intervention might take place, should legislation similar to S. 10 move forward. There are, of course, enormous fiscal implications involved in most initiatives for deinstitutionalization or institutional improvement. Maryland would welcome federal cooperation in this sphere.

I appreciate hearing from you.

Sincerely,

HARRY HUGHES,
*Governor.*

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STATE OF MICHIGAN,
OFFICE OF THE GOVERNOR,
*Lansing, Mich., July 23, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: Thank you for your letter expressing concern regarding the possible enactment of S. 10. I agree with you that we should move toward increasing state-federal cooperation rather than establishing mechanisms that will result in adversary confrontations.

Michigan joins the National Association of Mental Health Program Directors in the position that there is no need for S. 10 and that such legislation will place further burdens on state legal activities, overload already heavy court calendars, and duplicate ongoing legal remedies.

The State of Michigan has established an extensive network of recipient rights offices at all state hospitals and centers for the developmentally disabled for the purpose of ensuring and protecting the rights of recipients of mental health services.

In addition, a specific protection and advocacy system outside the Department of Mental Health has been established for the developmentally disabled with legal expertise available, free of charge, to all developmentally disabled citizens.

I assure you there are sufficient numbers of qualified legal experts available within the state to pursue appropriate legal redress for violations of rights of recipients of mental health services and further involvement by the Justice Department would be redundant.

Legal intrusion by the U.S. Department of Justice will polarize agencies and reduce state and federal agency cooperation compounding the problem of creating better interagency relationships and promoting cooperation.

Warm personal regards.

Sincerely,

WILLIAM G. MILLIKEN,
*Governor.*

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THE CAPITOL,
*Jackson, Miss., June 19, 1979.*
Hon. STROM THURMOND,
*U.S. Senate, State of South Carolina, Dirksen Senate Office Building, Washington, D.C.*

DEAR SENATOR THURMOND: Thank you for your recent letter concerning S. 10.

I have studied this bill carefully and believe this area of State and local concern may best be regulated through State legislation along with the regulations and standards adopted by the various agencies within a State.

The passage of this bill would infringe upon a States rights of self government. The ability of the State to govern its internal affairs should not be carved away any further than has been done in the past. We are willing to work with federal agencies in this area, however the enactment of S. 10 would surely create friction and confrontations between States and federal agencies at a time when cooperation is most needed.

Again, thank you for writing and if I may be of any further assistance, please do not hesitate to contact me.

With kindest personal regards and best wishes, I am

Sincerely your friend,

CLIFF FINCH,
*Governor.*

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ATTORNEY GENERAL OF MISSOURI,
*Jefferson City, Mo., May 21, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Russell Building,*
*Washington, D.C.*

DEAR SENATOR THURMOND: Thank you for your letter regarding the institutions legislation proposed by Senator Birch Bayh. I am deeply alarmed about this incursion of the federal government into the internal administration of state institutions.

I appeared before a House Committee last year regarding this matter and stated my clear objection to this unwarranted infringement of the U.S. Department of Justice.

It should be noted that these matters are all being litigated very frequently in the federal courts and there is no need to have the Justice Department bring additional suits.

I am currently defending a significant number of suits relating to the conditions in virtually every institution in my state that have been brought by legal aid societies, private parties and others. Additional funding for the Justice Department would be a senseless duplication of federal involvement in an area which is already made difficult by the costly litigation which impairs the ability of the states to correct problems which do exist.

Thank you for your concern and your support in this matter.

Most sincerely,

JOHN ASHCROFT,
*Attorney General.*

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STATE OF MONTANA,
*Helena, Mont., September 26, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: Thank you for your September 14, 1979 letter concerning S. 10. Following your first letter some months ago, I wrote directly to both Senators Melcher and Baucus to express my own concerns on S. 10. I enclose a copy of my letter.

Very truly yours,

MIKE GREELY,
*Attorney General.*

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JUNE 27, 1979.

Re S. 10.
Senator MAX BAUCUS,
*U.S. Senate,*
*Washington, D.C.*

DEAR MAX: I recently learned that the House of Representatives has passed H.R. 10. A corresponding bill, S. 10, is presently pending in the Constitution Subcommittee of the Senate. These bills, which would authorize the Attorney General of the United States to institute civil actions on behalf of the United States to secure the constitutional rights of inmates and patients of state institutions, is of grave concern to the State of Montana and to me as a state Attorney General.

My concerns are not with the spirit or overall intent of the bill, since irrespective of the bill the States are obligated to respect the constitutional and legal rights of their citizens. Rather, my concern is with the onus placed upon the Governor and state Attorney General to formulate an adequate response to institutional conditions or practices found objectionable by the United States Attorney General within a very brief, thirty day period. The bill lacks any requirement that federal aid be made available to assist the States in improving institutional conditions, care and procedures.

Section 2(a) of S. 10 provides that as a prerequisite to bringing any action, the United States Attorney General must certify that "at least thirty days previously" he notified the Governor and state Attorney General of objectionable institutional conditions or practices and supplied them with supporting facts concerning the conditions or practices. Section 2(a) (2) & (3) requires the Attorney General to make a reasonable effort to eliminate the alleged conditions on an informal basis by consulting with both the Governor and Attorney General.

But while the Attorney General must further certify that (in his opinion) state officials have had adequate time to take appropriate action, state officials are in effect given a deadline to formulate a response and plan of action, satisfactory to the Attorney General, within thirty days. Such a short time is unreasonable. The conditions or practices may not be susceptible to instant solution. Formulating a responsive proposal, and then carrying it out, requires investigation, careful planning and coordination among state agencies and officials. It may require additional funds not immediately available, and in some cases an act of the legislature.

The difficult position which a state will face in responding within thirty days is further compounded by the lack of any provision requiring federal assistance to implement responsive measures. In many cases the willingness and desire of state officials to ameliorate objectionable conditions may be stymied by a lack of available funds.

I therefore urge you to recommend and support amendments before the Constitution Subcommittee and on the floor of the Senate which will increase the thirty day notice requirement to at least 120 days and provide for direct federal financial assistance to implement remedial measures agreed to by a state and the Attorney General.

Very truly yours,

MIKE GREELY,
*Attorney General.*

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STATE OF NEBRASKA,
*Lincoln, Nebr., May 24, 1979.*
Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: Thank you for your letter and information regarding S. 10.

As you may know, the State of Nebraska is currently involved in litigation concerning a State institution for the mentally retarded. The Department of Justice has intervened in the lawsuit. After their intervention, the case changed from one involving patient rights to one challenging the philosophy behind the structure of state institutions.

Although I do not feel it would be appropriate to comment on the specifics of the case, the case has made me aware of problems which enactment of legislation such as S. 10 could cause. Such legislation tends to disrupt cooperation between levels of government and delays solutions to the problems. I oppose S. 10 and heartily support your efforts to defeat it.

With kind regards,

Sincerely,

CHARLES THONE,
*Governor.*

State of Nebraska,
*Lincoln, Nebr., May 24, 1979.*
Re S. 10.
Hon. Strom Thurmond,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Thurmond: We received your letter and materials concerning S. 10 and appreciate your interest in this matter.

This office has presented oral and written testimony in opposition to this bill and its predecessor. We have also joined with the Honorable Senator Exon of Nebraska in his opposition to this bill. We have learned through a long bitter struggle that litigation is not the answer to this problem.

If we can be of any assistance in further opposition to this or similar legislation, please let us know.

Very truly yours,
Paul L. Douglas,
*Attorney General.*

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State of New Hampshire,
*Concord, N.H., May 9, 1979.*
Hon. Strom Thurmond,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Thurmond: Thank you for your letter of May 1, 1979 concerning legislation now pending in Congress which would allow the United States to sue states over conditions in state institutions and/or to intervene in pending suits concerning institutional issues.

My office has recently been made painfully aware of many of the problems that may be raised by intervention by the United States. A suit involving the state institution for the retarded is now pending in the United States District Court for the District of New Hampshire, and the Justice Department has moved, and been allowed, to intervene in that case.

On March 28, 1979, I testified against S. 10 before the Subcommittee on the Constitution of the Senate Judiciary Committee concerning our involvement in this case. Although I am certain you have already received one, I am enclosing a copy of my testimony.

My office certainly opposes the legislation in its current form. Please let me know if there is anything I can do to assist you in your opposition to this bill.

Sincerely yours,
Thomas D. Rath,
*Attorney General.*

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State of New Mexico,
*Santa Fe, N.M., May 25, 1979.*
Hon. Strom Thurmond,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Thurmond: I agree that S. 10 constitutes an erroneous approach to securing the rights of persons residing in state institutions.

We, in New Mexico, have made tremendous strides in the last few years in insuring that the rights of our institutionalized citizens are protected. Advocacy groups have established a viable rapport with the Attorney General's office, with other state agencies, and with the judicial system to react quickly when any shortcomings in our institutions are identified. Legal representation is also readily available in any type of commitment to our state facilities. Our State has at least as well-defined an understanding of the needs of its institutionalized citizens as does Washington and our officials are more interested than would be Washington lawyers in meeting the needs of these citizens.

Cooperation between the States and Washington is bound to have demonstrably better results than the confrontation approach which S. 10 would seem to foster.

A copy of this letter is being sent to New Mexico Attorney General, Jeff Bingaman, for his consideration and review.

If I can be of further assistance, please let me know.

Sincerely,
Bruce King,
*Governor.*

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State of North Carolina,
*Raleigh, N.C., May 14, 1979.*
Re Senate Bill 10.
Hon. Strom Thurmond,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Thurmond: Last year one of the attorneys in my office researched Senate Bill 1393 which as amended is exactly the same as Senate Bill 10 which was reintroduced by Senator Bayh. It is my opinion that Senate Bill 10 is an unwarranted intrusion into the affairs of the states and was written in the belief that states are incapable of or unconcerned with providing proper care for institutionalized persons in their custody. I think this is a blatant affront to the dignity of the states and directly contrary to the principles of federalism, which is a part of the foundation of our constitutional form of government.

I should think the United States Attorney General would be busy enough in assuring that the constitutional rights of persons in federal custody are not violated and does not need the additional responsibility of overseeing the fifty states. Moreover, in a time when the citizens are demanding a reduction in the size of the bureaucracy, this bill runs counter to the wishes of the taxpayer.

I am enclosing a copy of a letter to Senator Morgan on Senate Bill 1393. This letter was written at my direction and I fully concur with its contents. I am also enclosing a copy of my remarks to the Senate Committee on the Judiciary on the "Civil Rights Improvement Act," which I understand either will be or has already been reintroduced. The comments I made on that bill are in many respects equally applicable to S. 10.

Thank you for giving me this opportunity to comment on this bill. If I can be of further assistance to you in this or any other matter, please do not hesitate to call upon me.

With highest regards, I remain.

Yours truly,
Rufus L. Edmisten,
*Attorney General of North Carolina.*

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State of North Dakota,
*Bismarck, N. Dak., September 21, 1979.*
Hon. Strom Thurmond,
*U.S. Senator,*
*Washington, D.C.*

Dear Senator Thurmond: This is in response to your letter of September 14, 1979, in which you alert me to the provisions of S. 10, a Senate bill now pending before the full Judiciary Committee.

As you noted, this bill would interject the United States Department of Justice as an overseer in the operation of state institutions for the mentally ill, retarded or elderly and in the operation of state prisons, including local jails.

The bill sets forth a procedure by which the United States Attorney General may institute civil actions on behalf of persons residing in state institutions, seeking equitable relief when institutionalized persons are allegedly deprived of constitutionally secured rights and the alleged deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of constitutionally protected rights. Such a procedure is an unnecessary and unwarranted extension of federal involvement in the administration of state institutions.

Current federal law authorizes civil actions for redress of deprivation of constitutionally protected rights under color of state law, and awards of attorneys fees to successful litigants. Current federal law also authorizes criminal prosecution in certain cases of deprivation of constitutionally protected rights under color of state law.

I am especially concerned about Subsections 2 (1) and (2) of the bill which requires that upon commencing an action, the United States Attorney General must certify that the governor and the state attorney general of a state have been notified by the United States Attorney General or his designee of the measures which he believes may remedy the alleged conditions which deprive rights, privileges or immunities secured or protected by the Constitution or laws of the United States; and that the governor and state attorney general have been made aware of federal financial or technical assistance available to assist in the correction of such conditions. Apparently if a state, for whatever reason, fails to seek all available federal assistance for state institutions, that state is subject to a lawsuit. The judgment of the Justice Department will thus be imposed on the qualified specialists who are administrators of state institutions.

S. 10 would not provide any greater protection to institutionalized persons than what is currently available. It would simply create another level of federal bureaucracy not nearly as sensitive to the rights of North Dakota citizens who are institutionalized nor as well-equipped to protect those rights as those agencies, officials and individuals now working institutionalized persons.

North Dakota legislators and state officials are acutely aware of their responsibilities to institutionalized persons. The North Dakota Legislature has enacted jail standards legislation which directs the Attorney General to promulgate jail rules and regulations and to enforce those rules and regulations. A legislative interim committee is developing a corrections masterplan and another is studying the special needs of North Dakota's institutions for the mentally retarded. There is no necessity of federal supervision of such efforts.

I oppose S. 10 for all the above reasons.

Sincerely,
Allen I. Olson,
*Attorney General.*

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State of Oregon,
*Salem, Oreg., June 4, 1979.*
Hon. Strom Thurmond,
*Russell Senate Office Building,*
*Washington, D.C.*

Dear Senator Thurmond: I agree with your opposition to S. 10 relating to the constitutional rights of persons in public institutions.

Court action initiated by the United States Department of Justice is not an effective or appropriate way to assure that citizens in public institutions receive proper care and treatment. There are not sufficient deficiencies in the institutions to warrant intrusion of the Federal Government in an adversarial role into the state's management of its facilities.

Thank you for bringing this bill to my attention. I will let the Oregon Congressional Delegation know that I see no need for S. 10 or H.R. 10, and I will urge them to oppose enactment of this legislation.

Sincerely,
Victor Atiyeh,
*Governor.*

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Commonwealth of Pennsylvania,
*Harrisburg, Pa., May 23, 1979.*
Hon. Strom Thurmond,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Thurmond: With respect to your letter of May 1, 1979 to Governor Thornburgh, concerning S. 10, I am forwarding herewith a copy of the letter from Attorney General Biester of Pennsylvania to Attorney General Browning, National Association of Attorneys General.

Thank you for your communication and your concern about S. 10.

Sincerely yours,

J. ANDREW SMYSER,
*Deputy Attorney General.*

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MAY 22, 1979.

Hon. CHAUNCEY H. BROWNING, Jr.,
*Attorney General of West Virginia,*
*Charleston, W. Va.*

DEAR PRESIDENT BROWNING: I would like to inform you, for the purpose of any action that NAAG may be taking concerning this matter, that the Pennsylvania Department of Justice is opposed to the legislative proposal contained in S. 10 and H.R. 10, the institutions' bills.

We will be glad to work with NAAG in any effort to attempt to defeat the passage of these bills.

Sincerely yours,

EDWARD G. BIESTER, Jr.,
*Attorney General.*

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STATE OF RHODE ISLAND,
*Providence, R.I., May 7, 1979.*

Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: This will acknowledge receipt of your letter of May 1, 1979 concerning Senate Bill S-10.

I share with you the concern that enactment of S-10 could present serious problems to state governments which are presently protected against Justice Department suits by the decision in *U.S.* v. *Solomon*. As you know, the National Association of Attorneys General has devoted considerable time to this matter at recent meetings.

Following your suggestion, I have contacted Governor J. Joseph Garrahy and the legislative leadership in Rhode Island requesting a conference to discuss what position this state should take.

I appreciate your concern in this matter. Best wishes.

Very truly yours,

DENNIS J. ROBERTS II,
*Attorney General.*

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STATE OF SOUTH CAROLINA,
*April 4, 1979.*

Hon. BIRCH BAYH,
*U.S. Senate,*
*Washington, D.C.*

DEAR MR. CHAIRMAN: I have concluded a review of bill S. 10 pending before your subcommittee, which would authorize the U.S. Attorney General to institute or intervene in actions alleging deprivation of constitutional rights of institutionalized persons. We have a functionally effective ombudsman system in the State of South Carolina, independent State advocacy units, and constantly seek to upgrade facilities and conditions in State institutions. The answer to all problems is not always found in the courts. I strongly urge you and your subcommittee to consider more desirable alternatives to achieving necessary protections for citizens who are institutionalized. I consider S. 10 both unnecessary and undesirable.

RICHARD W. RILEY,
*Governor.*

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STATE OF SOUTH CAROLINA,
*Columbia, S.C., March 26, 1979.*

Re S. 10.

Hon. BIRCH BAYH,
*Dirksen Senate Office Building,*
*Washington, D.C.*

DEAR MR. CHAIRMAN: This Office has experienced the conduct of litigation by the U.S. Department of Justice from 1972 until 1978 in the case of *Alexander* v. *Hall*, Civil Action No. 72-209. This was a suit alleging the unconstitutionality of the South Carolina Mental Health commitment laws and also raised issues as to adequacy of treatment for those patients residing at South Carolina State Hospital. The purpose of this letter is to inform you of our opposition to the enactment of S. 10 and H.R. 10 based upon the experiences of this Office in defending *Alexander* v. *Hall*. I recommend that this Subcommittee pay great heed to the April 4, 1978, letter of the National Association of Attorneys General, a position with which this Office wholeheartedly concurs.

The South Carolina experience in the defense of *Alexander* v. *Hall* proved to be extremely costly and time consuming, both for attorneys in this Office and for individuals involved in the treatment of the mentally ill at South Carolina State Hospital. This suit was ultimately dismissed but only after four years of litigation with the Department of Justice.

I feel compelled to add one further alternative to that mentioned by the National Association of Attorneys General in its letter of April 4, 1978. There presently exists in the Department of Health, Education and Welfare extensive regulations governing the appropriate care of individuals in State mental institutions in order for those institutions to receive Medicare and Medicaid funds. A goal of improving the conditions of the mentally ill can be much better served through enforcement of existing regulations by HEW personnel trained in the field rather than through the adversary approach of pitting federal lawyers against state lawyers.

I sincerely hope that this Subcommittee can achieve its goal of the protection of citizens who are less able to protect their own rights without authorizing the indiscriminate initiation of litigation by the Department of Justice. I use the word "indiscriminate" advisedly because, throughout the conduct of this litigation in South Carolina, the Justice Department repeatedly refused to advise this Office or the Court of the standards that were allegedly not being provided to the citizens of this State. Furthermore, the Justice Department refused to acknowledge the existence of detailed standards of adequate treatment set forth in HEW regulations with which all South Carolina State Institutions comply.

Thank you very much for your consideration and interest in this matter.

Very truly yours,

DANIEL R. MCLEOD,
*Attorney General.*

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STATE OF SOUTH DAKOTA,
*Pierre, S. Dak., May 18, 1979.*

Hon. STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: I will be succinct. I am opposed to Senate Bill 10 and hope that it will die in Senate committee. I have informed our senior Senator McGovern of my opposition and have informed, as you requested, the Governor and certain legislators.

You might inform the sponsors of the bill for me that we presently have a board of charities and corrections, a legislature, a governor, a warden, superintendents of various remedial schools, and a host of other people trying to do the very best they can for our institutionalized citizens. I would hope that the committee would remember that those people institutionalized are the sons and daughters, mothers and fathers of people who live in our state and vote for the people responsible for these institutions.

I may point out, Senator Thurmond, with a note of bitter humor, that there are many of us who would like to institutionalize some of the Justice Department lawyers who fly out from Washington to solve all of our problems and then go back home to fight the Civil Service Reform Bill. It may be good for tourism in our state, but it certainly is not good for government.

Respectfully submitted.

MARK V. MEIERHENRY,
*Attorney General.*

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STATE OF TENNESSEE,
*Nashhville, Tenn., October 2, 1979.*

Senator STROM THURMOND,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR THURMOND: I have received your letter of September 14, 1979, in reference to S. 10, 96th Congress, 1st Session. I appreciate your interest in the opinions of the States on this matter; and, in view of the fact that I have been following closely the progress of S. 10, I am grateful for the opportunity to express the position of the State of Tennessee. Initially, I am sanguine that the State of Tennessee supports the assumptions underlying the Bill: that institutionalized persons should not be subjected to conditions (egregious, flagrant or otherwise), that would deprive them of rights guaranteed by the Constitution or laws of the United States; and that persons subjected to such conditions are entitled to both equitable and legal relief.

Despite agreement with the above-stated assumptions, this office does not support S. 10. Specifically, it is the opinion of this office that S. 10 ignores many practical problems encountered in meeting the needs of institutionalized persons as well as the potential for state-created rights to provide creative and meaningful solution to the problems. The following briefly outlines our objections to S. 10.

First, it is unclear whether S. 10 applies to only physical conditions, or whether it applies to both physical conditions and other statutory rights such as rights to treatment and education. If S. 10 is intended to apply to the latter situations, it is the opinion of our office that many issues raised by federal statutory and regulatory schemes need to be resolved between the states and the federal agencies involved before the Attorney General of the United States intervenes.

Second, S. 10 renders state constitutional and statutory provisions ineffective, if not insignificant, by providing that all actions be brought in federal court. Specifically, since S. 10 requires a federal forum, the state claims become merely pendant and as you are well aware, federal courts are reluctant to construe state statutory and constitutional provisions more broadly than is necessary to resolve the federal claims. Consequently, many state statutes may be interpreted initially by a federal district court, a situation that is not acceptable to the State of Tennessee. Further, by requiring the Attorney General of the United States to bring actions in federal courts, the state courts are deprived of an opportunity to resolve matters that are of utmost importance to the states.

Third, Section 2 of S. 10 apparently presumes that allegedly unconstitutional institutional conditions can be quickly and simply remediated. Specifically, this section requires as a condition precedent to the initiation of an action that the Attorney General of the United States certify, *inter alia*, the following:

(1) That 30-day notice has been given to the State of the alleged violation,

(2) That reasonable efforts have been made to consult with the State regarding financial, technical or other assistance that could assist in correcting the situation, and

(3) That the appropriate officials had a

reasonable amount of time to take the appropriate action.

The presumption that institutional conditions can be quickly and simply remediated is belied by both the present inability of federal programs to accomplish this end and the difficulties encountered by federal courts in implementing institutional reforms. In fact, it is the experience of this State and the federal courts, that the ultimate solution to institutional reform involves increased and substantial appropriations by the state legislatures and long-term planning by state administrators. In view of the fact that S. 10 ignores past experience that indicates that complex political decisions underlie resolution of the problems associated with institutional conditions, it is unacceptable.

Fourth, S. 10, which creates an adversary relationship between the State and Federal governments, conflicts with the federal statutory programs that rely principally upon the States for implementation. Specifically, in most instances, the states and the federal government are presumed to be working toward the same end. When this presumption is incorrect, the federal statutes usually provide specific mechanisms for problem-solving. It would appear that the resolution of problems existing in regard to implementation of federal statutory rights should be based upon the federal agency responsible for overseeing the program, and not the Attorney General of the United States.

Finally, numerous mechanisms presently exist for the enforcement of the rights of institutionalized persons. These include private causes of action, expressed or implied, as well as mechanisms for problem-solving between the states and the federal government. Further, private actions are encouraged, both by the appropriation of statutory attorney's fees and the appropriation of substantial sums for the representation of institutionalized persons by Legal Services Corporation and other advocacy groups. Given the multitude of existing enforcement mechanisms, it would seem that the federal government could better protect the rights of institutionalized persons by spending federal monies directly upon the identified needs of this population.

In conclusion, while the State of Tennessee supports the principal assumptions underlying S. 10, it does not support the bill itself. The experience of this State has shown that litigation is tremendously expensive, both in terms of time and money. Further, neither the lawsuits in this State, or in other States, have produced immediate resolution of the problems encountered in the provision of institutional services. It is clear that institutional reform requires the infusion of millions of dollars of state and federal money; and to add another enforcement mechanism to the myriad of mechanisms that presently exist is to ignore the real needs in this area. In short, given the existence of numerous legal remedies, the addition of another is not merely wasteful, but patently counter-productive.

I hope that this brief discussion of S. 10 will be of some use to you. If you have further questions regarding this matter, or if I can be of some assistance to you, please contact me.

With kindest regards and best wishes,

Sincerely,

William M. Leech, Jr.,
*Attorney General.*

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Commonwealth of Virginia,
*Richmond, Va., May 7, 1979.*

Hon. Strom Thurmond,
*U.S. Senate,*
*Washington, D.C.*

Dear Strom: Thank you for your letter of May 1 and the copy of Senate Bill 10.

I am enclosing a copy of a letter I have written Virginia's Congressional Delegation on this legislation for your information.

I do appreciate your bringing this to my attention however.

With all good wishes, I am

Very truly yours,

John N. Dalton.

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April 19, 1979.

Hon. Joseph L. Fisher,
*Cannon House Office Building,*
*Washington, D.C.*

Dear Joe: I have been advised that House Bill 10 concerning the rights of the institutionalized has cleared the House Judiciary Committee and is tentatively scheduled to be heard on the floor on April 26, 1979. A similar bill, S 10, has been introduced in the Senate.

I continue in my opposition to the bills as being unnecessary and redundant. I am concerned that the Attorney General may require a large bureaucratic organization to attempt a good faith effort to comply with their provisions, and such an expensive bureaucracy is unnecessary. I also feel that there is now ample provision to ensure a full and fair consideration of alleged violations of an individual's civil rights and that the bills would interpose the Attorney General as some sort of official lawyer for those confined. In brief, I feel there is an ample body of case law already existing to resolve disputes in the courts, and the scales of justice are not unduly tipped in favor of the states. Therefore, the system proposed by these bills are unnecessary, redundant and unduly expensive. I further feel they represent an intrusion into State perogatives.

A copy of a position paper setting forth Virginia's position on the two bills is attached for your use. I hope you seriously consider our position.

With all good wishes, I am

Very truly yours,

John N. Dalton.

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State of Washington,
*Olympia, Wash., August 7, 1979.*

Hon. Strom Thurmond,
*U.S. Senator,*
*Washington, D.C.*

Dear Senator Thurmond: Thank you for your recent letter and the information regarding the impact of S-10 upon the states.

It is my personal belief that the individual states are much more capable of operating their institutions than is the Justice Department. I do agree with you, however, that there should be a certain amount of cooperation between state and federal agencies in attempting to find remedies for the problems that exist in the institutions throughout the country.

Thank you for taking the time to communicate with me.

Sincerely,

Dixy Lee Ray,
*Governor.*

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State of Washington,
*Olympia, Wash., May 9, 1979.*

Hon. Strom Thurmond,
*U.S. Senate, Committee on Armed Services,*
*Washington, D.C.*

Dear Senator Thurmond: Thank you very much for your thoughtful letter of May 1, 1979 on S. 10. I am delighted in your understanding of, and opposition to, that proposal.

Both the National Association of Attorneys General and I, as Attorney General of the State of Washington, have opposed the bill and its predecessors as an outrageous violation of the basic precepts of federalism. Our experience in the State of Washington with the Department of Justice has been almost entirely negative. It's interferences with the appropriate determination of state policies of the state itself are simply too numerous to mention.

You have already put your finger on the most important objection to S. 10: The seperation of the enforcement authority of such policies as the department may determine to be appropriate from the responsibility of coming up with the money to implement them. I hope that you can persuade your colleagues of the justice of your position and I will continue to oppose the proposal with my own congressional delegation.

Sincerely,

Slade Gorton,
*Attorney General.*

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State of Wyoming,
*Cheyenne, Wyo., July 13, 1979.*

Re S. 10, H.R. 10.
Hon. Strom Thurmond,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Thurmond: The State of Wyoming, while supporting the objectives of the "Institutions Bill" with regard to fully protecting the rights of institutionalized persons, vehemently objects to the procedure for correction envisioned by the bill. In line with the position announced by the National Association of Attorneys General and the National Association of State Mental Health Program Directors, we believe that there exist far more reasonable alternatives to the litigious solution suggested by this legislation.

The practical programs which the bill raises are overwhelming. It seems possible, for instance, that the Justice Department might prevail in litigation against a political subdivision, resulting in an order that the subdivision take corrective action far beyond its means to accomplish. I am advised that Congressman Kastenmeier's amendment to allow federal financial assistance to the defendant state or subdivision failed to pass, indicating that while the federal government is granted the right to make the initial determination that an egregious condition exists, there is no concommitant duty to lend assistance in any meaningful way.

How the elected representatives of the states can support a bill which suggests a procedure which has cost one state $56,000 to answer one set of interrogatories, when that same amount would probably have corrected the egregious condition, appears to be a sterling example of an exercise in counterproductivity.

This is, after all, a nation of states. It seems as though some of our congressmen forget that they are elected to represent the people of those states, and not to bludgeon them with needless lawsuits.

I sincerely hope that the United States Congress will rcognize the pitfalls inherent in this legislation and take proper steps to enact law which puts the federal government and the states on the road to cooperative solution. The disagreements which this state has had with the federal government are well known to all. I believe that these differences are, to a large degree, the result of precipitous action taken by our lawmakers without the regard for the legitimate interests of the several states, and the special conditions which exist in each.

Why not spend the tax dollars of the people of this state to help them, rather than to sue them.

Sincerely yours,

John D. Troughton,
*Attorney General.*

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## TIGHT MONEY

Mr. ROBERT C. BYRD. Mr. President, the recent action by the Federal Reserve to tighten credit and allow interest rates to rise has generated considerable reaction.

Some have characterized this belt-tightening as the exact medicine required to cure inflation and restore confidence in the dollar. Others have warned that this approach will significantly increase unemployment, widen the budget deficit, and plunge the economy into a deep recession.

My reading of the situation is that predictions of either gloom or glee are premature. Before any conclusive judgments can be reached, we will have to determine whether an adequate flow of credit remains available to those engaged in productive business enterprises. Further, we will have to determine whether the tightend credit policy will jeopardize a reasonable level of nonspeculative consumer purchases.

### THE PLAN

Breaking with a long-standing policy of regulating the money supply by controlling interest rates, the Fed has promised to concentrate on controlling the monetary aggregates themselves. In the past, the Fed has attempted to control the demand for money by controlling its price (that is, interest rates). The demand was presumed to ultimately determine the supply. Now the Fed will control the supply of money directly and let interest rates go where they will.

In recent testimony before the Senate Banking Committee, Chairman Volker reiterated the promise to maintain a steady, moderate growth in the money supply as the primary goal of monetary policy.

### SHOCK THERAPY

The Fed has argued that, prior to announcement of its plan, a speculative fever had begun to experience significant price increases because of buying pressures, not because of any limits in supply. For example, nonferrous metal prices had increased 40 percent over the prior year at the time of the Fed's announcement. Housing prices were being pushed up by people trying to shelter themselves from inflation, thereby exacerating housing costs.

In short, inflation had created a psychology in which people were disposed to invest in assets which they expected to appreciate—and much of this investing did nothing to increase the level of goods and services in the economy.

To the extent that the Fed's plan to tighten monetary policy serves as "shock therapy," thus breaking the psychology of inflationary expectations, it is welcome. However, it will be welcome only if it results in a moderation in inflation without biting into America's productive capacity.

### CONGRESSIONAL OVERSIGHT

Ultimately, to control inflation we must produce more, not less. Attempting to control inflation or protect the dollar by throwing legions of people out of work and shutting down shifts in our factories and mines is a hopeless policy.

While tight money can discourage higher price expectations in some areas, we must recognize that high interest rates will not lessen inflationary pressures in some sectors. Increased energy prices account for about 4 percent of the current 13 percent inflation rate. High interest rates themselves have the inflationary effect of raising the cost of doing business. They increase the costs of buying a home significantly. Prolonged artificially high interest rates may be of short-term benefit to the dollar and a boon to holders of capital, but they will not result in significantly cheaper energy, housing, medical care, or food.

The Congress will be watching closely to ensure that the recession of 1974 and 1975 will not be repeated in 1979 and 1980. We will be watching to see whether the Fed, in casting a net of catch speculative nonproductive investments, is also restricting the flow of credit into vital, productive areas of the economy.

We will watch with concern the impact of this policy on small businesses which depend on credit markets for financing. We will watch its impact on the construction industry which historically is the first sector to feel the shock of tight credit.

The Congress will watch the response of bankers and brokers to the Fed's message of restraint. It is my hope that those who allocate credit will voluntarily avoid nonproductive, purely financial loans. Otherwise, pressures will grow to artificially direct credit through Government action. This is an approach which no one in this country wants. It will be unnecessary if credit markets respond to the Fed's recent action in a responsible manner.

### INTERNATIONAL CONSIDERATIONS

High interest rates are generally prescribed as the antidote to troubles with the dollar. It is presumed that by making dollars more attractive to hold—that is, by offering a high return to deposits or investments made in dollars, the dollar will be strengthened.

Therefore, interest rates are driven up to encourage a shift into dollar investments—like U.S. corporate or Government bonds—or at least to discourage movement out of the dollar.

While there is a role for stabilizing short term currency fluctuations artificially high interest rates may have disastrous domestic consequences.

Fundamentally, the dollar's problems are caused by a continued trade deficit that has as its obvious source our continued dependence on foreign oil. Even as our exports have experienced a health rise of about 14 percent during the first 8 months of the year, and even as our per barrel importation of oil has declined somewhat from last year, unrelenting OPEC price increases have resulted in a continuing outpouring of dollars into unreceptive world markets.

In the short run, the only solution to this problem is significant conservation. Gasoline consumption is the only area that can provide the dimension of savings necessary to move our trade account toward balance. High interest rates can be no substitute for the difficult decisions which must be made to achieve conservation of gasoline.

The second fundamental problem of the dollar is its glut on the world market. The evolution of a market of Eurodollars which has been estimated to be between $600 and $800 billion dollars has contributed to this problem. Dollars, once they leave the United States, have been used to create a pool of money for international transactions. Once they leave the United States, they generally do not come back and the pool keeps getting deeper and deeper. Since the United States cannot control the supply of these Eurodollars in the same way it can regulate the supply of money within the country, a system of international cooperation is essential. This system would absorb some dollars and thereby dampen the pressure on the dollar.

The substitution accounts concept which was discussed at the recent International Monetary Fund meeting in Belgrade would provide countries the opportunity to trade in some of their dollars for an international currency, that is, special drawing rights of the IMF. While details on structuring this approach remain to be worked out, it appears to offer a positive alternative to protecting the dollar with high interest rates.

It is my hope, Mr. President, as inflationary pressures begin to moderate and interest rates begin to fall—as they will assuming an adequate growth in the supply of money—the Fed will not intervene to artificially prop up interest rates in the name of defending the dollar. This shortsighted approach can only damage the domestic economy and does not address the long-term solutions required to stabilize our currency.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

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## BOUNDARY WATERS CANOE AREA

Mr. BOSCHWITZ. Mr. President, I rise today to commend the Senate in passing H.R. 4930, the Interior appropriations bill.

Buried deep in the billions of dollars that are appropriated in this bill can be found $13,891,000 that will have a significant effect on the people and the economy of northeastern Minnesota. These funds are designated to help fulfill the commitment that Congress made last year to the residents of Minnesota regarding the Boundary Waters Canoe Wilderness Area.

The Boundary Waters Canoe Area runs for 110 miles along the Minnesota-Canadian border. A total of 1,075,500 acres, it is the largest unit of the national wilderness preservation system east of the Rocky Mountains and the second largest in the entire system. It is the Nation's only canoe wilderness—a network of streams and short portages which served as the highway of fur traders who followed water routes pioneered by Sioux and Chippewa indians. It is the most heavily visited unit of the entire system, drawing people from throughout the country—a unique national treasure.

Mr. President, the history of Federal involvement in the BWCA is long and checkered. For almost three-quarters of a century, battles have been fought over what degree of wilderness protection should be given this part of the country. Finally, last year, Congress passed legislation, the Boundary Waters Canoe Area Act (Public Law 95–495), that was designed to alleviate some of the conflicts that have been characteristic of the management of the area over many, many years. This legislation, Mr. President, contained significant authorization of funds to carry out the purposes of the act.

The funds were to be used for new portages, the funds were to be used to develop the entire area, the funds were to be used, Mr. President, to help many of the people in that area whose businesses and lives were changed because of the changing nature of the wilderness, and what this act did to that wilderness, namely, make it single-use as opposed to the multiuse that had been existing over many, many years.

On April 25 of this year, I testified before the Senate Appropriations Subcommittee on the Interior urging the Congress to fulfill its obligation of funds for the Boundary Waters Canoe Area Wilderness Act. Among other items, the act called for appropriations of funds in the following categories: Resort buy-out, payment of timber sales, damages and restoration work, National Forest Service funds, recreation development and trails construction, and technical and financial assistance to restore outfitters and businesses adjacent to the BWCA. I requested that the act be fully funded—a figure totaling approximately $17 million.

The Interior appropriations bill, Mr. President, contains approximately $14 million to implement Public Law 95-495. While this is not the complete amount that I feel is necessary to carry out the purposes of the BWCA legislation, there is no question in my mind that this is an important first step in resolving the lengthy disputes that have clouded the history of the BWCA over the years. The money included in this bill will not only assist visitors in taking complete advantage of a very beautiful area, Mr. President, but also will involve recreational facilities and also help the surrounding community deal with a situation that many people feel is grossly unfair.

Mr. President, I commend the Senate Appropriations Committee and the full Senate for their actions regarding the funding for the Boundary Waters Canoe Area Wilderness Act. There is no question that this is an essential and crucial step in the overall history of the Boundary Waters Canoe Area, which is one of the truly beautiful parts of the country, and a part of the country that has to be maintained in its natural beauty.

I thank the Chair.

## ORDER FOR RECESS UNTIL 2:30 P.M. ON MONDAY, OCTOBER 22, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 2:30 p.m. on Monday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 12:37 p.m. recessed for 30 minutes; whereupon, at 1:07 p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. EXON).

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader is recognized.

## RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate, at 1:15 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BOREN).

## RECOGNITION OF SENATORS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, will the Chair please state any order for the recognition of a Senator on Monday?

The PRESIDING OFFICER. After the two leaders have been recognized under the standing order, the Senator from Wisconsin (Mr. PROXMIRE) is to be recognized for 15 minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that Mr. PERCY be added to be recognized on Monday for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## NO ROLLCALL VOTES TO OCCUR PRIOR TO 4 P.M., MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any rollcall votes which are ordered on Monday before 4 p.m. not begin until 4 p.m., with one exception, that being if it is necessary to call the roll on a procedural matter, for example, instructing the Sergeant at Arms to request the attendance of absent Senators or to compel their attendance.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, that statements may be made by Senators who are reluctant to speak, but who may speak if they wish to speak, up to 5 minutes each, and that the period not extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

## MESSAGE FROM THE HOUSE

At 12:10 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 3923) to amend chapter 25 of title 44, United States Code, to extend for 2 years the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 595) to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, to provide for the deposit of moneys received from the sale of such tin, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. BENNETT, Mr. MOLLOHAN, Mr. MCDONALD, Mr. SPENCE, and Mr. EMERY were appointed as managers of the conference on the part of the House.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATCH:

S. 1911. A bill for the relief of Mrs. Barbara Crisp and her two children, Sean Anthony Crisp and Andrea Leech; to the Committee on the Judiciary.

S. 1912. A bill for the relief of Joseph and Bulletin Levy, husband, wife, and their children Tracy Curtis Levy, Alice Myra Levy, and Stormy Mahauna Levy; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1913. A bill to preserve the existing tax status of wine used in the production of distilled spirits; to the Committee on Finance.

By Mr. HAYAKAWA:

S. 1914. A bill to amend the Urban Mass Transportation Act of 1964 by proscribing certain acts committed against a mass transportation system; to the Committee on Banking, Housing, and Urban Affairs.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON (for himself and Mr. Hayakawa):

S. 1913. A bill to preserve the existing tax status of wine used in the production of distilled spirits; to the Committee on Finance.

### RESTORATION OF THE WINE TAX TO ALL-IN-BOND PRODUCTS

● Mr. CRANSTON. Mr. President, I am introducing today for myself and my colleague from California (Mr. Hayakawa) a bill to redress an unintended and unnecessary consequence of the Trade Agreements Act of 1979.

Section 805(d) of the Trade Act amends section 5001(a) (relating to products containing distilled spirits) of the tax code to provide that "any alcoholic ingredients added to such products, shall be considered and taxed as distilled spirits."

The effect of this language will be to shut off a significant market for California wine and other States' wines produced from Thompson grapes and other table fruits. The wine in question is used by makers of brandies, liqueurs, cordials, and the like in amounts varying from 2.5 percent to 12 percent of volume. The wine has been taxed by Treasury at the wine rate rather than the distilled spirit rate. This significant cost advantage to the producers makes it worth the cost and effort of procuring wine for this use. In California, the wine purchased for this purpose amounts to about 2 million gallons for rectified products and more for brandy.

I am informed that this change in current tax practice is not required by the trade agreements entered into by the Government.

This unintentional consequence was not discovered until the Trade Agreements Act was reported to the floor of the House. Growers of grapes and other fruits suitable for making into wine were faced with an accomplished fact since the bill could not be amended. During the debate the floor manager of the bill, Representative Vanik, conceded that the result was unintended.

The Department of the Treasury concedes in a letter to me, as well as to other members of the California delegation to Congress, that section 805(d) "may affect the previous tax advantage wine had in being used as an ingredient of brandy and specialty products."

The language of the bill has been drafted by the staff of the Joint Committee on Taxation with the assistance of the Department of the Treasury. It restores the advantage, and therefore, the market, to wine as an ingredient in rectified products by allowing a credit against the distilled spirits tax for the amount of alcohol in the product supplied by wine which has been distilled or fortified.

Mr. President, without this legislation there will be no market for wine as an ingredient in rectified products.●

By Mr. HAYAKAWA:

S. 1914. A bill to amend the Urban Mass Transportation Act of 1964 by proscribing certain acts committed against a mass transportation system; to the Committee on Banking, Housing, and Urban Affairs.

### URBAN MASS TRANSPORTATION CRIME PREVENTION ACT

● Mr. HAYAKAWA. Mr. President, I am introducing a bill which I have titled, the "Mass Transportation Crime Prevention Act." This act will amend the Urban Mass Transportation Act of 1964 (49 U.S.C. 1601 et seq.), section 23, a, b, and c, to make it a criminal offense to commit acts of sabotage or vandalism against mass transportation systems.

I became aware of the need for this legislation when I sought a Federal investigation of the sabotage against a mass transportation system in my own State of California. On August 31, I toured the Bay Area Rapid Transit (BART) system facilities at Concord, Calif., to view the damage of reported vandalism to the BART system. The damage went far beyond the reported broken windshields and ripped upholstery. I saw wires that had been cut or pulled from terminals and slashes in the airbags. These airbags act as shock absorbers between the car body and the wheels which run on the tracks. Mr. President, these were not the results of careless acts which cause expensive repairs, these were deliberate acts that were potentially disastrous. The damage which I observed could have caused fires, derailments, or system failures that could result in serious injury or even death. I immediately wrote to Attorney General Civiletti, describing the damage and asking for a Federal investigation of the offenses. The Justice Department agreed to the degree of seriousness, however, they determined that no Federal law had been violated and therefore it is a local problem.

My friends, this is not a California problem, it is a problem of growing national concern. Although BART's labor dispute must and will be resolved at the local level, a very real and ugly threat has surfaced. The havoc caused by deliberate acts of sabotage to a mass transit system can cripple a city and bring its economy virtually to a standstill.

Mass transit can no longer be considered a luxury or an expensive gadget. Public transportation has become a necessity because of our Nation's energy and environmental problems. The President has asked Americans to drive less and adopt the use of public transportation. Congress has enacted legislation to expand mass transportation systems and to encourage more forms of public transportation. The greater our dependence—the greater our vulnerability.

Most cities or transit authorities from cities with populations of more than 50,000 receive Federal assistance for transportation systems. Every rail transit, whether it is rapid transit or light rail receives Federal assistance. Yet we have no laws that protect a mass transit system or to make it a Federal offense to deliberately inflict damage to one.

Mr. President, the problems which I foresee also point out the Federal Government's responsibility to protect public property as well as the lives and safety of those persons we have asked to use these systems.

Under this act any person who willfully damages, disables, derails, destroys, sets fire to, tampers with, or places or causes to be placed any explosive or other destructive substance in, upon, or in proximity to any federally funded mass transportation system shall be fined not more than $10,000, imprisoned for not more than 20 years, or both.

I think this is important legislation and I hope that my colleagues will give it serious and expeditious consideration.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1914

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SHORT TITLE

Section 1. This Act may be cited as the "Mass Transportation Crime Prevention Act".

AMENDMENT TO THE URBAN MASS TRANSPORTATION ACT OF 1964

Sec. 2. The Urban Mass Transportation Act of 1964 (49 U.S.C. 1601 et seq.) is amended by adding at the end thereof the following new section:

"CRIMINAL OFFENSE AGAINST MASS TRANSPORTATION SYSTEM

"Sec. 23. (a) Any person who willfully damages, disables, derails, destroys, sets fire to, tampers with, or places or causes to be placed any explosive or other destructive substance in, upon, or in proximity to any mass transportation system shall be fined not more than $10,000, imprisoned not more than 20 years, or both.

"(b) For the purposes of this section, 'mass transportation system' means any equipment, facility, structure, or property which is used in the operation of mass transportation and with respect to which Federal financial assistance under this Act has been provided.

"(c) A judgment of conviction or acquittal on the merits under the laws of any State shall be a bar to any prosecution under this section for the same act or acts.".●

## ADDITIONAL COSPONSORS

S. 904

At the request of Mr. Danforth, the Senator from Michigan (Mr. Levin) was added as a cosponsor of S. 904, the Federal Assistance Reform and Small Community Act of 1979.

S. 1121

At the request of Mr. Hayakawa, the Senator from North Dakota (Mr. Burdick) and the Senator from Arizona (Mr. DeConcini) were added as cosponsors of S. 1121, a bill to amend the Saccharin Study and Labeling Act.

S. 1383

At the request of Mr. Melcher, the Senator from Oklahoma (Mr. Boren) was added as a cosponsor of S. 1383, the Fuel Energy Conservation Act of 1979.

S. 1647

At the request of Mr. MATSUNAGA, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 1647, a bill to establish a commission to gather facts to determine whether any wrong was committed against those American citizens and permanent resident aliens affected by Executive Order 9066, and for other purposes.

S. 1693

At the request of Mr. MELCHER, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 1693, a bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so.

S. 1861

At the request of Mr. STONE, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 1861, a bill to amend the Internal Revenue Code of 1954, and for other purposes.

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## AMENDMENTS SUBMITTED FOR PRINTING

### SALT II TREATY—EX. Y, 96–1

AMENDMENTS NOS. 524 THROUGH 526

(Ordered to be printed and to lie on the table.)

Mr. HATCH, as in executive session, submitted three amendments intended to be proposed by him to the resolution of ratification of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Arms, done at Vienna on June 18, 1979 (Ex. Y, 96–1).

Mr. HATCH. Mr. President, as the Ranking Republican on the Constitution Subcommittee, I have spoken out in the past on the necessity for our Republic to carefully observe the separation of powers in foreign affairs as well as at home. The decision announced the day before yesterday by district court Judge Gasch bears our close examination. I understand that the decision was placed in the RECORD yesterday by Senator GOLDWATER.

But I rise today not to discuss our China policy. I do not wish to embarrass further our President. In the words of the Washington Post this morning, the page 1 story begins—

> President Carter violated the Constitution by unilaterally terminating the United States' mutual defense treaty with Taiwan, a federal judge ruled here yesterday.

The issue today is SALT. I wish to bring to the attention of the Senate some proposals which I am submitting today as unilateral reservations to the resolution of ratification of the SALT II agreements. It is a simple idea—in two parts.

First, the Senate must give its advice and consent to the abrogation of the SALT treaty, should that act become necessary. Without this reservation, the position of the President has been made clear: The president has the sole power to abrogate the treaty under article 19, paragraph 3, of the treaty which states:

> Each party shall, in exercising its national sovereignty, have the right to withdraw from this Treaty if it decides that extraordinary events related to the subject matter of this Treaty have jeopardized its supreme interests. It shall give notice of its decision to the other Party six months prior to withdrawal from the Treaty. Such notice shall include a statement of the extraordinary events the notifying party regards as having jeopardized its supreme interests.

Mr. President, yesterday's court decision has reversed the President's assertion that the Senate is not a "party" to our Mutual Defense Treaty with Taiwan. In light of this, I believe we need language in the resolution of ratification for the SALT treaty stating clearly that the Senate must advise and consent to the abrogation of the treaty by two-thirds of our Members.

There are both constitutional and political issues involved, Mr. President. Would a liberal member of the Senate wish to see a conservative President abrogate the SALT treaty with the Soviet Union in a manner that would be interpreted by Moscow as a hostile act, without any role for the Senate? Would a conservative Senator wish to allow a liberal President to overlook the kind of Soviet treaty violations that former Secretary of Defense Melvin Laird has described with respect to SALT I? Mr. Laird wrote in the December 1977 issue of Reader's Digest that the Soviets had "repeatedly, flagrantly and indeed contemptuously" cheated on the Salt I agreements, yet no action was taken by the Senate at the time. This problem has not disappeared, and I offer for the RECORD an article urging the Senate to read a highly classified report available only to Senators, in our national security reading room in the Capitol. This article leads me to the second part of my proposal.

The second proposed reservation contains provision for the establishment of a Verification Commission to be composed of officials from the executive branch together with Members of the Senate. The Verification Commission would report to the Senate annually on Soviet compliance with SALT agreements. It would have access to the raw intelligence reports relevant to monitoring all SALT agreements. Its annual report to the Senate, under certain circumstances, could become the basis for a decision by the Senate, by a two-thirds vote of our Members, to instruct the President to abrogate the SALT treaty or to take other actions related to Soviet violations of the treaty.

As Senator GOLDWATER made clear in his suit on the Taiwan Treaty abrogation, Congress can instruct the President to abrogate treaties. Indeed, the historical record shows that, far more often than not, the Senate or the whole Congress has exercised power to approve termination of treaties. The first treaties ever declared null and void by the United States were the four French-American treaties of 1778 to 1788, which were canceled by Congress alone. The vote in the Senate was 14 to 5, an indication of the political divisiveness of the issue at the time.

Mr. President, surely no Member of this body would wish to leave it to the President alone to decide how and why to abrogate agreements as vital to our supreme national interest as the SALT agreements. We have seen too many grey area violations by the Soviets of the SALT I treaty to allow the situation to continue. I am delighted to quote the comment of our distinguished chairman of the Foreign Relations Committee on February 6, 1979, when Senator GOLDWATER appeared before that committee to discuss his suit on the Taiwan Defense Treaty. The chairman said:

> Let me say that the treaty in question was ratified by the requisite two-thirds vote of the Senate. The treaty in question contained provisions for its termination, and if, in the future, the Senate should decide that it wants to participate in any decision terminating a treaty, then it would be advisable for the Senate, either by amendment to the treaty or by reservation, to include such a provision expressly in the treaty.

I agree, and a Verification Commission will aid the Senate in carrying out its constitutional responsibility to oversee compliance with treaties, a concern I share as the ranking Republican on the Constitution Subcommittee.

I ask unanimous consent that the article by Evans and Novak, entitled "Verifying the Verification Report," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> VERIFYING THE VERIFICATION REPORT
>
> The Senate Intelligence Committee's super-secret report on SALT II verification problems, now under lock and key in a remote corner of Capitol Hill, contradicts the verbal summary delivered to the Senate Foreign Relations Committee by intelligence committee Chairman Birch Bayh.
>
> Sen. Bayh's two days of testimony behind closed doors, according to those present, was "highly selective." Ignoring the bad news and inflating the good, it differed in word and spirit from the 17-page report Bayh's committee prepared for the guidance of the foreign relations panel in considering the new arms limitation treaty.
>
> That report is stamped "secret codeword," a classification reserved for unusually sensitive intelligence matters. The few senators who have followed burdensome security regulations to read the report cannot take the Senate floor to dispute Bayh. With the Senate required to vote on matters removed from public discussion, the few senators who understand what is going on—including some supporters of the SALT process—are frustrated both by the system and what they consider Bayh's manipulation of it.
>
> Bayh's testimony did not make clear to listeners that the "secret codeword" report states unequivocally that the SALT II protocol (lasting to Dec. 31, 1981) cannot be verified. As for the treaty itself, the report downgrades Carter administration statements that monitoring Soviet weapons advances will be all that much easier with the treaty than without it.
>
> "The Soviets could test a new ICBM sys-

tem with a launch weight as much as 20 to 40 percent above the SS19 with less than a 50-percent chance of detection," the report says. This would seem to threaten enforcement of the SALT II provision that the one "new" system permitted by the treaty cannot be larger than the Soviet SS19.

Analyzing what Moscow could do secretly in an effort to "break out" of the treaty's limitations, the report states: "If a covert deployment were attempted, the Soviets could evade detection and identification of the activity for as long as three years, during which some 200 missiles might become operational." So much for claimed monitoring advantages the United States would enjoy by ratifying the treaty; a block of 200 new missiles could change overnight the strategic balance of power.

The importance of Bayh's testimony lies in its impact on fellow senators. They tend to accept the chairman's statements at face value, without recognizing nuances, subtleties or fine print.

That tendency units with problems of dealing with classified information to tie the hands and close the mouths of even the senators most skeptical about verification. The 177-page report is under 24-hour guard in an obscure chamber on the top floor of the Capitol. Admittance is restricted to the 100 senators themselves during normal working hours. No copies may be made; nor may notes on the report be taken out of the room.

Very few senators have read it, but an exception is Sen. John Glenn, a supporter of the SALT process but an informed skeptic on verification. He ripped Bayh's testimony apart in cross-examination during the foreign relations committee hearing. When we asked Glenn to confirm our information about the report, he declined but then put the problem in a nutshell:

"Nothing I have read or heard so far takes care of the verification problem, but I cannot even say why because of the high security classification that has been hung on this whole matter. What we have is euphoria based on official statements."

That euphoria might dissipate if every senator read the report, taking time out of tight schedules to cope with security limitations. They would learn that "the confidence with which we can detect tests of an ICBM with a mobile launcher [prohibited by the protocol] will be low at best."

Although cruise missiles with a ground-launched or sea-launched range of more than 600 kilometers are banned during the three-year protocol, the report warns that "monitoring small changes in air intakes, horizontal and vertical stabilizers, antennae and warhead attachment points could be important SALT II monitoring tasks concerning cruise missile range . . . Monitoring such changes would be extremely difficult."

The report says monitoring pluses from SALT II will be few and far between. As a strong treaty advocate, Bayh naturally dwelled on these. But he sped lightly over the damaging statement that the United States consistently has exaggerated its ability to "monitor Soviet production" of nuclear weapons.

Nobody can forecast the impact of SALT ratification even if every senator were fully aware of these facts. But to accept Bayh's clearly loaded testimony in favor of the treaty is tantamount to voting blind, a condition that someday could return to haunt the Senate.

Mr. HATCH. Mr. President, I ask unanimous consent that the text of the amendments be printed in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

### AMENDMENT No. 524

"(1) A Commission on Verification shall be established to report annually to the Senate on the degree of compliance that the parties have observed with respect to the terms of the Treaty.

The Commission on Verification shall be composed of four members of the Executive Branch appointed by the President from the Department of State, the Department of Defense, the Central Intelligence Agency and the Defense Intelligence Agency, and five members from the Senate to be selected from the relevant committees on an annual basis.

"(2) If the Senate shall not accept the annual report of the Commission on Verification by two-thirds of the Senators present, the President shall give notice to the Union of Soviet Socialist Republics that extraordinary events have occurred as described in Article XIX, paragraph (3) of the Treaty, and the United Sattes shall withdraw from the Treaty six months later.

### AMENDMENT No. 525

"(1) The President of the United States shall not seek to withdraw from this Treaty without the advice and consent of the Senate, provided two-thirds of the Senators present concur according to the Constitution.

### AMENDMENT No. 526

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the reservations which are to be made a part of the instrument of ratification:

"(1) At the time of the consideration of the First Concurrent Budget Resolution, the President shall submit to the Senate an annual comprehensive net assessment of the military balance of power between the United States and the Union of Soviet Socialist Republics. The President shall consult with the Committees on the Budget, Armed Services, Intelligence and Foreign Relations as to the specific indicators of military power to be taken into account. The assessment shall contain a five year projection of the military forces of both parties to the Treaty and shall demonstrate that the military balance of power is no less favorable to the United States than at the time of exchange of the instruments of ratification of this Treaty.

"(2) If the Senate shall not accept the annual comprehensive net assessment of the President by a vote of two-thirds of the Senators present, the President will carry out the procedures of paragraph (3) of Article XIX of the Treaty necessary to withdraw the United States of America from the Treaty.

### AMENDMENTS NOS. 527 THROUGH NO. 539

(Ordered to be printed and to lie on the table.)

Mr. GARN submitted 13 amendments intended to be proposed by him to the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Arms, done at Vienna on June 18, 1979 (Ex. Y, 96–1).

### SALT II: THE NEED FOR AMENDMENTS

● Mr. GARN. Mr. President, I wish to address the need for amendments to the proposed SALT II treaty. I have some introductory remarks and then an explanatory statement preceding each of the amendments which I am now submitting.

### SALT II: A LOSS OF FAITH

The SALT II treaty, in its current form, is a very disappointing treaty. It is the product of negotiations during a time in which we were questioning our right to world leadership and our willingness to shoulder the responsibilities of such leadership. It represents a loss of faith by this country in its essential purpose of fostering and preserving freedom for all those who aspire to it. It represents a loss of nerve in the face of the blustering Russian bear. It represents a loss of will to use vigorously our substantial power in support of justice, peace, and Western interests. It represents a loss of power brought on by a series of international developments.

Many believe that it was an arrogance of American attitudes and power that led us into the Vietnam war, that tempted us to interfere with the governments of small nations, and that created Soviet paranoia, and thus the Soviet drive to build a military colossus. In recent years, consequently, there has been a conscious effort on the part of key leaders to diminish U.S. power in favor of a policy of weakness. These people believe that the rule of international law will be enough without military power to back it up, that nations should be left to carry on their own struggle for democracy—even when faced with overwhelming power—and that the Soviets will be satisfied with military parity. Theirs has been and is a policy founded on hope—not reality. Events of the past decade have dashed those hopes.

We have tried their approach. We quit Vietnam, normalized relations with China while shrugging off too quickly our responsibility to the people of Taiwan, undermined our commitment to Korea, left the democratic Government of Thailand essentially naked, spurned a democratic revolutionary movement in Angola, turned away from democracy in Rhodesia, signed the Helsinki agreement legitimizing the subjugation of Eastern Europe in the unfulfilled hope that the Soviets would agree to mutual force reductions in Europe, and watched helplessly as our once staunch ally Iran was racked by externally supported religious reactionaries whose commitment to human rights is even less than that demonstrated by the Shah. We have shown a serious lack of concern for the security and well-being of some of our most loyal allies. I suppose there will be some who say that when the Soviets and Cubans foment instability and revolution in Mexico, that we must not interfere in the "internal" affairs of another nation. This same head-in-the-sand attitude encouraged Hitler to pursue his dreams of global conquest; it will not deter the Kremlin's expansionist policies, either.

So, we have tried the twin paths of a reduced military posture and détente. At the same time, we have seen the rise of the monopoly power of cartels, the continuous escalation of terrorism, the emergence of terror states such as Uganda, and constant aggressiveness by Soviet military and political action forces. I suggest that it is time that we change our policy toward the Soviets from one of détente on their terms, to one of determination to cooperate where possible, where necessary. We must move from a stance of listlessness to one of leadership. We should make the commitment now to demand certain standards of global behavior and clear military equality under SALT II, and then we must do what is necessary unilaterally to protect our interests.

As many have stated, we must rebuild our power, but first we must restore our confidence. That can be done by refusing to submit to Soviet scare tactics. We need not be fearful or desperate. The Soviets do not have all the cards in their hand. If we act with purposefulness and vigor, we can cement our alliances and present a formidable lineup which would strengthen our own hand and cause the Soviets to think twice about fomenting trouble; but this lineup of allies and friends will melt away if the United States does not provide leadership. Our leadership can best be exhibited by accurately evaluating the SALT II treaty and then either amending it where necessary or rejecting it.

Let me turn now to an examination of the case against this SALT II treaty before us.

In many statements, the President has strongly defended the emerging SALT II treaty as equitable, verifiable, separable from the realties of international politics, and successful as an arms control agreement. Some believe all of these assertions, many believe at least one of them. I believe that the President is mistaken on all counts.

After a thorough review of the treaty provisions, the parallel degradation of our intelligence collection capabilities in recent years, the shifting strategic balance, the aggressive Soviet behavior under SALT I, and the failure of this administration to propose and fund an adequate defense posture, I find myself choosing the difficult but necessary task of proposing amendments to the treaty, or if they are not accepted, urging its rejection. My approach to the proposed SALT II treaty is in keeping with the traditional role of the Senate in the treaty making process: We must examine critically the case for any treaty presented by the President, and take corrective steps if necessary. This is our constitutional responsibility.

The SALT debate should affirm that we have placed the national security of the United States and its allies at the head of our fundamental national objectives, even though we know there is no such thing as absolute security in today's world. Not only must we develop and improve our own military capability, we must continue to rely on the strength of our allies. Where we can identify areas of mutual self-interest with our adversaries, we should seek to establish agreements and understandings. But, those agreements must be negotiated by the United States and her allies from a position of strength. They must not be based on weakness or fear of the consequences of failure to reach an agreement. Our obligation to ourselves and to the world is too great to allow that. If we find ourselves adopting this SALT II treaty, or any other agreement, on the basis of fear, then I am afraid that we are already dangerously close to having failed the test of world leadership.

So, what does this SALT debate mean for the direction of United States national security strategy? And what, then, does that strategy mean for SALT II?

The national security strategy of the United States must first recognize the military strength of our major adversary, the Soviet Union. Since the time of the Cuban missile crisis, the Soviet Union has been engaged in the most massive arms buildup in the history of the world. It has gone, with the help of SALT I and U.S. unilateral restraint, from a position of relative inferiority to a point today where its military strength is more than equal to our own. The capabilities of its conventional forces in the Warsaw Pact countries are vastly superior to those of the NATO alliance. The impressive technological improvements in Soviet strategic forces have been coupled with a counterforce targeting and damage-limiting doctrine to pose a real and direct threat to our own strategic forces. The near-term vulnerability of our ICBM force is acknowledged by virtually every responsible analyst, including the administration. The Soviet Union has rejected the concept of mutual assured destruction and its basic assumption that nuclear war is unthinkable. The Soviets believe it is possible to not only fight and survive a nuclear war, but to win it, and they have designed their military forces and civil defense program accordingly.

Our response to this growing Soviet strength must be based on these realities, not on the idealistic hopes of the SALT process which, so far, has provided little reason for confidence. With or without SALT, our national security policy must be modified along the following lines: We must change our strategic targeting—aiming most of our own weapons at Soviet military targets, instead of at cities; reduce the vulnerability of our ICBM forces; develop the technology which will allow us to build defenses against incoming misiles, both for our own civilian population and our weapons; modernize our bomber forces; insure the survival of effective command, control, communications and intelligence systems; modernize our capacity to conduct limited theater nuclear operations; improve our conventional forces with modest increases in the number of Army and Marine divisions; improve our ability to project our conventional forces by expanding our tactical air and military transport forces; expand military consultation with, and consider increasing military assistance to, our allies and pro-Western governments and parties; and, assist our allies and freedom-loving people in deterring Soviet proxies, such as Cuban forces in Africa, by providing them with funds, arms, training and intelligence. We must have a vigorous program and ready forces in all areas of our defense posture. The fabric of our military cloak must be seamless and tightly knit. As Prof. Michael Howard of Oxford University said in a recent article in Foreign Affairs:

> The maintenance of adequate armed forces in peacetime, and the will to deploy and support them operationally in war, is in fact a symbol of that social unity and political resolve which is as essential an element in nuclear deterrence as any invulnerable second-strike capability.

We can no longer afford to be passive in the world. Our allies and friends need to know that they can rely on the United States for assistance. The Soviet Union must know that we will not stand by idly while it attempts to create a new, worldwide Russian Empire. Winston Churchill said it very well on a visit to the United States in 1946:

> From what I have seen of our Russian friends and allies during the war, I am convinced that there is nothing they admire so much as strength, and there is nothing for which they have less respect than for weakness, especially military weakness.

Mr. Churchill went on to say, in essence, that peace could be maintained in the world only if the democracies remained united and strong. The policies I have mentioned would make it possible for the United States and her allies to preserve and protect international peace. through strength.

What can we say, then, about SALT II in the context of a new, more active, although not provocative, U.S. national security strategy? I believe such a strategy suggests five basic criteria for acceptance and ratification of a new SALT treaty:

First, the treaty must meet the criteria of equality, stability, and verifiability, and it must arrest the growth of Soviet strategic forces.

Second, we and our allies must be prepared to modernize and improve theater nuclear forces or obtain agreement to equitable arms limitations in this area with the Soviet Union and her allies;

Third, we and our allies must be willing to modernize and expand our conventional forces so as to pose an effective conventional deterrent;

Fourth, we and our allies must be prepared to resist the destabilization of third world nations by Soviet power and proxy forces;

Fifth, we must rebuild our vital intelligence organizations and restore their effectiveness.

If these conditions cannot be met, then SALT II should not be ratified. Instead, we should seek to restore and maintain strategic nuclear "parity-plus" with the Soviet Union and declare our intent to use strategic nuclear weapons to protect ourselves and our allies.

A flawed SALT treaty which would give the Soviet Union low-cost, "politically meaningful" nuclear superiority would be worse than no treaty at all. It would be the foundation for a continuing policy of global expansion by the Soviet Union, enabling the Kremlin to divert military resources to the build-up of other forces while extending its nuclear umbrella over Western Europe, the Middle East, Africa, and the Far East.

The treaty that has been signed by the President is such a flawed treaty: It is not equitable; it is not adequately verifiable; it only masquerades as arms control; and it does not effectively limit the spread of nuclear weapons.

To accept this treaty, as proposed, would be to turn away from our obligation as a world power to preserve international peace. A treaty which would assist the Soviet Union in achieving a war-winning nuclear capability by the mid-1980's is an even greater threat to peace than an uncontrolled arms race. At least in a race, the outcome is in doubt. I believe that we do not have to choose between either nuclear inferiority or an expensive arms race. We have a third option.

That option is to return to the bargaining table with a renewed commitment to insist on a fair and equitable treaty. Throughout the SALT negotiating process, the Soviet Union has taken firm, immovable positions on every issue critical to its national interests. The United States, in the spirit of détente, has accepted the Soviets' position on most major issues. I believe we can reach compromises with the Soviet Union at the negotiating table, but we cannot do it without first drawing the line beyond, which we are unwilling to move; beyond which we will not sacrifice our own national interest. Such a demonstration of our steadfast commitment to our own interests would itself be an important deterrent to war.

This important objective, however, cannot be accomplished by simply attaching reservations to the resolution of ratification. While some proposed reservations may be useful in more clearly defining U.S. policies in relation to the treaty, they are unilateral and would not be binding on the Soviet Union. The Senate's "interpretation" of the treaty will not carry much weight if the Soviet Union has a different view, particularly if an administration were unwilling to jeopardize the SALT process by challenging the Kremlin's interpretation. I also believe that administration promises of significant increases in defense spending cannot, by themselves, cure a sick treaty.

Consequently, in my recent testimony before the Senate Foreign Relations and Senate Armed Services Committees, I proposed a number of amendments to the treaty, which I believe represent the minimum degree of improvement necessary if this treaty is to be consistent with our national security interests.

These amendments represent the thoughts and concerns of many Senators. They seek equity, real arms control, crisis stability, and verifiability. They represent a step I believe we must take. If the Soviets agree to these changes, which I believe are reasonable and fair, then both nations will have saved billions of dollars, relations will be improved, and tensions will be relieved. If the Soviets refuse, then we will have been given a clear signal of their ultimate intent. We will then have time to reinvigorate our military forces in such a way that the Soviets will have a real incentive to negotiate a viable treaty. We will benefit in either case.

I believe that amending SALT II is the lowest risk policy in the long run. The security of our Nation and an adequate defense are more important than any single document. Let us admit that we have a problem in our strategic posture and not construct a palace of mirrors consisting of "SALT III hopes," "unilateral reservations," and "uncertain projections" of how much we plan to spend on defense.

I submit these amendments for the Senate's consideration as an illustration of the specific reasons that I find this treaty, as negotiated, to be unacceptable.

Today I have touched on the question of the dangerous and growing imbalance of military power in favor of the Soviet Union. I recognize the Senate's concern with the question of American military strength. I am confident that this body will continue to act in the best interests of national security in seeking to redress that imbalance, with or without the proposed SALT II treaty, or even as it may be amended. I know that the Senate will not be deterred from that primary responsibility, regardless of the outcome of the debate on SALT II. Much will have to be done in our defense program, as witnesses who have appeared before various committees have testified. For my part, regardless of the outcome of SALT II, I expect to actively seek the kind of improvements in our defense forces which are necessary to preserve and enhance our national security as we head into the 21st century.

### STATEMENT ON BACKFIRE AMENDMENTS

I propose three amendments that would make the treaty more equitable and improve its arms control impact. These Backfire amendments would require counting each Soviet Backfire bomber as three-quarters of a strategic nuclear delivery vehicle (SNDV) and each U.S. based FB-111 as one-half of an SNDV. The treaty counting rules would match the capabilities of the aircraft.

Now, the Soviets do not really argue for exclusion of the Backfire on the basis of its range. They believe that it should be excluded on the basis of intended use—that is its mission. And, the Soviets tell us that it has a mission as a theater attack system. So, that is the crux of the argument. Are strategic systems to be defined as those that have strategic capabilities or only those which are intended and scheduled for a strategic use?

I believe that we must stick to a definition of strategic which is written in terms of capabilities. To not do so would open up a huge loophole in which both sides would build systems with a strategic reach but disclaim their limitation under any SALT agreements by virtue of the fact that "they do not have a strategic mission."

If the proponents of excluding Backfire really believe in their own case, why have they insisted on a phony Backfire letter which alleges to limit Backfire but has no force of international law? Do they suspect the Soviets might use the Backfire in a strategic role after all, only then to use the letter as proof of their efforts to preclude this?

If SALT III is productive, then both sides can consider more refined measures of what is strategic and peripheral and theater and so forth, and weapons can be allocated to the various categories on both a capabilities and mission basis. But we are not at that point yet. By leaving out Backfire the Soviets would be allowed some 2,750 SNDV's (2,250 plus 500 or so Backfire bombers) to an allowance for the United States of 2,316 SNDV's (2,250 plus 66 FB-111's) by 1985. This will allow them to have more ICBM's, SLBM's, and bombers than the United States. This is hardly the stuff of which essential equivalence is made.

I therefore urge my colleagues to vote for this amendment, and by so doing perhaps save the United States several billions of dollars. If the Soviets were to agree to include Backfire then we would not be encouraged to produce an aircraft equivalent to the Soviet Backfire. Let us find out now whether the Soviets are serious about equity and real arms control.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the amendments, together with accompanying explanatory statements.

There being no objection, the amendments and statements were ordered to be printed in the RECORD, as follows:

### BACKFIRE AMENDMENT

### AMENDMENT NO. 527

In paragraph 3(a) of Article II, strike out "B-52 and B-1 types" and insert in lieu thereof "B-52, B-1, and FB-111 types".

In paragraph 3(a) of Article II, after "Tupolev-95" insert ", Tu-22M,".

### AMENDMENT NO. 528

At the end of Article III, add the following:

6. In computing the numerical limitations contained in this Article with respect to strategic offensive arms, each bomber of the type designated by the United States of America as the FB-111 and of the type designated by the Union of Soviet Socialist Republics as the Tu-22M (known to the United States of America as the Backfire) shall count as one-half and three-quarters, respectively, of any other strategic offensive arms counted under this Article.

### AMENDMENT NO. 529

At the end of Article V, add the following:

7. For purposes of the numerical limitations contained in this Article regarding strategic offensive arms, each bomber of the type—

(A) designated by the United States of America as the FB-111 and equipped for cruise missiles capable of a range in excess of 600 kilometers, and

(B) designated by the Union of Soviet Socialist Republics as the Tu-22M (known to the United States of America as the Backfire) and equipped for cruise missiles capable of a range in excess of 600 kilometers, shall count as one-half and three-quarters, respectively, of any other strategic offensive arms counted under this Article.

### STATEMENT ON HEAVY MISSILE AMENDMENTS

I propose two amendments, to Treaty Article IV, Paragraphs 3, and 9, to provide for equity between the Parties in terms of "heavy" ICBMs. The two amendments would have the effect of allowing the U.S. to modify 308 light ICBM silos to a heavy silo configuration and to test and deploy 308 "heavy" (of SS-18 size) ICBMs. They would not require the Soviets to dismantle their "heavy" ICBMs and they would not require that we build any heavy ICBMs.

These amendments do nothing to slow the Soviet buildup of heavy ICBMs, they do nothing to encourage the U.S. to build such missiles, they do not offset our Minuteman ICBM vulnerability and they do not affect any plans for the MX ICBM. So, one might ask what do they accomplish. Are they merely an attempt to kill the treaty with a very reasonable amendment that should have wide support in the Senate? No, the real purpose is to underscore the need, stated by the Administration, that we must maintain essential equivalence with the Soviet Union. This is a fundamental requirement that we all recognize.

These amendments will establish the principle of equality for sublimits, and ensure that the Jackson Amendment to SALT I is not disregarded. If we are not even allowed the option of building heavy ICBMs, I believe many in the world would be right to question the ability or intention of the U.S. to maintain parity with the Soviets. A failure to pass these amendments would expose essential equivalence as the charade that many now suspect it may be. Let's either pass these amendments or tell the American people and the world that we do not intend to maintain essential equivalence.

### Amendment No. 530

Before the period at the end of paragraph 3 of Article IV, insert a comma and the following: "except that the United States of America may convert into launchers of heavy ICBMs a number of launchers of light ICBMs not to exceed the number necessary to enable the United States of America to deploy as many heavy ICBMs as were deployed by the Union of Soviet Socialist Republics on the date of signature of this Treaty.".

### Amendment No. 531

Before the period at the end of paragraph 9 of Article IV, insert the following: "and the United States of America may flight-test and deploy one new type of heavy ICBM".

### Statement on MPS Basing Mode Amendments

These amendments would allow the construction of a multiple protective structure basing mode for ICBMs. This may be absolutely essential if we are to ensure the invulnerability of our ICBMs. It is far from clear that the current draft of the SALT II Treaty allows the construction of most types of MPS. The Carter Administration is arguing that the Soviets have agreed to MPS in principle provided that we provide for adequate verification. This is not clear, and is indeed little more than an assertion by the State Department. Paul Nitze has testified that he does not believe that the current SALT II draft allows the MPS. I believe that the most promising MPS systems are banned by the Treaty and that the only type that may be allowed will be far more costly and less effective as a result of Treaty constraints.

The Soviet Union will have essentially no real verification problem relating to MPS. The U.S. is an open society and the Soviets could verify the number of MX missiles produced without even satellite photography. Yet we are planning to spend enormous sums to obtain a system that is verifiable by national technical means. To make matters worse the Soviets are very unlikely to agree that any system would be verifiable by national technical means. Preventing the deployment of MX is a major Soviet objective and they have every reason to attempt to prevent such a deployment.

The Administration answer to this is that they will ignore Soviet objections and go ahead and deploy the MX. I find this highly unlikely and a rather bad precedent if this policy was implemented. We have no interest in spurring on a race to determine who can interpret arms control agreements in the least restrictive manner.

I have proposed two amendments that would assure U.S. deployment of the MX in an MPS mode and would allow the use of the most cost-effective deployment mode by introducing the opportunity for cooperative verification, including on-site inspection.

### Amendment No. 532

At the end of paragraph 1 of Article IV, add the following: "Nothing in this paragraph prohibits a party from constructing vertical shelters, horizontal shelters or trenches, or other launch sites, which may be hardened, if such sites are not equipped with fixed ICBM launchers and if such Party permits the other Party to verify, including as may be necessary verification by means of on-site inspection without prior notification, that such launch sites are not equipped with fixed ICBM launchers.".

### Amendment No. 533

At the end of Article I of the Protocol to the Treaty, add the following: "For purposes of this Article, the term 'mobile ICBM launchers' does not include vertical shelters, horizontal shelters or trenches, or other launch sites, which may be hardened, if such sites are not equipped to launch an intercontinental ballistic missile.".

### Statement on Non-Circumvention Amendment

This amendment would assure that the non-circumvention provision of the Treaty will not be used as a wedge by the Soviet Union to disrupt the NATO alliance by preventing cooperation between the United States and our NATO allies in the modernization of European defensive forces. The Soviet Union hopes to undermine the confidence of our allies and stunt the growth of their military capabilities by prohibiting the transfer of essential technology and hardware from the U.S. to our allies. On the one hand our lead in technology is "ballyhooed" as the offsetting strength to Soviet and Warsaw Pact quantity, and then our comparative advantage is traded away.

The meaning of the non-circumvention provision of the SALT II Treaty is almost completely ambiguous in its present form. What it does and does not prohibit could be a subject of endless confrontation unless this provision is clarified by an amendment to the Treaty. The Soviets are certain to object to almost every U.S. technical exchange or weapons transfer program under the non-circumvention amendment. The Soviets recognize that without sophisticated weaponry and communications there is simply no chance that NATO could defend itself against a Soviet attack. Thus, the use of the SALT negotiations to hamper NATO defense planning and cooperation has long been a major objective of the Soviet Union.

### Amendment No. 534

At the end of article XI, add the following: "Nothing in this article may be construed as preventing either party from making available scientists, transferring data or technology, or furnishing other assistance to other countries for the purpose of modernization of the armed forces of such countries.".

### Statement on Verification Amendments

I have proposed three amendments because telemetry is vital to the verification of the qualitative aspects of the agreement. Photography or other sources of intelligence are inadequate substitutes. The legitimization of encryption in SALT II allows the Soviets to hide essential design features of their missile systems. No one should seriously believe that the Soviets will abide by U.S. interpretations of what can and cannot be encrypted anymore than they abided by U.S. interpretations of SALT I. Indeed, the Secretary of Defense admits that there is no current agreement on what can and cannot be encrypted and that this issue will be ultimately resolved by the Standing Consultative Commission. Any encryption of telemetry opens the possibility that false or misleading information is being broadcast and the real data is being sent out over encrypted channels.

Senator Glenn observed before this Committee that the current margin of uncertainty on the technical parameters of Soviet missile systems is as large as 50 to 70 percent. To put this in perspective, we must recognize that the Soviet missiles are already three to seven times greater in terms of throw weight and launch weight as U.S. ICBMs. We are literally dealing in potential increments in Soviet capabilities due to cheating that are equal to entire U.S. strategic systems or even all U.S. strategic forces. How, then, can the Carter Administration claim that SALT II is "adequately verifiable?'

Current U.S. capabilities to monitor the critical qualitative terms of SALT II are inadequate, as the Senate Intelligence Committee Report concludes. Short term substitutes for the U.S. monitoring sites in Iran have severe limitations and are comparatively easy to counter if the Soviets took intelligence counter-measures. The effectiveness of the proposed U-2 collection depends on active Soviet cooperation, or at least no conscious policy to deny information. The Soviets can almost completely negate the effectiveness of the U-2 collector if they so choose.

There is simply no agreement under SALT II on what constitutes National Technical Means of verification. Administration spokesmen have admitted that the Soviets do not even regard overseas collection bases as National Technical Means of verification. The SALT II agreement, as written, would legitimize the encryption of telemetry. The Secretary of Defense has admitted that "Neither party can unilaterally determine whether denial impedes verification. If questions arise on this issue they will be resolved in the Standing Consultative Commission."

It is not a question of "if." Questions will arise and when they do it could take years to settle them if they ever are. The Standing Consultative Commission has been generally ineffective in settling issues unless there has been a clear, unequivocal Soviet violation. The encyrption issue clearly would not be such an instance.

We have publicly taken the position that existing levels of encyrption have not impeded National Technical Means of verification. We will certainly take the position that most of the fifth generation Soviet ICBMs will be modifications of existing missiles. Otherwise we would have to charge the Soviets with violating SALT II. Yet they can be almost completely different in their technology and existing levels of encryption would significantly hurt our ability to determine their characteristics. We will be caught in a dilemma of our own making. We cannot claim they are new (they might not actually be, by the ineffective SALT II definition) and yet we would be claiming that suddenly we cannot verify the capabilities of "old" Soviet ICBMs.

Any encryption of telemetry will make it easier for the Soviets to broadcast false information on the open channels and deliberately deceive U.S. intelligence analysts. While there is a limit concerning the degree to which this can be exploited, it is clearly possible to go well beyond the Treaty limits either through telemetry denial or the broadcast of false information—even if we regained collection capabilities comparable to what we had prior to the loss of Iran.

I have proposed an amendment that would completely ban the encryption of telemetry and would provide protection for required ground based telemetry collection stations. Without such an amendment it will not be possible to verify SALT II unless one is willing to accept levels of uncertainty that could permit the clandestine deployment of thousands of additional warheads and megatons. This is not what I regard as "adequate verification."

### Amendment No. 535

At the end of paragraph 1 of Article XV, add the following: "As used in this Article, the phrase 'national technical means' includes the means by which each Party obtains intelligence data, whether within or without its territory, in order to verify compliance with the Treaty.".

At the end of paragraph 2 of Article XV, insert the following: "Interference with the national technical means of verification, within the meaning of this paragraph, includes exerting pressure on any other state which is assisting the national technical means of verification of the other Party for the purpose of halting or curtailing such assistance.".

Amend the first sentence of paragraph 3 of Article XV as follows: "Notwithstanding any other agreement between the Parties, each Party undertakes not to use deliberate concealment measures which impede verification by national technical means of compliance with the provisions of this Treaty, including the encryption of telemetric information transmitted during the testing of a missile.".

### Statement on Prohibition Against Deliberate Concealment Measures Amendment

The President, Secretary of State and Secretary of Defense constantly assure us that there will be no deliberate concealment measures allowed under SALT II. The wording of the SALT II concealment prohibition is identical to the SALT I prohibition. This has not stopped Soviet concealment activities. The Soviet Union has a concealment and deception program under way right now, and this will continue under SALT II. It has involved, according to official and unofficial reports, various forms of photographic concealment at the ICBM test ranges, ICBM base areas, and submarine construction and maintenance facilities. There have been reports of heavy concealment related to the mobile SS–16 ICBM program and the construction of submarine berth tunnels. The Soviets have been encrypting telemetry.

The word "impede" verification is often interpreted by the U.S. government to mean "prevent" verification, opening a wide range of "legitimate" Soviet concealment activities that are supposedly ineffective in preventing verification.

This proposed amendment is designed to prevent the Soviet Union from legitimately engaging in activities that can degrade our verification capabilities without technically violating the current practices exception. We want to assure that the Soviets will not be allowed to complete submarine berthing tunnels, that they will not construct enough aircraft hangars to prevent us from monitoring the number of Backfire bombers deployed, that they will not be allowed to conduct silo loading operations at night or in bad weather so as to prevent U.S. photographic coverage.

### Amendment No. 536

Amend the last sentence of paragraph 3 of Article XV to read as follows: "The obligation contained in the preceding sentence shall require changes in current construction, assembly, conversion, or overhaul practices as may be necessary to ensure verification of compliance with this Treaty, except that if a Party determines that changes in such practices would not be practicable, such Party shall permit on-site inspection of such practices by the other Party.".

### Statement on GLCM/SLCM Range Extension Amendments

I am proposing three amendments to the Protocol. The amendments would extend the range of both unMIRVed and MIRVed GLCMs and SLCMs that are limited by the Protocol from 600 to 2500 km. This change is necessary if U.S. cruise missiles are to overcome the disadvantages of Eurasian geography and be able to reach targets in the Soviet Union from Western Europe or contiguous seas. Immediate deployment of our SLCMs and GLCMs should be allowed under the protocol, because the Soviets already have SLCMs with less than a 600 km. range on submarines. These can approach our coasts so as to give these SLCMs strategic target attack capability. Also, they have MRBMs which can strike Western Europe from the Soviet Union with three MIRVs. These do not count under SALT II. For that reason our equivalent systems, the MIRVed GLCMs/SLCMs of less than 2500 km. range should not count under SALT II.

### Amendment No. 537

In paragraph 1 of Article II of the Protocol to the Treaty, strike out "600" and insert in lieu thereof "2500".

In paragraph 2 of Article II of the Protocol to the Treaty, strike out "600" and insert in lieu thereof "2500".

At the end of Article II of the Protocol to the Treaty, add the following:

4. Each reference in the First Agreed Statement, First Common Understanding, Second Common Understanding, Fourth Common Understanding, and Fifth Common Understanding to paragraph 3 of this Article to 600 kilometers shall be deemed to be a reference to 2500 kilometers.

### Statement on Protocol Extension Amendment

Mr. President, I propose a Protocol Extension Amendment to the treaty which states that the Protocol shall not be extended beyond December 31, 1981 unless the Senate concurs by a two-thirds vote. Moreover, failure to extend the Protocol by either Party will not be grounds for violations or abrogation by the other Party of the provisions of the Treaty.

This issue is of the utmost importance and concern to our allies in Western Europe, particularly in light of the disadvantageous shift in the balance of power that has taken place over the past decade. The Soviets have moved from a position of strategic nuclear inferiority vis-a-vis the United States to that of parity or essential equivalence. In addition, they have undertaken a marked quantitative and qualitative upgrading of their conventional force capabilities in Europe. And with the deployment of the SS–20, a mobile Intermediate/Medium Range Ballistic Missile with three MIRVed warheads, the Soviet Union has taken a significant step forward in the area of theater nuclear forces.

Our allies are sincerely troubled that SALT II places no restrictions on the deployment of the SS–20, which poses an immediate threat to their security, yet severely limits the range of the ground- and sea-launched cruise missiles. It is often argued that the United States will be free to deploy cruise missiles of unlimited range after the termination of the Protocol. However, it is widely recognized that the Soviets will vigorously attempt to have the restrictions contained in the terms of the Protocol extended beyond December 31, 1981. Our distinguished colleague from Colorado, Senator Hart, on offering clarifying language to the resolution of ratification with respect to this issue of extending the Protocol correctly noted: "It is vital that the Soviet Union understand that these issues are not permanently resolved, and that serious negotiations must continue to seek mutually acceptable answers." It is essential, therefore, that the Senate make explicit as part of the Protocol text the interpretation of the United States government that the Protocol cannot be extended without the concurrence of two-thirds of the Senate.

I urge my colleagues to support this amendment, and thereby assure our allies in Western Europe that our commitment to their security will not be weakened by our desire to achieve bilateral arms control agreements with the Soviet Union.

### Amendment No. 538

At the end of Article XIX, add the following:

4. Notwithstanding the provisions of Article IV of the Protocol to this Treaty, done at Vienna on June 18, 1979, no prohibition or limitation which relates to strategic offensive arms and which is contained in the Protocol shall be in effect between the two Parties after December 31, 1981, unless such prohibition or limitation is contained in a treaty ratified by the President of the United States of America, subject to the advice and consent of the Senate, and such treaty enters into force between the two Parties.

### Statement on Agreed Statements and Common Understanding Amendment

This amendment proposes the incorporation by reference of the agreed statements and the common understandings in the Treaty. As the Treaty stands now, many of the key terms are not in the Treaty itself, but are in the agreed statements and common understandings. The Soviet Union has not printed these in its version of the Treaty. The proposed amendment assures that there will be no confusion concerning the legal status of these statements and understandings. Without such protection, the Treaty itself is largely without content.

### Amendment No. 539

Redesignate Article XIX as Article XX.

Insert after Article XVIII the following:

#### ARTICLE XIX

The agreed statements and common understandings regarding this Treaty, the Memorandum of Understanding Between the United States of America and the Union of Soviet Socialist Republics Regarding the Establishment of a Data Base on the Numbers of Strategic Offensive Arms, and the Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms, each signed at Vienna, Austria, on June 18, 1979, shall be considered an integral part of this Treaty.●

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## NOTICES OF HEARINGS

### COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. **WILLIAMS**. Mr. President, the Committee on Labor and Human Resources will hold a hearing on S. 1089, the ERISA Simplification Act of 1979. This legislation, similar in intent to portions of S. 209, the ERISA Improvements Act of 1979, is different in its approach toward achieving improvements in the administration of ERISA and reduction of ERISA paperwork. The committee's efforts to attain these goals will be assisted by comments on S. 1089 from witnesses and others in connection with the hearing process.

The hearing will be held on Wednesday, November 7, 1979, in room 4232 of the Dirksen Senate Office Building, beginning at 9:30 a.m.

Requests to testify or present statements for the record should be directed to Steven J. Sacher, special counsel to the committee, 202-224-1097. ●

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate today to mark up the Home Energy Assistance Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

### LETTER TO SECRETARY OF STATE VANCE

● Mr. BAUCUS. Mr. President, as you know, I believe that it is in North America's mutual interests to increase North American interdependence. The United States, Canada, and Mexico share a wide range of common concerns, and this is as true for our developing economic relationships as it is for the environment. Together, North America can accomplish much more than it can apart, and the challenge that we face together is how we can best promote our mutuality.

This may be necessary, but it will not be easy. A legacy of indifference and neglect have taught our neighbors to question our intentions. They fear for their sovereignty and for their resources, and America's increasing interests in their affairs appears to coincide with America's domestic considerations alone.

I will make no attempt to say that the United States has always done what is correct, but I will argue that it is in America's interests, and in the interests of our neighbors, to promote North American cooperation. I for one, and our neighbors for another, do not seek a Common Market, of energy or trade, but together we recognize the potential for mutual benefit through increased cooperation.

The Flathead River Basin is just one example of how Canada and the United States, working together, can better promote individual and collective interests. As you are aware, the Government of British Columbia is considering the licensing of a coal development in that portion of the Flathead River Basin which falls within Canada.

The implications of this for Montana, where the waters of the Flathead River flow, creating one of the most beautiful lakes in North America, could be severe but for the desires of both sides to insure strict environmental controls. The Governments of both Canada and the United States recognize the necessity of the development of the Flathead River Basin, and on both sides of the border. Our respective governments, however, also recognize that this can be accomplished without adverse environmental effects.

This is an accomplishment which I applaud. It is a credit to our ability to communicate and to cooperate. It is environmentally sound and mutually beneficial. We are supporting one another toward a common goal.

With this in mind, in 1976, I initiated the Flathead River environmental impact study, and since then I have worked in both the House and the Senate to guarantee its appropriations. So far, its accomplishments include quantifying the lake and river ecosystem through both limnological and fisheries studies and developing a baseline of air quality and meterological conditions in the Montana portion of the basin. Complete reports of all data collected will be available by early next year, and the steering committee for the Flathead River Basin study acknowledges the potential mutual benefit of sharing this information with its Canadian counterpart, the Coal Guidelines Committee, established by the Environment and Land Use Secretariate, Government of British Columbia.

An exchange of information such as this has a number of positive implications. Both sides would be reinforcing the precedent of cooperation. Researchers based in Montana, for example, would be aided greatly by the material contained in the stage II report of the Sage Creek coal develepoment, which the Coal Guidelines Steering Committee has undertaken, and which is expected to be completed by early next year.

Accordingly, I wrote this week to the Secretary of State to request his cooperation in arranging a meeting for the purpose of an exchange of information between Canadian and American officials who are concerned with the Flathead River Basin. This should take place in Cranbrook, British Columbia, or in another mutually agreeable location in March 1980.

I urged the Secretary to invite a number of relevant officials, and among these should include: Mr. Thurman Trosper and Mr. Ronald Cooper of the Flathead River Basin study; Lieutenant Governor Schwinden, representing the State of Montana; Regional Administrator Mr. Roger Williams representing the U.S. Environmental Protection Agency; spokesmen for the Government of British Columbia and the Canadian Ministry of the Environment; a spokesman for Glacier National Park; representatives from the American Embassy in Ottawa and the Canadian Embassy in Washington, D.C.

As for the agenda, I recommend the following: First, a review of the status of the studies of the coal development in the Flathead River Basin; second, a briefing as to the status of the Montana Flathead River Basin study; third, agreement in principle for cooperation between all parties to work toward mutually agreed to measures to insure the protection of the Flathead Lake/River system; fourth, discussion as to the utility of establishing permanent liaisons representing the Montana and British Columbian parties studying the Flathead River Basin; fifth, discussion as to the necessity of establishing a regular biannual meeting until proper and mutual environmental safeguards for the Flathead River Basin are established.

The Flathead River Basin is of vital importance to the people of Montana, and it is essential that this Government work closely with Canada to insure its environmental protection.●

### SAVING PRIDE AND DIGNITY IN A SMALL KANSAS TOWN

● Mr. DOLE. Mr. President, I would like to call to the attention of my colleagues the actions of a fellow Kansan, and close personal friend, who has successfully defeated the stranglehold of the Federal Government on the small businessman. This man, with the help of his neighbors, organized a collection of concerned individuals committed to saving a most worthwhile community project.

The article from this morning's Washington Post details the actions of this compassionate philanthropist. I wish to submit the article for printing in the RECORD.

**The article follows:**

#### SAVING PRIDE AND DIGNITY IN A KANSAS TOWN

By Bill Curry

PHILLIPSBURG, KAN.—Autumn's nighttime chill cut the Kansas air, but inside the old family home of Huck Boyd, the hospitality was warm. There, over a round of bourbon, Boyd, 72 and the publisher of a small-town weekly newspaper, told a story of 10 people and the community in which they live.

It was a story as old as barn raisings, yet it is as current as the milo crop now coming to harvest.

Boyd told of a group of old people who found themselves innocently and abruptly adrift in the threatening crosscurrents of inflation and governmental regulation. He told of how their neighbors, with the communal spirit and resourcefulness that their ancestors brought to the Great Plains, came together to help them.

Along the way, the neighbors kept a handful of elderly people off welfare rolls, found a way to do without federal assistance for some others and saved a lot of pride and dignity as well as tax money.

The dollar savings in this town of 3,500 will, to be sure, got lost and unnoticed in the final few digits of the national debt. Huck Boyd's story, therefore, is most valuable as a counterpoint of hope to the roundelay of national distress sung by America's national leaders—the crisis of confidence, the moral decline, the lack of leadership.

McDill Boyd—he acquired his nickname as a trombone-playing boy from his bandleader—began his story with a Monday in August, when Connie Chestnut, manager of the Borum Gentle Care Home, walked into the offices of the Phillips County Review and announced that the Borum home would close on Sept. 1.

Her 13 residents—11 old and 2 retarded—would be homeless.

For 23 years, the Borum Gentle Care Home had provided shelter, food and care for people too infirm to care for themselves yet not so helpless that they needed a nursing home. Just a little something in between.

Here they could tend to the garden or to each other's needs, drive or walk to town, do some chores and then sit down as a family for supper. Maybe even help a little with the cooking.

The family circle has been broken.

"When we started out," says Mrs. C. F. Borum, "we named it the 'Gentle Care Home' because people in their later years need loving care, and we always attempted to provide it."

Now Mrs. Borum herself has reached the later years, and a year ago she turned over to Connie Chestnut her operation.

The home is green asphalt shingle, an old farmhouse moved in from the countryside. There is a cinderblock annex, and room for 15 people. Thirteen lived there Aug. 6, when Connie Chestunt waved the white flag of surrender; the $305 monthly charge no longer covered soaring food and fuel costs, and the expenses and burdens of governmental regulations that, however well intentioned, had somehow gone haywire for Phillipsburg.

Six of the 13 had been able to pay their way; the other seven received basic public assistance plus a $4.19-a-day housing supplement from the federal and state governments. But with the $4.19 suddenly came an oppressive list of federally mandated regulations: the administrator must have a bachelor's degree, residents' every activity must be monitored and recorded daily on complicated charts, and on and on.

It was too much for Connie Chestnut, who was working 85 hours a week trying to do everything and, by all accounts, doing it quite well, without a college degree. She rented the facilities from Mrs. Borum, charged $305 a month, and whatever was left over was her income.

It worked out to about $1 an hour.

So she told her story to Huck Boyd, and in the Review of Aug. 9, he broke the bad news over Phillipsburg. But in the ways of small town newspapering, he was not going to let it end there. Long active in the affairs of the public (he is currently a Republican national committeeman), Huck Boyd began a crusade and publicized it in his own paper.

He wrote in an editorial that day: "Folks who have lived together for a good many years, satisfactorily and in comfort, will be out on the street unless some way can be found to provide them the services they need.

"Do you have any ideas? Some very nice people would appreciate it if you do."

One idea that never did arise was one to let the government solve the problem it had helped to create.

"Can a community like this," Boyd asked in an editorial, "band itself together and take care of its own without government payments and control? With a little help from a lot of people, this can be done, and how nice it would be—for once—to do something for ourselves without asking the government to do it for us."

There were two concerns. If the Borum Gentle Care Home closed, the residents would be forced into more expensive nursing homes, and at taxpayers' cost. Once there, they would be cared for beyond their needs. Said Garner Hale, a First Christian Church elder who is working to save the Borum home, "If you throw 'em into a nursing home, pretty soon that's the only place they can be."

Bob Kendall, chairman of the board of county commissioners, estimated it could cost government up to $50 a day to place the welfare residents in other facilities. Not to mention the people who were able to pay their own at $305 a month, but who would be forced onto welfare when faced with higher rates.

So on Aug. 21, Huck Boyd brought together civic and church leaders at his house. There, he reported two days later, "it was agreed to raise the funds necessary to keep the [Borum place] open as a residential boarding home."

What eventually evolved was a nonprofit corporation to collect donations and to run the home; Connie Chestnut would remain as a salaried employe. The $4.19-a-day state-federal subsidy would be refused, and community contributions, not tax money, accepted instead. "You just go ahead and keep your money," Garner Hale, the elder, would say later of the community attitude toward government. "We'll just go out and keep it going ourselves."

The nonprofit corporation, Concerned Citizens Inc., would help those who couldn't meet the new monthly charge of $400, and a fund-raising goal of $25,000 was set.

That way the home would become self-supporting.

In no time, Concerned Citizens raised $6,600—contributions from local businesses and individuals ranging from $10 to $500. In some cases, church groups redirected their charity from missionary work overseas to alms-giving across town.

"It's time people started doing things themselves instead of sitting around and waiting for a government handout," said Hale, a 57-year-old asphalt chemist at the Co-op refinery here. He made it clear it was not the old folks he saw waiting for the government handout, but the community residents who would let the government pick up the expense.

And so on an October day, five weeks after the Borum home was scheduled to have closed, Karen Tebbs, 30 and retarded, was watering the houseplants there and helping to set the table for lunch.

Erl E. Haskett, born 93 years ago in a sod house in Phillips County, the son of a homesteading couple who grew up to raise oats, wheat, corn and hogs, still had a home.

There was confusion about whether the home would close. "I don't know what I'll do when they kick me out of here," he said.

"Well," said Connie Chestnut, "we hope we don't have to."

In the uncertainty, three residents moved away.

But if all goes well with the fund-raising—it is not completed yet—Haskett won't have to move out.●

## A TRIBUTE TO THE CENTENNIAL OF LIGHT

● Mr. **WILLIAMS.** Mr. President, I would like to call to the attention of my colleagues the commemoration of a great event.

On October 21, 1879, Thomas Alva Edison invented the incandescent light. Using a filament of a carbonized cotton thread in an evacuated glass bulb, Edison watched throughout the day and night as the first electric light bulb burned for nearly 40 hours. The age of electricity had begun.

In just 2 months, Edison was ready to give the first public demonstration of his invention. He illuminated a street in Menlo Park, N.J., placing his bulbs on long wooden poles. With this success, Edison set out to build an entire electrical system, so that he could bring his invention into homes, offices, and factories. "I shall make electric light so cheap that only the rich will be able to burn candles," Edison remarked.

In recognition of this memorable event, a series of activities are planned to celebrate the Centennial of Light. Cities throughout the Nation will commemorate the memory of this remarkable man and his historic feat. These events will serve as a broad recognition of the invention of the electric light, as well as Edison's numerous other accomplishments.

As we celebrate his achievements, we should seek to rekindle the flame of Edison's extraordinary enthusiasm. We must confront contemporary problems with new, creative, and productive ideas. The seemingly insurmountable problems of inflation, energy and productivity will receive added light as we assume Edison's pioneering spirit. Just as his creative genius spawned thousands of other inventions, so too can we receive inspiration for solutions to our modern problems through innovative scientific efforts.

As we pay honor to this great citizen of New Jersey, we should encourage a swell of support for continued technological research and development. In addition, we should strive to revitalize this spirit in today's young men and women, who are the Edison's of tomorrow.●

## LET US CHANGE THE WAY WE TALK ABOUT TAXES

● Mr. **DOLE.** Mr. President, there is more and more discussion of cutting taxes in the near future in order to combat the anticipated deepening recession of the economy. The other day Walter Heller, Chairman of the Council of Economic Advisers under President Kennedy, recommended a payroll tax cut for that purpose. The theory behind most of the tax cut proposals is that a fiscal stimulus—putting more money in the pockets of taxpayers—will do the most good to counter an economic downturn.

Many people have lost confidence in fiscal policy as an instrument to regulate the economy. They say that fiscal measures always come too late to do the job and often aggravate rather than alleviate problems. In addition, fiscal actions are rarely geared to the sectors of the economy where they will do the most good. That is why the notion of targeted tax reduction, designed to encourage stable economic growth, is gaining more and more acceptance. Since broad-based fiscal measures tend to be too blunt an instrument for regulating economic behavior, we need to pay more attention to directing tax policy toward more narrowly defined, achievable goals. The fact that Congress has such difficulty reaching a consensus on fiscal policy makes it imperative that we find more limited measures that have a common ground of support. General tax reduction, and reduction of the size of Government, should be regarded as worthy goals in and of themselves, not merely as temporary fiscal adjustments. Separating out the concepts of targeted fiscal actions and general tax reduction should greatly improve our economic discourse.

What we need over the long term is a tax system and a fiscal policy that encourages stability and allows people to be certain of their tax obligations. Nothing is more destabilizing to economic behavior than continual, abrupt shifts in tax policy. People simply cannot change their behavior fast enough to respond to all the changes in the tax law. While we are planning for the long term, let us eliminate one of the most unfair and confusing aspects of the income tax: taxflation.

Taxflation occurs when people are shifted into higher tax brackets by inflationary rises in their income. When income gains exist only on paper, rather than in real gains in purchasing power, they end up as net losers because they have to pay higher taxes on that income. The fact that this continues to happen year after year represents an abdication of our responsibility to control tax policy and to take action to adjust tax rates, rather than allow the rates to rise by sleight of hand.

Mr. President, everyone who is talking of tax reduction must talk about taxflation. The Tax Equalization Act, S. 12, would end taxflation by adjusting the income tax bracket, zero bracket amount, and personal exemption according to the rise in the Consumer Price Index. If Congress takes up the matter of cutting taxes, S. 12 is the first measure that must be considered. It would give immediate tax relief, clarify the tax structure, and constitute a good-faith acknowledgement of the Government's duty to be honest with the people. We need to spur investment and foster real sustainable growth, and we need to reduce the size of Government. But we also need to play straight with the public. The Senator from Kansas feels certain that tax equalization is in everyone's interest.●

## THE CASE AGAINST OIL COMPANIES

● **Mr. METZENBAUM.** Mr. President, last summer, when Americans were subjected to long gasoline lines, odd-even rationing, and soaring fuel prices, the oil companies and the Carter administration explained to the American people that our problem was the result of lower exports from Iran.

Later, we learned that this was not quite true—exports from other countries more than made up for the Iranian shortfall.

But no matter.

The American people did not for one moment believe the explanations given to them by the industry and the Government.

"Just wait," they said, "until the companies get the prices where they want them. Then there will be no shortage."

The President of the United States went on nationwide television to inform the people that "the energy crisis is real."

And after his speech, the polls showed that 65 percent of the public continued to believe that the energy shortage was a hoax.

I know that there are those who argue that such public skepticism shows that the American people are not willing to face facts on the subject of energy.

But I believe that it shows just the reverse—that the people of this country have been so often misled and so often manipulated with regard to energy that they properly refuse to take at face value what they are told by industry and by their own Government.

On October 14, the New York Times Magazine published a provocative article by Robert Sherrill that illustrates clearly the reasons why the American people have a sound and rational basis for their skepticism. I ask that the text of this article entitled "The Case Against the Oil Companies," be printed in the Record.

The material follows:

### The Case Against the Oil Companies

(By Robert Sherrill)

Ever since Jimmy Carter arrived in Washington he has been trying to convince the American people that the periodic oil and natural-gas shortages are not contrived deceptions used by the industry to squeeze more profits from consumers. In his first major speeches to the nation in 1977, when he put on a sweater and declared moral war on the energy problem, he said, "I realize that many of you have not believed that we really have an energy problem." He seemed sympathetic. But then, there he was again, during the great gasoline shortage of 1979, back on television, giving his fifth energy speech, still with the same theme. This time he had obviously lost patience. "The energy crisis is real," he said, going up half an octave. "It is worldwide. It is a clear and present danger to our nation. These are the facts—and we simply must face them."

The address was probably the most impassioned of his political life. Yet neither that plea nor the gas shortage itself seemed to have much effect on public perception. After the speech, 65 percent of the public still thought the current energy shortage was a hoax, according to a New York Times/CBS poll.

It's not hard to understand why the majority of Americans feel the way they do. Over the years, they have been told by many knowledgeable politicians and lay experts that the oil companies are quite capable of duplicity. George P. Shultz, a Secretary of Labor in Richard M. Nixon's Cabinet, who headed a Cabinet Task Force on Oil Import Control, found that "the industry is capable of behaving irrationally . . . and even of contriving an apparent disaster" and of "downward manipulation" of reserve statistics to squeeze more money out of consumers. In 1973, the Federal Trade Commission charged eight of the largest oil companies with conspiring to destroy competition and with conspiring to cheat the public out of billions of dollars by price fixing. The oil companies' lawyers are still in court fighting those charges, but in its sweeping accusations—and in its futility—the case stands as the nagging question of this energy decade. It has been a decade in which headlines such as "Oil Giants Exploited Energy Shortage, Probers Charge"—a vintage piece from The Washington Star—have appeared almost as Mobil's ads proclaiming the industry's innocence.

Above all, this has been a decade of *déjà vu*. Opening his famous "obscence profits" investigation in 1974, Senator Henry Jackson delivered a Whitmanesque outburst:

"The American people want to know why the prices of home heating oil and gasoline have doubled when the companies report high inventories of these stocks.

The American people want to know whether major oil companies are sitting on shut-in wells and hoarding production in hidden tanks and at abandoned service stations.

The American people want to know why the oil companies are making soaring profits. . . ."

It was an outburst that still seems perfectly contemporary, for the rumors, manipulation and suspicions of 1979—scarcity in the midst of plenty, tankers waiting to unload, charges of hoarding by the companies, hidden supplies, blame on the Middle East—have not changed. It is the *déjà vu* more than anything else that makes Americans now so hard to convince. For more than 50 years, Americans have been confronted with periodic energy "crises," and they have noticed that the only thing certain is that the crisis or prediction of crisis has been accompanied by increased oil prices, concessions from the Government to the major oil companies, expanded oil-company holdings or some combination of these. What follows is an account that might be called Six Crises.

#### 1920: A TASTE OF THE FUTURE

The United States was producing about 65 percent of the world's oil in those days. The Standard Oil companies dominated, but they had few overseas sources. This made them unhappy and restless. Standard wanted to share in the oil of Iraq, then the most productive country in the Middle East. But Iraq was under British control, and the British would not let Standard in.

A propaganda war was called for, and suddenly the American people were plunged into a crisis. On Jan. 1, 1920, the U.S. Geological Survey—drawing its information, as always, from the oil companies—told The New York Times that "the position of the United States in regard to oil can best be characterized as precarious." Dr. George Otis Smith, director of the U.S.G.S., then warned that within the near future "Americans will have to depend on foreign sources or use less oil, or perhaps both." Within weeks, another U.S.G.S. official predicted that "unless our consumption is checked, we shall by 1925 be dependent on foreign oilfields to the extent of . . . possibly as much as 200 million barrels of crude each year, except insofar as the situation may . . . be helped to a slight extent by shale oil. . . . Within perhaps three years, our domestic production will begin to fall off with increasing rapidity, due to the exhaustion of our reserves." Oil industrialists began telling the press that, when America's oil reserves were gone, it would be at the mercy of the British, an ungrateful lot who had been saved by United States oil in World War I and now only waited for a chance to gouge us. . . .

The people were soon given a taste of that merciless future. In some parts of the country, gasoline was sold only in one- or two-gallon lots. In some places, the price more than doubled—to 35 cents, equivalent to more than $1 in today's currency. The magazine Automotive Industries reported rumors of refineries shipping gasoline away from urban centers until the prices went up. There was talk of having to make synthetic gasoline from Kansas wheat. There was even some loose talk of going to war with Britain, if necessary, to get "our" share of the oil supply.

The strategy worked. Seeing the State Department and the Congress militantly carrying the oil companies' flag, and seeing the American public exercised, the British gave in and agreed to join hands with the Americans in Iraq. With that, the crisis ended, almost as suddenly as it had begun.

This was not by any means the first time the oil industry had declared that it was running dry, but it was such a dramatically successful use of the technique as to inspire two British writers, E. H. Davenport and Sidney Russell Cooke, to observe in their book "The Oil Trusts and Anglo-American Relations," published in 1924: "There is this strange habit peculiar to the American oil industry which one should observe in passing. Although it doubles its output roughly every 10 years, it declares every other year that its peak of production has been passed and that its oilfields are well-nigh exhausted. . . . One cannot doubt that the lugubrious prophecies of American oil men are in some way related to the wish for higher prices."

#### 1929–31 "PERFECT PATTERN" OF MONOPOLY

This time, the crisis was created in the name of "conservation." In 1929, the Federal Oil Conservation Board warned that the United States was "exhausting its petroleum reserves at a dangerous rate." It advised bringing in all the foreign oil possible, particularly from South America, and to cut back on production in the United States. The most important foreign source in this hemisphere was in Venezuela, where the dominant American producers were Standard and Gulf—the latter company being controlled, interestingly, by the family of Andrew Mellon, who was then Treasury Secretary and the most influential aide to President Hoover. Gulf and the other international companies wanted a good patriotic excuse for bringing their cheaper oil into this country. Thus the big push to "conserve" our resources.

But then, in 1930, independent oil operators began bringing in the fabulous East Texas field. Here came the legendary Spindletop and subsequent discoveries, some with wells gushing 10,000 barrels daily. The major oil companies had had little to do with the discovery of the East Texas fields. So, the majors, pretending to be horrified at the wildcatters' wasteful production methods, demanded that the government of Texas force the small companies to "conserve"—i.e., sell only as much as the big companies said they should sell. When the small companies refused to knuckle under, the majors gave them a rugged dose of competition by slashing the price they would pay for crude—from nearly $1 a barrel to 10 cents. The resulting economic devastation forced the Texas legislature in 1933 to pass a "market demand" law.

Production of oil would thereafter be "prorationed," held down to what the "market" (that is, the major oil-company buyers) desired, and, since Texas was the dominant oil state, the price paid for oil in Texas would pretty well determine the national price. Thereafter, when the majors wanted to create enough scarcity to bolster prices, they simply placed smaller orders and the state prorationing commission ordered lower production. Senate investigators later concluded that the system had been set up not for conservation but rather as part of "a perfect pattern of monopolistic control over oil production . . . and ultimately the price [was] paid by the public."

### 1947: AN HONEST MAN IS RARE

During World War II, Interior Secretary Harold Ickes persuaded President Roosevelt to establish a Government corporation (the Petroleum Reserves Corporation to buy out the American oil partners—Standard Oil of California and Texaco—in Saudi Arabia. Ickes, who had seen enough profiteering to conclude that "an honest and scrupulous man in the oil business is so rare as to rank as a museum piece," wanted the public to have more control over supplies. The oil companies were powerful enough to kill Ickes's proposal in the cradle; they had ideas of their own for further strengthening their Middle Eastern cartel.

Standard Oil of California and Texaco had controlled the concession in Saudi Arabia since before World War II, but their marketing outlets were not adequate to handle Arabia's bountiful output, so they brought in the great Standard Oil of New Jersey and Mobil as partners. This is the Arabian American Oil Company (Aramco) we know so well today. A domestic arrangement like that would clearly be a violation of America's antitrust laws, and could be expected to encounter fierce public resistance. Again, it was time for an emergency and a storm of gloom.

In 1947, the chief of the Department of State's Petroleum Division flatly stated that "sufficient oil cannot be found in the United States." Two years later, Julius Krug, the Secretary of Interior, said that the "end of the United States oil supply is almost in sight." Giving credence to the gloom, the oil companies claimed shortages and raised prices. But the true character of the "shortages" did not go unnoticed. In 1949, the Senate's Special Small Business Committee observed that, "during the year and a half the committee has been investigating the oil industry, there never has been a real overall shortage . . . At the time that consumers were feeling the greatest pinch, in January and February 1947, there were 220 million barrels of crude oil in storage, mainly controlled by the larger units, which could have been distributed among independent refiners who were running under capacity."

### 1959: PUTTING THE LID ON FOREIGN IMPORTS

By now the major companies were making enormous discoveries overseas, but so were some of the more aggressive independent oil men—fellows like J. Paul Getty and William Keck and the Hunts, father and sons. The world, by the mid-50's, was awash with oil, and the development of a freewheeling, truly free-enterprise market suddenly seemed to be a dreaded possibility.

The majors had long ago perfected the art of global price fixing by controlling supply. They were not about to send so much cheap foreign oil to the United States—still the world's largest market—that prices would be forced down. But the independent men felt no such restraints. They were wild hares, and the majors feared—rightly—that there were so many independents roaming the globe with their drilling rigs that they couldn't possibly be controlled.

The majors rose to the occasion by proclaiming, and having their friends in Congress in the Eisenhower Administration also proclaim, the imminence of a national-security crisis. Americans, it seems, were in danger of being subverted by cheap foreign oil. Most of it must be blocked at our shore. The argument went like this: Middle East oil could be produced for one-tenth the cost of domestic oil. So naturally it could be bought for much less. If it were allowed to undercut domestic prices, our oil men couldn't afford to go out and find new oil in American fields, and if they didn't find new oil at home we would incerasingly become dependent on foreign oil, and if we became dependent on foreign oil, we would be terribly vulnerable in case of war.

With that patriotic reasoning, Congress inserted a provision into the 1958 Trade Agreement Act to give the President power to set mandatory controls over oil imports. President Eisenhower, whose closest adviser in such matters was Treasury Secretary Robert Anderson, a Texas oil man, lost no time in imposing the controls. Foreign-oil imports were held down to about 12 percent of domestic production, and only the companies with refineries—for the most part, the large companies—were allowed to import. The larger companies made millions, bringing oil in at a price between $1.25 and $1.50 less per barrel than domestic oil.

Did the import-quota program make the nation more secure in its oil supply? Hardly. One effect was that the independent oil industry began a long slow decline. Another was that it gave the major international companies the excuse they wanted to take most of that wonderfully cheap Middle East oil and develop new markets in Europe. That's where they began building their refineries—*not* in America. They were doing it, moreover with indirect subsidies from the American taxpayers.

Prof. M. A. Adelman, an oil expert at the Massachusetts Institute of Technology, argued, along with others, that keeping foreign oil out was costing American consumers at least $4 billion a year. And Pentagon officials proclaimed that, as far as they were concerned, the oil-import program had not had the slightest thing to do with national security. In 1974, when the program was dead and candor could be indulged in, Z. D. Bonner, president of Gulf Oil Corporation, acknowledged that "oil import controls were used as a price-control mechanism."

### 1973: "ALL THE SHEIKS' HORSES"

By the mid-1960's, there was so much Middle East oil available that Professor Adelman was predicting that a Middle East oil price "as low as $1 a barrel, though not imminent, has a 50-50 chance of occurring in, say, five years." *A dollar a barrel.* In February 1969, Fortune magazine writer Gilbert Burck predicted that "barring a great international cartel that will tie up the world of oil as no international organization has ever tied up anything before, everyone in the oil business faces a long series of adjustments. . . . All the sheiks' horses and all the sheiks' men will never put the comfortable oil price structure together again. Consumers everywhere should rejoice."

Fortune was not giving the oil industry sufficient credit for ingenuity. A "great international cartel" capable of tying up oil as never before already existed. The Organization of Petroleum Exporting Countries (OPEC) had been formed in 1960. So far it had been dormant. But with a little luck, and the right emergency, perhaps enough lightning could be directed through this monster's body to make it rise and do the major companies some profitable service.

In the early 1970's, the right crisis seemed at hand. The Middle East was in a froth. Arabs and Jews were at each others' throats. Israel's Middle East enemies were talking about using oil as a weapon—and if they did, the major oil companies would be ready to exploit the showdown.

But first the consuming public was softened up with a series of smaller, preparatory crises. Although, in fact, the majors were holding the highest inventory of gasoline they had ever had, they managed to produce a "gasoline shortage" in the spring of 1973 even before the Arab embargo. By June they were warning of a likely shortage of home heating oil the next winter, although, as David Bird wrote in The Times, "the warnings are surprising some people, because the stocks on hand seem to be larger than they were at this time last year."

The shortage, contrived or not, gave the majors an excuse to cut off gasoline supplies to independent wholesalers and discount dealers; about 3,000 went out of business in 1973. Meanwhile, the majors were forcing the price of gasoline up 39 percent, and their profits shot up 63 percent in the first nine months of 1973—with the embargo still to come. When it did come, the majors were ready.

On Oct. 6, 1973, Egypt and Syria invaded Israel. Two days later, the major companies met with representatives of OPEC to begin talking about a new price structure. Bearing in mind that up to this moment OPEC had never in its life shown anything remotely resembling courage, one may justifiably conclude that its new aggressiveness was somehow the result of collaboration with the companies. (As one oil-company executive earlier told Newsweek, "In the Middle East, we carry the enemy flag.") On Oct. 16, OPEC announced a stunning 70 percent increase in prices and the next day declared that the Arab members of OPEC would cut production 5 percent each month "until Israeli withdrawal is completed from the whole Arab territories occupied in June 1967 and the legal rights of the Palestinian people are restored." It also declared that, because of the United States' and the Netherlands' friendship with Israel, those two countries would be cut off completely.

Enterprising reporters, however, found abundant evidence that the Arab embargo did not, in fact, cause any shortages. Libya did not shut off its supplies. Neither did Iraq. Nor Iran. If the Netherlands was being boycotted, what were all those tankers doing out there in the harbor waiting for a berth? Jack Bax, a press aide for the city of Rotterdam, told reporters in January 1974, "Personally, I think the whole thing is a hoax." And if there was a shortage in this country, why were fuel-oil barges backed up along the Ohio River? So much oil was available in the United States that some crafty merchants were buying low-sulfur oil on the Gulf Coast for 21 cents a gallon and shipping it . . .

Nevertheless, the market operated as though there was a scarcity, and profits went through the ceiling. Occidental Petroleum Company announced that 1973 earnings were 665 percent higher than those of 1972. Other big companies were not burdened with quite such embarrassingly large percentage increases, but they were doing all right. On Jan. 1, 1974, OPEC raised the price to $11.65 a barrel—five times the price it had been only three years earlier. By the end of 1974, Exxon Corporation, the world's largest oil company, moved to the top of the Fortune 500 list—easily unseating General Motors, which for 40 years had held the premier position. Four other oil companies—Texaco, Mobil, Standard Oil of California and Gulf—joined Exxon in the top seven rankings.

Two weeks ago in The Times, reporter Jeff Gerth shed more light on how the giant Exxon, for example, was able to make the most of the moment. Reporting on a previously unpublicized civil trial in Canada—a Nova Scotia public utility successfully blocked Exxon price increases—Gerth said that "during 1973 and 1974, Exxon documents show, the company disguised increases in its profit margins by backdating them to blend in with price increases tied to OPEC increases. These concealed profit increases appear to contradict broad assurances that Exxon submitted in writing in early 1974 to the Senate Finance Committee that its price increases since 1973 had 'essentially only' covered increased costs."

On its own, OPEC might have remained a motley assembly of whiners, but with the patient instruction of the majors, it had become the industry's friend supreme in raising prices. It had also became the great dramatist, writing the panic script that made oil at any price acceptable to the consumer nations. A few years later, when a reporter at The Washington Star asked James Lee, president of Gulf Oil, if he thought OPEC was a "good thing," he admitted that it had "done us a favor by forcing the price of oil as it did." Carmichael C. Pocock, chairman of Royal Dutch Shell, also conceded that, since OPEC took over the pricing of oil at the production level, "our role is much happier."

Some expert observers believe that OPEC's economic terrorism could have been permanently ended in 1975 if the major companies and our Government had made the effort to do so. The inevitable glut of oil developed by the end of 1974 because the higher prices had curtailed use. As 1975 opened, world oil prices were beginning to sag. OPEC looked shaky. A group of energy specialists brought together by the Brookings Institution predicted in January 1975 that OPEC would likely be crushed by falling prices by 1978.

At that point, the oil companies apparently cut back production. John Blair, former chief economist for the Senate Antitrust and Monopoly Subcommittee, states, in his book "The Control of Oil," that "had it not been for the cutbacks, the market would have been flooded with 'distressed' oil, OPEC would indeed have broken down, and oil prices would have fallen sharply." But if the major oil companies betrayed the consumers, so did our Government officials; most of the top policy makers in the Ford Administration publicly denounced all efforts to drive down world oil prices.

### 1977: GAS TO BURN

When the Federal Power Commission was ordered in 1938 to set the interstate price of natural gas, there was some disagreement as to whether this meant controlling the price of the gas only after it reached the interstate pipelines or at the well. In 1954, the Federal courts finally ruled that controlling prices in the pipeline would be meaningless unless prices were also controlled from the very beginning, at the wellhead. It ordered the F.P.C. to do so.

Industry, the independent companies as well as the majors, fought back. First, they tried to get Congress—with the encouragement of a stunning outpouring of campaign contributions—to pass a law removing natural gas from all Federal controls. When this failed, industry lawyers tried the Supreme Court, arguing that the lower prices imposed by the F.P.C. were keeping explorers from looking for new gas supplies.

But the industry lost. In 1968 the Supreme Court ruled that the market regulation was fair: there was no evidence that the proconsumer prices were hurting gas exploration. The Court noted that every year, according to industry's own records, more gas was found and added to the reserves than was burned by customers.

It was a striking coincidence, to say the least, that industry reported an increase in its reserves every year until the Supreme Court's adverse decision and a decline every year since then. Now, for the first time in its history, the natural-gas industry began planting dire stories about shortages. To give these warnings substance, some companies fudged on their mandatory reports to the Government. James T. Halverson, director of the Federal Trade Commission's Bureau of Competition, said gas reserves in some areas were underreported by 1,000 percent. Congressional investigators said they found hundreds of wells capped in the Gulf of Mexico. Explorations for new gas plummeted. Beginning in 1971, the industry warned that "next winter" there would be shortages—enough shortages to close some factories and chill some homeowners. There were indeed shortages of a sort, created, as was later discovered, by some companies' hoarding supplies or transferring them from markets where they were desperately needed to markets where they weren't.

Through it all, as Homer Bigard reported in The New York Times, there were still some energy experts who believe the shortage was "a hoax perpetrated by the industry to force the Federal Power Commission to increase the price of natural gas sold in interstate commerce." For whatever reason, the F.P.C. did indeed heap new riches on the natural-gas peddlers; between 1972 and 1976, the price of new gas in interstate commerce was permitted to rise by more than 300 percent.

But the industry wasn't content. It wanted freedom from price regulation altogether, and it thought it saw its big opportunity in the energy package President Carter sent to Congress in 1977. To be sure, Carter took the position at first that he wanted to continue natural-gas price regulation, but it was plain that most of all he wanted to pass an energy bill—in almost any form—and that he would probably accept deregulation if he had to. Industry read the President right. When its friends in Congress, after months of debate, finished butchering the President's program, a bill arrived at the White House that would deregulate new natural gas, after regular annual increases, as of 1985. Carter signed it.

Suddenly there was once again an abundance of natural gas. Virtually overnight it became a surplus commodity. But the crisis had resulted in a slight difference. The price of gas of the average homeowner was now nearly 50 percent higher.

How could so many of these "crises" that turned out not to be crises have been allowed to happen? The most obvious answer is that there was virtually no resistance from the Government. No industry has been so pampered, so indulged in its waywardness, as the oil and gas industry. Every Administration supplies its own example of slavishness. In Nixon's days, the spirit was nicely caught by Interior Secretary Rogers C. B. Morton, assuring a group of oil executives at a White House briefing that they had nothing to fear from the Office of Oil and Gas because "our mission is to serve you, not regulate you. We try to avoid it. . . . I pledge to you that the department is at your service." And in the Carter Administration one could hear the soft symbolic graciousness in former Energy Secretary James Schlesinger's promise to American Petroleum Institute conventioneers that with Carter's help they would see over "the next 20 years, a Golden Age for the industry that will rival, in many respects, the romance of oil of the past."

But there is another crucial reason: the oil industry controls the books. It controls the statistics. No other industry of comparable importance gets to operate with such secrecy. If the Government wants to know how many cars G.M. has in inventory, the Government need only send an agent around to storage lots and count them. But, if it wants to know how much oil and gas Exxon and Mobil, for example, are sitting on, it must ask Exxon and Mobil. Whether or not the statistics it receives are accurate is anybody's guess. (And it may not receive the data it wants, at all; frequently, when the D.O.E. seeks sensitive details that would be really useful, the oil men take the bureaucrats to court and fight for their secrecy—it's a tough way to get the full picture.)

The only experts in how much oil and gas exist in the world, and where, are those who actually sink holes to find out. The U.S. Geological Survey which, from time to time, estimated present and future oil and gas reserves, doesn't do this. Neither does the Department of Energy. These agencies get their information from the industry. Obviously, those in the oil and gas business do drill wells, and they have a great deal of data. But they prefer to keep most of it secret. Rawleigh Warner Jr., chairman of the Mobil Corporation, was quite correct when he wrote in a recent letter to the editors of The Times that this is "a time when facts, and not villains, are badly needed." The reason the public, and many members of Congress, are so willing to make villains of the oil companies is that the oil companies have made it so difficult for anyone to get those facts.

For years, Senator Jackson had been considered one of Congress's half-dozen best-informed members in energy matters. But even he admitted, during his Senate investigation in 1974, that he didn't have the slightest idea what was going on. "We meet here this morning," he said, "in an effort to get the facts about the energy crisis. The facts are—we do not have the facts." For the next four days, he and other members of that subcommittee grilled the oil men, and came away virtually as ignorant as when they started. Senator Jackson ended with the confession that "the one point that this hearing has brought home clearly is our lack of timely, reliable, complete and credible information about the energy industry."

Then he ticked off a stunning list of blind spots: "We do not have reliable current data on primary crude-oil and product stocks, and there is no usable information at all on secondary stocks. Import statistics are covered with confusion and doubt. The wholesale-price statistics of the Federal Government regarding gasoline and fuel oil are not believable or usable. We know almost nothing about the international pricing and investment policies of the companies and the tax benefits they enjoy. . . . We are struggling here. It is the most ludicrous operation in the world when the United

States of America simply does not have the facts to deal with a problem of this magnitude."

That's the chairman of the Senate Energy Committee talking. If he felt ludicrously ignorant, what senator didn't?

In 1977, when the White House was trying to move Congress to vote on the natural-gas bill, Senator John Durkin said the information he was getting from industry and the bureaucracy left him totally baffled as to whether we "are running out of natural gas, or swimming in it. . . . We sit here today like map makers of centuries ago, attempting to chart unseen lands by relying on second-hand information."

He had cause to complain. One official at the Energy Research and Development Administration had just finished a study showing that there would be plenty of affordable natural gas for at least the next 40 years. But since this conflicted with the gloomy forecast currently pushed by industry, the study was killed. The runaround, and the complaints about it, are constant. Representative Bob Eckhardt of Texas, chairman of the House Commerce Subcommittee on Investigations, says, "The Department of Energy relies solely on information it pumps from the companies, and that's one hard pumping job. The information D.O.E. gets is always at least two or three months old. Congress goddamn well isn't going to make sensible decisions concerning problems it's facing right now on information that old. . . . And the preliminary figures may be as much as 10 percent at variance with the facts."

Last August, the Department of Energy cleared the oil industry of charges of hoarding during the summer's gasoline shortage. As investigations go, however, the D.O.E.'s wasn't much, for—once again—it had relied solely on data supplied by the industry and had, moreover, been unable to obtain information relating to industry activities later than May, although the worst shortages occurred in June and July.

The upshot of all this is that when Congress is confronted with such questions as whether to deregulate natural gas or whether to permit the President to decontrol the price of oil, it must base its judgment on only such information as the target industry will release. It gets little help from the U.S. Geological Survey, whose predictions have fluctuated wildly over the years and have often seemed suspiciously like propaganda aimed at supporting the industry's latest crisis. In general, Government officials have racked up an almost perfect record of inaccurate predictions. In 1970, for example, the President's Cabinet group studying imports concluded that if the import-quota system were phased out rapidly, the U.S. and Canadian oil industry (it was fair to think of them as a unit since about 75 percent of Canada's oil was controlled by United States companies) would be so productive that in 1980 it would be able to supply 92 percent of those two nations' needs without rationing and more than 100 percent of their needs with rationing—even if they were cut off from oil, yes, all, Middle Eastern and Latin American imports.

Today, still one year short of the time when that forecast was supposed to apply, the oil industrialists claim America faces a future of dependency and that they are helpless to meet America's demands without importing nearly half its oil from abroad. One might say that the two positions were a bit at variance; indeed, it seems obvious that neither the 1970 statistics nor those of 1979 have much usefulness.

So right at this moment the only genuine crisis we're certain of is a crisis of ignorance. The nation is chronically short of reliable energy data. Should it base its energy policy on, say, the pessimism of a James Schlesinger, who believes we will run out of oil and gas "in 30 or 40 years," or on the optimism of a Russel Long, himself an independent oil man and privy to the innermost councils of the industry, who says "it should be apparent to all that, as long as we have oil producers in this country, we will have oil. The only essential for the next 1,000 years is the oil producer"?

The question of who's right can't be answered so long as industry holds an information monopoly. This is not a hopeless problem. It could be solved most easily by following the suggestion of the A.F.L.-C.I.O. to nationalize the oil and gas industry, thereby coming into the possession of all the industry's secrets in one swoop. A less drastic way to break the monopoly on information would be for the Federal Government to begin financing exploration parties of its own—to get out and drill holes in the ground and find out what is down there, at least in a few key areas.

Although Senator Long hates the idea of the Government's doing such a thing as exploring for oil, he nevertheless admits the soundness of the principle. Borrowed statistics won't get the job done; geological hypotheses based on past experience may be useful but they are still guesswork. Truth lies in the drill bit. As Senator Long once put it. "Until one has explored, there is no reason on earth to assume one acre of land is any better than any other acre of land anywhere on earth."

Most of the unexplored land in the United States is in the Federal domain, so the Government's oil explorers wouldn't have trouble getting permission. And 98 percent of the Federal land has never been explored. A dozen Spindletops may be out there waiting to be found. Or perhaps the nation is truly running dry. We will never know for sure until we find out independently of the oil companies.

A leap in that direction has been proposed by several members of Congress in a variety of bills that would set up a Federal oil and gas corporation either to buy oil directly from other producing nations or explore for (and produce) oil and gas at home, or both. Getting the Government directly into the oil and gas business as a way to escape the stupidity of borrowed data and the market variables imposed by industry is not exactly a new idea. It was proposed in the Senate at least as early as 1920 and it has been cropping up periodically ever since in both houses of Congress.

Enthusiasm for the notion has so far been slight. But sooner or later, having grown sufficiently fed up with whatever crises lie ahead, Congress may decide to create an energy policy based on the substitute for villainy Rawleigh Warner was talking about. To do that, Congress will have to send its own buyers into the marketplace and its own roughnecks into the field.●

## THE GOLDWATER MYSTIQUE

● Mr. DOLE. Mr. President, as one who has taken an interest in Presidential politics in recent years, I must say I found yesterday's column by James J. Kilpatrick particularily provocative.

Entitled "The Goldwater Mystique," Mr. Kilpatrick's thoughts on our distinguished colleague, Senator GOLDWATER of Arizona, are worth sharing. Certainly, as one who has always admired Senator GOLDWATER, both as a fine Republican and a true statesman, I find that Mr. Kilpatrick's musings mirror my own thoughts concerning his value to his party and his Nation.

Mr. President, I ask that the article from the October 18, 1979, Washington Star be printed in the RECORD.

The article follows:

### THE GOLDWATER MYSTIQUE

The Republicans are having their problems these days, and I have a solution for them: Bring back Barry!

This stroke of inspiration derives from a book fresh from the press, With No Apologies (Morrow, 320 pages, $12.95), a personal and political memoir by the senior senator from Arizona. Hi ho, it sets the old adrenals pumping.

For many of us on the conservative side, Barry Goldwater's presidential campaign of 1964 had the unforgettable exhilaration of a great run on skis. It was downhill all the way, but by God, it was glorious. In the end, we wiped out. Lyndon Johnson swamped our man by 16 million votes; it was 486 to 52 in the Electoral College; we carried only six states—Alabama, Arizona, Georgia, Louisiana, Mississippi and South Carolina.

Eight years later, George McGovern would record a greater disaster for the Democrats, but the debacle of 1964 was the Republicans' Johnstown flood. The survivors emerged from the ruins battered and beaten, but we carried a banner with a great device: In our hearts we knew we were right.

Goldwater's memoir brings it all back, the whole crusade, the splendid futility, the joy of total commitment to a cause that was lost before it began. In the autumn of 1964, less than a year after the assassination of John F. Kennedy, no Republican candidate could have beaten LBJ. The country was not about to embrace a third president in a span of 15 months. Barry Goldwater gave his best effort. He waged a clean and honest campaign against a host of distortions and dirty tricks. Remember the TV commercial of the little girl picking daisies while the atom bomb explodes? Goldwater never had a prayer.

He recalls the campaign.

"In 1964 I addressed myself to the quality of life in the United States. I warned that a continuation of existing policies must inevitably lead to expanding bureaucratic control over the people's lives. I said that continued unbalanced budgets would bring on more inflation and that one day the sheer weight of the national debt would destroy our economy.

"I argued that government was necessary to protect the people from our enemies overseas, to restrain the greedy and the lawless and to provide a civil framework for the growth of commerce and industry. I said that everything else which needed to be done could be better done by the people themselves without government interference."

You will seldom find a better two-paragraph explication of Republican principles than Goldwater here provides. His memoir breathes the fierce, fire-eating spirit of a man who truly has kept principle ahead of politics all his life. When he first ran for the Senate in 1952, he told his beloved Peggy that "We are all required to pay rent for the space we occupy on this earth." His way of paying the rent was to fight in the political arena for the preservation of individual freedom.

At 70, Goldwater is the patriarch of his party. His unflinching integrity—his willingness to take stands that are unpopular but right—has elevated him to a high plateau of affection and respect. Like the English peer whom Dr. Johnson described as "a very good hater," Goldwater cherishes his animosities. He never forgave Sen. Wayne Morse of Oregon for defecting to the Democrats in 1955. He still nurses the pain of William Scranton's vicious anti-Goldwater letter at the GOP convention of 1964. He clings to a justifiable grudge against the media for badly reporting his campaign positions on Social Security, TVA and the use of nuclear weapons.

But the years have softened the iron man. Goldwater has grown old as the curmudgeon with a twinkle in his eye. He has class. And come to think of it: He's only a few months older than Ronald Reagan; he's been around Washington as long as Gerald Ford. At a time in his party's fortunes when John Connally is fighting for acceptance, when Howard Baker, George Bush and Bob Dole have failed to catch fire, perhaps the Grand Old Party could settle upon the Grand Old Man. A legion of the faithful would put on their skis again; in our hearts, we still know he's right.●

## MOTHER TERESA OF CALCUTTA AWARDED NOBEL PEACE PRIZE

● Mr. DURENBERGER. Mr. President, I note with pleasure the award of the Nobel Peace Prize to Mother Teresa of Calcutta. This selfless and saintly woman has spent 31 years working quietly to relieve poverty, hunger, disease and destitution among the people of India. Although a native of Albania, Mother Teresa is a citizen of the world whose mission it is to serve humanity, and it is a measure of her greatness that she was selected for the honor of the prize over many other worthy and better known candidates.

Mother Teresa's gift of greatness derives from her commitment to serve humanity not as an abstract mass but rather as a collection of individuals, each with his or her own unique qualities. As she once told author Malcolm Muggeridge, "welfare is for a purpose whereas Christian love is for a person." It is this exaltation of the individual which raises Mother Teresa's work above politics or ideology and lends to it the gift of grace.

It is thus fitting that the Nobel Committee has honored a woman who, in her own way, has contributed to peace, for in her dedication to the dignity of the individual Mother Teresa has given us all an understanding that peace is much more than merely the absence of war. As the committee recognized, peace is served when the welfare of the individual is made the end of action.●

## NATIONAL SCHOOL LUNCH WEEK

● Mr. DOLE. Mr. President, this past week was National School Lunch Week and millions of the Nation's students have participated in this weeklong observance.

National School Lunch Week was first proclaimed by the President in 1962 and since that time one week in October of each year has been set aside to observe school meal services and to pay tribute to the over 27 million students, over 68,000 school cafeteria workers and many others who make these feeding programs successful today.

### THE IMPORTANCE OF THE SCHOOL LUNCH

The school lunch program, I believe has and will continue to serve a vital function in this Nation's health. Few people would quarrel with the idea that American food habits have significantly changed over the past few decades. However, through the school food program many school children get a well-balanced, well-prepared meal every day. The nutrition education activities and personnel training workshops that have been offered in the past few years have all been designed to improve the student's food selection practices and strengthen the school cafeteria service. In addition, these services also strengthen the goal of improving the American diet.

### SENATE RESOLUTION 90

In February of this year, the General Accounting Office testified before the Subcommittee on Nutrition and reported that the Department of Agriculture had "little convincing evidence to support their proposed modifications in the school lunch program." Those modifications were in a form of a $100 million cut in the school lunch program. The GAO also emphasized the lack of program information and evaluation material to justify these cuts and changes. Because the GAO was not alone in making this observation, several significant policy issues were addressed through a resolution introduced by Senator McGOVERN and myself, Senate Resolution 90.

This resolution is requesting the Secretary of Agriculture to make a study of the programs administered under the National School Lunch Act. This study would include aspects of the school lunch and breakfast programs in regard to costs of the program, income of families participating in the programs, use of the programs for nutritional education, and contributions of the programs to the agriculture economy. This resolution passed the Senate on June 20 and I am hopeful that it will provide this needed information in these programs so that we can effectively evaluate their needs for the future.

On September 17, Senator McGOVERN and I introduced an amendment to the second concurrent budget resolution which would restore the $100 million previously cut from the school lunch budget, however, that attempt was tabled by a vote of 69 to 18. The attempt to reinstate this funding was based on the need to continue this vital program to its fullest extent and the uncertainty that now exists on the consequences that such a cut will have on the future of the program.

### FUTURE OF SCHOOL LUNCH

In light of this budgetary cut, I am sure that the school lunch program will continue to benefit the students in every school across the Nation which participates. I will continue my efforts to see that this program, along with the other feeding programs under child nutrition become more effective in helping to educate and provide good nutrition and eating habits and attain the goal of a more healthy American. In the coming months, the Senate Subcommittee on Nutrition will focus on this area and other areas of nutrition in the effort to secure the best information possible on good nutrition and legislate to make good nutrition available to each and every citizen.●

## PRESIDENT FORD AND 1980

Mr. DOLE. Mr. President, I want to speak briefly about a statement made today by former President Gerald Ford about his role in the 1980 Presidential race.

In that statement, President Ford stated clearly that he has made a firm decision not to become an active candidate for the nomination as the Republican Party's Presidential choice. He also said that he has no intention of entering any of the upcoming State primaries, nor will he participate or encourage others to participate on his behalf in the delegate selection process.

Mr. President, Gerald Ford has played an important part in the success of the Republican Party. When I came to Washington in 1961, he had already firmly established himself as a leader and shaper of Republican Party policy. Later, from his position as minority leader in the House, and as Vice President, he ably guided Republican forces, and spoke as a symbol of decency and good for Republicans and Democrats alike. As President of the United States, he led our country through difficult times with dignity and grace. It was my honor to serve as his Vice Presidential running mate in the 1976 elections.

Mr. President, perhaps no one in the United States understands our critical need for leadership better than Gerald Ford. And he believes that the challenges that face this Nation can best be met by the Republican Party.

I appreciate the candor of his remarks today. It is typical of him to speak openly and unequivocally about his intentions, and his statements have served to clear away the cloud of confusion that has surrounded his possible participation in the 1980 Presidential race.

It is my fervent hope and belief that Gerald Ford will continue to be active within our party, and provide guidance and perspective for those Republicans who are currently seeking the Presidency.

## HONORS TO SIR ARTHUR LEWIS

Mr. BRADLEY. Mr. President, I would like to honor a man of exceptional intellectual and academic abilities in his field: Sir Arthur Lewis, professor of economics and international affairs at Princeton University, and this year's joint winner of the Nobel Memorial Prize in economic science for his work on the economic problems facing developing nations.

Considered to be one of the leading economists in the world, Sir Arthur has taken a uniquely productive approach to economics by utilizing ideas instead of numbers. People, particularly those in developing nations, are his main concern; poverty and unemployment his nemesis. He is a firm believer that agricultural development is the key to economic well-being of the Third World. It was these characteristics that attracted the Royal Swedish Academy to choose Sir Arthur for the Nobel Prize, making him the first black to win a prize in the science categories. Of course, Martin Luther King, Jr., and Chief Albert Luthuli won Nobel Peace Prizes.

Born on January 23, 1915, on the island of St. Lucia in the British West Indies, he is the author of numerous papers and 11 books, including his most famous work, "The Theory of Economic Growth," published in 1955. In 1963, he was knighted by Queen Elizabeth II for his services as vice chancellor of the University of the West Indies. It was in that same year that he joined the faculty at Princeton.

In addition to his academic responsibilities, Sir Arthur is a consultant to a number of developing nations, including Jamaica and western Nigeria. He is also currently serving on an advisory council of the NAACP for national economic policy.

Sir Arthur Lewis has led a life full of accomplishment, with the Nobel Prize as its culmination. It is for this reason that I honor him here today on the floor of the U.S. Senate. I think Prof. Burton G. Malkiel, chairman of Princeton's economics department, stated it quite appropriately when he said of Sir Arthur: "He's the perfect counter individual to the maxim that nice guys finish last."

## ORDER FOR RECORD TO REMAIN OPEN AND FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 o'clock p.m. today to insert statements in the Record and introduce bills and resolutions, petitions and memorials, and that committees may have until 6 p.m. today to file committee reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

## REQUEST FOR COMMITTEE ON FOREIGN RELATIONS TO MEET DURING SENATE SESSIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, October 23.

Mr. TOWER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, October 24, 1979.

Mr. TOWER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday of next week.

Mr. TOWER. Mr. President, I object.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday of next week.

Mr. TOWER. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, October 29.

Mr. TOWER. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, October 30.

Mr. TOWER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Texas has spoken out in good clear speaking voice. I ask unanimous consent that the Committee on Foreign Relations be authorized to meet on Monday, October 22, to mark up the SALT treaty.

Mr. TOWER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, let the record show that each of the requests for the Foreign Relations Committee to meet was for the purpose of holding markup sessions on the SALT II treaty.

Mr. TOWER. I have no objection.

Mr. ROBERT C. BYRD. Mr. President, I renew my request because the Senator from Texas may have suffered pains of conscience. He may be remorseful. He may be ready to go to the mourner's bench. I ask unanimous consent, en bloc, that the Foreign Relations Committee may be authorized to meet during the session of the Senate on all of those days to hold markup sessions on the SALT II treaty.

Mr. TOWER. Mr. President, I object en bloc.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Texas has backslid to the point that I think he is just unsavable.

Mr. TOWER. Mr. President, I have learned that you can never be held accountable for what you do not say, so I shall not respond.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to be able to strike from the Record the word "unsavable" and insert in lieu thereof the phrase "past the point of redemption."

Mr. TOWER. I shall not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

## TIME-LIMITATION AGREEMENT ON KRUEGER NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, as in executive session with respect to the nomination of Mr. Krueger, there be a time limitation on that nomination of 2 hours to be equally divided between Mr. Church and Mr. Javits, provided there is no objection from Mr. Zorinsky.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, when I say "no objection," that is, to the time agreement, it is already ordered that the nomination will come up on Monday.

Mr. President, I am now informed that the 2-hour time agreement is agreeable with Mr. Zorinsky, and so that is that. What is done 'tis done.

## ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I move in accordance with the previous order, that there be sunshine throughout the weekend, including Sunday, and that the Senate stand in recess until the hour of 2:30 o'clock——

Mr. MATSUNAGA addressed the Chair.

## ADDITIONAL COSPONSOR

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the Senator from Minnesota (Mr. Boschwitz) be added as a cosponsor—I will give the bill number later—a bill by the Senators from Hawaii.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, what did the Senator say? What did the Senator ask for?

Mr. MATSUNAGA. That the Senator from Minnesota (Mr. Boschwitz) may be added as a cosponsor of a Senate bill numbered—it is on the telephone, just a minute—S. 1647.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Reserving the right to object, is the Senator from Hawaii sure now?

Mr. MATSUNAGA. I had to leave the telephone in order to keep the majority leader from adjourning.

I thank the majority leader.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

## ALMOST HEAVEN

Mr. MATSUNAGA. I might add, Mr. President, that the weather today reminds me very much of Hawaii. If any Member of the Senate has not yet been to Hawaii, I would urge him to go there as soon as possible, before it is too late, because once they have been there, they will at least know what Heaven looks like if they happen to go the other way.

I thank the Senator.

Mr. TOWER. Mr. President, I might note, if any Senator is going there, he better have a great deal of money or a fistfull of credit cards in his jeans.

Mr. ROBERT C. BYRD. Mr. President, I suggest that they stop in West Virginia on the way, the State that is almost Heaven. [Laughter.]

## LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the orders for the recognition of Senators are completed, the Senate go into executive session to consider the nomination of Mr. Robert Krueger, of Texas, to be Ambassador-at-Large and Coordinator for Mexican Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The conference report on the Defense Department authorization is expected to be called up on Monday. Also, the conference report on the D.C. appropriations bill, H.R.

4580. So there will be rollcall votes on Monday.

Mr. President, also next week, during the early part of the week, I should say, it is hoped that the Senate can proceed, not necessarily in the order stated, to the following measures, among others:

Calendar order No. 352, H.R. 3434, an act to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes. There is a time agreement on that bill.

Calendar order No. 379, S. 1873, a bill to establish a procedure for the processing of complaints directed against Federal judges, and for other purposes.

Calendar order No. 387, H.R. 4986, an act to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order of withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.

So, Mr. President, for the first few days of next week, it looks as though we have a pretty full platter. The conference report on the budget resolution should be coming along.

The Senate will not be coming in until 2:30 on Monday afternoon, which will give the Energy Committee, the Finance Committee, the Foreign Relations Committee, and other committees ample opportunity to work.

Later in the week it is anticipated that Mr. JACKSON's Committee on Energy will be reporting the energy bill. It is anticipated that Mr. LONG's Finance Committee will be writing the report on their tax bill.

The Foreign Relations Committte has been makng excellent progress on the markup of the SALT II treaty.

So it looks like good times are ahead. Rollcall votes will be held daily.

I would anticipate that following next Saturday, the much-despised Saturday sessions may become a reality, may even become a habit for a while. Thanksgiving is fast approaching and Christmas is not far behind. New Year's Day is not too far behind Christmas. Then the second session will begin. I would hope that we would have time off to enjoy the Thanksgiving turkey, for those who like turkey. Those who do not like turkey might eat ham.

In any event, Mr. President, I expect, before the Senate adjourns sine die for this session, we shall have completed action on the energy bill of Mr. JACKSON's committee, the excess profits tax bill, and the treaty. So I have adjusted my schedule to be here the rest of the year and also adjusted my schedule and canceled all engagements that I have made heretofore to be here on January 3, which, under the Constitution, is the day for Congress to reconvene. I have canceled all my engagements, prepared to be here on January 3—be out for New Year's Day, since New Year's Day is hallowed. But it is the intention of the leadership to press on and complete action on the energy measures and the treaty before the new session begins on January 3. If we cannot get it all done by then, we shall be back in on January 4, continuing our work.

I am not absolutely wedded to the necessity of doing the energy legislation. I have said all along we shall do the energy legislation before we do the treaty, but after the Committee on Foreign Relations—I still want to do it that way, but when the Foreign Relations Committee reports the treaty, then I shall consult with the distinguished chairman and the ranking member and we shall see what the circumstances are at that time and we shall govern ourselves accordingly. I shall be taking their advice and doing what I can to cooperate in every way.

Having said all that, let me stress once again the likelihood that there will be Saturday sessions after next Saturday, because we shall have plenty of work to do. I do not see very many smiles as I look around the Chamber.

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## RECESS UNTIL 2:30 P.M. ON MONDAY, OCTOBER 22, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 2:30 p.m. on Monday next.

The motion was agreed to; and at 2:30 p.m. the Senate recessed until Monday, October 22, 1979, at 2:30 p.m.

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## NOMINATIONS

Executive nominations received by the Senate October 19, 1979:

### IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

*To be first lieutenant*

Abelard, Clark E., [redacted]
Adair, William G. [redacted]
Addy, Michael, H., [redacted]
Adragna, Vito E., [redacted]
Aguirre, Donald G., [redacted]
Alexander, Donald W., [redacted]
Allen, David S., [redacted]
Ammons, Richard P., [redacted]
Anderson, Everend D., [redacted]
Anderson, Jack L., [redacted]
Anderson, Mark C., [redacted]
Andreen, Michael E., [redacted]
Angel, Edward L. [redacted]
Arey, William H., [redacted]
Arnold, Leslie C., [redacted]
Aydoner, Gani, [redacted]
Babbitt, Peter A. [redacted]
Bacher, Kevin C., [redacted]
Baddorf, William D., [redacted]
Bailey, Philip J., [redacted]
Baker, Clifford B., [redacted]
Baker, Robert G., Jr., [redacted]
Balluch, Eddie E., [redacted]
Barber, Jay R., [redacted]
Barker, Randy D., [redacted]
Barrett, Steven A., [redacted]
Basgall, Vernon J., [redacted]
Bauer, Dale R. [redacted]
Bauer, Ralph H., III, [redacted]
Baxter, Roger M., III, [redacted]
Beasley, George C., Jr., [redacted]
Beaulieu, Donald P., [redacted]
Belanger, John H., [redacted]
Belk, James E., [redacted]
Bell, Kenneth A., [redacted]
Belt, Carol L., [redacted]
Benelli, Allen W., [redacted]
Binder, Edwin H. [redacted]
Birdwell, Terry M., [redacted]
Bivona, Anthony C., [redacted]
Black, Kenneth A., Jr [redacted]
Blackwell, Jimmie A., [redacted]
Blankenship, Charles W., [redacted]
Blum, Carl T. [redacted]
Bounds, Eugene C., [redacted]
Bramblett, John D., [redacted]
Bray, Dale A. [redacted]
Brewer, Kenneth R., [redacted]
Brooke, Kenneth R., [redacted]
Brooks, Erma C., [redacted]
Brown, Alfred H., Jr., [redacted]
Brown, Dennis D. [redacted]
Brown, Joseph K. [redacted]
Brownell, Ronald E., [redacted]
Browning, David N., [redacted]
Bruderer, Leo L., [redacted]
Bruley, Robert A., Jr., [redacted]
Bryant, John R., [redacted]
Bryant, Michael A. [redacted]
Bucheger, Jerome P [redacted]
Buhler, Alan L., [redacted]
Bulger, Herbert W [redacted]
Burns, Steven L., [redacted]
Cain, Kelly A. [redacted]
Cain, Stephen M [redacted]
Calcote, William R., [redacted]
Canzano, Stephen J., [redacted]
Capulli, John J., Jr., [redacted]
Carson, Bruce M. [redacted]
Cear, James F., Jr., [redacted]
Cerezo, Samuel, [redacted]
Chapman, Michael R., [redacted]
Chatel, Richard E. [redacted]
Chesebrough, David E., [redacted]
Chiasson, John S., [redacted]
Ciocca, Anthony A. [redacted]
Clark, Patrick G., [redacted]
Cochran, Jesse L., [redacted]
Coleman, Allan M., [redacted]
Colyer, Robert R., [redacted]
Combs, Kenneth E., [redacted]
Conte, William A., [redacted]
Contreras, Ricardo A., [redacted]
Cope, Edward T., [redacted]
Copponex, Louis S., Jr., [redacted]
Cord, Patrick A. [redacted]
Cowley, Gregory, [redacted]
Craig, William O., [redacted]
Crane, Jeffrey S., [redacted]
Culp, Anthony M. [redacted]
Culp, Clark T. [redacted]
Daney, Leo E., Jr., [redacted]
Davenport, Alfred M., Jr., [redacted]
Davies, Robert R. [redacted]
Dawson, James J., II, [redacted]
Decker, Larita M. [redacted]
Decker, Richard H., II, [redacted]
Defrank, Stephen M., Jr., [redacted]
Delaski, Mark D., [redacted]
Denney, Craig A., [redacted]
Derrick, Theodore E., III, [redacted]
Deslauriers, Arthur D., [redacted]
Didonato, John, [redacted]
Dillman, Robert D., [redacted]
Donnalley, Gray R., [redacted]
Doolos, John D. [redacted]
Dorn, Ronald L., [redacted]
Druhet, Rogers J., III, [redacted]
Dugas, Keith J. [redacted]
Duns, Scott A. [redacted]
Duprey, Richard J. [redacted]

Durbin, Ronald C., [redacted].
Duron, Henry S., [redacted].
Dyke, Ronald L., [redacted].
Eakle, Jan D., [redacted].
East, Eric L. [redacted].
Eckert, Thomas M., [redacted].
Edmonds, William V., [redacted].
Edwards, David M., [redacted].
Eiting, David C., [redacted].
Ekelund, Karen A., [redacted].
Embry, Dick V., [redacted].
Engelbach, Jean A., [redacted].
Esseck, John C., [redacted].
Essenpreis, Terrence E., [redacted].
Fair, Kevin Z., [redacted].
Falconer, Thomas E., [redacted].
Falvey, Michael J., [redacted].
Fankhauser, Eric W., [redacted].
Fanti, Walter A., [redacted].
Faulk, Charles J., [redacted].
Findley, Clifford E., Jr. [redacted].
Finley, Robert T., [redacted].
Finnern, Michael L., [redacted].
Fiore, David J., [redacted].
Fitzpatrick, Joseph P., [redacted].
Flannigan, William, [redacted].
Foley, Michael F., Jr., [redacted].
Fonden, Robert W., [redacted].
Foraker, Gregory W., [redacted].
Ford, James M., [redacted].
Fowler, Ronald J. [redacted].
Franklin, Benjamin J., [redacted].
Furlough, Thomas L., [redacted].
Gaglio, Joseph P., [redacted].
Gamble, Lawrence W., [redacted].
Garcia, Manuel, Jr., [redacted].
Garner, Walter L., [redacted].
Gartner, Arthur E., Jr., [redacted].
Gibney, Michael P., [redacted].
Gilbride, John J., Jr., [redacted].
Gillespie, William E., [redacted].
Gillis, John W., [redacted].
Gladman, Daniel L., [redacted].
Glaser, Lee, [redacted].
Glastetter, Kenneth R., [redacted].
Glenn, Joseph B., [redacted].
Golden, Carl E., [redacted].
Golding, Donald J., [redacted].
Gomez, Antonio E., [redacted].
Goolsby, Elizabeth, [redacted].
Graff, Patrick W., [redacted].
Gravino, John F., [redacted].
Gray, Nathan E., [redacted].
Green, Zachary M. [redacted].
Gross, Donald W. [redacted].
Hadden, Ronald S., [redacted].
Hale, Michael D. [redacted].
Hale, William C., [redacted].
Haller, Glenn F., [redacted].
Hansen, Eric M., [redacted].
Hanshaw, Michael A., [redacted].
Hanslik, Gerhard M., [redacted].
Hanson, Thomas R., [redacted].
Haren, Kenneth A., [redacted].
Harkenreader, Daniel R. [redacted].
Harriel, Sidney O., Jr., [redacted].
Harris, Chavis W., [redacted].
Harris, John K. [redacted].
Harris, Richard S., [redacted].
Hasley, John E., [redacted].
Hathway, Jeffrey S., [redacted].
Haygood, Ronald L., [redacted].
Haymond, David L., [redacted].
Hays, Johnny R., [redacted].
Heard, Willie M., [redacted].
Hebert, Raymond J. [redacted].
Hemphill, David D. [redacted].
Henson, Kenneth N., [redacted].
Hester, Ellen F., [redacted].
Higgins, David B., [redacted].
Hoaglan, Gale D. [redacted].
Hodges, Claude A., Jr., [redacted].
Holder, James R., [redacted].
Holland, William L., [redacted].
Homeyer, William M., [redacted].
Horne, Jeffery G., [redacted].
Horne, Jerry D., [redacted].
Houk, Michael D., [redacted].
Howard, Philip W., [redacted].
Hoy, Patrick J., [redacted].
Hsu, Peter [redacted].
Hughes, William H., Jr., [redacted].
Hutchison, Larry D., [redacted].
Jackson, Cecil B., Jr., [redacted].
Jackson, James A. [redacted].
James, William L., [redacted].
Jeffcoat, Thomas M., [redacted].
Jefferson, Kenneth M., [redacted].
Jenny, Steven R., [redacted].
Jobe, James C., [redacted].
Johnson, Edgar E., Jr., [redacted].
Johnson, Mark A., [redacted].
Johnson, Wallace, [redacted].
Johnston, Mark F., [redacted].
Jones, Daniel D. [redacted].
Jozayt, Donald R., [redacted].
Karraker, Michael C., [redacted].
Keener, Charles L., II, [redacted].
Keethler, Gregory A., [redacted].
Kehler, John T., [redacted].
Kellner, Terry J., [redacted].
King, Thomas K., [redacted].
Klackle, Mike L., [redacted].
Kleinertz, Dale [redacted].
Klenke, Dwight A., [redacted].
Koebbe, Terrence A. [redacted].
Koerber, Alan J., [redacted].
Kohn, Allen E., Jr., [redacted].
Krishack, John F., Jr., [redacted].
Krutzler, Werner, [redacted].
Kunz, Jeffrey L., [redacted].
Lambert, Kenneth C., [redacted].
Lancaster, Robert G. [redacted].
Landis, Terry A. [redacted].
Lanzalotti, Gary A., [redacted].
Larkin, Patrick J., [redacted].
Laurenzi, Terry W., [redacted].
Lee, Robert W., [redacted].
Leist, James E. [redacted].
Lentz, Ralph M. [redacted].
Leonard, Douglas R., [redacted].
Letica, Michael J., [redacted].
Leu, Gary E. [redacted].
Lewis, Travis E., [redacted].
Lim, Donald [redacted].
Lippincott, Robert A., [redacted].
Loika, John D. [redacted].
London, John R., III, [redacted].
Lowry, Timothy M., [redacted].
Lucero, Louis D. [redacted].
Lukasek, Duane A., [redacted].
Luszcz, Edward T., Jr. [redacted].
Madden, Edward J., [redacted].
Maerz, Robert R., [redacted].
Malcolm, Randall A., [redacted].
Malloy, Christopher E., [redacted].
Mamula, Mark, [redacted].
Manning, Michael A., [redacted].
Manring, Kenneth, [redacted].
Martin, Thomas D. [redacted].
Martinez, Daniel J., [redacted].
Martinez, Louis R., [redacted].
Mason, Steven C., [redacted].
Mast, Terry L., [redacted].
Mather, Charles H., [redacted].
Matthews, Michael W., [redacted].
Maxwell, David L., [redacted].
McAllister, John A. [redacted].
McBride, James M., [redacted].
McCall, Terry M., [redacted].
McClelland, John C., III, [redacted].
McDonald, Thomas J., [redacted].
McDonnell, Robert E., [redacted].
McGuinness, Daniel B., [redacted].
McNicholas, Edward F., [redacted].
McNulty, William P., [redacted].
Mealka, Patricia R., [redacted].
Messmer, Barry W., [redacted].
Michel, Bernard E., [redacted].
Miedema, William P., [redacted].
Mikluscak, Andrew M., [redacted].
Miller, Devery S., [redacted].
Miller, Mickey J., [redacted].
Miller, Stanley R., [redacted].
Misuinas, Peter L., [redacted].
Mitchell, David F. [redacted].
Moats, Daniel F. [redacted].
Montague, Jerry J., [redacted].
Montgomery, William L., [redacted].
Moorhouse, Martha K., [redacted].
Morgan, Pat D. [redacted].
Murphy, Henry S., [redacted].
Murphy, Jack J., [redacted].
Murphy, Petrina B., [redacted].
Murray, Robert D., [redacted].
Nalabandian, Jacques, [redacted].
Neeves, Ted H. [redacted].
Negron, Jose A., Jr. [redacted].
Nelson, Michael A. [redacted].
Norman, Gregory L., [redacted].
Nozaki, Paul Y. [redacted].
O'Brien, Michael, [redacted].
O'Connell, Stephen M., [redacted].
O'Connor, Charles E. [redacted].
O'Keefe, Kevin S., [redacted].
Olson, Lois R. [redacted].
Olson, Richard J., [redacted].
O'Malley, Brian C., [redacted].
Omley, George R., [redacted].
Oreschak, John D., [redacted].
Outten, Michael W., [redacted].
Overbey, Michael B., [redacted].
Paige, Harry T., [redacted].
Palm, Steven C. [redacted].
Papa, Daniel T. [redacted].
Papp, Charles E., [redacted].
Parker, David W. [redacted].
Parkinson, David R., [redacted].
Parks, Jonathon W., [redacted].
Parrilla, Ezequiel, Jr., [redacted].
Parrish, Bobby R., [redacted].
Parsley, Duane Harold, [redacted].
Patrick, Robert W., [redacted].
Peddy, John T., [redacted].
Perry, Thomas E. [redacted].
Peterson, Alvin W., [redacted].
Peterson, Joel M. [redacted].
Pettigrew, Albert H., Jr., [redacted].
Phillips, Gregory P., [redacted].
Phillips, Scott R., [redacted].
Pickart, Bruce R. [redacted].
Polakowski, Thomas A., [redacted].
Poland, John R. [redacted].
Powell, Gary D. [redacted].
Power, Gregory H., [redacted].
Proctor, Kenneth C., Jr., [redacted].
Proctor, Stephen G., [redacted].
Pugh, George S., Jr. [redacted].
Pyburn, Ricky J. [redacted].
Quigley, Mark S. [redacted].
Ramm, Otto P. [redacted].
Randle, David L. [redacted].
Raralio, Rudy L. [redacted].
Rathke, Charles R. [redacted].
Ray, Thomas D. [redacted].
Rhodes, Patrick P [redacted].
Richter, Joesph J., Jr [redacted].
Riediger, Douglas D. [redacted].
Ripley, Elaine M., [redacted].
Robb, James A. [redacted].
Roberts, Gary L. [redacted].
Robertson, Thomas S., III, [redacted].
Roche, Michael E., [redacted].
Rogers, Marianne R. [redacted].
Rogers, Michael L. [redacted].
Rogerson, James H. [redacted].
Rosa, Raymundo, [redacted].
Rosemann, Walter E., Jr., [redacted].
Ross, William P. [redacted].
Rowland, Frank, [redacted].
Rowland, Wayne B., [redacted].
Rumgay, David A., [redacted].
Ruth, Jimmy W. [redacted].
Rutter, Robert A. [redacted].
Ryan, Charles J., [redacted].
Ryan, Charles J., [redacted].
Sample, Richard C [redacted].
Sandbothe, James F., [redacted].
Sanders, James D., [redacted].
Santoro, Carmen J., [redacted].
Saydjari, Razi [redacted].

Schmidt, Thomas D., [redacted]
Schoen, Jeffrey A., [redacted].
Schrader, Robert J., [redacted].
Schreck, Charles F., [redacted].
Schweinfurth, Carl R., [redacted].
Schweizer, Mark G., [redacted].
Sealey, Robbin G., [redacted].
Sears, Robert E., [redacted].
Seckman, Jonathan K., [redacted].
Sedran, Jonathan L., [redacted].
Seed, Richard J., [redacted].
Seem, Dennis A., [redacted].
Selden, Wellington A., Jr., [redacted].
Settle, Robert J., II, [redacted].
Sharpless, Ronald L., [redacted].
Siers, William R., [redacted].
Siler, Stetson M., [redacted].
Simpson, Mark L., [redacted].
Simpson, Roy L., [redacted].
Sims, Gary W., [redacted].
Singel, Kenneth R., [redacted].
Smith, David R., [redacted].
Smith, Herbert R., [redacted].
Smith, Michael J., [redacted].
Smith, Timothy S., [redacted].
Snyder, Larry D., [redacted].
Sorensen, Barry D., [redacted].
Speckels, Arthur W., Jr., [redacted].
Spicer, Walter R., [redacted].
Spray, Dennis F., [redacted].
Stanley, Mark A., [redacted].
Stearns, Bernard M., [redacted].
Steeves, Jon H., [redacted].
Stephens, Mark L., [redacted].
Stephenson, Billy M., [redacted].
Stevens, Robert E., [redacted].
Stewart, Charles R., [redacted].
Stivers, David A., [redacted].
Stotts, Richard H., [redacted].
Stover, Stephen H., [redacted].
Stowe, Russell A., [redacted].
Strasser, Nancy C., [redacted].
Sullivan, Dwight A., [redacted].
Summers, Donald L., Jr., [redacted].
Sumpter, Kenneth W., [redacted].
Sward, Steven H., [redacted].
Swisher, Gary A., [redacted].
Taguba, Virgilio U., [redacted].
Tanji, Frank T., [redacted].
Thomas, Arthur L., [redacted].
Thomas, Charles H., Jr., [redacted].
Thomas, John P., Jr., [redacted].
Thomas, Stephen W., [redacted].
Thompson, Ernest S., III, [redacted].
Thompson, Robert N., [redacted].
Thorn, Jacob G., Jr., [redacted].
Tindall, Michael W., [redacted].
Tipton, Larry L., [redacted].
Tisdale, Paul G., [redacted].
Todd, Elbert D., [redacted].
Tope, Chris L., [redacted].
Towery, James N., [redacted].
Trueman, Harold B., [redacted].
Tucker, Mark B., [redacted].
Turk, Michael C., [redacted].
Turner, Robin L., [redacted].
Tyler, Ward E., III, [redacted].
Vacca, Albert, Jr., [redacted].
Vaccaro, Victor J., [redacted].
Vacek, William J., [redacted].
Vanderven, Bruce E., [redacted].
Vanevery, Steven L., [redacted].
Vaughn, Larry R., [redacted].
Vignetti, John C., [redacted].
Villareal, Jesse C., Jr., [redacted].
Vouk, Richard L., [redacted].
Walker, Algie, Jr., [redacted].
Walker, Charles E., [redacted].
Waller, Earl D., [redacted].
Ward, Robert S., [redacted].
Wasem, Vaughn D., [redacted].
Watters, Michael J., [redacted].
Weathers, James F., [redacted].
Weaver, Steven J., [redacted].
Webb, Sherry D., [redacted].
Wedertz, James A., [redacted].
Weir, James M., [redacted].

Welch, David A. W., [redacted].
Welch, Patrick A., [redacted].
Wesselman, William D., [redacted].
Westbrook, Harold E., Jr., [redacted].
Westbrook, Thomas D., [redacted].
Wheeler, Kenneth L., [redacted].
Wheeler, Lonnie B., [redacted].
Widby, Ronald B., [redacted].
Wilder, Jack W., Jr., [redacted].
Wildman, Richard F., [redacted].
Wiley, Miles C., III, [redacted].
Wilkins, Harry H., [redacted].
Willems, Daniel J., [redacted].
Williams, Clarence R. A. L., [redacted].
Williams, Craig W., [redacted].
Williams, Kenneth V., [redacted].
Williams, Richard R., [redacted].
Wilson, Stuart E., [redacted].
Windham, Bryan L., [redacted].
Windt, Donald, [redacted].
Winney, David L., [redacted].
Witcher, Charles C., [redacted].
Withers, John S., [redacted].
Wnuk, Mark R., [redacted].
Wolczek, Roger S., [redacted].
Wolfley, Ross S., [redacted].
Wright, William H., [redacted].
Yanaros, Marcus W., [redacted].
Young, Mickey D., [redacted].
Zapata, Roberto, [redacted].
Zermer, John D., [redacted].
Zerneri, Stuart J., [redacted].
Zlotkowski, Joseph J., [redacted].

*To be second lieutenant*

Allen, Thomas M., [redacted].
Alsdorf, Mark A., [redacted].
Anstine, Hammond N., III, [redacted].
Anthony, Stephen J., [redacted].
Antoon, Fred A., [redacted].
Arthur, Robert S., [redacted].
Avery, Verne W., [redacted].
Balkham, Dennis A., [redacted].
Balzli, Ralph L., [redacted].
Barb, Robert E., [redacted].
Barnes, David A., [redacted].
Bennett, Robert P., [redacted].
Bintz, Donald G., [redacted].
Brandt, Steven A., [redacted].
Bright, Robert A., [redacted].
Brockman, Ben G., Jr., [redacted].
Buchheit, Edward L., [redacted].
Burris, Paula L., [redacted].
Campbell, Kevin D., [redacted].
Cavendish, Jay C., [redacted].
Chandler, Thomas C., Jr., [redacted].
Collins, James D., [redacted].
Colvin, Roger D., [redacted].
Cool, William L., [redacted].
Corbett, Michael W., [redacted].
Cornelius, Patrick E., [redacted].
Cox, Wesley R., [redacted].
Dahl, David D., [redacted].
Dardzinski, Lawrence A., [redacted].
Deiulio, Edward B., [redacted].
Delaney, Steven E., [redacted].
Dudzik, Michael C., [redacted].
Eberst, William A., [redacted].
Edson, Roger T., [redacted].
Eickhoff, Larry D., [redacted].
Embree, Wayne L., [redacted].
Engle, Dwight E., [redacted].
Faulk, Jerry, [redacted].
Ferreira, Julio F., [redacted].
Fuhrman, Thomas A., [redacted].
Gallaher, Paul D., [redacted].
Geery, James J., [redacted].
Gilbert, Kenneth E., [redacted].
Gillenwaters, Richard L., [redacted].
Gray, Larry S., [redacted].
Griffin, Wendell L., [redacted].
Grosshans, Thomas E., [redacted].
Gruber, Terry M., [redacted].
Grumet, John C., [redacted].
Halliday, Richard H., [redacted].
Hamill, Doris L., [redacted].
Hawley, Woodrow T., [redacted].
Heinz, Val M., [redacted].

Hill, Michael S., [redacted].
Hinnant, Francis G., [redacted].
Hobbes, Robert Q., Jr., [redacted].
Hoffman, Keith W., [redacted].
Hoffsette, Leon M., [redacted].
Holley, Cecil D., [redacted].
Horne, Thomas C., [redacted].
Humes, Thomas M., [redacted].
James, Forrest K., [redacted].
Johnsen, Leslie B., [redacted].
Jones, Gordon R., Jr., [redacted].
Jubinski, Stephen, Jr., [redacted].
Kalvin, Michael E., [redacted].
Kenney, Paul A., [redacted].
Kieffaber, Thomas M., [redacted].
Kimbro, Tony M., [redacted].
King, Stanley D., [redacted].
Kline, Randal R., [redacted].
Kohn, Robert M., [redacted].
Krieger, Joseph A., [redacted].
Laurence, Brian S., [redacted].
Laven, Tracy, [redacted].
Lazar, Gerald M., [redacted].
Lester, Rick W., [redacted].
Levy, Edward B., [redacted].
Logan, Chris D., [redacted].
Lokken, Gregory A., [redacted].
Lucci, Carmen A., [redacted].
Lucero, Fred M., [redacted].
Ludolph, Karl H., Jr., [redacted].
Lund, Eric G., [redacted].
Mackey, Glenn A., [redacted].
Martin, Gregory A., [redacted].
McCall, Edward M., II, [redacted].
McCammon, William C., [redacted].
McMeekin, Bryan W., [redacted].
McMillian, John Q., Jr., [redacted].
McNally, James J., [redacted].
Merritt, Ronald L., [redacted].
Meyers, Stephen L., [redacted].
Mitchell, Kenneth E., [redacted].
Montgomery, Michael E., [redacted].
Moore, John P., [redacted].
Moore, Michael J., [redacted].
Moore, Rickey A., [redacted].
Mountcastle, Barry W., [redacted].
Mucklow, Norman E., [redacted].
Murdock, Larry A., [redacted].
Murphy, Christopher P., [redacted].
Murphy, Greg S., [redacted].
Nagel, Kenneth P., [redacted].
Noa, James K., Jr., [redacted].
Nolan, John D. V., [redacted].
Novak, Don M., [redacted].
Nylund, Scott E., [redacted].
Ochinero, William N., [redacted].
OQuinn, Georgann E., [redacted].
Orlowski, Guy M., [redacted].
Parker, Richard L., [redacted].
Pasqual, John A., [redacted].
Pitts, Donald W., [redacted].
Powers, Frank J., [redacted].
Proctor, Gary D., [redacted].
Pryor, Steven K., [redacted].
Pulvino, Robert, [redacted].
Quintana, Edmund D., [redacted].
Reed, Michael A., [redacted].
Reich, Joseph F., [redacted].
Reiss, Raymond C., [redacted].
Richardson, Ronald P., [redacted].
Richwine, George C., [redacted].
Roach, Robert L., [redacted].
Roberts, Robert H., [redacted].
Roberts, Samuel A., III, [redacted].
Rogers, Robin M., [redacted].
Romer, David A., [redacted].
Ruth, John L., [redacted].
Salz, David, [redacted].
Saunders, Michael J., [redacted].
Schott, Joseph C., [redacted].
Schroeder, Bruce A., [redacted].
Scott, Harold A., Jr., [redacted].
Shelor, Charles F., [redacted].
Shinsky, Kevin J., [redacted].
Simmons, Larry J., [redacted].
Sintes, Gary M., [redacted].
Slate, Taylor A., [redacted].
Smith, Kenneth S., Jr., [redacted].

Snavely, Charles E., [redacted]
Spence, Timothy J., [redacted]
Spillman, Keith T., [redacted]
Stauber, James D., [redacted]
Steere, Kenneth W., Jr. [redacted]
Stein, Vicki K., [redacted]
Stevens, Richard A., [redacted]
Stough, James A., [redacted]
Strickland, Bradford B., [redacted]
Tarquinio, James J. M., [redacted]
Theis, William M., [redacted]
Trebon, Gregory L., [redacted]
Trego, Robert J., [redacted]
Troiano, Mark J., [redacted]
Troyer, Tim E., [redacted]
Tschupp, Gregory A., [redacted]
Vanderpoorten, Joseph E., Jr., [redacted]
Vanlaak, James E., [redacted]
Varney, Raymond E., [redacted]
Vercio, Carl F., [redacted]
Walby, Edward A., [redacted]
Walker, John W., [redacted]
Wallis, David R., [redacted]
Walter, Robert F., [redacted]
Watkins, James I., [redacted]
Weir, James A., [redacted]
Weiszhaar, David L., [redacted]
Welch, Steven M., [redacted]
White, Bruce K., [redacted]
Wilkins, Bruce G., [redacted]
Wills, Michael S., [redacted]
Wilson, James M., [redacted]
Wright, Mark C., [redacted]
Wright, Thomas B., [redacted]
Zirrolli, Joseph A., [redacted]

### IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be appointed ensigns in the line or staff corps the U.S. Navy, subject to the qualifications therefor as provided by law:

Brian W. Aamoth
Deborah D. Abney
Joseph Abraham
James C. Ackley
Ronald C. Adamo
Eric V. Adams
Richard C. Adams
Charles C. I. Addington
Joseph E. Aguon
Richard C. Ahlstrom
Frank M. Aichelmann
Richard Aiello
Milam W. Aiken
Stephen G. Albers
Martin Alcott
Frederick M. Alexander
William R. Allen
Charles E. Altizer
Philip J. Altizer, Jr.
Michael B. Ameling
Irish O. Amos
Gilbert C. Andersen
Blane K. Anderson
Eldon S. Anderson
Glenn R. Anderson
Keith R. Anderson
Richard H. Andrews
David S. Angood
Frances X. Apicella
Roy I. Apseloff
Richard J. Araiza
Michael F. Ardner
William N. Arens
Michael P. Argo
Brett C. Armstrong
Brian S. R. Armstrong
Chester A. Arnold, Jr.
Gary D. Atkinson
Paul F. Auerbach
Stanley M. Austin
Janet D. Axson
Andrew G. Baan
Katherine M. Badzioch
Barney J. Baker
Darryll P. Baker II
James E. Baker, Jr.
Michael L. Baker
Gil A. Balaoing
Christopher P. Bales
George W. Ballance
Walter F. Bankowski
Diane J. Barber
Gary W. Barber
Daniel R. Barbour
John D. Barbour, Jr.
John M. Barentine
Frederic A. Barg
Kevin R. Barker
Gregory W. Barnes
Michael V. Barnes
Mike Barnett
Edmund W. Barnhart
Ronald S. Barr
Robert H. Barrow, Jr.
Stephen M. Barry
Fritz J. Barth
Dana S. Bartlett
Robert M. Bassett
William G. Bassett
Glenn H. Bates
Keith F. Bates
Thomas R. Bates
John L. Bauer
Lawrence R. Baun
Richard C. Baxley
Edward J. Baxter
Thomas M. Bayley
Robert A. Beach
Scott D. Beach
Walter C. Beach
Mark D. Beatty
Timothy J. Beaty
William L. Bartels II
Mark L. Bebo
Denise L. Bechtol
James A. Beckett, Jr.
Steven W. Beckman
Jerome R. Becnel
Patrick L. Beekman
Jody A. Beer
Clifford F. Beeton
Philip G. Beierl
William J. Belkoski
Stephen B. Bell
Jeffrey M. Bellune
Kevin D. Bemis
Eric T. Bender
Robert C. Benford
John S. Bennett
Daniel A. Berenato
David W. Berg
Thomas A. Berg
Allan J. Berke
Kirk D. Berkhimer
Michael G. Berkin
Patrick J. Berry
Thomas F. Bersson
John S. Bethel
William J. Bettis
Larry L. Bezold
James R. Biermann
Brian A. Bird
Robert J. Birdwell
Steven C. Bitant
Ann E. Black
Harry V. Black
Max A. Black
John C. Blaha
Kevin L. Blair
Jon J. Blanchard
Kathleen M. Blanton
Stephen R. Blozis
Elvis E. Blumenstock
Peter C. Boardman
Mark W. Bock
Michael S. Bohn
Michael J. Boling
Bret L. Boman
Michael S. Bonem
Edward M. Boorda
Paul W. Bordley
Bill A. Boudouris
Robert W. Bougher
Robert W. Bowe
Robert O. Bowers
Dennis K. Bowman
Michael B. Boyd
Scott W. Boyer
Stephen T. Bracken
William J. Bradford III
Charles L. Bradley
Scott E. Bradley
Steven L. Bradley
Gregory P. Bradsher
Jerry L. Brady II
John G. Brady
Mark V. Brady
William M. Brady
John F. Brandeau
James R. Brandon, Jr.
Willard L. Brassell III
Richard J. Brennan, Jr.
Stephen M. Brennan
Gerard F. Brenner
Roger C. Brent
Mark R. Breor
Cheryl A. Bricker
Michael C. Brinkmann
Chauncey J. Brinn
Frank L. Britton, Jr.
Michael M. Brogan
Michael F. Brooker
John S. Brookes
Loren L. Brooks
Francis J. Brosnan
David S. Broughton
Adriel Brown
David M. Brown, Jr.
Jerome W. Brown, Jr.
Matthew L. Brown
William A. Brown
Timothy R. Brunker
Daniel L. Brunmeier
Conrad T. Bryan
Jerry W. Bryant, Jr.
John J. Bryant
Mark M. Brzozowski
Douglas B. Buchanan, Jr.
Edward C. Buckner
Charles I. Buechele
Kenneth P. Buell
Geoffrey R. Burke
John N. Burkett
John H. Burnette
Michael W. Burney
John D. Burpo
Raymond D. Burrows
James R. Burton
Mark C. Burton
Scott A. Burton
David R. Busby
Gregory C. Busche
Gregory E. Bush
Kelly D. Bustell
Michael T. Butler
Randall S. Butler
Richard F. Butts, Jr.
Lonnie L. Byers
William C. Byers
Robert C. Cadmus
Michael W. Cady
Gary L. Cain
Powell T. Calhoun II
Clive W. Campbell
Joseph F. Campbell
Peyton V. Campbell
Scott E. Campbell
Glenn E. Cann
Harold F. Cannon, Jr.
Richard G. Capitano
Gustave E. Carlson
Michael P. Carlson
Richard G. Caro
Brad H. Carpenter
Carl A. Carpenter
Thomas W. Carpenter, Jr.
Robert W. Carper, Jr.
Andrew D. Carr
Paul F. Carroll
Martha A. Carson
Clarence E. Carter
Albert V. Casale
Arthur F. Casavant III
Michael P. Case
Charles E. Cassidy
Ralph Castellucci
Paul C. Casto
Colin M. Caswell
John F. Cayton
Andrew J. Chabrol
Stephen D. Chace
Robert D. Chandler
Michael S. Charest
Mark J. Chartier
Grant W. Chernysh
Roger M. Childers
George T. Childs, Jr.
Steven R. Chism
Steven C. Chisolm
Stephen F. Christie
Richard J. Ciamacca
Nicholas C. Cimorelli
Lee W. Clarbour
David E. Clark
Gary S. Clark
George A. Cleveland
Ronald M. Cleveland
David A. Clopeck
Richard B. Coate
Steven J. Cobb
David D. Cobert
Matthew O. Coblentz
Mark W. Cochran
Michael H. Cochrane
Larry G. Coker
Daniel E. Coleman
James R. Collett
David M. Collins, Jr.
James J. Coltellaro
Mark A. Compton
Amy S. Comstock
Nicola F. Conicella
James W. Conley
Daniel J. Conn
Patrick E. Connolly
Robert E. Connolly
Marianne P. Consolazio
William S. Conway
Ferrel J. Conyers
Kevin E. Conyers
Stephen D. Conyers
Charles K. Cooksey
Noel T. Coombs
Benjamin D. Coomer
Curtis A. Cooper
Eris A. Copeland III
Michael W. Correa
Robert A. Corscadden
Louis J. Cortellini
Glen E. Couchman
Timothy L. Cowden
James W. Cowell
Robert W. Cowing
Dwayne B. Crawford
Kevin R. Crawford
Dean B. Creech
Charles G. Creedon, Jr.
Phillip R. Croom
Lyle M. Cross
David E. Crow
Steven D. Crow
Michael A. Cucchiarella
Martha E. Cuddy
Terrence M. Cummings
Robert C. Cunningham
James M. Curley
Albert Curry, Jr.
Jerry K. Curtis
Robert P. Cusick
Linda K. Cwik
Deborah Y. Cyrus
Eric R. Czarnecki
Michael K. Dahlman
Robert J. Dalessandro
Lee Dallman
Douglas R. Dalton
Pat F. Dalton III
Robert J. Daniels
William W. Darling
John B. Daskalos
George L. Daugherty, Jr.
Kevin N. Daulong
Daniel C. Davenport
Paul J. Davidovich
Mark H. Davidson
Claude H. Davis III
Garrett A. Davis
George E. Davis III
Hulen M. Davis, Jr.
Mark W. Davis
David P. Davison
Michael J. Dean
Thomas M. Dean, Jr.
Raymond F. Deatherage
Leland D. Deatley
Thomas J. Deau
Thomas M. Debortoli
Derek J. Decker
Michael H. Decker
Waldon A. Dedeaux
George W. Defazio
Richard T. Defilippo
James C. Degenhardt
Thomas P. Dehorn
William F. Delaney, Jr
Paul E. Delia
James P. Deluca
Michael A. Demers
Kevin P. Denham
Laurence NMN Dequay
Joseph E. Derosa
Michael J. Detzel
Timothy R. Devik
George E. Devitt
Laurie J. Dewind
Dean D. Dewolfe
Mark D. Dexter
Curtis W. Diehl
Barbara A. Digangi
Frank J. Digregorio, Jr.
John F. Diller
Paul A. Dinunzio
Glen W. Dishong
Debra A. Disilva
Theodore R. Ditch
William C. Dobson
James M. Doll
Ronald F. Dommermuth
Michelle K. Donahue
Michael J. Donch, III
Lynn M. Downs
John P. Driscoll
Daniel N. Dube
James D. Dubose
Jeffrey A. Dudas
Ronald R. Duff
John B. Duke
Scott E. Dukette
David E. Dumbacher
Steven C. Dunkelberger
Carlos A. Duran
Gary G. Durante
Benjamin L. Durrance II
Kevin J. Duscha
George J. Dzuricsko III
Bascom D. Eaker
Russell E. Early
Dave H. Ecklund
Alan K. Edmonds
Fred D. Ehrman
Barry Eichelberger
Eric A. Eichenmiller
Edward C. Eichmann
Sharon NMN Elaine
Michael S. Elder
Paul C. Ellington
Donald M. Elliott
Robert E. Ellis
Christopher D. Ellison
David W. Elwing
Flora M. Emerson
Patrick K. Emerson
Frederick T. Ender
Andrew D. Engelke
Teri R. Englebright
Timothy K. Ennis
William W. Ensign
David M. Eoff
William T. Erickson
Mitchell A. Eskew
Carlos J. Espinoza
Marlow D. Espinozahale
Webster B. Essex, Jr.
Michael G. Estrin
Norman D. Evangelista

Isaac K. Evans
Christopher L. Everson
Clifford D. Fagan
Timothy R. Fain
David J. Falletti
Christopher S. Francher
Joseph A. Faraone
Angela M. Farley
Michael G. Farmar
Philip G. Farrell
Bruce K. Fasterling
Anthony Faul
William H. Faulkinberry
Lynn C. Faust
Barbara L. Fawcett
Gregg D. Fawcett
Martin J. Fedenko
Edmond F. Feeks
John H. Fenter
Timothy L. Ferree
Mark Leon Fick
Samuel E. Fishel, Jr.
C. Scott Fitzgerald
John R. Fitzgerald III
Richard P. Fitzgerald
Robert A. Fitzgerald
Stephen J. Fitzgerald
Russell A. Fleischman
Paul B. Fleming II
Robert J. Fleming
Edmond J. Flick
Neil K. Flint
Paul V. Flondarina
Thomas H. Flournoy
Kent V. Flowers
Kenneth E. Floyd
Daniel W. Fogarty
Michael L. Foley
Theodore R. Follas
James K. Foote
Alan R. Ford
Michael J. Forster
Robert L. Forwood, Jr.
Norby L. Foss
David W. Foster
William F. Foster, Jr.
Richard B. Fowler
Barry H. Fox
Michael J. Fox
John D. Frager, Jr.
Jeffrey M. Frame
Michael J. Francis
David R. Frank
Robert M. Frankel
Kurt D. Franseen
David B. Franzen
Scott A. Fraser
Orville, J. Frazier
Gregory H. Freeburn
Steven G. Freeburn
Rhonda L. Freeman
Terrence M. Frost
William N. Fry IV
William L. Frye
Darrell N. Fujiyoshi
Gary F. Furr
Daniel NMN Fusco
Michael W. Gaines
Stephen J. Galick
Stephen T. Ganyard
Steven Gareri
Brett S. Garvey
John H. Garner II
Craig A. Gauch
James A. Gault
William C. Gawler
Richard C. Gayle
Kevin P. Holland
Eric B. Holmes
Charles G. Hopkins
Tracy W. Hopkins
Jeffrey G. Hollett
Robert A. Gearhart, Jr.
Dana E. Gedon
Hugh A. Geriak
James P. Gerner
Donald D. Gerry, Jr.
John R. Gibney, Jr.
Charles R. Gibson, Jr.
Anthony P. Gigioli
Theresa H. Gill
Kathleen M. Gillespie
Karl L. Gillette
Leslie M. Gioja
John NMN Giorgio, Jr.
Edward F. Girard
David N. Glass
Richard E. Glass
Thomas J. Gleich
Reginald A. Glenn
Steven D. Glore
Dennis L. Godfrey
Keith N. Goeke II
Mark A. Goessler
William E. Goin
Joseph Golebiowski
Niel L. Golightly
Patrick NMN Gomez
Wayne H. Gondeck
Maria A. Gonzales
Edward NMN Gonzalez
Norberto R. Gonzalez
Keith L. Goodale
Harry A. Goodman
Douglas L. Goodwin, Jr.
Thomas A. Goodwin IV
William E. Gorham, Jr.
Ronald S. Gossard
James L. Gough
John S. Graczyk
John M. Graesser
Deborah A. Graf
Dana E. Graham
Patrick J. Graham
Basil F. Gray III
William K. Gray
Gregory P. Green
Richard W. Green
Robert S. Green
David M. Green
Lowell C. Gregory
Thomas E. Gregory III
Christine E. Greulich
Matthew G. Griffin
Patrick J. Griffin
Thomas P. Griffin
Paul H. Griffith
Christopher NMN Grillo
Gary J. Grosicki
Richard C. Gross
Thomas C. Gross
Phillip A. Groves
Jeffrey W. Grubbs
Jeffrey K. Gruetzmacher
Eric W. Guenther
Joseph D. Guido
Glendon Gulliver
Daniel M. Gutierrez
Norman E. Gutzler
Carl J. Gutzman
Susan L. Guzauskas
Kenneth R. Haas, Jr.
Dennis A. Hackemeyer
Claude P. Hacker
Anthony B. Hadley
Joseph P. Hadley, Jr.
Andrew S. Haeuptle
Michael F. Hagan
Kevin M. Haggerty
Kimberly A. Haladay
Alan B. Hale
Norma S. Geerlings
Garth E. Geiglein
Michael R. Geisen
Thomas N. Gelles
Richard A. Gengler
John W. Halinski
Kirk A. Hall
Robert J. Hall
Terry L. Hall
Kenneth E. Halloway III
Benjamin M. Halpern
Brian J. Halsey
Mark B. Halvordson
James R. Hamel
Alexander E. Hamilton
Peter R. Hammerling, Jr.
Stephen D. Hancock
Peter A. Hanke
Jeffrey R. Hanson
Robert L. Hanson
Michael A. Hanten
Richard L. Harben, Jr.
William W. Harding III
George M. Hardy III
James P. Hargrove
James R. Harper, Jr.
Michael Q. Harper
Thomas F. Harper
John M. Harrington
Eric W. Harris
Frank E. Harris II
Michael R. Harris
Scott A. Harris
William E. Harris
Gregory D. Hartman
Mary R. Hartman
Mark W. Hartong
Gordon E. Hartway
Calvin E. Hastings
Bruce J. Haupt, Jr.
Mantford C. Hawkins II
Cathy E. Hayden
Halford I. Hayes
Charles T. Haynes, Jr.
Charles R. Headley
Joseph P. Healy
Regina M. Healy
John D. Hearing
Ross R. Hedeen
James D. Heerwagen
Martin H. Heflin
Charles K. Heisserman
William J. Helenberg
David NMN Helete
Linda J. Heller
Reed L. Helmly
Barbara J. Henderson
Todd A. Henderson
Thomas P. Heney
Gretchen E. Henrich
Peter D. Henry
Michael V. Henson
Michael J. Herbert
David R. Herman
Thomas E. Herrick
John D. Herring
Joseph L. Hertwig
Mark W. Herzog
Harrison A. Heublein
John N. Hicks
Kurt A. Hiebert
Joseph F. Hill
Leslie D. Hill
Martin D. Hiner
Craig N. Hinman
Mark S. Hinrichs
Donald P. Hinson
John F. Hirsch
Ryan R. Hitzeroth
Charles E. Hodges
Gerald J. Hoffman
Kent G. Hoflen
Brian P. Hogan
Ricky A. Holcomb
Brian E. Holian
Gregory S. Hoppenstand
James L. Horak
Thomas F. Horgan
Myron C. Horn
David B. Horton
Philip S. Hourihan
Thomas E. House
Catherine L. Houtz
Bruce T. Howard
James W. Howard
Robert P. Howe
Raymond W. Hower
Cleveland M. Howie
Daniel L. Hudson
Timothy H. Huete
Julius A. Hughes
Patrick J. Hughes
Michael E. Hulcher
Roy D. Hulett, Jr.
David M. Hulshouser
David A. Hulst
Michael J. Humphrey
James R. Humphries
Dwight R. Hunsicker
Robert E. Hunt, Jr.
Stephen M. Hunt
Timothy P. Hunt
Robert P. Hunte
Gregory A. Huskey
Darren D. Hutchinson
Thomas V. Hynes
James A. Icsman
Melvin T. Ingram
Steven R. Iselin
Gerald C. Ishizaki
Scott M. Israels
Gerald A. Jablonski
Antionne NMN Jackson
Charles C. Jackson
David B. Jackson
Gary W. Jackson
Sherwood C. Jackson, Jr.
Timothy J. Jackson
Herbert G. Jacobs
William H. Jacobs
Alton M. James
Michael P. Janac
Daniel W. Janson
Thomas J. Jardine
Aundra J. Jefferson
James H. Jeffries IV
Steven C. Jensen
Gary R. Jerauld
Brent W. Jett, Jr.
Jonathan O. Joaquin
Kirk G. Johansen
Bradley E. Johanson
Danny L. Johns
Clayton I. Johnson
Douglas K. Johnson
Joanne NMN Johnson
Joseph A. Johnson
Martin O. Johnson
Michael P. Johnson
Raymond L. Johnson, Jr.
Ronn C. Johnson
Steven C. Johnson
William Johnson, Jr.
Richard P. Johnston, Jr.
Thomas E. Johnston
Frank T. B. Jones
Mark W. Jones
Michael A. Jones
Michael G. Jones
Scot W. Jones
Jep C. Jonson
Robert O. Jordan
Herman J. M. Jorgensen IV
Jeffrey S. Joslin
Richard M. Joslin
William L. Judy
Jeffrey A. Julius
Thomas A. Kaiser
Michael J. Kalinowski
Paul L. Kane
Allen J. Kanuch
Jeffrey S. Kargel
Elizabeth Karschnia
Mark R. Kassoff
John F. Keane
Martin J. Keaney
Lawrence Keating
Daniel J. Keenan
Brian J. Keepers
Paul N. Keffer
Randal T. Keith
Frank E. Kelbe
Jonathan A. Kelchner
Billy L. Kelley
Daniel J. Kelly
Donald W. Kelly
Thomas R. Kelly, Jr.
Michael A. Kelsch
John M. Kennedy
Harold NMN Kennell
Brian P. Keogh
Gibson B. Kerr
Ralph W. Kerr
James A. Kessler
Paul R. Kiel
Andrew L. Kilgore
Joan M. Kilian
Mikel E. Killian
Fenn C. Kimball
Benjamin F. King
Jeffrey A. King
Scott G. Kinnear
Nils E. Kiell
Ronald C. Klassen
Beth A. Kleiman
John J. Kleinfelter
Paul D. Klimetz
Kathy L. Knauff
Ralph J. Knoebel
David J. Knox
Everett F. Knox
Charles E. Knutson
Kevin J. Koch
Clyde W. Koening, Jr.
Paul J. Kohler
Philip H. Kohn
Jeffrey S. Koonce
James A. Koppenhaver
Christopher A. Kotlarz
William M. Kovalchik
James P. Kovar
Michael J. Kovasckitz
Kenneth V. Kramer
Stephen G. Krawczyk
Kevin W. Kreidler
Walter M. Kreitler
Mark W. Kriebel
Jeffrey D. Kuehl
Tracy A. Kugler
Thomas M. Kule
Stephen L. Kullerd
Philip A. Kumler
Kyra E. Kunkler
Robert J. Kushner
Janis A. Kutkuhn
Joseph T. Kuzyk
John M. Lacrosse
Carl M. LaFrance
Paul A. Laird
Brian D. Lake
Laurence L. Landon
Kevin J. Lansing
Scott L. Larkin
William F. Larson
Peter J. Latta
Petra C. Lattmann
Richard D. Laughbon
Joseph C. Lavigne
Knut E. Lavine
Wayne Law
Dwight D. Layton
Edwin Lea, Jr.
David W. Leach
James F. Lebiedz
Mickey F. Lee
Frank J. Leech II
Eric J. Leeds
Richard A. Legere
John C. Legg
James P. Lehmann
Michael A. Leigh
Richard J. Leinenkugel
Robert L. Lennon
Mark S. Leonard
Wanda F. Leonard
Idenne M. Leslie
John D. Letaw
Clarke R. Lethin
Steven J. Letts
David A. Lewellyn
John F. Lewis
James K. Light
Robert F. Liguori
John M. Lillard
Christopher R. Lindsay
Paul J. Lindsey
Ernest R. Lineberger
Mary E. Livingston
Walter M. Locke, Jr.
Philip E. Logan
Larry A. Long
Robert L. Long
Nelson A. Longnecker
Joseph P. Lorenc, Jr.
David C. Lowe
David J. Lubinsky
Rimothy R. Luigard
James W. Lukeman
Gregg D. Lundquist
Michael P. Luning
Mark G. Lutkenhouse
Jerome M. Lynes
David B. Lynn
Michael S. Lyons
Warren NMN Lyons, Jr.
David P. McAfee
Raymond J. McAllister
James E. McAloon
Matthew R. McBride
Glenn W. McCall, Jr.
Michael R. McCarrell
Sammy C. McCarver
Jeffrey D. McClelland
John A. McConnell
William C. McCowan
James E. McCown III
William S. McCoy
James W. McDonnell
Francis S. McElroy
Robert E. McGarrah
David C. McGehee
James R. McGovern, Jr.
Kenneth F. McGuire
Dana R. McIntosh
James J. McIntosh
Steven A. McKechnie
Thomas D. McKenna
John M. McKenzie
Daniel J. McLaughlin
Dennis M. McLaughlin
Thomas J. McLaughlin
Donald E. McMackin
James P. McManamon
George L. McNary, Jr.
James F. McNeive
Gregory C. McPherson
Christopher L. McRae

David G. McRae
Donald A. Macaskill
George B. Macewen
Michael A. Macocha
Craig A. MacVeigh
James C. Maddock
Vivian I. Madison
Gregory L. Maffett
Stewart L. Magruder, Jr.
John L. Mahaffey
John V. Maher
Michael H. Maher
Peter A. Mahnke
Andrew A. Maimoni
Michael A. Malis
Roy W. Malone, Jr.
Joseph N. Mangin IV
Jonathan J. Manigo
Brian Manthe
Larry K. Manuel
Gerard M. Markarian
Andrew S. Marquardt
Donald J. Marrin
David K. Marsh
William D. Marsh, Jr.
Henry A. Marshall
James O. Marshall
Charite A. Martin
Frank K. Martin
John F. Martin
Jonathan B. Martin
Michael S. Martin
Richard G. Martin
Stephen M. Martone
Donald M. Maschoff
Cynthia M. Mason
John W. Mason
Joseph P. Mattis
Peter J. Mattiuz
Gregory M. Mazyck
Michael J. Mebes
Brian T. Mee
Louis D. Megehee III
Michael E. Meier
Samuel B. Melton
John A. Meneghetti
Charles A. Menickelly
Annette M. Merchant
Brian P. Meredith
Scott M. Merrill
Harry B. Merritt
Noel N. Merritt
Ernest L. Mester III
William R. Metzger
Dwain A. Meyer
Klaus U. Meyer
Steven L. Michals
Mark A. Michelini
Robert D. Middleton, Jr.
Andre Mielcarek
Stephen L. Miles
Brett T. Miller
Brian S. Miller
Glen E. Miller
Mark A. Miller
Mark E. Miller
Stephen M. Miller
Walter T. Miller
Carroll J. Milton
William A. Minor
Robert N. Mixon
Ralph H. Mizell
Michael W. Mock
Kevin S. Mode
Kris A. Moen
Jon J. Moench
Laurence R. Moffitt
Stephen E. Mohn
Michael L. Molhoek
Michael E. Monaco
James F. Monaghan
Christopher J. Monetta
Curtis W. Moore
Richard H. Moore
Randall W. Morehead
Christy A. Morgan
Johnny D. Morgan
William K. Morgan
Pearl M. Moriwaki
Christopher M. Morlock
William C. Morrill
James W. Morrione
William B. Morris
David A. Morrison
Joseph A. Mortensen
William J. Moseley
Anthony Motisi
John J. Moynihan, Jr.
John C. Mueller, Jr.
William A. Mugge
Christopher J. Mullarkey
Jeffrey A. Mullen
Carl D. Mullican
David J. Mullin
Christopher D. Mulloney
Joseph C. Munch
Clifford B. Munns
James A. Murdoch
John A. Murkey
Michael D. Murphy
Robert P. Murphy
Steven A. Murphy
Peter F. Murray
Mittie C. Muse
Joseph A. Musgrove
Matthew A. Muzzin
Harry L. Myers, Jr.
Larry W. Myers
Richard A. Myers
Richard D. Myers
Steven M. Nagorzanski
Granta Y. Nakayama
Kevin B. Neary
James A. Neff
Stephen M. Nellis
Blain L. Nelson
James P. Nelson
Richard C. Neuenfeldt
Mark E. Neuwirth
Jeffrey M. Nevels
Kenneth D. Newell
David A. Newland
Lawrence J. Newman
John E. Newton, Jr.
Thomas R. Nicholas
Charles L. Nicholson
Jeffrey L. Nickerson
Donald A. Niesen
Gregory A. Niesen
Michael F. Niles
Suzanne B. Nitkowski
David B. Nixon
Mark L. Noblit
Justin D. Noll
Richard P. Norris
Scott A. Norton
Robert B. Noxon
John R. Nussell
Michael J. O'Brien
James E. O'Connor
Thomas V. O'Connor III
Johann E. Odom
Michael R. O'Donnell
Robert M. Ogilvie
Kathleen M. O'Keefe
Joanne E. Olcott
Robert E. Oldani
Gary R. Oles
David A. Olivier
Allen M. O'Neal, Jr.
Michael E. O'Neal
Michael S. O'Neil
Brian C. O'Neill
Steven P. O'Neill
Walter H. Orawczyk
Scott A. Orosz
Michael E. Osburn
Jerry V. Osgood
Edward J. O'Shaughnessy
Jeryl T. Oswald
John F. O'Toole
Matthew J. Ott
Christopher D. Paddock
James B. Page
Mark R. Pahl
David M. Palmer
Richard L. Park, Jr.
Harrell K. Parker
Robert A. Parker
Timothy E. Parnell
Douglas P. Parsons
Mark S. Paschall
Michael J. Paske
Richard D. Pass
Rudolf J. Pata, Jr.
Rodney D. Patton
Mark C. Pauls
Ray A. Payton
Timothy J. Pearl
Diana L. Pearson
Joseph A. Pearson
Mark L. Pearson
Warren L. Pearson
David T. Peck III
James T. V. L. Peck
Keith M. Peecook
Richard H. Penn
Graydon T. Pennell
Richard H. Peoples
Zoran V. Perovanovich
David L. Perry, Jr.
Michael R. Perry
Reginald J. Perry
Daniel J. Peters
Mark H. Peters
Gregory M. Peterson
John W. Peterson
James T. Petroski
Carl D. Petterson
James M. Petty
Paul D. Pfenning
Thomas J. Phalon
Matthew T. Pfeiffer
William J. Philbin
David J. Phillips
John S. Pickel
James A. Piculas
Winfred P. Pikelis
Charles G. Pierce
Joe D. Pierce, Jr.
Leeann K. Pierce
Valerie J. Pilner
Delmer D. Piper
Richard J. Plant
Thomas N. Plante
David W. Platek
Craig A. Platel
Robert A. Playfair
Terry J. Pleasant
Timothy W. Pleasant
Paul M. Plescow
John C. Poelstra
Daniel E. Poliero
Jimmie D. Poore
Markus Popa
Cedric R. Porter
Conrad W. Porter
Scott M. Pottinger
Curtis J. Powell
Lucian M. Pravati
Robert T. Prescott, Jr.
Paul L. Preslar
William R. Prestwood
Clarence L. Prevost
Peter A. Price
Douglas S. Prince
Alden D. Pritchard
Scott R. Projahn
Louis L. Prudhomme
Christopher F. Psillas
Ivan A. Pupulidy
David A. Purvis
Gary C. Puschak
Adin P. Putnam
John Philip A. Putzig
Joseph O. Quintana
Karl A. Rabenhorst
John A. Rackliffe
Mark W. Radloff
David R. Radulski
Cal Rains II
Robert A. Ramsay
William M. Rand
Matthew E. Raney
Joseph Rappisi
Diana M. Rashash
Patsy E. Rawls
Steven A. Ray
Stevie J. Ray
Joseph W. Raynor
Mark T. Rayome
John J. Rea
James R. Reddington
Christopher A. Redford
Frederick W. Reed
Edwin L. Reese
Mark W. Reese
Scott S. Reeves
William F. Regan
Apryl D. Reid
Beverly J. Reid
Donald J. Reidy, Jr.
James C. Reinhold
Michael A. Rellins
Daniel J. Renaldi
Edwin S. Renegar
John C. Reyle
Thomas E. Rheinlander
Lynn E. Rice
Joseph A. Richards III
Byron G. Richardson
Elizabeth Richardson
Bruce W. Rideout
Steven Riker
James E. Riley
John W. Riley III
Kenneth H. Rimmey
Timothy W. Rinaman
Mark D. Rinzel
Thomas M. Ripp
Thomas J. Rippel
Michael J. Ritonia
David A. Rivard
David L. Roberson
Thomas E. Roberts
James E. Robertson
Steven T. Robinson
William C. Robinson
John E. Roe, Jr.
Murray O. Roe, Jr.
Frederick J. Roegge
Robert D. Roseler
John L. Romaker II
John A. Rood
Joseph J. Rooney
Stephen C. Rorke
Lary J. Rosenbloom
Edward D. Rosequist
Craig D. Ross
Edward P. Ross
William A. Rothwell
Michael D. Rowan
Keith B. Roys, Jr.
Michael E. Rudolph
Mark J. Ruger
Petronila Ruiz
John S. Runyon
Richard A. Russel
Dorthy S. Russell
James M. Russell
Luke P. Ryan
Terry M. Ryan
William E. Saalbach
Kenneth C. Sachs
Vincent A. Sakraida
Deborah L. Salfer
Colgate W. Salomon
Roger L. Sams
Michael W. Sanchez
Bertram C. Sanders
James E. Santarone, Jr.
Donald W. Sapp
John E. Sarcone
Sally A. Sartin
Michael B. Sartor
Wayne S. Satula
Richard E. Saulpaugh
Marshall L. Sauls
Joseph C. Savaglio
Thomas K. Sayuk
John A. Scali
Joseph E. Scalzo
Rosemary T. Scannell
William V. Scardina, Jr.
William E. Schaet
Howard D. Schafer II
Charles H. Schaffer
Jeffrey R. Scharver
Stephen H. Scheffer
Gerard C. Scheller
Suzanne K. Scheller
Dominique H. Schiffer
Dale R. Schleich
Jeffrey W. Schmidt
Jimmy B. Schneider
Richard A. Schoenberg, Jr.
David L. Schoendorfer
Dean L. Schoendorfer
Paul G. Schomburg
Glenn P. Schrader
Robert E. Schuetz
Paul W. Schuh
Dennis A. Schulz
Earl NMN Scott
Francis P. Scott
Kenneth D. Scott
Kevins NMN Scott
Donald R. Screen, Jr.
Patrick D. Scully
Gregory R. Sebold
James A. Seerden
James T. Semikoski
Michael W. Sexton
Horace W. Seymour III
Margaret M. Shannon
Lawrence A. Sharpe, Jr.
Candace Shephard
Donald G. Shepherd
James J. Sheridan
Daniel R. Sherman
Wesley D. Shermman
Richard M. Shields
Gregory A. Shock
Mark G. Schofner
Thomas L. Showalter, Jr.
James J. Sicari
Glenn G. Sigler
Dale E. Sigman
Robert E. Sigrist
Janice M. Silva
Philip C. Silvers
Donald L. Silverthorn
Anthony J. Simeone
Robert W. Simkins
Robert V. Simmons, Jr.
John J. Sims
Peter J. Sinatra, Jr.
Tracy L. Skeels
Michael T. Skinner
William J. Slocumb
James T. Slyfield
Chris W. Small
Joseph Smetana, Jr.
Kornelis Smit
Andrew C. Smith
Charles D. Smith
David E. Smith,
George C. Smith II
James E. Smith II
James W. Smith
Matthew NMN Smith
Michael C. Smith
Paul J. Smith
Ray A. Smith
Richard B. Smith
Richard L. Smith
Robert H. Smith
Scott O. Smith
Winston NMN Smith
Ann L. Smyth
Philip E. Sneed
Edward O. Snelgrove
Kenneth S. Socie
Robert G. Soechting
James D. Sohl, Jr.
William S. Sommerhof
Dennis R. Sorensen
William D. Sorfleet
Alan W. Spannagel
Joseph A. Spata
Donald S. Spear
Francis M. Speeder
Joseph C. Spitek
Susan G. Spivey
Mark H. Sprenkle
Duane T. Spurrier
Vincent A. Squitieri
Martha T. Stack
Jonathan H. Stairs
David A. Stanton
Stephen M. St. Denis
Lee A. Stebbins
Stewart E. Steen
John A. Steigers
Chris G. Stein
Frederick A. Steiner
Christopher M. Steinnecker
David M. Stemmler
John K. Stenard
David H. Stenquist
Matt W. Stephenson
John J. Stettler
James Stevens
David J. Stewart
George E. Stickle III
William J. Stillman II
Jesse W. Steinnette, Jr.
Paul E. Stoecker
Steven R. Stokes
Mark H. Stone, Jr.
Michael R. Stone
Robert W. Stone
William T. Stoneman
Robert B. Stoney
Harlan A. Stork
William R. Stoughton
Kenneth A. Stover
Clifford D. Strat
Thomas J. Strei, Jr.
Stacey J. Strickland
Thomas B. Strohl
Mark H. Stroman
Frank H. Stubbs III
Howard L. Stuckey
Kenneth W. Studebaker
Henry B. Stueber
Donald A. Stumbo, Jr.
Raymond J. Sturm
Mark F. Sudol

Lee M. Sugimoto
Barry J. Sullivan
Mark A. Sullivan
William M. Sullivan
Charles G. Summers
Stephen G. Sutch
Robert C. Swanekamp
Ronald E. Swann
Mark W. Swarthout
Andrew P. Swayne
James J. Sweeney
Richard F. Sweeney
Kenneth M. Switay
Richard P. Syliva
Kevin D. Taberski
Robert L. Takacs
Kent R. Talmon
Eric C. Tangen
Bobby H. Tanks
Jeffrey B. Taub
John A. Taylor
Matthew C. Taylor
Michael C. Taylor
Jeffrey A. Teal
Hugh H. Tenhagen
Edward Tenhoeve III
Patrick J. Terry
Joseph B. Thomas, Jr.
Mark S. Thomas
Richard T. Thomas
Thomas J. Thomas
Eric K. Thompsen
Daniel B. Thompson
David M. Thompson, Jr.
Edward D. Thompson
Gary C. Thompson
Maryhelene Thompson
Stephen N. Thompson
Dale R. Thrasher, Jr.
John A. Throckmorton
Albert W. Tiedemann III
Michael P. Tillotson
Michael G. Tinman
David W. Titley
Gary M. Ton
Robert C. Torgesen, Jr.
Michael E. Tousley
Schuyler J. Townsend
Joseph J. Trainor
Jonathan T. Treacy
Thomas E. Trepanier
Jerry D. Tribble, Jr.
Raymond F. Tripp
John R. Trotter
Kevin B. Trout
Paul T. Tsutsumi
Richard H. Tuey
Carl R. Turner II
Kenneth L. Turner
William M. Turner
John J. Turonis
Michael F. Tuzzulo
Charles S. Ude
Kevin J. Udell
Juan C. Ugarte
Valerie F. Uhler
Max W. Underwood
Michael D. Updike
Christopher W. Urban
Robert F. Urso
Jay L. Vadnais
John R. Valle
Claude P. Valliere
Mark A. Vance
Samuel M. Vance
David NMN Vandegrift
Robert J. Vandenberg
Bruce A. Vandenbos
Carl D. Vanderbilt
Brian K. Vanderyacht
Larry F. Vandessel
Benjamin R. Vandiest
Steven E. Vandyk
John F. VanGilder
Charles L. Vangorden, Jr.
Richard H. Vannatta
Han J. Vanoekel
Thomas L. Varney
Clovis B. Vaughn
Daniel L. Vaughn
Lawrence M. Vellucci
James M. Veneziano
Edward F. Veres
James M. Vernon
Stephen M. Vetter
Steven J. Videon
Michael L. Villringer
Steven R. Viscanti
Christopher M. Vitt
Patricia J. Vogler
William B. Wager
Bruce A. Wakefield
Nora S. Walchessen
Douglas D. Walker
Elmer B. Walker
Wendel V. Walker
Daniel G. Walter
Michael D. Walters
Joel B. Wannebo
William R. Ward
Bruce E. Ware
Patricia F. Warren
Wesley W. Warren
Ricky S. Wasdin
Kelene S. Wassermann
James A. Watson, Jr.
Stephen P. Watson
Thomas A. E. Watson, Jr.
Michael K. Watts
Carl S. Weary
Michael J. Weaver
Karl A. Webb
Richard E. Webb
William M. Weddleton
Edward L. Weikle
Raoul N. Weiller
John M. Weir
Ronald E. Weisbrook
Gary T. Weiser
Mitchell M. Welch
Thomas L. Welling
Nolan W. Wells
David J. Welt
Paul W. Werner
Richard K. Werner
Thomas S. Werner
William B. Wesselman
Sheila A. West
Darrel E. Westbrook III
Mark E. Wheeler
Robert F. Wheeler
Cameron S. White
Clifton T. White, Jr.
David D. White
David L. White
Jerald M. White
Marianne NMN White
Patrick J. White
Emett D. Whitis, Jr.
John D. Whitley
Carl R. Whittaker
Jeffrey B. Whitting
Samuel H. Whitting, Jr.
Frederick J. Whittle
James R. Wholly, Jr.
Dale E. Wickizer
Francis P. Wiegland, Jr.
Michael A. Wienandt
Timothy S. Wiest
Brian Wild
Michael G. Wilda
Robert L. Wilhelm
Douglas D. Wilkerson
Terry M. Wilks
Joe L. William, Jr.
David R. Williams
Kellend D. Williams
Michello D. Williams
Ranell Williams, Jr.
Seth Williams
Stephen B. Williams
Colin W. Williamson
David H. Williamson
Dennis P. Wilson
Jimmy L. Wilson
John G. R. Wilson
Kenneth A. Wilson
Robert K. Wilson
James D. Winberg
Christopher G. Winberry
Djaunnia D. Winfield
Arthur P. Winfrey IV
David F. Winkler
Fred D. Winkler
David J. Winkowski
Thomas J. Winkowski
Robert S. Winneg
Timothy S. Winsky
Dale W. Winstead
Michael S. Winsten
Gregory S. Winter
Theodore I. Winter
Kermit C. Wittenburg
William G. Wnuck
Frances B. Wolf
Douglas A. Wolfe
Kevin P. Wolley
Vincent Woo III
Daniel S. Wood
Roy L. Wood, Jr.
Mark S. Woolley
Japhet P. Woolston
Robert W. Worrell
Robert A. Wozniak
Mark L. Wright
Walter F. Wright III
Raymond K. Wynne
Ann M. Wytzka
Steven W. Yancey
Guy A. Yarter
Phillip T. Yontz
Frank A. Young
Jeffrey S. Young
Vernon D. Young
Joe D. Youngblood
Carl A. Youngdale, Jr.
Sara A. Zak
Bruce D. Zaloski
John Zanoff III
George S. Zeigler
Brett N. Zeitz
Robert A. Zellmann
Robert G. Zielinski
Atis V. Zikmanis
Joseph H. Zilvinskis
Richard C. Zimmer
Christopher T. Zirps
Richard L. Zolman, Jr.

The following-named (U.S. Navy Reserve officers) to be appointed permanent captains in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

John C. Fulmer
Rodolphe A. Grenier
Robert W. Taylor

The following-named (U.S. Navy Reserve officers) to be appointed permanent commanders in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

Richard O. Carstensen
Mario B. Ines
John W. Laing
Boston S. Shima

The following-named (U.S. Navy Reserve officers) to be appointed permanent lieutenant commanders in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

Bruce D. Beck
Daniel E. Boyle, Jr.
Joseph J. Chiaro
Richard T. Harrison
Robert J. Hartzman
Dennis L. Hoover
Andrew J. Kane
Ronald J. Klayton
Michael H. Lake
Eva M. Lisiewicz
Jose D. Llibre
Bruce P. Machaffie
James F. Means
Theodore F. O'Donnell
Richard B. Peterson
Billy B. Richmond, Jr.
William E. Speed
Edwin R. Willgress, Jr.

The following-named (U.S. Navy Reserve officer) to be appointed a permanent lieutenant commander in the Dental Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

Peter V. Rogers

The following-named temporary chief warrant officer to be appointed a permanent chief warrant officer in the U.S. Navy subject to the qualifications therefor as provided by law:

*Thomas E. Davis III

The following-named (U.S. Navy Reserve officers) to be appointed temporary commanders in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

Ronald J. Klayton
Jose D. Llibre
Edwin R. Willgress, Jr.

The following-named (U.S. Navy officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

James A. Anthony

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Orr M. Cobb, Jr.
Loren G. Larsen
John G. Meyer
Henry Travers

The following-named (Ex-U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Sidney M. Blair
*Bartholomew T. Hogan
*Robert J. Schultz
*Arthur M. Smith

The following-named (U.S. Navy officer) to be appointed a temporary commander in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*William R. Garrett

The following-named (U.S. Navy officer) to be appointed a temporary commander in the line, in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*John H. Rixse

## CONFIRMATIONS

Executive nominations confirmed by the Senate, October 19, 1979:

### DEPARTMENT OF AGRICULTURE

James C. Webster, of South Dakota, to be an Assistant Secretary of Agriculture.

### DEPARTMENT OF DEFENSE

Robert W. Komer, of Virginia, to be Under Secretary of Defense for Policy.

Edward Hidalgo, of the District of Columbia, to be Secretary of the Navy.

### PANAMA CANAL COMMISSION

Dennis P. McAuliffe, of New Jersey, to be Administrator of the Panama Canal Commission.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

### IN THE AIR FORCE

Air Force nominations beginning Douglas A. Abbott, to be lieutenant colonel, and ending Mattie K. Genco, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 4, 1979.

### IN THE ARMY

Army nominations beginning Colbert L. Flanery, to be colonel, and ending Eugenia A. Vineys, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 4, 1979.

Army nominations beginning Bruce C. Abbott, to be first lieutenant, and ending Daniel T. Ford, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 4, 1979.

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*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 3 August 1979–5 September 1979).

# HOUSE OF REPRESENTATIVES—*Friday, October 19, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, from whom we have been given the gift of life and all creation, we thank You that You continue to judge and direct us, to forgive us, and to assure us with hope.

We pray for all people with any special need—for the poor and the hungry, for the lonely and forgotten. We acknowledge with joy the ministry of Mother Teresa of India whose devotion to the needy is celebrated by the whole world.

Cause us all to dedicate ourselves to lives of sharing with those in need, for it is in giving that we receive the bounty of life. This we pray. Amen.

## THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. **GUYER**. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The **SPEAKER**. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **GUYER**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 309, nays 8, answered "present" 4, not voting 112, as follows:

[Roll No. 584]

### YEAS—309

Abdnor
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bingham
Blanchard
Boner
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Burgener
Burlison
Burton, Phillip
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Corman
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dicks
Dodd
Donnelly
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Hightower
Hinson
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Pritchard
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Luken
Lungren
McClory
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Mitchell, N.Y
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Preyer
Price
Pursell
Quillen
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Ritter
Robinson
Roe
Rostenkowski
Roth
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stratton
Studds
Stump
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Tex.
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.

### NAYS—8

Jacobs
Jenrette
Lloyd
Lowry
Quayle
Schroeder
Walker
Wilson, Bob

### ANSWERED "PRESENT"—4

Forsythe
Minish
Neal
Zablocki

### NOT VOTING—112

Addabbo
Ambro
Anderson, Ill.
Anthony
Applegate
Ashley
AuCoin
Barnes
Beard, Tenn.
Bevill
Biaggi
Boggs
Boland
Bolling
Bonior
Bonker
Brown, Calif.
Brown, Ohio
Buchanan
Burton, John
Byron
Carr
Cavanaugh
Chisholm
Cleveland
Collins, Ill.
Conable
Conyers
Cotter
Coughlin
Courter
Crane, Philip
Dellums
Derrick
Dickinson
Diggs
Dingell
Dixon
Dornan
Dougherty
Downey
Duncan, Oreg.
Edwards, Okla.
Evans, Ga.
Fazio
Findley
Flippo
Flood
Ford, Mich.
Ford, Tenn.
Fountain
Garcia
Gibbons
Goodling
Guarini
Harsha
Heftel
Hillis
Holland
Holtzman
Horton
Jones, N.C.
Kogovsek
LaFalce
Leach, La.
Lee
Long, Md.
Lott
Lujan
Lundine
McCloskey
McDonald
McEwen
Mathis
Miller, Calif.
Mitchell, Md.
Moffett
Mollohan
Murphy, Ill.
Murphy, N.Y.
Nowak
Oakar
Pepper
Pickle
Rahall
Reuss
Rinaldo
Roberts
Rodino
Rose
Rosenthal
Rousselot
Runnels
Santini
Scheuer
Seiberling
Simon
Spellman
Steed
Stokes
Swift
Treen
Ullman
Van Deerlin
Vander Jagt
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Young, Alaska
Zeferetti

□ 1010

So the Journal was approved.

The result of the vote was announced as above recorded.

## FOOD IS TOO HIGH COMPARED TO WHAT?

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **STENHOLM**. Mr. Speaker, I want to remind my persistent Republican colleagues, who maintain a 100-percent negative rating of President Carter, that agriculturally speaking, it was under the immediately previous Republican administrations that we experienced price controls on beef, embargoes on grain exports, and fence row to fence row planting policies that collapsed our markets in 1977. The Soviets were allowed to steal our grain from the farmer, the taxpayer subsidized the sales, and the consumer paid the bill.

Today under the leadership of Secretary of Agriculture Bob Bergland, a new and innovative farmer-owned reserve system has allowed our farmers to participate more fully in the fruits of the market when once again the Soviets are buying. Beef prices today are at fair levels to the producer and no one in this administration is suggesting price controls.

To those who say food is too high, I ask you "Food is too high compared to what?" In 1938, 1 hour of labor would buy 13 pounds of sugar. Today, that hour of labor buys 21 pounds of sugar, 57 percent more.

Even though most farm prices are still too low, we are headed in the right direction.

□ 1020

## POINT OF ORDER

Mr. **ASHBROOK**. Mr. Speaker, I rise to make a point of order.

The SPEAKER pro tempore (Mr. WATKINS). The gentleman from Ohio (Mr. ASHBROOK) will state his point of order.

Mr. ASHBROOK. Mr. Speaker, section 305(d) of Public Law 93-344 states as follows, as far as the Committee on the Budget is concerned, it indicates:

> If, at the end of 7 days, excluding Saturdays, Sundays, and legal holidays, after the conferees of both Houses have been appointed to a committee of conference on a concurrent resolution on the budget, the conferees are unable to reach agreement with respect to all matters in disagreement between the two Houses, then the conferees shall submit to their respective Houses, on the first day thereafter on which their House is in session—
>
> (1) a conference report recommending those matters on which they have agreed and reporting in disagreement those matters on which they have not agreed; or
>
> (2) a conference report in disagreement, if the matter in disagreement is an amendment which strikes out the entire text of the concurrent resolution. * * *.

I would raise the point of order that, according to the calendar of the House of Representatives, on October 5, the second concurrent budget was sent to conference, and even under the most liberal interpretation of the days we have been in session since that point, section 305(d) of Public Law 93-344 has not been followed.

The SPEAKER pro tempore. Under the Budget Act, this is a matter that is under the control of the conferees.

Mr. ASHBROOK. Mr. Speaker, I would make a further point of order that the rule says, "shall submit to their respective Houses * * *."

I would indicate that is not discretionary. That is a requirement which has not been met inasmuch as a conference report has not been brought back to the House either in disagreement or agreement. I would raise that point of order at this point.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. Mr. Speaker, I yield to the gentleman from California.

The SPEAKER pro tempore (Mr. WATKINS). The Chair will hear the gentleman from California on the point of order.

Mr. PANETTA. Mr. Speaker, I am a member of that conference. This issue was raised yesterday evening in discussions in the conference. The interpretation of that provision was that we felt if in fact the members of the conference were in disagreement that, therefore, a report should be made to the respective Houses indicating that that was the case.

The fact is that that is not the case, that both sides are moving toward an agreement; and it was the feeling that the intent of that section was to insure that if in fact the parties were moving toward an agreement, that this ought to proceed, and we ought not to be cut off with a report back to the House if in fact we are moving toward agreement.

Today, we have extended it. We are going to be back in conference at 11 o'clock. Should it appear that there is no agreement as to the terms, that, indeed, we would come back to our respective Houses; but that was the feeling and the interpretation of that particular section.

Mr. ASHBROOK. Mr. Speaker, I withdraw my point of order until at least Tuesday then.

## AID TO FINANCIALLY AILING HOSPITALS

(Mr. RICHMOND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHMOND. Mr. Speaker, the fate of Brooklyn Jewish Hospital hangs by a slender thread. For the past 2 weeks, I have been working with a bipartisan coalition including New York State officials and Senators JAVITS and MOYNIHAN and Members of the House of Representatives in urging the Carter administration to save the hospital from closing.

While these emergency efforts continue, we in Congress must immediately address ourselves to long-term solutions to the cash flow problems of Brooklyn Jewish and of other public and private nonprofit hospitals in similar straits.

I have introduced legislation (H.R. 3628 and H.R. 3629) which will enable the Federal Government to reimburse financially ailing hospitals whose deficits result from unreimbursed services to illegal aliens and the working poor. I urge my colleagues to join me in cosponsoring this legislation and in pushing for immediate hearings.

Passage of this legislation will stem the continuing hemorrhage of funds experienced by Brooklyn Jewish—a loss of some $6 million annually—which has brought the hospital to the brink of disaster.

This excellent medical facility has, itself, been bleeding and it now faces imminent closure because of its generous provision of essential services to those in need—illegal aliens, the working poor, and others not covered by Blue Cross, medicaid, or medicare. The impact of this hospital's closure on the community would be a staggering, perhaps a fatal shock, because the hospital, with its more than 2,000 employees, is an anchor for the economically deprived Crown Heights/Bedford-Stuyvesant communities.

Mr. Speaker, over the long haul, neither Brooklyn Jewish nor any other hospital, public or private, can continue to carry inordinate amounts of unredeemable patient expenses. The legislation I have introduced will provide the means for hospitals to receive reinbursement for essential services rendered, and again I urge my colleagues to support this legislative effort.

## REPUBLICAN TACTICS WASTE TIME AND MONEY

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, I rise today to discuss actions practiced by the minority that delay the legislative process and prevent the House from tackling the important issues of the day.

I refer to the dilatory tactics, currently allowed by House rules, which include the offering of senseless amendments, with no purpose in mind other than to stall the proceedings.

An example is the bill to create a Department of Education. I was opposed to that bill, but it is difficult to justify some of the amendments offered to delay its passage. During its consideration 47 amendments were offered—34 by the minority. Most noteworthy of these were two which would have given the Department the acronyms of "DOPEY" and "DOPE." A rollcall was forced on 1 of these and on 27 other amendments to the bill.

Mr. Speaker, the Rules Committee is considering adopting the practice of designating amendments which may be considered when a bill comes to the floor. This important reform would allow legislation to move through the House quickly with equal opportunity for all parties to express their opinions.

Time and time again, we see polls showing that public esteem for this institution is abysmally low. Perhaps the minority feels they have the luxury of being obstructionist. I hope my colleagues and the American people will begin to hold the minority party accountable for their actions which waste the time of this Congress and, therefore, the money of our constituents.

## PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT, WITH MINORITY OR SEPARATE VIEWS, ON H.R. 5507, TO AMEND THE INTERNAL REVENUE CODE OF 1954

Mr. VANIK. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight Friday, October 19, 1979, to file a report, along with any minority or separate views, on H.R. 5507, a bill to amend the Internal Revenue Code of 1954 with respect to the requirement that unemployment benefits be reduced by certain retirement benefits, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

## PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT WITH MINORITY OR SEPARATE VIEWS, ON S. 1454, TO AMEND THE ACT OF AUGUST 10, 1956

Mr. VANIK. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight Friday, October 19, 1979, to file a report along with any minority or separate views, on S. 1454, to amend the act of

August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5386. An act to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 241) entitled "An act to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. BIDEN, Mr. DECONCINI, Mr. BAUCUS, Mr. HEFLIN, Mr. THURMOND, Mr. LAXALT, Mr. DOLE, and Mr. COCHRAN to be the conferees on the part of the Senate.

The message also announced that the Vice President, pursuant to Public Law 84-689, appointed Mr. RANDOLPH and Mr. HATCH to attend the North Atlantic Assembly, to be held in Ottawa, Canada, October 22 to 27, 1979.

## PRESIDENT REAPS POLITICAL GAIN IN WAIVERS OF TERMINATION OF CETA EMPLOYEES IN DETROIT

(Mr. DAVIS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Michigan. Mr. Speaker, 2 weeks ago, the U.S. Department of Labor announced that it was granting 1-year waivers for a number of CETA employees who were faced with termination of their jobs. This termination was due to the 18-month limitation adopted by Congress last year. While the purpose of CETA is to fulfill a temporary training role to help the unemployed find work, the displacement of thousands of workers from their jobs at this time causes severe hardships for both the workers and communities that depend on those workers for the providing of services. It would have been nice if all of those CETA employees faced with termination could have been granted a waiver. However, it was made clear that not all of those people could be exempted and that if CETA administrators did request 100 percent waivers, they ran the risk of receiving none at all.

This was accepted and administrators were forced to make the painful changes of who would be continued for a year and who would be terminated. They believed that all other CETA administrators in the country were faced with the same dilemma. Now, however, there is evidence that the Carter administration decided this was a fine opportunity to reap some political gain. The President would, of course, appreciate the support in next year's elections of the city of Detroit. The city of Detroit would, of course, appreciate retaining as many of their CETA employees as possible. What happens? Detroit ends up with 95 percent of their people facing the 18-month limitation being granted waivers. This compares with an estimated 20 to 25 percent of those people nationwide that received waivers. In the meantime, it appears that the President has picked up some support from Detroit—at the expense of those areas not fortunate enough to carry the political clout of a big city.

☐ 1030

## MAJORITY OBSTRUCTIONISTS—NOT MINORITY

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, it is said that if you repeat a myth or a lie long enough, after a while it takes on the tinge of truth. So I would like to address the contention that is being made that somehow the minority in this House is obstructing the legislative process by offering too many amendments, a lie that has been repeated too often.

I would call to your attention, for instance, H.R. 3303, the Justice Department authorization bill that this House passed a few days ago. Nineteen amendments were offered by the majority, dragging this on for hours. None were offered by the minority. Thirteen of the amendments were offered by the Members of the committees that were supposed to have had jurisdiction over this legislation.

Yesterday we nearly concluded the energy authorization bill, 40 some amendments, the vast majority from the majority side of the aisle and very few from the minority. This pattern is repeated day after day.

There is obstructionism in this House and it can be found in a muscle-bound majority party that, despite its two-thirds numerical control, seems totally unable to control itself. Instead, it seeks to lay false blame on the minority.

## MINORITY AMENDMENTS NOT THE CAUSE OF DELAYS

(Mr. ERLENBORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERLENBORN. Mr. Speaker, it had not been my intention to speak this morning under the 1-minute rule until I heard the gentlewoman from New York make the comment about the delays caused by the minority and she used as an example the Department of Education bill. The specific example she used was two amendments I offered; one that would change the name to the Department of Public Education, acronym DOPE, the other that would have changed the name to the Department of Public Education and Youth, acronym DOPEY.

Now actually I still believe that those two acronyms very aptly describe the idea of creating a Department of Education.

But let me remind the gentlewoman and those who might have been misled by her comments that those two amendments were the first two amendments offered on the consideration of that bill, and combined, including a record vote, took probably less than 1 hour.

Let me also remind the Members that there is a way under the rules to limit debate, either by unanimous consent or by a motion. What happened last night in this Chamber amply demonstrated that device can be used.

Let me also remind the Members that at no time did anyone ask unanimous consent or move to limit debate during the consideration of the Department of Education bill. It was obvious to all of us that the vast majority of Members hoped they would not ever have to vote for that monstrosity.

## HOUSE SHOULD PREVENT REPRESENTATIVE DIGGS' OVERSEAS TRIP

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, late last night the gentleman from California (Mr. LUNGREN) informed this House that the proposed trip to Europe and Africa by our colleague from Michigan (Mr. DIGGS) had not, in fact, been cancelled but had merely been postponed, probably to sometime when Congress was out of session and the heat could not be placed on this proposed trip.

Whether the trip takes place next week, next month, or next year makes no difference on whether we wish to send convicted felons overseas to represent the United States.

Therefore, I believe it incumbent that before this House recesses on November 2, affirmative action be taken prohibiting the use of official funds, whether House funds or Mutual Security Act funds for this trip. I would urge the Committee on House Administration to report out House Resolution 459 which

I introduced yesterday to prevent our colleague from Michigan (Mr. Diggs) from going overseas representing the United States.

## FLOOR OF HOUSE OF REPRESENTATIVES POOR PLACE TO LEGISLATE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I, too, must respond to the statement that was made by our colleague from New York.

You know, there is a funny thing around here about amendments. Evidently amendments are all right if the leadership wants them, but when the leadership does not want them there is something wrong about offering them.

I see my colleague from California (Mr. Burton) is ready to address the House. He and I have agreed over the years that the floor of the House is a terribly poor place to legislate.

You know, there is just something wrong about legislating on the floor of the House. It offends all of the democratic principles of our country. Try to sell that foolishness back home and yet that is, in effect, what your Democratic leaders tell us.

One of the things I would remind my friends on the other side of the aisle since my memory goes back a few years, I remember when some of my liberal friends were trying to get votes, one on the Nedzi-Whalen amendment to end the Vietnam war; and, two, on an amendment to vote directly on the draft. There were people on our side of the aisle even though we opposed those amendments, who were working with you and voting against restrictive rules that up to that point made it impossible for you to get a vote on the Nedzi or draft amendments. It is a strange sword that cuts both ways and I think we should worry about how that sword cuts before the rules are changed and the opportunity to offer amendments unduly restricted by your majority leadership.

## EARNED INCOME LIMITATION

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, the Committee on Standards of Official Conduct has received several inquiries concerning the effect of the cost-of-living salary increase on the earned income limit in House rule XLVII, as well as the application of that rule to the assignment of income to charity. The following response to these questions is provided for the information of my colleagues.

House rule XLVII limits a Member's outside earned income in a calendar year to 15 percent of the aggregate salary paid to the Member during such calendar year. The cost-of-living adjustment effective October 1 will increase the aggregate salary paid to a Member in 1979 to $58,290.62. Thus, the limit on outside earned income for personal services rendered is $8,743.60. for calendar year 1979. The limit in 1980, based on a salary level of $60,662.50 will be $9,099.38.

Rule XLVII also limits to $1,000 the amount a Member may accept as an honorarium for any single speech or article. Honoraria assigned to a tax-exempt charity is not treated as earned income subject to the limitations in the rule. If a Member chooses to have an honorarium donated to a specific tax-exempt charity selected by the Member, he should direct the paying organization to make the payment directly to the charity. In addition, any honorarium returned by the Member to the payor before the close of the calendar year will not be counted against the earned income limitation.

Any honoraria assigned to a charitable organization should be reported in the Member's annual financial disclosure statement required by the Ethics in Government Act of 1978, with the notation that the income was assigned to charity. It should also be noted that honoraria assigned to charity must be reported by the Member as gross income for tax purposes, and may be deducted as a charitable contribution (see Revenue ruling 79–121).

Any questions concerning the application of House rule XLVII to specific factual situations should be directed to the committee staff on extension 57103.

## MINORITY CALL FOR AFFIRMATIVE ACTION OF A DIFFERENT KIND

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, without getting into the specific problem addressed by our good friend from Wisconsin, I am rather shocked to hear this side of the aisle talking about affirmative action. The next thing we know they will be talking about a quota system.

I yield back the balance of my time.

## APPOINTMENT OF CONFEREES ON H.R. 595, STRATEGIC AND CRITICAL MATERIALS TRANSACTION AUTHORIZATION ACT OF 1979

Mr. BENNETT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 595) to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, to provide for the deposit of moneys received from the sale of such tin, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? The Chair hears none and, without objection, appoints the following conferees: Messrs. Bennett, Mollohan, McDonald, Spence, and Emery.

There was no objection.

### MOTION OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Speaker, I offer a motion that has to do with the classified material coming before the conference that has just been established by the House. This conference deals with or can and probably will deal with classified materials which are not only of national security interest but also would be damaging in other ways relative to the disposal of certain commodities from the national stockpile.

The Clerk read as follows:

> Mr. Bennett moves, pursuant to rule XXVIII 6(a) of the House rules that the conference committee meetings between the House and the Senate on H.R. 595 be closed to the public at such times as classified national security information is under consideration, *Provided however,* That any sitting Member of Congress shall have the right to attend any closed or open meeting.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. Bennett).

Mr. BENNETT. Mr. Speaker, I believe I have made a sufficient statement except to point out that there are national security matters involved in the national stockpile and it would be in the best interests, when we approach those areas, that we do have a closed meeting. I do not like closed meetings myself, but in this instance I believe it is necessary.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. Under the rules the vote must be taken by the yeas and nays.

Voting will be by electronic device.

The vote was taken by electronic device, and there were—yeas 358, nays 0, not voting 75, as follows:

[Roll No. 585]

YEAS—358

Abdnor
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bingham
Blanchard
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Corman
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Dingell
Dodd
Donnelly
Dornan
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel

Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Roe
Rostenkowski
Roth
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla
Young, Mo.
Zablocki

NAYS—0

NOT VOTING—75

Addabbo
Ambro
Anderson, Ill.
Ashley
AuCoin
Beard, Tenn.
Bevill
Biaggi
Boggs
Boland
Bonker
Brown, Calif.
Brown, Ohio
Carr
Cheney
Chisholm
Cleveland
Collins, Ill.
Conable
Conyers
Cotter
Crane, Philip
Dellums
Devine
Dickinson
Dicks
Diggs
Dixon
Dougherty
Downey
Duncan, Oreg.
Evans, Ga.
Fazio
Flippo
Flood
Ford, Mich.
Garcia
Gibbons
Goodling
Hagedorn
Harsha
Holland
Holtzman
Horton
Jones, N.C.
Leach, La.
Long, Md.
Lujan
Lundine
McEwen
Miller, Calif.
Mitchell, Md.
Moffett
Mollohan
Murphy, Ill.
Oakar
Pickle
Rahall
Roberts
Rodino
Rose
Rosenthal
Rousselot
Runnels
Santini
Scheuer
Steed
Treen
Ullman
Van Deerlin
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Zeferetti

☐ 1050

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

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## AMENDING CHAPTER 25 OF TITLE 44, UNITED STATES CODE, TO EXTEND FOR 2 YEARS THE AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3923) to amend chapter 25 of title 44, United States Code, to extend for 2 years the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

> Page 1, strike out line 6 and insert "September 30, 1981," and by striking out "for each year".
>
> Amend the title so as to read: "An Act to amend chapter 25 of title 44, United States Code, to extend for one year the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes.".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. KINDNESS. Mr. Speaker, reserving the right to object, and I will not object, I reserve that right in order to allow the gentleman from Texas (Mr. BROOKS) the opportunity to explain what has occurred in the other body with respect to H.R. 3923.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Speaker, to my distinguished friend, the gentleman from Ohio, I would say that the bill, H.R. 3923, as it was passed by the House, authorized funding for the National Historical Publications and Records Commission for fiscal years 1980 and 1981. Because of purely technical problems relating to Budget Act procedures, the Senate amended the bill to provide authorization for fiscal 1981 only. Appropriations for the Commission's fiscal year 1980 activities have already been passed. Since that is the case, the Senate action and amendments do not substantively affect the House-passed bill.

Mr. KINDNESS. Further reserving the right to object, I would observe that the bill as amended by the Senate carries out the exact intent of the legislation as passed by the House, and I would urge that the unanimous consent request of the gentleman from Texas (Mr. BROOKS) be agreed to.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

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## INTERNATIONAL SUGAR STABILIZATION ACT OF 1979

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2172) to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2172, with Mr. BURLISON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Washington (Mr. FOLEY) will be recognized for 30 minutes; the gentleman from Colorado (Mr. JOHNSON) will be recognized for 30 minutes; the gentleman from Ohio (Mr. VANIK) will be recognized for 30 minutes; and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

☐ 1100

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of H.R. 2172, the International Sugar Stabilization Act of 1979. Mr. Chairman, you may recall that last year the Ways and Means Committee and the Agriculture Committee reported out quite different versions of the sugar bill, and the differences were never resolved until the floor debate and vote by the full House.

This year I am happy to report that our two bills are nearly identical. Even before the beginning of the 96th Congress we have worked closely with Chairman FOLEY on a domestic sugar program which would be a fair compromise for all parties concerned. H.R. 2172 is the result of numerous meetings with sugar producers, refiners, and labor groups, extended discussion with the administration, and public hearings by both the Agriculture and Ways and Means Committees.

The bill provides for U.S. implementation of the International Sugar Agreement. It also establishes a domestic sugar program that sets a price for sugar at 15.8 cents per pound beginning October 1, allows for adjustments in that price to reflect changes—but not more than 7 percent per year—in the cost of production. It also provides for direct payments to producers of up to half a cent per pound of sugar, but no more than $50,000 to any one producer. The bill provides wage and employee protections for sugar workers. These protections are significantly better than those which will prevail if no bill is enacted.

The differences between the Agriculture and Ways and Means versions are generally only drafting and technical differences. The substantive differences are limited to the following:

First. In order to insure the long-range success of the International Sugar Stabilization Act of 1979, the Ways and Means bill includes in title I a provision removing the 50-percent ad valorem limitation on import fees for sugar under the section 22 program;

Second. Our bill extends U.S. participation in the ISA for the life of the agreement, which ends in 1982;

Third. Our bill deletes all references to the crop year and starts the program on October 1, 1979;

Fourth. Our bill provides for the administration of the labor provisions by the Department of Labor rather than the U.S. Department of Agriculture; thus the labor provisions will be administered under the general authorities of the Fair Labor Standards Act; and

Fifth. Our bill contains child labor provisions identical to those contained in the old Sugar Act, which are slightly more protective than the Fair Labor Standards Act provisions.

While there are a certain number of changes, there are—to repeat—no major differences between the two committees affecting returns to producers or the price of sugar.

Mr. Chairman, throughout this session, we have heard speeches demanding help against various imported manufactured goods being dumped in the United States, or subsidized by a foreign government. We have heard demands for "fair trade" so that the domestic industry can compete on equal footing. The situation with sugar is no different. The so-called world price of sugar is an artificial price—it is not the cost it takes to produce sugar.

A recent GAO report, which examined the global sugar market, concluded:

> Sugar production and marketing is regulated by more governments and to a greater degree than any other commodity.

If we do not provide some type of sugar program, it will be the U.S. industry alone which will suffer. We are already suffering from the failure to enact a sugar bill. During the past year, after the 95th Congress failed to pass a sugar bill, a number of processors have announced the closing of plants and the layoff of numerous workers. The long list of closings and layoffs is chronicled on pages 5 and 6 of our committee report.

I would also like to emphasize that this bill is not inflationary. The increase in the cost of sugar provided by the price objective is 5.33 percent—a rate far below the rate of inflation. The additional half-cent payment to producers will not increase the cost of sugar to consumers and only costs the Treasury about $40 million in fiscal year 1981. The bill as a whole over the next 3 years is a revenue raiser.

Mr. Chairman, this legislation is designed to provide stability in the sugar market instead of the unpredictable series of price fluctuations we have experienced in recent years. A stable market benefits producer and consumer, the grower and the fieldworker. In the face of massive foreign subsidies and volatile world markets, this bill sets a rational, moderate course for the U.S. sugar market. The International Sugar Agreement is intended to bring some order into the global market, while the domestic sugar program is designed to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry. In the long run, this bill will insure a continued domestic source of supply at reasonable prices for the consumer. I enthusiastically urge its passage.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I rise in support of H.R. 2172, the International Sugar Stabilization Act of 1979.

Mr. Chairman, in June of 1974 I was one of the floor managers of a bill which would have extended the life of the old Sugar Act, which I felt then and feel now had served the needs of our country so well. However, the House in its wisdom or, in my opinion, lack of wisdom, voted not to extend the old Sugar Act. In my opinion, we have had nothing but turmoil since that time.

Mr. Chairman, what we have in H.R. 2172 is a modest proposal to protect an industry which is integral to the food industry in this country, especially the bottling, confectionary, and food processing industry. It is my understanding that it is estimated that this bill will cost at most, somewhere between $3 and $4 a year for a family of four in the so-called food cart. On the other hand, Mr. Chairman, we are dependent for at least 50 percent of our sugar on producers in foreign countries. There is a sufficiently small amount of sugar which trades on the free market and if there is a poor production year and the amount of sugar that is offered on the free market is very limited, this has a substantial effect on the cost of sugar to our consumers in the United States. We experienced this in 1974 and 1975 when we failed to pass the Sugar Act, which expired in December of 1974, and prices skyrocketed up to over 60 cents per pound.

Mr. Chairman, this bill is modest in that it would guarantee, through a process of fees and tariffs, a price objective of 15.8 cents per pound for the 1979 crop, escalated through sugar crop year 1981 at 7 percent maximum if the cost of production increases during that period. The fees which will be collected over the life of the bill on the basis of the Congressional Budget Office estimate, are expected to total $1.25 billion.

Mr. Chairman, we know what the problems are, based on our experience with energy and oil, when we must rely on foreign countries to supply us with a vital and scarce product. The General Accounting Office has listed a number of other products which are scarce in this country which we have no choice but to import and which may escalate in price in forthcoming years.

Mr. Chairman, I submit that this is a case where we do have a choice. Rather than place ourselves at the mercy of foreign producers, we should take this modest step to protect our producers in this country who cannot compete with the low wages and other low production costs which foreign producers enjoy. The price objective provisions of this bill will provide sugar support prices of roughly 51 percent of parity, a modest figure when we consider the amount of revenues the legislation will produce.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSON of Colorado. I yield the gentleman 1 additional minute.

Mr. WAMPLER. Mr. Chairman, I want to emphasize that I have no sugar production in my congressional district. However, I support the chairman of the committee in bringing this bill to the floor because I believe it is reasonable and not excessive.

□ 1110

I agree with others who will speak here today and who will argue that if this bill had been included as a title in the 1977 Farm Act, it would have passed with little question.

Therefore, Mr. Chairman, I support the measure, and I urge other Members to do likewise.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Chairman, I thank the subcommittee chairman for letting me proceed outside of my ordinary time and out of order, since I am not on the Committee on Agriculture.

I am somewhat surprised that every time we try to come forth with a sugar program so much is said about the bad things dealing with an agriculture program for sugar. That is very interesting, because we have very similar programs in place already for wheat, for corn, for cotton, for rice, for barley, and for grain sorghum, which all have target price protection loans. In addition to that, tobacco, peanuts, soybeans, oats, and rye all have a loan program.

These programs are regularly brought before this House and regularly passed, and everybody stands up and takes credit for them. Quite possibly, because sugar is coming up by itself, that is different. Maybe a better idea would be to bring it up with the regular farm programs and we would get a lot more votes for it.

We are told sugar should be the only commodity we produce in this country that does not have some sort of Government stabilizing program.

Mr. Chairman, I strongly support this legislation. It is a compromise bill. The administration supports it. It is the result of 2 years of very hard work by this Congress, by consumer groups, by producers, and by everybody involved in the sugar program.

It makes no sense for us to continue to be so totally dependent on cheap foreign sugar which is dumped in this country and dumped here at the cost of preventing our sugar producers from becoming self-sufficient in so important a product.

I am reminded of the fact that as sugar increases in price, users always raise their prices. Do we ever think that if the price to the sugar producer is reduced, large sugar users like the soft drink industry would lower their prices? Of course not. Therein lies the real ripoff as far as consumers are concerned.

Mr. Chairman, this program is a compromise. It gives a solid balance, and it is one that, I think, makes a great deal of sense, just like programs covering all these other commodities I have listed. It makes sense.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. STANGELAND).

Mr. STANGELAND. Mr. Chairman, I rise in strong support of H.R. 2172.

I am a farmer, who formerly grew sugar beets and represent the district with the largest acreage of sugar beets of any other Member, but I am not here just because I represent my sugar growers but I am here representing my sugar growers along with consumers.

This bill perhaps has received more rhetoric and more demogoguery than any other bill of its size and nature. I think that is unfortunate. This legislation is only a very, very modest attempt to insure a viable domestic sugar industry.

There is no doubt in my mind and there should be no doubt in other Member's minds that we need a viable sugar industry since we only produce about 50 percent of our own sugar for domestic consumption. Should we lose any part of that domestic industry, we are going to be subject to the vagaries of a wildly fluctuating world market controlled by foreign suppliers.

This bill will not substantially increase sugar prices, but, rather, it is going to insure stable prices for sugar in the future.

H.R. 2172 really is no different than what we have in antidumping or countervailing duty legislation that is afforded industrial products. It is not legal for a country to dump products here on our markets as far as steel and other products are concerned for less than their cost of production, and it should be illegal for countries to dump sugar on our market at less than its cost of production.

In my district, where we raise sugar beets, we are anticipating completing a crop yield this year of about 14 tons per acre. The price the grower is going to get is about $25 a ton, for a total gross income per acre of about $350, and the cost of production for that acre of sugar beets is approximately $350. This is not even breaking even.

This is a modest attempt to protect a viable domestic industry, and this bill is one that this country can ill afford not to pass.

We can give consumers the insurance they need by maintaining a domestic source for part of our sugar supply—and without gouging their pocketbooks. As Secretary Bergland recently pointed out, H.R. 2172 would set a 1979 crop market price objective of 15.8 cents a pound, and market prices currently are around 15.77 cents. The fact is that enactment of this bill would produce virtually no change in actual raw sugar prices during the coming year. The moderate—no more than 7 percent—increases in minimum prices permitted by the bill during the following 2 years probably are less than we would pay if we scrapped the sugar program and took our chances on the world market.

We cannot get sugar from abroad, over any long period of time and in the quantities we would need without a domestic industry, at prices like the 8 cents a pound you have heard cited as the "world price." The so-called world price is actually a "dumping price" charged for the very small percentage of global production which is not already tied up in one of the many bilateral and multilateral agreements employed by most producers and buyers. Actual production costs in virtually all countries are far above the 8-cent level. We can no more count on a long-term supply of large quantities of sugar at that price than we can depend on the Tooth Fairy to bring us all $10 gold pieces.

Without a program to keep U.S. producers in business, many of them will be forced to stop growing sugar. Then, this country, which already imports half its sugar, will be almost totally dependent on the volatile world sugar market. When that happens, opponents of sugar supports will have to explain to consumers why they backed action which could lead to doubling, tripling or even quadrupling sugar prices. A 1-percent reduction in world supply can increase prices of the small amount of sugar moving in "free" world trade by 30–50 percent; a 10-percent cut in supply can increase prices by 300–400 percent. If you like what OPEC is doing to us on oil, you will love what a potential cartel of tropical sugar exporters could do.

Maintenance of a domestic sugar program is consistent with support for international trade, because imports of raw sugar would continue to increase as domestic consumption increased. But, if we go further and almost totally destroy our domestic production, the results would include destruction of thousands of existing jobs. It is true there are only about 16,000 growers in the United States, but sugar is a labor-intensive industry and there are more than 100,000 jobs involved—approximately equal to the number of jobs which would vanish if Chrysler collapsed. If producers continue to go out of business, as many already have in the past few years, many of those 100,000 sugar industry jobs would disappear.

Talking about jobs, the thread could go beyond sugar growing and beet processing regions. Without a domestic support program in place, the next step could well be an attack on present restraints against imports of foreign sugar in fully refined form. Virtually all foreign sugar now comes in raw form to be processed in refineries in major coastal cities, but this could be replaced by imports of refined sugar from lower-wage areas abroad—and more American jobs would vanish.

We would have hanging over our heads, if domestic production is drastically cut, a real concern about whether we could consistently meet our needs in all years from foreign sources. Some of the countries we would have to depend on are among the world's more politically unstable nations, and there can be no guarantee our consumer economy would not be torn from time to time by the after-effects of political upheaval abroad.

Therefore, I strongly urge the support of this House and a yes vote on H.R. 2172.

Mr. Chairman, I urge my colleagues to support this legislation, pass it out of here, and get on with our other business.

Mr. Chairman, I thank the gentleman from Colorado (Mr. JOHNSON) very much for yielding me this time out of order, and I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, as the author of the amendment which appears both in the bill of the Committee on Agriculture and the bill of the Committee on Ways and Means concerning gasohol and alcohol fuels, I thought it would be appropriate for me to take the floor and explain to the Members what that section of the bill does.

This section provides a loan guarantee fund from the Commodity Credit Corporation to provide up to $25 million in 2 fiscal years for the building, converting, and modification of alcohol fuels facilities which use sugar cane, sugar beets, corn and related crops as a feedstock.

Many Members have indicated to me that this amount is a pittance for gasohol. Actually, Mr. Chairman, the bill provides that the total amount of loan guarantees could approximate as much as $250 million since the potential government exposure is intended not to exceed 10 percent of the amount guaranteed. Thus, a guarantee fund of $25 million actually means that a total of $250,000,000 of such facilities could be built, converted or modified.

Mr. Chairman, I would make two points here. No. 1, this is the first piece of legislation that will come to the floor of the House this session that will specifically and unequivocally contain loan guarantees for facilities making alcohol for the gasohol industry. Inasmuch as sugar is one of the best feedstocks for gasohol and inasmuch as we have the Brazilian experience to show that alcohol fuels and blends of 10 percent or above, and even at 100 percent, provide a very,

very productive use for motor fuels, I think this particular section of the bill is an important one.

Secondly, I would say to my colleagues that while the bill is quite controversial and the future of the domestic sugar industry is uncertain, it is clear that the production of alcohol from sugar and corn—and that is, of course, alcohol not to be drunk but to be used in motor vehicles—is probably the long-range foundation for the American sugar industry. All we have to do is look at the Brazilian experience, the German experience during the Second World War, and the American experience now to see that alcohol fuels are the only synthetic fuels that are commercial now, and that the alcohol industry should be encouraged by providing capital necessary to build production facilities.

Therefore, Mr. Chairman, I would conclude by saying that this bill does provide up to $250 million in loan guarantees for the production, modification, or conversion of alcohol fuels and gasohol facilities, the feedstock being corn, sugar beets, sugarcane, or related products. That, I think, might very well tend to move this country toward energy independence a bit faster.

While this amendment is not the heart of the sugar legislation, it does provide sugar producers with some long-term promise—not short-term but long-term—of the promise of use for their product. I realize that this bill is very controversial, and Members should not vote for the legislation merely because of this section. But my colleagues should be aware of this provision of the bill.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 4 minutes to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I rise in opposition to the Sugar Stabilization Act of 1979, H.R. 2172.

The title of the bill is a misnomer. It would do nothing to stabilize the price of sugar. In fact, it would only fuel the flames of inflation that are already wrecking our Nation.

A few months ago, before being muzzled by the administration, inflation fighter Alfred Kahn spoke quite candidly to a nationwide audience. He said, and I quote:

> I wish that it were possible politically in this country to have such a powerful anti-inflation constituency or coalition that raising the support price of sugar from 15 cents to 15.8 cents would be unthinkable and impossible.

Mr. Kahn's remarks did spawn a coalition of consumer groups, the foremost of which is CASH—which stands for "Citizens Against Sugar Hikes." This group, recognizing the heavy burden high sugar prices place on consumers, has been leading the fight against this inflationary bill.

CASH is composed of: American Association of Retired Persons, Common Cause, Community Nutrition Institute, Congress Watch, the Consumer Affairs Committee of the Americans for Democratic Action, Consumer Federation of America and the National Council of Senior Citizens.

Now the AFL-CIO, the United Auto Workers, and the Leadership Conference on Civil Rights has joined CASH in opposing this unthinkable bill. I hope that Mr. Kahn is granted his wish.

Many of us are sympathetic to the plea to save all the farmers of America and to keep America productive in every avenue of production. But we also have the responsibility to balance the concerns of 14,000 sugar producers with the cost and the burdens which protection for them would imply for the average American consumer across the country. Looking at this bill and assessing its impact. On the domestic front, the cost of the bill is $300 million in the first year. The combined direct and indirect costs would be $500 million annually added to the already soaring sugar food price inflation across the country.

□ 1120

The American consumer deserves to be heard in this debate and deserves to win, because the case for an increase in the sugar price objective and the case for this Sugar Act in general is a weak one indeed. But there is another justification for this bill which has been given, and that is the fact that title I of the legislation implements the International Sugar Agreement. This argument also deserves to be examined.

I have researched the International Sugar Agreement, and I have before me a chart which I would like to share with the Members. It illustrates the impact of the International Sugar Agreement as negotiated in Geneva in 1977 on the sugar production quotas allocated to our free world allies and the production capacities and quotas awarded to the nation of Cuba.

When one examines the figures here, the argument can be made that the justification for this bill attributable to title I is also as flawed as the rest of the bill.

[Chart not printed in RECORD.]

Let me explain the figures on this chart. In 1977, a subunit of the United Nations, in which the United States participated, negotiated the so-called International Sugar Agreement. At that time our free world sugar trading allies, as shown by this chart, were exporting these quantities. This chart represents the major exporters, the tonnage of sugar they had sold on the free market, and the allocation they received under the new sugar agreement. In 1977, Brazil sold 2.5 million metric tons to the free world, but their quota was reduced by the agreement, allowing them to sell only 2.35 million metric tons. The result of this was to require that Brazil make a reduction in its export tonnage.

Australia, another friend of the United States and a trading partner, sold 3 million metric tons of sugar in 1977 to the free world, yet their sugar tonnage for free market exports negotiated and agreed to in the agreement was decreased to 2.35 million metric tons.

The CHAIRMAN. The time of the gentlewoman from Massachusetts (Mrs. HECKLER) has expired.

Mr. DE LA GARZA. Mr. Chairman, I yield 30 seconds to the gentlewoman if I might ask a question.

Mr. Chairman, would the gentlewoman name the source of her figures?

Mrs. HECKLER. Yes. I have the source on the chart. The source is a public document which our State Department cannot refute. The source of these figures is the International Sugar Organization Statistical Bulletin, published in July 1979.

To conclude, the Philippines were cut from 2.6 million metric tons to 1.4 million metric tons. Cuba, which sold to the free market only 1.5 million metric tons, was not cut and in fact was increased to 2.5 million metric tons. She also had the opportunity to sell unlimited quantities of sugar to the socialist bloc countries, and she received another extra preferential quota, a quota to sell 650,000 metric tons to Albania, China, North Korea, Vietnam, and Yugoslavia.

Only one conclusion can be drawn. Not only was Cuba awarded a disproportionately large share of the free market sugar exports to the detriment of our free market allies, but Cuba was then given favored treatment in its trade to Socialist and Communist bloc countries.

Cuba was allowed to export unlimited sugar to Socialist countries which did not count against her export quota. Whereas, an export from any other country, including Brazil, Australia, the Philippines, and the Dominican Republic, had to be subtracted from that country's export quota. Again special treatment for Cuba.

Witnesses at the 1977 Geneva Conference have informed me that our free world trading partners made no secret of their displeasure at inequitable cutbacks the free world market was forced to absorb.

From the standpoint of the United States, I would state again the International Sugar Agreement was a poorly negotiated document which the Congress in title I of the bill is now being asked to affirm.

The ISA ratification treaty has not yet been ratified by the U.S. Senate. It is unwise, unnecessary, and premature for Congress to vote for its implementation before ratification.

Proponents of the bill argue that the legislation is necessary to protect American consumers from a sugar cartel. Not true.

Domestic sugar and corn sweeteners account for 70 percent of the Nation's sweeteners—up 10 percent from the 60 percent level of a decade ago. The remaining 30 percent of our sweetener needs are met by imported sugar. Domestic interests are supplying an increasing, rather than decreasing, share of the market.

And, unlike oil which must be extracted where it is found, sugar can be grown in a variety of climates with no special soil requirements. There is no dependence on a small number of sugar producing countries.

In addition, corn sweeteners are fast increasing their share of the overall sweetener market. In the last 10 years annual corn sweeteners consumption—corn syrup, dextrose, and high fructose corn syrup—has skyrocketed from 17.7 to 33.8 pounds—an increase of 91 percent. Sugar consumption has dropped from 101 to 92.7 pounds—a drop of 8.21 pounds. Passage of H.R. 2172 will accelerate this trend to the detriment of the U.S. sugar industry.

I urge the defeat of H.R. 2172. The bill is inflationary, it is anticonsumer, and it expands the special interest protection of an industry—all to the detriment of the American consumer/taxpayer. This country is already paying too high a price for this single agricultural commodity produced by 14,000 farmers. I draw the line at H.R. 2172 and urge my colleagues to do likewise.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana (Mr. HUCKABY).

Mr. HUCKABY. Mr. Chairman, like the gentlewoman from Massachusetts (Mrs. HECKLER), I also rise to speak in behalf of the consumer. But I reached an entirely different conclusion than that of the gentlewoman from Massachusetts.

Look what is happening today in the world as far as sugar is concerned. The United States imports approximately 50 percent of its sugar today. The price for sugar today is above the support price called for in this piece of legislation. Today the world is consuming more sugar than it is producing. In the last 3 years, one-third of the sugarmills in the State of Louisiana have had to close their doors. We are losing our domestic sugar industry.

What does this mean? The United States imports its sugar from about 12 countries. Oh, how easy it would be for them to form a cartel. And they will do it, you can book it. If the United States continues to lose its domestic industry at the rate we are, within 2 or 3 years you are going to see sugar at 60 cents or 70 cents instead of the 15 cents that we are talking about today. And who is going to pay? The American consumer is going to pay.

My colleague from Louisiana earlier referred to the fact that the users of sugar, some of them, are opposed to this legislation. It is true, I have become convinced, they like to see these wide swings in the price of sugar. We can remember just a few years ago, early in the 1970's, when the price of sugar skyrocketed. We saw soft drinks go from 10 cents to 35 cents. Sugar is the major cost in soft drinks. Yet the price of sugar fell back down to less than 10 cents but the price of soft drinks did not come down. You are going to see the consumer paying 75 cents for soft drinks in 2 or 3 years if the American sugar industry continues to crumble without some kind of support legislation under it, and then if there is a surplus of sugar at any time in the future and the market should break again, you are not going to see our soft drinks come down. It has never happened before.

What we need is a stable supply of sugar that allows the producer to earn a reasonable aggregate return on his investment. We are not talking about a bill here that will allow sugar producers to make a killing, to make excess profits.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I would just like to speak briefly about the Cuban issue. I think this is nothing more than a rather obvious attempt to exploit an emotional condition that is prevalent in the United States at this time and to use it to defeat the bill. The Cuban issue has no substance and, as far as I am concerned, it should be disregarded.

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. No, I will not yield at this point. I did not interrupt the gentlewoman, and I do not have time to engage in a debate on that particular subject. I think it is an insubstantial subject and should be disregarded. Anyone who has studied the ISA will know that. We do not have time to go into as great a detail as we would like, so we have to continue on in the brief time that is allowed to each one of us.

Mr. Chairman, instead of repeating the provisions of the bill which have already been outlined, I would like to use my time to emphasize why I think this legislation is important to sugar producers and consumers alike.

### A DYING DOMESTIC INDUSTRY

Because the price of sugar has been below the cost of production for several years, it is the farmer who has been subsidizing the consumer—not the other way around. Consumers now pay less for sugar traded in the free market, than it costs farmers to grow it, even in the lowest cost areas of the world.

Such subsidization of consumers has cost U.S. farmers about $244 million just for the 1978/1979 sugar crop, based on the difference between the administration's 1978 price objective for sugar—15 cents per pound, raw value—and the actual farmer cost—about 17 cents per pound, raw value. Consequently, sugar products and processors are under severe economic pressures. As Secretary of Agriculture Bob Bergland pointed out in a letter he sent to numerous Members this week, below-cost prices for sugar have led to a 28-percent decline in U.S. production since 1976. Of 110 domestic processing plants, 30 have closed their doors for good in Colorado, Ohio, Idaho, Utah, Washington, and Louisiana. One-fourth of our domestic capacity to process sugar has been destroyed in the last 3 years.

According to the latest information from the Department of Agriculture, 75 percent of the sugar, beet and cane, produced in the United States is grown by independent growers; that is, family farmers and farmers' cooperatives. One hundred percent of U.S. sugar beet production is grown by independent producers.

Over half of U.S. sugar production is in the form of sugar beets, which are grown by about 13,000 family farmers. Currently, the closest thing to a beet-growing corporation we have is actually a farmers' cooperative of almost 1,700 small Minnesota producers who have pooled their individual production for processing. Known as the American Crystal Sugar Corp., they are considered to be one of the largest and most efficient grower-processors of sugar beets in the United States. Due to low sugar prices, though, they lost $14 million in 1976. Over the last couple of years it has not been unusual for them to report earnings of zero dollars. This year their total long-term debt came to $85 million, of which $15 million represented the cost of complying with mandatory Federal, State, and local environmental protection standards.

Sixty percent of the sugarcane grown in the United States is produced by corporations. To be sure, some of the corporate producers of sugarcane have not suffered such losses. However, it should be pointed out that for some of them substantial portions of their earnings did not proceed from a healthy domestic industry. Instead they reflect Government payments or defaulted Government loans, where in the corporation did not sell sugar to a consumer, but rather forfeited it to the Government. For example, in fiscal year 1978, the single largest producer of raw sugar in the continental United States, the U.S. Sugar Corp., received $9.6 million in price support payments from the Government, which increased its net income for that year by $4.8 million. The payments were part of the administration's ill-advised alternative to the U.S. International Trade Commission's recommendations that restrictions be placed on foreign imports of sugar. H.R. 2172 includes payments with limitations and in such a fashion so as to avoid a repeat of the President's interim payments fiasco.

Another example—the Gulf & Western Corp., defaulted on $16 million worth of Government price support loans in 1977. For the 1978 sugar crop, the Government currently holds $47 million in outstanding price support loans for Gulf & Western. Unless the company can obtain a price in the market high enough to cover the costs of loan redemption—about 16.36 cents per pound—the chances of additional loan defaults are high.

In addition, some corporate growers who represent multinational companies, such as Gulf Western, for example, report their earnings from U.S. sugar production and their foreign sugar growing operations as one combined figure. It is impossible to tell, therefore, whether all those "corporate profits" opponents of H.R. 2172 are so fond of quoting come from Gulf & Western's U.S. production or, say, their plantation in the Dominican Republic.

As of October 5, 1979, the Commodity Credit Corporation held $120.1 million worth of producer forfeited sugar—425,932 tons. Almost 20 percent of 1978 U.S. sugar production remains under loan, totaling $381 million.

### WHY IS THE INDUSTRY DYING?

The U.S. sugargrower supplies about 55 percent of U.S. sugar requirements. About 45 percent of U.S. sugar demand is met through imports. Since the expiration of the Sugar Act at the end of 1974, the United States has been forced to seek its sugar imports in the so-called free market of world trade, which represents about one-sixth of world production. The other five-sixths is traded in a "controlled" market under preferential arrangements and long-term agreements between countries, insulating them from the up and down swings in the sugar price supply cycle. Because of the small percentage of world production the free market represents, up and down changes in the sugar cycle can be very acute. In addition, traders in the controlled market often use the free market as a dumping ground for excess sugar beyond the demands of preferential agreements, contributing to surpluses, or as an extra source of sugar to meet preferential commitments, thus contributing to shortages in the free market. Practically speaking, in the absence of any U.S. regulation of sugar imports, the free market sugar price would also set our domestic price.

In response to the 1974 high prices which peaked at 64.5 cents per pound, world sugar production expanded, leading to the present surpluses which have brought world prices down to drastically low levels, below the cost of production worldwide. As the sugar cycle continues, this eventually will lead to reduced world sugar production and higher prices. But by nature this is the slowest part of the sugar cycle. Since our domestic costs of production are generally higher than the estimated world average, U.S. sugar producers would have to wait longer for prices on the world market to eventually swing upward. It is unlikely a majority of our domestic producers could survive financially through this period. Ironically, a collapse of U.S. production would hasten price increases significantly, but U.S. sugargrowers would not be present to experience them.

Higher costs of production for U.S.-grown sugar should not be construed to mean that U.S. producers are not as productive or efficient as their foreign counterparts. Nowhere else in the world is sugar grown more productively acre for acre than in the United States. Hawaii is particularly noted for having the highest yields of sugarcane per acre in the world.

Foreign producers are not necessarily more efficient or productive if their sugar costs less, as many of us erroneously assume. In 1978, for example, 47 percent of our sugar imports came from three countries—the Philippines, the Dominican Republic, and Brazil. All three governments of these countries control sugar production, set prices, and oversee exports. Their sugar yields generally are lower than those in the United States; there are no strict environmental controls and the average sugar worker earns less in a day than his American counterpart earns in half an hour.

This is a far cry from an American farmer cooperative that testified before the committee about the millions of dollars of environmental controls it had to install in its plant. And it is a far cry from the domestic sugar producer who by law must pay his fieldworkers a minimum wage that is higher than the national minimum wage, or pay his equipment operators a minimum wage that is 10 percent higher than the wage he pays his fieldworkers. It is ironic that American consumers are nonetheless eager, even insistent, upon buying imported sugar that is a better bargain, even though it has been grown under environmental and social conditions they would not tolerate at home.

In effect, the Government has created a double standard which penalizes American sugar producers by dulling their capacity to effectively compete with foreign imports. Government regulation or business may yield certain social benefits, but it almost never produces monetary returns. As long as we, the consuming public, insist on such regulation of domestic sugar production—or any other commodity for that matter—we must be willing to accept the economic consequences which may be reflected in higher production costs incurred by farmers in complying with these demands.

In April 1978, the U.S. International Trade Commission reported to the President:

> We have heard testimony from almost every major sugar growers association in the United States. Their testimony highlighted the problems now facing the industry. Costs of production . . . have all gone through a period of severe inflation, and there are signs of further increases . . . domestic producers have little hope of recovering their costs, not to mention any reasonable return on their investment.

### THE NEED TO PRESERVE THE DOMESTIC INDUSTRY

We cannot afford not to act. Data on the current world sugar supply situation shows an excess supply of sugar in relation to normal carryover stocks, granted. But it needs to be pointed out, however, that the excess is approximately equal to the annual U.S. domestic production. This means that if domestic producers are forced out of business because of their inability to get a fair price, world supplies will be short of demand and prices will accelerate rapidly. According to Secretary Bergland, within a very short time, Americans could again be paying 60 cents a pound or more for sugar, if no action is taken.

Those who oppose H.R. 2172 say the U.S. sugar industry is not worth saving. But what makes any American business enterprise of value?

The U.S. sugar industry contributes over $10 billion annually to the U.S. economy;

The domestic industry provides over $400 million in income for 200,000 workers;

The domestic industry is the primary source of employment and tax revenues for many small communities across the country as noted by the GAO earlier this year; and

American sugar growers are productive; and the almost $1 billion in sugar they produced last year contributed favorably to our balance of trade;

Sugar producers are not the only American businessmen to face the dilemma of unreasonable competition from imports. In fact, the President and his administration have not hesitated to impose import quotas or fees aimed at helping numerous other American industries to cope with this problem.

For example, in 1977, the administration took action to establish a trigger pricing mechanism that sets minimum prices for imported steel so that such imports are prevented from underselling American steel. Also, the administration initiated long-term plans to rollback imports of nonrubber footwear from Korea and China and imports of Japanese color TV sets. The administration also decided to continue existing restrictions on imports of cotton, cotton products, peanuts, dairy products, and cotton, wool, and man-made fiber textiles and apparel. Import relief largely in the form of antidumping or countervailing duties was imposed by the Government for U.S. manufacturing of dinnerware, ball bearings, melamine—a plastic—swimming pools, parts for paving equipment, pressure sensitive tape, inedible gelatin, scissors and shears, cotton yarn, nuts, bolts, cap screws, handbags and unwrought zinc.

H.R. 2172 lessens to a great extent any recurrence of a precipitous rise in sugar prices through implementation of the International Sugar Argeement and protecting the domestic industry. A price objective of 15.8 cents per pound for the 1979 sugar supply year will raise food prices about eight-tenths of 1 percent in 1980, or $3 for a typical family of four, or 75 cents per person. I do not think that is too great a price to pay for price stability or supply security. Certainly it is a minimal increase if one stops to consider the alternatives should the bill not be enacted.

One final comment—if the domestic sugar beet industry is forced to discontinue operations in the United States because of the collapse of domestic production, the probability of a severe shortage of domestic capacity to supply refined sugar is high. The loss of refining capacity will result in a refined sugar shortage of 2.5 to 3 million tons for consumers. Even taking into account existing and prospective capacity to supply corn sweeteners, this translates into a 16- to 18-percent reduction in available sweetener supplies to meet U.S. annual needs. Because most of the surviving refining capacity is located in the gulf and eastern seaboard, consumers west of the Mississippi River would be affected most severely by this shortage.

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Mr. DE LA GARZA. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan (Mr. TRAXLER).

Mr. TRAXLER. Mr. Chairman, I rise in complete support of H.R. 2172, the International Sugar Stabilization Act of

1979. This legislation has been considered very carefully by both the House Agriculture and the Ways and Means Committees, and deserves the support of every Member of the House without amendment.

The domestic sugar industry is an important one. It provides income for over 14,000 sugar beet and cane farmers, and provides employment in sugar refining plants for over 20,000 additional Americans. This industry provides Americans with a commodity that they want, and all that this legislation will do is allow our domestic sugar industry to continue.

This House has considered different forms of sugar legislation in the summer of 1977 and in the closing hours of the 95th Congress last year. Sugar is a very emotional subject for many of my colleagues, and I certainly hope that today they will allow their emotions to be ruled by the facts of the situation.

We produce in the United States only about 50 percent of the sugar that we consume annually. We are dependent on foreign sugar for a large part of our needs, and this legislation does not attempt to change that fact.

We have seen over the past few years terribly low sugar prices that have been far below the current national average cost of production of a little more than 16 cents per pound, and we have suffered the loss of 17 sugar refining factories over the past 3 years, with 4 closing this year alone. We have lost jobs for well over 35,000 people who have been involved in some factor of the production of sugar, and we have done this in the mistaken belief that our consumers would have cheap sugar for years to come.

No one should be forced to sell their goods at prices below the cost of production. We should not expect the American farmer to subsidize the consumers of this Nation. The legislation before us today attempts to provide a reasonable balance between the concerns of the farmer and the consumer by establishing a very fair market price objective of 15.8 cents per pound, which is below the cost of production, plus a one-half-cent-per-pound payment to provide an actual support rate of 16.3 cents per pound, closer to but still not equal to the actual cost of producing sugar.

The cost to the consumers at current market prices will be zero. Spot sugar prices reported this Tuesday had sugar selling at 15.97 cents per pound, nearly two-tenths of a cent higher than the market objective. The cost to the Government is also reduced by the fact that only about three-tenths of a cent will be needed in the form of a payment to achieve the 16.3 cents per pound assured return objective.

In future years, consumers will be protected by a 7-percent limit on how much higher the market price objective can go under the terms of this bill. The consumer is further protected by the involvement that the United States will have with the International Sugar Agreement, which will set a free-market price range of 15 to 19 cents for world sugar prices, and should prices go above 19 cents per pound, producing nations will put more sugar in the marketplace to help hold down sugar prices to what is reasonable.

You have heard many false statements from those who oppose the sugar bill. Let me suggest that those who make those statements either did not study the matter thoroughly, or have a vested interest in keeping sugar prices down—such as large industrial sugar users. You have been told that this program is costing consumers billions of dollars. If we review the matter in terms of the fair price for sugar, that is false. So long as the price is below the cost of production, consumers are getting what has been an unfair bargain.

But you must also keep in mind that as the world price of sugar has risen, and it has, domestic import fees have been reduced by the Secretary of Agriculture several times this year to reflect the higher world price. What has been the effect on consumers? Considering that they were paying what amounted to a fairer price, the cost to the consumer was nothing. What it amounted to was simply changing whether the price of sugar paid for sugar or covered import fees. The key point is that the price of sugar to consumers did not go up.

There is only one real justification for sugar legislation: We want to protect a vital domestic industry from unfair competition. Too many producing countries in the past have dumped their sugar in the United States at fire-sale prices in order to get some return rather than throwing the sugar away at a total loss. The so-called world market has been made up of left-over sugar—sugar that is left over after the producing nations have finished filling their more lucrative contracts in Europe and elsewhere. They make anywhere from 21 to 28 cents per pound on those sugar sales, so when averaging out the total return, they still made a sizable profit.

The result, however, was that American farmers were forced to absorb year after year of losses. Consumers began to believe that those low prices would continue forever. They certainly would not last forever, because just as sugar prices went up on the world market in 1974, they could go up again.

Many of you have heard the argument that we face the possibility of a world sugar cartel, similar to the OPEC cartel. Some of you have tried to ignore the argument by saying that there was virtually no chance of such a cartel being formed. But just last month the Washington Post reported that Brazil and other coffee-producing nations were actually discussing the establishment of a world coffee cartel. Since many of the coffee producing nations also produce sugar, how difficult can it be for an existing cartel to simply add one more item to their controlled list?

It has also been reported that both Brazil and the Philippines—both key sugarcane-producing nations—have publicly stated that they will withhold more of their sugar crop for the production of alcohol fuels. No one has been able to measure the impact of such a decision at this time, but if the key sugar-producing nations in the world are going to withhold their crops, the likelihood of higher world prices is even more significant. Without this bill, our consumers will never have the chance to enjoy the protections of the International Sugar Agreement which for the first time in any commodity agreement actually sets a world ceiling price.

I know that many of you are concerned that consumer and public-interest groups oppose this bill. Frankly, that opposition does not surprise me. These groups have historically opposed farm price support legislation because it means that consumers might have to pay more for their food, and higher prices—regardless of the reason—are bad.

I have already explained the mechanisms built into this legislation in order to protect consumers. The payment of up to one-half cent per pound was included as an additional measure of assistance to consumers. Farmers would prefer receiving a fair price from the market, but are willing to accept the payment authority provided in this bill in order to help limit consumer impact.

There is another factor, however, that I believe is important. I believe that the average consumer does not oppose this bill by any large number. The congressional district I represent produces about 90 percent of all of the sugar beets in the State of Michigan. It includes all five sugar-refining plants in Michigan. But it also includes two large cities, seven General Motors plants which employ about 30,000 people, and thousands of other industrial workers. Each year in my annual questionnaire, I ask whether or not my constituents would support legislation that would allow farmers to recover their cost of production from the marketplace. In this year's questionnaire, 62 percent of those responding in an urban-dominated district said that they would support such legislation.

This bill is eminently fair to all involved—the farmers of this country and the consumers who use sugar. I certainly hope that you will all vote "yes" on final passage, and that you will resist any crippling amendments to this legislation.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 3 minutes to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of the adoption of H.R. 2172.

The adoption of this legislation will give American consumers one of the best insurance policies they could hope to receive for now and in the future as they strive to provide basic commodities for the family larder at fair and stable prices.

It insures that the domestic sugar industry which provides about 55 percent of our annual sugar needs will remain in business. With this source of supply assured, our consumers would not be at the mercy of the cartel-minded foreign producers who would like to control more of our sugar purchases just as their counterparts in the OPEC nations do with U.S. purchases of oil.

They could contrive shortages and set prices to gouge us at will. Certainly, our experiences with oil, coffee, and cocoa, where we had to depend on foreign producers, should prompt us to seek ways of avoiding the same kind of dependence as far as sugar is concerned.

What are we talking about with respect to this insurance policy for sugar? We are talking about a market price objective of 15.8 cents per pound for the sugar supply year starting October 1, 1979. This is a fraction of a cent lower than the present price. There has been less than a 6-percent increase in sugar prices over an 18-month period, well under the rate of inflation, and decidedly less than the increase in other consumer goods.

Under the Sugar Stabilization Act, future adjustments in the market for sugar would be limited to 7 percent per year, also well under the rate of inflation.

There are some 14,000 farm families in 18 States growing sugar beets. I am proud to say that more than 1,200 of these families are in the district I represent. They have planted 81,000 acres in sugar beets this year, and under the present price structure, with inflation and all, they do not get their cost of production, and will have to stop producing sugar.

This is an important part of our agricultural economy in Nebraska, just as it is in the other States where sugar beets are produced. This production, plus the processing at four sugar beet plants, adds about $124 million to the economy and provides employment for hundreds of our citizens.

Without a Sugar Stabilization Act, we would forfeit this business to foreign importers, and our economy will suffer accordingly.

I respectfully urge my colleagues to join in providing this insurance policy for American consumers and for a domestic industry that plays an important role in the agricultural economy of the Nation. Vote for the adoption of the Sugar Stabilization Act, H.R. 2172.

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Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Thank you, Mr. Chairman. I thank the chairman of the committee for graciously giving me the time.

I want to say at the outset this is not a vendetta against the sugar industry or the sugar growers. I am deeply concerned for these men and women whose livelihood is tied into this industry. It is obviously of concern to every member of Congress what happens to these people and what happens to their industry.

However, I do feel that the sugar bill that is proposed today is just not a vehicle that would be acceptable to me, nor to the American public, nor do I trust to this Congress, because it is ignoring the facts that are being faced in the sugar industry today. What it is ignoring is that many of the major sugar producers, the corporate sugar producers have been having some of the best years economically they have ever had.

Because of the time limitations, at this time I will not go through the report I have on U.S. Sugar Corp and Gulf & Western and several others who specifically made profits from growing raw sugar and the programs that exist that help them and we will cover that at a later time. But it is a very positive thing.

I think something that is important that keeps coming up is this question of what sugar cost when the sugar bill was killed and how prices went up.

Very rapidly let me tell my colleagues—and these are U.S. Department of Agriculture figures—in December of 1973 sugar was 11.3 cents a pound. It then went to 12.6, in February to 17, March to 18, April to 19, May to 23, June to 27. It increased over 100 percent while the sugar bill was in force and the sugar bill had not been defeated. Nobody thought the sugar bill would be defeated in 1974, but it was.

The sugar price continued rising for nearly 4 months because the trend was solidly there, but then it reversed and came down and never again has come close to those levels. I think this is important.

The point, incidentally, comes up that the sugar industry is still going to be protected when this sugar bill goes down because the President still has the right of protecting this industry within the present limits today. I am sure he will.

I think the President's position on this is unbelievable, frankly, that he should be talking about inflation and the problems we are having in our country and then be supporting a sugar bill I find beyond belief.

But nevertheless he is, and that becomes his business at this time.

Finally, I would like to say the question of Cuba has come up and I honestly do not think it is a red herring. The American people cannot understand how we in this Congress are considering today giving what will be the strongest stabilizing economic force to the Cuban Government, Fidel Castro's Cuba, who has treated us so well in the last several months. We are giving him a gift and I do not believe the people of this country want that.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 3 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I would yield to the gentleman from Colorado at this time.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding. I do not want to take too much of his time, but I would like to respond just briefly to the statement made by the previous speaker about multinational corporations and their sugar profits.

Gulf & Western, for example, reports its earnings from U.S. sugar production and their foreign-grown sugar operations as one combined figure, and it is almost impossible to distinguish that its corporate profits come from domestic production or foreign production. I submit that the majority of the profit stems from foreign operations.

We do know this: That domestic producers have to pay sugar workers more in a half hour than foreign workers get all day long. The production of sugar is labor intensive. The cost of production in foreign countries is low because of the low wages that they pay their helpers. One of the reasons our prices are higher in this country is because our sugar producers incur higher production costs, especially higher wages.

Mr. SYMMS. I thank the gentleman very much for that point.

Mr. Chairman, this past January I had the opportunity to visit a Gulf & Western refinery in the Dominican Republic, and I think all one would have to do is go through an Amalgamated plant in Nampa, Idaho, and then go through a Dominican plant of Gulf & Western to see they do not comply with the same set of OSHA standards, the same set of FDA standards, and many other things; their production costs are much less than our costs are here in the United States. So we are comparing apples and oranges when we try to say U.S. producers cannot compete—pricewise—with foreign producers. Most foreign producers simply have a lower cost of production due to those lack of wage, production standards, and other requirements we place on our domestic producers. There is a big difference.

Mr. Chairman, H.R. 2172 is perhaps one of the most misunderstood pieces of legislation the body has seen in some time. The adjectives that pervade the myriad of "Dear Colleague" letters on the subject call the bill beneficial to consumers and producers, inflationary to consumers and producers, a boost to a capital intensive industry, a windfall to refiners, a job saver, and an insurance policy for producers. I have heard myths presented to clear up the issue by shoveling dirt into the quagmire. It is time for this body to squarely face this issue and see it in light of the real issue.

The sugar bill is not a panacea. Its supporters favor it as the best alternative available to them. They are in the position, however, from which bargaining has become untenable, they must accept what this Congress will enact. I could enumerate the problems of this bill, and have on many occasions, but that would just serve to beg the issue.

Because the issue here today, ladies and gentleman, is whether or not we in Congress will favor a domestic market for sugar and all other points of contention are relegated to that central issue.

Many have said the sugar industry in this country is healthy, but they are not. In my own State of Idaho, we have seen good people put out of work because of Congress failure to act responsibly on this issue. The loss of the Utah-Idaho refinery, in Idaho Falls, one of four plants to close, propelled this issue into a state of reality. No longer were we doomsayers when we spoke of the plight of the sugar farmer. For the benefit of the Members, I would like to read some comments from Mr. Art Benning of the only remaining sugar refinery in Idaho, the Amalgamated Sugar Co., who on June 18, 1979 said:

> If something is not done soon the likelihood of my Company operating its four plants in these two states in 1980 will be diminishing. Some farmers are now, early as it is, beginning to form their plans for next year's plantings. At this point I would have to say that our Twin Falls, Idaho, and Nyssa, Oregon plants are coming close to a planned shutdown in 1980 unless legislation of a positive nature can soon be accomplished.

More recently, I received a letter from Harold Tiegs, a sugar beet grower in Nampa, Idaho, who furthered this dialog from the growers standpoint:

> We ran 140 acres of beets this year. As of now I got 40 to 50 acres scheduled for next year and that may even be cut at a later time. I was talking to my uncle, (Elmer Tiegs), (who has) been growing about 400 to 500 acres a year, and at this time is not scheduled to have 1 acre of beets next year * * *. My own personal opinion, and it is only mine, I haven't discussed it with other growers, is that it's time to just pull the plug. Let the sugar industry go, find other crops to raise and let the consumer stew in his own juice when other countries control the price of sugar * * *. It is sad when government puts such emphasis on a policy to have cheap food at the expense of the individual who is providing that food.

To me, the need for a domestic market is clear. With the rise in global consumption of sugar, and a virtual stalemate in world sugar production, it is obvious that the only way to insure a reasonable sugar price is to guarantee a domestic sugar market.

Mr. Chairman, I foresee the day, if this legislation is not enacted that the "cheap" sugar presently dumped on our market will dry up, and we will be faced with what amounts to a cartel, formal or informal, of a commodity that we could and have adequately produced for ourselves.

The ultimate answer is to deregulate the sugar industry, because of the myriad of Federal mandates that place our domestic industry at competitive disadvantage with countries that do not face minimum wage and environmental constraints. But until we in Congress accept the responsibility for our actions, the result will be the continued precipitous decline of the American sugar industry, total dependence on erratic supplies of foreign sugar and a massive increase in our trade deficit.

Mr. Chairman, I urge your support of the domestic sugar industry by voting in favor of this admittedly imperfect, but overwhelmingly important legislation.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I rise in support of this legislation. I do so in the full belief and understanding that it is not perfect in every aspect, that it has its limitations, but at the same time I find myself in a basic position of supporting it because of my belief that it is good for the consumers of America.

The district that I represent has zero sugar producers within it. We have 467,000 consumers and I support this bill because I believe it is in the best longrun, interests of my consumers to do so.

I want to interject into the debate some interesting statistics because it is interesting that many of those who oppose this legislation do so under the pretense of being for the consumers of their area. I managed a rural electric cooperative for 9½ years. Looking back, in 1938 when a first-class lineman went to work at Stamford Electric Co-op he earned 72 cents an hour. This 72 cents an hour would purchase 13.8 pounds of sugar in 1938.

Today, at Stamford Electric Cooperative this first-class lineman earns $6.87 an hour. That is 1 hour of work today by the same lineman will purchase 21.6 pounds of sugar at 1979 prices.

I suggest to those who oppose this legislation because of the consumers of their area, especially my colleague from New York who just spoke, that there are many individuals working in New York today earning considerably more than $6.87 an hour for much less dangerous work than climbing a pole and working with dangerous electricity. When we compare these numbers I suggest that really the bottom line issue that we have to address, that is what is basically good for the consumers of America, is to have a competitive domestic sugar industry.

When my colleagues look at this consistent argument we have, that food is too high for the consumers of America, I ask simply: Food is too high compared to what? Compared to what is sugar too high? Certainly not compared to average salary in New York City.

Last year when we had farm profits being bandied about the news media, farm profits were reported up 40 percent. It is interesting to note that the return on investment to agriculture in the United States in 1978 was 3.7 percent.

☐ 1150

I ask you, what industry can stay in business with such a low return? What we are asking for our sugar producers today is simply a floor price that will encourage them to continue to produce and feed America cheaper than any other country in the world.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I would like to take a moment to respond to some of the statements that have been made about this sugar bill.

I am particularly concerned about the argument that this bill, by allowing U.S. participation in the International Sugar Agreement, will help Fidel Castro's Cuba.

Mr. Chairman, I submit that failure to pass this bill will help Fidel Castro more than passage ever could. Failure to pass this bill will virtually guarantee the destruction of the U.S. beet sugar industry, and it will lead to further erosion in the financial health of the cane sugar industry.

Nothing could help Castro more than killing this bill. With a substantial portion of the U.S. sugar industry out of business, this country would turn to the world market. Even if we did not buy directly from Cuba, we would be drawing on world stocks, thereby bringing upward pressure on world sugar prices. This would help Castro more than our participation in the ISA because Cuba would sell its sugar in that market.

Mr. Chairman, we would increase world sugar prices at the same time we were in the market for that sugar. That means our troubled balance of trade would be pushed further into deficit.

I am not at all satisfied with the bill we will be considering on the floor of the House. However, I must support this bill because I think it is the best bill we can get in this Congress.

I have heard a number of arguments against this bill. While there is some merit in some of the arguments, I think we must consider the following information:

The support level in the sugar bill is almost the same as the current sugar price; therefore, the bill's inflationary impact will be negligible. It is also important to note that foreign producers who compete with U.S. sugar growers are not necessarily more efficient or productive if their sugar costs less as many erroneously assume. Sugar yields among our principal foreign suppliers generally are lower than those in the United States. There are no strict environmental controls in foreign countries and the average foreign sugar worker earns less in a day than this American counterpart earns in half an hour.

On balance, I think the sugar bill will be good for this country over the long term and I support its passage.

Mr. Chairman, in closing let me remind my colleagues of what happened in my congressional district last year. When Congress adjourned without passing a bill, the beet growers in southwestern Kansas got together and decided they could no longer afford to stay in business. They were shipping beets to Rocky Ford, Colo., for processing. Today, the Rocky Ford plant is closed. The farmers are no longer growing beets in southwestern Kansas.

There is still a sugar industry in northwest Kansas. Beet acreage has declined, but the farmers in that area are still hanging in there.

Mr. Chairman, I would like to see those growers there next year, and the year after. Growers in that area do not like this bill, but figure it is better than nothing. If we pass this bill, they may be able to stay in business.

Mr. DE LA GARZA. Mr. Chairman, I yield 3 minutes to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Chairman, there is no way that I can support this legislation as it is presently worded. I strongly oppose the one-half cent payment. This payment must be stricken from the bill. Only then can I wholeheartedly support H.R. 2172.

Much has been made of the "inflationary" impact of this legislation. One statement that I have had the opportunity to read, states that a rise in the price of sugar from 15 cents to 15.8 cents will cost American consumers $400 to $500 million a year. I want to offer a few statistics of my own. First, Americans consume roughly 100 pounds of sugar per year, per person. Thus, a 1-cent rise in sugar prices will cost the average American roughly $1 a year, just $1. In round terms, the cost of a 1-cent increase in sugar prices will cost under $200 million a year.

The argument will be made that additional costs will be felt through processed items containing sugar. Let me point out that in 1974, when the price that growers were receiving for sugar shot from 12 cents to 65 cents a pound, food and beverage manufacturers raised their prices steeply. However, when the price of sugar dropped, food processors did not lower their prices but continued to raise them. Between June 1975 and December 1978, the price of cookies rose 39 percent, the price of ice cream 26 percent and the price of cola soft drinks 12 percent. All of these increases took place while the price of sugar actually dropped 11 percent.

My colleagues from the east coast have no doubt been made aware of the alleged detrimental effect of this legislation on their cane sugar refineries. Let me point out to you that the bill contains no restrictions on the quantity of raw foreign sugar which a refinery may import. Furthermore, the bill contains restrictions on the importation of refined sugar, a provision highly desired by domestic refiners and refinery workers. The sugar program in effect for the past 2 years, has in no way harmed any refining industry. This legislation would continue the type of program that has maintained the sugar industry for the past 2 years and would not reduce employment levels in refineries or any other level of the sugar industry.

Sugar is a unique commodity. Unlike other staples of the American diet, over 40 percent of the sugar consumed in the United States is imported. Sugar has been for many decades, a vital and important industry, not only in Hawaii, but also in 17 other States. Sugar farmers are not getting rich at the expense of the American consumer. They have consistently lost money over the last several years, and will go out of business entirely without our help. They are not asking for a handout, but a stable market price; one that will assure that supplies meet demands, and one that will assure both consumers and producers are guaranteed a fair price.

To summarize, first, strike the payment provision from the bill. Secondly, pass that version of the bill for the good of both consumers and producers in our country.

Mr. JOHNSON of Colorado. Mr. Chairman, I yield 3 minutes to the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Chairman, I rise in support of H.R. 2172 as reported by the House Agriculture Committee. This country through its agricultural policies has been forcing sugar producers off their land or coercing them to grow crops which are already in surplus. This country needs this legislation in order to maintain a viable domestic sugar industry which is not hampered by the wide swings in market prices so detrimental to the producer as well as the consumer.

Take a look at our sugar industry and you will note that sugar beet production is down by 15 percent to 21.9 million tons from the 1978 crop of 25.8 million tons. In my State of Montana, the decline has been fatalistic to many a producer and to the economy of numerous small towns. Montana has seen the decline of harvested acres from 48,500 in 1975; to 46,100 in 1976; 45,000 in 1977; 44,700 in 1978 to only 43,400 in 1979.

In monetary terms, we are talking about severe economic hardship to small rural communities who have come to rely on the symbiotic relationship between the grower and the processor. The Holly Sugar Co. has announced a net loss of $5.7 million for its fiscal year ending March 31, 1979. This translates to a loss of revenue and markets for the local sugar producers who depends on the local processors. Overall, Montana sugarbeet growers contributed $22,579,000 to the State's economy with their crop in 1977. These funds turn over numerous times in the economy and support the local communities economic base.

Yet, these dollars are not what the sugar industry could be contributing to the economy. Through the agricultural policies forced upon the sugar industry we see massive plant closings and growers moving into other endeavors. In the past 3 years 30 percent of the sugar processing facilities in the United States have closed down. History has shown that once a plant has closed, it does not go back into operation. In the beet areas alone, the American Crystal Sugar Co., the Nation's largest processor of beets has announced it is permanently closing its Rocky Ford, Colo., plant while the company of Utah & Idaho, Inc., placed all of its facilities up for sale. U. & I. Inc. is no newcomer to the sugar industry with 90 years of experience in the beet processing field. Holly Sugar Co. and Great Western have also closed plants which have been in operation for years and the Colo-Kan Cooperative have completely ceased operation in the beet industry. This loss in processed domestic sugar has been taken up in part by the 34 percent rise in sugar imports experienced between January and July of 1979 as compared to the same period last year.

It is time we turn around this decline in the domestic sugar industry. We can do this in part by allowing the producer to receive a price for his product in line with the cost of producing that product. According to the U.S. Department of Agriculture, estimated world production costs for sugar range in the neighborhood of 12 to 17 cents per pound. This is the world production price in a world which pays its laborers a good deal less than the American fieldhand receives.

The sugar industry not only contributes a valuable product to our diet, but can be an aid in the energy independence that the Nation is seeking. Jack Anderson in his column in May of this year summed it up very well when he wrote:

> Ironically, the depression in the (sugar) industry is occurring at the very time the government is calling on sugar producers to begin making alcohol fuels. Raw sugar is one of the finest possible materials with which to manufacture alcohol fuel, which could help reduce our oil imports.

The bill before us will not cure all the ills of the sugar industry. The price level contained in this legislation is barely enough to keep the most efficient producers in beet farming. And the maximum 7 percent per year increase set out for the 1980–81 and 1981–82 years is far below the costs the farmer will be forced to bear in production and transportation costs. The 7-percent administration guidelines will be enforced for sugar, as well as other crops, yet the price of input factors for production has increased dramatically beyond that. One needs only to look at the surge in energy and transportation costs to realize that the 7 percent will allow the farmer to go broke a little more slowly. As a farmer in my district recently said to me, "We can't do this for a hobby." His sentiments are shared throughout the sugar industry and it is a shame that we should turn our backs on an industry which has served this country well. While I would like to see a stronger bill passed by this body, the administration has not been sympathetic to the plight of the sugar industry.

Therefore, I must urge adoption of H.R. 2172 but I also wish the House would review the plight of the domestic sugar industry and consider a more reasonable increase in the 1980 crop years.

The CHAIRMAN. The gentleman from Colorado (Mr. JOHNSON) has 3 minutes remaining.

☐ 1200

Mr. JOHNSON of Colorado. Mr. Chairman, I yield the balance of our time, 3 minutes, to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Chairman, contrary to a shortsighted consumer position held by many as expressed in the Washington Post lead editorial of September 20, the sugar legislation now before Congress providing a small increase in the wholesale price of sugar is very much needed to insure American consumers against long-run shortages and skyrocketing prices.

The Post took a sweeping but superficial look at pending legislation calling for an increase from 15 to 15.8 cents per pound and chose to ignore the potential long-range effects on domestic markets of scuttling this legislation.

This bill entitled "The International Sugar Stabilization Act" which is now before us provides a 15.8 cent per pound guarantee plus an additional government payment of one-half cent per pound. The legislation had exhaustive consideration before both the House Agriculture and Ways and Means Committees.

Like oil, 50 percent of our sugar is imported and anyone who has observed the machinations of OPEC over the last 6 years can quickly envision a similar fate for sugar if we do not take timely action. Prices subject to foreign manipulation could rise drastically—not in relatively small increments as provided by this legislation—and supplies could equally be affected.

We would do well to remember the analogous example of metals imports pointed out in an August 23 Post editorial which ironically takes the opposite position. Since the United States quit domestic processing of nickel and now imports more than half of the other 12 basic industrial raw materials, their prices have increased alarmingly. Nickel has shot up 87 percent over the last year; copper up 47 percent; molybdenum up 44 percent; platinum up 59 percent; zinc up 41 percent; and so on.

With a continuation of fatally low prices forcing the domestic industry out of business, the same calamity will likely hit the price of sugar. The current situation places us in danger of becoming totally dependent upon foreign sugar producers.

This year in my own State of Idaho and in the neighboring States of Washington and Utah, the Utah & Idaho Sugar Co. discontinued four processing operations which is driving farmers out of the production of sugar and into other commodities creating overproduction problems and forcing increased dependency on foreign sugar.

No doubt this issue has serious political implications, but, more to the point, defeat of this legislation has serious economic implications for the American consumer who could well be faced with obtaining virtually 100 percent of his sugar from a foreign OPEC-type cartel.

The International Sugar Stabilization Act is necessary to keep the American farmer and processor in business in order to insure the sugar consumer a long-term domestic supply and price.

Mr. Chairman, the bottom line of this debate, as I see it, is whether we want and/or need a domestic sugar industry. If we do, how can we best preserve and maintain it. I firmly believe that a strong domestic sugar industry is vital to our economic and national security.

Remember, the United States is the only major sugar importer without long-term sales agreements with foreign producers. We rely on spot markets, similar to the Rotterdam spot market for oil. It is a good place to buy sugar in time of surplus and a terribly expensive place to buy sugar in time of shortage.

It is naive to assume that the rest of the world will continue to sell sugar to Americans at 50 percent below the cost of production and far below the price paid by consumers in their own nations. If they are so inclined today, it is a certainty they will not if the United States loses its domestic suppliers. The U.S. Department of Agriculture has said:

> If the U.S. had produced no sugar in 1978 and relied exclusively on imports for the 10.9 million short tons we consumed, the impact on world prices would have meant a 6.4 million short ton increase in U.S. demand for sugar imports—almost a 50 percent increase in the demand for *world* free sugar. That would have meant an *increase* in the world price of sugar of *several hundred percent* . . . (Emphasis added.)

The best guarantee of reasonable prices and dependable supplies of sugar is a healthy domestic sugar industry. The risk of our losing this industry is great today.

As I previously stated, this year in my own State of Idaho and neighboring States, one company alone closed four processing operations. A like fate came to five Louisiana sugarcane mills and four Puerto Rican mills.

There is major support for this bill among labor unions, small food processors, suppliers and related industries, and major national farm organizations. Opposition to the proposal comes from a handful of giant industrial users, such as soft drink producers and stems from the fact that multinationals can hedge sugar purchases in the volatile world market.

It is important to note that when sugar prices were high in the early seventies the major users of sugar blamed their dramatic price increases on sugar. Interestingly however, these same products did not reflect the lower sugar prices which occurred later.

Nobody is totally happy, but for the good of everyone, including the opposing big interests, we must preserve our domestic sugar industry.

Although H.R. 2172 is by no means a perfect bill, it is all that is now available between survival and destruction of an important industry in this country.

For the wage earners needing a job to put cereal on the table and for the consumer who likes sugar on that cereal, this International Sugar Stabilization Act is necessary. It will keep the American farmer and processor in business in order to insure a long-term domestic supply and a reasonable price. I strongly urge passage of this legislation.

Mr. DE LA GARZA. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, I would just like to make a few points on this legislation: First, this is an industry that through the years, when we had the legislation, kept sugar at a reasonable price, a steady supply, with quotas and working with the friendly nations of the world. Unfortunately, this now has fallen by the wayside, and I do not care who says what or how they say it, the figures are there to prove the need for similar legislation.

Second, we repeatedly hear the word "consumer" here. The farmers of America are the largest consumer group there is. If a sugar mill closes, that means the manufacturers of all the items in the mill, suffer. The farmers are the greatest users of services and supplies and material in the United States. More importantly, though, I think than anything else is the fact that should we not have a sugar industry—and I was shocked to see a major newspaper in the United States say that we do not need a sugar industry and that all the sugar we consume should be brought from abroad—we know what is happening to us with oil. We know what happened with coffee, and if nothing else, but national pride should encourage and prompt us to keep this industry healthy and producing for our American families and commercial users.

Finally, Mr. Chairman, I would like to say that this bill today will not increase the price of sugar. The base that we have of 15.8 cents is below what the world price of sugar is now and all who have quoted different figures should check them, for it appears their remarks were prepared without looking at the prices of the last few days.

The CHAIRMAN. The Chair will advise the House that there is 1 hour of debate remaining, 30 minutes under the management of the gentleman from Oregon (Mr. ULLMAN) and 30 minutes under the management of the gentleman from Minnesota (Mr. FRENZEL). The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, we borrowed some time from the Committee on Agriculture, and at this time I yield 5 minutes to the distinguished chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I know of few occasions in my legislative career when I have had to disagree more dramatically with honored and distinguished colleagues on the facts concerning a piece of legislation than I must today.

We have been told that this bill is somehow going to cost consumers enormous amounts of money. The fact of the matter is that the price of raw sugar in New York yesterday and today was higher than the 15.8 cents price objective called for in the bill—higher. The fact of the matter is that even the New York Times, which opposes the bill, conceded in an editorial last week that it did not really represent any significant consumer cost, but, rather, opposed it on purely symbolic grounds. The fact of the matter is that for a number of years we have had sugar prices at artificially low levels in this country and in the world because only about 1 pound of every 6 that is produced is traded on the so-called free market, and that free market is a notorious amplifier of both surplus and shortage. To the degree that when conditions of supply change as much as 10 percent, price fluctuations can move as much as 300 or 400 percent. The world market is neither a representative nor the real market for sugar because most countries either consume the sugar they produce within their borders or have elaborate sugar programs and trading agreements of their own.

The fact is that this bill is estimated at this point to cost zero—zero in the next sugar year. There is not a scintilla of truth that there is 1 cent that will accrue to the cost of any consumer because this bill is enacted for the sugar year 1979, which began on October 1.

☐ 1210

Furthermore, the bill by its very terms places an absolute maximum of 7 percent annually on increases for the following 2 years of the bill.

Mr. Chairman, where in our present society do we have any guarantees of that kind?

It has been said that this bill, by providing for U.S. participation in the International Sugar Agreement, somehow aids Fidel Castro. If there is any argument more absolutely incorrect or potentially dangerous in terms of our foreign and economic policy, I have not heard it in this Congress, or, I think, any other Congress of which I have been a part. It would be a horrible mistake if this House were to assume that by defeating this bill and preventing implementation of the International Sugar Agreement it would somehow defeat Castro. There are currently about 55 nations, including Cuba, who are participants in the International Sugar Agreement, it would be a disaster for American foreign policy if 54 of those nations, who for a year and a half have been fulfilling their obligations under the ISA were suddenly told that the United States had refused to work with them toward a better opportunity to sell and trade their sugar supplies because we mistakenly thought that to do so would help Fidel Castro.

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I will gladly yield to the gentlewoman in a moment.

Mr. Chairman, we are trying, in the International Sugar Agreement, to not only stabilize sugar prices but to give dozens and dozens of our friends in Central and South America and elsewhere, a chance to improve their trade and to avoid the kind of penetration and instability that Castro-type efforts have brought about in those regions. To suggest that this bill somehow aids Castro and that by defeating the International Sugar Agreement we will suppport American foreign policy flies in the face of the judgment of every single country in the region, of our own Department of State, and of the administration, which is in charge of foreign policy in this country.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, those of us who have followed through the whole debate the enactment of the international sugar policy will know that the Cubans were the ones who tried to scuttle it. Castro did not want an International Sugar Agreement. Those who come into the picture now do not realize this and do not know the facts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. I yield 2 minutes to the gentleman from Washington (Mr. FOLEY).

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I will yield briefly to the gentlewoman.

Mrs. HECKLER. Mr. Chairman, the facts I presented earlier in terms of the quantities which our free market trading allies were able to produce and sell were taken from the public documents published by the International Sugar Organization.

These facts cannot be refuted and they demonstrate clearly that in every case our free market trading partners were forced to cut back their production of free market exports. At the same time Cuba was given the lion's share not only of the free market export tonnage, despite their history of lesser market sales, but in addition were given unlimited authority to export to the Socialist countries which in their case alone would not be subtracted from the overall tonnage figure. This constitutes preferential treatment to Cuba.

Mr. FOLEY. I do not question the accuracy of the gentlewoman's figures, but I am questioning the interpretation the gentlewoman from Massachusetts puts upon them. If the gentlewoman thinks those countries who sign the International Sugar Agreement did so to help Castro, then I am amazed, and I think she should be amazed by that suggestion. They are doing it to help stabilize the international sugar market in the world and to help their peoples and their economies. Moreover, if anything, this agreement requires restraint on the part of Cuba, which otherwise could dump enormously great amounts of sugar on the world market.

Mr. Chairman, I will also say to the gentlewoman that the fact of the matter is that Cuba has a longstanding special arrangement with the Soviet Union by which the Soviet Union pays Cuba about twice as much as we are talking about in this bill as a form of assistance to Cuba. Thus, Cuba has a very good thing going with the Soviet Union and does not really need the International Sugar Agreement. Dozens of other countries, however, are not in such an enviable position; and it is in the interests of both our foreign policy and the economic development of those 79 nations that this agreement is ratified. I would only like to underscore the fact that both the Department of State and the administration have urged strongly that the International Sugar Agreement is in the interest of our foreign policy, and in the interest of the security of the region of Central and South America. As such, I strongly endorse its ratification.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield briefly?

Mr. FOLEY. I yield to the gentleman from Minnesota.

Mr. FRENZEL. What the gentleman is saying is exactly correct. Whether or not we are in this agreement, the Cubans will do exactly what they want to do. Our being a party to it has no effect. However, it is in our best interests to be a part of the agreement. What the gentleman has stated is exactly the fact.

Mr. Chairman, I thank the gentleman.

Mr. FOLEY. Mr. Chairman, if I may I would like to describe just what the bill involves and what it is designed to do.

H.R. 2172 as reported by the Committee on Agriculture is a fair and balanced bill. It has several objectives. It is intended to: First, assure the economic viability of a domestic sugar-producing industry; second, protect the welfare of consumers and producers by assuring supplies of sugar at fair prices in the United States and in the world market; third, achieve these price and supply objectives through cooperation with sugar producing and consuming countries under the export quota system of the International Sugar Agreement and the operation of a complementary import management program for the U.S. market; and fourth, insure that those who labor in the production of sugar share in the benefits of the bill through improved wages and working conditions.

The differences between the amendments of the Agriculture and Ways and Means Committees are primarily technical in nature, and I anticipate that they will be resolved expeditiously on the floor when the proceedings are under the 5-minute rule.

H.R. 2172 provides a price objective for the year beginning October 1, 1979, of 15.8 cents per pound, raw value, on a New York landed basis. This will not increase the price of sugar one iota. Current prices are at that level and it is anticipated that under existing authority the administration will continue to maintain it at that general level. What H.R. 2172 does is to provide stability to sugar prices. It contains a mechanism through the use of fees and, if necessary, backup quotas under which the domestic price is stabilized with a floor price during the year at the level of the price objective. This stability is important to the survival of the domestic sugar industry. It must be able to plan ahead, to make financial decisions based on a stable market and not subject to sharp changes in prices that could otherwise occur. With this stability, the United States will be able to maintain some element of independence from the otherwise small and volatile world sugar market.

For several years, there has been no fair trade in sugar. Almost every pound of raw or refined sugar which has entered the United States has been dumped or subsidized. At the present time there is a total of approximately 13.4 million short tons of sugar traded in the free world market (about one-sixth of world production). The rest is either consumed in countries where it is produced or traded under long-term fixed price agreements. The United States imports on the average approximately 5 million short tons or approximately 32 percent of the small amount that makes up the world market. These imports meet roughly 50 percent of demand in the United States which cannot be met by U.S. production.

An additional 9.6 million short tons is expected in international trade but is the subject of bilateral agreements and is unavailable for free trade. Because the amount of sugar traded in the free market is small in comparison to total production and consumption of sugar, small fluctuations in the supply are translated into sharp changes in prices.

For several years, world sugar prices have been at distress levels. As excess stocks of sugar have continued to mount worldwide in the wake of an unbroken series of record crops, increasing amounts of foreign sugar, unable to find a home in the controlled market through trading monopolies, exclusive agreements, and the like, have been exported to the United States. These imports have sharply depressed domestic prices while the costs of production have climbed steadily. As a result, most producers have lost money on every pound of sugarcane and sugar beets they have produced.

Over the next several years, we can expect there to be an upward pressure on prices in the absence of this bill. There is a steady increase in consumption relative to supplies. Brazil and a number of other countries are assigning a certain portion of their sugar production to alcohol for fuels and there are other natural increases in demand that are occurring. For the first time in 5 years consumption is expected to exceed production, thus resulting in a drawdown of sugar stocks.

If H.R. 2172 is not enacted and the domestic sugar industry loses the stability and modicum of support provided by this legislation, it can be expected that the United States would increase its reliance on the world market to possibly one-half of the total supply available for free trading and in times of short supplies to an even greater percentage of the total. The price of sugar would become increasingly more volatile and subject to rapid rises as high or higher than occurred in the period 1974–75.

This instability has already resulted in the closing of a number of processing facilities upon which producers depend, thereby weakening our production capacity both now and for the future and reducing badly needed employment opportunities.

During the past 3 years, domestic sugar production has declined so that 1978–80 production levels are expected to be about 28 percent below those of 1975–76. Furthermore, 30 American sugar processing plants have closed—a loss of one-fourth of our processing capacity and a corresponding loss of jobs in the affected communities.

When the old sugar act expired, there was an acute global shortage which sent sugar prices soaring toward 60 cents a pound and beyond in the winter of 1974 and then a growing surplus caused prices to fall as quickly as they had risen. According to knowledgeable sources, a 1-percent reduction in world supply would result in an increase in cost of between 30 to 50 percent while a 10-percent reduction in supply could be expected to produce an increase in price of between 300 to 400 percent.

The 1979 price objective of 15.8 cents per pound under the bill is the same as current prices of sugar and approximately a 5.5-percent increase above the average price in the last year—far less than the overall rate of inflation during the same period, below the 8- to 11-percent increase in the cost of producing sugar during that year, and well within the President's inflationary guidelines.

H.R. 2172 is a 3 year bill and in the following 2 years; that is, for the 1980 and 1981 sugar supply years the price objective would be adjusted annually based on the same cost of production factors for the sugar crop as provided for other farm commodities under the Food and Agriculture Act of 1977. These include variable costs, machinery ownership costs and general farm overhead costs. There would be a limit on any upward adjustment—a cap of 7 percent each year, unlike the program for other farm commodities where there is no statutory limit. This is well within the wage-price guidelines established under the administration's wage-price program—and about one-half of the current annual inflation rate. I would emphasize that the increase of 7 percent is not automatic—it is a ceiling, the most that the sugar support could rise in any 1 year.

The bill further provides that if the 1979 market average is below 16.3 cents a pound, growers would get a supplemental direct Federal payment, which could in no case exceed one-half cent per pound or a total of $50,000 per producer. If the market price should exceed 15.8 cents per pound the payment would be reduced, and if the market price should attain 16.3 cents per pound there would be no payment at all. Similar payments would be made for the 1980 and 1981 sugar supply years. Since the market price objective is to be supported by import fees and, if necessary, by backup quotas, the farmer payments would be more than offset by Government returns from sugar import fees. The payments must be made solely to producers and are subject to a payment limitation just like the limitation that applies to producer payments for the other farm commodities under the Food and Agriculture Act of 1977.

The USDA estimated in 1978 that the average cost of production in the United States was then about 15.2 cents per pound. However, as reflected in a letter from the Comptroller General to the Ways and Means Committee dated September 1, 1978, and recognized by the Department of Agriculture and others, this estimate was not based on accurate current data regarding the cost of production. The USDA figures were based on Data for the 1961–71 sugarcane crops and the 1976–77 sugar beet crops projected to 1978.

The committee was supplied last year with testimony and data which estimated the average production cost at a higher figure. For example, estimates by the University of Florida and Louisiana State University, based on much more current data than used by USDA were substantially higher than USDA's cost estimates.

Since the Department's estimates were received, inflation has increased the cost of production by at least 7 percent. Thus, even if the Department's figures for 1978 were accurate, the cost of production of the 1979 crop should be approximately 16.3 cents per pound, the assured return provided in H.R. 2172 for 1979. In the committee's view at the present time the average cost of production is undoubtedly at least that amount and probably higher.

The bill is cheap insurance against the kind of shock consumers could get if we fail to learn the 1974–75 lesson and allow the disaster of those years to be repeated. Even if 1974–75 type disruptions come only once in every 10 years, they would still cost consumers more than the maximum possible cost under the pending sugar bill. Defeating the bill would be an open invitation, issued by groups which want to help consumers, to a future raid on our food budgets.

The pending sugar bill represents a compromise. Farmers will have to settle for prices at which not all could cover their cost. Consumers will not, however, have to pay more, in the short run, than they would without legislation, and the net result, in the long run, if we have the sense to avoid the destruction of our sugar industry, will be lower prices and better protection for all consumers.

For every pound of domestic sugar bought, the money remains in this country and benefits the overall economy. If, on the other hand, we permit the collapse of the U.S. sugar industry, our consumers must turn elsewhere, contributing handsomely to the treasuries of other nations, heightening our country's balance of trade deficit, and placing us at the mercy of foreign suppliers.

It is often argued that other countries with cheaper labor costs can produce sugar for much less than can producers in the United States and thus the United States should rely on the world market rather than domestic production for a larger portion of its needs. This simply is not the case. Hawaii is one of the lowest-cost producers of cane sugar in the world and Michigan ranks among the lowest-cost producers of beet sugar in the world. The U.S. sugar producing industry is an efficient industry because on the whole it employs a high level of technological innovation. The trade in the world market does not reflect supply/demand factors but to a large extent is the result of government subsidies and special pricing arrangements.

H.R. 2172 also has real benefits for labor. There appears to be some misunderstanding in this regard which I want to correct. The bill improves on the minimum wage rates required to be paid to field workers engaged in the production of sugar by improving substantially upon the rates provided other workers under the Fair Labor Standards Act. It also contains important new protections for field laborers which are not guaranteed them under current law. For the 1979 sugar supply year H.R. 2172 provides a rate of $3.30 per hour and a premium of 10 percent for equipment operators in counties where sugar accounts for at least 25 percent of the acreage planted to crops. This is to be contrasted with $3.10 per hour under the Fair Labor Standards Act with no premium whatever for field equipment operators. For the 1980 sugar supply year the basic rate under H.R. 2172 would be increased approximately 7 percent to $3.53, which should be compared with $3.35 under the Fair Labor Standards Act, and for 1981 it would be increased further to approximately $3.78 as compared with $3.35 under the Fair Labor Standards Act.

Title III of the act also establishes for the first time protective measures for farm labor not previously contained in sugar acts. It provides protection for field workers against discriminatory practices by producers and against their being charged excessive amounts for goods, services, board and lodging supplied by their producer employers, as well as assuring that these workers are covered by workmen's compensation. Finally, it makes judicial remedies available in the event of violations of any of the labor provisions.

In the committee's view, the labor provisions of H.R. 2172 should insure fair wages and sound working conditions for sugar field workers. Without this legislation, the administration would have no authority to establish wage rates for sugar workers higher than those contained in the Fair Labor Standards Act—even should the Secretary institute a price-support loan program for sugar under current legislative authority.

I would like at this point to describe briefly some of the details of H.R. 2172 as reported by the Committee on Agriculture.

### TITLE I

First. This title provides the President with the necessary authority to implement the International Sugar Agreement (ISA) through December 31, 1981. The agreement would attempt to maintain price within a price range of between 11 and 21 cents a pound and provide protection to both consuming and exporting countries. Title I includes authority to limit the entry of sugar from non-ISA member countries or areas, prohibit the entry of sugar lacking documentation required by the ISA, and require the keeping of relevant records and the making of reports.

### TITLE II

First. As I stated earlier, this title seeks to insure the continued survival of the domestic sugar industry by establishing a price objective of 15.8 cents per pound, raw value, for the sugar supply year 1979 (which starts October 1, 1979). The requirement that imported sugar, which constitutes roughly half of U.S. supplies be entered at least at this price will enable domestic producers to obtain the same 15.8 cents for U.S.-grown sugars.

Second. The price objective is required to be adjusted annually for the 1980 and 1981 sugar supply years (but not more than 7 percent each year) based on changes in the same cost of production factors for the sugar crop as provided for other commodities under the Food and Agriculture Act of 1977, including variable costs, machinery ownership costs, and general farm overhead costs.

Third. The price objective is maintained through the imposition of import fees (in addition to existing duties) to insure that over the sugar supply year on the average the price of imported sugar achieves the price objective.

Fourth. After the first 6 months of any sugar supply year, the Secretary must make and publish a determination as to whether or not the price objective would be achieved on the average during the year solely through imposition of special import duties. If the Secretary determines not, quantitative restrictions would be imposed on a global basis as determined necessary to achieve the price objective on the average during the sugar supply year.

Fifth. Finally, title II provides for payments of up to a half cent per pound for each of the sugar supply years 1979 through 1981. The payments must be made solely to producers and are subject to a payment limitation just like the producer payments that apply to other farm commodities; namely, a limitation of $50,000 for each producer for each of the sugar supply years.

### TITLE III

First. This title establishes farm labor provisions under which producers of sugarcane and sugar beets must pay field workers $3.30 an hour for the 1979 sugar supply year, and a rate for the 1980 and 1981 sugar supply years which is based on the rate for the previous year increased in an amount proportional to the increase in the assured return for the year.

Second. Field equipment operators are provided a premium of at least 10 percent more than the above rates in counties or parishes where at least 25 percent of the acreage devoted to agricultural commodities is planted to sugarcane or sugar beets. Wage rates for Hawaii and Puerto Rico are provided as required by labor union agreement or Federal or local laws.

Third. Discrimination is prohibited against field workers involved in the production of sugar beets and sugarcane who participate in any wage rate proceeding or investigation under the labor provisions of the act; producers are prohibited from charging field workers for any goods and services furnished an amount in excess of their fair value; and field workers are required to be covered by Workmen's Compensation.

### TITLE IV

First. A price support loan program is provided for each of the 1979 through 1981 crops of sugar beets and sugarcane, respectively, at not less than 89 percent of the price objective for the applicable sugar supply year.

Second. Waiver of interest is authorized on outstanding 1977 and 1978 crop loans on sugar beets and sugarcane in order to encourage repayment of such loans so long as a waiver does not unduly affect market prices.

Third. The Secretary is required to conduct cost of production studies on sugarcane, sugar beets, sugar, and other sweeteners.

Fourth. Commodity Credit Corporation is authorized to guarantee loans for facilities for production and marketing of industrial hydrocarbons and alcohols derived in part from sugarcane, sugar beets, corn, or any byproduct derived from the foregoing from a fund of up to $25 million during the 2 fiscal years beginning October 1, 1979.

H.R. 2172 was reported by the Agriculture Committee by a rollcall vote of 29 to 9.

The Congressional Budget Office estimates that in fiscal year 1980 under the Agriculture Committee amendment there will be a reduction in Government outlays of over $36 million because the bill would encourage repayment of existing price support loans. There would be no outlays for Government payments in fiscal year 1980—they would be made in fiscal years 1981, 1982, and 1983 at a cost each year of $51 million. During the same period 1980 to 1983, the Congressional Budget Office estimates that additional revenues to the Treasury resulting from H.R. 2172 would amount to approximately $500 million dollars, more than offsetting any costs incurred by the one-half cent payment.

I would summarize by stating that the bill gives sugar producers the necessary price stability and the minimum support needed to keep them in business. By so doing it also protects consumers and industrial users by assuring them of a dependable supply of domestically grown sugar, thereby protecting them against the volatile international market which proved so destructive of consumers' interests in the period of short supply in 1974–75. It benefits not only the 16,000 sugar producers, but the more than 100,000 persons who work in the production of sugar—one of the most labor intensive agricultural crops, and the millions of sugar consumers in the United States. It has the full endorsement of the President.

I urge the Members to join me in support of the bill.

Mr. ULLMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend the statement of the chairman of the Committee on Agriculture. The gentleman is absolutely right. This bill will not raise the price of sugar. The people who say it will are looking at sugar prices of 2 months ago. The chairman of the Subcommittee on Trade of the Committee on Ways and Means (Mr. VANIK) who has access to the latest figures, will tell you that sugar is already as high or higher than the price objective established in this bill. It will not raise the price. Let us get that behind us once and for all. This bill will not raise the price of sugar.

Then we are asked to respond to the question, Why do we need it if sugar prices are already this high? My response is that the domestic sugar industry must have some stability. That is a common problem in agriculture. I have some sugar producing areas. If the farmers are in doubt about a fluctuating market, they are not going to continue to raise sugar beets. With this kind of stability, they will.

The way the sugar beet industry is organized, your sugar refineries are built in areas where they produce sugar, and they will not stay in business if a sufficient number of farmers do not sign up to produce sugar.

Mr. Chairman, I have a refinery in my district that is going to go out of business if we do not give them some stability. If you allow this to happen, if you allow our domestic industry to go out of business, then, in an unstable world market, the consumers of this country are going to suffer.

Mr. Chairman, I raise the proposition that the consumers of this country have a great stake in the passage of this bill. It will benefit them enormously if you pass this bill, and they are going to be hurt if we fail to pass this bill.

Mr. Chairman, there are various factors in the increase in sugar prices. It relates to gold. It relates to hurricanes in the Caribbean and to other factors. Indeed, as the chairman of the Trade Subcommittee will tell you, this bill will not in any way impact the price of sugar on the domestic marketplace.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I will yield briefly to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I would like to commend the gentleman in the well for the statement he is making and for his support of this measure. I could not agree more with what the gentleman says. He mentioned that one of the sugar beet plants in his district is either shutting down or has shut down. In northwestern Ohio we have had in the past three sugar refineries. Two of them have already shut down. The third one is on the brink. Unless this legislation passes, we can kiss the domestic beet industry goodbye in the United States. We will be faced, as has been pointed out, with an OPEC situation as far as sugar is concerned.

□ 1220

The people who are fearful that this bill might raise prices—and it will not—should be concerned that in the future, if this legislation does not pass, they are going to pay higher prices for sugar if we no longer have a beet industry in the United States to protect us.

Mr. Chairman, several years ago, when the House brought forth sugar legislation, without my support, we defeated the legislation, and at the time the former chairman of the Committee on Agriculture, Mr. Poage, pointed out that if that legislation failed, the price of sugar would go, to use his terminology, "to six bits," and it almost did. It almost did go to six bits.

I just want to point out that this legislation has to pass if we are going to have any stability as far as prices are concerned and if we are going to have any kind of guarantee that we are not going to be subject to the same type of situation in sugar that we now have in oil.

Mr. Chairman, I want to commend the gentleman for his presentation, and I also want to take this opportunity to commend the chairman of the Committee on Agriculture, who has worked long and hard, as well as the other members of the Committee on Agriculture and the members of the Committee on Ways and Means for the leadership they have given us in this area.

Mr. ULLMAN. Mr. Chairman, I thank the gentleman from Ohio (Mr. LATTA) for his contribution, and I certainly concur in his statement.

Let me also address myself to the Cuban issue which has unfortunately been raised by a Member of this body. An attempt to defeat the sugar bill by raising the issue of Cuban participation in the International Sugar Agreement is a very dangerous disservice to American foreign policy and to our relations with nations throughout Central and South America.

I can think of nothing in the world that would make Castro happier than for the United States to embarrass itself by defeating the ISA and once again throwing the sugar markets of the world into turmoil. The defeat of the ISA, which the United States helped to negotiate, would hurt all the exporting nations under the agreement.

Yes, that does include Cuba, and Cuba is a major producer, but it also includes dozens of nations that are friendly to us and whose help we need to curb the spread of Castro aggression in the Western Hemisphere.

The defeat of ISA will play right into Castro's hands. We will be accused of increasing instability and causing economic poverty throughout the Caribbean, thus sowing the seeds of more Castro intervention. We would invite Castro to point to the results of the disastrous sugar prices for those many nations that are living in poverty in Central and South American and throughout the world. That would result from the defeat of this legislation.

U.S. approval and support of the ISA is a sign that we are willing to work with and to help Latin America in stabilizing one of its most important crops. Defeat would be interpreted to indicate that the United States does not understand south-of-the-border problems and it would result in new resentments against the United States.

Mr. Chairman, I contend that this issue is a red herring. It will seriously set back our Latin American foreign policy and do more to aid Castro than any other economic step we could take. It would create fertile ground in those poor countries where sugar is a basic commodity for a Castro kind of operation, and I urge the Members not to buy that kind of a false argument.

Mr. Chairman, I am at this point going to insert a letter which I received from the State Department concerning Cuba's role in the ISA, and I believe this answers the issues raised. The letter is as follows:

DEPARTMENT OF STATE,
*Washington, D.C., October 15, 1979.*

Hon. AL ULLMAN,
*Chairman, Committee on Ways and Means, House of Representatives.*

DEAR MR. CHAIRMAN: In response to your letter of October 11, the Secretary has asked me to express his concern about the involvement of the controversy over Cuba in the debate on the sugar bill. The Administration supports HR 2172, and places a great deal of importance on the International Sugar Agreement. We hope that misconceptions concerning Cuba's position in this Agreement can be corrected.

Cuba is a member of the ISA. It is the world's largest exporter of sugar by far. The benefits which are accorded to Cuba under the ISA are not out of proportion to those received by other member countries. All countries benefit from stable prices. Nonparticipation of the US in the ISA would not materially impair Cuba's export revenue, nor cause a change in policies which we oppose.

The claims that Cuba does receive special benefits cite two issues: the existence of its special arrangements with other socialist countries, and the size of its ISA export quota.

Special trading arrangements among member countries have existed for many years. They have been recognized not only by the present but by past international sugar agreements. Such arrangements include not only Cuba but many other producing and consuming countries. The present Agreement provides that the sugar trade under these arrangements not be included in the individual export quotas. It also contains specific provisions which limit the potential impact of Cuba's arrangements on the world market.

The existence of special arrangements, and the amounts of sugar traded under them, were taken into consideration as part of supply and demand calculations when determining the size of the Agreement's global quota. This quota was decided upon by all countries participating in the negotiations. The share of the global quota which each country obtained was decided solely by the exporters themselves. The quotas received by Cuba was agreed by those countries who now belong to the Agreement.

The size of Cuba's ISA quota is not unusual or inappropriate. Cuba does have the largest quota under the ISA. However, the 1979 quotas of the major three exporting countries, Australia, Brazil, and Cuba are all within 5 per cent of 2 million tons. The quotas are basically consistent with the pattern of exports of these countries over the ten years preceding the negotiations of the ISA.

The International Sugar Agreement was negotiated by the US and over 70 other countries. It is designed to stabilize world prices of sugar at levels which are fair to both producers and consumers. The Administration has sought to make this Agreement the basic instrument of US sugar policy. Because the US imports a large percentage of its annual sugar needs, a stabilized world market can provide the most effective and least costly means of protecting both US consumers and producers.

We would like to take this opportunity to urge Congress to make every effort to expeditiously provide for full US participation in this Agreement.

Sincerely,
J. BRIAN ATWOOD,
*Assistant Secretary for Congressional Relations.*

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Chairman, I thank the gentleman for yielding, and I also thank him for inserting in the RECORD the letter from the State Department.

When I made my statement, based on the facts as I showed in that chart, showing the preferential treatment given to Cuba at the expense of the free market partners and our Western Hemisphere allies who are cut back in production to allow Cuba to expand her production, the State Department heard of my statement and they came to my office. I gave them all my information and my release. But when I asked for their response, they refused to give me any response. I thank the gentleman for providing it, and I look forward to reading it.

I would ask the gentleman this question: Is it not fair to the American people to allow them to know what the facts were in terms of the export tonnage allowed and established by the International Sugar Agreement in which our Nation participated as a partner?

Is it not in the interest of Americans, every American citizen, and is it not their right to have information as to what foreign policy our Government negotiated when we cut back our trading partners who complained bitterly at the time? And I remind the gentleman that the Dominican Republic did not even sign that agreement until they received extra tonnage last year.

Is it not in the American interest to have every citizen realize what our State Department is negotiating in these international conferences? Does not every American citizen have a right to know?

Mr. ULLMAN. Mr. Chairman, let me say in answer to the gentlewoman from Massachusetts (Mrs. HECKLER) that this has been public information for 2 years. It is no hidden information. It has been fully available to the public for 2 years.

The central fact is that we have entered into an International Sugar Agreement which is in the best interests of the sugar markets of the world. We cannot leave a producer out. Every producer of any significant production has to be a party to the agreement.

This has been a tremendous step forward, and it provides stability. It guarantees stability for a lot of those smaller nations, those poorer nations, those nations that would be fertile ground for Castroism if indeed we failed to pass this legislation.

This is not and should not be an issue in this debate, and I am not going to talk about it any further, because it is an extraneous issue. It is one that could do great disservice to the foreign policy of the United States at this critical time when we are making some headway in those Latin American countries.

Mr. Chairman, at a time when our foreign policy in that part of the world is critical, to now pull the rug out from under that kind of an agreement would be a serious mistake for the United States to make.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, in response to the request for information that the gentlewoman from Massachusetts (Mrs. HECKLER) referred to, the letter from the State Department that was mentioned contains this language:

> The size of Cuba's ISA quota is not unusual or inappropriate. Cuba does have the largest quota under the ISA. However, the 1979 quotas of the major three exporting countries, Australia, Brazil, and Cuba, are all within five percent of 2,000,000 tons. The quotas are basically consistent with the pattern of exports of these countries over the ten years preceding the negotiations of the ISA.

Mr. Chairman, I know the gentlewoman is concerned about Cuban sugar coming in from Canada, but we expect the Treasury to come down with a ruling any minute concerning dumping practices. I would not be at all surprised that the ruling might eliminate any possibility of Cuban sugar entering the United States.

Mrs. HECKLER. Mr. Chairman, will the gentleman yield further?

Mr. ULLMAN. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Chairman, I would like to state that it is quite clear from the published and printed documents that Cuba received not only preferential treatment in terms of its ability to export without limit to the socialist countries, but she also received the lion's share of the free market. What she exported to the socialist countries did not come under her export tonnage to the free market.

I feel under those circumstances that this issue is not extraneous. This is title I of the bill and deserves to be heard and discussed on this floor.

Mr. Chairman, I will say, in terms of our friendship with our Western allies and the nations of the Western Hemisphere, that we could have done more to gain their friendship if we had allowed them their fair share of the free market which they asked for. They complained because they did not receive their fair share and because we gave preferential treatment to Cuba.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I just want to say in response that I do not support the legislation, but I think on this issue that it is not the strong argument that is suggested. I do not believe the Cuban issue is a factor in this bill.

Mr. ULLMAN. Mr. Chairman, let me conclude by saying again—and this is so evident from looking at the recent trend of sugar prices in New York—that in fact we have had to reduce import fees to hold down the price of sugar. We are now at the end of that line.

□ 1230

The bill will not raise the price of sugar. So do not let anyone convince you that the consumers are hurt by this legislation. In fact, the reverse is true. This will give them the kind of stability that they need; but more importantly, it will allow a domestic sugar industry to survive, and that survival is absolutely essential to consumers of this country.

To argue that consumers in this country are benefited by throwing away a domestic production capacity and relying completely on foreign imports is ridiculous. I urge the Members to vote for a sound piece of legislation and one that will help consumers, one that will keep a very vital segment of our domestic economy going, and one that will also help to preserve and maintain our international relations and good will with nations in the Caribbean, the poorer nations of the world, where we desperately need to move and to establish these better relations.

Mr. FRENZEL. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Louisiana (Mr. MOORE), a member of the Committee on Ways and Means and an ex member of the Committee on Agriculture.

Mr. MOORE. Mr. Chairman, I point out to my colleagues that there is over a majority of the Members of this House who voted for the general farm bill in 1977 in the last Congress. If you were one of those, I would think it logical that you now support this bill, because what we did for other commodities in that 1977 farm bill is considerably more than we are doing for sugar in this bill. I will give the Members examples.

If you look at what percentage of parity this bill does for sugar and compare that to what percent of parity the price-support system provides in the general farm bill for other commodities, you see that we do less for sugar than for any other commodity.

Assuming the full 16.3 cents of this bill as a price support for sugar, that is only 53.5 percent of parity. In the 1977 general farm bill, for wheat we provide 64.5 percent parity, 57.1 percent for corn, 66.7 percent for grain sorghum, 69.4 percent for barley, 55.8 percent for rice, and 57.8 percent for upland cotton. So you can see we have done less for sugar in this bill than many of us have already voted for in the 1977 general farm bill.

In looking at the direct payment, the one-half cent direct payment which is in this bill for sugar, let us compare that to what we did in the 1977 farm bill for other commodities. In the 1977 farm bill, if you convert the deficiency payment measure to pounds, which we had done by the Department of Agriculture, for wheat it is eighty-seven one-hundredths of a cent instead of one-half cent for sugar; for barley it is seventy-three one-hundredths of a cent; for grain sorghum it is fifty-nine one-hundredths of a cent; and for rice seventy-eight one-hundredths of a cent. So you can see that once again we did more for other commodities except corn than we are doing now for sugar.

If you compare the total amount of the deficiency or direct payment that the Treasury can be exposed to pay in this bill for sugar, with that the Treasury is exposed to pay for other commodities, again you see that we do less for sugar than other supported commodities. There is less money coming out of the Treasury for sugar than other commodities: $617 million for wheat, $88 million for corn, $79 million for barley, $180 million for grain sorghum, and $59 million for rice.

Assuming we pay the full one-half cent out of the Treasury for sugar—and we hope that never happens—assuming we do that, it will be $40 million, according to the U.S. International Trade Commission, or maybe as much as $51 million, according to the Congressional Budget Office in either instance significantly less than what is paid for other commodities in the 1977 general farm bill.

But there is also something very interesting when you look at this figure of $40 to $51 million for sugar. This bill is a revenue-raising bill by virtue of duties and tariffs that are in this bill imposed on foreign sugar coming into the United States. That means that the sugar bill actually raises more money for the Treasury, something on the order of $217 million per year by 1982, than it is ever going to take out of the Treasury. Therefore, it is a net increase in funds to the Treasury, not a net outflow like the other commodities. No other commodity raises money for the Treasury to pay for the program. This one raises more money for the Treasury than the program will cost.

We have a $50,000 payment limitation for the first time on sugar in this bill—for the first time—which is like the other commodities. In addition to that, in the past the sugar payments have not gone to the farmer under prior programs, but to the processors. But to make sugar like other commodities, in this bill for the first time it goes directly to the sugar farmer, like other commodities. Sugar is also subject to the same cost-of-production escalator for raising the amount of the price support that we put for other commodities in the 1977 general farm bill, except for one big exception. In the 1977 farm bill there is no limit as to how much the price support for those commodities can be increased. There is no limit. Whatever the inflationary cost increase is, that is what the program could be increased by. In this bill we do something to sugar that is not done to any other commodity. We put a 7-percent cap on it. Inflation is running at 13 percent or 14 percent this year, but a sugar farmer cannot get more than a 7-percent increase in this price support program. This limitation is not imposed on any other commodity except sugar.

Therefore, I would conclude by again pointing out that we have actually done far less for the commodity of sugar in this bill than we did 2 years ago in the general farm bill for all of the other commodities. The only reason why this bill has opposition, my colleagues, is because it is all by itself. If we took wheat by itself or corn by itself or rice by itself, they would be in the same political situation as sugar today of not having the security, the political security, of numbers, of being in a bill with all of the other commodities, some of which has got to be in every Member's State or district causing him to support the bill. That is the only reason why this bill has opposition—not because of logic, not because of fair treatment, not because of its provisions; it has opposition only because it is politically all by itself. That is no reason to oppose a badly needed program.

There have been several arguments that have arisen in debate that I do not think have been satisfactorily answered. One was the remark made by the gentleman from New York (Mr. PEYSER) that we should be concerned because of the existence of corporate sugar farms. The USDA prepared an analysis of this for us to use in debate today which shows that 75 percent of all of the sugar produced in this country is produced by individually owned farms. Seventy-five percent. This is nothing to be concerned about, then, but there are a few sugar farms in this country that are large and are corporate owned.

It seems to me that the argument really works in reverse to the way the gentleman from New York intended. If you want to hurt the small family farm, the thing to do then is to not have a sugar program, because his remarks were that the large corporate farms are making money and we know the small family farms are not. Therefore, if you do not have a sugar program, the small farms will surely go out of business and you will leave total U.S. production, what little there may be left, in the hands of a few large sugar corporations. So it seems that the gentleman's argument is somewhat in error.

I urge my colleagues to support this bill of equity to sugar with other commodities and out of a definite need and justification of our family sugar farmers.

Mr. FRENZEL. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Chairman, I join my colleagues in opposing H.R. 2172, the International Sugar Stabilization Act of 1979.

The bill now before us represents yet another excursion by the Government into the maze of commodity price-support mechanisms. H.R. 2172 will provide a guaranteed return to sugar producers; it will protect the domestic sugar industry from competition and it will force up the price of sugar in both the world and domestic markets. It is Government intervention of the worst kind, and the consumers foot an enormous bill for the benefit of an industry that represents less than 1 percent of the farm community.

At a time of high inflation and soaring food costs, how can we be asked to support a bill that perpetuates a highly inflationary price support program for sugar? The world price of sugar currently is over 12 cents per pound. Under the bill before us the Federal Government steps in to guarantee that the price in the domestic market is at least 15.8 cents for crop year 1979, with a 7-percent increase in that price objective each year thereafter through the life of this legislation. For each 7-percent increase in the price of sugar, the added cost to the consumer is between $250 and $300 million. And yet we are considering this legislation at a time when the Consumer Price Index for food has already risen this year at a 14.7-percent annual rate.

There are other costs to the consumer that are less apparent because they are not reflected in the market price of sugar, but nevertheless are paid for out of the income of consumers. I refer to the costs associated with direct payments, the loan and purchase program, the forgiveness of interest on past loans, as well as the administrative costs associated with the complex and diverse program this bill envisions. All these costs are paid for by the consumer out of taxes. Estimates by Alfred Kahn, Chairman of the Council on Wage and Price Stability, reveal that the current sugar program is costing consumers about $2.6 billion a year. Further calculations indicate that the provisions of H.R. 2172 may add as much as $500 million annually. The tax bill adds even more to this cost, with the direct payments provision alone representing a drain on the Treasury of $50 million each year.

Not only are consumers paying for virtually a guaranteed income, or "assured return," to sugar producers and processors, but they also are paying for a system of noncompetitiveness and inefficiency with respect to the sugar industry. Many producers of sugar beets and sugarcane in the United States can compete effectively on the world market without elaborate and costly Government support. Inefficient producers, however, should be encouraged to improve their competitive position or to change over to some other form of production. H.R. 2172 would elevate inefficient producers to an artificial competitive position both with respect to efficient American producers and foreign producers.

The price support mechanisms contemplated by this bill not only protect the domestic sugar industry from lower priced imported sugar, but through direct payments and the loan and purchase program whose support costs are not reflected in the marketplace, it is protected from domestic producers of corn sweeteners and other competitive sugar substitutes. The corn sweetener industry has expanded greatly since 1974, and much of this expansion has been the direct result of rising sugar prices. It is clear that consumers and users will turn to corn sweeteners and other viable substitutes when the price of sugar becomes too high. The Federal Government, and we as legislators, should be encouraging such natural market forces, rather than interfering in such a way that the price of both sugar and sugar substitutes goes up.

Commodity price support programs now exist, in varing degrees, for numerous agricultural products. None, however, are protected with such a multitiered arrangement as H.R. 2172 contemplates for sugar. This bill protects the U.S. sugar industry from imports as well as guaranteeing them a minimum price in the domestic market. This is done first of all through the implementation of the ISA, but principally through special fees and backup quotas. Then a direct payment of 0.5 cents per pound—with a ceiling of $50,000—guarantees producers an "assured return." In addition, the Federal Government is obligated to make loan and purchase arrangements with those producers who still are unable to sell their sugar for the guaranteed price.

This bill also authorizes the Secretary of Agriculture to forgive interest on certain past loans that were made for noncompetitive sugar.

Worst of all, H.R. 2172 would change the current discretionary sugar price support program to a mandatory program that will be firmly fixed in the statutes. The President and the Secretary of Agriculture will then have lost their ability to review the current economic situation and balance the interests concerned, including the consumer's interest, for the good of the entire country. Of course, a mandatory program for sugar will be extremely difficult to modify or terminate should economic conditions warrant it.

How can this be tolerated? American farmers are the most efficient in the world. Exports of American farm goods are substantial, representing almost 20 percent of total U.S. exports. American farmers can and do compete worldwide. Yet, many elements of the agriculture community are not expected to compete in their home market either with each other or with foreign producers.

H.R. 2172 expands a tradition of protectionism and noncompetitiveness, as well as heavy Government intervention in our agricultural commodities, under the guise of protecting a small domestic industry from subsidized imports and unfair trade practices. The consumer should no longer have to pay for such policies. I urge my colleagues to join me in voting against H.R. 2172.

□ 1240

Mr. VANIK. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. LEDERER).

Mr. LEDERER. Mr. Chairman, I rise in opposition to the sugar bill, H.R. 2172, and I note with interest that I am in good company.

This bill is inflationary and anticonsumer. It is designed to assist around 14,000 sugar producers. Their acreage constitutes less than 1 percent of the Nation's cropland.

On the other hand, it saddles 220 million American consumers with higher sugar prices. This bill cannot protect consumers from higher sugar prices.

I would like to recite the names of some of those organizations opposed to this legislation.

AMONG GROUPS OPPOSED TO THE SUGAR BILL, H.R. 2172

AFL–CIO.

CASH (Citizens Against Sugar Hikes), which includes:

American Association of Retired Persons;
Common Cause;
Community Nutrition Institute;
Congress Watch;
Consumer Affairs Committee, Americans for Democratic Action;
Consumer Federation of America; and
National Council of Senior Citizens.

Independent Bakers Association.

International Longshoremen's Association.

Leadership Conference on Civil Rights.

Sugar Users Group, which includes:

American Bakers Association;
Association for Dressings and Sauces;
Biscuit and Cracker Manufacturers' Association;
Chocolate Manufacturers Association of the United States of America;
Flavor and Extract Manufacturers Association;
International Association of Ice Cream Manufacturers;
National Bakery Supplier Association;
National Food Processors;
National Association of Fruits, Flavors & Syrups, Inc.;
National Preservers' Association, Inc.;
National Restaurant Association;
National Soft Drink Association;
Pickle Packers International, Inc.;
Processed Apples Institute; and
Retail Bakers of America.

Sugar Workers Council of North America.

United Auto Workers.

United Food and Commercial Workers.

United States Cane Sugar Refiners' Association.

It is no accident that all of these organizations are opposed to this bill. The Federal Government's present sugar program is more than adequate. It is costing consumers billions of dollars, and it is showing up in the profits of the sugar producers. They are making millions of dollars. And now they want more.

The fact is, this bill—besides being inflationary and placing a heavy burden on consumers—would damage a vital segment of the domestic sugar industry—the cane sugar refiners.

In the past 10 years, a number of companies have gone out of the cane sugar refining business. Some refineries have been closed and others are operating on a greatly reduced basis. No new refineries have been built.

Thousands of jobs have already been lost. One refinery in Philadelphia laid off 150 people earlier this year. The net effect of this legislation would be to transfer full-time jobs in the cane sugar refining industry to seasonal jobs in the cane and beet sugar processing industry.

And it is not only the jobs in the cane sugar refining industry that would be affected by this bad legislation, but thousands of other allied jobs—the longshoremen, the suppliers, the truckers—all of those who depend upon the cane sugar refining industry for their livelihood.

The problems of the cane sugar refining industry are not attributable to economic reality, but to the inequity of Government regulations. As a result of these Government regulations, sugar imports are smaller today, both in tonnage and as a percent of the total market, than they have been in recent years.

Mr. Chairman, I am greatly concerned about this bill. There are two cane sugar refineries in my district in Philadelphia. I am concerned about those jobs. Our labor does not have the alternatives that these sugar producers do. They can easily shift to more profitable crops. Jobs are not that easy to find.

The sugar producers do not need this bill. This bill is going to benefit a number of large corporations that do not need the help—U.S. Sugar Corp., Gulf & Western, Castle & Cook, and others. And it is going to benefit the rich farmers. This bill is not going to do anything for the little farmer.

Now is the time. Let us put an end to this nifty little piece of special-interest legislation. It will only benefit the privileged few. I urge my colleagues to vote "no" on H.R. 2172.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise in strong opposition to H.R. 2172, a blatant attack on the pocketbooks and wallets of the American consumer. All of the debate on the second budget resolution so far has centered around the enormous threat to our economy and to our very way of life that uncontrolled inflation represents. What kind of "Representatives of the people" are we then, if we can one day vote down the budget resolution, because the allegedly too-large deficit it permits will fuel inflation, and the next day turn around, blow a kiss to the sugar farmers and producers, and pass along to consumers a price increase, of at least $180 million—and this is a conservative estimate.

This vote gives us a chance to show the American people whether all of our rhetoric about the danger of inflation and our concern for the American consumer is just rhetoric, or is in fact a real commitment to controlling our economy and providing relief for the hard-pressed consumer. This vote will help to separate the talkers from the doers.

I would be curious to know if there is one Member of this distinguished body who has not, on the floor of this House, spoken of the glories of the free enterprise system, the need to preserve and strengthen it, and of the urgency of reducing Government interference in the economy. I wonder, then, how any Member can vote for legislation that arbitrarily disrupts the free market to a dramatic degree, to benefit the growers and producers of one crop. There are a total of less than 14,000 sugar farmers, out of a total of 2.4 million farms in this country; this is less than 1 percent of the farms in the United States. Alfred Kahn, the President's chief inflation fighter, estimates that at present our Government subsidy program is costing consumers $2.6 billion per year. How much more support do we need to provide? How much more will we bilk the American consumer in order to "sweeten" the lives of a handful of sugar producers?

The world price for sugar is roughly 7½ cents per pound, so the Government is already artificially doubling the price consumers might otherwise have to pay for this most basic substance in many of our foodstuffs. H.R. 2172, would raise the price further this year to 15.8 cents per pound—with additional 7-percent increases projected for each of the next 2 years.

It is time for the Members of this House to stop talking about fighting inflation. It is time for them to act. The gentleman from New York, the gentlelady from Massachusetts, and many others have adduced many reasons why the sugar bill should be defeated. The key reason is that here and now we must demonstrate that the needs of the American consumer are the paramount concern of Congress. I urge the defeat of H.R. 2172 to prove that we are not all talk and no action when it comes to the needs of the American consumer.

□ 1250

Mr. FRENZEL. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from North Dakota (Mr. ANDREWS).

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to my friend from Washington.

Mr. FOLEY. I know the gentleman from Massachusetts (Mr. CONTE) is interested in the accuracy of the information that he gives to the House, as always. He is a distinguished and able Member. His statement that the raw value of sugar is 7.5 cents a pound should be compared with today's price, the world price published in the newspapers throughout the country of 12.44 without, without adding any additional fees or duties.

Mr. ANDREWS of North Dakota. I appreciate my colleague from Washington, the distinguished chairman of the committee, making a part of the rebuttal I was going to make to my friend from Massachusetts.

Instead of speaking as a representative from a beet area, and I do not think this is a case of farmers versus consumers, it certainly should not be, I think that one of the mistakes many of us from agricultural areas make, is talking about the economic needs of our farmers. Our farmers will get along pretty well. They will raise some sunflowers, they will raise some wheat, they will raise some other crop if they are forced out of the sugar beets. They will unfortunately have an economic problem because of the cost of their specialized machinery and their other sugar beet investments.

Rather than the farmers problems, what we ought to be speaking about today is the impact on the Nation, and that has not been addressed adequately. We have heard about the red herring concerning Cuba. It could really be a detriment to our Nation's foreign policy if that rumor, totally nonbased on facts, goes too far. We have heard a lot of talk about sweetheart deals for a small segment of America, but let us talk about arithmetic. Let us take a look at the price structure. Let us talk about how much the consumer pays for sugar in Western countries.

In Europe the price of sugar is about 26 cents a pound. Cuba is selling its sugar for 32 or 33 cents a pound to Russia. That is not bad. We are talking here about 16.5 cents or 16.3 as a sugar price support program in our country so that we can maintain adequate production right here in the United States, production needed here in the United States so that we do not have to pay the millions of dollars to Cuba to buy sugar if we destroy our industry so that we can save this money and buy foreign oil to keep Massachusetts homes warm. We cannot afford to buy that oil to keep those homes in Massachusetts warm if we have to pay Cuba and other nations for sugar after we have destroyed our own sugar industry. That is what we are talking about.

We heard a figure that for every cent a pound that sugar goes up it costs the consumers $250 million. Right now the reason other producers are putting sugar into this country at 13 cents is because they have got a contract to sell their sugar to Europe for 26 cents, and if they overproduce they will dump that in here at whatever the market will bring. When they do not overproduce they are still going to sell their contracted sugar at 26 cents. If we want some, we will have to pay 55 or 60 or 70 cents. We have gone through that and I do not think the American consumers would want to have to go through that once again. That increase of 40 cents would cost consumers $10 billion by that yardstick—and do no one in our country any good.

From the standpoint then of economic impact on our balance of payments, from the standpoint of the long-range dollar benefit of the American consumers, this is a good bill. Some people might have some problems with the direct payment. They may want to take the direct payment out. If that happens, I would hope we can still get the basic bill, because the basic bill will provide an orderly and a continuous sugar industry in this country that will benefit not just the sugar farmers but particularly the consumers and the economy of our Nation as well.

I appreciate the gentleman yielding the time and I urge my colleagues to support this legislation when it is voted on next Wednesday.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. SHANNON) a member of the Subcommittee on Trade.

Mr. SHANNON. Mr. Chairman, I rise in strong opposition to H.R. 2172. It is an avowedly protectionist bill designed to advance the special interests of a small sector of the population at the expense of the majority. It should be rejected.

At the present time, the U.S. Government, through a system of import fees and duties, guarantees that the price of imported raw sugar will not fall below 15 cents per pound. According to testimony given before the Ways and Means Subcommittee on Trade, this price support is already costing consumers in excess of $2 billion. H.R. 2172 will raise that price objective to 15.8 cents a pound through a system of new tariffs and fees. This amount will be permitted to rise 7 percent annually during the life of this bill. At the very least, and I believe this to be a conservative estimate, this will raise the price tag to consumers by a quarter of a billion dollars.

This is a simple case of Congress legislating higher inflation, Alfred Kahn, the Chairman of the Council on Wage and Price Stability, asked that "an embarrassed silence" be noted as his reply to the question of what this bill's inflationary effects would be. And this inflation will hit hardest those Americans who already must spend a large percentage of their income on food. In a year where Congress has already legislated an increase in oil prices, it would be sheer folly for this House to add to the burden of the consumer by voluntarily raising the price of food.

This bill has another onerous effect. It seeks to reward an inefficient and uncompetitive domestic sugar cane and beet industry with protection and subsidies, while it penalizes an efficient and internationally competitive industry, the American refiners of imported raw sugar.

It has been said that America needs a domestic industry. I will not debate this point. The argument has been made time and again by special interest groups looking for government subsidies that their particular industry is crucial to either the security or the well being of this country. I submit that the administration already has ample authority to deal with the sugar problem under existing statutes. Under section 301 of the Agriculture Act of 1949, the Secretary is authorized to provide price supports for beets and cane through loans and purchases. The President may already impose a 50 percent ad valorem duty on imported products which are interfering with the operation of a domestic price support program. Congress has already given much attention to the fewer than 14,000 sugar farmers in the country. I believe it is time for the Congress to begin paying attention to America's 212 million consumers.

Mr. FOLEY once commented on the floor of this House that it was free and expanding trade which has given America her economic greatness and strength. I submit that the United States should do all it can to reassert her position among nations as the most productive and the most efficient. Using protectionist laws to exclude inexpensive foreign raw sugar, using protectionist laws to raise the price of food and to exacerbate inflation, and using protectionist laws to reward an inefficient industry while penalizing an efficient one, is not in the best interests of the United States. I urge this House to reject H.R. 2172.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Colorado (Mr. JOHNSON).

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. Yes; I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I was intrigued with the remarks of our colleague from Massachusetts. If I remember correctly, it was just a couple or 3 weeks ago that it was the gentleman's amendment that was offered to restrict the export of hides to protect the leather industry and gee, it sounds as though the tune has changed just a little bit. I wonder how the one fits with the other.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. No; I do not yield to the gentleman.

I will add to what the gentleman from North Dakota has said in that the administration has taken long-term plans to roll back imports of footwear and textiles which provide protection for the Northeastern section of the country. Those people generally are opposed to this on the grounds of free enterprise and all of that kind of business.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. No, I prefer not to yield to the gentleman at this time because of the limited amount of time allotted me.

I would like to address myself to some of the earlier remarks made about efficient producers in the United States and how the inefficient producers are the ones who are going to go broke and efficient producers are going to be allowed to stay in business.

The International Trade Commission did not make this distinction in its report to the President from which I quote:

> We have heard testimony from almost every major sugar growers association in the United States. Their testimony highlighted the problems now facing the industry. Costs of production . . . have all gone through a period of severe inflation, and there are signs of further increases . . . domestic producers have little hope of recovering their costs, not to mention any reasonable return on their investment.

The Trade Commission saw all producers as threatened by escalating costs of production and foreign sugar produced under low wages or subsidized foreign programs.

I would say to my colleagues that is the fact. That is the essence of all of the testimony that was received on the part of the Agriculture Committee.

There is not any fluff in this bill. The sugar industry is a dying industry, as I stated earlier.

One of the reasons, of course, is our governmental domestic requirements of higher prices. We import 47 percent of our sugar from three countries, the Philippines, the Dominican Republic, and Brazil. All three of these governments control sugar production, set prices, and oversee exports. Their sugar yields are lower than those in the United States. They do not have any environmental controls and the average sugar worker earns less in a day than an American worker earns in half an hour.

That is a far cry from the situation that obtained when our American farm co-ops testified that millions of dollars of environmental controls had to be put into the sugar refining plants. It is a far cry from the domestic sugar producer who by law has to pay his fieldworkers a minimum wage higher than the national minimum wage for farmworkers, and he has to pay his equipment operators a minimum wage that is 10 percent higher than the wage that he pays to his fieldworkers.

Those people who come from the northeastern section of the country and are opposed to the bill, and others who are opposed to the bill insist on paying high wages for the sugar workers. That is fine. But then they object to the resultant cost of sugar. That is an inconsistency that I simply cannot accept.

□ 1300

That is an inconsistency that consumers should not want to accept. It is ironic to me that the American consumers are glad, even insist upon, buying foreign imported sugar that they think is a better bargain even though it has been grown under environmental, social, and labor conditions that they would not tolerate in this country.

Mr. FRENZEL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I would first like to speak to the matter that was raised by the chairman of the Ways and Means Committee and the chairman of the Agriculture Committee. That is the matter of the ratification of the International Sugar Agreement.

I think those gentlemen have described the matter accurately. It is a good agreement. It is a necessary part of our foreign policy. And, it is a good and useful part of our agricultural policy. The ISA agreement should be ratified. Whether we are in or we are out makes not one whit of difference as to what Cuba does in international markets. It is simply a case of whether we find it to our advantage to be in that agreement. It certainly is.

Mr. Chairman, although I voted to report to the House H.R. 2172, International Sugar Stabilization Act of 1979, I cannot support the bill in its present form.

Certain provisions of the bill have been, from the beginning, so controversial that a decision on them must lie with the entire body of the House of Representatives. In other words, H.R. 2172 is not a consensus bill, but one where several key decisions still remain to be made. My support for this legislation hinges on how some of these issues are resolved.

My principal objection lies in the use of direct payments as part of any domestic price support program for sugar. H.R. 2172, as it now stands, would implement the International Sugar Agreement (ISA) and in addition would establish a domestic price support program for sugar through the use of special duties on imported sugar, backup quotas, a loan and purchase system, and direct payments. It is the direct payments aspect of the program that I have consistently opposed, and at the proper time, I intend to offer an amendment that would remove this unacceptable provision from the bill.

H.R. 2172, as currently drafted, would permit the Secretary of Agriculture to make direct payments to producers of up to one-half a cent on each pound of sugar, raw value sold by domestic firms. This payment would be in addition to the 15.8 cents, adjusted annually to reflect cost of production increases, at which the price of sugar will be supported through a system of special import fees, backup quotas and a loan and purchase program. Except for the direct payment, the supported price will be achieved in the marketplace. The direct payment, according to CBO will cost $51 million to U.S. general taxpayers.

Although I have been convinced that there is justification for protecting domestic processors from artificially low or widely fluctuating world sugar prices, the degree of protection becomes unconscionable, when in addition to the special duties, backup quotas, and a loan and purchase system, a direct payment program is added. Direct payments are a direct subsidy to the sugar industry. The cost of this subsidy is hidden because it is not incurred in the marketplace. The consumer, therefore, does not have the opportunity to decide whether or not to pay the price of a particular item containing sugar or to buy a substitute instead. Direct payments remove an important market force operating against rising prices—consumer decisionmaking. The consumer most certainly pays the cost of a direct payments program, but indirectly through taxes rather than in the marketplace.

Along with the outright waste and mismanagement associated with any direct payments program, such a payments program, and especially payments made above the "assured return," serves to reduce the competition among domestic producers of sugar and between those producers and producers of substitute sweeteners. Not only is the domestic industry protected from low-priced foreign imports but, through direct payments, they are further protected from competition within the United States among domestic producers of sugar and sugar substitutes. It is Government intervention of the worst kind; it stifles competition and fails to allow market forces to influence price, all to the detriment of the consumer. I seek to prevent the perpetuation in the sugar bill of such an inept, costly, and unwise method of supporting the price of a commodity.

The provision to allow direct payments was included in this legislation in spite of the fact that the House repeatedly has rejected such a Federal subsidy for the sugar industry. Indeed, this body last year was insistent that direct payments not be part of any sugar price support legislation. The fact that even a 1 year direct payments program was included in the House-Senate Conference on last year's bill was the major reason the conference report was rejected. I believe that the mood of the House has not changed.

The direct payments program represents a price support mechanism fraught with economic, administrative, and political problems—a mechanism that should not be perpetuated by ensconcing it in the sugar price support program. Even without the direct payment, H.R. 2172 provides a price support program for sugar that is more generous than the bill the House considered and passed last year. It is more than adequate to serve the needs of our sugar industry given the state of the Nation's economy and the rising inflation rate. I urge that the direct payments provision of H.R. 2172 be rejected.

Direct payments are an administrative nightmare. In 1977, the Agriculture Department administered a direct payments program. According to the GAO, the result was nearly $20 million in questionable payments. If the Department does no worse under this bill, we can expect a dead loss to the taxpayers of about $5 million per year. And that would be in addition to perfectly legal payments for sugar sold above the target price.

My amendment is supported by a variety of groups, including the leaders of some of the country's great unions, the Teamsters, the Longshoremen, the OCAW, and the Grain Millers.

Again, I respectfully urge the passage of my amendment.

Mr. VANIK. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Hawaii (Mr. HEFTEL).

Mr. HEFTEL. Mr. Chairman, I will only need 2 minutes because of the adequate and eloquent manner in which my colleague from Minnesota has presented the case for the sugar bill, for the International Sugar Agreement, but in opposition to the payments. I think he has covered the reasons for deleting the payments from the bill very adequately, but I think I should make note that even if one felt that one wanted to help the consumer and somehow take the money out of the Treasury, the payments will not do it.

The payments go to the industrial manufacturer, the producer of Coca Cola, Pepsi Cola, the bakery process, the 70 percent of the sugar market that is used in manufacturing. So, to the extent that we want to help the consumer, what we should be doing is deleting the payment clause and not spending $50 million out of the Treasury, knowing that $35 million of that will go directly to the industrial users.

So, I hope that when the bill comes to final passage and we have an opportunity to vote on Mr. FRENZEL's amendment, that we will delete the payments and pass the bill.

● Mr. VANIK. Mr. Chairman, this is a bill whose time has come and gone. In the last 3 or 4 months, there has been a fundamental change in the world outlook for sugar. The so-called sugar cycle has turned, prices have bottomed out, supplies are coming into line with demand, and for the first time in 6 years, it is expected that the current sugar crop will be smaller than consumption, thus beginning the process of eating away at the enormous surplus of sugar which for so long has depressed world sugar prices. In addition to a fundamental change in the prospects for sugar, there have been some temporary factors which have further boosted prices: Severe hurricanes in the Caribbean, and spillover from the gold fever. But these are minor issues: They do not affect the fact that the fundamentals of sugar trade have changed.

As a result, the price of sugar at shipside in the Caribbean has climbed from about 9 cents at the end of August to 12.44 cents per pound, today. The price may fluctuate. There may be some days in which it is down, but the fundamental upward swing is governing.

For these reasons, the bill before us is obsolete. The urgent need to implement the ISA will soon disappear, because as prices rise, the need to enforce export quotas through the Customs Service will disappear.

In title II, the price objective for the current, 1979 sugar supply year is already being matched or even exceeded, and the President has nearly all the authority he needs to remove fees and tariffs.

In other words, once again the operations of supply and demand are making all the Rube Goldberg devices in this bill unnecessary.

If the bill is unnecessary, why do I bother getting excited about it? Why do I oppose it?

The principle behind this bill is to set a minimum price or floor under sugar. But outside of the ISA, it does nothing to set a maximum price or ceiling that will protect consumers. We are now seeing the price of sugar rise. It is quite possible in several years that the price will be near the 1974 levels of 50 and 60 cents per pound. There will be no relief for the consumer then. Therefore, I do not believe that we should establish the principle or precedent now of sugar legislation which establishes floor protection for producers. Let the market work, without all of this elaborate intervention. Let the sugar producers who are efficient weather the sugar cycle, using the sweet profits of high-priced years to get them through the thin times of the low-priced years.

The fundamental change in the sugar cycle should be a lesson to us all: There are forces in economics which correct extremes in prices. The ability of the United States to affect those forces in a commodity such as sugar is extremely limited. We in the Congress should not waste our time or energy on this issue, but should let the forces of supply and demand work their will.●

Mr. DE LA GARZA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. BURLISON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2172) to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes, had come to no resolution thereon.

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## LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished acting majority leader as to the program for the balance of the week and for next week.

Mr. FOLEY. Mr. Speaker, will the distinguished minority leader yield to me?

Mr. RHODES. I am happy to yield to my good friend, the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

The plan for the House for next week is that we will have on Monday eight suspension bills:

H.R. 2440, Airport and Airway Development Act;

H.R. 2686, TVA amendments;

H.R. 4445, Energy Policy and Conservation Act authorizations;

H.R. 5506, Energy Policy and Conservation Act amendments;

H.R. 826, OSHA provisions for U.S. Postal Service;

H.R. 2584, Federal employee survivor benefit status;

H.R. 4064, State tax exemption for postal vehicles; and

H.R. 507, Trinity River project, California.

All recorded votes are planned to be postponed until Tuesday, October 23. In addition, on Monday there will be H.R. 2218, Endangered Species Act authorizations, under an open rule with 1 hour of debate. The rule will have already been adopted, and we will simply do the 1 hour of debate on that bill.

Then there will be H.R. 4955, supplemental refugee assistance authorizations, under an open rule with 1 hour of debate. We hope by that time both of the rules on these bills will have been adopted, and we will do the general debate on that bill only.

On Tuesday the House will meet at noon, and we will have one suspension, H.R. 4943, New York-New Jersey Port Authority compact.

Recorded votes will be had on suspensions debated Monday, October 22, and Tuesday, October 23. Then we will complete consideration of:

H.R. 3000, DOE authorizations for fiscal year 1980.

H.R. 2172, International Sugar Stabilization Act of 1979, with votes on amendments and the bill. Then we will consider:

H.R. 3947, military construction authorizations under an open rule with 2 hours of debate; and then the—

Conference report on S. 975, intelligence authorizations for fiscal year 1980;

Conference report on S. 428, DOD authorizations, fiscal year 1980; and

Conference report on S. 1030, Emergency Energy Conservation Act of 1979.

For Wednesday, Thursday, and Friday, October 24, 25, and 26, the House will meet at 10 a.m. and consider:

H.R. 3683, Consolidated Farm and Rural Development Act, votes on amendments and bill. Then we will consider—

H.R. 2218, Endangered Species Act authorizations, with votes on amendments and the bill;

H.R. 4955, supplemental refugee assistance authorization, with votes on amendments and the bill;

H.R. 3398, Agriculture Adjustment Act of 1979, subject to a rule being granted;

H.R. 5269, Panama Canal authorizations for fiscal year 1980, under an open rule, with 1 hour of debate;

H.J. Res. 341, Milwaukee Railroad service continuation, under an open rule, with 1 hour of debate;

H.R. 2313, Federal Trade Commission authorization, under a modified open rule, with 1 hour of debate;

H.R. 4167, Milk Price Support Act, under an open rule, with 1 hour of debate;

H.R. 4007, repayment of loans made to State unemployment funds, under a modified rule, with 1 hour of debate; and

H.R. 1885, retirement preference for certain Bureau of Indian Affairs employees, under an open rule, with 1 hour of debate.

The House will adjourn at 3 o'clock on Friday and at 5:30 p.m. on all other days except Wednesday, and this, of course, is subject to the usual rule that conference reports may be brought up at any time and any further program may be announced later.

Mr. RHODES. I thank my friend.

This is the 19th of October, and according to plans announced by the majority leadership on the 2d of November it is planned that the House will go into a series of 3-day recesses with proforma sessions except for certain business which must be transacted, including conference reports and the like. I have already expressed that I am in thorough agreement with that program. The only bother that I have right now is that the Committee on Rules is apparently still meeting and throwing out rules, and the gentleman from Washington (Mr. Foley) I am sure all agree with me that whenever a rule has been granted, there is a lot of pressure then on the leadership to bring these bills up upon which rules have been granted. It would be my hope that in addition to the very fine plan which the majority leadership has announced, that before too long it also announces plans for the termination of the work of the Committee on Rules for the rest of this session. I make this as a statement in the hope that before too many days have elapsed the majority leadership can reply.

Mr. FOLEY. If the gentleman will yield further. I am not able to say at this moment what announcement might be made on the Committee on Rules schedule. That is, I think, a matter for discussion with the Committee on Rules leadership itself. But I would also suggest that it is my understanding that the expressed hope of the leadership on this side to begin a period of pro forma sessions in November is not necessarily a commitment to begin those on the 2d of November. There is a desire as soon as possible, subject, as the gentleman knows, to conference reports and appropriation bills in particular, to attempt to schedule such 3-day pro forma sessions. My judgment at the present time is that that is more likely to be a pattern of scheduling in the middle of November to the end of the month, not necessarily from the beginning of the month. But the matter is still being examined by the leadership on this side, subject to the requirements of the schedule.

Mr. RHODES. Of course, what the gentleman from Washington has just said is somewhat of a departure from the communication which came out of the majority whip's office, and there certainly were plenty of reservations in that communication as to future plans. But the indication was quite strong that the pro forma sessions would begin after November 2. If that is not to be the situation, I think that the membership would be very grateful to the majority leadership if any amendments to the plan, even though the plans are still subject to great reservation, could be promulgated and published.

Mr. FOLEY. I will take the distinguished minority leader's suggestion to the leadership. I think, as he has noted, there were some reservations in the majority whip's announcement, and after November 2 does not necessarily imply that those 3-day sessions will begin on November 2 or immediately thereafter. But it is the intention, consistent with the requirements of the schedule, because of the position that we are in with respect to the other body and its current responsibilities with regard to the SALT debates, to attempt to schedule significant periods of pro forma sessions in the month of November. I understand the gentleman's concern about more specific information. I hope that can be provided early next week.

Mr. RHODES. I thank the gentleman.

□ 1320

## ADJOURNMENT TO MONDAY, OCTOBER 22, 1979

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday, October 22, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday next be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

## APPOINTMENT OF CONFEREES ON S. 241, LAW ENFORCEMENT ASSISTANCE REFORM ACT OF 1979

Mr. GUDGER. Mr. Speaker, on behalf of Mr. Rodino, the chairman of the Committee on the Judiciary, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 241) to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes, with the House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington? The Chair hears none and, without objection, appoints the following conferees: Messrs. Rodino, Kastenmeier, Danielson, Gudger, Mazzoli, Hall of Texas, McClory, Ashbrook, and Hyde.

There was no objection.

## LEGISLATIVE PROGRAM

(Mr. FOLEY asked and was given permission to address the House for 1 minute.)

Mr. FOLEY. Mr. Speaker, I take this time to advise the Members of the House on the intentions of the leadership for the balance of today's schedule.

It is anticipated we will now move to consider the rule on H.R. 4955, the supplemental refugee assistance authorization and then to consider the rule on H.R. 2218, the Endangered Species Act authorization, and finally to consider the rule on H.R. 3683, the Consolidated Farm and Rural Development Act.

Mr. Speaker, if time permits, following the adoption of the above three rules, we would undertake to begin general debate only on the Consolidated Farm and Rural Development Act with the understanding it is the intention to rise by 3 p.m. this afternoon.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 4(e) of rule XI, the Chair announces that he will postpone further proceedings today on each resolution or on the previous question thereon, on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all debate has been concluded on each resolution, and after each question to be determined by a "nonrecorded" vote has been disposed of, the Chair will then put the question on each resolution or on the previous question thereon, on which further proceedings were postponed.

## PROVIDING FOR CONSIDERATION OF H.R. 4955, SUPPLEMENTAL REFUGEE ASSISTANCE AUTHORIZATIONS

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 418 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

### H. Res. 418

*Resolved*, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4955) to authorize an additional appropriation of $207,290,000 for the fiscal year 1980 and $203,610,000 for the fiscal year 1981 for migration and refugee assistance, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi (Mr. LOTT) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 418 is the rule providing for the consideration of the bill, H.R. 4955, to authorize additional appropriations for migration and refugee assistance for fiscal year 1980 and fiscal year 1981. It is an open rule, providing 1 hour of general debate with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

The rule provides for a waiver of section 402(a) of the Congressional Budget Act so that the bill might be considered.

Section 402(a) of the Budget Act prohibits consideration of any bill which directly or indirectly authorizes the enactment of new budget authority for a fiscal year unless the bill was reported by May 15, of the preceding fiscal year. Since the bill was not reported on or before May 15, 1979, it would be subject to a point of order for violation of this section of the Budget Act with respect to the fiscal year 1980 authorization.

The Budget Committee has no objection to granting a waiver of section 402(a) to permit consideration of this bill.

Mr. Speaker, thousands of Southeast Asian refugees have lost their lives in attempting to seek asylum. In response to this crisis a U.N. Conference on Indochinese Refugees was held last July in Geneva and at that time the United States reiterated its pledge to refugee assistance. This bill would provide additional appropriations of $207,290,000 for fiscal year 1980 and $203,610,000 for fiscal year 1981 to enable the United States and the U.N. High Commissioner for Refugees to increase financial support for activities for the care, maintenance, and resettlement of Southeast Asian refugees.

Mr. Speaker, these additional funds are necessary to provide immediate assistance to the many thousands of refugees of Southeast Asia. I would urge my colleagues to support this rule so that we may consider this legislation in the middle of next week.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 1-hour, open rule providing for the consideration of H.R. 4955, authorizing appropriations for migration and refugee assistance for fiscal year 1980 and 1981. The rule waives section 402(a) of the Congressional Budget Act, which requires that new budget authority be reported by May 15 preceding the beginning of the fiscal year. In a letter from the chairman of the Budget Committee to the chairman of the Rules Committee, the Rules Committee learned that the Budget Committee had voted to support an emergency waiver of section 402(a) due to the emergency nature of the request.

H.R. 4955 authorizes an additional appropriation of $207,290,000 for fiscal year 1980 and $203,610,000 for fiscal year 1981 to be used for refugee assistance and resettlement. These amounts are said to be necessary for the United States to meet its apparent commitment of resettling up to 14,000 Vietnamese refugees per month.

Mr. Speaker, the world was horror-struck when some Indochina countries announced they would not only repel refugees but also would take those already within their borders and put them out to sea again. Although it is my understanding that the Government of Malaysia has rescinded this threat, they have greatly restricted the number of refugees admitted since the so-called migration began. Malaysia is not alone in this decision, since Thailand, Indonesia, Japan, the Philippines, Singapore, and Macao have limited the entry of refugees for some time. Obviously, with an estimated 60,000 people leaving Vietnam each month, the situation is not a pleasant one.

Americans by nature are humanitarians. I believe this country has carried more than its fair share of the load with billions of dollars of foreign aid through the years to help eradicate suffering throughout the world. America has been considered the "great melting pot," in which cultural differences blended. However, at the present time we simply lack the ability to absorb 14,000 more people each month, or another 168,000 per year. With our economy being strained from many sides, to permit immigration into the United States at this rate will serve only to increase our unemployment rate even beyond the projected 8 percent next year.

So, Mr. Speaker, with uncertainty being the only thing we have in lavish supply and with the possibility of millions of Americans being out of work, I question the wisdom of our so-called commitments to accept so many additional refugees at this time.

In our own area, in the area I represent in Biloxi, Miss., this has already caused problems with the number of refugees that have been settled there. We are expecting more to be coming in. It is causing legal problems, it is causing economic problems. It is just generally causing problems.

Mr. Speaker, I personally think that this legislation is unnecessary. I think that allowing from 7,000 to 14,000 to be the number we allow in this country each month is not in the best interests of America or these people. I think it is going to create problems for them and problems with the communities where they are resettled.

Mr. Speaker, while I have no particular objection to this rule, and I am sure this legislation will just zing through this body, I think it is a mistake and I think that somebody ought to stop and consider the plight of Americans for a change and what this is going to do to them with this additional 7,000 people per month being allowed into the country.

I have no further requests for time.

□ 1330

Mr. Speaker, I have no further requests for time.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

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## PROVIDING FOR CONSIDERATION OF H.R. 2218, ENDANGERED SPECIES ACT AUTHORIZATIONS, 1980–82

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 417 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 417

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2218) to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1980, 1981, and 1982, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and amendment made in order by this resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. In lieu of the amendment recommended by the Committee on Merchant Marine and Fisheries now printed on page 3, line 3 through page 4, line 2 of the bill, it shall be in order to consider an amendment printed in the Congressional Record of September 20, 1979, by Representative Breaux, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 2218, it shall be in order in the House to move to take from the Speaker's table the bill S. 1143 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 2218 as passed by the House.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN), pending which I yield myself such time as I may consume.

Mr. FROST. Mr. Speaker, House Resolution 417 is an open rule providing for the consideration of H.R. 2218 which authorizes appropriations for the Endangered Species Act of 1973 during fiscal years 1980, 1981, and 1982.

The rule provides for 1 hour of general debate with the time to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries. The resolution also makes in order, in lieu of the amendment recommended by the Merchant Marine Committee now printed in the bill, an amendment which was printed in the CONGRESSIONAL RECORD of September 20 by Mr. BREAUX, the chairman of the Fisheries and Wildlife Subcommittee. As introduced, H.R. 2218 was a simple authorization for fiscal years 1980 through 1982. However, the proposed amendments amend several provisions of the Endangered Species Act, and as such, are not germane to the bill as introduced. The resolution provides a waiver of clause 7, rule XVI, the germaneness clause, to allow consideration of these amendments.

Should the House pass H.R. 2218, the resolution will allow the House to consider S. 1143, the Senate's Endangered Species Act authorization. The rule will allow the House to strike all after the enacting clause of the Senate bill and to substitute the language of the House passed bill.

H.R. 2218 authorizes $28.3 million for the activities of the Departments of Interior and Commerce under the Endangered Species Act. Included in the authorization is $600,000 for the activities of the Endangered Species Committee and Review Boards which were created by the 1978 amendments to the act.

Mr. Speaker, House Resolution 417 is a simple open rule which will allow for amendments to the authorization amounts as well as amendments to the amendments proposed by Mr. BREAUX. I would urge my colleagues to adopt this rule so that we may proceed to the consideration of H.R. 2218.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas has done an adequate job of describing the rule we have before us. I would therefore like to take a few moments to draw to the attention of my colleagues several of the provisions of H.R. 2218 and the Endangered Species Act in general.

First the bill authorizes appropriations of $25.6 million to the Department of the Interior and $3 million to the Department of Commerce in each of the next 3 fiscal years to carry out their responsibilities under the Endangered Species Act of 1973. This results in a total authorization of $85.8 million over the next 3 years. This is an exceptionally large sum especially when one calls to mind the endless stories of questionable actions taken by the Endangered Species Committee concerning the supposed destruction of the habitat of so-called endangered species.

Furthermore, Mr. Speaker, the Members of this body should be aware of the findings of the GAO in their report of July 2, 1979 entitled, "Endangered Species—A Controversial Issue Needing Resolution." The report first states that the cornerstone of effective implementation of the Endangered Species Act is the process used by the Fish and Wildlife Service to determine which species should be listed as endangered or threatened and which species should be reclassified or removed from the lists. Unfortunately GAO found that FWS had not consistently applied existing policies, procedures, and practices used to list species, nor had they periodically reviewed listed species or established criteria to determine if their status had changed.

To continue, the Endangered Species Act provides that Federal agencies which determine that their projects and programs may affect endangered or threatened species must consult with the Fish and Wildlife Service to resolve any potential conflicts. GAO found that FWS has continually improved the consultation process; however, conflicts involving ongoing and planned projects and programs had not always been identified or resolved promptly. The onerous bureaucracy of the Department of the Interior has again thwarted the attempts and intention of the Congress to serve the best interests of the American people.

Finally, GAO found that further legislative changes to the Endangered Species Act are needed to better balance species protection and economic growth and development. Currently the Endangered Species Act permits the Fish and Wildlife Service to continue to list geographically limited populations of species as endangered or threatened even though they may not be endangered or threatened throughout all or a significant portion of their existing ranges or their overall status are not known. Furthermore, the present act does not make clear whether permanent exemptions are available for all Federal projects and programs. For some projects and programs the lengthy consultation process may have to be initiated and the project stopped each time the affected species is listed and a potential conflict is identified. Currently our Nation is faced with rampant inflation existing side by side with a growing recession. Now is not the time to hinder economic growth and development with poorly drafted and poorly implemented legislation.

It should be noted, Mr. Speaker, that the Committee on Merchant Marine and Fisheries has conducted oversight on the Endangered Species Act using the GAO report as a guide. The chairman of the full committee Mr. MURPHY, and the chairman of the Subcommittee on Fisheries and Wildlife Conservation, Mr. BREAUX, have stated that amendments will be offered to correct the deficiencies I have mentioned. I anxiously await those amendments and urge my colleagues to support them.

In conclusion, Mr. Speaker, I would like to reiterate to the Members of this body the high cost of this legislation and the mismanagement of the act by the bureaucracy. Without doubt the Endangered Species Act is a prime candidate for sunset and legislative veto provisions.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, just by way of explanation for the members of the committee on this rule, let me say first that I, of course, support the rule.

One might say that the procedures under which this legislation is brought to the floor are somewhat unusual. Considering the time restraints under which the House is acting, I think we handled this in a proper manner.

I would like to point out to the Members of the House that the Endangered Species Act has, of course, had a great deal of controversy in years past. In the last Congress the legislation was reauthorized only for a period of something like 18 months, rather than the normal 3-year authorization period.

When our subcommittee began hearings on the Endangered Species Act this year, we started off with the attitude of having some very detailed oversight hearings on the legislation to see if amendments that had been adopted in the last Congress were working in the manner in which this Congress intended them to work. Of course, with a May 15 deadline, it was impossible for our subcommittee and the full committee to adequately have oversight committee hearings and at the same time meet that deadline.

So we made a commitment to the Members of the House that we would go ahead and report out a normal 3-year reauthorization bill with this legislation and then follow that up with extensive oversight hearings. The amendments that are in order under this rule today are a result of those oversight hearings which were 3 days in length and which I think focused in on some of the real concerns that had previously been expressed by Members of the House, including bringing in the General Accounting Office to present to our committee its findings after an extensive study on the workings of the Endangered Species Act.

These amendments which I will be offering are, I think—and the gentleman from New Jersey (Mr. FORSYTHE) can speak for this—supported by the ranking minority member of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, and they are also strongly supported by the chairman of the full committee. They, of course, were not voted on by our committee because we had to report out the reauthorization bill prior to the time we were in a position to write the amendments which we are now recommending and which will be offered at an appropriate time when this legislation is brought up.

I think the amendments are good. We needed a waiver of points of order merely because of the fact that they would normally be nongermane in a routine 3-year authorization bill.

Mr. Speaker, this is an open rule. I strongly support the rule, and I urge the Members to support the rule and the legislation.

Mr. DUNCAN of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Tennessee.

Mr. DUNCAN of Tennessee. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have not had a chance to read the proposed amendments, but I understand that none of the amendments change in any way the present authorization for projects that are now exempt from the Endangered Species Act. Is that correct?

Mr. BREAUX. Mr. Speaker, I would assure the gentleman that is correct. I would further assure the gentleman that none of the amendments affect Tellico Dam in Tennessee.

Mr. DUNCAN of Tennessee. Mr. Speaker, I thank the gentleman.

Mr. FROST. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOTTL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 4, rule XI and the Chair's prior announcement, further proceedings on this vote will be postponed.

The point of no quorum is considered withdrawn.

### PROVIDING FOR CONSIDERATION OF H.R. 3683, CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS

Mr. DODD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 304 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 304

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3683) to amend the Consolidated Farm and Rural Development Act, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3683, it shall be in order in the House to move to take from the Speaker's table the bill S. 985 and to strike out all after the enacting clause of the said bill and insert in lieu thereof the provisions contained in H.R. 3683 as passed by the House.

□ 1340

The SPEAKER pro tempore (Mr. Murtha). The gentleman from Connecticut (Mr. Dodd) is recognized for 1 hour.

Mr. DODD. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 304 provides for the consideration of H.R. 3683, a bill to amend the Consolidated Farm and Rural Development Act. This resolution provides for an open rule with 1 hour of general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture.

The resolution also provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment. The resolution waives all points of order against the substitute for failure to comply with the provisions of clause 7, rule XVI, the germaneness rule, and clause 5, rule XXI, appropriations in an authorization bill.

Finally, the resolution provides that after the passage of H.R. 3683, it shall be in order to move to take from the Speaker's table the bill S. 985 and to strike out all after the enacting clause of the bill and insert in lieu thereof the provisions contained in H.R. 3683 as passed by the House.

Mr. Speaker, as reported, H.R. 3683 would authorize lending levels for the fiscal years 1980, 1981, and 1982 for the farm and rural development loan programs. The authorizations would apply only as long as the programs are administered by the Secretary of Agriculture.

Until enactment of the Agricultural Credit Act of 1978, FmHA programs were operated without specific lending levels in the authorizing legislation but with specific loan levels prescribed in appropriations legislation. The Agricultural Credit Act of 1978 requires that the aggregate principal amount of these loans shall not exceed during each three-year period amounts authorized by law. As FmHA programs have grown in scope and size a closer review of them by the legislative committees on a periodic basis is in order so that the committees can increase effective oversight and determine whether any changes are needed. H.R. 3683 represents the first effort of this type under the new law.

H.R. 3683 establishes loan levels for each of the fiscal years 1980 through 1982 for: Real estate loans, farm operating loans, water and sewer facility loans, community facility loans, and business and industrial loans.

Mr. Speaker, I request that we adopt House Resolution 304 so that we may proceed to the consideration of the bill.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I may say that the distinguished gentleman from Connecticut (Mr. Dodd) representing, I am sure, a rural congressional district of Connecticut has very adequately described this rule. I do not see any reason for going through it again. I know of no objection to the rule. It is the authorizing legislation for the Farmers Home Administration.

I think the committee, under the leadership of the gentleman from Tennessee (Mr. Jones), has done an outstanding job. The Farmers Home Administration does a very important job for our country, for the farmers of America and, as a result, for the people of this country.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DODD. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all resolutions.

Pursuant to clause 4, rule XI, the Chair will now put the question de novo on the resolution, House Resolution 417, on which further proceedings were postponed.

### PROVIDING FOR CONSIDERATION OF H.R. 2218, ENDANGERED SPECIES ACT AUTHORIZATIONS, 1980–82

The SPEAKER pro tempore. The unfinished business is agreeing to the resolution, House Resolution 417.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

Mr. MOTTL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make a point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 320, nays 9, not voting 104, as follows:

[Roll No. 586]

YEAS—320

Abdnor
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boner
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Broyhill
Buchanan
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Corman
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dingell
Dixon
Dodd
Donnelly
Dornan

Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Findley
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Luken
Lungren
McClory
McCloskey
McCormack
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Preyer
Price
Pursell
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki

### NAYS—9

Beilenson
Bonior
Bonker
Burton, John
Hollenbeck
Lowry
McDonald
Stack
Studds

### NOT VOTING—104

Addabbo
Alexander
Anderson, Ill.
Ashley
AuCoin
Badham
Beard, Tenn.
Biaggi
Boggs
Boland
Bolling
Bouquard
Brown, Calif.
Brown, Ohio
Burgener
Carr
Cheney
Chisholm
Clay
Cleveland
Collins, Ill.
Conable
Conyers
Cotter
Crane, Philip
Davis, S.C.
Devine
Dickinson
Dicks
Diggs
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Fazio
Fish
Flippo
Flood
Florio
Fuqua
Garcia
Gibbons
Hagedorn
Harsha
Hefner
Holland
Holtzman
Horton
Huckaby
Ireland
Johnson, Colo.
Jones, N.C.
Kogovsek
Kostmayer
Leach, La.
Lent
Long, Md.
Lujan
Lundine
McDade
McEwen
Michel
Miller, Calif.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Nedzi
Nolan
Oakar
Pepper
Pickle
Pritchard
Quayle
Quillen
Rahall
Railsback
Richmond
Roberts
Rodino
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Santini
Scheuer
Smith, Iowa
Steed
Thompson
Treen
Van Deerlin
Watkins
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Young, Fla.
Zeferetti

□ 1400

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Winn.

Mr. Fazio with Mr. Young of Florida.

Mr. Garcia with Mr. Horton.

Mr. Long of Maryland with Mr. McDade.

Mr. Moffett with Mr. Pritchard.

Mr. Charles H. Wilson of California with Mr. Quayle.

Mr. Van Deerlin with Mr. Railsback.

Mr. Thompson with Mr. Williams of Ohio.

Mr. Steed with Mr. Rousselot.

Mr. Pepper with Mr. Bob Wilson.

Mr. Rodino with Mr. Fish.

Mr. Watkins with Mr. Harsha.

Mr. Rostenkowski with Mr. Burgener.

Mr. Santini with Mr. Devine.

Mr. Flippo with Mr. Beard of Tennessee.

Mr. Early with Mr. Anderson of Illinois.

Mr. Downey with Mr. Badham.

Mr. Roybal with Mr. Brown of Ohio.

Mr. Zeferetti with Mr. Lent.

Mr. Charles Wilson of Texas with Mr. Quillen.

Mr. Moakley with Mr. Lujan.

Mr. Kostmayer with Mr. Dickinson.

Ms. Holtzman with Mr. McEwen.

Mr. Kogovsek with Mr. Hagedorn.

Mr. Gibbons with Mr. Conable.

Mr. Hefner with Mr. Dougherty.

Mr. Lundine with Mr. Cheney.

Mr. Miller of California with Mr. Roberts.

Mr. Ireland with Mr. Cleveland.

Mr. Jones of North Carolina with Mr. Pickle.

Mr. Holland with Mr. Philip M. Crane.

Mr. Dicks with Mr. Rahall.

Mr. Drinan with Mr. Rosenthal.

Mrs. Collins of Illinois with Mr. Richmond.

Mr. Carr with Ms. Oakar.

Mrs. Bouquard with Mr. Nolan.

Mrs. Boggs with Mr. Florio.

Mr. Cotter with Mr. Davis of South Carolina.

Mr. Boland with Mr. Edgar.

Mr. Huckaby with Mr. Fuqua.

Mr. Clay with Mr. Duncan of Oregon.

Mrs. Chisholm with Mr. Brown of California.

Mr. Biaggi with Mr. AuCoin.

Mr. Ashley with Mr. Alexander.

Mr. Conyers with Mr. Mollohan.

Mr. Moorhead of Pennsylvania with Mr. Scheuer.

Mr. Nedzi with Mr. Wirth.

Mr. Murphy of Illinois with Mr. Smith of Iowa.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## HIGHER EDUCATION ACT OF 1965 AMENDMENTS

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5386) to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

> Page 2, after line 11, insert:
>
> Sec. 2. No fiscal year 1979 funds may be withheld from a State under subpart 3 of part A of title IV of the Higher Education Act of 1965 because of a failure of a State to meet the requirement of section 415C(b)(4) of that Act based upon the provisions of a State statute enacted prior to October 1, 1978.

Mr. FORD of Michigan (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I take the reservation because many of the Members might wonder what is happening. I strongly support what is happening in this bill, and for a brief explanation I would yield to my colleague from Michigan (Mr. Ford).

Mr. FORD of Michigan. Mr. Speaker, under suspension of the rules the House passed H.R. 5386 on Monday. This bill made a technical amendment to the Higher Education Act to insure an equitable distribution of fiscal year 1979 funds under programs authorized by title I.

Yesterday the Senate passed the bill with an additional technical amendment by unanimous consent. The Senate amendment, which was offered by the Senator from Texas (Mr. Bentsen), makes it possible for the Department of Health, Education, and Welfare to release over $4 million in fiscal year 1979 financial assistance which has been allotted for students in colleges and universities in Texas. The amendment, which I strongly support, provides a 1-year exemption to the requirement in the Higher Education Act that, in order to receive Federal funds from the State student incentive grant program, a State must allow all nonprofit institutions to participate in this program even though the State might have a statute preventing such participation.

This amendment is completely consistent with legislation which will be considered by this body within the next few weeks to reauthorize the Higher Education Act. H.R. 5192 contains a provision which exempts from this requirement to serve all nonprofit institutions any State which has a statute which was enacted before October 1, 1978. Since final passage of this bill is months away, it is necessary to pass this provision so that deserving students can receive needed financial aid for this school year.

I know of no opposition to this proposal which does not provide for any new funds but simply gives HEW authority to release the impounded funds. In fact, I have a copy of a letter from the assistant secretary for education to the commissioner of the Texas Higher Education Authority in which she suggests this solution.

My distinguished colleague from Texas (Mr. PICKLE) deserves special commendation for his diligent efforts to achieve a solution. He has worked closely with both Senator BENTSEN and with me during the past weeks in developing this amendment.

Mr. Speaker, I hope the House can concur in the Senate amendment so that these currently enrolled students can receive the assistance for which they are eligible.

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object, I rise in support of H.R. 5386 as amended by the Senate. As noted by previous speakers, the Senate amendment would, for fiscal year 1979 SSIG allotments, exempt all States from the requirement that all nonprofit institutions of higher education in a State be eligible to participate in the State grant program in order for the State to receive SSIG funds, if that State had a statutory prohibition against the inclusion of nonprofit institutions which was enacted prior to October 1, 1978.

The purpose of the SSIG program, as enacted in the Higher Education Amendments of 1972, was to encourage States which did not have State-funded student financial aid programs for needy students seeking access to a higher education institution, to establish such a program. It also provided an incentive for States with established programs to expand and improve them. The attractive feature of the SSIG program was that there was to be no intrusion into each State's determination of their specific goals and needs in this area.

The program was highly successful in its intent. While there were only 29 States providing such programs in 1972, today every State has established a student aid program.

However, in 1976 an amendment to this act was adopted which deeply concerns me. Under this amendment, an additional qualification was added which required all nonprofit institutions of higher education within each State to be made eligible to participate in the State's program as a condition of participation. A later amendment excluded institutions which were prohibited by State constitutions. However, the Federal definition of "institutions of higher education" remains much broader than Ohio's definition and the definition in many other States.

This intrusion threatens the ability of Ohio and other States to maintain control over the quality of programs in institutions of higher education in their States.

Under this provision, Ohio would be required to include vocational/job training programs, and 1-year hospital programs in such fields as X-ray technology which, by Federal definition, are institutions of higher education. This designation is reserved in Ohio for a specific set of public and independent colleges, all of which offer associate degrees and bachelor's degrees, and hospital nursing programs.

The current law dictates to Ohio how our State funds should be spent through the SSIG program, even though it represents less than 8 percent of the State's program budget.

Ohio recognizes the Federal intent of extending aid to all eligible students pursuing higher educational goals. It supports this intent and can demonstrate its support by the growth of Ohio's program of student financial aid during the past 7 years. Since its inception in 1972, Ohio's grant program has grown from $16 million assisting 36,561 students attending 49 independent colleges, 12 State universities, 20 branches, and 24 public, 2-year colleges to the current $25 million annual level which has been expanded to include hospital schools of nursing with diploma programs. This expansion involves some 53,000 students and 313 eligible institutions.

Part of that growth can be attributed to the SSIG program. However, the eligibility provided in section 415C of the Higher Education Amendments of 1976, as amended, is weakening this joint program. To correct the existing situation and to enhance further development in this State-Federal partnership, I urge your support of H.R. 5386.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan to dispense with the reading of the Senate amendment?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Michigan?

There was no objection.

A motion to reconsider was laid on the table.

## CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS

Mr. FOLEY. Mr. Speaker, I move the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3683) to amend the Consolidated Farm and Rural Development Act.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HARKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 298, nays 3, not voting 132, as follows:

[Roll No. 587]

YEAS—298

Abdnor
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bingham
Blanchard
Boner
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broyhill
Buchanan
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Clausen
Clinger
Coelho
Coleman
Corcoran
Corman
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Dingell
Dixon
Dodd
Donnelly
Dornan
Duncan, Tenn.
Eckhardt
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fenwick
Ferraro
Findley
Fisher
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Heftel
Hightower
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kramer
LaFalce
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lowry
Luken
McClory
McCloskey
McCormack
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Price
Pritchard
Pursell
Ratchford
Regula
Reuss
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stockman
Stokes
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki

### NAYS—3

Lloyd
McDonald
Mitchell, Md.

### NOT VOTING—132

Addabbo
Albosta
Alexander
Anderson, Ill.
Ashley
AuCoin
Badham
Beard, Tenn.
Bevill
Biaggi
Boggs
Boland
Bolling
Bouquard
Breaux
Broomfield
Brown, Calif.
Brown, Ohio
Burgener
Burlison
Burton, John
Carr
Cheney
Chisholm
Clay
Cleveland
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Cotter
Crane, Philip
Davis, S.C.
Dellums
Devine
Dickinson
Dicks
Diggs
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Ala.
Evans, Ind.
Fazio
Fish
Fithian
Flippo
Flood
Florio
Fuqua
Garcia
Gibbons
Hamilton
Harsha
Hefner
Hillis
Hinson
Holland
Holtzman
Horton
Huckaby
Ireland
Johnson, Colo.
Jones, N.C.
Kindness
Kostmayer
Lagomarsino
Latta
Leach, La.
Long, Md.
Lujan
Lundine
Lungren
McDade
McEwen
McHugh
Michel
Miller, Calif.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Nedzi
Nolan
Oakar
Pepper
Pickle
Preyer
Quayle
Quillen
Rahall
Railsback
Rangel
Rhodes
Richmond
Roberts
Rodino
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Santini
Scheuer
Slack
Smith, Iowa
Steed
Stewart
Stratton
Thompson
Traxler
Treen
Van Deerlin
Volkmer
Watkins
Waxman
Weiss
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Young, Fla.
Zeferetti

□ 1410

So the motion was agreed to.

The result of the vote was announced as above recorded.

□ 1420

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3683, with Mr. LEHMAN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Washington (Mr. FOLEY) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. HOPKINS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I yield myself so much time as I may consume.

Mr. Chairman, I rise in support of H.R. 3683, as reported by the House Committee on Agriculture. H.R. 3683 amends the Consolidated Farm and Rural Development Act to authorize lending levels for each of the fiscal years 1980, 1981, and 1982 for Farmers Home Administration's farm and rural development loan programs. It also makes a few miscellaneous changes in the substantive provisions of that act.

Until enactment of the Agricultural Credit Act of 1978, FmHA programs were operated without specific lending levels in the authorizing legislation but with specific loan levels prescribed in appropriations legislation. The Agricultural Credit Act of 1978 requires that the aggregate principal amount of these loans shall not exceed during each 3 year period amounts authorized by law. As FmHA programs have grown in scope and size a closer review of them by the legislative committees on a periodic basis is necessary so that the committees can increase effective oversight and determine whether any changes are needed. H.R. 3683 represents the first effort of this type under the new law.

The lending limitations contained in H.R. 3683 are set forth separately for the various categories of loans authorized by Farmers Home Administration. These include the following categories financed from the Agricultural Credit Insurance Fund: farm operating loans, farm real estate loans, farm ownership loans and water development use and conservation loans. The bill also provides that amounts are authorized for emergency loans as necessary to meet needs resulting from natural disaster.

Limitations are established for loans financed by the Rural Development Insurance Fund separately for water and sewer facility loans and industrial development loans. In addition, a requirement is imposed that at least 25 percent of the farm ownership and operating insured loans must be made to limited recourse, low-income borrowers. This program was first established in 1978 and has proved to be of special help to minority farmers and to small farmers, especially the young and beginning farmers.

I want to stress that H.R. 3683 for the first time places statutory limitation on the lending authority of Farmers Home Administration. In the past the authorizing legislation had no such controls on the agency. There were, of course, limits adopted in the appropriation act. The figures in H.R. 3683 are ceilings and do not mandate spending by the agency. The committee is of the opinion that the ceilings are realistic, and not overly generous, but they do take consideration of the anticipated need for credit in rural areas by farmers and rural development projects.

Several other changes were made in the Consolidated Farm and Rural Development Act. The act was amended to clarify FmHA's authority to make farm ownership business and industrial and operating loans for the acquisition, construction, and operation of solar energy systems, including systems for the production of alcohol fuel for use as gasohol. This is an amendment clearly beneficial for the overall economy in view of the current energy crisis and the need to find substitute sources of energy for petroleum and petroleum-based products.

The bill also authorizes Farmers Home Administration to make loans for water and sewer systems and community facilities to communities with populations up to 20,000 people instead of 10,000 as in current law. This helps fill a Federal funding gap that exists between Farmers Home Administration and HUD which serves cities of over 50,000 population.

A final change extends eligibility requirements for FmHA emergency loans to include aliens admitted for permanent residence. Permanent resident aliens are eligible for dozens of Federal programs including social security and medicare, crop insurance and commodity loans. We would now treat them equitably in emergency situations.

Mr. Chairman, H.R. 3683 was ordered reported by a unanimous voice vote of the Committee on Agriculture. I urge the Members to join me in support of this bill. At this time I would like to recognize the distinguished gentleman from Tennessee (Mr. JONES), chairman of the Conservation and Credit Subcommittee, who will explain in greater detail the contents of H.R. 3683.

At this time, Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Subcommittee on Conservation and Credit, the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Chairman, H R. 3683, as reported, amends the Consolidated Farm and Rural Development Act to authorize lending levels for the fiscal years 1980, 1981, and 1982 for the Farmers Home Administration farm and rural development loan programs. The authorizations would apply only as long as the programs are administered by the Secretary of Agriculture.

Until enactment of the Agricultural Credit Act of 1978, FmHA programs were operated without specific lending levels in the authorizing legislation but with specific loan levels prescribed in appropriations legislation. The Agricultural Credit Act of 1978 requires that the aggregate principal amount of these loans shall not exceed during each 3-year period amounts authorized by law. As FmHA programs have grown in scope and size a closer review of them by the legislative committees on a periodic basis is in order so that the committees can increase effective oversight and determine whether any changes are needed. H.R. 3683 represents the first effort of this type under the new law.

Authorization levels provided in the legislation are classified according to type or purpose with separate levels provided for insured and guaranteed loans where appropriate. H.R. 3683 authorizes a total of $1.615 billion for the broad classification of real estate loans. This includes $1.5 billion for farm ownership loans of which $1.4 billion would be insured and $0.1 billion would be guaranteed. Twenty-five percent of the farm ownership insured loan funds would be available to low-income limited resource borrowers. Also included in the real estate loan classification is $100 million for water development, use and conservation of which $90 million would be insured and $10 million guaranteed. The two types of loans which would be made from this authorization are: First, soil and water loans to individuals; and second, irrigation or drainage loans to associations. Twenty-five percent of the authorized funds for farm ownership and for water development, use and conservation loans would be transferable at the option of the Secretary between the guaranteed and insured categories.

Included in the overall authorization for real estate loans are $15 million for recreation loans to individuals and loans to grazing associations.

FmHA operating loans to farmers would have an authorized lending level of $1.2 billion of which $1.15 billion would be for insured and $0.05 billion would be for guaranteed. At least 25 percent of the insured operating loans would be available to low-income limited resource borrowers and 25 percent of the funds would be transferable between the guaranteed and insured categories.

Lending authorization levels are provided for three rural development loan programs. For rural water and sewer facility loans, $1 billion in insured loans would be authorized. For rural community facility loans, $500 million in insured loans would be authorized. For business and industrial loans, $1.5 billion would be authorized of which $100 million would be insured and $1.4 billion would be guaranteed.

Additionally, authorized loan levels are provided in the bill for three rural development loan programs of the $1.5 billion authorized for the business and industrial loan program, $100 million would be for insured and $1.4 billion would be for guaranteed loans. Water and sewer loans are provided an authorized lending level of $1 billion in insured loans for each of the next 3 fiscal years. The community facility loans are authorized at $500 million for insured loans only.

I want to emphasize here that the authorization levels must take into account expected program growth during the next 3 years, and we would not expect to be reaching these figures in fiscal year 1980.

Public hearings on the general farm situation in early 1979 and later specifically on FmHA programs in Oklahoma and Washington, D.C., confirmed for the committee a demand and need for farm financial credit more than that expected by program administrators. Previously, it had been the committee's opinion that the new lending authorities granted FmHA in 1978 coupled with significant farm lending done by the Small Business Administration would have tempered the generally rising demand for additional agricultural credit. Such has not been the case as rapidly escalating land prices and production costs plus low commodity prices in some sectors have put even greater pressures on farmers to borrow in order to stay in business.

We expect that demand for these loans will outreach the authorized levels by 1982 if not before.

Several other changes were made in the Consolidated Farm and Rural Development Act which I will briefly explain.

It addresses the energy shortage by clarifying that loans under the farm ownership, farm operating and business and industrial loan programs for encouraging construction and development of solar energy systems including gasohol on the farm. Clearly, with over 10 percent of the costs of operating a farm attributable to energy inputs, helping farmers develop on-farm alternative energy resources can only help hold down food production costs and our dependence on imported oil.

The bill also authorizes Farmers Home Administration to make loans for water and sewer systems and community facilities to communities with populations up to 20,000 people instead of 10,000 as in current law. This helps fill a Federal funding gap that exists between Farmers Home Administration and HUD which serves cities of over 50,000 population.

A final change extends eligibility requirements for FmHA emergency loans to include aliens admitted for permanent residence. Permanent resident aliens are eligible for dozens of Federal programs including social security and medicare, crop insurance and commodity loans. We would now treat them equitably in emergency situations.

According to a revised cost estimate of CBO, dated June 1, 1979, the costs of this bill, which include the net cost of all interest subsidies as they accrue and any unrecovered defaults, as as follows:

*Total estimated costs*

[By fiscal years, in millions of dollars]

| | |
|---|---|
| 1980 | 19 |
| 1981 | 109 |
| 1982 | 216 |
| 1983 | 368 |
| 1984 | 376 |

At this time, I would close by explaining that this bill is simple, it provides adequate but not generous loan authorization levels for ongoing programs, and I ask that my colleagues support its passage.

Mr. HOPKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3683, a bill to amend the Consolidated Farm and Rural Development Act. This bill would authorize insured and guaranteed loans totaling up to $5,815 billion annually for the next 3 fiscal years. This compares with $3.9 billion in the current fiscal year. Ceilings are set for each loan program, and actual lending levels would still be fixed separately by Congress in annual appropriation bills.

H.R. 3683 represent an important step in the Farmers Home Administration farm and rural development loan programs. Prior to this bill, loan program activity levels were addressed only in appropriation acts. As a result of the need for the legislative committees to make a periodic review of the farmers home programs, the Agricultural Credit Act of 1978 (Public Law 95-334) required the aggregate principal amount of the loans under the farm and rural development programs to be authorized every 3 years beginning October 1, 1979. H.R. 3683 satisfies this requirement.

The Committee on Agriculture felt the authorized loan levels were necessary in order to consider the need for increased Farmers Home Administration loan program activity and to allow for program expansion over the 3-year life of the bill. The need for adequate farm financial credit is evident. Public hearings on the general farm situation and the Farmers Home Administration programs in early 1979 confirmed a demand for farm loans which was greater than previously had been expected. Rapidly escalating land prices have put strong pressure on farmers to borrow in order to stay in business. This legislation is necessary to provide the farmer with that opportunity.

In addition to setting lending limits, H.R. 3683 would also earmark 25 percent of farm ownership and operating loans for low-income, limited-resource borrowers, clarify Farmers Home Administration authority to make loans for nonfossil energy systems, make legally resident aliens eligible for disaster loans, and allow water and sewer loans and community facility loans to be made to towns with populations of up to 20,000 instead of only 10,000. These measures will improve availability of Farmers Home Administration credit to our rural areas.

The program for allocating 25 percent of both farm ownership and operating loans for low income, limited resource borrowers was established in 1978. It has been extremely helpful to the small, the young, and the beginning farmers. Since these people have little capital for operation and little equity to fall back on, there is a need to continue allocation of at least 25 percent of these insured loan funds for this purpose.

In regard to energy, H.R. 3683 makes clear that full authority exists for Farmers Home to make farm ownership and operating loans and business and industrial loans for the acquisition, construction, or operation of solar energy systems and other alternative fuels including gasohol. This is essential for development of alternative energy sources on farms and in rural communities. With over 10 percent of the cost of operating a farm going into energy needs, helping farmers develop on-farm energy resources is of vital importance. Such a measure could help hold down escalating production costs.

H.R. 3683 would make permanent resident aliens eligible for Farmers Home Administration emergency loans. Permanent resident aliens are already eligible for most Government programs. In fairness to those that are agricultural producers, emergency loans also should be extended to them.

Another major feature of the bill would be to allow water and sewer loans and community faciltiy loans to be made to towns with populations of up to 20,000 instead of only 10,000. This change would help to fill a Federal funding gap that now exists in our Nation's rural areas. It will help this small group of communities obtain Federal assistance for community facilities, as hospitals and nursing homes. Increasing the population limitation would make only approximately 1,200 more communities eligible for this assistance.

Of course, it should be recognized that the levels authorized in the bill will not be reached in fiscal 1980; they were established by the committee to account for program growth over the next 3 years. Nevertheless, the overall benefits of this bill should not be underestimated. For example, in my own district, the Sixth District of Kentucky, approximately 200 additional real estate loans worth a total of around $11 million could eventually be provided by the authorized funding levels.

Also, 100 new farm operating loans worth about $20,000 each could be made available. The State of Kentucky could receive a projected $9 million increase in the business and industrial loan amount received for fiscal year 1979, and 17 towns with populations between 10,000 and 20,000 would be eligible for water and sewer and community facility loans for the first time. This would include the towns of Winchester and Danville in my home district.

Mr. Chairman, enactment of H.R. 3683 will have beneficial effects on the economy without contributing to inflation. It will enhance the economic stability of rural areas by providing credit where credit otherwise would not be readily available. Real estate and operating loans will provide needed funds to farmers while community facility, water and sewer, and other rural development loans will assist in improving the living conditions and economic structure of less populated areas. I urge support of this bill.

☐ 1430

Mr. MADIGAN. Mr. Chairman, would the gentleman from Kentucky yield to me?

Mr. HOPKINS. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I want to thank the gentleman for yielding.

Mr. Chairman, I rise in support of H.R. 3683, a bill to amend the Consolidated Farm and Rural Development Act. I want to congratulate the distinguished chairman of the subcommittee, Mr. JONES of Tennessee, for his efforts in bringing this bill to the floor of this body.

Mr. HOPKINS and Mr. THOMAS, two of our new members in the subcommittee, were especially industrious and diligent in attending the subcommittee meetings and in taking an active part in the development of this bill. I believe they deserve our sincere congratulations.

H.R. 3683 represents an important milestone in the Farmers Home Administration (FmHA) farm and rural development loan programs. For the first time, the Agriculture Committee is setting by legislation lending limits for the FmHA loan programs. H.R. 3683 would authorize insured and guaranteed loans for fiscal years 1980, 1981, and 1982. The portions available for insured as well as guaranteed loans are specified. I believe the new loan ceilings will give Congress the opportunity, through the appropriation process, to provide adequate credit to our rural areas through these FmHA programs over the 3-year life of the bill.

I am particularly pleased that the bill makes eligible for FmHA water and sewer and community facility loans communities up to 20,000 population. This change—making only approximately 1,200 more communities eligible for these loans—will help fill a Federal funding gap that exists in this Nation's rural areas. It will substantially help a small group of communities across the country when they have difficulty finding Federal assistance for community facilities, such as hospitals or community-owned nursing homes, or to meet requirements of other Federal acts such as the Clean Air Act with respect to municipally owned powerplants. In many cases they are unable to float bond issues to meet these pressing needs and yet until now they have been too large to qualify for FmHA assistance even though they provide hospital and other services to our rural residents.

I urge support of H.R. 3683.

Mr. COLEMAN. Will the gentleman from Kentucky yield, Mr. Chairman?

Mr. HOPKINS. I yield to the gentleman from Missouri.

Mr. COLEMAN. I also rise in support of the bill and would like to point out that our colleague on the committee, the gentleman from Kansas (Mr. GLICKMAN) introduced language which is contained in the bill which clarifies the use of farmers home loans for use of solar power and use and installation of solar energy collectors. Just last week the Secretary of Agriculture had a portable station out here to be seen and this is one of the contributions that the farmers of the United States can make toward solving our energy problem. I congratulate my colleague, the gentleman from Kansas, for the language which he affixed to the bill and will say in response to the question of what are we doing here in Congress to help solve the energy problem, this is one area where the language is very clear that we will allow the Farmers Home to utilize its resources to help farmers help all of us in helping to solve our Nation's energy supply.

Mr. JONES of Tennessee. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Chairman, during the Agriculture Committee consideration of the bill, I offered three amendments, which were adopted, to strengthen loan authority by the Farmers Home Administration for nonfossil fuel energy systems both for onfarm use and for use in rural communities.

Under current law, this loan authority has been interpreted narrowly. The purpose of the amendments is to expand this authority to insure that FmHA applicants have a reasonable opportunity to obtain loans for energy-related projects. With the continuing availability of sufficient energy supply in question, it is essential that adequate lending authority be available to allow development of alternative energy sources in agricultural areas. Clearly, with over 10 percent of the costs of operating a farm attributable to energy inputs, assisting farmers develop onfarm alternative energy resources can only help hold the line on escalating production costs.

One amendment would broaden the scope of projects for which FmHA could provide operating loans. The amendment would assure authority to cover the development, construction, and modification of solar energy systems. Such items that could be included would be loans for stills to produce alcohol for onfarm liquid fuels use, devices to convert agricultural waste to methane for gaseous fuel use, and farm equipment that runs on direct sunlight.

The second amendment would expand authority under the real estate program to include loans for nonfossil fuel systems for farm-related structures. Currently, only residential structures are included.

The final amendment would add language to the Rural Industrialization Assistance program to give rural communities and other applicants from nonurban areas the opportunity to apply for loans which would develop, construct, or modify nonfossil energy systems.

☐ 1440

Mr. JONES of Tennessee. Mr. Chairman, I yield such time as he may consume to my friend, the gentleman from South Dakota (Mr. DASCHLE), a member of the subcommittee.

Mr. DASCHLE. Mr. Chairman, I want to associate myself with the remarks made by the gentleman from Kansas (Mr. GLICKMAN). I think those remarks point to one of the main reasons why I think this particular piece of legislation is an outstanding bill and one that certainly deserves the support of the Members of the House of Representatives.

I also want to congratulate the chairman of the subcommittee, the ranking minority member, and certainly the distinguished chairman of the Committee on Agriculture for the work they have done in putting this piece of legislation before the Congress.

There are really two specific reasons why I think this particular piece of legislation is good. The gentleman from Kansas (Mr. GLICKMAN) very appropriately and adequately addressed the first reason, and that refers to the need for the Farmers Home Administration to provide some help in insuring development of alcohol fuels and renewable resources.

There is also another reason, and that goes to a project that was undertaken during the last fiscal year—the project dealing with the limited resource application program. That program has proven to be immensely successful in the Farmers Home Administration, and in this year in this bill we formalize that program and provide that at least 25 percent of the insured farm ownership and operating loans go to those recipients or those applicants who fall into the guidelines of limited resource application.

I think this is an immensely significant and important program, and it certainly is one that I think will prove to be very popular throughout the entire country.

Beyond these two points, the loan volume within the Farmers Home Administration speaks well of their success.

I want to share for a second the statistics on the number of loan applications that have been made. Loan applications in the Farmers Home Administration's ownership program have increased from 30,300 applications nationwide in fiscal year 1977 to 35,000 during fiscal year 1978. At the beginning of fiscal year 1979, the Farmers Home Administration has already experienced a backlog of 18,970 pending applications awaiting funds.

So, Mr. Chairman, this bill allows that successful effort to continue. It is an excellent bill, especially this year with the programs for resource applications and alcohol fuels. I cannot think of a finer piece of legislation.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would just like to compliment the gentleman from South Dakota (Mr. DASCHLE), because he was the one member in the committee and the subcommittee who offered the amendment requiring this kind of set-aside for limited resource borrowers, in connection with and in cooperation with the gentleman from Tennessee (Mr. JONES).

It was the gentleman's efforts that enabled and authorized the committee to push ahead with these limited resource efforts. So, Mr. Chairman, I applaud the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. Mr. Chairman, I thank the gentleman from Kansas (Mr. GLICKMAN) very much, and I want to remind the membership that the chairman of the subcommittee was a cosponsor of that piece of legislation. The gentleman's efforts were very important to insuring that the subcommittee and the full committee accepted that provision in the bill.

Mr. Chairman, I yield back the balance of my time.

Mr. JONES of Tennessee. Mr. Chairman, I have no further requests for time, and I yield myself such time as I may consume.

Mr. Chairman, I want to say that I sincerely thank each member of the subcommittee on both sides of the aisle for the splendid cooperation we had while this bill was being drafted and during the hearings and markup. This cooperative effort enabled us to put together a good Farmers Home Administration bill.

I want to join the gentleman from Kansas, DAN GLICKMAN, and the gentleman from South Dakota, TOM DASCHLE, in their comments on Farmers Home Administration policy and operation. I think we need to emphasize that more work needs to be done in those areas. We have a fine program, and I want to ask again that each Member of this body give full support for this legislation and the excellent Farmers Home Administration program.

With that, Mr. Chairman, since I have no further requests for time, I yield back the balance of my time.

Mr. HOPKINS. Mr. Chairman, I yield such time as he may consume to my distinguished colleague, the gentleman from Kansas (Mr. SEBELIUS), a member of the committee.

Mr. SEBELIUS. Mr. Chairman, I rise in support of this legislation. Like everyone else today, the Farmers Home Administration is feeling the impact of inflation. This has led to a considerable increase in the backlog of people awaiting FmHA loans.

This bill attempts to correct this deficiency by authorizing $1.615 billion for the broad classification of real estate loans. That does not mean we are spending more money. Last year, we increased interest rates charged for many FmHA loan programs. We also changed provisions in the act relating to guaranteed loans which should result in an increased use of this type of loan which is made by lenders at no cost to the Government, so long as borrowers do not default.

This bill also clarifies FmHA loan authority under current law for nonfossil fuel energy systems. With the continuing availability of sufficient energy supply in question, it is essential that sufficient lending authority be available to allow development of alternative energy sources in agricultural areas, not only for onfarm use, but also for use in the Nation's rural communities.

Mr. Chairman, I urge my colleagues to support this bill and thank you for this opportunity to express my views.

● Mr. WAMPLER. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Kentucky (Mr. HOPKINS) and urge support of this bill. In accordance with the Agricultural Credit Act of 1978, Public Law 95-334, H.R. 3683 authorizes funding levels for the Farmers Home Administration loan programs over the next 3 years.

The Farmers Home Administration loan programs play an important role in the economy of our rural areas. Rapid increases in the cost of land and other elements of production have made it necessary for many farmers to borrow in order to stay in business. Adequate credit must be made available to these farmers to foster and encourage the orderly growth and development of rural America. The purpose of the Farmers Home programs is to provide such credit, and this bill insures that the credit will be available.

I would like to point out that the funding levels established by this bill are ceiling levels and will not be reached in fiscal 1980. In establishing these levels, the Agriculture Committee considered expected program growth over the next 3 years. Actual lending levels still would be fixed separately by the Congress in annual appropriations bills.

Mr. Chairman, we must provide the resources to strengthen and improve FmHA ability to deliver its full range of programs for farms and small communities. H.R. 3683 insures that the Farmers Home Administration will have the ability to provide these services, thereby improving the economy and living conditions in rural America. I urge passage of this bill.●

● Mr. ALEXANDER. Mr. Chairman, I rise in support of H.R. 3683, amendments to the Consolidated Farm and Rural Development Act. This legislation will prescribe lending limits for fiscal years 1980, 1981, and 1982 for the Farmers Home Administration loan programs in accordance with the agricultural credit legislation adopted in the last Congress.

The lending levels set in this legislation will meet expected credit needs of the Nation's farmers, particularly at a time when land prices are escalating and production costs are mounting.

H.R. 3683 will authorize $1.615 billion for real estate loans, of which $1.5 billion will be for farm ownership loans, both insured and guaranteed. The bill also authorizes a lending level of $1.2 billion for FmHA operating loans.

This legislation also authorizes lending levels for three rural development programs: $1 billion in insured loans for the rural water and sewer facilities program, $500 million in insured loans for the rural community facilities program, and $1.5 billion for business and industrial loans.

Mr. Chairman, this bill also addresses our energy dilemma by authorizing loan eligibility under the various FmHA programs for encouraging construction and development of solar energy systems, a term whose definition would include intermediate solar energy forms; that is, production of alcohol for fuel purposes from biomass. Inasmuch as 10 percent of the costs of operating a farm are due to energy requirements, helping the family farmer to develop onfarm alternative energy resources will assist in holding down production costs and contribute toward a break in this Nation's dependence on foreign oil.

As a member of the National Alcohol Fuels Commission, I want to compliment the Committee for its recognition of the need to clarify FmHA's role in meeting head on our energy dilemma.

I urge my colleagues to support this bill.●

Mr. HOPKINS. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of Tennessee. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. DASCHLE) having assumed the chair, Mr. LEHMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3683) to amend the Consolidated Farm and Rural Development Act, had come to no resolution thereon.

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## GENERAL LEAVE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just under consideration, H.R. 3683.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

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## PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, due to a commitment in my district on October 11, 1979, I was unfortunately unable to be present to vote on the Kostmayer and Moffett amendments to the DOE authorization bill.

Had I been present, I would have voted "yes" on the Kostmayer amendment (rollcall No. 549). I was paired "yes" on the Moffett amendment (rollcall No. 548).

Mr. Speaker, it is quite unfortunate

that the Kostmayer amendment was defeated by a recorded vote of 124 ayes to 243 noes. That amendment sought to have the President use his existing authority to reimpose price controls on home heating fuel and possibly affect a price rollback. The Moffett amendment would have continued price controls on domestic crude oil—leading to lower prices for consumers.

It has become obvious to many of us that the reimposition of price controls is justifiable, especially in view of the fact that the increases in gross refiner margins is up 100 percent. I doubt seriously that these profits are as much the result of higher prices and inflation than they are the direct result of the profit motive of the oil companies. In fact, one may strongly argue that since there are controls on gasoline, the oil companies have conveniently decided to obtain their sought after gross profits by simply tacking on the increased price in a market that has high demands and no controls, such as home heating fuel. I fail to note any consideration whatsoever, on the part of the oil companies toward their customers—both the independent dealers and the American consumer. Their recent attempt to put the independent dealer either in a severe bind by restricting their credit terms and then by holding back on either their allocations or contracts, left much to be desired. The American consumer, in turn, was affected by this because not only did he have difficulty in finding the oil to put in his storage tanks, but when he found it—discovered that he had to pay c.o.d. on a price that was rapidly rising at 1 cent per week.

As a result of all this there is a very real danger that many homes will run the risk of cold furnaces this coming winter. According to a survey I conducted of the independent dealers in my own district, they are running behind at 15 percent on their overall deliveries and feel that, since the major oil companies have been withholding their product from the distribution pipelines in order to meet the President's October deadline of 240 million barrels, there may not be enough time to service everybody if confronted with an early winter. Accordingly, I have been continually urging the DOE to take the necessary steps to insure that the independent dealers are supplied with the heating oil they need, and that the American public be protected by the reimposition of price controls on home heating fuel.

Mr. Speaker, I urge my colleagues to take a closer look at the situation in their own district and to determine whether or not the oil companies are treating their independent dealers and customers with the respect and concern they deserve.

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## UNITED STATES AND UNITED NATIONS SHOULD CONDEMN COMMUNIST VIETNAM

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I believe Congress is compelled to speak out forcefully against the oppressive, inhumane policies of the Communist Government of Vietnam being imposed on its people and those of neighboring countries at great human cost. I would call special attention to an excellent editorial in the Washington Post of October 12, 1979, which expresses quite accurately the outrage which most Americans feel about this situation.

While all Americans are concerned about the deplorable plight of the Indochinese refugees, I would suggest that so far we have been focusing too narrowly on the symptoms rather than the cause of this human tragedy.

In the rush to help the refugees, all the would-be rescuers in the international community are avoiding the fundamental cause of the refugee exodus itself.

It is regrettable, after many nations in Southeast Asia have fallen to the Communists, that our people are only now fully comprehending the human tragedy of Communist oppression. Now, however, it has become painfully evident that hundreds of thousands of human beings in Southeast Asia have been killed since the Communist takeover, and that many thousands more are dying in their desperate attempts to flee the same fate.

Yet neither the United States nor the United Nations has stepped forward with a bold and unequivocal condemnation of the diabolical policies of the Communist Government of Vietnam, which have forced so many freedom-loving people to flee their homelands in the face of great danger and uncertainty.

As the Post editorial concluded, the Vietnamese actions "invite and deserve contempt."

We as a nation simply cannot wash our hands of the shocking moral implications represented by these homeless thousands of Indochinese citizens. For by our failure to speak out against this tragedy wrought by totalitarian communism, the United States and the United Nations are in effect condoning this totalitarianism which should be universally condemned.

Our Nation should take the lead by accepting our compelling moral responsibility to condemn and oppose the Vietnamese tyranny.

I am today introducing a concurrent resolution which calls on the President to condemn the Vietnamese Government on behalf of the American people, and to call for a special session of the United Nations General Assembly to consider the imposition of international economic and political sanctions against the Government of Vietnam.

I feel that this Congress should insist on a forthright declaration to the world that the practices of the Vietnamese Government are repugnant to all people who love peace and respect human dignity, and that strict economic and political sanctions are in order.

Failure to do so would make a mockery of our commitment to human rights ideals.

Such an unambiguous declaration will also help restore the United States to its rightful position as a world leader for human freedom and decency.

I include the Washington Post editorial, "Vietnam: Genocide," and the text of the joint resolution at this point in the RECORD:

[From the Washington Post, Oct. 12, 1979]

### VIETNAM: GENOCIDE

Quite a country, Vietnam: twice within a year its behavior has drawn upon it well-founded charges of genocide. The first time, charges arose from Hanoi's policy of forcing tens of thousands of its longtime citizens of Chinese ancestry onto the high seas in boats no better than floating coffins. Uncounted thousands died before an international outcry ended at least the most egregious manifestations of that policy.

Having practiced genocide on one ethnic group, Vietnam promptly turned upon another. As part of an evident effort to dominate the whole Indochinese peninsula, Hanoi has put hundreds of thousands of Cambodians—perhaps even millions—under the threat of starvation. These people have been driven from their homes and fields into barren no-man's-lands where all the combatants in the continuing war in Cambodia, but especially the Vietnamese, are using crop destruction and denial tactics to impose their poltical control.

The international relief agencies have been beseeching Hanoi, which manipulates a puppet regime in Phnom Penh, to let them in to do what they can in a country so devastated anyway by years of violence that, in the best of circumstances, relief would be a spotty thing. But while Hanoi has made gestures of cooperation, it has effectively prevented the agencies from doing more than token service. It seems to be part of Hanoi's plan to use what it calls the "food shortage" to solve what is in its expansionist view a real problem in Cambodia: the presence of Cambodians. Genocide, far from being an incidental product of a political decision, almost seems to be the decision. Vietnam does not appear to want Cambodians to be saved from famine even in the parts of Cambodia that it controls.

Some thousands of hapless Cambodians are now crossing over to adjacent sections of Thailand. The United States is assisting in the international effort to care for that relatively small part of the population for which the Thai option is available. But for the great majority, things are different: extreme malnourishment and rampant malaria are taking a terrible toll. The effect on the general health and the birth rate has been such as to raise the possibility that a next generation of Cambodians will not be born or, if one is, that it will not survive in any numbers or strength.

The Vietnamese may not care about the Cambodians. Do they care about themselves? They are cutting themselves off for years to come from association with people and nations that care about human life. They will end up with no foreigners to turn to except the Russians. They invite and deserve contempt.

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### H. CON. RES. 201

Concurrent resolution requesting the President to publicly condemn the Government of the Socialist Republic of Vietnam, and to request the United Nations to consider the imposition of sanctions against the Government of the Socialist Republic of Vietnam, for violating the fundamental human rights of the people of Vietnam, Cambodia, and Laos.

Whereas military personnel of the Government of the Socialist Republic of Vietman have intervened in and occupied territory of Cambodia and Laos, thereby undermining the sovereignty and political stability of those countries;

Whereas the Government of the Socialist Republic of Vietnam has violated and continues to violate the fundamental human rights of the people of Vietnam, Cambodia, and Laos, causing thousands of people to flee their homes and risk their lives on the high seas to escape inhumane treatment and intolerable economic and political conditions in their homelands;

Whereas it has been the express policy of the United States to stress fundamental human rights in conducting foreign relations;

Whereas the United States annually provides the largest percentage of funds to the United Nations, including the largest contribution made to the refugee assistance program administered by the United Nations; and

Whereas the members of the United Nations, individually and collectively, have failed to address adequately the repugnant actions of the Government of the Socialist Republic of Vietnam: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That the Congress request the President to immediately—

(1) publicly condemn the Government of the Socialist Republic of Vietnam for committing grave violations of the fundamental human rights of the people of Vietnam, Cambodia, and Laos, and

(2) formally request that a session of the General Assembly of the United Nations be convened to consider the imposition of international economic and political sanctions against the Government of the Socialist Republic of Vietnam for its inhumane treatment of the people of Vietnam, Cambodia, and Laos

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## INFLATION AND MONEY SUPPLY: A TIME OF TESTING

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GEPHARDT. Mr. Speaker, I rise to express my support for the recent actions taken by the Board of Governors of the Federal Reserve System to better control monetary growth. For too long, in my opinion, the Federal Reserve has preached one policy while practicing another by advocating a tight monetary policy while it chased interest rates—even if the chase required an easy monetary policy. Witness the battle between the monetarists and the Keynesians with Arthur Burns and other Chairmen like him giving heavy lipservice to the monetarists while they worked to keep interest rates low as the Keynesians urged.

Now in the face of a crumbling dollar and a shaky international economic situation, the Federal Reserve has changed its emphasis from interest rates to monetary growth targets. No one can tell us what the ultimate results will be. No one knows if the theory espoused by the strict adherents of the monetary school will pass the test of the real world. But one thing is for sure—if we dump this experiment too soon we may never know if it can have a substantial positive economic effect.

The primary critics of the monetary school say the rate of money growth obviously affects inflation and the economy, but so do a lot of other things. That single-cause thinking will result in unacceptably deep recessions and will ultimately threaten the independence of the Federal Reserve System. Monetarists argue that there is a direct link between monetary growth and inflation—that economic behavior will eventually adjust to predictable, steady, consistent monetary growth to bring an end to the "roller coaster" economy after an initial shakedown. Failure to control monetary aggregates has played a role in producing double-digit inflation. I think it is time to test the alternative theory, controlling money supply, as the Chairman of the Board of Governors, Paul A. Volcker, courageously announced last week in New Orleans. His remarks detailing this policy here follow:

### A TIME OF TESTING

(By Paul A. Volcker)

It is a very special privilege for me to have the chance to address so many bankers in assembled convention—but, just in case there are any doubts, I did not arrange the Federal Reserve announcements last weekend to honor this occasion.

In fact, those measures were not designed to make your life as bankers easier. Their purpose is rather to deal forcefully and responsibly with the economic and financial situation as we see it: strong inflationary pressures; concern, exaggerated concern in my judgment, that excessive growth in money and credit might be permitted by the Federal Reserve, fueling still more inflation; and an emerging speculative atmosphere and unsettled markets that could only complicate the job of restoring and maintaining orderly economic growth at home and stability in the dollar abroad.

I need not review with you all the trends and developments of recent years that have brought us to this crucial period for economic policy, nor emphasize the relevance of policies beyond the monetary and banking area. The problems and dangers are plain to see. Indeed, in our perhaps understandable preoccupation with what is wrong at the present time and in our doubts about the future, there may be another danger that is not so obvious; a justifiable sense of concern can spill over into a debilitating and unjustifiable sense of impotence and weakness.

The simple fact is that, after months of focusing on our economic problems:

More people are employed than ever before, over 10 million more than five years ago.

An exceptionally long period of expansion has helped encourage and sustain investment despite inhibitions in the tax, regulatory, and inflationary environment.

The Federal budget has come under better control, with spending moving somewhat lower in relation to the size of the economy, and with a substantially reduced deficit over the most recent years.

In the face of unprecedented inflation, and enormous new increases in energy prices, wage trends overall have not appreciably accelerated this year, reflecting, despite some disturbing exceptions, the discipline and good sense of Americans in general in accepting the need for restraint.

Amid the strains imposed by the high price of oil and sometimes turbulent foreign exchange markets, a high degree of international cooperation has been maintained and protectionism has been checked—enabling, among other things, a substantial growth in American exports.

We would, of course, be blind if we failed to recognize that all these achievements, and much more, will be jeopardized by any failure to come to grips with the inflation that has become so pervasive. Monetary policy inevitably has an essential role in the process of restoring stability. The new Federal Reserve actions are a part of that continuing process.

Those measures were specifically designed to provide added assurance that the money supply and bank credit expansion would be kept under firm control. There will be one seemingly technical, but potentially significant, change in procedure in conducting open market operations. More emphasis will be placed on limiting the provision of reserves to the banking system—which ultimately limits the supply of deposits and money—to keep monetary growth within our established targets for this year. We have raised the discount rate—and will manage it more flexibly—so that restraint on bank reserves will not be offset by excessive borrowing from the Federal Reserve Banks. We have placed a special marginal reserve requirement of 8 percent on increases in "managed liabilities" of larger banks (including U.S. agencies and branches of foreign banks) because that source of funds has financed much of the recent buildup in credit expansion. That requirement, admittedly cumbersome by its nature, will be maintained so long as credit expansion is excessive.

None of these actions will prevent moderate growth in money and credit commensurate with the needs of the economy; they are designed to curb excesses that would otherwise spill over into inflation. Let me speak quite directly and frankly to the responsibilities of the banking system and banking leaders in that connection. One of the glories and strengths of our system is that we rely on private markets and dencentralized decisions, responding to market incentives, in pricing and allocating credit. But those decisions do have to be made by all of you individually in your own institutions. In a situation in which there could be greater day-to-day or week-to-week volatility in money market rates—not in itself a matter of great consequence for the economy—pricing of your own loans seems to me more a matter of responsible business judgment than of following a rote formula, related solely to the cost of some small margin of loanable funds. The Board of Governors has particularly stressed its own concern that, in a time of limited resources, banks should take care to avoid financing essentially speculative activity in commodity, gold and foreign exchange markets. Bankers familiar with their own markets can, without doubt, make judgments that none of us in Washington can, or ever could, make about what loans best serve the continuing needs of customers, business and personal, and the country alike. But my general feeling is that this is hardly the time to search out for exotic new lending areas or to finance speculative or purely financial activities that have little to do with the performance of the American economy, and indeed may detract from it.

This is a time of testing—a testing not only of our capacity collectively to reach coherent and intelligent policies, but to stick with them. In approaching this test, the facts do not justify the skepticism, and even cynicism, that is heard on so many sides.

Some would suggest that we, as a nation, lack the discipline to cope with inflation. I simply do ont accept that view.

Second, some would argue that inflation is so bound up with energy prices, sluggish productivity, regulation, and other deep-seated forces that monetary and fiscal policies are impotent. I do not accept that view.

Third, some would stipulate that we face impossible choices between propserity and inflation. The simple facts of the past, in the United States and elsewhere, refute that view.

Let me take the first point. I do not claim any special expertise in reading public opinion. But the dramatic swelling of national concern about inflation—a concern that seems to transcend economic, social and indeed political philosophies—seems to me unmistakable.

We need not rely on opinion polls or personal impressions. We have been assailed almost daily for months with learned and not so learned analyses about the prospects for a downturn in business activity. I understand the reasons for concern, particularly given the high level of inventory accumulation in recent months. But the Administration and the Congress have united in clearly rejecting the seductive course of budgetary easing and tax reduction in recognition of the ultimately greater threat to stability inherent in the inflationary process. Restrictive monetary policies are never calculated to win popularity contests; yet there has been acceptance of the need for restraint even at rates of interest that are almost outside the range of our historical experience.

Indeed, the Congressional committees responsible for oversight of the Federal Reserve have been among the strongest voices urging that we set forth and adhere to monetary targets, reducing them over the years ahead as an essential part of the effort to restore price stability. I believe we are coming to understand that our only real prospect of early and sustained declines in interest rates lies in coming to grips with inflation. I would note too that the "National Accord" recently reached between the Administration and American labor leadership plainly recognized the threat to full employment, incomes, investment and growth inherent in the inflationary process, and for those reasons gave "top priority" to the "war on inflation."

Of course, the skeptical can suggest that the consensus will buckle and fracture under the first real strains. But in assessing the prospects and policies, let us be clear on one important analytic point. There is clearly a time when, if business activity should recede, some of the outward manifestations of fiscal or monetary policy—the size of the budget deficit or interest rates—will change. Built-in stabilizers in the budget come into play, increasing the deficit temporarily.

When the money supply is brought clearly under control and expectations of inflation dissipate, interest rates will tend to decline, and our recent actions should bring that day sooner, whatever the initial impact on interest rates. Developments of this sort are in no sense inconsistent with maintaining the firm discipline on Federal spending and growth in the money supply that will be required over a long period of time to restore price stability.

Some have raised the question of tax reduction. If earned by sustained spending restraint, well-structured tax reductions—by which I mean changes that would help stimulate investment, cut costs, and offset the effects of inflation in moving people into higher tax brackets—could be welcome at some time in the future. That time has not yet come, nor is it useful now to speculate when it might. What we need to guard against is premature and excessive stimulus, during expansions as well as recessions—and it does seem to me that we have come a long ways, at the very least, toward learning that lesson.

I do not minimize the influence of more structural factors in our inflation—least of all the deplorable performance of productivity and the impact of energy prices, now rising at a rate of 70 to 80 percent a year. The traditional instruments of monetary and fiscal policy can do little directly to influence productivity or the supply of oil.

But let us not lose sight of the fact that inflation not only grows in part out of these factors, but that oil pricing and productivity performance are themselves influenced by the instabilities and uncertainties related to the underlying inflationary process. Attempts to pin all the blame for inflation on factors outside of our control would only doom our efforts to futility.

We can take some comfort from the fact that the rate of inflation in most sectors of the economy is today substantially below the levels so depressingly reported month after month in the headlines; energy alone has added about 3 percent to the consumer price index in the past three months. As the rate of increase in energy prices subsides—as it should in coming months—the inflation rate as a whole should also decline appreciably. Looked at another way, the immediate challenge is to avoid imbedding the current rate of inflation in expectations and wage and pricing decisions, before the current bulge in prices subsides. That is not an unrealistic objective, but it is one that will require discipline over the months ahead.

That necessary discipline seems to me challenged by what I think of as the theories of "either/or":

Either we fight inflation or we prevent a recession.

Either we seek a strong and stable dollar internationally or we attend to our problems at home.

Either we do what's good for the long run or we follow short-run expediency.

There was a day when our problems seemed to fall into such convenient analytic compartments. Most economists of my generation have made a career of analyzing so-called "tradeoffs" between inflation and employment, between external and domestic stability, between the long and short-run. But that theorizing has been rooted in certain assumptions—assumptions that are now suspect—about the stability of expectations. When expectations of future inflation are so strong and potentially volatile as they have become, the "tradeoffs" disappear, or they appear in a much different light.

The lesson of the 1970's—here and abroad—simply does not bear out the "either/or" approach.

More inflation has been accompanied not by less, but by more unemployment and lower growth. We have not "traded off" one for the other.

A weak dollar externally aggravates inflation at home, and a weak dollar at home undermines the dollar abroad. Fundamentally, what disturbs Peoria disturbs Zurich.

After years of inflation, the long run has caught up with us. We can no longer blithely assume we can "buy" prosperity with a little more inflation, because the inflation itself is the greater threat to economic stability.

The real message of these lessons seems to me more hopeful than discouraging. Let me state the propositions in a more positive way.

As we turn the corner on prices, upward pressures on wages and other costs—including interest rates—should subside. As confidence in the currency is strengthened, improving conditions in money and capital markets will help support investment activity, and we should have a firmer base for investment planning, improving the outlook for purchasing power and productivity. A stronger dollar at home will bring it renewed strength internationally, and a strong dollar abroad will support our efforts to combat inflation at home. Appeals for moderation in petroleum pricing would have a new force and substance.

I do not delude myself that is yet the world in which we live.

What we can do, and I see no reasonable alternative, is to start the process—to turn the corner—to demonstrate the conviction that we have the wisdom and fortitude to maintain the financial discipline required to cope with inflation. In the process, we must, of course, be mindful of the business situation in the United States—and I count on you to make the lending decisions that distinguish between the support your customers require and the excesses that only aggravate and distract the adjustment process that is underway.

When I accepted this invitation to speak to you, I had a quite different address in mind—one focusing on the so-called "membership" problem and the necessary restructuring of reserve requirements. I decided to forego that theme in light of recent events. But let me note the obvious—that the problems are not unrelated, for they both concern the role and effectiveness of monetary policy and a strong central bank.

The central purpose of the proposed legislation is, after all, to strengthen our ability to conduct monetary policy in all foreseeable circumstances in the years ahead, and to do so in a context of fair and evenhanded treatment of competing depository institutions. That seems to me a practicable, achievable objective in this Congressional session. I am greatly encouraged by the convergence of views among affected institutions—what has seemed so controversial for years now approaches consensus. That in no small part reflects the responsible efforts of the leadership of this Association and individual bankers throughout the country.

In the weeks ahead, I welcome your efforts and your support—together with that of other affected institutions—in seeing this vital piece of legislation move through the Congress in acceptable form.

No industry in America plays a more pivotal role in our overall economic performance than our banks. Current developments underscore the point—but it will be as true in the decades ahead as it is today. The implied responsibilities are heavy. But seldom are we offered the opportunity to meet a major immediate challenge to our prosperity and stability, while at virtually the same time strengthening the base we need for effective policy in the decades ahead. We can afford to do no less than rise to those challenges.

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## SOVIET PROPAGANDA CAMPAIGN AGAINST NATO—AGAIN

The SPEAKER pro tempore (Mr. FOLEY). Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, for the second time in his administration, the President is being forced to deal with an intense Soviet propaganda campaign against a development central to the defense of Europe and the West. The first time the administration was put to the test, on the neutron weapon controversy, President Carter acquiesced to Soviet pressure and suspended the deployment of the weapon. The effects of the suspension on the alliance have been severe; confidence in America's leadership of the alliance has been shaken so fundamentally, that it is doubtful that the incumbent government in West Germany will ever be able to have complete confidence in the policy of the United States. The nominal rationale offered by President Carter at the time he suspended the neutron weapon deployment—to provide the Soviets with an opportunity to make a suitable arms control concession in Europe—has never materialized. Nevertheless, the President has made no move to deploy the neutron weapon in Europe. Having succeeded in preventing the deployment of the neutron weapon in Europe, the Soviets have now taken aim at a much larger and more important target; the introducion of long-range theater nuclear systems to Western Europe.

Long-range theater systems have been an essential component of the Soviet theater nuclear posture for more than two decades. The Soviets have deployed more than 600 medium and intermediate range SS-4 and SS-5 missiles in the western regions of the U.S.S.R., particularly in the Byelorussian, Carpathian, and Baltic military districts. In addition, the Tu-16 Badger and the Tu-22 Blinder bombers assigned to Soviet long-range aviation air armies have been deployed in large numbers for nearly two decades; 1,200 of these aircraft are in service with the Soviet LRA and the Soviet naval aviation forces. More recently, the Soviets have initiated a vigorous program to modernize their theater nuclear program including its long-range delivery elements. The multiple warhead SS-20 has already been deployed in numbers exceeding 100 wheeled launchers. The launcher accommodates two missiles, each with three warheads.

Thus, the number of long-range ballistic missile warheads associated with the European theater has been doubled in the past few years. In addition, the Soviet Union achieved favorable terms in SALT II for the Tu-22M Backfire—it is not counted in SALT II as a strategic delivery vehicle—allowing them to produce these aircraft in large numbers for use against European targets. It is often overlooked, but the Backfire is a highly capable aircraft. With a 5,000 pound bomb load, it has a longer range than the B-52D, the mainstay of U.S. conventional heavy bombing in Vietnam. According to Under Secretary of Defense William Perry, the Soviet Union now has 200 Backfire bombers deployed, and may build 30 aircraft per year through 1985 within SALT terms, making it possible for the Soviets to have nearly 400 deployed before SALT II expires in 1985. Because the Backfire has a low-altitude penetration capability, it poses a very significant threat to all of Western Europe due to the inadequacy of NATO's low altitude air defense.

In addition, the Soviet Union has greatly increased the performance and numerical strength of its short-range theater nuclear systems. It has recently deployed a self-propelled 203mm. howitzer with a nuclear capability, in addition to its division level FROG-7 deployments (with a range similar to the U.S. Lance missile, the one destined to carry the neutron warhead), and have augmented deployments of the SCUD-B and SS-12 Scaleboard at the Front and Army level. Three new missiles are now being deployed which will replace the FROG-7, SS-12, and SCUD-B; the SS-21, SS-22, and SS-23.

Soviet tactical aviation—known as Frontal Aviation in Soviet terminology—capable of nuclear weapons delivery has been augmented as well by the rapid introduction of the Su-19 Fencer and the MiG-277 Flogger. These aircraft are far more capable than earlier generation in terms of both their operational range and the payload they can deliver. Today, virtually all of Western Europe can be brought under attack by the Fencer/Flogger force from their bases in East Germany and Poland.

The cumulative effect of this decade-long Soviet effort has been to force the NATO theater nuclear posture into virtual obsolescence. More than half of the NATO nuclear delivery systems have a range of less than 15 kilometers. The only "long" range systems are the 450 mile (ca. 60 km.) range Pershing I ballistic missile, the modest level of F-111 deployments in Western Europe, and the Poseidon class submarines assigned to the Supreme Allied Commander, Europe (SACEUR).

NATO has been placed in the unacceptable posture of having most of its theater nuclear capability placed at risk by long-range Soviet theater nuclear forces, while U.S./NATO theater nuclear deployments for the most part are not capable of attacking long-range Soviet systems. Such an asymmetry has both diplomatic and military effects. It undermines the stability of deterrence by decreasing the ability of NATO to credibly threaten theater nuclear esaclation in the event of a Soviet attack, and it places the bulk of NATO's military power under threat of early destruction in the event of war.

These deficiencies have been recognized for some time, and U.S. R. & D. programs have been underway to identify viable means of offsetting them. The best available response is for NATO to improve its own long-range theater nuclear delivery capability. The most promising avenues are a medium range ballistic missile to replace the Pershing I and the introduction of long-range cruise missiles. To this end, the 2,000 km. range Pershing II and a family of ground, sea, and air launched cruise missiles will soon be ready for deployment. A sensitive decision on the deployment of these long-range missiles is scheduled to be made by the NATO nations later this year.

The Soviets clearly understand the import of this decision, and have begun their most extensive propaganda effort in Europe since the neutron weapon controversy. It is obviously in the Soviet interest to prevent the modernization of long-range theater nuclear systems by NATO because they threaten the ability of the Soviets to undermine the security of Europe with Soviet long-range theater nuclear systems. The risk involved in this decision is that the Carter administration may continue its posture of substituting arms control for defense policy, and withdraw its effort to deploy long-range theater systems in exchange for a Soviet expression of interest in "negotiations" about long-range theater systems in SALT III, or perhaps in the mutual and balanced force reduction negotiations.

An equivalent form of U.S. capitulation to Soviet propaganda would be to accept a postponement of a deployment decision as the left wing of some of the NATO governments have suggested.

The urgent need to improve the defense posture of NATO to redress more than a decade of neglect is urgent, and cannot be prudently delayed. The strident Soviet propaganda should be rejected, and a full-scale theater nuclear modernization should proceed including land, sea, and air-based elements. Having carried out such a deployment, the West will have provided far more of an incentive for the Soviet Union to begin to reduce some of its conventional as well as nuclear strength in Europe than any other step we could take.●

## CONGRESS NEEDS TIME TO STUDY OPTIONS ON H.R. 3712

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, in the near future, it is possible that the House will consider H.R. 3712, a bill which impacts on the future availability of tax exempt mortgage bonds for use in time, I may offer a substitute to the committee-passed version of section 2 of H.R. 3712.

During committee consideration of H.R. 3712, I shared the concern of many of my colleagues that the Ways and Means Committee was basically legislating in the dark on the issue of housing policy and tax exempt bonds. This concern was borne out in the chaotic history of this legislation. In the committee bill, there is provision for a study of this entire issue to be conducted by the General Services Administration, the Department of Treasury, and the Department of Housing and Urban Development. The purpose of these studies is to enable the congressional tax writing committees to have a clearer picture of the entire housing subsidy issue, and in particular, the effect of a continued tax-expenditure in the form of tax free bonds. I fully support these studies, and I hope that we will be able to make use of the information they will provide.

My disagreement stems from the relief crafted by the committee for the interim period during which these studies will be conducted. In the committee bill, provision is made for the continued use of mortgage bonds subject to certain limitations. In my view, a wiser course of action would be to allow all those issues currently in the pipeline to proceed, and then to call a moratorium on the further issuance of single-family bonds pending completion of the studies. My substitute does precisely that. It impacts only on single-family bonds not covered by the transition rules, and would halt the further issuance of bonds until July 1, 1981. This will give the Congress time to study the options in a rational manner, and if upon expiration of that date, no further action is deemed necessary, then the committee provisions would take effect. At this time, I would like to call your attention to the text of my amendment which appears in the RECORD of October 18 at page 28837.

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

● Mr. DRINAN. Mr. Speaker, due to a commitment in my congressional district, I was unavoidably absent from the House for a brief period yesterday during consideration of H.R. 3000, a bill to authorize appropriations for the Department of Energy in fiscal year 1980. Had I been present, I would have voted "aye" on rollcall No. 581, to limit debate on the Kostmayer amendment and all amendments thereto; "aye" on rollcall No. 582, the modified Kostmayer amendment to the McCormack substitute; and "aye" on rollcall No. 283, to limit debate on the bill and all amendments thereto.●

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## JESSE JACKSON AND JOHN CONNALLY ON THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, recent pronouncements on the Middle East by the Reverend Jesse Jackson and by former Texas Governor, John Connally, demonstrate that these two men, so different in other areas, share a common insensitivity to Israel and to recent Jewish history as well as a common ignorance of Middle East realities. It is clear that both of these men are mindful of economic considerations in their newly found discovery of the Middle East and the Palestinian refugee issue. Connally apparently aspires to be the candidate of "big oil" and Jesse Jackson admits that he wants to see Arab oil money flowing to U.S. civil rights organizations, like his own. Neither man says that he wishes to see Israel weakened or harmed, but the fact is that the policies of these men advocate would gravely damage Israel's security and the interests of the United States.

Connally would have Israel withdraw from all the territories she won in 1967 including Israel's capital, Jerusalem. He seems to believe that fanatic Arab rejection of Israel's right to exist would evaporate in return for the Golan and the West Bank. Has Connally forgotten that prior to 1967 all the disputed territories, including East Jerusalem, were under Arab sovereignty and yet there were three Arab onslaughts against Israel designed to erase the country from the map? That is still the goal of the Arafats, Assads, and Quadaffis. Returning Nablus will not appease those whose real goal is to possess or destroy Tel Aviv and Haifa.

John Connally says that the Camp David peace agreement is "without force and effect" and that it has not resulted in movement toward peace. This is a deplorable remark. Here is a peace treaty, hammered out word for word by the President of the United States. It has brought peace between Israel and her most important neighbor after 30 years of war and bloodshed. But John Connally opposes it. Despite his tough reputation, Connally would yield to every demand of the Arab hardliners including the scuttling of the Israel-Egypt peace treaty. This is appalling and will in itself contribute to the hardening of Arab opinion. Arab leaders who might have considered joining in the Camp David process can now point to Connally's remarks as a justification for "rejectionism."

Why should any Arab leader adopt a position that is less pan-Arab than candidate John Connally? Connally has also encouraged Arab linkage of the oil price and supply issues with the Palestinian issue. Connally accepts that linkage as legitimate and in doing so increases U.S. vulnerability to oil blackmail. This certainly does not contribute to this Nation's security nor is it likely to reassure our allies about U.S. resistance to blackmail—on this point I refer my colleagues to a column by George Will, which appeared in the Washington Post for October and which I insert below.

Both Connally and Jackson would have Israel accept the PLO as a legitimate negotiating partner. Jesse Jackson joined Arafat in singing "We Shall Overcome." Is Jackson ignorant of what Arafat seeks to overcome? In the last 3 weeks alone the PLO murdered a religious Jew who was visiting a cemetery on the Mount of Olives; 3 days later the PLO struck in Jerusalem's main shopping area; a young Iranian father, a refugee from the Khomeini regime, was killed. Despite all the rhetoric from Jackson and other Arafat apologists, this is what the PLO is all about. Since 1967 the PLO has murdered 1,200 persons, mostly Israeli civilians. What an outrage to associate the PLO and its record with the nonviolent American civil rights movement. I am grateful that civil rights leaders like Vernon Jordan and Bayard Rustin have condemned this spectacle but the bad taste remains. The words and actions of Jesse Jackson and company come very close to plain old-fashioned antisemitism.

It seems that anti-Israel rhetoric is gaining a new responsibility in certain circles. It is as if certain people were willing to forget recent history and leave Israel defenseless. I believe that the vast majority of Americans will not permit the sellout of an ally and friend like Israel and I shall do everything in my power to see that Israel remains strong and free:

### CHARACTERISTICALLY CONNALLY

(By George F. Will)

No one should question John Connally's intelligence, but it is permissible to be uncertain of his wisdom. And it is reasonable to conclude that his campaign is failing to threaten Ronald Reagan.

Connally has now delivered an historic speech, making him the first presidential candidate ever to adopt a thoroughly anti-Israel policy. His policy is extreme, reckless and self-defeating.

Extreme because of its congruence with Arab extremism; it even asserts that Israel (which has been trying to negotiate for 31 years) is the obstacle to negotiations with what Connally calls Israel's "moderate neighbors." (Syria?)

Reckless because it will encourage Arab extremists. (If there is oil pressure directed against the United States during the primaries, remember: Connally made that more likely by blaming Israel in advance.)

Self-defeating because, far from making the nation and John Connally seem strong, his pronouncement makes the nation seem obsequious toward oil sheiks and makes Connally seem frantic about finding something to energize his sputtering campaign.

Connally should be disappointed. He may have the support of 80 percent of the officers of the "Fortune 500" corporations, but they are (to exaggerate just a bit) about 80 percent of his support. In a Field poll in California last spring, Connally was the only Republican candidate who generated more negative than positive impressions. In a recent private poll, targeted at Republicans apt to vote in primaries in the Northeast, 30 percent said they would not vote for Connally under any circumstances.

Connally's veiled references to Reagan's age (Reagan is all of six years older than Connally) and Connally's not-at-all veiled references to Chappaquiddick ("I never drowned anybody") and nasty. Perhaps nasty people deserve a candidate, and the nasty constituency is not negligible. Connally may even become "the thinking person's Agnew," which is, of course, a contradiction in terms.

He enjoys saying, for example, that the Japanese should be made to sit on their docks in their Toyotas watching their Sonys, etc. Jolly fun. But as a hardhat (and an Agnew fan) said in 1971 about the idea of Agnew in the White House, "I don't want a guy there just because he sounds like me shouting my head off over my lunch box."

By playing, with characteristic vehemence, the anti-Israel card, Connally tried to give Republicans a reason to choose between him and Reagan. He did, but not in the way he wanted.

The shrill and slapdash way he presented the issues in the Arab-Israel dispute will broaden and deepen the suspicion that he is too busy to be careful, or too vain to think he needs to be. (His initial call for a 5 percent cut in defense spending was followed by the moral equivalent of "Oops!" and a 180-degree turn.) Also, Connally's pronouncement on Middle East policy suffers in comparison with Reagan's recent foreign policy pronouncements, which are precise and moderate.

See, for example, Reagan's statement on SALT II, prepared with the help of people like Fred Ikle, former director of the Arms Control and Disarmament Agency. Ikle, by the way, is typical of the high-caliber advisers whom Reagan has the wisdom to want and the ability to attract.

Lou Cannon, the unrivaled reporter of Republican politics, summarizes the situation well. There still are just two candidates: Reagan and Stop Reagan. The latter is a multiple personality, and the more multiple it is, the better off Reagan is.

The second stage of Connally's rocket has not ignited, so he is not well-placed to argue that he is more electable than Reagan. Reagan's other rivals are, so far, similarly disadvantaged. Actually, if Reagan can carry California, the electoral-vote arithmetic looks promising for him against Kennedy. And polls indicate he has a better chance than any other Republican has of carrying California. Moreover, he can strengthen himself elsewhere with a shrewd choice of a running mate.

As an experienced executive, Reagan may want a running mate from the legislative branch, Strong in the West and South, Reagan may want a running mate who adds strength against Kennedy in the Midwest. Reagan never has been as dogmatically conservative as some careless or cynical detractors say, and he might underscore the point by picking someone who is liberal, but not as liberal as that person is said to be. Reagan will want someone conspicuously vigorous, yet conspicuously mature.

Consider, for example, the white-haired 57-year-old former chairman of the House Republican Conference, Rep. John Anderson of Illinois.●

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## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Young of Florida (at the request of Mr. Rhodes), for today after 11 a.m., on account of official business.

Ms. Chisholm (at the request of Mr. Wright), for today, on account of illness.

Mr. Boland (at the request of Mr. Wright), for today, on account of official business.

Mr. Charles H. Wilson of California (at the request of Mr. Wright), for today, on account of official business.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. Coleman) to revise and extend his remarks and include extraneous material:)

Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. Daschle) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.
Mr. Weaver, for 10 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Jones of Oklahoma, for 5 minutes, today.
Mr. Drinan, for 15 minutes, today.
Mr. Bingham, for 15 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks and was granted to:

(The following Members (at the request of Mr. Coleman), and to include extraneous matter:)

Mr. Collins of Texas in two instances.
Mr. Burgener.
Mr. McKinney.
Mr. Young of Florida.
Mr. Hillis.
Mr. Michel in two instances.
Mr. Paul.
Mr. Sebelius.
Mr. Ashbrook in two instances.
Mr. Gilman in three instances.
Mr. Edwards of Oklahoma.
Mr. McCloskey in three instances.
Mr. Lent.

(The following Members (at the request of Mr. Daschle) and to include extraneous matter:)

Mr. Moffett.
Mr. Harkin.
Mr. Applegate.
Mr. Simon in two instances.
Mr. Luken.
Mr. Garcia.
Mr. Gaydos.
Mr. Kostmayer.
Mr. Edwards of California.
Mr. Patten.
Mr. Neal.
Mr. Zablocki.
Mrs. Schroeder in two instances.
Mr. Studds.

## ADJOURNMENT

Mr. DASCHLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 50 minutes p.m.), under its previous order, the House adjourned until Monday, October 22, 1979, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2669. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–107, to amend existing regulations governing the construction of buildings in the District of Columbia to achieve more efficient utilization of energy in new and existing buildings, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2670. A letter from the Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2671. A letter from the Administrator of General Services, transmitting a followup report on the recommendations contained in the August 1978 report of the Advisory Committee on Federal Pay on the fiscal 1979 pay increase under the Federal statutory pay systems, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2672. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting addenda to the proposed plan for the use and distribution of Yankton Sioux judgment funds in docket No. 332–C–1 before the Indian Claims Commission, previously submitted pursuant to sections 2(a) and 4 of Public Law 93–134 (Executive Communication No. 2550); to the Committee on Interior and Insular Affairs.

2673. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Department of Defense procurement from small and other business firms for October 1978–April 1979, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2674. A letter from the Comptroller General of the United States, transmitting a report on changes needed in the administration of the overseas food donation program (ID–79–25, October 15, 1979); jointly, to the Committees on Government Operations and Foreign Affairs.

2675. A letter from the Comptroller General of the United States, transmitting a report on Federal agency standards of employee conduct (FPCD–80–8, October 18, 1979); jointly, to the Committees on Government Operations and Post Office and Civil Service.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 5295. A bill to amend title II of the Social Security Act to make the monthly earnings test available in limited circumstances in the case of certain beneficiaries, to amend the technical requirements for entitlement to medicare, and to provide that income attributable to services performed before an individual first becomes entitled to old-age insurance benefits shall not be taken into account (after 1977) in determining his or her gross income for purposes of the earnings test; with amendment (Rept. No. 96–537). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 5507. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purposes; with amendments (Rept. No. 96–538). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. S. 1454. A bill to amend the act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code; with amendment (Rept. No. 96–539, pt. 1). Ordered to be printed.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 5651. A bill to establish by law the position of Chief of the Capitol Police, and for other purposes; to the Committee on House Administration.

By Mr. BAFALIS (for himself and Mr Rangel):

H.R. 5652. A bill to amend the Internal Revenue Code of 1954 to treat amounts received on redemption of series E U.S. savings bonds as capital gain; to the Committee on Ways and Means.

By Mr. CAVANAUGH:

H.R. 5653. A bill to waive certain time limitations on the award of a Medal of Honor to Hyman Epstein; to the Committee on Armed Services.

By Mr. KEMP:

H.R. 5654. A bill to amend the Internal Revenue Code of 1954 with respect to the determination of whether scholarships under certain employer-related programs of private foundations will be treated as taxable expenditures under section 4945 of such code; to the Committee on Ways and Means.

By Mr. McCLOSKEY:

H.R. 5655. A bill to amend the Fishery Conservation and Management Act of 1976; to the Committee on Merchant Marine and Fisheries.

By Mr. MITCHELL of New York:

H.R. 5656. A bill to amend the Federal Aviation Act of 1958 to require operators of commuter service airports to establish air transportation security programs, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MONTGOMERY:

H.R. 5657. A bill to prohibit the use of appropriated funds to lobby members of State legislatures and legislative bodies of political subdivisions; to the Committee on Government Operations.

By Mr. PAUL:

H.R. 5658. A bill to make Federal Reserve notes and U.S. notes redeemable in gold; to the Committee on Banking, Finance and Urban Affairs.

H.R. 5659. A bill to limit the questions that may be asked by the Secretary of Commerce in conducting any enumeration of the population; to the Committee on Post Office and Civil Service.

By Mr. UDALL (for himself, Mr. Clausen, Mr. Wirth, Mr. Symms, Mr. Johnson of Colorado, Mr. Cheney, Mr. Carr, and Mr. Bereuter):

H.R. 5660. A bill to establish a coordinated, integrated, expedited, and simplified process for decisionmaking in regard to significant nonnuclear energy projects, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. WALKER:

H.R. 5661. A bill to limit foreign assistance to programs relating to food production and nutrition and military assistance; to the Committee on Foreign Affairs.

By Mr. YOUNG of Alaska:

H.R. 5662. A bill to provide for the cession and conveyance to the States of certain federally owned lands and to establish policy, methods, procedures, schedules, and criteria for such transfers; to the Committee on Interior and Insular Affairs.

By Mr. ANNUNZIO (for himself and Mr. McClory):

H.J. Res. 425. Joint resolution recognizing the State of Illinois and the city of Chicago as hosts in 1992 of the official quincentennial celebration of the discovery of America; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR (for himself and Mr. Rhodes):

H.J. Res. 426. Joint resolution authorizing and directing the President to issue a proclamation designating December 3 through 9, 1979, as "National Submarine Week"; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI (for himself, Mr. Andrews of North Dakota, Mr. Annunzio, Mr. Ashbrook, Mr. Benjamin, Mr. Biaggi, Mr. Blanchard, Mr. Bonker, Mr. Brodhead, Mr. Carney, Mr. Carter, Mr. Cleveland, Mr. Cotter, Mr. Daniel B. Crane, Mr. Philip M. Crane, Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Evans of Delaware, Mr. Fary, Mr. Fithian, Mr. Flood, Mr. Florio, Mr. Forsythe, Mr. Giaimo, Mr. Goldwater, Mr. Guyer, Mr. Hall of Ohio, Mr. Hanley, Mr. Hollenbeck, Mrs. Holt, Mr. Howard, Mr. Hughes, Mr. Hyde, Mr. Jacobs, Mr. Kemp, Mr. Kogovsek, Mr. Lagomarsino, Mr. Lederer, Mr. Lee, Mr. Lent, Mr. Lloyd, Mr. McClory, Mr. McDonald, Mr. McHugh, Mr. Mitchell of New York, Mr. Moakley, Mr. Montgomery, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Nowak, Mr. O'Brien, Mr. Ottinger, Mr. Patten, Mr. Pease, Mr. Pepper, Mr. Peyser, Mr. Pritchard, Mr. Quayle, Mr. Robinson, Mr. Roe, Mr. Rousselot, Mr. Russo, Mr. Sensenbrenner, Mr. Stangeland, Mr. Stokes, Mr. Stratton, Mr. Thompson, Mr. Vento, Mr. Waxman, Mr. Bob Wilson, Mr. Yatron, Mr. Young of Alaska, and Mr. Young of Florida):

H. Con. Res. 200. Concurrent resolution expressing the sense of the Congress with respect to the Baltic States and with respect to Soviet claims of citizenship over certain U.S. citizens; to the Committee on Foreign Affairs.

By Mr. RUDD:

H. Con. Res. 201. Concurrent resolution requesting the President to publicly condemn the Government of the Socialist Republic of Vietnam, and to request the United Nations to consider the imposition of sanctions against the Government of the Socialist Republic of Vietnam for violating the fundamental human rights of the people of Vietnam, Cambodia, and Laos; to the Committee on Foreign Affairs.

By Mr. STACK (for himself, Mr. Fascell, Mr. Williams of Montana, Mr. Rosenthal, Mr. Archer, Mr. Brodhead, Mrs. Fenwick, Mrs. Schroeder, Mr. Bonior of Michigan, Mr. Downey, Mr. Bingham, Mr. Mica, Mr. Lehman, Mr. Bowen, Mr. Moffett, Mr. Wolpe, Mr. Studds, Mr. Pepper, Mr. Luken, Mr. Phillip Burton, Mr. Frost, Mr. Blanchard, Mr. Mavroules, Mr. Boner of Tennessee, Mr. Barnes, Mr. Moakley, Mr. Maguire, Mr. Kemp, Mr. Drinan, Mr. Cavanaugh, Mr. Lowry, and Mr. Derwinski):

H. Con. Res. 202. Concurrent resolution urging the Soviet Union to allow Ida Nudel to emigrate to Israel, and for other purposes; to the Committee on Foreign Affairs.

By Mr. LUNGREN:

H. Res. 461. Resolution to amend the rules of the House to prohibit foreign travel by Members convicted of a felony; to the Committee on Standards of Official Conduct.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 262: Mr. Edwards of Oklahoma, Mr. Ertel, Mr. Flood, Mr. Lederer, Mr. Lungren, Mr. Murphy of Pennsylvania, Mr. Pashayan, Mr. Paul, Mr. Rostenkowski, Mr. Treen, and Mr. Charles Wilson of Texas.

H.R. 2770: Mr. Fazio and Mr. Markey.

H.R. 3612: Mr. Whitehurst.

H.R. 4325: Mr. Atkinson, Mr. Beard of Rhode Island, Mr. D'Amours, Mr. Duncan of Tennessee, Mr. Gilman, Mr. Glickman, Mr. Markey, Mr. Neal, Mrs. Spellman, and Mr. Won Pat.

H.R. 4576: Mr. McDonald, Mr. Campbell, Mr. Wyatt, Mr. Bonior of Michigan, and Mr. Jones of Oklahoma.

H.R. 5225: Mr. Montgomery, Mr. Leath of Texas, Mr. Mathis, and Mr. Neal.

H.R. 5402: Mr. Guyer.

H.R. 5519: Mr. McCloskey.

H.J. Res. 225: Mr. Corcoran.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

### H.R. 2172

By Mr. FRENZEL:

(Amendment to Vanik amendment (Ways and Means amendments).)

—In lieu of the matter proposed to be stricken and the new language to be inserted as offered by Mr. Vanik with respect to section 202(b), strike out line 4 on page 39 and all that follows through line 12 on page 40 and insert the following:

(b) Prohibition on Payments.—During supply years 1979 through 1981, the Secretary shall not make payments to, or on behalf of, producers and processors of sugarcane or sugar beets under section 301 of the Agricultural Act of 1949 (7 U.S.C. 1447) or any other provision of law that authorizes payments by the Secretary to achieve price support levels for such commodities.

Page 36, strike out line 11 through line 17, inclusive.

Renumber the succeeding paragraphs of section 201 accordingly.

—In addition to the matter proposed to be inserted with respect to 202(b), on page 39 strike out lines 4 through 14, inclusive, and insert the following:

(b) Payments.—(1) If the assured return is not achieved in any sugar supply year that begins after September 30, 1979, the Secretary shall make payments under, but subject to the limitations set forth in, this subsection solely to domestic producers of sugarcane and sugar beets. Payment under this subsection to any such producer shall be made only at the rate per pound, raw value (but not more than .50 cents per pound, raw value) that is equal to the amount by which the assured return for the sugar supply year exceeds the greater of—

(A) the average related processor price for such year; or

(B) the price objective for such year.

For purposes of applying this paragraph with respect to any producer of sugarcane or sugar beets for any sugar supply year, the term "average related processor price" means the average price, as determined by the Secretary, in pounds, raw value, that is paid for all sugarcane or sugar beets that are purchased during such year by the commercial processors to whom such producer sells sugarcane or sugar beets during such year. No producer of sugarcane or sugar beets is eligible for payment under this subsection for any sugar supply year during which the average price in pounds, raw value, received by such producer for his crop is equal to, or more than, the assured return for such year.

By Mr. PEYSER:

—Page 33, strike out line 12 and all that follows through line 7, page 36, and renumber the subsequent titles accordingly.

### H.R. 2218

By Mr. BREAUX:

(Amendment to the amendment to H.R. 2218 offered by Mr. Breaux.)

—Page 7, strike out line 12 and all that follows down through and including line 24 on page 11, and insert the following:

"CONVENTION IMPLICATION

"Sec. 8A. (a) Management Authority and Scientific Authority.—The Secretary of the Interior (hereinafter in this section referred to as the 'Secretary') is designated as the Management Authority and the Scientific Authority for purposes of the Convention and the respective functions of each such Authority shall be carried out through the United States Fish and Wildlife Service.

"(b) Management Authority Functions.—The Secretary is authorized and directed to do all things necessary and appropriate to carry out the functions of the Management Authority under the Convention.

"(c) Scientific Authority Functions.—The Secretary is authorized and directed to do all things necessary and appropriate to carry out the functions of the Scientific Authority under the Convention.

"(d) Endangered Species Scientific Authority Commission.—(1) There is hereby established within the U.S. Fish and Wildlife Service the Endangered Species Scientific Authority Commission (hereinafter in this section referred to as the 'Commission').

"(2) The Commission shall be composed of scientifically qualified agency representatives. Each of the following shall designate one such representative from his agency:

"(A) The Secretary of the Interior, whose representative shall be the Chairman.

"(B) The Secretary of Agriculture.

"(C) The Secretary of Commerce.

"(D) The Secretary of Health, Education, and Welfare.

"(E) The Director of the National Science Foundation.

"(F) The Chairman of the Council on Environmental Quality.

"(G) The Secretary of the Smithsonian Institution is invited to designate a representative.

"(3) The Commission shall make recommendations to the Director of the U.S. Fish and Wildlife Service on all matters pertaining to the responsibilities of the Scientific Authority under the terms of the Convention.

"(4) In the discharge of its responsibilities, the Commission shall, to the extent practicable, ascertain the views of, and utilize the expertise of, the governmental and nongovernmental scientific communities, State agencies responsible for the conservation of wild fauna or flora, humane groups, zoological and botanical institutions, recreational and commercial interests, the conservation community and others as appropriate.

"(5) The Secretary shall designate an Executive Secretary for the Commission, and shall provide the necessary staff and administrative support for the Commission.

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### H.R. 3712

By Mr. SABO:

—Delete on page 12, lines 14 through 25; on page 13, lines 1 through 24; and on page 14, lines 1 through 19.

—Delete on page 12, lines 24 and 25 and on page 13, lines 1 through 6; substitute in its place the following:

(2) PER CAPITA LIMIT.—Except as provided in paragraph (3), the applicable limit for qualified mortgage bonds for all issuing authorities in a State for any calendar year shall be an amount equal to $100 per capita based on the population of the State according to the last preceding Federal or official State census.

Delete on page 14, lines 13 through 19; substitute in its place the following:

(5) STATE MAY PROVIDE FORMULA.—The State may by law provide an allocation of the per capita limitation (and, if applicable, the $50,000,000 limitation) among the governmental units in such State having authority to issue qualified mortgage bonds. In the absence of a State allocation, the limit for qualified mortgage bonds for any issuing authority for any calendar year shall be an amount equal to $100 per capita based on the population residing on land within the taxing jurisdiction of the issuing authority, according to the last preceding Federal or official State census.

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### H.R. 4985

By Mr. UDALL:

(Amendment in the nature of a substitute).

—Page 1, strike all after the enacting clause and insert:

## TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

### FINDINGS AND PURPOSES

SEC. 101. (a) The Congress finds that—

(1) the United States faces a severe energy shortage which has created a national emergency;

(2) this emergency endangers the national economy and the national defense;

(3) temporary measures are necessary to expedite decisionmaking on important energy projects and proposals;

(4) expeditious decisionmaking requires strict compliance with the time schedules and deadlines authorized by, and administered pursuant to, this Act; and

(5) delays in the exercise of the regulatory authorities of Federal, State and local agencies relating to energy projects and proposals may exacerbate the national emergency and may constitute an undue burden on interstate commerce.

(b) The purpose of this Act is to provide for a coordinated, integrated, expedited, and simplified process for making Federal, State, and local agency decisions, and for carrying out other Federal, State, and local actions, which are required in connection with proposed nonnuclear energy projects where it is determined that the projects are of sufficient national interest to warrant such a process.

### DEFINITIONS

SEC. 102. As used in this part, the term—

(1) "Agency" means a Federal agency or an agency or instrumentality of a State or local government or of a special governmental authority.

(2) "Agency action" means any decision required to be made, or any other action required to be taken, by any agency with respect to any Priority Energy Project.

(3) "Board" means the Energy Mobilization Board established pursuant to section 201.

(4) "Energy project" means any project or device to be used, or activity to be carried out, by any person in connection with the exploration for, the development, transportation, production, storage, commercialization of, or the conservation or efficiency in the use of, any form of energy. Such term includes any equipment, building, mine, well, rig, pipeline, transmission line, processing project, transportation-related device, manufacturing project, or installation or any combination thereof to be used for such purposes. Such term includes any such project, device, or activity which is to be used or carried out on Federal lands for such purposes and any such project, device, or activity located upon the public lands or which relies substantially upon fuels extracted from the public lands to be used for such purposes.

(5) "Federal agency" means an executive agency as defined in section 105 of title 5 of the United States Code, the departments described in section 102 of such title 5, and the Executive Office of the President.

(6) "Person" means any individual, cooperative, partnership, corporation, association, consortium, unincorporated organization, trust, estate, or any entity organized for a common business purpose, any Federal agency, any agency or instrumentality of a State or local government, or a special governmental authority.

(7) "Priority energy project" means an energy project, or a proposed energy project, which is designated pursuant to section 204 of this Act.

(8) "Special governmental authority" means an interstate or regional authority or an Indian tribe.

(9) "State" means any of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

## TITLE II—PRIORITY PROJECTS

### ENERGY MOBILIZATION BOARD; ESTABLISHMENT AND AUTHORITY

SEC. 201. (a) The President is authorized to establish for purposes of this Act an Energy Mobilization Board to consist of five members appointed by the President, by and with the advice and consent of the Senate, from among persons who are specially qualified by reason of their education, training, or experience to carry out the functions of the Board. Such members shall serve at the pleasure of the President. One member of the Board shall be designated by the President as the Chairman.

(b) Members of the Board, other than the Chairman, shall be entitled to receive compensation at the rate prescribed for level IV of the Executive Schedule. The Chairman shall be entitled to receive compensation at the rate prescribed for level III of the Executive Schedule. While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code. The Board shall appoint a General Counsel who shall be entitled to receive compensation at the rate prescribed for level V of the Executive Schedule.

(c)(1) The Chairman shall have the power to appoint and fix the compensation of an Executive Director and such additional personnel, not to exceed 60 persons, as he deems necessary to carry out the functions of the Board.

(2) Upon request of the Chairman, the Secretary of Energy or the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Board to assist the Board in carrying out its functions.

(3) The Chairman may procure temporary and intermittent services for the Board under section 3109(b) of title 5 of the United States Code.

(4) Consistent with applicable provisions of law, the Administrator of General Services shall provide to the Board on a reimbursable basis such facilities and administrative support services as the Chairman may request.

(5) In the performance of their functions, the members, employees, or other personnel of the Board shall not be responsible to or subject to the supervision or direction of any officer, employee, or agent of the Department of Energy.

(d)(1) The Board may, for the purpose of carrying out its functions, hold such hearings, sit and act at such times and places, take such testimony and receive such evidence, promulgate such regulations and issue such orders as may be necessary to carry out its functions under this Act. The Board may institute, or participate in, such court or agency proceedings as may be necessary to carry out its functions under this Act. For purposes of such regulations, the provisions of section 501 of the Department of Energy Organization Act shall apply to the Board in the same manner as such provisions apply to the Secretary of Energy, and the provisions of section 552b of title 5 of the United States Code shall apply to the Board notwithstanding any other provision of law.

(2)(A) The Board may issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under the authority of the Board. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(B) If a person issued a subpena under this paragraph refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Board) order such person to appear before the Board to produce evidence or to give testimony relating to the matter concerned. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process of any court to which application may be made under this paragraph may be served in the judicial district in which the person required to be served resides or may be found.

(C) The subpenas of the Board shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(e) Whenever the Board submits to the President or to the Office of Management and Budget any legislative recommendation or testimony, or comments on any legislation prepared for submission to the Congress, the Board shall concurrently transmit a copy thereof to the Committee on Energy and Natural Resources of the United States Senate and to the Committees on Interior and Insular Affairs and on Interstate and Foreign Commerce of the United States House of Representatives.

(f) Upon the request of the Congress or any committee or subcommittee thereof, the Board shall promptly provide to the Congress, or to such committee or subcommittee, any records, reports, documents, materials, and other information which is in the possession of the Board or any of its employees and which is requested by the Congress or by such committee or subcommittee. The Board shall keep the Committee on Energy and Natural Resources of the United States Senate and the Committees on Interior and Insular Affairs and on Interstate and Foreign Commerce of the United States House of Representatives fully informed concerning its activities and shall submit an annual report to the Congress at the end of each fiscal year concerning the actions taken or to be taken under this Act. Each such report shall, to the extent possible, contain the information described in section 220(b).

(g)(1) Regulations promulgated under this section shall be submitted to both Houses of Congress on the same day and shall take effect at the expiration of 60 calendar days of continuous session of Congress thereafter unless, before the expiration of such 60-day period, such regulations are disapproved in the same manner as an energy action may be disapproved under section 551 of the Energy Policy and Conservation Act.

(2) In applying the provisions of section 551 of the Energy Policy and Conservation and Policy Act to a regulation under this subsection, any reference in such section 551 to an energy action shall be treated as a reference to a regulation transmitted under this section, subsections (a),(c)(2), and (f)(2)(B), and clauses (i) and (ii) of subsection (f)(5)(B) of such section shall not apply, any reference in such section to 5 days shall be treated as a reference to 15 days, and any reference to a 15-calendar-day period shall be treated as a reference to a 60-calendar-day period.

(3) A regulation transmitted under this section may take effect at any time subsequent to the date specified in paragraph (1) if such subsequent time is set forth in such regulation.

### CERTAIN PROJECTS NOT COVERED

SEC. 202. Nothing in this Act shall apply to any project related to the production of nuclear energy, including any facility which is required to be licensed under the Atomic Energy Act of 1954 or which is otherwise subject to the authority of the Nuclear Regulatory Commission under title II of the Energy Reorganization Act of 1974.

### AUTHORITY TO APPLY FOR PRIORITY STATUS

SEC. 203. (a) The Board shall promulgate regulations establishing procedures and criteria for the submission to the Board, and for the consideration by the Board, of applications for an order designating an energy project as a Priority Energy Project under this Act. Such procedures and criteria shall require such applications to include such detailed information as the Board deems necessary to—

(1) enable it to make such a designation under this Act;

(2) identify each agency required to make a decision with respect to such project; and

(3) enable it to determine the agency decisions which must be made with respect to such project.

(b) The Board shall require any person making an application under this section to file with the Board such additional information as it deems necessary, including—

(1) a design proposal for the project;

(2) economic data on the costs and benefits of the project;

(3) the energy to be produced or conserved by the project; and

(4) an analysis of the social, health and safety, and environmental impacts of the project, including an analysis of mitigating measures which may be taken to minimize any environmental, social, health, or safety hazards.

(c) An application for an order designating an energy project as a Priority Energy Project may be submitted to the Board by any person in accordance with the procedures and criteria established under subsection (a).

(d) Promptly following receipt of an application filed under this section, the Board shall publish notice of such filing, together with a summary description of the application, in the Federal Register and shall notify the appropriate Federal, State, and local agencies, the Governors of affected States, and the Senate Committee on Energy and Natural Resources and the House Committees on Interstate and Foreign Commerce and on Interior and Insular Affairs. The Board shall take reasonable steps to notify other interested parties. The Board shall afford forty-five days after publication of notice in the Federal Register for such agencies and other interested persons to submit for the Board's consideration written comments concerning whether or not the project should be designated as a Priority Energy Project.

(e) The Board shall keep on file, and make available for public inspection and copying, at the main office of the Board and in such other places as the Board deems appropriate, such portions of any application for designation of a project as a priority energy project as are not matters described in section 552(b) of title 5 of the United States Code.

### DESIGNATION OF PRIORITY ENERGY PROJECTS

SEC. 204. (a) Not later than forty-five days after expiration of the comment period under section 203(d) with respect to any application under section 203, the Board shall—

(1) issue an order in accordance with this part designating the energy project with respect to which such application was submitted as a priority energy project if it determines that such project is of sufficient national interest for such project to be so designated, or

(2) refuse to issue such an order.

(b) The Board shall publish any order making a designation under subsection (a) in the Federal Register and shall provide a copy of such order to the agencies, Governors, and committees referred to in section 203(d) and shall take reasonable steps to notify other interested parties.

(c) In determining whether or not to make a designation under subsection (a), the Board shall consider—

(1) the extent to which the energy project would reduce the Nation's dependence upon imported oil or upon other nonrenewable resources;

(2) the magnitude of any economic and social impacts and costs associated with the energy project in relation to the impacts and costs of alternatives to such project;

(3) the extent to which the energy project would make use of renewable energy resources or conserve energy;

(4) the extent to which the energy project would contribute to the development of new production or conservation technologies and techniques;

(5) the time that would normally be required to obtain all necessary agency decisions;

(6) the adverse impacts that would result from—

(i) the designation of the energy project as a priority energy project, or

(ii) any delay in completion of the energy project which would result from the failure to make such a designation;

(7) the extent to which the energy project would impringe upon presently available or future water resources;

(8) the comments received concerning the energy project;

(9) the regions of the country that will be most heavily impacted by the energy project as well as most benefited by the project;

(10) the availability of significant economic, environmental, or technical data;

(11) the anticipated effects upon competition in the energy industry, and the extent to which such designation will create competitive inequities among applicants;

(12) the magnitude of any adverse environmental impacts associated with the project and the existence of alternatives that would have fewer adverse impacts;

(13) the extent to which the applicant is prepared to complete, or has already completed, the significant actions which the applicant in consultation with the Board anticipates will be identified under section 203 as required from the applicant, including the extent to which financing, insurance, and labor requirements for the project will be available; and

(14) the extent to which the project has been assessed in terms of cost effectiveness and energy efficiency.

Any order designating a project under this section shall contain a statement of the basis on which such designation was made, addressing each of the above criteria.

(d) The Board shall encourage prospective applicants for priority energy projects to file applications for any necessary agency actions with the appropriate agencies as soon as possible in order that any eventual agency action may be expedited. The Board shall consider any failure to file such applications in a timely fashion in making its determination on an application under this section.

(e) Not more than 75 priority energy projects may be designated by the Board, and not more than 20 of such projects may be designated in any one calendar year.

### ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

SEC. 203A. (a) Upon request of any State or local agency covered by the project decision schedule for any priority energy project, the head of any Federal agency is authorized to detail, on a reimbursement basis, any of the personnel of such Federal agency to such State or local agency to assist the State or local agency in carrying out its functions with respect to such project.

(b) To the greatest extent practicable, the Board and other Federal agencies may provide assistance authorized by law to State and local agencies to assist such State and local agencies in complying with any project decision schedule.

### RELATIONSHIP TO NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 205. (a) The provisions of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) shall not apply to any—

(1) determination by the Board under section 204 (relating to designation of a Priority Energy Project);

(2) promulgation or revision of a Project Decision Schedule by the Board under any provision of this Act; or

(3) action by the Board or by any agency under section 211 (relating to streamlining of procedures).

(b) Promptly following designation of an energy project as a Priority Energy Project, and before establishment of a Project Decision Schedule under section 209, the Council on Environmental Quality shall determine whether any Federal action relating to the Priority Energy Project will be a major Federal action within the meaning of section 102(2) of the National Environmental Policy Act of 1969. If the Council determines that a Priority Energy Project will require such a major Federal action, the Council shall promptly designate the lead agency for purposes of complying with the National Environmental Policy Act of 1969. If the Council fails to make any determination or designation (or both) required under this section before establishment of the Project Decision Schedule, the Board may make such determination or designation (or both).

(c) Notwithstanding any other provision of law, the Board, after consultation with the Council on Environmental Quality and appropriate Federal agencies, may require that one environmental impact statement be prepared and that such statement be used by all Federal agencies to satisfy their obligations under the National Environmental Policy Act of 1969.

### STATE PARTICIPATION

SEC. 206. Upon designation of any Priority Energy Project, the Board shall promptly notify the Governor of each State and each Indian Tribe in which any portion of such Project is proposed to be located, and each such Governor and tribe may appoint a nonvoting Member to serve on the Board to participate in decisions of the Board respecting such Project, including decisions relating to the Project Decision Schedule. The provisions of section 201(b) shall not apply to any member of the Board appointed under this section.

### EXTENSION OF DEADLINES

SEC. 207. The Board may extend the time for receiving comments under section 203 (d), the time for making its determination under section 204 in the case of any application for designation of any energy project as a Priority Energy Project, and the time for agencies to submit information under section 208. Any such extension shall be consistent with the purposes of this Act and shall be for only such period as may be necessary, as determined by the Board.

### AGENCIES TO SUBMIT INFORMATION

SEC. 208. Not later than 45 days after notice appears in the Federal Register of an order designating an energy project as a Priority Energy Project, each agency having authority to make any decision with respect to such project or any part thereof, shall transmit to the Board—

(1) a compilation of all significant actions required to be taken by such agency and by the applicant before such decision can be made and a summary of the procedural requirements legally applicable to such actions and to the making of such decisions;

(2) a tentative schedule for completing such actions and making such decisions and a statement of those procedural changes, if any, the agency proposes to implement pursuant to section 211;

(3) a statement of the amount of funds and personnel available to the agency to take such actions and make such decisions and of the effect that taking such actions and making such decisions in accordance with such Project Decision Schedule will have on other actions required to be taken by the agency, together with a finding as to whether or not such funds and personnel are adequate for such purposes; and

(4) such other information as the Board may require. Notwithstanding section 557(d) of title 5 of the United States Code, or any other provision of law relating to *ex parte* communications, any officer or employee of an agency to which this section applies may provide information to the Board and consult with the Board relating to any priority energy project at any time and in any manner requested by the Board.

### PROJECT DECISION SCHEDULE

SEC. 209. (a) Upon receipt of the information required to be submitted pursuant to section 208 respecting any Priority Energy Project, the Board shall conduct discussions with affected agencies and the applicant seeking mutual agreement on a practical and expedited Project Decision Schedule for such Project. Such agreements shall be in writing whenever possible. Not later than 45 days after agencies transmit information under section 208 with respect to any Priority Energy Project, the Board shall publish in the Federal Register a Project Decision Schedule for all agency decisions relating to such Project. The Project Decision Schedule shall clearly identify the order in which such decisions must be made by each agency concerning the Project and shall clearly identify the deadlines applicable to such decisions. The Project Decision Schedule may also recommend concurrent review of applications and joint hearings by State and local agencies.

(b)(1) The Project Decision Schedule shall be consistent with the tentative schedules transmitted to the Board under section 208 unless the Board determines that a different schedule is essential in order to expedite and coordinate agency review, and publishes, together with the Project Decision Schedule, its reasons for such determination.

(2) Whenever the Project Decision Schedule is not consistent with any schedule that would otherwise apply, such Project Decision Schedule shall apply in lieu of the otherwise applicable schedule and shall be binding on the agency and on all other persons to which the Schedule applies.

(3) In the case of agency action subject to the Project Decision Schedule, the agency may modify any schedule (other than the Project Decision Schedule) applicable to such action (including a schedule relating to actions of any applicant or other person and including any schedule established by statute) where the agency determines that such modification will facilitate compliance by the agency with the Project Decision Schedule.

(4) The Project Decision Schedule, and any other schedule which is modified under paragraph (3), shall be reasonably designed to insure complete consideration of all matters concerning such Project under applicable law and to insure adequate participation by interested parties in applicable proceedings.

(c) In consultation with affected agencies and any person responsible for—

(1) filing on behalf of a Priority Energy Project any application or other petition for an agency decision, or

(2) taking any other action on behalf of such project which is necessary before such agency decision may be made

and with appropriate agencies, the Board shall include in the Project Decision Schedule a schedule containing deadlines for filings by such person for any license, permit, or other approval which must be obtained in connection with the project. The schedule shall indicate the date on which any such filing shall be made.

### MODIFICATION OF PROJECT DECISION SCHEDULE

SEC. 210. (a) Upon the petition of any agency to which the Project Decision Schedule applies, or on its own motion, the Board may modify the Project Decision Schedule at any time.

(b) No extension of any time period applicable to any agency under such Schedule may be granted unless the Board determines that—

(1) such agency has exercised all due diligence in attempting to comply with the Schedule and is unable to comply with such Schedule; or

(2) it would be impracticable for the agency to reach a decision or to complete the required action within the specified time.

taking into account the personnel and funds available to the agency for complying with such Schedule.

(b) No extension of any time period applicable to any action specified on such schedule which is required to be taken by any person other than an agency may be granted unless the Board determines that such person has exercised all due diligence in attempting to comply with the Schedule and is unable to comply with such Schedule.

### STREAMLINING PROCEDURES

SEC. 211. (a) All Federal, State, and local agencies having authority to make any decision with respect to a Priority Energy Project may establish special procedures applicable to such decision if the agency determines such procedures are a necessary means of expediting such decision or of complying with the Project Decision Schedule applicable to such Project and if such special procedures provide for effective participation by interested parties in proceedings relating to the decision. Such special procedures shall be consistent with all requirements governing the agency's actions, except that, notwithstanding any such requirement, any Federal agency may—

(1) consolidate, to the maximum extent practicable, its proceedings respecting actions and decisions which are subject to the Project Decision Schedule with the proceedings of other agencies, including Federal, State, and local agencies which are also subject to such Schedule;

(2) establish requirements applicable to the filing of applications or other information which eliminate unnecessary duplication;

(3) substitute legislative-type hearings in lieu of trial-type hearings, except that in any cases in which—

(A) a formal hearing including an opportunity for cross-examination of witnesses is authorized by any provision of statute other than this Act, and

(B) the agency determines there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in a formal hearing.

the agency shall designate such dispute for resolution in a formal hearing conducted in accordance with the statute providing for such hearing;

(4) conduct proceedings, except where formal hearings are required under paragraph (3)(A) or (B), in which parties may submit written data, views, or arguments and written responses to the data, views, or arguments submitted by other parties, as the agency or the presiding employee may specify and in which oral presentation is limited to brief oral argument;

(5) establish procedures for issuing final decisions in which the presiding employee at any hearing may be required to certify the hearing record to the agency for decision without an initial decision; or

(6) utilize any combination of procedures authorized by this subsection.

(b) The procedures referred to in paragraph (5) may also—

(1) require the presiding employee to submit the record to the agency without a recommended or tentative decision, but with such analysis of the record as the agency may specify; and

(2) permit the agency to omit a tentative or recommended decision if it determines that due and timely execution of its functions so requires.

(c) If the Board finds that those procedures proposed to be used by a Federal agency to make any decision of the agency necessary for compliance with the Project Decision Schedule will not permit the agency to comply with such Schedule, the Board may order the agency to implement any or all of the special procedures described in this section with respect to the decision if the special procedures will provide for effective participation by interested parties in proceedings relating to the decision.

### MONITORING OF COMPLIANCE BY BOARD

SEC. 212. The Board shall monitor compliance with the Project Decision Schedule by the agencies and persons to whom the Schedule applies and may require such agencies and persons to submit to the Board such information regarding compliance with such Schedule as the Board deems necessary and appropriate for such purposes. If the Board determines that a Priority Energy Project is being delayed or threatened with delay, the Board shall determine the reason for such delay or threatened delay and notify the appropriate agencies and other persons of its determination. Following such notification, the Board shall publish such reasons in the Federal Register. If the Board determines that any person responsible for—

(1) filing on behalf of a Priority Energy Project any application or other petition for an agency decision, or

(2) taking any other action on behalf of the Project which is necessary before an agency decision may be made,

has failed or refused to promptly or correctly file such application or petition or take such other action, the Board shall either—

(A) revise such Project Decision Schedule by extending the applicable deadlines by an amount of time equivalent to the delay caused by such person, or

(B) revoke the designation of the project as Priority Energy Project.

### AGENCY OBLIGATIONS NOT AFFECTED

SEC. 213. (a) Except as may otherwise be provided pursuant to—

(1) the establishment, modification, or revision of a deadline or timetable under any provision of this Act, or

(2) the establishment of special procedures under section 211.

the Project Decision Schedule and each agency decision and other action with respect to which a deadline or timetable is specified on the Project Decision Schedule shall be consistent with the statutory obligations applicable to the agencies governed by such Schedule.

(b) Except as permitted under the authorities referred to in subsection (a), nothing in this part shall affect the application to any energy project of any requirement established by, or pursuant to, Federal, State, or local law.

(c) Nothing in this part shall be construed to —

(1) affect the basis on which any agency decision is made with respect to such a project, or

(2) affect or influence the outcome of any agency decision.

### ENFORCEMENT OF PROJECT DECISION SCHEDULE AGAINST FEDERAL, STATE, OR LOCAL AGENCIES

SEC. 214. (a) If any agency has failed or is reasonably likely to fail to comply with a Project Decision Schedule, the Board may bring an expedited enforcement action in the appropriate United States district court against the agency head or other responsible official.

(b) In any action brought under this subsection, if the court determines that any agency has failed, or is reasonably likely to fail, to comply with a Project Decision Schedule, the court shall order the agency to act in accordance with the Schedule unless subsection (c) applies.

(c)(1) If the court determines that the agency has failed or is reasonably likely to fail to comply with a Project Decision Schedule but that action in accordance with the Project Decision Schedule would not insure adequate consideration of all matters concerning such project under applicable law, would not insure adequate participation by parties in applicable proceedings, would clearly be impractical, or would deny any person due process of law, the court shall instruct the Board to revise the Project Decision Schedule to require the agency to complete consideration of the applicant's request as soon as practicable. Immediately upon receipt from the Board of a certified copy of the revised Project Decision Schedule, the court shall issue an order directing the agency to comply with such Schedule.

(2) The court may order the agency to assign additional personnel to the decision or action, or to utilize any of the special procedures enumerated in section 211.

(3) Upon failure of any agency to meet any deadline included in a compliance schedule imposed by the court, the court shall take such measures as it deems necessary and appropriate, including citation and punishment of the responsible officials for contempt of court.

(d)(1) Upon filing of an action by the Board under this section, the agency and other interested parties shall have 15 days in which to file a written response. Any further filings required by the court shall be prepared within 15 days or less. The court may limit offers of proof to written documents except that the court shall hold at least one hearing concerning such action.

(2) Notwithstanding any other provision of law including any other provision of this Act, any action brought under this section and any appeal therefrom shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at the time, and shall be expedited in every way by such court. No such appeal may be brought after 60 days after a final decision by the lower court.

(e)(1) If any Federal, State, or local agency has failed to make a decision or take action pursuant to a court order issued pursuant to subsection (b) or (c), the President may perform the action or make the decision in lieu of the agency.

(2) The President shall notify an agency that he has determined that the agency has failed to make a decision or perform an action within the time required by such court order and that the President intends to decide in lieu of the agency. If the agency has not acted or decided within 15 days of such notification, the agency shall transmit to the President forthwith all records in the possession of the agency pertinent to that decision or action. The President shall take whatever additional action is necessary to develop an adequate record for a final decision or action.

(3) In any action under this section, whenever the Project Decision Schedule deadline for such action has passed, the Board may file notice with the court stating that the deadline has passed and that the agency has failed to take the action required by the Project Decision Schedule. The Board shall advise the court that the national interest described in section 101 of this Act requires expeditious enforcement of the deadline. If the court fails to act pursuant to subsection (b) or (c) of this section within 120 days of the filing with the court of such notice, the President may act pursuant to paragraphs (1) and (2).

(4) In performing an action under this section in lieu of an agency, the President shall apply the Federal, State, or local law that would have been applied had the Federal, State, or local agency performed the action.

### SUSPENSION OF NEW REQUIREMENTS

SEC. 215. (a) Upon an application of any agency or any person acting on behalf of a Priority Energy Project, the Board shall determine if any requirement of Federal, State, or local law which has been enacted or promulgated after commencement of construction of any facility which is part of the Project would prevent timely compensation or operation of such facility. Such application shall identify the requirement with respect to which the application is made. If the Board determines that any such requirement will prevent the timely completion or operation of such facility, the Board is authorized to order the temporary suspension of the application of such requirement to such facility for such time as necessary to allow the facility to comply with the requirement.

(b) No order temporarily suspending the application of any requirement to any facility may be issued under subsection (a) unless the Board, in consultation with the agency responsible for implementing the requirement, finds that the temporary suspension will not create any significant risk to public health or safety.

(c) No order under this section may continue in effect after the last day of the fifth year after such order is originally issued.

(d) No order under this section may modify or impair in any way—

(1) any Federal, State, or local requirement which relates to—

(A) the rights, working conditions (including health and safety), compensation, or activities of workers or their representatives,

(B) antitrust laws (as defined in section 3(1) of the Public Utilities Regulatory Policies Act of 1978),

(C) crimes based on common law, or

(D) civil rights laws;

(2) any Federal, State, or local requirement which involves any primary air quality standard established under the Clean Air Act;

(3) any right or rights of any person arising under the Constitution of the United States;

(4) any interstate compact, provision of State or local law, or Federal contract, relating to water rights or to the appropriation, delivery or use of water pursuant to such rights; or

(5) the rights of any person under any provision of law to receive compensation from the owner or operator of any Priority Energy Project for loss of any property interest as a result of the construction or operation of such Project.

(e) For the purposes of this section, "commencement of construction" means that the owner or operator of a facility has obtained all necessary preconstruction approvals or permits required by Federal, State, or local laws or regulations and either has—

(1) begun or caused to begin, a continuous program of physical onsite construction of the facility including site clearance, grading, dredging, or land filling in preparation for the fabrication, erection, or installation of the building components of the facility, or

(2) entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of construction of the facility to be completed within a reasonable time.

For the purpose of this subsection, interruptions resulting from acts of God, strikes, litigation, or other matters beyond the control of the owner shall be disregarded in determining whether such construction is continuous.

### WATER LAW

SEC. 216. (a) Nothing in this Act shall be construed as expanding or conferring upon the United States, its agents, permittees, or licensees any right to acquire rights to the use of water.

(b) The United States, its agents, permittees, or licensees shall appropriate water within any State for an energy project pursuant to procedural and substantive provisions of State law, regulation, or rule of law governing appropriation, use, or diversion of water.

(c) The establishment or exercise pursuant to State law, of terms or conditions including terms or conditions terminating use, on permits or authorizations for the appropriation, use, or diversion of water for energy projects shall not be deemed because of any interstate carriage, use, or disposal of such water to constitute a burden on interstate commerce.

(d) Nothing in this Act shall alter in any way any provision of State law, regulation, or rule of law or of any interstate compact governing the appropriation, use, or diversion of water.

JUDICIAL REVIEW

SEC. 217. (a) (1) Action by the Board granting or denying any order designating a proposed energy facility as a Priority Energy Project under section 204 and action by the Board under section 215 suspending the application of any requirement of Federal, State, or local law to any facility shall be subject to judicial review only for failure to comply with any requirement of this Act or for violation of any provision of the Constitution of the United States.

(2) Action by the Board—

(A) establishing, modifying, or revising a Project Decision Schedule under any provision of this Act;

(B) requiring the use of any special procedures under section 211, or

(C) granting or denying any extension under section 212

shall not be subject to judicial review in any proceeding other than an enforcement proceeding brought by the Board against an agency head of other responsible official under section 214 or a proceeding for review of any final agency action to which such Schedule, procedures, or extension applied.

(3) Any action of the Board other than an action described in paragraph (1) or (2) shall not be subject to judicial review except as to the requirements of the Constitution.

(b) (1) Any action referred to in subsection (a) and any action brought in any court of the United States for review of—

(A) any final agency action which is covered by a Project Decision Schedule,

(B) any Presidential decision under section 214(d) may only be brought in the United States court of appeals for the circuit in which the Priority Energy Project concerned is, or is proposed to be, located, or where the claim arose, and may only be brought within 60 days following the date on which notice is published that such decision or action has become final or within such shorter time period as may be required under other applicable law. Any such action shall be barred unless brought within the period specified under the preceding sentence. Any agency action which is covered by a Project Decision Schedule or any Presidential decision under section 214 shall not be subject to judicial review unless such action is in violation of the Constitution of the United States or in excess of, or falls short of, statutory jurisdiction, authority, or limitations, or short of statutory right.

(2) The court shall assign any action referred to in paragraph (1) for hearing, and shall complete such hearing, and issue its decision at the earliest possible date. Such action shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at that time, shall be expedited in every way by such court. In order to expedite the just and complete resolution of issues involved in any such action, a reviewing court may, notwithstanding limitations imposed by any other law or rule of law—

(1) consolidate the action with any other action relating to the same Priority Energy Project which is brought in such court, or

(2) transfer the action to any other United States court of appeals for the purposes of such consolidation.

Any reviewing court shall also expedite and consolidate such review to the maximum extent practicable.

(c) Nothing in this section shall affect the jurisdiction of the courts of any State or political subdivision thereof except that any agency action respecting which judicial review could have been obtained under this section may be reviewed only as provided in subsection (b).

(d) In issuing a final order in any action for review of any final agency action which is covered by a Project Decision Schedule, the court may award costs of litigation (including attorney and expert witness fees) to any party, and assess such costs against any party when in the determination of the court such action was brought frivolously with no essential purpose beyond delay.

SUPREME COURT REVIEW

SEC. 218. (a) Any party seeking review in the Supreme Court of any judgment or order (including interlocutory judgments or orders) of a circuit court of appeals pursuant to this Act must file a petition for writ of certiorari within 60 days after the decision of the lower court or the appeal shall be barred.

(b) Any review by the Supreme Court shall be assigned for hearing and completed at the earliest possible date.

REGULATIONS

SEC. 219. The Board shall promulgate regulations for carrying out its functions under this Act not later than 60 days after the date on which all initial members of the Board have been confirmed by the United States Senate. No application may be submitted under this Act for designation of any project as a Priority Energy Project before promulgation of such regulations.

EXPIRATION OF AUTHORITY

SEC. 220. (a) The Board's authority shall expire seven years after the date of enactment of this Act. Notwithstanding the previous sentence, the provisions of the Act shall continue to be applicable to all energy facilities designated as Priority Energy Projects prior to the expiration of the Board's authority.

(b) Six months prior to the expiration of Board authority as provided in subsection (a) of this section, the Board shall submit to the President and to the Congress a detailed report and recommendations for congressional action which shall include, but not be limited to, the following:

(1) a comprehensive report for the life of the Board on its activities including the functioning of the selection and designation process for Priority Energy Projects; the status of all designated projects; the effectiveness of the Board's actions in expediting the development and construction of energy projects; and any significant delays in the completion of Priority Energy Projects and the causes thereof;

(2) the estimated reduction in barrels of imported oil that may be attributed to Board action, and a comparison of the potential for such reduction with and without such action;

(3) estimated time and funds saved by Federal, State, and local governments, and private sector by minimizing delays, inflation impacts, and other factors which would have increased the time and expense of project completion without Board action;

(4) recommendations as to whether or not the Board should be re-authorized, and recommendations and their justification for any changes that should be made in the authorizing statute to enable the Board to better fulfill the purposes of this act; and

(5) those provisions of Federal, State, and local statutes, regulations, or requirements which in the Board's opinion and through its experience in carrying out the provisions of this act, have contributed most significantly to unnecessary delays in project approval, construction, and operation, and the Board's recommendations for changes in such provisions or for other action to expedite the decisionmaking process, without detracting from the intent and integrity of such statutes or regulations, and which would eliminate the need for such Board.

(c) On or before the date established for the submission of the report of the Board to Congress in subsection (b), the Comptroller General of the United States shall submit to Congress a report evaluating the performance of the Board. The report shall set forth findings and recommendations with respect to the program, and shall include:

(1) an assessment of the effectiveness of the program and the degrees to which the original objectives of the program have been achieved;

(2) an identification of any trends, developments, and emerging conditions which are likely to affect the future nature and extent of the problems or needs which the Board is intended to address;

(3) an assessment of the relative merits of alternative methods which could be considered to achieve the purposes of the program;

(4) an assessment of the energy supply, environmental, legal, and social impacts of the Board; and

(5) such additional information as may be requested by Congress.

AUTHORIZATION

SEC. 221. There is authorized to be appropriated to the Board to carry out the provisions of this part not more than $2,000,000 for the fiscal year 1980, and not more than such sums as may be necessary for succeeding fiscal years, subject to annual authorizations. Notwithstanding any other provision of this Act, authority to enter into contracts, to incur obligations, or to make payments under this act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

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# EXTENSIONS OF REMARKS

## SESQUICENTENNIAL OF THE SISTERS OF CHARITY OF CINCINNATI

### HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. LUKEN. Mr. Speaker, I know my colleagues will join me in congratulating the Sisters of Charity of Cincinnati as we approach the Sesquicentennial Anniversary of their settlement, October 27.

From the outset, these determined women have been responsive to the needs of the Nation. In 1829, His Holiness Edward Fenwick, the first Catholic Bishop of Cincinnati, became aware that the needs of children in his diocese were not being met. He requested help from the Sisters of Charity in Emmitsburg, Md. Founded by Saint Elizabeth Seton in 1809, the Sisters of Charity were the first community of religious women native to the United States.

The Sisters who arrived in Cincinnati in 1829 were so proud of their unique American heritage that they broke away from the Emmitsburg Order when Emmitsburg became an affiliate of the French Sisters of Charity. In 1852, five Sisters led by Sister Margaret George be-

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

came a separate congregation, the Sisters of Charity of Cincinnati. Their community grew rapidly, and took on diversified responsibilities over an ever-widening area. Today, the Motherhouse located at Mount St. Joseph on the Ohio serves as the nucleus for an organization which operates in 23 States, Canada, and on four foreign continents.

In the 150 years since the landing in Cincinnati, their Order has witnessed and experienced much. Throughout their reorganization, the Civil War, the Great Depression, two world wars, and the rest of our country's heritage to date, they have been acting in accordance with their motto, which is "The Charity of Christ Urges Us." Clearly, they can claim to be pioneers not only of the earlier frontier, but also of the new frontiers in education, health care, and service to others.

One of their most important functions is keeping our citizens educated. They run adult education programs, schools for the deaf, and special education programs in addition to their excellent schools for primary, secondary, and higher education. They also focus on health care services; for example, they operate the Good Samaritan Hospitals of Cincinnati and Dayton, St. Joseph Hospital in Albuquerque, Penrose Hospital in Colorado Springs, and others. They encourage health maintenance programs, treatment of mental retardation, and speech therapy. Through these and other deeds they seek to make ours a more just society. The needs of the victims of disease, ignorance, oppression and war, are all handled with the competence and compassion which have characterized the works of the Sisters of Charity of Cincinnati.

In their operations throughout the United States, Canada, Africa, Asia, Europe, and South America, they serve God and our Nation by going where they are needed most. The work they do is important not only to me and to my district, but to the State of Ohio, to the United States, and to the world. It is my sincere pleasure to salute the Sisters of Charity of Cincinnati on this special occasion.●

## GEORGES BANK LEASE SALE

### HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. STUDDS. Mr. Speaker, as you know, the Department of the Interior plans on November 6 to lease over 660,000 acres of Georges Bank, some of the richest fishing grounds in the world, for offshore oil and gas drilling. Recently, however, it has become clear that the administration is divided as to whether or not this sale should take place. Because I am alarmed at this dissension within the administration's own ranks, and because I do not feel that adequate safeguards to protect the fisheries of this region have been put into place, I have this week requested that the Secretary of the Interior postpone this sale.

Clearly, we in New England have a responsibility to contribute to our national search for new energy sources. However, I feel quite strongly that this search should not be conducted in a manner which jeopardizes the rich fisheries of Georges Bank.

Recently, this position was articlulated most eloquently by Bill Smith in an editorial which appeared in the Cape Cod Times. I would recommend it highly to my colleagues as an excellent summary of the concerns now being expressed by New Englanders about this sale.

#### ENERGY AGAINST FOOD

The opinion expressed in The New York Times lead editorial of two days ago—published above—is probably the prevailing view in our country. But the arguments in that editorial seem to us to be simplistic, and remarkably cavalier.

For instance, can one compare the value of a limited source of energy—of a material which is destined to be used once and go up in smoke—with a carefully husbanded, self-perpetuating food resource? If the two could coexist without one threatening the other, the answer would be easier to come by. But the threat exists and the danger has been proved.

The Times suggests that oil wells and fisheries can exist side by side "off Massachusetts—as they have in the North Sea, the Gulf of Mexico and other waters. Even in the unlikely event of a disastrous blowout . . . the damage to the fishery would be far less than the projected value of the energy."

This could be true, of course, if one is speaking of only of short-term monetary values. But the uncappable, runaway Mexican exploratory well off the Yucatan Peninsula has already devasted the Texas shrimp industries, and the gigantic oil slick is now threatening other fisheries along the Gulf of Mexico's American coastline.

And what is the value of the millions of barrels of oil that have been spreading across the gulf for more than four months? Nothing.

Those who argue for drilling on the Bank, with its circular currents which could contain a spill instead of dispersing it, admit the possibility of damage to the fisheries. The Times contends, however, that the damage would be temporary. It does not tell us what temporary means in this context.

The devastating spill in Buzzards Bay resulting from the grounding of a fuel barge in 1969 has provided scientists with more than a decade of assessing the damage, which was immense. Sections of the bay's shellfish beds are still blighted by the spill, and the end of this infection is not in sight. The bay is enclosed by two land masses. Georges Bank in effect is enclosed by its circular currents. A major spill there could be analogous to the Buzzards Bay spill, both in time and results. "Temporary" is a word we would not have chosen.

The Times tells us that the only species which would be damaged by a spill would be that which is in the act of spawning. This, too, is simplistic, because life in the fisheries is not made up of isolated species. It is an interdependent eco-system, the damaging of which, at any point, upsets the balance throughout the chain. The devastation of a species which provides food for other fish could deplete much of the total fish population, reducing Georges Bank's value as a source of food for man in far greater proportion than the Times suggests.

A point which was not addressed by the editorial is the fairly obvious matter of the weather and the sea conditions in the North Atlantic. The major blow-outs of the wells in Santa Barbara and in the Gulf of Mexico occurred during periods of relative calm in waters which compared, with the Atlantic expanses, are as placid as lakes. We know that the technology of oil production cannot always cope with its machinery. Can we be assured that the danger will not be multiplied by an Atlantic gale?

The Times seems to believe that Georges Bank is a primary site for oil, that drilling there is a reasonable risk. Yet more promising tracts on the Baltimore Canyon produced absolutely nothing. Will perhaps a few producing wells be worth the risks?

It is estimated that the oil which may be there would supply the needs of the United States for little more than a week. This is what is being weighed against the food value of the Bank.

No doubt The New York Times is speaking for the majority—an opinion which would place a vital source of protein in jeopardy for a relatively small amount of oil, to satisfy the short-term needs of a society more expert at consuming energy than conserving it.

It is an opinion with which we disagree.●

## RUSSIA'S MINORITY PROBLEM

### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. MICHEL. Mr. Speaker, I recently placed in the RECORD an article dealing with what might be called "linguistic imperialism" in the Soviet Union. The article told of efforts of Soviet leaders to have more Soviet citizens—almost half of whom are non-Russian—speak Russian. The article went on to say that there is a sense of urgency among Russian Soviet leaders because they realize that it is possible that the growing non-Russian population of the Soviet Union may well be the cause of future discontent.

I have just come across a new, more detailed examination of the same issue. Writing in Air Force magazine, Harriet Fast Scott points out many fascinating aspects of the growing minority problem in the Soviet Union. She concludes with what I believe is an intriguing question about the future: What if the Soviet non-Russian nationalities take seriously the Kremlin rhetoric about "national liberation" and turn against their Russian masters? Farfetched? Perhaps. But I suggest that the United States examine all of the possibilities of this situation and then create imaginative policies that will help shape the future in ways that benefit the United States and the various Soviet non-Russian national groups.

At this time I would like to insert in the RECORD, "Russia's Growing Minorities Problem" by Harriet Fast Scott from the Air Force magazine, October 1979:

#### RUSSIA'S GROWING MINORITIES PROBLEM

(By Harriet Fast Scott)

A nation's military stature depends, in large measure, on its military manpower. Although numbers are important, so are education, cohesiveness, morale, cultural background, and related factors.

Military service is compulsory for all young men in the USSR; hence, the Soviet Armed Forces are composed of people from the many nationalities within the Soviet Union. This cultural and linguistic diversity, coupled with almost equally diverse demographic factors relevant to the various ethnic groups, has had, and will continue to have, an impact on Soviet military and economic planning. For example, pronounced fluctuations in the size of the Soviet Armed

Forces since 1948 are at least in part a reflection of recent demographic trends.

A revised "Law of Universal Military Service" was issued by the Kremlin in 1967. It reduced the age of entry into military service from nineteen to eighteen, and the length of service from three years to two (for seagoing elements of the Navy and Border Guards, service was reduced from four years to three).

The change in length of military service was not a sudden decision. The size of the Soviet Armed Forces has had its ups and downs since the end of World War II when it stood at 11,365,000 men. Only about 6,000,000 were what the Soviets call "active army" or combat troops. The remainder were in supply, communications, transportation, training, and other rear-area services. By 1948, according to official Soviet reports, the Armed Forces were reduced to 2,874,000. However, a buildup rapidly followed, and by 1955 the force had increased to 5,763,000. Soviet strategists have said that this expansion was necessary to keep a balance in the "correlation of forces." The United States was superior in nuclear weapons; therefore, the Soviets had to be stronger in conventional forces.

Between 1955 and 1958, the Soviet Armed Forces were reduced by 2,140,000 because, by 1958, a nuclear balance was being achieved as a result of Soviet success in developing and producing nuclear-armed rockets. In January 1960, Nikita Khrushchev announced that the strength of the Soviet Armed Forces stood at 3,623,000. Further, he said that military manpower would be reduced by another 1,200,000 without detriment to combat capability. With the formation of new rocket troop units, the number of missiles in a nation's operational inventory, not the number of divisions, would be the determining factor in war. Other Soviet spokesmen later stressed that nuclear-armed missiles had brought about a revolution in military affairs.

One of Khrushchev's reasons for reducing military manpower was not detected in the West for several years. He may have been influenced more by the 1959 Soviet census and the demographic trend it revealed than by purely military considerations. In 1961, he unveiled a grandiose twenty-year program of economic development aimed at surpassing the United States by 1980. This would require trained manpower.

The number of nineteen-year-olds, the young men subject to three or four years of military service, peaked in 1958 at about 2,400,000. By 1962, the number had plunged to barely more than 1,000,000. It bottomed out in 1963 at 970,000, increasing to slightly more than 1,000,000 the following year. This dramatic decline in the number of young men reaching induction age was the result of a low birthrate during World War II, or "the Great Patriotic War," as the Soviets call it.

Even with this demographic problem, Khrushchev never cut the size of the Armed Forces as promised. A serious split between the Soviet Union and China in the 1960s gave him cause to worry about the Far Eastern and Central Asian borders. In the West, in an attempt to prop up the East German Communist regime, he ordered construction of the Berlin Wall. A year later, in 1962, he tried to install missiles in Cuba.

By 1968, the Soviet military manpower picture had changed again. There were more than 2,000,000 young men turning nineteen each year and their number could be seen increasing annually until 1980. Military planners now were faced with an embarrassment of riches. Even allowing for deferments, compulsory service of three or four years would mean a military force of well over 6,000,000 men, including officers. There were only two choices: either cut back the number of men called up each year, or reduce the time spent in uniform. In his book, *Military Stategy*, Marshal V. D. Sokolovskiy notes that if the size of the Armed Forces is to remain constant, a greater percentage of men can be trained, and then kept in the reserves, if the training period is shortened. The solution was to reduce the time in service, not the number of men trained.

A second problem arose in the early '60s. Soviet youth finishing school at seventeen or eighteen could barely be trained to work in a factory or on a kolkhoz farm before being called up for military duty. After finishing school and before starting military service, many understandably pursued a Russian version of goofing off. Plant managers grumbled that they could not reach the Party's economic goals because they were too busy trying to train young people just out of school only to lose them for three years when they were called up for military service. The manpower pinch that hit the Armed Forces in 1963 hit the job market three years later when they were discharged. There simply were not enough young workers to fulfill the economic plan.

The manpower problem could be solved by reducing both the period of service and the age of induction by one year. Beginning in 1967, young men went into service at age eighteen, almost immediately after finishing school, and were out by age twenty. Also by 1968, the eighteen-year-old callups who were born after the wartime and early postwar years of deprivation were much more capable physically than had been the nineteen-year-olds a few years previously. The service helped to instill good work habits, gave most of them skills that could be used in civilian life, and matured them. Party Secretary Leonid Brezhnev stated that these two years were not simply for military training; they also were a period of "ideological hardening."

### LONG-TERM DEMOGRAPHIC PROBLEMS

The Soviet census of 1959 was the first to be published in the postwar period. One had been taken in 1950, but Stalin wanted to keep secret his manpower weakness. The Soviets now admit that their population was only 178,500,000 in 1950, a drop of 15,500,000 from 1940. The Soviet Union did not match its pre-war population until 1955.

The Kremlin leaders also waited many years before detailing their war losses. They finally revealed that approximately 10,000,000 men were killed or died of wounds, and another 10,000,000 civilians lost their lives. The age pyramid shows the excess of females over males ages fifty and up. The consequences of World War I, and Civil War, and World War II can be seen in the lows for the sixty-to-sixty-four and thirty-five-to-thirty-nine age groups. This ripple effect will continue to affect generations yet unborn. The excess of females over males (ten to 7.7 in 1950; ten to 8.7 in 1979) will not be eliminated until the end of this century.

COMPARISON OF POPULATION, 1940 AND 1979

| | 1940 | 1979 | Percent increase |
|---|---|---|---|
| U.S.S.R. (as a whole) | 194,077,000 | 262,442,000 | 35 |
| Russian Fed. SSR | 110,098,000 | 137,552,000 | 25 |
| Ukrainian SSR | 41,340,000 | 49,757,000 | 20 |
| Belorussian SSR | 9,046,000 | 9,559,000 | 6 |
| Uzbek SSR | 6,551,000 | 15,391,000 | 135 |
| Kazakh SSR | 6,148,000 | 14,685,000 | 138 |
| Azerbaydzhan SSR | 3,274,000 | 6,028,000 | 84 |
| Georgian SSR | 3,612,000 | 5,016,000 | 38 |
| Moldavian SSR | 2,468,000 | 3,948,000 | 60 |
| Tadzhik SSR | 1,525,000 | 3,801,000 | 150 |
| Kirgiz SSR | 1,528,000 | 3,529,000 | 131 |
| Lithuanian SSR | 2,925,000 | 3,399,000 | 16 |
| Armenian SSR | 1,320,000 | 3,031,000 | 130 |
| Turkmen SSR | 1,302,000 | 2,759,000 | 112 |
| Latvian SSR | 1,886,000 | 2,521,000 | 34 |
| Estonian SSR | 1,054,000 | 1,466,000 | 39 |

Another demographic factor may give Moscow planners major problems. The population in Central Asian and Transcaucasian Republics of the USSR is increasing at a rate much faster than in the traditional Slavic areas of the country—the Russian Soviet Federated Socialist Republic (RSFSR), the Ukraine, and Belorussia. Although there has been a substantial increase in the population of the USSR as a whole, the rate of growth has varied by republic and even within some areas of republics. Soviet 1979 census figures, when compared to 1940 figures (Figure 2), indicate the extent of this change.

Current birthrates are an indication of how rapidly this population change is likely to continue. The Tadzhik Republic leads the Soviet Union with a birthrate of 37.1 per 1,000 population. The Uzbek and Turkmen Republics are second and third with 34.5 and 34.4 respectively. In contrast, the Slavic areas have a birthrate of only fifteen per 1,000 population (Figure 3).

The 129,000,000 Great Russians, largest of the approximately 100 nationalities of the Soviet Union, are declining steadily as a percentage of the total population. (The internal passports that are issued to Soviet citizens at age sixteen show the individual's nationality, based on his parentage and unrelated to the republic in which he may live.) In 1970, the Great Russians comprised about fifty-three percent of the USSR's population, but by the year 2000 they will be a minority, when compared to the combined population of the other ethnic groups. The next largest groups are the Ukrainians, numbering 41,000,000 or seventeen percent of the total, and the Belorussians with 9,000,000, or about four percent. The Uzbeks, largest of the non-Slavic nationalities, slightly outnumbered the Belorussians in 1970.

The Transcaucasian Republics of Azerbaydzhan, Armenia, and Georgia also have high birthrates, although not as high as Central Asia (Figure 3). In other words, if one were to take 1,000 Soviet citizens in proportion to their numbers of the total population, it is estimated (since the 1979 census figures have not been completely published as yet) that there would now be 520 Russians, 164 Ukrainians, and thirty-seven Belorussians for a total of 721 Slavic nationalities; and forty-six Uzbeks, twenty-five Kazakhs, eleven Tadzhiks, seven each Turkmen and Kirgiz, making a total of ninety-six from Central Asia. Another twenty would be Azerbaydzhanis, seventeen Armenians, and thirteen Georgians, for a total of fifty from the Transcaucasus area. Twenty-one would come from the Baltic nationalities—Estonians, Latvians, and Lithuanians—that were annexed by the Soviet Union during World War II. Other nationalities would constitute the remaining 112 of the hypothetical 1,000, the largest being eleven Moldavians, ten Jews, and twenty-five Tatars.

BIRTHRATE PER 1,000 POPULATION BY UNION REPUBLIC

| | 1940 | 1970 | 1975 |
|---|---|---|---|
| U.S.S.R. (as a whole) | 31.2 | 17.4 | 18.1 |
| Western U.S.S.R.: | | | |
| RSFSR | 33.0 | 14.6 | 15.7 |
| Ukrainian SSR | 27.3 | 15.2 | 15.1 |
| Belorussian SSR | 26.8 | 16.2 | 15.7 |
| Moldavian SSR | 26.6 | 19.4 | 20.7 |
| Baltic Republics: | | | |
| Estonian SSR | 16.1 | 15.8 | 14.9 |
| Latvian SSR | 19.3 | 14.5 | 14.0 |
| Lithuanian SSR | 23.0 | 14.5 | 14.0 |
| Transcaucasian Republics: | | | |
| Azerbaydzhan SSR | 29.4 | 29.2 | 25.1 |
| Georgian SSR | 27.4 | 19.2 | 18.2 |
| Armenian SSR | 41.2 | 22.1 | 22.4 |
| Central Asian Republics: | | | |
| Uzbek SSR | 33.8 | 33.6 | 34.5 |
| Kirgiz SSR | 33.0 | 30.5 | 30.4 |
| Tadzhik SSR | 30.6 | 34.8 | 37.1 |
| Turkmen SSR | 36.9 | 35.2 | 34.4 |
| Kazakh SSR[1] | 40.8 | 23.4 | 24.1 |

[1] Kazakh SSR, because of large migrations into the virgin islands, is now predominantly Russian and is not considered a Central Asian Republic. The birthrate of the remaining Kazakhs is quite high and keeps the republic rate high though not as high as neighboring Uzbekistan, for instance.

### CULTURAL AND LINGUISTIC DIVERSITY

Slavic birthrates have declined for a variety of reasons. They are, for example, the most urbanized of the ethnic groups. Housing has been behind demand, and young married couples often face years of living either with in-laws or in a single room without kitchen or bath. Wives are expected to work, and short maternity leaves are the rule. While most married couples plan a family, a single child, or at the most two, is the pattern. The Baltic Republics are much the same, although they have a larger percentage of older people which brings down the birthrate per thousand.

Lumping the Slavic nationalities together does not signify that there are no strong antagonisms among them. Their languages are different, for example, even though they have little difficulty understanding each other. The 1970 census showed that only thirty-six percent of the Ukrainians and forty-nine percent of the Byelorussians claimed to speak Russian fluently. A recent emigré, being interviewed on television after landing at Kennedy International Airport in New York, corrected the reporter who called him a Russian. "I am a Ukrainian," he said very firmly, "not a Russian."

There is even less in common between Great Russians and Central Asians who have a Turkic or Iranian cultural background and are still predominantly rural. Children are considered an asset on the *kolkhozes*. The climate is mild, without the long winters characteristic of most of the country. There is a strong family tradition with youthful marriages.

According to the 1970 census, less than twenty percent of Central Asians claimed to have a good command of the Russian language. In the Transcaucasian Republic's, only thirty percent of the Armenians, twenty percent of the Georgians, and sixteen percent of the Azerbaydzhanis are fluent in Russian. It should be noted, however, that fluency was judged purely on the basis of the response given the census taker.

A higher percentage of young people may have learned Russian, however. In 1964, the Supreme Soviet directed the non-Russian-speaking republics to improve the teaching of Russian to prepare youths for military service. Those who had already finished school and were expected to be called up for service were to study Russian in classes at their place of employment.

During World War II, the Soviet leadership was concerned about the loyalty of many minority groups. Party Secretary Nikita Khrushchev, in his secret speech to the 20th Party Congress in 1956 lifted the lid slightly to disclose what had happened during the war years:

"Thus, already at the end of 1943, when there occurred a permanent breakthrough at the fronts of the Great Patriotic War benefiting the Soviet Union, a decision was taken and executed concerning the deportation of all the Karachai from the lands on which they lived. In the same period, at the end of December 1943, the same lot befell the whole population of the Autonomous Kalmyk Republic. In March 1944 all the Chechen and Ingush people were deported and the Chechen and Ingush Autonomous Republic was liquidated. In April 1944, all Balkars were deported to faraway places from the territory of the Kabardino-Balkar Autonomous Republic and the Republic itself was renamed the Autonomous Kabardin Republic. The Ukrainians avoided meeting this fate only because there were too many of them and there was no place to which to deport them. Otherwise, Stalin would have deported them also."

At the same time, Hitler's invasion of western Soviet territory resulted in moving many factories to Central Asia, along with a great many workers. The Russian population in Kazakhstan became so large that Kazakhs are now a minority in their own republic, which is no longer considered part of Central Asia. In the 1950s, the Kazakhstan area became the site of test ranges and other facilities for the Soviet missile and space programs. Trouble in China in the 1960s increased the military significance of the region still further, and in 1969 the Central Asian Military District was established with headquarters at Alma-Ata, capital of Kazakhstan.

### MINORITIES AND THE ARMED FORCES

Higher military schools, which accept kursants (cadets) at ages seventeen to twenty-two for four- or five-year courses, are located throughout Central Asia. For example, Tashkent has a higher combined arms school and a higher tank command school; a higher military automotive command school is located at Samarkand. Entrance requirements for higher military schools are strict, and candidates are required to have a thorough knowledge of the Russian language. There are similar higher military schools in the Transcaucasian republics. The Russian language requirement makes it difficult for a non-Slavic speaking youth to become a regular officer.

By far the majority of the senior Soviet officers are Slavs, primarily Great Russians. There have been a few token generals and marshals from among the Soviet minorities, usually from Georgia or Armenia. There is an effort to recruit the minorities, however, with the most prestigious of the Ground Forces schools—the Moscow Combined Arms School—boasting of the many nationalities among its cadets. Several minority officers have excelled in flying and some have become famous test pilots. Reaching a high command position, however, is another matter.

The lack of minority generals can also be traced to the policy followed from 1917 through World War II of having formations of national units. In the Civil War there were Ukrainian divisions, Byelorussian formations, Latvian, Estonian, and Bashkir regiments and divisions. These were disbanded after the war. In World War II, cavalry divisions were formed from some of the minority groups in which men were noted for their horsemanship. There were also Georgian, Turkestan, Armenian, and Azerbaydzhan mountain rifle divisions. In the middle of the 1950s, the concept of national units was replaced by carefully integrated units comprised of all nationalities. But there was no place for senior minority officers, with limited professional backgrounds, in these new units.

In the early days of Soviet rule, non-Russian political and military leaders had played key roles. Stalin himself was a Georgian and many other Party leaders during the 1920s and 1930s, such as Ordzhonikidze, Mikoyan, and Beria, were non-Russians. Frunze, Triandafillov, Uborevich, Alksnis, and Trotsky—all major military leaders in the 1920s—were from minority nationalities. In an effort to portray the Soviet Union as a contented multinational state, Soviet leaders have gone to some lengths to glorify war heroes of the various national origins. Local museums display the uniforms of dead heroes, and statues are erected to remind the youth of their glory.

However, during World War II, nine out of ten recipients of the highest Soviet decoration, "Hero of the Soviet Union," were Slavs—Russians, Ukrainians, or Byelorussians—although these nationalities made up only three-quarters of the Soviet population at that time.

### IMPACT OF THE CHANGING DEMOGRAPHIC STRUCTURE

By 1984, an estimated one-third of the youth entering the work force and the Soviet Armed Forces will be from non-Slavic areas, primarily Ceneral Asia and the Transcaucasus. The age-group structure shown in Figure 4 will have a considerable impact in the future. In 1970, less than thirty percent of the population of the USSR was under fourteen years of age, but in Central Asia forty-one percent to forty-six percent was in this age group. For the Soviet Union as a whole the fifteen to fifty-nine age group, considered the labor pool, made up about sixty percent of the population. But in Central Asia the labor pool was about the same size as the group under fourteen.

It may be difficult for the Soviet leadership to expand the industrial and agricultural base in these regions to provide jobs for the flood of young people who will be entering the labor pool. Agricultural land is limited, and poor irrigation methods in the past have resulted in leaching thousands of acres. Years of expensive desalinization will be needed before these lands will become productive, if ever. The Transcaucasus areas will have as much difficulty in expanding agriculture and industrial facilities as Central Asia.

In Siberia and the Far East there are many areas to which Kremlin planners would like to move more people. Despite the inducements offered by the Party, from higher pay to extended vacations, few people are willing to establish permanent residence in these regions. The population surplus that will soon exist in Central Asia and the Transcaucasus probably would have no greater desire to live in these harsh climatic areas than do the Slavic groups in the Western part of the USSR.

The changing demographic structure may lead to significant political problems. Many of the people in Central Asia and the Transcaucasus are Moslems. To what degree the Soviet leadership has succeeded in turning the young Moslems away from their religion and way of life is not known. Many of the Moslem nationalities were badly treated throughout the 1930s, and during World War II. With this background of smouldering resentment, a major Moslem revival on the southern borders of the USSR could have an effect on the loyalty of Moslem peoples in the Soviet Union.

With respect to the Armed Forces, the years beginning in 1982 and lasting for the following decade will find the entire Soviet military manpower structure undergoing a drastic change. Of the eighteen-year-olds now eligible for compulsory military service, one out of five is a non-Slav. By 1984, every third Soviet soldier will be a non-Slav. The situation will not begin to change until the year 2000. After the turn of the century there may be a brief period of reversal as the children of the peak years of 1976 and 1978 marry and have children. It is possible, however, that birthrates among some of the non-Slavic nationalities may decline as they become more urbanized.

Another possible problem for the Kremlin may be generated by its support of national-liberation movements and wars. Soviet writing, from the Party Secretary's speeches, the Congresses, and daily newspapers, stress Soviet encouragement of national-liberation struggles in distant areas as a sacred duty of the Soviet people. Today, the Soviet Union remains the world's largest colonial power. If national-liberation movements are good groups outside of the USSR, why are they not also good for the nationalities that have been absorbed by the USSR?

AGE-GROUP STRUCTURE (1970 CENSUS)

[In percent]

| | Under 14 | 15–59 | Over 60 |
|---|---|---|---|
| U.S.S.R. (as a whole) | 29.0 | 59.2 | 11.8 |
| Western U.S.S.R.: | | | |
| RSFSR | 26.5 | 61.6 | 11.9 |
| Ukrainian SSR | 24.9 | 61.2 | 13.9 |
| Belorussian SSR | 29.0 | 57.9 | 13.1 |
| Moldavian SSR | 32.2 | 58.1 | 9.7 |
| Baltic Republics: | | | |
| Estonian SSR | 22.1 | 61.1 | 16.8 |
| Latvian SSR | 21.6 | 61.1 | 17.3 |
| Lithuanian SSR | 27.0 | 58.0 | 15.0 |
| Transcaucasian Republics: | | | |
| Azerbaydzhan SSR | 44.1 | 47.9 | 8.0 |
| Georgian SSR | 30.6 | 57.5 | 11.9 |
| Armenian SSR | 39.2 | 52.5 | 8.3 |
| Central Asian Republics: | | | |
| Uzbek SSR | 45.1 | 46.2 | 8.7 |
| Kirgiz SSR | 41.7 | 49.4 | 8.9 |
| Tadzhik SSR | 46.6 | 45.9 | 7.5 |
| Turkmen SSR | 44.9 | 47.9 | 7.2 |
| Kazakh SSR | 37.5 | 54.2 | 8.3 |

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## MORE ON CAMBODIA

## HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. SIMON. Mr. Speaker, recently, a group of five representatives of the American Friends Service Committee visited Cambodia. They came away shaken by their view of what appears to be a country on the verge of extinction. We have a tendency to view problems outside of our borders in global terms, often forgetting that we are talking about the lives and futures of millions of people. The political problem in Cambodia is not an easy one and we should continue to do what we can to participate in resolving the internal political problems. While this dialog continues, however, we must not allow the lack of resolution to keep us from providing humanitarian assistance that is so desperately needed. On October 17, James Matlack, a member of the AFSC delegation wrote at length about his journey through Cambodia in the Christian Science Monitor. I am inserting this article in the RECORD, as it makes the case for U.S. action on aid even more imperative. I applaud the President for his recent decision to begin sending U.S. aid to Cambodia and I hope that my colleagues will follow his lead and get the ball moving to ward off the possibe death of millions of people through starvation:

The article follows:

### CAMBODIA: A RACE AGAINST TRAGEDY

(NOTE.—There is still time to avert yet another Cambodian tragedy, and the world is responding to the desperate need for food. But already the nation has been devastated by war, tyranny, and famine, as witnessed by an American just back from a visit to the country.)

(By James Matlack)

None of the photographs or stories about current conditions in Cambodia (Kampuchea) fully prepare the visitor to face the reality, the human tragedy encountered there.

It is a shattering experience to travel through a major city with no more population than a country town; to see countless drawn faces of hungry people and malnourished children so weak that they cannot cry; to hear the gentle voices of surviving Cambodians convey repeated tales of horror and suffering, patiently explaining how the immediate members of their family died or disappeared.

Cambodia hardly exists as a functioning nation. Remnants of a devastated people are struggling to reestablish the rudiments of a government and coherent social order even as they face widespread starvation.

As our group of five Americans representing the American Friends Service Committee drove into Phnom Penh from Pochentong Airport last month, we noticed that most buildings looked deserted, many were damaged, and the trickle of people on foot and bicycle seemed to live elsewhere. We passed half a dozen derelict gas stations that looked as if they had been consciously dismantled.

Approaching Phnom Penh, a striking row of high-rise buildings that had been the university were deserted and partially ransacked. Schools and hospitals were closed under Pol Pot. Only a few primary schools have been reopened in the city.

Downtown Phnom Penh was eerie and depressing. We drove through empty canyons of high-rise buildings along broad boulevards with only as many people in view as might be found on a country road. Some families were camping in first-floor rooms but upper floors were untenanted. Whole side streets seemed desolate with trees down and rubbish mounds along the curbs.

The wide plaza in front of the railroad station was vacant every time we passed through it over two days. The central market, which had been a crowded scene of buying and selling before 1975, had only 10 or 12 sellers with meager stocks and no visible customers.

At the old Hotel Royal a dozen cows were grazing on the median strip in front of the building. The hotel itself functioned in skeletal fashion for a few international guests. Water and electricity usually worked but rarely at the same time.

Outside the hotel an impressive marble library next door looked unused, with half the books scattered on the floor. Someone had tried to grow vegetables in part of the otherwise weed-filled front yard. A four-story high school nearby was empty. Several villas were deserted with heavily overgrown trees and plants choking sidewalks and blocking driveways. Some families were living on the second floor of the old Cercle Sportif—the sports club. One of the two largest Catholic churches in the city once stood across the street from the Hotel Royal; now not a stone or foundation block remains on the flat, barren field.

The Cambodian foreign ministry sent two young women to be our interpreter-guides. Their main qualification was prior study of English and French, a fact that they had successfully hidden through years of work as peasants under Pol Pot. Knowledge of a foreign language usually brought a death sentence.

Both women told of experiences common to nearly everyone with whom we talked. They were driven out of the city immediately after the Khmer Rouge victory, forced into the fields to grow rice under the most primitive conditions—heavy labor, one meal and five hours sleep a day, no food for those too ill or too weak to work. Casual or calculated killings were frequent. Whole families would be taken away and bludgeoned to death (bullets were costly) and the blood-soaked clothes brought back for others to wear.

"In our village we lived without hope and waited for death," Mrs. Ek Preney told us. Many of those who survived until last January were killed when they refused to flee with the Pol Pot cadres as the "liberation" forces of Heng Samrin and Vietnamese troops approached.

Our group visited Phnom Penh's sole orphanage. Three months after opening it had 539 children quartered in a former high school. Only 26 of them were five years old or less, compared with 332 in the 11 to 15 bracket—clear indication that the years under Pol Pot had been most lethal to the youngest Cambodians.

The orphanage provided basic medical care and food supplemented by vitamins and milk powder from the United Nations Children's Fund (UNICEF). The kids were often too weak to sit up when they arrived. But most we saw were reasonably healthy and responsive although very thin.

We were briefed by Chau Sa, the staff member who spoke English best and who had been a teacher during the Lon Nol years. Back in April, 1975, Sa had celebrated his son's first birthday—and the next day carried his son and aided his wife as they were driven out of Phnom Penh into the countryside. They walked 90 kilometers in 20 days. After arriving in a rural village in Prey Veng Province he was imprisoned for five months. Most of his associates from the city died but he survived and rejoined his family. For the next three years he worked as a peasant, especially making fertilizer.

His whole village was forced to move halfway across Cambodia to the west in 1978. Many more died on this trek or were later killed by the teen-aged cadre who ruled the lives of the people with absolute power. Whole village groups were executed. Sa told of seeing a killing ground where several thousand persons had been beaten to death. He and his wife survived until liberation but their child did not. Sa was an exception among those we talked to in having his spouse alive. We were given an estimate that 70 percent of the women between 19 and 35 who had been married were now widows.

Walking through the orphanage was both heart-rendering and encouraging. The affection and caring of the staff were abundantly shown. Many children smiled, reached out for our hands, were strong enough to cling to our legs and walk with us. They seemed so small and spindly, however. New arrivals were in more critical condition. Still, they were fortunate in being in one of the few settings receiving direct aid from UNICEF and the Red Cross. At the end of the tour we spoke with the vice-director and learned that her husband, a former university professor, and 11 out of 14 of her immediate family had died during the Pol Pot years.

From a scene of moderate liveliness we went to one of appalling slaughter and stillness.

Toul Sleng had been one of the top French schools in Phnom Penh. After the Pol Pot takeover it became a prison for political suspects, a center for torture and execution. Guides told us that 20,000 people died here. Four high-rise rectangular concrete buildings formed three sides of what had been a spacious lawn and compound. It was now ragged and overgrown.

The first block had high-ranking political prisoners, one to a room. Each had been shackled naked to a bare cot frame. Various devices for beating and torture were on display, as were photographs of the 14 corpses found chained to beds in this wing after the guards had fled.

The second and third blocks had barbed wire mesh over their whole facade. Each former classroom here had been subdivided into many small cells, usually 2 feet 6 inches by 7 feet long, into which ordinary prisoners had been jammed. Absolute silence had been required. There was one meal a day.

The most harrowing displays were in a central section of Toul Sleng. The keepers of this charnel house worked methodically. They kept careful records of names, backgrounds, dates of execution. Thousands of documents were recovered. Some of the lists were enlarged and posted. On Oct. 15, 1977, for example, 418 persons had been killed. The long tallies of those who had perished—professional people, technicians, diplomats, students, persons tainted by foreign exposure—indicated the mad, xenophobic mood of the Pol Pot regime. Students who returned from abroad were consistently killed, not only those who had been in the West but ones coming back from Russia, Cuba, and Vietnam as well.

Along with the lists were photographs. Most of the victims in Toul Sleng had a mugshot. These pictures literally covered whole walls in row upon row of solemn faces. Many in the photographs were Pol Pot cadre rather than Lon Nol technicians or students with foreign contamination. The regime purged and purged in a self-devouring quest for purity or, at least, lack of political opposition.

We saw workshop areas where the prisoners melted down metal artifacts in order to cast busts of Pol Pot. In one room was a pile of ragged prisoner clothing 15 feet high. They led us out in back of the compound to see excavated grave sites with jumbled piles of broken skeletons. The overall experience was for our time nearest to a tour of Auschwitz or Dachau a generation ago.

Among the guides at Toul Sleng was one of the four known survivors. Mr. Ing Pesch escaped in the turmoil of the Vietnamese-backed "liberation" as the last prisoners were marched under guard out of Phnom Penh. The nails on the thumb and middle finger of his right hand had been pulled out. He apologized for not remembering all details because his skull had been beaten so often. The rest of his family were dead.

Another guide had come back from Paris in 1977. He found Phnom Penh frighteningly quiet. The dozen students who returned with him to serve the new nation all perished. He commented that the people preferred socialism but not sadistic killers as leaders. The manager of the prison site, Mrs. Pen En, lost her husband and three children. We left Toul Sleng in stunned silence.

There is no currency in Cambodia. Rice is the medium of exchange. Barter and scavenging are common. For those who work a salary is only the weekly ration of rice, already scant, which must be further reduced to trade for other necessities and to share with family dependents who have no job. Many Cambodians are too weak to do hard physical labor. Most machines and vehicles are broken or unuseable.

In Kampong Speu, a provincial town about 20 miles southwest of Phnom Penh, few vehicles were visible other than bikes and carts. Occasional trucks seemed to serve as buses with a mass of people and freight piled on. Roadside buildings were mostly damaged and derelict. Only a few stands or bike repair shops were evident, except for a more sizable market area at a crossroads. Some rice was planted.

With a local official we drove to what had been the center of town. Eight months earlier the retreating Pol Pot forces had blown up their ammunition stored in the main buildings and leveled the area for a radius of 100 yards. Ragged crates 15 feet deep and muddy mounds covered with fragments of concrete were all that remained. The ground was strewn with howitzer shells and casings, mortar shells, and machine gun and rifle bullets. An old gas station on the perimeter of the blast zone was half blown away by the shock waves. Most structures now were made of thatch.

We drove on to the provincial hospital. It served a population of perhaps 300,000. There were 485 patients but only 200 beds and no medical doctor. Thirteen staff members had some training as nurses. A tour of the hospital showed a total supply of medicines on hand that was less than the office stocks of the average American physican.

Beside the hospital a thatch structure to house orphans had been put up—the only other known orphanage beside the one in Phnom Penh.

On 12 bed frames covered with straw matting were gathered 92 parentless children up to 13 years of age, though none looked larger than an American six-year-old. Sad faces and hollow gazes turned toward me when I entered. The huddled mass of spindly kids were quiet, however. Only one child in the ward cried fitfully, with barely enough energy to make a whimpering noise.

As I left, a mother and child stood in the sunlight. The boy she held had sticklike arms and legs and a distended belly. The otherwise gaunt mother had so large a bulge that we asked if she were preganant. We were told that her stomach was swollen because she had eaten only grass and banana leaves for five days en route to the hospital.

Our last trip through Phnom Penh was as unsettling as the first. No quick adjustment is possible to the scarcity of people in the urban landscape, to the breakdown of all normal systems in a modern city. At the bridge on our way by car out of the city a strict checkpoint was patroled by soldiers. A stream of people walked and biked over the bridge, many carrying scavenged furniture or artifacts or, occasionally, some food from the country. At the far end of the bridge was the largest crowd of people we saw anywhere in the country. They were living in shacks and under tarps waiting to be cleared for entry into the city. The authorities permitted only those with a job or needed skills into Phnom Penh, keeping a growing mass of others at the perimeter.

Route I heading east from Phnom Penh toward Vietnam was tolerable for 20 miles, then became became rough, pitted, potholed, and virtually worn away in some sections. Especially toward the border it had been fought over so often and so little repaired that we slowed almost to a standstill to negotiate one hole after another.

Some people were almost always in view as we drove for six hours to the Vietnamese border but there were few concentrations apart from Phnom Penh, Neak Luong, Kampong Trabak, Svay Rieng, and several villages that seemed well re-established. Some farm animals and modest rice cultivation could be seen at many points along the road but far more land was unplanted even where the old dike lines indicated prior cultivation. Ed Snyder in our delegation had travelled this road 10 years earlier. The contrast from lush, fertile, and busy to its current sparse and battered look was as extreme as the near-emptiness of Phnom Penh compared to its former crowds and bustle.

After two hours we came to the ferry crossing over the Mekong River at Neak Luong. This important transportation center had been bombed by American B-52s in the early 1970s. The heart of the town on the far shore still showed the devastation of the bomb patterns.

We had to wait half an hour for the ferry. A crowd gathered around us. I fell into slow conversation in rustry French with a man who turned out to be the manager of the ferry operation. Although he looked like a tired teen-ager, he was 40 years old and had lived most of his life in Neak Luong. He had been wounded by American bombing. The same terrible tale emerged of his experiences in the Pol Pot years. Driven to rural areas, he had worked in fields and forests, trying to sustain life on a handful of rice a day. Conditions had been "la plus difficile." Many died. The rest of his family was gone, some killed specifically because they held office under the American-backed Lon Nol government.

My companion estimated that 50 percent of the population of the Neak Luong region had died and another 30 percent had disappeared between 1975 and 1979. With soft pleading he explained that they needed food, medicine, seeds, vehicles, everything.●

## WHAT IS AHEAD FOR OUR ECONOMY?

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## HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. LENT. Mr. Speaker, I wish to draw the attention of my colleagues to a most thoughtful discussion of our economic and energy problems by Mr. David Rockefeller, chairman of the board of Chase Manhattan Bank. In a wide-ranging interview in the October 22 issue of U.S. News & World Report, Mr. Rockefeller provides us with a most comprehensive and instructive analysis of the reasons for the problems we are facing in our economy—domestic and international—and in the energy field.

I was particularly interested in Mr. Rockefeller's discussion of the weakening position of American business and industry in competing with other industrial nations of the world. His words demonstrate with great clarity and force the great need for more investment in new plants and equipment in the United States. A number of us in the U.S. Congress have been working for legislation to achieve that sort of an investment program. I would hope that this powerful argument from Mr. Rockefeller will encourage the Congress to revise our tax laws to encourage the greater productivity our economy needs so desperately. Such a change would benefit every American.

Mr. Speaker, I urge my colleagues to give careful study to Mr. Rockefeller's views in the full text of the U.S. News & World Report interview below:

### RECESSION: "NOT VERY DEEP OR VERY LONG"

(Interview With David Rockefeller)

Q. Mr. Rockefeller, how long and deep do you think the recession will be?

A. On the assumption that we're not going to see another wave of massive oil-price increases—which is a big assumption, but I think is the most likely one—the recession will not need to be very deep or very long.

The best estimate of our economists is that it should not be as deep as the '74-75 recession, and that by the middle of next year we will be seeing the economy working out of the recession.

Q. Do you see the recession becoming worldwide?

A. Up to this point, the United States has had a slowdown sooner than other parts of the world—most notably Europe and Japan. However, I think the recent round of oil-price increases is beginning to have its effect there, too.

Although the expansionary period in Europe and Japan may continue somewhat longer, in all probability we will see a recession pretty much on a worldwide basis toward the end of this year.

Q. What about the Third World countries, which apparently will be hit the worst by the oil prices?

A. They're going to have some difficult times—particularly the ones that don't have resources that they can sell in world markets at prices that have increased as oil has.

Q. Because of the threat of deeper recession plus our persistent inflation, the dollar has been very shaky lately. How do you see the outlook for it?

A. The strength or weakness of the dollar depends very largely on how people who hold dollars perceive the country and its management.

Over the past several weeks, the dollar had been under pressure largely because people have been concerned as to whether the government was going to get inflation under control and whether the energy program was going to be a meaningful and successful one.

The recent decisions by the Federal Reserve relating to monetary policy should have an impact in relieving inflation. Implementing an effective energy policy and adopting appropriate fiscal policies are also crucial steps.

Q. Some have been saying that the high price of gold should not be taken as a reflection on the strength of the dollar. Is that an accurate assessment?

A. That's probably too strong a statement. Up until, say, a year ago, the weakness of the dollar could be measured almost in direct proportion to the strength of gold.

The two have become detached to some extent in the last year, partly because a lot of people—especially individuals who have gotten a lot of money in the Middle East in the last several years—have determined that they would like to diversify their holdings and have been buying gold. That isn't unrelated to the perception of the dollar, but it is not quite the same as it was a couple of years ago.

Q. Will the dollar continue as the reserve currency for the world? Or does it face the same fate as sterling, which declined in importance after World War II?

A. The strength of the U.S. economy is still so great that, in my judgment, the dollar will continue to be the leading currency of the world, but not to the same extent as in the past.

One sees a gradual shifting away—diversification on the part of central banks and other holders of large reserves and currencies—a gradual move of some percentage of reserves out of dollars and into, for example, deutsche marks, yen and Swiss francs, particularly. Of course, the International Monetary Fund's Special Drawing Rights—the SDR's—are beginning to play a more significant role, too.

Q. Taking account of the pessimistic view of the dollar, gold, the U.S. in the world, are there any positive signs that U.S. goods will become more competitive?

We still have that capability. But we have done more than anybody else to weaken our competitive position—partly through lack of attention to the strength of the dollar, partly because of all of the government regulations which have added enormously to the cost of doing business, and partly because of our tax and other laws which have not encouraged investment in capital goods, research and development, and greater productivity.

It's shocking that, for the past decade, Japan and Germany have been investing roughly a third of their gross national product in new plant and equipment, and have, as a result, increased their productivity at a very rapid rate.

The United States and the United Kingdom, on the other hand, have been investing less than 20 percent of their GNP during the same period.

Productivity has responded as one might expect and has been almost flat. Clearly, this is one of the most important reasons why U.S. goods are less competitive today than they used to be. It will take time to change that, but it could be changed if we pass laws which stimulate investment.

Q. When you assess reasons for inflation, how much are higher oil prices to blame?

A. When energy costs rise, they inevitably have an impact on the price of virtually everything. That isn't the only cause of inflation, of course.

For one thing, we are trying too much to deal with the problem of distribution of income—distributing income simply by printing more dollars. That helps cause inflation. We need to improve productivity, but the answer is not to just pump out more dollars. The answer is to spend more money on plant and equipment and reduce the costs of production.

Q. How much price gouging is going on? Do you think that is also contributing to inflation?

A. When you say "price gouging," I suppose you mean charging prices which are far in excess of normal profit margins and unjustified by costs.

There must be individual cases where it's happened, but I haven't seen indications of that being a general problem.

Q. Let's take banks. Your critics think that banks are gouging when the prime rate hits, say, 14½ percent while savings accounts pay only 5¼ to 5½. How do you explain that spread?

A. The key thing to remember about the prime rate—which is the lowest rate that we give to our prime customers, who are mostly corporations—is that we have to buy most of the money we lend these customers.

When I joined Chase 33 years ago, 85 percent of our funds came from demand deposits or savings. Today the reverse is true—85 percent of our funds come from bought money, from certificates of deposit which are bought in the market, from federal funds, from Eurodollars. The rates on those public short-term money markets are determined to a large extent by the policies of the Federal Reserve Board.

As you know, since Chairman Paul Volcker came in he has taken a much more aggressive stand on tightening our monetary policy, with the result that short-term interest rates—which are the ones that affect us—have gone up very rapidly.

At one point, we were paying 12.95 percent at the margin—that is, for new funds that we were bringing in to make loans—and charging 13 percent. Clearly, you could not go on that way very long. It was inevitable that the prime rate would go up again, and it did.

As a result of the steps the Fed took on October 6, we have paid an excess of 15 percent at the margin, and the prime increased again.

In point of fact, over the past several years the problem the banks have had is to generate enough earnings so that they could build their capital base in order to make the loans that they needed to make.

Q. Would you favor removal of government ceilings on interest rates on savings deposits?

A. Yes. The argument used in the past was that the savings banks and savings and loan associations couldn't afford to raise the price because they don't get enough in earnings. I have some questions about that.

They're given broader powers to do other things. I don't see why they couldn't afford to pay more, just as the commercial banks do. So, over a period of time, I would be happy to see all of these ceilings and restrictions removed.

Q. Is the very high cost of money going to deepen and lengthen the recession? It's like walking a tightrope, isn't it?

A. You put it very well. It is like walking a tightrope, and, clearly, it can be carried too far. One of the problems is that you never can be quite sure—with a tightrope you know when you've fallen off—but with something like interest rates, the impact on the economy is often delayed 3, 4 or even 6 months. Therefore, you have to be awfully sensitive to timing to know just how far this should go.

One of the things that gives me courage about having Paul Volcker in his present post is that there's no one more knowledgeable about these things than he is.

Q. You mentioned that Volcker was moving aggressively. Is he moving too aggressively?

A. Time will tell. I think his feeling was that the increase in inflationary pressures had been building up so much that, unless one dealt with it quickly and decisively, it would keep on going and would get so much momentum that you would have had to have taken much more serious steps later on.

Q. Money isn't really very tight right now, is it? It's expensive, but it's not scarce—

A. That is a fair statement. In that respect, there is a marked difference between now and 1974 when, through browbeating, the government merely put an effective ceiling on the prime rate. That led to a tremendous flood of borrowing and a very serious credit crunch. I'm sure that it's less costly to the country to allow interest rates to find their natural market level than to artificially place a ceiling on them.

Q. On energy, what does this country have to do to get its house in order?

A. The theory is very simple. We need to curtail consumption and expand production. That's been true for a long time. If we had resorted sooner to the market mechanisms on both sides, we would be a lot better off today than we are. We in this country are still paying less than half of what most countries are for gasoline. Yet we're the wealthiest country in the world.

In my mind, it does not make sense for the government to subsidize, in effect, a rate that is not a market rate for gasoline. If it's determined that there should be some way of assisting people who haven't adequate incomes to pay the higher fuel prices, there are other ways of dealing with that. But I don't think it should be done through arbitrary regulation of the price.

By the same token, I don't think it makes sense to regulate the price of crude oil or natural gas. I was very relieved that the President finally came to that conclusion and announced a program in that direction.

The best proof that this is right is what's happened in natural gas. The very drastic price lid that was on it for so many years was partly removed, and production in the United States has increased.

Q. Does that mean you're willing to accept the boost in prices that oil deregulation will bring?

A. It will have some inflationary effect. But I think that very rapidly it will increase production. At some point, you're going to have to pay that price.

Q. Oil is not the only answer to our long-range problem. What should we do about developing nuclear power?

A. I do not feel we should back off from it. We are not going to be able to avoid a major energy crisis in this country if we do not make substantially more use of both coal and nuclear energy in the next several years.

It's quite clear that we're going to have to continue to use oil and gas on as large a scale as we can, and can afford. But in the interim between now and the time that sources such as solar power can be developed on an economic basis, I see no alternatives to coal and nuclear energy.

I think we should examine the findings of the Kemeny Commission, which is studying the Three Mile Island accident, and take whatever steps to safeguard use of nuclear power that it feels are necessary and desirable, of course.

While there are risks to everything, I think the risks of massive unemployment and massive social unrest that would come from a real shortage of energy are at least as great as the unknown risks of nuclear accidents.

Q. What about rapid development of big synthetic-fuels programs? Are they an answer?

A. I'm sure that there is potential there that ought to be explored. Obviously, a certain amount of lead time is necessary.

Government could assist by eliminating some of the potential red tape associated with "synfuel" development. A private-sector approach seems to me to be the most feasible.

Q. Considering the enormous capital needed for expansion by the oil industry, can it raise this money—particularly with the "windfall profits" tax hanging over its head?

A. I have some grave reservations about the windfall-profits tax, and question whether that really is in the interest of our developing our energy sources in the most efficient way.

I think that, while fully recognizing the importance of maintaining environmental quality, we've got to re-examine the trade-offs between total elimination of air or water pollution and the need for more energy.

One of the things that strikes me is that, typically, in the process of dealing with any of these problems—whether it be air pollution or water pollution, or increasing the number of miles you get from a gallon of gasoline—you can accomplish maybe 80 or 90 percent of what you want to do at a relatively acceptable cost. But to deal with the last 10 or 20 percent would be astronomically expensive.

I don't think we can afford that last little bit, and I don't think that those trade-offs have been examined adequately. This is one of the areas that we have to look into very carefully in the future.

Q. People around the country don't seem to like big oil companies. They think the companies are gouging them. How do you defend the oil companies? What would they do with their profits if there is no windfall-profits tax?

A. In the first place, the very term windfall profits is a bit of a red herring. I don't think anybody really knows what is meant by a windfall profit. If you examine the oil companies' earnings in relation to their capital over the last decade, you'd find that their return on investment has been somewhat lower than the industrial average.

Individual companies, in an individual year, might have had exceptionally high profits. But the average have not been that high. My own feeling has been that the important thing was to make sure that they used the profits to explore for added sources of supply, and to develop new plants and equipment.

One of the shocking things to me is that there hasn't been a major refinery built in the United States for something like 25 or 30 years, because the terms and regulations in this country are so unfavorable for it. Now, if there is a problem, it would not be unreasonable to say that a tax could be applied on funds that were not reinvested for specified purposes.

Q. Would you prevent oil companies from using their earnings to buy a Montgomery Ward or a Chase Bank or a Sears, Roebuck?

A. I don't personally feel there's anything immoral about an oil company diversifying into other areas if it's in the interest of the shareholders. But at the moment, I can understand that it would be unfortunate to have them do it, because it would appear that they were diverting resources that ought to be building the industry.

I do think that the American public has been misled into believing that the oil companies are somehow amassing huge profits that are being siphoned off for some unknown and evil purpose.

It's quite clear that the Securities and Exchange Commission and the modern accounting industry would not permit that to happen. It's not possible for a large corporation to spend money that way.

Q. Back on the subject of gold: Do you think that the U.S. government should sell more of its gold to take advantage of very high prices?

A. My inclination would be to hold back a bit until we see how the market settles down. I did not oppose the Treasury's present system for selling gold when it was originally suggested. But under present conditions, where there is almost an atmosphere of crisis in gold, I'm a little less convinced that it would be good for us to be selling more. It may give a wrong signal to the world.

Q. Was it a mistake for us to try to demonetize gold—try to end its role as a money asset? Should we abandon that effort?

A. I don't think so. The international monetary system has become so complex and so big that to try to tie ourselves to a metal which exists in limited quantities does not make sense.

I don't favor trying to get rid of it immediately from the reserves of the world. But the program that our government and many others have been pursuing for the last several years of gradually de-emphasizing gold as a primary reserve is a sound one, and over time that will happen. This current flurry in the price of gold doesn't really change the fundamentals.●

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## HMONG REFUGEES IN SOUTHEAST ASIA

## HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. DOWNEY. Mr. Speaker, during my recent visit with a congressional delegation to the refugee camps of Southeast Asia I had the opportunity to see firsthand the suffering and extreme hardship being endured by the Hmong people in refugee camps in Thailand. These hill tribes were our allies and friends throughout the long conflict in Vietnam. They suffered terrible losses during the war and after U.S. forces withdrew their suffering continued because they were left with the label of being our allies, which has unfortunately become the mark of death and persecution for so many in Southeast Asia. With the spread of warfare and famine in Cambodia pressing closer every day to the Thai border it becomes even more urgent for us to consider the special plight of these special people. In the past week the press has reported allegations of poison gas being used against the fleeing Hmong, and it is further reported that artillery shells fired from inside Cambodia have killed four refugees in a camp across the border in Thailand. The multitude of difficulties faced by these unfortunate people at the present time is difficult to fully comprehend.

I would like to take this opportunity to insert in the RECORD a statement by Mr. Ogden Williams which outlines the background of this problem. Mr. Williams has spent many years in Southeast Asia, he is intimately familiar with the Hmong people, and I believe he sums up the plight of the Hmong refugees in a way that is extremely convincing in that our attention to this problem is asked not on the basis of emotion but on the strong basis of history and fact.

I commend this statement to my colleague's attention:

### THE PLIGHT OF THE HMONG REFUGEES

(Unequal treatment of America's closest allies)

1. There are now some 70,000 Hmong refugees among the 300,000 total Indochina refugees in Southeast Asia, or 23% of the total. But they received only 2000 "spaces" out of the 14,000 per month accorded by U.S. Immigration for entry to the United States, or 14%. If the Hmong were treated even on a equal basis with other refugees, they would be accorded about 3200 spaces per month.

2. But the Hmong in fact deserve not only equal treatment, but even preferred treatment. Why?

a. They fought for us. Whereas US troops fought for the South Vietnamese in Vietnam, in northern Laos the process was reversed. We enlisted the Hmong to hold northern Laos and deny it to the North Vietnamese invaders. This the Hmong did for thirteen long years, until our Indochina program collapsed in 1975. The Hmong were left holding the bag, after having *per capita* casualties greater than those of the Soviet Union in World War II.

b. They are being exterminated by the Vietnamese and Pathet Lao armies. For the Hmong, the war did not stop in 1975. Cut off from US arms and food, they have been the victims of a well-documented campaign of extermination by several divisions of Vietnamese regulars and Pathet Lao troops, using heavy artillery, Soviet tanks, captured US and Soviet aircraft and poison gas. Tactics included the systematic destruction of Hmong mountain villages, burning of crops and poisoning of water holes. Hmong attempting to flee to Thailand run a gauntlet of forces assigned to their destruction—men, women and children. All this is documented beyond doubt. Among all the Indochina refugees, including ethnic Chinese from Vietnam who leave because of economic pressures, or Cambodian civilians who are caught between contending armies, only the Hmong are systematically hunted down in a deliberate campaign of extermination.

c. Conditions in the Hmong refugee camps are now the worst of all land refugee groups in Thailand. Overcrowding, disease, malnutrition, enforced idleness, and hopeless delays have caused morale to decline sharply. There have been recent suicides. Many Hmong have been living like this for four years, including many who bear combat wounds suffered while fighting the North Vietnamese communists at our behest. This should be a reproach to the American conscience.

3. Because of the lull in arrivals of "boat people" from Vietnam since the Geneva Conference in June, when Hanoi agreed to "turn off the tap"—at least for the time being—the camp populations of "boat people" have declined sharply. Thus in August '79 some 8792 new boat people arrived from Vietnam, but more than 14,000 were resettled in the US and other countries. In September '79 only 7090 boat people arrived in the refugee camps, while more than 21,000 departed for resettlement. Not so with the Hmong. An average of 2500 new refugees arrived each month, with not more than 2000 departing.

4. Why do the Hmong not receive even equal treatment?

Perhaps most important, because the hinge which squeaks loudest gets oiled first. The Hmong have not received the enormous worldwide media coverage accorded to the "boat people". TV cameras cannot cover Hmong families being shot down in the forests of Laos, or even while swimming the Mekong, even though their bodies float by the Thai police posts. Still less do TV cameras or reporters cover the thousands who die of starvation and battle wounds in the mountains of Laos.

Secondly, even though the Hmong fought under CIA control and funding, the fiction is maintained that they were not working for the United States since their salaries were "laundered" through official Hmong intermediaries. Thus even those Hmong refugees who have battle scars are classified as having worked "with" the United States—Category 3, not "for" the United States—Category 2. This means that a Laotian chauffeur or typist who worked at a US installation in Laos gets automatic preference over a Hmong combat veteran.

5. How well do the Hmong do when resettled in the U.S.?

While US resettlement agencies have a policy of avoiding any official "ranking" of refugee groups, privately they will confirm that the Hmong are at the top of the list, because of their innate characteristics. These include a willingness to work at any job available rather than go on relief; honesty and directness which are appreciated by US employers; loyalty, and an enormous appetite for education. Hmong communities thrive in places like Minneapolis, California, Washington, D.C. and the Pacific Northwest. Two Hmong kids in the Tacoma school system have been classified at the "genius" level. They have a reputation for talent and ability in school. They also have a tradition of craftsmanship. Hmong as a group are predominantly honest, brave, hardworking, loyal to the United States and passionately opposed to communist totalitarianism. What else should we require of immigrants?

Action required: Take immediate advantage of the current lull in new arrivals of "boat people" to give higher and well-deserved priority to the Hmong, by doubling the "spaces" allocated to them. Right now, the total US entitlement is 14,000 spaces per month. Of these, 8,000 still go to the "boat people", with only 6,000 for all the land refugees—Hmong, Laotian and Cambodian. Of this 6,000, the Hmong now get only 2,000. The "boat people" quota should be reduced to perhaps 5,000, with 2,000 additional spaces going to Hmong and 1,000 to Cambodians or other land refugees. As a target, all verified Hmong combat veterans, and the dependents, should be moved out of the Thai camps where they have lingered for up to four years, and at the earliest practicable time. America should pay her debts.●

## MORE FAIR HOUSING BILL BACKERS

### HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. EDWARDS of California. Mr. Speaker, the last 2 days, I have shared with my colleagues a few of the names of Leadership Conference on Civil Rights member organizations committed to passage of the Fair Housing Amendments Act of 1979.

The list continues:

B'nai B'rith Women.

Building and Construction Trades Department—AFL–CIO.

Center for Community Change.

Center for National Policy Review.

Church of the Brethren—World Ministries Commission.

Church Women United.

Citizens Lobby for Freedom and Fair Play.

Communication Workers of America.

Congress of Italian-American Organizations, Inc.

Delta Sigma Theta Sorority.

Division of Homeland Ministries—Christian Church (Disciples of Christ).

Episcopal Church—Public Affairs Office.●

## POWER CRISIS

### HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. GORE. Mr. Speaker, not many years ago, the idea of controlled nuclear fusion seemed a distant dream, a wish of grand dimensions and little likelihood of success. Today all that is changed. Today we can say with confidence that the work of laboratories around the world—including our own National Laboratory at Oak Ridge—will make possible a day in which many of us will see the lamps which light this Chamber powered by the force which kindles the stars.

Or, rather, we could confidently say so except for one little problem, a problem so foolish in so many ways that it would be funny were the need for a secure and plentiful energy course not so vital for our Nation's future. The problem? We cannot have controlled fusion without helium, and this Nation is squandering its reserves of helium at an alarming rate.

We will need helium to cool the giant lasers and power the magnets which will generate the fields to contain fusion reactions. We will need liquid helium to cool the reacting core and carry the heat from the chamber to the turbines. But our helium reserves are mixed with natural gas. And therein lies our problem.

Helium can be separated from natural gas by a relatively simple procedure, and today nearly 1 billion cubic feet are extracted and sold each year to be used in jobs as diverse as lifting blimps and filling divers' air tanks. But far more helium is extracted and simply vented into the atmosphere because it cannot be sold or not extracted at all and left in the gas stream to dissipate when the gas is burned for fuel. What goes into the atmosphere is lost to us and what remains is a steadily shrinking pool.

By the beginning of the next century this Nation will have spent more than $15 billion to learn how to build a prototype of a commercial fusion reactor. We will be near the end of the long road toward true energy independence for millenia to come. But at just that time, if we do not change our course, we will be nearing the end of our reserve supply of the helium necessary to let fusion happen. Fifteen billion taxpayer dollars will have been wasted. Worse still, we will have squandered a vital resource, virtually foreclosed a crucial energy technology, and guaranteed the next generation of Americans a power crisis more hopeless and unnecessary than the one we struggle against today.

Beginning with the passage of the Helium Act of 1960, the Federal Government purchased and stockpiled available helium. But in 1973 the Nixon administration quietly terminated the program, calling the termination an economy measure. If ever there was a false economy, this is it.

We can correct that mistake and preserve the possibility of a secure energy future for this Nation. But we must act soon. As many of my colleagues know, the distinguished chairman of the Energy and Power Subcommittee has introduced legislation to establish a Federal helium stockpiling program on a new and sounder basis. I am happy to have the opportunity today to urge my colleagues to join me in support of that effort.

Too often, as we all well know, this House acts only when the crisis is upon us, and too often action taken in the midst of a crisis comes too late to help. Such will be the case with helium. If we wait until the problem has become obvious to all, the solution will be floating unreachable in the atmosphere above our heads. By acting now we can leave the next generation a more secure and stable future. They will not forgive us if we fail.●

## AMY CROFT—OUR CALIFORNIA "SUNSHINE"

### HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. ANDERSON of California. Mr. Speaker, I have been fortunate for many years to count among my friends Amy Croft. Amy has been a "career woman" since long before the term "women's liberation" was coined. She has been a success at most everything she has set her mind to, and she is just one of those people who would also have been a success at those few things that she has not looked into.

Through business, community affairs, and politics, she has certainly had a sustained beneficial effect on life in California. And despite the fact that she is a nonagenarian, she is still active in civic affairs. In a recent letter, Amy told me that, though bedridden during the recent elections, she was active in two of them. And no one who knows Amy should be surprised to learn that they were both winning efforts.

Mr. Speaker, Amy Croft is an amazing woman. Last month, the Palm Desert Post recognized this fact in a rather lengthy article about her. A shorter article could not do her justice. But because "Sunshine," as her father called her, has done so much for the State of California, I wanted to share the article with our colleagues.

AMY CROFT IS THE DESERT'S "SUNSHINE"

(By Mary Higgins)

One Coachella Valley pioneer woman stands out as a dedicated individual with deep beliefs in women's rights. She is not a noisy, demonstrative type of person, marching in parades with signs. Rather she is a individual who quietly goes about the business of setting examples for others to follow. Always sure of her facts, she is never swayed from the goals she has set for civic betterment. Others would do well to study this charming 91-year-old's methods.

Born June 9, 1888 in Columbia, S.C., Amy Ball Croft celebrated her last birthday looking years younger than her actual years. Her keen intellect and wit do not seem to diminish with the passing years. Amy's father had a pet name for her, "Sunshine."

The mercurial quality seems ideally suited to her personality.

The interview with this dynamic little lady was uniquely different in many ways to others in her peer group. She needed no leading questions or prompting as to dates or past events. A constant flow of memories surged about her. It was akin to a deep dive into a pool of nostalgic history.

The Croft home is overflowing with memorabilia, each article a loved token of the past. Rare shells picked up on travels, beautiful antique furniture, scrapbooks of past events (there are 33) figurines in colorful array stand in every available place. The shine of china dwells in harmony with the patina of old silver. Every inch of the wall space is covered with pictures or photographs. The photographs are personal tokens of esteem given to her by famous people, usually in government. Almost all of the photos are of people of the Democratic persuasion. President John Kennedy, John Tunney, Alan Cranston and other notables smile down at you. It is the paramount belief of Amy Croft that the Democratic Party is almost sacred. It is indeed akin to a form of religion with her, her very breath and life.

Amy Croft comes from an interesting and dynamic family. Interest in politics runs in her family. Her grandfather was a United States senator from Kentucky, Richard Burton Carpenter. He also served as a state senator in California for 50 years during the latter part of his life.

Amy's father was George J. Ball, author and conchologist. A runaway horse had thrown him from a buggy, running over him. This was when Amy was two years old, and for the next seven years her father was confined to bed. Amy often took care of her father when her mother was working, and a close bond developed between them. She was not only his part time nurse, but also his confidante and friend. The Ball family had moved from South Carolina to Long Beach when Amy was two. When she was 15 she met and fell in love with John Croft, and married him when she was 16. Of that union five children were born, a boy and four girls. The lineal line now extends to 10 grandchildren, 11 great-grandchildren and 10 great-great-grandchildren. Amy said she hadn't checked the mail that day, and another baby might be added to the list.

Amy Croft has lived alone since the death of her husband in 1955 from a heart attack. He had been an invalid for 10 years. Amy became his inspiration to live, and had been his constant companion and nurse.

The Croft home is a comfortable, rambling, ranch type that once sheltered not only John and Amy but their five children. It was also home to numerous lonely boys who stayed briefly with the family, and were accepted as part of their brood. The home was always a mailstrom of activity, and the needy were never turned away. It was indeed a rare occasion when the Crofts sat down to dinner alone. The Rancho Mirage home has been the place of refuge for Amy for 34 years. She has owned and dwelt in many places in other states as well as California, but this is home.

Amy Croft's mind and heart became entangled in the beauty and quiet of the desert 54 years ago. As an astute real estate woman, she saw the prospects of future development in this great arid land. Just prior to moving to Rancho Mirage the Crofts lived for 24 years in Palm Springs. There they lived under the most primitive conditions in a small, one room cabin. Adequate housing was also almost impossible to get during the early days of Palm Springs. The lucky ones were those having a roof of any description over their heads. Even Nellie Coffman's Desert Inn Hotel and Sanatorium were tent houses during the early days. Therefore when the Crofts heard of a vacant house in Rancho Mirage they immediately took it. The distance to drive to work in Palm Springs meant little to them. They needed a home for their family. The house had been vacant for some time due to legation when the owner died. Vandalism had taken its toll of the property, and the Crofts moved in almost on a caretaker basis. The arrangement was ideal for them. John Croft was a builder and agreed to improve the place in exchange for rent until the courts could decide what to do with the property. Rooms were added, improvements made and a guest house built to accommodate the growing family. When the legal difficulties were resolved, they bought the home. It is still the nucleus for the Croft clan at celebrations and holidays.

Amy Croft tells of an interesting experience that caused her to dedicate her life to the democratic form of government. She was seven years old at the time, and had developed a craving for ice. (To this day she still loves ice.) The old icehouse in Long Beach was a temptation to little Amy and her group of playmates who often slipped off with chunks of purloined ice from the floor. One day the owner saw them and chased them away with loud shouts and salty language. Amy's feelings were hurt, and she ran home to her invalid father. Climbing up on his bed she loudly proclaimed that she hated the ice house owner. "After all," she cried "he was nothing but a bad old Republican!" Amy spat out the word as though it were a filthy epitaph. Her father was amused, and laughed at her whimsical decision. After all, all of the Ball family as well as the Carpenters had always been devoted Republicans. He thought the "Sunshine" would very likely forget and one day become a Republican also. Little did he know the determination of his young daughter. As soon as she was old enough to vote she registered as a Democrat, and has remained one ever since. Today she is one of the most influential Democrats in the Coachella Valley, and has been instrumental in many victories at election time. She also is an important figure statewide.

Amy Croft has so many civic accomplishments that it is impossible to begin to enumerate them all. She has been a part in the formation of many policies, both in local and state politics. Her interests also include educational and cultural fields. Her keen mind found the realm of real estate a challenge early in life. John Croft was a builder and contractor, and the Crofts were a perfect complement to one another, building and selling homes. At one time in her colorful career Amy bought a ranch that was loaded with fig trees. Unassisted (John was working in the desert) she picked and sold the figs, making a neat profit. Then Amy went into the more lucrative business as a restaurant owner. Everything she put her mind to seemed to prosper.

Amy Croft's credits in politics are numerous. She has been a member of the State Central Committee since 1954, a member of the Riverside Democratic Central Committee since 1956, sustaining member of the Democratic National Committee since 1957, vice president of the Riverside Democratic Central Commitee from 1958 to 1959. Mrs. Croft also served as treasurer of the Democratic Central Committee for four years and vice president of the Democratic council from 1956 to 1962.

Perhaps the most noted local civic accomplishment was when Mrs. Croft was a director of Rancho Mirage Chamber of Commerce as chairman of roads and bridges. More than anyone else she was responsible for the decision to build a bridge over the Whitewater Wash at Rio Del Sol Road (now Bob Hope Drive). This diminutive little individual appeared before six members of the Army Corp of Engineers and persuaded them on the necessity of building the bridge over the wash. The occasional floods in that location had necessitated many more miles of travel. It had also caused delays in delivering mail. After Mrs. Croft's impassioned plea for the bridge, the group of engineers were unanimous in their decision to construct a bridge. They were also liberal in their praise, saying that she had done a remarkable job on her homework. Another blow for women's liberation? Hardly—just a streak of light from the remarkable mind of Sunshine.

Amy Croft also led the fight to keep her home when determined people sought the property on a real estate venture. It was proposed that all the homes on Sahara Road be relocated or demolished and be replaced by a high density condominium complex. The fight was a bitter one, but Amy Croft refused to be intimidated. She's a fighter and admits to a bit of a temper. She led the fight against the big monied combine, and they backed down. The Planning Commission refused to grant the request to build the high density complex.

Numerous certificates of merit and plaques for distinguished service to the community are all cherished momentos. There is little that she hasn't received in the way of rewards, all humbly recorded and placed in her home.

Amy Croft, distinguished pioneer citizen will forever live in the memories of all whose life she has touched. Her white hair, gold dress and shoes give her a fitting regal bearing. Indeed she is a queen of power and energy. Small wonder that she received the Rancho Mirage outstanding citizen of the year award in 1972.●

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## COMMONSENSE ON SOVIET TROOP ISSUE

### HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. SIMON. Mr. Speaker, James Choisser edits the Benton Evening News in my district.

He has a column called "Odds and Ends" in which he gives us his reflections on a great variety of issues.

It frequently contains that rare commodity called commonsense.

He provided that commonsense recently once again in a column on the Soviet troops in Cuba.

I hope my colleagues will read it, and I hope that when it appears in the Congressional Record that my colleagues in the Senate particularly will read it.

### Odds and Ends

Most of us, I imagine, have the uneasy feeling that someday the United States and Russia might get involved in a real war, rather than the war of words and bluff in which we have been so long engaged.

If that dread day does come, however, I do hope that it is over a more substantial issue than the 2,000 to 3,000 Soviet troops in Cuba.

We have had many manufactured crises in our time, but this would seem to be the most overblown of all. Though it is hateful to say it, it could well be that the entire episode arose from frantic desire of a senator in trouble to assure his re-election. Sen. Frank Church, (D-Idaho) normally a high respected senator, fears that he will not be sent back to Washington because pressure groups ranging from anti-abortionists to the gun lobby, have picked this particular time to join forces against him.

He needed something, so he came up with the revelation that Soviet "combat" troops were in Cuba. Now it would be almost unpatriotic for those voters to oust him.

As was later revealed, these troops had been in Cuba for years. And in all truth, no one had thought it was anything to get particularly excited over. But once they saw Church get all the black ink headlines in newspapers, and appear in full living color over and over on television proclaiming his alarm and demands for action, everyone clamored to get into the spotlight. They could see what it has done for him, and adopted the troop issue to suit their own particular objectives.

All of a sudden viewing with alarm by opponents of the SALT II treaty has nearly torpedoed that diplomatic exchange. Again, SALT II was no particularly big deal, but it was a small step on the way to bringing some sanity into the nuclear arms race which may well end up bankrupting both nations, as well as adding more fuses to those which might be lit in anger some day.

And viewing with alarm by the defense lobby brought demands that the defense budget be increased by huge amounts, while other government functions should be cut back, to build up an arsenal which is already capable of destroying the world many times over. And even President Carter, in reelection trouble himself, joined in reviving a mobile missile system on a racetrack system in western states that he, and most other observers, had dismissed as ludicrous before.

And all because of 2,000 to 3,000 troops in Cuba.

Almost overlooked in the din is that the United States itself also has a sizeable contingent of troops in Cuba, at Guantanamo Bay.

A dispassionate observer might find it more strange that U.S. troops are in Cuba, even though the two nations have no diplomatic relations and whose politicians profess to hate each other, than that Russia, a friend and ally of Cuba, has troops there.

Or, from another point of view, if those troops "90 miles from our shores" as we are told over and over, are reason for such drastic action as some are proposing, then it is passing strange that we find it ungentlemanly of the Russians to express fear of our intentions because we have troops, (more than 2,000 to 3,000 incidentally) in Turkey, for instance. Not 90 miles away, but across the border from Russia.

The day might come when we need to get excited. But, for our own sakes, let the cause be real, not a piddling issue like this one.●

## FOREIGN AFFAIRS COMMITTEE STUDY ON SOVIET NEGOTIATING BEHAVIOR RECEIVING WIDE ACCLAIM

### HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. ZABLOCKI. Mr. Speaker, the controversial style, tactics, and motivations of Soviet negotiators has long been the subject of debate and discussion. In fact, the effect of Soviet negotiating behavior on the SALT II treaty has already figured prominently in the congressional debate on the merits of that agreement.

For these and other reasons, on behalf of the Committee on Foreign Affairs I requested Dr. Joseph G. Whelan, senior specialist in international affairs of the Congressional Research Service, to make a systematic and comprehensive study of Russian negotiating behavior. The Whelan study, released late last month by the committee, analyzes Soviet diplomacy in terms of its principal characteristics, trends of continuity and change, and influences contributing to its formation—including the traditional Russian obsession with national security.

Central to the study is its analyses of the implications of the Soviet approach to diplomacy and negotiation for U.S. foreign policy. The study clearly portrays the Soviets as tough, no-nonsense negotiators, but also as negotiators interested in reaching agreement when the issue is important to them. Valuable insights and advice on how to negotiate with the Soviets are provided with hypotheses offered as to the future style and motives of the Soviets.

Mr. Speaker, the highly distinguished and superior scholarly quality of the Whelan study resulted in the decision to make it the first volume of a special studies series on foreign affairs issues the committee plans to undertake periodically. With this in mind, I direct the attention of my colleagues to an article in the October 19 Washington Post by columnist Stephen S. Rosenfeld. Rosenfeld hails the Soviet diplomacy study as the foreign affairs book of all seasons and argues that the study will make a substantial contribution to American diplomacy.

It is my hope the study will do just that and I recommend it to my colleagues. A brief overview of the study's main contributions is succintly provided by Mr. Rosenfeld in the October 19 column and I include it in the RECORD at this point:

#### THE BOOK ON FOREIGN POLICY

The foreign affairs book of the season—all seasons—comes in a plain brown wrapper from the House Foreign Affairs Committee. It is by a Library of Congress specialist whose name is not quite a household word, Joseph G. Whelan, and it is an absorbing review of the nitty-gritty of Soviet-American diplomacy over the years. Diplomats, politicians and students of the world should rush down to the committee or to the Government Printing Office for a copy.

Whelan assembles in one handy place a broad range of material from memoirs, histories and some recent interviews bearing on the actual conduct of Soviet-American diplomacy since the Bolshevik Revolution. He offers an analytical gloss of his own, but the meat lies in his focus on the actual negotiating process, the tactics on both sides, the business behind the scenes.

The result is like sitting down for a personal chat, one centered on the juiciest parts of their experience, with a good number of the Americans most experienced and knowledgeable in dealing with the Russians over the years. Even to someone who fancies himself reasonably familiar with the period and the literature, "Soviet Diplomacy and Negotiating Behavior: Emerging New Context for U.S. Diplomacy" is an eye-opening treat.

Its price value is to remind us of some simple things that presidents in a hurry, diplomats caught up by personal visions and inattentive citizens tend to forget: there are no shortcuts. The Russians are tough customers and can be dealt with seriously only by serious people. The only questions that lie between the Soviet Union and the United States are tough questions. Beware of medicine men.

There is nothing novel or dramatic about this message, but that is precisely the point. Politics in a democracy puts great pressure on politicians to promise breakthroughs in Soviet-American relations. From time to time, diplomats emerge who seem to mystify diplomacy, to make of it a special process that, in the hands of a special person, can produce almost magical results.

But a close look at the record, such as Whelan provides, can only demystify diplomacy and restore perspective to the ambitions of politicians. It is, or should be, a humbling exercise.

A second lesson emerges from Whelan's book, and it is that there is something in Soviet-American diplomacy called technique. It would not seem necessary to make the point except that it has often been overlooked. In fact, some ways of dealing with the Russians are better than other ways. Some diplomats are better than other diplomats. The cards are the cards, but some people win at poker and some lose.

The odd thing is that there is no real secret, and no real disagreement, about what good technique is in negotiating with the Kremlin: set an achievable goal, prepare well, be firm in pursuit, be patient, yield nothing for free, don't count on good will, and so on. Through Whelan's pages march a long line of American diplomatic practitioners underlining these time-tested rules: Lend Lease and wartime cooperation negotiator John R. Deane (Whelan's favorite), Averell Harriman, Richard Nixon, and so on. Yet these rules are not uniformly respected, even by people who pride themselves on being professionals. Pressure, disorder, excitement, vanity lead good men astray.

Yet—and here is the last lesson I would take from Whelan—the Russians are human, too. A tendency has arisen among Americans to think of the Russians as, in Hal Sonnenfeldt's phrase, "infallible supernegotiators." Their purposefulness, their slyness and secrecy, their very Russian-ness is set against our casualness, openness and American frivolousness.

But the advantage so easily accorded to the Russians is more a measure of our anxiety and misperception than their consistent performance. The record makes plain that Soviet negotiators are capable of poor judgment. It makes plain that over the years Americans have had their share of successes. We are not only obligated but entitled to be of stout heart.

Get Whelan's book. Give it to the college sophomore, the diplomatic negotiator, the restless congressman and the presidential candidate of your choice. Nothing they'll read for a long time will improve American diplomacy more.●

## CENTENNIAL OF LIGHT

### HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. PATTEN. Mr. Speaker, Sunday, October 21, will mark the 100th anniversary of Thomas Alva Edison's invention of the incandescent light. I have a special interest and delight in noting this historic date because Edison's invention and announcement to the world was made in my congressional district in Menlo Park * * * Now Edison, N.J.

At the time, Edison said:

> I shall make electric light so cheap that only the rich will be able to burn candles.

In this brief statement, Edison proved that he was not only a pioneer of invention, but also a prophet who could look far into the future and determine what a profound impact one of his inventions would have on future generations.

Edison could have stopped with this single invention, and rested on the laurels of the technology which he perfected. But he did not stop. Not only did he continue inventing and patenting his inventions for nearly 40 years after that, but he followed through on his invention of the first practical incandescent lamp by taking the small bulb to a working electric system. A mere 3 years after the historic date of the invention, Edison threw a switch and energized the first electric light and power system, providing some 85 customers with power to light 400 lamps. I have no doubt that if Edison had stopped at the invention stage, we would have lost the benefit of his genius in putting it to work.

The more I learn about Thomas A. Edison, the more impressed I am, and the prouder I am that so much of his work was done in my own wonderful State of New Jersey.

Mr. Speaker, I honestly believe that if we, today, had just one "Edison" we would be well on the way to energy self-sufficiency and a cure for inflation. The genius of Edison was that he saw things which could be done easier and more efficiently, and set about the task of doing it. Edison brightened all our lives * * * not just through the electric lamp, but through over 1,000 inventions still in use today * * * and through having the foresight and courage to follow through to the end on his ideas.

I agree with the statement of Robert I. Smith, chairman of Public Service Electric and Gas of New Jersey, and presiding officer of the International Committee for the Centennial of Light:

> If the Centennial achieves its goal of convincing people that science and technology represent unlimited resources to provide benefits for mankind and if we are able to create a ground-swell of support for technological development, the Centennial will have made a major contribution to our future well-being.

I hope that remembrance of Edison's life and career will encourage a new Edison to step forward in every State of our Nation, so that science and invention will continue to light up our lives.●

## SAVING PRIDE AND DIGNITY IN A KANSAS TOWN

## HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. SEBELIUS. Mr. Speaker, in today's Washington Post, there is a story on the front page concerning the pride and dignity of a small rural community and what the local citizens of Phillipsburg, Kans., are doing to save a home for the elderly.

The writer of the article, Bill Curry, pointed out these self-help efforts serve as a counterpoint of hope to the continuous roundelay of national distress sung by America's national leaders—the crisis of confidence, the moral decline, the lack of leadership.

Mr. Speaker, it is my privilege to represent the community of Phillipsburg in this body. I have often said I have the privilege of representing the very finest citizens our Nation has to offer. Of course, I make that statement with considerable parochial pride, but more to the point, the Post article clearly illustrates that the citizens of Phillipsburg truly believe self-help is best help. In this day and age, where virtually every group, organization or individual seeks assistance from Washington as a personal right, these folks are not making any demands. They seek only the freedom and opportunity to solve their own problems.

The Post article describes in detail the efforts by the community of Phillipsburg to keep the Borum Gentle Care Home in operation without Federal assistance. As an attorney in the neighboring community of Norton, I have had personal experience with this home and its residents.

Mr. Curry's article also points out the community leader most responsible for this effort is the publisher of the Phillipsburg Review, McDill "Huck" Boyd. This effort by Huck Boyd is typical of a man who has been active in behalf of his community, State and Nation in every conceivable field of public service. His accomplishments within the journalistic profession and in behalf of education, mental health, health care in rural areas, rural development and economic opportunity for young people have been truly remarkable. Most important, however, is that Huck Boyd is typical of the kind of community newspaper publishers and editors that we have in Kansas.

Mr. Speaker, I commend the Post article to the attention of my colleagues. We have heard a great deal about what is wrong with America. As the article states, the example of Huck Boyd and the community of Phillipsburg represents what is right with our great country.

The article follows:

### Saving Pride and Dignity in a Kansas Town

(By Bill Curry)

Phillipsburg, Kans.—Autumn's nighttime chill cut the Kansas air, but inside the old family home of Huck Boyd, the hospitality was warm. There, over a round of bourbon, Boyd, 72 and the publisher of a small-town weekly newspaper, told a story of 10 people and the community in which they live.

It was a story as old as barn raisings, yet it is as current as the milo crop now coming to harvest.

Boyd told of a group of old people who found themselves innocently and abruptly adrift in the threatening crosscurrents of inflation and governmental regulation. He told of how their neighbors, with the communal spirit and resourcefulness that their ancestors brought to the Great Plains, came together to help them.

Along the way, the neighbors kept a handful of elderly people off welfare rolls, found a way to do without federal assistance for some others and saved a lot of pride and dignity as well as tax money.

The dollar savings in this town of 3,500 will, to be sure, go lost and unnoticed in the final few digits of the national debt. Huck Boyd's story, therefore, is most valuable as a counterpoint of hope to the roundelay of national distress sung by America's national leaders—the crisis of confidence, the moral decline, the lack of leadership.

McDill Boyd—he acquired his nickname as a trombone-playing boy from his bandleader—began his story with a Monday in August, when Connie Chestnut, manager of the Borum Gentle Care Home, walked into the offices of the Phillips County Review and announced that the Borum home would close on Sept. 1.

Her 13 residents—11 old and 2 retarded—would be homeless.

For 23 years, the Borum Gentle Care Home had provided shelter, food and care for people too infirm to care for themselves yet not so helpless that they needed a nursing home. Just a little something in between.

Here they could tend to the garden or to each other's needs, drive or walk to town, do some chores and then sit down as a family for supper. Maybe even help a little with the cooking.

The family circle has been broken.

"When we started out," says Mrs. C. F. Borum, "we named it the 'Gentle Care Home' because people in their later years need loving care, and we always attempted to provide it."

Now Mrs. Borum herself has reached the later years, and a year ago she turned over to Connie Chestnut her operation.

The home is green asphalt shingle, an old farmhouse moved in from the countryside. There is a cinderblock annex, and room for 15 people. Thirteen lived there Aug. 6, when Connie Chestnut waved the white flag of surrender: the $305 monthly charge no longer covered soaring food and fuel costs, and the expenses and burdens of governmental regulations that, however well intentioned, had somehow gone haywire for Phillipsburg.

Six of the 13 had been able to pay their way; the other seven received basic public assistance plus a $4.19-a-day housing supplement from the federal and state governments. But with the $4.19 suddenly came an oppressive list of federally mandated regulations: the administrator must have a bachelor's degree, residents' every activity must be monitored and recorded daily on complicated charts, and on and on.

It was too much for Connie Chestnut, who was working 85 hours a week trying to do everything and, by all accounts, doing it quite well, without a college degree. She rented the facilities from Mrs. Borum, charged $305 a month, and whatever was left over was her income.

It worked out to about $1 an hour.

So she told her story to Huck Boyd, and in the Review of Aug. 9, he broke the bad news over Phillipsburg. But in the ways of small town newspapering, he was not going to let it end there. Long active in the affairs of the public (he is currently a Republican national committeeman), Huck Boyd began a crusade and publicized it in his own paper.

He wrote in an editorial that day: "Folks who have lived together for a good many years, satisfactorily and in comfort, will be out on the street unless some way can be found to provide them the services they need.

"Do you have any ideas? Some very nice people would appreciate it if you do."

One idea that never did arise was one to let the government solve the problem it had helped to create.

"Can a community like this," Boyd asked in an editorial, "band itself together and take care of its own without government payments and control? With a little help from a lot of people, this can be done, and how nice it would be—for once—to do something for ourselves without asking the government to do it for us."

There were two concerns. If the Borum Gentle Care Home closed, the residents would be forced into more expensive nursing homes, and at taxpayers' cost. Once there, they would be cared for beyond their needs. Said

Garner Hale, a First Christian Church elder who is working to save the Borum home, "If you throw 'em into a nursing home, pretty soon that's the only place they can be."

Bob Kendall, chairman of the board of county commissioners, estimated it could cost government up to $50 a day to place the welfare residents in other facilities. Not to mention the people who were able to pay their own at $305 a month, but who would be forced onto welfare when faced with higher rates.

So on Aug. 21, Huck Boyd brought together civic and church leaders at his house. There, he reported two days later, "it was agreed to raise the funds necessary to keep the [Borum place] open as a residential boarding home."

What eventually evolved was a nonprofit corporation to collect donations and to run the home; Connie Chestnut would remain as a salaried employe. The $4.19-a-day state-federal subsidy would be refused, and community contributions, not tax money, accepted instead. "You just go ahead and keep your money," Garner Hale, the elder, would say later of the community attitude toward government. "We'll just go out and keep it going ourselves."

The nonprofit corporation, Concerned Citizens Inc., would help those who couldn't meet the new monthly charge of $400, and a fund-raising goal of $25,000 was set.

That way the home would become self-supporting.

In no time, Concerned Citizens raised $6,600—contributions from local businesses and individuals ranging from $10 to $500. In some cases, church groups redirected their charity from missionary work overseas to alms-giving across town.

"It's time people started doing things themselves instead of sitting around and waiting for a government handout," said Hale, a 57-year-old asphalt chemist at the Co-op refinery here. He made it clear it was not the old folks he saw waiting for the government handout, but the community residents who would let the government pick up the expense.

And so on an October day, five weeks after the Borum home was scheluled to have closed, Karen Tebbs, 30 and retarded, was watering the houseplants there and helping to set the table for lunch.

Erl E. Haskett, born 93 years ago in a sod house in Phillips County, the son of a homesteading couple who grew up to raise oats, wheat, corn and hogs, still had a home.

There was confusion about whether the home would close. "I don't know what I'll do when they kick me out of here," he said.

"Well," said Connie Chestnut, "we hope we don't have to."

In the uncertainty, three residents moved away.

But if all goes well with the fund-raising—it is not completed yet—Haskett won't have to move out.●

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## NEW STORM OVER THE TUNA FISHERY

### HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. BURGENER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

[From the Los Angeles Times, Oct. 3, 1979]

NEW STORM OVER THE TUNA FISHERY

An agency of the Federal Government is far off course in its threat to impose new and arbitrary restrictions on the $2 billion American tuna industry, which employs up to 30,000 workers—most of them in San Pedro and San Diego.

Three years ago, the National Marine Fisheries Service took a census of the porpoise population in the South Pacific tuna fishery, found that certain species were in danger of depletion and set quotas on the number of the mammals that American tuna captains could kill in the nets.

The air-breathing, surface-swimming porpoises accompany schools of yellowfin tuna, and they drown when they are caught in the folds of the huge seines.

We agreed at the time that the limits were justified, although they were, of course, binding only on American-flag seiners, not on foreign vessels that fish the same waters. But the American captains went on strike, insisting that the restrictions would force them to return to port with only half a catch while the competition could remain on the fishing grounds until its holds were full.

The American seiners hung at their moorings for 90 days while the industry argued vainly for higher quotas. But government officials said the quotas could be met if the fleet would invest in new gear and use new maneuvering techniques that would enable most of the porpoises to escape the nets.

The captains finally agreed to do their best, and their best has been beyond all expectations. When the quotas were set, the porpoise kill by American vessels was thought to be as high as 100,000 a year. Through nine nine months of 1979, only 14,374 are known to have died—against this year's quota of 41,610.

One official of the National Marine Fisheries Service concedes that the industry has "done a first-class job of reducing mortality."

But a new storm has struck the fleet. The government now questions the accuracy of its 1976 census, and says a new count shows a much smaller population—one that may compel the government to impose still lower, or even zero, quotas on two of the most common species.

The captains, with good reason, are furious. They say that the more recent census is incomplete and unreliable, and that it disagrees with their own observations. They point to their own good-faith effort to cooperate with the government, and to their considerable investment in new equipment, to reduce the present kill even below allowable levels.

But their pleas have fallen on deaf bureaucratic ears before, and will again if the government decides to use the latest count as the basis for quotas that could be disastrous to the industry. Zero quotas would, in effect, prevent the American fleet from fishing a school of tuna if porpoises also were present, while foreign-flag seiners could harvest the catch.

We recall that three years ago the government had full faith in the accuracy of its porpoise census; otherwise the restrictions would not have been as severe as they were. Now it claims to have greater faith in its latest count.

If the bureaucrats can admit that they were absolutely wrong in 1976, they now have an obligation to prove that they are absolutely right in 1979.

The irony is that the fisheries service does not argue that the porpoise population is declining; to the contrary, it agrees that it is probably on the rise, for which the fleet itself can claim part of the credit. The agency's only contention is that the most recent count shows that the population should be still higher than it is to insure survival.

We have two thoughts. The first is that the second census must remain as suspect as the first until the industry has a full opportunity to challenge it. The second is that the survival of the porpoise ought to be a world concern, as is the protection of the great whales, and that international agreements, not restrictions on the American tuna fleet alone, would be the more appropriate course for this country to consider.●

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## IT CAN HAPPEN HERE

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. ASHBROOK. Mr. Speaker, the United States has considered itself lucky for not having to witness the horror of terrorist groups openly working within its borders. This situation may change all too soon if the White House and this Congress continue to ignore the dangers of having inadequate counterterrorism programs. Lax enforcement of immigration laws and the shackling of the FBI have created fertile ground in this country for the growth of terrorist groups that may well dwarf their Western European counterparts.

This week we experienced some grave reminders that terrorism can strike at will in this Nation. Bombs exploded in the Cook County Building in Chicago and at the Federal customs house in Puerto Rico. Other bombs were found and dismantled at Chicago Republican Headquarters and at the offices of Illinois Citizens for Kennedy. These bombs were the work of the Puerto Rican terrorist group FALN. This group has been active in the United States for many years and has received extensive aid from Cuban Communists. The recent release of the terrorists who shot five Congressmen in this Chamber has helped increase the emotional fervor of this group. It is possible that Mr. Carter's shortsighted release of these unrepentant criminals may begin a new wave of FALN actions in this country.

The rise in the level of violence of the FALN is not the only danger signal on the horizon. There have been a number of incidents where PLO agents have been arrested in the United States. Many of these agents are well-trained terrorists who have had no problem entering the country. Considering that the United States will be hosting the 1980 winter Olympics and the 1984 summer Olympics the presence of FALN and PLO operatives could spell a replay of the tragic scenes in Munich from just a few years ago. American can act now to head off such actions. Through funding of FBI counterterrorism programs and in allowing the FBI to act effectively with a rational charter this Congress may save many innocent lives in the coming years. To further underscore this pressing need I call my colleagues' attention to a recent article on PLO activity in America.

WHO'S WATCHING THE PLO?

On November 27, 1969, two Palestinian terrorists attacked an El Al Airlines office in Athens, Greece, with hand grenades, killing one child and wounding thirteen other persons. The terrorists were arrested, tried and sentenced to fifteen years in prison. Eight months later, the Palestinian Popular Struggle Front (PSF) hijacked an Olympics Airways Boeing 727 and traded its 53 passengers for seven Palestinian terrorists held in Greek jails—among them the two veterans of the Athens attack.

Ten years later, early one Saturday morning in August, a car pulled up to a quiet intersection in the Orange County community of Fountain Valley, and a small but muscular man with curly black hair and a drooping moustache got out. After the car moved on, he cautiously walked down the street, ready to bolt at the first sign of danger. He turned toward one house, but before he could reach the front door six undercover agents from the Los Angeles office of the Immigration and Naturalization Service (INS) jumped out of their unmarked cars and arrested him. At a deportation hearing two days later, Milidos Fraij Dirkabedian, 32, a Jordanian citizen, admitted to actually being Elias Der-Karabetian, the man who tossed the grenade into the El Al office in Greece ten years earlier.

The Dirkabedian affair, which appeared to be as clean and elegant an anti-terrorist bust as possible, sent chills through the Southern California law enforcement community. Ever since *New West's* story on the PLO in California (*New West*, February 26, 1979) and in anticipation of the 1984 Olympics, the organizations involved in preventing terrorist attacks in this country have been trying to bolster their almost nonexistent antiterrorist defenses. But, rather than proving the effectiveness of these defenses, the Dirkabedian affair exposed a host of alarming weaknesses.

To begin with, Dirkabedian had been in Southern California twice before his arrest—once in September, 1978, and again last April—but no law enforcement agency seemed concerned about it. The only reason he was caught this time was because a person he was allegedly trying to extort money from went to the authorities. Furthermore, of all the agencies that were told who Dirkabedian was and why he was here, only one—the INS—went to any trouble to verify the reports and arrest him. And even though some law enforcement agents suspected that Dirkabedian may have come here as a "fund raiser" for Palestinian terrorist groups, he was shuttled out of the country so fast that there was no opportunity to conduct a thorough investigation of his terrorist affiliations, contacts in the United States and the nature of his mission.

Even more alarming is the realization that Dirkabedian, a convicted international terrorist, could have come here on a sabotage or assassination mission—and nobody would have found out until it was too late. He is not the first Palestinian terrorist to enter this country without alerting our anti-terrorist defenses. Last February, *New West* described other such cases. Last July, Ntisar Al-Wazir, the wife of Abu Jihad (a senior al-Fatah commander), herself a member of the Palestine National Council, attended pro-PLO rallies and meetings in San Jose and Washington, D.C., before the FBI found out that she was here at all.

To be sure, Irish, West German, Iranian, Puerto Rican, Croatian and other terrorists have also entered this country with ease, but recent "declarations of war" on the U.S. by Palestinian terrorist leaders such as George Habash of the Popular Front for the Liberation of Palestine heighten the danger of a PLO hit—and the Dirkabedian affair shows that such attacks can be carried out with relative ease and safety.

To draw the proper conclusions from this incident, the following questions must be answered: How can a convicted terrorist, whose name appears on the "lookout list" of the CIA, FBI, INS and the State Department, get a U.S. visa without alerting the issuing consular office? How did he get past the immigration checks at JFK airport? Why didn't the CIA notify local agencies of his arrival? Once identified and arrested, why was he only investigated for possible terrorist activities—accomplished or only planned?

When *New West* attempted to get answers by reconstructing the events preceding Dirkabedian's arrest, several glaring deficiencies in our antiterrorist defense system became apparent.

Dirkabedian applied for a visitor's visa at the U.S. Embassy in Amman on March 10, 1979. His Jordanian passport, which appeared in good order, identified him as Milidos Fraij Dirkabedian, born in Jordan on September 12, 1946. His name was checked against the terrorist lookout list as a matter of procedure, but it came out clean. According to State Department spokesman David Nall, the INS lookout file listed him as Elias Der-Karabetian. (It also listed him as: Ilyas Darghabidrian, Elias Rarij Bir Garabadyan, and Ilias Der-Karabetian. Press accounts of the 1969 Athens attack give his name as Elias Dergarabedian.) Lookout files are not alphabetical, but are organized in a Soundex system in which similar-sounding consonants are assigned identical numerical values so that similar-sounding names would have the same numerical code. This is meant to overcome minor spelling differences—intentional or accidental. According to Nall, Dirkabedian and Der-Karabetian are just different enough to appear in different sections of the book. But *New West* discovered that the lookout file used by the embassy in Amman was also badly out of date. In 1970, Dirkabedian legally changed his first name from Elias to Milidos. The change did not appear in the lookout file. Also, although the Jordanian authorities must have known that Dirkabedian and Der-Karabetian were one and the same, neither the Jordanian intelligence agency nor the CIA fed that information into the lookout files.

The failure of the Soundex system to link Dirkabedian and Der-Karabetian also explains how he got past INS inspectors at JFK airport. Since the lookout list does not include pictures of those listed as terrorists, no further checks were made when Dirkabedian entered the U.S.

None of the local, state and federal law enforcement agencies contacted by *New West* were forewarned by the CIA or anybody else of Dirkabedian's arrival. This could mean that the CIA knew about his arrival but was not telling (in which case, why did it not correct the entry in the lookout file?)—or that the CIA itself was using the same outdated lists, which is even more alarming.

Dirkabedian landed at JFK on July 15, and boarded a second flight to California. A week later he showed up unexpectedly at the home of an old friend, a wealthy Jordanian businessman now living in Newport Beach, and demanded $130,000 in an unsecured loan which he said the Newport businessman had promised him. When the businessman—let's call him Ali Hashemi—refused to come up with the money, Dirkabedian casually observed "what a nice home and family" Hashemi had. Hashemi knew all about Dirkabedian's terrorist background and became frightened. He continued to act friendly, and invited Dirkabedian to a family dinner, but soon after he secured the services of private bodyguards.

When Dirkabedian showed up for dinner he was confronted by what he later described as "muscled men" carrying automatic weapons. On Monday morning, July 30, Dirkabedian, displaying supreme confidence, walked into the Fountain Valley Police Department (he was staying with relatives in that community), reported the dinner incident, protested that his life was in danger and asked for police protection. Later that day, Hashemi's bodyguards showed up to offer Dirkabedian a deal—a $13,000 check and a flight to New York on a private Lear jet—as well as a ticket from JFK to Amman. Dirkabedian, suspicious of the offer, refused, and the Fountain Valley cops made sure the bodyguards left him peacefully.

But then a new twist was introduced, Hashemi's private guards told Lieutenant Bill DeNisi of the Fountain Valley police that Dirkabedian was a terrorist who had come here on a phony visa. They told him that they also notified the FBI and the INS. When DeNisi called the FBI's Santa Ana office for advice, he said, "They were interested, but it was like hey, you know, we have no evidence that a federal law was broken, and all that." The INS was more helpful. Later that same day a couple of agents drove down from L.A. and picked Dirkabedian up for questioning. According to one of the investigators involved, they released him because they had no firm proof that he was the terrorist they were told he was.

Unlike the FBI, however, the INS refused to drop the matter. They contacted the State Department and launched a search for verification of Dirkabedian's alias and terrorist activities. By the end of the week, on August 3, the American embassy in Athens managed to obtain Der-Karabetian's arrest records from the Greek authorities and placed them on a plane to New York. At JFK, INS agents placed the documents on a flight to L.A. Shortly before midnight on the evening of Friday, August 3, INS investigators in Los Angeles ran a fingerprint comparison and decided that they had their man.

However, by that time nobody knew where Dirkabedian was. The INS had kept a loose watch on the house he was staying in, but they had not seen him since sometime on Friday. He left the house during the day, but did not come back that evening. The only thing the INS could do was hope he would come back. Six agents were placed in the area and began a long wait. It was 8 A.M. before Dirkabedian returned to the house and was arrested. According to one of the INS agents, Dirkabedian acted as if he knew he shouldn't have returned to the house. Had he acted on his instincts, he still could have gotten away. As it was, five days had passed from the time INS was told who he was to the moment they could do anything about it.

On Monday afternoon, August 6, Dirkabedian was brought before an immigration judge for a deportation hearing. At the hearing, Dirkabedian admitted who he was and readily accepted the deportation ruling. By the time FBI agents got to interrogate him he knew he was going home and refused to answer any of their questions. (When New West checked with the Santa Ana office, none of the three agents there even recalled the name Dirkabedian, or "the Palestinian terrorist who was arrested" in their back yard on August 4.) If Dirkabedian was sent here by the PSF or the PLO, if he had any contacts in the California terrorist underground, if the attempted extortion of Hashemi was part of a PLO fund-raising effort—nobody knows. (Last year, Orange County Palestinians raised $7,200 for the Palestine Arab Fund, a support group for al-Fatah.)

Dirkabedian's behavior is probably the clearest indication of how little the terrorists think of the American defense apparatus. Although he had every reason to believe that his terrorist background is a matter of record he did not even bother to obtain a fake passport under a different name. He changed his name just enough to fool the Soundex system—but appeared confident that the Jordanian government would not turn him over to the Americans. He then came here, demanded police protection and continued to deny his terrorist ties until confronted with documentary evidence at the deportation hearing—and even then appeared assured that the most that could happen to him was that he would be sent home. "He didn't act scared at all," INS attorney William Odencrantz told New West. "He acted as if we were bothering him. He simply acted annoyed, like nothing can happen to him."

The INS has recently doubled the size of its local antisubversive unit to four full-time agents, and the FBI is said to have changed its rotation policy to allow anti-terrorist agents to stay longer on their beats, develop intelligence sources and gain deeper insight into the already well-established terrorist infrastructures here. Let's hope it is not too late. In the last few months, several incidents indicate that Palestinian terrorist organizations, feeling less and less comfortable in Europe, where anti-terrorist measures have proved effective, are shifting their fields of activity to the U.S. There are alarming signs that they are now using this country as a convenient hiding place, staging area or recruiting depot.

Last May, a 27-year-old Israeli Arab, Nabeel Salim Salem, was arrested at Ben Gurion Airport upon returning home after five years in the U.S. According to Israeli reports, Salem was recruited by al-Fatah while staying with his family in the Los Angeles area, and actually traveled to Lebanon to undergo terrorist training before arriving in Israel. A month later, the INS opened deportation proceedings against another Israeli Arab, Elias Ayoub, because, according to the newly formed Committee to Defend the Rights of Elias Ayoub, the INS suspected him of taking part in subversive activities while attending Ohio State University. And on August 21, FBI agents in Chicago arrested 19-year-old Ziyad Abu Eain, who has been accused of planting a bomb in a trash can in a Tiberias, Israel, marketplace last May 14. Two young students were killed in the explosion.

It is quite possible that the PLO is refraining from staging terrorist actions in the United States in the belief that the Carter Administration will forget its bloody record and grant the PLO the political legitimacy it craves. But the fact is that the PLO and its various terrorist allies are also making contingency plans just in case that doesn't happen. Yasser Arafat's al-Fatah, George Habash's PFLP, and other groups have had ample opportunity to test the American defense system and discover its weaknesses.●

## INSURING ENOUGH FOR ALL

## HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mrs. SCHROEDER. Mr. Speaker, I would like to submit the following editorial from the October 8 Denver Post as food for thought for my colleagues:

ENSURING ENOUGH FOR ALL

Population control, which was a popular cause only a decade ago or less, seems to have lost much of its appeal. Declining U.S. birth rates, for one thing, have created the impression that a reasonable growth rate already has been accomplished, and family-planning efforts everywhere can be relaxed.

In addition, good crops, in most parts of the world have, at least temporarily, held back the specter of widespread hunger. Pictures of starving children don't stare out at us from newspaper pages.

One manifestation of our complacency is congressional reaction to the population-control appropriation for the Agency for International Development (AID). The Carter administration recommended a $215-million expenditure worldwide in the next fiscal year, but the House approved only $195.5 million. And now a Senate committee has recommended cutting that even further, to $183.6 million. This, in the face of inflation, is less than the $185 million the agency is authorized to spend in the current year.

The United States never has experienced serious population pressures within its own borders, and lowered birth rates indicate the problem is unlikely to occur here.

But unwanted population growth—unwanted either by national governments or by parents—remains a time bomb in much of the rest of the world, particularly in the developing nations assisted by AID. Even at the current, slightly reduced birth rates, the world still is called upon to feed about 75 million new mouths every year. That kind of growth obviously means increased demands on limited world resources, and it can't help but impact eventually on the quality of life in the already developed nations.

Population control is a sensitive diplomatic issue in some countries, and U.S. emissaries—on up to the highest level of government—have tended to put it aside of late in favor of other matters.

But it's a problem that shouldn't be ignored in U.S. foreign policy. A mass worldwide famine would be the likely result of continued unplanned population growth. The more fortunate nations such as the United States couldn't continue to live in peace and plenty while the rest of the world starves.●

## THE NEED FOR A STRONGER NAVY

## HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. EDWARDS of Oklahoma. Mr. Speaker, in light of the continuing presence of Russian troops in Cuba and other American foreign policy failures, I cannot help but be aware that our lack of will and resolve in world affairs parallels our decline as a military power.

This recent decline in our military preparedness may have some pretty serious consequences.

Will we be able to protect our political and economic interests around the world? What effect will the state of our military have on our ability to guarantee the delivery of foreign oil to this country?

Maybe we can not force our leaders to have more backbone in a crisis, but the least we can do is give them the backup they may need when dealing with threats or encroachments upon our own security.

An important step toward providing that backup is to build and maintain a stronger Navy.

It used to be that wars could be won or lost on the high seas. Today new weapons and new technologies have put naval forces on a back burner. We are more interested today in spy satellites than in troop carriers; more concerned about megatonnage than ship maneuvers. But we cannot afford to forget the critical role that the Navy—any Navy—can play in the strategic balance of power.

A good Navy can be used like good chess pieces—ships can be brought closer to the boundaries of an unfriendly nation to show that we mean business; the timely and strategic use of aircraft carriers, destroyers and submarines can play a key role in the give and take of global power.

This is why I have joined other Members of Congress to ask the President to spend more money on an improved and more effective Navy.

The surest way to invite war, and possibly the loss of all the freedoms that we have, is to appear weak militarily and in resolve. The best way to prevent a war is to be strong so no one will be mislead about our own intentions.

The present condition of our Navy deserves priority attention because we are a Nation that depends on ocean-shipping lanes for the delivery of food, oil, and raw materials.

There are a number of steps that our Government should take to return the United States to military readiness, including construction of better quality ships, building nuclear attack submarines at a faster rate, and building more tactical aircraft. We are not even replacing the aircraft that we now lose by accidents. We need land and attack cruise missiles.

A beefed up Navy will cost money, but we should not ask whether or not we can afford it, we cannot afford not to.

Either we pay the tangible cost of strengthening our Navy, or we will pay the intangible cost of losing the geopolitical influence that we need to safeguard our interests.●

## HOME HEATING FUEL CRISIS—PART V*

## HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. GILMAN. Mr. Speaker, I would like to take this opportunity to continue my review of the home heating fuel crisis.

Despite the fact that the President has announced that the administration reached its target of an inventory of 240 million barrels of heating oil by this month, I am still concerned with the problems of distributing the oil to the independent dealers around the country and, of course, the overwhelming burden being placed on the American public as a result of the almost weekly price hikes on home heating fuel.

As I have stated repeatedly in my past statements, the heaviest burden of this crisis will fall on those low- and fixed-income groups who will be called upon to shell out anywhere from 28 to 49 percent of their income to heat their homes. Many will not be able to meet those bills and there seems to be very little consideration, if any at all, coming from the oil companies which continue to aggravate the problem by adding further price hikes onto home heating fuel in an effort to make up for the profits they could not wring out of the price controlled gasoline market. As a result of the gross profiteering and lack of business ethics being demonstrated by these companies, and the climb of home heating fuel cost to perhaps exceed $1 per gallon at the start of the heating season, I have joined with some of my colleagues in the House in a letter to the President urging him to reimpose price controls on middle distillate fuels. I would like to insert into the RECORD in full, at this point, a copy of that letter:

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*This is the fifth part of a series of reports on our home heating fuel crisis. Report Nos. 1, 2, 3, and 4 appeared in the Congressional Record on September 17 (p. 24942), 9/21 (p. 25779), 9/29 (p. 26956) and 10/12 (p. 28206) respectively.

HOUSE OF REPRESENTATIVES,
*Washington, D.C., October 16, 1979.*

DEAR MR. PRESIDENT: We the undersigned urge you to use your authority under existing law to reimpose price and allocation controls on middle distillates.

When controls were lifted from distillates in 1976, the Congress was assured that adequate supplies and real competition would insure equitable prices for American consumers. We believe that neither of those conditions exists today.

The supply situation is extremely fragile. While production rates and inventories have reached historic levels, many distributors are inexplicably facing industry-imposed allocation fractions for the winter months. State and local governments are already preparing for spot shortages and fuel emergencies and whole regions are threatened by the marketing plans of just a few major suppliers. The entire system is vulnerable to the slightest disturbance in the world supply situation.

Most importantly, tight supplies have allowed refiners to sustain prices and profit margins at exhorbitant and unjustified levels. While the cost of oil has increased to all consumers, refiners' profit margins have risen twice as fast, or over 120 percent in the past nine months alone. Whether one uses the industry's own cost estimates or inflation in the cost of doing business, these profit increases have far exceeded any reasonable calculation of costs. If profit margins remain at their current levels, American consumers will pay between $5.2 and $7.4 billion more in higher distillate prices over the next year.

Mr. President, this massive transfer of income will only exacerbate the dual effects of inflation and recession. Our constituents are ready to meet the energy challenge that you have laid before them. But they are unwilling to allow a handful of oil companies to profit at the intolerable expense of the millions of homeowners, renters, truckers, farmers, and shippers of this country.

Mr. President, bold and imaginative action on your part can cut through the delays of the legislative process, and help prevent a crisis of untold human misery and suffering. We believe that the immediate imposition of price and allocation controls will show American consumers that we are sensitive to their burden and compassionate of their plight.

Sincerely,

It is quite obvious that although the overall picture of oil supplies is not entirely one of overabundance, the anticipated shortages and high prices seem to be more the result of our own bad policies and inability to control excessive domestic corporate profits, than the exploitation of the OPEC cartel. Granted, the OPEC cartel has controlled and abused the market, yet much of the abuse appears to be coming from within our own country. In order to give you an idea of how this applies to the home heating fuel situation I have been so concerned with over the past many months, and its direct effect on the elderly and the poor, I would like to insert into the RECORD at this point, in full, an editorial from Sunday's New York Times, Oct. 14, 1979, bearing out the crisis I have been concerned with in its mathematical, and therefore rational, implications.

[The New York Times, Sunday, October 14, 1979]

### PRICE OF HOME HEATING OIL JUMPED TWICE AS FAST AS THE COST OF CRUDE

(By Matthew L. Wald)

The retail price of home heating oil rose nearly twice as fast as the price of crude oil from January 1977 to May 1979, according to statistics from the Federal Department of Energy. And industry analysts say growing refinery and dealer profit margins are continuing to add heavily to prices.

In contrast to a public perception that increases imposed by oil exporting countries is the overwhelming factor in the rise in home heating oil costs this winter, the figures show that the percentage increase in refinery, wholesale and retail margins was at least as rapid:

The industry has reported sharp rises in profits, but spokesmen say high interest rates and rising costs for labor and other components of production also contributed to a rise in heating oil prices above the increases mandated by the higher costs of crude set by the Organization of Petroleum Exporting Countries.

Spokesmen for the major oil companies were reluctant to provide figures that would show whether their profit margins had changed. They said there were too many factors, including a changing mix of crude oil types and refined products, to allow such a calculation. Other industry sources agreed that the calculation would differ for each refinery, but said the figures did show strong growth in the average profit margin.

#### INQUIRY BY U.S. PRICE COUNCIL

The refinery profit margins are now the subject of an inquiry by the Council on Wage and Price Stability. According to the council's chairman, Alfred E. Kahn, the panel has found "a fair number" of companies, mainly small refiners, to be out of compliance with the voluntary standard of a 6.5 percent annual growth in profit margin. Earlier this year, Amerada Hess was found to be exceeding the standard, but it has since come back into compliance, according to a spokesman for the council.

The price increases from domestic sources come at a time of growing concern about how the poor will keep warm this winter, and even how some lower-middle-income families will stay out of poverty.

Connecticut has set a special legislative session to deal with the problem, and New York may do the same. Concurrently, Congress is debating special fuel aid, a "windfall profits" tax on oil companies and the reimposition of price controls on oil products. Heating oil controls were ended in June 1976.

Energy Department figures show that the average price of a gallon of home heating oil rose 58.1 percent between January 1977 and May 1979, from 40.6 to 64.2 cents, while the cost of the crude oil from which it is made rose 32.3 percent; from $11.64 a barrel to $15.40, with the refiners' margin increasing the most.

#### CRITICS POINTS TO PROFIT MARGIN

Comparable figures for months later than May are not available from the Federal agency, but according to a study by the Congressional Research Service, retail prices for home heating oil rose 50.1 percent (from 53.7 to 81 cents a gallon, on average) while the price of crude oil rose 47.4 percent, from 31.2 to 46 cents a gallon from January to August of this year.

Critics of the oil industry say that the profit motive, not higher costs, is the reason for the greater markups.

"These are businessmen and they're going to make as much money as they possibly can," said Representative Toby Moffett, Democrat of Connecticut, who is chairman of the Energy Subcommittee of the Government Operations Committee. "The fact that this is a necessity people can't do without it not something that is going to affect their behavior."

Representative Moffett, whose proposal to reinstitute price controls on refineries was defeated 2 to 1 in the House on Thursday, said his subcommittee had heard testimony over the last few weeks showing increases in gross refiner margins of up to 100 percent.

Explaining how some factors of the cost increased even faster than crude oil, William Harlow, a spokesman for the Department of Energy, said: "It's not going to be a one-to-one correlation. The rate is going to go up for any kind of product, because of the piping that costs more, the refineries, and the shipping that costs more."

#### FIGURING THE MATHEMATICS

Mathematically, however, the correlation would be less than one to one unless other factors were increasing as fast or even faster than crude oil. For example, if heating oil was selling for 40 cents a gallon and the cost of crude oil accounted for 60 percent of that, a 30 percent increase in the cost of crude would add only .2 cents, or 18 percent.

"What's in there is inflation, higher labor cost and higher fuel cost," said John Buckley of Northeast Petroleum Corporation, a Boston-area fuel oil wholesaler and retailer. "And then I think there's higher profit. That will vary from refiner to refiner, but they're making more money."

Wholesalers and retailers, as well as the major oil companies, are also operating on higher margins, according to the figures. From January 1977 to May 1979, for example, the wholesale margin rose from 8.4 to 12.1 cents a gallon, or 44 percent, according to the Department of Energy figures.

One result is that, according to Government figures, crude oil, which in 1976 accounted for 63.8 percent of the cost of heating, accounted for only 58.6 in June.

Industry sources differ as to the reasons for the higher margins. All note that when home heating oil was decontrolled in June 1976, the action allowed the price level to be dictated by market conditions, instead of the Government's reckoning of costs and fair profit margins.

#### VARIED FACTORS NOTED

But beyond that, the major oil companies say it is not possible to break down the costs of producing home heating oil.

First, they note, crude oil is sold in a variety of different grades, requiring different refining processes. In addition, transportation costs for getting the crude to the refineries differ. Some refiners have relatively cheap long-term contracts, while others must buy on the expensive spot market.

The Government figures are for the composite refiner acquisition cost of crude oil, a weighted average including foreign and domestic sources, including transportation costs to the refinery.

A bigger problem, oil industry representatives say, is apportioning the cost of production between the different products.

"The analogy that's always used is with the cow," said Earl Ross, of the American Petroleum Institute. "What's the cost of the lesser type cuts as against the prime rib?" While the cost of raising the cow may be known, he went on, there is no logical division between the cost of hamburger and the cost of steak.

"There is no generally accepted procedure for allocating total operating and investment costs among the hundreds of coproduced products of a refinery," said an Exxon spokesman. He added, however, that the company's American subsidiary, Exxon USA, reported "refining/marketing" profits that were 48 percent lower this year than last.

### HOW COMPANIES CAN RECOUP

However, with one of the petroleum products—gasoline—still controlled, there are financial incentives to looking at the costs in certain ways.

"Refiners have been allowed because of the lack of controls to pump more of the costs into middle distillates instead of gasoline, in an effort to recoup more of their investment," said Allan Darrow, public affairs director of the National Oil Jobbers Council. If they feel they are not earning enough on gasoline, he suggested, oil companies can try to make up the difference in a product for which the market is very strong, and on which there are no controls, such as home heating oil.

Some oil companies, however, say that at least part of the increases in margins are eaten up by increases in costs for components of production other than oil. Texaco, for example, listed "rising manufacturing and labor expenses, taxes and inflation."

Interest rates have become a major concern, with many OPEC nations now requiring payment for expensive oil within 30 days, which leaves refiners borrowing money to pay for a tanker-load while it is still at sea.

Interest is also a major concern for wholesalers and retailers, who to purchase the same number of gallons they did last year may have to borrow twice as much money, and at higher interest rates.

"You've gone in one year from 9 percent to 14 percent," said Mr. Buckley of Northwest Petroleum. "We've had to borrow way out of line, disproportionately to earlier years."

Financing one gallon of home heating fuel cost roughly half a penny a month last year he said, but it is now "pushing past a penny a month" because of higher interest rates and product price. "If we buy it in August and sell it in December, that's 5 cents," he said.

Other retailers said that the cost of fuel to run their delivery trucks, the cost of the trucks themselves, and everything else a small business buys, including insurance, labor, and electricity, had risen in costs.

Mr. Speaker, I urge my colleagues to make this issue a high priority as we approach the winter season so that we can take the necessary steps to insure the safety and rights of our constituents.●

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## UNRESOLVED FUEL ASSISTANCE PROGRAM

## HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. HILLIS. Mr. Speaker, with only a few weeks remaining before the House of Representatives adjourns for the year, there is a major issue which must be addressed before we can consider our work complete.

With winter rapidly approaching, it has become readily apparent that millions of Americans will face extreme difficulty in paying their home heating bills. Since last year, the price of heating oil has almost doubled, making it unaffordable to those with low or fixed incomes. However, heating oil is not a luxury item nor is it a purchase which may be deferred. Heating oil is a necessity of life which must be available at affordable rates in order for people to make it through the upcoming winter.

For such people as social security recipients, paying for home heating oil is more than a matter of proper budgeting. It is a mathmatical fact that those whose monthly income is $250 cannot expend $400 per month for heating oil. No amount of budgeting and cutting corners or elimination of the nonessentials can squeeze blood from a turnip. It is encumbent upon the Federal Government to provide assistance to those who cannot afford the exorbitant cost of heating oil or take the responsibility for allowing thousands of unnecessary and avoidable deaths which may occur due to unheated or inadequately heated homes.

The States, of course, must also share in this effort. Many States, such as my home State of Indiana, are ahead of the Federal Government in initiating assistance programs. Indiana's program provides up to $200 in fuel bill credits each heating season to needy elderly as well as disabled citizens who receive SSI benefits. However, $200 is insufficient; it must be supplemented with funds from a Federal program.

Mr. Speaker, we would be negligent of our responsibilities if the House adjourns in November without enacting some type of fuel assistance program. Too many lives are dependent upon timely discharge of fuel assistance legislation to leave this issue unresolved until sometime next year.●

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## THE MIDDLE DISTILLATE DEBATE

## HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. KOSTMAYER. Mr. Speaker, congressional and public debate on the question of middle distillate price and allocation controls has been greatly informed by the efforts of Robert L. Bamburger and Larry Kumins, analysts in the Environment and Natural Resources Policy Division of the Congressional Research Service. The summary of their report, entitled "The Middle Distillate Pricing and Recontrol Controversy," follows.

Among their central conclusions are the following:

First. If refiner margins remain at August 1979 levels for the next 12 months, consumers will pay an extra $5.7 to $6.2 billion as refiner revenues;

Second. Refiners' net profits over the past 9 months have risen significantly, and

Third. Alternative price control mechanisms based on refiner margins could be effective in controlling the prices consumers will pay this winter.

I recommend the entire study to my colleagues who are concerned about the impact of exhorbitant distillate prices on their constituents. It is certainly the most exhaustive and lucid treatment of the subject to date.

The material follows:

### MIDDLE DISTILLATE PRICING AND THE RECONTROL CONTROVERSY

Since their decontrol in Spring 1976, the price of middle distillates have risen sharply. Home heating oil—representing about 30 percent of the nation's 3.6 million barrel per day (mbd) distillate consumption—has risen from about 39 cents per gallon in May 1976, to an estimated 81 cents per gallon this August. This report focuses on the sources of distillate price rises during 1979. It estimates the shares of the price increase accuring to the various sectors of the industry, crude producers, refiners and distributors. A notable rise in margins—particularly those of refiners is noted, and the annualized effect is calculated, assuming they remain at August rates.

Table 1 shows these results. If these margins were to remain at August 1979 levels—instead of January 1979 levels—for the next 12 months, higher margins would accrue at these annual rates:

| | *Billions* |
|---|---|
| Refiner margins | $5.7–$6.2 |
| Heating oil retailer margins | 0.2– 0.5 |
| Diesel retailer margins | 0.7– 0.9 |
| | 6.6– 7.6 |

All told—ignoring large crude price changes—Americans would pay an estimated extra $6.6–$7.6 billion in higher distillate prices over the next 12 months if August margins remain at their current levels relative to January's. This means refiners and marketers would realize this amount of higher gross revenues (not necessarily profits) over and above crude costs.

Does this argue toward recontrol? Perhaps. In contrasting motor gasoline prices—which are controlled—with uncontrolled heating oil prices, the study notes that gasoline has risen from 65.3 cents per gallon to 97.3 cents per gallon during the first 8 months of 1979. About 14.8 cents of this 32.0 cents increase is accounted for by higher crude prices, leaving a 16.5 cent per gallon increase in various margins for the controlled product. This is more than the total margin increases for uncontrolled distillates—11.5 to 14.3 cents. It could well be that reapplying the abandoned distillate price control program—which was much the same as gasoline is now—might result in little rollback in selling prices. Central to the question of recontrol is whether it would be worthwhile unless it could be positively shown that the system of controls to be used would realize a significant savings to consumers.

A possible implication which may be drawn is that, if distillate is to be recontrolled, emphasis could be placed on regulating refiners margins—which have doubled so far this year—since this has been the primary source of controllable increase. On the other hand, it can be argued that these higher refiner margins have led to this summer's impressive inventory buildup.

Those considering price controls as a desirable policy alternative might examine methods other than those traditionally employed by FEA and DOE. One alternative discussed is controls on refiner margins. Since this has been the area where the greatest controllable increase has occurred, specific limits on refiner's margins may be more effective in holding price down than reimposition of the now suspended regulatory program. At the same time, controlling margins of the thousands of retailers—whose margins have not increased at a very high rate during 1979—would be avoided. It is argued that by focusing on margins of only about 300 refineries, regulation could be greatly simplified and possibly become a more workable alternative.

It would be, however, infeasible to reimpose any form of price controls strictly on home heating oil alone. Price controls would need to be imposed on all distillates to avoid diversion of product from a controlled sector of the market to more profitable uncontrolled sectors. Similarly, reimposing price controls would imply the reimposition of allocation controls to assure that a product selling below its market clearing price would continue to be available in adequate, historical quantities. However, noting the experiences of this past spring and summer, there seems little reason to hope that the standby allocation controls for middle distillates would be more effective than were the gasoline allocation regulations in easing the impact of a serious product shortage.

TABLE 1.—HEATING OIL PRICE BREAKDOWN, JANUARY VS. AUGUST 1979

[In cents per gallon]

| | January 1979 | August 1979 | Increase |
|---|---|---|---|
| Retail price | 53.7 | 81 | 27.3 |
| Dealer margin | 11.8 | 13–15 | 1.2–3.2 |
| Wholesale price | 40.9–42.1 | 66–68 | 25.1–25.9 |
| Crude price | 31.2 | 46 | 14.8 |
| Refiners margin | 9.7–10.9 | 20–22 | 10.3–11.1 |

Source: January data (noncomputational) from the Department of Energy's, Monthly Energy Review. August data based on Platt's OILGRAM Price Service, communications with DOE officials, and author's computations. ●

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## THE PRESIDENT'S WEAKNESS

## HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. MICHEL. Mr. Speaker, when a responsible and influential newspaper refers to a President's "abject confession of ignorance and impotence," such a charge cannot be dismissed lightly. The Chicago Tribune recently used those words to describe President Carter's suggestion to Chicago citizens as to how they should deal with the Department of Health, Education, and Welfare's (HEW) decision that Chicago schoolchildren need forced busing.

The President's argument goes like this: Officials appointed by him at HEW have decided the Chicago schoolchildren need busing. While he personally believes that "mandatory busing should be minimized," he feels he does not have the power to reverse or even question the decision of the bureaucrats he appointed. The President's solution to the Chicago busing crisis is for Chicago to take the busing dispute to court.

If all of this sounds like some kind of outrageous satire on the Carter Presidency, be assured that it actually happened last week in Chicago. The President of the United States told an audience of outraged citizens that there is nothing he can do about the decision of bureaucrats he appointed and that he truly believes the courts are the best place to solve an educational problem.

During his same visit to the Midwest, President Carter said that he would create a new office in HEW, an Office for Families. I cannot think of anything Government could do that would cause more harm to American families than create yet another bureaucratic empire. But that is what the President seriously suggests.

Mr. Speaker, I find all of this amazing. The President is obviously wholly out of touch with the American people. Indeed, his statements about busing and American families suggest he is ignorant of the political and social realities of our Nation. He is flying about the country, reminding people of all the Federal tax dollars he has so graciously given out, never admitting it is precisely this kind of politics-as-usual he condemned so loudly—and so successfully—in 1976.

If he really believes that he has no power to reverse an HEW decision and if he really believes that American families need a bureaucratic structure to take care of them, his misunderstanding of the high office he holds is even more pronounced than any of us thought it to be.

At this time I insert in the RECORD two editorials from the Chicago Tribune, "President Carter Pays a Visit . . ." and ". . . And Exhibits His Weakness" published on October 17, 1979:

### PRESIDENT CARTER PAYS A VISIT

Back in his once-successful role as a candidate, President Carter seems to have lost his old flair for the part. Mr. Carter is following the tradition of handing out well-timed gifts to local officials, reminding audiences of all the favors he has done them, and promising still more wonderful benefits if he is re-elected. But to judge from his appearances in the Chicago area Monday and Tuesday, the new Jimmy Carter show is unlikely to get more than lukewarm applause.

Addressing Mayor Byrne's $100-a-plate fund-raiser at McCormick Place, the President claimed credit for creating 8.5 million new jobs over the last 30 months—some 250,000 of them, he said, "right here in the Chicago area." The claim is splendid but vague—the kind of statistical juggling that leaves people saying, "Sure, but what about MY problem?" The specifics he mentioned for Chicago—the granting of a federal waiver allowing the city to keep 3,000 city employes working under a Comprehensive Employment and Training Act grant, the agreement "in principle" to relocate military facilities at O'Hare Airport—were already somewhat stale news and are not, at best, front-page issues.

Mr. Carter's announcement of a new Office for Families in the Department of Health, Education, and Welfare is the kind of news that most people would rather not hear. HEW going into the "Dear Abby" business? Another growth budding on the vast bulk of federal bureaucracy? More minor officials telling people what to do about their private affairs [and presumably drawing up guidelines for conforming with the advice]? Who needs it? Mr. Carter seems to have misunderstood the very message that helped elect him in the first place: We don't need more federal agencies to solve our problems; we need fewer.

On the one issue where he could have taken a strong and constructive stand—HEW's seeming determination to dismantle Chicago's school system to make it fit desegregation formulas—Mr. Carter executed the weakest cop-out we've heard from any chief executive [see the following editorial].

Mr. Carter's campaign strategy so far seems to be the simple and negative one of staying off the hook and doing such political favors as won't make any new enemies. We don't foresee a long run for this show.

### . . . AND EXHIBITS HIS WEAKNESS

At President Carter's question and answer session at Thornridge High School, it was inevitable that someone ask him about busing [mandatory busing of public school pupils for desegration]. The President's answer, however, was not what one would expect from the chief executive of the United States. It was an abject confession of ignorance and impotence.

As any ordinary taxpayer on the street might say, President Carter said of the current impasse between the Chicago Board of Education and the Office for Civil Rights of the Department of Health, Education, and Welfare, "My hope is that the present dispute . . . can be solved harmoniously. I don't know where the best place might be to do it." Incredibly, he said that he as President has no authority in the matter.

The best place to solve stubborn problems in which the executive branch of the government of the United States is a principal is in the Oval Office, now occupied by President Carter. The ultimatums sent to the Chicago Board of Education are signed by David S. Tatel, a subordinate of HEW Secretary Patricia Harris, appointed by and holding office at the pleasure of President Carter. And he has no authority?

Obviously trying to say something that everyone would like, President Carter said he personally believed that "mandatory busing ought to be minimized" and that federal legal requirements have "got to be honored." After the long and sorry record that federal courts have made as administrators of public school systems, and after the Supreme Court's draconian decisions in the Dayton and Columbus cases [in which a majority laid on school boards extreme responsibilities for having in the past sacrificed everything to minimizing racial isolation in the schools however it arose], President Carter said, "Don't consider it to be a catastrophe if the case is moved into federal court."

Why not?

As long as school desegregation questions are in the jurisdiction of HEW and the local school board, the possibility of tempering doctrinaire bureaucratic extremism by executive influence or even discipline from the cabinet or presidential level exists. Executive intervention within the executive branch is both possible and appropriate. But the courts and even the Department of Justice are different. For President Carter to welcome the transfer of jurisdiction from HEW to Justice makes sense only if he puts getting distance between his own authority and a troublesome issue above every other consideration.

We have a right to expect the President of the United States to have the strength, confidence, and knowledge to represent the interests of the United States in dealing with other heads of government, many of them ruthless dictators. But we have a President who says that David S. Tatel, rungs below him in the executive branch of government, has authority over the Chicago public schools that the President has no authority to challenge.

President Carter is widely recognized as a weak President. But who knew, until Tuesday morning, that he is that weak? ●

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## DOTTIE WEST

## HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. BONER of Tennessee. Mr. Speaker, I rise today to honor an outstanding performer who brings joy and music to the hearts of country music fans across the Nation. On October 8, 1979, I was privileged to attend the 13th Annual Country Music Association

Awards at the Grand Ole Opry House in Nashville, Tenn.

It was my privilege to witness Dottie West receive the Vocal Duo of the Year Award with Kenny Rogers. I wanted to share with the Congress and the Nation the background of this outstanding artist.

Dottie West was born in McMinnville, Tenn., October 11, 1932, the daughter of William and Pelina (Jones) March. She attended Tennessee Technical College and received a B.A. in music in 1956 made singing debut on WEWS–TV, Cleveland, Ohio, 1965 to 1960. In 1966 Dottie was a singer with the Cross-Country Band. Her performances include the Grand Ole Opry in 1962 to present time, Memphis Symphony Orchestra in 1973, and the Kansas City Symphony from 1961 to 1974. Her television appearances have included the Eddy Arnold Special, Country Hit Parade, Music Country U.S.A., Hee-Haw, the Glen Campbell Show, the Jimmy Dean Show, the Mike Douglas Show, and Good Ole Nashville. Dottie has been a recording artist with Staeday Records from 1959 to 1961 and with RCA since 1962. She received the 1965 Grammy for Female Artist for her song "Here Comes My Baby," was named No. 1 female writer in United States by Billboard magazine in 1974, and was named England's No. 1 female performer in both 1973 and 1974.●

## TAKING THE STING OUT OF A LOAN SHARK'S BITE

### HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. GONZALEZ. Mr. Speaker, I am inserting in the Record an article by humorist Art Buchwald that, in its Swiftian prose, points out what the average citizen knows. But somehow those in Congress and in the executive branch continue to go along with the usurious rates of interest which will ultimately destroy economic progress for everyone.

The article follows:

#### TAKING THE STING OUT OF A LOAN SHARK'S BITE

(By Art Buchwald)

New York.—One of the results of the new 14½ percent prime rate is that it is now cheaper to borrow money from the Mafia than it is from the Chase Manhattan Bank.

For years the Mafia prided itself on charging the highest interest in town. But thanks to the Federal Reserve actions of the past few months, the loan shark rates have become a bargain.

"Arnold the Adjuster," one of the major loan sharks in New York City, has mixed feelings about this turn of events.

"We naturally are delighted to be able to compete with Bank of America on their terms," he told me, "but the Costra Nostra always prided itself on charging more vigorish (interest) than anybody else. People came to us when the legitimate banks turned them down. Now they're coming to us *before* they go to the banks. If we refuse to loan the money, then they have no choice but to throw themselves on the mercy of the Irving Trust Co."

"I should think you'd be delighted with this state of affairs," I told him.

"We would, except that in the past our loan department has dealt with individuals, and if they couldn't pay we had sure-fire methods of collecting from them. Now the large corporations have heard our rates are cheaper and are coming to us for funds. How do you break the legs of the telephone company if they fail to pay you back?"

"I see the problem," I told him. "It must be difficult to go to IBM and say, 'If we don't get the money by Thursday, you'll never see your grandmother again.'"

"There are other difficulties," Arnold said. "Our main source of loan money came from Mafia families who didnt know what to do with their hidden cash flow. Now they can buy legitimate Treasury notes for higher interest than we are permitted to charge. So they've been withdrawing their deposits to buy bonds, thus drying up our money supply. At the same time they get very angry when the loan shark division doesn't show a profit."

"It must be killing you," I said.

"Loan sharking isn't what it used to be," he told me. "Our costs are going up every day. Our enforcers are demanding more money, the price of baseball bats has gone sky-high, and you have no idea what a bag of cement costs now. We've had to make big cutbacks. Before, if you borrowed more than $5,000 in a week, we gave you a free stolen toaster or TV set. But now you get the money without the gifts, and a lot of people are mad."

"At the same time," I said, "it must make you proud to know that you can undercut the Citibank on what they charge for a loan."

"It does and it doesn't. The Fed has screwed the money market all up. We don't know where we are from one day to the next. The legitimate banks never worried about loan sharks, because they always knew we charged three points more than they did. Now that our rates are lower, they're complaining to the FBI that we're hurting their business. The heat's on because Household Finance just can't stand the competition."

"Why don't you raise your vigorish above that of the banks? Then they won't have anything to gripe about."

"We don't want to drive the country into a recession. Our bookmaking and white slavery divisions depend on a healthy economy."

"We're sending our people down to see the members of the Federal Reserve Board and explain what their tight money policies are doing to the 'under the counter' loan business."

"Do you think they'll listen to reason?" I asked.

"They have to. They have grandmothers too."●

## NATIONAL BUSINESS WOMEN'S WEEK

### HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. APPLEGATE. Mr. Speaker, it is with a great deal of pleasure that I address my colleagues in the House today as next week, October 21 through October 27, has been proclaimed "National Business Women's Week." It is a time that has been set aside for those women in the business world who have contributed so much, not only to their gender, but to the Nation as well.

Not long ago it was difficult, not to mention unlikely, to find a woman in a decisionmaking position in the business community. Times have changed, though, and for the better I might add, because of the involvement of women in all aspects of life today.

In marking this occasion, I believe it is only fitting that the proclamation originally made by President Jimmy Carter be printed in today's Record. I am therefore submitting for the Record that document:

Whereas working women constitute 43 million of the nation's work force, and are constantly striving to serve their communities, their states and their nation in civic and cultural programs, and

Whereas major goals of business and professional women are to help create better conditions for business women through the study of social, educational, economic and political problems; to help them be of greater service to their community; to further friendship with women throughout the world, and

Whereas all of us are proud of their leadership in these many fields of endeavor,

Now, therefore be it resolved that I, Douglas Applegate, Congressman for the 18th Congressional District of Ohio, do hereby concur with President Jimmy Carter in proclaiming October 21st through October 27th, 1979, National Business Women's Week.●

## THE SHAPE OF THINGS TO COME

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. ASHBROOK. Mr. Speaker, there are times when I wonder how Carter administration officials can wake up and face themselves in the mirror. The attempts by this administration to disregard any sense of reality in order to achieve there goals gets more bizarre every day. The entire situation takes on the laughable proportions of a French farce if it were not for the fact that the American taxpayer will once again foot the bill.

The lastest outrage comes from the food stamp program. This last summer we listened to impassioned pleas that unless the food stamp program was increased by $620 million for 2 months, thousands of poor and elderly people would starve. This appeal to the emotions was enough to pursuade the Congress to agree to the bailout. Now lo and behold we are being told that the poor and the elderly will starve unless the Congress increases the program another $2.5 billion. Supposedly the numbers of poor starving people are growing so fast in this Nation that a 43-percent funding increase will be needed or the United States will look like the streets of Calcutta.

Agriculture Secretary Bergland finds the statutory cap on food stamps a great annoyance. This last weekend he addressed the National Conference of Catholic Charities in Kansas City. In that speech he invoked the Pope in order to defend his contention that the Congress and the American taxpayer had no right to stifle his wanton expansion of food stamp eligibility. Pope John Paul deserves better treatment than having his eloquent words twisted into half-baked rationalizations by an irresponsible bureaucrat.

The food stamp program has become one of the cornerstones for the fraud and abuse that is rampant in the Federal Government. The House Appropriations Committee asserted this summer that over $2.7 billion of food stamp funds are wasted or squandered on fraudulent or dubious recipients. This is an incredible figure. It is the height of arrogance for Bergland to demand a 43-percent increase in the food stamp cap when more than that amount could be achieved if his agency would clean up its act.

Next year's budget battles are evidently already underway. Mr. Bergland's appeal to the emotions might sound compelling to those who buy his brand of rhetoric, but I find the whole act appalling. The American taxpayer has been demanding a stop to wanton destruction of his or her paycheck for years and all they get in return is empty platitudes from shallow minds. The Congress is the only vehicle to hold the Government accountable for spending tax dollars. We must draw the line. This summer we were told that unless we acted immediately the USDA would have to cut back 88 percent of its benefits. To head off such arguments next year I hereby put the USDA on notice. I will do all I can to preserve the paychecks of the American people. The food stamp program is a massive boondoggle that has been proven to waste far more money than Mr. Bergland is requesting for next year. They now have close to a year to eliminate waste and to cut out the freeloaders in the program before they run out of money. The American people have to live within their budgets, Mr. Bergland can too. No employee in his right mind would go to his boss and say that he plans to spend 40 percent more than he is currently making next year so he better get a raise. In effect, that is what Mr. Bergland is demanding and it sounds down right absurd. I throw down the gauntlet to the Secretary. Let him try to pull off this obscene power play and see how far he gets in the Congress next year or at the polls next fall.●

## METRO OPERATING SUBSIDIES: THE FEDERAL RESPONSIBILITY

## HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. McKINNEY. Mr. Speaker, when the House passed H.R. 3951, the National Capital Transportation Amendments of 1979, it also included in its approval that section in the bill which provided for an annual Federal contribution to Metro for rail operating expenses during the final construction phase. This contribution was included in the legislation as a reflection of the special benefits the Federal Government receives from Metro, and the special obligations it has to its continued success.

It is unfortunate that although the administration has given its support to most of the concepts included in the legislation, it is still opposed to the Federal contribution to operating costs called for in the bill.

Apparently there is a misunderstanding regarding local contributions to the operating costs. The administration fears that Federal funds could displace local funds and reduce the incentive to operate the system efficiently. This fear is unfounded, however, as it was never the intent of H.R. 3951 to relieve the local jurisdictions of their current levels of contribution. The Federal contribution is to be applied only to that portion of operating costs associated with mileage being added to the system between 1981 and 1988.

In fact, as Metro is expanded between now and 1988, there will be a significant increase in the local contributions to operating costs even with the Federal contribution. Consequently, there is no concern that current levels of local contributions will diminish.

It is time the administration got aboard this issue of operating costs. As the dominant employer in the region, it makes good sense from both a political and an economic point of view for the Federal Government to contribute to the operating costs of the system. To illustrate the point, the staff of the Committee on the District of Columbia recently contacted the transit authorities of several major cities in order to ascertain whether local employers were providing financial incentives to their employees for using mass transit. The results were interesting and encouraging.

Of the 21 cities contacted, 10 had active programs; all had given such programs consideration; and many of the others planned to implement one eventually. The support identified ranged from administering the sale of transit passes through payroll deductions to paying 100 percent of the cost of transit passes. The subsidies ranged from a low of 7.1 percent to a full 100 percent in some instances. The average subsidy was 53 percent. The cities involved ranged from Los Angeles on the west coast to Boston in the East; and from Minneapolis in the North to Dallas in the South. Many of those offering subsidies to their employees were State and local governments.

When the administration equates Metro with the other transit systems throughout the country, it fails to take into consideration the Federal Government's special obligations to the National Capital area. The Federal Government is the region's major employer and landlord, with over 25 percent of the region's employees being Federal workers, and another 25 to 50 percent having jobs which depend on the Federal presence.

Were the Federal Government to subsidize mass transit for its employees at a rate equal to the city of Kansas City (50 percent) the costs would work out at approximately $52 million per year. This is considerably more than the amounts authorized for operating expenses in the legislation.

Furthermore, it is appropriate to note here that in addition to the heavy local tax burden created by Metro, commuters pay almost 60 percent of the operating costs through the farebox. Metro's policy is to increase fares at a rate equal to the Consumer Price Index. Compare this to the national average farebox contribution which is less than 45 percent of costs. In addition, current Metro ridership already exceeds the ridership of many systems of much greater length.

Mr. Speaker, I feel strongly that there should be a Federal operating subsidy as outlined in H.R. 3951 to represent the substantial benefits the Federal Government reaps from Metro. It is the Federal Government's responsibility, it will continue to be the Federal Government's responsibility, and it is time we accepted that responsibility.●

## SEARCHING FOR THE "DISAPPEARED"

## HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. HARKIN. Mr. Speaker, the House Foreign Affairs Subcommittee on International Organizations has recently held hearings on the subject of the "disappeared"—the tens of thousands of men, women, and children who have vanished at the whim of police state officials. I would like to take this opportunity to commend my colleague, the Honorable DON BONKER from the State of Washington, for his efforts in investigating this tragedy.

For the information of my colleagues in the Congress, I have included here Mr. BONKER's editorial in the October 18 issue of the Washington Post.

### THE MISSING 30,000

(By DON BONKER)

It is 7 a.m. Five men in civilian clothes burst into a home and seize a 23-year-old man. The chief of the gang tells the young man's mother that her son has been named a subversive by a prisoner under custody and is being taken in for questioning. She is told that she can inquire about her son the following day. But the next day—and a thousand days later—the police deny knowing anything about him.

In another incident, a 31-year-old woman who lived through the terror of imprisonment and returned to tell about it reports: "I was told by my captors I was not detained, nor disappeared. I was just absorbed, kidnapped, sucked up."

Scenes from "Holocaust"? No, these incidents are examples of a new phenomenon in the violation of human rights called the "disappeared person." This brutal and cynical practice is occurring almost daily in a significant number of countries. It is further evidence that the 20th century has not spent itself of horrors.

Though the phenomenon of the "disappeared person" is prevalent worldwide, most documentation comes from South and Central America. At a recent human-rights conference in Chile, the secretary general of Amnesty International estimated that in the last decade some 30,000 Latin Americans have disappeared. The number of documented missing reaches the hundreds in parts of Africa and Asia, as well as in Brazil, Uruguay and Paraguay. These numbers soar to the thousands in Chile and Argentina.

Since the military coups in Chile and Argentina, many thousands have disappeared without a trace after arrest by police, security forces or parapolice. In certain cases, husbands and wives have been taken together, sometimes with their young children.

Tragically, a substantial number of unaccounted-for children have been abducted or have been born in captivity to pregnant kidnap victims. No attempts have been made by governments to investigate such disappearances, and these abuses continue unchecked.

After a recent visit to Buenos Aires, V. S. Naipaul wrote: "There is still, for the distinguished or well-known, legal arrest on specific charges. But below that there is no law. People are taken away and no one is responsible. The army refers inquirers to the police and the police refer them back to the army. A special language has developed: an anxious father might be told that his son's case is 'closed.' No one really knows who does what or why; it is said that anyone can now be made to disappear, for a price."

In Argentina, one does not need to be a terrorist to be arrested, tortured or murdered. It is enough to have belonged to a trade union or a student organization or to have helped persons classified by the military as "subversive." People are simply picked up, some to return as corpses, minus their heads and hands to prevent identification. A few are released and warned not to speak, but most are subjected to brutal conditions in secret camps.

Until recently, little international attention focused on this terrifying violation of human rights. In the last session of the United Nations General Assembly, a resolution was passed asking for intergovernmental cooperation to search and account for the disappeared.

More recently, a subcommission of the United Nations adopted a resolution stating that disappearances continue to occur and that the "dangers involved for such persons warrant urgent reaction." If the situation were to continue, the subcommission recommended, some form of emergency remedy must be applied by the international community.

The House International Organizations Subcommittee will hold today the last in a series of hearings on the phenomenon.

If, as President Carter has said, human rights is the "soul of American foreign policy," then we as a nation steeped in traditions of freedom and justice must respond to the mounting evidence. We must let the word go forth to the relatives of the disappeared, to those locked in secret detention camps and to the exiles around the world that "if you are silenced, we will speak for you."●

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## WILLIE NELSON

## HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. BONER of Tennessee. Mr. Speaker, I rise today to honor an outstanding performer who brings joy and music to the hearts of country music fans across the Nation. On October 8, 1979, I was privileged to attend the 13th annual Country Music Association Awards at the Grand Ole Opry House in Nashville, Tenn.

It was my privilege to witness Willie Nelson receive the Entertainer of the Year Award. I wanted to share with the Congress and the Nation the background of this outstanding artist.

While Nelson, musician and songwriter, was born in Abbott, Tex., April 30, 1933, attended Baylor University, and served in the U.S. Air Force. He worked as a salesman, announcer, and host on several country music shows on local Texas radio stations, bass player in Ray Price's band, and then formed his own band. Willie has made personal appearances at the Grand Ole Opry and throughout the United States beginning in 1964; recording artist with Atlantic, Columbia, and RCA records. His albums include: "Willie Nelson and His Friends," "Willie Before His Time," "Country Willie," "Here's Willie Nelson," "Red Headed Stranger," "The Troublemaker," "Wanted: The Outlaws," and many others. His film appearances include "Outlaw Blues" in 1977 and "Electric Horseman" in 1979. Willie was named to the Nashville Songwriters Association Hall of Fame in 1973; a recipient of Grammy Award for "Blue Eyes Crying in the Rain" in 1975; a Billboard magazine citation for top album artist in 1976; Country Music Association awards for single "Good Hearted Woman," for his duo with Waylon Jennings, and for his album "Wanted: The Outlaws."●

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## SUCCESSFUL PROGRAM IN CONNECTICUT

## HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. MOFFETT. Mr. Speaker, the senior environmental employment program (SEE) is a pilot program operating in the State of Connecticut and in nine others. For its cost, it has been one of the most successful programs in the State of Connecticut's department of environmental protection. Recently a SEE success story in Connecticut was written up in this month's department of environmental protection's citizens' bulletin by Mr. John Waters, senior environmental employee in the department of environmental protection's information unit. I urge my colleagues to review this article to get a flavor of the many good things that can come out of a modest Government program like this.

### S.E.E. Program Benefits Idle Elders, Environment

(By John Waters)

This is the story of two urgent problems colliding head-on and producing a happy and useful solution to both. Problem Number One was the fact that hard-working state environmental departments have had to take on so many urgent pollution problems all at once that they have often had to postpone worthwhile projects.

Problem Number Two was the fact that mandatory retirement has left millions of able-bodied and able-minded men and women with no challenging and renumerative work to do—at a time when inflation is eating away the financial security they have provided for old age.

Considering these problems, the U.S. Environmental Protection Agency and the U.S. Administration on Aging (AOA) concluded that Problem Two might become the solution to Problem One, and that Problem One might become the solution to Problem Two. That's how the Senior Environmental Employment Program was born—with AOA putting up $1.1 million a year for a three-year pilot operation in ten states, of which Connecticut is one.

In the fall of 1977, with a $100,000 grant from AOA, Connecticut announced that it was going to hire citizens aged fifty-five or over to work in its Department of Environmental Protection and in the Department of Health Services' Environmental Services Division. More than 200 people applied, of whom nineteen were hired. Five were assigned to water quality programs; four to air compliance; three each to solid waste, open-space acquisition, and information and education; and one to noise control. Starting pay was $3.97 to $5.19 per hour, depending on the job classification. Workers in the program were ultimately limited to thirty-six hours on the job every two weeks.

What kind of people turned up to work gladly for the relatively modest pay? That is the most amazing part of the story. Of the seventeen men and two women, many had held responsible, well-paid positions in business, government, education, and the professions. Some had been honored by trade and professional associations. Some had had secretaries who earned more than they themselves are working for now. So why did they turn up for these jobs, some in fields utterly strange to them?

The answer seems to be that they are people who like to work. They like the sense of accomplishment, whether the stakes are large or small. They like the interplay of human personalities in work situations; and since many of them had retired involuntarily, they rebelled at the idea of spending the rest of their days on the scrap pile. In certain cases, of course, the money was very important, especially where retirement had not been accompanied by a pension plan or where inflation had savaged their retirement savings.

From the standpoints of the Department of Environmental Protection and the Department of Health Services, the presence of these SEE Program workers has made it possible to undertake many supplementary projects that might not have been attempted otherwise. The $100,000 a year federal funding provided these people to the State at minimal cost (only a ten percent match was required).

Earl Carini, Director of Personnel for the DEP, made the following statement about the caliber and performance of the SEE people: "We have found the experience of a lifetime. They learn everything quickly, with little training, and are extremely self-disciplined." The accompanying brief work histories of some SEE Program participants will demonstrate the truth of the lighthearted lyrics below.

### Glory! Glory to the SEE Plan

(Tune: "Glory Hallelujah")

**Our eyes are 20–20 if we keep our glasses on.**
**Our joints don't ache a bit until the aspirin's all gone.**
**Our hearts beat with a boogie-beat; we may look pale and wan,**
**But our brains work on and on.**

**(Refrain)**

**Glory! Glory to the SEE Plan!**
**It proves that work's the best M.D. plan.**
**So give it all we've got, to show that we can keep SEE Plan marching on.**

**The SEE Plan is a plan which shouts that seniors aren't defunct.**
**It shows their skills and insights are too useful to be junked.**
**It proves the myth of senile sloth is easily debunked,**
**While we keep working on.**

**(Refrain)**

**The SEE Plan helps us seniors do the things that will insure**
**A world our children's children will inherit clean and pure,**

Where lovely scenes we knew when young
are certain to endure
When we've gone marching on.
—JOHN P. WATERS.●

## FIRST WOMAN KILLED IN AN UNDERGROUND MINE IN THE UNITED STATES

### HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. GAYDOS. Mr. Speaker, I would like to call my colleagues' attention to an article in last Sunday's Pittsburgh Press describing a recent mining tragedy involving the death of the first woman in an underground mine in the United States.

Mrs. Marilyn McCusker had to file a court suit for employment discrimination in order to gain employment in a coal mining company in Centre County, Pa. After winning this battle, she lost another when she died as a result of being buried under tons of collapsing rock while working in the mine. Mrs. McCusker and her husband, like many other Americans, both had to work in order to buy a home and support their family. Her's is a tragic story and her family has suffered a grievous loss.

But accidents such as this continue to plague the mining industry. In order to avoid the tragic loss of working men and women, it is essential that mine safety standards, such as those provided by the Federal Mine Safety and Health Administration be closely adhered to.

Mr. Speaker, at this time I revise and extend my remarks and include this article by Lee Bowman in the October 7, 1979, Pittsburgh Press to be printed in the RECORD.

The article follows:

WOMAN MINER'S DEATH ENDS HOPES OF HOME

(By Lee Bowman)

Marilyn McCusker won her battle for the right to work in a coal mine more than two years ago.

Last week, the victory claimed her life.

She died under tons of rock while running a roof-bolting machine at the Rushton Co. mine near Osceola Hills, Centre County.

She was the first woman to be killed while working in a U.S. underground mine.

Her fight to become a miner was not so much one of women's liberation. It was for a decent wage to support herself and a teenage son, Michael.

Rushton paid almost $90 a day down in the pits—far more than she could make as a nurse's aide at a nursing home.

So the 130-pound woman walked into the mine office back in 1975 and handed her application to Superintendent Blair Richard.

Richard said he refused to hire a woman.

Unruffled, the then Marilyn Williams got an attorney and went to federal court, charging the company with sex discrimination. Three other women joined in the suit.

They eventually won a cash settlement and jobs in August 1977 in an out-of-court settlement.

"She'd put in her application just before I met her," Allan McCusker recalled. They were married the following December.

"She always said the money was in the coal mines. She liked the mines," said her husband, a carpenter.

The McCuskers were building a new house near their home at Coalport, Crawford County, about 20 miles from the mine.

"Marilyn wanted that house a lot," McCusker said, "but for me to build it on my own time, she had to work to help pay for it. I'd just gotten the frame up. She said she'd probably quit once we got it built."

Mrs. McCusker will never see the completion of the new house. She was buried yesterday in Chadwick, N.Y., near her home town in Utica.

"We were just getting ready to take out a loan to complete the new house, so we re-mortgaged our old house," McCusker said. "We had to take out a new insurance policy on Marilyn to go with it.

"We'd just found out last week that the insurance company wouldn't cover her. Her work was too dangerous, they said.

"A coal miner's job is dangerous and that roof bolting job was the most dangerous of all. But she always told everyone that was the job she liked the most."

The Rushton mine is in an experimental program with nine-man crews working without supervision by foremen. Each crew is responsible for its own production pace.

All members of the crew are trained for all jobs in the section, including mining-machine operator and roof bolter. The workers are encouraged to rotate jobs, but seniority still decides who gets what position.

Mrs. McCusker had worked for two months as a roof bolter's assistant in another section while the regular worker was on sick leave.

"She was waiting for something permanent to open up in the production section," Superintendent Richard said. "She'd done most of the jobs in the mine already, even run the mining machine for a time.

"The assistant bolter's job in that section had just opened up and she asked for it. That was only her second day in that section."

Richard still isn't sure how the rock fall that buried Mrs. McCusker occurred. The bolter, Harry Koptchak, standing only a few feet away, escaped injury.

"I have a feeling that if she'd just taken one step back, she would have been safe," he said.

Richard said he still is not at ease with women in the mines, but he's accepted them, even hired more.

At one point, there were eight women working at Rushton. Now, with Mrs. McCusker's death, there are three. Only one of the original four is still there—one quit and another is on pregnancy leave.

"It was called discrimination back then, but there was more to it than met the eye," Richard said. "Still, it was good relations for the company to hire them. Why fight them, I guess.

"Females just don't have the same build or chemistry as men, but I will say, Marilyn McCusker was a steady worker, she had very little time missed.

"In the sophisticated mining of today, with machinery handling the heavy work, I'd say that a female with any stamina can do that roof-bolting job about as well as a man can."

Allan McCusker always knew his wife could handle the heavy work. "She always said the work in the mines was nothing compared to lifting bed patients as a nurse's aide.

"There were always a couple of older guys who resented her working there, but she put them in their place. I always thought she didn't really like it down there, but she insisted she did.

"She wanted that house so much, and the only way we could get it was for her to work. Around here, the money is down in those mines." ●

## MULTINATIONAL GRAIN COMPANIES

### HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. SEIBERLING. Mr. Speaker, as president of the Peace Through Law Education Fund, I am offering for insertion in the RECORD remarks of Dan Morgan at the September meeting of the food and population series sponsored by the fund.

Mr. Morgan is a Washington Post reporter and the author of the recently published book "The Merchants of Grain." From 1967 to 1973, he served as a foreign correspondent, based in Europe, where he covered such issues as the Sov. iet invasion of Czechoslovakia. He has also written for Saturday Review and other magazines, and is a three-time winner of the Front Page Award of the Washington-Baltimore Newspaper Guild.

Mr. Morgan discussed the international grain trade, the role of the powerful grain companies, and the feasibility and ramifications of bartering North American grain for OPEC oil, or of pegging the price of wheat to the price of oil.

The full text of Mr. Morgan's remarks is as follows:

Soon after my book, The Merchants of Grain, came out this summer, I received a letter from a reader. "My dear Dan Morgan," it began. "I have read your book and found great substance in it. I wonder if you would be so kind as to write me your answer to the following question: will civilization as we know it survive the century? Thanks for answering my question." It must be said that not even a journalist and a new author is so vain as to think such an answer is possible. I am not an expert or a policy specialist. I am a reporter and observer, and I hope you will take what I have to say in this spirit.

Before I talk about the international grain trade, I would like to make a few general remarks about multinational companies, the genus to which the big grain houses belong. We live in an era in which multinationals are a central part of the global power structure. A handful of these companies exercise almost total control over many of the resources, including grain, oil, bauxite, copper, rubber, cobalt, tin, lead and zinc, which are vital to the world economy. They provide the technology, organize the extraction processing and marketing of the raw materials and, perhaps most importantly, control the information about the availability of supply, the strength of demand and the price which the traffic will bear.

We know that these companies have a considerable influence on the conduct of U.S. foreign policy. There is nothing particularly sinister about this. The government-corporate connection grew up naturally after World War II, when the U.S. built economic bridges that spanned the world.

In the case of grain, the interests of administrations in power in Washington and the interests of the international grain companies frequently coincided. The political objective from Truman down through Nixon was to dispose of surpluses by promoting grain exports—through export subsidies, through the PL 480 program and through market development techniques that persuaded other countries to consume more and more wheat, feedgrains and soybeans. The huge grain companies became both the vehicle for and the beneficiaries of these policies. Imports of U.S. grain also bestowed significant benefits on many Third World countries. The grain helped feed growing urban populations, provided an important source of revenue and contributed to domestic stability. It also provided a cushion against hunger and enabled many people in developing countries to improve their diets.

As the volume of grain moving abroad increased, a few big companies invested heavily in storage, transportation, and grain processing not only in the United States but also abroad. To cite one example, Cargill of Minneapolis has grown from a relatively unknown U.S. company to the largest and most far-flung grain companies the world has ever known. Today Cargill is not only the largest grain trader but also the 20th largest processor of food. It has diversified into meat packing, flour milling, shipping, insurance, international finance, the poultry business in South Korea and the Philippines and is, in my opinion, one of the fastest expanding enterprises between the Appalachians and the Rockies.

In the early 1970s Cargill, like many other large grain companies, was in the center of the public's concern about rising food prices and excessive foreign grain trading. First came the 1972 sales of grain to the Russians. These were executed in secrecy by the grain trading firms—although documents since made available by the CIA suggest that government officials had considerably more details about the transactions than they told the public. These and subsequent episodes point up the woefully inadequate control on the grain trade as the U.S. and the world move into a new situation of tight grain supplies. Then came the grain inspection scandals in New Orleans and Koreagate—an episode that was financed in part by commissions generated by the U.S. rice trade.

Congress responded with investigations as questions arose about the secret financial transactions of large corporations in a supposedly open and democratic society. Congress did pass some new laws including the 1977 Foreign Corrupt Practices Act, but policy makers have yet to deal fully with the broader and the far more difficult questions of how to control and adequately supervise multinational companies, including the grain multinationals.

There are curious parallels between the current international grain market and the situation prevailing in the oil markets prior to the time when OPEC imposed its price controls in the early 1970s. Then a handful of countries produced the bulk of the surplus petroleum available for international trade, and a few multinational companies organized the production, processing and marketing of this oil. This is not all that different from what hapepns today in the grain markets. Although a few countries produce a grain surplus, they operate independently and often at odds with each other's policies on pricing and production. There is no wheat cartel and no signs of one on the horizon. In the U.S., the largest wheat exporting country, there are, as yet, no government controls over the grain industry.

Grain is, of course, grown by hundreds of thousands of farmers who produce dozens of different kinds of commodities—hard wheat for bread, soft wheat for biscuits, malting barley, birdseed, corn for starch and corn for high fructose sweeteners. These commodities have highly specialized markets at home and abroad to which they move through an intricate barge, rail and truck transportation system. Some 40 to 50 percent of this grain ultimately funnels through the export terminals of a few big grain firms. Given the small number of these terminals and the very few grain companies handling this trade, it would not be a difficult matter to establish government controls or supervision over the grain exports leaving the country. In the three instances when this was done over the past few years, the trade was easily controlled in Washington by a handful of phone calls.

I personally would be opposed to any attempt by the government to take over the management of grain exports. I am even more strongly opposed to the use of grain as a political weapon. The efforts of the two previous administrations to use food aid as an adjunct of U.S. military and economic policy in Vietnam, Cambodia, Chile and many other countries in the Third World is one of the most dismal chapters in U.S. postwar agricultural history.

But the U.S. with its philosophical commitment to the concept of free trade now confronts a world where almost all countries have come to adopt the Japanese system of government-corporate interlock, in which multinationals are an instrument of foreign policy. It must seriously be questioned how long U.S. multinationals can be allowed to have free rein in pricing U.S. crops around the world.

It is not a question of using grain for political leverage—of "bushel for barrel" diplomacy—but one of hard economic realities. We are nearing the limit of our capacity to produce and export more grain, and everything points to worse strains ahead. As grain exports climb to unprecedented levels this year, transportation breakdowns are beginning to occur in the U.S. interior. I see a time coming when the big producers will have to get together to coordinate their policies on pricing and production—hopefully in cooperation with grain consumers—to assure that the U.S. obtains access to the raw materials it needs in return for the unlimited access it gives to its grain. We can no longer afford to let the multinationals exercise exclusive control over such a vital resource as U.S. grain.●

## THE BRITISH GULAG: BRITISH JUSTICE IN THE NORTH OF IRELAND

## HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. GILMAN. Mr. Speaker, I would like to call to my colleagues' attention another case in the continuing series of human rights violations being perpetrated by the British in Northern Ireland in order to keep peace in that part of the world. I am speaking in particular of the case of Sean Chillingworth, a prisoner in Long Kesh Prison, a blanket man in the H-block. We have received numerous reports that conditions in British prisons are foul, and that despite inquiries and accusations by well-respected organizations such as Amnesty International, the British have allowed these conditions to deteriorate.

I visited Northern Ireland last November, and met with many families of prisoners and saw firsthand the conditions under which women prisoners were being held. Their major concern was their classification as "criminals" rather than as political prisoners; a similar complaint, resulting in the blanket protest in Long Kesh Prison, has made the men's lives living hell. Mr. Chillingworth's letter attests to this.

Mr. Speaker, our Government is concerned with human rights around the world, and our pleas for the welfare of prisoners in other nations have led to the release of some of the Soviet dissidents, to the recent release of Jacobo Timerman, of Argentina, and a general easing of poor prison conditions in other nations. And yet, when the Government chooses to ignore the systematic human rights violations committed by Great Britain, we are in effect condoning these violations.

I am enclosing for my colleagues' consideration a letter smuggled out of Long Kesh Prison expressing the sad conditions in that prison. The letter was forwarded to me by Dr. Fred Burns-O'Brien, of the Irish National Caucus.

Dr. Burns-O'Brien met personally with Sean Chillingworth, who was imprisoned on his own coerced statement alone, last November. His letter, and Chillingworth's letter both tell the story of individuals suffering in Britain's deplorable prisons.

The material follows:

IRISH NATIONAL CAUCUS, INC.,
*October 15, 1979.*

Hon. BEN GILMAN,
*U.S. House of Representatives,*
*Washington, D.C.*

DEAR BEN: Last November when we were in Ireland, I visited Sean Chillingworth in Long Kesh. The man was in a deplorable state physically, but in the half hour we had he related to me the conditions and abusive treatment he and his comrades in prison had to endure.

He took a risk telling me because three wardens stood around us listening to him. I cautioned him about the possibility of a beating, but he assured me it made no difference; they would beat him regardless. Before and after each visit, the prisoners are subjected to degrading body cavity searches. These very personal searches are not done very gently.

Mr. Chillingworth has been "convicted" of possession of arms. He was convicted on the basis of a signed statement. The statement was obtained through torture. He was beaten and he and his family threatened before he signed a statement of guilt.

Under English Common Law, duress is never acceptable and duress negates the fundamental principle of law that a man is innocent until proven guilty. There are no juries in Northern Ireland's political courts, coerced evidence is acceptable under special laws, and the rules of evidence have been ignored. Mr. Chillingworth like all the prisoners in H-Block and Long Kesh generally are judicially innocent. A fair trial is a fiction in Northern Ireland. English Common Law has never applied.

Realizing your interest in political prisoners, I would ask you to put Sean Chillingworth's letter describing his typical day in the Congressional Record. I asked for his views and he took great personal risk in having this letter smuggled out of Long Kesh to me.

Sean Chillingworth's greatest crime is that he believes that his country should be one undivided, a view I share with him. The letter enclosed was retyped as it was written on toilet paper. We in the Irish National Caucus appreciate all you have done for our country and all we know you will do in the future until the Irish People have their political and economic human rights and they are allowed to exercise their right to self-determination, the greatest human right of all.

Sincerely,

DR. FRED BURNS-O'BRIEN.

*August 14, 1979.*

SEAN CHILLINGWORTH, REPUBLICAN P.O.W.

LONG KESH

This is a duplicate of a letter received from the H-Blocks of Long Kesh, which was written on several sheets of toilet paper:

Each morning I awake in a little 8 foot

by 10 foot cell, and the first thing which comes to mind is the smell, for it is the smell of my own body, a body that has not been washed for the past eighteen months. I try to escape back into sleep for there is comfort and peace there. My mind is a turmoil of many thoughts and doubts, also I do not wish to face the day which lies ahead, but the harsh light which shines from the ceiling gives me no respite.

I open my eyes and gaze on my surroundings. The dirt and the grime. I look on the walls and see my own dirt hanging from them. It has all been put there by my own hands. I try not to dwell too much on this point. It has become a way of life, just like the smell of my body. Somewhere in the distance I can hear voices, and I know that the day is about to begin.

I wonder to myself will I be strong enough to make it through one more day in the H-Blocks of Long Kesh. Living the way I do, my life has become a nightmare, a never ending nightmare. It started when I entered this place, and God alone knows where it shall end. There is one big difference in this nightmare, in a normal nightmare you awake when you get to the really bad part.

In this case, the nightmare starts when you wake up. The mere thought of rising is an effort, but I know I must rise sometime. My bed is a piece of smelly sponge—and two torn blankets to cover me. I get up and feel the damp, the dampness which is there all the time.

I feel it seep through my feet. My hair is matted and ragged, and I know I look a sorry state, but you have stopped worrying about your appearance a long time ago. I hear foot steps and keys, and I know that the breakfast will soon be coming, not much comfort in that thought, for you only get two pieces of hard bread, a few spoonfuls of dry cornflakes and a cup of cold tea, but you must eat it, for it is all you shall get for the next five hours.

It's the first food from the day before when you had your last meal at 4 pm. A long time, but just one of the things which happen in the H-Blocks of Long Kesh. The morning passes slowly, you can hear the birds singing beyond your window, you can hear but not see, for sunlight and a view of the outside world has been blocked out by the erection of a large steel grill across the window.

You think of all the things you would like to do. Read a book, smoke a cigarette, feel the fresh grass beneath your feet, this and many simple thoughts flash through your mind. You try to remember what life was like when you had such things, but after almost two years, they are just a sweet memory! We are being moved to another wing to-day.

You have received word from the man next door. You feel your stomach tighten up, for you know what lies ahead. You try to stay calm, you can hear doors slamming, and voices raised in anger. You pace up and down in your cell, wishing your turn would come to move. Finally, your door opens and you make your way down the long, dark corridor. Fear inside your bowels, you reach the room where the search is done. You are pushed inside.

You see four or five people there. There is a mirror on the floor, you are told to squat over this, you refuse and then you are punched and kicked to the floor. You lose all sense of time. You hear a voice telling you to get up. You lift yourself from the floor and make your way to the cell. You say a silent prayer for at least it's over for the time being. You know it has been much worse on past occasions.

The day is long and you have only yourself and your thoughts to help pass the time. You think of your family and what they would be doing. You know they are worrying about you. They are suffering in a different way. You only see them once a month, for half-an-hour, and you wish the days would pass by quickly, so you can see them again. The time has arrived for the nightly lock-up. It makes little or no difference to the Blanket-Men, for we are locked up twenty four hours a day, but it means at least one more day over. You feel happy that you have made it.

You know it shall not be too long till you can escape once again, escape from the nightmare of the H-Blocks, but you know only too well that the escape is only an illusion, for the morning will come again, over again, the dirt, the smell, the maggots will be there tomorrow.

This is but one day in the life of a Blanket-Man. His only demand is to be treated as a prisoner of war. Britain has chose to treat him like a pig, as can be seen by the conditions in which he lives. All that we ask is that you re-write this letter three or four times. It may well save the life of a Republican P.O.W.

Yours faithfully,

SEAN CHILLINGWORTH.●

## TUNA CETACEANS AND HIGHLY MIGRATORY SPECIES

### HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. McCLOSKEY. Mr. Speaker, I have introduced a bill today which sets out a new U.S. policy for highly migratory species of fish and cetaceans. This policy is consistent with developing international law and our negotiating goals at the Law of the Sea Conference, and should remedy an anomaly in our law which has created international confrontations.

The bill contains four elements. First, it repeals the self-serving exception in our 200-mile fisheries bill which has caused significant international controversy and confrontation since its enactment in 1976. That exception provides that we will not claim management authority over highly migratory species within our 200-mile zone. While biologically justifiable—highly migratory species cannot be managed effectively by one country and should be managed internationally—the exception is viewed as arrogant and self-serving by the rest of the international community since they rightfully recognize that the exception is limited only to tuna and not billfish, cetaceans, or other high migratory species, and thus the exception has exceptions making the biological rationale clearly hypocritical. The international community correctly recognizes that we do not have significant amounts of tuna in our 200-mile zone and the exception was only added to our law to satisfy the powerful tuna lobby. The exception is used to argue that since we do not exert management authority over tuna within our 200-mile zone, no other country can do so and our tuna fleet is not subject to licensing requirements in any other nation's 200-mile zone. This argument is used to justify the U.S. tuna fleet's invasion of other 200-mile zones with consequent international confrontations—most recently with Canada, Costa Rica, and Peru, but also with small friendly island nations such as Fiji and Papua-New Guinea.

Second, the bill replaces the exception with language which reflects developing international law—a country does have jurisdiction over highly migratory species within its 200-mile zone until an international regime for the management of such species is established.

Third, the bill sets out outlines for an effective international management regime for highly migratory species of fish and the outlines of an effective international conservation regime for cetaceans. These regimes clearly recognize the different policies for the management of fish and the conservation of cetaceans. These outines are consistent with our negotiating goals at the Law of the Sea Conference.

Fourth, the bill requires the Secretary of State to convene an international conference for the establishment of these international regimes and uses the "Pelly amendment"—an embargo of fisheries products—to encourage a successful conclusion of that conference.

I believe this bill will both help to improve our international relationships and also assist in preserving tuna stocks for the benefit of U.S. consumers. With a policy more in line with developing international law, we will be in a better position to shape that development.●

## RIDE THE BUS FREE

### HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. YOUNG of Florida. Mr. Speaker, many people are talking about the twin problems of energy and inflation but too few are doing anything about them. I am delighted to report to the House that one civic-minded organization in my district has sponsored an imaginative program to help alleviate both problems.

The program was the "ride the bus free" week sponsored by the Florida Federal Savings and Loan Association, which has its headquarters in St. Petersburg.

The idea for the program grew out of a chance encounter. A woman approached Raleigh Greene, president of the association, and asked: "Why can't you do something about inflation?" Mr. Greene pondered the question and decided that mass transportation offered an opportunity to cut the cost of living for residents in the area and save energy for the Nation.

Florida Federal leased buses of the St. Petersburg Municipal Transit System and the Central Pinellas Transit Authority for the week of September 24 through 30. The buses ran their regular routes at no charge to passengers that week. Florida Federal paid the two transit systems $42,500, the amount of fare revenue they could have anticipated receiving that week.

The combined ridership of the two systems increased by 104,000 during Florida Federal's "ride the bus free" week. This was an increase of 60 percent over the previous week. It has been calculated that 500,000 additional miles were traveled by bus instead of car that week.

There were three benefits of this program. Money was saved by individuals who rode the bus instead of burning $1-a-gallon gasoline in their automobiles. Energy was conserved with an estimated gasoline savings of about 100,000 gallons. And the potential of air pollution was curtailed by the thousands of automobiles that were left home.

Florida Federal's "ride the bus free" program was the first of its kind anywhere in the Nation. If other organizations would consider creating and initiating similar innovative energy-saving ideas, we will lick the energy problem and strengthen our economy as well.●

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## SHOULD GOVERNMENT BE SUBSIDIZING THE ARTS?

## HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 19, 1979*

● Mr. PAUL. Mr. Speaker, the eloquent Dr. Ernest van den Haag addressed, in a recent Policy Review, the question of whether Government should be subsidizing the arts.

Do the working people of America have any idea of the extent to which they fund the pleasures of the well to do, through such institutions as the Kennedy Center? I do not believe so. If they did, the reaction would be outrage.

I would like to call to my colleagues' attention some excerpts from Dr. van den Haag's excellent essay. His perspective is the one we need to keep in mind, the next time we consider taking from the poor to give to the rich, under the heading of subsidizing the arts.

The excerpts follow:

### SHOULD THE GOVERNMENT SUBSIDIZE THE ARTS?

(By Ernest van den Haag)

. . . The government has jumped into the arts with both feet (not an inept metaphor); it has decided that the arts require subsidies and a bureaucracy to administer them. Our government is convinced that everything good ought to be subsidized. Not even sex is an exception; the federal government subsidies courses in sex education. . . . The government always concerns itself with problems—usually by means of subsidies—when a constituency can be discerned or created. Now there is one for the arts. Hence, Presidents, congressmen and senators can acquire cachet and reputations as cultivated and sensitive intellectuals by advocating more federal expenditures on the arts. President Kennedy started much of the rhetoric; President Nixon increased the budgetary appropriations. Ever since, the Federal budget for the arts in all forms has grown by leaps and bounds. Although they deplore high taxes and huge benefits, the Congress and the Executive have been remarkably generous to the arts. . . .

. . . What is the role of the government in the arts? What should it be? Do Americans want their tax money to be spent for the arts by their representatives? Or, would they prefer to decide individually how much money to spend on works of art and on which works? What would happen without government subsidies? . . .

. . . In practice the government's subsidies to art unavoidably become indiscriminate. (This is how the government protects itself against criticism and creates a wide, supportive constituency.) The government cannot actually subsidize art. At best it can and will subsidize a wide range of organizations or persons who claim to be producing art.

Now, a lot of ore has to be mined to get a little gold. One may argue that a lot of subsidy has to be spent on many unworthy artists so that the few worthy artists can be helped. However, there are relevant differences between mining and subsidized art production.

One difference need only be restated. Mining is not subsidized. It pays for itself—the purchasers of the metal pay more than enough for the necessary processes, including the mining of the ore that has to be discarded. Gold mining, thus, is analogous to the private purchase of art or, if you please, the private subsidy given to art producers. It is not analogous to government subsidies. Subsidies suggest that whatever worthwhile art they help produce is not worth enough to the public to persuade it to pay for the whole process, including the worthless art that is being subsidized. Thus, the government compels the taxpayer to do what he does not volunteer to do. I can find no justification for this policy.

There is an even more important difference between mining ore and art production. Payments to the mining industry may lead to more exploration and mining. But they cannot increase the total amount of gold-bearing ore that nature provided. Above all, such payments will not encourage the production of fake or imitation gold since consumers (and even the government) are quite capable of discriminating. Subsidies to art also may lead to more utilization of talent, although they cannot increase the pool of artistic talent provided by nature. But—and this is the decisive difference—a subsidy to art will attract people who would not have become artists without it. Art, unlike gold, is not definable so that the government could exclude subsidies to the untalented. We are forced to subsidize the mining of fool's gold as much as the mining of actual artistic gold, for the government cannot discriminate. The more we subsidize, the larger *the proportion* of fool's gold, of pseudo-art, in the end product being subsidized.

Normally, art production is self-selective. Few people produce art for the sake of money. The main reward is intrinsic—*ars gratia artis*. Artists are willing to risk foregoing income for the sake of self-rewarding achievement however much they hope it will be publicly recognized and become materially rewarding as well. Not that hungry artists are better artists. On the contrary. But the high risk of low income deters those more interested in income than in art and leaves mainly those who are artists for the sake of art, whether or not they are able to produce anything valuable.

Subsidies, however, will increase art production by attracting producers who, without the subsidy, would not have produced—those whose passion for art was not sufficient, without the subsidy, to induce them to risk sacrificing income. Subsidies may actually make it harder for true artists to succeed. Although more money is made available, there also is more competition for it. In this competition, the true artist is likely to be undone by those who, consciously or unconsciously, are interested mainly in money. They will be more worldly-wise, better competitors. After all, they are not distracted by artistic concerns and ambitions.

Lacking original talent, the pseudo artist will be more imaginative and, therefore, more easily understood and more appealing—and more eligible for subsidies. A subsidy to something or somebody actually original and valid is harder to justify than a subsidy to something appealing, unoriginal and, therefore, more easily understood. Those in charge of subsidization will be safer by going with the fashion, not by helping unknowns who create new things.

. . . To speak of subsidizing art is, of course, to use a metaphor. One can only buy specific works of art or help specific artists. Since there are no generally accepted qualifications and no agreement on what or who is meritorious, government organizations must subsidize artists who have already been widely recognized—and need the subsidy least—or distribute their bounty so that every claimant supported by regional taste or by the taste of any major social group gets some. . . . Aesthetically this is counterproductive. Bad art, as does bad money, drives out good.

Government subsidies, finally, are biased in favor of the performing arts. Officials feel they can measure quality by the dubious gauge of popularity; this is easier to do with an orchestra than with a composer. The performing arts also involve far more people—performers, support personnel and the public—than are involved in the lonely act of, say, composing a score or writing a critical essay. Hence, a large constituency. Wherefore, more and more subsidies go to the performing arts. The Metropolitan Opera or the Duluth Philharmonic is subsidized. The further natural bias of subsidies is toward popular performances and expansion of audiences at the expense of quality. It is in this way that political support can be secured.

Much more could be said along these lines. But the idea should be clear by now. (a) There is no good sociopolitical reason for the government to compel taxpayers to subsidize government-selected art; (b) to do so compels all classes to subsidize the middle class; (c) to do so is more likely to harm than to help in the creation of actual, valuable art.

#### SUBSIDIES TO MUSEUMS

What would happen if the government—local and federal—were to cease supporting the arts? * What would happen to museums and galleries which have come to depend on subsidies?

Museums acquire, preserve and display art both of the past and of the present. (They also engage in scholarly and educational activities incidental to their task.) Since much of the acquisition funds of museums now comes from private donations, government subsidies here are unimportant. Even if museums, left without subsidies, ceased to buy art and use acquisition money for maintenance, there would be no damage. The migration of old art from Europe and Asia into the U.S. and from private into public hands would be slowed. (The prices paid for ancient art would fall.) Since most museums have far more art than they are able to display, no less would be displayed than is now displayed. The egos of museum directors and curators would suffer greatly. But there would be no other damage. Failure to buy modern art would reduce its prices somewhat and its production. Again, no other effects are likely. Art is not produced for museums. Nor should it be. But, let me repeat, most acquisition would continue since funding for this purpose is supplied by private donations.

Preservation of art, old or new, however acquired, is costly. So is the display of art under reasonable conditions. It is this cost, which museums incur unavoidably, that is largely paid for by public subsidies. . . . However, there is no reason why those who are currently gratified by viewing art should compel others to pay for their gratification, no reason for museum visitors to contribute as little as they do now to the upkeep of the museums they visit. People are willing to pay, on the average, fifteen to thirty dollars to attend a Broadway show for two hours. There is no reason to pay less to attend a museum. (Preferred, habitual categories of viewers might be offered low subscription rates.) Would museums survive? Churches have survived by voluntary contributions without government subsidies. Museums could charge admission and expect donations.

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* I distinguish tax exemption (not taking money) from support (giving money) and do not oppose the first.

So could opera houses and symphony orchestras. They would survive—although their rate of expansion would be curtailed.

Raising the cost of attendance would thin the ranks of museum visitors (thereby reducing upkeep costs as well as paying a greater proportion of those costs). Lower attendance is regarded as a calamity by pedagogues who feel it necessary to make art available free of charge—even to stuff it down people's throats. Everything else—from bread to concerts—costs money. Why should art be free? There is, of course, no free art any more than there is a free lunch. Museum visits free to the visitor are paid for by taxpayers—largely by people whose incomes are lower than those of most museum visitors. I can see no justification for the shifting of the cost.

Reasonable entrance fees would solve a disturbing problem, deliberately neglected by administrators. Because they like popularity and wide support—which increase their power, their prestige and their subsidies and salaries—administrators pay no heed to the problems caused by crowding for those who actually come for the sake of seeing art. The treasures of the past are finite; the number of potential viewers is infinite. In each generation only a few can actually see them. But since museums are costless to visitors, they now attract crowds so big as to make it nearly impossible for any individual to contemplate and experience the art they display. Their popularity defeats much of the serious purpose used to justify subsidizing museums. People are herded through galleries—they willingly trot by paintings driven by boredom and by others—so that everybody can satisfy his curiosity and gratify his sense of accomplishment.

If crowds were thinner, as they would be, if a visit to the museum were to cost as much as attendance at a Broadway show, those who would still go to a museum would be able to enjoy it. They would find the conditions which make possible the aesthetic experience a museum can help them to achieve.

The absence of subsidies would have similar effects on the performing arts. The price of tickets would rise. Attendance would be reduced. Fewer performances would occur if people would not voluntarily pay for all the performances now subsidized. There would be an additional beneficial effect. The wages now paid performing artists and supporting personnel would decrease with the demand for them. I do not see much reason for a subsidy that leads them to earn far more than those from whom the money is taken. This redistribution is as involuntary as it is undesirable.●

# SENATE—*Monday, October 22, 1979*

*(Legislative day of Monday, October 15, 1979)*

The Senate met at 2:30 p.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

## PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God, Creator of all that is, we thank Thee for the world about us, glorious beyond description. We thank Thee for the world within us, deeper than we can fathom. We thank Thee for the spirit world above us, higher than we can reach. Give us grace and wisdom to be at home in this world of many dimensions. Work Thy will for this Nation by Thy holy Spirit in the President, the Congress, the judiciary, and all whom we have placed in authority over us. In Thy holy name we pray. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., October 22, 1979.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

WARREN G. MAGNUSON,
*President pro tempore.*

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

## RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## AN OUTSTANDING MONUMENT TO AN OUTSTANDING AMERICAN PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I congratulate our distinguished colleague from Massachusetts, Senator KENNEDY, and the Kennedy family and all those responsible for the planning and the building of the John F. Kennedy Memorial Library in Boston, which was dedicated this past weekend. I am confident that this new institution will make genuine contributions, in the years ahead, to our understanding of an especially significant period in modern American history.

I might add that I think that it was appropriate that, in company with an array of other distinguished Americans, President Carter was present to lend his voice to an event honoring the memory of one of his predecessors, who is remembered so fondly by so many Americans for the spirit that he brought to his duties.

John F. Kennedy has become an integral part of the corporate memories that we all share of the early 1960's. His charm, wit, and engaging personality allowed him to inspire his contemporaries to excel in their personal endeavors, and he was thus able, in large measure, to challenge this country, as only a few can in any era, to stretch itself to its full stature in meeting the challenges that faced it. This grasp for excellence was perhaps best represented and rewarded by the triumphs of the American space program that President Kennedy so heartily encouraged and promoted. President Carter accurately paid tribute to the spirit that informed President Kennedy's years in office, when he alluded to "its sense of progress and adventure and, above all, the joy of high purpose, and great achievement."

Mr. President, I know that I speak for millions of our fellow citizens in extending to Senator KENNEDY and his family sincere congratulations on the completion of this project in Boston, and I offer my commendations to the architect and builders of the Kennedy Library, who have captured so well in artistic form, the spirit of an outstanding American President.

## A LAMP THAT SHED MORE THAN LIGHT

Mr. ROBERT C. BYRD. Mr. President, Sunday, October 21, marked the 100th anniversary of the invention of the first durable incandescent lamp, by Thomas Alva Edison. Perhaps more than any other single modern device, the incandescent lamp has revolutionized the life of mankind; not only did the electric light bring illumination to darkened homes, businesses, and streets, but the electrical transmission system that eventually enveloped America, and now extends into vast areas of the world, promoted the invention of scores of other electrical devices, machines, and instruments. Edison himself went on to develop the motion picture camera, the fluorescent light, the dictating machine, the fluoroscope, sound movies, and dozens of innovations that have become vital to our economy and way of life. Other inventors and technicians, building on the foundations Edison laid, have adapted his ideas to improve our lives and even, in many instances, to save our lives, with instruments and machines that would have been considered magical or impossible only short generations ago.

Mankind—and Americans in particular—owe Thomas Edison and those scientists and inventors who worked with him at his Menlo Park, N.J., laboratory, a genuine debt of gratitude for the contributions they have made to our civilization. Electricity has become an indispensable part of our way of life, not only helping to dispel the darkness, but

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

also aiding in the amelioration of living conditions to which Thomas Hobbes might have referred as "mean, brutish, and nasty."

But the work of Edison and his team at Menlo Park should hold a greater significance for Americans than is represented by the practical results of their labors. The Edison group epitomized, perhaps as never before or since, the American genius for creative invention and innovation. In the 8 years of its existence, the Menlo Park laboratory produced 420 patented inventions, and by 1879, Edison was averaging 2 new patents a week.

Currently, the United States is facing a number of serious technological challenges, many of which are energy related. Moreover, the need to increase the productivity of American industry and business, suggests that the spirit of inventiveness is just as relevant now as in the past.

Every effort should be made to encourage the full exercise and expression of technical genius and invention in this country. The physical universe has proved to be a veritable treasury of hidden resources that, in recent generations, has surrendered unbelievable wealth to persistent and disciplined research. Perhaps, a genuine answer to the energy crisis is lying at hand, waiting only for the penetrating insights and patience of a latter-day Edison.

I hope, Mr. President, that responsible individuals at all levels of American society—above all, in our schools, in the government, and in business and industry—will be awake to the possibilities for innovation, and will deliberately nurture and promote programs and efforts to find new solutions to old problems, and greater resources to confront current dilemmas. Unfortunately, a certain antitechnological attitude has developed among some segments of the population in recent years, whereby history is rewritten, and the hardships, suffering, and deprivation of the past are overlooked in an effort to attribute to the primitive and arduous life of a century ago, an attraction that our grandparents and great grandparents would have never recognized in their daily struggles. Because life was so hard for them, our forebears reached into the unknown in order to discover ways to make our lives easier and more abundant. In their efforts, they made this the most technologically advanced civilization in the history of the world.

This is a tradition that we must perpetuate. Moreover, in this fashion, we can best insure that America remains in the advance guard of human progress for generations to come. This, it seems to me, is part of the legacy that Thomas Edison fostered, and which is now inherent in the American heritage.

## RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I yield such time as the Senator from Vermont may desire.

The ACTING PRESIDENT pro tempore. The Senator from Vermont is recognized.

Mr. STAFFORD. I thank the distinguished Senator from Alaska, the acting minority leader, for yielding.

## THE INTERNATIONAL PARLIAMENTARY UNION

Mr. STAFFORD. Mr. President, in the 95th Congress, the Senator from Vermont took three special orders to discuss the history, the organization, the purposes, and the meaning of the International Parliamentary Union, an international body of parliamentarians to which the United States has belonged for a great many years. About 80 nations now generally attend the meetings of the International Parliamentary Union.

The most recent meeting of the International Parliamentary Union, with 80 nations in attendance, was held in Caracas, Venezuela, in September.

The history of the organization, which I discussed in the last Congress, of course, has not come to the attention of the Members of the 96th Congress, and with a substantial turnover in Congress since the 95th Congress, especially in the Senate, it seems to me to be desirable to place a new brief history of the International Parliamentary Union in the Record at the present time.

It so happens that a very interesting and short history of the 90-year existence of the International Parliamentary Union from 1789 to 1979 was recently published in one of the official documents of the union.

Mr. President, I ask unanimous consent that that brief history be printed in the Record.

There being no objection, the history was ordered to be printed in the Record, as follows:

### The Inter-Parliamentary Union 1889–1979

(By James Douglas)

Few, if any, members of those different Parliaments who were gathered together in the Victorian splendour of the Hotel Continental in Paris at the end of June 1889 could possibly have conceived that ninety years later the inter-parliamentary movement, which they were then launching, would draw together members of eighty Parliaments from every part of the world, and would be an international political organization in its most modern sense. Today, indeed, the IPU still stands as the only worldwide inter-parliamentary body.

The primary aim of those early Conferences was to advance the idea of international arbitration, and the first three resolutions adopted at that session refer specifically to arbitration. In fact the title "Inter-Parliamentary Conference for International Arbitration" was to continue until 1899 when the present nomenclature was adopted.

In those early days at the end of the last century, inter-parliamentary co-operation was based to a great extent on meetings and personal exchanges between men who had a common background of similar political systems based on like principles. As the Conferences became regularized and sessions were held in Paris, London, Brussels, Rome, Budapest and other European capitals, so the organization and administration of the new body were set up. Statutes and Rules were approved, a Secretary General appointed and in 1892 the Conference sat in the Chamber of the Swiss Federal Council.

By the time of the Hague Conference of 1894, at which fifteen Parliaments were represented, a number of organizational questions were finalized and an important step was agreed to in accepting a proposal for a draft convention for a Permanent Court of Arbitration. The draft was adopted a year later at Brussels and later submitted to Governments. The initiative led directly to the convocation of the first world peace conference at The Hague in 1899, which in its turn led to the creation of the Permanent Court of International Justice. The Convention adopted by that conference was based to a large extent on the draft prepared by the Union. It was a significant political achievement and the IPU through its activities had succeeded in exercising considerable influence on Government policies.

This initial success was to be matched some years later in 1904 when, following the St. Louis Conference, an IPU delegation was received in the White House by President Theodore Roosevelt who responded to the requests of the delegation and the terms of the resolution adopted at St. Louis by convening a second world peace conference.

These early successes of the Union are, of course, merely half-forgotten matters of history today, but at that period they demonstrated very clearly the power of Parliaments and parliamentarians acting in concert to influence governmental decisions.

In the early years of the present century the topics discussed at Union sessions had begun to widen in scope and social and economic questions found their way on to conference agendas. Also during this period the IPU was to be structured in a form which has changed but little down the years. This was the plenary Conference, the Council with two members from each Group and the Executive Committee, with a permanent Secretariat to service and advise the various organs. This structure has been preserved with very few changes until the present day.

Until 1909 the seat of the Union's Secretariat had been in Bern with Dr. Gobat, a Swiss member of Parliament, as Secretary General. However, with the appointment of a paid Secretary General, nominated by the Council, in the person of Dr. Lange of Norway, the new secretariat offices, and from that date, one could say the Union's headquarters, were located in Brussels. Later, through the stresses of war, they were transferred to Oslo and later still to Geneva.

It was in that same year, 1909, when the Secretariat went to Brussels that the Council President at the time, Auguste Beernaert, of Belgium, was awarded the Nobel Peace Prize. In fact no fewer than six famous figures in the early life of the Union were to be similarly honoured. They were: Sir William Randal Cremer (United Kingdom) a co-founder of the Union, Frédéric Passy (France) a co-founder of the Union, Albert Gobat (Switzerland), Auguste Beernaert (Belgium), Henri La Fontaine (Belgium) and Fredrik Bajer (Denmark). These six were to be followed by a seventh in 1921 when Dr. Christian Lange (Norway), the Union's Secretary General, was similarly honoured.

By 1912, when for the first time the Secretariat itself organized a conference at the University of Geneva, the resolutions to be considered by the plenary meeting were already being prepared by eight Study Commissions, one of which, interestingly enough, was concerned with aerial warfare. At the time a new wording for the first article of the Union's Statutes was adopted and it is of interest to compare its wording with that of the present text. This early version read as follows:

"The IPU has for its aim to unite in common action the Members of all Parliaments constituted in National Groups in order to bring about the acceptance in their respective countries, either by legislation or by international treaties, of the principle that differences between nations should be settled by arbitration or in other ways either amicable or judicial. Its aim is also the study of other questions of international law and in general of all problems relating to the peaceful relations between nations."

The present text reads:

"The purpose of the Inter-Parliamentary Union is to promote personal contacts between members of all Parliaments, constituted into National Groups, and to unite them in common action to secure and maintain the full participation of their respective States in the firm establishment and development of representative institutions and in the advancement of the work of international peace and cooperation, particularly by supporting the objectives of the United Nations. With this end in view, the Inter-Parliamentary Union shall express its views on all questions of an international character suitable for settlement by parliamentary action and shall make suggestions for the development of parliamentary institutions, with a view to improving the working of those institutions and increasing their prestige."

However, the consolidation and progress which were then being made apace in Union affairs were to be cut short by the outbreak of war in Europe in 1914. Nevertheless, the links which had been forged during twenty-five years of inter-parliamentary collaboration were taken up again with renewed vigour in 1919, at a time when the Union was able to look forward to a bright future working for peace alongside the newly-formed League of Nations. The IPU warmly welcomed the formation of the League and in a decision taken then said that it would do all it could to make the League stronger and more democratic. The text of this decision was transmitted officially to the Council of the new League where it was welcomed as a significant proof of parliamentary co-operation.

Although there were only nine Parliaments represented in the first Council session after the war, membership was soon to grow and by the nineteen twenties the Organization became widely representative, although still primarily European. It was in those years that the Union took up study of diverse social, political and economic problems, and many of the studies undertaken and resolutions adopted mirrored work being done by the League and the International Labour Organization. But there was no loss of impact as many IPU members also represented their respective countries in the councils of the League and ILO. Thus, it can well be appreciated that the IPU was very much in the centre of the international political arena of those times. There was indeed much talk of transforming the IPU into an official arm of the League in much the same way as the link which exists today between the European Parliament and the European Economic Commission. However, despite the fact that both the League and the ILO had appointed official liaison officers to the IPU, no further formal steps were taken and the Union remained completely independent.

In 1925 the IPU was once again to hold its plenary conference in the New World, following the St. Louis meeting of 1904. This time the session was divided between Washington, where a session was held in the Capitol, and Ottawa. Significantly, it was the first time that a large number of Latin American Parliaments had been represented at a Union meeting, no fewer than thirteen having sent delegations. Indeed, towards the end of the twenties the Union was attracting over thirty Parliaments to sessions and delegates very often numbered over four hundred. These figures may seem small by today's standards, but at the time they reflected the importance and prestige of the Organization, which, apart from the League itself, was one of the major international political bodies in existence.

At the beginning of the thirties the Union was faced with the thorny problem of Fascist Italy and Nazi Germany; the first time that a deep political division between members had divided the Organization. The Swiss took a strong stand on the German question and at the 1933 Madrid session the Council adopted a firmly-worded text setting out the Union's views on the rights and freedoms of the representative system. No direct mention of any particular country was made, nor were personalities involved, but nevertheless the decision taken had its effect in both Germany and Italy.

As the thirties drew to a close, IPU meetings tended to reflect the mounting tension in Europe and the Union's fiftieth anniversary was celebrated in Oslo amidst gloomy political prognostications. In fact, the Norwegian Foreign Minister took "while there is life there is hope" as a theme for his speech.

Naturally enough, the second world war brought about complete disruption of inter-parliamentary activities. The Secretary General was isolated in Geneva with his small staff at the Union's headquarters, the President of the Council remained in Belgium and, finally, there was an Acting President at the House of Commons in London. Thus, it was not until the spring of 1946 that any large scale inter-parliamentary activity resumed.

One of the first moves made when IPU meetings started again was to request consultative status for the Union with the United Nations, and this was immediately granted under Category A. This was satisfactory as far as it went, although the Union was never able to make its voice heard directly at the UN on political questions since its accreditation was to the Economic and Social Council.

Partly as a result of the war and partly due to a general broadening of ideas and a more international posture, the Union was to see a large number of new faces at its meetings. At the Rome session in 1949 no fewer than sixteen Parliaments from Asia, Africa and Latin America were represented. As the Union increased the scope of its membership, so it also expanded in another direction. This was through the creation of an autonomous section called the Association of Secretaries General of Parliaments, which was actually brought into being just before the war but which assumed much of its later importance in the immediate post-war years. The purpose of the Association was to bring together Clerks and Secretaries General from widely differing legislatures in order to exchange ideas on the procedures and administration of their national Parliaments, and in addition to make detailed studies of different Constitutions. The Association's journal "Constitutional and Parliamentary Information" is required reading in parliamentary secretariats throughout the world. At present the Association has well over one hundred members from more than fifty countries.

The influx of Third World countries brought about changes in the Organization, for example the word "decolonization" began to make regular appearances on Conference agendas.

However, in the mid-fifties more dramatic events took place when the Soviet Union and other socialist countries of Eastern Europe adhered to the inter-parliamentary movement. These new Groups were to bring new drive and energy to Union debates and they heralded a wind of change in Union affairs. At a stroke the IPU became more representative of world parliamentary opinion and so its decisions and the points of view expressed were more broadly based. Many of the positions adopted by the Union at this time were taken up in advance of similar attitudes adopted by the United Nations on matters of current international concern.

Hand in hand with the new and more representative character of the IPU was the policy adopted in the late fifties of holding sessions regularly outside Western Europe. The first plenary Conference to take place in Eastern Europe in the post-war era was held in Warsaw (and the Executive Committee session after the Conference, in the Kremlin). Conferences were also organized in Thailand, Japan, Brazil (2), Australia and Senegal. The Union was also to return to Japan and Australia in later years. Today the Union, of course, meets regularly in Parliaments throughout the world.

Another significant change at this period when membership was growing rapidly was the fact that many of the newly-formed Groups consisted of Parliaments as a whole, i.e. all members of Parliament were automatically members of the Group. But this in no way hampered the importance of individual contributions to debates. Divergent opinions emanating from members of the same Parliament continued to be heard, thus reflecting different political points of view, and, per se, the value of inter-parliamentary collaboration.

When the Union moved to its new headquarters in the spring of 1965—a lovely eighteenth-century mansion leased to it through the courtesy of the Geneva authorities at a reasonable rent—another step forward was taken in the Organization's development. This was the establishment of the International Centre for Parliamentary Documentation and its excellent parliamentary library. As its title suggests, one of the primary aims of the Centre is the systematic collection of documentary information on the structure and functioning of legislative assemblies, and to make this information widely available to all those interested in the parliamentary system of government. Concomitant with this essentially reference function is another more positive approach, namely the organization of symposia on current parliamentary problems. The first of these was held in 1965 and three have been held since then. The participants at these symposia include not only members of Parliament but also Secretaries or Clerks of Parliament, academics and specialists in the matters under discussion. Very fruitful exchanges have taken place at these meetings, which do not aim at formulating solutions or recommendations but rather at comparing different points of view and experiences. All these symposia have proved eminently successful and provide a unique international forum within the Union for the full and frank discussion of parliamentary problems.

Another new phase in the life of the Union came in 1971 when, on the basis of a recommendation made by the Council and supported by the Swiss delegation, a headquarters agreement was signed between the IPU and the Swiss Federal authorities. This provided for implicit recognition of the Union as an inter-State organization, and the agreement was on the lines of the agreements previously signed between the Swiss Government and the UN and its Specialized Agencies. This headquarters agreement was of considerable significance, as it gave the Union a presence in Switzerland which it had not enjoyed before.

In recent years the Union has been concerned with a number of new projects and initiatives, and mention has to be made particularly of the following, all of which will have their effect on the future history of the Organization: a programme of technical co-operation aimed at helping the Parliaments of developing countries to improve the technical means at their disposal in formulating legislation (this programme is being carried out in conjunction with the United Nations Development Programme); study seminars for Secretaries of National Groups; a comparative study of Parliaments throughout the world (the English-language first edition of this remarkable reference manual is already out of print); the stimulation of parliamentary action in line with intergovernmental conferences on European security; and work at the parliamentary level on pollution problems in the Mediterranean.

These are only a few of the varied initiatives taken by the Union in the past few years, but perhaps it might be of interest to draw this historical résumé to a close with a reference to some recent valuable work by the IPU in the field of human rights. A Special Committee has been set up to study complaints received by the Organization regarding the violation of human rights, whether by arbitrary arrest or ill treatment, of members of parliament in various countries of the world. Here the Union has been taking direct, and it may be added successful, action in defence of the rights and privileges of the parliamentarian, and by so doing has been fighting for the preservation and strengthening of the parliamentary system. This is indeed a new activity intimately linked with the aims and objectives of the Organization as they have developed over the years. No further example is needed to show that at ninety years of age the Union is not only in good health but also regenerating itself and flourishing.

**Mr. STAFFORD.** Mr. President, before I yield the floor to my distinguished acting leader, let me add that the next meeting of the International Parliamentary Union will be in Oslo, Norway, about Eastertime next spring. Although that is quite a ways away, if any Members from the Senate are interested in attending that meeting now would be a good time to start thinking about it.

My office or that of Senator Williams of New Jersey will be pleased to supply information about the activities that will occur there.

Finally, at an early date the Senator from Vermont will place in the Record the resolutions which were adopted in the final plenary session of the International Parliamentary Union at Caracas so that Members of the Senate who wish to can be aware of the subjects that were discussed then, the resolutions that were adopted in connection with them.

I will also place in the Record copies of the resolutions which will be discussed in Oslo and later in East Berlin during the fall meeting of the IPU in 1980.

I thank the distinguished acting minority leader for yielding.

## ALASKAN ESKIMOS HIT OUTER-SEA OIL SEARCH

**Mr. STEVENS.** Mr. President, I read with interest two articles which appeared this weekend in national papers concerning Alaska as an energy-producing State. The appearance of these two articles illustrates the complexity of the decisions that Alaskans are facing with respect to developing our natural resources.

The Sunday New York Times article entitled "After Only Two Years, Alaska's Pipeline Proves Its Worth" describes how the pipeline has provided the Nation with 872 million barrels of domestic energy at a time when we are at the mercy of foreign producers.

The Sunday Washington Post article discusses the development of another Alaskan oilfield, the Beaufort Sea, and the concerns that Eskimos have that drilling there might be harmful to their traditional way of life.

I supported actively the construction of the oil pipeline, because the energy was vitally needed and I was convinced it could be built in an environmentally sound manner. As New York Times writer Wallace Turner notes, It took an act of Congress to shove aside the objections of environmentalists.

Today, it is the Interior Department of the United States that is actively and aggressively pursuing the leasing of Beaufort Sea tracts for exploratory drilling. I question whether this is an environmentally sound or wise move. According to the Post article, a U.S. National Oceanic and Atmospheric Administration report indicates that there is little hope that spills could be contained in arctic waters. A spill could significantly damage whale and fish species upon which the Eskimos depend.

Having always been in the forefront in urging this Congress and the President to adopt policies that would allow us to develop our domestic resources, as I mentioned earlier, I seriously question whether the policies that are being pursued now with regard to the Beaufort Sea are wise.

I intend to continue to urge the President and the Interior Department to allow exploration of Alaska's onshore resources where there is technology that is already developed to allow that exploration to go forward in a safe manner. But, Mr. President, nowhere else in the world would the drilling offshore take place when the resident people object so strenuously.

I hope that both the Interior Department and our own State government will listen to the pleas that are coming from the Arctic Slope, from the Eskimo people there, to be careful with the development of the Beaufort Sea.

Mr. President, I ask unanimous consent that these articles be printed in the Record at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the Record, as follows:

### ALASKAN ESKIMOS HIT OUTER-SEA OIL SEARCH

(By Lou Cannon)

Barrow, Alaska.—In the language of the Inupiat Eskimos who inhabit this barren land 300 miles north of the Arctic Circle, there are six words for "ice" and none for "time."

But time is now a major issue for the Eskimos on Alaska's North Slope in what they see as a struggle for survival against the U.S. government and the nation's major oil companies.

The battleground is the ice-clogged Beaufort Sea, one of seven encircling the Arctic Ocean. It is here that the Eskimos are pitting the hunting folklore of their forefathers against modern technology in an attempt to block the search for more Alaskan oil.

The state and federal governments plan to auction 514,000 acres in the Beaufort Sea later this year for oil exploration in a quest to push the search for energy from Prudhoe Bay out into the sea itself.

The oil companies, which are expected to bid handsomely for the leases, are confident about their ability to meet the challenge of an ocean commonly menaced by Arctic storms, huge ice ridges and five-mile-long icebergs.

But the Eskimos, who eke out a subsistence living in the villages of the North Slope and who are backed by a group of dissident scientists, warn of possible environmental disaster if the oil companies are allowed to drill in the sea.

"It's like going to the moon," said Patrick L. Dobey, former chief geologist for the State of Alaska. "There are risks that affect the entire North American continent, and we're not even sure what they can be."

At the outer limit of concern is the fear expressed in a 1978 study of U.S. Arctic policy conducted by the University of Virginia's Center for Oceans Law and Policy. That study contends that spilled oil would flow under the ice, become absorbed in it and, after several years of surface melting and subsurface freezing, reach the surface of the Arctic ice pack. The dark oil then would cause the pack to absorb more sunlight, prompting a melting that could affect the world's climate.

More immediately, the Eskimos worry that oil spills—or even the oil drilling construction itself—will harm or drive away the bowhead whales, seals and fish upon which they depend for their livelihood.

In hearings at Barrow and Kaktovik, villages which oppose the lease sale, older Eskimos talk of islands which disappeared forever under the ice onslaught. They talk of ice override, which happens when a great iceberg strikes an island and the topmost ice continues to move forward. Sometimes the ice shears off the top of an island, as it presumably would do to oil drilling equipment.

While acknowledging the difficulties of drilling in the outer Beaufort, oil company spokesmen say they can use land-drilling technology within the barrier islands three to 15 miles from the Beaufort shore.

Essentially the companies would build huge gravel islands in the shallow sea and extend the land. But Thomas Nabagak, an Eskimo spokesman, tells of one ice movement in 1974 that damaged a building at Bullen Point 30 feet above the waterline and well within the barrier islands.

The testimony of Eskimos is important because much of the relatively little that is known about the behavior of ice in the Beaufort Sea has come from the Eskimos, whose people have hunted and fished in this area for thousands of years.

The Eskimos' testimony has come in painstakingly written affidavits collected by legal services attorney Michael I. Jeffery and submitted in a bundle to hearing officers. The oil companies, in the meantime, flew in experts from the Gulf States to tell about their safety precautions.

The federal-state joint sale of leases for the Beaufort Sea is now scheduled for December. Those waters are owned 70 percent by the state and 20 percent by the federal government. Ownership of the remaining 10 percent is in dispute.

Major oil companies—including Standard Oil of Ohio-British Petroleum (Sophio-BP), Chevron and Atlantic Richfield—want the lease sale to take place now so that oil production can begin in eight to 10 years when the flow from Prudhoe Bay is expected to decline.

Gov. Jay Hammond, a sometimes conservationist, promised in his 1978 re-election campaign that he would move forward on the Beaufort sale.

But the biggest push has come from the Carter administration, whose representatives view Arctic oil and natural gas production as an essential element in the campaign to make the United States energy-self-sufficient.

The oil industry also is pushing for the lease sale without further delay. "Quite frankly, the political climate is right for it now. Next year at this time we could have a lame-duck president and an organized opposition intent on killing the sale, not just delaying it," said an industry source.

Ice in the Beaufort Sea usually breaks up around the beginning of June. If a blowout occurred in the spring, the oil almost certainly would enter the water and damage the wildlife of the area, one of the major gathering place for North American migratory waterfowl.

If a blowout occurred during winter when the ice was fast, oil industry spokesmen say it would be easier to clean up that a spill on dry land. They acknowledge, however, that cleanup would be difficult in Arctic waters. Many studies—including an environmental impact statement generally supportive of the Beaufort drilling—question whether a cleanup in water could be performed at all. An unpublished draft evaluation by scientists of the U.S. National Oceanic and Atmospheric Administration's outer continental shelf program reached this conclusion:

"We acknowledge that spill control technology is poor at best, nonexistent in moving ice and probably conceptually in stable fast ice capable of supporting cleanup operations."

The panel agreed that any drilling should end by March 31 each year. The oil industry is pushing for a May 31 drilling deadline.

There is a battleground of place as well as time. The North Slope Borough government, which has headquarters in Barrow, and the native-owned Arctic Slope Regional Corp. have endorsed the sale but asked that six conditions be imposed. The most significant would prohibit drilling beyond the barrier islands which separate the outer Beaufort, where depths range up to 60 feet, from the inner shallow sea depth of half this depth.

Eben Hopson, the legendary, mayor of the borough, has been fighting against outer-sea exploration for years, telling anyone who will listen that "nothing will stop the ice out there." The proposed December lease sales contain all of the tracts beyond the barrier islands.

Tim Bradner, a Sohio-BP spokesman who has the respect of the borough government, acknowledged that the industry lacks the technology to drill in the outer waters of the Beaufort. But he said that the only way the oil companies will make the tremendous expenditures needed to create such a technology is if they have leased the land and know they can develop it. Until the technology is completed, drilling will be confined to the shallower waters where on-land techniques can be used, Radner said.

Raymond Neakok, a relatively uneducated Barrow whale hunter, once worked for an oil company as a laborer. Patrick Dobey spent 16 years in a position of trust as a major oil company geologist. They both say that the leasing governments should erect platforms or other structures in the Beaufort without drilling, and leave them there to see what happens to them. Neakok, however, is confident that they would not withstand the Arctic ice for long.

The Eskimos themselves are deeply divided over the impact of the lease sale. Some think their regional corporation has sold them out for future profits. The week after the corporation gave its conditioned endorsement of the sale, elders of the village met in Barrow and opposed it.

But corporation officials believe they have recognized a future made inevitable by the desperate American need for oil and gas.

"We think we have more chance to influence conditions of the sale if we endorse it," said Edward Hopson, the mayor's brother and president of the regional corporation. "One way or the other, there is going to be some drilling out there."

The borough government also has been working against the December sale date to try to influence conditions. The borough's chief tool is a coastal zone management program, copied from California and improved, that would give the Eskimos significant control over the specific areas of oil construction. Whether this zoning will occur in time to accomplish its purposes remains an open question.

Surprisingly, in a state that has been a magnet for environmentalist action, the Beaufort sale has caught conservationists in some disarray.

"All our resources, our best and our brightest, have been poured into the controversy over D–2 (Alaska wilderness) lands," says one prominent environmentalist. "My nightmare is that we will some day have to choose between oil exploration in the Arctic Wildlife Range, which we've pretty well sewed up, and the Beaufort, which we haven't. God help me if it's a choice, but the Beaufort is more vulnerable."

### After Only 2 Years, Alaska's Pipeline Proves Its Worth

(By Wallace Turner)

San Francisco.—The Alaska pipeline was authorized in 1973 only after intense Congressional debate. By most measures, the pipeline—which began delivering North Slope oil nearly two years ago—has turned out to be an immensely valuable addition to the national industrial plant. The 800-mile line has delivered 872 million barrels of oil when the United States needed them most.

Last week, Interior Secretary Cecil D. Andrus endorsed a proposal for tidying up distribution difficulties. Mr. Andrus urged President Carter to authorize a route for a new pipeline that would transport excess Alaskan crude from Puget Sound across five states to the Middle West.

Constructed at a cost of $8 billion, the Alaskan pipeline tapped the 10-billion-barrel oil pool that was discovered in 1968 on Alaska's North Slope. The line also will serve other fields that geologists believe exist elsewhere in the Alaskan Arctic.

The line is an engineering marvel, delivering oil in impressive quantities. (It took 42 days for the highly publicized Mexican oil spill in the Gulf of Mexico to release as much oil as the Alaska pipeline delivers in one day.) It traverses miles of frozen soil, crosses the bleak Brooks range and the Yukon River. It functions in blizzard winds of 100 miles an hour at 50 below zero or endless summer days when a sun that never sets runs temperatures up to 90 degrees. Grizzlies wander beneath it, and caribou scratch themselves against its supports.

The line could be built only after Congress shoved aside the objections of environmentalists. Special legislation created a pipeline right of way that was immune from legal attack. Delays, inflation and the complications of doing something that had never been done before caused the line to cost hundreds of millions of dollars more than had been first estimated. The expense was such that when the line begain delivering crude to the tankers in late summer 1977 the oil companies that built the pipeline and owned the oil were all hard-pressed financially.

Today, they are not. The pipeline delivers 1.3 million barrels of oil a day—soon to be 1.5 million a day—to Valdez. From there most of the oil goes by tanker to refineries in Washington and California which have been unable to process it all. The West Coast surplus is now shipped through the Panama Canal to Gulf of Mexico and East Coast ports.

This added transportation cost has distressed the oil companies, but until Secretary Andrus's recommendation to President Carter last week the Federal Government had done nothing to help them. Congress refused to let the oil companies sell the excess crude oil to Japan because of possible political repercussions. Prohibition against such exports were part of the Alaska Pipeline Authorization Act. "We sure are not going to change it," said Senator John Melcher, Democrat of Montana, an author of the right of way bill when he was in the House of Representatives.

#### A LINK TO THE MIDWEST?

But there already is a considerable exporting of profits from the Alaska pipeline and the North Slope fields. The British Government owns 15 percent of the Prudhoe Bay oil production. In 1964–67, British Petroleum, Ltd., was one of the companies which paid a total of $12 million for leases in what became the Prudhoe Bay field. After the field was discovered and its dimensions fixed, it was found that BP's leases covered 53 percent of the oil. The British government owns 51 percent of BP. Nearly ten years ago, BP traded its Prudhoe Bay oil for 52 percent of the stock in Sohio, which was in danger of fading out as an important oil company because it had no reserves. Now Sohio operates as an affiliate of BP. Exxon and Atlantic Richfield are major owners at Prudhoe Bay while Mobil, Phillips, Union and Amerada Hess all have small interests.

Because it has no refineries or service stations in the West, Sohio has suffered most from the need to ship oil to the Gulf of Mexico. It currently moves about 250,000 barrels a day through the canal at an added cost of about $3 a barrel, a spokesman said.

When the Prudhoe Bay field was discovered in 1968, oil sold for $5 a barrel. By the time the pipeline was authorized in 1974, the Organization of Petroleum Exporting Countries shoved the price up to almost $10. Today, the Prudhoe Bay crude brings $20.50 delivered to the refineries in San Francisco Bay. That's a little over $10 billion worth a year which the Alaska pipeline trims off the adverse balance of payments total.

Secretary Andrus's recommendation last week was that President Carter authorize the Northern Tier Pipeline Co. to build a 1,500-mile line to carry about 700,000 barrels of oil a day from a tanker terminal in Puget Sound to a link with other existing pipelines in Clearbrook, Minn. The new line would run across Washington, northern Idaho, Montana, North Dakota and Minnesota to meet lines that connect the East and Gulf coasts with refineries in the Middle West. Along with 500,000 barrels a day of Alaskan oil, it would carry supplies from the Persian Gulf, Indonesia and Africa. These would benefit refineries in the northern tier of states, particularly those around Billings, Mont., that process about 150,0000 barrels of crude a day to supply Montana, upper Idaho, eastern Washington, and parts of Utah and Wyoming. Refineries in the Minneapolis and Chicago area would get the rest.

The Northern Tier line also would distribute oil from new production in Alaska. This summer Atlantic Richfield announced that it was developing the Kuparuk field, which partially overlies the Sadlerochit formation at Prudhoe. Plans are for eventual production of 120,000 barrels a day from the Kuparuk formation, an Atlantic Richfield spokesman said. In December the Alaskan and Federal Governments jointly will sell drilling rights offshore in the Beaufort Sea, which lies next to the Prudhoe Bay field. Oil geologists have described the Beaufort as the most promising area for exploration currently under consideration in the United States.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

## RECOGNITION OF SENATOR PROXMIRE

Mr. ROBERT C. BYRD. Mr. President, I believe I have 3½ minutes remaining that I would like to yield to Mr. PROXMIRE.

Mr. PROXMIRE. I thank my good friend.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I understand I have 15 minutes on my own, and the additional 3½ minutes just yielded.

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## PRESIDENT CARTER SHOULD STOP USING FEDERAL SPENDING FOR RENOMINATION AND REELECTION

Mr. PROXMIRE. Mr. President, President Carter deserves credit for many things. He has won a peace agreement in the Middle East which appeared to be absolutely impossible before his intervention. During the many agonizing months of disagreement between Israel and Egypt, the prospects of a peace treaty seemed ridiculous, a laugh. But the President persisted and pulled it off. The result: We not only have the absence of war in the Middle East, but we have a constructive basis for economic progress. Yes; the region is far from the kind of mutual cooperation we enjoy in this hemisphere, but the long-healing process of living together and working together has begun, thanks to President Carter.

Here at home the President's popularity has indeed suffered the consequences any President suffers when the country endures economic travail and the inflation is heartbreaking for millions of Americans. But the economy also now provides more jobs than ever before in our history. We now have the largest proportion of our population working that the country has ever enjoyed under any administration in the 200-year history of the Republic.

I recognize President Carter as an extraordinarily decent man of strong religious convictions. He is intelligent as any fair-minded observer of his press conferences would have to agree.

I say all this first, Mr. President, because what I am about to say is critical, strongly critical, of the President, and I say it with a heavy heart and recognizing that he is not only not the first incumbent President running for reelection to make the mistake he is making, but he has all kinds of company in this transgression I am about to discuss from former Presidents of both parties.

The President of the United States has enormous discretion in holding down or increasing Federal spending, and even more in determining what States and cities will get that spending.

The power of the President over spending and the amount of that spending exceed by many times what it was a few years ago. Consider: Since 1957, Federal spending in our cities has increased from about $2 billion a year to about $85 billion. According to a recent Brookings study, our cities have become overwhelmingly dependent on the Federal Government. Brookings points out that whereas in 1957, the Federal Government provided the cities with $1 for every $100 the cities raised through their own taxation, today the Federal Government contributes in many of our major cities a mammoth 50 percent of what the city raises.

Our cities have become Federal aid junkies.

And the President has immense discretion to bless each city with a spending bonanza or choke them off with a great deal less.

The multi-billion dollar a year public housing program, for instance, makes more than a third of our entire population theoretically eligible, but only about a tenth of the eligibles receive any benefit; and in any one year only about 1 percent of eligible families can move into the program. Who gets the housing? What city? When? That is up to the executive branch. And for that you read: The President.

In recent years we have adopted an urban development action grant program. It provides $675 million a year to the administration to dole out with eligibility standards so broad that any one city may have a 50 to 50 or a 2 in 3 or a 1-in-4 chance of getting assistance in any one year. And who has the immense discretion of deciding who is going to get that $675 million? The executive branch of course. And that means who? With a renomination and reelection coming up that means the President. So the President can nod in any direction he pleases, at any time. What a potential bonanza to a renomination and reelection campaign.

And consider public works. Here again are billions of dollars of expenditures with immense discretion for the President to support, withhold, promptly fund or delay.

Now let us be fair. President Carter is certainly not the first President to play Santa Claus with the taxpayers' money at election time. President Ford did it. President Nixon did it. LBJ did it in spades.

So it may be unfair to criticize President Carter. But this practice is outrageously wasteful. It is conspicuously inflationary. It must stop.

In a year of heartbreaking inflation, it is a sad spectacle to see the President of the United States announce a gush of Federal spending in Florida to be followed by a much broader Niagara of Federal dollars in Iowa, New Hampshire, Illinois, Massachusetts, North Carolina, and on and on down the list.

Recently the President took full credit in New York City for increasing Federal spending in the city by $700 million. A little later he told Chicagoans how grateful they should be to him for increasing Federal spending by $450 million for their city.

With this start the Carter reelection, renomination campaign may cost the taxpayer billions before it is through, and it appears certain to redistribute Federal spending in the billions to critical primary and electoral States from equally eligible and meritorious States that are not regarded as critical in the Carter reelection battle.

The Florida caucuses last week sent a message to the other 49 States:

> If you're smart you'll set up a series of early caucuses and straw polls and the earliest possible primary. That way you can steal all kinds of federal goodies from the rest of the country.

Does it make any sense for the President of the United States to be taking credit for feeding inflation by increasing Federal spending by billions at a time when we are suffering the worst inflation in the Nation's history?

Can anyone doubt that the Chrysler pitch for a three-quarters of a billion bailout is going to be greeted with open arms by the President with a pitch for full credit for his reelection campaign in the States with very heavy Chrysler employment—in the big electoral States of Michigan, Illinois, Missouri, among others?

Some might ask, "What's wrong with this? Is not the President just making a few announcements here and there?" Answer: There is plenty wrong with this. The Florida helicopter training site issue is a case in point.

President Carter may have killed all hopes for a hundred million dollar saving his administration had fought for in the past; and why? He did it to improve his showing in the Florida preliminary straw primary earlier this month.

Consider: For the past 3 years the Department of Defense has attempted to consolidate undergraduate helicopter training at Fort Rucker, Ala., where the Army now conducts its own training program. The Navy training program at Whiting Field, Pensacola, Fla., would be transferred to Alabama.

A series of DOD studies, an internal audit review, and three GAO reports indicate that consolidation would result in a more effective training system, produce better pilots, save money, and increase efficiency.

The Pentagon calculates the savings at $100 million over 5 years. The GAO estimates the savings at $92 million. The Navy would be the only service branch that could possibly be adversely affected. But the Navy has testified that consolidation will provide significantly more effective helicopter pilot training to Navy's students.

In preceding years the House has always voted for consolidation and saving the hundred million. The Senate has opposed it. The Senate position prevailed because the House conferees led by Representative SIKES of Florida did not back the House position. Now Representative SIKES is gone. This year the Alabama senators have made striking progress in turning Senators around to favor the money-saving consolidation. They have worked hard and done a good job. This was the year for the administration to win its long-fought battle for saving money and improving training.

But with victory in its grasp, what happened? Mysteriously the House reversed itself. Instead of supporting cost-cutting consolidation, on the eve of the Florida caucuses the House suddenly opposed taking the helicopter training from Florida. Why?

Consider: The Defense Department, which had previously lobbied hard for consolidation, this time did nothing. The Office of Management and Budget, which had haunted Congress in urging consolidation, this time, with the Florida caucuses in the offing, just got lost. And the

White House appears to have supported a last minute shift away from consolidation by persuading the New York delegation, among others, to reverse their vote.

Florida has reason to confuse the President with Santa Claus, but the rest of us will have to believe in the tooth fairy and Santa Claus too, not to recognize that the taxpayer seems about to take a $100 million bath to help the President in those Florida caucuses.

And that $100 million cost to the taxpayer may be chicken feed compared to what the 1980 Carter renomination and reelection campaign may cost the taxpayer and the inflation-bedeviled consumer before it is through.

Mr. President, I ask unanimous consent to have printed in the Record at this point an article from the Friday, October 19, issue of the New York Times by Hedrick Smith, head of the New York Times Washington Bureau, spelling out some of the Federal spending connected with the Carter reelection campaign to date.

There being no objection, the article was ordered to be printed in the Record, as follows:

### White House Using Grants to Woo States in Campaign

(By Hedrick Smith)

Washington, Oct. 18.—After more than two years of reticence, the Carter Administration is boldly working the politics of incumbency this fall by directing Federal aid to its political allies and timing aid announcements for maximum political impact on states involved in the early stages of the 1980 campaign.

The Florida caucuses last weekend produced a gush of Federal aid into Florida, but they were only the first stream of what White House officials candidly acknowledge is a much broader Niagara of Federal aid being steered toward Iowa, New Hampshire, Illinois, New York, Massachusetts, North Carolina and Minnesota.

In some cases, friendly mayors and governors are getting what Administration officials call "fast turn-around" decisions on their aid applications. In other situations, where they must engage in competition for Federal money, they are getting favored treatment over Republican rivals or disaffected Democrats with comparable aid requests.

"There hasn't been the rush anywhere else that there was in Florida before the caucuses," said one White House official, "But there is greater practical sensitivity to politics. Everybody is more sensitive when they see Iowa, New Hampshire, Illinois on the list of aid requests. I've never had anyone ask me to stop some project to punish someone. It's more, 'Can we do something to help Ed Koch or some other friend of the Administration?' "

While the President is turning to the strengths of incumbency to shore up his reelection prospects, the man regarded as his chief rival for renomination, Senator Edward M. Kennedy, has decided to speed up his timetable for setting up a national campaign committee. [Page A16.]

Another tactic the President is employing is taking more personal credit for Federal programs that have popular appeal. On his visit to New York last month, he made a point of reminding New Yorkers that under his Administration Federal aid to the city had gone up $700 million. Last Monday in Chicago, he was boasting that his Administration has increased Federal help to the Windy City by $450 million.

At a town meeting in Steubenville, Ohio, in September, he took credit for turning around the dismal economic plight of the steel industry with his program of trigger prices and loan guarantees for troubled steel firms. And in Iowa, not long before that, he was disclosing a major program for rural electrical cooperatives, while his aides publicized a specific $13 million loan for the Cornbelt Power Cooperative in Humboldt, Iowa.

The White House has invited several hundred mayors to a special ceremony this Friday to publicize the Administration's urban program. It will mark the second anniversary of the Administration's urban development grant program, which has awarded close to $850 million in grants that have stimulated $5 billion more in private investments aimed ultimately at creating 138,000 permanent new jobs.

But the publicity about such overall programs is being overtaken by politically targeted efforts that underline local programs with direct impact in politically pivotal areas—a $1.1 billion loan guarantee to a rural cooperative in Palatka, Fla., or a package of transit and economical development aid projects for Berlin, N.H., a region where Mr. Carter did extremely well in 1976 and which is more likely to be susceptible to his blandishments than those of Senator Kennedy in 1980.

In states like Iowa, Pennsylvania, Illinois and Michigan, where the Governor is a Republican, Administration officials say they try to route aid to friendly Democratic mayors in Des Moines, Pittsburgh, Chicago and Detroit, or to work through Democratic allies in Congress. "You sort of have to play each state's politics as you find them," said one White House official.

## HUMAN RIGHTS IN AMERICA

Mr. PROXMIRE. Mr. President, American society is unusual in that we have melded so many ethnic, racial, and religious backgrounds into one nationality. Perhaps nowhere else in the world can one find a national population so diverse, and yet still unified as a single people.

Another outstanding aspect of this country is the remarkable success of our constitutional government. It has been severely tried over its long history, and yet it has proven to possess the right combination of strength and flexibility to remain viable today. The essential emphasis of this system is its protection of the rights of the individual.

And here I make my point. In the 30 years that the Senate has neglected the Genocide Convention, many arguments against ratification have arisen and subsequently been successfully rebutted. Today, I would like to dispense with one of the most groundless of these—the fear that America could not stand up to the standards of human rights set by this treaty.

To believe in this argument one would have to hold a terribly low opinion of the United States and be blind to its truly distinguished record on human rights. For as I have pointed out, American society is among the most heterogeneous in the world. And yet in spite of that fact, which would seem to present a great obstacle to the peaceful achievement of an open society, we have a tradition of freedom which is enviable in the world.

Far from being a reason to oppose the Genocide Convention, our history of concern for human rights is one of the greatest arguments for ratification. It seems a fitting and natural extension of American moral values for us to embrace this treaty and the principle which it embodies. Our failure to do so for so very many years now seems like a betrayal of these ideals.

I surely have not meant to imply that our record on human rights is perfect. It has its blemishes. But we should be proud of how few blemishes there are, and we should continue to strive to erase them. I suggest that my colleagues would be hard pressed to find a better start than to ratify the Genocide Convention.

## HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1980

Mr. PROXMIRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 4394.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved*, That the House further insist upon its disagreement to the amendment of the Senate numbered 12 to the bill (H.R. 4394) entitled "An Act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes."

*Resolved*, That the House disagree to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 27 to the aforesaid bill; and ask a further conference on the disagreeing votes of the two Houses thereon.

Mr. PROXMIRE. I move that the Senate further insist upon its amendments and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. Proxmire, Stennis, Bayh, Huddleston, Leahy, Sasser, Durkin, Magnuson, Mathias, Bellmon, Weicker, Laxalt, Schmitt, and Young conferees on the part of the Senate.

## ORDER THAT H.R. 2440, TO REPEAL THE PROHIBITION AGAINST EXPENDING CERTAIN AIRPORT AND AIRWAY DEVELOPMENT ACT FUNDS, BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the House of Representatives on H.R. 2440, to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970, be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business of not to exceed 15 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

## ORDER VITIATING THE ORDER FOR RECOGNITION OF SENATOR PERCY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. Percy be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## EXECUTIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session and proceed to the consideration of the nomination of Mr. Robert Krueger, of Texas, to be Ambassador at Large and Coordinator for Mexican Affairs.

The clerk will state the nomination.

## DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of Robert Krueger, of Texas, to be Ambassador at Large and Coordinator for Mexican Affairs.

The ACTING PRESIDENT pro tempore. Time for debate on this nomination is limited to 2 hours to be equally divided and controlled by the Senator from Idaho (Mr. Church) and the Senator from New York (Mr. Javits).

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that Mr. Church will be here shortly and will make a statement. Therefore, I ask unanimous consent that the time on a quorum call, which I will shortly enter, be charged against both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And, Mr. President, I ask unanimous consent that the time allocated to Mr. Church be allocated to Mr. Bentsen, it being my understanding that Mr. Church wishes Mr. Bentsen to handle the time on this side of the aisle.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, as chairman of the Committee on Foreign Relations, I want the record to show at the outset that I am particularly proud of the thoroughness with which the committee dealt with the nomination of Robert Krueger to be Ambassador at Large and Coordinator for Mexican Affairs.

After receiving the Krueger nomination in June, the committee held two hearings on it—the first with Mr. Krueger himself, and the second with Deputy Secretary of State Warren Christopher. The hearing record, which has been printed and made available to the Senate, makes it abundantly clear, I believe, how much time and attention the members of the committee devoted to this nomination. Indeed, no ambassadorial nomination in recent years has received as extensive a consideration as this one has.

Mr. President, because of the care given to this matter, I feel particularly comfortable with the committee's favorable recommendation to the Senate. Approved by a vote of 9 to 6, this recommendation is one I firmly support.

As the hearing record shows, our relations with Mexico are more complex than those with any other nation in the world. Accordingly, this relationship calls for special coordination at the highest levels in Washington. The position for which Robert Krueger has been nominated is structured to meet this requirement. His confirmation by the Senate would indicate to our great southern neighbor that we are genuinely serious about getting our own house in order with respect to United States-Mexican relations.

Moreover, Mr. President, I support this nomination because of the outstanding qualifications of the nominee, Robert Krueger. His exceptional academic career, as well as his brief but distinguished service in the House of Representatives, mark him as a man capable of fine public service. As Congressman Jim Wright, the able House majority leader, informed the committee at the beginning of its hearings:

> Bob Krueger is equipped by background, by training, and by the attributes of personality, I believe, to perform a truly significant function for us.

Mr. President, I support the administration's decision to upgrade our relations with Mexico and, consistent with this decision, I will vote to confirm Robert Krueger as Ambassador at Large and Coordinator for Mexican Affairs.

I ask unanimous consent that Deputy Secretary of State Warren Christopher's statement, presented to the Senate Foreign Relations Committee on September 24, concerning the Krueger nomination, be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### Remarks by Deputy Secretary of State Warren Christopher

I appreciate this opportunity to testify today on the nomination of Robert Krueger for the position of Ambassador-at-Large and United States Coordinator for Mexican Affairs. I welcome this chance to support Mr. Krueger's nomination and to explain why the Department of State believes the position to which he is nominated is highly important for a more rational and effective approach to U.S.-Mexican Relations.

Our bilateral relationship with Mexico is quantitatively different from that we have with any other country. More issues span the dividing line between foreign and domestic concerns, more domestic departments and agencies are involved, and more issues directly involve domestic considerations.

Over the past three years we have sought to develop a bilateral mechanism to deal more efficiently with our complex relationship. Early in this Administration, Presidents Carter and Lopez-Portillo established the U.S.-Mexican Consultative Mechanism for this purpose. Following their February meeting, they directed that the Consultative Mechanism be expanded and strengthened. The Mechanism now comprises eight working groups on such difficult matters as energy, trade, finance, industry and development, migration, border issues, law enforcement, and tourism.

Both the development of the Consultative Mechanism and internal efforts within the U.S. Government to arrive at coherent policies toward Mexico have illustrated the need for a Coordinator for Mexican Affairs. This need became dramatically clear last year during the discussions within the Executive Branch to formulate Presidential Review Memorandum 41, which dealt with our relations with Mexico. These discussions involved so many agencies and people that one senior participant commented that whenever Mexico was the topic, a convention rather than a meeting had to be held.

During the discussion of PRM 41, it was agreed that the interests and activities of their separate agencies required better coordination to deal internally with those subjects that the Consultative Mechanism, at the government-to-government level, was intended to resolve. They therefore recommended a "Special U.S. Representative," for Mexican Affairs.

Prior to the President's visit to Mexico last February, this suggestion was further refined to that of a Coordinator for Mexican Affairs. Then, following the visit, Secretary Vance formally recommended the appointment of an Ambassador-at-Large and U.S. Coordinator, who would serve as the U.S. Executive Secretary of the Consultative Mechanism.

The intention underlying the Secretary's recommendation was not to create a second Ambassador to Mexico. Ambassador Lucey has effectively represented U.S. interests, and we do not need a second U.S. spokesman in Mexico City.

Rather, the Coordinator's function would be to develop a coherent, coordinated U.S. policy toward Mexico. He would be responsible for working closely with a high-ranking Mexican official of equal rank and would serve as Chairman of a Special Interagency Group of Cabinet and Sub-Cabinet level officials here in Washington. It is particularly significant that the Mexican Government has recognized a similar need, and Ambassador Andres Rozenthal has since been appointed as Ambassador Krueger's opposite number in Mexico.

The President accepted Secretary Vance's recommendation, and on April 26 nominated Robert Krueger for the position.

Mr. Krueger already has shown his capacity to fill the position for which he has been nominated. With his Mexican counterpart, Ambassador Andres Rozenthal, he has jointly prepared a report on the results of the eight working groups of the Consultative Mechanism, which will be reviewed by Presidents Carter and Lopez-Portillo in Washington later this week. In addition, I have found his advice timely and useful during the final negotiating sessions with the Mexican Government on natural gas.

In summary, the Ambassador-at-Large and U.S. Coordinator is a position that the Administration feels is necessary for improving our bilateral relations with Mexico. Robert Krueger is well qualified to fill the position and I believe he merits your confidence and your approval.

Mr. CHURCH. Mr. President, the able Senator from Texas (Mr. BENTSEN) is on the floor. It is my understanding he wishes to speak to this nomination. I yield the floor to the Senator from Texas.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. BENTSEN. I thank the distinguished chairman.

Mr. President, I would like to say a few words on behalf of Bob Krueger and the position to which he has been nominated by the President.

Mr. President, this nomination has been pending for months. It was sent to the Senate on June 25 and was the subject of 2 days of hearings by the Committee on Foreign Relations. Few ambassadorial appointments have been so closely and carefully examined by the Senate.

It is also important to understand, Mr. President, that at no time during this lengthy scrutiny has anyone seriously questioned Bob Krueger's integrity, talent, or commitment to public service. I am certain that even those who oppose this nomination would agree with Senator ZORINSKY's characterization of Mr. Krueger:

> From what I have heard, you are highly qualified, articulate, honest, sincere, and many other good things.

As one who has known Bob Krueger for many years and been privileged to serve with him as a member of the Texas congressional delegation, I can personally attest to his ability and outstanding record of accomplishment in the House of Representatives.

So, Mr. President, we are not debating the personality or talent of Bob Krueger today. The only point at issue is whether or not we need the position of Coordinator for Mexican Affairs and whether that post should carry the title of Ambassador at Large.

I agree with the President, the Secretary of State, the Government of Mexico, and the majority of the Committee on Foreign Relations that the position is both necessary and important, and I think Bob Krueger is the right person to fill it.

Some have asked why we need a coordinator, with the rank of ambassador, for Mexican affairs and suggest that such a position would be unique.

I respond that our relations with Mexico are, in fact, unique and call for exceptional efforts on our part. The United States-Mexican border is the only place on this Earth where a fully developed, industrialized nation lives next door, face to face, with a member of the third world. There are nations with which we conduct more trade; there are nations with which we quarrel more; there may be nations of greater strategic or geopolitical importance to us.

But the total context of our relationship with Mexico is unique in its complexity, sensitivity, and all-encompassing nature.

It is a fact that many of the "domestic" actions we take in this country have a direct and immediate impact on our neighbor to the South. Our relationship with Mexico involves water rights, pollution, border sanitation, fishing rights, drug smuggling, tourism, the illegal movement of millions of persons across our border, civil rights, human rights, population control, trade, GSP, border assembly industries, agricultural policy, consultative mechanisms, the whole range of traditional foreign policy concerns, and some very basic questions about the ability of vastly different nations with shared aspirations to live together as neighbors, in peace and prosperity and stability.

If there was ever a bilateral relationship in need of effective coordination—in Washington and in the field—it is our relationship with Mexico. All too often in the past, United States-Mexican relations have suffered from bureaucratic accidents that have their origins in a lack of coordination. I believe and hope the Senate will agree that we need a coordinator with the talent and effectiveness of Bob Krueger. The coordinator must also have the rank of Ambassador and the clout that goes with it if he is to fulfill his important responsibilities.

At a time when our relations with Mexico are particularly sensitive and increasingly important, it would be wrong—it would be counterproductive—for the Senate to reject this nomination.

If there ever were any doubt about it, what are we going to do now that Mexico has gone ahead, believing we knew what we were doing, believing we were going to fill this post, and put in an Ambassador at Large? They have a counterpart to Mr. Krueger. That is Ambassador Andres Rozental.

When President Carter made his last visit with the President of Mexico, the atmosphere was good. It was an informal visit. The exchange was friendly. Progress was made.

The Senate today can help encourage that process by voting in favor of Mr. Krueger's nomination as Ambassador at Large and Coordinator for United States-Mexican relations.

I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I yield myself as much time as I may require.

Mr. President, we have indeed had 2 days of hearings and they were important hearings, not only with regard to the nomination of Mr. Krueger to be Ambassador at Large, but likewise, with regard to our relationships with Mexico. I certainly agree with my distinguished colleague from Texas (Mr. BENTSEN) that the importance of those relationships cannot be overemphasized. Indeed, a part of the difficulty with the nomination of Mr. Krueger is that it is very difficult to trace why the post has been created and why Mr. Krueger has been selected by the President of the United States to fill it.

This is why the nomination, in fact, received 2 days of scrutiny, much more than we have given to almost any other ambassadorial nomination that I can recall. Let me review the situation, Mr. President.

Presidential Review Memorandum 41 was formulated by the administration in the latter part of last year and circulated, apparently, in the early part of this year.

(Mr. PRYOR assumed the chair.)

Mr. LUGAR. Senator ZORINSKY and I, as chairman and ranking minority member, respectively, of the Western Hemisphere Subcommittee of the Committee on Foreign Relations, have asked repeatedly for access to PRM 41, which is often cited as the rationale for why we should be creating this additional post. Despite these pleas, that request has been denied and, as a matter of fact, the whole committee is, at this point, uncertain of what PRM 41 contains, although I think it is a critical argument that the administration often presents in behalf of doing something more to sustain our relationship with Mexico.

For what is clear, I cite journalistic accounts toward the end of March, one specifically, Mr. President, an article written by Jack Nelson, Washington bureau chief of the Los Angeles Times. It appeared in his paper on March 23, 1979. Mr. Nelson suggests that Patrick Lucey, who has been serving as the Ambassador to Mexico, was about to be replaced and suggested that President Carter had decided to replace him. Furthermore, it goes on to speculate with regard to the relationships of Mr. Lucey and the administration, his effectiveness and his general relationship with the Mexicans. Although the affair is in controversy and, of course, Mr. Lucey has now resigned, there appears to have been substantial activity toward the end of March involving a potential shift of Mr. Lucey back to the homefront.

In the Washington Post of that period, there is a suggestion that Mr. Lucey would be available in Washington with regard to President Carter's reelection campaign. Subsequently, of course, this has not worked out. Mr. Lucey has decided to join the other side, which has complicated affairs and perhaps led to his resignation. For the time being, however, things were thrown into some turmoil as to what to do about Mr. Krueger.

A new post was suggested by the administration—namely, Ambassador at Large, but with respect to a single country—namely, Mexico. This, Mr. President, is unprecedented.

As testimony in the committee pointed out, we have very complex and important relationships in our country with the Soviet Union, for example, with Japan, with Canada, with a good number of countries that are very important to us. Not a single one of these countries has been singled out for the special attention which is to be accorded Mexico. Indeed, Mr. President, as I visited with officials of the Mexican Government, they have found the situation to be somewhat ironic and they have been rather bemused throughout this entire controversy, which they see as purely a question of domestic politics and a matter of the President of the United States working out a personnel problem in his administration.

Be that as it may, Mr. Krueger did go through a board of review on potential ambassadorial candidates. The results of that review are unknown because they have not been released by anybody. The net effect was that Mr. Krueger was not passed on by that board and Mr. Lucey apparently, for reasons best known to him and the administration, decided to stay in Mexico. Therefore, the nomination to be Ambassador at Large of Mr. Krueger.

I suggest that this is an unusual nomination for still another reason. One of the reasons why Ambassador Lucey had come under some fire is that he did not have a facility with the Spanish language. Unhappily, Mr. Krueger does not have a skill of this variety. He has been learning and testified in front of the committee that he is taking lessons at this time, gaining some competence, and further replied to one of my questions and suggested he would not be in Mexico that much, in any event, that his major efforts would be here in Washington in a coordination, as he suggested, two ends of the bridge, with Lucey in Mexico and Krueger in Washington, somehow coordinating without a clear chain of command, without a clear definition of responsibility.

During the committee hearings, hypothetical questions with regard to the subject matter were raised. Of course, they cannot be clear precisely which Ambassador will carry the ball. The suggestion was that both would get along beautifully and that, in any event, both would report to the President.

As the President is finally, of course, the Commander in Chief, the Ambassadors serve at his pleasure, as representative of our country in the various embassies.

I suggest, Mr. President, it is important to raise in the minds of my colleagues why it is necessary to appoint another Ambassador at Large if, in fact, there is value to having Mr. Krueger coordinate affairs.

Attempts to work out the details of our relationships can surely be done at something less than the Ambassador level.

One of the problems we have faced in the Foreign Relations Committee, in my judgment, has been a desire on the part of the administration to create additional Ambassador at Large positions. In my judgment, that is not required on this occasion.

In a letter to our colleagues, Senator ZORINSKY and I have pointed out that Marshall Shulman, for example, who has dealt in Soviet affairs, very effectively for this administration, does not require the title Ambassador at Large.

As Senator JAVITS pointed out during the committee hearings, Marshall Shulman has clout and authority wherever he sits. Why it is required to start this new post, simply to provide the supposed clout, is clearly not apparent at all.

Mr. President, the argument has been made that a parallel responsibility has been created on the part of the Mexicans in anticipation of Mr. Krueger being confirmed by the Senate and moving on to his responsibilities. But, in fact, Mr. President, Andres Rozental is the Mexican Ambassador to North America. Mexico has no Ambassador at Large positions at all. There is no parallel structure.

In fact, when asked about that during the hearings, Mr. Krueger was asked specifically by Senator GLENN, and I quote:

> Mr. Krueger, it takes two to tango. Who is going to be your counterpart in Mexico? Have the Mexicans agreed that they will have an Ambassador at Large to the United States.
>
> Mr. KRUEGER. Senator Glenn, they have someone with the rank of ambassador who is responsible for all of North America. But I would point out, for example, that the previous Foreign Secretary of Mexico on one occasion, when it was suggested to him that they might create a corresponding position, said, "80 percent of my time as Foreign Secretary is spent dealing with the United States. I don't want to give that up to anyone."

In short, Mr. President, there is an Ambassador to North America and, according to Mr. Krueger in his testimony talking about this parallel position, suggested the Mexican Foreign Secretary additionally to deal with 80 percent of the affairs. This is hardly a corresponding situation to what Mr. Krueger is going to be doing. In fact, it is not clear what Mr. Krueger will be doing if he is confirmed.

Mr. President, let me simply suggest that things have reached a new pass with the resignation of Ambassador Lucey. That situation is now vacant. Clearly, one alternative for the administration would have been to admit a mess has occurred and say that rather than compounding the error and creating an ambassador at large, plunge ahead, bullheaded in this thing without looking right or left, they could have said, in fact, an ambassador at large position would not be required and suggested that Mr. Krueger would be an excellent Ambassador to Mexico, an idea Mr. Krueger himself entertained on a number of occasions, as he pointed out to me in committee.

The administration, however, I presume, is by now entrapped in its own illogic, and certainly is reluctant to give up an argument that always was rather weak.

Mr. President, on the minority side of this question, and the Krueger nomination passed the Foreign Relations Committee by a vote of 9 to 6, the minority did not ask for additional views or additional report of minority views. Rather, we simply asked for the publication of the hearing itself. Colleagues who have read through them certainly notice the argumentation on behalf of this position, and it seems to me would be convinced by the weight of the evidence alone.

But even if they are not, we now have been opening, it seems to me, an opportunity for the administration to make the best of it.

It was suggested during the questioning of the Secretary, Warren Christopher, that in the event the Krueger nomination was turned down, the administration was not necessarily committed to plunging on, although Mr. Christopher pointed out they were not committed to dropping the issue, either.

It simply said words to the effect that never is a long time and it would not make a commitment one way or the other.

But the course of action I would offer my colleagues to follow would be to reject this nomination, not on the basis of the character or the public service or the life of Mr. Krueger, but simply to say to the administration that the creation of a new ambassadorial post is not necessary. It will foul up the works, literally, in terms of our parallel relationships with other countries.

The ambassadorship to Mexico is open. Take another look at that situation and what is required, and conceivably, Mr. Krueger might reemerge in that form.

For the time being, very clearly, this position is not required. I point out, Mr. President, I voted against only two nominations for ambassadorial positions the President has sent over during the entire time I have been in the Senate. I do not take these issues lightly.

It seems to me important to say at this stage that this is one time when it is important for people who are interested in good government to take a stand, simply to call things as they are. In this particular case, in my judgment, it is that we should call for a rejection of this nomination.

Mr. BENTSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BENTSEN. Mr. President, I have been sitting in for the distinguished chairman of the committee until a member of the Foreign Relations Committee came to the floor supporting the majority viewpoint. The distinguished Senator from Maryland is now here and he will be in control of the time, with the acquiescence of the Chair.

The PRESIDING OFFICER. The Senator may delegate the time.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. I will yield time to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. I thank the Senator.

Mr. JAVITS. He may need the time.

Mr. LUGAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUGAR. On an informal basis, I was speaking, obviously, in the negative.

I would like at this point to tidy up affairs by asking my distinguished colleague for time on the opposition time.

Mr. JAVITS. Mr. President, what is the parliamentary situation on the division of time?

The PRESIDING OFFICER. The Senator from New York (Mr. JAVITS) does control the time of those in opposition to the nomination.

Mr. JAVITS. I yield the time in opposition to the Senator from Indiana (Mr. LUGAR).

The PRESIDING OFFICER. The Senator may proceed.

Who yields time?

Mr. GLENN. Will the Senator yield me 10 minutes?

Mr. LUGAR. I would be pleased to yield the Senator 10 minutes.

Mr. GLENN. I thank the Senator. I do not think I will need that much time.

Mr. President, I had concerns in the committee when we considered this matter, not against Mr. Krueger per se, as a person. I think he is highly qualified. I have no objection to him at all. I would be happy to vote for him in a regular ambassadorship role.

But what did give me a great deal of concern in the committee was that this is the first time on record that the United States would have an Ambassador at Large to a specific country. All our Ambassadors at Large have been in functional areas, working on specific problems—for example, Dick Clark is handling refugee problems right now—and dealing with many nations, or an Ambassador appointed to an area of the world to deal with an area problem, such as our special representative to the Mideast.

It was brought up in committee that we have so many agencies dealing with Mexico that this new position of some supra ambassadorial nature is now needed. I questioned in committee, and I question today, whether we really need another agency because we have so many other agencies already.

We have many agencies dealing with Japan, with Germany, with the United Kingdom, with many nations around the world, but we do not appoint additional ambassadors to deal with those particular countries. I still question whether we need it in this particular situation.

The President's message dealing with this new position stated as follows:

> Mr. Krueger will be responsible, to the fullest extent permitted by law, for: (1) Development and formulation of United States policy toward Mexico; (2) review and coordination of any and all U.S. Government programs and activities that affect U.S.-Mexican relations, whether directly or indirectly; (3) management of U.S. participation in the working groups established under the U.S.-Mexican Consultative Mechanism, insuring also that any existing overlapping entities are integrated into the process or altered as may be necessary to avoid duplication; (4) advice to myself, the Secretary of State and other Cabinet officers and agency heads and the U.S. Ambassador to Mexico on the effects of contemplated actions by any agency of the government on our relations with Mexico; and (5) initiation of reports and recommendations for appropriate courses of action, including periodic reports to me on major developments and issues.

Mr. President, if that does not read like a description of exactly what our Ambassadors are supposed to be doing in any nation around the world, then I do not know what their mission really is. It appears to me that we are adding one layer of bureaucracy on another.

All our major embassies around the world do have large staffs—United Kingdom, Japan, Canada. Japan has the biggest staff in the world, if I am not mistaken.

Are we now to expect that we will appoint an Ambassador to Japan, separate from Ambassador Mansfield, and set that precedent? The precedent we are setting today, with this Mexican situation, is very far reaching, and I think it goes beyond the appointment just to this particular position.

This was somewhat confusing in our hearings, when I asked Mr. Krueger to whom he would report. He said he would report directly to the Secretary of State. But then, in subsequent testimony, he indicated that Ambassador Lucey normally reports through the Assistant Secretary of State for Latin American Affairs. So, we have a confused situation as to who is senior and who reports to whom in the Cabinet.

I repeat that I think Mr. Krueger is extremely well qualified for this position, if we are to establish this position. I have no quarrel with that. But I do quarrel with whether we are setting a precedent here in establishing a new role of Ambassador at Large, which I find a very disturbing precedent and which I do not want to see continue.

I hope the administration, even at this late date, will update this situation, since Ambassador Lucey, in Mexico, has now resigned, and we do not have an ambassador in Mexico—will not have one very shortly.

So I hope we will do away with the idea of a new ambassadorship, some supra level ambassadorship that is over and above our normal ambassadorship authorities, and withdraw this proposal for this new post, which I feel is not needed, and appoint Mr. Krueger to be Ambassador to Mexico. That is a position for which I think he is preeminently qualified. I would welcome that. I hope we can get the administration to agree to that. I know it is late in the day to make such a proposal.

Then we could get back to the normal position of ambassadors appointed from this country. We appoint them, we back them, we give them authority to speak for this country in the lands to which they are accredited, and we look to them for guidance for policy in matters to deal with that particular nation. We do not establish very confusing lines of authority with some additional ambassadorship level. Our relationships with Mexico are manifold and they get into many different areas, but we can say the same about many other areas in the world.

So I hope the administration will withdraw this appointment. I know we will vote on it shortly, but I urge them to resolve this matter by abandoning the effort to establish a new ambassadorial level, which I feel is not needed and is unnecessary. I will be happy at that point to vote for Mr. Krueger—to support his nomination to be Ambassador to Mexico in his own right and not in some new ambassadorial level.

I thank the Senator for yielding time.

Mr. LUGAR. Mr. President, I yield to the Senator from Nebraska such time as he requires.

Mr. ZORINSKY. I thank the Senator from Indiana.

Mr. President, some 5 months ago, I issued a statement in opposition to the nomination of Robert Krueger to be Ambassador-at-Large and Coordinator for Mexican Affairs. My statement of May 25 reads as follows:

> I don't know Congressman Krueger; I have never met the man; there is nothing personal involved in this at all. In fact, I understand that he is a highly qualified and talented individual.
>
> Rather, my opposition is based on the merits of the issue. The government needs one more ambassador-at-large about the same way the Senate needs a new office building. The fact is that there are already too many people working on our relations with Mexico and this as much as anything else probably accounts for the sad state of the relationship at this time.
>
> But the administration assures us that all of this will change by establishing some new super ambassadorial post and providing Mexico, in effect, with two ambassadors instead of one. This is as patronizing as it is insulting to our friends in Mexico. They can recognize a public relations gesture when they see it and this one has all of the subtlety of a sledgehammer.
>
> The fact is that if the president wants an effective coordinated policy toward Mexico, all he has to do is pass the word down the bureaucratic chain of command that anyone who gets out of line will have to answer to him personally. This is what's required to achieve effective policy coordination, not a new ambassadorial post with someone acting as a special coordinator.
>
> Our friends in Mexico do not need one more empty gesture from the United States. Through the years they have had more than their share of them. Rather, what they need and what we need, too, is the implementation of a policy that evidences mutual respect, mutual trust and genuine concern for the mutual interests of both countries.
>
> The decision to layer U.S./Mexican relations with yet another bureaucratic position falls far short of this goal. I hope the administration will reconsider this decision.

Mr. President, the intervening 5 months, two hearings, and hundreds of words of testimony have not altered my position or made a case for creating this special ambassadorial post.

What is at stake here, Mr. President, is not just the needless proliferation of ambassadorial titles, with the obvious result that the currency of the title is devalued. Nor are we merely insulting our Mexican friends with one more empty gesture, and our taxpayers with another layer of bureaucracy.

What is at stake here is principle and precedent. By this action, by the creation of a special coordinator with ambassadorial rank, we are establishing a precedent for all time. There will never come the day when we will be able to say to the Mexicans that they no longer need two ambassadors. But there will come the day—and I predict many days—when we will be asked again and again to approve yet another special ambassador for this or that country. Every time the going gets tough, this empty, cosmetic solution will be offered up to us, with the reminder: But, you did it for Mexico.

If today we choose expediency over principle, we will not endear ourselves to the Mexicans or to anyone else. I know there are those who think this just is not that important, who believe it is a tempest in a teapot. It is not. Cheap, easy answers have their momentary appeal, but they will not restore integrity to government, and they will not improve relations with Mexico. And in the long run, they will cost us dearly.

Mr. President, at best this is a Catch 22 situation, and at worst, it is an insult to Mexico, to the Senate and to the taxpayers. At its best or at its worst, this nomination richly deserves the Senate's overwhelming rejection.

I yield back my time.

Mr. SARBANES. Mr. President, I yield such time as he may use to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. STEWART. Mr. President, I rise in support of Robert Krueger's nomination as Ambassador at Large and U.S. Coordinator for Mexican Affairs. The relationship between the United States and Mexico, which previous speakers have touched on here today, has increased in complexity in recent years and will continue to do so in the future. Virtually every Department in the executive branch is involved in our special relationship with Mexico. And this aspect of their relationship has been made available not only to members of the Foreign Relations Committee but to other Members of the Senate both in a letter addressed to us by Senator BENTSEN of Texas and also from comments that were addressed to Members of the Senate by Deputy Secretary of State Warren Christopher which he made before the Foreign Relations Committee.

The complexity and special importance of this relationship necessitates greater efficiency and effectiveness in this area. For this reason President Carter has created the position to which Mr. Krueger has been recommended to be confirmed by the Senate. Secretary of State Vance recommended that the President create this position, and the Deputy Secretary of State, as I have indicated earlier, gave a strong endorsement of Mr. Krueger and explained the critical need for this position in testimony before the Foreign Relations Committee.

This position in no way in my opinion detracts from the responsibilities of the U.S. Ambassador to Mexico in Mexico City. Rather, the new Ambassador-at-Large position complements that of the regular Ambassador, giving us greater assurance that all activities of the U.S. Government in Washington will take into account potential impact on United States-Mexican relations.

The Mexican Government has already named an individual with ambassadorial rank to fill a similar position in Mexico, and the Government of Mexico attaches a great deal of importance to this function and to this position.

In this position, Mr. Krueger will chair a Special Interagency Group of Cabinet and sub-Cabinet officials in Washington and work with his Mexican counterpart on such difficult issues as trade, energy, finance, industry and development, migration, border issues, law enforcement, and tourism.

Bob Krueger has been acting in this capacity of Ambassador at Large for a short time, and Deputy Secretary of State Christopher has testified to his good advice and helpful activity during the recent successfully concluded natural gas negotiations with Mexico. I join the President and State Department in believing that this new position is necessary for improving our bilateral relations with Mexico and that Robert Krueger is well qualified to fill the post. I hope that my colleagues will join me in approving Bob Krueger's nomination to this important position.

I thank the Senator from Maryland for his kindness to me.

Mr. LUGAR. Mr. President, I yield time to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. I thank the able Senator from Indiana.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Have the yeas and nays been ordered on this nomination?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. HELMS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Mr. President, my distinguished friend from New York, Mr. JAVITS, sometimes offers the observation that we are not children around here. We understand he often says, what is going on.

In the case of this nomination the real question before the Senate is whether we are going to sit silently by and allow the diplomatic service to be converted into a haven for defeated candidates for the U.S. Senate. I raised this question during the hearings when Mr. Christopher appeared in advocacy of the nomination of Mr. Krueger, and the exchange went something like this:

I said: "Mr. Secretary,"—meaning Mr. Christopher—"you said the decision was made in 1978 to create this ambassadorship. Was this after the election of 1978?"

Mr. Christopher replied:

> Senator Helms, I do not relate it to the date of the election. I recall that in the fall of 1978, we were working on what is known as Presidential Review Memorandum No. 41. In the course of that, we felt the need of additional coordination of United States-Mexican relations. I cannot tell you precisely, Senator, when the decision was reached, but it was in the fall of 1978, during the discussion of PRM 41.

Obviously, Mr. President, this post was created to try to unsnarl a snafu that had involved the Ambassador to Mexico and various commitments reportedly made by the administration. I am not unsympathetic to the administration trying to unsnarl one of its snafus even though it does seem to have an inordinate number of them these days. But this nomination is going a little bit far.

I shall vote against the confirmation of Mr. Krueger to be Ambassador at Large and Coordinator for Mexican Affairs. I will not do it, Mr. President, as an intended reflection on Mr. Krueger as a person. I do not know him. I simply agree with Senator LUGAR and others who have said quite forcefully on this floor that the United States just does not need two ambassadorial posts in Mexico. We already have one.

I understand Ambassador Lucey has submitted his resignation. Now the President can replace him with an individual of the President's own choosing. That is the way we should proceed, not play games by creating ambassadorial positions that are not needed.

The United States does not have two ambassadors to any other country in the world. As Senator GLENN has indicated, we do not have two ambassadors to Canada, to Great Britain, or the Soviet Union, France, Germany, or anywhere else.

While I realize that our neighbors to the south are important allies and good friends, Senator ZORINSKY was entirely correct when he said that this kind of shenanigan is actually an insult to the Mexican people. I think they will view it as such.

Let me say again, Mr. President, I do not attack Mr. Krueger as a person. I do not know him. But I do reject this procedure of making the diplomatic service a haven for defeated candidates for the U.S. Senate.

Mr. STEVENS. Mr. President, will the Senator yield there?

Mr. HELMS. Yes, certainly.

Mr. STEVENS. Mr. President, I appreciate what he has just said because that has an impact on this Senator's opinion about the nomination. I, too, have nothing personal involving this, nor even really political. I do not have any ax to grind one way or another about Mr. Krueger.

But the thing that bothers me is, being a Senator from Alaska with Canada in between, if this can happen for Mexico because the Texans want it to happen, and I say that with due respect to my good friend who is on the floor, then how come we cannot work out the same thing? We have not even started as far as the Canadians are concerned. Even worse than that my State is the gateway to Japan. Over 60 percent of our onshore fish processing facilities and over half of our timber operations in Alaska are now owned by Japan. Japanese capital is coming into our State like it is going out of style.

I think the precedent that is involved here, as far as my State is concerned, is horrendous. I urge the Senator to think about it. All those people who come from States that are on the Canadian tier just think about this: If this is the way we are going to have an ambassador to each end of the bridge, so to speak, as I was told, as far as Texas and New Mexico, how about both ends of the Alaskan Highway and how about the jumping off spot for Japan? As a matter of fact, I believe that my State will be the jumping off spot for China before we are through here.

This is a terrible precedent to set, as far as maintaining relationships with our neighbors. It is not just a foreign country. These are our neighbors. I am certain that it is a precedent that we will live to regret should we adopt this procedure of having two ambassadors for any country.

If the President wants Mr. Krueger as an ambassador at large in terms of specific issues that would involve more than one country that would be another matter. But to deal with an ambassador at large concept as a second ambassador for a neighboring country puts such pressure upon those of us who represent the United States fringe to Canada that I think it is abhorrent, and I intend to oppose it, and I urge everyone to think about this in terms of what it does to our relations with our neighbors, and I urge this nomination be managed in some way so it would not be an affront to Mr. Krueger but at least it would be a rejection of the concept that is involved of having two ambassadors for one neighboring country.

I thank the Senator.

Mr. HELMS. Mr. President, I agree with the Senator from Alaska, and I thank the distinguished Senator from Indiana for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Mr. President, I yield myself such time as I may use.

I challenge anyone in this body to dispute the proposition that we need a coordinator for Mexican-American affairs in the executive branch of Government of the United States.

Now, Deputy Secretary Christopher, when he came before the committee, began his statement with the observation:

> Our bilateral relationship with Mexico is quantitatively different than that with any other country. More issues span the dividing line between foreign and domestic concern, more domestic departments and agencies are involved, and more issues directly involve domestic concerns.
>
> Over the last 3 years, Mr. Chairman, we have sought to develop a bilateral mechanism to deal more efficiently and effectively with our complex relationship with Mexico.

He then went on to discuss that mechanism which we have sought to develop with the Government of Mexico.

Secretary Christopher pointed out that the consultative mechanism which has been established now comprises eight different working groups on such difficult matters as energy, trade, finance, industry, and development, migration, border issues, law enforcement, and tourism.

The very able and distinguished Senator from Texas earlier today, in speaking on this matter, and in the letter, the very thoughtful and forceful letter, which he sent to Members of the Senate, stated, and I quote:

> As one who has been actively involved in U.S.-Mexican relations for many years, I am impressed by the scope and complexity of this unique relationship. Many of our problems with Mexico have their origins in a lack of coordination between the many departments and agencies of our government involved in U.S.-Mexican relations. Actions we take in this country for our own domestic reasons frequently have an unintended but direct impact on our neighbor to the South.

The very able Senator from Texas has headed the American delegation to the United States-Mexican parliamentary conferences for a number of years. He knows the situation intimately and, as he has stated, the nature of the relationship with Mexico is a unique one.

Mr. President, in the last Congress it was my privilege to be the chairman of the Western Hemisphere Subcommittee of the Foreign Relations Committee. In the course of the last Congress we held extensive oversight hearings with respect to U.S. policy toward Latin America. During one of those hearings, the subcommittee had before it four witnesses from four different Departments, Defense, Treasury, Commerce, and Justice. I made the following observations preparatory to asking them a question:

> We have four witnesses here from four different departments, each of whom brings his own perspective to the trends and issues in Latin America.

We had a broader subject there—all of Latin America—but I think the question asked is particularly pertinent to the Mexican situation. I asked these four representatives:

> Is there any consultation that takes place on a regular basis among the departments with respect to U.S. policy? Have the four of you ever met together or your deputies or superiors, as the case may be, to discuss the subject matter?

The response was:

> The four of us have never met together.

They went on to say that any significant issue was dealt with on an ad hoc basis as an interagency matter.

It was and is my own view that this kind of intermeshing of a whole host of policy issues involved in our relationships with Mexico is not adequate to the problems that face us today. They cannot adequately be dealt with on an ad hoc basis, and that is why we have established the consultative mechanism.

Mr. Krueger would function as the executive director of the consultative mechanism, and the real question becomes, should he have in addition the title of ambassador? At least I assume that is the real question. If the real question is do we need a coordinator for Mexican affairs within the executive branch of the American Government, then I think that question should be raised and we should discuss it, or if there is some other question, as I take it the Senator from North Carolina has suggested in his presentation, then that ought to be the subject of discussion.

But if the real question is a question of whether he should have the title of Ambassador, then I think we must focus on the representation made to the committee by the Deputy Secretary of State that it is not only his judgment but that of the Secretary of State, after very careful consideration, that Mr. Krueger or anyone else holding this position could, in fact, function much more effectively if the position carried with it the title of Ambassador; a judgment concurred in by the President.

The real question you must ask is how important is our relationship with Mexico? How much difficulty do you see those relationships as having experience in the past; these difficulties are, I believe, a very important distinction between this situation and the Canadian situation alluded to by the distinguished Senator from Alaska?

I have attended a number of United States-Canadian parliamentarian conferences with the distinguished Senator from Alaska, and the unique thing about our relationships with Canada is that we have, in fact, established an effective and constructive working relationship at the various departmental levels.

Second, I think the complexity of the problems that confront us are not of equal consequence with those that confront us in our relationships with Mexico. The border questions, the migration questions, the trade questions, the whole question now involving energy sources, as we deal with a developing country, those are all very difficult and very complex questions.

We do not have a comparable consultative mechanism established for Canada and do not feel the same need for it. I think everyone saw the establishing of such a mechanism as a very important step forward in the American relationship with Mexico.

I think everyone who has taken the floor, without exception, has attested to Mr. Krueger's abilities and his qualities. I join with the Senator from Texas in saying that he is an extraordinarily able and qualified individual. He was a most valued Member of the House of Representatives. He brings extensive educational qualifications to this position.

He has already done significant and important work over the brief period of time in which he has been acting in this capacity; and he has shown skill, a quality in great demand, and his been productive in the work he has done.

Now, it is true, as the Senator from North Carolina has observed, that he was a defeated candidate for the U.S. Senate. I do not know that such a fact should either qualify or disqualify a person to hold office. I have heard no one here today suggest that Mr. Krueger does not have the qualities that an individual ought to have in order to hold this position.

So the fire and the focus here have been on the position itself, and there I think we have to come back to the bottom-line question about how important we regard our relationship with Mexico. I think this position can serve to help further that relationship. It will not constitute a precedent unless the Senate wishes to make it a precedent. We have it within our power to draw the line where we choose to draw it.

Some who oppose the nomination oppose any ambassador at large; that appears to be their stated position, and one can operate from that premise. Or one can decide each case on its own merits. This case does not establish a precedent unless the Senate chooses to make it a precedent; and I suggest that there is reason enough in the United States-Mexican relationship, the nature of the problems and the uniqueness of that relationship, and in its importance to the United States, to justify establishing this coordinator for that purpose and according the coordinator the rank of ambassador in order to enhance his ability to do the job.

That is the question that is before us. Now, it has been asserted that the Mexicans will sense no slight if this nomination is rejected. I do not know the basis for that assertion. The formation of this position and the evolvement of this process for dealing with United States-Mexican relations is an essential result of the Carter-Portillo talks. It is part of the mechanism we have sought to put into place in order to enhance the consultation between our two countries, and to insure that the issues that may be in dispute between us obtain the kind of attention and concern in our Government that they ought to be accorded.

The whole range of our Government will be drawn into the consultative process. This does not minimize the importance of the U.S. relationship with other countries to which Senators have referred. But again I suggest to you that none of those relationships encompasses such a broad sweep of policy in our executive department and such concrete problems on a day-to-day basis as the U.S. relationship with Mexico.

During the appearance of the Deputy Secretary before the committee, he was put under some very strong interrogation. He made the point, contrary to some assertions that have been made here today, that this proposal was a carefully thought-out measure on the part of the administration, that it represented a thoughtful judgment on his part and on the part of the Secretary of State as to what was needed. It is my view that it is because the proposal represents such a considered judgment that the administration has been unwilling to take those suggestions which have been made now of "a way out of the situation." It is not a way out of the situation. What it is, is a retreat from the administration's development of a process for strengthening and improving United States-Mexican relationships.

I believe what they have evolved makes sense. As I said at the outset, I feel very strongly that a coordinator is essential, and I am prepared to concur in the view of the Secretary of State that according the ambassadorial rank would enhance his ability to do this job. If we reject this nomination, I think it will have significance beyond—far beyond—what those who are opposed to the nomination have asserted here today will in fact be the case. I think we will rue the day, in terms of the opportunity now before us to develop a constructive and productive relationship between this country and our most important neighbor, Mexico.

I yield to the Senator from California.

Mr. CRANSTON. I concur strongly in the views expressed by the distinguished Senator from Maryland. I speak on this subject, in good part, because of the fact that I come from a border State that deals with Mexico and citizens from Mexico on a day-to-day basis in countless ways. These contacts are totally different, insofar as my State is concerned, from relations with any other country. And while we have States that border Canada and have a close relationship with that nation, I think there are more problems that spill across the border between Mexico and the United States. These problems affect more aspects of our life and our governmental institutions than is true of those on our northern border.

So I rise in support of the nomination of Robert Krueger for the post of Ambassador at Large and Coordinator for Mexican Affairs. In considering this nomination today, I believe the issue before the Senate is not the qualification of the nominee—for I think there is a strong consensus that Bob Krueger is eminently qualified—but rather I believe the main issue which concerns my colleagues is the advisability of establishing the new post of coordinator of Mexican affairs with the rank of Ambassador.

I am convinced that the establishment of such a post is necessary. Indeed, it is long overdue.

Our bilateral relationship with the people and Government of Mexico is unique. We are united by a border of more than 1,800 miles. We are joined by culture, and in the case of more than one-tenth of U.S. citizens, by language. We share rivers and mountain ranges and we work together daily on issues as diverse as pollution and pest control, communications, and transportation.

In the past, our relations with Mexico have suffered from a lack of understanding. The bureaucracy in Washington has tended only to respond to affairs on our bilateral agenda when they have reached the boiling point, a point where solutions satisfactory to both parties are much more difficult to devise. We have seen the results of this lack of understanding in the recent highly publicized confrontations over such issues as energy sales, immigration policy, and oil pollution.

The establishment of a coordinator for Mexican affairs with the rank of ambassador to be based primarily here in Washington would help to isolate such problems and to identify mutually beneficial solutions before tensions increase. Our relations with Mexico are so complex, so diverse, that we require such a senior official here in Washington to guarantee that problems are not buried in the bureaucratic maze and left to simmer. It is noteworthy that the Mexican Government has already taken an analogous step.

I have heard several of my colleagues make the argument that since our relations with many other nations—such as the Soviet Union, China, or Israel—are also complex, there is no reason to establish this type of post just for Mexico. The key point here is that relations with these nations clearly are foreign relations. No matter how complex, these relations usually can be coordinated effectively by the State Department and by our respective embassies.

But our relations with Mexico reach daily beyond the realm of foreign affairs. When our two countries share a river and must work together to control pollution, this is a problem for our Departments of the Interior. When we must work together on energy transportation, and sales, this is a problem for our Departments of Energy and of Transportation. When we must work on pest control, this is a problem of our Departments of Agriculture or of Health, Education, and Welfare.

Too often in the past, such issues have become ensnared in the bureaucracy, with no one of senior rank available in Washington with the time and the sensitivity to resolve them in a prompt manner. This is why we need an ambassador at large for Mexican affairs; we need someone in Washington with the clout and the primary authority to resolve these diverse issues which arises constantly on the bilateral United States-Mexican agenda.

Mr. President, the history of our relations with Mexico is a long and turbulent one. We enjoy deep and enduring ties with the Mexican people, and indeed, nearly 10 percent of our American citizens have come to this country from Mexico.

But too many times in the past, opportunities for greater accord and cooperation between our two countries have been lost because of a lack of understanding by parties at both ends of this relationship. I am confident that the establishment of this new post and the appointment of a talented individual such as Bob Krueger to fill it would be a significan't step toward assuring that such opportunities will not be lost in the future.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from Indiana.

Mr. LUGAR. If the Senator from Nebraska wishes to proceed, I am happy to yield to him at this point.

Mr. ZORINSKY. I thank the Senator for yielding.

I would like to respond to the comments of my distinguished colleague from Maryland with reference to Mr. Krueger to be Ambassador at Large.

I would like to point out that I agree with Senator SARBANES and his analysis that no one can challenge the need for coordination in Government concerning our foreign relations, not only with the country of Mexico but with many, many other nations throughout this world.

As a matter of fact, just recently, if my memory serves me correctly, we created an ambassador at large position similar to the one we are talking about now. That one was in conjunction with providing services for all the Governors of the 50 States of the United States, and to the mayors of hundreds of cities because of the lack of coordination back here in Washington, D.C.

I opposed that nomination. It was Mr. Beverly Carter who received it. His nomination was confirmed and accepted by this body. But I think that is a distinct admission of the administration and the State Department of their inability to coordinate under the present circumstances that we in the Congress have helped create for them.

I would say that if our State Department is incapable of coordinating our activities then we ought to get rid of the State Department and start all over again.

I think there are Governors within our Nation who will tell you that there is a great lack of coordination in Washington, D.C., concerning the needs of this Nation vis-a-vis the needs of the States of this Nation.

I have talked to some of them, and even though Mr. Carter has been appointed Ambassador at Large to remove all these bureaucratic obstacles, they are still having trouble getting hold of the right people back here in Washington to resolve their problems.

I am sure my colleagues would be less than honest with themselves in maintaining otherwise if any of them had the experience during the diesel fuel crisis of contacting the Department of Agriculture, the Department of Transportation, and the Energy Department, and were much surprised to find out that none of these three departments were cooperating with one another to help us solve our own internal domestic problems, let alone the problems concerning other nations.

My esteemed colleague from Maryland brought up the point that he is not too sure that the Mexican officials would look favorably at this juncture on the rejection of this nomination. I would call attention to an article on the front page of the Wall Street Journal not over 2 weeks ago in which a high-ranking Mexican official was quoted as saying two ambassadors are worse than no ambassador at all.

I would hope that my colleagues will look into the precedent-setting nature of this proposal very seriously. I believe the American public will see, and the Mexican Government will see, it is a blatant admission of our inability to do a job with the ambassadorial posts which have been created, and which, in general, have served this Nation well for years and years. In the past, this Nation has enjoyed good relations with countries throughout the world. I suggest that we reevaluate the process as we know it, not correct its defects by adding more bureaucratic entanglements to those we already have.

I yield back the remainder of my time.

Mr. SARBANES. Mr. President, I yield myself such time as I may require.

Mr. President, I listened to the Senator from Nebraska with great interest. I simply put this question to him: Who is to coordinate all of these departments whose activities touch upon Mexico, where the problems are shared? What we are going to get otherwise, as an administrative matter, is ad hoc committees sitting all the time, and if they are to mean anything, they will have an assistant secretary or an under secretary participating—State, Defense, Agriculture, Interior, Justice, Treasury, and on and on.

In that sense, it seems to me we are going to get much greater efficiency with a coordinator who is in a position to harmonize American policy toward Mexico across the whole range of governmental activities.

Second, I would have to have a more authoritative source than the quotation which the Senator has given me from the Wall Street Journal regarding the reaction of the Mexican Government to the rejection here today of this evolving mechanism for future consultation.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, the distinguished Senator from Maryland has stated the case of the administration with skill. I appreciate the arguments which he has been making. I believe there are a number of valid arguments which could be made about the complexity of the United States-Mexican relationships and the need for coordinating the elements of our own Government.

The question that many of us in opposition to this nomination have raised is the succession of thoughts that have led to this type of a solution for Mexican-American relationships.

To be very specific, Mr. President, our relationships with Mexico have been complex for a long time. It is not the purpose of this debate today to discuss how well or how poorly the current administration and the previous administrations may have dealt with those problems. Certainly, a case could be made that we should have been doing a great deal better. Most Senators today have argued that we ought to do better, and some have even suggested a way of doing better is to have an ambassador at large whose specific focus is Mexico.

The point I attempted to raise early on in this debate, Mr. President, was: Did the coordinator idea for Mexico arise because our State Department or our President had begun to take a look at how our relationships might be raised with various countries on this Earth? For example, I have not seen an exposition of any study by the State Department on how we are to unravel the difficult relationships with other countries. If there ever was an ad hoc situation, the Mexican situation is it. I am making the suggestion in my argumentation, Mr. President, that it was convenient to think about a coordinator for Mexico at the ambassadorial level about the time it became necessary to straighten our affairs involving Ambassador Patrick Lucey, apparently some promises or pledges to former Congressman Krueger, and a resolution of a whole host of problems that the Presidential Review Memorandum 41 had raised and which have now been disposed of very well.

In short, our relations with Mexico were not going well in March, and the relations of our Ambassador to the Mexicans at least had indifferent success. There are some defenders of Patrick Lucey but a good number of detractors. The coordinator role, I am suggesting, was seized upon by the administration, arguing cogently, as has been argued here today, that we ought to really do better to reorganize our own Government in response to the Mexicans.

Conceivably, a coordinator at the ambassador level, with that sort of clout, could do that job better.

Mr. President, that argument wears very thin when we simply see it plucked out of the whole cloth of foreign diplomacy and the suggestion that, somehow or other, our relationships with Canada, Japan, the Soviet Union, Great Britain and so on, are not as complex. There is still the argument made that because our relations have gone so poorly with Mexico, there is a special case there that is not the case with Canada or other countries with which, presumably, things have been going better. If that argument had been made in the context of many countries, if the Secretary of State or the President or somebody had suggested that somehow our relations with many countries are very complex and we ought to have a whole raft, or at least a few, coordinators to unscramble all this, and one of those coordinators ought to deal with Mexico or Canada in this hemisphere and the others with Euroope and what have you, then this nomination would be more plausible.

Mr. President, I submit that as it stands, the argument is special pleading for one man, one nomination, and one position that is before us. I hope that a special exemption is not to be made at a time when we have not really worked out how we are going to coordinate our Government with all the rest of the relationships that we have. As a matter of fact, we can save ourselves from today creating a governmental position that is not required and I believe there is some evidence from the Mexican testimony that it may not seem very desirable to those we were hoping to please, in a sense.

Mr. President, once again, I call for the rejection of this nomination.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. I yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, I thank the Senator.

Is our relationship with Mexico unique? You bet it is. Sixty-seven million people, doubling in size in 19 years. Early in the next century there could be more people in Mexico than in the United States, 1,800 miles of contiguous border.

We talk about the number of people the State Department has in Japan or in France. There are more State Department people in Mexico than any other nation in the world. Why? Because of all the complexities of that relationship, because of the potential and importance of a nation that has gone from $600 million worth of trade to $6 billion worth of trade in the past decade. A part of the Third World, but not for long; a major, emerging economic power in this world.

Sensitivity to the Mexicans? How many times have I heard them say, "So far from God, so near to the United States."

How many times have I heard them say, "Living next to the United States is like lying down next to a sleeping elephant. We never know where you are going to move and what you are going to do next and how it is going to affect us."

My distinguished friend from Indiana says United States-Mexican relations were in a bad way in March. That is right. But they are in a much better way now. We have had an interaction of these two Presidents and an informal discussion that has led to a friendlier relationship.

The Mexicans have relied on us. What have they done? They have put in an Ambassador at Large, Andres Rozental. What are we going to say to them? "We have changed our minds. You cannot count on what we are going to do. Our President has no influence in this type of thing, in our relationship with Mexico."

We saw what happened in the Mexican gas deal when we failed to coordinate the work in progress. We saw the Mexicans leave indignant as the deal was blown. How long it took to get that deal back on the track, to see if we could diversify our energy supply in this country?

That type of action is what we are trying to avoid in the future. We are trying to see if we can coordinate these working groups and improve this relationship with Mexico that is so critically important to the United States of America. One of my friends, being facetious, was saying this is a Texas-Mexican deal. That is very flattering, but it is much more than that. We are talking about something that is of vital importance to the entire United States, we are talking about an emerging economic power in the Northern Hemisphere, one that has enormous geopolitical influence throughout the Third World. It is terribly important that we preserve that relationship and that we coordinate that relationship and avoid some of the mistakes and the lack of coordination that we have had in the past.

I yield to my colleague.

The PRESIDING OFFICER. Who yields time?

Mr. ZORINSKY. Mr. President, I ask the Senator from Indiana if I may have 5 minutes?

Mr. LUGAR. I am happy to yield.

Mr. ZORINSKY. Mr. President, I want to reply once again, only more definitively this time, to the question twice asked by my distinguished colleague, Senator SARBANES of Maryland. The Senator indicated that he did not feel the front-page story of the Wall Street Journal would be sufficient, in his mind, to indicate the feelings of the Mexican Government concerning the appointment of Congressman Krueger to this position. I refer him to the AFP, which is the French Reuters News Service, and which is like our Associated Press or United Press International. Dateline Mexico City, August 25, it is stated:

> Seven political parties, including the governing Institutional Revolutionary Party—

About 80 percent of their governing body belongs to this party—

> today requested that Mexico withdraw its approval of U.S. Special Ambassador Robert Krueger.

I wanted specifically to state the date, the time, and the source of this information.

Mr. SARBANES. Mr. President, I yield myself such time as I may need.

I appreciate the Senator from Nebraska's bringing that information before us. Both he and the Senator from Indiana, have made the assertion that the Mexicans will not feel that they have been slighted if this position is rejected and that the effort to develop a new relationship will not have been harmed.

Let us distinguish two or three things. That press story, just quoted by the Senator from Nebraska, appeared after Krueger had indicated some concern about the oilspill situation. By the Senator's own reading of it, it went to the question of Krueger himself. It did not go to the question of whether we need a coordinator, whether he ought to have a rank of ambassador, and whether this position is in furtherance of the United States-Mexican relationship, pursuant to the consultative mechanism which the two Presidents have established after two summit conferences between our two countries. It is my information that the Mexican Government wishes to proceed with this consultative mechanism, that they feel it is in fact addressing the problems between our countries, and that we are making some progress.

I repeat what I said earlier: I do not believe any evidence has been brought to the floor of the Senate which would support the assertion of the two opponents of the nomination that this will not have a negative impact with respect to our relationship with Mexico.

That is the point. Members will have to judge for themselves, but it is my own view that this will in fact have a negative impact with respect to the United States-Mexican relationship; that we have brought that relationship along; that it is improving; and that the consultative mechanism is an important part of it, and that this position which the administration is seeking and pressing for here, will carry it a step farther. I hope the Senate will recognize that when it comes time to vote and that Mr. Krueger and this position will be approved.

Mr. DECONCINI. Mr. President, I intend to vote to confirm the nomination of former Representative Robert Krueger as Ambassador at Large and Coordinator for Mexican Affairs; however, I do so with some serious misgivings.

The position is an important one because it symbolizes, in the eyes of our neighbors to the South and Hispanic Americans in this country, that the administration is anxious to develop a better and closer relationship with Mexico. We have, unfortunately, taken our relationship with Mexico for granted, and we have not invested the time and thought necessary to deal with each other as equals in search of mutually acceptable solutions to a range of shared problems. Thus, I applaud President Carter and his administration for creating this post which, it is my understanding, will assist in coordinating the activities of the myriad Government agencies involved to one degree or another in Mexican affairs.

My misgivings center upon the nominee. Congressman Krueger is an exceptional individual; a man who has achieved much in his brief tenure as a Congressman; and a man of high moral character and insightful intellect. However, as personally attractive as Mr. Krueger may be, I strongly believe that the administration erred in not nominating a Hispanic American for this post. There is certainly no dearth of qualified individuals—I, myself, suggested two prominent Hispanics to the administration.

If this Government is serious about its commitment to improve both our relations with Mexico and to upgrade the role of Hispanic Americans in our society, we must begin by bringing greater numbers of qualified Hispanic Americans into high Government positions. This would have been an ideal opportunity for the President to move in that direction. Thus, I strongly urge him to carefully consider Hispanic Americans for future posts of a policymaking nature.

Because I feel that the relationship we enjoy with Mexico is so vital to our Nation, and particularly the Southwest, I cannot in good conscience vote against Mr. Krueger and thereby vote against the creation of this valuable position. I am, however, disappointed that we have again failed to utilize the valuable resources we have in our own Hispanic community.

Mr. TSONGAS. Mr. President, today the Senate is considering the President's nomination of Robert Krueger to be Ambassador at Large and Coordinator for Mexican Affairs.

As Senators know, this country has a very special relationship with Mexico—one that directly involves virtually every Department in the executive branch. Past relationships have suffered from a lack of coordination and communication between the various agencies and the President has, over the past 3 years, taken a number of steps to increase our efficiency and effectiveness in this area. The creation of an ambassador at large and coordinator position is at the heart of this endeavor.

The Mexican Government has already named an individual with ambassadorial rank to a similar position and attaches a great deal of importance to this function. The recommendation that the United States give this position Ambassador at Large status was made by Secretary of State Vance. The post does not duplicate or take away from the role of our Ambassador to Mexico as our spokesman in Mexico City.

In this new position, Mr. Krueger will chair a special interagency group of Cabinet and sub-Cabinet officials in Washington and work with his Mexican counterpart on such difficult issues as energy, trade, finance, industry and development, migration, border issues, law enforcement, and tourism.

The President's selection of Bob Krueger is an excellent one, and I hope Senators will vote for his confirmation.

● Mr. PRESSLER. Mr. President, I served in the House with Mr. Krueger and I have no objections to him. However, I was informed that this creates two Ambassador posts to Mexico. I disagree. It is better to have one Ambassador who is really in charge than two Also it creates confusion in Mexico as to why we are having two Ambassadors. Thus I voted against Mr. Krueger's nomination even though he is a friend of mine from our days in the House.●

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. I think we are ready to vote.

Mr. LUGAR. Mr. President, I yield back the time of our side.

Mr. SARBANES. I yield back all our time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Will the Senate advise and consent to the nomination of Robert Krueger, of Texas, to be Ambassador at Large and Coordinator for Mexican Affairs?

The yeas and nays having been previously ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Oklahoma (Mr. BOREN), the Senator from Alabama (Mr. HEFLIN), the Senator from New York (Mr. MOYNIHAN), the Senator from Illinois (Mr. STEVENSON), the Senator from Alabama (Mr. STEWART), and the Senator from

New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Montana (Mr. Baucus) and the Senator from Tennessee (Mr. Sasser) are absent on official business.

I further announce that, if present, and voting, the Senator from Alabama (Mr. Stewart) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Rhode Island (Mr. Chafee), the Senator from Kansas (Mr. Dole), the Senator from Utah (Mr. Hatch), the Senator from Oregon (Mr. Hatfield), and the Senator from California (Mr. Hayakawa) are necessarily absent.

I also announce that the Senator from Missouri (Mr. Danforth) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The PRESIDING OFFICER. Are there any Senators not having voted, wishing to now vote?

The result was announced—yeas 48, nays 35, as follows:

[Rollcall Vote No. 368 Ex.]

YEAS—48

Bentsen
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
DeConcini
Durkin
Eagleton
Ford
Gravel
Hart
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
McGovern
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Nunn
Pell
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Stennis
Stone
Talmadge
Tsongas

NAYS—35

Armstrong
Bellmon
Boschwitz
Byrd,
Harry F., Jr.
Cochran
Cohen
Domenici
Durenberger
Exon
Garn
Glenn
Goldwater
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Packwood
Pressler
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NOT VOTING—17

Baker
Baucus
Bayh
Biden
Boren
Chafee
Danforth
Dole
Hatch
Hatfield
Hayakawa
Heflin
Moynihan
Sasser
Stevenson
Stewart
Williams

So the nomination was confirmed.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

## LEGISLATIVE SESSION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

## SENATOR STAFFORD'S STRONG ENDORSEMENT FOR SALT II RATIFICATION

Mr. CRANSTON. Mr. President, on Friday our distinguished colleague from Vermont, Senator Stafford, in his weekly radio report back home announced his intention to vote for the SALT II treaty.

Senator Stafford's endorsement is of particular significance because of his long service in the Congress and his service in the House on the Armed Services Committee. Additionally, Senator Stafford has worked along with me and 22 other Senators since May 1978 in an informal SALT study group. We formed this group to educate ourselves on the complex issues of SALT so that when the treaty is finally submitted to the Senate, we will be better prepared to evaluate its merits.

We have consulted regularly with the top national security officers of our Government—CIA Director Admiral Turner, DOD Secretary Brown, Undersecretary of Defense for Research and Engineering, Dr. Perry, Chairman of the Joint Chiefs of Staff, General Jones, and many others. As a result of this learning process and his examination of the treaty, Senator Stafford has come to the following conclusion, with which I fully concur—"We owe it to ourselves and to future generations to produce a good SALT agreement and to ratify it. I think we have that good agreement."

Mr. President, I ask unanimous consent that the full text of Senator Stafford's radio report to Vermont on SALT II be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### For SALT II

More than 16 months ago, I joined with a group of my Senate colleagues to begin a bipartican effort to prepare to work for the ratification of a SALT II treaty—provided we agreed that the final product was worthy of approval.

At that time, the treaty was still being negotiated. Neither I nor any other member of the group was committed to any specific language.

What we were all committed to is the proposition that effective arms control is essential to our national security.

What I remain committed to is the proposition that, unless we find a way to control and to reduce armaments, we may sentence all the inhabitants of the world to an existence dominated by tension, terror and the threat of war.

When I joined the group of senators to work on SALT, I said that the key to an acceptable treaty is verification. It was my view then—and it remains my view now—that SALT must stand or fall, most of all, on that issue.

My months of study of all available evidence—including the recent report of the Senate Committee on Intelligence—has convinced me that the SALT II treaty can be verified.

For that reason, I have made up my mind.

Barring any unexpected developments, I shall vote to ratify SALT II.

I have come to that decision because it is my view that rejection of SALT II is not acceptable. It is my view that we will be better off as a nation with a SALT treaty than without it.

For a generation, now, the world has lived with the threat of nuclear holocaust. Ever since the Soviet Union joined the United States in the ability to produce nuclear weapons, both nations—indeed, all the nations of the world—have lived with the threat of destruction by design, miscalculation or accident.

We owe it to ourselves and to future generations to produce a good SALT agreement and to ratify it. I think we have that good agreement.

Failure to approve a good SALT agreement would lead to an accelerated arms race. The Soviet Union would undoubtedly begin new efforts to develop new strategic weapons. We would respond by doing the same.

Each nation would spend more and would be less secure. The more determined and senseless the arms race, the more likely is the prospect that something will go wrong.

And, of course, a continuing arms race would consume more of our energies and resources. It would heighten inflation and demand higher taxes, along with a huge share of national resources better dedicated to our needs at home.

A continuing arms race is, thus, destructive of our domestic policy as well as of our foreign policy. It is, in short, insane.

On the basis of careful study of all the evidence so far available, I have come to the conclusion that the pending SALT treaty is verifiable. That does not mean that every detail can be verified. But, it does mean I am convinced that those parts of the treaty that deal with the ability of our military capacity to survive and that deal with our security are verifiable.

The SALT treaty is worthy of approval on its own merits.

In my view, it is a mistake to link SALT with the brigade of Soviet troops in Cuba, or with Soviet conduct on other parts of the world. We should deal with those problems independent of SALT.

Nor should we link SALT with our own defense spending plans. It is a mistake, in my view, to demand across-the-board increases in defense spending in future years as a trade off for approval of SALT II now.

Just as SALT should be judged on its own merits, future defense spending for each of the services should be judged on individual needs and merits as part of our overall defense structure.

The national security of the United States is the single most vital issue in evaluating the merits of SALT. For many months, I have discussed that issue with the Director of the Central Intelligence Agency, the Secretary of Defense and others with knowledge and responsibility in the field of national security.

I have become convinced SALT II meets the most demanding criteria. Unless new and unexpected information is presented; unless unacceptable reservations are added to the treaty at the last minute, I shall vote for ratification of SALT II.

The future of our nation—perhaps of our planet—may depend on a good SALT II treaty.

Mr. LEAHY. Mr. President, I will speak sometime in the next couple of weeks on the subject of SALT. The statement of my distinguished senior colleague, Senator Stafford, which has been placed in the Record by the distinguished Senator from California, deserves the attention of the Members of the Senate.

The statement is typical of the senior Senator from Vermont in its conciseness, its directness, its thoroughness. It shows the result of a great deal of thought. It is a statesmanlike statement of principle, and I hope it will be considered by both the proponents and the opponents of the pending SALT treaties.

## THE FUTURE OF U.S. RELATIONS WITH THE CHILEAN DICTATORSHIP

Mr. CRANSTON. Mr. President, the administration is expected to reach a decision shortly regarding the future of U.S. relations with the current Chilean regime. This review of administration policy has been prompted by the recent refusal of the Chilean Government to extradite officials wanted for the murder of Orlando Letelier and Ronni Moffitt. A U.S. grand jury has issued indictments against three members of DINA, the Chilean secret police, for their complicity in the murder of Letelier and Moffitt. The Chilean dictatorship has refused to cooperate with American authorities in bringing these men to justice, and 2 weeks ago the Chilean Supreme Court rejected a final extradition request. Thus, the three accused murderers are now free in the streets of Chile.

The crime of assassination is a despicable one, to be sure. But in this case, it is made all the more despicable by the fact that the crime was apparently perpetrated with the foreknowledge and assistance of the elected officials of a government with whom the United States is attempting to cooperate. It is all the more outrageous that these officials brought their campaign of terrorism against their own people to the streets of our Nation's capital. The American people abhor political terrorism wherever it occurs. But it is especially disturbing to see officials from governments with whom we have civil relations apparently seeking to commit murder in our streets and escape with impunity.

We must guarantee, as the Los Angeles Times recently editorialized, that "the military junta in Chile is made to understand that this is one murder case that will not go away quietly."

I have joined with a number of my colleagues from this body in urging the Carter administration to take the sternest of retaliatory measures against the current Chilean regime. We must send a very clear message to this regime that we will not tolerate such acts. The murder of Orlando Letelier and Ronni Moffit was not simply a crime against the Chilean people or against democracy. It was an affront to human decency as well.

The administration can take a number of specific measures to distance our Government further from the dictatorial regime which currently controls Chile. Among those which I have recommended are the following: First, the United States should immediately terminate all forms of bilateral aid, both symbolic and substantive, to the Chilean regime. Second, the United States should deny visas to Chilean military personnel seeking to visit the United States. Third, the United States should withdraw all nonessential personnel from our embassy in Chile. Fourth, the United States should suspend all guarantees and credits offered to Chile through the Overseas Private Investment Corp. and the Export-Import Bank. Fifth, the United States should instruct our representatives in the various international funding institutions to oppose any assistance to the Chilean regime other than for explicitly humanitarian purposes. And finally, the administration should make clear through all available channels—especially our Chilean embassy staff—that our Government looks with disfavor upon any type of financial assistance to the Chilean dictatorship extended by private U.S. institutions.

Mr. President, at such time as the Chilean regime begins to cooperate with U.S. authorities in bringing the accused murderers of Letelier and Moffit to justice, and when that regime begins to recognize the inviolability of fundamental human rights, the necessity of such harsh measures can be reassessed. In considering such measures, the United States does not seek to punish the Chilean people, with whom Americans have long enjoyed warm relations. We simply seek to demonstrate our unequivocal support for democratic freedoms and common decency. I am encouraged to learn that the Carter administration is prepared to reiterate this unbending support by considering stern action against the Chilean regime.

I ask unanimous consent to have the Los Angeles Times editorial printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### Cold Blood on the Stone Wall

A few days ago the Supreme Court of Chile ruled, in effect, that officials of the Chilean secret police can plot the murder of a political opponent on American soil and get away with it. The United States strongly protested the decision, and called its ambassador home for "consultations." But the matter should not be dropped there.

In September, 1976, a bomb exploded under the car of Orlando Letelier, Chile's former ambassador to the United States, as he drove along Massachusetts Avenue in Washington. Letelier and an American assistant were killed.

Michael Townley—an American employee of DINA, the Chilean secret police—subsequently admitted placing the bomb under the car, and he testified that the assassination was plotted by high-ranking officials of the Chilean intelligence agency.

A U.S. grand jury returned indictments against Gen. Juan Manuel Contreras, who was the chief of DINA at the time of the murder, and two aides. Washington then sought extradition of the three men from Chile to stand trial in this country.

The Chilean Supreme Court has now made a final decision to deny the extradition request on the grounds that the Townley confession resulted from plea-bargaining, and was thus not reliable evidence. The court found technical reasons for rejecting supporting evidence.

In one sense, the decision was predictable. Chile is run by a military dictatorship, and it is very unlikely that Letelier's murder could have been plotted without the knowledge and approval of the junta.

Chile's courts are supposedly independent. But the case was considered in an intimidating atmosphere created by officially inspired charges that the United States was trying to blacken Chile's international image. A Chilean news magazine that dared to suggest support for the American extradition request was closed down for two months.

In the absence of extradition, the United States would be satisfied if Chilean prosecutors would pick up the evidence and make a credible effort to win convictions in a Chilean court. But of course, the regime has no intention of allowing that to happen.

Many Chileans were outraged at the disclosures a few years ago of direct interference by the U.S. Central Intelligence Agency in their country's internal affairs. Those disclosures were a major factor in the ensuing shakeup of the CIA.

Now we are dealing with a cold-blooded murder that was plotted in Chile and carried out in an American city. The United States has a right to expect a great deal more than the stonewalling that has occurred.

This country provides little foreign aid to Chile, but there are other forms of leverage. The Chilean economy is heavily dependent on loans and investments from American banks and corporations. The United States obviously has a strong voice in such international lending institutions as the World Bank and Inter-American Development Bank. American trade unions representing dock and maritime workers could, if they chose, cripple Chile's exports to this country by imposing a boycott.

## DISTRICT OF COLUMBIA APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. LEAHY. Mr. President, I submit a report of the committee of conference on H.R. 4580 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4580) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the Record of September 18, 1979.)

Mr. LEAHY. Mr. President, the conferees on this bill, providing appropriations for the District of Columbia for fiscal year 1980, met on September 18, 1979, and came to an agreement that is substantially the same as the bill passed in the Senate in July. I regret that Congress was unable to call this report up sooner, because we are now into the new fiscal year. While this is the same situation as with many other Federal agencies, in the case of the District of Columbia the bill contains not only Federal funds, but also locally generated revenues. Thus, the District is unable to spend its own tax dollars until Congress acts and the President signs a bill into law.

By way of comparison, the Senate passed bill contained $384.6 million in Federal funds, including a Federal payment of $249 million. The conference agreement contains $373.7 million in Federal funds, including a Federal payment of $238.2 million. For District of Columbia funds, the Senate passed bill contained $1.396 billion while the conference agreement provides $1.384 billion. The conference report has been printed in the CONGRESSIONAL RECORD, and a copy is before each Member today.

At this point, I ask unanimous consent that a table summarizing the conference action be printed in the RECORD. The table compares the conference agreement with the fiscal year 1979 appropriation, the fiscal year 1980 budget estimates, the House passed bill, and the Senate passed bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

[Fiscal years]

| | New budget authority | | | | | Conference compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Enacted 1979 | Estimates 1980 | House, 1980 | Senate, 1980 | Conference, 1980 | 1979 enacted | 1980 estimate | House bill | Senate bill |
| TITLE I | | | | | | | | | |
| TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA | | | | | | | | | |
| Salaries and expenses | $7,500,000 | $500,000 | $500,000 | $500,000 | $500,000 | −$7,000,000 | | | |
| TITLE II | | | | | | | | | |
| DISTRICT OF COLUMBIA | | | | | | | | | |
| FEDERAL FUNDS | | | | | | | | | |
| Federal payment | 250,000,000 | 317,000,000 | 191,500,000 | 249,121,500 | 238,200,000 | −11,800,000 | −$78,800,000 | +$46,700,000 | −$10,921,500 |
| Payment in lieu of reimbursement for water and sewer service to Federal facilities | 12,200,000 | 10,500,000 | 10,300,000 | 10,500,000 | 10,500,000 | −1,700,000 | | +200,000 | |
| Federal payment to retire R. F. K. Stadium bonds | 9,900,000 | | | | | −9,900,000 | | | |
| Loans for capital investment | | 159,391,700 | 125,725,700 | 125,000,000 | 125,000,000 | +125,000,000 | −34,391,700 | −725,700 | |
| American Agricultural Movement demonstration expenses | 2,565,000 | | | | | −2,565,000 | | | |
| Total, Federal funds to District of Columbia | 274,665,000 | 486,891,700 | 327,525,700 | 384,621,500 | 373,700,000 | +99,035,000 | −113,191,700 | +46,174,300 | −10,921,500 |
| DISTRICT OF COLUMBIA FUNDS | | | | | | | | | |
| Operating Expenses | | | | | | | | | |
| Government direction and support | (66,475,600) | (70,983,200) | (67,399,700) | (64,879,000) | (63,456,900) | (−3,018,700) | (−7,526,300) | (−3,942,800) | (−1,422,100) |
| Economic development and regulation | (14,992,300) | (25,673,700) | (13,810,900) | (16,009,700) | (16,127,000) | (+1,134,700) | (−9,546,700) | (+2,316,100) | (+117,300) |
| Public safety and justice | (291,569,100) | (303,024,900) | (293,247,700) | (296,177,800) | (295,472,300) | (+3,903,200) | (−7,552,600) | (+2,224,600) | (−705,500) |
| Public education system | (309,564,000) | (326,162,300) | (310,596,700) | (317,379,500) | (312,493,500) | (+2,929,500) | (−13,668,800) | (+1,896,800) | (−4,886,000) |
| Human support services | (335,498,700) | (374,156,900) | (329,110,500) | (350,432,400) | (347,359,500) | (+11,860,800) | (−26,797,400) | (+18,249,000) | (−3,072,900) |
| Transportation sevices and assistance | (83,797,900) | (95,717,600) | (91,280,100) | (92,858,600) | (92,084,100) | (+8,286,200) | (−3,633,500) | (+804,000) | (−774,500) |
| Environmental services and supply | (76,273,200) | (81,519,200) | (77,137,800) | (79,206,100) | (78,297,800) | (+2,024,600) | (−3,221,400) | (+1,160,000) | (−908,300) |
| Personal services | (34,610,600) | (81,610,600) | (47,354,500) | (58,354,500) | (58,354,500) | (+23,743,900) | (−23,256,100) | (+11,000,000) | |
| Repayment of loans and interest | (120,400,000) | (121,657,300) | (120,657,300) | (120,457,300) | (120,457,300) | (+57,300) | (−1,200,000) | | |
| Demonstration expenses | (2,565,000) | | | | | (−2,565,000) | | | |
| Total, operating expenses | (1,335,746,400) | (1,480,505,700) | (1,350,395,200) | (1,395,754,900) | (1,384,102,900) | (+48,356,500) | (−96,402,800) | (+33,707,700) | (−11,652,000) |
| Capital Outlay | | | | | | | | | |
| Capital outlay | (77,215,000) | (176,540,300) | (132,830,200) | (165,355,300) | (157,531,300) | (+80,316,300) | (−19,009,000) | (+24,701,100) | (−7,824,000) |
| Total, District of Columbia funds | (1,412,961,400) | (1,657,046,000) | (1,483,225,400) | (1,561,110,200) | (1,541,634,200) | (+178,762,800) | (−115,411,800) | (+58,408,800) | (−19,476,000) |
| RECAPITULATION | | | | | | | | | |
| Grand total, new budget (obligational) authority | 282,165,000 | 487,391,700 | 328,025,700 | 385,121,500 | 374,200,000 | +92,035,000 | −113,191,700 | +46,174,300 | −10,921,500 |
| Consisting of: | | | | | | | | | |
| Temporary Commission on Financial Oversight of the District of Columbia | 7,500,000 | 500,000 | 500,000 | 500,000 | 500,000 | −7,000,000 | | | |
| District of Columbia: | | | | | | | | | |
| Federal funds to the District of Columbia | 274,665,000 | 486,891,700 | 327,525,700 | 384,621,500 | 373,700,000 | +99,035,000 | −113,191,700 | +46,174,300 | −10,921,500 |
| District of Columbia Funds | (1,412,961,400) | (1,657,046,000) | (1,483,225,400) | (1,561,110,200) | (1,541,634,200) | (+128,672,800) | (−115,411,800) | (+58,408,800) | (−19,476,000) |

**Mr. LEAHY.** Mr. President, from this table it is apparent that the conference agreement is much closer to the Senate-passed bill than the House bill. The primary reason for this situation is that the Senate was able to include an $86.6 million budget amendment that arrived too late for House consideration. The conference agreement reflects approval of nearly all of the budget amendment programs recommended by the Senate. The conference agreement reflects a balanced budget that allows the District of Columbia to proceed with vital new efforts and maintain existing programs at adequate levels.

At this point I would like to briefly highlight the major changes between the Senate passed bill and the conference agreement. With regard to Federal funds, the agreement is $10.9 million under the Senate version. This amount reflects a reduction in the Federal payment made possible by maximizing the city's revenues and at the same time eliminating or cutting back on any noncritical programs.

For District of Columbia funds there are several areas which account for the $11.6 million difference between the Senate passed bill and the conference agreement. The largest difference occurs in the public education system, where the total is $4.9 million under the Senate version of the bill. Most of this reduction falls in the area of public schools.

For years the student population of the District of Columbia school system has been declining. Few schools have been closed, even though many are operating at less than 40-percent capacity. Needed program improvements are being stalled since funding must be made available for basic facility operational costs. Mr. President, the conferees are in total agreement with the Senate position that the school system must face up to the reality of the situation and insist on cost saving improvements. The reductions agreed to in conference will not adversely impact the quality of services provided to District students, but rather will serve notice to the School Board that some belt tightening is in order.

Another major area of change from the Senate passed bill is that of human support services, primarily the Department of Human Resources. Although $3 million has been trimmed from the Senate level, sufficient resources are available to provide the entire range of health and social services at necessary levels, if good management is practiced and worker productivity is insisted upon. The reduction is not in any one program, but rather a series of smaller reductions which will not severely hinder the delivery of services to the public.

Mr. President, there are several areas of concern in which the conferees agreed with the Senate position that deserve to be mentioned. One of the very difficult problems facing the Appropriations Committee in considering the District of Columbia budget has been timing. The conferees agreed to continue bill language requiring the Mayor to forward budget justifications for the fiscal year 1981 budget no later than February 1, 1980. In addition, before finalizing the budget justification material, the city must consult with the staff on both sides to insure that necessary information is provided. This too has been a problem in the past. Along the same lines, the conferees agreed to the Senate proposed reprograming guidelines with only slight technical changes. It is now abundantly clear what is expected of the city when reprogramings are contemplated. In sum, these directives will make the job of the Appropriations Committee and of the Senate much easier in the future.

Fiscal year 1980 will mark the beginning of full implementation in the District of a comprehensive financial management system. Millions of dollars have been spent on getting everything in place, and new positions to insure smooth operations are necessary. The conferees agreed to the Senate language regarding the duration of employment for these individuals, stressing the fact that they are only temporary. In addition, before hiring individuals the city has been directed to consult with the staff of the Temporary Commission on Financial Oversight. These measures will insure the hiring of well trained personnel only for the time period necessary. The result should be complete takeover of the system by current district employees in a short period of time.

Mr. President, I believe the conference agreement on this bill is a fair one, and I urge its adoption. Although some may view the agreement as a bare-bones budget, I would note that it represents an increase of $128.7 million over the fiscal year 1979 budget in District of Columbia funds, and an increase of $99 million over the fiscal year 1979 budget in Federal funds. Being $115 million below the budget request for District of Columbia funds and $113 million below the request for Federal funds, I see no way one could call this an excessive conference agreement.

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. LEAHY. I yield.

Mr. WEICKER. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that the Senate consider en bloc the amendments of the House of Representatives to the amendments of the Senate numbered 4, 7, 21, 25, and 27.

The PRESIDING OFFICER. Until such time as the conference report has been disposed of amendments will not be in order.

Mr. LEAHY. I understand.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. LEAHY. Mr. President, at this point I yield to the distinguished minority member of the subcommittee, Senator MATHIAS. Senator MATHIAS worked long and hard on this bill both in the Senate and as a conferee. I say that is not unusual because that his been his course of many, many years.

The District of Columbia Subcommittee was not my first choice on becoming a member either of the Senate or the Appropriations Committee. But I must say that because of Senator MATHIAS' help the chairmanship of that subcommittee has been far more pleasant than it ever could have been otherwise.

It is with pleasure that I yield to my distinguished and senior Member of the Senate, Senator MATHIAS.

Mr. MATHIAS. Mr. President, the eloquence of the Senator from Vermont is equaled only by his charity and generosity. His kind words are very much appreciated.

The fact is, as I am sure Senators know, it due to his untiring efforts that the Senate has before it the conference report on the fiscal year 1980 appropriations bill for the District of Columbia.

I think he deserves our thanks and our congratulations because this is a troublesome piece of legislation. It is a difficult piece of legislation. It is a time consuming piece of legislation. And he deserves a great deal of credit for bringing it to this point.

Of course, I thank him for his thoughtfulness, courtesies, and patience that he has always extended during the consideration of legislation.

Mr. President, I do not think it would serve any very useful purpose for me to reiterate what the chairman has already said about the conference action. It has some good news and some bad news. It has some successes and some items that are less successful.

But there are a couple of points that I think are worth making.

First, the conference agreement, while it is merely $11 million below the Senate-passed bill, is nonetheless $46.1 million above the House-passed bill, and in a period where we are all very conscious of the need to make governmental savings I think this represents how a hard fought appropriations bill will be considered so that only the necessary moneys are spent.

But in making those decisions, in assigning priorities, I was pleased that the conference agreed substantially with my efforts to strengthen the city council, to provide increased funding for the District of Columbia General Hospital, and to provide increased funding for human resources programs.

The fact that we were able to sustain these programs indicates that the Senate was indeed vigorously represented by the distinguished Senator from Vermont.

Mr. President, the conference report before the Senate is one that, as I say, has disappointments in it, but it is a genuine product of the conference process. I believe it deserves the support of the Senate.

Mr. LEAHY. I thank my distinguished colleague. Indeed, we have tried to work out areas, working long and hard with the committee in the House, and I wish to compliment both the chairman and the ranking member of the committee in the other body for their efforts in working with us.

I promised to yield to the distinguished Senator from Connecticut. I yield to him such time as he requires.

Mr. WEICKER. Mr. President, I thank the distinguished Senator from Vermont. I compliment both he and the distinguished Senator from Maryland on bringing forth this compromise effort as it pertains to appropriations for the District of Columbia.

My remarks are neither directed toward the substance of the various appropriations nor toward the policy changes that accompany them. Rather, I would like to address my comments to the abortion language contained in the House amendment on the abortion language. This language in effect, is a replay of the compromise abortion language or, for example, the Magnuson compromise language, that was contained in the continuing appropriations bill, House Joint Resolution 412.

I realize that endorsement of this language was a difficult decision for the Senator from Vermont and the Senator from Maryland. Not wanting to hold up the government of the District of Columbia they endorsed it, just as indeed we have previously been held up on the consideration of the important affairs of this country by the debate over abortion. But I figure this might be the ideal time to start firing the first cannon in opposition to the Hyde language by opposing this compromise language, which takes us one step closer to Hyde. It is past time to start expressing some very blunt opinions on the matter of abortion and the language that is being attached to every bill that comes through the Senate and the House.

First, let me call it, the issue of abortion is the greatest nonissue in the country today, although it is not a nonissue in the Senate and in the House, where a few Senators and Congressmen, obviously with rabbit ears—that is, somewhat sensitive ears—listen to the loud voices of an extremely vocal minority.

As far as the American people are concerned, would they assign to this issue the importance that is assigned to it by virtue of what we in Congress do? They certainly would not.

Were we to go to take a poll on the streets of America, we would not find abortion funding among the first 20 issues of concern to the American people. Yet time and again we in Congress are supposed to halt the entire process of government in order to get some rather strong individual views into the law.

This brings me to my second point. My job as a U.S. Senator is not to take up on the floor of the Senate what somebody is not successful in achieving in the church pulpit on Sunday. Now, my friends who are such sticklers on the separation between church and state as well as on the matter of a literal reading of the Constitution, I ask you: What, in fact, have we been doing the past couple of years? We have, in effect, translated some people's religious beliefs into the law of the land, have we not?

If, indeed, you and the people of America do not want abortion, then go ahead and make it a crime. Make it illegal. Period. But nobody wants to do that. Nobody wants that to come to the floor to debate what is indeed the issue.

(Mr. TSONGAS assumed the chair.)

Mr. WEICKER. Indeed, we as Senators are supposed to abide by the law of the land, which, as expressed by the U.S. Supreme Court in Roe against Wade, is that a criminal abortion statute that excepts from criminality only a life-saving procedure on the mother's behalf without regard to the stage of her pregnancy and other interests violates the due process clause of the Constitution. That is the law of the land.

What we are being asked to do here is to take the law of the land as determined by the Supreme Court and suborn the law to the beliefs of a minority of the citizenry. More importantly, the law is to be suborned to the views of a group of men and women who are sworn to uphold the Constitution of the United States, who have had that trust placed upon them, and now clearly, in my view—and I think in the views of many—are violating it both de jure and de facto.

I have to repeat the distinguished chairman of the Appropriations Committee, the Senator from Washington, and the distinguished chairman of the D.C. Appropriations Subcommittee, are forced into positions of compromise on the abortion language in order not to hold up the process of government in this Nation, in this case of the government of the District of Columbia. Last week, on the continuing appropriations bill, it was the Government of the United States of America that was being held hostage.

This has been as distasteful, I am sure, a task for them as it is for me when confronted with a vote, pro or con, with respect to the District of Columbia.

I am not going to speak much more. I just wanted to start talking about the way a minority of people want to be heard.

These people come to the District of Columbia frightening the hell out of Senators and Congressmen, taking roses and using them as baseball bats. These people act as though the whole Nation wants the Constitution turned upside down, because of their point of view.

I do not think the Government should be turned upside down. I think we ought to have the courage to do our job as the Constitution calls for it to be done.

I repeat, vote out any one of the policies that have in effect been established by the abortion language tacked on to appropriations bill, and that is fair enough.

But do it out front, and put a new crime on the books if that is the will of the American people. Stop sneaking around Robin Hood's barn, turning everybody willy-nilly loose and unable to perform the functions of Government in this Nation.

Do you want to go ahead and change medicare and medicaid? If so, let everybody stand up now, and let us make it very clear as to how we are going to change that. We will eliminate a policy for funding for "medically necessary" procedures. If that is the will of the people, let us do away with that policy. It is not what I would vote for. But it is what is selectively being voted for out here on appropriations bills in furtherance of some people's religious beliefs.

If we want to go ahead and make abortion a crime for everybody, rich and poor alike, let us stand up and vote for that. I do not think there are too many who would like to do that either.

Every time I say it has been well established by the Supreme Court as to what is and is not constitutional, those who disagree say, "Well, sir, we cannot have the Supreme Court running the United States of America."

Who is supposed to run the United States of America? I thought the whole object of our constitutional system was not to simply approve or disapprove what, at the time is nice or bad, right or wrong, but instead to adhere to that which is legal. And abortion is legal in the United States of America. It is legal, and I certainly think there is nobody here who will deny that.

The only obligation I have to any religion in this country is to make sure that all Americans may affirm and reaffirm their beliefs and practice their religion in the way they will. I will insure that the free exercise of religion will not be prohibited. That is the only obligation I have, I took an oath when I took this job that I would fulfill this obligation.

I am not here to translate into the laws of this country the beliefs that any faith might have and that is exactly what is being done on this abortion issue. It is time somebody said it loud and clear from the floor of the United States Senate, and the political consequences be damned. No faith should be able to impose its will upon this country.

Well, as I said, there will be more to say on this in the future. I am not going to sit here until the law is nibbled away and finally we get the Hyde language, and then we sort of drift into this backwards.

Stand up for your beliefs. But more important, stand up for the first amendment:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof. . . .

Nobody is doing that, per se. But certainly that is the way our actions may be construed in many, many different areas, for good cause.

I am going to vote against the conference report, not because I do not think it is a good report; I think it is absolutely on target. However, I disagree with the language on abortion.

I can see where we are going. This is the second time around. Slowly, we will get to the original Hyde language, and I will have no part of it.

When you start making exceptions as to when an abortion can be had and when it cannot, and the gray areas that you leave out, have none of you thought about the fact that a mother can have a child which child is known ahead of time to be a child with Down's syndrome? Do you not think that is important in terms of the particular religious faiths of the father and mother, in consultation with each other, to decide about the life of that child, with the type of life the child will have? Are we to say what is right and what is wrong?

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. WEICKER. Yes, I yield to the Senator from New Hampshire.

Mr. LEAHY. Mr. President, much of what the distinguished Senator from Connecticut has said here this afternoon I have said myself in a number of public forums in the State of Vermont over the past weekend, when we were out for 3 days. I have expressed here, one Saturday morning in a colloquy with the distinguished majority leader (Mr. ROBERT C. BYRD), my concern with this issue being raised on appropriations matters and holding various appropriations matters hostage, which is what such action amounts to.

Let us consider the question of abortion, but let us have it as a single issue, by itself, either through a constitutional amendment or through whatever statutory form it might take, but by itself. Then let us vote on it one way or the other, but not go into everything from the defense budget to the HEW budget to the District of Columbia budget or every other backdoor way of going in and out on this particular issue, so that nobody knows whether we are voting on abortion or voting to pay for our armed services abroad.

I mean, let us separate it; I could not agree with the Senator from Connecticut more. Let us have a vote on it as an issue by itself, that is, a vote that will affect the rich and the poor exactly the same, that will affect people from every part of the country the same.

There is no question that the House language on this bill is nibbling away and is moving us closer to the Hyde language, which I have opposed in numerous votes on this floor.

If this were any bill other than the District of Columbia bill, I would recommend, as I have in the past that the Senate stick to its own language. But because it is the District of Columbia bill, we have the other problem that what we are doing is just one more way that we are forcing our will in this hybrid, and I believe outrageous, form of limited home rule. We are forcing our will one more way, directing the fortunes of the District of Columbia in a way that they have no control of, taking it entirely out of their hands, and I think unreasonably so.

I have, Mr. President, and I shall ask unanimous consent to have printed in the RECORD, a letter from the Mayor of the District of Columbia, who says, among other things:

> While we would prefer to have the District's appropriation free of any such restrictions, the language as approved by the House of Representatives is acceptable to us. . . .
>
> In the spirit of compromise, I request that you support the House-approved language and recommend its approval to the Senate.

I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DISTRICT OF COLUMBIA,
*Washington, D.C., October 17, 1979.*
Hon. PATRICK J. LEAHY,
*Chairman, Subcommittee on Appropriations for the District of Columbia, Washington, D.C.*

DEAR MR. CHAIRMAN: On Tuesday, October 16, the House of Representatives approved the FY 1980 Appropriations Act for the District of Columbia. This act denies the use of Federal funds for the performance of abortions, except as specifically cited. Federal funds included in the appropriation to which these restrictions would apply are the Federal Payment and funds available under the Revenue Sharing Program.

While we would prefer to have the District's appropriation free of any such restrictions, the language as approved by the House of Representatives is acceptable to us. It will require the earmarking of Federal Payment funds to assure that no prohibited expenditures are made. However, such earmarking is currently required for revenue sharing and will not cause a significant administrative burden for the District.

In the spirit of compromise, I request that you support the House approved language and recommend its approval to the Senate.

Sincerely yours,
MARION S. BARRY, Jr.,
*Mayor.*

Mr. LEAHY. I can understand the frustration of Mayor Barry. He is trying to do a job, a good job, for his city. He finally has a budget of his own, not one he has inherited from previous administrations, and I think he shares the same kind of frustrations that the Senator from Connecticut and I and everyone else do, in seeing these budgets held up time after time after time on abortion language.

So, while I would much prefer that the Senate's position—the original Senate position of no restrictions whatsoever—be the position adopted by the conference, because I am convinced, as is the Mayor, that that is not the way it is going to be resolved, I therefore move the adoption of the conference report.

The Senator from Connecticut has asked for the yeas and nays on the conference report, and that we then go to the amendments in disagreement. I am perfectly willing to yield back the remainder of my time if the other side is, and proceed to a vote on the conference report.

Mr. WEICKER. Mr. President, I do not intend any sort of a delaying action, but I have a few more comments to make, and then I will sit down.

I think the point that the Senator from Vermont raises is also touched upon very clearly and is of concern also to Mayor Barry: What kind of equality under the law situation do we have in this country by virtue of what it is we are doing here in the legislative process? If the mother is rich, or even moderately affluent, she can have an abortion. If the mother is poor, she cannot. That is the situation as it exists today.

On July 19, I spoke on the floor of this Chamber concerning what was called the Magnuson abortion amendment to H.R. 4389, the Labor-HEW appropriations bill. I said at that time:

> I rise in what I can only term as lukewarm support of the Magnuson amendment, and I use the term "lukewarm" very specifically because I feel that the Magnuson amendment is considerably less than the law of the land, and is merely before us as a compromise in hopes of making the best out of a difficult legislative situation.

I was speaking then on statutory language from which we are now being asked to retreat even father. Today, we are being asked to deprive indigent pregnant women of the right to an abortion, in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians. In short, we are being asked to agree to cut Federal funding of "medically necessary" abortions.

Mr. President, the language before us is contrary to the law of the land. Again, I must remind my colleagues of what the law of the land is regarding abortion. The law of the land was summarized in Roe against Wade.

> A state criminal abortion statute of the current Texas type, that excepts from criminality only a life saving procedure on behalf of the mother, without regard to pregnancy stage and without recognition of the other interests involved, is violative of the Due Process Clause of the Fourteenth Amendment.

Mr. President, those who advocate limiting Federal funding for abortions justify their position on the basis of protecting the fetus through the encouragement of childbirth.

This argument, to be blunt, is spurious. The U.S. Supreme Court decisions in *Roe* v. *Wade*, 410 U.S. 113 (1973) and *Colautti* v. *Franklin*, 99 S. Ct. 675 (1979) settled this issue. As the court in *Zbaraz* v. *Quern*, 463 F.Supp. 1212 (N.D. Ill. 1979) stated:

> We do not believe, however, that a state has a legitimate interest in promoting the life of a non-viable fetus in a woman for whom an abortion is medically necessary. This approach, which recognizes that the fetus is being carried within a living, human being, is consistent with Supreme Court decisions which suggests that the interest in the fetus cannot be isolated from the interest in the health of the mother.

The Zbaraz court's discussion of the implications of isolating the fetus from the health of the mother is illuminating. I would like to read this passage for the benefit of my colleagues:

> As a consequence of the state's viewing the fetus apart from the mother, the mother may be subjected to considerable risk of severe medical problems, which may even result in her death. . . .
>
> A doctor may not certify a woman as being eligible for a publicly funded abortion except where "the life of the mother would be endangered . . . or . . . where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term . . . ." Most health problems associated with pregnancy would not be covered by this language, and those that would be covered would often not be apparent until the later stages of pregnancy, when an abortion is more dangerous to the mother. At the earlier stages of pregnancy, and even at the later stages, doctors are usually unable to determine the degree of injury which may result from a particular medical condition. The effect of the new criteria, then, will be to increase substantially maternal morbidity and mortality among indigent pregnant women.
>
> We cannot hold that the state has a legitimate interest in preserving the life of a non-viable fetus at the cost of increased maternal morbidity and mortality among indigent pregnant women.

Mr. President, existing law restricting public funding of abortions has been held by a Federal court to be violative of the 14th amendment of the U.S. Constitution by denying equal protection. Yet today we are discussing language which, instead of remedying the constitutional problem, would exacerbate it.

Today, we are being asked to enact legislation which would deny Federal funding to indigent women "in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term." To approve this language will jeopardize the lives of many indigent women.

For example, women with sickle cell disease have a 25-percent probability of going into sickle cell crisis and dying as a result of pregnancy. The normal pregnancy mortality rate is 20 per 100,000. Because of this extraordinarily high mortality rate, abortions for women with sickle cell disease are almost universally acknowledged to be "medically necessary." Yet it simply cannot be known, however careful her care and physician's monitoring, whether a particular patient will go into crisis, or whether the state of her disease will remain unaffected by pregnancy. It would not be proper medical care to wait for such an actual threat before terminating the pregnancy. However, the language limiting Federal funding would require that the mother's life be placed in danger before funds would be made available for a life-saving abortion.

Mr. President, limiting funds for abortions has the same result as limiting the actual right to an abortion insofar as indigent women are concerned. It is unrealistic to believe that an indigent woman can make a valid choice if she knows she will be deprived of the means to effectuate her choice.

What we are doing here is imposing a governmentally ordained morality on an indigent woman. She knows she will not receive funds for an abortion—even if she is facing "severe and long-lasting physical health damage." Yet, if she chooses to follow the state-encouraged morality and bear her children, she will be reimbursed not only for her predelivery and delivery expenses but also for her children's post-natal costs, as well as receiving an increase in her welfare stipend.

Prof. Laurence Tribe, the constitutional scholar from Harvard Law School, has aptly characterized the discussions concerning the viability of a fetus as "unmistakably religious." By denying funds for abortions while providing a significant financial incentive for bearing a child, the Federal Government is interfering with a religious choice. This interference is violative of the first amendment and should be proscribed.

Mr. President, I am vehemently opposed to the House language and strenuously object to it. This language will result in an unconstitutional governmental intrusion into the religious choice of America's indigent pregnant women. Accordingly, I urge my colleagues to insist upon the original Senate language which did not limit funding for abortions.

I am going to continue to object to any further compromise. Indeed, I am going to start the ball going the other way and get back within the spirit and the letter of the Constitution of the United States. Let the preachers do their job on Sunday and I will do mine on Monday through Saturday and we will be a better Nation for it. If the preachers cannot do their job on Sunday, then they ought to go out of business. I am going to make certain that a preacher has the right to stand up in the pulpit on Sunday, but that is all. I will not carry the ball for them on the floor of the Senate. The rest relies on the conviction of purpose, on their morality, on the acceptability of their views in the eyes of their congregation. But it does not rely on the Congress of the United States or subverting the Constitution of the United States.

I would hope that my colleagues now would start to reflect on their oath of office, and to listen the beliefs of this Nation, and the majority of the country. I hope that we will stop getting tied up into knots on what I characterized at the outset as the greatest nonissue in this country.

Mr. MATHIAS. Will the Senator yield?

Mr. WEICKER. I yield.

Mr. MATHIAS. Mr. President, the Senator from Connecticut has been very articulate, indeed he has been very passionate, in the argument he has made to the Senate. I think we should take particular note of the fact that, as he has put it, this is not a bill which goes to the legality of abortion but this is a bill which goes to the funding of abortions for those who cannot afford otherwise to have such operations.

Really, what this is about is that there is a gulf between the affluent and the poor in this respect. That is the problem which is before us here today. We would widen that gulf.

The language in this conference report was contained in the conference report on the continuing resolution. I declined to sign the conference report because I felt this language does widen the gulf between the rich and the poor on this very eloquent and sensitive question. The only difference between that occasion and this, it seems to me, is the fact that this is legislation dealing with the District of Columbia.

The Senator from Vermont has put into the RECORD a letter from the Mayor of the city of Washington. The Mayor of the city of Washington is that local official who is most clearly charged with the execution of the laws of the District of Columbia. He apparently has made the judgment that in the gulf between the affluent and the poor, the rich and those below the poverty line, he can and will do justice to this language. I hope he can achieve a just solution under this language. That is the only circumstance which induces me to take a step here which I refused to do in the continuing resolution, and which I will refuse to do if that matter comes before us again.

Mr. LEAHY. Mr. President, the yeas and nays have been ordered on the conference report. I am willing to yield back the remainder of my time if the Senator from Maryland is prepared to yield back the remainder of his time. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion to adopt the conference report. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Alabama (Mr. HEFLIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New York (Mr. MOYNIHAN), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), and the Senator from Alabama (Mr. STEWART) are necessarily absent.

I further announce that the Senator from Tennessee (Mr. SASSER) and the Senator from Montana (Mr. BAUCUS) are absent on official business.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Kansas (Mr. DOLE), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), and the Senator from California (Mr. HAYAKAWA) are necessarily absent.

I also announce that the Senator from Missouri (Mr. DANFORTH) is absent on official business.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The PRESIDING OFFICER. Are there other Senators wishing to vote?

The result was announced—yeas 64, nays 19, as follows:

[Rollcall Vote No. 369 Leg.]

YEAS—64

Bellmon
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cohen
Cranston
Culver
DeConcini
Domenici
Durenberger
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Nunn
Pell
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Schmitt
Schweiker
Simpson
Stafford
Stevens
Talmadge
Tsongas
Wallop
Warner
Williams
Young

NAYS—19

Armstrong
Cochran
Durkin
Garn
Goldwater
Helms
Humphrey
Jepsen
Johnston
Laxalt
Long
Packwood
Pressler
Roth
Stone
Thurmond
Tower
Weicker
Zorinsky

NOT VOTING—17

Baker
Baucus
Bayh
Biden
Chafee
Danforth
Dole
Hatch
Hatfield
Hayakawa
Heflin
Kennedy
Moynihan
Sasser
Stennis
Stevenson
Stewart

So the conference report was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $63,456,900.

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $16,127,000.

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 21 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $5,378,100.

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 25 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken by said amendment, insert: None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the government of the District of Columbia whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations or their duly authorized representatives.

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 27 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken by said amendment, insert:

SEC. 220. None of the Federal funds provided in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

Mr. LEAHY. Mr. President, I ask unanimous consent that the Senate concur in the House amendments to the Senate amendments Nos. 4, 7, 21, 25, and 27.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the request was agreed to.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I appreciate the consideration of my colleagues, and, as I said before, the help of the ranking minority member.

I certainly want to note also the tremendous help of Mr. James Bond who, in typical fashion, has been an enormous help to us.

Also, of course, our staff members John Gnorski, Betty Hoem, and David Julyan, chief legislative assistant of my staff.

Mr. President, I believe that concludes consideration of the D.C. conference report.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to exceed 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on October 19, 1979, he had approved and signed the following act:

S. 817. An act to amend the Act of July 2, 1940, to increase the amount authorized to be appropriated for the Canal Zone Biological Area.

## MESSAGES FROM THE HOUSE

### ENROLLED BILL SIGNED

At 2:38 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 1825. An act to protect archaeological resources on public lands and Indian lands, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. DeConcini).

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 5386) to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States.

The message further announced that the House insists upon its amendment to the bill (S. 241) to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Rodino, Mr. Kastenmeier, Mr. Danielson, Mr. Gudger, Mr. Mazzoli, Mr. Hall of Texas, Mr. McClory, Mr. Ashbrook, and Mr. Hyde were appointed as managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Yates, Mr. McKay, Mr. Long of Maryland, Mr. Duncan of Oregon, Mr. Murtha, Mr. Dicks, Mr. Ginn, Mr. Whitten, Mr. McDade, Mr. Regula, Mr. Burgener, and Mr. Conte were appointed as managers of the conference on the part of the House.

The message further announced that the House has passed the following bill, without amendment:

S. 436. An act to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Valley Authority.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2440. An act to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970.

The message further announced that the House further insists upon its disagreement to the amendment of the Senate numbered 12 to the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes; that the House disagrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 27 to the bill; requests a further conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Boland, Mr. Traxler, Mr. Stokes, Mr. Bevill, Mrs. Boggs, Mr. Sabo, Mr. Stewart, Mr. Whitten, Mr. Coughlin, Mr. McDade, Mr. Young of Florida, and Mr. Conte were appointed managers of the conference on the part of the House.

At 4:20 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has passed the bill (S. 832) to extend the authorization for the Federal Election Commission, with an amendment; that the House insists on its amendment and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Thompson, Mr. Nedzi, Mr. Brademas, Mr. Davis of South Carolina, Mr. John L. Burton, Mr. Fazio, Mr. Obey, Mr. Frenzel, Mr. Badham, Mr. Gingrich, and Mr. Campbell were appointed managers of the conference on the part of the House.

## COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–2345. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize ordering reserve commissioned officers of the Army on active duty (other than for training) to serve on active duty in a grade to which promoted; to the Committee on Armed Services.

EC–2346. A communication from the Acting Secretary of Housing and Urban Development, transmitting, pursuant to law, the fourth annual Community Block Grant report; to the Committee on Banking, Housing, and Urban Affairs.

EC–2347. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report listing required information with respect to contracts negotiated by NASA for the period January 1, 1979 through June 30, 1979; to the Committee on Commerce, Science, and Transportation.

EC–2348. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Electrical Energy Development in the Pacific Southwest," October 16, 1979; to the Committee on Energy and Natural Resources.

EC–2349. A communication from the Deputy Secretary of Energy, transmitting, pursuant to law, a report on the results of Preliminary Energy Audits of Federal Owned and Leased Buildings over 30,000 square feet in accordance with Executive Order 11912, as amended by Executive Order 12003, and Part 3, Title V, of the National Energy Conservation Policy Act (NECPA); to the Committee on Energy and Natural Resources.

EC–2350. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, an announcement of the matching fund water research and development areas of interest for fiscal year 1981 funding consideration; to the Committee on Environment and Public Works.

EC-2351. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, reports prepared by the International Bank for Reconstruction and Development (IBRD), the Group of Controllers' evaluation reports, and one report called "special study" prepared by the External Review and Evaluation Office of the IDB; to the Committee on Foreign Relations.

EC-2352. A communication from the Secretary of State, transmitting, pursuant to law, a report on developments related to Zimbabwe-Rhodesia; to the Committee on Foreign Relations.

EC-2353. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-2354. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Agency Standards of Employee Conduct Need Improvement," October 1, 1979; to the Committee on Governmental Affairs.

EC-2355. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-107, "District of Columbia Energy Conservation Code Act of 1979," and report, adopted on September 25, 1979; to the Committee on Governmental Affairs.

EC-2356. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report of a new system of records; to the Committee on Governmental Affairs.

EC-2357. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Changes Needed in the Administration of the Overseas Food Donation Program," October 15, 1979; to the Committee on Governmental Affairs.

EC-2358. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of GAO reports for the month of September 1979; to the Committee on Governmental Affairs.

EC-2359. A communication from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting, pursuant to law, a memorandum from the Aberdeen Area Office of the Bureau of Indian Affairs, and a statement from some concerned individuals regarding the proposed plan for the use and distribution of Yankton Sioux judgment funds in Docket 332-C, both dated September 28; to the Select Committee on Indian Affairs.

EC-2360. A communication from the Under Secretary of Defense (Research and Development), transmitting, pursuant to law, a report of DOD Procurement from Small and Other Business Firms for October 1978 through April 1979; to the Select Committee on Small Business.

## PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-481. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Energy and Natural Resources:

"RESOLUTION NO. 395

"Whereas, an Interagency Task Force appointed by the President of the United States is preparing a report on the political status of the territories of the United States, including Guam, and has forwarded a draft of the report to Guam for review and participation by the people and the government leaders in the final report; and

"Whereas, the final report could prove pivotal in resolving the issue of the political status that Guam shall enjoy for the balance of this century; and

"Whereas, the Legislature appointed a special committee composed of community leaders and senators to determine what, if any, recommendations should be made on the report to the White House Task Force, and the Governor appointed a special committee to prepare recommendations on the draft report; and

"Whereas, the Legislature and the Governor have found that both committees' recommendations contain four essential elements:

"(1) a reaffirmation of the people of Guam's right to self-determination of their form of government;

"(2) the necessity for creation of a Joint Guam-United States Commission to review the impact of all Federal laws and international treaties or agreements on the island and to prevent further application of Federal laws and international treaties or agreements to Guam without her consent;

"(3) the removal of Federal constraints on the economic, political and social development of the island; and

"(4) most importantly—the need for immediate action toward commencing political status talks between representatives of the people of Guam and the United States of America; and

"Whereas, the Legislature and the Governor of Guam jointly endorse both statements as reflective of the views of the people of Guam; now, therefore, be it

"Resolved, that the President of the United States and the Congress of the United States are requested to enact legislation authorizing the President of the United States, with the full support of the Congress, to enter into formal negotiations on Guam's relationship with the United States with authorized representatives of the people of Guam; and be it further

"Resolved, that such talks commence in the near future so that the bonds of friendship and mutual respect existing between Guam and the United States can be strengthened; and be it further

"Resolved, that the Governor and Legislature urge the Congress to adopt House Concurrent Resolution 172, 'Relating to self-determination for the people of Guam', which reaffirms the Congressional commitment to the 'right of Guam to determine her own political future through a peaceful, open and democratic process'; and be it further

"Resolved, that the Legislature and the Governor adopt the statements attached hereto and incorporated by reference, as reflective of the opinions of the people of Guam; and be it further

"Resolved, that local law adopting a formal territorial policy on Guam's aspiration with respect to political status will be adopted; and be it further

"Resolved, that the Speaker and the Governor certify to and the Legislative Secretary and the Lieutenant Governor attest to the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the President Pro Tempore of the United States Senate; to the Speaker of the House of Representatives; to the Secretary of State; to the Secretary of Interior; to the Ambassador of the United States to the United Nations; and to Guam's Washington Delegate."

POM-482. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTION

"Whereas, the major oil producing companies have predicted that home heating oil costs will increase by at least fifty per cent during the nineteen hundred and seventy-nine-nineteen hundred and eighty heating season; and

"Whereas, home heating oil distributors have tightened their credit policy to dealers; and

"Whereas, the tightened credit policy has resulted in consumers being required to pay cash on delivery for home heating oil; and

"Whereas, many of our citizens, especially the elderly and those on fixed incomes, may be unable to pay on a cash on delivery basis thus creating an extremely serious health and safety hazard for our citizens; now, therefore be it

"Resolved, that the Massachusetts Senate hereby memorializes the Congress of the United States to immediately enact legislation requiring the oil producers and distributors to allow home heating oil dealers thirty days to pay for their supplies; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the Presiding Officers of both Houses of the United States Congress and to the Members of the Congress from the commonwealth."

POM-483. A resolution adopted by the City Council of the City of Norfolk, Virginia, petitioning the Congress of the United States to continue the general revenue sharing program at the existing funding level; to the Committee on Finance.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services, without amendment:

S. 1918. An original bill to amend title 10, United States Code, to revise and make uniform the provisions of law relating to appointment, promotion, separation, and retirement of regular commissioned officers of the Army, Navy, Air Force, and Marine Corps, to establish the grade of commodore admiral in the Navy, to equalize the treatment of male and female commissioned officers, and for other purposes (Rept. No. 96-375).

S. Res. 262. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1918. Referred to the Committee on the Budget.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Patricia Price Bailey, of the District of Columbia, to be a Federal Trade Commissioner.

(The above nomination from the Committee on Commerce, Science, and Transportation was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CANNON:

S. 1915. A bill to amend the Act of January 2, 1951, also referred to as the Johnson Act, with respect to bona fide vending machines; to the Committee on Commerce, Science, and Transportation.

By Mr. JAVITS (for himself and Mr. Pell):

S. 1916. A bill to authorize operations by the Overseas Private Investment Corporation (OPIC) in the People's Republic of China; to the Committee on Foreign Relations.

By Mr. HUDDLESTON (for himself and Mr. Ford):

S. 1917. A bill to expand the scope of the Small Operators Assistance Program in the 1977 Surface Mining and Reclamation Act; to the Committee on Energy and Natural Resources.

By Mr. NUNN (from the Committee on Armed Services):

S. 1918. A bill to amend title 10, United States Code, to revise and make uniform the provisions of law relating to appointment, promotion, separation, and retirement of regular commissioned officers of the Army, Navy, Air Force, and Marine Corps, to establish the grade of commodore admiral in the Navy, to equalize the treatment of male and female commissioned officers, and for other purposes. Original bill reported and placed on the calendar.

By Mr. EAGLETON (for himself and Mr. Danforth):

S. 1919. A bill to authorize implementation of a flood control project at the Ste. Genevieve, Missouri; to the Committee on Environment and Public Works.

By Mr. DOMENICI (for himself, Mr. Schmitt, Mr. Cannon, Mr. Tower, Mr. Laxalt, Mr. Hatch, and Mr. Simpson):

S. 1920. A bill to transfer certain range improvement functions to the Secretary of Agriculture; to the Committee on Governmental Affairs.

By Mr. MAGNUSON:

S. 1921. A bill for the relief of Mrs. Felisa Bencio; to the Committee on the Judiciary.

By Mr. DOMENICI (for himself, Mr. Garn, Mr. McClure, Mr. Cannon, Mr. Tower, Mr. Laxalt, Mr. Hatch, Mr. Schmitt, Mr. Wallop, and Mr. Simpson):

S. 1922. A bill relating to appeals involving certain orders of the Secretary of the Interior and the Secretary of Agriculture cancelling permits to graze livestock on public rangelands; to the Committee on Energy and Natural Resources.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON:

S. 1915. A bill to amend the act of January 2, 1951, also referred to as the Johnson Act, with respect to bona fide vending machines; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I am introducing a technical amendment to the Johnson Act to provide a specific exemption for bona fide vending machines, their parts and subassemblies. The Johnson Act was passed by the Congress in 1951 to help States enforce their antigambling laws by prohibiting the interstate transportation of gambling devices.

In 1962, Congress extended the coverage of the act to include all machines and mechanical devices designed and manufactured primarily for use in connection with gambling. The 1962 amendments also included a specific provision, section 1178, identifying the types of devices which the act did not cover, such as coin-operated pinball machines. The legislative history of the 1951 and 1962 enactments clearly shows that Congress did not intend to include bona fide vending machines under the Johnson Act since they are not designed or manufactured primarily for use in connection with gambling and are not gambling devices within the meaning of the Johnson Act. However, bona fide vending machines were not listed among the exemptions provided by the 1962 amendment because it did not seem necessary to do so at that time.

Manufacturers of vending machines and slot machines have recently developed plans to produce a bona fide vending machine which has the external appearance of a slot machine, but which operates like a vending machine—that is, there is no element of chance in operating the vendor. These vending machines would be used to distribute commemorative medals or medallions of historical interest. For example, medallion vendors could be used at the 1980 Winter Olympics to bring in revenues to support the U.S. Olympic teams.

Because bona fide vending machines are not specifically exempted from the provisions of the Johnson Act, the manufacturers are reluctant to carry out their plans and run the risk of needless litigation.

My proposal would eliminate the existing ambiguity in the law and facilitate the development of the vending machine industry. It is a technical amendment, entirely consistent with the intent of Congress in enacting the Johnson Act and the 1962 amendment. Furthermore, my proposal parallels the exemption for bona fide vending machines provided in the Federal tax statute which imposes an excise tax on coin-operated gaming devices.

Mr. President, I am hpeful the Senate will take favorable action in the near future to clarify the Federal law on this subject.●

By Mr. JAVITS (for himself and Mr. Pell):

S. 1916. A bill to authorize operations by the Overseas Private Investment Corporation (OPIC) in the People's Republic of China; to the Committee on Foreign Relations.

● Mr. JAVITS. Mr. President, I rise today to introduce, together with Senator Pell, a bill that would authorize operations by the Overseas Private Investment Corporation (OPIC) in the People's Republic of China (PRC). This bill is similar to H.R. 5252 that Congressman Bingham has introduced in the House. We are all aware of the potential for U.S. participation—through investment and trade—in the development of the PRC, and an OPIC program there would greatly improve the climate for American investment in China.

This legislation should be viewed in the context of what I understand is the administration's intention to submit to the Congress before the end of the month a trade agreement granting the PRC-most-favored-nation (MFN) status. I also understand that the administration, however, intends to delay requesting an extension of the OPIC program into China until next year. I see no reason for any delay in the congressional consideration of an OPIC program. For, taken together with the granting of MFN status to the PRC, the negotiation of a Consular Convention, and an expanded Eximbank program, establishment of an OPIC program for China will permit U.S.-business to compete effectively with businessmen from Europe and Japan who, because their countries have more normalized relations with China, are already very active there.

Mr. President, we read everyday about the international concerns, reflected in the unstable foreign exchange markets, about the inflationary situation in the United States. We should not forget, however, that our balance of trade and especially our export performance is a critical element in the world's confidence in our international economic leadership. While we must dramatically improve our productivity and ability to compete internationally, we in the Government must facilitate the American private sector's search for and ability to penetrate new markets. The PRC is one of those great untapped markets for U.S. exports. The OPIC program will help increase U.S. exports to the PRC since the investment projects to be supported by OPIC will familiarize the Chinese with U.S. products. For example, more than 60 percent of the initial procurement for projects supported in fiscal 1978 came from U.S. firms with an estimated $670 million worth of additional material and equipment expected in the first 5 years of operation; this multiplier effect, rather than exporting jobs, will create jobs in U.S. export industries and will benefit the U.S. economy and our balance of payments.

This legislation is necessary because, under the Foreign Assistance Act of 1961 of which OPIC legislation is part, there are provisions prohibiting any U.S. assistance to Communist countries (22 U.S.C. 2370(b), (f)). In order for OPIC to operate its program in the PRC, a Presidential or congressional waiver of this provision is needed. A Presidential waiver is inappropriate as it would require a finding that operation of the OPIC program in the PRC is "vital to the security of the United States." Thus, a legislative waiver similar to the one OPIC received in 1971 to operate its program in Yugoslavia and Romania (22 U.S.C. 2199(g)) is required.

OPIC benefits American investors by providing investment incentives to American citizens who wish to invest in PRC. It can provide them with coverage of the perceived political risks of doing business in the PRC; that is, the risks of inconvertibility of currency, expropriation of the investment and damage to investment assets through war, revolution, or insurrection. Without the availability of coverage, it has been OPIC's experience that American investors may decline to invest in a country or may invest only on terms which are less favorable to a developing country; that is, shorter payout period or higher return on capital requirements. OPIC would also be able to provide assistance in financing approved projects in the PRC by offering all-risk guaranties of loans by institutional lenders to the projects or by making direct loans itself. OPIC may provide preinvestment assistance, such as grants or cost-sharing, for feasibility studies and surveys of project possibilities.

Encouragement of U.S. investment in the PRC through the OPIC program benefits the U.S. economy by giving U.S. firms the opportunity to participate in the enormous investment opportunities in the PRC, thereby increasing the ability of the United States to impact upon the PRC and increasing the trade between the two countries.

The OPIC program would also encourage and facilitate the investment of American know-how, capital, and skills in the PRC, which has embarked upon an ambitious program of modernization of its economy. Availability of the OPIC program may permit investors to structure their investments on terms more favorable to the PRC. In addition, the availability of OPIC programs could in many instances be the deciding factor as to whether an investment is made.

While the OPIC program could offer assistance to a full range of investments, because of the new PRC investment law and PRC priorities, it is expected that the bulk of U.S. investments in the PRC will be in the nature of service and management contracts, participation in joint ventures, and production-sharing agreements for energy exploration and development. I understand that investor interest for OPIC assistance, registered with OPIC to date, has generally fallen within these categories.

I would like to remind by colleagues that operation of an OPIC program in the PRC would have no effect upon the OPIC program in Taiwan. Pursuant to a Foreign Relations Committee (FRC) amendment to the Taiwan Relations Act, the United States-Taiwan bilateral agreement covering the OPIC program continues in effect, notwithstanding the transfer of recognition to the PRC. Thus, OPIC is still able to insure and finance developmental projects in Taiwan.

Mr. President, I hope very much that the FRC, to which this bill will be referred and of which I am the ranking minority member, will soon hold hearings on the establishment of an OPIC program in the PRC and its ramifications for U.S. investment and trade in the entire East Asia region.●

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By Mr. HUDDLESTON (for himself and Mr. Ford):

S. 1917. A bill to expand the scope of the Small Operators Assistance Program in the 1977 Surface Mining and Reclamation Act; to the Committee on Energy and Natural Resources.

● Mr. HUDDLESTON. Mr. President, I am introducing legislation today to expand the scope of the small operators assistance program (SOAP) which was established under section 507(c) of the 1977 Surface Mining Control and Reclamation Act (Public Law 95-87).

As it now stands, though well intentioned, SOAP does not really offer the degree of assistance necessary for qualified small operators who must meet the stringent regulatory requirements of Public Law 95-87 and at the same time remain competitive in the marketplace with large scale producers. Providing financial assistance for the "determination of probable hydrological consequences" is indeed a helpful tool to those operators who mine under 100,000 tons of coal per year, however, it is hardly the type of assistance that can assure the competitive position of the small operator and at the same time dictate even more clearly his intention to meet the necessary environmental standards in Public Law 95-87 and the accompanying regulations promulgated by the Office of Surface Mining (OSM).

My bill would be a step toward achieving both of these highly important goals. Without it I fear the dire predictions of various State officials and mining representatives that the small operator will be forced out of the business or be absorbed as subcontractors to large coal operators, with resultant tighter market controlling of coal prices, may come to fruition in the coming months.

We must avoid this danger for the sake of our environment and in order to maintain a stable, competitive coal marketplace. Making funds available for the purposes I have listed in this legislation: Drilling required observation wells; alternative water supply information; climatological information; vegetation information; fish and wildlife resources information; soil resources information; land use information; mapping requirements; water compliance monitoring; and soil tests; will at least put us on the right track.

Some have said that this program will be costly. I am convinced that without it the costs will be much higher. And, it should be pointed out that there are large amounts of money already available for SOAP in the Abandoned Mine Reclamation Fund that was established in Public Law 95-87. If we can gain a consensus on the need for expanding SOAP I am certain we will be able to adjust the mechanism for the distribution of already available funding for these purposes without appropriating any new funds.

I urge my colleagues to join me in this most important effort.●

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By Mr. DOMENICI (for himself, Mr. Schmitt, Mr. Cannon, Mr. Tower, Mr. Laxalt, Mr. Hatch, and Mr. Simpson):

S. 1920. A bill to transfer certain range improvement functions to the Secretary of Agriculture; to the Committee on Governmental Affairs.

Mr. DOMENICI. Mr. President, the second piece of legislation I am introducing today deals with the management of the range improvement funds as authorized by Congress in Public Law 95-514, the Public Rangelands Improvement Act of 1978, and other legislation.

Range improvements include such items as water development, cattle guards, seeding to reintroduce vegetation, soil erosion projects, fencing, chaining, chemical treatment, and stream modification. These improvements are an integral part of sound range management, and the Congress has recognized this need on various occasions. The Congress has also expressed concern over the wasteful and inefficient manner in which the Bureau of Land Management has spent range improvement funds. For instance, House Report 95-1122 states:

> The committee has become very concerned that administrative costs and paperwork have increasingly cut into the moneys available for physical range improvements. This is especially true with the advent of accelerated range inventories, detailed land use planning, allotment management plans, and the numerous range environmental impact statements that are required pursuant to the 1975 NRDC v. Andrus lawsuit. While the committee appreciates the necessity and usefulness of these documents they cannot, in and of themselves, improve range conditions. What is needed for physical improvement is the wire, fence posts, concrete, seeding, water development, equipment, and labor to implement intensive grazing management systems and construct improvements on the ground . . . Further, although the 80 percent figure includes costs for "project layout, a project design and project supervision", the committee wishes to stress in the strongest possible terms that this component of the "on-the-ground" budget should be kept to the absolute minimum.

Senate Report 95-1237 also addresses this problem, with the following language:

> The requirement that 80 percent of the funds be used for on-the-ground range improvements is based on the desire to focus more money on actual physical improvements to the range, rather than on administrative costs. Although the 80 percent figure includes for "project layout, project design, and project supervision," this component of the on-the-ground budget should be kept to the absolute minimum.

These reports express Congress' general and genuine concern, and are specifically aimed at the new moneys to be appropriated under Public Law 95-514. I believe it would be instructive here to review how the BLM has used those moneys resulting from grazing fee receipts, and earmarked for range improvements.

Recently, the district grazing advisory board from the Roswell, N.M. district requested this information. The BLM informed the board that $1,033,756 was collected from grazing fees, with one-half or $516,878 to be used for range improvements. Of these funds, one-half or $258,439 were to be used for on-the-ground range improvements. Of that amount, $130,939 or 51 percent was spent for project layout, project design and project supervision. Only $127,500 or 49 percent was spent for actual on-the-ground range improvements. In other words, over half of those funds were absorbed by the BLM for administrative costs, and less than half was spent for the actual benefit of the range.

Under the funding formula in Public Law 95-514, 20 percent is automatically written off for administrative costs, with 80 percent supposedly going for on-the-ground improvements. However, the "project layout, project design and project supervision" is included in that 80 percent.

If the BLM continues to absorb these funds as they have in the past, then 51 percent of the remaining 80 percent will be used for project layout, design and enforcement. Then we would have a situation where 20 percent of the funds appropriated would be automatically written off, 41 percent (51 percent of 80 percent) would go for project layout, design and supervision, and only 39 percent (49 percent of 80 percent) would go for actual on-the-ground range improvements. Unbelievably, this means that for each $1 appropriated by the Congress, only 39 cents would be spent for the acquisition of materials and actual construction of range improvements. The BLM will be charging the phenomenal fee of 61 cents out of each dollar for administering the program.

Perhaps it is appropriate now to compare the BLM program with the agricultural conservation program as administered by the Agricultural Stabilization and Conservation Service of the USDA. The ACP program is national in scope and was authorized by the Soil Conservation and Domestic Allotment Act of 1936. The ACP provides cost-share assistance to farmers and ranchers to solve agricultural pollution and resource conservation problems, and is a joint effort by producers and the Government "to restore, protect, and preserve the environment and our basic land resource."

Now, when we review the administration and funding of the agricultural conservation program, we find that there is no automatic administrative writeoff, that 95 cents out of each dollar appropriated goes for actual on-the-ground improvements and that only 5 cents goes to the Soil Conservation Service for engineering and technical assistance. Can you believe the comparison? Funds channeled through the BLM result in a 61-percent administrative writeoff, while funds channeled through the ASCS only have 5 percent absorbed in administration.

Moreover, the ACP has three practices (permanent vegetative cover established, SL1; permanent vegetative cover improvement, SL2; and grazing land protection, SL6) which could be used to improve and protect the Federal rangelands. Therefore, Mr. President, I am today introducing legislation which would transfer the administration of range improvement funds from the Secretary of Interior to the Secretary of Agriculture.

This legislation, I am sure, will be controversial. However, it should serve as a focal point to review current BLM policies. If the BLM continues to misuse their funds, and persists in their wasteful management practices, then Congress should indeed remove this program from their purview and transfer those functions to a different agency.

By Mr. DOMENICI (for himself, Mr. GARN, Mr. MCCLURE, Mr. CANNON, Mr. TOWER, Mr. LAXALT, Mr. HATCH, Mr. SCHMITT, Mr. WALLOP, and Mr. SIMPSON):

S. 1922. A bill relating to appeals involving certain orders of the Secretary of the Interior and the Secretary of Agriculture cancelling permits to graze livestock on public rangelands; to the Committee on Energy and Natural Resources.

Mr. DOMENICI. Mr. President, the decade of the seventies has seen mounting tension and controversies concerning the management and use of public trust lands. The most recent problems have centered around the filing of environmental impact statements, brought about by the out-of-court settlement in the Natural Resources Defense Council versus Morton case. As a result of this suit, the Department of the Interior agreed to prepare 145 site-specific environmental impact statements assessing the possible impacts of grazing on lands administered by the Bureau of Land Management. All of these statements are to be completed by the end of fiscal year 1988.

In New Mexico, 14 such statements will be prepared, with three already having been published. Each statement contains a proposed action, which is to be implemented and is supposedly based on data within the environmental impact statement.

The proposed action in the Rio Puerco E.I.S. affects 134 ranch units and would result in the loss of 6,154 animal-unit months of grazing, and an annual dollar reduction to the economy of $43,080. The document also speculates that several of the ranchers will be forced out of business. I might add that the economic impact figures are out of date, as current live cattle prices would more than double the annual reductions in income.

The proposed action in the Draft East Socorro statement will affect 102 ranch operators and would result in the loss of 51,331 animal unit months of grazing, and an annual loss of $527,520. In addition, the area would lose 15 jobs, and 6 small ranch operators would be driven completely out of business.

The proposed action in the Draft East Roswell statement would affect 184 allotments, and would result in the loss of 15,744 animal unit months of grazing and an annual net loss in income of $1.1 million dollars. Moreover, ranch income would drop by 50 percent during the 80's, 75 people would lose their jobs and between 50 and 60 ranches would have to seek outside employment to supplement their incomes.

Now, looking at the total picture of the three statements, we are talking about: A total loss of 123,259 animal unit months of grazing; total loss of $1.7 million dollars in annual income; and over ninety persons losing their jobs.

Mr. President, even though only 3 of the 14 environmental impact statements in New Mexico were published, the severity of the economic and cultural consequences of these statements warranted the attention of Congress. As a result, I chaired hearings by the Subcommittee on Parks, Recreation and Renewable Resources on August 6, 1979 in Las Cruces, N. Mex.

During the course of these hearings, the committee received testimony from the Bureau of Land Management, the Governor's office, the State land office, livestock associations, environmentalists, State legislators, financial and lending institutions, the Governor of Acoma Pueblo, county and municipal officials, permittees from each EIS area, and the range improvement task force at New Mexico State University.

As a result of the diversity of the individuals and groups presenting testimony to the committee, many ideas and varied opinions were heard. However, there did seem to be a general consensus concerning two issues.

First, there was the effect of these drastic cuts on financing ranch operations. Each ranching unit has a fixed cost of operation, which includes such items as equipment, labor, and land payments. The result, then, is fixed costs remaining constant while total income for the unit is reduced in direct proportion to the cuts in carrying capacity. This is, of course, a formula for economic disaster. Lending institutions will reexamine their ranch loans, and there will be a tightening of equity capital, a shortening of repayment terms, and the resulting liquidation of many independent ranch operators.

Furthermore, the value or marketability of these units will decline as carrying capabilities are cut, since the financing or refinancing of a ranch is based upon the carrying capacity and production income which provides the necessary cash flow for repayment of investment. Moreover, most of these ranch operations contain private and State lands, as well as the Federal lands. As the value of the entire unit declines, so does the value of the private and State lands within that unit.

Second, many reservations were expressed concerning the scientific validity of the EIS's. This is of grave importance, especially given the economic consequences previously mentioned. The academicians and professional range scientists raised serious questions in reference to the methodology used in gathering the data for these statements, and the conclusions drawn therefrom. Perhaps this was most succinctly expressed by Dr. Jerry G. Schickedanz, of New Mexico State University, who testified as follows:

> The Range Improvement Task Force has provided the BLM with information from a scientific basis concerning the validity of the inventories as they relate to carrying capacity. We are very concerned with the BLM projecting precise carrying capacities from a one-year inventory on the resource. Calculations of stocking rates by methods used in the EIS's involve independent estimates each associated with a certain degree of error on cover, composition, proper use factors, forage acreage requirements, and production estimates. Any validity of end results is probably coincidental. True grazing capacity can only be determined by stocking with an estimated number of animals and documenting the range trend. No inventory method will give a precise initial stocking rate such

> as the BLM is trying to use. True carrying capacity can only be determined through actual use records, utilization records, determining condition, and watching the trend up to ten years.
>
> The impact statements that are presently being released are better in terms of information gathered than the Challis EIS, which was to be the prototype, but are still inadequate. We still are concerned whether the impact statements are truly identifying the alternatives, or are a process of adjudication and not looking at the impacts of livestock grazing, or have been designed to answer the court case and are not an accurate assessment of the range resource.

Needless to say, the controversy surrounding the validity of these documents has created a great deal of resistance by the permittees and the general public in reference to the implementation of the proposed actions. Many, including myself, are sympathetic toward the BLM, because of the court-ordered time constraints placed upon them for the preparation of the EIS's. No one, however, including myself, is willing to accept the economic and cultural consequences of the proposed actions which are based upon highly questionable interpretations of faulty data.

The BLM, I believe, has finally recognized the many inaccuracies and shortcomings of these documents, and the spinoff effects this has had on the way the public views their agency. The BLM is in the process of developing policy to implement section 8 of the Public Rangelands Improvement Act of 1978. Section 8 of Public Law 95–514 instructs the Secretary of the Interior to enter into "careful and considered consultation, cooperation and coordination" with the permittees, the district grazing advisory boards, and the State land office, when developing intensive grazing management systems. Much to their credit, the BLM is proposing to include the target groups in all seven phases of their grazing program, from preplanning to documentation. If finalized and implemented as proposed, the BLM deserves our appreciation and applause for this positive and progressive action.

The BLM has taken positive action on the one hand to comply with the intent of Congress to improve their image with the public, to involve the public lands users and the States in their planning process, and to provide more flexibility to their district managers in implementing the decision documents resulting from the EIS's; on the other hand, they have issued a proposed rulemaking which has enraged the permittees and the State land offices and will permit the flexibility of their district managers.

Mr. President, the proposed rulemaking to which I refer was published in volume 44, No. 147, of the Federal Register. The pertinent section of the proposed regulations would amend section 4160.3, paragraph (c), of the Code of Federal Regulations to read as follows:

> (c) The final decision shall provide for a period of 30 days after receipt for filing an appeal. An appeal shall suspend the effects of a final decision from which it is taken, and an applicant having a grazing preference who was granted grazing use in the preceding year, may continue to make that use pending final action on the appeal, unless the decision appealed was made effective by the authorized officer in accordance with the following:
>
> Decisions affecting livestock grazing use which are issued to all the affected permittees/lessees upon the completion of the resource inventory, land use planning, and environment impact statements, shall be put in full force and effect on the date specified in the decision and pending decision on appeal except the decision may, on written approval of the Director, provide otherwise. All other decisions may be put in full force and effect on a specified date and pending decision on appeal, if found by the authorized officer to be required for the orderly administration of the public rangelands or for the protection of resource values.

The important point to remember here is that under the current regulations, the district managers are provided the discretion to determine whether or not a final decision should be put into full force and effect pending appeal. Under the proposed regulations, where EIS's have been completed, this discretion is revoked. The intent of the Department of the Interior is made clear in an August 7 letter to the Honorable Bruce King, Governor of New Mexico, from Secretary of Interior Cecil Andrus in which Secretary Andrus states:

> The present regulations provide discretion for placing decisions in full force and effect as required for orderly administration of the range or protection of other resource values. The proposed change would require decisions that follow the completion of resource inventories, land use planning, and an EIS be placed in full force and effect. Exceptions to this requirement may be granted by the Director of the BLM, but these are expected to be infrequent.

This reversal of the administrative appeals process is unwarranted and unfair, has a chilling effect on local and State input into the decisionmaking process, and would further alienate permittees, other public lands users and the nearby communities. If the purpose of these regulations was to sever those ties of cooperation which BLM field personnel are trying to repair, they could not have been drafted more appropriately. Stated plainly, this would be a policy which considers permittees guilty until proven innocent.

The correct approach would be to do the exact opposite. Let us remember that the vast majority of these allotments contain private and State lands, intermingled Federal lands. Each final decision has the same impact on private and State lands as it does on the Federal domain. The Congress should guard the right of the private landowner and the States to an appeals hearing, especially given the enormity of the economic consequences which may result from final decisions based on the environmental impact statements. The burden of proof should lie with the Federal agency, while the benefit of the doubt should be extended to our citizenry.

Mr. President, today I am introducing legislation to protect the equity of the administrative appeals process. Briefly, the bill states that in any instance where a grazing permit or lease is modified as the result of a court-ordered environmental impact statement, that this decision shall be stayed until such time as the permittee has exhausted his or her administrative remedies.

While there are many controversies and problems surrounding Federal land management policies, the particular problem addressed in this bill warrants the immediate attention of my colleagues in the Congress.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

### S. 1922

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) notwithstanding any other provision of law, in any case in which a court ordered environmental impact statement results in an order by the Secretary of the Interior or the Secretary of Agriculture the effect of which cancels, suspends, or modifies, in whole or in part, a permit or lease for grazing domestic livestock on the public rangelands, such order shall be stayed by the appropriate Secretary for such period as may be necessary to enable the lessee and permittee to appeal such order and exhaust all of his or her administrative remedies under applicable laws and regulations.

(b) The Secretary of the Interior and the Secretary of Agriculture shall issue such regulations as may be necessary to carry out the provisions of this Act.

Sec. 2. As used in this Act, the term "court ordered environmental impact statement" shall have the same meaning as that provided by section 3 (g) of the Public Rangelands Improvement Act of 1978, as amended (43 U.S.C. 1902 (g)).

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## ADDITIONAL COSPONSORS

### S. 51

At the request of Mr. Bentsen, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 51, the Regulatory Budget Act of 1979.

### S. 246

At the request of Mr. Bentsen, the Senator from Oklahoma (Mr. Boren) was added as a cosponsor of S. 246, a bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings.

### S. 344

At the request of Mr. Stafford, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 344, the Federal Highway Beautification Assistance Act of 1979.

### S. 442

At the request of Mr. Eagleton, the Senator from Missouri (Mr. Danforth) was added as a cosponsor of S. 442, a bill for the relief of Isaac N. Hulver of Kansas City, Mo.

### S. 531

At the request of Mr. Bentsen, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 531, a bill to allow State-inspected meat plants to sell their product to federally inspected meat plants, which could then sell it in interstate commerce after further processing.

### S. 742

At the request of Mr. GLENN, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 742, the Nuclear Waste Management Reorganization Act of 1979.

### S. 1090, S. 1091, AND S. 1092

At the request of Mr. TALMADGE, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1090, S. 1091, and S. 1092, bills to amend the Employee Retirement Income Security Act and the Internal Revenue Code relating to church plans.

### S. 1411

At the request of Mr. CHILES, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1411, a bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management.

### S. 1435

At the request of Mr. NELSON, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 1435, the Capital Cost Recovery Act.

### S. 1583

At the request of Mr. RIEGLE, the Senator from Missouri (Mr. EAGLETON) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 1583, a bill to amend the Motor Vehicle Information and Cost Savings Act.

### S. 1587

At the request of Mr. MCCLURE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 1587, a bill to provide economic incentives for the production of alcohol fuels and for the construction and operation of alcohol fuel production facilities; to establish a system to assure a constant supply of stocks for the operation of such production facilities; to encourage and promote alcohol fuels, alcohol fuel blends, and related research, and for other purposes.

### S. 1631

At the request of Mr. RANDOLPH, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1631, the Fish Restoration Act of 1979.

### S. 1792

At the request of Mr. MCGOVERN, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 1792, a bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal.

### S. 1825

At the request of Mr. NELSON, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1825, a bill to adjust the estate tax reforms of 1976 for inflation which has occurred in the past 3 years.

### SENATE JOINT RESOLUTION 107

At the request of Mr. RIBICOFF, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Joint Resolution 107, authorizing and requesting the President to issue proclamations designating the weeks of January 21 through January 27, 1979, and January 20 through January 26, 1980, as "Junior Achievement Week."

### AMENDMENT NO. 523

At the request of Mr. MCCLURE, the Senator from North Carolina (Mr. HELMS) and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of amendment No. 523 intended to be proposed to S. 1020, a bill to authorize appropriations for the Federal Trade Commission.

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## SENATE CONCURRENT RESOLUTION 45—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING PRINTING OF THE "HANDBOOK FOR SMALL BUSINESS"

Mr. NELSON submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

### S. CON. RES. 45

*Resolved by the Senate (the House of Representatives concurring)*, That a revised edition of Senate Document Numbered 91-45, entitled "Handbook for Small Business," explaining programs of Federal departments, agencies, offices, and commissions of benefit to small business and operating pursuant to various statutes enacted by the Congress, shall be printed with illustrations as a Senate document; and that there shall be printed six thousand additional copies of such document, which shall be for the use of the Senate Select Committee on Small Business.

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## SENATE RESOLUTION 262—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. NUNN, from the Committee on Armed Services, reported the following original resolution, which was referred to the Committee on the Budget:

### S. RES. 262

*Resolved*, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1918, a bill to amend title 10, United States Code, to revise and make uniform the provisions of law relating to appointment, promotion, separation, and retirement of regular commissioned officers of the Army, Navy, Air Force, and Marine Corps, to establish the grade of commodore admiral in the Navy, to equalize the treatment of male and female commissioned officers, and for other purposes.

Such a waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 1918, as reported by the Committee on Armed Services.

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## SENATE RESOLUTION 263—SUBMISSION OF A RESOLUTION WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. JACKSON submitted the following resolution, which was referred to the Committee on the Budget:

### S. RES. 263

*Resolved*, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 493, a bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto. Such waiver is necessary because the five Committees with referrals of this bill were unable to report the measure prior to the May 15 deadline due to business related to other issues. The committee intends to offer an amendment to S. 493 postponing the authorization of appropriations until fiscal year 1981 in order to comply with section 402(a) of the Act.

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## AMENDMENTS SUBMITTED FOR PRINTING

## DEEP SEABED MINERAL RESOURCES ACT—S. 493

### AMENDMENT NO. 540

(Ordered to be printed and to lie on the table.)

Mr. MATSUNAGA submitted an amendment intended to be proposed by him to S. 493, a bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto, and for other purposes.

● Mr. MATSUNAGA. Mr. President, I am today submitting for printing an amendment to S. 493, the Deep Seabed Mineral Resources Act. The amendment is in the nature of a substitute and represents the efforts of the staffs of the five committees to which S. 493 was referred. It is my expectation that the text of this amendment will be considered as original text for the purpose of amendment pursuant to a unanimous consent agreement now being worked out between the committees. I ask unanimous consent that a list describing all of the changes in the original text be printed in the RECORD. This list is keyed to the page and line numbers of the bill as reported by the Committee on Environment and Public Works, the last committee to report the bill (Rept. No. 96-360).

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Page 4, line 9, and 10, Sec. 2(a)(2): Energy amendment.

Page 9, line 23, Sec. 3(b)(2): Energy amendment.

Page 11, lines 3 to 13, Sec. 4(2): Energy amendment.

Page 11, line 14 to page 12, line 22, Sec. 4(3): Energy amendment, with Commerce amendment defining "controlling interest", and conforming subsection designations.

Page 14 lines 3 to 6, Sec. 4(13): Commerce amendment on definition of Administrator and conforming changes throughout the bill.

Page 15, line 17, Sec. 101(a)(2): Commerce amendment.

Page 16, line 9, Sec. 101(a)(2)(D): Commerce amendment.

Page 17, lines 1 to 11, Sec. 101(b): Energy amendment.

Page 20, line 24 to page 21, line 2, Sec. 101(c)(1)(D): Foreign Relations amendment.

Page 21, lines 17 to 18, Sec. 101(c)(2): Foreign Relations amendment.

Page 22, line 4, Sec. 101(c)(2): Commerce amendment.

Page 22, line 8 to 10, Sec. 102(c)(3): Commerce amendment.

Page 22, lines 11 to 13, Sec. 102(c)(3): Foreign Relations amendment.

Page 23, lines 20 and 21, Sec. 103(a)(2)(A): Commerce amendment.

Page 24, line 4, Sec. 103(a)(2)(B): Commerce amendment.

Page 24, line 14 to 15, Sec. 103(a)(2)(c): Energy amendment.

Page 25, line 24 to page 26, line 3, Sec. 103(a)(2)(D): Commerce amendment.

Page 26, line 24, Sec. 103(c)(1): Commerce amendment.

Page 30, line 10 to page 31, line 8, Sec. 103(f): Commerce amendment.

Page 35, lines 20 to 22, Sec. 105(b)(2): Energy amendment.

Page 36, lines 14 to 20, Sec. 105(b)(2): Commerce amendment.

Page 37, lines 5 and 6, Sec. 105(c): Commerce amendment.

Page 37, line 20 to page 38, line 4, Sec. 105(c): Commerce amendment.

Page 45, lines 1 and 2, Sec. 107(b): Energy amendment.

Page 45, lines 4 to 7, Sec. 108(a): Commerce amendment and conforming redesignations of subsequent subsections.

Page 46, lines 4 to 7, Sec. 108(c): Energy amendment.

Page 46, line 9 to page 48, line 2, Sec. 109(a): Energy amendment.

Page 49, line 15, Sec. 109(c): Commerce amendment.

Page 50, line 5, Sec. 109(c)(1)(C): Commerce amendment.

Page 50, line 7 and 8, Sec. 109(c)(2): Commerce amendment.

Page 52, line 15, new Sec. 109(f): Environment and Public Works amendment.

Page 55, line 24 to page 56, line 17, Sec. 113(c): Energy amendment.

Page 57, lines 10, 11 and line 22, Sec. 114: Commerce amendment.

Page 59, lines 5 to 10, Sec. 116(a): Energy amendment.

Page 60, line 2, Sec. 116(b)(1)(A): Commerce amendment.

Page 64, line 11, Sec. 201(1)(A): Commerce amendment.

Page 64, line 12, to page 65, line 12, Sec. 201(1)(B): Foreign Relations amendment.

Page 66, line 5, Sec. 201(3)(B): Commerce amendment.

Page 66, line 18 to page 67, line 5 and page 67, lines 17 to 21: Foreign Relations amendment.

Page 71, line 1, Sec. 302(b): Energy amendment.

Page 79, line 24 to page 80, line 19, Sec. 401(c): Commerce amendment.

Page 81, line 25, Sec. 403: Strike "for fiscal year 1980." and substitute "beginning in fiscal year 1981." ●

## SOCIAL SERVICES AND CHILD WELFARE AMENDMENTS OF 1979—H.R. 3434

### AMENDMENT NO. 541

(Ordered to be printed and to lie on the table.)

Mr. LEVIN (for himself, Mr. DeConcini, Mr. Riegle, and Mr. Hatfield) submitted an amendment intended to be proposed by them, jointly, to H.R. 3434, an act to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes.

## NOTICES OF HEARINGS

### SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business has scheduled a hearing for October 31 and November 1, on national innovation policy and small business.

The hearings will be conducted jointly with the House Small Business Committee, the Senate Commerce Committee, and the House Service and Technology Committee on October 31, and the two House committees on November 1.

The hearing will begin at 9:30 a.m. in room 1202, Dirksen Senate Office Building on October 31, and at 9:30 a.m. in room 2318, Rayburn House Office Building on November 1. For any questions regarding the hearing please contact the committee at 224–5175.●

### SUBCOMMITTEE ON THE HANDICAPPED

● Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, I announce that our subcommittee has scheduled hearings on the implementation of Public Law 95–602, the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978. The hearings will be held on Tuesday, November 6, 1979, in room 4232, Dirksen Senate Office Building, and Wednesday, November 7, 1979, in room 457, Russell Senate Office Building, starting at 9:30 a.m.

Persons wishing to testify should contact Mrs. Patria Forsythe, staff director, Subcommittee on the Handicapped, room 10–B, Russell Senate Office Building, (202) 224–9075.●

## AUTHORITY FOR COMMITTEES TO MEET

Mr. ROBERT C. BYRD. Mr. President, I make the following unanimous-consent requests that have been cleared with the minority, and may I say the distinguished acting Republican leader (Mr. Stevens) is aware that I am making these requests:

### COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, October 23, 1979, beginning at 3 p.m., to hold a hearing on the nomination of John Gentry as Under Secretary of Labor.

The PRESIDING OFFICER. Without objection, it is so ordered.

### COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate on Wednesday, October 24, to consider pending judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate on Thursday, October 25, to hold a hearing on S. 1612, the FBI Charter Act of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

### SUBCOMMITTEE ON TRANSPORTATION

Mr. LEAHY. Mr. President, I ask unanimous consent that the transportation Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, October 25, 1979, to hold a hearing on truck weights and sizes.

The PRESIDING OFFICER. Without objection, it is so ordered.

### SUBCOMMITTEE ON EDUCATION, ARTS AND THE HUMANITIES

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts and the Humanities of the Committee on Labor and Human Resources be authorized to meet during the sessions of the Senate on Tuesday and Thursday, October 23 and 25, to hold hearings on reauthorization of the Higher Education Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

### SUBCOMMITTEE ON WATER RESOURCES

Mr. LEAHY. Mr. President, I ask unanimous consent that the Water Resources Subcommittee on Environment and Public Works be authorized to meet during the sessions of the Senate on Tuesday, October 23, 1979 and Wednesday, October 24, 1979 to hold markup sessions on the Water Resources Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate on Tuesday, October 23, 1979, and Wednesday, October 24, 1979, to hold markup sessions on energy conservation provisions and other unfinished provisions to S. 932.

The PRESIDING OFFICER. Without objection, it is so ordered.

### COMMITTEE ON FINANCES

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the sessions of the Senate on Tuesday, October 23, 1979, Wednesday, October 24, 1979, Thursday, October 25, 1979, and Friday, October 26, 1979, beginning at 2 p.m. to hold markup sessions on disability legislation and crude oil legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

## ISRAEL: A GENUINE STRATEGIC ASSET

● Mr. SCHWEIKER. Mr. President, the critical importance of the Mideast to American global interests should be obvious. Yet the policies of our Government continue the gradual erosion of our power and influence in the region. Our concern with stabilizing the superpower balance in nuclear forces often obscures our appreciation of the extent to which strategic equilibrium is affected by regional power configurations. And in the Mideast, where chronic instability keeps Soviet penetration and threatens the oil resources vital to Western economies, our long-term strategic interests require above all a secure and viable Israel.

Indeed, it is only by fully understanding Israel's geopolitical significance that the United States can successfully begin to counter Moscow's regional designs on territories and communities essential to our well-being. Israel serves as both a deterrent to radical Arab hegemony in the area and as a military offset to Soviet infiltration.

In the process of implementing a peace agreement with her most militarily potent Arab neighbor, Israel has assumed major security risks by relinquishing control of the strategic Sinai buffer zone, and has undertaken difficult negotiations aimed at achieving Palestinian autonomy. Perhaps most importantly, as former California Gov. Ronald Reagan has cogently observed, "Israel has the democratic will, national cohesion, technological capacity, and military fiber to stand forth as America's trusted ally" in a volatile region notable for its shifting political allegiances.

As such, Israel's security cannot be held hostage to the immediate whims of domestic politics. To do so would be to overlook, if not potentially compromise, our own security interest in a stable Mideast power balance.

Unfortunately, the perceived political dividends of superficially appealing opportunities often overrule diplomatic wisdom. Some candidates, for example, have suggested that Israel withdraw to the 1967 boundaries, thus greatly reducing her defense-in-depth to possible attacks, and accede to the creation of an independent Palestinian state on the West Bank and Gaza Strip, a prospect which would further increase Israel's vulnerability to hostile elements.

While willing to negotiate peace with all Arab States, Israel cannot reasonably be expected to accept undue risks without fundamental changes in certain objective conditions and in the attitudes of those who have traditionally opposed her existence. Moreover, it would be the height of irresponsibility to risk weakening our most crucial remaining regional strategic asset.

If, in the final analysis, administration policies or the comprehensive proposals outlined by political aspirants would have the effect of undermining Israeli security requirements—for which no outside "guarantee" can substitute—then, as Governor Reagan concludes, "the tasks of Kremlin planners dealing with the Middle East would be enormously eased and a determined barrier to Soviet expansionism in the region would have been withdrawn." Should this ever occur, the present cost of oil will pale in comparison to the price in security the West would be forced to pay.

Mr. President, I believe my colleagues on both sides of the aisle might appreciate the opportunity to review in its entirety the highly responsible approach laid out by Governor Reagan recently in the Washington Post and I ask that his article be printed in the Record, following my remarks.

The article follows:

[From the Washington Post, Aug. 15, 1979]

### RECOGNIZING THE ISRAELI ASSET

(By Ronald Reagan)

Stripped of rhetoric, the paramount American interest in the Middle East is to prevent the region from falling under the domination of the Soviet Union. Were Moscow, or even its radical allies in the region, allowed to establish dominance or acquire a stranglehold on the West's sources of petroleum, either at the wellhead or at various oil route chokepoints, the economies of the major industrial states would be jeopardized and the capacity of NATO and Japan to resist Soviet pressure would be dangerously impaired. Indeed, any American government which allowed oil supplies to its allies to be placed in question would almost certainly invite the neutralization of Western Europe and Japan, the encirclement of China, and—eventually—its own isolation.

The critical importance of the Middle East to American global interests should be obvious, and yet the policies of our government continue the gradual erosion of our influence and power in the region. Today, the Soviet Union is capitalizing on a vast military buildup by raising the level of risk in accordance with its perception of the strategic balance. The Soviet fleet now has the run of the Mediterranean, free access to the Indian Ocean and the Persian Gulf, and is extending its global reach.

This assertion of Soviet military power at both ends of the Middle East is evident in their string of bases and naval facilities in Iraq, Syria, South Yemen, Ethiopia and Libya. The armies of all these countries are largely dependent on Soviet equipment. The recent turmoil in Iran, Afghanistan, and Turkey—all bordering upon the Soviet Union—is ominous. Each of these non-Arab states is crucial to the balance of power between the Soviet Union and the West, and in each case chaos means a gain for the Kremlin and a deficit for American interests.

Meanwhile, the U.S. record is one of understatement and miscalculation regarding the extent of Soviet capabilities and Soviet interest in affecting or controlling the flow of oil from the Middle East, in base rights and in defense pacts. Swayed by the misleading abstraction of "détente," our policymakers have yet to achieve a clear understanding of the Soviet role in the region. Moscow's objectives and intentions continue to be viewed as opportunistic and not as an integral part of a major effort to alter the global balance of power.

The Iranian debacle is the most recent example of the extent to which U.S. indecision and ignorance of the challenge we face in the region obscure the true stakes. Continued instability fueled by our policies provides important opportunities to the Soviets to expand their sphere of influence and to deny or control oil resources vital to the Western economies. Meanwhile, those leaders in the area who have cast their fate with the United States now seriously question our political judgment and our ability and willingness to back our friends and to withstand threats to their survival. These developments, coupled with Brezhnev's unilateral public warning not to intervene in Iran, would indicate that the Soviet Union—not the United States—is poised to fill the power void left "East of Suez" by the British.

The Carter administration has yet to grasp that in this region conflict and tension are endemic, a condition traceable largely to the fragmented sectarian nature of Middle Eastern society. For example, territorial disputes among Arab states are persistent; ethnic and religious rivalries abound; conservative and radical attitudes regarding social change are continuously in conflict. The recent tragedy of the Lebanese civil war and the border war between the two Yemens earlier this year are two cases in point. Thus, the more critical issues dividing Arab states actually have little to do with Israel, even though the Jewish state has served as a convenient polemical rallying point in internal Arab conflicts.

The existence of Israel has served as a convenience for the Soviet Union as well, but Russian aims for control over the entire region existed long before Israel's birth in 1948. Without this bastion of liberal democracy in the heart of the area, the Kremlin would be confined to supporting militant regimes against pro-American conservative governments which would not be able to divert the attention and energies of the radicals away from themselves by using the "lightning rod" of the "Zionist State." Moreover, our own position would be weaker without the political and military assets Israel provides. Yet, American policy-makers downgrade Israel's geopolitical importance as a stabilizing force, as a deterrent to radical hegemony and as a military offset to the Soviet Union.

The fall of Iran has increased Israel's value as perhaps the only remaining strategic asset in the region on which the United States can truly rely; other pro-Western states in the region, especially Saudi Arabia and the smaller Gulf kingdoms, are weak and vulnerable. Israel's strength derives from the reality that her affinity with the West is not dependent on the survival of an autocratic or capricious ruler. Israel has the democratic will, national cohesion, technological capacity and military fiber to stand forth as America's trusted ally.

With a democratic political system like our own we need have no fear of Israel's political stability or of the rise of a radical, anti-American leadership at her helm. Her intelligence services provide critical guidance to ongoing regional development, the technical know-how of her specialists could be used to service American equipment in a crisis, and her facilities and airfields could provide a secure point of access if required at a moment of emergency. Further, Soviet planners must constantly take into account the effective dominance of the Israeli forces and especially its air force, over critical zones of access and transit in the region. In a moment of crisis the knowledge that their air force can create a zone of danger and uncertainty to the U.S.S.R. must greatly restrict Soviet options and thereby facilitate the tasks of American planners.

Specific Arab states such as Egypt—friendly to us at a particular moment—may be well able and prepared to take a front-line position in defense of Western security interests. To the extent that one or more can participate, so much the better; but such secondary links cannot substitute for a strong Israel in the ever-turbulent Middle East.

Therefore, it is foolhardy to risk weakening our most critical remaining regional strategic asset. Yet, if administration policies should serve to weaken Israel either through building the basis for a radical Palestinian state on her borders or through providing her with insufficient military assistance, the tasks of Kremlin planners dealing with the Middle East would be enormously eased and a determined barrier to Soviet expansionism in the region would have been withdrawn.

Only by full appreciation of the critical role the State of Israel plays in our strategic calculus can we build the foundation for thwarting Moscow's designs on territories and resources vital to our security and our national well-being.●

## DIET AND HEALTH OVERSIGHT

● Mr. McGOVERN. Mr. President, my experience in chairing first the Select Committee on Nutrition and Human Needs, and now the Nutrition Subcommittee of the Committee on Agriculture, Nutrition, and Forestry has led me to value greatly the function of congressional oversight. In the last 2 weeks, 3 years of investigation on the relationship between nutrition and health were reported in a series of articles and editorials in the Washington Post, the Washington Star, and the New York Times. The catalyst for the news coverage was the third hearing in 3 years on the relationship of diet to cancer. Beyond the importance for the American public of the diet and health message, the news coverage reflects the vital role of congressional oversight in furthering public policy. I ask that the following articles and editorials be printed in the RECORD.

The material follows:

[From the New York Times, Oct. 3, 1979]

### CANCER AGENCY HEAD ADVISES DIET CHANGES

(By Jane E. Brody)

WASHINGTON, October 2.—The director of the National Cancer Institute, citing "incomplete evidence" linking diet to cancer, advised Americans today to eat less fat, drink less alcohol, eat more fiber and avoid being overweight to reduce their risk of the diseases.

In issuing these "prudent interim principles," the director, Dr. Arthur Upton, broke rank with current and past directors of the National Institutes of Health, who have maintained that scientific evidence was not yet convincing enough to warrant overall dietary changes to prevent major diseases. No such advice about diets to prevent heart disease, for example, has come from the National Heart, Lung and Blood Institute, despite recommendations from numerous other groups to eat less fats and cholesterol.

Dr. Upton emphasized that "the exact role that diet plays" in causing cancer was still unclear but that currently available evidence warranted the adoption of nutritional guidelines pending the outcome of studies under way. Scientists have estimated that as many as half of human cancers are diet-related.

Dr. Upton offered the advice at a hearing of the Senate's Nutrition Subcommittee, where leading scientists attacked the National Institutes of Health for failing to give adequate support to nutrition research. The scientists said that the institutes' peer review system gave favor to basic research proposals and spurned clinical and population studies so important to unraveling the complex interrelationships between nutrition and disease.

#### ADVICE IN 1977 REPORT

In 1977 the subcommittee, then the Senate Select Committee on Nutrition headed by Senator George McGovern, Democrat of South Dakota, issued a controversial report, "Dietary Goals for the United States." It advised Americans to eat less fat, sugar and salt and more foods containing starches and fiber to protect themselves from such debilitating health problems as heart disease, cancer and diabetes.

Senator McGovern has continued to hold hearings to assess the status of nutrition research.

The dietary goals report touched off opposition from affected industries, primarily the producers of meat, eggs and dairy products, who contended that the recommendations were not supported by research. It also stimulated Congressional and research interest in nutrition and inspired Joseph A. Califano Jr., when he was Secretary of Health, Education and Welfare, to issue a Surgeon General's report on diet and disease prevention.

The report, which might be compared to the Surgeon General's report on smoking in 1964, was released in July without publicity and has received very little attention. It linked the typical American diet, which is high in fat, sugar, cholesterol and salt and is low in fiber, to the nation's high rates of heart disease, tooth decay, high blood pressure and cancer of the colon. It suggested that Americans eat more whole grains, fruits and vegetables, less red meat and relatively more fish, poultry and dried peas and beans.

#### EMPHASIS ON OVERALL DIET

Thus, the impact of Dr. Upton's recommendations comes more from their source than their content. They focus on the importance of the overall structure of the diet to cancer risk, rather than emphasizing exposure to possible cancercausing contaminants. He made the following points:

Excess weight should be avoided. Lean animals are less likely to get cancer than heavier ones, and among women obesity has been linked to an increased risk of cancer of the breast and the endometrium, or lining of the uterus.

A high intake of fats, both saturated and unsaturated, should be avoided. High-fat diets have been associated with cancers of the breast and colon and may promote the growth of other cancers as well. Dr. Upton recommended a reduction in the portion of fat in average caloric intake, from 40 percent to about 30 percent, which is what the Dietary Goals report had urged.

Intake of dietary fibers should be "generous" to reduce the risk of colon cancer. Whole-grain breads and cereals and fresh fruits and vegetables are good sources of fiber.

Only moderate amounts of alcohol—one, at most two, drinks a day—should be consumed. Heavy drinking is associated with a high risk of cancers of the esophagus, mouth, throat, larynx and liver.

Diet should be well balanced, including "ample fresh fruits and vegetables," to provide adequate vitamins and minerals. Studies in animals and patients suggest that vitamins A and C have anti-cancer properties, and zinc, selenium and iron may also play such a role.

#### ROLE OF ADDITIVES

Dr. Upton also noted the possibility that food additives and contaminants, including saccharine, nitrites and chemicals formed in cooking may increase the risk of cancer and that other additives, namely the preservatives BHA and BHT, may help prevent cancer. But he made no recommendations regarding consumption of these substances.

Since the Dietary Goals report, the Government has more than tripled the amount it spends on research into human nutrition, from $50 million to $170 million a year. There are now 143 research projects on cancer and nutrition supported by the National Cancer Institute, as against 100 last year, Dr. Upton said.

Nonetheless, Dr. Barry Commoner, director of the Center for the Biology of Natural Systems at Washington University in St. Louis, testified that the system by which applications for research grants are approved and financed needed a complete overhaul. He criticized the "secrecy" of the peer review process and said that most reviewers had little or no understanding of or appreciation for nutrition-related research. He suggested that the findings of individual reviewers be made public so that if bias and ignorance exist they might be exposed.

Dr. Stanley J. Dudrick, Chairman of the Department of Surgery at the University of Texas Medical School at Houston, told the subcommittee that in some cases reviewer committees who voted on nutrition research applications had no member who was "qualified sufficiently in nutrition to evaluate the proposal fairly."

#### "IVORY TOWER" ATTITUDE

Dr. Dudrick added that it was time to change the "ivory tower" attitude that something as deceptively obvious and apparently simple to understand as nutrition was not important or worthy of attention or research dollars.

Dr. George Bray, professor of medicine at the University of California at Los Angeles, said that the peer review system did not necessarily finance the kinds of nutrition research of greatest concern to taxpayers. He applauded Senator McGovern's announced intention to seek an audit of peer review by the General Accounting Office.

The Senator noted that, despite the Cancer Institute's solicitation of research proposals on cancer and the diet, last year only 10 of the 85 research applications submitted were given high enough priority by peer review to get funds.

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[From the Washington Post, Oct. 6, 1979]

### CANCER AND DIET

This week, the prestigious magazine Science declared that "careful study of foods and effects of cooking" offers "probably the best hope for reducing cancer incidence." While that statement is bound to cause controversy among the experts, it is indisputably evidence of a profound shift in the scientific consensus.

During the middle 1960s, the prevailing theory held that most cancers were caused by viruses. A decade later, opinion had swung to favor "environmental" causes of cancer. Over the years, however, the difficulty of sorting out the myriad factors in the total human environment led cancer researchers to concentrate more and more on clearly defined substances, any of which, acting alone, can induce cancer: pesticides, asbestos, vinyl chloride, tobacco smoke and so forth. Gradually, the broader concept of environment, meaning the social and cultural as well as the chemical environment, got lost from the picture. This, a growing number of scientists now believe, led to a misplaced emphasis on the role of chemicals and a serious lack of attention to those substances that affect everyone daily—in particular, the diet.

Sorting out which foods—acting alone or in concert—may be carcinogenic is going to be a monumentally difficult task, requiring decades. Research capabilities are already overwhelmed by the job of testing the more than 50,000 chemicals now in the marketplace, and cannot even begin to keep up with the 1,000 or so new chemicals introduced each year. The possible role of elements of the diet opens up virtually a whole new field of research. Not only may thousands of substances have to be tested, but scientists must also learn how each substance is metabolized by the human body.

So what's for dinner—tonight? What are people supposed to do? It is easy to understand that one should avoid breathing vinyl chloride fumes or drinking chemically contaminated water. But you can hardly stop eating indefinitely. The only answer is to act on the basis of the best available knowledge, even if it is incomplete and quite general. The tentative guidelines announced by the National Cancer Institute this week are therefore an important and welcome contribution. The NCI's recommendations—which it calls "prudent interim principles"—are, in capsule form, to eat more fiber from cereals, fruit and vegetables, less fats (including unsaturated fats) from both meat and dairy products, only moderate amounts of alcohol and fewer total calories.

Some scientists have critized the NCI for acting in the presence of so much uncertainty, and indeed 20 years from now these guidelines may appear primitive, even laughable. But in the meantime, the NCI has performed a valuable service in presenting to the public the best of what little is known. It would be good personal policy to listen.

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[From the New York Times, Oct. 7, 1979]

### A THINKING MAN'S DIET

Dr. Arthur Upton, the director of the National Cancer Institute, stuck his neck out the other day and offered some dietary tips to reduce the risk of cancer: Don't gain excessive weight. Eat less fat. Eat a lot of fiber. Drink only moderate amounts of alcohol—one or two drinks a day.

The recommendations are causing controversy among nutritionists who believe there are only tenuous data to support them, and among industries whose products might be adversely affected. But a health-conscious public wants authoritative advice now, not years hence when all the studies are complete. Dr. Upton's informed judgment, though necessarily "tentative" and "prudent," is a welcome addition to the many less reliable voices offering nutritional guidance.

Few would quarrel with the notion that it is wise to keep body weight under control and go easy on alcohol. But the link between diet and cancer is far less well established than that between smoking and cancer or between diet and heart disease. Some nutritionists remain uncertain of the role of fat in causing, for example, breast cancer, and the role of fiber in preventing colon cancer. They say it is too early, on the available evidence, to issue pronouncements designed to alter national eating habits. There are certainly risks in such prescriptions. If the advice turns out to be wrong and has to be retracted, some businesses may have been unjustly damaged and the credibility of science and government will decline. Bad advice could even hurt. Cardiologists have been warning for years that saturated fats increase the risk of heart disease. Many people therefore switched to unsaturated fats. Now Dr. Upton says that unsaturated fats produce cancer in rats, and he advises Americans to eat less of both kinds of fat.

Clearly, there is much still to be learned about diet and disease. But Dr. Upton believes it is time to make "a modest beginning" in applying the knowledge in hand. His advice reflects the dominant scientific view—and it is sensibly cautious. It is hard to see how it can cause harm—and it is likely, if heeded, to do substantial good.

This country seems to suffer an almost neurotic fatalism about cancer. It is widely believed that carcinogens lurk everywhere in the environment and that little can be done to avoid them. But cancers are related to personal habits, such as smoking, drinking and eating certain foods, which anybody can change. Dr. Upton's interim recommendations can help the prudent citizen find himself.

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[From the Washington Star, Oct. 11, 1979]

### DISEASE AND DIET

It has long been suspected that a good diet lessens the risk of getting cancer, but this homely thesis came close to getting official endorsement last week: the director of the National Cancer Institute issued some "prudent interim principles" on the subject, urging Americans to consider better diets as an aid to cancer prevention.

Dr. Arthur Upton was quick to add that "no direct cause-effect relationship has been observed for nutrition and cancer in humans." But he said that "tentative inferences" are possible, although "in general, ordinary foods have not been studied thoroughly for carcinogens."

There is nothing new in belief that high-fiber, low-fat diets are to be preferred to starchy, sugary ones. The theory is familiar to any American who watches television commercials in which a family virtuously eats a high-fiber breakfast with the calm assurance that it is "better."

In 1977, the Senate Select Committee on Nutrition, chaired by Sen. George McGovern, issued a controversial report, "Dietary Goals for the United States," which suggested that diet reduced—or increased—the risk of a number of serious diseases. And last July, a Surgeon General's report on "health promotion and disease prevention" again suggested that fatty, fiber-free diets contributed to a high national incidence of hypertension, cancer, heart disease and even tooth decay.

What is new is the involvement, at least in a semi-official role, of the National Cancer Institute. Senator McGovern quite properly called the statement a "precedent-setting act."

The chief of nation's cancer agency has not only endorsed a dietary theory, but specifically proposed such things as reducing fat consumption from 40 per cent (the estimated American average) to between 20 and 30 per cent of total calories. (The widely-held theory, Dr. Upton noted, is that "fat in the diet has a 'promotional' effect on the development of cancer.")

Dr. Upton knows he is stepping into controversy. Obviously, dairy producers are not going to be pleased at having so official a spokesman as Dr. Upton oppose, even unofficially, a high intake of fats, saturated or not. And it is a vulnerable position, as Dr. Upton would be the first to agree, because so many variables are at work. Those variables include the natural contaminants of certain foods; or additives and food substitutes, such as nitrites and saccharin, which have been cited as possible cancer-causing agents.

Still, even in the absence of conclusive evidence, it may be argued that the evidence supporting what Dr. Upton calls his "tentative" dietary proposals almost approach the status of evidence on smoking several years before the 1964 Surgeon General's report. Almost. While studies have shown correlations between cancer and dietary habits in certain groups, such as migrant populations and American Mormons, the evidence is still more suggestive than conclusive.

A careful analysis of the effects of various diets on great numbers of Americans is needed. On urging such intensive research, Senator McGovern's subcommittee and others are right. Although some scientists assert that diet contributes to as much as 50 percent of human cancers, only 4 percent of the federal health dollar is specifically used for prevention-related activities.

Meanwhile, just as many sensible folk suspected, long before 1964, that cigarettes were not very good for you, many now suspect that diets with a high proportion of starch and sugar are not healthful, either.

When that suspicion is voiced by such a source as Dr. Upton, who told The Star's Cristine Russell that "the institute has not attempted this sort of thing before," it may persuade many more Americans to take note of what they eat. Which, even in the absence of direct evidence of a cause-effect relationship of diet to cancer, is a good idea.

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[From the Washington Post, Oct. 9, 1979]

### A SLICE FOR NUTRITION RESEARCH

(By Daniel S. Greenberg)

The government's mandarins of the medical sciences went to Capitol Hill last week to proclaim that they are terribly keen for nutrition research and that they are even drumbeating on the nation's campuses to find qualified takers for their money.

True, and welcome, but it leaves unanswered, why the world's greatest biomedical research enterprise, the $3-billion-a-year National Institutes of Health, is a late arrival in seriously looking into the obviously important relationship between diet and health. NIH, after all, has long claimed exemption from political intrusions on the grounds that science is best navigated by the collective wisdom of the scientific community. Provide the money, leave us alone, and we'll produce for the good of society—so goes the traditional appeal of basic science, which is the main business of NIH.

Given the Nobel-certified scientific success associated with this credo, dissenters risk being labeled quacks and cranks or disgruntled grant rejectees. And let's face it: the critics of the system for dispensing research money do, indeed, include ample numbers of modern-day alchemists, perpetual-motion engineers and psychokinetic metalbenders.

However, in looking for NIH's suddenly developed affection for nutrition research—the National Cancer Institute alone says its spending on nutrition research has gone from $18 million to $32 million in two years—we can ignore the crank fringe; instead, let's take note of some disturbing testimony that was offered by orthodox scientists at hearings Oct. 2 before the Agriculture subcommittee on nutrition chaired by Sen. George McGovern (D–S.D.)

More than anything else, it has been McGovern's insistent prodding that has stirred NIH first to examine and then to acknowledge its neglect of nutrition research, and to progress from inflating its claims of nutrition spending to actually putting substantial money into the subject. Two years ago, for example, NIH claimed it was spending $85 million a year on nutrition research, but when the Congressional Office of Technology Assessment went over the NIH list, it reported that less than $5 million met NIH's own definition of nutrition research.

The testimony given to McGovern strongly charged that the NIH decisionmaking system which depends on the evaluation of research applications by panels of outside experts—is so dominated by traditionally defined scientific specialties that it cannot cope with a cross-disciplinary field like nutrition research. That was the core of the testimony given by Dr. Stanley J. Dudrick, professor of surgery and chairman of the department of surgery at the Hermann Hospital and the University of Texas Medical School in Houston. While praising the changes that have begun to occur under Donald Frederickson, director of NIH, and Arthur Upton, director of the Cancer Institute, Dudrick said that the prevailing system of peer review for dispensing research money "has failed dismally in my experience in the evaluation and support of nutrition research."

Referring to his own experience on the advisory board that the Cancer Institute established to guide nutrition research, Dudrick said, " I know from bitter firsthand experience that from the first day we convened, the majority of the members of the board appeared to be more concerned with diverting even the small amount of funds at our disposal back toward their own interests or those of their colleagues rather than supporting novel nutrition research projects of clinical relevance and importance. After engaging in a series of meetings in which a "you scratch my back and I'll scratch yours" attitude prevailed," the surgeon continued, "a set of guidelines and priorities emerged which doomed to failure any meaningful thrust in the area of diet, nutrition and cancer."

The presence of a senatorial champion on the relatively obscure issue of how a government agency decides to award research money has made a difference on nutrition research, as is evident from the funds that are now going into this field, as well as the Cancer Institute's issuance—reluctant though it was—of what it considers to be the best available advice concerning cancer and nutrition.

But still to be accounted for is science's continuing devotion to the traditional peer-review system, a money-dispensing ritual that the managers of American basic science portray as indispensable for high-quality research. However, left to itself, the peer-review system failed on nutrition research.

Which, of course, leaves a question: how well is it performing in areas that have not had the good fortune to attract the skeptical interest of an influential legislator?

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[From the Washington Post, Oct. 2, 1979]

## Inching Toward a Cure for Cancer

(By Daniel S. Greenberg)

Statistics now being processed at the National Cancer Institute portend new and wrenching strains in the long-quiescent but potentially volatile politics of cancer.

Preliminary analysis of these numbers indicate that the so-called war on cancer, now in its seventh year, has failed to produce any sharp increase in the survival rates for the most common types of cancer. Nonetheless, the institute's newly collected data show that therapeutic progress is slowly but steadily being achieved. The gains are, so to speak, in inches rather than in the miles that were expected in 1970, when Congress, egged on by the cancer lobby, resolved that cancer should be cured by 1976 "as an appropriate commemoration" of the nation's bicentennial.

Since then, not only has the disease eluded the "magic bullet" approach, but the incidence of cancer has actually increased—despite the self-serving nonsense issued by apologists for industrial pollution. As Dr. Marvin A. Schneiderman, for many years the institute's chief of statistics, told Congress earlier this year, "Even when the smoking-related lung cancers are removed from the incidence data, there were still increases in incidence from 1969 to 1976."

Thus, the grim news is that there's more of it, while the rate of successful treatment is getting better, if only at a discouragingly slow pace. In comparisons of five-year survival rates for cancers initially diagnosed in 1960–63 and 1970–73, the institute's latest figures show that survival rates for breast cancer are up, from 63 percent to 68 percent; even for highly intractable lung cancer, there has been a slight improvement, from 8 percent to 10 percent; for cancer of the rectum, survival figures are up from 39 to 45 percent.

A flock of statistical qualifications and cautions accompanies these preliminary findings: the figures are for whites (those for blacks, who generally suffer higher cancer incidence and mortality rates, are yet to be processed); these are total figures and fail to distinguish disease stage or treatment; and, finally, when the latest figures are viewed against a baseline more recent than 1960–63, improvements persist, but they are smaller. Even so, two of the institute's senior biostatisticians, Earl S. Pollack and Max H. Myers, feel that the favorable changes are unusually large and are not due to analytical oversights or statistical quirks.

What these statistics mean, then, is that the foolishly promised blitz against cancer has still not materialized and that, until that unforeseeable time when the biological mechanisms of cancer are understood, we had better reconcile ourselves to a medical equivalent of trench warfare. The difficulty, however, is that just when the U.S. government ought to be settling in for a long and costly haul, a thoughtless disarray is becoming evident in the politics of cancer.

After years of financial forced-feeding, the budget of the cancer institute has abruptly leveled off—actually gone down in inflation-eroded purchasing power—at the very time that the institute's programs around the country are hungrier than ever for support. The president, who, not without justification, is skeptical toward grandiose research projects, said in his science-policy message early this year that "as we have learned from the emphasis on cancer over the last decade, advances depend on new discoveries whose rate cannot be predicted." From which he concluded that the cancer institute could get on without even a cost-of-living budget increase—a decision that Congress amended to allow for a bit of a rise in spending.

The reality, however, is that the promise-filled war on cancer is now the victim of false expectations. The "new discoveries" to which Carter referred carry the suggestion of the great scientific breakthroughs that were foreseen in the early 1970s, if only the money were made available. Regrettably, there have been very few breakthroughs, and none of them, so far as is known, of general therapeutic value. Meanwhile, with the government's cancer-research spending more or less in the doldrums—even $1 billion a year doesn't go far in this line of research—various sectors of the cancer industry are intensifying their squabbles for shares. Thus, academic basic researchers bitterly complain about the share that's dished out in industrial contracts—to the detriment, they insist, of university-based science. And the doctors who study the effects of new drugs say that clinical research is being short-changed. Meanwhile, after repeated blasts from Congress, the cancer institute is at last moving into the long-neglected field of preventive research. This is a welcome development, but it means that an already stretched budget will have to be stretched even more.

Humanity and sound medical strategy now call for putting this program on a long-term, steady financial basis that fully recognizes that inch-by-inch success is the best that we can hope for at present.

The delayed arrival of a miracle ought not to be a reason for disavowing the importance of small gains. Also, cancer budgets and strategies ought to be kept out of national politics. Let it be recalled that the present National Cancer Program was conceived against a 1971 competition between Richard Nixon and Edward Kennedy over who would become the national champion of cancer research. And at one point, when a "NASA for cancer" was being touted, a supportive plea from Ann Landers produced a letter barrage that remains legendary on Capitol Hill. That bad idea was defeated, but not by much.●

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## THE CONSTITUTION

● Mr. LUGAR. Mr. President, throughout my career in public service, I have been encouraged by the increasing awareness of young people in the ideals and freedom set forth by our Founding Fathers. I am reassured that the future will be secure as evidenced by this patriotic outlook.

I was privileged to receive a copy of a speech given by David Dersch of Muncie, Ind., to the annual meeting of the Sons of the American Revolution in San Diego, Calif., on June 23, 1979. I recommend David's speech to the attention of my colleagues as further grounds for optimism about the future of our Nation.

Mr. President, I ask that the text of David's excellent speech be printed in the Record.

The speech follows:

### The Climax of the Revolution

This evening, I would propose a question to you patriots of America: What was the climax of the American Revolution? When did the Revolution actually end? Any schoolboy can tell you that the "shot heard 'round the world" was first fired at Lexington in 1775, and that we became independent on July 4, 1776. But far fewer know or even realize that the war lasted for six long years after this until October of 1781, when Cornwallis surrendered at Yorktown. But think with me a moment. Does the end of fighting truly signify the end of the Revolution in regard to its ideas and principles? What exactly was the culmination of the Revolutionary War?

I would suggest to you that the climax of the Revolution is the Constitution of the United States. Why do I believe this? There are several reasons. But before I justify my statement, this question must first be considered: When is any revolution over?

To answer it: A revolution should not be considered finished and successful until three conditions are met:

1. A workable government is formed.
2. The welfare of the common man is improved.
3. The country is stabilized, and another revolution is not in the near future.

Very rarely in modern times do we find a successful revolution because very rarely are these three conditions met. The recent uprisings in Africa and the Middle East are good examples. These uprisings are not revolutions of ideals and principles, but simply the display of power by one group over another. The general welfare of the people is not enhanced. Lives are lost, and one outrageous outburst often leads to another. Therefore, these revolutions cannot be termed successful.

However, the United States' Revolution was successful, and the Constitution was the capstone of that revolution. We can readily see how the Constitution fulfilled the three requirements of a successful revolution. First of all, it formed a working government. The constitution republic has endured and worked for 200 years, and it will continue to do so today, if it is used.

The second requirement for a successful revolution, that idea of an improved state for the people, has been established by the Constitution in several ways. The first ten amendments, called the Bill of Rights, guaranteed to American citizens personal liberties which were almost unheard of at that time. These noble ideas of freedom of speech, worship, press, public assembly, and the right to bear arms are the very principles for which men even today give their lives. Not only this, but the Constitution also promotes the Free Enterprise System, which has allowed our country, you and me, to enjoy a standard of living unparalleled in any other place in the world. But most important, the Constitution provides for a government which is to be in submission to the people, and not the people in submission to the government. This underlying truth though often neglected by the politicians and the bureaucrats of our day was the motivating factor behind the whole Revolution itself.

The third reason why I believe that the Constitution is the end point of the Revolution is that it stabilized our country. After it was written, there were no future uprisings on the horizon.

This brings me to my fourth point. The Constitution is the combined effort of 55 of the greatest political minds ever assembled on the continent of North America. The men who composed it were educated . . . 25 had attended college; 34 were lawyers. They had been personally involved in government, so they knew how it functioned . . . 42 were members of the Continental Congress; 46 had been elected to their state legislatures. These men were the leaders of the day. From their ranks would come the future leaders of the new government . . . 2 Presidents; 5 Supreme Court Justices; 14 Congressmen; and 19 Senators. These were the most brilliant men of their day. These were our Founding Fathers.

In conclusion, to summarize the reasons why I feel that the Constitution successfully completed the Revolution are these four points:

1. It formed a workable government.
2. It improved the welfare of the common man.

3. It prevented future revolutions by stabilizing our country.

4. It was written and endorsed by the great statesmen of the day.

The Constitution of the United States is the greatest political document ever composed by man. It is something that each and every American should stand up for today and be proud of today. It is the high point, the climax of the American Revolution.●

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## RETIREMENT OF GEORGE J. BURGER, JR., NATIONAL FEDERATION OF INDEPENDENT BUSINESS VETERAN

● Mr. NELSON. Mr. President, I would like to call to the attention of the Senate the retirement from the small business arena of George J. Burger, Jr., director of the National Federation of Independent Business' Federal legislative affairs program.

At the time Mr. Burger joined NFIB, in 1947, there were less than 75,000 members. As he prepares for his well earned retirement, NFIB is now 585,000 members strong. His success in helping to mold a lobbying organization known for its integrity, knowledge, and effectiveness has contributed in no small measure to that record of phenomenal membership growth. NFIB, I am informed, presently is the Nation's single, largest small business organization.

The centerpiece of the program that Mr. Burger has fostered and directed so well is the Mandate. A unique publication in the legislative world, the Mandate is used not only to inform members about legislative activities, but to point out positions of Senators and Congressmen on topical issues. I understand that the results of these Mandate polls form the action agenda for NFIB, and many small businesspersons use these Mandates as tools when contacting their Representatives.

However, successfully implementing the positions attained by the Mandate polls has been the true measure of Mr. Burger's acomplishments. A few areas in which Mr. Burger has played a key role are:

Establishment of the House and Senate Small Business Committees as permanent standing, legislative committees;

Creation of the Small Business Administration, first on a temporary basis and later as a permanent agency;

The initial 7-percent investment tax credit;

Preservation of the Robinson-Patman Act against strong opposition;

Measures limiting bank holding companies;

Enactment of Keogh-type retirement programs;

Stronger penalties for antitrust violations, and strengthening of antimerger statutes.

The Nation's climate for small businesses to be started, to grow, and to thrive from one generation to the next is the better because of George J. Burger, Jr.

We can all agree that he is a true guardian of small business. We shall miss him.●

## THE PLIGHT OF THE CAMBODIAN PEOPLE

● Mr. JEPSEN. Mr. President, recent history is littered with unbelievable accounts of the consequences which result from man's inhumanity to man. The holocaust experienced by the Jews at the hands of the Germans. The desperate cry of the disease-ridden, hunger-crazed populations of Biafra and Bangladesh. And most recently, the tragic and brutal accounts of the "boat people" struggling to survive on the open seas.

In each instance the human conscience was shocked beyond belief. Most of the world community generally responded with sympathy and compassion and helped to alleviate the suffering. True to American tradition, the American people took the lead and offered generous amounts of food, clothing, and medical assistance. And in the process it all became part of America's consciousness.

Mr. President, the current plight of the Cambodian people has the potential to become the greatest human tragedy of the century. Unless the world community makes massive efforts to supply food and medical aid to the Cambodians, there is the distinct possibility that in the not too distant future, the Cambodian people, as a people, will die—will just cease to exist. As a world leader, it is incumbent upon this great Nation to commit its time and resources to solving the world's present holocaust.

The Cambodian people are facing imminent extinction from disease and starvation. They are crying for life. The world, for the most part, is uninvolved. The reports from within Cambodia tell of walking skeletons, rampant disease, shriveled and bloated children and the ghastly results of pervasive hunger and malnutrition.

On August 23 the Washington Post quoted a Western official returning from Phnom Penh:

> Nothing approaches the desolation * * * the disease, starvation, orphans * * * it is all incomprehensible. I have seen nothing like it before, not Bangladesh, not anything.

Jacques Beaumont, a UNICEF Official interviewed in Phnom Penh by Newsweek magazine was quoted:

> Not famine in a few weeks' or months' time. Famine is here and now. Unless, somehow, there is an airlift of some 600 tons of rice a day beginning now and lasting several months, the Cambodian people will die.

Finally, a pediatrician in a Phnom Penh hospital, Dr. Nouth Sauoeun, commented for the Far Eastern Economic Review that:

> If the magic wand of international aid does not come to our help quickly, we are finished.

Although precise facts surrounding the situation are difficult to obtain, reliable estimates are possible, and they are chilling.

Almost no food is being grown or produced in the entire country. Only about 5 percent of the rice paddies appear to be in cultivation—and people have been eating seedlings in order to stay alive.

Most people are living on about 4.5 ounces of rice per day—less than one-third of the average quota in Southeast Asia.

Eighty percent of the children are suffering from the severest form of malnutrition.

The ravages of war and the excesses of the recently overthrown Pol Pot regime have left the populace with virtually no transportation, communication system, telephone, books, medical supplies, machines, and other aspects of modern civilization.

There are only 55 doctors in the entire country—out of more than 500 practicing before the Pol Pot regime came to power in 1975—and only a few hospitals. A substantial proportion of the educated people living in Cambodia before 1975—doctors, teachers, engineers, and other professionals—were killed between 1975 and 1979.

The population has been reduced from more than 8 million in 1970 to between 4 and 5 million at present—a reduction of 40–50 percent.

Only 20–30 percent of the remaining adult population is male. Most of the adult females are widows.

There is only 1 birth for every 10 deaths.

In the next 6 months, the situation threatens to grow much worse. The main rice crop, due to be harvested in December is virtually nonexistent. Within the past few weeks, the Heng Samrin government—which, supported by the Vietnamese Army, controls most of Cambodia—has launched a major new military offensive to destroy what remains of Pol Pots' forces. The renewed fighting threatens not only to wipe out most of the meager rice crops that remain; but also could disrupt the famine relief efforts presently being negotiated.

Estimates are that unless massive aid begins to arrive in Cambodia almost immediately, as many as 2½ million people, or more, face death from starvation.

These facts, horrible as they are, cannot adequately portray the depth of the agony suffered by the hundreds of thousands of people condemned to a slow, painful death from disease and starvation. And despite our willingness to admit to the truth of the matter and despite our willingness to be helpful, determining the nature and scope of the assistance this country and others can provide will be difficult.

Physical, as well as political obstacles stand in the way of any effort to alleviate the suffering of the Cambodian people. The years of war have taken a mighty toll. Cambodia has been decimated.

Roads on which to transport food and medical supplies are few and far between. Those that do exist have fallen into disrepair. Bridges that provide the means to reach the people in the countryside are damaged substantially.

Even if an adequate transportation network did exist, cars and trucks, the fuel to run them and the spare parts to repair them are scarce. To add to the problem, many Cambodians are so weak from sickness or hunger, that they are literally unable to load or unload the packages or supplies, much less repair roads and bridges, or even move from one community to another.

Probably the most serious challenge facing any effort to mount a massive humanitarian aid campaign for Cambodians, however, is the confusing web of political alliances, partisan politics, and regional fears that exist.

Despite all of the gross violations of human rights of which it stands accused, the Pol Pot regime is nevertheless supported as the "legitimate government of Cambodia" by China; is officially recognized by the United Nations; and, in varying degrees, is tacitly encouraged in its fight against the Vietnam-backed Samrin government by many of Cambodia's Southeast Asian neighbors.

The Soviet Union and her allies, on the other hand, support the Heng Samrin government which does not appear to be substantially in control of Cambodia.

The United States has accorded diplomatic recognition to neither side, yet recently voted in the United Nations to allow Pol Pot to claim Cambodia's seat in the General Assembly.

The United Nations is unable to provide aid to a government which it does not recognize as legitimate (Heng Samrin), or to a government which has not requested aid (Pol Pot).

All of this wreaks havoc with attempts to obtain international aid. The United States must be cautious lest aid be diverted from the Cambodian people to feed the Vietnamese Army, or to further the military efforts of one side or the other. The Soviet Union wants no part of an aid effort that might fall into the hands of Pol Pot's forces. China's attitude is similar, only in reverse; it does not want aid to fall to the Heng Samrin regime.

Mr. President, despite major impediments some relief efforts have gotten under way. UNICEF and the International Committee of the Red Cross, the Catholic Relief Services, the Church World Service, and Christian Conference of Asia, and the Oxford Committee for Famine Relief (OXFAM) have committed their resources to the distribution of food, medicine, and other necessities to the people of Cambodia. In addition to these projects a number of additional efforts have been mounted by other religious groups and nonsectarian voluntary agencies such as the International Rescue Committee, the United Nations High Commissioner for Refugees, the Mennonite Central Committee, the American Friends Service Committee, and Refugees International.

However, when one closely analyzes the relief efforts which have been underway in recent months, as against the most expert projections about what is needed to save the Cambodian people, one comes face to face with the incredible gulf between what has been done—and what must be done to save 2½ million people from starvation.

Most experts in international relief efforts agree that between $100 million and $200 million will be needed within the next 6 months to help stave off the starvation of the Cambodian people. To date, it appears that only a few million dollars have been raised, allocated, or expended.

In the next 6 months the situation threatens to grow intolerably worse. A small rice crop, normally harvested in October, will yield only a tiny fraction of its normal output. The main rice crop, due to be harvested in December and January, is virtually nonexistent. Now that the Heng Samrin forces have renewed their military offensive against Pol Pot's army, there is the threat that the fighting will not only destroy many of the meager crops which remain but will undoubtedly wreak havoc with the relief efforts that are now underway.

Mr. President, the world community, as well as the United States, must awaken to the idea that 2½ million Cambodians—men, women, and children—must not be allowed to die of starvation—politics or no politics. The only remaining question then is what alternatives are available to us?

A number of directions, proposals, and ideas for alleviating the human suffering in Cambodia are currently being discussed by representatives of international relief organizations, Members of Congress, U.S. State Department officials, United Nations personnel, church leaders, businessmen, and concerned citizens. The nature and degree of the assistance to be provided must be agreed upon as soon as possible. Whether or not we ultimately decide to lift the congressional ban on direct U.S. aid to Cambodia, increase contributions to food-for-peace (Public Law 480, title II) program and the international disaster assistance program, or increase U.S. aid to international agencies and programs such as UNICEF, the International Committee of the Red Cross, and so forth, is not as important as acting expeditiously no matter which course of action we choose. Time is of the essence.

Any effort to aid the Cambodian people must include, however, a major public education campaign and a campaign directed at world opinion.

The American people have been relatively sympathetic to the plight of the "boat people", largely because there has been an extensive coverage of their plight in the media. The enormity of the catastrophe that faces the Cambodian people has yet to penetrate either the American psyche or this country's mass media. Given the realities of the electronic age, it appears inevitable that this issue must first become a media priority before it makes its way into the consciousness of Americans generally.

Cambodia must become an instantly recognizable name in the same way as the "Holocaust" became part of America's consciousness, if we are to help avert the destruction of that nation. Pressure must be focused on Hanoi, Peking, Moscow, Cambodia's neighbors, the U.N., and so forth, to become actively involved in a famine relief effort and/or making it easier for relief channels to be established. Nothing less than the obliteration of a human community is at stake, and the public must learn about it as quickly and as completely as possible. As the Washington Post editorialized on August 10 "neither Hanoi nor Peking is likely to be totally impervious to the united force of world opinion."

Last we must remain accountable for our efforts. Compassion and basic human nature dictate to us that we must get involved. But we must also keep in mind that our objective is to help the Cambodian people, not the totalitarian Communist regimes that are responsible for creating the pathetic state of affairs in Cambodia and who are currently battling for absolute control of that country.

Mr. President, Cambodia has experienced a decade of war, violent revolutionary upheaval, almost unparalled assaults on modern civilization, a destruction of virtually its entire culture, religion, and social structure, the loss of half of its population, and now, unless help comes soon, a famine which will kill more than 2 million of its people.

The political and physical obstacles to massive relief are really overwhelming, and the solutions are incredibly complex. But a few million people are literally crying for life. We must not ignore their cries.●

## DOMINGO LAINO OF PARAGUAY

● Mr. CHURCH. Mr. President, I call to the attention of my colleagues the situation of Dr. Domingo Laino of Paraguay. I know Dr. Laino personally. He is a highly respected economist, a former member of the Paraguayan Congress and a leader of the democratic opposition in Paraguay.

As an opponent of the Stroessner government, Dr. Laino is no stranger to the unprincipled police practices of the Stroessner regime. Last year, for example, following a visit to Washington, this distinguished Paraguayan citizen was arrested within hours after returning home. He was picked up by the police and charged with treason with "soliciting foreign intervention" because of critical statements he made about the Stroessner government while in the United States. Fortunately, the charges were subsequently dropped—in large part because of international protests.

Now for the second time in 15 months, Dr. Domingo Laino is again the victim of repression. The origins of this most recent incident date back to a September 12 meeting of opposition political leaders in Brazil, where Dr. Laino again criticized the Paraguayan Government. Upon returning home 3 days later, he was picked up by government security agents. Five days later, he was transported to the interior for an indefinite period of confinement under Paraguay's state of siege provisions.

Mr. President, to date the Stroessner government has pressed no formal charges against Dr. Laino. However, Senators should be aware that in Paraguay "insulting the President" is considered a crime—a crime which can result in a 6-year prison term.

This particular use of the law was commonly employed by Stroessner in the 1950's and 1960's. Not surprisingly, it was directed at perceived political opponents. But the practice appeared to have fallen into disuse in recent years. Its reappearance is deplorable, to say the least. If this law is used today against someone as prominent as Dr. Laino, it is even more likely to be used tomorrow against lesser known citizens of Paraguay.

Mr. President, my concern in this matter is both personal and general. It is a concern about human rights and individual liberties. It is a concern which has already been voiced by other members of Congress, the administration and various individuals.

In this particular case, Dr. Laino has again been subjected to the arbitrary and repressive actions of his government which apparently finds any criticism intolerable. One can only wonder why a government of such long standing would feel so threatened—unless of course the criticism were based on the legitimate grievances of the people of Paraguay.

But then there is much in Paraguay which is open to criticism. Regard for political liberties is negligible. The citizens of Paraguay have been subjected to state of siege conditions for the past 30 years. Thus, the rights guaranteed by the Constitution—including freedom of expression, assembly and association, protection against arbitrary detention and arrest, and the right not to be subjected to search without a warrant—have been illusory at best. At any time, these rights can be suspended or abridged. Curiously, on "election days," the state of siege is lifted for a 24-hour period. But these elections are known to be riddled with fraud and manipulation. Indeed, the President amended the 1967 Constitution to permit himself to be "reelected."

Looking at the other side of the ledger, Mr. President, I recognize that in the State Department's opinion, there have been some human rights improvements in recent years. According to a Department spokesman, nearly 600 political prisoners have been released over the last 2 years. The Department also reports that since 1978 there have been no confirmed reports concerning the death, torture or disappearance of any Paraguayan citizen because of Government action. The number of political prisoners has declined to around five—a figure which includes Dr. Laino.

But for all of us who treasure human rights and political freedom, the Government of Paraguay should know that even five political prisoners is five too many. Accordingly, the arrest of Dr. Laino is clearly a step backward. Let the Stroessner government understand that such a step is no more acceptable today than it was yesterday.●

## TAX BURDEN SHOWS NEED FOR STRUCTURAL REFORM

● Mr. DOLE. Mr. President, the Census Bureau has released a report that dramatizes the rise in overall tax liability in recent years. According to the Census Bureau report, taxes collected by all levels of government in the United States increased by 59.4 percent between 1971 and 1977. Over a 6-year period the tax burden became half again as large as it had been. Revenues from corporate and individual income taxes grew by 70.6 percent. The rise in income tax revenues came from the rise in personal and corporate income and from the fact that people moved into higher tax brackets, paying a larger share of their rising income in taxes.

These figures demonstrate why our citizens are looking for tax relief and why the rates of productivity and savings are down. We all know that progressive income tax rates are designed to distribute the tax burden toward those citizens who are best able to pay. For that reason, we expect that a rise in real income will increase the rate of tax that the taxpayer must pay. The real problem arises when the effective tax rate increases even though there has been no increase in the taxpayer's real income. This phenomenon occurs when inflation raises the nominal income level, although the taxpayer's purchasing power has not risen. The progressive income tax does not differentiate between growth in real income and growth in nominal income.

It is easy to see that the tax burden is too high, but it is less easy to determine how to moderate that burden in ways that will advance the cause of equitable treatment of taxpayers and encourage greater rates of savings and productivity. An across-the-board, nontargeted reduction in tax rates does not meet the challenge responsibly, for we need to know where to reduce taxes and to what degree.

Mr. President, the fairest and most responsible thing we can do is to adjust taxes to eliminate the penalty for keeping up with inflation. If we are going to undertake tax reform, this is where we ought to begin. The reason is that the inflation tax penalty—taxflation—destroys the advantage of marginal income gains, thereby discouraging productivity gains. Taxflation also discourages savings by reducing disposable income. Finally, and most importantly, the inflation tax penalty hurts people in proportion to their position on the scale of progressive taxation, but it hits the lower income levels hardest because the width of the tax brackets is much less at the bottom of the scale. The case for eliminating taxflation is indeed compelling.

Fortunately, a remedy for taxflation is at hand. The Tax Equalization Act, S. 12, would end the inflation tax penalty. It would do so by requiring annual adjustment of the tax brackets, zero bracket amount, and personal exemption according to the rise in the Consumer Price Index for the previous fiscal year. By adopting this procedure, we can guarantee that the progressive income tax will be fairly and predictably geared to levels of real income. The progressive income tax will then operate as intended. Alternative approaches to eliminating taxflation do not have the same virtues. Periodic tax cuts are often hostage to political haggling, and they do not benefit all taxpayers in proportion to the taxflation penalty they suffer. The problem is built into the tax system, and it requires a structural reform for its correction.

Mr. President, the Senator from Kansas believes the Tax Equalization Act is the appropriate place to begin reforming taxes. I have introduced S. 12 for that purpose, and I hope that my colleagues will give this legislation their prompt attention.●

## AMERICAN MILITARY STRENGTH

● Mr. DECONCINI. Mr. President, during the 34th semiannual conference of the Arizona Emergency Services Association conferees drafted two resolutions demonstrating their commitment to American military strength. I have been asked to bring these resolutions to the attention of my colleagues and, thus, ask that they be printed in the RECORD.

The resolutions follow:

### A Resolution Urging the Government of United States To Give Priority To Creating a Superior Military Establishment

Whereas, the Soviet Union has shown by its spoken and written statements and by its actions that it intends to achieve world hegemony; and

Whereas, the forces of the Soviet Union appear capable of carrying on wars over extended periods at any level of intensity; and

Whereas, the Warsaw Pack countries are ahead of NATO in several important respects, particularly in chemical warfare and electronic warfare; and

Whereas, the forces of the United States are not being strengthened on an overall basis in a manner that would guarantee the survival of the nation; and

Whereas, the devastating power of the Soviet nuclear-tipped missiles is greater than the devastating power of the United States missiles at the present time and, according to present plans, the Soviets will have a far greater advantage in the mid-1980s; and

Whereas, the United States is far more dependent than the Soviet Union on access to major air and sea lanes, not only to acquire critical raw materials and engage in other peaceful pursuits, but also to protect our vital interests; and

Whereas, the Soviet Union has far greater capability than does the United States for Chemical Warfare and, apparently, intends to use it; and

Whereas, there is much uneasiness throughout the nation concerning the state of our defenses; it is, therefore,

Resolved by the Arizona Emergency Services Association, at its 34th Semiannual Conference, at Phoenix, Arizona on August 30, 1979;

That the Government of the United States should make its first priority the creation of a military establishment that is clearly and obviously superior to any other in the world.

### A Resolution Urging the Senate of the United States to Take Cognizance of Disastrous Effects Which Would Result From Ratification of the SALT II Treaty

Whereas, the overall effect of the SALT I Treaty was to create an arms race with the Soviet Union doing most of the running; and

Whereas, the SALT II Treaty prohibits the United States from setting up ABM launching systems for protecting our cities with the result that the United States has no such launchers and the Soviet Union has over 1,000; and

Whereas, the SALT II Treaty allows each country an equal number of missiles, it actually allows the Soviet Union to keep its 308 huge 10-warhead SS–18s while the United States has no equivalent missiles nor will it have according to present American building plans, so that by 1985 the Soviet Union could have a lead of more than 3 to 1 in the total number of megatons of nuclear explosives; and

Whereas, in general, the SALT II Treaty limits launchers rather than number of missiles, thus the actual number of missiles can be easily concealed; and

Whereas, with respect to Intercontinental bombers, the SALT II Treaty allows the United States only the B-1 of which none has been deployed and on which construction has been stopped, and the B-52 bombers which are old and of which as many as a third might require a year's work to make them operational; and

Whereas, the Soviet Backfire Bomber is not counted as an Intercontinental bomber, although it has sufficient range to reach Cuba or Central American Countries or could be refueled aloft; and

Whereas, the SALT II Treaty limits all cruise missiles to a maximum range of 350 miles, such missiles launched from Russian submarines near our coasts could easily strike heavily populated and extensive industrialized areas, our submarine launched missiles could not reach similar Soviet areas because most of them are too far from the coasts; and

Whereas, the SALT II Treaty gives no consideration to the very large Soviet capability for waging chemical warfare and their large stores of deadly gases while the United States has very little by comparison; and

Whereas, verification of Soviet armament production is considered unverifiable in some instance by many authorities; and

Whereas, there is a strong doubt that the United States could or would do anything significant if a violation of the Treaty were detected; it is therefore,

Resolved by the Arizona Emergency Service Association, at its 34th Semiannual Conference, at Phoenix, Arizona, on August 30, 1979:

That if the Senate of the United States ratifies the SALT II Treaty, it will lock this nation permanently into an inferior status and eventually bring its survival into question, and furthermore, it will have failed in its Constitutional duty to provide for the common defense.

Tom Berrey,
*Secretary.*●

### TESTIMONY OF SENATOR NELSON BEFORE THE SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. LEAHY. Mr. President, this morning the Subcommittee on Taxation and Debt Management held a hearing on capital formation and reform of the U.S. business depreciation system. The issue of capital formation is of great consequence to our Nation. We must recreate the productivity that made the United States a leader of the free world's economy. But in order to increase our industrial productivity and competitiveness, billions of dollars of investment capital are necessary.

Senator Nelson was the lead off witness at today's hearing. In his testimony, Senator Nelson points out appropriately that the largest source of investment capital available to U.S. businesses are depreciation deductions. However, he also states that our current depreciation system is totally outdated and in need of a complete overhaul.

Senator Nelson has been in the forefront of the depreciation reform effort for the past 5 years and is the principal sponsor of the Capital Cost Recovery Act, S. 1435, a bill I am also pleased to cosponsor.

I commend Senator Nelson's insightful testimony to my colleagues and I ask that it be printed in the Record.

The testimony follows:

#### Testimony of U.S. Senator Gaylord Nelson

Mr. Chairman, I appreciate the opportunity to discuss with this subcommittee S. 1435, a bill I introduced earlier this year along with Senators Bentsen, Packwood, and Chafee. This measure would allow businesses to write off investments in structures over 10 years, equipment in five years, and vehicles in three years. It is cosponsored by 36 Senators, including a majority of this Committee.

One of the most pressing problems besetting American industry today is the matter of capital formation, the process of raising cash to maintain and expand the productive capacity of the U.S. economy, its machinery, tooling, plant and transport equipment.

We need to take a whole new look at how to increase the productivity and efficiency of American industry and the depreciation system is the right place to start.

The need for investment capital—to promote productivity growth and enhance job opportunities, to combat inflation and protect U.S. competitiveness in the international market—is staggering. Leading economists have estimated that the U.S. private sector will require $4 to $5 trillion over the next ten years for new equipment and machinery to generate new jobs and increase productivity. Almost half of these funds will be needed simply to replace and maintain the capital already invested. The question is where to get the money.

Traditionally, there are four methods by which industry raises essential investment capital: depreciation deductions, re-investment of profits, borrowing and new equity capital. Depreciation deductions are by far the largest source of money available to businesses for modernization, accounting for over $112 billion per year.

In recent years businesses have had great difficulty raising equity capital at reasonable costs. The prime interest rate is currently a record 14.5 percent. And, that means interest rates on borrowed funds are becoming more and more prohibitive.

What can American industry do to raise new capital for new plant construction, new jobs and increased productivity? Treasury Secretary Bill Miller has said repeatedly that accelerating depreciation deductions would be the most cost-effective way to rebuild America's industrial efficiency and competitiveness.

The Capital Cost Recovery Act would be the biggest change in the U.S. business tax system in the past 25 years. The potential tax cuts and revenue loss to the Treasury could exceed the recent reductions in corporate income taxes, capital gains taxes and estate taxes put together.

At the same time, the bill contains an entirely new concept which the congress has never dealt with before—a ten year write-off for investments in buildings. We are familiar with proposals for more rapid depreciation deductions involving equipment and machinery. For example, last year I introduced legislation which would have permitted business to write-off up to $100,000 of machinery and equipment purchased each year, using a 3-year straight-line depreciation method. But the proposal involving buildings is a unique idea which requires careful consideration. As I stated when I introduced the bill:

> However, I have one major reservation concerning this proposal. And that involves the 10-year writeoff for commercial buildings. I shall reserve final judgment on this provision until additional statistics are available.

The purpose of introducing this measure today is to place the concept before the Congress. We urgently need an in depth re-evaluation of our whole capital recovery system. Hearings must be held on this proposal as well as other depreciation reform bills that have been introduced earlier this year in order to examine the views of business groups, and economists and to get the revenue costs in precise terms.

Today's hearing will give us the opportunity to examine the experts.

Also to be examined is the distributive effect on various sizes of businesses and availability of capital, particularly to the nation's smaller businesses.

There is no question that our current depreciation system must be changed. Indeed, there are several compelling reasons for significant alterations to it.

First, the system is unbelievably complex, particularly for small businesses. This is the main reason why small businesses use a straight-line 10-year depreciation method for their assets, even if they are entitled to more rapid recovery methods. These businesses must contend with the tax code's complicated asset depreciation range (ADR) system, 132 different asset classes and 107 pages of regulations to determine the useful life of equipment. As a result, less than 1 percent of the Nation's businesses use the ADR system.

Second, inflation during the last few years has compounded the problem. With spiraling inflation, businesses are being squeezed two ways. First, the money they are getting back in deductions is worth less each year. And second, by the time a business has recovered the cost of its investment, the replacement equipment it must buy invariably costs far more. The result of this squeeze is that capital which should be recovered, renewed, and expanded is instead being swallowed up. The greatest deterrent to inflation is improved productivity.

Third, there simply is not enough investment money available to meet industry's needs. Equity capital is expensive to raise. Interest rates on borrowed funds are prohibitive. And industry simply cannot generate enough cash internally because of our outdated depreciation system. Industry is unable to modernize plant facilities and replace worn out machinery. This causes rising production costs, declining productivity, loss of jobs and a lowering of our standard of living. The situation threatens a lasting capital crisis that will have a severe impact on the U.S. economy.

Yet, the period of capital recovery in the United States is one of the longest among all Western industrial nations.

For example, Great Britain allows businesses to recover 100 percent of their investments in machinery and equipment in 1 year while Canada allows a full cost recovery over 2 years.

The ability to recover capital over a realistic period has a direct bearing on the ability of the nation's businesses to furnish goods and services to their communities, to provide new jobs, and to keep prices down through vigorous competition.

The Capital Cost Recovery Act is a step in the right direction which deserves serious consideration. It will help to increase our productivity and offset wage increases, thereby restraining price increases. It will infuse billions of dollars into the economy by allowing all businesses to recover their investments in depreciable assets twice as fast as under current law.●

### MOROCCO

● Mr. McGOVERN. Mr. President, in a remote corner of northwest Africa, a little known desert war is being waged in the Western Sahara that raises serious foreign policy dilemmas for the United States. Two recent press accounts have focused on this question which I would like to print in the Record at the conclusion of my statement. The first is an article in the Washington Post which spells out the complexities on both sides of this issue. The second is an editorial in the New York Times which convincingly argues against U.S. involvement.

Both the Congress and the administration have recently debated the question in depth and a final decision will soon be made by the President. The nub of the policy dilemma seems to hang on whether or not the United States should sell arms to Morocco for use in the Sahara.

Supporters of King Hassan feel that the United States needs to support a friend in trouble, despite the fact that Morocco's claim of sovereignty in the Western Sahara goes against the weight of international opinion. Others, like myself, are troubled by the dangers inherent in a policy based on blindly supporting a friend in a military engagement in which we have no vital interests at stake.

I sincerely hope that the President's decision on the Sahara will be based on more than a vague sense of "doing something" and more on a serious examination of what is in the broader foreign policy interests of the United States. I would recommend that we look at this question from a wider context than a mere arms sales question. We should continue to remain neutral and support the principle of self-determination—in deed as well as in word.

In addition, we should press for a negotiated settlement to this conflict and provide meaningful assistance to Morocco for its real economic needs. Above all, we should avoid direct military involvement in a controversy that has all the makings of a losing proposition, both for Morocco and, in my judgment, for anyone who plunges into the fray with her. As a friend, we should help Morocco extract herself from this quagmire, not sink into it with her in the name of Western solidarity.

The two articles follow:

[From the Washington Post, Oct. 18, 1979]

### Carter Advisers Split on Morocco Arms Debate

(By William Branigin)

Key members of a top U.S. policy-making body are urging President Carter to approve the sale of new American weaponry to Morocco to help King Hassan II fight insurgents who are waging a desert war for control of the disputed Western Sahara.

According to administration sources, a Cabinet-level Policy Review Committee wound up a session Tuesday sharply split over proposals to meet Hassan's request for armed OV10 Bronco reconnaissance planes and Cobra helicopter gunships to combat guerrillas of the Algerian-backed Polisario Front. The guerrillas have carried out several attacks in recent months against targets in Morocco.

The sources, said however, that there was a consensus not to recommend sending U.S. experts to train Moroccans in counterinsurgency techniques, a proposal made in Washington as part of a list of options.

The policy debate basically revolves around the question of how far the United States should go in trying to prop up Hassan, a pro-American monarch whose damaging war with the Polisario guerrillas risks undermining him domestically and putting him on the path of the deposed shah of Iran.

Government sources said members of the policy committee—representatives from the Central Intelligence Agency, the National Security Council, the Joint Chiefs of Staff and the Defense and State departments—were unable to agree on a single recommendation and are to present option papers to the president, who will decide the administration's policy on the issue. A decision to sell King Hassan the arms he wants could face objections in Congress, sources said.

If adopted, a policy to meet the king's requests would mark a departure by the United States from its carefully maintained neutrality in the dispute over the sparsely populated but mineral-rich Western Sahara.

In any case, recommendations at the meeting by representatives of the National Security Council, the Pentagon and the joint chiefs to sell Morocco weapons provides a key indication of administration leanings on an issue that poses a foreign policy dilemma and has created divisions within the government.

The State Department and its subsidiary body, the Arms Control and Disarmament Agency, are reticent about the sales, the sources said. The sources said CIA's position tends to buttress arguments against the sales.

The proposed arms sales are intended to show support for a longtime ally and to demonstrate to other countries, notably Saudi Arabia, that the United States will stand by its friends, sources said.

On the other hand, the sales would risk damaging U.S. relations with Algeria, an important OPEC member which supplies 9 percent of U.S. oil imports, the sources said. The sales also could alienate countries in the Organization of African Unity, which voted at a recent meeting in favor of self-determination for the Western Sahara despite Moroccan objections.

The policy dilemma is similar in some respects to that faced by the administration when another longtime U.S. friend, the shah of Iran, was fighting to stay in power last winter. Repeated statements of strong U.S. support for the shah contributed to anti-American feeling in Iran and left Washington with little influence there when he was overthrown.

The administration faced a similar quandary when Sandinista guerrillas began to make gains against the Nicaraguan government of Anastasio Somoza. Some analysts believe Washington may run up against such dilemmas in other countries where the durability of pro-American leaders is in question, notably in Zaire and the Philippines and perhaps eventually in Saudi Arabia.

In the present policy debate, the CIA is understood to take the position that the new U.S. weaponry would do King Hassan little good, because his main military problems cannot be solved by equipment. Fearing a coup attempt amid signs of increasing disaffection in the Moroccan military, the king has mired himself in a losing battle by limiting communications among his commanders and thus reducing flexibility in moving his forces, the sources said.

This also is understood to be the view of the State Department's African section.

National security adviser Zbigniew Brzezinski and the State Department's Near East bureau are said to favor the sales to Morocco, emphasizing their alarm over Polisario guerrilla raids into Moroccan territory.

Currently the U.S. policy is to sell Morocco some weapons, such as air defense systems and transport helicopters, but not equipment particularly suited for use in the Western Sahara. Washington previously sold Morocco F5 fighter aircraft, which have been employed recently in the desert war despite an agreement limiting their use to internal defense.

The disputed 105,000-square-mile territory, previously called the Spanish Sahara, was ceded by Spain to Morocco and Mauritania in 1975. But the Polisario Front, which claims to represent the territory's 80,000 inhabitants, soon launched a guerrilla war aimed at acquiring independence for the region.

Mauritania, its economy badly hurt by the war, signed a peace agreement with the guerrillas in August, relinquishing its claim to the southern third of the Western Sahara. Morocco, which had held the northern two-thirds, then extended its claim to the entire territory in a move that made its already overextended forces and supply lines more stretched and vulnerable than ever.

In addition to its phosphate riches, the Western Sahara is believed by some experts to contain oil shale and the world's largest reserves of uranium. Morocco, which already ranks as the world's largest exporter of phosphates, is eager to become a producer of the potentially more valuable energy source.

Alarmed by the intensifying Polisario attacks on Morocco and King Hassan's increasingly precarious domestic position as the war drained his economy, the Carter administration told Congress in July that it wanted to change its policy on arms sales to Morocco. The Senate Foreign Relations Committee approved easing the restrictions by a narrow majority, but did not make clear what specific weapons it would agree could be sold.

In the House, significant opposition to a change in arms sales policy was expressed. Some congressional opponents cited improving relations with Algeria, noting that American firms have won more than $6 billion in contracts there since the early 1970s and that the Algiers government has taken positions opposed to the Soviets on several issues.

Opponents of the proposal to sell Hassan the equipment he wants have said there are other ways to show support for him than to identify the United States with an issue that appears likely to rebound against Washington in the future and alienate other U.S. friends in Africa.

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[From the New York Times, Oct. 16, 1979]

### No Arms for Morocco's War

King Hassan II of Morocco, long an ally of the United States, has gotten himself into trouble by trying to annex the former Spanish Sahara. Guerrillas of the Polisario Front, backed by Algeria, have thwarted the expansion, driven the King's Mauritanian ally from the war and attacked Morocco itself. Fearing that a compromise would destroy him politically, the King is trying instead to get American military aid. Officials of the Carter Administration are now weighing the request.

A 19-year-old aid agreement authorizes American arms for use inside Morocco but not beyond its internationally recognized borders. King Hassan argues that this limitation is now moot because guerrillas are striking inside his country. But he himself has extended the war by seizing a new piece of Saharan territory formerly claimed by Mauritania.

King Hassan is a valuable friend who often provides important support for American policies in the Middle East and Africa—when that support serves common interests. Two years ago, for example, the King helped persuade President Sadat to set out on the road to Jerusalem. Since then, however, he has withheld support for the Egyptian-Israeli peace treaty.

By any comparable calculation of interest, the United States should stay out of his conflict. No American interest is at stake. To aid the King would be to encourage an unwise policy—one that has diminished his influence in Africa. It would needlessly antagonize Algeria, reversing recent American progress in improving relations there and forfeiting the opportunity to move closer to a more pragmatic new regime. It would also undermine the effort of the Organization of African Unity, including Nigeria and Tanzania and such pro-Western states as the Sudan and Liberia, to promote a cease-fire and referendum in the disputed territory.

After the Iranian debacle, the Carter Administration has been looking for opportunities to show that it knows how to stand by old friends. The Sahara is the wrong place for such a demonstration. Morocco's claim to the territory is not internationally recognized. Its own security is not at stake. There is no clear evidence of direct Soviet assistance to the Polisario guerrillas.

Instead of encouraging King Hassan to crawl further out on a military limb, the United States should join others in promoting a face-saving compromise. That will be difficult enough. Abandoning America's neutrality would make it impossible.●

## HANDGUN POLITICS

● Mr. RIBICOFF. Mr. President, a provocative article entitled "Handgun Politics" appeared in a recent issue of the New England Journal of Medicine.

The author of this article, Daniel S. Greenberg, points out the important connection between health care and handgun control. Greenberg concludes his article by writing:

> The medical profession, which regularly must deal with the ruin caused by guns, should help our political leaders understand that handgun control is an important health measure.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

### HANDGUN POLITICS

(By Daniel S. Greenberg)

Legislation to control handguns is not usually included in the lists of health-related matters before the Congress. But that's where it belongs, because handguns now annually kill nearly 10,000 people in this country, seriously injure scores of thousands, and greatly contribute to making homicide the leading cause of death among teen-agers and young adults. If some rogue bacillus produced this damage, it would easily, and rationally, come under the jurisdiction of an institute at Bethesda; meanwhile, legislators and presidents would proffer their support for a medical victory, rather than indulge in rhetorical arcrobatics to explain mixed feelings about the offending microbe.

The handgun issue, however, long ago eluded rationality on the legislative scene—from which follows that its revival in this Congress, by Senator Edward Kennedy (D-Mass.), is generally regarded as futile. Regrettably, that is probably an accurate assessment, since, in the best of seasons, handgun control is a shunned issue in the capital, and this is not the best of seasons. Single-issue interest groups are currently rampaging across the political landscape, and with the peculiarities of the 1980 elections straining all of Washington's powers of divination, handgun control is regarded—even by some supporters—as a perilous overload on the political circuits.

As the conventional wisdom has it, those favoring handgun control are widely diffused among the general population, poorly organized, if at all, and not especially fired up about the issue. On the other side, however, is the National Rifle Association, which, in the generally accepted view of handgun politics, is so highly effective in rounding up votes for easy gun owning that any candidate who crosses the NRA is incurring a serious handicap. Electoral folklore, for example, has it that support for gun control legislation contributed to the political demises of senators Joe Tydings of Maryland and Joe Clark of Pennsylvania.

Furthermore, though candidate Jimmy Carter unequivocally committed himself to handgun control, he, too, having sniffed the political winds in Washington, has concluded that prudence calls for staying away from the issue, regardless of the promises that he made about the durability of his promises. Thus, candidate Carter said: "I favor registration of handguns, a ban on the sale of cheap handguns, reasonable licensing provisions, including a waiting period, and prohibition of ownership by anyone convicted of a crime involving a gun, and those not mentally competent." Last April, however, when asked at a press conference to account for the long delay in sending Congress an Administration proposal for handgun control, he replied, "I think to pursue it aggressively in the Congress would be a mistake."

The effect, then, is that prophecy and political folklore combine to create a consensus that holds that a sure way to abort a political career is to embrace the cause of handgun control.

There is a good deal of evidence, however, that strongly suggests that this is nonsense, that the much-feared NRA does not possess the vote-getting power that it claims, and that, if anything, the constituency for handgun control holds a big majority on this issue—but so far has lacked the sort of political leadership about which we've been hearing much talk lately from the White House.

Not often noted in discussions of handgun control are the masses of public-opinion surveys—stretching back two decades—clearly showing that the American public overwhelmingly favors the types of controls that Mr. Carter supported during his campaign.

For example, the George Gallup Organization, in 1959, asked: "Would you favor or oppose a law that would require a person to obtain a police permit before he or she could buy a gun?" Seventy-five percent replied in favor.

A 1975 CBS News Poll asked: "Would you favor or oppose a nationwide law requiring all handguns to be registered?" Those in favor totaled 78 per cent.

Bringing the surveys right up to date, just this June, the ABC News—Harris Survey, polling 1496 adults nationwide by telephone, asked: "Do you favor or oppose federal laws which control the sale of guns, such as making all persons register all gun purchases no matter where the purchases are made?" Seventy-two per cent replied that they favored that proposition.

A similar question, concerning federal registration of all handguns, found 78 percent in favor.

From these various polls it seems reasonable to conclude that a solid majority of the American people have long been uncomfortable with this nation's unique practice of permitting just about anyone the opportunity to possess a handgun. And, in conjunction with those concerns, the voters are not opposed to the idea of trying to deal with the problem through the regulation of sales and possession.

When politicians are asked about these survey results, they usually reply that what's to be feared is that the NRA and its allies make up in passion what they lack in numbers, and that while the pollsters may find that a majority supports handgun control, the surveys are not predictive of what actually happens on election day.

In view of the many crosscurrents of feelings, traditions, and conflicting issues that swirl about the electoral process, it is difficult to isolate any one item as decisive in determining an outcome—even an issue that was so violently exploited as was abortion in the last election. Lots of factors are at work, and if any variable is of overwhelming importance, it is probably incumbency, since the in's, with few exceptions, tend to hang on as long as they want the office. But, to the extent that it is possible to dig deeper into the myths and realities of handgun policies, I think it is worth trying, and, for this purpose, it is useful to note some observations by Louis Harris, the pollster. Harris is an ardent public supporter of handgun control, so the element of advocacy is certainly there; but he is also one of the most careful and devoted observers of public opinion on this subject, and therefore, his views merit attention.

Referring to a set of complex survey questions aimed at measuring the intensity of feelings on gun control, Harris concludes that "there are far more people in this country who would vote against a candidate who opposes gun control than there are who would vote against a candidate who favors such controls.

"Overall," he continues, "23 per cent of the entire adult population say they would vote against someone who is opposed to handgun control. By contrast, no more than 7 per cent would vote against a candidate who favors such handgun registration. This means that those who oppose gun control are taking more than three times as much political risks by their stand than are those who favor gun control."

Harris then goes on to conclude: "If Congress were to pass legislation controlling handguns, and those who voted for it were willing to make their vote a major issue in their campaigns, it is likely that the issue would help rather than hinder such candidates. Certainly, such proponents would be able to point to the determined efforts of the NRA and other anti-gun control groups to unseat them over this issue. But if those favoring gun control were not prepared to make it one of the dominant issues in their campaigns, then the field would be left to the NRA, and the will of the majority could be thwarted once again."

Harris' perception of political advantage in the advocacy of handgun controls may well be supported by his survey findings, but the legislative record indicates that Congress has a deep fear of the issue—and that it has managed it in a fashion to minimize the need for members to go on record for or against.

Thus, in 1974, after Senator John Stennis (D-Miss.) was seriously wounded in a street robbery, the Senate, which could do no less in such circumstances, passed some amendments to the highly porous 1968 Gun Control Act. (This act, inspired by the deaths of Martin Luther King and Robert Kennedy, is so riddled with loopholes that handgun sales have actually increased since its passage; it is estimated that over 50 million handguns are privately owned in the U.S., and that at the present pace of manufacture and sales, we'll hit the 100-million mark by the turn of the century.) As it turns out, the Senate was not about to remake the rules on handguns, because, as everyone expected, the House simply failed to take up the bill.

In 1976, the House Judiciary Committee passed a reasonably strict control bill, but the House Rules Committee saw to it that the bill never got to the floor. Meanwhile, over in the Senate, a comparable bill remained stuck in committee.

Mr. Carter's strong campaign pledge brought joy to the gun-control lobbies in Washington, but, after the President became acquainted with the issue his fervor for gun-control rapidly receded. Thus, the National Council to Control Handguns (810 18th St. Nw., Washington, DC 20006) was advised early in the Carter Administration by Hamilton Jordan that "The President's program in this area will be worked out with the Department of Justice. . . . I am sure you will find that the Administration's efforts in the area of gun control [are] in the direction in which your organization advocates."

Not long afterwards, Griffin Bell, appearing before Senator Kennedy for confirmation as Attorney General, expressed support for handgun control, saying that "we need to get a national policy on this." That was over two years ago, and Mr. Bell, of course, has since returned to private life, with a national policy on handguns no closer than it was when he took office.

The peculiar American madness of permitting virtually unrestricted commerce in cheap, easily hidden, lethal weapons has been with us so long that, barring personal or professional acquaintanceship with a gun-produced tragedy, few people even bother to take notice of this unique and bizarre bit of Americana. The daily handgun toll in the U.S. exceeds the yearly toll in most industrialized countries; in the bloodiest years of the Vietnam War (1966–1972), 42,300 American soldiers died in combat; during that same period, handgun fatalities on the homefront totaled some 52,000. The failure of the 1968 Gun Control Act was outlined in 1978 in a dismaying report by the General Accounting Office, which found that "Annual domestic production of handguns almost tripled from 1965 to 1976. During this time, the role of firearms in violent crime has also continued to increase. Further, in those 12 years, the firearm murder rate has almost doubled, the firearm robbery rate is estimated to have more than doubled, while the firearms aggravated assault rate has almost tripled."

In response to the old argument that if the impulse is there, a weapon of one sort or another will be found, the GAO states, "Statistically, it is almost impossible to conclude that the relationship between firearms and murder is purely coincidental. That is, weapon choice does indeed influence whether death will occur from an attack, and the availability of firearms is particularly significant in determining the total murder rate."

The deficiencies of the 1968 Gun Control Act are so glaring as to make that legislation look like a gun-promoter's joke on the citizenry. For example, the act prohibits the importation of "non-sporting" handguns, but permits the importation of parts—which are then assembled for domestic sale. Though the act requires that a form be filled out to purchase a gun, there is no required verification procedure.

Even with all that existing firepower loose in the country, however, it does seem that tight gun-control laws do work. A 1973 Treasury Department study found that New York City's restrictions on handgun sales were so effective that 96 percent of such weapons used in crimes were obtained from outside the state. It has also been found that recently purchased guns predominate in crime use—thus casting some doubt on the argument that it's too late for the U.S. to control this menace.

Louis Harris' assessment of the politics of handgun control does invite attention to the question of whether mythology, rather than electoral reality, has been destructively dominating this issue. The medical profession, which regularly must deal with the ruin caused by guns, should help our political leaders understand that handgun control is an important health measure.●

## ORDER FOR RECOGNITION OF SENATOR TSONGAS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, Mr. TSONGAS be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

## UNANIMOUS-CONSENT AGREEMENT—H.R. 4249, SURFACE TRANSPORTATION ASSISTANCE ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 4249, Calendar No. 348, the Surface Transportation Assistance Act of 1978, is made the pending business before the Senate, there be a time agreement thereon as follows:

Thirty minutes on the bill, to be equally divided between Mr. BENTSEN and Mr. PRESSLER; 30 minutes on amendments; 1 hour on an amendment by Mr. WEICKER on the Highway Trust Fund; 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous consent agreement is as follows:

*Ordered*, That when the Senate proceeds to the consideration of H.R. 4249 (Order No. 348), an act to amend title 23 of the United States Code, the Surface Transportation Assistance Act of 1978, and for other purposes, debate on any amendment (except an amendment to be offered by the Senator from Connecticut (Mr. WEICKER) on the Highway Trust Fund on which there shall be 1 hour; shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

*Ordered further*, That on the question of final passage of the said bill, debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the Senator from Texas (Mr. BENTSEN) and the Senator from S. Dakota (Mr. PRESSLER): *Provided*, That the said Senators, or either of them may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

## EXPENDITURE OF DISCRETIONARY FUNDS, AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 2440.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2440) to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read twice by its title.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice by its title, and the Senate will proceed to its consideration.

### UP AMENDMENT NO. 660

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CANNON, I move to strike out all after the enacting clause of the House bill and insert the language of S. 413 as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Aviation Safety and Noise Abatement Act of 1979".

### TITLE I

SEC. 101. For purposes of this title—

(1) the term "airport" means any air carrier airport whose projects for airport development are eligible for terminal development costs under section 20(b) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1720(b));

(2) the term "airport operator" means any person holding a valid certificate issued pursuant to section 612 of the Federal Aviation Act of 1958 (49 U.S.C. 1432) to operate an airport; and

(3) the term "Secretary" means the Secretary of Transportation.

SEC. 102. Not later than the last day of the twelfth month which begins after the date of enactment of this Act, the Secretary, after consultation with such Federal, State, and interstate agencies as he deems appropriate, shall by regulation—

(1) establish a single system of measuring noise to be uniformly applied in measuring the noise at airports and the areas surrounding such airports;

(2) establish a single system for determining the impact of noise upon individuals which results from the operations of an airport and which includes, but is not limited to, noise intensity, duration, frequency, and time of occurrence; and

(3) identify land uses which are normally compatible with various impacts of noise on individuals.

SEC. 103. (a) (1) After the effective date of the regulations promulgated in accordance with section 102 of this title, any airport operator of an airport may submit to the Secretary a noise impact map which sets forth, in accordance with the regulations promulgated pursuant to section 102, the noncompatible uses in each area of the map, as of the date of submission of such map, a description of the projected aircraft operations at such airport during 1985, and the ways, if any, in which such operations will affect such map.

(2) If, after the submission to the Secretary of a noise impact map under paragraph (1), any change in the operation of an airport would create any substantial new noncompatible use in any area surrounding such airport, the operator of such airport shall submit a revised noise impact map showing such new noncampatible use.

(b) (1) Section 11 of the Airport and Airway Development Act of 1970 (49 U.S.C.

1711) is amended by renumbering paragraphs (6) through (21), and all references thereto, as paragraphs (7) through (22), respectively, and by adding immediately after paragraph (5) the following new paragraph:

"(6) 'Airport noise compatibility planning' means the development for planning purposes of information necessary to prepare and submit (A) the noise impact map and related information pursuant to section 103 of the Aviation Safety and Noise Abatement Act of 1979, including any cost asociated with obtaining such information, or (B) a noise compatibility program for submission pursuant to section 104 of such Act.".

(2) (A) Section 13(a) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1713) is amended by—

(i) inserting "(1)" immediately before the first sentence thereof; and

(ii) adding at the end thereof the following new paragraph:

"(2) In order to promote the development of an effective noise compatibility program, for fiscal years beginning after September 30, 1979, the Secretary may make grants of funds for airport noise compatibility planning to sponsors of those air carrier airports whose projects for airport development are eligible for terminal development costs under section 20(b) of this title.".

(B) Section 13(b) of such Act is amended to read as follows:

"(b) AMOUNT AND LIMITATION OF GRANTS.—(1) The award of grants under subsection (a) (1) of this section is subject to the following limitations:

"(A) The total funds obligated for grants under subsection (a) (1) of this section may not exceed $150,000,000, and the amount obligated in any one fiscal year may not exceed $15,000,000.

"(B) The United States share of any airport master planning grant under this section shall be that per centum for which a project for airport development at that airport would be eligible under section 17 of this Act. In the case of any airport system planning grant under this section, the United States share shall be 75 percent.

"(C) No more than 10 percent of the funds made available under subsection (a) (1) of this section in any fiscal year may be allocated for projects within a single State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or Guam. Grants for projects encompassing an area located in two or more States shall be charged to each State in the proportion which the number of square miles the project encompasses in each State bears to the square miles encompassed by the entire project.

"(2) (A) The total funds obligated for grants under subsection (a) (2) of this section may not exceed $15,000,000.

"(B) The United States share of any airport noise compatibility planning grant under this section shall be that percent for which a project for airport development at that airport would be eligible under section 17 of this Act.".

SEC. 104. (a) Any airport operator who has submitted a noise impact map and the related information pursuant to section 103 (a) (1) may, after consultation with the officials of any public agencies and planning agencies in the area surrounding such airport, the Federal officials having local responsibility for such airport, and any air carriers using such airport, submit a noise compatibility program to the Secretary. Such program shall set forth the measures which such operator has taken or proposes for the reduction of existing noncompatible uses and the prevention of the introduction of additional noncompatible uses within the area covered by the noise impact map submitted by such operator. Such measures may include, but are not limited to—

(1) the implementation of any preferential runway system;

(2) the implementation of any restriction on the use of such airport by any type or class of aircraft based on the noise characteristics of such aircraft;

(3) the construction of single family residences, condominiums, apartment buildings, and other barriers and acoustical shielding, including the soundproofing of buildings;

(4) the use of flight procedures to control the operation of aircraft to reduce the impact of noise in the area surrounding the airport; and

(5) acquisition of land and interests therein, including, but not limited to, air rights, easements, and development rights, so as to assure the use of property for purposes which are compatible with airport operations.

(b) The Secretary may disapprove any program or part thereof submitted to him pursuant to subsection (a) (other than as such program relates to flight procedures referred to in subsection (a) (4) of this section) within 180 days after it is received by him. The Secretary may disapprove such program or part thereof (other than as such program relates to flight procedures referred to in subsection (a) (4) of this section) if the measures to be undertaken in carrying out such program create an undue burden on interstate or foreign commerce or are not reasonably consistent with obtaining the goal of reducing existing noncompatible uses and preventing the introduction of additional noncompatible uses or if the program does not provide for its revision made necessary by any revised noise impact map submitted under section 103(a) (2) of this title. Failure of the Secretary to disapprove such program (other than as such program relates to flight procedures referred to in subsection (a) (4) of this section) within such time period shall be deemed to be an approval of such program. With respect to any part of such program which relates to such flight procedures, the Secretary shall provide such part of such program to the Administrator of the Federal Aviation Administration who shall either approve or disapprove such part of such program.

(c) (1) The Secretary is authorized to incur obligations to make grants under this Act from funds made available under subsection (d) of this section for any project to carry out a noise compatibility program or parts thereof not disapproved under subsection (b) of this section. Grants under this Act may be made to operators of airports submitting noise compatibility programs. Such airport operator may in turn agree to make the grant available to public agencies in the area surrounding such airports if the Secretary determines such agencies have the capability to carry out projects for which grant applications are made in accordance with such noise compatibility programs. The Federal share of any project for which a grant is made under this subsection shall be 80 percent of the cost of the project. All of the provisions of the Airport and Airway Development Act of 1970 applicable to grants made under that Act (except section 17 of those provisions relating to apportionment) shall be applicable to any grant made under this Act, unless the Secretary determines that any provision of such Act of 1970 is inconsistent with, or unnecessary to carry out, the purposes of this Act.

(2) The Secretary, further, is authorized under this section to make grants to operators of airports for any project to carry out a noise compatibility program developed prior to the enactment of this Act or the promulgation of its implementing regulations if the Secretary determines that such prior program is substantially consistent with the purposes of reducing existing uses and preventing the introduction of additional noncompatible uses and that the purposes of this Act would be furthered by prompt implementation of such program.

(d) The Secretary may obligate for expenditure out of the Airport and Airway Trust Fund not to exceed $75,000,000 for the fiscal year ending September 30, 1980, for making grants under subsection (c) of this section.

SEC. 105. The Secretary, acting through the Administrator of the Federal Aviation Administration, after consultation with the officials of any public agencies or planning agencies in the area surrounding such airport, shall prepare and publish a noise impact map and a noise compatibility program for the airport established by the Act of June 29, 1940 (54 Stat. 686), and the airport the construction of which was authorized by the Act of September 7, 1950 (64 Stat. 770). Such map and program shall be prepared and published in accordance with the requirements of this Act no later than 1 year after the effective date of the regulations promulgated in accordance with section 102 of this Act.

SEC. 106. No part of any noise impact map or related information submitted to, or prepared by, the Secretary and no part of the list of land uses identified by the Secretary as land uses which are normally compatible with various impacts of noise on individuals shall be admitted as evidence, or used for any other purpose, in any suit or action seeking damages or other relief for the noise that results from the operation of an airport.

SEC. 107. No person who acquires property or an interest therein after the date of enactment of this Act in an area surrounding an airport with respect to which a noise impact map has been submitted under section 103 of this title shall be entitled to recover damages with respect to the noise attributable to such airport if such person had actual or constructive knowledge of the existence of such noise impact map unless, in addition to any other elements for recovery of damages, such person can show that—

(1) a significant change in the type or frequency of aircraft operations at the airport; or

(2) a significant change in the airport layout; or

(3) a significant change in the flight patterns; or

(4) a significant increase in nighttime operations;

occurred after the date of the acquisition of such property or interest therein and that the damages for which recovery is sought have resulted from any such change or increase.

SEC. 108. The Secretary shall study (1) airport noise compatibility planning carried out with grants made under section 13 of the Airport and Airway Development Act of 1970, and (2) airport noise compatibility programs carried out with grants made under this title, to determine to what extent such planning and programs are achieving the goals of reducing existing noncompatible uses of land around airports and preventing the introduction of new noncompatible uses around airports. Not later than January 1, 1981, the Secretary shall submit a report to Congress setting forth the determinations made pursuant to such studies together with legislative recommendations, if any, which the Secretary determines necessary.

## TITLE II

SEC. 201. (a) Paragraph (3) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714) is amended by striking out "$525,000,000 for fiscal year 1980." and inserting in lieu thereof "$612,000,000 for fiscal year 1980.".

(b) Paragraph (4) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 is amended by striking out "$85,000,000 for fiscal year 1980." and inserting in lieu thereof "$98,000,000 for fiscal year 1980.".

(c) The last sentence of paragraph (2) of subsection (b) of section 14 of the Airport and Airway Development Act of 1970 is hereby repealed.

(d) Subsection (e) of section 14 of the Airport and Airway Development Act of 1970 is amended by adding at the end thereof the following new sentence: "If in fiscal year 1980, or in any subsequent fiscal year, the total amount obligated under subsection (c) of this section in such fiscal year is less than the minimum amount made available for obligation under such subsection for such fiscal year, the amount available for obligation or expenditure as determined under the preceding sentence of this subsection shall be reduced by an amount equal to the difference between the amount made available under subsection (c) for such fiscal year and the total amount obligated under such subsection (c) for such fiscal year.".

(e) Subsection (f) of section 14 of the Airport and Airway Development Act of 1970 is amended by adding a new paragraph (4) to read as follows:

"(4) No provision of law, except for a statute hereafter enacted which expressly limits the application of this paragraph (4), shall impair the authority of the Secretary to obligate by grant agreement in any fiscal year the unobligated balance of amounts which were apportioned in prior fiscal years and which remain available for appproved airport development projects pursuant to paragraph (5) of subsection 15(a), in addition to the minimum amounts authorized for that fiscal year by subsections (a)(3) and (a)(4) of this section.".

(f) Subsection (e) of section 14 of the Airport and Airways Development Act of 1970 is amended by—

(1) inserting immediately before the period at the end of the third sentence the following: ", except that for fiscal year 1980 an additional $250,000,000 may be appropriated from the unexpended balance of the Airport and Airway Trust Fund"; and

(2) inserting immediately before the words "may not exceed" in the fourth sentence the following: "(other than amounts appropriated in fiscal year 1980 from the unexpended balance of the Airport and Airway Trust Fund)".

(g) Subsections (a), (c), and (d) of section 14 of the Airport and Airway Development Act of 1970 are amended by inserting the phrase "or more than" immediately after the words "not less than" each time those words appear therein.

SEC. 202. (a) Paragraph (4) of subsection (a) of section 15 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1715(a)(4)) is amended by striking out "and minus $15,000,000 in the case of each of the fiscal years 1977 through 1980," and inserting in lieu thereof "and minus $15,000,000 in the case of fiscal years 1977 through 1979, and minus $20,000,000 in the case of fiscal year 1980.".

(b) Paragraph (4) of subsection (a) of section 15 of the Airport and Airway Development Act of 1970 is further amended by striking out "and $15,000,000 of the amount made available for each of the other fiscal years" and inserting in lieu thereof "$15,000,000 of the amount made available for each of the fiscal years 1977 through 1979, and $20,000,000 of the amount made available for fiscal year 1980".

SEC. 203. Paragraph (2)(A) of subsection (a) of section 17 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1717(a)(2)(A)) is amended by striking out "and shall be 80 per centum of the allowable project costs in the case of grants from funds for fiscal years 1979 and 1980," and inserting in lieu thereof "shall be 80 percent of the allowable project costs in the case of grants from funds for fiscal year 1979, and may not exceed 90 percent of the allowable project costs in the case of grants from funds for fiscal year 1980,".

SEC. 204. Subparagraph (A) of section 208(f)(1) of the Airport and Airway Revenue Act of 1970, as amended (49 U.S.C. 1742(f)(1)(A)) is amended by striking out all after "1976" and inserting in lieu thereof "or of the Aviation Safety and Noise Abatement Act of 1979 (as such Acts were in effect on the date of enactment of the Aviation Safety and Noise Abatement Act of 1979);".

SEC. 205. Subsection (c) of section 16 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1716(c)) is amended by adding at the end thereof the following new paragraph:

"(5) Notwithstanding any other provision of law, the Secretary may approve an application for an airport development project at an existing airport without requiring the preparation of an environmental impact statement for such project if:

"(i) completion of the project would allow existing aircraft operations at the airport that involve aircraft that do not comply with the noise standards prescribed for 'stage 2' aircraft in 14 CFR 36.1 to be replaced by aircraft operations involving aircraft that do comply with such standards;

"(ii) the project complies with all other statutory and administrative requirements imposed under this Act.".

## TITLE III

### DEFINITIONS

SEC. 301. For purposes of this title—

(1) the term "noncomplying aircraft" means any civil subsonic turbojet powered aircraft (A) which (i) has a maximum certified takeoff weight of 75,000 pounds or more, and (ii) in the case of an aircraft registered in the United States, has a standard airworthiness certificate issued pursuant to section 603(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1423), and (B) which does not comply with the noise standards prescribed for new subsonic aircraft in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977;

(2) the term "retrofit" means the alteration of the engine or the engine nacelles of an aircraft with sound absorbent materials for the purpose of noise reduction; and

(3) the term "Secretary" means the Secretary of Transportation.

### COMPLIANCE FOR INTERNATIONAL CARRIERS

SEC. 302. (a) If, by January 1, 1980, the International Civil Aviation Organization (hereafter referred to as "ICAO") does not reach an agreement (1) which adopts the noise standards prescribed for new subsonic aircraft in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977, or (2) on noise standards and an international schedule for compliance with ICAO Noise Standards (annex 16) which are reasonably compatible with the standards set forth in such regulations issued by the Secretary (14 CFR part 36), the Secretary, acting through the Administrator, shall commence a rulemaking to require all air carriers and foreign air carriers engaging in foreign air transportation to comply with the noise standards set forth in such regulations (14 CFR part 36) or with ICAO Noise Standards (annex 16) which are reasonably compatible with the standards set forth in such regulations issued by the Secretary (14 CFR part 36) during the 5-year period thereafter, at a phased rate of compliance similar to that in effect for aircraft registered in the United States. The requirement applied to air carriers engaging in foreign air transportation shall not be more stringent than those applied to foreign air carriers. Such rulemaking shall be concluded within 120 days.

(b) If, prior to January 1, 1980, the International Civil Aviation Organization reaches an agreement on noise standards that complies with clause (a)(1) or (a)(2) of this section, the Secretary, acting through the Administrator of the Federal Aviation Administration, shall immediately commence a rulemaking to require all air carriers and foreign air carriers engaging in foreign air transportation to comply with the noise standards set forth in such agreement at a phased rate of compliance similar to that in effect for aircraft registered in the United States. The requirement applied to air carriers engaging in foreign air transportation shall not be more stringent than those applied to foreign air carriers. Such rulemaking shall be concluded within 120 days.

### LIMITED WAIVER AUTHORITY

SEC. 303. Notwithstanding any other provision of law, the Secretary is authorized to allow any noncomplying aircraft to be operated beyond the date by which such aircraft is to be in compliance with noise standards applicable to it in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977, by waiving the application of such regulations to such aircraft for such period beyond such date of compliance as he determines reasonable to permit compliance. No such waiver shall be granted except upon application of the operator of the noncomplying aircraft and a finding by the Secretary that such operator has made a good faith effort to comply with such regulations and that there is good cause for failure of such operator to comply with such regulations as applicable to such noncomplying aircraft. For the purpose of this section, the term "good cause" shall include the following:

(1) Any case where the supplier is unable to furnish or make available to such operator in a timely manner the necessary engine retrofit kits, replacement engines, or replacement aircraft.

(2) Any case in which the failure to grant a waiver would otherwise create burdens on an individual operator which are unreasonable in comparison to the burdens imposed on other operators of noncomplying aircraft.

(3) Any other circumstances the Secretary deems appropriate.

### NEW TECHNOLOGY AIRCRAFT INCENTIVE

SEC. 304. The Secretary shall provide a waiver for the operation of any noncomplying aircraft beyond January 1, 1985, if (1) the operator has a plan for the replacement of such noncomplying aircraft which has been approved by the Secretary pursuant to regulations issued by the Secretary (14 CFR part 91), (2)(A) with respect to any two-or-three engine noncomplying aircraft, the operator has entered into a binding contract by January 1, 1983, or (B) with respect to a four-engine noncomplying aircraft, the operator has entered into a binding contract by January 1, 1985, for a replacement aircraft which meets, at a minimum, the noise standards for new type certificated aircraft set forth in regulations issued by the Secretary, acting through the Administrator, on March 2, 1978 (F.R. Vol. 43, p. 8722 et seq.), and (3) the Secretary determines that such replacement aircraft will be in service within a reasonable period of time after such operators enters into the binding contract.

### DOMESTIC NOISE ABATEMENT CHARGE

SEC. 305. Notwithstanding any other provision of law, the Civil Aeronautics Board may, under the rules of section 308, authorize or require any operator to impose a noise abatement charge for that portion of the transportation of any person subject to the tax imposed by subsection (a) or (b) of section 4261 of the Internal Revenue Code of 1954 and any property subject to the tax imposed by section 4271(a) of the Internal Revenue Code of 1954. The charge shall not exceed an amount in excess of 2 percent of all other rates, fares, or charges for that portion of such transportation (excluding all Federal and State taxes).

### INTERNATIONAL NOISE ABATEMENT CHARGE

SEC. 306. When all air carriers and foreign air carriers engaging in foreign air transportation are required by regulations of the Secretary to comply with noise standards pursuant to section 302 of this title, the Civil Aeronautics Board may, under the rules of section 308, authorize or require—

(1) any operator to an aircraft which is used for the carriage of persons for compensation or hire to impose a noise abatement charge in addition to any other lawful fare or charge, for the transporation of any person by air, if such transportation begins in any State or in the District of Columbia, and any portion is not taxable under subsection (a) or (b) of section 4261 of the Internal Revenue Code of 1954. The charges shall not exceed—

(A) $2 for transportation of persons to foreign contiguous territory or adjacent islands, or between the continental United States and the States of Alaska and Hawaii, or between the States of Alaska and Hawaii; or

(B) $10 for the transportation of persons not described in subparagraph (A); and

(2) any operator of an aircraft which is used for the carriage of property for compensation or hire to impose, in the case of foreign air transportation of property by air which begins in any State or in the District of Columbia, a noise abatement charge in addition to any other lawful rate or charge. The rate or charge shall not exceed 5 percent of all other such rates or charges for such transportation (excluding all Federal and State taxes) but not to exceed a maximum of $2.25 per 100 pounds of cargo.

### USE OF NOISE ABATEMENT CHARGE REVENUES

SEC. 307. As long as the fleet of any operator is not fully in compliance with all applicable Federal noise abatement regulations, the noise abatement charges collected by that operator shall be retained and utilized by it only to bring its aircraft fleet into compliance with all applicable Federal noise abatement regulations.

### IMPOSITION, MODIFICATION, AND TERMINATION OF NOISE ABATEMENT CHARGES

SEC. 308. (a) The Civil Aeronautics Board is hereby authorized to impose, increase, decrease, otherwise modify, or terminate any noise abatement charge the imposition of which is authorized by section 305 or 306. The imposition of, or an increase in, a noise abatement charge may be authorized or required by the Board only upon the request in writing of an operator of a noncomplying aircraft and upon the recommendation of the Secretary of Transportation. In exercising its authority to decrease or terminate any such charge, the Board may act upon its own motion or in response to a recommendation of the Secretary of Transportation: *Provided*, That the Board shall review each charge at least once a year to determine whether it would be appropriate to continue. In making any recommendation with respect to the imposition or termination of, or an increase or decrease in, a noise abatement charge, the Secretary of Transportation shall include with his recommendation a report with respect to the effect of the requested noise abatement charge action by the Board.

(b) Any report submitted to the Board by the Secretary in support of a recommendation for noise abatement charge action by the Board shall include an evaluation of—

(1) the financial condition of each operator;

(2) the progress and good faith efforts of each operator toward the bringing of noncomplying aircraft into noise regulation compliance;

(3) the state of production of "stage 3" aircraft (as defined in 14 CFR 36.1(f)); and

(4) whether the requested imposition or termination of, or an increase or decrease in, the noise abatement charges, or the failure to impose, increase, decrease, or terminate the noise abatement charges as requested, will produce excessive profits for each operator.

(c) In exercising its authority under this title to authorize or require the imposition of noise abatement charges or to increase, decrease, or terminate such charges, the Board shall comply with the requirements of section 553 of title 5, United States Code, to the greatest extent possible consistent with completing the proceeding within 90 days after the date on which notice is given under subsection (b) of that section. The Board shall complete any such proceeding within 90 days after the date of such notice. The final rule adopted by the Board may adopt, modify, or reject the recommendations of the Secretary.

(d) In making its determinations, the Board shall consider, among other things:

(1) the need for the operators to raise sufficient capital to meet the requirements for compliance with all Federal noise abatement regulations;

(2) the desirability of encouraging the development and use of the most advanced technology available for reducing noise levels;

(3) with respect to the imposition of noise abatement charges authorized or required under section 306, or an increase or decrease in, or the termination of, such charges, the views of the Department of State;

(4) the intent of Congress that noise abatement charges be imposed only if operators fail to achieve an actual 5 percent corporate rate of return on investment unless the Board finds such charges are otherwise not in the public interest; and

(5) any report or recommendations submitted to the Board by the Secretary of Transportation.

(e) The final rule shall be submitted to both Houses of Congress and shall take effect 60 days thereafter unless either House disapproves, by simple majority vote, the implementation of the rule within 30 legislative days from the date of submission to the Congress.

### TERMINATION OF CHARGES

SEC. 309. Notwithstanding any other provision of this title, any noise abatement charge imposed under section 305 shall cease to be in effect on the day after the last day of the 60th month which begins after the date of enactment of this Act. Notwithstanding any other provision of this title, any noise abatement charges imposed under section 306 shall cease to be in effect on the day after the last day of the 120th month which begins after the date of enactment of this Act.

### COMPLIANCE REGULATIONS

SEC. 310. Any aircraft that exceeds the noise standards prescribed for such aircraft in 14 CFR part 36, as such regulations were in effect on January 1, 1977, by no more than 5 effective perceived noise decibels at each of the 3 measuring points specified in (c) 36.3 of 14 CFR Part 36, shall be deemed to be in compliance with such regulations and with section 611 of the Federal Aviation Act of 1958, as amended.

## TITLE IV

SEC. 401. Not later than 90 days after the date of enactment of this Act, and each January 31 thereafter, until implementation of collision avoidance systems in the national air traffic control system, the Secretary of Transportation shall submit to the Congress a report on the status of the development of such systems. Such reports shall set forth proposed timetables for the implementation of such systems. The Secretary of Transportation's report shall include proposals for any legislation needed to implement such systems.

SEC. 402. Section 1112 of the Federal Aviation Act of 1958 is amended to read as follows:

"SEC. 1112. (a) No part of the compensation paid by an air carrier to an employee who performs his regularly assigned duties as such an employee on an aircraft in more than one State, shall be subject to the income tax laws of any State or subdivision thereof other than the State or subdivision thereof of such employee's residence.

"(b) For the purposes of this section the term 'State' also means the District of Columbia and any of the possessions of the United States; and the term 'Compensation' shall mean all moneys received for services rendered by the employee in the performance of his duties and shall include wages and salary.".

SEC. 403. That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "TITLE XI—MISCELLANEOUS" is amended by striking the item designated as "Sec. 1112" and inserting in lieu thereof:

"SEC. 1112. Exemption of certain compensation of employees for income tax purposes for other than State or subdivision of residence.".

## TITLE V

SEC. 501. (a) The Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator") shall, within 90 days after the date of enactment of this Act, promulgate regulations for airports operated by the Administration to regulate the access to public areas by individuals or by religious and nonprofit organizations (as defined in section 501(c)(3) of the Internal Revenue Code of 1954) for the purpose of soliciting funds or distributing materials.

(b) In promulgating regulations under this section the Administrator shall consider requiring any individual or organization described in subsection (a) to submit an application for a permit to engage in the soliciting of funds or the distribution of materials. In considering such an application the Administrator may require that—

(1) a responsible individual representative of the applicant shall be designated to represent the organization,

(2) each individual participating in any solicitation or distribution will display a proper identification approved by the Administrator,

(3) the number of individuals engaged in any solicitation or distribution at any one time shall not exceed a reasonable number, in keeping with the need for free movement in and operation of the airports as provided for by the permit,

(4) the solicitation or distribution be confined to limited areas and times, and

(5) no individual or organization which holds a permit under this section shall be permitted to—

(A) use sound amplification or display signs (other than signs approved by the Administrator);

(B) intentionally interfere with users of the airport;

(C) engage in the use of indecent or obscene remarks or conduct; or

(D) engage in the use of loud, threatening, or abusive language intended to coerce, intimidate or disturb the peace.

(c)(1) The Administrator shall consider requiring that a copy of a permit (if such is required) be conspicuously posted in the area in which any solicitation or distribution is permitted.

(2) The Administrator shall consider whether revocation of approval for any permit if required and approved under this section should occur for any violation of any rule or regulation promulgated hereunder.

(d) Regulations intended to be promulgated under this section shall be submitted to Congress within 30 days after the date of enactment of this Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 2440) was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment to the title and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Amend the title to read: An act to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate insist on its amendments to H.R. 2440, request a conference with the House of Representatives on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. Cannon, Mr. Long, Mr. Inouye, Mr. Exon, Mr. Packwood, Mrs. Kassebaum, and Mr. Goldwater conferees on the part of the Senate.

## ORDER FOR RECESS UNTIL 1:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 1:30 p.m. tomorrow.

THE PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

## DISTRICT OF COLUMBIA RETIREMENT REFORM ACT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Eagleton, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1037.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1037) to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits.

(The amendment of the House is printed in the Record of September 24, 1979, beginning at page 25931.)

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Eagleton, I move that the Senate disagree to the amendment of the House of Representatives and request the conference on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. Ribicoff, Mr. Eagleton, Mr. Levin, Mr. Mathias, and Mr. Stevens conferees on the part of the Senate.

## GO TO COLLEGE AND GO BROKE

Mr. PELL. Mr. President, I call to the attention of my colleagues a thoughtful and provocative article by John C. Sawhill, then president of New York University and currently Deputy Secretary of the Department of Energy, which appeared in the most recent issue of Leaders. Entitled "Go to College and Go Broke," the article confronts the painful truth that a student who has earned a college degree can no longer be assured that it is the key to a higher paying professional job. This is especially true in a number of industrially less developed countries, where unemployment is high. But it is increasingly becoming true in the United States.

In this country we have, through a number of Federal student aid programs, almost solved the problem of access to college for any student capable of benefiting from higher education who is willing to do the work. However, I am concerned that we have given little attention to the quality of the education such students receive. As my Subcommittee on Education, Arts, and Humanities has held hearings on reauthorization of the Higher Education Act, I have pressed witnesses for suggestions on what can be done to improve educational quality. To date, we have received few suggestions.

As Dr. Sawhill points out, we must assure that higher education is not only of high quality, but that it is also viewed as more than an inevitable ticket to a higher paying job. It must enrich the quality of each individual's life.

I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Go to College and Go Broke

(By John C. Sawhill)

Colleges and universities in the industrialized societies of Europe and America have recently been hit with the bad news that the dollar value of academic degrees is falling. In the past five years, researchers have produced sophisticated evidence demonstrating that, unlike in decades past, the lifetime earnings of the average college graduate—be he the holder of a B.A. or some more advanced degree—can no longer be expected to be double or triple those of people who ended their schooling with high school. According to present predictions, many college graduates can look forward to employment well below their capacity, at jobs that do not require a college education at all.

This fact calls into question the entire purpose of higher education, particularly as that education itself becomes more expensive. The reasoning is simple: Higher education is an investment in the good life, in future economic security and material well-being. It is an asset which is expected to pay dividends; as these dividends decrease in proportion to the investment, the attractiveness of education to the consumer diminishes. Decreased enrollments are assured by the fact that a college education will have less to offer by way of material rewards.

#### BAD NEWS TRICKLING IN

The bad news has been trickling in for some time. Any given issue of a periodical devoted to higher education is sure to feature at least one lugubrious article detailing the unhappy news. "Too Many Students, Too Few Jobs—Antipodean Version of an Old Story" reads a dispatch from Australia, where a lid has recently been placed on college enrollments, at least in part out of a fear that too many students are finding their career expectations falsified. "Graduate Job Prospects Remain Gloomy" is the word from the Netherlands, where a recent report on rising unemployment among B.A. and M.A. degree holders predicted that by 1990 the supply of graduates will exceed demand by at least 40 percent.

In countries which are industrially less developed and where unemployment is generally high, the problem of degrees that don't convert into prestige jobs and high salaries is longstanding and politically worrisome. The chronically disaffected students of Mexico, for instance, have recently called on that country's political leaders to set up an adequate national employment plan, primarily to ensure jobs for themselves. Egypt, which has the highest concentration of university students in the Middle East, has already done this: Every university graduate is guaranteed a job, which, however, indifferently paid, will put the graduate economically well ahead of his non-degreed neighbors. The result has been an enormously swollen, governmental bureaucracy which, however, is considered preferable to an unemployed intelligentsia.

In India and Pakistan, the oversupply of impeccably educated university graduates holding down humble and inconsequential clerical posts has been a spectre that has long haunted not only the politicians of those countries, but also sensitive visitors from abroad who are shocked to discover that their baggage handlers hold doctorates of philosophy from the University of Punjab.

The experience of places like India, Pakistan, and Mexico is not reassuring to European and American educators, who fear that it may soon be replicated in their own countries, although naturally on a lesser scale. We hear, almost daily, about some bright and deserving young scholar of Slavic languages, music theory or medieval history who is working in the Post Office. Students, of course, hear about it too, and hastily switch their majors from art history to business management in a headlong scramble away from the liberal arts—currently the least marketable and most vulnerable of undergraduate studies.

In many cases, university officials are unnecessarily panicked by the projected dollar depreciation of degrees. I doubt that it will cause young people to abandon colleges in droves. Thus far, the striking fact is that in those nations whose governments do not tightly control university entrance places by imposing sharp quotas— and to a remarkable extent even in countries like the Soviet Union, where stringent attempts are made to adjust college places to manpower needs— the demand for higher education has not eased at all. On the contrary, more and more students crowd into the already overcrowded facilities, and competition for already scarce jobs becomes even more intense. This, however, is also not a pleasing scenario: Cutthroat competition for mediocre jobs among highly qualified and educated young people could produce serious social malaise, anger, and worse.

### A TENACIOUS AND DIFFICULT MYTH

Worldwide, the myth that higher education will usher in a better, fuller, and more prosperous life seems particularly tenacious and difficult to dispel. It certainly has a long pedigree, dating back to at least to Erasmus and gathering new strength during the Enlightenment. Perhaps then, it is, like most enduring myths, rooted in reality. Or has it now become obsolete?

I think not. Higher education will, I am confident, continue to be the key to a better life, though perhaps in a way more *qualitatively* different than before. It is true that as more and more people acquire degrees, the presentation of a diploma will no longer be enough to ensure a good job and high pay. Even so, by no means is it a wholly bad thing that some of the crasser dollars-and-cents reasons for attending college are disappearing. I hope it may even lead to a rediscovery of the fundamental worth and pleasure of learning. An education is not something that automatically confers on one a large share of pie. Its worth in inherent.

I can foresee several kinds of adaptations that colleges and universities will have to make in the years ahead.

### IMPORTANT AND NECESSARY STEPS

First, and especially in the third-world countries where there is a surplus of highly educated people who lack the technological, agrarian and paramedical skills their societies need, a new emphasis must be placed on these areas. Persons already holding degrees in fields where jobs are scarce should be offered the chance to supplement their liberal arts strengths with technical knowledge. They will be better technicians for their prior humanistic backgrounds, better social planners and wiser decision makers.

Second, in order to improve and redirect educational resources, a new emphasis must be placed on skills. Attempts are now being made in many parts of the world, including such European countries as Ireland, which has a glut of liberal arts graduates, to upgrade technical education and enhance its prestige. I also see no reason why persons who will eventually work at technical careers should not have prior grounding in the liberal arts.

It is, after all, for our skills that we are known, and for our skills that we are hired. And this applies to liberal arts graduates as much as to doctors or electrical engineers. But the skills conferred by a liberal arts education too often go unrecognized. They include, or should include, the abilities to research complex problems, to read rapidly, to digest and analyze large amounts of written material, the ability to perform computations and to make trade-offs between social, economic, and other kinds of goals.

Corporate leaders often complain of young college graduates who have prestigious degrees in business administration, but who lack the ability to communicate fluently, both orally and in writing. They cannot defend a position, sift the evidence of experts, or reconcile the demands of efficiency, equity, and innovation. These are all skills that are a liberal arts education can bestow.

Finally, there is already a move to "delink" jobs and degrees, in particular, first-level higher degrees such as the B.A. In the future, professional training may have to be undertaken before, after, or alongside liberal arts study. There is no reason to mourn this, especially as adult education or continuous education expands, providing (along with a lot of pseuda-educational dross) more and more opportunities for lifelong study of the kind that supports or complements career development. The notion that education is something which must be, so to speak, swallowed in one gulp between the ages of 18 and 22 is one which is rapidly fading. Indeed, as more and more people change jobs and careers one or more times during their working lives, the idea that all education and career preparation must be completed by the age of 22 becomes increasingly preposterous.

If large numbers of university and college graduates cannot find jobs, it is a problem of grave concern to political and economic leaders. But let's add that if a large number of any group within society are jobless, it becomes a pressing social problem. The notion that people have a right to decent jobs and livelihoods applies to all people, regardless of their respective educational backgrounds.

Colleges and universities must not twist their purpose and curricula out of shape in order to enhance someone's short-term job prospects. To distort or abandon education—particularly the liberal arts education—in the name of social utility, competitive advantage in the job market, or some other chimerical form of relevence is, I believe, shortsighted and ultimately disastrous for free societies.

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## REPRESSION IN CZECHOSLOVAKIA

Mr. PELL. Mr. President, in August, the Washington Post published an article of mine entitled "Celebrating Helsinki," on Czechoslovak repression against 10 members of Charter 77 and on the harsh new legal code in East Germany.

There are now reports that the scope and timing of the Czechoslovak acts against the Chartists have angered Soviet President Brezhnev, who does not want further sources of antagonism with the United States while SALT is still pending. Such uncertainty on tactics has resulted in numerous delays of the Chartists' trial.

According to the latest reports, the Czechoslovak authorities have decided to stage two separate trials. The 10 dissidents face the charge of "subversion"—that is how the Czechoslovak Government defines the human rights work of the Chartists. On October 22, Jiri Dienstbier, Vaclav Havel, Peter Uhl, Otta Bednarova, and Dana Nemcova will stand trial for 5 days. The trial of the remaining five Chartists has yet to be scheduled.

Although the East German authorities have not seen fit to rescind their repressive new legal code, they have released from prison two prominent dissidents, Rudolf Bahro and Nico Huebner, early. Both men and their families are now in the West.

In the U.S.S.R., the Moscow Helsinki Group announced at a press conference that it fears a repetition of the wave of arrests which took place in 1977. Members of the group have been given official warnings to stop their "subversive" activities, while others have been subject to house searches and job dismissals. The international outcry at the fate of various Soviet dissidents has not deterred the Soviets from arresting more members of the Soviet Helsinki groups in Armenia and the Ukraine. There has also been a recent rash of trials of workers involved in organizing independent labor unions.

As the Helsinki signatories begin to prepare for the 1980 Madrid Review Conference, we must note such violations of the Helsinki Accords. In this connection, the Commission on Security and Cooperation in Europe—of which I am the cochairman—is keeping track of the pluses and minuses in the human rights records of the 35 countries which signed the Final Act at Helsinki. This record should prove invaluable as the Commission and the Department of State prepare for the Madrid Conference.

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## SOVIET IMPRISONMENT OF RAOUL WALLENBERG

Mr. PELL. Mr. President, I have long been interested in the case of Raoul Wallenberg, the gallant Swedish diplomat who rescued so many Hungarian Jews during World War II, only to be kidnaped by Soviet soldiers when they conquered Budapest.

Since that time, for all intents and purposes, he disappeared into the Soviet prison maw. The Soviet Government has denied repeatedly that he is alive in spite of the fact that there are many, many reports concerning him from a variety of people who were his neighbors in Soviet prisons.

This is, I believe, a human rights question that should be resolved. The Soviets have been asked repeatedly for fuller information concerning Raoul Wallenberg and, most important, to give him his freedom if, as many of us believe, he is alive.

In this connection I commend to my colleagues the speech delivered by the Swedish Ambassador to Canada, Per Anger, a few days ago in the Mansfield Room, just off the Senate floor.

I ask unanimous consent that the text of this speech be printed in full at this point in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

### Speech by Per Anger

Senator Moynihan, distinguished Members of the Congress, ladies and gentlemen: I am very honoured to be here today and I wish to express special thanks to Dr. Strauss and the Swedish-American Cultural Union for having invited me to talk to you on a subject which is very close to my heart, namely the Raoul-Wallenberg-affair. It is close to my heart because Wallenberg became a very close friend of mine and because I had the great privilege of cooperating with him during his rescue operations for the Hungarian Jews during the war.

For most people in the world of today, the mention of Hungary has evoked pictures of the revolution in October 1956, Russia's intervention and escaping refugees. The tendency to remember more vividly later events is of course natural and I feel that very strongly myself being involved also at that time in Vienna for the work for the Hungarian refugees. But one should never forget that the communist horrors were preceded towards the end of World War II by the terrible and ruthless actions undertaken by the German and Hungarian Nazis with the purpose to exterminate around 800,000 Hungarian Jews. Their plight was recently called to public attention by the film Holocaust.

The fatal date for the Hungarian Jews was to be March 19, 1944, the day when the Germans occupied Hungary to force her to fight more whole-heartedly on the eastfront against the Russians and to solve, once and for all, the Jewish question, to use the German terminology. To assist the Hungarians in this task, Eichmann and his group arrived in Hungary. New regulations concerning the Jews were introduced which were a premonition of things to come. Step by step the Jewish population in Hungary was deprived of all civil rights. It was prescribed that all Jews should wear a yellow star on their breasts. Omission was punished with imprisonment or death penalty. I will never forget how on one morning in March, 1944, when walking to my office in Budapest, I found every third or fourth person I met in the street wearing that yellow star on his breast as a sign of belonging to a race doomed by the Nazis to perish. This was the first sign which after the Nazi occupation of Hungary indicated what was going to happen to the Hungarian Jews. Some of the people I met tried for a while to hide the star with a parcel or a handbag, but it was at the risk of severe punishment. Others were too proud to be seen out-of-doors, and others wore them with the resignation of thousands of years of suffering. When I witnessed this, I thought that never had humanity sunk deeper in shame and dishonour, but this was only the first step. The property of the Jews was confiscated, and they were not allowed to have any professions. They were forbidden to visit restaurants and cinemas. They were not allowed to sit in the parks nor to ride in automobiles and trains. They were little by little concentrated in special houses or camps bearing the same yellow star. They were not allowed to be out-of-doors. Their suffering worsened day by day in a perpetual crescendo. Finally, ghettos were established which was the last step before the deportation to the gas chambers in Auswitsch and Birkenau.

In the beginning of the summer all the 600,000 Jews living in the Hungarian countryside were liquidated. Eye witnesses, who came to the Embassy, gave authentic descriptions of what happened in the different parts of Hungary.

The deportation of the around 200,000 Jews in Budapest had not yet started and the neutral embassies were besieged by masses of Jews who anticipated what was going to happen and pled for help. The reception room in our Embassy, where I was working as a young attaché at that time, was crowded with people seeking help and they were standing in line far out in the street. Our chances of helping were, however, very slim. From the strictly legal point of view, the Embassy could not take action except for Swedish citizens and the citizens of those countries whose interests Sweden was protecting during the war. Nevertheless, something had to be done, and quickly, for every day the plight of the Jews worsened. In the beginning we issued temporary passports—really a travel document which under certain circumstances could be given to persons other than Swedish citizens. Now we gave those documents to persons with special connection with Sweden, either a family connection or business transactions. The temporary passports actually didn't offer any protection in the beginning, but eventually the Embassy, after negotiations with the Hungarian authorities, was successful in arranging to have the holders of such passports treated as Swedish citizens who were not forced to wear the yellow star. In this way they were able to avoid interment and deportation. In order to keep the value of the passports from diminishing through inflation, we were forced to limit the number of them. Instead we had to think up other solutions.

We started to issue certificates for those Jews who had applied for Swedish citizenship or for those who had been granted Swedish entry visas declaring those people to be under our protection till they were able to leave for Sweden. A completely illegal document but we were encouraged by the fact that the generally uneducated Nazi-functionaries were often impressed by the certificates and thus refrained from arresting the holder.

We were working day and night to help. But we were only a handful of people at the Embassy and we also had other tasks to perform. We therefore asked for more staff from Stockholm. That request coincided with the negotiations in Stockholm between the Ministry for Foreign Affairs on one hand and the American War Refugee Board, World Jewish Congress and the American Embassy on the other hand concerning sending a Swede to Budpaest to start a rescue-action for the Hungarian Jews.

This task was entrusted to Raoul Wallenberg. He belonged to the well-known Wallenberg banking family. After graduating as an architect in the United States he became a businessman in Stockholm with much of his business in Hungary.

Nobody could be better suited for the task than Raoul Wallenberg. He was a most able negotiator and organizer, unconventional, inventive and courageous. He was talented in languages and he knew Hungary. At heart he was a great idealist and a very warm person.

Wallenberg was given full diplomatic status by the Swedish Government and was appointed First Secretary to the Swedish Embassy in Budapest. I received him there when he arrived in July 1944. His equipment was somewhat unusual for a diplomat. He wore a windbreaker, a rucksack, a sleeping bag and a revolver. "The revolver is only to give me courage," he said in his usual joking manner.

I gave him a briefing of the situation and showed him the different certificates we had issued. It was then he got the idea to change them into what was called protection passports in the Swedish colours with the three crowns as emblem and signed by the Ambassador, a document which was going to save thousands of Jews.

Wallenberg now took over the relief-work for the Jews and his activities were mainly financed by War Refugee Board in Washington which transferred to him large sums of money through the US Embassy in Stockholm. A special division of the Embassy was founded with Wallenberg as chief and with primarily voluntary Jewish personnel. His work expanded as time went by. Several offices were established in different parts of the city and his staff consisted of approx. 400 persons.

After difficult negotiations, Wallenberg reached an agreement with the Hungarian Government that the holders of the protection Passports should not be deported. They were allowed to live in special houses which the Embassy rented on the Pest-side in Budapest—the so called Sweden Houses pending the departure for Sweden. The number of passports which were approved by the Hungarian authorities was 5,000.

The departure for Sweden became, however, an illusion as the Germans refused to permit transit through Germany.

As time went on, more and more Jews were transferred to these houses without the knowledge of the authorities. The total number of Jews saved in this manner was soon doubled, or approx. 10,000–15,000 persons. Even other foreign embassies—the Swiss, Spanish, Portuguese and the Pope's representative followed our example and issued the same kind of documents, so soon the total number of holders of these passports was close to 50,000.

On the 10th of October 1944 the Hungarian Nazis with German help overthrew the Government, which, although pro-German, was much too moderate in their opinion. After this happened, the increasing persecution of the Jews simply defied description. At night we could hear the shots from machine-guns, when the Jews, after having been robbed of even their clothes, were shot and thrown into the Danube. But the Russian armies were approaching, and in order to liquidate as many Jews as possible in the time that remained, the Nazis adopted a method which broke all records as far as cruelty and unmerciful treatment was concerned. Thousands of persons were seized where they were, women in high-heeled shoes and men without overcoats, and were made to walk 150 miles to Hegyeshalom, the outpost at the Hungarian-Austrian border. This solved, for the Nazis, the problem of transportation. It took over a week to cover this distance in the bitter cold and snow, without food and shelter and rest. It was very difficult for the Embassy to take any measures to rescue these people. Only if any of them had Swedish "protection passports" was it a chance to have them returned to Budapest.

One of the first days in December, Wallenberg and I drove along the road where the Jews were marching. We passed these miserable throngs of people, who looked more dead than alive. Ashen-faced, they stumbled along, driven by the blows of the soldiers' rifle butts. Many fell during the march, and the road was lined with corpses. Our automobile was loaded with food, which we distributed despite orders not to, but it was only a small help. At Hegyeshalom we saw the survivors turned over to a German SS-officer who counted them as if they were cattle. The Hungarian officer got a receipt that everything was in order. Before they were turned over, we succeeded in saving some who had Swedish "protection passports" and some by sheer bluff.

It now became increasingly difficult for the Embassy to continue its work. Almost every day armed Hungarian Nazis pushed their way into offices and premises which were under the Embassy's protection, robbed the supplies and tried to remove the personnel. We were on the alert day and night, and time after time we had to band together in order to protect ourselves from the attacks of the Nazis. Most of the time we were able to bluff and threaten them into leaving.

At the Embassy we knew that time was running out on us. Would we be able to hold on until the Russians came? How many times did we ask ourselves that question?

The Swedish Government had at this time given us a free hand to decide if we would prefer to leave Hungary or stay on. We knew, however, pretty well that the longer we stayed fighting for the people under our protection the smaller the chances would be for the Nazis to get time to liquidate them. According to the information we had, the Nazis had planned to blow up the Sweden Houses where all the thousands of people under Swedish protection were accommodated, at the same moment we left the country. So our decision was to fulfil our duty and say on.

What happened then is a long and harrowing story which would take too long to go into. At Christmas, 1944, the Embassy was attacked by the Hungarian Nazis, but we all managed to escape in one way or another and were forced to live underground for a couple of months during which time the town was violently bombed and attacked by the Russians. After heavy fighting in the streets the Soviet troops finally conquered the town and most of the Jews under our protection, as well as we ourselves, managed to survive. The members of our Embassy were first interned for a couple of months by the Soviets and then transported on a long way home to Sweden via the Soviet Union. With one exception though, Raoul Wallenberg.

The last time I saw Wallenberg in Budapest was on the 10th of January, 1945. He came for a short visit and I remember reminding him once again of the extremely dangerous position he was in, and advised him to move over with us on the Buda-side, his offices being on the Pest-side. The Hungarian Nazis were especially at this point hunting for him, and he risked great danger in continuing his charity work. But he turned a deaf ear to this. I remember that on this occasion we were out on a special mission together. We had the impression that the bombs rained on us during the journey. We had to stop our car constantly because the road was blocked by dead people, horses, trees and demolished houses, but Raoul Wallenberg never flinched in the face of danger. I asked him if he wasn't frightened. "It is gruesome sometimes", he said, "but for me there is no other choice. I have taken this responsibility upon myself, and I could never return to Stockholm unless I knew that I had done everything in human power to save as many miserable people as possible." And he did everything. He was indefatigable in saving Jews from deportation. How many did he actually save? On that question is difficult to give a clear cut answer. I witnessed when he stopped the deportation of in all many thousands at the railway stations, at the Sweden Houses and during the deathmarches to the Austrian border. The Nazis were often taken by surprise by his firm action. Officially he acted for the holders of Swedish protective passports but through bluff he managed to save many others at the same time. To reach his goal he used all means. He bribed the Nazis, he threatened them, he flattered them. But his greatest contribution was not through this kind of personal interference. It was as negotiator he reached the greatest results. He was the driving force behind not only our agreement with the Nazis about their acceptance of the protection passports but also behind the other embassies similar arrangements.

But he didn't only save 15,000 holders of those passports living in the Sweden Houses. He went further. The last days before the Soviets were to attack Budapest the Hungarian Nazis, the so called Arrow Cross people had decided to massmurder the 70,000 Jews who were confined to the general ghetto in the city. Wallenberg learned about the plans and sent a message to the German general named Schmidthuber to stop the attack on the ghetto. Otherwise Wallenberg would see to it that Schmidthuber would be hanged as war criminal after the war and the General stopped the action. The mere presence of Wallenberg was enough to put a restrain on the Nazi-actions. He became as one author puts it "the observing eye of the world who constantly held the Nazis responsible for their crimes".

Now the question you ask is—What happened to Wallenberg?

The Russians informed the Swedish Government on January 17, 1945, that they had found Wallenberg and that he was under their protection, but on the Swedish repeated inquiries why he didn't return to Sweden like the other members of the Embassy, including myself, we only received evasive answers. Not until 1947 did we get a more definite reply saying that Wallenberg was not in the Soviet Union and that he was unknown to the authorities there.

A few years afterwards, however, we managed through returning prisoners of war, to trace Wallenberg to the Lubjanka-prison in Moskow. The Swedish Government's request to the Soviet authorities to release him was however met in 1956 with the answer that he died in that prison in 1947. But it didn't take long thereafter till new witnesses reported about contacts with Wallenberg in other prisons in the Soviet Union and so it has been going on for all the years. The Soviets have always denied the truth of these witnesses and constantly referred to the answer once given that Wallenberg died in 1947. As late as in 1978 a Polish Jew—Kalinsky—who spent many years in Soviet prisons, told us that Wallenberg had been seen in different prisons in the fifties, sixties and seventies. Another witness, a Soviet Jew—Kaplan—has stated that as late as 1975 he met a Swede in the Botyrka-prison outside Moscow who had been in Russian prison for more than 30 years and who could be no other than Wallenberg. The Swedish Government has looked very seriously into the matter but its interventions in Moskow in January and August this year have been met with the same negative answers, namely that the Soviets have nothing more to add to their previous statements that Wallenberg is dead.

Now, why did the Soviets imprison Wallenberg?

Well, one theory is that they suspected him to be a spy. First of all it wasn't to his credit to have helped the Jews. That was only a pretext, they thought, for something else. He had received American money, he was consequently an American spy. That the Americans and the Russians had been allies during the war was of no importance in the atmosphere of the beginning cold war.

The Russians suspicions increased when Wallenberg moreover declared that he intended to stay in Hungary after the war to support the Jews to get settled after their sufferings and to form an organization with that purpose and so Wallenberg was brought to the Lubjanka-prison in Moskow.

He was questioned and tortured, but the Russians couldn't get the important information from him they wanted because he was no spy. The Russians in their suspiciousness might still not believe that they arrested an innocent man.

Wallenberg's fate has preoccupied the Swedes during all these years and we now share our concern with strong groups all over the world, in this country, in Britain, in Canada, in Israel and so forth.

It has become a question of decency, a legitimate claim to learn what happened to a man who on an official Swedish mission saved tens of thousands of lives and if he is still alive, which we believe, to get him back to Sweden.

We Swedes have the right to demand this and so have all those he saved as well as all men in this world who are fighting for human rights.

Thank you.

### PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I believe that after the two leaders or their designees have been recognized on tomorrow, Mr. TSONGAS will be recognized for not to exceed 15 minutes. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, the Senate will take up the Department of Defense conference report on tomorrow, S. 428, and any other matters that may be cleared in the meantime.

### RECESS UNTIL 1:30 P.M. TOMORROW

Mr. PELL. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 1:30 p.m. tomorrow.

The motion was agreed to; and 5:57 p.m. the Senate recessed until tomorrow, Tuesday, October 23, 1979, at 1:30 p.m.

### NOMINATIONS

Executive nominations received by the Senate October 22, 1979:

UNITED NATIONS

William J. vanden Heuvel, of New York, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

NATIONAL TRANSPORTATION SAFETY BOARD

George Herbert Patrick Bursley, of Maryland, to be a member of the National Transportation Safety Board for the term expiring December 31, 1984 (reappointment).

### CONFIRMATION

Executive nomination confirmed by the Senate October 22, 1979;

DEPARTMENT OF STATE

Robert Krueger, of Texas, to be Ambassador at Large and Coordinator for Mexican Affairs.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

## HOUSE OF REPRESENTATIVES—*Monday, October 22, 1979*

The House met at 12 o'clock noon.

Rev. Edward G. Latch, D.D., former Chaplain of the House of Representatives, offered the following prayer:

*They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; they shall walk and not faint.*—Isaiah 40: 31.

Almighty God, in whose presence our anxious spirits are quieted, our tense minds become rested, and our worried souls find peace, we wait upon You in this moment of prayer seeking a renewal of our strength, a restoration of our patience, and a reawakening of our faith.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In these times of trial and trouble, during these periods of stress and strain, we need the guidance of Your spirit and the power of Your presence. Give them to us as we pray that we may lead our people and our Nation in the paths of peace with liberty and justice for all.

Bless all who work under the dome of this Capitol. May Your spirit dwell richly in their hearts as they carry their responsibilities, do their duties, and direct the affairs of our beloved land. With the faith of our Founding Fathers may we fly the flag of freedom, of peace, and of justice forever and ever and ever. Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments a bill of the House of the following title:

H.R. 4930. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4930) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes," disagreed to by the House; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Robert C. Byrd, Mr. Hollings, Mr. Bayh, Mr. Johnston, Mr. Huddleston, Mr. Leahy, Mr. DeConcini, Mr. Burdick, Mr. Durkin, Mr. Stevens, Mr. Young, Mr. Hatfield, Mr. Bellmon, Mr. McClure, and Mr. Laxalt to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1157) entitled "An act to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Kennedy, Mr. Metzenbaum, Mr. Bayh, Mr. Baucus, Mr. DeConcini, Mr. Thurmond, Mr. Mathias, Mr. Cochran, and Mr. Dole to be the conferees on the part of the Senate.

### OVERINFLATION IS BEING CAUSED BY EXCESS GOVERNMENT SPENDING

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, I would like to call to the attention of this body the fact that inflation in this country is still running rampant, and this unbearable overinflation is caused by excess Government spending.

Over the last 6 years this Congress has been on a hell-bent-for-leather spending spree that has almost doubled the Federal budget in just 6 years and increased the national debt by more than 80 percent in that same 6-year period; and we wonder what in the world we were doing in the other 196 years of the history of this Congress and this country.

Mr. Speaker, in the beginning of the year when this Congress enacted the first concurrent budget resolution, which establishes a ceiling, we brought in a deficit of only $22 billion. By that resolution we were able to cut the annual deficit by about $9 billion.

All of the Members of the Congress rushed home and told their constituents what a fantastic job they were doing by cutting the deficit. They were going to deal with overinflation that is breaking the backs of the American people. What happened? Just 2 months later, we came back in, and we adopt the final continuing budget resolution, which does away with the cuts that we made; and we increased it back up to almost $30 billion.

Mr. Speaker, we are not dealing with overinflation that is breaking the backs of the American people. The Congress is continuing to print what I call counterfeit money thereby adding fuel to the fire of rampant inflation.

When oh when will this Congress ever learn to be fiscally responsible. I guess it will not until the American voters elect a Republican majority to this House.

### CONGRESSIONAL PAY RAISES SHOULD BE DEFERRED UNTIL NEW SESSION OF CONGRESS

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute.)

Mr. O'BRIEN. Mr. Speaker, no matter how you feel about the recent cost-of-living adjustment or how you voted on the legislation, I think that after what we have experienced in the past few weeks you will agree with me that the system by which we receive these periodic increases should be changed. As the law stands now, we are responsible, indirectly or directly, for every raise in pay that we may receive annually through the appropriations process.

During the sometimes heated debate that took place while this matter was considered, the chairman of the House Committee on Post Office and Civil Service, the gentleman from New York, gave the cogent argument that this is something that should be handled legislatively and not through the appropriations process. I readily agree. Accordingly, I am introducing a bill that would defer all congressional pay raises and cost-of-living adjustments until the beginning of the Congress that follows the increase. As I stated several times during the debates on the subject, I do not believe that we should take it upon ourselves to adjust our own pay during the term for which we were elected.

By deferring any raises that we are accorded under present law, we would allow the employers of each Member, his constituency, to have a say in the matter. I also believe that this action will defuse what we have all come to realize is a very volatile issue. With the passage of this legislation we can put behind us the turmoil that we have just experienced and effectively lay to rest any concern that the "donnybrook" of 2 weeks ago will be an annual exercise. I urge the support of my colleagues for this bill and invite all Members to join me in cosponsoring this legislation.

### SECRETARY'S DELICATE PALATE LED TO INDIGESTIBLE ADMINISTRATIVE ACTION

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, it must be reassuring to the restaurant owners of America to know that a genuine gourmet heads the Department of the Interior, but it is a situation not without complications.

The Secretary's delicate palate led to an indigestible administrative action. He still is swallowing hard following his sudden about face on the job status of a Department scientist. The scientist committed a culinary gaffe when he had the temerity to protest the offering of rattlesnake meat at one of the Secretary's favorite restaurants.

It was an excessive penalty which in all likelihood would have been overturned under provisions of the 1978 Civil Service Reform Act.

Although the Secretary beat a hasty retreat in this serpentine saga, he was not routed. The restaurant owners know they have a friend. They view him as a man of decisive action, a man who thinks earnestly about his dinner. They know they can prepare menus which feature noodle deerburger casserole, grouse a la caraway, smothered squirrel, fried muskrat, opossum and chestnuts, and barbecued beaver. If one of those items happens to run afoul of the endangered species list, the Secretary probably will grant one of his favorite restaurants an exemption.

### PRINTING AS HOUSE DOCUMENT PROCEEDINGS OF WORKSHOP ON CONGRESSIONAL OVERSIGHT

Mr. WRIGHT. Mr. Speaker, I send to the desk a resolution (H. Res. 462) authorizing the printing as a House document of the transcript of the proceedings of the Workshop on Congressional Oversight, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 462

*Resolved,* That the transcript of the proceedings of the Workshop on Congressional

Oversight shall be printed as a House document. In addition to the usual number, there shall be printed for the use of the House such number of copies of the transcript as does not exceed a cost of $1,200.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b)(1) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

All such rollcall votes if postponed, will be taken on Tuesday, October 23, 1979.

## AIRPORT AND AIRWAY DEVELOPMENT ACT

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2440) to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970, as amended.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the last sentence of paragraph (2) of subsection (b) of section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714) is hereby repealed.

SEC. 2. Paragraph (4) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 is amended by striking out "$85,000,000 for fiscal year 1980." and inserting in lieu thereof "$98,000,000 for fiscal year 1980.".

SEC. 3. Notwithstanding any automatic market entry provision of the Airline Deregulation Act of 1978, or any other provision of law, no common carrier operating in interstate commerce may perform regularly scheduled commercial flights in interstate commerce into or from a satellite airport lying within 20 miles of a major regional airport where the major airport is operated under the direction of a regional airport board and where the satellite airport is operated under the direction of a municipality and where the proprietors of such satellite airport and such regional airport board have determined that the public interest and aviation safety of the region are best served by closing said satellite airport to all commercial interstate traffic.

SEC. 4. Part II of the Airport and Airway Development Act of 1970 (49 U.S.C. 1711 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 31. Notwithstanding any other provision of this title, no airport development project involving the construction or extension of any runway may be approved by the Secretary at any general aviation airport located astride a line separating two counties within a single State if, before the submission of such project to the Secretary, such project has not been approved by the governing body of any village incorporated under the laws of that State which is located entirely within five miles of the nearest boundary of such airport.".

SEC. 5. (a) Paragraph (1) of section 902(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(l)(1)) is amended to read as follows:

"(1) With respect to any aircraft in, or intended for operation in air transportation or intrastate air transportation, whoever—

"(A) while aboard, or while attempting to board such aircraft has on or about his person or his property a concealed deadly or dangerous weapon which is, or could be, accessible to such person in flight;

"(B) has placed, attempted to place, or attempted to have placed a loaded firearm aboard such aircraft in baggage or other property which is not accessible to passengers in flight; or

"(C) has on or about his person, or who placed, attempted to place, or attempted to have placed aboard such aircraft any bomb or similar explosive or incendiary device; shall be fined not more than $1,000 or imprisoned not more than one year, or both.".

(b) Paragraph (3) of section 902(l) of the Federal Aviation Act of 1958 is amended—

(A) by striking out "This subsection" and by inserting in lieu thereof "Paragraph (1) (A) of this subsection";

(B) by inserting "officers or employees of" before "the Federal Government"; and

(C) by inserting "(other than loaded firearms)" after "persons transporting weapons".

(c) Section 902(l) of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new paragraph:

"(4) For purposes of this subsection—

"(A) the term 'firearm' means any starter gun and any weapon which is designed to or has been converted to expel any projectile by the action of an explosive; and

"(B) the term 'loaded firearm' means any firearm which has a cartridge, a detonator, or powder in the chamber, magazine, cylinder, or clip of such firearm.".

The SPEAKER. Is a second demanded?

Mr. SNYDER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. JOHNSON) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. SNYDER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. JOHNSON).

□ 1210

Mr. JOHNSON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2440 authorizes important airport development programs which will insure the continued development of a safe airport system to handle the increased traffic resulting from airline deregulation.

The 5-year airport development program which we authorized in the Airport and Airway Development Act of 1976 included approximately $207 million in discretionary funding programs for fiscal year 1980. However, the 1976 act prohibited——

### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ZABLOCKI). The Chair would like to state there will be no disburbance in the gallery. You are the guests of the House. We wish you would act accordingly.

The gentleman from California.

Mr. JOHNSON of California. However, the 1976 act prohibited release of the fiscal year 1980 discretionary funds until additional legislation was passed. The purpose of this requirement was to insure that there would be an interim review of a major portion of the ADAP program before it expired. The Public Works Committee has conducted this review and has concluded that full funding of the 1980 discretionary programs is essential to permit needed development at airports of all sizes, including air carrier airports, commuter service airports, reliever airports, and general aviation airports.

Our committee report directs that at least $25 million of the authorized funds be spent for airport development at commuter service airports. At least this level of funding is needed in view of the expanding role of commuter airlines and commuter service airports following airline deregulation.

H.R. 2440 also authorizes an additional $13 million from the Airport and Airway Trust Fund for the development of general aviation airports. This authorization will play an important role in furthering aviation safety. Following the tragic midair collison in San Diego in September 1978, the FAA Administrator announced a new program which will provide an additional $13 million in fiscal year 1980 for development of reliever airports in congested metropolitan areas. The San Diego collision occurred because the reliever airport in the area was not equipped for instrument takeoffs and landings, and general aviation pilots were required to practice these maneuvers at the air carrier airports. The FAA program to upgrade reliever airports will help prevent another tragedy.

The committee wholeheartedly supports the FAA's program. However, to be sure that the added funding for reliever airports does not prevent needed development at other airports, we have authorized an additional $13 million for development at general aviation airports.

The committee's motion to suspend also includes a committee amendment with three parts:

Part 1 of the amendment deals with interstate air service at satellite airports in certain situations. Upon completion of this statement, I will yield to the distinguished majority leader who will elaborate on the background and purpose of this part of the amendment.

Part 2 of the amendment prohibits further development of any general aviation airports which are located astride a line separating two counties unless the governing body of any village that is located within 5 miles of such airport grants its approval.

Part 3 of the amendment adds a provision to the Federal Aviation Act establishing criminal penalties for placing loaded firearms in baggage checked on airlines. This provision will help prevent a recurrence of the tragedy in which an airline baggage handler was killed when a loaded firearm in checked baggage accidentally went off. This provision was included in the antiterrorism bill recently reported by the Public Works

Committee. It is supported by the airlines, airline labor groups, and the Federal Aviation Administration. No objections to this provision have been raised.

Mr. Speaker, H.R. 2440 will make a major contribution to the development of a safe airport system for the 1980's. I urge my colleagues to join me in passing this needed legislation.

Mr. SNYDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as we have heard, adoption of H.R. 2440 is essential to assure that full funding is provided for the airport development aid program (ADAP) in fiscal year 1980. The money which will be authorized by this legislation is commonly referred to as the discretionary fund since it is distributed to various airports at the discretion of the Secretary of DOT. If this measure is enacted, approximately $150 million will be distributed to airports serving certificated carriers, $25 million to commuter service airports, $28 million for reliever airports, and $17 million to general aviation airports, for a total of $220 million. This amount represents approximately one-third of the total amount which will be spent in fiscal year 1980 to assure that all of our Nation's airports will continue to provide the highest degree of safety in air transportation. Obviously, since both commercial and general aviation traffic is rapidly increasing as a result of airline deregulation and other factors, the fiscal year 1980 discretionary authorization is crucial.

This will insure that money is provided to carry out such important safety projects as runway extension and construction, the installation of approach, runway and taxiway lighting, the lighting and marking of airport hazards, and the purchase of essential security equipment required by the FAA to prevent hijacking and other crimes against civil aviation.

Of particular significance in this legislation, Mr. Speaker, is the increased minimum funding levels which the Public Works and Transportation Committee intends be spent for commuter service airports and reliever airports as specified in the committee's report. As many of my colleagues are aware, the need for increased funding at these airports is paramount. The San Diego midair collision of last year was a tragic example of what can result when general aviation and air carrier aircraft are compelled to use the same airport because adequate reliever airports do not exist. The FAA has responded to this situation by announcing its intent to spend an additional $13 million for reliever airports in fiscal year 1980—for a total of $28 million. This additional amount will come out of the moneys authorized for general aviation airports. However, to assure that this does not adversely affect other general aviation airports, H.R. 2440 increases the total general aviation airport authorization by $13 million from $85 million to $98 million. Because of the urgent need to both improve facilities at existing relievers and develop new airports, it is absolutely essential that the FAA obligate all of this money authorized in fiscal year 1980.

In addition, H.R. 2440 contemplates that in obligating these discretionary funds, the FAA will increase the minimum amount for commuter service airports from $15 to $25 million. Such an increase is required primarily because commuter air carriers, in the year since passage of the Airline Deregulation Act, have been rapidly expanding into markets previously served by certificated carriers. Unfortunately, we have found that many airports which serve commuters are not adequate to meet the demands of increased commuter traffic and will be hard-pressed to provide an equivalent level of safety to that provided by airports serving the certificated carriers. Since commuter service will continue to grow by leaps and bounds in the months and years ahead, it is imperative that we assure that this growth is accomplished in a safe and orderly manner.

The committee amendment to H.R. 2440 corrects one of the deficiencies in existing law requiring that communities located within 5 miles of certain general aviation airports approve all applications for Federal funds involving the construction of new runways or the improvement of existing runways. It would apply only to those general aviation airports which are physically located in more than one political subdivision and insures that citizens of both such subdivisions have a voice in deciding whether aircraft operations should be increased. It should be pointed out that this provision was contained in last year's airport and aircraft noise reduction bill (H.R. 8729), which passed the House on September 14, 1978, and in this session's Aviation Safety and Noise Reduction Act (H.R. 3942) which was reported out of the Committee on Public Works and Transportation on May 13, 1979.

The committee amendment to H.R. 2440 also contains a prohibition against interstate commercial aircraft operations into satellite airports located within 20 miles of a major regional airport where the airport operators of both airports have determined that the public interest is best served by closing the satellite airport to such operations.

Finally, the committee amendment to H.R. 2440 provides for a criminal penalty for anyone placing a loaded firearm in checked airline baggage. There have been instances in which airline employees have been killed or seriously injured when loaded firearms discharged while baggage was being handled. By providing for a maximum penalty of 1 year imprisonment and a $1,000 fine, it is hoped that this section will serve to prevent such tragedies from occurring in the future. This provision was also included in H.R. 2441, a bill to combat international terrorism, which was reported by the Committee on Public Works and Transportation on September 11, 1979.

Mr. Speaker, when Congress passed the 1976 amendments to the Airport and Airway Development Act, it included a provision which necessitated that a thorough evaluation of this program be conducted before any discretionary funds could be authorized for use in fiscal year 1980. Having participated in this evaluation as ranking minority member of the Subcommittee on Aviation, I have found that there is a most urgent need for these funds to be spent. As the effects of airline deregulation continue to spur increased traffic at our Nation's airports, the Congress faces a challenge to assure that safety is not compromised and that the traveling public will continue to have confidence in our air transportation system as the safest in the world. While our committee is now considering legislation to continue the airport and airway program for the fiscal years 1981–85, it is important that Congress enact H.R. 2440 so that needed improvements for our Nation's airports can continue to be made in the year ahead.

I urge my colleagues to join with me in supporting H.R. 2440.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I thank the gentleman from California for yielding. I take this time simply to comment briefly in regard to one amendment that is being offered to this bill in the form of a committee amendment.

This amendment has been made necessary by an unfortunate ruling of the Civil Aeronautics Board under which that agency determined that in adopting the Airline Deregulation Act of 1978, Congress had foresworn any right of any local community to determine what kinds of flights should land at which airports. Obviously we did not intend that. In the case before the Civil Aeronautics Board, Southwest Airlines was permitted to bring interstate flights into Love Field, which had been closed by the city of Dallas, which owns Love Field. Under the plan of the Regional Airport Development Board it had been determined that all interstate flights serving the Dallas-Fort Worth market should enter at Dallas-Fort Worth airport. And it was described as potentially unsafe by the Regional Administrator of the FAA for interstate traffic to mingle with local small passenger traffic at Love Field.

Notwithstanding all of that, the Civil Aeronautics Board decreed that Congress had intended in the passage of the Airline Deregulation Act, under the automatic market entry provision, to allow any airline to land anywhere its owners decided it should and take on passengers in interstate travel. This would have undone 20 years of hard and arduous work, culminating in a $600 million investment by the citizens of Fort Worth and Dallas.

So this amendment simply declares that Congress does not intend to authorize passenger commercial traffic in interstate commerce to come into Love Field, Tex.

We do not wish Southwest Airlines any harm at all. I wish them well. I hope they have a good future, but I just feel they have the responsibility, if they serve interstate traffic, to land where all of the others have agreed to land, at Dallas-Fort Worth Airport.

Mr. FARY. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Illinois.

Mr. FARY. Mr. Speaker, as the gentleman knows, I am primarily concerned in the revitalization of Midway Airport. This language is a bit confusing to me. The gentleman is referring to section 3. I would like to ask the gentleman from Texas (Mr. WRIGHT): is it his intent that this amendment should not apply to the airports at Chicago, O'Hare, Chicago Midway, or Chicago Meigs Field?

Mr. WRIGHT. The gentleman from Illinois is exactly correct. It is my intention, and in a clear reading of the language, this amendment does not apply and should not apply to either Chicago O'Hare, Chicago Midway, or Chicago Meigs Field. From the exact wording of the amendment itself, it is not applicable to those airports, as they are all administered by the same municipality, the city of Chicago, rather than by separate authority, and because the city of Chicago, according to my understanding, desires for interstate flights to be landed at both O'Hare and at Midway, and I am not certain about Meigs Field.

Mr. FARY. If the gentleman will yield further, this amendment will not in any way eliminate Midway as a satellite or a reliever airport, will it?

Mr. WRIGHT. Under no circumstances would it have that effect. It would simply eliminate scheduled commercial interstate flights at Love Field, Tex. That is the only situation to which the language presently applies.

Mr. FARY. Will the gentleman yield further?

Mr. WRIGHT. I yield to my friend from Illinois.

□ 1220

Mr. FARY. Then, in other words, it will not prevent interstate traffic to move in and out of Midway Airport, Chicago?

Mr. WRIGHT. That is exactly right. This amendment would not prohibit interstate traffic moving into Midway at Chicago. The people of Chicago want interstate traffic at Midway; the city of Chicago, which owns the airport, wants interstate traffic.

The people of the Fort Worth-Dallas Regional Airport Authority and the city of Dallas have decided that they do not want interstate traffic at Love Field. Spokesmen and consultants for the FAA have declared that it is unsafe. In the interest of the safety of our region this amendment is applicable to Love Field and to Dallas-Fort Worth Airport.

Mr. FARY. I thank the gentleman.

Mr. Speaker, I thank the gentleman from Texas (Mr. WRIGHT) for yielding to me. As a member of the Aviation Subcommittee of the Committee on Public Works and Transportation I feel it is very important for me to state for the record that the committee amendment before the House, section 3 of H.R. 2440, is meant to apply solely to Love Field and Dallas-Fort Worth airports. The committee accepted this amendment solely to correct a long-standing misinterpretation of congressional intent by the Civil Aeronautics Board.

In pointing out for the record that this is not in any way meant to apply to Chicago's airports, I am merely trying to make certain that the CAB does not misinterpret any of the terms used in the amendment to the detriment of the Chicago area where, in fact, the Congress has been trying to encourage reliever or satellite airport service from Midway field.

Mr. DERWINSKI. Mr. Speaker, will the gentleman from Texas yield?

Mr. WRIGHT. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, as I understand it, the gentleman's amendment has as its intent to cover this unique situation involving the safety of this field in Dallas, and is not intended to present any new regulatory problems for any flights that otherwise might be intended for Chicago's Midway Airport?

Mr. WRIGHT. The gentleman is absolutely right. The only way in which this could apply to Chicago's Midway Airport would be in case some airline wanted to fly from Chicago into Love Field. That would be prohibited. It would not inhibit them if they wanted to fly from Chicago's Midway into Dallas-Fort Worth Airport.

Mr. DERWINSKI. There is nothing in the amendment that would interfere with the granting or establishment of scheduled flights between Dallas-Fort Worth Airport and Midway or any other airport?

Mr. WRIGHT. That is exactly correct. That is exactly correct.

Mr. DERWINSKI. I thank the gentleman.

Mr. WRIGHT. Mr. Speaker, this simply reinstates what was said very clearly on this floor by Members on both sides of the aisle, Democrat and Republican Members, both sides of the Committee on Public Works and Transportation, when the airline deregulation bill was under consideration last year. There was colloquy on the floor that established the fact that it was not our intention—not our intention—to open Love Field to interstate traffic, but quite the reverse, to keep it closed in the interests of safety and protecting the rights of the local authorities and the interests of the local citizenry.

Notwithstanding that and notwithstanding the advice of the chief counsel of the Committee on Public Works and Transportation and the legal counsel of the Department of Transportation, the Civil Aeronautics Board nevertheless decided that it knew more than Congress did on what Congress intended. That is what made this language necessary.

Mr. Speaker, I appreciate the indulgence and support of the Members.

Mr. SNYDER. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN of Tennessee. Mr. Speaker, I thank the gentleman for yielding. I ask for this time to ask the chairman of the committee a question.

My question is, is the oversight subcommittee of the gentleman's committee doing anything on investigating the loss of service to small communities in this Nation because of deregulation? I find, in talking to my colleagues, that cities of under 500,000 population have lost service as a result of deregulation. My own community has lost service. Congresswoman BOUQUARD of Chattanooga has informed me that Eastern Airlines has pulled out. Senator BYRD of West Virginia recently made a speech on the floor about the loss of service in Charleston, W. Va.

We find that out at National Airport these airlines have so many slots, and instead of running to Nashville or Memphis they go to Chicago or some other large city. I do not think that was the intent of the Deregulation Act when it was passed. I wonder if the chairman would be kind enough to expound on that.

Mr. JOHNSON of California. Mr. Speaker, if the gentleman will yield, I would say that we are going into this both with the investigating subcommittee and the Subcommittee on Aviation. This is not only happening in the middle part of the United States, but it is very prevalent in our own State where one of the largest airline carriers, United, is slated to leave the San Joaquin Valley of California. We are very concerned about this. We have been holding hearings.

Our subcommittee on investigations and review and our subcommittee on aviation are both going into this. We are going to do everything we can to bring about a better situation than we are faced with now.

Mr. DUNCAN of Tennessee. I think it is a very serious problem at this time, because I think a lot of us, if we knew what was going to happen, would not have voted for dergulation to begin with. Just this past week in my home town, United discontinued a flight from Knoxville into Pittsburgh. Now, one has to go to Atlanta to go to Pittsburgh. Not many people want to go to Atlanta.

Mr. JOHNSON of California. We are going to take care of that, I can assure the gentleman.

Mr. DUNCAN of Tennessee. I thank the gentleman.

Mr. JOHNSON of California. Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, one section of the bill we are currently considering is something I have been actively involved in. This section amends the Federal Aviation Act to provide strong criminal penalties for carrying a loaded firearm in checked airline baggage.

Before any of you scratch your heads and wonder why we are legislating something that is seemingly commonsense, let me recount the story of Stephen Killian, an employee of Frontier Airlines. On Thanksgiving eve 1976, Killian, a baggage handler, was routinely transferring baggage to another flight at Denver's Stapleton International Airport. One bag, however, contained a loaded gun which went off, killing him instantly. Because of the absence of State or Federal criminal penalties and the weak civil fines attached to carrying loaded weapons in baggage, the owner of the gun walked away scot-free.

If this was just an isolated incident, the urgency of passing this legislation would not be so important. The fact is, however, that carrying loaded weapons in baggage is more common than many would like to admit. FAA statistics show that, in 1978, 51 loaded weapons were found in checked baggage. The majority of these incidents were in the Rocky Mountain Region, which is understandable given the hunting enthusiasm in the region. The first 6 months of this year produced 29 more loaded weapons.

During the past 3 years, the FAA recorded 15 incidents where weapons actually discharged, including the fatal one in Denver. One injury was reported in St. Louis in 1978 and a gun went off in Seattle in 1975, producing a hole in the aircraft. It is time, then, that we act to protect airline employees and passengers from the poor judgment of others. It is sad when we have to codify commonsense. It is even sadder, though, to have to do this as an afterthought to an incident where commonsense was not used.

The language of the bill makes it impossible for a gun to go off, accidentally or otherwise. A firearm will be considered loaded if a cartridge, a detonator or powder is found in the chamber, magazine, cylinder, or clip of the weapon. Keeping ammunition completely separate from the firearm is the best way I know of to keep it from going off. This is no burden on a gun owner, collector or dealer carrying firearms while traveling. Gun clubs and organizations, as a safety measure, teach the practice of carrying ammunition outside the firearm when it is not in use.

Since the focus is on prevention, implementation of the provision would be easy. Imposing notices displayed at ticket counters would make gun toters think twice and then step out of line to empty their guns. In addition, anyone who issues hunting licenses or permits, or sells guns and ammunition, could easily inform their customers about the new law.

A vote for this bill and this provision is something that will make a lot of people on both sides of the airline ticket counter breathe easier. I urge you to give it your support.

Mr. JOHNSON of California. Mr. Speaker, I have no further requests for time.

Mr. SNYDER. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. ZABLOCKI). The question is on the motion offered by the gentleman from California (Mr. JOHNSON) that the House suspend the rules and pass the bill, H.R. 2440, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

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### GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed, H.R. 2440.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

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□ 1230

## TENNESSEE VALLEY AUTHORITY BONDS

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2686) to amend section 15d of the Tennessee Valley Authority Act of 1933 to increase the amount of bonds which may be issued by the Tennessee Valley Authority.

The Clerk read as follows:

H.R. 2686

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the first sentence of subsection (a) of section 15d of the Tennessee Valley Authority Act of 1933, as amended, is amended by striking out "$15,000,000,000" and inserting in lieu thereof "$30,000,000,000".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. JOHNSON) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. SNYDER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to commend the chairman of the Subcommittee on Water Resources, the gentleman from Texas (Mr. ROBERTS), for the fine job he has done in bringing this bill to the floor. I also wish to extend my appreciation to the ranking minority member of the subcommittee, the gentleman from California (Mr. CLAUSEN) and the ranking minority member of the full Committee on Public Works and Transportation, the gentleman from Ohio (Mr. HARSHA), for the excellent cooperation and assistance they have given in the consideration of this legislation. I want to take a minute here to commend two Members, the gentleman from Alabama (Mr. FLIPPO), representing the majority, and the gentleman from Kentucky (Mr. SNYDER) who were responsible for bringing this bill out and putting it into shape to bring to the floor of the House. They can take the major credit for working this out and bringing it here on suspension today.

Mr. Speaker, I rise in support of H.R. 2686, a bill to increase the bonding authority of the Tennessee Valley Authority from $15 to $30 billion.

I wish to commend the chairman of the Subcommittee on Water Resources for the fine job he has done in bringing this bill to the floor. I also wish to extend my appreciation to the ranking minority member of the subcommittee, the gentleman from California, Mr. DON H. CLAUSEN, and the ranking minority member of the full committee, the gentleman from Ohio (Mr. HARSHA), for the excellent cooperation and assistance they have lent in the consideration of this legislation. I am particularly pleased that the subcommittee and the full committee were able to resolve the issue of the possibility of TVA's expansion of its service area by agreeing to committee report language stating our understanding that no such extension could be achieved under the provision of the Public Utilities Regulatory Policies Act. The report language which was agreed to is as follows:

> Section 15d was added to the TVA act in 1959. It placed the TVA power program on a self-financing basis and confined TVA's area of electric service to the boundary specified in section 15d(a). During hearings, questions were raised about the extent to which the Federal Agency Regulatory Commission (FERC) might have authority under the Public Utilities Regulatory Policies Act (PURPA) to direct TVA to take actions contrary to the prohibitions of 15d(a). The chairman of FERC testified that FERC, under PURPA, has no authority to direct TVA to take any action which would be contrary to any of the provisions of section 15d(a) of the TVA Act. This testimony was concurred in by representatives of the private power companies and by TVA's Board of Directors. In now acting on H.R. 2686 to increase TVA's debt authority under section 15d, the committee adopts this clarification of PURPA as being so limited by section 15d of the TVA Act."

The Tennessee Valley Authority was established as an independent Federal Corporation in 1933. It was given a broad charter to improve the public welfare and the well-being of the people of the Tennessee Valley region. Over the years TVA has more than fulfilled its promise and its responsibilities. It has provided assistance in the areas of flood control, navigation, recreation, economic development, fertilizer development, and agricultural assistance, to name but a few of its achievements. It is perhaps primarily known for its role in the generation of electricity for the region. TVA supplies power for an area of about 80,000 square miles containing nearly 7 million people. Its power program, since 1959, is on a self-sustaining basis. Capital investments in electric generating facilities are financed through the issuance of bonds which are not obligations of or guaranteed by the United States. The bonds are repaid with revenues obtained from the sale of power. The present limit on TVA bonding authority is $15 billion. The increase in this bonding authority provided by H.R. 2686 will enable the construction of generating facilities necessary to meet the needs of the region through the 1990's.

Mr. Speaker, this legislation is needed to enable the Tennessee Valley Authority to meet the anticipated needs of the region it has served so well. It will not result in any cost to the Federal Government. I strongly urge its enactment.

Mr. SNYDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2686 which will increase the debt ceiling imposed by Congress on the amount of bonds which may be issued by the Tennessee Valley Authority. The gentleman from California (Mr. JOHNSON) has already explained very ably the purpose of this legislation and I would like to underscore some of the points in his statement.

As the gentleman from California noted, Congress has imposed a limitation on the debt which TVA may incur in order to obtain capital to improve and strengthen its power system. While Congress maintains control of the TVA program through the limitation procedure, there are no congressionally appropriated funds required for the power program bonds. This procedure was established by the 1959 TVA Self-Financing Act which states that bonds issued by TVA are not obligations of, nor is the principal and interest guaranteed by, the United States. Since the 1959 act, Congress has periodically raised the debt ceiling posed on the Tennessee Valley Authority to reflect the Corporation's need to obtain capital to construct new facilities for the generation of power to meet the growing needs of its service area. Earlier this year, the administration forwarded to Congress a request to increase the current ceiling in order to allow TVA to adequately plan for the economic growth of its service area.

Mr. Speaker, I endorse this request and note that this legislation has a broad base for support, including the utilities which surround the Tennessee Valley Authority. During the hearings by the Committee on Public Works and Transportation a panel of utility representatives stated their support for the increase in the TVA debt ceiling.

However, one issue which was successfully resolved and which might have prevented favorable consideration of H.R. 2686, was whether the Public Utility Regulatory Policies Act of 1978 had in any way impacted on the limitation contained in section 15d(a) of the 1959 TVA Act, which prohibited TVA from marketing power directly or indirectly outside the boundary established in the 1959 act. The concern was raised that under sections 210 and 211 of the PURPA the Federal Energy Regulatory Commission might undertake to compel actions which would have the effect of expanding TVA's power operation contrary to provisions of the 1959 act and to the detriment of the utilities serving adjacent regions.

As a result of those concerns the committee invited the chairman of the Federal Energy Regulatory Commission, the Honorable Charles B. Curtis, to testify before the Subcommittee on Water Resources and present the views of the Commission with respect to this question. I think at this point in the RECORD it would be appropriate to quote from the testimony of Mr. Curtis in order to clarify the relationship between the Public Utility Regulatory Policies Act and section 15d(a) of the 1959 TVA Act. In response to the concerns of the utilities that PURPA might indirectly make possible, through order of the Commission, expansion of the service area of TVA in certain instances, Mr. Curtis stated and I quote:

> I do not believe that the Commission has been given the authority in the Public Utility Regulatory Policies Act to mandate TVA to establish a relationship through interconnection and sale and delivery with an entity other than those entities described in the last paragraph of section 15d, i.e., the named entities and those who had pre-existing arrangements on July 1, 1957, the so-called "grandfathered" entities.

Mr. Curtis went on to state:

> . . . I do not believe that the Commission, on its own motion, or on application, could compel, on the exercise of sections 210 or 211 powers which were given to us under the Public Utility Regulatory Policies Act, could compel TVA to take actions which would have the result of TVA becoming a source of power supply outside the area for which the corporation or its distributors were the primary source of power on July 1, 1957.

Further, Chairman Curtis expressed the conclusion of the Commission that—

> I do not believe we have been equipped with authority to compel TVA to do anything which they could not have done on their own volition. I am confident that we have not been equipped with the authority to compel TVA to violate the limitation on expanding their market or disturbing the competitive balance.

Mr. Curtis further stated that he felt the Commission would benefit by an explanation by the Public Works Committee as to the relationship of PURPA to the section 15d prohibitions, nothing that the committee report would be considered guidance to the Commission. Accordingly, the committee in its report has included the following language which is intended to remove this question once and for all. The statement is as follows:

> Section 15d was added to the TVA Act in 1959. It placed the TVA power program on a self-financing basis and confined TVA's area of electric service to the boundary specified in section 15d(a). During hearings, questions were raised about the extent to which the Federal Energy Regulatory Commission (FERC) might have authority under the Public Utility Regulatory Policies Act (PURPA) to direct TVA to take actions contrary to the prohibitions of 15d(a). The Chairman of FERC testified that FERC, under PURPA, has no authority to direct TVA to take any action which would be contrary to any of the provisions of section 15d(a) of the TVA Act. This testimony was concurred in by representatives of the private power companies and by TVA's Board of Directors. In now acting on H.R. 2686 to increase TVA's debt authority under section 15d, the Committee adopts this clarification of PURPA as being so limited by section 15d of the TVA Act.

Finally, Mr. Speaker, it should be noted here that TVA's Board of Directors concurred in the statements of Chairman Curtis with respect to the absence of effect of PURPA on section 15d of the 1959 TVA Self-Financing Act. Additionally, the Board of Directors has adopted as a formal rule and placed in the Federal Register notice of this action which reaffirms the boundary described in section 15d(a) and TVA's continuing adherence to that requirement, and the formal conclusion of the TVA Board of Directors that the Federal Energy Regulatory Commission does not have authority to order TVA to take any actions which would be contrary to any of the provisions of the 1959 TVA Act. I would like at this point in the RECORD to insert the TVA Board's regulation:

> Statement of the policy: The Board of Directors of the Tennessee Valley Authority adopted the following Statement of Policy on September 20, 1979, as a rule and regulation under the Tennessee Valley Authority Act of 1933, 48 Stat. 58, as amended, 16 U.S.C. 831–831dd (1976):
>
> TVA has heretofore stated and now deems it appropriate to reaffirm that its policy and practice will be to confine its area of electric service to the boundary as fixed by Section 15d(a) of the TVA Act and adopts as its construction of Section 15d(a) of the TVA Act that the Federal Energy Regulatory Commission does not have authority to order TVA to engage in any power arrangements which would be contrary to any of the provisions of Section 15d(a) of the TVA Act.
>
> Dated: October 4, 1979.
>
> W. F. WILLIS,
> *General Manager.*

Mr. Speaker, I believe that with this expression it is clear that the boundary established by the 1959 TVA Self-Financing Act has not been in any way weakened by the enactment of the Public Utility Regulatory Policies Act; nor is the Commission in the PURPA empowered to direct TVA to take any action of any kind which TVA is prohibited, under the provisions of the 1959 TVA Act, from taking on its own volition.

Mr. Speaker, this one issue threatened the successful passage of the increase in the debt ceiling requested by TVA. Recognizing the seriousness of that probability, I think it would be appropriate to compliment the chairman of the full committee, the gentleman from California (Mr. JOHNSON), the ranking minority member, Mr. HARSHA, the chairman of the Subcommittee on Water Resources, the gentleman from Texas (Mr. ROBERTS), the gentleman from California (Mr. CLAUSEN), ranking minority member of the Water Resources Subcommittee, and Congressman FLIPPO for their efforts to bring about the clarification which is reflected in the committee report as I have expressed in these comments. Without their diligence in this respect, it appeared doubtful that we would be bringing this bill to the floor today.

Mr. Speaker, I would like to recommend favorable consideration of H.R. 2686 by my colleagues as a legislative initiative which allows the Tennessee Valley Authority to proceed with the capital improvement program necessary to provide reliable power to the Tennessee Valley Authority service area. This legislation imposes no cost on the Federal treasury which is a remarkable statement about a piece of legislation brought before this body and I urge adoption by my colleagues.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. FLIPPO).

Mr. FLIPPO. Mr. Speaker, H.R. 2686 is a simple, straightforward measure with one purpose: To provide to the Tennessee Valley Authority, a Federal corporation, the authority for borrowing that will be entirely backed up by revenues from users of TVA electric power. No tax revenues will be involved. The revenues that make it possible for TVA to issue the bonds come from the people who buy electricity.

We are not being asked to authorize additional obligations for the Federal Government. We are being asked to update—as has been done on something resembling a 5-year cycle—TVA's authority to borrow money to construct the power facilities necessary to meet electric power needs in the Tennessee Valley region.

The TVA power system has been self-financed since 1959, when Congress converted the financing of TVA power system capital needs from appropriations to revenue bonds guaranteed only by TVA ratepayers and not the Federal Government. The Congress also set a limit on the amount of bonds which can be outstanding. It set a limit, rather than the open-ended authority a private corporation would have, to require TVA's periodic return to Congress for review of its operations and readjustment of that limit. Load growth, to meet the needs of a growing economy, has required TVA to borrow large sums of capital.

Congress last granted an increase in TVA borrowing authority—of $10 billion—in the 94th Congress. If you remove the effects of inflation, the requested increase of $15 billion is roughly equivalent of $10 billion in 1975 dollars, an amount identical to the increase Congress granted in 1975.

The increased funds are necessary for growth within the TVA region. TVA has strictly adhered to the congressional mandate that electric service be limited to the specific area set forth in the 1959 self-financing amendment to the TVA Act.

The responsibility to meet future demands for electric energy is particularly acute in the Tennessee Valley. Compared to other regions, TVA's energy supply depends less on gas and oil and more on electricity from domestic coal and uranium. Sixty-eight percent of all energy sold by TVA is consumed in the commercial and industrial sector. In a very real sense, TVA is the lifeline of the region's economy.

TVA is planning for a prosperous future—a future of strong regional economic growth, electric rates that are no longer a part of double-digit inflation and a new era in which energy is recognized as a vital national resource that is used, but used wisely. A prosperous future assumes a growing demand for electric energy, and TVA must be prepared to meet this demand as it arises with a financially sound and effective power system. How well TVA responds to the energy needs of the Tennessee Valley in the decades ahead is largely determined by the wise and prudent use of all its financial, physical, and human resources. That requires flexibility in planning and financing to meet changing needs.

As a federally owned corporation, TVA has a special, congressionally mandated responsibility to supply the electric energy needs of the region at the lowest feasible cost to the consumer.

Given Congress direction that the power system be self-financed, an increase in the borrowing authority is the only option that permits TVA dependably to provide for the future power needs of the region and to do so at the lowest feasible cost to consumers.

Without additional borrowing authority, construction of new generating facilities needed in the 1990's and a large part of the costs to complete power system facilities now under construction could be financed only from revenue from power sales. Completion of current projects through revenue financing would require an increase in power costs to consumers of about 33 percent. This would cost consumers about $1 billion a year over the next 10 years. Moreover, the financing of additional capacity for the 1990's would require further rate increases, beginning perhaps in the mid-1990's. To raise capital through rate increases rather than borrowing would be highly inflationary, contrary to the Nation's interests and contrary to the mandate of the TVA Act.

The time required for the planning, design, engineering, construction, and licensing of large central generation plants has reached the span of 10 to 12 years, thus requiring the 1980–85—the period for which H.R. 2686 is intended to provide authority—commitments for new capacity shown by load growth studies to be needed in 1990–95.

In examining the future power needs of the region, TVA is looking at a range of alternatives. From this analysis, TVA derived a reasonable basis for proceeding with planning for additional generating facilities subject to changes in the plan as economic and other conditions develop. A "reasonable basis" means that TVA must plan for any contingency that appears likely to happen. In projecting future power needs over the next 20 years, TVA selected the forecast which projected annual growth rates in electricity consumption of 4.6 percent between 1978 and 1990 and 3.8 percent from 1990 to the year 2000. It assumes a high level of economic growth as represented by employment within the TVA region, a moderate amount of substitution of electricity for natural gas, electricity prices increasing no faster than inflation, and TVA's implementing aggressive conservation programs in its service area.

For the TVA Board to make the long-term commitments shown to be necessary by the load-growth studies, it should have on hand at the time it does so the authority to borrow the dollars which ultimately will be required to pay for those facilities.

In conclusion, I reiterate, TVA is not asking the Federal Government for money. TVA is asking for the authority to move forward with plans for the future and the ability to borrow money on TVA's own credit to carry out those plans. The timing of this planning and the capability to act in a timely manner is crucial. Decisions must be made today which will determine the region's power supply for 10 to 15 years hence. This authority is not simply for TVA. In a real sense, it is for the nearly 7 million people of the Tennessee Valley region who depend on TVA for the electricity that supplies their homes and directly or indirectly makes possible most of their jobs.

TVA has demonstrated the wisdom of the self-financing amendment of 1959, as relief to the taxpayers from their burden of support for TVA and as assurance to the valley of a reliable source of power supply. I urge approval of H.R. 2686, which has the bipartisan support of the members from the service area.

I also want to thank the gentleman from California, Chairman BIZZ JOHNSON, the gentleman from Texas, Chairman RAY ROBERTS, from California, Mr. DON CLAUSEN, for the support and encouragement they have provided for this legislation. None of these they have provided for this legislation. None of these gentlemen is from the TVA service area but their dedication to the improvement of the entire country has motivated them in this legislation and in the other matters which come before the House Public Works and Transportation Committee. I express the gratitude of the people of the Tennessee Valley area for their great help in assuring that this important region of the country has adequate supplies of electric power.

□ 1240

Mr. SNYDER. Mr. Speaker, I want to commend the gentleman from Alabama for his eloquent dissertation on behalf of the Tennessee Valley Authority.

Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN of Tennessee. Mr. Speaker, as a cosponsor of the bill before us, I rise to express my support.

Today we are considering legislation that is very important to my State, the region, and the Nation. The Tennessee Valley Authority is requesting that its borrowing authority be increased by $15 billion, so that its self-financed electric power system may continue its successful operation for years to come.

I hasten to point out to my budget-conscious colleagues that we are not considering additional outlays. This increased authority merely allows TVA to borrow for the purpose of operating the TVA power program mandated by the Congress in 1959. Under this program, the TVA power system is paid for entirely by the consumers of TVA power.

To keep pace with the growing demands made on the system, additional construction is made possible by the sale of taxable, AAA rated bonds to the public.

In addition, the Federal dollars originally appropriated to develop the system, are being repaid to the Government under the terms set forth in the 1959 Self-Financing Act. This amounts to $20 million a year, to which can be further added another $75 million a year from TVA consumers in a payment to the Treasury equal to the present cost of money to the Government multiplied by the balance of the appropriations investment.

In the 80,000 square mile area it serves, the Tennessee Valley Authority alone has the responsibility to supply its customers with the electric power they require at the lowest possible cost. Given this obligation, and the requirements I have noted, it is necessary on occasion for the borrowing authority to be increased. This is the third time in this decade that TVA has asked for an increase—an unfortunate testimony perhaps to our inflationary times.

In any event, however, this action is necessary and prudent, and I urge my colleagues to support the bill.

Mr. JOHNSON of California. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Speaker, I rise today in support of H.R. 2686. I think all of my colleagues recognize that inflation has had a major impact on the ability of all utilities and corporations to continue capital improvement projects. The Tennessee Valley Authority has not been spared those impacts. The major difference is that TVA does have a ceiling on the amount of funds they can borrow to finance the expansion and modernization of its power generating system. We are asking today that the $15 billion ceiling under which TVA now operates be raised to $30 billion.

This increase in borrowing authority is needed as TVA goes about the job of fulfilling the requirements of its charter—to develop the Tennessee River Valley, to provide flood control protection, and to develop electric power generation. The TVA has met these mandates in the past and is continuing to do so. The Authority has in various planning stages projects that will improve its power generation system so that it will meet the needs and demands of the future. This increased borrowing authority will be necessary to meet the future needs.

Let me also add that TVA is accepting the challenge of the President in attempting to be a model for the development of energy alternatives and energy conservation programs.

Of course, these types of proposals require large capital investments.

In closing, Mr. Speaker, let me add that TVA has meant a great deal to residents throughout its service area. Its development of the Tennessee Valley has improved the quality of life for all in the area. TVA has not been without its problems but it has responded in a grand manner to its mandated goals. I would hope that my colleagues would support this legislation so that continued improvements in the seven-State region making up the Tennessee Valley will continue to grow and develop.

Mr. SNYDER. Mr. Speaker, I have no further requests for time.

Mr. JOHNSON of California. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. JOHNSON) that the House suspend the rules and pass the bill, H.R. 2686.

The question was taken.

Mr. BUTLER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 436) to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Valley Authority.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 436

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first sentence of subsection (a) of section 15(d) of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. 831n-4), is amended by striking out "$15,000,000,000" and inserting in lieu thereof "$30,000,000,000".

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2686) was laid on the table.

## GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2686, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

## ENERGY POLICY AND CONSERVATION ACT AUTHORIZATIONS

Mr. OTTINGER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4445) to amend the Energy Policy and Conservation Act to authorize certain appropriations for energy conservation programs for schools and hospitals, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4445

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

TWO-YEAR EXTENSION; TRANSCRIPTS

SECTION 1. (a) Subsection (c)(4) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(c)(4)) is amended by adding at the end thereof the following: "Such access to any transcript that is required to be kept for any meeting shall be provided as soon as practicable (but not later than 14 days) after that meeting.".

(b) Subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "October 31, 1979" and inserting in lieu thereof "October 31, 1981".

REPORT

SEC. 2. The Secretary of Energy, in consultation with the Secretary of State, the Attorney General, and the Chairman of the Federal Trade Commission, shall prepare and submit to the appropriate committees of Congress, a report concerning the actions taken by them to carry out the provisions of section 252 of the Energy Policy and Conservation Act. Such report shall examine and discuss—

(1) the extent to which all, or part, of any meeting held in accordance with section 252(c) of such Act to carry out a voluntary agreement or to develop or carry out a plan of action should be open to interested persons in furtherance of the provisions of section 252(c)(1)(A) of such Act;

(2) the policies and procedures followed by the appropriate Federal agencies in reviewing and making public or withholding from the public all, or part, of any transcript of any meeting held to develop or carry out a voluntary agreement or plan of action under section 252 and in permitting persons, other than citizens of the United States, to review such transcripts prior to any public disclosure thereof;

(3) the extent to which the classification of all, or part, of such transcripts should be carried out by one agency;

(4) the adequacy of actions by the responsibe Federal agencies in insuring that the standards and procedures required by section 252 are fully implemented and enforced, including the monitoring of the program concerning any anticompetitive effects, and the number of personnel, and the amount of funds, assigned by each such agency to carry out such standards and procedures;

(5) the actions taken, or to be taken, to improve the reporting of energy supply data under the international energy program and to reconcile such reporting with similar reporting that is conducted by the Department of Energy;

(6) the actions taken, or planned, to improve the reporting required by section 252(i); and

(7) other actions under such section.

The Secretary of Energy shall transmit such report to such Committees within 180 days after the date of the enactment of this Act and shall make such report available to the public.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York (Mr. OTTINGER) will be recognized for 20 minutes, and the gentleman from California (Mr. MOORHEAD) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us, H.R. 4445, extends certain provisions of the Energy Policy and Conservation Act (EPCA) for 2 years. Under existing law, the provisions will expire at the end of this month.

The provisions provide a limited antitrust defense to companies with respect to their participation in voluntary agreements to carry out the International Energy Program. This bill was reported unanimously by the committee and is noncontroversial. Legislation extending the provisions until June 30, 1980, passed the Senate last week.

The International Energy Program was established by an agreement signed in 1975 by 18 consuming nations. The purpose of the agreement was to foster cooperation among the consuming nations so that they could act collectively to match the collective power of the oil-producing OPEC nations. The agreement includes provisions relating to conservation, stockpiling, and oil sharing. The purpose of the oil sharing agreement is to evenly share any shortages among all of the member nations. The effects of a selective embargo of any country could be mitigated by the sharing.

The international agreement itself is not being extended by this legislation. The agreement was an executive agreement, and the EPCA provisions clearly state they do not constitute endorsement or ratification by Congress. The provisions merely permit oil companies to participate in actions to carry out the agreement, but only under a rigid set of procedures. Oil company participation in the program is needed primarily for two reasons: First, they provide information to the International Energy Agency, and second, they are developing procedures to allocate oil during emergencies pursuant to orders by the International Energy Agency.

The oil companies' participation in the program could theoretically make the companies liable under antitrust laws, since they must meet and may, at times, be required to discuss matters which affect competition. Thus, in order to permit the participation, the law provides a limited immunity, provided that the activities are conducted pursuant to specified procedures.

The law contains a variety of procedural safeguards. For example, the voluntary agreement had to be approved by the Attorney General. All meetings of the companies are attended by Federal employees and verbatim transcripts must be made. Notice of meetings and agendas must be published. Most importantly, the antitrust immunity is only a defense to lawsuits and is limited solely to the activities under the voluntary agreement.

Because of these safeguards, the Justice Department and Federal Trade Commission support the extension of the provisions. Similarly, the Energy and State Departments also support an extension. All of the agencies supported an extension until January 19, 1986 when the international agreement expires.

The committee, however, had a number of reservations about the program and decided it was unwise to extend the provisions for longer than 2 years. The committee also added a provision which requires the Department of Energy, in consultation with the other responsible agencies, to report on a number of matters of particular concern.

The committee report discusses these concerns in detail. In brief, they relate to three major areas. First, there are concerns over the excessive secrecy involved. Despite the intent of EPCA to maximize openness of meetings and availability of transcripts, the program has operated almost exclusively through narrow exceptions in the law which permit secrecy. Second, the committee was concerned that there was inadequate supervision of the program. Third, the committee expressed concerns over weaknesses in the International Energy Agency's data system.

In adopting amendments to limit the extension to 2 years and requiring a report on the program's operations, the committee has committed itself to a thorough review of the program over the coming year. The committee has not adopted the Senate decision to extend the program for just 8 months. The Senate bill extends the program until June 30, 1980, which is a busy time for the House which will be considering appropriations bills. The committee extended the program until October 31, 1981. This date is also nearer to the expiration of other EPCA provisions, which is September 30, 1981.

The Department of Energy budget was predicated on a continuation of this program and, therefore, the authorizations and appropriations will be sufficient to fund this program. No additional funds will be required.

The committee has also reported a bill, H.R. 5506, which extends the same provisions only through December 31, 1979. That bill will come up next on the Suspension Calendar. It may not be possible to work out differences between the House and Senate bills relating to a longer term extension before the provisions of existing law expire on October 31, 1979. Passage of this short-term extension may therefore be necessary to provide additional time to work out longer term legislation.

□ 1250

Mr. Speaker, I reserve the balance of my time.

Mr. MOORHEAD of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the Commerce Committee action on this noncontroversial measure. H.R. 4445 would extend the antitrust immunity provisions in the Energy Policy and Conservation Act which permit U.S. oil companies to participate in the activities of the International Energy Agency.

U.S. oil company participation is essential to insure the successful operation of the IEA emergency allocation system. The 34 IEA designated oil companies provide information to IEA which permits the organization to monitor the world crude oil supply situation.

It is virtually certain that without the antitrust defense provided for in section 252 of EPCA, the U.S. oil companies would not provide the proprietary information to the IEA which is necessary for an accurate analysis of the international supply situation.

This same information is critical to the determination of national allocation rights and obligations should the international oil allocation system be triggered by a 7 percent shortfall in member countries' base period consumption. Moreover, although the ultimate responsibility for these international emergency allocation activities rests with the IEA, the 34 reporting companies will be called upon to play an indispensable role in the physical redistribution of crude oil supplies. This participation is voluntary, and must not be jeopardized.

Although the administration requested a more than 6-year extension of these antitrust provisions, H.R. 4445 provides only a 2-year extension. This bill also requires that the Secretary of Energy in consultation with the Departments of State and Justice and the FTC, prepare an extensive report for the Congress. This report must address the effectiveness of these Departments' participation and procedures with respect to IEA meetings. In this way, the Congress will have the opportunity to evaluate whether additional safeguards need to be written into the law. I believe that the 2-year extension gives an appropriate period of time in which to carefully consider whether any amendments may be necessary. Therefore, I urge my colleagues to give their unanimous support in passing this bill.

● Mr. GORE. Mr. Speaker, in 1974 the United States became a signatory to the international energy program, and 1 year later our multinational oil companies were given an antitrust immunity to carry out the provisions of the program. Today we are to consider whether our oil industry should be given an extension of that antitrust immunity.

The authority granted in this bill, H.R. 4445, gives the oil industry a defense to activities which, if conducted in the United States, would be considered illegal. Such sweeping authority should only be given when a careful balancing test demonstrates that the benefits of the program greatly outweigh the dangers. To date the program has met with little success despite the potential for aggressive action by the 18-member nations.

Failure to enact this bill might not kill IEP, but it would cripple it psychologically if not practically. Thus I support this bill because it authorizes only a limited extension of the immunity and because I feel it is premature to dismantle the IEA. However, I hope this legislation will put DOE, the FTC, the Department of Justice, and the State Department on notice that Congress is very dissatisfied with the performance of the IEA.

The objectives of the international energy program are to increase oil stockpiles, to share oil in the event of an embargo, and to reduce energy demand. At best, the IEP agreements have had no effect on U.S. energy policy. The demand constraint targets of 5 percent set by the member nations were highly touted but will have little practical effect. The U.S. participation in the oil stockpiling agreement has essentially been mooted by the Saudis' announcement that the United States can expect severe penalties if it continues to purchase oil for the strategic petroleum reserve. And, while the effectiveness of the oil-sharing agreement has yet to be tested, it cannot possibly offer any benefits to the United States. Of course there may be foreign policy reasons why we would want to share oil in the event of a major embargo. However, the oil-sharing agreement has been developed by the oil industry and not IEA; the Agency's supervisory role is perfunctory at best.

I am deeply concerned about a number of other aspects of the program—for example, the secrecy of the IEA meetings, the delayed availability of heavily edited meeting transcripts, the lack of Federal supervision, and the IEA information deficiencies.

To safeguard against possible anticompetitive effects at oil industry meetings, the Energy Production and Conservation Act (EPCA) required meetings to be open to the public unless DOE authorized them to be closed in limited situations. To date, not one oil company meeting has been open to the public. Certainly some meetings present truly sensitive issues which would justify a closed meeting, but, with its failure to open any meetings, DOE seems to have made a mockery out of this provision.

EPCA requires verbatim transcripts of all possible meetings, yet the State Department has successfully frustrated that goal in two ways. First, the State Department has been exceedingly slow in declassifying the transcripts. Second, when the transcripts have been made public, they have been rendered incomprehensible by State's policy of deleting all statements by foreign oil companies. A subcommittee review of the full transcripts demonstrated that few of the deletions could be supported on security grounds. One public interest group filed a Freedom of Information Act request to determine why the answer to the question—"What time is lunch?"—was deleted. After a lengthy battle, the group was relieved to know that lunch was held at 1:30. This practice of deleting meaningless information must end if the public is to be able to make any sense out of the transcripts.

It is also clear that the Federal agencies involved in supervising U.S. participation in the program have given this very low priority. The required reports of the FTC and the Department of Justice have been incomplete, and the Department of Energy gives no indication that the program is being properly supervised. For example, I asked DOE Assistant Secretary Harry Bergold about Exxon's decision this winter to allocate worldwide oil supplies based on consumption. He knew nothing about this despite the fact that the oil sharing program is one of the primary functions of IEA.

IEA could play a valuable information-gathering role, yet its performance to date has been totally ineffective. In February of this year the Subcommittee on Energy and Power noted that oil import figures submitted by the IEA were contradicted by DOE and Customs' import figures. Later DOE adjusted IEA figures downward to conform to DOE figures. This prompted former Secretary Schlesinger to characterize IEA data as "based mostly on hope."

During subcommittee consideration of this bill, I offered an amendment which would require the four Federal agencies involved in monitoring IEA to address specifically the concerns I have been discussing. The distinguished chairman of the Subcommittee, Mr. DINGELL, has agreed to further oversight hearings to make certain that the IEA supervisory role is improved. In the meantime, I believe a limited 2-year antitrust immunity extension can be justified.

To date, only the oil industry appears to have benefited from the international energy program. If this record is not improved, Congress should carefully review the wisdom of continued U.S. participation in IEA.●

Mr. OTTINGER. Mr. Speaker, I have no further requests for time.

Mr. MOORHEAD of California. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. OTTINGER) that the House suspend the rules and pass the bill, H.R. 4445, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Energy Policy and Conservation Act to extend for 2 years certain authorities relating to the international energy program, and for other purposes.".

A motion to reconsider was laid on the table.

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1871) to extend the existing antitrust exemption for oil companies that participate in the agreement of an international energy program, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

### S. 1871

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 252(j) of the Energy Policy and Conservation Act of 1975 (42 U.S.C. 6272(j)) is amended by striking out "October 31, 1979" and inserting in lieu thereof "June 30, 1980"

### MOTION OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. OTTINGER moves to strike out all after the enacting clause of the Senate bill, S. 1871, and to insert in lieu thereof the provisions of H.R. 4445, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Energy Policy and Conservation Act to extend for 2 years to certain authorities relating to the international energy program, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill, H.R. 4445, was laid on the table.

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## GENERAL LEAVE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4445, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

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☐ 1300

## APPOINTMENT OF CONFEREES ON H.R. 4394, HOUSING AND URBAN DEVELOPMENT — INDEPENDENT AGENCIES APPROPRIATIONS, 1980

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, further insist on disagreement to the amendment of the Senate numbered 12, and disagree to the amendment of the Senate to the amendment of the House to Senate amendment numbered 27, and request a further conference with the Senate on the disagreeing votes of the two Houses.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. MOORHEAD of California. Mr. Speaker, reserving the right to object, may I ask the gentleman, has the ranking minority member of the committee agreed to this request?

Mr. BOLAND. Mr. Speaker, if the gentleman will yield, the ranking Republican member, the gentleman from Pennsylvania (Mr. COUGHLIN), has been notified, and he has agreed to the request.

Mr. MOORHEAD of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Masachusetts? The Chair hears none, and, without objection, appoints the following conferees: Messrs. BOLAND, TRAXLER, STOKES, and BEVILL, Mrs. BOGGS, and Messrs. SABO, STEWART, WHITTEN, COUGHLIN, MCDADE, YOUNG of Florida, and CONTE.

There was no objection.

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## ENERGY POLICY AND CONSERVATION ACT AMENDMENTS

Mr. OTTINGER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5506) to amend the Energy Policy and Conservation Act to extend for two months certain authorities relating to the international energy program.

The Clerk read as follows:

### H.R. 5506

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "October 31, 1979" and inserting in lieu thereof "December 31, 1979".

The SPEAKER pro tempore. Pursuant the rule, a second is not required on this motion.

The gentleman from New York (Mr. OTTINGER) will be recognized for 20 minutes and the gentleman from California (Mr. MOORHEAD) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill (H.R. 5506) is a 2-month extension of the same EPCA provisions which were extended for 2 years in H.R. 4445, the bill we just passed.

The reason for passing this bill is solely to provide additional time to enact the longer term legislation just passed. Under existing law, these EPCA provisions will expire at the end of this month. As a precaution against the possibility that the two Houses may be unable to reach agreement on a longer term extension by the end of this month, the committee reported this bill.

It is noncontroversial and consistent with the previous passage of H.R. 4445, which provided the 2-year extension.

I urge the passage of this legislation so that the program can continue whether or not agreement on a longer term extension can be reached by the end of the month.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Tennessee.

Mr. GORE. Mr. Speaker, I would just like to say very briefly to my colleagues that the committee has committed itself to extensive oversight on this antitrust exemption during the coming year. There are many troubling problems that are involved with this legislation, but the only responsible action at this point is to extend the exemption for a limited period of time until we have an opportunity to look into this in the kind of detail it deserves.

Mr. Speaker, I support this legislation, and I encourage all Members to vote for it.

Mr. OTTINGER. Mr. Speaker, I thank my colleague, the gentleman from Tennessee (Mr. GORE). I would like to say I agree with him completely.

I am probably the member of the committee who has had the most reservations about providing this exemption. The exemption has been limited. We have required a detailed report from the Departments with respect to the secrecy aspects and other aspects which concern us, and I am satisfied, as is the gentleman, that the only responsible thing for us to do is to provide this extension.

Mr. MOORHEAD of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5506. This bill is necessary in order to provide a 2-month extension of the antitrust immunity provisions contained in section 252 of the Energy Policy and Conservation Act. These immunity provisions are essential to the continued participation in the International Energy Agency by U.S. oil companies that are among the 34 IEA designated reporting companies.

The current immunity provisions in section 252 expire at the end of this month. I therefore urge my colleagues to unanimously accept this bill so that these immunity provisions will not expire before this body and the Senate can reach agreement on a more substantial extension.

Mr. OTTINGER. Mr. Speaker, I have no further requests for time.

Mr. MOORHEAD of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. OTTINGER) that the House suspend the rules and pass the bill, H.R. 5506.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

## OSHA PROVISIONS FOR U.S. POSTAL SERVICE

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 826) to amend title 39, United States Code, to provide that the U.S. Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970.

The Clerk read as follows:

H.R. 826

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 410(b)(7) of title 39, United States Code, is amended to read as follows:

"(7) all provisions of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.), and any amendments to such Act which may be made from time to time, except that the provisions of section 17(e) of such Act (29 U.S.C. 666(e)) and the provisions of section 19 of such Act (29 U.S.C. 668) shall not apply to the Postal Service; and".

SEC. 2. Section 410 of title 39, United States Code, is amended by redesignating subsection (d) as subsection (e), and by inserting after subsection (c) the following new subsection:

"(d) For purposes of subsection (b)(7) of this section and for purposes of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.), the Postal Service shall be considered to be—

"(1) a person, as such term is defined in section 3(4) of such Act (29 U.S.C. 652(4)); and

"(2) an employer, as such term is defined in section 3(5) of such Act (29 U.S.C. 652(5)).".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Missouri (Mr. CLAY) will be recognized for 20 minutes and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri (Mr. CLAY).

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 826, a bill introduced by my colleague, CHARLES WILSON of California, to bring the U.S. Postal Service under the same safety and health obligations as private sector employers. The bill permits the Occupational Safety and Health Administration (OSHA) of the Department of Labor to inspect and survey postal facilities and to enforce Federal safety and health laws.

Under existing law, representatives of OSHA may inspect postal facilities only at the invitation of the U.S. Postal Service (USPS). Public Law 94-82 gave the Postmaster General the statutory responsibility to establish and to maintain an effective and comprehensive occupational safety and health program for the U.S. Postal Service. Notwithstanding this legislative mandate, the committee learned that the Postal Service, the second largest employer in the United States, has the highest accident and injury rate of all Federal agencies. The total number of injuries and illnesses reported by the Postal Service for 1977 was 62,966 (34.4 percent) out of 182,790 injuries and illnesses reported for the entire Federal work force.

During fiscal year 1977, for example, the rate of lost workday injuries and illnesses within the Postal Service exceeded that rate within the Federal Government by almost 150 percent. In addition, 55 percent of all lost workdays due to accidents and injuries in the Federal Government were attributable to the Postal Service.

The Postal Service has established a pattern of disregarding, neglecting, and minimizing allegations of unsafe working conditions. In Miami, Fla., the Postal Service has minimized employees' allegations of cancer-producing asbestos fibers in work areas. In New York, at the Morgan Postal Facility, the Postal Service neglected allegations of unsafe conditions which were eventually rectified only after, in my capacity as the subcommittee chairman, I arranged for an OSHA inspection. Throughout postal facilities, postal inspectors, who are responsible for preserving the sanctity of the mail, are subjected to unsafe conditions in their work areas.

Because OSHA representatives may inspect postal facilities only upon the invitation of the Postal Service, the Postal Service is not motivated to improve safety and health conditions. Private employers however are subject to unannounced safety and health inspections and surveys by OSHA. Enactment of H.R. 826 would remove the special status enjoyed by the Postal Service and would subject them to the same safety and health standards as the private sector.

The need for this legislation is overwhelmingly apparent and the committee has concluded that the enactment of

H.R. 826 will have no significant inflationary impact on the national economy and no new authorization is provided by this bill.

I urge my colleagues to support passage of H.R. 826.

☐ 1310

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while the need for this bill is questionable, its real weakness is that it is highly punitive rather than corrective. There is absolutely nothing in this bill that would improve the efficiency of the U.S. Postal Service. It will do nothing to facilitate the flow of first-class mail, registered letters, or parcel post.

What this bill does do is unleash a legion of Occupational Safety and Health Administration inspectors on the U.S. Postal Service. Perhaps it is poetic justice to have OSHA harass the Postal Service the same way it has badgered private industry, but that is small consolation for a Government entity which has been winning its battle to provide the mail-using public with the best service in the world.

Ever since the enactment of the Occupational Safety and Health Act of 1970, its harsh and irrelevant rules and regulations have had a sharp financial impact on private business. The same outlook is predictable for the Postal Service. If additional improvements to existing postal facilities are required as a result of OSHA inspections or extensive litigation, the only recourse the Postal Service has is to increase postal rates, and that means the mail-using public must pick up the bill.

Based on the current OSHA monitoring experience, the Congressional Budget Office has estimated that approximately 10 percent of the 40,000 postal facilities would be inspected annually. Based on a CBO estimate of 1½ inspections a week, an estimated 57 additional inspectors and compliance officers would be required. Salary benefits and overhead of these additional employees would be $2.2 million for fiscal year 1980.

The Postal Service, in turn would have to hire additional attorneys to process the continuing litigation which would undoubtedly result from OSHA inspections.

Under existing law, OSHA representatives may inspect and survey postal facilities only at the invitation of the Postal Service. The Postal Service has no objection to unannounced inspections, but it is puzzled as to why it has been singled out for special treatment. The Department of Labor has been working on a proposed revision of an Executive Order which would authorize OSHA to make inspections and reviews of Federal agencies without obtaining approval or waiting for an invitation.

Of more concern to the Postal Service and the taxpayers is the section of the bill dealing with penalties for noncompliance. The bill provides for mandatory or discretionary civil penalties for violations of Department of Labor health and safety standards, rules or orders and for penalties up to $10,000 a violation and $1,000 a day for failure to correct violations.

Aside from the additional costs involved, there are procedural considerations. Under the bill, there is complex machinery for assessing penalties. The Department of Labor first issues a citation. If the employer contests the citation, the Department must present a case for finding a violation before an Administrative Law Judge of the Occupations Safety and Health Review Commission.

OSHA specifically provides that the Department of Labor may represent itself in litigation, but the Attorney General has the authority to control that litigation. Under the Postal Reorganization Act, the Department of Justice represents the Postal Service unless the Attorney General agrees to let the Postal Service represent itself. With this bill, it is conceivable the Justice Department would bear dual responsibility in litigation.

Finally, this legislation comes at a time when even union spokesmen admit that Postmaster General Bolger and his deputy are committed to improving safety, and acknowledge that progress is being made. For fiscal year 1979, the Postal Service reported a reduction of 4.78 percent in accidents per 100 employees and 9.7 percent in lost workday frequency when compared to the same period last year.

With its penchant for petty fogging, OSHA should not be given a hunting license in an agency which has been making meaningful progress.

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 826, a bill to make applicable to the U.S. Postal Service those provisions of the Occupational Safety and Health Act of 1970 which are applicable to private sector employers.

I am pleased to support this legislation since it will serve to provide a safer and healthier work environment for the Postal Service employees. I am positive this will reduce job-related injuries and illnesses thus providing a more efficient Postal Service.

I truly support this bill and urge you to vote for it.●

Mr. CLAY. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. CLAY) that the House suspend the rules and pass the bill, H.R. 826.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

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## GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill, H.R. 826, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri.

There was no objection.

## STATE TAX EXEMPTION FOR POSTAL VEHICLES

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4064) to amend title 39, United States Code, to provide that owners of motor vehicles leased by the U.S. Postal Service shall be exempt from the payment of State taxes and fees on those vehicles.

The Clerk read as follows:

H.R. 4064

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) chapter 50 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 5008. Exemption of owners of motor vehicles leased by the Postal Service from State taxation

"(a) The owner of any motor vehicle leased exclusively by the Postal Service for the sole purpose of transporting mail or carrying out any other activity under this title shall, during the term of such lease, be exempt from the payment of any tax or fee (including any registration or licensing fee) imposed by any State or political subdivision of a State with respect to such motor vehicle.

"(b) For purposes of this section, the term 'motor vehicle' means any vehicle driven or drawn by mechanical power manufactured primarily for use on the public streets, roads, and highways, except any vehicle operated exclusively on a rail or rails.".

(b) The table of sections for chapter 50 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"5008. Exemption of owners of motor vehicles leased by the Postal Service from State taxation.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Missouri (Mr. CLAY) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri (Mr. CLAY).

Mr. CLAY. Mr. Speaker, H.R. 4064 provides that owners of motor vehicles which are leased by the U.S. Postal Service solely and exclusively for its own use shall be exempt from the payment of State and local taxes and fees.

The bill would amend chapter 50 of title 39, United States Code by adding a new section 5008 which would provide that the owner of any motor vehicle leased by the Postal Service for the purpose of transporting mail or for any other purpose shall, during the term of the lease, be exempt from the payment of any tax or fee imposed by any State or political subdivision. Upon the expiration of such lease, the vehicle would be subject to all applicable State and local taxes and fees.

It has been reported that 15 to 20 percent of the price which the Postal Service pays for the leasing of a vehicle is to cover the costs of licenses, tags, inspections and fees. While a number of States already waive these fees for owners of such vehicles, enactment of H.R. 4064 would make this practice uniform across the Nation. It has been estimated that the exemption of leased vehicles from taxes and fees could result in a savings to the Postal Service of about $1.6 million annually.

H.R. 4064 provides an exemption only for those vehicles which are leased solely and exclusively for the use of the Postal Service. All such leased vehicles, whether owned by an individual or by a corporation, would be subject to the provisions of this bill.

The committee believes that, because this bill could reduce the cost of leasing the vehicles to the Postal Service, enactment of H.R. 4064 would result in significant savings to the Postal Service.

I ask my colleagues to support this legislation.

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if the National Lampoon gets around to making awards for the "worst legislation" of 1979, this bill should be the odds-on favorite to win the nomination. It is special interest legislation which ignores a longstanding principle and in the process poses a serious threat to the traditional relationship between the Federal Government and the States.

What this bill does is tell States, as well as localities, that they may not impose any fee for tax—and that would include a registration or licensing fee—on the owners of vehicles which are leased for use by the U.S. Postal Service.

To enact H.R. 4064 would be to serve notice to the Nation's Governors, mayors and other local officials that they are to have absolutely no discretion on the imposition of a particular tax or fee which up until now has been regarded as a State or local prerogative. It is easy to understand why this bill has caused wonderment among State tax administrators who already have their hands full trying to keep abreast of exemptions which add to the complexity of collecting State sales taxes.

This legislation also is in direct conflict with a longstanding principle. A State does not lose its authority to tax private property simply because that property is temporarily made available to the Federal Government under a contract.

Proponents of H.R. 4064 have come up with an off-the-wall estimate that the exemption of leased vehicles from taxes and fees would result in annual savings of $1.6 million. The Congressional Budget Office has pointed out that the Postal Service does not pay these fees directly, and that the fees are not directly identified in the bids for the leases. The CBO also has said there is no guarantee that any tax saving realized by the lessors would be passed along to the Postal Service. There is a distinct possibility the tax savings would be added to the lessors' margin of profit.

H.R. 4064 also flaunts any pretense at equity by limiting the exemption to lessors or vehicles to the Postal Service. Owners of vehicles leased to other agencies of the Federal Government would not qualify for the tax break provided in this legislation.

The Postal Service currently leases 26,802 vehicles. Most of the vehicles are passenger-type automobiles which are used on city delivery routes. Of the total number of vehicles leased by the Postal Service, 13,703 are leased commercially while 13,099 are leased from postal employees. Presumably, the vast majority of employee-leased vehicles also are used for personal family needs and recreation when not in use for the delivery of mail. Under the language in H.R. 4064, these particular vehicles would qualify for the exemption.

In opposing this bill, the Postal Service said:

> In our opinion, the limited exemption proposed by H.R. 4064 is not a justified Federal restriction in an area generally committed to State discretion. In narrowing State taxation authority, it raises important issues of Federal-State relations.

The Postal Service went on to say that—

> As a matter of effective postal administration, we need to be governed by rules that, insofar as possible, are perceived as fair by all parties with whom the Postal Service must deal, including our employees, lessors and contractors, as well as State and local authorities.

There is absolutely no justification for imposing another limitation on the tax options of the Nation's political subdivisions. The bill sets a dangerous precedent which could escalate into an administrative and financial nightmare for Governors, county executives, mayors, and other local officials.

Mr. Speaker, I have no further requests for time.

Mr. CLAY. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. CLAY) that the House suspend the rules and pass the bill, H.R. 4064.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill, H.R. 4064, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

## STATUS OF CERTAIN DEPENDENTS FOR FEDERAL EMPLOYEE SURVIVOR BENEFITS

Mrs. SPELLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2584) to amend title 5, United States Code, to provide survivor benefits to certain dependent children, as amended.

The Clerk read as follows:

H.R. 2584

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 8341(a) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (2),

(2) by inserting after paragraph (2) the following new paragraph:

"(3) 'dependent', in the case of any child, means that the employee or Member involved was, at the time of the employee or Member's death, either living with or contributing to the support of such child, as determined in accordance with such regulations as the Office of Personnel Management shall prescribe; and"; and

(3) by redesignating paragraph (3) as paragraph (4), and in paragraph (4) (as redesignated) by—

(A) inserting "dependent" after "unmarried" each place it appears in subparagraphs (A), (B), and (C); and

(B) striking out "who lived with the employee or Member in a regular parent-child relationship" where it appears in subparagraph (A)(ii).

Sec. 2. Section 8901 of title 5, United States Code, is amended—

(1) in paragraph (5), by—

(A) inserting "dependent" after "unmarried" each place it appears therein; and

(B) striking out "who lives with the employee or annuitant in a regular parent-child relationship" where it appears in subparagraph (B);

(2) by striking out "and" at the end of paragraph (7);

(3) by striking out the period at the end of paragraph (8) and inserting ", and" in lieu thereof; and

(4) by inserting after paragraph (8) the following new paragraph:

"(9) 'dependent,' in the case of any child, means that the employee or annuitant involved is either living with or contributing to the support of such child, as determined in accordance with such regulations as the Office shall prescribe.".

Sec. 3. The amendments made by this Act shall take effect on the date of the enactment of this Act, except that no benefits under chapter 89 of title 5, United States Code, made available by reason of such amendments shall be payable for any period before October 1, 1979.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Maryland (Mrs. SPELLMAN) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. CORCORAN) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, introduced at the request of the administration, will correct an inequity suffered by a select group of children through no fault of their own, an inequity that the Federal courts have declared unconstitutional. It concerns eligibility requirements for Civil Service survivor benefits.

Mr. Speaker, current law provides support for dependents of deceased Federal employees and retirees. However, the definition of "child" in the Civil Service Retirement and Health Benefits laws provides benefits and coverage only to the acknowledged illegitimate child who "lives with" the Federal employee "in a regular parent-child relationship." Benefits can be denied an illegitimate child who was not living with the Federal employee at the time of death, even when that child was receiving full-support contributions from the nonresident parent.

This statute, then, designed to pay benefits to dependent children, actually and conclusively denies survivor benefits to some dependent illegitimate children.

Several recent Federal court decisions—specifically, Proctor against the United States and Jenkins against the United States—have declared the "living with" requirement in the civil service retirement law unconstitutional. This is in light of Supreme Court rulings that laws designed to pay benefits to dependent children may not deny benefits to some dependent children without allowing them an opportunity to prove their dependency.

Let me emphasize that the law currently provides survivor benefits to dependent children, legitimate and illegitimate. But it is defective, according to the courts, in its exclusion of that specific subgroup of illegitimate children—who were not "living with" the employee or retiree at the time of death.

So you see, Mr. Speaker, this is corrective legislation only. It will make the law conform to what Federal courts have already ruled, no more and no less. The bill amends section 8341 of title 5 by striking from the definition of a recognized natural child the words "who lived with the employee or Member in a regular parent-child relationship." In other words, it removes the discriminatory language.

The bill also amends section 8901 of title 5 regarding health insurance to provide conformity in the definition of "member of the family." These changes allow all illegitimate children to prove actual dependency if they did not live with their deceased parent at the time of death. Only those illegitimate children who neither lived with nor received support from the civil servant are not considered dependent children.

Mr. Speaker, while the committee recognizes the need for administrative agencies to draw arbitrary lines to lessen administrative problems, we cannot permit the creation of "an inpenetrable barrier that works to shield otherwise invidious discrimination." The committee believes that the current law, while it is designed to pay benefits to dependent children, actually and conclusively denies survivor benefits to some illegitimate children for no substantive reason. Because of this, and in light of the court decisions in the Proctor and Jenkins cases, we believe the law should be changed. We wish to call to the attention of our colleagues the fact that the Congressional Budget Office foresees no significant cost over the next 5 years resulting from passage of this legislation. The committee urges passage of this bill and I respectfully call upon my colleagues to support it.

☐ 1320

Mr. CORCORAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, H.R. 2584, provides that illegitimate children of civil service employees will be eligible to receive survivor's benefits if they were dependent on the employee for support during the employee's lifetime. Under present law, an illegitimate child of a civil service employee must be living with that employee prior to his or her death in order to be eligible to receive survivors' benefits. The courts have held that this is an unconstitutional violation of the rights of dependent children.

Thus, the Office of Personnel Management is already providing benefits to illegitimate children in accordance with court decisions and H.R. 2584 simply puts into the statutes standards already being applied administratively in line with these court decisions. It provides that illegitimate children who lived with or were dependent on employees for support will have a right to survivors' benefits.

Because of the need for this legislation, I cannot oppose it, but do want to express my opposition to the principles embodied in the court decisions that have necessitated this legislation. I feel the court decisions are most unfortunate. They have set a very poor and costly precedent for the future handling of pension funds. In addition, these decisions are a blow to the sanctity and stability of the most fundamental institution in our society—the family.

Thank you for your consideration, Mr. Speaker.

Mr. Speaker, I have no further requests for time.

Mrs. SPELLMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

### GENERAL LEAVE

Mrs. SPELLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous matter on the bill, H.R. 2584, just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. SPELLMAN) that the House suspend the rules and pass the bill, H.R. 2584, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the provisions of chapters 83 and 89 of title 5, United States Code, which relate to survivor benefits for certain dependent children.".

A motion to reconsider was laid on the table.

## APPOINTMENT OF CONFEREES ON H.R. 4930, DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. YATES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois? The Chair hears none and, without objection, appoints the following conferees: Messrs. YATES, MCKAY, LONG of Maryland, DUNCAN of Oregon, MURTHA, DICKS, GINN, WHITTEN, MCDADE, REGULA, BURGENER, and CONTE.

There was no objection.

## TRINITY RIVER PROJECT, CALIFORNIA

Mr. WEAVER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 507) to authorize Federal participation in stream rectification, Trinity River Division, Central Valley project, California, and for other purposes, as amended.

The Clerk read as follows:

H.R. 507

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, is authorized to design, construct, operate, and maintain, or to contract with the State of California for the design, construction, operation, or maintenance of, a sand dredging system on the Trinity River immediately downstream from Grass Valley Creek, a tributary of the Trinity River, and a debris dam and associated facilities on Grass Valley Creek, in Trinity County, California, in general conformity to the plan of development described and set forth in the Grass Valley Creek Sediment Control Study, April 1978, prepared for the Trinity River Basin Fish and Wildlife Task Force: *Provided,* That any such contract entered into pursuant to this section shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 2. The contract authorized by section 1 of this Act shall provide that the State of California, on a dollar-for-dollar basis, will match the funds provided by the Bureau of Reclamation for constructing, operating, and maintaining the sand dredging system.

SEC. 3. There is authorized to be appropriated for fiscal year 1981 and thereafter, to remain available until expended the sum of $3,500,000 (April 1978 price levels) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such sums as may be required for the Federal share of operation and maintenance. All costs incurred pursuant to this Act shall be nonreimbursable and nonreturnable. No funds shall be expended hereunder until the Board of Supervisors of Trinity County adopts adequate timber road and subdivision standards to protect the Grass Valley Creek watershed, and until an agreement has been executed with the State of California which shall provide that the State of California, on a dollar-for-dollar basis, will match the funds provided by the Bureau of Reclamation for constructing, operating, and maintaining the sand dredging system.

The SPEAKER pro tempore. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. WEAVER) will be recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 507 would authorize the Secretary of the Interior, acting through the Bureau of Reclamation or by contract with the State of California, to design, construct, operate and maintain a sand dredging system on the Trinity River immediately downstream from Grass Valley Creek, and a debris dam and associated facilities on Grass Valley Creek in Trinity County, Calif.

In 1955, Congress enacted legislation to develop the Trinity River Division of the Central Valley project. The major feature of the project is the Trinity Dam, a 537 foot high earth fill structure which controls run off from the upper Trinity River basin. After completion of the Trinity River division, the sediment carrying capacity of the Trinity River was reduced from 200,000 cubic yards to 10,000 cubic yards because of the decreased volume of water released into the Trinity River. As a result, sand-sized sediment accumulated in the once deep pools and spawning areas of the Trinity River.

Historically, the Trinity River has been known as one of the finest fishing areas and areas of scenic beauty in California. By the late 1960's, however, the Trinity River fishery and habitat had shown a marked deterioration. Since construction of the Trinity Dam, the decline in the Trinity River has affected the King Salmon, Silver Salmon, and Steelhead. Conservative estimates show a decline of 90 percent for all three species.

In 1974, the Trinity River Basin Fish and Wildlife Task Force was formed. In 1976, Congress authorized special funding for the task force to begin investigations to define and correct the fish and wildlife problems in the Trinity River and develop a program of restorative actions, the task force is composed of representatives of 13 county, State, and Federal agencies. In a report made in April 1978, the task force concluded that the best long-term solution to Trinity River sedimentation problems is a combination of watershed management, construction of Buckhorn Mountain Reservoir on Grass Valley Creek, and sand dredging directly from Trinity River.

Approximately two-thirds of the sand which degrades fishery habitat in the Trinity River is produced by the Grass Valley watershed. Construction of a debris dam on Grass Valley Creek will control sedimentation problems on the creek.

As introduced, H.R. 507 would authorize the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, to design, construct, operate, and maintain, or to contract with the State of California for the design, construction, operation, or maintenance of a sand dredging systems on the Trinity River immediately downstream from Grass Valley Creek, and a debris dam and associated facilities on Grass Valley Creek in Trinity County, Calif.

H.R. 507 provides that the State of California shall match, on a dollar-for-dollar basis, the funds provided by the Bureau of Reclamation for constructing, operating, and maintaining the sand dredging system.

Mr. Speaker, H.R. 507, as amended by the Committee on Interior and Insular Affairs, authorizes to be appropriated for the necessary works in the Trinity River Basin $3.5 million, April 1978 prices, plus or minus such amounts as may be justified by ordinary fluctuations in construction costs.

The Department of the Interior recommended further study. However, the committee decided that the Trinity River Basin Fish and Wildlife Task Force study had been thorough and had adequately examined all alternative suggestions for rectifying the problems in the basin which I have described. The committee estimated that the additional study suggested by the Department could result in a cost increase for the project which would be as much as 40 percent. It was the judgment of the committee that the work, which is so badly needed, should proceed as rapidly as possible.

Finally, Mr. Speaker, I might mention that I know of no opposition to enactment of H.R. 507 other than the Department of the Interior's desire to modify the bill to provide only for a study. The bill has the support of the State of California and a number of environmental organizations, including the National Wildlife Federation.

Mr. Speaker, I urge the House to support the motion to suspend the rules and pass the bill H.R. 507.

☐ 1330

Mr. LUJAN. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, I concur with the remarks of the gentleman from Oregon (Mr. WEAVER) and urge my colleagues to support this bill.

At no time during our hearings did we hear objections from anyone connected with or affected by this project. The administration, as expected where any Western water project is concerned, opposed construction but asked for money to make some more studies. On the surface, they would have you believe that we are rushing into this project without adequate preparation and study. But let us take a look at that.

As the gentleman from Oregon pointed out, a task force was formed in 1974—5 years ago—to study the Trinity River problem. That task force was composed of experts from 13 Federal, State and county agencies, including the U.S. Fish and Wildlife Service and the Bureau of Reclamation. In April of last year the task force completed its study and submitted a very detailed and exhaustive report, defining the problems, exploring the alternative solutions and recommending a comprehensive porgram to eliminate the silting problem and restore the fisheries. This bill responds directly to that report by authorizing $3.5 million for construction, to be cost-shared, 50–50, by the State of California.

The administration wanted us to authorize a study that would cost $435,000, to be conducted by the Bureau of Reclamation, which already has participated in the comprehensive study completed by the task force. The Bureau told us the study could not be started until 1981 and that it would take about 2 years to complete.

The Bureau further estimated that after the study is completed, an additional 18 months would be required for review and processing. So what the administration is proposing is that we add some 40 percent to the cost of the project and delay it by at least 6 years. And in the meantime, the salmon and steelhead fisheries, which have already declined by 90 percent, would be dead.

I urge my colleagues to reject such a shortsighted and costly approach and approve this bill while there is still time to save both the river and the fishery.

Mr. WEAVER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from Oregon and want to take this time to thank the Committee on Interior and Insular Affairs and the Subcommittee on Water and Power Resources for handling this bill in the way they have and bringing it to the House this early in the session. It is a very badly needed project and everyone seems to be in support of it. We know of no real opposition.

Mr. Speaker, H.R. 507 would authorize the design, construction, operation, and maintenance of a sand dredging system on the Trinity River, Calif., and a debris dam and associated facilities on Grass Valley Creek, Trinity County, Calif.

The Secretary of the Interior would be authorized to perform the work through the Bureau of Reclamation or by contract with the State of California.

The bill would authorize for fiscal 1981 and thereafter $3.5 million (April 1978 price levels) for construction costs, and such sums as may be required for operation and maintenance costs.

Expenditure of funds is made contingent upon agreement by California to share half the costs of constructing, operating, and maintaining the sand dredging system on the Trinity River; and upon adoption by the county board of supervisors of adequate timber road and subdivisions standards to protect the Grass Valley Creek watershed.

Provision is made for cost indexing of the authorized amount to allow for fluctuations in construction costs.

Mr. WEAVER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, of course, is badly needed. The damage to the Trinity River is there and can be seen.

But I want to point out to the House that in the State of California, and I am sure in my home State of Oregon, the statistics are much the same. Once we had 6,000 miles of spawning stream. Today we have 300. Therefore, instead of in the future coming in to repair the damage that we have done in the past, as we are with this bill, it is absolutely essential we do so today, we should consider what we do to our lands before we wreak the damage that will cause such repair.

The logging practices on some of these mountains, of course, has so weakened the soils that they now wash down into our watershed. Though logging practices are much improved, we still should move with caution in logging on some of the watersheds so that we do protect the streams and our rivers and the fish and wildlife habitats.

Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. WEAVER) that the House suspend the rules and pass the bill, H.R. 507, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

## CONGRESS IS AND HAS BEEN ACTING ON PROBLEMS WITH TITLE III OF THE HIGHER EDUCATION ACT

(Mr. BUCHANAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUCHANAN. Mr. Speaker, I note with great interest two recent articles, first in the Washington Star and then in the Washington Post, pertaining to the administration of the title III program of the higher education legislation. Title III is designed to provide help and assistance to developing institutions. It has been heavily used for the traditional black institutions and to fund other institutions in post-secondary education that can be described as developing institutions.

In February the GAO released a report pointing up certain deficiencies and problems in that title III program. When the report was issued the Subcommittee on Postsecondary Education, of which I am the ranking minority member, conducted hearings, explored the issues that had been raised. The department then instituted certain reforms into the program.

In addition to this, in the higher education legislation that will soon be considered by the full House and was recently reported out by the Education and Labor Committee, we wrote further reforms into the proposed law. I report this to the House this date, Mr. Speaker, because the newspaper articles were written as if this were a new story and as if the matter had not been attended to. I want to make plain that we are very much aware in the relevant legislative committees of the problems with title III and we are trying to act on them.

## ENDANGERED SPECIES ACT AUTHORIZATIONS

Mr. BOWEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2218) to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1980, 1981, and 1982.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. BOWEN).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2218, with Mr. FASCELL, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Mississippi (Mr. BOWEN) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2218. This bill authorizes appropriations to carry out the Endangered Species Act through fiscal year 1982. The bill authorizes $25.6 million to the Department of the Interior and $3 million to the Department of Commerce in each of the next 3 years. This authorization level is identical to that approved last year.

The Endangered Species Act has just completed a difficult 3 years. The act has been subjected to considerable disrepute since the January 1977 decision of the Sixth Circuit Court of Appeals in the snail darter case. To some extent the act warranted the public attention that it received. As originally constructed, the act was inflexible—it did not adequately provide for a mechanism to balance economic and environmental interests.

The 1978 Amendments to the Endangered Species Act changed all of this, however. The 1978 amendments significantly altered the structure of the act by establishing a procedure to balance the interest in conserving endangered species against other legitimate national concerns. The amendments created a seven-member committee, composed of Federal and State representatives, to resolve conflicts between endangered species and development activities. The membership of this committee was carefully balanced to insure that both environmental and developmental concerns are adequately represented. The committee includes the Secretary of Army, the Secretary of Agriculture, the Chairman of the Council of Economic Advisers, the Administrator of the Environmental Protection Agency, the Secretary of the Interior, the Administrator of the National Oceanic and Atmospheric Administration, and a representative of the Governor of the affected State.

To date this committee has considered two exemption applications. Their record is one and one. It granted an exemption to the Grayrocks Reservoir project in Wyoming which will provide cooling water to a coal-fired electric generating facility, and it voted unanimously to deny an exemption for the Tellico project in Tennessee. Both Houses of Congress, however, recently passed an amendment to the water appropriations bill which essentially negates the decision of the committee in the case of Tellico. A third application is currently proceeding through the exemption process.

All of the evidence thus far indicates that the exemption process is working—that it does insure that economic and environmental concerns are adequately balanced under the Endangered Species Act. I am committed to following the implementation of the 1978 amendments closely to insure that they do work. If further modifications in the act are necessary, we will propose them to the House.

I should point out that in most instances of conflict between an endangered species and some development activity a solution can be developed without ever resorting to the exemption process. The conclusive evidence developed during the course of our oversight hearings this year and last year indicates that the vast majority of the conflicts have been successfully resolved in the consultation process. The consultation process simply involves formal and informal discussions between the developing agency and the wildlife agency to moderate or eliminate the adverse effects of the project.

In some cases minor adjustments to the project can avoid the adverse impact, in other instances, the combination of transplant efforts and active conservation measures effectively eliminates any danger to the species.

Despite the success of the consultation process thus far, we know that it cannot succeed in resolving all problems. That is why the creation of a "safety valve" in the act through the exemption process was such an important addition to the statute.

The 1978 amendments accomplished much more, however, than just creating a safety valve in the act. The amendments also required a number of other important changes in the endangered species program which are designed to insure that the program is run in the manner that Congress intended. The act now requires the preparation of economic impact statements on proposed critical habitat designations, the regular review of the status of all species on the list, and improved notice to all individuals and communities potentially affected by a proposed listing.

Congress has taken a long, hard, and sometime painful look at the Endangered Species Act. The Subcommittee on Fisheries and Wildlife Conservation and the Environment conducted 8 days of oversight hearings on the act last year.

We held 3 more days of hearings this year. The General Accounting Office investigated the operation of the endangered species program. The committee has evaluated the GAO report. In short, the administration of the endangered species program has been analyzed in excruciating detail. I daresay that the endangered species program has received more scrutiny over the last 3 years than any other Federal program.

There have been problems. We are all aware of them. The General Accounting Office has documented some serious management deficiencies. The failure to prioritize listing and recovery actions, inadequate attention to delisting or reclassifying species, and the failure to utilize the best scientific evidence available. I believe that the Department of the Interior has already made real progress in addressing these deficiencies. The amendments that I intend to offer to the bill will make sure that the Department does correct those portions of the program criticized by the GAO.

All of the Members of the House are painfully aware of the so-called failures of the Endangered Species Act—the seemingly never-ending conflict between the snail darter and the Tellico Dam. What most Members are not aware of are the successes of the program.

The endangered species program is barely 10 years old. And yet in that time this country has made real progress toward reversing the alarming rate of species extinction in this country and around the world. The American alligator in my district probably typifies better than any other example, the real environmental and yes, economic value of the Endangered Species Act.

The American alligator was listed as an endangered species several years ago. Frankly, it was listed because no one governmental entity had paid sufficient attention to the species to insure that the populations did not suffer from overutilization and loss of habitat. Before long, the alligator, which is a considerable economic resource in parts of my district, began to be reduced to low levels.

The State of Louisiana recognized what was happening to the alligator and supported placing the alligator on the list. That action, combined with a sophisticated recovery program conducted by the State of Louisiana, has brought the alligator back to a point where it is no longer not only not endangered—it is not even threatened in many portions of its range.

The State and the Department now predict that there may be as many as 1 million alligators in the Southeastern United States. There are so many alligators in my district that we have considered registering them to vote.

Now alligators may not be a particularly lovely creature but they do play an important role in the ecology of the Louisiana marsh. Aside from man himself, alligators are the top predator in the marsh. More importantly, alligators are an important economic resource in parts of my district. Assuming we can convince the Federal Government to allow us to export alligator hides, trappers in my district will be able to receive $20 per foot for top quality alligator hides. These alligators will be harvested under one of the most stringently regulated wildlife conservation programs in the country. These regulations will insure that the alligator populations remain at very high levels.

I have gone on at length about the American alligator to emphasize the positive side of the Endangered Species Act. There is a very real and legitimate need for this program. There is a continuing problem of a loss of habitat for wildlife in this country. The Endangered Species Act attempts to slow this loss or at least moderate it.

As I have indicated, I have an amendment which I intend to offer to H.R. 2218. This amendment proposes a number of technical and clarifying amendments to the bill to resolve some of the concerns raised by the General Accounting Office and others since the enactment of the 1978 amendments.

The most significant portion of this amendment is intended to restore some semblance of order and accountability to U.S. trade policy in endangered and threatened wildlife. There is no order and accountability under the existing legal framework.

My amendment addresses an issue entirely separate and apart from the domestic controversies, such as Tellico Dam. The amendment is necessary because the system for carrying out our obligations under the Convention on International Trade in Endangered Flora and Fauna has completely broken down and needs to be restored to working order. The situation is so acute that earlier this year the two Government agencies responsible for implementing the Endangered Species Convention published mutually exclusive and contradictory regulations.

My amendment simply makes the agency which is partly responsible for carrying out obligations under the convention accountable to the Secretary of the Interior. This agency, the Endangered Species Scientific Authority, is currently composed of representatives of seven different agencies. They are accountable to no one—not even the President. In fact, the agency representatives are not even accountable to the agency that they have been presumably appointed to represent.

Some of the Members may have heard allegations that the Breaux amendment abolishes the Scientific Authority, or violates the Endangered Species Convention. Nothing could be more false. I intend to describe this amendment in more detail at the time that it is offered.

The Endangered Species Act is a good, sound conservation program. The act needed amendments last year to make it more flexible and reasonable. It is now time to give the 1978 amendments a chance to work. I urge your support for the authorization of appropriations for this program.

□ 1340

Mr. FORSYTHE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, with the adoption of the Endangered Species Act of 1973, this Nation embarked upon a national policy of conserving and restoring those species of fish and wildlife which have moved to the brink of extinction. Since the enactment of this legislation, 199 species of U.S. wildlife and 467 foreign species have been listed as endangered. The act requires that the Secretary of the Interior or the Secretary of Commerce, as appropriate, establish a program to insure the recovery of listed species and, therefore, their eventual removal from the endangered list.

Since 1973, considerable progress has been made in protecting threatened and endangered species. In 1973, there were 49 whooping cranes in the wild—there are now 84. In the same period the Aleutian Canada Goose population has increased from 700 to 1,500. The populations of many species which were declining, such as the bald eagle and the peregrine falcon, have now been stabilized.

We have also had a number of disappointments. Despite the best efforts of the Federal agencies involved and of the concerned public, the California condor population continues its slow decline, decreasing from 40 in 1973 to less than 30 today. The red wolf is now probably extinct in the wild, although initial experiments at reintroduction have given some reason for optimism.

In the last few years, substantial questions have been raised regarding the need to balance endangered species conservation with man's demands for increased food, energy, and housing. These concerns led to the passage, in 1978, of a series of amendments which established an Endangered Species Committee to resolve conflicts which arise when a proposed project threatens the habitat or the continued existence of an endangered species.

In the last year, however, we have found several problems associated with the way the 1978 amendments are working. For example, the rights of a permit or license applicant to seek an exemption under the act are not fully protected under the 1978 amendments. There is some confusion in the legislative history as to whether a project exemption is permanent when newly listed species are found in the project area. Also, the emergency rulemaking period is too short to permit compliance with the act's procedural safeguards in the listing of species. To remedy these and other issues, Chairman BREAUX will be offering a series of amendments.

The legislation before you today provides funds to the Department of Commerce and the Department of the Interior for their endangered species conservation program and to the Endangered Species Committee. Because of the progress which has been made in the conservation of endangered species and the balance which has been, and which will be, introduced into the act, I urge the adoption of H.R. 2218 with the amendments which will be offered by the chairman of the subcommittee.

Mr. BREAUX. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Endangered Species Act we bring to the floor today is a result of 3 days of extensive oversight given in this Congress to determine whether the Endangered Species Act was operating in the manner and under the way in which this Congress intended it to. As the previous speakers have indicated, we made extensive changes to the Endangered Species Act in the last Congress. This committee felt that the first thing we should do in this Congress was to pay particular attention to determine whether the bill and the amendments we passed in the last Congress were operating in the proper manner.

As a result, we reported a bill out of our committee, both the subcommittee and the full committee, as a straight reauthorization bill for 3 years. We then followed that report out with 3 days of oversight hearings, bringing in the General Accounting Office, bringing in others who had particular expertise in the Endangered Species Act. They pointed out some defects in the Endangered Species Act, and as a result of those hearings the committee felt that it was proper that we should make what I would call minor and technical changes.

As the gentleman from New Jersey (Mr. Forsythe) indicated, I will be offering on the floor a series of amendments en bloc which we feel do address the defects that were pointed out as a result of our oversight hearings.

□ 1350

One of the amendments in particular is a little more controversial than the others, but I think that we have struck a balance and reached a compromise with all of those who are concerned about the matter in which the endangered species scientific authority was operating. I think it is a good and a balanced amendment. Basically that amendment brings the scientific authority in the Department of the Interior as is the imagined authority in the Endangered Species Act.

We felt as a committee—I feel as chairman of the subcommittee in particular—that that type of operation is absolutely essential and correct because we found after our oversight hearings the scientific authority really was responsible and answerable to no one within our government. It was not in the Department of the Interior; it was not in the executive branch; it was not under the authority of Congress. It was out by itself in a manner in which no other agency in our government is operating. This amendment, along with others, will bring the scientific authority under the Department of the Interior and allow the Department of the Interior to supervise its actions while at the same time preserving the integrity of the scientific authority and allowing them to do the job that they are guaranteed to do under the Endangered Species International Covenants, to which the United States is a signatory. It gives them no more authority nor any less authority than they receive under the International Treaty on Endangered Species.

Mr. Chairman, I think that this is a balanced bill. I think we have addressed the concerns of some of the Members of Congress who have appeared before our committee who spoke very eloquently on the matter, in which they thought we could improve on the 1979 act. I think this bill is that product and merits the support of all of our colleagues.

Mr. Chairman, I reserve the remainder of my time.

Mr. FORSYTHE. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Solomon).

Mr. SOLOMON. Mr. Chairman, I want to commend and concur in the remarks of the gentleman from Louisiana (Mr. Breaux) and the gentleman from New Jersey (Mr. Forsythe), but I would also like to point out, Mr. Chairman, that there may be another endangered species that we might consider adding to this list. I spoke earlier in this morning's session about rampant inflation which is breaking the backs of the American people, inflation caused by irresponsible spending by the U.S. Congress. Maybe the time has come when we ought to consider the human animal as an endangered species and particularly those human animals that are known as the American taxpayers. Every year there are more and more people who, in one form or another, are financially dependent on the Federal Government, while at the same time the number of taxpayers is becoming less and less. Perhaps if we added the "American taxpayer" to the endangered species list, it might make the Congress just a little more fiscally responsible when spending the taxpayers' money.

Mr. BREAUX. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota, a member of the committee (Mr. Oberstar).

Mr. OBERSTAR. I thank the chairman for yielding.

Mr. Chairman, I commend our chairman for his splendid work, devoting countless hours to the hearings in great depth which this committee has held both in the 95th Congress and in the 96th Congress, exploring all of the many complicated aspects of the Endangered Species Act. I believe that this legislation should be supported because this committee has acted responsibly last year and again this year in curing some of the defects of the Endangered Species Act which resulted in apparently irreconcilable controversies over the years. We now have a mechanism in place by which controversy can be resolved early in the process of developing our major water resources and other public works projects. That is a monumental advance. It will preserve the integrity of the Endangered Species Act. It will help preserve the species to which this legislation is committed, to preserve those whose existence is endangered by a change in habitat brought about by the Nation's economic advance. The legislation that we have authored in this bill will continue the Endangered Species Act for another 3 years, thereby keeping it under constant control of the Congress, under the watchful eye of the committees charged with the responsibility for this legislation. It is a responsible way to approach this matter. There is now a forum for the Endangered Species Act, a forum for the resolution of conflict, which has not been available in the past. It will preserve the future of those wildlife whose very existence has been threatened, some of which have come close to extinction; and it will also make it possible for the Congress, for the Department of the Interior and other agencies of government to address themselves in a responsible fashion to the basic human, socioeconomic needs of this country. I urge the passage of this legislation.

Mr. FORSYTHE. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. BREAUX. Mr. Chairman, I yield myself such time as I may consume.

I would just like as a final comment to commend and thank the chairman of the full Committee on Merchant Marine and Fisheries, the gentleman from New York (Mr. Murphy), for his work and cooperation and assistance to the subcommittee as we moved forward with our oversight hearings and reporting this bill to the floor.

● Mr. MURPHY of New York. Mr. Chairman, H.R. 2218 would authorize appropriations to carry out the Endangered Species Act through fiscal year 1982. The bill authorizes $28.6 million per year to the Department of the Interior and Commerce over the next 3 fiscal years to operate the endangered species program.

The endangered species program has been enveloped in controversy over the recent past. We believe that a large part of that controversy is now behind us. Last year the Merchant Marine and Fisheries Committee drafted an amendment to the act which added much-needed flexibility to the statute. Under these amendments any project can be considered for an exemption from the requirements of the act by a seven-member committee. This committee is composed of representatives of several Federal agencies as well as a representative of the State involved. The membership of this committee has been carefully balanced to represent both environmental and developmental concerns.

Although the 1978 amendments were developed after extensive hearings and markup sessions in the Merchant Marine and Fisheries Committee, several Members of the House expressed concerns last year that the House be given an opportunity to review the Endangered Species Act again in the 96th Congress after the General Accounting Office completed their review of the administration of the act.

We have kept the pledge that we made to these members and the House last year. The General Accounting Office report has been completed and oversight hearings on that report have been conducted. The Department of the Interior has initiated steps to correct nearly all of the deficiencies cited by the GAO report.

The GAO and the administration have also suggested several legislative changes to clarify some of the provisions in the 1978 amendments. We have developed several amendments incorporating many of these suggestions.

We believe that the amendments adopted last year are working. The committee is following their implementation closely to make sure that they do work. The amendments addressed the chief deficiency of the act—the absence of any mechanism to balance the legitimate interest in conserving endangered species and the equally important national interest in continued economic growth.

As I have indicated, the 1978 amendments addressed this problem by the creation of a special high-level committee to resolve disputes when they do occur. The amendments did several other important things as well.

The 1978 amendments, for the first time, require the consideration of the economic impact of designating critical habitat. This represents a significant change in the statute, and is aimed at informing local communities of the potential impact of a critical habitat designation.

The 1978 amendments also required several important changes in the notice procedures in the act. The committee discovered last year that all too often the listing of endangered species occurred in a regulatory vacuum. Regulatory proposals were published in the Federal Register and seldom anywhere else. Obviously, notice in the Federal Register does not constitute sufficient notice to individuals and communities that could be potentially impacted by an endangered species listing.

The 1978 amendments addressed this problem by requiring actual notice of critical habitat proposals to units of local government as well as publication in the local newspapers. The amendments also mandate public meetings in the local area on proposals to designate critical habitat.

We believe that all of these changes will serve to provide more local input into the endangered species decisionmaking process. We also believe that these changes will also enhance better understanding of the endangered species program throughout the country. Although the conflicts that have developed under the program are well known and have been widely publicized, these conflicts represent the exception rather than the rule. The undisputed evidence presented to the committee in our oversight hearings suggests that the vast majority of endangered species conflicts can be effectively resolved in the consultation process—without resorting to the courts or to the newly created exemption process. As this fact becomes more understood and acknowledged the fear of the endangered species program will diminish.

The Endangered Species Act is good, sound, and very necessary environmental legislation. I do not believe that any of us here would like to see the bald eagle, the grizzly bear, or the gray wolf vanish. The Endangered Species Act is, in many instances, the only thing that stands between many of these species and extinction. Obviously, the act as originally written failed to recognize that all too often this Nation is forced to make difficult choices—and the survival of endangered species is one of those difficult choices that has to be made. The amendments adopted last year kept the basic strength and structure of the act, but established a system within which the difficult conflict between habitat preservation and development can be resolved.●

● Mr. BEARD of Tennessee. Mr. Chairman, I rise in support of the entire package of committee amendments, and wish to compliment the subcommittee chairman, Mr. BREAUX, for the close attention to detail in these particular amendments.

On balance, I feel that the Congress passed reasonable, workable amendments to the act last year. It is, of course, too early to determine whether the exemption procedures of the Endangered Species Committee will operate as the Congress intended. However, other changes in the 1978 amendments are certainly improvements. These include increased public participation in the listing process, the consideration of economic impact in determination of critical habitat, and the performance of biological assessments prior to new construction starts.

From my point of view, with the addition of a few changes to the act, as proposed by the committee, I think we can all afford to allow the endangered species program to operate for a few more years before we would need to consider any further amendments.

As Members of the House will recall, one of my amendments adopted last year called for an 18-month reauthorization of the act, so that the Congress would be assured an opportunity to examine a then-promised General Accounting Office report on the endangered species program before passing a 3-year reauthorization.

As GAO witnesses pointed out in recent hearings before Mr. BREAUX's subcommittee, the Fish and Wildlife Service's administration of the act has left substantial room for improvement. Recently, after examining the GAO report myself, I introduced H.R. 4841, a bill which I think would correct most of the problems addressed by GAO.

Virtually all of this bill is contained within the committee amendments to this reauthorization.

Those provisions of my bill which were adopted by the committee include, first, instructions to the Secretary to establish procedures to insure efficient and effective management of resources available for administration of the act. GAO found that the Fish and Wildlife Service had never developed guidelines to insure that the most basic of functions are carried out. For instance, GAO found that the Service had received 154 petitions to list or delist species, through June 30, 1978. Yet, only 59 percent of these had ever been recorded as received. The New Melones cave harvestmen listing petition was one of those apparently not logged in as "received." The Service told GAO they did not want to act on this petition, for fear of creating another "Tellico incident." The development of guidelines would correct this situation, as well as insure that the Service develops specific criteria for judging the "substantiality" of petitions to list or delist species.

Guidelines would also be created for a priority ranking system to insure that species facing a high degree of threat receive expeditious review for listing. The Service recognizes the need for a priority system to select species for review and listing, and to allocate its limited staff and funds. In spite of this awareness, the Service has developed six priority systems through fiscal year 1978, but Service officials were not able to agree until recently on implementation of any particular system.

A priority system for the development and implementation of recovery plans is also needed. Service funds have not been allocated toward recovery of species based on the degree of threat to the species. There are numerous instances where the Service has purchased land for recovery of low priority species. Furthermore, the Service cannot determine the effectiveness of recovery plans because they are not adequately monitored or evaluated. The Service recently announced the approval of a revised set of guidelines, which includes a priority system. I understand the Service has also implemented systems for ranking priorities of species for listing and logging petitions. However, I believe that the Congress should mandate these systems under law, to insure that their operation continues.

The second major concern that I had was over clarifying the intent of my "one-time permanent exemption" amendment, which the Congress adopted last year. My intent in offering the amendment was to insure that once a project has undergone a biological assessment and has received an exemption, it would be impossible to halt the project by finding any additional "endangered species."

I think that everyone would agree that projects begun before enactment of the 1978 amendments should be eligible for permanent exemptions if biological assessments are done first. However, opinions differ over what constitutes a "one-time permanent exemption." My intent was to apply the permanent exemption to the project in question. The Senate, on the other hand, in its reauthorization this year has chosen to apply the exemption to individual listed species that are in conflict with a project. Frankly, I think that the Senate's interpretation is illogical. Under the 1978 amendments, projects receive exemptions. There is no process for exempting species from anything.

I think that the amendment adopted by the committee this year with regard to the "one-time permanent exemption" issue serves to provide additional assurances both to developers and environmentalists, although I do not feel that the committee goes far enough in this area. Any exemption for completion of a project would be based upon a biological assessment which would include listed and proposed species, alike.

Environmentalists would be assured that exemptions are granted only after the most thorough of biological assessments is completed, and that all listed or proposed endangered life forms are considered in the exemption process. On the other hand, project managers should be assured that once a project goes through the exemption process, it could not be halted by future listing under the Endangered Species Act. Although the committee does not go this far, the committee amendment should serve to minimize the potential for conflict, to the extent that biological assessments are conducted in a thorough fashion before any exemptions are granted.

Finally, I had expressed concern during the committee's reauthorization hearings that a Senate reauthorization provision that extends the Secretary's "emergency listing" authority from 120 days, under present law, to 1 year is unnecessary and presents potential for further abuse of this law. Fish and Wildlife Service officials have testified that they intend to use this provision extensively in the future. Therefore, I believe that we should approach this issue with caution. The Senate's position on this is not well founded, and I would hope that the House conferees will take these observations into serious consideration during the conference.

Mr. Chairman, because of the high degree of controversy surrounding last year's debate, I believe that continued congressional oversight, and the adoption of the committee's amendments to perfect the act will serve to protect it.●

Mr. BREAUX. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. ZABLOCKI, having assumed the chair, Mr. FLIPPO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2218) to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1980, 1981, and 1982, had come to no resolution thereon.

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## GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on H.R. 2218.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

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## AUTHORIZING ADDITIONAL APPROPRIATIONS FOR MIGRATION AND REFUGEE ASSISTANCE

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4955) to authorize an additional appropriation of $207,290,000 for the fiscal year 1980 and $203,610,000 for the fiscal year 1981 for migration and refugee assistance.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. FASCELL).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4955, with Mr. PEYSER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. FASCELL) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida, Mr. FASCELL.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I want to commend the distinguished chairman of the subcommittee, the gentleman from Florida (Mr. FASCELL), and the ranking minority member of the subcommittee, the gentleman from Alabama (Mr. BUCHANAN), for their untiring efforts on behalf of this legislation.

Mr. Chairman, I rise in support of the bill H.R. 4955, authorizing appropriations for fiscal years 1980 and 1981 for migration and refugee assistance.

At the outset, I want to commend the distinguished chairman, Mr. FASCELL, and ranking minority member, Mr. BUCHANAN, of the Subcommittee on International Operations for their efforts on behalf of this legislation.

I will not go into the specific details underlying this additional executive branch request as that will be ably done by the chairman of the subcommittee.

I do, however, want to emphasize two points concerning the urgent need and justification for this legislation.

First, the Indochinese refugee situation has significantly worsened since Congress approved the initial executive branch request. During the period from January through July 1979, the numbers of Indochinese "boat" and "land" refugees soared increasing the total Indochinese refugee camp population to over 375,000 as of August 1, 1979.

Although camp populations in the first-asylum countries have decreased somewhat due to the increased absorption rate pledged by the United States and other countries at the July Refugee Conference in Geneva and refugees arriving by boat have temporarily declined as a result of weather conditions and the moratorium announced by Vietnam, the situation remains extremely serious. The numbers of Cambodian refugees fleeing famine conditions and the Vietnamese offensive in their country have dramatically increased in recent days and the possible recurrence of the Sino-Vietnamese border conflict could again force large numbers of ethnic Chinese in Vietnam to flee.

With respect to the ominous situation in Cambodia, the Committee on Foreign Affairs will mark up legislation this coming Wednesday designed to permit increased U.S. participation in the Cambodian famine relief program now underway under the direction of the childrens' fund and the International Red Cross.

The second point I would like to make concerning this legislation is that the United States is not shouldering the Indochinese refugee burden alone. At the Geneva Indochinese Refugee Conference held last July, some 37 nations pledged themselves to accept resettlement of 123,500 refugees by June 30, 1980. These pledges are in addition to the monthly rate of 14,000 pledged by the United States.

With respect to the costs of care and maintenance of the refugees residing in camps, Japan agreed at the Conference to finance 50 percent of the Indochinese program of the U.N. High Commissioner for refugees thus enabling the United States to reduce its percentage of contributions for this effort.

Finally, Mr. Chairman, I would note that the appropriation of the funds authorized in this bill for fiscal year 1980 is contained in both the House and Senate versions of this year's foreign assistance appropriations bill and that the fiscal year 1980 amount is assumed under the second budget resolution now in conference.

I urge the adoption of the bill.

Mr. FASCELL. Mr. Chairman, I yield myself so much time as I may consume.

Mr. Chairman, I rise in support of H.R. 4955, a bill to authorize urgently needed additional appropriations for migration and refugee assistance in the amount of $207,290,000 for fiscal year 1980 and $203,610,000 for fiscal year 1981. This request was submitted as a Presidential budget amendment for refugee assistance sent to Congress July 25. The budget amendment results from a commitment made by the United States at the Geneva Conference on Refugees July 20 and 21, to request funds from the Congress to meet the current Indochinese refugee crisis. The U.S. response is part of a concerted worldwide effort which includes substantial contributions by our allies and others. Japan, for example, pledged to finance 50 percent of the UNHCR's Indochina program.

In recent months, the numbers of Indochinese "boat" and "land" refugees have skyrocketed. Estimates placed the number of Indochinese refugees in UNHCR camps at 375,000. This figure is 270,000 higher than the estimate made at the time the original fiscal year 1980 budget was being proposed.

As a part of our effort, the United States has pledged to resettle 14,000 refugees per month. This represents a doubling of our commitment to resettle refugees from that area, thus requiring additional funds. In this area too, other countries have volunteered substantially increased numbers of resettlement opportunities. In fact, the final pledged total is 260,000 which is more than twice the number estimated by the UNHCR in May of this year.

The funds in this legislation will provide assistance to the U.N. High Commissioner for Refugees, and for the creation of a much needed new refugee processing center in Southeast Asia ($84 million) and reimbursement to the Department of Defense for the use of U.S. Navy ships and planes to rescue refugees stranded in the South China Sea ($17 million). A final $105 million will finance transportation, documentation, and reception and placement grants for the additional 7,000 refugees per month being resettled in the United States.

Both the full House and Senate have

approved the appropriations for the full amounts authorized by H.R. 4955 in actions taken earlier on the foreign assistance appropriations bill.

Vietnam and its Communist puppet allies elsewhere in Southeast Asia, through their outrageous actions against their own citizens have flung a challenge in the faces of men and women of good will around the world. The Geneva Conference demonstrated the determination of the non-Communist countries to act quickly and generously to relieve the hardship and suffering of those forced to flee their homelands. Since the United States was the prime mover behind the Geneva Conference on Refugees, as well as the world leader in refugee assistance, I urge my colleagues to approve this authorization.

□ 1400

Mr. BUCHANAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I wish to associate myself with the remarks of our distinguished subcommittee chairman, Mr. Fascell.

There is a very urgent need for these funds. They will help to fill the commitment which the United States made earlier this year in Geneva to increase the number of refugees coming into the United States from Vietnam.

As the gentleman from Florida has noted, this body is already on record in support of appropriating these funds for fiscal 1980 and the other body has followed our lead.

We cannot escape the fact that the United States has had a special relationship with the people of Vietnam. Many of those who are coming to the United States worked for the U.S. Government or for American companies in Vietnam. Many others have relatives in the United States. Many would die without our assistance.

While our country is leading in the number of refugees it is accepting, we are also leading in the effort to obtain permanent resettlement homes for other refugees outside the United States.

Through this legislation, we will also provide assistance to countries which are our allies, such as Thailand, which is being inundated not only with hundreds of thousands of Vietnamese refugees, but many thousands of starving Cambodians as well.

I certainly share the concern of those who say that we cannot and should not take all of the refugees of the world. But, I sincerely believe that in a country with the wealth, size, and resources of our own, we should provide the assistance it is in our power and ability to do.

In fact, we are taking actions to insure that incoming refugees will not be settled in locations with high concentrations of refugees.

Some $42 million of the funds in this bill will go to such voluntary agencies as the U.S. Catholic Conference, Church World Service, and the Lutheran Immigration Service to assist with the resettlement problems here.

The Government of the Socialist Republic of Vietnam has turned its back on its own people in a cruel and inhumane manner, continuing the sad saga of repression in Indochina, one of the great tragedies of our times.

As the world's greatest advocate for human rights, the United States can and should open her heart and her doors to these desperate victims of Communist repression.

Their hope, their chance for freedom, indeed, their very lives are in our hands.

Mr. Chairman, I reserve the balance of my time.

Mr. FASCELL. Mr. Chairman, I have no further requests for time.

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. Collins).

Mr. COLLINS of Texas. Mr. Chairman, I rise to ask several questions of the gentleman from Alabama and the gentleman from Florida if I could, because the subject of immigration for the State of Texas is No. 1. Everyone down there has ideas on who should be admitted and everyone is very much concerned with it. I do not know what the situation is throughout America but in the city of Dallas they tell me we have 5,000 immigration cases each month, which means over 50,000 cases a year. If you take that for the State of Texas that means we are having about 250,000 people who want to be immigrants into this country.

Mr. Chairman, we are turning many of these people down. Very few of them are getting in.

I asked the staff in our office why they were spending so much time on immigration cases. They tell me people keep coming in for followup reports. All of these applicants keep saying they want in, they have relatives, they have deserving situations; from all over the world.

Yet, what we are doing here, Mr. Chairman, is, coming in and giving priorities.

When I was home I was told we were providing Vietnam preference because we have a guilt complex. I do not have a guilt complex. I did not think we should have been in Vietnam and the whole situation was the most unfortunate chapter, I believe, in our foreign affairs development. However, we have to think in terms of what is fair today to the country and what is fair to the world. Are we treating equally all of the people in the world, are we giving everyone a fair shake?

Mr. Chairman, in this instance we are not giving all races a fair shake. We are giving preferential treatment to one group from one country.

Mr. Chairman, we are not the only country in this world. What happened to all the other countries around the world taking their fair share? In the committee report here you stated how many have gone to these different countries.

Let us start with Japan. Up until June 30, 1979, Japan had accepted 51.

Let us take another one, Italy: 256.

Take Germany: 3,735.

Take England: 2,841.

Brazil. As big as Brazil is they have the land space to take them all. Brazil has taken in the big total of 37.

Mr. Chairman, what have we done? The United States up until June 30, 1979, has taken in 210,000 people. Two hundred ten thousand people.

The question I wanted to ask first is, when we have already taken in 210,000 people, what is our share? What is wrong with the rest of the world assuming their responsibility?

I would ask the gentleman from Florida if he could tell us how we arrived at us assuming the burden for the world?

Mr. FASCELL. Well, I will tell the gentleman from Texas, whose State has taken about 8 percent of the total Indochinese refugees, that the gentleman does not have any kind of problem compared with what I have in just one town.

Mr. COLLINS of Texas. I understand the gentleman from Miami has many problems with immigrants wanting to live in Florida.

Mr. FASCELL. We all have problems. I cannot say what the United States can do to make any other country assume some kind of international commitment.

□ 1410

I can say this, though, that before we went to the Geneva Conference and without the leadership and the activity of the United States, the situation would have been worse for the people who were involved. Regardless whose fault it might have been or how we look at it, I do not think anybody anywhere can be comfortable with the fact that people in Southeast Asia are being treated with less dignity than animals, that they are dying at sea because they cannot stay in their homes and they had nowhere else to go. That is a blot on humanity.

Now, how that stirs the gentleman's soul or the gentleman's fellow Texans' souls I am sure is as strong as it stirs the soul of everybody else in the United States.

Of course, we cannot take everybody in the whole world. The gentleman from Texas knows that. Our immigration policy is such that we have to restrict numbers. It is very, very difficult, because I do not have to tell the gentleman that the so-called undocumented aliens who are in this country far exceed the problems that are presented by the Indochinese refugees.

Suffice it to say this, as far as we know, that the number of sponsors in this country outstrips the number of refugees who are ready to come in. And the refugees who are being admitted under the Indochinese program are those who have families here, those who assisted us during the Vietnamese conflict and those who are so closely allied with us that their lives are in danger from the Communists. Whether we like it or not, we do have certain responsibilities to these people.

If we had not had the Geneva Conference, I will say to the gentleman from Texas, the commitments the gentleman pointed to, which seem dismally small, would not have been even that significant. I might also add that Australia and France are doing more for Indochinese refugees, on a per capita basis, than is the United States—and those countries are considerably smaller than we are.

Mr. COLLINS of Texas. Well, now, we have already taken in 210,000. Let us look at the fact that every year, just in my State, and the gentleman from Florida happens to be in the State that is under the most pressure perhaps, of any State in the Union, where so many people are wanting to come in.

How does this Southeast Asia group get special priority? There are people starving all over the world. There are deserving people. They are relatives of people who live here now.

Mr. FASCELL. The gentleman knows the answer to that. There was a special determination made as a matter of national policy, similar to our commitment to Hungarian refugees, and to Cuban refugees, and now with the Vietnamese, and because of the fact that the United States feels a special relationship to these people.

Mr. COLLINS of Texas. Do we have any requirements about who comes in?

In other words, our troops were over there. Do we ask whether they were our allies, whether or not they had some relationship to the United States? Why would they get the priority over people from Mexico, as an example?

Mr. FASCELL. Well, depending on who you talk to and depending on where you live and probably the gentleman from Texas and those from California know more about this than I do, there is an estimate of somewhere between 3 million and 12 million so-called undocumented aliens now from Mexico. I do not think Mexicans have any problem getting in, from what I can hear; so I do not really think that is the problem. Suffice it to say the answer to the gentleman is "Yes," these refugees do bear a relationship to the United States and our involvement in Vietnam.

Mr. COLLINS of Texas. Mr. Chairman, I thank the gentleman from Florida.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I think the concerns the gentleman has expressed are shared by many American citizens. I know a number of our colleagues have been hearing from home the sort of concerns which have been expressed from the gentleman's congressional district. There are areas that have special problems in the area of immigration, such as Miami and certain States, like Texas, that have a special situation with immigration from Mexico, legal or otherwise.

Let me say in response to the gentleman, first of all, we do have a special relationship to Vietnam, however mistaken it may have been. I agree with the gentleman, I think our whole involvement in Vietnam is one of the greatest tragedies of American history.

I have to confess to a part of that responsibility, because I voted for that money to appropriate those funds to keep our war effort alive.

I never endorsed the policies we pursued while there, and other policies might have helped to bring about a better outcome; but it was a terrible tragedy in American history.

The fact of the matter is that many of these very people do have, out of that involvement, definite connections with this country, and in some cases a reason for leaving pertaining to their relationship to this country and the hostility of the current government toward everyone who has been connected with our country.

The order of priorities for Indochinese refugees coming into this country are: first of all, do they have immediate relatives in the United States?;

Second, did they work for the U.S. Government or an American company;

Third, do they have other relatives who are U.S. residents; and finally, is this a special humanitarian case, where somebody's life, for example, is at stake?

These are the categories of people that are supposed to be included as the priorities for those who are taken into this country.

I would say further that these are desperate people, more desperate, perhaps, than most other refugees are or have been in the world. In many cases their very lives depend on someone taking them. The fact is that this country is simply the best that there is in the world.

The gentleman is himself a man of Christian sentiment and character. I know that the gentleman understands the strong tradition in our country of reaching out to people who are in desperate need, of meeting the victims of disaster and of repression. These are clearly victims of a very special and terrible kind of Communist repression. If we do not help them, we are trying to lead the world to help us help them and they are doing better than they have been; but "if gold doth rust, what will iron do?"

The fact is because we are the best, we are the ones that have to take the lead.

The CHAIRMAN. The time of the gentleman from Texas (Mr. COLLINS) has expired.

Mr. BUCHANAN. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. COLLINS of Texas. Mr. Chairman, I appreciate what my brother has said. I share the gentleman's strong belief in Jesus Christ and our responsibility in the name of Christ to our brothers throughout the world; but we have also a Christian responsibility to treat everybody in the world equally.

What I cannot understand is how this one group, because we must carry it a step further, as we have a responsibility for starving people everywhere, why did Australia just take 14,000 under the new resettlement and the United States take 168,888? Australia is a sparsely settled country and we are crowded.

I do not understand it. Who worked on this international board and determined these quotas?

Mr. BUCHANAN. The truth is, I think we did the best we could to get others to do more than they had been doing. Although there were no quotas and we could not force other countries to do more, there was some response.

I agree with the gentleman, others could do a good deal more than they are doing; but the fact is that this is a nation of immigrants. Almost all of us somewhere back in the history of our families started out as immigrants. This country has accomplished some wonderful things with these different cultures and peoples that have come together to form and enrich this mosaic, as well as the melting pot that is our country.

I think that many of these people have a contribution to make to our country, too. Certainly if they do not make it here, they are going to have a very hard time getting into other countries.

I would recommend that the gentleman be put on our next group to go to negotiate in this international forum for others to do more, because the gentleman is a very effective advocate. I would like to have the gentleman on my side, because I agree, others should do more.

In the meantime, I think this is what we must do.

As to the basic equities, I want to assure the gentleman that we have major refugee legislation coming before us soon to be considered by this committee and which has just been considered by the Committee on the Judiciary.

□ 1420

Mr. Chairman, we will have an opportunity to deal with the equities in that legislation that will be before the House this year.

Mr. COLLINS of Texas. Mr. Chairman, I thank the gentleman from Alabama (Mr. BUCHANAN), and I thank the gentleman from Florida (Mr. FASCELL), who is chairman of the subcommittee, for their enlightened and very constructive comments.

● Mr. DERWINSKI. Mr. Chairman, I rise to speak on behalf of H.R. 4955. This measure is in response to one of the greatest human tragedies in recent memory, and there seems no adequate language to express the dimensions of this catastrophe. No one likes to have to spend money for this kind of situation. It is however something we cannot ignore. When the Vietnamese Government deliberately sets out to reorganize its society by eliminating an entire ethnic population, it is simply more evidence that totalitarianism has taken firm root in Indochina. There are presently at least 375,000 Indochinese refugees in camps throughout Southeast Asia.

It is probable that a million persons have fled their homeland in Indochina. We have no way of knowing an even grislier figure—the number of those who drowned in the South China Sea.

The American people have responded to this challenge. They have opened their communities to over 200,000 Indochinese refugees already, most of whom have been resettled at the expense of nongovernmental organizations—churches, charities, and private families. Costs have gone up and it has become a necessity to increase the amount per refugee for resettlement assistance. We must recognize the impact such individuals have on local communities in additional requirements upon schools and social services. This legislation provides the resettlement dollars necessary, and some help for health screening at the local level.

It is in our tradition to respond to

need. Many of us are descended from people who came here for freedom. And in this instance, where we had unsuccessfully sought to protect people from the ravages of communism, we have a special kind of responsibility.

I do not believe, I must note, that we have the sole responsibility for this task of providing new homes for the refugee flood. I commend the efforts of our administration for the efforts they have made to get other nations to carry more of the load of support and resettlement. We must continue to press those two initiatives.

In the meantime, however, whatever happens with regard to new departures from Vietnam and Laos, and new streams of Khmers fleeing the war in Cambodia, we have little choice in my view, but to shoulder our share of responsibility, for humanitarian reasons, for those persons already in camps around the South China Sea—from Hong Kong to the Philippines to Thailand to Malaysia to Indonesia. Life in those camps is at best one of dull despair, brightened only by the prospect of resettlement somewhere in countries where the refugees need not fear a government of the sort they left behind.

Unfortunately, resettlement thus far has lagged behind the arrival of fresh refugees. Only by the action we are here supporting, repeated many times in other countries, can we stabilize the situation in Southeast Asia.

I urge my colleagues to support this measure. It is at this point the least we can do to keep the Vietnamese from endangering the nations of ASEAN, who are the last, best hope for a stable and moderate Southeast Asia. And most important, it is the least we can do for a people who have been caught in circumstances far beyond their control.●

Mr. FASCELL. Mr. Chairman, I have no further requests for time.

Mr. BUCHANAN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ZABLOCKI) having assumed the chair, Mr. PEYSER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4955) to authorize an additional appropriation of $207,290,000 for the fiscal year 1980 and $203,610,000 for the fiscal year 1981 for migration and refugee assistance, had come to no resolution thereon.

## OF RABBITS AND RUNNING . . .

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 30 minutes.

Mr. NELSON. Mr. Speaker, I want to talk to you about a danger to our country which I am beginning to see in the rising negativism and cynicism toward Government—and in the constant desecration of the Presidency from the pundits of America—the national media and some Members of Congress.

Walter Annenberg, the Philadelphia publisher who served as President Nixon's Ambassador to Great Britain, recently expressed his concern in an article in TV Guide.

He noted the rising criticism of the Presidency in general, and President Carter in particular, and said:

> We would be well-advised to remember that he's the only President we have.

Annenberg then quoted Don Marquis' literary approach to the troubles of the Presidency:

> There is bound to be a certain amount of trouble running any country . . .
>
> If you are President, the trouble happens to you . . .
>
> But if you are a tyrant, you can arrange things so that most of the trouble happens to other people . . .

Annenberg attributes the President's troubles to the "me first" philosophy in what has sometimes been called the "me decade" in America. Others have pointed out the rising tide of "single issue politics" in the country.

I do not know whether we Americans are putting "me" first more than we have done so in the past. But a number of educators quoted in a recent article in the Christian Science Monitor think we are.

The head of one school said she was astounded by the complete self absorption of her seniors. So much so, that she was thinking of requiring a half year of public service before each student was allowed to graduate.

Other teachers noted the increasing self centeredness of very young children in nursery schools and day care centers.

Self awareness is important, of course, for growth and a clear sense of identity. But it need not develop, as it seems to be doing, according to these educators—it need not develop into an attitude of self-indulgence, self-gratification, and just plain selfishness.

Those of us in public life certainly can testify to the rise of self-interest, one-issue politics. We see it in our mail, in our conversations with our constituents, and even in the form of threats.

For example, one of my colleagues told me recently that a teachers group in his district threatened him with political retaliation unless he voted for the Department of Education bill. They told him they would find someone to run against him and raise money for an opponent to defeat him next year.

This is an outstanding Member of Congress. Everything he has done in the Congress for his country and for his district is discounted by this one-issue mentality—which judges him, not on his whole record, but on this one vote.

There are many such issues today: The Panama Canal, abortion, busing, nuclear power, ERA, gun control, and many others.

These are legitimate issues on which people might and do disagree vigorously. But none of them is the most important thing in the world to the total exclusion of others.

But, unfortunately, there are many people who feel that the one issue they are interested in, the one thing they feel strongly about, is the only thing that matters. And they feel that, if they cannot get their way, they can get even. And they now have the tools—computerized mailings and mailing lists and instant media attention for their cause.

Members of Congress are not exempt from this attitude. A few are one-issue Members. And if the President or anyone else does not see our national priorities their way, those Congressmen retaliate with hostility, carping, and criticism.

They rejoice when the press makes a big deal out of the President's encounter with a swimming rabbit or when he shows fatigue during a footrace.

I regret to say, there are some Members of the Congress, on both sides of the aisle, who are angry at the President, or disappointed in what he has done on their pet issues, who give only little thought to the country's need for an effective, functioning President and Commander in Chief.

The same thing is reflected in the national media.

There is an irresponsibility and flippancy in too much of the national reporting on the President and on the national issues with which he must deal day after day. There is a tendency to zero in on the titilating and the dramatic, the sideshow and the freak, rather than on the often complex, often overwhelming, often perplexing issues—of the economy, of national defense, of social disorder and decay, of the big, complicated questions and problems we face in the country today.

The network TV news shows all too often are in competition to shock and surprise their viewers—to keep the audience interest at a high point—and the ratings dominate the news programs just as they do other forms of TV entertainment.

I think this tendency in network news may have been aggravated by the Vietnam war, which became a nightly media spectacular, a nightly horror show, and then again aggravated by Watergate.

The selection process of the news lends itself to playing the news as drama. It also gives rein to the national prejudices of news people. You may remember how many of the national media people were offended by the personality and "Texas manners" of President Johnson. They missed few opportunities to play them up. On the other hand, they loved the handsome and graceful President Kennedy's wit and sophistication, and their news treatment reflected their feeling that he was one of their own.

Working national media people also know that promotions and salary increases tend to go to the reporter who digs up a story with a lot of "human interest." That usually means scandal, sex corruption, drugs, conflict between well-known personalities, and all the rest.

Every President has been subjected to just and unjust criticism. And from George Washington down to the present, Presidents have felt that they were being treated unfairly by the Congress and the press.

So there is a tendency to say it is all part of the game, all part of our system of democracy and free speech, and it will all come out right in the end.

But it has not always come out right.

Presidents have been seriously weakened in the past by constant carping in the media and in the Congress. And the Nation has suffered because of it.

The failure of the United States to join the League of Nations.

The inability of Roosevelt to get the Nation's Armed Forces ready for the war he saw coming.

The inability of America to effectively wage a war in Vietnam.

All of these might have turned out differently if our Presidential leadership had not been weakened:

By the sustained attack on President Wilson in the Senate concerning the League of Nations.

By the overwhelming hostility of publishers to "That Man in the White House" in the years just before World War II.

By the love affair the TV cameras had with anti-Vietnam war demonstrators—as legitimate and sincere as some of those demonstrations were.

We can properly criticize a President when we disagree with his policies. We can vote against him in the Congress or at the polls. But we should not forget that the office of the President, the institution of the Presidency, is essential to the functioning of our democratic society. It is the place where the hard decisions affecting our society and our security have to be made if we are to survive and prosper.

A strong Presidency is essential in a constitutional sense as a balance to the power of the remaining branches of Government—the legislative (Congress) and the judicial (Supreme Court). Each are separate and must remain near equal to maintain the balance of power envisioned by the framers of our Constitution.

We should judge the President, any President, on his total performance on the important issues—on what he does on the budget, on what he does on energy, on what he does on national defense, and all the rest.

But we should not stand idle or remain silent when it appears that he is being badgered and discredited in a circus atmosphere. A President may be replaced on the basis of his Presidential performance. But he should not be pulled down by rabbits and running.

He is, after all, as Walter Annenberg has reminded us, the only President we have.

When his energy policy fails, we all are threatened by the cold.

When his foreign policy fails, we all are less secure.

When the Presidency fails, all of America suffers. We should not let this be inflicted on America trivially. We should hope and work for the success of this great political institution.

We must turn around the negativism and cynicism and be positive about America. We have a lot to be thankful for. And what is wrong in America, it can be made right.

America, America—God shed His grace on thee. And crown thy good with brotherhood, from sea to shining sea.

□ 1430

Mr. BONKER. Mr. Speaker, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from Washington.

Mr. BONKER. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman in the well for his eloquent and courageous statement on a timely subject. There are not many in this body who would dare to question the national media, particularly that coverage of the White House and the events in this city. But what the gentleman has called our attention to is a matter of great concern to all of us because we have reached the point when it has become exceedingly difficult for anyone to effectively lead this country when we have seen so much cynicism and abuse of the office and the person who occupies that office, to a point where it is held up to ridicule, not only within this country, but worldwide.

I know that the gentleman does not speak out of partisan fervor but he is concerned about the institution and about the office that is supposed to represent the national leadership in this country. If we cannot put aside politics and the kind of negative reporting that accompanies that particular office 2 or 3 years while the person who occupies it attempts to lead this country, then I think we have reached a point where we have seen a paralysis within the White House and within the executive branch of the Government.

We have an adversary relationship, I think, between Members of this body and of the national press as it relates to the White House, and I do not think the gentleman questions for a moment the necessity of that relationship in our political system. But we have seen a point where we have taken it much too far, and we have made it so difficult for anyone to confront the issues and to represent national leadership of the scope and intensity that is necessary to provide the leadership to solve the problems that we may look back at this point of our history and well conclude that we ourselves have been responsible for the inhibitions that have been placed upon the leadership in that office.

I might also add that in the gentleman's reference to other Presidents who have so well served this country, probably the one individual who was most abused and ridiculed while he occupied the position of President has now turned out to be the greatest President of all, and that is Abraham Lincoln. I think what we are witnessing today is a person who is attempting to confront the issues courageously and openly, the result of which has brought him a great deal of criticism. But each time we look back into history, the President who was most courageous in confronting those issues has always been one who was most controversial and the one who has ranked the lowest in the polls. But if we find a President who did not confront the issues and was only attempting to do what was popular and he has been very high in the polls, then he rates very low in history.

□ 1440

So I would much rather have a President who would confront the issues, risking the lower popularity polls, but tries to do, in his conscience, what is right for the country. I believe that we have in office today a person who exemplifies those qualities. I want to commend once again the gentleman for his straightforward and courageous statement.

Mr. NELSON. I appreciate the gentleman's remarks most eloquently stated. He and I have talked about this issue for some time, and our comments are made in a nonpartisan manner; directed at an institution, the office of the Presidency.

I wonder sometimes if Americans have not come to expect too much of the particular man who holds that office as a trustee at any given point in time, be he Democrat or Republican.

I am concerned that in the rising of those expectations and then the concentration by the media and some political leaders on the trivial matters, if we have not started moving to a desecration of the Presidency so that it ceases to function as a near-equal separate branch of Government. And that is the concern that I address and that is the concern that my good friend from Washington shares with me.

I thank the gentleman for his statement.

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## HOW TO INVITE ANOTHER MAJOR GAS CRISIS—REIMPOSE GASOLINE CONTROLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

● Mr. KEMP. Mr. Speaker, from time to time a Member of the House presents a thoroughly sensible proposal for consideration. Usually, in the excitement of the moment, the House fails to adopt it. Imagine the astonishment, therefore, when Mr. COURTER of New Jersey proposed last Friday to end the Department of Energy's disastrous gasoline regulation program—a sensible plan if ever there was one—and had his amendment promptly adopted by this House.

Now we are being asked to restore the 3,000 pages of DOE regulations which caused the gasoline shortages of last summer. Mr. Speaker, a vote to restore DOE price and allocation regulations on gasoline is a vote to bring back those long gasoline lines at the first hint of the slightest disruption in crude oil supply. It is a vote for another gasoline allocation flasco, in which a 4-percent shortfall in world crude oil supplies could be transformed into selective gas shortages of 25 and 30 percent at the gas pump.

Deregulation of gasoline has been recommended by virtually every major study of energy policy undertaken in the past 6 years, and by the editorial boards of newspapers across the country. DOE officials themselves admit they cannot efficiently regulate the gasoline market, and that their allocation system "exacerbated" last summer's shortages. The administration's chief inflation fighter, Alfred Kahn, speaks of "the spectacle of the Department of Energy chasing gasoline and diesel fuel shortages all across the country and trying to solve them by continually modifying its allocations—and leaving new shortages in its wake."

Virtually no one today disputes that the only reason the United States, unlike all other countries, had gasoline lines is because only the United States, unlike all other countries, had the DOE's gasoline allocation program. The only serious allegation raised against Mr. COURTER's successful amendment is that gasoline prices would rise if DOE regulation ends. This is a rather weak reed to lean on, considering the fact that gasoline prices have risen 60 percent this year, when gas prices were supposedly controlled. In fact, the entire DOE gasoline allocation and price system is designed not to protect consumers, but to preserve the market shares of existing suppliers and retailers. All product price increases are passed directly on to consumers—only in addition, the regulations raise prices above what they would otherwise be by suppressing competition among dealers. The price of gasoline is not determined by Federal regulation, but by the availability of gasoline and the demand for it.

How can we seriously consider supporting these allocation controls after our catastrophic experience with the allocation system last summer? Have we forgotten the agony, frustration, and inconveniences of last summer's gasoline lines? That there were severe shortages in New York, Los Angeles, and Washington, D.C., but not in Detroit, Cleveland, or Lake Placid? That there were long gas lines in the United States, but nowhere else in the world? Have we forgotten the serious harm done to thousands of small businesses, tourist and resort centers?

Mr. Speaker, we must not forget that there would have been no crisis at all if the market forces had been allowed to direct the available gasoline to the places where it was needed most.

Before we vote again on the DOE allocation regulations, I ask that all my colleagues take a closer look at just how these regulations "handled" the 4-percent shortfall in Iranian oil imports last summer. Here is what happened:

Oil production in Iran was interrupted last winter for 69 days, and resumed at somewhat lower levels than before. After market adjustments to the disruption, including increased production elsewhere in the world, America's share of crude oil supplies was reduced by 700,000 to 800,000 barrels a day, or about 4 percent. This much of the crisis is "real" but relatively minor and temporary.

Under something called the O'Leary rule, the Department of Energy directed American companies to refuse to bid for oil on the world spot market at more than $5 above the OPEC contract price of about $15 a barrel. This was supposed to hold down the price of oil. Because the American companies largely complied with this rule, the American crude oil shortage roughly doubled, from 4 to 8 percent; yet the spot price for oil still hit $37 a barrel.

Deputy Energy Secretary John O'Leary, after whom the O'Leary rule was named, now asserts the rule "may have cut world prices by $2 a barrel" below what it would have been. In other words, by deliberately increasing the American shortage, we saved the rest of the world $2 a barrel on the oil it did buy.

Next, the Department of Energy directed American refiners to divert enough of available crude oil from gasoline refining to manufacture 240,000 barrels of "middle distillate," more than normal every day until October. The DOE explained this was necessary to build up heating oil inventories to a higher than normal level for the winter.

The supply of crude oil available during the Iranian crisis was also reduced by the Department of Energy's administration of the strategic petroleum reserve, which was authorized by Congress back in 1975 for use in just such an oil shortage.

Now, except for military reasons, this kind of a reserve does not make much sense. It amounts to pumping oil from below ground in the Middle East in order to pump it back into the ground in this country. At the same time, enormous oil supplies already below ground in this country cannot be pumped because the price at the wellhead is controlled far below the price we pay to ship the oil from the Middle East.

Be that as it may, the DOE's Strategic Petroleum Reserve Office was supposed to have 250 million barrels of oil on hand by now, stockpiled in abandoned Louisiana salt mines. That would make up for nearly a year of an Iranian-sized oil shortage. At the time it stopped pumping oil into the ground a few months ago, the Department of Energy had only stockpiled 73 billion barrels, which made it two-thirds behind schedule. Still, that would have been enough to cover the temporary crisis.

Unfortunately, the Department of Energy has provided no way to recover the oil once it was buried. There will not be even emergency pumps in place for at least several more months. The only tangible result of this stockpile has been to bid up the world price of oil.

Once gasoline is produced, every gallon must be allocated according to Department of Energy regulations. This is where an 8-percent nationwide shortage of gasoline—compared with 1978—ballooned into localized shortages of 20 to 25 percent while gasoline stood uselessly idle elsewhere.

DOE regulations required that oil companies set aside fuel to meet 100 percent of the needs of emergency services such as ambulances, police cars and firetrucks, and enough diesel fuel to meet 100 percent of the needs of farmers. The oil companies reserved an amount equal to consumption a year ago—plus an estimate for growth—for these high-priority users. Another 3 percent was set aside for the call of State government, to be distributed in hardship cases. The remaining gasoline was allocated equally among all dealers.

As the oil companies squeezed their allocations to dealers, from an unlimited amount in normal times, to 100 percent of the previous year, then down to 90 percent and 80 percent, the cries of outrage from station owners and their customers became louder and louder. People began to fight for slices of a shrinking pie.

California received a volume of gasoline equal to 93 percent of the fuel consumed during the previous year; for the Nation as a whole the figure was 92 percent. But those percentages seemed unbelievable to service station dealers who were getting only 85 percent of their 1978 shipments. New York's official allocation was 93 percent of last year's supplies, but that dwindled to 80 percent at the corner filling station. In Washington, D.C., the disparity was even greater. The DOE claimed the area was receiving 90 percent of its 1978 allocation, but at the retail gas pump, the percentage was 75 to 78 percent.

To complicate matters further, DOE regulations were out of step with the size and location of motorists' demand for gasoline. This will always be the case with an allocation system. No matter what "base period" the DOE chooses to allocate gasoline sales, freezing the network at one point in time will always create dislocations. Once each refining company determines its retail allocation fraction, every outlet gets the same percentage of its previous year's supply. So in the short run, stations with rapidly growing gasoline demand are faced with a shortfall while stations with stagnant or declining demand may not see a decline in supply at all. This is the primary reason why southern California—with booming economic growth and gasoline demand—got hit with gaslines earliest and hardest.

The DOE's allocation system became even more disruptive when worried motorists began to alter their driving patterns. During June, long distance travel down the freeways to resort, mountain, and beach areas was drastically reduced by 15 to 30 percent. But under the allocation system the gas kept flowing to these areas—even if the traffic did not. As a result, excess gasoline was trapped in storage facilities in the countryside when it was desperately needed in the city. Under a free market system, these imbalances would have been evened out quickly by brokers; under the allocation system such supply shifts were illegal.

But the clincher is that the DOE regulations actually contributed to higher prices. Under DOE regulations, if the market will not bear the full price permitted by regulation, a dealer may "bank" the difference, and raise prices in the future. The period from early 1974 to late 1978 was such a time, since world oil supplies exceeded demand. With the Iranian oil crisis, however, the DOE allocation rules removed all incentive for dealers to compete in holding down prices. Once their allocation was used up, dealers were prevented in effect from scrounging for more gasoline to offer their customers in competition with other dealers. Instead of competing with longer station hours or lower prices, dealers shortened hours and raised price to the full extent of their price "banks." Moreover, regulations permit refiners to add part of the cost of refining gasoline to the prices of uncontrolled products, primarily home heating oil.

And so we ended up with a major gasoline crisis last summer, compliments of the Department of Energy's allocation and pricing regulations. An embarrassed DOE has since modified some of the more obviously flawed regulations, but the stultifying controls are still in place. The only way to avoid another DOE-engineered fiasco is to get the DOE out of the business of regulating gasoline.

Mr. Speaker, I call upon my colleagues to ratify their sensible judgment in passing the Courter amendment. At that time, the House voted to prevent a major gasoline disaster, for an end to gasoline lines, an end to subsidized gasoline consumption at the expense of heating oil prices, and an end to the 3,000 pages of DOE redtape that are strangling the gasoline market. The House made the right decision; it should not be changed.●

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## REMARKS OF THE HONORABLE AL ULLMAN ON TAX RESTRUCTURING ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, under the special order granted me today, I am pleased to provide information to my colleagues in the House and to those who read the CONGRESSIONAL RECORD on the very significant tax restructuring bill which I have today introduced, H.R. 5665. I have simultaneously announced public hearings to begin on this bill and on alternative proposals to restructure the Federal income tax system in the light of the imperative need to face up to the critical problem of persistently escalating inflation, to encourage capital formation and to increase savings, investment, and productivity in the private sector, and to provide important tax relief for individuals and businesses.

I am including at this point a series of documents which describe the proposal which I have introduced, and I am likewise including the press release which I issued today announcing the public hearings by the Committee on Ways and Means on this very important subject to begin on Wednesday, November 7, 1979:

### STATEMENT BY REPRESENTATIVE AL ULLMAN UPON INTRODUCTION OF H.R. 5665, THE "TAX RESTRUCTURING ACT OF 1979"

We all share a deep foreboding that our way of life is eroding; that the ingenuity and the competitive spirit that established America's economic leadership is lagging.

The signs of economic weakness are widely visible. Inflation—our most dreadful enemy—is quietly stealing control of our vital choices. Running higher than 12 per cent, it seems all but immune to traditional economic remedies.

We've suffered two significant recessions over the last decade, yet inflation seems to have emerged stronger from each. Sending prime interest rates above 14 per cent attacks inflation in some sectors of the economy—at the very real risk of sending the entire country into a prolonged recession. A balanced budget by itself won't solve inflation.

Productivity—the measure of economic efficiency—is declining. Much of the drop is explained by our national fear of spiraling inflation and the race to consume rather than save and invest. Without economic certainty and the incentives to expand, the private sector will continue to lose its technological and competitive edge.

Interest rates are perilously high, and rising. Our trade balance is deep in the red. The reckless price of gold reflects the weakness of the dollar. Public debt is at an all time high, yet is far outdistanced by consumer and corporate debt.

These symptoms of decay—especially inflation—cannot be treated on the surface. They must be fought at the source.

I have come to the conclusion that the only way we can get to the source is to restructure the tax system—now.

In recent years we have improved standards of tax fairness and equity. We have accommodated shifting economic and social demands. But the fundamental structure of the system—heavy reliance on income and payroll taxes—has become muscle bound and unresponsive to recent economic trends.

We don't have to look much beyond the ends of our noses to see that traditional responses—the "quick fix" tax cut, shotgunning tax credits, indexing—no longer carry much punch. By now we've learned that chipping away at the tax code won't solve today's economic troubles.

Income and payroll taxes—forced up by inflation—are discouraging employment and investment. The nation is pushed to spend, rather than save. As confidence in our tax system erodes, so does the tax base.

This drift comes at a time when our capital needs for energy products, transportation, environmental quality and research and development have never been greater.

Restructuring the tax system must begin by rolling back social security tax by a third—from 6.65 per cent to 4.5 per cent. We must cut personal income taxes to counter the impact of inflation. And that includes major expansion of the earned income tax credit for the poor and the retirement tax credit for the elderly.

If business is to survive, let alone prosper, we've got to expand incentives for capital formation. A 10 percentage point cut in the top corporate tax rate (from 46 per cent to 36 per cent), depreciation reform, reducing the maximum personal tax rate to 50 per cent, special treatment of personal savings income, and dividend reinvestment must all be components of a broad tax proposal.

Brought to bear at once, these incentives represent the largest adjustment in U.S. taxation since 1913. Combined, their effect on investment, saving, capital formation, and exports would be massive. These tax cuts amount to $130 billion a year, beginning in 1981.

There are three ways of paying for a plan of this magnitude: cut spending by $130 billion, run up the deficit another $130 billion, or create an alternative source of revenue.

No reasonably informed American believes that spending can be reduced enough to compensate for such enormous tax cuts without creating severe economic and social disruption.

Likewise, to finance these tax changes with additional debt—or the promise of "feedback"—would be political arrogance. Washington has received the taxpayer's message. We understand the national demand for fiscal discipline and a balanced budget.

The remaining option is a replacement tax that raises one dollar for every dollar lost through these tax cuts. In my judgment, the best alternative available—one that would both allow deep tax cuts and directly confront our critical economic imbalance—is a broad-based consumption tax. In short, an Americanized version of the value added tax (VAT).

A value added tax is a novelty in this country. It stirs many prejudices and cliches. But I think the trade off for tax cuts justifies the proposal.

The goal we must keep in focus is the need to shift income from consumption to savings and investment—within the framework of a balanced budget. No painless formula exists. Any new economic course demands short term adjustment—and imbalance. The crucial question that we must address is whether we are willing to make a short term investment for a long term gain.

What is a value added tax?

A value added tax is a tax on consumer goods and services. It is a flat tax—a 10 percent tax—that falls every time the item passes from one firm to another on the way to the final market place. At every step, the tax is collected and sent to the government. Using a system of rebates on taxes paid along the line, the cumulative tax at the retail level cannot exceed 10 percent.

The VAT is not a new tax concept. It is used by most of our competitors in the free world—countries that are surpassing us in economic growth.

Many attack VAT as a "national sales tax." A sales tax is imposed only once—at the retail level. If the final seller does not collect the tax, the revenue is lost. A VAT, by contrast, is collected all along the way. It is more efficient than a sales tax, and, consequently, minimizes economic distortion. But, like all taxes on business, the value added tax is ultimately paid by the consumer.

A tax on consumption would give us an even flow of tax revenue. Today's boom and bust cycles have turned tax receipts into a guessing game. Every time we sink into recession, tax revenues fall off because more workers are out of jobs—and, at the same time, federal spending increases to pay for higher insurance protection. A value added tax would be paid all the time—by all the people. And the effect on economic certainty and stability would be dramatic.

The VAT in my bill is virtually a tax without loopholes. Everyone would pay—including those engaged in the "underground" economy. Those who spend more would pay more. Although those with limited budgets typically would pay proportionally more than those with large incomes, a VAT can be shaped into a fair tax—certainly less regressive than the payroll tax, which nearly everyone now pays.

We have made every effort to lessen the individual burden of the tax. The Americanized VAT would place a lower tax rate—five per cent—on vital human necessities like food, housing, and medical costs. Mass transportation, tuition, and charities would pay no net VAT. Income and social security tax reductions will make up much of the lost purchasing power.

We cannot make everyone "whole." The price of combating the real causes of our economic crisis is high. In the long run, the rate of inflation will come down and productivity will climb—and we will share the benefits. In the meantime, we must begin to share the cost of those future benefits.

A VAT would also help improve our trade posture by putting American workers and manufacturers on a more equal footing with our trading partners. Unlike payroll and income taxes the VAT could be rebated to manufacturers when products are exported and could be imposed on imported goods. Such border taxes are now levied in most other free world countries, and helps to explain our current unfavorable trade balance.

A VAT would have a one-time inflationary impact. However, retail prices would rise less than 10 per cent because of offsetting payroll and income tax cuts—and a strong surge of market competition. And the consumer would also benefit from the same cuts in his own taxes. In the long run, the benefits bought with a value added tax—payroll and income tax cuts, savings and investment incentives—will give us the economic muscle to control inflation and restore productivity growth.

The value added tax is a new approach for most Americans. It will draw sharp debate, as must all new concepts for massive change. But our economy today hangs in the balance. We've got to move this country off dead center. The question ultimately comes down to our willingness to pay the freight charge.

The choices are few. An American value added tax is not the easiest answer—but it is the most realistic.

I trust the bill I introduce today will intensify national focus on our economic weaknesses—and ultimately lead to a dramatic shift in our tax laws. Only then can we convince the world that America is determined to retain its leadership on the strength of a productive and stable economy.

To that end, I have scheduled full Committee hearings—beginning November 7—on the full scope of economic trends, their meaning, and what can be done to set a new course in tax policy. It is not my intention to make the value added tax the focal point of these hearings—only a serious option.

### CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS U.S. HOUSE OF REPRESENTATIVES, ANNOUNCES PUBLIC HEARINGS ON "TAX RESTRUCTING ACT OF 1979" AND ON ALTERNATIVE PROPOSALS TO RESTRUCTURE THE FEDERAL INCOME TAX SYSTEM

The Honorable Al Ullman (D., Oregon), Chairman of the Committee on Ways and Means, U.S. House of Representatives, today announced that he has introduced H.R. 5665, the "Tax Restructuring Act of 1979", a bill that would provide substantial reductions in individual income taxes, corporate income taxes and social security taxes in order to promote economic growth, stability and productivity. In order to preserve fiscal and budgetary discipline, the bill provides that these reductions would be funded by the imposition of a new Federal value added tax (VAT) to be applied at each stage of business activity on an added value basis. The Chairman simultaneously announced public hearings on his bill and on alternative proposals to revitalize the economy and to restructure the Federal tax system, beginning Wednesday, November 7, 1979.

In announcing these hearings, Chairman Ullman stressed that the tax reductions and the value added tax should be viewed as a total package. He emphasized that the package is designed to be revenue neutral, with the new VAT serving as a replacement tax for certain existing revenue sources, not an additional tax. The Chairman stated that witnesses will be expected to state their position and recommendations on the entire package—not just on selected parts of the bill.

The purpose of these hearings is to reexamine the basic Federal tax structure in light of the imperative need to face up to the critical problem of persistently escalating inflation, to encourage capital formation and to increase savings, investment, and productivity in the private sector, and to provide important tax relief for individuals and businesses.

A brief summary of Chairman Ullman's bill is attached to this notice. A more detailed summary will also be available in the Committee office.

The hearings will begin on Wednesday, November 7, 1979, at 10:00 a.m. each day and will be held in Room 1100 Longworth House Office Building, the Main Committee Hearing Room.

The leadoff witness on Wednesday, November 7 will be the Honorable L. William Miller, Secretary of the Treasury, to be followed on Thursday, November 8 by other Administration witnesses and by the Honorable Paul A. Volcker, Chairman of the Federal Reserve Board. On Wednesday, November 14 and Thursday, November 15, the Committee will hear several panels of invited expert witnesses. The Committee will then begin testimony from Members of Congress and the general public who have requested to be heard on Tuesday, November 27.

Please note that these hearings are subject to interruption for conference committee meetings on urgent legislation, such as the oil windfall profits tax.

Those persons who wish to appear and testify must indicate at the time of their request to be heard the subject matter they wish to address. As stated above, all witnesses who appear will be expected to present their views and position on the Chairman's total package, as well as on other subjects they may address. Requests to be heard must be received by the Committee not later than the close of business Friday, November 9, 1979, and should be submitted in writing to John M. Martin, Jr., Chief Counsel, Committee on Ways and Means, Room 1102, Longworth House Office Building, Washington, D.C. 20515 (202-225-3625). Notification to those scheduled to appear will be made as soon as possible after the filing deadline.

The limited time available to the Committee and the anticipated volume of requests to be heard require that all persons and organizations having a common position make every effort to designate one spokesman to represent them in order for the Committee to hear as many points of view as possible. Time for oral presentations will be strictly limited with the understanding that a more detailed statement can be submitted for the Committee's review and for inclusion in the printed record of the hearings. This will afford more time for interrogation of the witnesses by the Members of the Committee. If it becomes necessary, the staff of the Committee will group the witnesses into panels to expedite the hearings and will establish time limitations for each panelist. In addition, the staff may group witnesses by subject, as appropriate. Multiple appearance by witnesses will not be permitted. It will not be possible to change the date of the scheduled appearance once that date has been assigned—either the witness or a designated substitute for him must appear on that date or forego the opportunity to be heard in person. Organizations and persons scheduled to be heard are urged to notify the Committee office immediately of any change of the witness or cancellation of a scheduled appearance.

Following is an outline of the procedure to be followed by organizations and individuals who may either want to appear and testify during these hearings or file a written statement for inclusion in the printed record of the proceedings.

All requests to be heard must contain the following information:

1. The name of the witness, his title, address, firm affiliation and/or organization he will represent.

2. If appearing in an individual capacity, a list of any clients at whose request or in whose employ the witness appears.

3. A topical outline and a summary of comments and recommendations.

The above information should also be incorporated in the prepared statements to be presented in person as well as those statements filed for the printed record of the hearings.

Public witnesses will be required to submit 75 copies of their prepared statements to the full Committee office, room 1102 Longworth House Office Building, 72 hours in advance of their scheduled appearance. Invited expert witnesses are urged to abide by this requirement also. For those who wish to file a written statement for the record of the hearings, five (5) copies are required for this purpose and will be accepted throughout the entire course of the hearings. An additional supply of statements for either a personal appearance or for the printed record may be furnished to the full Committee office for distribution to the press and public.

### BRIEF SUMMARY OF THE TAX RESTRUCTURING ACT OF 1979

The bill would restructure our tax system to promote investment and productivity growth. Total tax reductions would equal $130 billion on a calendar year 1981 basis. Net proceeds from the value added tax imposed by the bill would also equal $130 billion.

#### TAX REDUCTIONS

*Social security—$52 billion*

A 2.15-percentage point reduction on the employee and employer rates, with comparable reduction for the self-employed.

*Individual income—$50 billion*

Rate reductions of $42 billion concentrated on midde income taxpayers.

A 50-percent maximum rate.

Earned income credit increased to a maximum of $750; childless couples made eligible.

Tax credit for elderly made refundable.

Increased AFDC payments.

Special savings accounts into which individuals could contribute $1,000 per year; earnings on account not taxable until withdrawn.

Individual Retirement Account (IRA) limit increased to $2,000 per year.

New Limited Individual Retirement Accounts; $1,000 a year limit for those not qualified for IRAs.

Dividend reinvestment plans for up to $1,500 per year.

*Business income—$28 billion*

Corporate rate cuts; maximum rate reduced to 36 percent; lower bracket rates reduced to 15, 20, 25, and 30 percent, and brackets widened to $40,000 each.

Liberalize depreciation by increasing the Asset Depreciation Range (ADR) variance to 40 percent above and below the ADR class lives; small businesses would be allowed to use ADR lives and the variance without being subject to complicated regulations.

Liberalize the investment tax credit by applying the full credit to assets with lives of five years or more; 60 percent of the full credit would apply to assets with three- and four-year lives.

#### VALUE ADDED TAX

The bill would impose the VAT at each stage of the production and distribution process, including the retail stage. The tax would generally be 10 percent of the value of property or services and would be included in the price which a business charges its customers. Each business in the production and distribution chain would receive a credit for the VAT previously paid on its purchases of property and services from other businesses (including purchases of plant and equipment). Thus, each business would pay a net tax equal to 10 percent of the value it adds to the product, and the total tax paid with respect to sales to consumers would be 10 percent of the retail value of the product.

To avoid narrowing the VAT base, special rules or special tax rates have been limited except where considered absolutely essential. Food, medical care, and residential housing would be taxed at only a five-percent rate at the retail level. Transactions of charities, public and private nonprofit educational institutions, mass transit, and nonretail sales by farmers and fishermen have been given a zero tax rate, which means there would be no tax but the taxpayer would receive applicable VAT credits. Governments and nonprofit organizations other than charities have been exempted from the VAT; they would pay no tax and get no credit. The bill provides special rules for real property, interest transactions, and insurance companies. Also, businesses which have sales of property and services below $10,000 per year could elect to be exempt from the VAT.

The VAT would be imposed on imports. Exports have been zero rated to permit a rebate of VAT previously paid for goods and services associated with the export. This "border tax adjustment" will permit American exporters to compete more effectively with foreign businesses.

*Revenue estimates of Tax Restructuring Act of 1979*

[In billions of dollars]

| | *Calendar 1981* |
|---|---|
| Social security (2.15 percent rollback; i.e., to 4.50 percent): | |
| Employee | 25 |
| Employer | 25 |
| Self-employed | 2 |
| Subtotal | 52 |
| Individual: | |
| Rate reductions | 42 |
| Earned income credit, AFDC and credit for elderly | 5 |
| Lira and savings deferral | 2 |
| Dividend reinvestment | 1 |
| Subtotal | 50 |
| Business: | |
| Rate reductions | 22 |
| ADR and investment credit | 6 |
| Subtotal | 28 |
| Total tax reductions | 130 |
| Value added tax receipts | [1] 130 |

[1] This estimate for VAT receipts is net of the $10 billion required to cover increased costs of Federal purchases from the private sector and $8 billion of increased payments resulting from indexed benefit programs such as Social Security. The gross receipts from VAT would be $148 billion.

Source: Joint Committee on Taxation, October 18, 1979.

## I. TAX RATE REDUCTIONS

### *A. Individual income tax reductions and other adjustments*

### 1. Individual Rate Reductions (Secs. 101(a), (d), and (e) of the Bill)

The bill would provide $42 billion of individual income tax rate reductions beginning in 1981. The present law top marginal rate of 70 percent would be reduced to 50 percent, and the present law bottom rate of 14 percent would be reduced to 10 percent. The number of brackets would be reduced from 15 under present law to 8.

These rate reductions would increase savings and productivity (1) by reducing the top rate to 50 percent for investment income, thus taxing such income at the same rates as personal service income, and (2) by granting substantial rate reductions to lower-and middle-income families to help offset their value added tax. This substitution of a value added tax for individual income taxes would discourage consumption at the same time it encourages personal savings.

Under present law, capital gains are taxed at a maximum rate of 28 percent. However, because 60 percent of capital gains are excluded from taxation under present law (thus taxing 40 percent of capital gains), the reduction of the top marginal ordinary income bracket from 70 percent to 50 percent will result in a reduction of the top bracket for capital gains from 28 percent to 20 percent.

Also, because the top marginal rate of 50 percent would apply to all ordinary income, the present law provision for a 50-percent maximum tax on earned income would no longer be necessary and thus would be repealed.

### 2. Increase in Zero Bracket Amount (Sec. 101(b) of the Bill)

Under present law, single taxpayers and heads of households pay no tax on the first $2,300 of taxable income, and married persons filing joint returns pay no tax on the first $3,400 of taxable income. Beginning in 1981, the bill would raise these "zero bracket amounts" to $2,600 and $4,000, respectively. (The zero bracket amount, formerly referred to as the standard deduction, is taken in lieu of itemizing deductions.)

### 3. Expansion of Earned Income Tax Credit (Sec. 102 of the Bill)

Under present law, certain taxpayers are entitled to a refundable earned income credit. The amount of the credit is 10 percent of the first $5,000 of earned income, but it may not exceed $500. The maximum credit of $500 phases out at $10,000 of earned income or adjusted gross income.

Under the bill, the amount of the earned income credit would be increased to 15 percent of the first $5,000 of earned income, but it may not exceed $750. The maximum credit of $750 would not phase out until $12,000 of earned income or adjusted gross income.

Under present law, a taxpayer is not eligible for the earned income credit unless the taxpayer has a dependent child. Under the bill, married couples who have no children and file a joint return would be eligible for the credit.

### 4. Tax Credit for the Elderly Made Refundable (Sec. 103 of the Bill)

Certain taxpayers over age 65 are entitled to a nonrefundable "credit for the elderly." The bill would make the credit for the elderly refundable beginning in 1981. Thus, the amount of the credit could exceed the taxpayer's tax liability, in which case the elderly person would receive a refund in the amount of the excess. The base of the credit would be reduced by the amount of SSI (Supplemental Security Income) benefits received.

### 5. Adjustment in AFDC Payment Levels (Sec 104 of the Bill)

Under present law, States make payments to certain poor families under AFDC (Aid to Families with Dependent Children) programs. The bill would require the States to adjust their payment standards to reflect changes in the cost of living between September 30, 1980, and July 1, 1981. The adjustments would have to be made by October 1, 1981.

### *B. Social security tax reductions (secs. 111–112 of the bill)*

Under present law, the combined employment tax rates for social security and hospital insurance are scheduled to increase in 1981 (1) to 6.65 percent for both employers and employees, and (2) to 9.30 percent for self-employed individuals. In addition, further rate increases are scheduled for years after 1981.

Under the bill, the scheduled employment rates for 1981 and for future years would be reduced (1) by 2.15 percentage points for both employers and employees, and (2) by 3.015 percentage points for self-employed individuals. Thus, the reduced 1981 rates would be 4.5 percent and 6.285 percent, respectively. These rate reductions would be spread pro rata among the three social security trust funds. Thus, in 1981, the OASI (old age and survivors insurance) rate would be 3.06 percent, the DI (disability insurance) rate would be 0.56 percent, and the HI (health insurance) rate would be 0.88 percent.

The reduction in employment tax rates beginning in 1981 would not affect any increases in those rates scheduled under present law to take effect after 1981, nor would it affect the amount of income subject to social security taxes (the social security taxable wage base).

Under this bill, the employment tax reductions would be funded directly from value added tax receipts and not from the general income tax revenues.

### *C. Corporate tax rate reductions (sec. 121 of the bill)*

Under present law, the top corporate income tax rate is 46 percent. In addition, present law provides a graduated rate on the first $100,000 of corporate taxable income. Rates on this income are 17, 20, 30, and 40 percent with each rate bracket consisting of $25,000 of taxable income. In addition, the corporate capital gains rate generally is 28 percent.

Under the bill, beginning in 1981, the top corporate income tax rate would be lowered to 36 percent. In addition, graduated rates would be applied to the first $160,000 of corporate taxable income. Rates on this income would be 15, 20, 25, and 30 percent with each rate bracket consisting of $40,000 of taxable income. In addition, the corporate capital gains rate would be lowered to 22 percent.

## II. CAPITAL FORMATION TAX PROVISIONS

### *A. Individual savings incentives*

### 1. Tax-Deferred Savings Accounts (Sec. 201 of the Bill)

Under present law, interest on savings accounts is taxed currently. Beginning in 1981, the bill would allow an individual to contribute up to $1,000 a year in cash to a tax-deferred savings account. The tax-deferred savings account would have to be maintained by a financial institution, such as a bank, a building and loan association, or a credit union. The funds in the account could be invested in assets other than life insurance contracts.

Generally, the earnings on qualified contributions could build up without being subject to tax each year. When an amount is paid out of the account, that amount would be includible in the individual's gross income to the extent of untaxed earnings on the account. An amount paid out of a tax-deferred savings account could be rolled over tax-free to another such account within 60 days of the distribution. However, an individual would only be permitted one rollover a year. The account would not be transferrable except in the case of death or divorce, and the account would be required to be terminated within five years after the death of the saver.

Under this provision, each family member could contribute up to $1,000 a year to a tax-deferred savings account as long as a separate account is maintained for that individual family member.

### 2. Dividend Reinvestment Plans (sec. 202 of the bill)

Under present law, if a shareholder elects to receive a dividend in the form of a corporation's stock rather than in cash, the value of the stock distributed is taxable as a dividend. However, individuals are allowed to exclude from gross income $100 of dividends received from domestic corporations ($200 in the case of joint returns).

Under the bill, a domestic corporation would be allowed to establish a plan under which individual shareholders who choose to receive a dividend in the form of common stock rather than cash or other property may elect to exclude up to $1,500 per year ($3,000 in the case of a joint return) of the stock dividends from income. This provision would apply to distributions after December

31, 1980, in taxable years ending after that date.

To qualify, the stock would have to be newly issued common stock, designated by the corporation to qualify for this purpose. The number of shares to be issued would have to be determined by reference to a value not less than 95 percent nor more than 105 percent of the stock's value on the distribution date. Generally, stock would not qualify where the corporation has repurchased any of its stock within one year before or after the distribution date.

Stock received as a qualified dividend would have a zero basis, so that when the stock is later sold the full amount of the sales proceeds would be taxable. In general, proceeds from the sale of such stock would be taxed as capital gains. However, where the stock is sold within one year after distribution, any gain would be treated as ordinary income. In addition, where shares of stock of the distributing corporation are sold by the taxpayer any time after the record date for the dividend and before a date one year after the dividend distribution date, the sale would be treated as a sale of the qualified dividend stock. These rules are designed to prevent the immediate resale of stock without the recognition of ordinary income which would have resulted in the case of a taxable dividend.

Shareholders eligible for this special treatment would be individuals other than (1) trusts, (2) estates, and (3) persons holding five percent or more of value or voting power of the distributing corporation.

#### 3. Liberalization of Retirement Savings Provisions (sec. 203 of the bill)

Under present law, an individual is not permitted to make a deductible contribution to an IRA (an individual retirement account, individual retirement annuity or retirement bond) for a taxable year if the individual is an active participant, during any part of the year, in a tax-qualified retirement plan, a tax-sheltered annuity, or a governmental plan. Individuals who are not active participants are entitled to make deductible IRA contributions subject to certain limitations provided they have not attained age 70½. The limitation on the deduction for a taxable year is generally the lesser of 15 percent of compensation includible in gross income for the year or $1,500. The $1,500 contribution limit is increased to $1,750 for a year if (1) the contribution is equally divided between an individual and the spouse of the individual, (2) the spouse has no compensation includible in gross income for the year, and (3) the spouse is not an active participant in a tax-qualified plan, etc.

Many qualified plans provide for mandatory or voluntary employee contributions in addition to employer contributions. Employee contributions to a qualified plan are not deductible. Income earned on an employee's contributions to a qualified plan is generally not taxed prior to the time the income is distributed or made available to the employee or the employee's beneficiary.

The bill would increase the maximum annual deduction for contributions to an IRA from $1,500 to $2,000, beginning in 1981. The bill would repeal the provision under present law which allows an individual to increase the $1,500 to $1,750 in the case of a spousal IRA.

In addition, under the bill, an active participant in a tax-qualified plan, etc., could make a deductible contribution of up to $1,000 to that plan or to an IRA. In the case of mandatory employee contributions to a plan, the deductible amount would be limited to $100. The new deduction rules would not apply to individuals who are self-employed or to individuals who are shareholder-employees.

### *B. Depreciation and investment tax credit provisions*

#### 1. Depreciation Revision Generally; ADR System (sec. 211 of the bill)

The bill would increase the asset depreciation range under the Asset Depreciation Range (ADR) system from the present 20 percent above or below the ADR class lives to 40 percent above or below the ADR class lives and would provide that salvage value could be ignored under the revised ADR system of depreciation. These provisions would be effective for taxable years beginning after December 31, 1980.

The bill also directs the Secretary of the Treasury to prescribe new regulations under the ADR system which are simpler than the existing regulations and which are designed to eliminate unnecessary conditions and other complexities. The new regulations are to be prescribed within 12 months after the date of enactment.

#### 2. Simplified Depreciation for Small Business (sec. 212 of the bill)

Under present law, a taxpayer is permitted to use the useful lives permitted under ADR, and the reduction in such lives by reason of the ADR variance, only if he elects to have the rules of the ADR system apply.

The bill would provide that a small business may use any useful life allowed by the ADR system (including the ADR variance) for any asset or assets for which useful lives are prescribed under the ADR system without making an election to have the complexities of the ADR system apply.

For purposes of this provision, a taxpayer is a "small business" only if (1) the aggregate adjusted bases of small business depreciable assets held by the taxpayer as of the beginning of the taxable year do not exceed $500,000, and (2) the aggregate bases of small business depreciable assets placed in service by the taxpayer during the taxable year do not exceed $250,000. The "small business depreciable property" which is relevant in determining whether a taxpayer qualifies under these dollar limitations includes only depreciable personal property for which useful lives are prescribed under the ADR system.

#### 3. Useful Life Requirements for Investment Tax Credit (sec. 213 of the bill and sec. 46 (c)(2) of the Code)

Under present law, if an otherwise eligible asset has a useful life of at least seven years, 100 percent of the basis of the asset qualifies for the investment credit; if the useful life is five or six years, 66⅔ percent of the basis is eligible for the investment credit; and if the useful life is three or four years, 33⅓ percent of the basis is eligible for investment credit. The useful life used for depreciation purposes is generally the useful life that applies for investment credit purposes.

The bill would shorten to five years the useful life that is required for the full basis of an asset to qualify for the investment credit and provides that 60 percent of the basis of an asset is eligible for the investment credit if its useful life is at least three years but less than five years. (A conforming amendment is made to the rules relating to the required useful life of assets with respect to which an investment credit may be claimed for progress expenditures.)

This section of the bill is intended not only to increase the portion of the basis of certain assets which qualifies for the investment credit, but also to reduce the disparity in investment credit when a taxpayer selects a shorter life (such as a useful life obtained by use of the maximum ADR variance) rather than a longer life (such as the ADR midpoint life) for depreciation purposes.

## III. VALUE ADDED TAX

### *A. General provisions (sec. 301 of the bill)*

#### 1. Imposition of Value Added Tax

The bill would impose a value added tax (VAT) on sales of property and services at each stage of the production and distribution process, including the retail stage. The tax would generally be 10 percent of the value of property or services sold and would be included in the price which a business charges its customers. Each business in the production and distribution chain would rceive a credit for the VAT previously paid by it on purchases of property and services from other businesses. Thus, businesses would generally pay a net tax equal to 10 percent of the value they add to products and services sold. The total tax paid with respect to a scale to a consumer would be 10 percent of the retail value of the property or services.

#### 2. Taxable Transaction

The bill would define "taxable transaction" as the sale of property in the United States, the performance of a service in the United States, and the importing of property into the United States by a taxable person in a commercial-type transaction.

The term "sale of property" would not be restricted to the sale of property in the usual sense. It would also include (1) the exchange of property, (2) the transfer of property to an employee as compensation, (3) the permanent transfer of business property to an owner of the business, (4) gifts of business property, and (5) certain transactions of governments and tax-exempt organizations.

The term "performance of services" would include certain transactions in addition to the performance of personal services for a fee. These other transactions would include (1) permitting the use of property, (2) the exchange of services, (3) the granting of a right to the performance of services or to reimbursement (including the granting of warranties, insurance, and similar items), (4) the making of a covenant not to compete or a similar agreement, (5) the use of business property or services by an owner of the business, (6) gifts of business services, and (7) certain transactions of governments and tax-exempt organizations. However, the "performance of services" would not include an employee's performance of services for his employer.

Under the bill, "commercial-type transaction" would mean a transaction engaged in by a corporation (other than a subchapter S corporation) or by any person engaged in a business. The sale or leasing of real property and the importing of property would also be treated as a commercial-type transaction and would be subject to the VAT, even if engaged in by a consumer and not by a corporation or a person engaged in a business. Importing of articles by a consumer which would be free of duty under the personal exemptions under the United States Tariff Schedules would not be subject to the VAT.

The bill would define "taxable person" as a person engaged in a business or in a commercial-type transaction. Business would include a trade as well as an activity regularly carried on for profit. Governments and tax-exempt organizations would also be taxable persons in certain circumstances.

Under the bill, the sale of property would generally be treated as occurring in the United States if delivery of the property takes place in the United States. In the case of real property, the sale would be deemed to occur where the real property is located.

Services would be treated as occurring where the services are performed. If services are performed both inside and outside the United States, the sevices would be deemed performed entirely inside the United States if 50 percent or more of the services are performed in the United States. Otherwise, the services would be treated as performed entirely outside the United States.

The bill would define "property" to mean any tangible property.

### 3. Taxable Amount

Generally, the taxable amount on which the VAT would be imposed would be the price charged for property or services. This would include charges for transportation and other items payable to the seller. The taxable amount would not, however, include any interest or carrying charges. In an exchange of property or services, the taxable amount would be the fair market value of the property or services exchanged by the taxable person (determined as if the taxable person had sold the property or services to the other party to the exchange).

In the case of imports, the bill provides that the taxable amount would generally be the customs value plus customs and any other duties which may be imposed. If there is no customs value, the taxable amount would be the fair market value of the property.

The bill provides a special rule for the determination of the taxable amount in the case of sales of certain used consumer goods. When a taxable person acquires used property from a consumer for resale, the taxable amount on the resale would be the difference between the selling price and the taxable person's acquisition cost of the used property.

### 4. Five-Percent Rate of Tax for Food, Housing, and Medical Care

Under the bill, a five-percent rate of VAT, rather than the standard 10-percent rate, would be imposed on (1) the retail sale of food and nonalcoholic beverages for human consumption, (2) the sale and rental of residential real property for use by the purchaser or tenant as a principal residence, and (3) medical care.

### 5. Zero Rating for Farmers and Fishermen, Mass Transit, Section 501(c)(3) Organizations, Educational Activities of Governmental Entities, Exports, and Interest

Under the bill, the rate of tax which would be imposed on certain transactions would be zero. Thus, no tax would be imposed on (1) nonretail sales of farmers and fishermen, (2) mass transit in urbanized areas, (3) transactions engaged in by an organization described in section 501(c)(3) of the Code other than as part of an unrelated business, (4) educational activities of governmental entities, (5) exports, and (6) interest.

### 6. Credit Against VAT

A taxable person would generally be permitted to take a credit (VAT credit) for the VAT paid by its suppliers on its purchases of property and services. The VAT credit would be allowable only with respect to property and services used for taxable transactions in the business. If such property or services are used partly in the business and partly for other purposes or partly for taxable transactions and partly for other transactions, the amount of VAT credit which could be taken would have to be determined on the basis of an allocation.

The VAT credit would first be applied to reduce the VAT liability for a taxable period. If the amount of the credit exceeds the amount of tax for the taxable period, the excess would be treated as an overpayment of tax and would be refundable.

### 7. Administrative Provisions

#### a. Liability for VAT and invoicing

Under the bill, liability for the VAT would be imposed on the seller of property or services. In addition to paying the VAT, the seller would be required to provide a tax invoice (setting forth the amount of VAT imposed on the sale and certain other information) to the purchaser if the seller has reason to believe that the purchaser is a taxable person. The invoice would have to be furnished no later than 15 business days after the "tax point."

Generally, a purchaser would not be allowed to claim a VAT credit with respect to a transaction unless it has received a tax invoice in which it is named as purchaser.

#### b. Small business exemption

The bill would permit certain businesses, the aggregate taxable transactions of which are and are expected to continue to be below a certain level, to elect not to be treated as a taxable person except with respect to imports and housing. If the election is made by the small business, no tax would be collected on its sales and no credit would be permitted for VAT paid on its purchases. In addition, a recapture of previously allowed credit would be required on property held by the business at the time of the election.

A person could elect to be exempt under the bill's provisions if its taxable transactions do not exceed $10,000 for a calendar year and can reasonably be expected not to exceed $10,000 for the next calendar year. The election, however, would terminate on the first day of the second month following any calendar quarter in that next year if the following has occurred:

(1) aggregate taxable transactions for the calendar quarter exceed $3,500, in the case of the first calendar quarter; or

(2) aggregate taxable transactions for the first two calendar quarters exceed $6,000, in the case of the second calendar quarter; or

(3) aggregate taxable transactions for the first three calendar quarters exceed $8,500, in the case of the third calendar quarter.

#### c. Time for filing return and claiming credit

The bill would require a taxable person to file a VAT return during the first month following the close of each taxable period. A taxable period for this purpose would generally be a calendar month.

The return would reflect the VAT due on taxable transactions with a "tax point" in the period as well as the VAT credit allowed for the period. When the VAT due exceeds the VAT credit, payment of the difference would accompany the return. If the VAT credit exceeds the VAT due, the excess would be treated as an overpayment of VAT, and the return would be treated as a claim for a refund.

The term "tax point" would be used to describe when a taxable transaction takes place for purposes of the requirement that a taxable person furnish a tax invoice. For a sale of property or services, the determination of the tax point would depend on whether the taxable person keeps its books on the cash basis or on the accrual basis for Federal income tax purposes. In the case of a cash basis taxpayer, the tax point would be the date the taxable person receives payment for the sale. In the case of an accrual basis taxpayer, the tax point would be the earlier of the date the taxable person (1) should accrue income or loss with respect to the sale, or (2) receives payment for the sale. For an importation, the tax point would be the date the imported property is entered for consumption in the United States.

A VAT credit with respect to a purchase transaction would be allowed for a taxable period only if certain conditions were met. The taxable person would be required to have (1) paid or accrued (depending on its method of accounting for Federal income tax purposes) the VAT as part of the purchase price, and (2) received a tax invoice from the seller with respect to the transaction. The VAT credit would generally be allowed for the first taxable period in which both of these conditions were satisfied.

#### d. Treatment of related businesses, etc.

The bill would allow a taxable person to elect to treat itself and all related businesses as one taxable person for VAT purposes. A related business would encompass any business under common control with the taxable person under the more than 50-percent control test described in section 52(b) of the Code. However, for purposes of applying the small business exemption, all businesses under common control would be treated as one business.

The bill would also allow a taxable person to elect to treat any of its divisions as a separate taxable person.

#### e. Treasury notification and regulations

The bill would require a taxable person to notify the Internal Revenue Service if certain events occurred. These reportable events would be developed by regulations and would encompass a change in the form of a business, or any other change which could affect VAT liability, VAT credit, or VAT administration with respect to the business.

The bill would also give the Secretary of the Treasury broad authority to write regulations with respect to the VAT.

### 8. Special Rules and Treatment of Certain Transactions

#### a. Corporation with income tax rules

Under the bill, a taxable person's basis in property for Federal income tax purposes would not include the portion of the purchase price of the property which represents creditable VAT.

#### b. Sale of property and incidental services; sale of services and incidental property

Under the bill, a sale of property together with incidental related services would be treated as a single transaction constituting a sale of property, rather than as separate sales of property and services. Also, a sale of services together with an incidental transfer of property would be treated as a single transaction constituting a sale of services, rather than as separate sales of services and property.

#### c. Authority to zero rate de minimi transactions

The bill would provide that, under regulations, an otherwise taxable transaction would be zero rated if (1) the amount involved is negligible, or (2) the VAT revenue from taxing that type of transaction would not be sufficient to justify resulting administrative and compliance costs.

#### d. Importing

Under the bill, the importer of property would be treated as both the seller and purchaser of the property at the point of importation. Thus, the importer would be both liable for VAT and eligible for a VAT credit with respect to the import.

#### e. Subchapter S corporation not treated as a corporation

Under the bill, a subchapter S corporation (Code sec. 1371(b)) would not be treated as a corporation for VAT purposes. Accordingly, it would not automatically be considered engaged in business. Thus, as in the case of a noncorporate entity, the determination of whether it is engaged in business and is hence a taxable person would have to be made on the basis of relevant facts and circumstances.

#### f. Personal use by owner of business property or services

Under the bill, the use of business property or services by an owner of a business would be treated as a taxable transaction. In the case of services or a permanent use of property, the amount subject to tax would be the fair market value of the services or property. In the case of a temporary use of property, the amount subject to tax would be the fair rental value of the property. Property or services are considered business property or services if their sale by the taxable person would be a taxable transaction. Under the bill, an owner of a business generally means a sole proprietor, partner, or shareholder, as well as certain related family members determined under Code section 267(c)(4).

### g. Gift of business property or services

Under the bill, a gift by a business of any business property or services would be treated as a taxable transaction. The taxable amount in the case of such a gift would generally be fair market value. However, where the gift permits the temporary use of business property, the taxable amount would be the fair rental value of the property.

### h. Special rule for dispositions of nonbusiness real property

Under the bill, where real property is sold by a person who is not otherwise a taxable person, the person would become taxable with respect to the sale. However, in contrast to most sales transactions, the VAT would not be imposed on the selling price, but would be imposed only on the excess of the selling price over the seller's adjudicated cost for the property. For this purpose, the selling price would be calculated exclusively of VAT. The seller's adjusted cost would be his basis in the property increased by certain expenditures properly chargeable to capital account. However, the seller's adjudicated cost would not include basis or expenditures due to amounts incurred in periods before January 1, 1981.

### i. Special rule for insurance contracts

Under the bill, sales of insurance would be subject to the VAT. The value added of an insuror is represented by the excess of premiums collected over claims paid. Thus, the VAT would not be imposed on premiums at the rate of 10 percent because this would result in taxing an insuror on an amount greater than its value added. In addition, amounts representing savings should not be taxed because the VAT is designed to tax consumption. Accordingly, the bill would impose the VAT only on the difference between the portion of a premium attributable to insurance coverage and the actuarial cost of the coverage.

### j. Taxable transactions for governmental entities; exempt organizations

The bill would generally exempt governmental entities from the application of the VAT. An exception would be made for sales by governments for which separate charges are made. Such charges would be subject to the VAT. In the case of charges for education, however, the rate of tax would be zero. Governments would be permitted a VAT credit only on purchases relating to taxable sales, including zero-rated sales.

Charities described in section 501(c)(3) of the Code would be zero rated for all of their sales, except those engaged in as part of an unrelated trade or business (Code sec. 513). Thus, they would be eligible for the VAT credit on their purchases.

Under the bill, an exempt organization not described in section 501(c)(3) of the Code would generally be exempt from the application of the VAT. However, sales by such organizations would be taxable if made for a charge. The organizations would be permitted a VAT credit only on purchases relating to taxable sales.

### *B. Effective date (sec. 302 of the bill)*

Under the bill, the VAT would apply to transactions occurring after December 31, 1980.●

## HUNT FOR WOOD ASSASSINS GOING NOWHERE FAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, I have spoken out a number of times on the brutal murder of Federal District Judge John Wood and I am placing in the RECORD an article from the San Antonio Express-News that reaffirms my concerns with regard to the investigation surrounding this assassination, and the need for a congressional probe into the matter.

### HUNT FOR WOOD ASSASSINS GOING NOWHERE FAST

(By Paul Thompson)

Last week's lurid media spectacular highlighting a parade of federal grand jury witnesses, many of them fulltime career wrongos, seems to have accomplished little or nothing.

It ended with the box score in South Texas' dope war precisely the same: one liquidated federal judge, a spooked federal prosecutor out of town in virtual hiding, and no hard facts on who killed the one and shot to kill the other.

The local FBI, to be honest, would have to announce at this point it hasn't the faintest notion who gunned down U.S. District Judge John Wood last May 29 and may never nail the assassin.

There's a bit of data on the shoot'emup gang that loosed a hail of bullets at Assistant U.S. Attorney James Kerr some weeks earlier, but no real case to put in front of a judge or jury.

In the vacuum, the feds last week adopted what amounts to a last-ditch desperation measure—making an investigative body out of the federal grand jury.

Instead of presenting a bill of particulars against one or more suspects, they in effect asked jurors, "Help us dig up some facts!"

Thus it was that convicted hit man Charles Harrelson, New England mob figure Salvatore Michael Caruana and a long string of additional witnesses, most of them equally malodorous, were paraded in and out of the grand jury room.

The forlorn hope was that some of them would refuse to testify or testify falsely, after which—to avoid doing federal time for contempt of court or perjury—they might make a "deal" with the feds in exchange for information on who killed Wood and shot at Kerr.

To judge from pervasive gloom in federal law enforcement circles when this grotesque fishing expedition had ended Friday evening, it was a long shot that missed.

In a word, no catch, no noticeable nibble.

Now sources in the U.S. attorney's office talk of an encore, of another procession shortly down the line of the same kind of witnesses to give the same kind of testimony.

The inescapable implication is that the FBI has drawn a total blank after taking all the tire tracks, showing all the mug shots and interviewing all the suspects and snitches it can think of, and today has nothing left to do now but sit around and wait for a lucky break.

Given its record and its responsibility, the FBI can hardly come out and say as much. Instead the same old "UP" communiques will continue unaltered, "We're making good progress and the Wood-Kerr criminals will be apprehended in due course."

But at this juncture, hardly anyone on the inside believes it.

The Wood case in particular rates as almost impossible to crack, barring a deathbed confession or some other sort of freak happening like a convicted con ready to trade out and sing for his freedom.

Even then, an inconclusive swearing match could ensue. Whoever killed Wood had to be a pretty smart dude operating without an audience. If he had a helper or helpers in this arch crime, what reason would they have to talk? A person not involved claiming someone "told me he did it" might turn out in the end to be shooting off a legal blank.

All in all, a grim prognosis.

Meanwhile, U.S. Rep. Henry B. Gonzalez calls for a congressional probe on how the demoralizing horror of the Wood-Kerr attacks is affecting the federal judiciary as a whole.

He doesn't mean calling in judges to ask, "Are you scared?" since the faintest-hearted among them would surely say no to that one.

Like any good lawmaker, HBG wants to know how, if at all, the recent terroristic acts have impacted on narcotics racketeers brought before the federal bar of justice across this land.

Are sentences handed down as stiff as before? Today, tomorrow and on a continuing basis? Or has the chilling unspoken underworld message, "Go easy, Your Honor, you could be next!" resulted in softer treatment for cold-eyed and confident takeover hoods of the multibillion-dollar narcotics traffic.●

## A SALUTE TO NATIONAL SCHOOL LUNCH WEEK

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, the national school lunch program has grown steadily over the past 33 years. There are now close to 27 million children receiving nutritious school lunches in over 94,000 schools and institutions across the country. In recognition of this great contribution to our Nation's children, President Carter extolled the program and proclaimed last week—the week of October 14—as National School Lunch Week.

But at the same time President Carter is also recommending that the school lunch program be cut by approximately $262 million for fiscal year 1980. And, he is recommending additional cuts in certain other child nutrition programs that would represent an overall cut of 17 percent in the 1980 child nutrition budget.

It seems ironic to me that the President is so generous in words when extolling the merits of the school lunch program this week, yet is so harsh in action in proposing such drastic cutbacks in the programs. Clearly, these cutbacks would have a crippling impact on the programs' effectiveness and on the health of schoolchildren.

But putting aside the President's glaring inconsistency for the moment, I would like to discuss the lunch program on its own merits. It is far too seldom that we can salute a program that is achieving such success in so many areas of the country. To my way of thinking, it is especially important that during this period of uncertainty we look upon the contributions that the school lunch program has made and we hold these up as symbols of the strength of purpose and prosperity that we still share as a nation.

During the postwar years, the school lunch program was initially conceived of as a means of feeding schoolchildren while utilizing surplus commodities. Since that time, the focus of the program has changed dramatically. Although it is still playing a significant role as a farm support program, more and more, the school lunch program is becoming the vehicle by which children are learning the importance of good nutrition to their mental and physical development.

The growth of the program has stimulated a new-found interest in the field of nutrition on the part of adults as well. A number of schools have now integrated nutrition education into their curriculum and the school cafeteria is fast becoming a learning laboratory for not only the students, but also their parents and teachers.

The school lunch program has also acted as a springboard for a number of other child nutrition programs such as the school breakfast program and the supplemental food program for women, infants, and children (WIC). These programs continue to reinforce the tenet of the lunch program by further aiding in the promoting of good nutrition.

Our future rests with our children and the school lunch program is a modest investment when considering that our children are our most precious resource. Therefore, I believe we should all salute the success of that program and thank the thousands and thousands of dedicated lunchroom workers and administrators who have given their all to make this program such a success. I also believe we in Congress should renew our commitment to assuring a sound financial basis for their efforts.●

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Burgener (at the request of Mr. Rhodes), for an indefinite period, on account of a death in the family.

Mr. McEwen (at the request of Mr. Rhodes), for the period of October 22 through October 26, on account of attending the North Atlantic Assembly.

Mrs. Collins of Illinois (at the request of Mr. Wright), for today, on account of medical reasons.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Nelson, to extend the period of time for his special order today to 30 minutes.

(The following Members (at the request of Mr. Courter) to revise and extend their remarks and include extraneous material:)

Mr. Kemp for 20 minutes, today.

(The following Members (at the request of Mr. Nelson) to revise and extend their remarks and include extraneous material:)

Mr. Ullman, for 5 minutes today.

Mr. Gonzalez, for 15 minutes today.

Mr. Annunzio, for 5 minutes today.

Mr. Weaver, for 10 minutes today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Courter) and to include extraneous matter:)

Mr. Cheney.

Mr. Derwinski in two instances.

Mr. Williams of Ohio.

Mr. Bauman in 10 instances.

Mr. McClory in two instances.

Mr. Green.

Mr. Lungren.

(The following Members (at the request of Mr. Nelson) and to include extraneous matter:)

Mrs. Schroeder in two instances.

Mr. Barnes in two instances.

Mr. Garcia in three instances.

Mr. Anderson of California in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. Rodino.

Mr. John L. Burton.

Mr. Drinan.

Mr. Miller of California.

Mr. Dingell.

Mr. Fuqua.

Mr. Jones of Oklahoma.

Mr. Danielson.

## ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1825. An act to protect archeological resources on public lands and Indian lands, and for other purposes.

## BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on October 18, 1979, present to the President, for his approval a bill of the House of the following title:

H.R. 3173. An act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1980, and for other purposes.

## ADJOURNMENT

Mr. BONKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 43 minutes p.m.), the House adjourned until tomorrow, Tuesday, October 23, 1979, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2676. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting a summary of revenues derived from recovered materials during fiscal year 1978, pursuant to section 612 of Public Law 93–552; to the Committee on Armed Services.

2677. A letter from the Acting Secretary of Housing and Urban Development, transmitting the fourth annual community development block grant report, pursuant to section 113 of the Housing and Community Development Act of 1974, as amended; to the Committee on Banking, Finance and Urban Affairs.

2678. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Department of the Navy, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2679. A letter from the Assistant Secretary of the Interior for Policy, Budget, and Administration; transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2680. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during September 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2681. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on Foreign Affairs.

2682. A letter from the Deputy Secretary of Energy, transmitting a report on the results of preliminary energy audits of federally owned and leased buildings with over 30,000 square feet, pursuant to section 547 (a) of Public Law 95–619; to the Committee on Interstate and Foreign Commerce.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 5138. A bill to authorize certain appropriations to the Office of Personnel Management, the Merit Systems Protection Board, the Special Counsel of the Merit Systems Protection Board, and the Federal Labor Relations Authority; with amendments (Rept. 96-540). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Tennessee:

H.R. 5663. A bill to amend the Internal Revenue Code of 1954 and the Energy Tax Act of 1978 to provide increased incentives for the utilization of energy sources other than oil and gas; to the Committee on Ways and Means.

By Mr. BEREUTER (for himself, Mrs. Smith of Nebraska, and Mr. Sebelius):

H.R. 5664. A bill to authorize the establishment of the Trails West National Historical Park in the State of Nebraska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN:

H.R. 5665. A bill to restructure the Federal tax system; to the Committee on Ways and Means.

By Mr. DERWINSKI (for himself, Mr. Murphy of Illinois, Mr. Albosta, Mr. Barnes, Mr. Bedell, Mr. Bingham, Mr. Bowen, Mr. Broomfield, Mr. Chappell, Mr. Dougherty, Mr. Edwards of Oklahoma, Mrs. Fenwick, Mr. Findley, Mr. Gilman, Mr. Goldwater, Mr. Goodling, Mr. Howard, Mr. Hyde, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lehman, Mr. Lungren, Mr. Mazzoli, Mr. McCloskey, Mr. McDonald, Mr. Mitchell of New York, Mr. Nedzi, Mr. Ottinger, Mr. Pritchard, Mr. Scheuer, Mr. Spence, Mr. Vento, Mr. Whitehurst, Mr. Wolff, and Mr. Wydler):

H.R. 5666. A bill to provide for death gratuities for the survivors of certain Central Intelligence Agency employees; to the Permanent Select Committee on Intelligence.

By Mr. McDADE:

H.R. 5667. A bill to amend the Home Owners' Loan Act of 1933 to permit savings and loan associations to make and invest in reverse annuity mortgages to the extent permitted by the Federal Home Loan Bank Board; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. MILLER of California:

H.R. 5668. A bill to authorize the Secretary of the Interior to engage in feasibility studies of certain potential water resource and water quality developments in Contra Costa County, Calif., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS (for himself, Mr. Staggers, and Mr. Carter):

H.R. 5669. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to require specified electric powerplants to convert back to the use of coal as its primary energy source; to the Committee on Interstate and Foreign Commerce.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4380: Mr. Dornan.

H.R. 4381: Mr. Dornan.

H.R. 5140: Mr. Staggers.

H.R. 5200: Mr. Roybal.

H.R. 5533: Mr. Whitehurst, Mr. Broyhill, Mr. Hyde, Mr. Marriott, Mr. Paul, Mr. Burgener, Mr. Whitley, Mr. Sebelius, Mr. Sensenbrenner, Mr. Butler, and Mr. Cleveland.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

211. The SPEAKER presented a petition of the City Council, Norfolk, Va., relative to general revenue sharing, which was referred to the Committee on Government Operations.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

### H.R. 2218

By Mr. YOUNG of Alaska:

—Page 3, after line 2, insert the following new section 3 and renumber subsequent sections accordingly:

"Sec. 3. Section 3(8) of the Endangered Species Act of 1973 is amended by striking the words 'mollusk, crustacean, arthropod or other invertebrate,'."

### H.R. 4985

By Mr. CORCORAN:

—On page 28, after line 11, insert:

"(4) 'Department' means the Department of Energy.";

In line 12, strike out "(4)" and insert in its place "(5)"; and

In line 22, strike out "(5)" and insert in its place "(6)".

On page 29, in line 1, strike out "(6)" and insert in its place "(7)";

In line 7, strike out "(7)" and insert in its place "(8)";

After line 9, insert:

"(9) 'Secretary' means the Secretary of Energy.";

In line 10, strike out "(8)" and insert in its place "(10)";

In line 12, strike out "(9)" and insert in its place "(11)"; and

Strike out lines 18 through 20, inclusive, and insert in their place the following:

"Sec. 174. (a) There is hereby established within the Department an independent regulatory commission to be known as the Energy Mobilization Board.

"(b) The Board shall be composed of five members appointed by the President, by and".

On page 30, in line 3, strike out "(b)" and insert in its place "(c)";

In line 18, strike out "(c)" and insert in its place "(d)"; and

Strike out lines 22 through 25, inclusive, and insert in their place the following:

"(2) the Secretary shall provide to the Board such support and facilities as the Board determines it needs to carry out its functions.".

On page 31, strike out lines 4 through 7, inclusive, and insert in their place the following:

"(4) In the performance of their functions, the members, employees, or other personnel of the Board shall not be responsible to or subject to the supervision or direction of any officer, employee, or agent of any other part of the Department."; and

In line 8, strike out "(d)" and insert in its place "(e)".

On page 32, strike out lines 20 and 21, and insert in their place the following:

"(f) In each annual authorization and appropriation request under this Act, the Secretary shall identify the portion thereof intended for the support of the Board and include a statement by the Board (1) showing the amount requested by the Board in its budgetary presentation to the Secretary and the Office of Management and Budget and (2) an assessment of the budgetary needs of the Board. Whenever the Board submits to the Secretary, the President, or the Office of Management and Budget, any legislative recom-".

On page 33, in line 4, strike out "(f)" and insert in its place "(g)"; and

After line 19, insert the following:

"(h) For the purposes of chapter 9 of title 5, United States Code, the Board shall be deemed to be an independent regulatory agency.".

(To the amendment by Mr. Udall in the nature of a substitute.)

—In section 102, after paragraph (3), insert:

"(4) 'Department' means the Department of Energy."; redesignate paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively; after paragraph (7), insert:

"(9) 'Secretary' means the Secretary of Energy."; and redesignate paragraphs (8) and (9) as paragraphs (10) and (11), respectively.

In section 201, strike out subsection (a) and insert in its place the following:

"(a) There is hereby established within the Department an independent regulatory commission to be known as the Energy Mobilization Board.

"(b) The Board shall be composed of five members appointed by the President, by and with the advice and consent of the Senate, from among persons who are specially qualified by reason of their education, training, or experience to carry out the functions of the Board. Such members shall serve at the pleasure of the President. One member of the Board shall be designated by the President as the Chairman.";

Redesignate subsection (b) as subsection (c);

Redesignate subsection (c) as subsection (d), and in that subsection—

Strike out paragraph (2) and insert in its place:

"(2) The Secretary shall provide to the Board such support and facilities as the Board determines it needs to carry out its functions.";

Strike out paragraph (4); and

Redesignate paragraph (5) as paragraph (4), and in that paragraph, strike out "of the Department of Energy" and insert in its place: "of any other part of the Department";

Redesignate subsection (d) as subsection (e);

Redesignate subsection (e) as subsection (f), and in that subsection, strike out "Whenever the Board submits to the President or to the Office of Management and Budget" and insert in its place the following:

"In each annual authorization and appropriation request under this Act, the Secretary shall identify the portion thereof intended for the support of the Board and include a statement by the Board (1) showing the amount requested by the Board in its budgetary presentation to the Secretary and the Office of Management and Budget and (2) an assessment of the budgetary needs of the Board. Whenever the Board submits to the Secretary, the President, or the Office of Management and Budget,";

Redesignate subsections (f) and (g) as subsections (g) and (h), respectively; and

After subsection (g), insert the following:

"(i) For the purposes of chapter 9 of title 5, United States Code, the Board shall be deemed to be an independent regulatory agency.".

# EXTENSIONS OF REMARKS

## THANKS DOROTHY BATES

### HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. FUQUA. Mr. Speaker, when I came to Congress in 1963, the first stirrings were being heard in the legislative branch about the need for better internally produced information on science-related issues. I like to think that the element of interest displayed toward filling that need by one of the subcommittees on which I served—Science, Research, and Development—helped bring about the formation of the Science Policy Research Division in the Library's Congressional Research Service.

The formation, in 1964, and the production of that Division are clearly acknowledged today as a congressional "plus" of the highest order—and one of the main reasons has been Dorothy Bates.

Mrs. Bates is retiring at the end of this month. Those of us who have worked with and beside her for many years, who have benefited from her competence, thoroughness, organizational ability, and that happy combination of high intelligence and commonsense, will miss her—both as a professional and a friend. She will not be replaced. The Dorothy Bates of this world do not get replaced—only substituted for.

As a specialist in science and technology in the Science Policy Research Division, Mrs. Bates has played a critical role in supporting the Congress by providing information and in-depth policy analysis. She has been instrumental in shaping the Division within the Congressional Research Service, and she has trained and inspired other SPRD staff members through the medium of fine scholarship and managerial skill. And she is noted for her appreciation of detail, precedent, and the importance of history, as well as her understanding of the complexity of policy formulation in the legislative arena and in the interactions between the executive and the legislature.

Mrs. Bates began her career with the Congressional Research Service in 1953, when it was called the Legislative Reference Service. Over the years, we have been especially grateful for the analytical support she provided on many major issues of legislative deliberation—such as: Rewriting the charter of the National Science Foundation in 1968, overseeing the science advisory apparatus in the White House on a continuing basis, reviewing programs and organization of the National Bureau of Standards, collating information on the funding and utilization of all Federal science and technology activities, assessing the pros and cons of the centralization of Federal science activities, and providing essential data for the development of the technology assessment concept.

Mrs. Bates played a critical role for our committee as we developed the National Science Policy Act of 1976 which created a science and technology advisory office in the Executive Office of the President. President Ford recognized Mrs. Bates' role in the enactment of that law when he invited her to the White House signing of the act on May 11, 1976. This statute, which for the first time established a national science policy, is the embodiment of legislative efforts to give such policy the stature it deserves as an essential element to the achievement of our national goals.

Mr. Speaker, not only our committee but most of the committees of the House and Senate owe much to having had Dorothy Bates' talents available to them for a quarter of a century. It has been our very good fortune. We wish her all the best as she turns to new ventures and fresh challenges in the days ahead.●

## PROVIDE DEATH GRATUITY TO SURVIVORS OF CERTAIN CIA EMPLOYEES

### HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. DERWINSKI. Mr. Speaker, I am introducing this bill today with my congressional neighbor and colleague, MORGAN MURPHY, along with 33 other cosponsors.

This bill authorizes the payment of one year's salary to the surviving dependents of an agency employee killed overseas as a result of "hostile or terrorist activity * * * or in connection with an intelligence activity having a substantial element of risk."

Employees of the Central Intelligence Agency often serve in hazardous circumstances, circumstances that are becoming more hazardous all the time. These employees are especially attractive targets for terrorists and extremist organizations.

We all hope that nothing is ever paid out under this proposed legislation. Prompt passage, however, would be an important confirmation to our loyal and courageous intelligence employees in the field that they are supported by the Congress and the American people.

The efforts of these people, who daily sacrifice the comforts of home in the service of their country, are vital to our welfare. I propose this measure to provide for their families' welfare should tragedy strike. We should be anxious to do so.

The State Department already has this benefit; the CIA should too. The Office of Management and Budget has advised that there is no objection to presentation of this proposed legislation from the standpoint of the administration's program.

Join me in a concrete measure of support for our intelligence employees abroad. It has symbolic value as well which will not be lost on them.●

## GUN CONTROL STATISTICS

### HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. JONES of Oklahoma. Mr. Speaker, the continuing debate on the issue of curbing the illegal use of firearms often leads to overstatement and simplification of very complex issues. Rhetoric and "easy answers" flow freely, but the simple truth is that basic human emotions cannot easily be contained by the passage of a law.

In my view, there is no excuse for the use of firearms in the commission of a crime. It is for this reason that I have supported efforts to enact harsh penalties for individuals who use firearms for criminal purposes. At the same time, I seriously question that confiscation of guns from law-abiding individuals will produce the results intended by advocates of this approach. It is for this reason that I have opposed efforts to over regulate or control guns used by the vast majority of our citizens for lawful purposes.

In an effort to add to the ongoing debate, I commend to my colleagues the following editorial which appeared in the Tulsa Tribune. In my view, this news article points out the need for all elected officials to think twice before accepting the statistics and allegations of certain groups lobbying for wide-sweeping changes in our current gun laws.

#### THE HANDGUN DEAD

"An epidemic of handgun death is sweeping the nation," claims Handgun Control, Inc., a group that is lobbying for stronger federal laws to stop the proliferation of firearms.

As evidence of the epidemic, the organization sends along a "roll of handgun dead" for August, more than 700 victims. The names make the list more personal, but one member of the roll stands out more than the others: Eugene Bemo of Jenks.

Bemo was shot to death last month; Handgun Control got that part right. However, Bemo was shot when he grabbed the barrel of a Jenks police investigator's *shotgun* and it discharged during a scuffle over control of the weapon. Had the weapon been a pistol, Bemo still wouldn't have qualified for the list, unless Handgun Control has it in mind to disarm police officers too.●

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**● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.**

## CONSUMER EQUITY; REGULATION OF THE FUNERAL INDUSTRY

### HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. GREEN. Mr. Speaker, when the average American buys a home or a car, the individual assesses his or her needs, shops around, and then purchases the item which he or she determines will provide the best value for the money. Since homes and cars are continually used and can be resold, the individual enjoys a return on the investment.

After the purchase of these items, a funeral is the third largest expenditure made by the average American family. It is obviously an expenditure which people rarely have time to consider, and is open to consumer fraud. Under present law, the individual cannot obtain presale itemized price information on funeral items, cannot obtain an overall cost estimate over the phone, and cannot even require that his or her consent be obtained before the loved one is embalmed. Consequently, what is already a tragic situation becomes even more devastating. A funeral represents a tremendous emotional loss; must it represent an economic loss as well?

I urge my colleagues to cast their votes in favor of regulation of the funeral industry when the House considers H.R. 2313, the FTC Improvements Act of 1979. In an article entitled, "A Requiem for Funeral-Industry Reform? Perhaps" on October 6, 1979, the Philadelphia Inquirer addressed this issue. Because of the importance of this issue and the need to rectify the current abuses to consumers, I call it to the attention of my colleagues:

A REQUIEM FOR FUNERAL-INDUSTRY REFORM? PERHAPS

(By Jane Bryant Quinn)

The long-awaited reform of the funeral industry, undertaken by the Federal Trade Commission (FTC), is expected to take effect around the end of the year. But funeral directors and their supporters in Congress have mounted a last-ditch effort to bury the proposed rules.

The funeral industry's potent weapon: the annual bill authorizing the continuation of the FTC and providing money for its operation. Feeling runs high in Congress against a number of the commission's activities, among them proposed rules injecting more consumer-protection into the sale of used cars, hearing aids, insulation and eyeglasses, as well as funerals. The affected industries have banded together to try to bring the FTC to heel.

The House Appropriations Committee recently voted to prevent the FTC from spending any money on "new activities" or issuing the final version of new trade rules for at least the next 45 days. Previously, an appropriations subcommittee blatantly voted not to fund the FTC unless it killed a number of pending rules, including the one reforming the funeral industry.

The FTC believes that it has enough votes in the Senate to over-rule any mischief done by the House. At this writing, though, the outcome is unknown.

Rep. Martin Russo (D., Ill.) is leading the fight against funeral reform. He says that the FTC is prejudiced against the funeral industry, that the industry didn't have enough of a chance to establish its case, that various FTC procedures were illegal and that the rules will add $30 million to $40 million to the cost of funerals.

The FTC absolutely rejects those cost estimates as inflated. The price of regulation, it says, will be only the minor one of writing up formal price lists and revising the contracts consumers sign. The FTC will provide standard forms for funeral homes. Further, Americans can be expected to save unknown millions in overcharges.

The FTC determined a few years ago that the average full-scale funeral costs $2,400. If consumers could decline those elements of the package price that they don't want—such as limousines or use of the viewing room—they could save money. More price competition would also improve their ability to learn about immediate burial (costing $425 to $500, immediate cremation ($250–$300) and cremation after a funeral service ($650–$800).

The proposed funeral-industry rules have been six years in the making. After hearings in six cities, the FTC concluded that:

People who arrange funerals are particularly vulnerable to high-pressure sales, because of their sorrow, guilt and poor information about funeral costs.

Many funeral directors refuse to itemize costs or provide price information over the phone.

Some funeral directors falsely say that the state requires embalming or that bodies are better off in burial vaults.

The funeral industry hinders price competition.

The new rules, if allowed to take effect, will:

Prohibit embalming without express permission.

Prohibit requiring a casket for cremation.

Require disclosure of any fees or rebates that the funeral home gets for ordering flowers and other outside items that the consumer might more inexpessively order himself.

Prohibit misleading consumers as to legal or cemetery requirements.

Forbid false claims about the preservative or protective value of embalming, caskets, burial vaults and other merchandise.

Require that itemized price information be given by phone, that services be separately priced and that consumers be charged only for those services they expressly want.

Prohibit any attempts by funeral directors or trade associations to restrict price advertising or prevent the growth of low-cost alternatives to the traditional funeral.●

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## TIMONIUM STUDENTS VISIT CAPITOL

### HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. LONG of Maryland. Mr. Speaker, I want to make welcome 209 students and teachers who are visiting the Capitol today from the Dulaney Senior High School in Timonium, Md. My constituents are taking a course entitled, "Citizenship, the Constitution, and Public Issues." They are here to see firsthand how Congress works and to gain understanding of the legislative process. Each student will observe floor activity in the House and Senate and attend committee meetings. I appreciate this opportunity to meet with the seniors of Dulaney High School and am certain that their day here will be interesting and informative.●

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## HELPING POOR TO PAY FOR HEAT

### HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. DOWNEY. Mr. Speaker, I would like to bring to the attention of my colleagues a letter I received from Mr. Daniel Shortall, a constituent of mine. Mr. Shortall is a senior citizen. He has suggested an excellent way to help alleviate the hardships that many lower income people face as a result of the current energy situation.

The text of the letter follows.

DEER PARK, N.Y.,
*Aug. 30, 1979.*

Hon. THOMAS J. DOWNEY,
*Cannon House Office Building,*
*Washington, D.C.*

CONGRESSMAN DOWNEY: I am a senior citizen most concerned with the inflationary spiral which is effecting all age groups. My July increase in Social Security payments has already become a myth due to the ever increasing cost for food, heating oil and gasoline. I have curtailed the use of my old car by fifty percent as a means of saving energy as a concerned citizen, plus the fact of the high cost for gasoline.

There is much talk of a possible cash grant for low income people if the proposed "Windfall Profit Tax" is enacted into law. I believe some type of relief and assistance should be given to people who are struggling to pay for the bare necessities of life. However, I don't think any cash grants would be a solution to this problem.

I am enclosing an article printed in the Newsday's edition of Thurs. 8/29/79 submitted by a Mr. Robert L. Horn which echos my sentiments as a really sensible solution to the problem. I sincerely hope that you and many other Congressmen give this idea some serious thought. It could cut the consumption of #2 heating oil by about 33⅓% as conservation is the basic key to the oil problem as it exists today.

Yours truly,

DANIEL SHORTALL.

HELPING POOR TO PAY FOR HEAT

Regarding President Carter's proposal to give billions of dollars to the poor to help them pay for higher energy costs: The goal of helping the poor is a good one. However, it is his method that irks me.

The money that Carter wants to funnel to the poor, through his proposed "windfall profit tax," would, under his proposal, go right back to the same folks who are ripping us off with higher prices in the first place: Big Oil.

Instead, I propose that money be used to increase the energy efficiency of existing residences and heating systems—beginning with that of poorer folks. This would have the effect of helping the poor by not only reducing their heating costs, but by also reducing their energy requirements.

Rather than only increasing the profits of the energy corporations, we would create many new jobs in insulating, etc., while cutting our use of oil, helping us to become less oil-dependent.●

## THE UNFINISHED BUSINESS OF ROBERT KENNEDY

### HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. JOHN L. BURTON. Mr. Speaker, Saturday I had the privilege of attending the opening of the John F. Kennedy Library in Boston.

It was an inspiring event for all who were present.

Both President Carter and Senator KENNEDY eloquently spoke of President Kennedy's heritage, but for me the address of Joseph Kennedy II, entitled "The Unfinished Business of Robert Kennedy" was very special.

I believe the entire membership of the House will find the speech an impressive message from the younger generation:

STATEMENT OF JOSEPH KENNEDY II

President Carter, Mrs. Carter, friends of the Kennedy family:

I speak for my mother, my brothers and sisters, when I say that it is good that my father's papers will rest here. And it is good that those who come to this library will have a chance to learn of some of my father's activities and his hopes and his struggles.

This is a relatively young country still trying to get a sense of itself, what we really believe in and how we want to live our lives.

Buildings such as this awaken our memories and bring us closer to a part of our history. But no building, however impressive in its design and dramatic in its location, however significant and valuable its papers and books and photographs and films, is meant to make a new history.

And so today, as I stand here and think of my father and what his life was all about, I have to admit myself that there is only one kind of completely satisfactory memorial to him and he himself was trying to do his share to build it—a better, a much better America.

An America where the phrase "equal justice under the law" is not only engraved on a Washington, D.C., building, but is a living reality for millions of ordinary men, women and children all over this land.

An America where no one anywhere goes hungry or suffers malnutrition, where no one anywhere lives in rural shacks and shanties or broken-down gutted slum tenements, where no one anywhere is the captive of disease and yet unable to obtain proper medical care, where no one anywhere is denied his or her dignity as a human being by virtue of race, sex or background.

My father died waging a struggle. As I have grown up I've come to appreciate what that struggle was about:

It was about migrant farm workers living, still living, in wretched circumstances so that others of us might eat good fruit and vegetables.

It was about miners doing their hard work still in terribly unsafe mines and soon enough being ravaged by black lung disease.

It was about tenant farmers, thousands of them, still laboring long and hard and ending up with nothing at all to show for it.

It was about Indians here on this land first, and still too many are hurt, manipulated, betrayed people.

It was about black people and Chicanos whose labors, my father never forgot, helped to build this country.

It was about Eskimos and the families of the hollows of eastern Kentucky and West Virginia.

And yes, it was about ordinary working families of this country—no matter their skin color or origin—men and women putting their time in on this earth, sweating it out at work, doing the best they know how at home and in the neighborhood, making no big deal out of life or themselves and too often getting a raw deal from those who think of themselves as their betters, their leaders.

Month after month, year after year, until his last breath my father did his best to try to understand and reach out and respond to those people.

He traveled restlessly the length and breadth of this nation during the troubled 1960s anxious to get the facts, but anxious as well to give voice to the aspirations of millions of Americans who are not so much voiceless as unheard in those influential places a comparative handful of people dominate.

One day it may be different here and it may be different in the other countries my father visited, but only if more of us learned to acquire what my father called "moral courage."

He used that expression back in 1966. He was in South Africa and he made clear where his heart lay there.

Even as he knew how easy it is for many of us here at home who are lucky, who are well off and able to ride through the ups and downs of business cycles, to sit back and worry about no one but ourselves, our own small and sometimes smug and sometimes self-important world, now over a decade later we pause to remember him.

But I hope in so doing, we will remember the millions all over the world who have also died—died for want of food, for want of medicine, died in a desperate effort to secure their political freedom or to secure a decent measure of social and economic justice.

I hope and pray that my generation of Americans will do their share to redeem those deaths, will summon the "moral courage" my father referred to and with it work to bring about the decent and just world he so much wanted to see in his lifetime.

But if we are to realize that world, is it enough to talk in generalities however pleasant sounding or ought we to be actively taking on what the Bible called "the principalities and powers?" And who is connecting inflation to those "principalities and powers" that operate this country?

We all know that inflation bears down hardest on the poor. Now we are being told by the chairman of the Federal Reserve Board that, and I quote: "The standard of living of the average American has to decline if inflation is to be reduced."

Well, what about the standard of living of the people on the boards of oil companies? Yes indeed we need to conserve, we need to consume less, by all means. But that means all of us, not just the privileged few, excuse me, including the privileged few.

I think of the giant oil corporations that are squeezing us so hard all the time. And who's stopping them?

I think of the big coal companies, many owned by oil companies, who are responsible for mine accidents, mine injuries, polluted streams and terrible life-taking floods. And who's stopping them?

I think of the agri-businesses that rake in the dough and give precious little in wages to the migrants who harvest crops. And who's stopping them?

Until we are strong enough as a nation to look at these concentrations of wealth and power and to make that kind of business the people's business, then we have a long way to go, both ethically and politically.

The sooner we face down the vested interests, the better it will be for plain, ordinary, far too vulnerable Americans. I know my father gave those vested interests a critical look during the 1960's and I hope the rest of us keep our eyes open during the 1980's, lest many of us be picked bone-clean.

Finally, I'd like to leave us with these words of my father spoken in South Africa 13 years ago:

"The future does not belong to those who are content with today, apathetic towards common problems and their fellow man alike, timid and fearful in the face of new ideas and bold projects.

"Rather, it will belong to those who can blend vision, reason and courage in a personal commitment to the ideals and great enterprises of American society."

Thank you.●

## TRIBUTE TO PETE GABRIEL

### HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. WILLIAMS of Ohio. Mr. Speaker, when an area is as hard hit economically as my own Mahoning Valley in Ohio, such an area often assumes an attitude of defeat. Only the spirit and efforts of community residents can prevent that attitude, and that is certainly true of my own community. Among the boosters of the Warren-Youngstown area in Ohio, none is more enthusiastic than Pete Gabriel, a WKBN Youngstown radio personality.

Mr. Gabriel is not only a first-rate disk jockey, but also a man of optimism and energy. An example of his determination was seen last March in Youngstown when Pete decided that what the city needed was a St. Patrick's Day parade. With typical verve he announced that there would be a parade if he had to march in it alone.

The result was one of the biggest parades in Youngstown in years, a parade that rivaled the Bicentennial parade in 1976. It is expected that the parade will be an annual event.

But beyond this specific instance, there is another effect of Pete Gabriel's community spirit. Representatives of several ethnic groups turned out to work for the parade. Communities other than Youngstown sent representatives to participate, one of them a community from western Pennsylvania. Local community leaders got involved. An air of cooperation and civic pride pervaded the celebration. On a sunny March day with temperatures hovering at freezing, one of the largest crowds in a long time cheered the results.

Others in our community, of course, have been area boosters. But I wish to thank Pete Gabriel, the WKBN staff and management, for reaching out to stir up the necessary community awareness and support. From then until now, Pete Gabriel has continued to focus on what is right in our valley, and to remind his listeners of the value of share community endeavors. Such promotion helps us to learn from where we have been, to look realistically at where we are, and better still, to look expectantly to where we are going.●

## HOLOCAUST IN CAMBODIA

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## HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. DRINAN. Mr. Speaker, I bring to the attention of my colleagues an article written by John Pilger of the Daily Mirror of London, and printed in the Boston Globe on September 22, 1979. Mr. Pilger's vivid description of the terrible killings that have occurred in Cambodia in this decade merits our consideration as we examine the current plight of the Cambodian people.

John Pilger describes Cambodia as once a "gentle and graceful" country that is now little more than a wasteland. At least one third of the population have been brutally slaughtered; cities and towns have been evacuated; lands stripped; and normal standards of fundamental human right have been abandoned. Those who have managed to survive face starvation unless the food and medical aid that is urgently needed is received soon.

I traveled to Indochina last August as part of a delegation of House Members led by our colleague, Congressman ROSENTHAL. As a result of our factfinding mission, the delegation commented on the famine that now plagues Cambadia in its report recommendations. The report concludes:

> The United States should seek creation of an internationally sponsored and monitored food relief effort in Cambodia in order to prevent a famine which could trigger a massive exodus of new refugees. Such a relief program should be made available to all needy Cambodians and not through the auspices of any political regime.

The administrative apparatus for this relief effort has now been formed, and through the offices of UNICEF and the International Committee for the Red Cross, aid is now arriving. Oxfam has also been extremely active in mobilizing food for shipment to the deepwater port of Kompong Sum.

The United States and the entire international community must assume responsibility for the famine that confronts Cambodia. Our relief efforts must not be viewed as a political act of support for one regime or another. Starvation in Cambodia is a matter of humanitarian concern that demands a humanitarian response.

It is my hope that the Foreign Affairs Committee and the full House will act expeditiously to approve legislation to authorize a special program of humanitarian assistance for the people of Cambodia, to be carried out by public and private international agencies.

Each day we delay our decision on this matter, the famine situation deteriorates in Cambodia. With nearly 3 million lives at stake, we can hardly afford to wait any longer.

The article on Cambodia which appeared in the Boston Globe follows:

[From the Boston Globe, Sept. 22, 1979]

### HOLOCAUST IN CAMBODIA: KHMER ROUGE CARRIED OUT SYSTEMATIC SLAUGHTER OF POPULACE

PHNOM PENH, CAMBODIA.—The plane flies low, following the Mekong river west from Vietnam. Once over Cambodia, what we see below us silences everybody on board.

There is nobody, no movement, not even an animal, as if the great population of Asia stopped at the border. Whole towns and villages on the river bank stand empty, the doors of houses flapping open, cars on their sides, mangled bicycles in a heap, chairs and beds in the street.

Next to tangled power lines there is the lone shadow of a child, lying or sitting. It does not move.

The endless landscape of Southeast Asia, the patchwork of rice paddies and fields, is barely discernible; nothing appears to grow except the forest and the tall, wild grass.

On the rim of large towns this grass will follow straight lines, as if planned; it is fertilized, we later see, by human compost, by the remains of tens of thousands of men, women and children who have been killed.

Cambodia, which I remember as the most gentle and graceful land in all of Asia, a land whose peace in a region of unrelenting war was unique, all but vanished from the headlines four and a half years ago; and what has happened here since has no parallel in modern times.

That may sound a sweeping claim, but it is true. Coming here is like happening on something unimaginable; a human catastrophe and crime without a measure. For even Hitler's demonry did not involve the enslavement of the entire population and the systematic slaughter of all those "touched and corrupted by the 20th century."

Nor did Stalin's terror include the banning of all learning, all books, all arts, all music and song, and the abolition of the family and all expressions of joy, love and grief, and the destruction of all machines.

All that has happened in Cambodia.

Out of a world-renowned royal ballet of some 500 dancers, a few dozen survive. Before 1975 there were 550 Cambodia doctors; there are now 48.

The statistics are numbing. Cambodia's population in 1975 was roughly seven million. Today, between a million and a half and three million people are "missing," presumed dead.

As we make our final approach into the deserted airport at Phnom Penh, the capital, there is a pyramid of cars, ambulances and fire engines, and refrigerators, washing machines, hair dryers, generators, typewriters, as if an army of Luddites has tried to sweep them back in time.

After April 17, 1975, anybody who had owned these things, anybody who had lived in a city or town, was under virtual sentence of death. Anybody with education or a modern skill was killed if his or her identity was revealed: doctors, teachers, technicians, skilled workers, even schoolchildren—anybody who knew foreigners.

The images are numbing. An emaciated child walks alone down the center of a main boulevard that once was filled with traffic in a capital city that held two and a half million people; gangs of children scavenge in the garbage. They are mostly orphans, either infants or more than 5 years old; few of those born during the period of terror appear to have survived.

Young adults are equally difficult to find; a generation had gone. Indeed, this is now a nation of mostly children, isolated from the world and facing starvation.

Who did this? How could it happen?

In the spring of 1970, Cambodia's tranquality was terminated by the greatest saturation bombing in history.

This was the secret war launched by Richard Nixon and Secretary of State Henry A. Kissinger in violation of American constitutional law and in defiance of Congress. Pilots were sworn to secrecy and their operational logs were falsified or destroyed. For three years the American public knew nothing about it.

By 1973 the equivalent, in tons of bombs, of five Hiroshimas had fallen on neutral Cambodia.

The military aim was the destruction of a mythical Vietcong base in Cambodia. President Nixon's aim was to show the Vietnamese communists how "tough" he could be: a policy he once described as the "Madman Theory of War."

The Madman Theory of War threw Cambodia into turmoil; the delicate balance of Royalists; Republicans and Communists of varying shades was destroyed and Prince Sihanouk, the peacock, jazz-loving ruler who had preserved this balance, was overthrown by the military.

In the forests, a small group of fanatics, whom the Prince had called the Khmer Rouge and who were inspired by the manic Red Guards of China's "cultural revolution" in the 1960s, intensified their revolution.

The declared 1975 "Year Zero," the beginning of the end of the modern world. The ideological aim of their revolution was to create a "pure" rural society, "classless and glorious," similar to that of the Khmer empire of the 10th century. Because there were so few of them—they represented probably no more than 10 percent of the people—this meant controlling the population by enslaving it and reducing it by half.

Their leaders were at first anonymous, deferring constantly to "The Angkar," or "the organization," whose Orwellian "wisdom" justified everything, including mass bloodletting. But one man, calling himself Pol Pot, emerged at the head.

Little was and is known about him, except that he was one of a group of Cambodians who learned their politics in anarchist circles in Paris in the late 1940s. He claims to have been a Buddhist priest and a teacher; in fact, he came from a wealthy family, and his dreams of a classless society ended with himself; Mao was his hero, and he was to be Cambodia's Mao, an Asian pharaoh.

At 7:30 on the morning of April 17, 1975, the Khmer Rouge entered the capital. At 1 p.m., they ordered the city to be abandoned.

There were to be no exceptions. The hospitals were emptied at gunpoint; doctors were forced to stop in mid-operation. Dying patients were wheeled into the streets in their beds.

The hemorrhage of people lasted two days and two nights. When the Vietnamese army drove into Phnom Penh last January, ending four and a half years of terror, they found the city almost exactly as it had been abandoned on the first day of "Year Zero."

It is a haunting unforgettable sight. In the silent, airless humidity, it is like entering a city without people, as if in the wake of a nuclear war which spared only the buildings.

Houses, flats, office-blocks, the university, schools, hotels are deserted and open, as they were left when more than two million people were marched away at gunpoint, most of them to their death.

Cambodia once was a land teeming with saffron-robed monks. I have not seen one, anyone found at prayer was automatically killed.

Past the evaporated cathedral walk a man and a boy, striding with a rhythm of fear that all the survivors have. The boy is 15 and looks nine, and he is starving.

His father balances a load on his head and an arm on his son's shoulder. He is blind and terribly scarred with smallpox.

He is a carpenter and his name is Khim Kon. "This boy," he says, patting his son, "Is my only one left. Because we came from the city we were classified 'new people,' and we had to work from 3 in the morning until 11 at night—the children, too. My wife and three other boys are all dead."

"How did you lose your sight?" I ask him.

"I was always blind in one eye," he replies. "When my family began to die, I cried, so they took out the other eye with a whip."

My notebook is filled with similar horrific stories, which come directly from simple people who have no reason to lie; I have yet to find a family that has not been decimated.

The barbarism was not always random. It was also highly organized, with its chief aim to reduce the population to less than two million; to a single generation untainted by the old life.

The rules were explicit. People would live in collective farms, in straw-roofed barracks without walls, so that they could be watched all the time. They would be fed according to how "productive" they were, and this usually meant a tin of rice—the size of a small Nescafe tin—twice a week.

Only the camp "controller" could sanction marriage and husband and wife were permitted to meet only once a month.

As the price of extra food and life, young boys were recruited as spies and listened from the rafters for laughter or sorrow. Anybody falling asleep during a midnight "ideological" lecture was denied a week's rations, or killed. Even the word itself—sleep—was banned, from Year Zero there would be only "rest."

Much of the work was mindless. While many fields and paddies fell fallow, forests were cleared for "strategic" reasons. The Khmer Rouge leaders were obsessed with the prospect of a Vietnamese invasion.

In a valley nearby the ancient temples of Angkor Wat in western Cambodia, one of the wonders of the world, there is a ribbon of tall grass that gives way to trenches that have been recently excavated. They are crammed with skeletons, with evidence of terrible head wounds, the hammer being the most common instrument of death. So far, the remains of 9000 people have been found here.

During the past three weeks I have seen many sights like this, and at times we have felt like those who, in 1945, came upon Auschwitz.

I visited a school that was renamed the "Tuol Sleng extermination center." Like Auschwitz, it has a fence of double barbed wire. Like the victims of Auschwitz, many of the prisoners were brought by train, 150 to a carriage, and the weak seldom survived.

It was run by a gestapo called "S21" which was divided into an "interrogation unit" and a "torture and massacre unit." In the former classrooms, where people were mutilated on iron beds, their blood and tufts of their hair are on the floor: so much of it.

Between December 1975 and June 1977, some 12,000 people died slow deaths here; a fact easy to confirm because the killers, like the Nazis, were pedantic in their sadism. They photographed people before and after they were killed.

They recorded their names, ages, even their height and weight. And, like at Auschwitz, there is a room filled to the ceiling with their clothes and shoes, many of them children's.

When the Vietnamese army discovered this place, they found among the corpses eight survivors, including four children and a month-old baby. Eam Chan was a sculptor and Van Nath was a painter, and they survived because they were put to work making busts and painting heroic pictures of Pol Pot.

That is the news from Cambodia, delayed for 4½ years.

In the words of one of the few relief officials here, "we have just six months to save three million people."

A generation ago, while the civilized world still reeled in disgust at Auschwitz, the United Nations was formed "so that this might never happen again."

It has happened again.●

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## WATER IMPROVEMENTS FOR CONTRA COSTA COUNTY

## HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. MILLER of California. Mr. Speaker, I am today introducing legislation to authorize feasibility studies for several critical projects which could provide significant improvement in the water quality for over a quarter of a million residents of Contra Costa County, Calif. In addition, these projects would provide additional storage capacity which could be utilized both for the protection of water quality in the vital Sacramento-San Joaquin Delta and for customers in other portions of California.

The first of these studies would focus on the relocation of the intake of the Contra Costa County Water District's canal. The Contra Costa Water District was the first contractor for water from the Federal Central Valley project. It takes water out of the delta at two points—Mallard Slough, and Rock Slough. It is this latter point which is most heavily utilized during low-flow periods when the water at Mallard Slough is unsuitable for human consumption.

Over the years, however, the vulnerability of even the Rock Slough site has become evident. It had been thought that the site was a secure one in all but dry years, when salt water intrusion from San Francisco Bay jeopardizes this source of water for homes and industries. But recent events illustrate the inadequacy of Rock Slough. Water quality at the Rock Slough intake has been inferior to water district-State water prcject criteria of 100 milligram per liter chloride every day since late July. The chloride level has been approaching the 250 milligram per liter standard, which is the maximum considered safe for human consumption. Since September 7, that level has been in excess of 200 milligram per liter, which is considered hazardous for certain people. Fears of pollution in addition to chlorides has been growing, too. The relocation of this intake to a more secure location in the vicinity of the Clifton Court Forebay may substantially reduce, or eliminate, the vulnerability of the present intake point. This relocation has been discussed for several years, and the State of California and the Contra Costa Water District have been engaged in discussions recently concerning this possible relocation. The Bureau of Reclamation has been represented in some of these discussions, but Federal participation is limited by the lack of authorization for the preparation of a feasibility study. This bill would authorize that overdue participation.

Over 10 years ago, the Bureau prepared a feasibility study of the proposed Kellogg Reservoir in southeast Contra Costa County. The study recommended construction of the facility in order "to meet water quality standards of the United States Public Health Service for municipal supplies." Despite the favorable review, the Kellogg unit was never authorized for construction, partly because the adoption of high water quality guarantees by the State Water Resources Control Board, in D–1379, appeared to satisfy the concerns of Contra Costa water users. However, the abandonment of those standards last year, with the promulgation of D–1485, once again leaves the Contra Costa users unprotected. It would, therefore, be wise to consider again the potential value of the Kellogg unit for a variety of delta protection and water service functions. This bill would authorize the updating of the 1968 feasibility report.

The last project which would be studied under the terms of this legislation is the proposed 950,000 acre feet Los Vaqueros Reservoir, which would be situated just to the west of the proposed Kellogg unit. The facility was only vaguely considered in the 1968 study under the name of the Los Medanos unit. Since that time, the State of California has also studied the Los Vaqueros site, which could provide valuable water supplies for delta and bay quality control, and for export to other water service customers.

It is understandable that many in the delta and bay areas share my own concern that the relocation of the intake not reduce the commitment of either the State or the Federal Government to assure adequate water quality for the bay and delta. It must be understood, of course, that this legislation authorizes only the study of these projects and not their actual construction. Moreover, my bill would mandate that specific attention be paid during the course of the studies to the potential impacts of each of these projects on delta and bay water quality and that the Secretary of the Interior recommend ways to prevent the deterioration of water quality. If the studies indicate that we would lose the ability to assure essential protection for these areas, then we could not move ahead with the projects, unless those adverse impacts were totally removed. It must be recognized, by both State and Federal water policymakers and legislators, that we cannot approve of any future water projects in California which would jeopardize the essential water quality of the delta and the bay.

It should be noted that the State of California and the Department of the Interior are continuing their work on an agreement for the coordinated operation of the State and Federal water projects. We anticipate not only agreement on this plan, but the enactment of legislation within the next year to reauthorize the Central Valley project to more clearly establish its salinity repulsion and delta protection responsibilities. Kellogg and Los Vaqueros will provide the CVP with greater capacity for that function, as well as assure Contra Costa County residents sufficient water of good quality for our municipal and industrial needs.

Those knowledgeable about the looming crisis in water supply in the West will acknowledge the need to produce additional supplies while, at the same time, averting serious environmental damages, and excessive subsidized costs which have plagued shortsighted water policy for years. The projects which would be studied as a result of the bill I have introduced today would meet that criteria, assuring an adequate supply of high quality water for municipal and industrial use, as well as supplemental yield for environmental control and irrigation purposes. I am hopeful that these studies will be undertaken expeditiously, and that if they prove as beneficial as we hope, we will move toward project authorization in the near future.

The text of the bill follows:

H.R. —

A bill to authorize the Secretary of the Interior to engage in feasibility studies of certain potential water resource and water quality developments in Contra Costa County, California, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is hereby authorized to engage in feasibility studies of the following potential water resource developments:

(a) the relocation of the intake of the Contra Costa County Water District canal from Rock Slough to the vicinity of the Clifton Court Forebay, in Contra Costa County, California; and

(b) the Los Vaqueros Dam, pump-generating plant, and related features at a site approximately eight miles west of the Clifton Court Forebay, in Contra Costa County, California.

Sec. 2. The Secretary of the Interior is authorized to review and revise, as may be necessary, the feasibility study of the Kellogg unit, Central Valley project, Contra Costa County, California.

Sec. 3. In preparing the studies and review authorized in this Act, the Secretary of the Interior shall fully describe all potential beneficial or detrimental impacts resulting from the construction or operation of the projects under study. The Secretary shall further make recommendations to the Congress for assuring that neither the construction nor the operation of any such project results in the deterioration of the water quality and ecology of the Sacramento-San Joaquin Delta or the San Francisco Bay estuarine system.●

## NUCLEAR MISHAPS: A HISTORY

### HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mrs. SCHROEDER. Mr. Speaker, as a participant in the public information project on the little-known history of atomic accidents, I am today offering the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

Atomic Accident No. 17—1951: Contamination of Lab Leaking PO and BE, Ames, Iowa

A university became involved with a Po 210 radiation source that leaked while being handled in a physics laboratory. The extent of the leak was not fully realized at once, with the result that radioactive contamination was spread within the laboratory and to varying degrees throughout the building. In addition, personnel working in the building carried contamination from the building to their automobiles and homes and, to a minor degree, contaminated other areas they visited. Radiological assistance was requested from the appropriate AEC office, which responded, together with U.S. Public Health Service radiation-protection experts, to monitor the incident and to advise university officials on how to deal with the situation. Assistance was provided until all contamination had been discovered and emergency decontamination of the building and other places in the community had been completed. The exposure of personnel was held to a minimum, and it was determined that the university employee with the highest exposure did not receive an injurious amount of radiation. A policy of prompt reporting of the facts to the local press, and therefore to the community, was followed, and public concern was not aroused. The situation was kept completely under control without any disturbance.

Source: Nuclear Safety, volume 4, No. 1, September 1962, page 85.●

## STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 5507, RELATING TO THE TREATMENT OF RETIREMENT BENEFITS UNDER FEDERAL UNEMPLOYMENT INSURANCE LAW

### HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. ULLMAN. Mr. Speaker, on October 17, 1979, the Committee on Ways and Means ordered favorably reported to the House H.R. 5507, relating to the treatment of retirement benefits under Federal unemployment insurance law. This bill would require States to reduce a person's unemployment insurance benefits by the amount of certain pensions or retirement payments received by the individual, and also limits the time in which a person can collect extended unemployment compensation benefits.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule that I will request for the consideration of H.R. 5507 on the floor of the House. The Committee on Ways and Means has specifically instructed me to request the Committee on Rules to grant a closed rule which would only provide for:

First. Committee amendments, which would not be subject to amendment;

Second. One hour of general debate, to be equally divided;

Third. Waiving all necessary points of order; and

Fourth. One motion to recommit, with or without instructions.

The committee report is expected to be filed Friday, October 19, 1979, and we will request to be heard before the Committee on Rules as expeditiously as possible.●

## S. I. NEWHOUSE CENTER FOR LAW AND JUSTICE

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. RODINO. Mr. Speaker, last Wednesday, October 17, I was present at the dedication of a magnificent new educational facility at Rutgers University, the S. I. Newhouse Center for Law and Justice.

There were several reasons for my profound pleasure at participating in the ceremony.

First, Rutgers is my alma mater, and the new center is on its campus in Newark, the location of my home and my congressional district.

The dedication ceremony attracted an impressive group of national and local leaders. Mr. Justice William Brennan of the U.S. Supreme Court was the principal speaker. The gathering of almost 1,000 people also heard from Irving R. Kaufman, chief judge of the Second Circuit Court of Appeals in New York; Rutgers University President Edward J. Bloustein; T. Edward Hollander, chancellor of the New Jersey State Department of Higher Education; Cynthia Neal, president of the Rutgers Law School student body; and Newark Mayor Kenneth Gibson. Senator Harrison A. Williams of New Jersey and I were also privileged to speak.

The legal and educational leaders looked to the future in dedication of the new center, and also honored the past life, career, and contributions of the man for whom it is named. S. I. Newhouse, the son of immigrants to America, built an organization of successful, editorially independent newspapers dedicated to service to their communities and to the noblest principles of justice. In my remarks, I emphasized the debt of gratitude of the people of New Jersey to Samuel I. Newhouse and to the Newark Star Ledger, the flagship newspaper of his organization.

The theme which linked the comments of most of the speakers was the relationship of the press and the law. That theme was appropriate in light of Mr. Newhouse's devotion to the constitutional principles of a free press and a just legal system. The eloquent statements of the speakers left me with confidence that regardless of the difficult problems which arise between the first and the sixth amendments to the Constitution, freedom of the press and the principles governing trials in criminal cases will continue to compliment each other to uphold the strength and health of our democratic society.

**Mr. Justice Brennan's address on this theme was the valuable high point of the dedication of the S. I. Newhouse Center for Law and Justice. I insert the full text of his thoughtful, brilliant address in the RECORD:**

### ADDRESS BY WILLIAM J. BRENNAN, JR.

My presence here today at the dedication of the Samuel I. Newhouse Law Center is something of a coming home. I was born in Newark. I grew up and was educated in this City. My father was Director of Public Safety for 13 years during the time Newark was governed by a 5-member City Commission. But I also have particular ties to this building. I practiced law in Newark and the American Insurance Company, of which I was a Director for some years, was one of my firms' clients. So as Director and counsel I spent many hours and days in this building over a good many years. You will appreciate then why there is special meaning for me in its rebirth as the Samuel I. Newhouse Law Center to stand, as the University observes, "as a symbol of the growth and redevelopment of the City, expressing faith and confidence in Newark and its role as an important hub for higher education in New Jersey."

This marvelous Center is made possible by the Samuel I. Newhouse Foundation. We were all deeply distressed by the recent death of Mr. Newhouse. Mr. Newhouse was one of the legendary figures of American Newspapers; he was the founder of the Newhouse chain, the flagship of which is Newark's own *Star Ledger*. It is eminently appropriate that Mr. Newhouse, who did so much to facilitate communication across the tribal barrers that divide our society, should have been instrumental in providing the facilities that will foster similar communication among the various departments of legal education.

Although I am unabashedly local and take a partisan's pride in the Newhouse Law Center, I also see in this institution lessons of a more national scope. The exchange of perspectives, after all, the fruitful commingling of disparate ideas, is a process that is dear to the First Amendment. This Center brings together two institutions which, because of their concern with this process, have the protection of the First Amendment. The Amendment extends a particular solicitude toward the "academic freedom" necessary for the conduct of a University; and the free operation of the press has long been regarded as a bulwark of First Amendment liberties.

The productive cooperation of the press and the academy illustrated by the creation of this Law Center is particularly gratifying because it demonstrates so clearly the awareness of a shared enterprise: without the informed citizenry that is the product of a free press, the University would lack the informed audience necessary to receive and support its research; while without the education and scholarship offered by the University, the press would lack the guidance, the informed perspective, so necessary for the meaningful reporting of events.

I must confess that I view this exemplary cooperation with something approaching envy, for present attitudes of the press toward the Supreme Court strongly suggest the complete absence of an enterprise shared by the press and the Supreme Court. Surely there is reason for that doubt when a respected and influential newspaper labels the Court's work of last Term "a virtual disaster," and others charge that the Court has engaged in a "relentless assault" on the press, that it is "dismantling" the First Amendment. The press, of course, has in the past disagreed with rulings of the Court, but I detect in the present controversy a new and disturbing note of acrimony, almost bitterness. This is a serious and significant development, and worth a few moments reflection.

I begin with the premise that there exists a fundamental and necessary interdependence of the Court and the press. The press needs the Court, if only for the simple reason that the Court is the ultimate guardian of the constitutional rights that support the press. And the Court has a concomitant need for the press, because through the press the Court receives the tacit and accumulated experience of the Nation, and—because the judgments of the Court ought also to instruct and to inspire—the Court needs the medium of the press to fulfill this task.

This partnership of the Court and the press is not unique; it is merely exemplary of the function that the press serves in our society. As money is to the economy, so the press is to our political culture: it is the medium of circulation. It is the currency through which the knowledge of recent events is exchanged; the coin by which *public* discussion may be purchased.

This analogy, of course, cannot be pressed too far. Unlike a medium of circulation, which receives the passive valuation of others, the press is active, shaping and defining the very arena in which events assume their public character. In this the press performs a tripartite role. It chooses which events it will publicize; it disseminates, to a greater or lesser extent, selected information about these events; and it adopts toward these events attitudes which are often instrumental in forming public opinion.

These functions are of manifest importance for the political life of the Nation. A democracy depends upon the existence of a *public* life and culture, and in a country of some 220 millions, this would scarcely be possible without the press. I believe now, and have always believed, that, insofar as the First Amendment shields the wellsprings of our democracy, it also provides protection for the press in the exercise of these functions, for, as I said in an opinion for the Court many years ago: the guarantees of the First Amendment "are not for the benefit of the press so much as for the benefit of all of us. A broadly defined freedom of the press assures the maintenance of our political system and an open society." *Time, Inc.* v. *Hill*, 385 U.S. 374, 389 (1967).

In recent years the press has taken vigorous exception to decisions of the Court circumscribing the protections the First Amendment extends to the press in the exercise of these functions. I have dissented from many of these opinions as hampering, if not shackling the press' performance of its crucial role in helping maintain our open society, and have no intention of standing here today to defend them. And I of course fully support the right and duty of the press to express its dissatisfaction with opinions of the Court with which it disagrees. I am concerned, however, that in the heat of the controversy the press may be misapprehending the fundamental issues at stake, and may consequently fail in its important task of illuminating these issues for the Court and the public.

The violence of the controversy cannot be explained merely by the fact that the Court has ruled adversely to the press' interests. While the argument that the ability of the press to function has suffered grievous and unjustified damage may have merit in some cases, in others the vehemence of the press' reaction has been out of all proportion to the injury suffered. The source of the press' particular bitterness can, I believe, be identified. It stems from the confusion of two distinct models of the role of the press in our society that claim the protection of the First Amendment.

Under one model—which I call the "speech" model—the press requires and is accorded the absolute protection of the First Amendment. In the other model—I call it the "structural" model—the press' interests may conflict wtih other societal interests and adjustment of the conflict on occasion favors the competing claim.

The "speech" model is familiar. It is as comfortable as a pair of old shoes, and the press, in its present conflict with the Court, most often slips into the language and rhetorical stance with which this model is associated even when only the "structural" model is at issue. According to this traditional "speech" model, the primary purpose of the First Amendment is more or less absolutely to prohibit any interference with freedom of expression. The press is seen as the public spokesman *par excellence*. Indeed, this model sometimes depicts the press as simply a collection of individuals who wish to speak out and broadly disseminate their views. This model draws its considerable power—I emphasize—from the abiding commitment we all feel to the right of self-expression, and, so far as it goes, this model commands the widest consensus. In the past two years, for example, the Court has twice unanimously struck down state statutes which prohibited the press from speaking out on certain subjects, and the Court has firmly rejected judicial attempts to muzzle press publication through prior restraints. The "speech" model thus readily lends itself to the heady rhetoric of absolutism.

The "speech" model, however, has its limitations. It is a mistake to suppose that the First Amendment protects *only* self-expression, only the right to speak out. I believe that the First Amendment in addition fosters the values of democratic self-government. In the words of Professor Zechariah Chafee, "[t]he First Amendment protects . . . a social interest in the attainment of truth, so that the country may not only adopt the wisest course of action but carry it out the wisest way." Free Speech in the United States 33 (1946). The Amendment therefore also forbids the government from interfering with the communicative processes through which we citizens exercise and prepare to exercise our rights of self-government. The individual right to speak out, even millions of such rights aggregated together, will not sufficiently protect these social interests. It is in recognition of this fact that the Court has referred to "the circulation of information to which *the public is entitled* in virtue of the constitutional guarantees." *Grosjean* v. *American Press Co.*, 297 U.S. 233, 250 (1936) (emphasis supplied).

Another way of saying this is that the First Amendment protects the structure of communications necessary for the existence of our democracy. This insight suggests the second model to describe the role of the press in our society. This second model is structural in nature. It focuses on the relationship of the press to the communicative functions required by our democratic beliefs. To the extent the press makes these functions possible, this model requires that it receive the protection of the First Amendment. A good example is the press' role in providing and circulating the information necessary for informed public discussion. To the extent the press, or, for that matter, to the extent that any institution uniquely performs this role, it should receive unique First Amendment protection.

This "structural" model of the press has several important implications. It significantly extends the umbrella of the press' constitutional protections. The press is not only shielded when it speaks out, but when it performs all the myriad tasks necessary for it to gather and disseminate the news. As you can easily see, the stretch of this protection is theoretically endless. Any imposition of any kind on the press will in some measure affect its ability to perform protected functions. Therefore this model requires a Court to weigh the effects of the imposition against the social interests which are served by the imposition. This inquiry is impersonal, almost sociological in nature. But it does not fit comfortably with the absolutist rhetoric associated with the first model of the press I have discussed. For here, I repeat, the Court must weigh the effects of the imposition inhibiting press access against the social interests served by the imposition.

The decisions that have aroused the sharpest controversy between the Court and the press have been those decisions in which the Court has tried to wrestle with the constitutional implications of this structural model of the press. For example, the reporters in *Branzburg* v. *Hayes*, 408 U.S. 665 (1972), argued that if they were compelled to reveal confidential sources or notes before a Grand Jury, their ability to gather the news would be impaired. The case did not involve any substantive restrictions on press publications. The contention of the press was simply that reporters must be excused from duties imposed on all other citizens because the fulfillment of those duties would impair the press' ability to support the structure of communications protected by the First Amendment. In its decision, the Court acknowledged that First Amendment interests were involved in the process of news gathering, but concluded that these interests were outweighed by society's interest in the enforcement of the criminal law.

Similarly, in *Zurcher* v. *Stanford Daily*, 436 U.S. 547 (1978), a student newspaper contended that its offices could not be searched, as is usually the case, upon the issuance of a valid search warrant, but that a subpoena which would give the newspaper the opportunity to contest the search in advance was necessary. Again, the issue was not any restriction on what the newspaper could actually say, but rather whether special procedures were necessary to protect the press' ability to gather and publish the news. Once again, the Court held that whatever First Amendment interests were implicated were outweighed by society's interest in law enforcement.

Both these cases struck vehement, if not violent, reactions from the press. About *Zurcher*, for example, the President of the American Newspaper Publishers Association stated that the opinion "puts a sledge hammer in the hands of those who would batter the American people's First Amendment rights." 44 Vital Speeches 722 (1978). Unfortunately, the resulting controversy generated more heat than light, and the reason, I think, is that the press, in order to strengthen its rhetorical position, insisted on treating these cases exactly as if they involved only the traditional model of the press as public spokesman. The Washington Star, for example, argued that "it matters all too little whether abridgment takes the obvious forms of suppression and censorship, or the casual rummaging of a newspaper office on a search warrant." 6/3/78, p. A–8.

Of course, as I have been trying to make clear, it matters a great deal whether the press is abridged because restrictions are imposed on what it may say, or whether the press is abridged because its ability to gather the news or otherwise perform communicative functions necessary for a democracy is impaired. The two different situations stem from two distinct constitutional models of the press in our society, and require two distinct forms of analysis. The strong, absolutist rhetoric appropriate to the first model is only obfuscatory with respect to the second. The tendency of the press to confuse these two models has, in my opinion, been at the root of much of the recent acrimony in press-Court relations. The press has reacted as if its role as a public spokesman were being restricted, and, as a consequence, it has on occasion over-reacted.

Perhaps the clearest example is the recent case of *Herbert* v. *Lando*. The *Herbert* case was a lineal descendent of the decision of *New York Times Co.* v. *Sullivan*, 375 U. S. 254 (1964). *Sullivan* held that a public official could not successfully sue a media defendant for libel unless he could demonstrate that the alleged defamatory publication was issued with "actual malice," that is with knowing or reckless disregard of the truth. Subsequent decisions extended this holding to public figures, like Colonel Herbert, and made clear that actual malice turned on the media defendant's "subjective awareness of probable falsity." *Gertz* v. *Robert Welch, Inc.*, 418 U. S. 232, 334 n. 6 (1974). The theory of *Sullivan* was that if the media were liable for large damage judgments for the publication of false defamatory information, the resulting inhibitions might undermine the robust public discussion so essential to a democracy. If a journalist knew that he was publishing defamatory falsehood, however, the First Amendment would offer him no protection.

The *Herbert* case raised the question whether a public-figure plaintiff could in discovery ask a defendant journalist about his state of mind when publishing the alleged defamatory falsehood. Now it is clear that a journalist's state of mind is relevant to his "subjective awareness of probable falsity," and thus to the issue of actual malice. And traditionally a plaintiff is entitled to discovery on all relevant issues. Privileges are rare and strictly construed. Nevertheless, the press argued that it could not perform its functions under the First Amendment unless special "editorial" privilege were created to shield it from such inquiries.

The Court rejected this argument, and the result was a virtually unprecedented outpouring of scathing criticism. See Marquis Childs, The CBS Case: Reasons for Resentment, Washington Post, 5–1–79, A–19. The decision was labeled "judicial Agnewism," Washington Star, 4–20–79, p. A–10, and a "legal nightmare," The Birmingham News, 4–19–79, p. 12. One paper said that the decision was an example of the Court following "its anti-press course into what can only be called an Orwellian domain," The Miami Herald, 4–20–79, p. 6–A, while the managing editor of the St. Louis Post-Dispatch stated that the opinion "has the potential of totally inhibiting the press to a degree seldom seen outside a dictatorial or fascist country." The Birmingham News, 4–19–79, p. 10.

I dissented in part in *Herbert*, but I can say with some degree of confidence that the decision deserved a more considered response on the part of the press than it received. The injury done the press was simply not of the magnitude to justify the resulting firestorm of acrimonious criticism. In its rush to cudgel the Court, the press acted as if the decision imposed restrictions on what the press could say, as though the actual malice standard of *Sullivan* were overruled. In fact two newspapers actually erroneously characterized the opinion as holding that truth would no longer be an absolute defense to libel suits, The Times-Picayune (New Orleans), 4–20–79, § 1, p. 18; The Birmingham News, 4–19–79, p. 12, while several others appeared to read the opinion as reverting to the old common-law definition of "malice" as ill will. See Tom Wicker, A Chilling Court, N.Y. Times, 4–20–79, P. A–31; The Star Ledger, 4–20–79, p. 26; The Atlanta Constitution, 4–19–79, 4–A; The Oregonian, 4–19–79, B–6. Putting aside, however, such unfortunate examples of inaccurate reporting, the deepest source of the press' outrage was I think well captured by William Leonard, president of CBS news. Mr. Leonard said that *Herbert* denied constitutional protection to "the journalist's most precious possession—his mind, his thoughts and his editorial judgment." N.Y. Times 4–19–79, p. B–11.

I understand and sympathize with Mr. Leonard's concern. Being asked about one's state of mind can be a demeaning and unpleasant experience. Nevertheless, the inquiry into a defendant's state of mind, into his intent, is one of the most common procedures in the law. Almost all crimes require that some element of the defendant's intent be established, as do all intentional torts, such as trespass, assault, or conversion. State of mind can also be relevant to questions of fraud, mistake, and recklessness. And, in the area of libel, it would scarcely be fair to say that a plaintiff can only recover if he establishes intentional falsehood and at the same time to say that he cannot inquire into a defendant's intentions.

But in its outrage against the *Herbert* decision, the press unfortunately misapprehended the role model of the press involved. To it the decision was simply a "George Orwellian invasion of the mind," Los Angeles Times, 4–19–79, § I, p. 16, which meant, as Jack Landau, director of the Reporters Committee for Freedom of the Press put it, that "the press will soon have lost the last constitutional shred of its editorial privacy and independence from the government." The Times-Picayune, 4–20–79, § I, p. 18. The true role model involved can be ignored, however, only on the assumption that a journalist's state of mind is somehow special, and cannot be impinged for any purpose. It is important to note that this assumption gathers its rhetorical basis from the model of the press as public spokesman. For when a citizen speaks publically he *is* special, and, with only rare and stringent exceptions, what he says cannot be restricted for any purpose. But, as I have made clear, this is not the model of the press at issue in *Herbert*. The decision does not affect the actual malice standard set out in *Sullivan*. Instead the question raised by *Herbert* is whether the press' ability to perform the communicative functions required by our democratic society would be significantly impaired if an editorial privilege were not created.

Note that this is a difficult and factual question, and one that cannot be illuminated by sharp or sensational rhetoric. In my view reporters will not cease to publish because they are later asked about their state of mind. On the other hand, predecisional communications among editors may well be curtailed if they may later be used as evidence in libel suits. Since a democracy requires an informed and accurate press, and since predecisional editorial communications contribute to informed and accurate editorial judgments, I would have held that such communications should receive a qualified privilege. I say a *qualified* privilege because even the executive privilege bestowed upon the President of the United States so that he may receive the informed and unimpeded advice of his aides, is, as the case of *United States* v. *Nixon*, 418 U.S. 683 (1974), makes clear, a qualified privilege.

A majority of my colleagues rejected my position because it believed that the accuracy of resulting publications would not be impaired if predecisional editorial communications were revealed. This is a matter of judgment, about which reasonable men may differ. It is also, at least in form, an empirical question, upon which the lessons of later experience may be persuasively brought to bear. If the press wishes to play a part in this process, it must carefully distinguish the basis on which its constitutional claim is based, and it must tailor its arguments and its rhetoric accordingly. This may involve a certain loss of innocence, a certain recognition that the press, like other institutions, must accommodate a variety of important social interests. But the sad complexity of our society makes this inevitable, and there is no alternative but a shrill and impotent isolation.

These are hard words, but there is much at stake, not the least of which is the ability of the press to resume its sure voice as a reliable conscience of this Nation. Last Term there were decisions of the Supreme Court justifying far more concern than *Herbert* v. *Lando* and about which the press was uniquely qualified to speak. Yet the credibility of the press was impaired by the excesses of its reactions to *Lando*. An example is the case of *Gannett Co., Inc.* v. *DePasquale*, in which the Court, in a 5–4 vote, held that members of the public had no constitutional right under the Sixth and Fourteenth Amendments to attend pretrial hearings in a criminal case.

*Gannett* involves the Sixth rather than the First Amendment and so does not fit into either of the two models I have sketched out. The case concerns the right of the public, not merely of the press, and at its heart is interpretation of the kind of government we have set for ourselves in our Constitution. The question is whether that government will be visible to the people, who are its authors. *Gannett* holds that judges, as officers of that government, may in certain circumstances remove themselves from public view and perhaps also holds that they can make this decision without even considering the interests of the people. I believe that the Framers did not conceive such a government, and that they had in mind the truth precisely captured several generations later by Lord Acton: "Everything secret degenerates, even the administration of justice."

Any damage by the Court's decision in *Gannett* can of course be undone through legislative enactments, should a concerned citizenry so demand. The clear voice of the press, however, is an essential part of any such enterprise, especially about a subject that bears so closely on press' business. The press did, I am happy to note, intelligently and searchingly criticize the *Gannett* decision. It was distinctly noted that the decision was "much more than another controversial 'press case,'" but was in fact "a decision about the relationship of the public to the judicial process." N.Y. Times, 7–4–79, p. A–8. The point I wish to stress however, is that the impact of the press' quite correct reaction was undercut by the unjustified violence of its previous responses to *Herbert* v. *Lando* and other such cases involving the structural model of the press. This fact was cogently noted by Anthony Lewis in his column in the New York Times:

"The press . . . should forswear absolutes. The reiterated claim of recent years that its freedom has no limits has done the press no good. If the press began recognizing that these are difficult issues involving more than one interest, it could more effectively criticize the facile simplicities of a Gannett decision." 7–5–79.

I think Mr. Lewis is correct. And I say this with some urgency, for the integrity of the press must be preserved, not only for cases like *Gannett*, where the press puts forward the claims of the public, but even for cases like *Zurcher*, where the press puts forward its own structural claims. For the application of the First Amendment is far from certain in the as yet uncharted domains foreshadowed by the structural model of the press. The Court needs help in scouting these dim areas in which the shield of the Amendment is put forward not to guard the personal right to speak, but to protect social functions of impersonal dimensions. The press can and must assist the Court in mustering proper legal conclusions from the accumulated experience of the Nation. But the press can be of assistance only if bitterness does not cloud its vision, nor self-righteousness its judgment.

The dedication of the Samuel I. Newhouse Law Center, however, is an occasion for hope. The Center stands as a symbol of conciliation between the press and the law. It gives one reason to trust that the shared enterprise of the press and the Court will once again resume, even if it is to be expressed through the traditional form of healthy and productive disagreement.●

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## KEEP FTC REGULATION OF THE FUNERAL INDUSTRY

## HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. BARNES. Mr. Speaker, the Washington Post in an editorial this morning criticized an amendment which will be offered to the Federal Trade Commission Improvements Act of 1979 (H.R. 2313) to end regulation of the funeral industry. This amendment is an anticonsumer measure and has no place in the bill. It should be resoundingly defeated.

I submit the editorial for the information of my colleagues and urge them to carefully examine this issue before we vote. The editorial follows:

### THE FUNERAL INDUSTRY'S SLEEPER

Some enterprising members of Congress joined with the funeral industry last week to arrange a package deal. Their offer, accepted by the House Rules Committee, is to give new life to the Federal Trade Commission while ending its authority to regulate the funeral business. As part of an agreement to move the FTC bill, the committee members cleared it under a rule permitting only three amendments—the worst of which would specifically exempt the funeral industry from FTC regulation. The funeral amendment is not only bad special-interest legislation, but a poor approach to any general curbing of the FTC's regulatory powers as well.

The bill already contains another unfortunate provision designed to clip the commission's wings. It would allow either house to overturn any industrywide trade rule that the FTC adopts. In the past, the Senate opposed this one-house veto. It should do so again. But House members as well should resist this new attempt by the funeral industry to gain special insulation against regulation.

To support deregulation of certain industries, or to oppose certain unnecessary intrusions by the FTC—and we have done both—is different from voting to exempt the funeral business from scrutiny of its practices. The rule of thumb should be to deregulate in those areas where the buying public can reasonably be expected to be knowledgeable.

But that has not been the demonstrated case in this industry. A funeral is, for most people, their third most expensive consumer purchase (after home and car), yet half the population has had to arrange for a funeral only once, and a quarter of the population has never had to buy one. The public needs protection against misrepresentations and other shoddy merchandising practices. The degree of regulation is subject to debate—but an absolute ban on any regulation is bad business indeed.●

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## WATER REUSE PROJECT UNDERWAY IN DENVER

## HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mrs. SCHROEDER. Mr. Speaker, I would like to share an article from the October 21 Denver Post, "Denver's Alchemy: Sewage to Usable Water," with my colleagues. The article discusses a promising experiment now underway in Denver—an experiment which may ultimately supply 100 million gallons of water per day for Denver from recycled sewage.

I have been actively involved in furthering the project for the past few years and am glad that it is finally getting off the drawing board. The reuse of sewage effluent holds great promise for providing ample water not only for the arid West, but also for such places as Nassau County, N.Y.; Sarasota, Fla.; and Virginia Beach, Va.

The article follows:

### DENVER'S ALCHEMY: SEWAGE TO USABLE WATER

(By J. Sebastian Sinisi)

One hundred million more gallons of water per day for Denver from recycled sewage?

Entirely possible—but not in the near future.

With the Denver Water Department, professors Daniel Linstedt and Edwin Bennet at the Colorado University Civil Engineering Department in Boulder have worked on precisely such a project since 1970.

The program's goal is to deliver potable water of at least the quality that now flows from any tap in Denver. After more than eight years of development, the project now is past the pilot-plant demonstration stage.

Now that lawn-watering restrictions are lifted for 1979, not until next June—when circle-square-diamond days again appear on the calendar—will we be reminded graphically of water's scarcity in the area.

Compared with Colorado's 14 inches' annual rainfall, the state of Georgia gets an average 49 inches—which may be related to official Washington's apparent attitude toward water in the West.

This notwithstanding federal financing has accounted for about a third of the $21.6 million funding for the experimental water re-use research project quietly conducted by the Denver Water Department.

The project plant is scheduled to be built on a 23-acre site near the Denver municipal waste-water treatment facility at E. 58th Avenue and York Street, near Interstate 270. According to Denver Water Board engineers Stephen Work and Michael Rothberg, it represents the first planned effort in the nation to increase the drinking water supply by reusing waste-water effluent. Three other such plants now exist world-wide—two of them in South Africa.

According to Work, federal funding for this project represents the largest single Environmental Protection Agency grant ever extended for a program of this type.

Coordinated through the Civil Engineering Department at CU, the program recycles the water in sewage effluent. According to Lindstedt, the demonstration project is now "very close" to being capable of expanding to a 100 million gallon-per day operation—using technology available now. This would mean a 20 percent increase over the Denver Water Department's present 500 million gallon-per day water treatment capacity.

Neither total takes into account an initial 125 mgd (million gallons daily) expected from the Foothills Complex treatment plant—which may be expanded, in 125 mgd stages, to a full capacity of 500 mgd.

Don't, however, count on watering your lawn whenever you like next summer. Or in 1981 or the year after that.

Welcome as an added 100 mgd would be for water-pinched Denver, the reality could take 15 years or more for full implementation—despite the fact that the necessary technology is here, now.

Most of the lag will be the result of medical-effects tests that will take years to assess.

Long-term projection or not, few observers close to the water situation in the region doubt that Denver will need the added capacity as we approach the year 2000. A 1975 study done by the Denver Water Board for the Denver Council of Governments projects around metropolitan Denver shortly after 2000—with a corresponding need for a third more water.

By 2000, the Water Board estimates it will be supplying water to 1,150,000 customers—or 50 percent of an estimated metro-Denver population of 2.3 million. The department now serves about 900,000, or 60 percent of the area's 1975 population of 1.5 million.

Metro Denver now uses an average of close to 200 million gallons of water daily—though, on a peak day last August, consumption hit a record 474 million gallons. Without the every-third-day watering restrictions, the board maintains, demand that day would have been 529 million gallons—or nearly 6 percent greater than the current maximum capacity.

Against this backdrop of present and future needs, Linstedt and Bennet, in Boulder, have been developing the water re-use program, with the Water Board, since 1970. "Cooperative agreement" funding from the EPA and forerunner agencies helped, too.

There is nothing astoundingly new about the technology involved. Most of it has been available at least 15 years. The innovative aspect is in how the various components are put together.

In any case, a good number of foreign countries and U.S. communities with present or projected water-shortage concerns—Orange County, California, and Nassau County, New York, among them—are watching developments in the program with more than casual interest.

Other communities that have been in touch with the Water Board concerning this project range from Dallas to Sarasota, Fla., to Virginia Beach, Va.

The technical processes involved—carbon adsorption, lime precipitation and reverse osmosis—sound formidable, but really aren't. They are linked in a flow process designed to remove three major categories of contaminants in municipal-collection waste water (also known as sewage), with a goal of producing high-quality drinking water that is very low in mineral content.

Thus, with technology that has been used for nearly 15 years by the Public Utilities District in South Lake Tahoe, California, organic contaminants are removed by carbon adsorption, which involves charcoal filters. Reverse osmosis comes into play at this stage, as well. Here, water passes through an extremely fine membrane of cellulose acetate, leaving contaminants behind.

"The pore sizes we're dealing with there are so small," explains Bennet, "that they can filter a single molecule. It's more complex than a simple sieve. Actually, it's a barrier that water is forced through."

Next, inorganic material is attacked. With a lime-precipitation stage that removes salts. By now, the water is free of suspended solids, salts and organic material. It now is ready for an ion-exchange process that is very similar to what happens when water softeners are added in hard-water regions of the country.

In ion-exchange, ammonia is removed in a process that exchanges ordinary table salt for ammonia.

The microorganisms, viruses and bacteria that make up the third major contaminant category are then dealt with through use of ozone and chlorine dioxide. The latter represents a new technical application said to avoid some of the problems associated with use of chlorine alone as a disinfectant.

At one point, the project had more modest goals and only aimed at supplying water of industrial-use quality. A Water Board marketing study of industrial users, however, found the demand not as great as expected. Moreover, industrial facilities were too dispersed to make the project worthwhile on an industrial-water basis alone. So, about five years ago, the project's focus shifted to supplying drinking quality water.

"This project will do nothing for Denver's short-term water supply," noted Work. "Right now, its purpose is to demonstrate that this technology can be used consistently and reliably." Even so, with many U.S. communities—facing future water depletion—thinking about some form of water recycling, the program's implications are enormous. The implications are, in fact, far reaching enough to have drawn the interest of foreign countries like Japan, Israel, Poland, Australia, Arab nations and the U.S.S.R., according to the Water Board Reclamation Engineer Mike Rothberg.

Work and Rothberg are both products of CU's engineering department.

Initial design work for the 100 mgd plant now is complete, Rothberg said. Building it should take two years, followed by six months of "fine-tuning" testing. Health research will take several more years—creating a total project length—from the design stage to the end of EPA "cooperative contract"—of eight years.

Meanwhile, the Denver water re-use program will continue moving quietly along, as it has for nearly a decade. With many interested parties watching.●

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## DR. HENRY R. SHEAR RECEIVES THE DISTINGUISHED ALUMNUS AWARD

### HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. DANIELSON. Mr. Speaker, Dr. Henry R. Shear of Los Angeles, a distinguished practitioner who brings great credit to the medical profession, has received the Distinguished Alumnus Award from the Chicago Medical School Alumni Association. He is highly deserving of this honor because of the many ways in which he has contributed to his profession, aided students in our medical schools, advanced education in the health sciences and for the many other contributions he has made over the years to help alleviate human suffering.

Henry Shear, in his capacity as an orthopedic surgeon practicing his profession in the Los Angeles area, has worked extensively in the area of spinal injuries and has invented several devices designed to aid paraplegics.

I have been proud to call him my friend for many years. He is a veteran of World War II, having served as a surgeon with our U.S. forces in Europe. Following the war, he spent 5 years in a similar capacity with the Veterans' Administration.

Dr. Shear, who is eminently deserving of this Distinguished Alumnus Award, has been the recipient of many honors received in the past, testifying to his compassion and great medical skills. Included among them is the "Honor for Service Award" from the southern California chapter of the Chicago Medical School Alumni Association, and the award made to him from the University of Missouri for his studies and report on "Histological Diagnosis of Spinal Lesions."

Mr. Speaker and my colleagues in the House, it is with great pleasure that I bring to your attention this most recent honor accorded Dr. Henry Shear, an outstanding medical doctor who has never forgotten the true meaning of the Hippocratic Oath. I know that you all join me in saluting Henry Shear for this well-deserved award, and in wishing him success in all his future endeavors.●

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## THE COST OF GASOLINE DECONTROL

### HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. DINGELL, Mr. Speaker, 2 weeks ago the House approved an amendment for the decontrol of gasoline. This amendment has the potential to cost the consumers of the United States billions of dollars. I urge my colleagues to reconsider their vote and to reject the amendment.

Although there is disagreement over the amount of the immediate increase in gasoline prices which would result from decontrol, the growing disparity between spot and contract prices for gasoline indicates that there is a tight market in gasoline. If we remove price controls from gasoline, the price of gasoline could immediately increase to spot market price levels. This would increase gasoline prices by 15 to 20 cents per gallon. The price increases would raise the rate of inflation by 1.5 percent to 2 percent.

Regardless of the immediate effect, the more important effect is the increased vulnerability of the domestic economy to future shortages. With reports of production decreases in various OPEC countries, future shortages are a distinct possibility. Many analysts believe that the short-term elasticity of demand for gasoline is approximately 0.1 (For a compendium of estimates see: Kraft, J. and Rodekohr, M., "Regional Demand for Gasoline: A Temporal Cross-Section Specification", Journal of Regional Science. Vol. 18, No. 1, 1978, p. 53.) This means that as little as a 5-percent shortfall in gasoline would increase the price of gasoline by 50 percent over the first year. With the current price of gasoline a $1 gallon, the price would rise by 50 cents per gallon. As a result the oil industry would increase its annual revenue by $50 billion. The rate of inflation would increase by 5 percent and real growth would decline by 2 percent. The staggering magnitude of the effect on the economy for such a small shortfall in gasoline illustrates the unacceptability of the decontrol of gasoline.

I trust my colleagues will join with me and reject the amendment to decontrol gasoline.●

## BROOKE ARMY MEDICAL CENTER

### HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. GONZALEZ. Mr. Speaker, on September 27, during the debate on the Department of Defense appropriations bill, an amendment was accepted by the House, which I strongly supported, to add funds to restore the graduate medical education programs of the Army.

One of the facilities that would have been affected if the funds had not been restored is Brooke Army Medical Center in San Antonio. During debate on this amendment, I pointed out the importance of this center and I am inserting in the RECORD a recent newsclipping that details the fine service that they are offering our military personnel.

I thought this article would be of particular interest to those Members who voted to support the amendment.

The article follows:

MARINES FROM JAPAN REACH SAN ANTONIO FOR BURN TREATMENT

SAN ANTONIO.—Two U.S. Air Force hospital planes landed here Sunday with 38 Marines burned in a freak fire at their base in Japan last Friday.

However, Lance Cpl. Thomas J. Breunig of St. Paul, Minn., died of his burns en route, the Air Force announced.

The Marines were to undergo treatment at the Institute of Surgical Research, better known as the Brooke Army Medical Center.

The first C–141 Starlifter carried 17 of the injured. Six were evacuated via helicopter to Brooke six miles away; the others were taken on ambulance buses, all but one on stretchers. Their conditions ranged from satisfactory to critical. The 21 aboard the second plane landed about an hour later.

Brooke officials said this is the largest number of patients to be admitted at one time since the Vietnam war.

The flights from Yokota Air Base in Japan lasted just longer than 12½ hours and came through Elmendorf AFB in Alaska and Travis AFB in California.

Seventeen "very serious" and 21 "serious to very serious" cases were aboard the jets. Two could not be taken because they were "to critical" to be moved, a military spokesman said, and two already had died from burns.

In all, 73 Marines and three Japanese suffered burns when winds and rains from Typhoon Tip damaged a 5,000-gallon rubber fuel container, and gasoline poured out, burst into flames and sent a river of fire through a Marine barracks area at the Mount Fuji base, 90 miles southwest of Tokyo.

Lance Cpl. L. C. Malveaux of Beaumont was identified as one of the two Marines who died, but the military declined to identify the other.

Thirty-one of the burned Marines were treated and released, as were two Japanese. A Japanese woman employee of the camp remained hospitalized.

Burn teams from the Texas medical center arrived Saturday to treat and prepare movement of the injured from the hospital at the U.S. Air Force Base at Yokota.

Authorities said the wind and rain collapsed an earthen retaining wall and caused the storage contained to spill its contents down a slope into the barracks area at the base, a joint U.S.-Japanese training center.

A senior officer said the gasoline was ignited by a kerosene stove and streamed through the aged metal-and-wood Quonset huts.

Some Marines escaped through the doors and windows, but others were trapped in the flaming building.

The Marines all were enlisted men and members of a "battalion landing team" based at Okinawa, and were on a training exercise in the camp at the foot of 12,000-foot Mount Fuji, an extinct volcano sacred to the Japanese.

About 1,200 Marines, including personnel permanently assigned there, were at the camp when the typhoon passed through Friday. Nationwide, it was the most damaging storm of its kind in 13 years, Japanese news agencies said, and caused at least 28 deaths.

U.S. authorities flew in medical teams from Okinawa, Clark Air Force Base in the Philippines and the San Antonio medical center, known for pioneering research in the treatment of burn cases.●

## POPE JOHN PAUL II'S REMARKABLE VISIT

### HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. BAUMAN. Mr. Speaker, Pope John Paul II's tour of the United States was special in more senses than just the historic. It was the first such extended visit to the United States by a pontiff, and he captured the hearts and imaginations of Americans as few leaders have in recent memory.

His message and his person were met by both the people and the media with unaccustomed warmth. His appeal springs in part from his own obvious love of humanity, and it was gratifying to see how Americans took him into their hearts.

Most of all, though, this dynamic Pope touched us all with a special, genuine sense of ancient truths and ancient faith. This above all was the reminder of conscience that John Paul II brought so endearingly to America, and that we embraced.

I include two editorials from weekly newspapers in Marylands First Congressional District, each of which touches upon this very special leader's meaning for Americans in communities across these United States. I commend the editors, Hurtt Deringer, of the Kent County News, and Clark Samuel, of the Cecil Democrat, for their views.

The articles follow:

THE ANCIENT TRUTHS

Pope John Paul II.

In an age without giants and in a time when mass media (television) plays for the lowest common denominator and transmits its message into the broad base of the social cone, the Pope swept through with the majesty and greatness of a giant.

Churchill, DeGaulle, Eisenhower, MacArthur, Gandhi, Nehru, Adenauer—the giants of World War II and the post-War era—have been laid to rest. We have been without giants.

The visit renewed the Christians' faith that the moral teachings of the church are our strength in the era of popular culture, materialism and the consumer society.

The Pope is an anachronism by today's progressive standards. He stands as an individual and yet also as an egalitarean, pluralist, humanist.

During his visit here he came down on the side of the traditionalist and on the solid side of the old truths. Although he was conservative in religious thought, he brought a message to all—conservative, progressive and liberal.

Many Americans were confused by his message, but that "is probably because America is the first man-made nation in the world."

David Thomson has written in America in the Dark: Hollywood and the Gift of Unreality, " . . . it is an invented place where imagined ideals were invoked as a structure for reality.

"It is the product of artifice, not nature . . .

"Whether one regards America now as Eden or a Poisonville, it is still a country concocted from man's imagination."

The late Walter Lippmann probably described why Americans were so drawn to the Pope then somewhat confused by his message.

Lippmann wrote:

"The modern man is an emigrant in a revolutionary society and inherits a protestant tradition. He must be guided by his conscience. But when he searches his conscience, he finds no fixed point outside of it by which he can take his bearings. He does not really believe that there is such a point, because he himself has moved about too fast to fix any point long enough in his mind. For the sense of authority is not established by argument. It is acquired by deep familiarity and indurated association. The ancient authorities were blended with the ancient landmarks, with field and vineyards and patriarchal trees, with ancient houses and chests full of heirlooms, with churchyards near at hand and their ancestral graves, with old men who remembered wise sayings they had heard from wise old men. In that kind of setting it is natural to believe that the great truths are known and the big questions settled, and to feel that the dead themselves are still alive and are watching over the ancient faith."

Pope John Paul II exuded that ancient faith.

For a moment the noise of television was diminished and the media worked as it should—as a mirror for high culture.

Meanwhile, the true capital of the nation was returned to Washington, D.C., not Las Vegas, or Hollywood, or L.A.—the Meccas of popular culture and mass entertainment.

It was an elevated and a hallowed time—and Americans were better for it.

VISIT OF THE POPE

Crime, politics and recession were relegated to the back pages last week as American newspapers and other media devoted its best efforts to reporting and commenting upon the visit to our shores by Pope John Paul II.

Wherever he traveled—New York, Philadelphia, Des Moines, Chicago, Washington—this unusually gifted modern man, chosen by his peers to lead the multitudes embracing the Catholic faith, inspired millions of other faiths as he proclaimed the truths that should govern the daily existence of every living soul.

Efforts of the O'Hair woman to halt the ceremonies on the Mall in Washington were dismissed by a judge who saw the speciousness of an effort to deny the right of free speech to a visiting head of state who is also the spiritual leader of a mighty church, to address a multitude of Americans standing on their very own property.

We wonder where the O'Hair woman was with her stupid objections when the Rev. Martin Luther King used the very same forum in our nation's capital to plead for peace, equality and love for one another—the same message of Pope John Paul in the very same place?

In these dangerous times when we hardly know which way to turn, the reassuring presence and the words of a truly holy man come as a call for courage to face the uncertainties and dangers that must lie ahead for us all.

America welcomes the Pope with open arms and his love for humanity transcended other sects and religious forms . . . The Pope did not preach Catholicism to the millions in America who saw or heard him. His message was a simple one—brotherly love. God knows how the world yearns for that elusive element of grace and happiness.●

## INFLATION ANSWERS KNOWN; THEY LIE WITHIN OURSELVES

### HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. McCLORY. Mr. Speaker, while President Carter and other members of his administration continue to recognize inflation as the No. 1 public issue, they consistently ignore the policies which are essential to adopt if the battle against inflation is to be won.

In a timely and thoughtful editorial which appeared in the Sunday Courier News, a Copley newspaper in Elgin, Ill., in my congressional district, the problem of inflation is carefully analyzed and the answers to the problem are succinctly set forth.

Mr. Speaker, I am attaching this editorial with the hope that the President and his advisors will take careful note of it and that we may move speedily toward adoption of those policies and programs which can lead us back to a sound economy and to a stable dollar:

### Inflation Answers Known; They Lie Within Ourselves

Previously, in his State of the Union addresses, President Carter has voiced his support of sound economic doctrine and correctly called for restraints in government spending as the best strategy to combat inflation.

But the president's handle on inflation seems now to be as unsteady as the dollar. During his Washington press conference the other day, Mr. Carter said a major factor in the soaring inflation rate is the rising cost of energy, which he said is beyond his control because the price of imported oil is set by OPEC.

President Carter knows better than this. He's begging the issue. He knows as well as Nobel Laureate Milton Friedman that energy accounts for about 1 percentage point of the current inflation rate. And he knows that, whereas the United States still produces about 50 percent of its petroleum needs, Germany and Japan, which must import practically all of their oil, have kept their inflation rates at less than half of ours by sound fiscal management.

Indeed, the Arab oil producers and some U.S. economists argue persuasively that much of OPEC's price increase is dictated by the continuing devaluation of the dollar through inflation generated entirely by Washington's profligate policies.

And if it were true, as Mr. Carter says, that increasing OPEC prices have accounted for a major and uncontrollable portion of the inflation rate, what purpose would be served by the drastic medicine that the Federal Reserve Board has prescribed for the feverish economy?

A 1.4-percent inflation-rate jump last month—a red hot 16.8-percent annual rate—and gyrating gold prices, a sure thermometer of the dollar's ills, finally prompted the Fed to decree unanimously an increase to a record 12 percent from 11 percent in the discount rate on loans to member banks. Even more significant, the Fed increased the reserve cash required for member banks, which will have the therapeutic effect of soaking up some of the surplus dollars that federal deficits and expanded money supply have turned loose.

The results have been dramatic: New York banks increased their prime lending rate to 14.5 percent, the highest in history, and, in response, the New York stock market dived 27 points on Tuesday for the worst drop since the 1974 recession.

There were some affirmative developments as expected: The dollar rose and otherwise stabilized on foreign exchanges. Moreover, the general perception and expectation of inflation that Mr. Carter referred to in his news conference seems to have been dampened.

The top domestic issue now is whether the Fed, the Congress, and the Carter administration have the stomach to ride out the recession that the new tighter money policy invites. Two developments officials and politicians have feared more than rising prices have been falling prices and rising unemployment.

Controlling inflation has become the top domestic issue because inflation, by insidious and destructive degree, has become the worst, and in fact the most dangerous, domestic problem this country now faces. It exceeds even our energy challenge, the solution of which will depend in large part on how inflation is managed.

The President and all of us should be grateful that the answer to our inflation threat lies with ourselves and not OPEC. And, fortunately, there is no mystery about what we must do. The nation's leading economists generally agree that:

We must hold the federal budget in balance. But this will not itself suffice unless we reduce government spending in relation to our gross national product.

We must increase our productivity growth, which has declined this year and in the last decade has been one of the lowest among the industrialized nations. If we increase the supply of goods and services in favorable ratio to the dollars that chase them, we can enjoy price stability again.

We must change the tax laws to permit U.S. industry, now increasingly obsolete, to modernize and become competitive on world markets.

We must lift the burden of questionable government regulations from the backs of business and individuals.

We must encourage mass savings and capital accumulation by exempting invested savings and interest from income taxes.

Having suffered the ravages of unchecked inflation for almost 15 years, the American people would accept and even welcome a stringent antidote such as that prescribed. Then and then only will government printing presses cease covering overdrafts on the U.S. Treasury that debase the currency and devour the nation's economy as well as its spirit.●

## ANTI-AMERICAN SANDINISTAS SEEN IN THE CUBAN MOLD

### HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. BAUMAN. Mr. Speaker, it seems that our worst fears about the fledgling revolutionary government in Nicaragua are being confirmed daily. The question of the Sandinistas' ties with Cuba and their decidedly pro-Communist stance is no longer an academic one: They have translated it into a gagged press, rigged elections, and terrorists in ranking positions.

In spite of hearty evidence of this anti-American posture at the time, this Congress insisted on giving $8.5 million to this newborn Communist country that defines its goal as true socialism. I am afraid that we have ample precedent for the movement of Nicaragua's Government, and very close at hand, too. Cuba and Fidel Castro are the pronounced models for these Sandinistas.

I include at this point two cogent articles on the Sandinista government's anti-American alinement, as written by the syndicated columnist John D. Lofton, Jr.:

### The Sandinistas: Pro-Communist, Anti-American Terrorists (Part I)

(By John D. Lofton, Jr.)

Washington, D.C.—Testifying earlier this month in support of a proposal to give $8.5 million worth of relief and rehabilitation aid to the new government of Nicaragua, Deputy Secretary of State Warren Christopher told the House Subcommittee on Foreign Operations that this government's orientation has been "generally moderate and pluralistic," that its leadership is "very diverse," and the situation in Nicaragua "remains fluid." While it's true that Sandinista guerrilla leaders do wield "significant influence" in Nicaragua, says Christopher, "lines of authority within the government are still unclear and there is still considerable administrative confusion."

Well, now: There is indeed a lack of clarity and considerable confusion regarding what's going on in Nicaragua. But it is in the highest echelons of our government, not in the government of Nicaragua.

Item: The Sandinista guerrillas are clearly in charge of the government of Nicaragua and are "definitely running the show," according to what I am told on background by a spokesman for the assistant secretary of state for inter-American affairs. In fact, Lambert Heyniger, public affairs advisor for the State Department's Office for Combatting Terrorism, tells me: "There is no question in our minds that the Sandinistas, in their earlier period, did carry out terrorist activities."

One of the terrorist activities to which Heyniger is alluding occurred in August of last year when 25 armed Sandinistas, disguised as National Guardsmen, took over the Nicaraguan National Palace and held hostage almost the entire legislative assembly, as well as some 1,500 ordinary citizens. When I ask if the Sandinistas are still considered to be terrorists. Heyniger ducks this question, saying that, since they now constitute the government of Nicaragua, this is a political question and must be answered by the State Department's geographic bureau—the Office of Inter-American Affairs. So I ask. Well, says my anonymous spokesman friend, the Sandinistas are a "rebel or outlaw force," but he resists calling them terrorists.

Item: The Sandinistas themselves are not reticent about their involvement in terrorism. In an interview last month with the Kuwaiti news service Al-Watan, Sandinsita representative Jorge Mandi was asked about his group's relations with the Palestinian revolution. He replied:

"There is a longstanding blood unity between us and the Palestinians. Many of the units belonging to the Sandinista movement were at Palestinian revolution bases in Jordan. In the early '70s. Nicaraguan and Palestinian blood was spilled together in Amman and in other places during the Black September battles. As an example of our cooperation with the Palestinian revolution, a number of our comrades took part in the operation to divert four planes which the Popular Front for the Liberation of Palestine seized and landed at a desert airfield in Jordan. One of our comrades was also wounded in another hijack operation in which Layla Khalid was involved. She was in command of the operation and our comrades helped her carry it out."

In this latter incident, a TWA flight and a Swissair flight were hijacked to an abandoned RAF station in Jordan, a Pan Am flight was hijacked to Cairo and blown up. Khalid and Sandinista member Patrick Arguello attempted to capture an El Al flight as it took off from Heathrow Airport in London. Arguello was killed by security guards and Khalid was captured and turned over to the British, who released her to gain release of hostages held in Jordan.

Writing from Buenos Aires in mid-August, Los Angeles Times reporter David Belnap reports that Mario Firmenich, leader of Argentina's terrorist-guerrilla organization, the Montoneros, has turned up in Managua, Nicaragua, where he announced that his group "had given financial and medical help" to the Sandinistas to the tune of half a million dollars. Belnap says this money came from a long series of terorist holdups, extortions and kidnappings that, over the past six years, netted the Montoneros an estimated $100 million.

Item: Speaking earlier this month to the so-called non-aligned summit conference in Cuba, Sandinista leader Daniel Ortega Saavedra spelled out his organization's foreign policy in detail, and it is anything but moderate. It is blatantly anti-American and pro-communist. He praised Castro, denounced Zionism as racism, called the "liberation process" in Grenada, Iran and Kampuchea (Cambodia) "beautiful victories," demanded U.S. withdrawal from the Guantanamo base in Cuba and an end to the "criminal" U.S. blockade of Cuba, hailed the terrorists seeking to overthrow the government of Zimbabwe-Rhodesia, and supported the removal of all American troops from South Korea. Saavedra also identified himself with the "heroic struggle of the Vietnamese people," condemned the Israeli occupation of Arab lands, and urged that the PLO be recognized as the legitimate representative of the Palestinian people.

There's more, much more, information on the record about the Sandinistas since they seized power in Nicaragua two months ago. Stay tuned. I'll tell you about it in my next and final column in this series on the Sandinistas.

## Nicaragua's Sandinistas: More Like Fidel Every Day (Part II)

(By John D. Lofton, Jr.)

Washington, D.C.—Our government, in the form of Deputy Secretary of State Warren Christopher, says that the new Sandinista guerrilla-terrorist-run government in Nicaragua has been "generally moderate and pluralistic" and the situation there "remains fluid." But there are ominous signs that the new leaders in Nicaragua are moving the country in the direction of a one-party state, a la Cuba under Fidel Castro

Item: In an interview with an East German news service last month, Dr. Sergio Ramirez, a member of Nicaragua's ruling junta, said that one of the most important results in the revolutionary progress so far is the speedy reorganization of administration. "Even in the most remote villages there have been set up Sandinist Defense Committees which substantially influence the democratization of the country through the participation of popular power in local and national decisions," said Ramirez.

A report by the Cuban news agency Prela quotes Commander Victor Tirando Lopez, a member of the Sandinist National Liberation Front's Joint National Directorate, as saying that, to defend the revolution, organizations like the Sandinist Defense Committee "will reach all the masses, and will be created in every street, block, district municipality, department and at the national level."

Now, what is alarming is that this organization process is exactly like the one that followed Fidel Castro's takeover in Cuba. From their beginnings in September 1960, the "chief purpose" of the Cuban Committees for the Defense of the Revolution was "repression," and they provided "a way to organize and mobilize support and increase the government's powers of coercion," according to Jorge Dominguez, Harvard assistant professor of government, in his book "Cuba: Order and Revolution."

Indeed, in Nicaragua there are people who are worried about the similarities between what happened in Cuba and what's happening now in Nicaragua. Writing from Managua, the capital of Nicaragua, for The Washington Post, reporter Charles Krause quotes the previously mentioned Lopez as saying that the Sandinist Defense Committees would serve as the "eyes and ears of the revolution." Noting that this remark sent shivers through the upper classes and deeply troubled some diplomatic observers because this sounds suspiciously like the kind of groups organized by Castro in Cuba. Krause quotes a non-Sandinista member of the ruling junta as saying that these committees "should not have a police or surveillance role as such."

Yet, Krause points out, an operating manual distributed to the defense committees specifically calls for the organization of just such subgroups to report "enemies of the revolution." A section of the manual called "surveillance and security" instructs committee leaders to form subcommittees because "each of us . . . must observe suspicious elements in the neighborhoods, find out where they hide arms, where elements of the Somoza militia meet, and, above all, communicate this (preferably in writing) to the neighborhood command."

A Nicaraguan business leader is quoted as saying about the defense committees: "It is their potential that worries us. The structure is there for identifying and watching anyone who disagrees with the Sandinista front, even if that person played a prominent role in fighting against Somoza." One Sandinista veteran, who is second in command at a defense committee in one neighborhood, told Post reporter Krause: "We are in the first phase of the revolution now, a phase which is necessary. But our goal is true socialism," which he defined as similar to the systems in Cuba and the Soviet Union.

Item: Although the ruling Sandinistas have paid lip-service to democracy and vowed to hold elections three or four years, they have denounced a rival party, the Sandinist Social Democratic Party. An official Sandinista statement has blasted the PSDS, noting that "there is only one organization that has maintained and defended the precious legacy of our people at the expense of its own blood: the FSLN"—the ruling Sandinistas, the National Joint Directorate of the Sandinist Liberation Front. One of the things the PSDS had proposed was "a true democracy with free, just and honest elections so that the people, after this transition government, can determine at the polls the system they prefer." The ruling Sandinistas statement sharply criticizes the PSDS for its "attempt to tarnish the political and military image of Sandinism."

Item: Finally, the Sandinistas say they have restored press freedom in Nicaragua. But this is not so. No newspapers or broadcast outlets linked to Somoza have been allowed to resume operation. And a section of the Sandinista press law says the news media must "take precautions to defend the gains of the revolution." Violators of this law can be charged by the government of "any citizen who feels offended."

In April 1977, the Carter administration cut off economic and military aid to Somoza "until it becomes clear" that the human rights situation has improved. Now, however, the administration is recommending that the United States give $8.5 million worth of relief and rehabilitation aid to the new Nicaraguan government, even though the human rights situation there is terrible. This is a double standard.●

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations, or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, October 23, 1979, may be found in the Daily Digest of today's Record.

### Meetings Scheduled

### OCTOBER 24

8:00 a.m.

Agriculture, Nutrition, and Forestry
Rural Development Subcommittee

To hold oversight hearings to review the implementation of rural transportation programs and how they affect the quality of life in rural and small urban areas in America.

324 Russell Building

Energy and Natural Resources
Business meeting, to resume consideration of S. 9, 222, and H.R. 39, bills designating certain public lands in the State of Alaska for protection of their resource values under permanent Federal ownership and management.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 829 and 1644, bills to provide for Federal management of a 20-year coordination program in weather modification within the Department of Commerce.
235 Russell Building

Conferees
On H.R. 4387, making appropriations for fiscal year ending September 30, 1980, for Agriculture, Rural Development, and Related Agencies programs.
H-140 Capitol

*Judiciary
To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

*Select on Small Business
To hold hearings to examine the Small Business Administration and the Farmers Home Administration loans and loan guarantees to industrialized cattle, hog, poultry, and dairy operations.
6226 Dirksen Building

10:00 a.m.
Armed Services
Manpower and Personnel Subcommittee
To hold a closed business meeting to discuss and consider pending calendar business.
212 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
Business meeting, to reconsider the energy related assistance to low-income persons provisions of H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

Foreign Relations
Business meeting, to continue markup of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.)
4221 Dirksen Building

Select on Indian Affairs
Business meeting, to mark up S. 668, to allow the Cow Creek Band of the Umpqua Indians of Oregon to file a claim with the U.S. Court of Claims for alleged failure of the United States to fulfill treaty obligations; H.J. Res. 199, to correct a land description as contained in P.L. 95-498; providing that certain public lands be held by the United States in trust for the Santa Ana Pueblo Indians; S. 1682, to authorize a 99-year lease of restricted land owned by Indians in Chelan County, Wash.; and S. 916, to improve and expand the educational opportunities available to native Hawaiians.
5110 Dirksen Building

10:30 a.m.
*Labor and Human Resources
To continue oversight hearings to explore youth issues for the coming decade, focusing on the Federal role in public sector employment, training, and educational programs.
4232 Dirksen Building

2:00 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue consideration of S. 730, to provide for the study, advance engineering and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the U.S. and trust territories.
4200 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

OCTOBER 25

8:00 a.m.
Energy and Natural Resources
Business meeting, to continue consideration of S. 9, 222, and H.R. 39, bills designating certain public lands in the State of Alaska for protection of their resource values under permanent Federal ownership and management.
3110 Dirksen Building

8:30 a.m.
*Veterans' Affairs
To hold joint oversight hearings with the House Committee on Veterans' Affairs on admission policies to Veterans' Administration's medical care facilities.
345 Cannon Building

9:00 a.m.
Commerce, Science, and Transportation
Business meeting, to mark up S. 1648, authorizing funds through fiscal year 1985 for airport development aid programs under the Airport Airway Act.
235 Russell Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold oversight hearings on the activities of the Drug Enforcement Administration, Department of Justice.
1318 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 1383, 1439, and 1689, bills to establish on an emergency basis uniform weight and length limits for trucks using the National System of Interstate and Defense Highways to help conserve currently limited supplies of diesel fuel.
4200 Dirksen Building

*Finance
Business meeting, to consider H.R. 3464 and 3236, bills to remove certain work disincentives for the disabled recipients of supplemental security income benefits.
2221 Dirksen Building

Foreign Relations
Business meeting, to continue markup of the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
4231 Dirksen Building

Governmental Affairs
To hold oversight hearings on recent organizational changes within the Department of Energy.
3302 Dirksen Building

Judiciary
To continue hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

Joint Economic
To hold hearings to explore the economic efficiencies of the small business sector.
210 Cannon Building

10:30 a.m.
Appropriations
Business meeting, to markup H.R. 4440, making appropriations for fiscal year 1980 for the Department of Transportation, and H.R. 5359, making appropriations for fiscal year 1980 for the Department of Defense.
S-128, Capitol

*Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of Government-sponsored inventions in order to encourage private industry participation in Federal research and development programs.
318 Russell Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

2:30 p.m.
*Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 1839, 1840, and 1841, bills authorizing funds through fiscal year 1984 for programs under the Higher Education Act.
4232 Dirksen Building

OCTOBER 26

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 829 and 1644, bills to provide for Federal management of a 20-year coordinated program in weather modification within the Department of Commerce.
235 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

*Finance
To continue consideration of H.R. 3464 and 3236, bills to remove certain work disincentives for the disabled recipients of supplemental security income benefits.
2221 Dirksen Building

Foreign Relations
To hold hearings on proposals for the reform of the United Nations.
4221 Dirksen Building

Joint Economic
To resume hearings on the Consumer Price Index figures and inflationary trends.
Room to be announced.

OCTOBER 29

8:00 a.m.
*Veterans' Affairs
To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.
5110 Dirksen Building

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1335 and 1336, bills to establish a program of financial

assistance to improve the energy efficiency of residential heating systems.
3110 Dirksen Building

10:00 a.m.
Governmental Affairs
Civil Service and General Services Subcommittee
To resume hearings on the use of consultant services by the Federal Government.
1318 Dirksen Building

Select on Indian Affairs
To hold hearings on the nomination of William E. Hallett, of Colorado, to be Commissioner of Indian Affairs.
1202 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Joint Economic
To hold hearings in observance of the 50th anniversary of the beginning of the Great Depression of 1929, focusing on the causes and effects of depression.
318 Russell Building

OCTOBER 30

10:00 a.m.
*Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 1408 and 1650, bills to provide for the development of aquaculture in the United States.
6226 Dirksen Building

Commerce, Science, and Transportation
To hold joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry, on S. 1408 and 1650, bills to provide for the development of aquaculture in the United States.
6226 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

OCTOBER 31

9:30 a.m.
Commerce, Science, and Transportation
To hold joint oversight hearings with the Select Committee on Small Business and the House Committees on Small Business and Science and Technology to review proposed techniques in the field of industrial development.
1202 Dirksen Building

Select on Small Business
To hold joint oversight hearings with the Committee on Commerce, Science, and Transportation and the House Committee on Science and Technology to review proposed techniques in the field of industrial development.
1202 Dirksen Building

Select on Small Business
To hold hearings to review the impact of private and commercial credit reporting services on small business, to focus on the accuracy, reliability, and assessibility of information released by such services.
424 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Rules and Administration
To hold hearings on S. 392 and 597, bills to assure access for the elderly and handicapped to polling and registration locations for Federal elections; and other legislative and administrative business.
301 Russell Building

Joint Economic
To resume hearings on the economic impact of racial discrimination on minority communities.
210 Cannon Building

2:30 p.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 246, 1488, and 1846, bills to allow taxpayers to exclude interest income earned from a savings account from gross income; S. 1638, to permit owners of new businesses to write off their initial expenditures; S. 1703, to provide a tax exclusion from personal income earned abroad from charitable services; S. 541, to provide that the election to use the alternate valuation date may be made on an estate tax return that is filed late; S. 999, to exempt taxpayers who file late tax payments from interest penalties; S. 555, to permit the owners of independent local newspapers to make tax deductible contributions to trusts established for the eventual payment of estate tax; and S. 1543, to defer current Federal income tax on dividends reinvested in original issue stock of a company.
2221 Dirksen Building

NOVEMBER 1

9:30 a.m.
Select on Small Business
To continue hearings to review the impact of private and commercial credit reporting services on small business, to focus on the accuracy, reliability, and assessibility of information released by such services.
424 Russell Building

NOVEMBER 2

9:30 a.m.
Judiciary
To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.
2228 Dirksen Building

NOVEMBER 6

9:00 a.m.
Agriculture, Nutrition and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold oversight hearings to examine the current operations of the Farmers Home Administration, focusing on recent problems relating to the outstanding debt to the agency and personnel problems associated with loan supervisions and counseling; also to examine the implementation of the guaranteed agricultural loan programs and the economic disaster loan program; and to review the installation of a management information system at the agency.
324 Russell Building

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 1108, to provide relocation assistance and guidelines for displacement of individuals who are forced to leave their homes and neighborhoods because of Federally funded projects.
3302 Dirksen Building

Select on Small Business
To resume hearings to examine the economic outlook for the small business.
424 Russell Building

NOVEMBER 7

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To continue hearings on S. 1108, to provide relocation assistance and guidelines for displacement of individuals who are forced to leave their homes and neighborhoods because of Federally funded projects.
1318 Dirksen Building

Labor and Human Resources
To hold hearings on S. 1089, to revise the reporting and recordkeeping requirements under the Employee Retirement Income Security Act (ERISA) and to enforce the IRS Code requirement with respect to pension plans.
4232 Dirksen Building

NOVEMBER 14

9:30 a.m.
*Commerce, Science, and Transportation
To resume oversight hearings to review proposed techniques in the field of industrial development.
235 Russell Building

Foreign Relations
To hold hearings on the following international treaties proposing human rights; the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).
4221 Dirksen Building

NOVEMBER 15

9:30 a.m.
Foreign Relations
To continue hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E., 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty Exec. F, 95th Cong., 2d sess.).
4221 Dirksen Building

Government Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings to examine the scope of the general revenue sharing policy.
3302 Dirksen Building

NOVEMBER 16

9:30 a.m.
Foreign Relations
To continue hearings on the following international treaties proposing human rights: the International Convention on the Eliminaton of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th

Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

NOVEMBER 20

9:30 a.m.

•Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.

5110 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee

To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of the U.S. maritime policy.

235 Russell Building

CANCELLATIONS

OCTOBER 22

9:30 a.m.

Judiciary
Constitution

Business meeting, to consider S. 506, to provide the Department of Housing and Urban Development with new enforcement powers to insure compliance with statutes guaranteeing equal access to housing in the United States.

155 Russell Building

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# SENATE—*Tuesday, October 23, 1979*

*(Legislative day of Monday, October 15, 1979)*

The Senate met at 1:30 p.m., on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

## PRAYER

The Reverend Dr. George D. Kelsey, professor emeritus, Drew University Theological School, Madison, N.J., offered the following prayer:

Let us pray.

O God, Thou who art the source of all truth and goodness, and the giver of all wisdom; as we take up the tasks and responsibilities of this day, clarify our minds and purify our hearts so that the freedom which we seek may be Thy freedom, the justice which we seek may be Thy justice, and the peace which we seek may be Thy peace.

We thank Thee that Thou dost give life through love and the common bond of the family. From the very beginning of our lives, Thou dost teach us that we are made for each other, and that life is a continuous expression of dependence, mutuality, love, and communication.

Protect us from harm within us and without us; from the evil that is in ourselves; and from the evil in the world around us.

Keep us constantly close to Thee and under Thy guidance that we may grow from day to day in humility, patience, self denial, justice, courage, the spirit of wisdom and understanding, and the spirit of knowledge and goodness. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., October 23, 1979.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
*President pro tempore.*

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

## RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to reserve the remainder of my time for the moment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the minority leader.

## MS. EVELYN JOHNSON

Mr. BAKER. Mr. President, today the Federal Aviation Administration is honoring Ms. Evelyn Johnson of Morristown, Tenn., who has been selected as the Flight Instructor of the Year in a nationwide competition sponsored by more than 30 general aviation companies and organizations in cooperation with the FAA. I have been fortunate to have known "Ms. Evelyn" for many years, and it is with many pleasant memories that I recall her having given me the check ride for my private pilot's license.

Ms. Evelyn, a former schoolteacher with degrees from both Tennessee Wesleyan College and the University of Tennessee, learned to fly in the early 1940's and became a full-time flight instructor in 1947. In over 30 years, she has logged more than 35,000 total flight hours and has trained more than 3,000 pilots—actually, she says she stopped counting her students several years ago. Among her other certificates and ratings, she holds an airline transport pilot's license; was the 20th woman licensed to fly helicopters; and only the 4th to receive a helicopter instructor's rating.

Ms. Johnson is an outstanding citizen not just for her own expertise but for her civic and professional involvement, as well. She has been active in promoting aviation safety, serving on the FAA's Women's Advisory Committee on Aviation from 1973 to 1976; as a counselor in the agency's accident prevention program; and holds the rank of lieutenant colonel in the Civil Air Patrol. In 1958, she received the Carnegie Medal for pulling a pilot out of a crashed and burning helicopter—that pilot is now an FAA test pilot. Her many other honors include election to the board of directors of the National Association of Flight Instructors, the first and only woman to hold such a post; offices and activities in the Ninety-Nines and Whirly Girls; and Flight Instructor of the Year for the State of Tennessee in 1973.

I wish to pay personal tribute to this outstanding lady for her innumerable accomplishments and contributions to literally thousands of individuals, both directly and indirectly. We all owe her a debt for her unselfish efforts toward and dedication to better aviation safety; and I am both proud and honored to congratulate Evelyn Johnson as she accepts this much deserved award—Flight Instructor of the Year.

Mr. President, I have no further need for my time under the standing order and I have no requests for time. So I am prepared to yield it back.

Mr. ROBERT C. BYRD. Mr. President, before I yield back my time, does the Senator from Massachusetts need any additional time than the 10 minutes which are his under the order?

Mr. TSONGAS. No.

Mr. ROBERT C. BYRD. Then I yield back my time.

Mr. BAKER. I yield my time back.

### RECOGNITION OF SENATOR TSONGAS

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Massachusetts.

### NOBEL LAUREATES

Mr. TSONGAS. Mr. President, in a series of recent announcements, the Royal Academy of Sciences in Stockholm has revealed the names of the distinguished scientists and humanists to receive the coveted Nobel Prize. I was delighted to learn that four of the seven Nobel laureates in the sciences are Americans, and that three of those seven live and work in Massachusetts. That fact is testimony to the excellence of the Commonwealth's institutions of higher learning.

Sheldon Glashow and Steven Weinberg, physicists at Harvard University are corecipients of the Nobel Prize in physics, and physicist Allan MacLeod Cormack of Tufts University is corecipient of the Nobel Prize in physiology and medicine. As Senator from Massachusetts, I applaud Professors Glashow, Weinberg, and Cormack for their extraordinary contributions to the sciences and for greatly increasing our knowledge of the nature of man and the universe.

Mr. President, I ask unanimous consent that the profiles of these outstanding men that recently appeared in the Boston Globe be printed in the RECORD.

There being no objection, the profiles were ordered to be printed in the RECORD, as follows:

#### SHELDON GLASHOW: HE GOES FOR JUGULAR

(By Robert Cooke)

As a physicist, Sheldon Glashow is known for being able to skip the details and go to the heart of the matter—to go for the jugular.

"Shelly was originally more casual, more fun, and when he would think about physics he wouldn't get himself immersed in the details," an acquaintance said.

Glashow, 46, a physicist at Harvard University, was named a corecipient of the 1979 Nobel Prize in Physics today by the Royal Academy of Sciences in Stockholm.

Corecipients of the $193,000 prize are Harvard's Prof. Steven Weinberg and Pakastani scientist Prof. Abdus Salam.

In the citation issued by the Swedish academy, the three prize winners were said to have provided an important step forward in the search for an underlying, fundamental unity in the four forces that seem to be at play in the universe. Since their ideas were formulated, experiments on huge atomic accelerators have seemed to be confirming what they predicted step by step.

"Glashow likes to try to think about the basic ideas and not worry so much whether the figures are right to the last decimal point," a friend at MIT said. "But to call him casual would perhaps be misleading. He is concerned with the ideas, and he wouldn't let himself get distracted; he was always concentrating on the jugular."

Another MIT professor, mathematician Daniel J. Kleitman, commented that "I've known both of them (Glashow and Weinberg) since about 1950. I was their classmate at Cornell University. Then Shelly and I went to Harvard while Steve went off to Princeton." (Weinberg later returned to Harvard.)

Kleitman said he and Glashow went on to study for a year at the famous Nils Bohr Institute in Copenhagen, Denmark, after finishing their Ph.D. degrees at Harvard.

Glashow said at a news conference at Harvard's science center today that he began his theoretical work that led to the Nobel Prize when he was in Copenhagen in 1961.

He, as well as Weinberg, said that the basic goal has been "to try and understand nature."

After returning from Europe, Glashow was hired as a research fellow at the California Institute of Technology. He later moved north to Stanford University, and then became an associate professor of physics at the University of California, Berkeley. Glashow joined the Harvard faculty in 1966 and became professor of physics in 1967.

"Shelly has a wonderful sense of humor," Kleitman's wife, Karen, added. "His mind is not bound by any boundaries. He's a real free thinker. He comes up with wonderful stuff, and all the deep stuff makes him laugh."

Mrs. Kleitman is Glashow's sister-in-law.

Despite this seemingly frivolous sense of humor, and a reputation for being something of a practical joker, Glashow is also seen as a very deep, very complicated person who is in love with life.

In addition to physics, he's interested in music—playing the flute—and likes good wines, good cigars, and elegant foods. He and his wife, Joan, travel frequently, especially when Glashow attends special physics symposia in places such as Colorado, Switzerland and Italy.

Glashow, a native of New York City, lives with his wife, Joan, in Brookline with their four children, Jason, 12; Jordan, 10; Brian, 5, and Rebecca, 4.

Asked what he might do with his share of the prize money, Glashow said that for starters he'll consider having his Brookline house painted.

#### STEVEN WEINBERG: TWO OFFICERS, TWO INTERESTS

(By Robert Cooke)

Friends say Steven Weinberg is serious even when he laughs.

"Steve is very intense, he exudes a very serious aspect. He tends to project an intellectual attitude even when he laughs," a former colleague at MIT said.

Weinberg, 46, Harvard University's Higgins Professor of Physics, maintains two offices in Cambridge, one on the main campus, the other at the Harvard-Smithsonian Center for Astrophysics.

These dual offices testify to his dual interests in physics: the science of the very small—sub-atomic particles—and the science of the very large, the universe itself.

Because of these interests and because of seminal work done toward understanding the basic forces of nature—Weinberg was named a corecipient today of the 1979 Nobel Prize in Physics. Also named recipients of the $193,000 prize were Harvard's Prof. Sheldon Glashow, who has been a life-long acquaintance and schoolmate of Weinberg's, and Prof. Abdus Salam, a Pakistani who works in London and Trieste.

"Steve has been very, very serious about physics from way back," the friend said. When Weinberg came up with his Nobel Prize-winning theory in the late 1960s, he is recalled as saying "this is the first thing I've ever done that I think is a major contribution."

Weinberg, at a news conference held in Harvard's science center after the prize was announced, quipped that "winning a Nobel Prize is a great way to start the week."

His wife, Louise, added that the money from the prize will be spent on "luxuries such as food, shelter, etc."

Other friends and colleagues commented that Weinberg has made many important contributions to physics, and has written important books dealing with physics. One recent book, The First Three Minutes, was written for interested laymen, sold well and has been translated into many different languages. The book is a theoretical description of what happened in the first three minutes after the Big Bang, the cataclysm in which the universe was born.

Weinberg, like Glashow, is a graduate of the Bronx High School of Science in New York. He and Glashow both went on to Cornell University, in Ithaca, N.Y., to study physics, graduating in the class of 1954.

After Cornell, however, Weinberg went off to do graduate work at Princeton University. He taught at Columbia University, then at MIT and joined the Harvard faculty in 1973.

Weinberg lives in Cambridge with his wife, Louise, and daughter, Elizabeth. His wife, a lawyer, is a faculty member at Suffolk University, teaching law.

#### "MODEST, PLEASANT" BUT HE WINS NOBEL

(By Robert Cooke)

Allan MacLeod Cormack—named winner of a Nobel Prize today for his work in computer-assisted X-ray techniques—is known among colleagues and friends at Tufts University and Harvard University as:

One tough teacher, a no-nonsense professor who demands and expects top performance from his students.

A man with a sense of humor, who cracks jokes of his own and is ready to laugh at the jokes of others.

A modest man who rarely mentions the importance of his work to colleagues.

A man with wide-ranging interests that include music, history, archeology and sailing.

Cormack, 55, today was named along with Godfrey Newbold Hounsfield, 60, an English physicist, as co-winner of this year's Nobel Prize in physiology and medicine.

Cormack and Hounsfield were recognized for their work in the field of tomography, a new X-ray technique that makes it easier to visualize parts of the body for diagnosis.

Cormack's colleagues at Tufts and Harvard were elated when asked about the award this morning.

Said Robert Guertin, a physicist: "It's a damn nice thing; terrific!"

Guertin added that Cormack "is an incredibly pleasant guy, one of the most modest individuals I know. For example, I was almost totally unaware of this work (which won the Nobel Prize) for years. He never even brought the subject up as being anything of significance. Only indirectly was I able to learn that it's pretty important stuff."

Cormack, a native of Johannesburg, South Africa, now lives with his wife, Barbara, in Winchester. They have three children: Margaret, 27, Jean, 23, and Robert, 15. Jean is a senior at Tufts University.

The son of an engineer, Cormack earned degrees in physics at the University of Cape Town, South Africa, and at Cambridge University in England.

Cormack has never been known as one of the leading researchers in physics. Instead, he has tended to look for "weak points in the fabric of experimental physics" and try to plug the gaps, said Andreas M. Koehler of Harvard.

Another Tufts physicist, Jack Schneps, said Cormack "has pretty much been (a loner). He doesn't strike me as a person who's driven. He never talks very much about his work in medical physics." On that he certainly has worked mostly alone. He's a rather calm fellow. He isn't someone who is in the lab from morning till midnight thinking about his work all the time."

A physicist who trained under Cormack as a graduate student at Tufts, Robert Schneider, recalled that his professor "has a very great respect for accuracy and precision. He is good at the statistical evaluation of data."

"I was working with him in the area of nuclear physics—which is his main interest," Schneider said, "but he was still interested in the project for which he was awarded the Nobel Prize."

Schneider, who now works with Harvard's 160-million-volt cyclotron as a research associate, noted that he once helped Cormack with an experiment that dealt with his prize-winning work.

"I didn't know at the time what it was for. It was just an experiment we ran one night, and to me it was just a job."

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## HOPE FOR PEACE IN ZIMBABWE

Mr. TSONGAS. Mr. President, I think it is appropriate that the Senate recognize the encouraging progress made last week at the Rhodesia Constitutional Conference in London. After 38 days of difficult negotiations, the three parties at the conference have agreed on a new constitution. Although major obstacles remain, the conferees have engineered a major breakthrough. The hopes for peace are brighter than ever before.

Peace, Mr. President, is what the people of Zimbabwe-Rhodesia desperately need and deserve. The war has raged now for over 5 years, with each year bringing ever more devastating destruction and loss of life. Casualties now run as high as 100 human beings per day. This is indeed a brutal war. The longer it continues, the more deeply the seeds of hate are sown.

For all of us who seek a swift settlement and an end to the war, the London conference holds out hope and now encouragement. The conferees still must face the arduous task of agreeing on transitional arrangements. No one expects an easy resolution on such issues as control over the military, the composition of the transitional authority, or the disposition of guerrilla forces and the Rhodesian Army. But one major bridge has been crossed. All agree on the constitution—with no reservations. There is momentum. There is hope.

Not so long ago, I am sad to note, this distinguished body, the Senate, gave up hope for a negotiated settlement. This Chamber was the scene of impatience, pessimism, and flawed judgment. Earlier this year the Senate voted twice to lift economic sanctions against Rhodesia. I can still hear the echoes of the speeches now, "The hour is late!" came the warning. "Act now!" they intoned. The appeal was clear and the course direct—"The United States must take sides in Rhodesia-Zimbabwe!"

There were others, including myself, who called for patience and restraint. We said that the internal settlement regime of Bishop Muzorewa was built on shaky ground. The Constitution, we said, was a deeply flamed document preserving minority rule. No lasting settlement could be erected on such a weak foundation. U.S. support for that regime would prolong the conflict and provoke outside intervention. It was imperative, we advised, to stay clear of unnecessary entanglements.

We lost. The Senate distinguished itself by being the only legislative body in the world to vote for an immediate lifting of economic sanctions. The House, the so-called lower body, vigorously opposed us. The British did not follow us. Our European allies ignored us. The world knew what we failed to understand—support for minority rule in Southern Africa is a one-way ticket to disaster. The only intelligent course for the West is to stay out of the conflict and work toward a negotiated all parties solution.

We rejected that advice, and in light of the recent developments in London. I think that most of us should be a bit red faced today. Back in June, we shortchanged the hopes for peace. We acted in haste. The Senate rushed headlong past those who were working for a negotiated settlement. Today we stand corrected and, I think, wiser from our experience. We will not act impulsively again on the sanctions issue. We will measure the implications carefully.

Mr. President, we have not seen the last of this issue. The Senate will have opportunities to reexamine the question of economic sanctions against Rhodesia. It is my fervent hope that the next opportunity will follow the successful conclusion of the London conference. After all the conferees agree on the transition arrangements, I will be among the first to urge that the United States join with the international community in the removal of economic sanctions.

Before that moment arrives, the Senate must exercise caution and use cool judgment. There may be attempts to subvert the work of peace. There may be calls for a quick fix. They must be resisted.

Let us remember what is at stake in southern Africa. The combatants are poised on the brink of a much wider war. The South Africans have announced they may intervene in Rhodesia. Black African States are interested in defending the neighboring States of Zambia and Mozambique from Rhodesian raids. The Soviets are in the wings, hoping that the United States will upset the African balance and make the way clear for major Soviet involvement.

This is a delicate situation. The flash point flickers dangerously near.

Our first responsibility is to douse the sparks and work for peace. The Senate has a role to play. It is not a dramatic role. It is not a central role. We must simply stand aside and give peace a chance.

Mr. President, I ask unanimous consent that the article on the London conference in Friday's Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### GUERRILLAS AGREE TO RHODESIA PLAN OFFERED BY BRITAIN

(By Jay Ross)

LONDON, October 18.—The Patriotic Front guerrillas today withdrew their objections to a British-proposed constitution for an independent Zimbabwe-Rhodesia, giving the six-week-old settlement conference its first substantial negotiating success.

Guerrilla leaders Robert Mugabe and Joshua Nkomo told British Foreign Secretary Lord Carrington that there was no need for further discussion of the consittution if the conference, which also includes the rival Salisbury government, could agree on transitional arrangements leading to independence.

Since their reservations to the constitution have been dropped, the conference can move to tripartite discussions of the more difficult problems of working out interim arrangements leading to legal independence.

Britain started separate talks Tuesday on the transition with Zimbabwe-Rhodesian Prime Minister Abel Muzorewa, who has accepted the constitution. It was a move that threatened a breakdown of the conference, which is regarded as the last reasonable chance to settle the 14-year-old dispute peacefully.

Both sides were at pains not to claim that the other had given in to reach an agreement on a formula to solve the key remaining constitutional issue—compensation for expropriation of white-owned land.

There appeared to be elements of "give" on both sides, although perhaps more from the guerrillas.

Mugabe and Nkomo told Carrington in a 15-minute meeting that "there will not be need to revert to discussion on the constitution" if they are satisfied with the transitional arrangements that are worked out.

Thus, they gave Carrington the key word he had wanted—"will." Previously, they had been willing only to say that it "may" not be necessary to reopen constitutional talks, and that had not been enough for the foreign minister.

Carrington, however, also gave some ground as the Front did not specifically say that it agreed to or accepted the constitution. On Monday, Carrington froze the Front out of the transitional talks until the guerrillas could accept the constitution "without ambiguity."

Instead, Carrington chose to interpret today's Patriotic Front statement to mean acceptance. He welcomed the statement and added that he "looks forward to beginning discussion of the transitional arrangements in plenary session."

The question of acceptance has great significance to the Front, which maintains there can be only one agreement at the end of the conference.

It fears that if the conference breaks down over the transitional issues—still a distinct possibility—the British and Muzorewa still might implement the constitution and hold elections in hopes of getting wide international acceptance on the ground that the Front had signed off on the charter.

The purpose of the conference, which Britain is sponsoring as the legal colonial power in Zimbabwe-Rhodesia, is to bring about agreement on a constitution and the transitional issues including elections, disposition of the warring military forces and a cease-fire.

This would then lead to international recognition of the resulting independent government and to the lifting of economic sanctions imposed as a result of the white minority's illegal declaration of independence in 1965.

The London conference is the ninth major effort to solve the problem that has boiled over into a bloody war between the Salisbury government and guerrillas in which more than 20,000 people have been killed.

It was apparent that today's break-through in the first conference meeting attended by the guerrillas in a week came as a result of pressure exerted on both the Patriotic Front and Britain from a variety of sources, mainly over the land compensation issue.

Leaders of several Commonwealth and African nations criticized Carrington's conduct of the conference and warned him that there could be no acceptable solution without the Patriotic Front.

At the same time, the five "front line" states neighboring Zimbabwe-Rhodesia that support the guerrillas urged a moderate approach by their clients. The "front-line" states are Mozambique, Zambia, Tanzania, Botswana and Angola.

It was noteworthy that today's agreement came just one day after a "front line" summit in Tanzania that supported the Front on the land issue but took a significantly conciliatory approach, urging that the conference "move to the next crucial stage." The guerrillas are under pressure to settle from their supporters, particularly Zambia and Mozambique which have been attacked repeatedly by Zimbabwe-Rhodesian forces.

Last week Carrington made the proposal on the land issue that the guerrillas accepted today. He offered vague promises of financial assistance in a multinational grouping to help an independent Zimbabwe government pay for land expropriated from whites as required under the British-proposed constitution.

About 6,000 white farmers control most of the best land in the country and it is estimated that it could cost more than $500 million to buy out most of the farmers in order to carry out a land reform program.

When the talks broke off Monday, the Front, citing the overriding importance of the land issue, said it was seeking "clarifications" from various governments about contributions to a land compensation plan.

Today, the guerrillas said in their statement, "We have now obtained assurances that depending on a successful outcome of the conference, Britain, the United States and other countries will participate in a multinational financial donor effort to assist in land, agricultural and economic development programs.

"These assurances go a long way in allaying the great concern we have over the whole land question arising from the great need our people have for land and our commitment to satisfy that need when in government."

Since the breakoff of the talks, the United States signalled its willingness to participate in an assistance effort. No money figures have been cited.

Britain and the United States are reluctant to give details on what has been offered because of failures of similar past efforts to bail out the whites. British sources said, however, that there had been no contacts with the Front on the issue since last Thursday and "there was nothing to add" to Carrington's statement then on the subject.

The three parties are to meet Friday morning to begin joint discussion of the transition to independence starting with elections.

Analysts are unanimous that the transitional issues will be much harder to settle than the constitution, which took 38 days to resolve.

Mr. TSONGAS. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Mississippi.

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## DEFENSE AUTHORIZATIONS, 1980—CONFERENCE REPORT

Mr. STENNIS. Mr. President, on legislative business for today, we have a conference report on S. 428, the Defense Authorization Act of 1980. I submit that report of the committee of conference on S. 428 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 17, 1979.)

Mr. STENNIS. Mr. President, that bill has been fully gone over by the conferees and all matters worked out and agreed on.

There has been a matter brought to my attention by the Senator from North Carolina regarding a technical point about one of the amendments. I, therefore, move, Mr. President, that that conference report be sent back to conference for further consideration by the conferees.

I will gladly yield now to the Senator from North Carolina with whom I have repeatedly conferred, and where he was at all times in a spirit of cooperation.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank my friend from Mississippi.

As he has indicated, he and I have discussed a possible point of order that could have been made in connection with this conference report. As always, the distinguished Senator from Mississippi, the chairman of the Armed Services Committee, is most cooperative.

Mr. President, I had contemplated making a point of order against further consideration of the conference report on grounds that the conferees have exceeded their authority. It was not an action that I relished. The distinguished managers of the bill know of my affection for them, and my intense interest in the future security of our Nation, and my conviction that this bill is a pledge for that security.

But the issue of lifting sanctions against Zimbabwe-Rhodesia is also a matter which is of utmost concern for our national security. When dealing with a bill such as the defense authorization bill, it is difficult to make relative judgements as to which element of the bill is more important to our national security. The bill, for example, authorizes the construction of a new aircraft carrier. But then we are faced with the fact that we cannot build this new carrier unless we have an ample supply of strategic materials, such as chrome. And we all know that sanctions prevent us from obtaining chromium from the principal place of origin; namely, Zimbabwe-Rhodesia.

Now when the distinguished conferees considered this matter in conference, they took note of the issue; the report addresses the question of access to strategic materials in a general way. Furthermore, at the time the conferees discussed this matter—nearly 4 weeks ago—negotiations at the London Conference on the future of Rhodesia were at a critical stage. There was perhaps some reticence to take an action that might have upset the negotiations.

But now that objection is no longer valid. As we saw in last week's papers, both sides in the Rhodesian talks have accepted the constitution proposed by the British. The substantive issues have been settled, and all that remains is the question of implementation.

This was confirmed in a letter which was hand delivered to me from Prime Minister Thatcher late Thursday afternoon.

I hope the Senators on the floor and those who may be listening by way of the amplifying system in their offices will be attentive to what Mrs. Thatcher had to say in her letter to me. Mrs. Thatcher wrote:

> DEAR SENATOR HELMS: I was grateful for your letter of 12 September about Rhodesia.

My letter to her, incidentally, was hand-delivered by my aides in London:

> I am sorry not to have replied earlier, but I thought that before doing so it would be best to wait to judge the progress made in the Constitutional Conference.

That, of course, is what we all have been waiting for, what I believe the distinguished conferees were waiting for. But now Mrs. Thatcher feels that it is proper to judge the progress. She continues:

> As you know, I want to see sanctions against Rhodesia lifted as soon as possible.

Note that she says, "as soon as possible."

She continues:

> I am now confident that the Conference in which we are engaged will help us to achieve this aim. We regard adequate safeguards for the white minority as an essential part of the independence Constitution. We have provided for this in the constitutional proposals we have put forward. (I enclose a copy). As you will know, Bishop Muzorewa has announced his acceptance in principle of our constitutional proposals.

So apparently, Mrs. Thatcher believes that the Conference is going to succeed, and she notes the willingness of Prime Minister Muzorewa to accept the constitutional proposals. I continue to quote:

> What Rhodesians need above all is a settlement which will bring them international acceptance. They are looking to the Conference to achieve this: it would provide the strongest encouragement to them to remain in the country.

Mr. President, I believe that the time has come to provide Rhodesians with at least a modicum of international acceptance for having made so many difficult concessions at this point. It is important to reward them. Furthermore, Mrs. Thatcher is determined not to allow the Patriotic Front to have a veto over a fair settlement. She says:

> But we are determined to bring about a solution which will bring Rhodesia to legal independence and enable us and others to lift sanctions with the widest possible international acceptance. I am confident that we are making progress in that direction.
>
> Warm regards,
>
> Yours sincerely,
>
> MARGARET THATCHER.

Mr. President, the letter from Mrs. Thatcher has arrived at a crucial time in our deliberations. I think that she is telling us that the Conference is going to succeed. Now I am aware that the Byrd amendment, as originally passed by the Senate, covered all trade with Rhodesia. It may be that the conferees might want to reconsider their action on the Byrd amendment. It may be that they do not want to go quite as far as the Byrd amendment goes. It may be that the Byrd amendment could be restricted to the question of strategic materials only, not all trade. That would be a reasonable compromise, since it would provide international reassurances to the Rhodesians, while at the same time protecting U.S. national security. It might even enable us to build that carrier once the bill becomes law.

Mr. President, although the State Department has been downgrading the importance of chromium to our developed economy, a recent study by the National Research Council, which has studied the matter solely from a scientific point of view, has come to quite opposite conclusions, and I ask unanimous consent that the study be printed at this point in the RECORD, together with Mrs. Thatcher's letter.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

THE PRIME MINISTER,
*10 Downing Street.*

Senator JESSE HELMS,

DEAR SENATOR HELMS: I was grateful for your letter of 12 September about Rhodesia. I am sorry not to have replied earlier, but I thought that before doing so it would be best to wait to judge the progress made in the Constitutional Conference.

As you know, I want to see sanctions against Rhodesia lifted as soon as possible. I am now confident that the Conference in which we are engaged will help us to achieve this aim. We regard adequate safeguards for the white minority as an essential part of the independence Constitution. We have provided for this in the constitutional proposals we have put forward. (I enclose a copy.) As you well know, Bishop Muzorewa has announced his acceptance in principle of our constitutional proposals.

What Rhodesians need above all is a settlement which will bring them international acceptance. They are looking to the Conference to achieve this: it would provide the strongest encouragement to them to remain in the country. We shall not allow anyone to exercise a veto over a settlement we believe to be fair and reasonable. But we are determined to bring about a solution which will bring Rhodesia to legal independence and enable us and others to lift sanctions with the widest possible international acceptance. I am confident that we are making progress in that direction.

Warm regards.

Yours sincerely,

MARGARET THATCHER.

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## CONTINGENCY PLANS FOR CHROMIUM UTILIZATION

### CHAPTER 1: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Chromium is an element that imparts unique properties to the material to which it is added. While it is an important ingredient in many commodities, it is irreplaceable in stainless steels and high-temperature-resisting superalloys, two classes of materials that are vital to the technological well-being of the nation. Currently, there are no chromium-free substitutes that can be used in these critical applications nor are any such substitutes likely to be developed in the foreseeable future.

The United States is completely dependent on imported chromium and known commercial deposits are located in only a few countries. The Committee could not identify any technological responses that would eliminate completely U.S. vulnerability to a long-term disruption of chromium imports. Accordingly, contingency plans for chromium utilization are assessed, assuming the worst possible supply situation, that is, a total embargo on all foreign sources of chromium ore and ferrochromium. These contingency plans stem from a technical perspective and the study does not propose measures for coping with chromium contingencies by legal, political, or financial means.

1.1 General conclusions and recommendations:

1.1.1 Conclusions.—These general conclusions and recommendations present the Committee's findings regarding the degree to which the United States can reduce its dependence on imported chromium and recommended programs that might lead to reduction of that dependency.

1. Although important segments of U.S. industry are vitally dependent on chromium, insufficient effort has been made to develop substitutes for or to conserve, reclaim, or recycle chromium-containing materials. Consequently, a drastic curtailment of chromium supply would have serious short- and long-term effects.

2. Known chromium reserves are estimated at about 5 billion short tons and are expected to last for several centuries. On the basis of the currently known information, the quantity and location of proven and potential reserves are such that, at the current rate of consumption, the geographic concentration of chromium deposits will increase: within 25 to 75 years, the world will depend completely upon South African and Rhodesian deposits.

3. U.S. chromium deposits are small and virtually no prospects exist for the discovery of any significant new U.S. deposits. There is little evidence to suggest the existence of significant chromium deposits outside of those geographic areas presently known. The discovery of additional deposits in producing regions with limited known reserves (e.g., the USSR and Turkey or elsewhere) would be beneficial in maintaining the few alternate sources of supply that currently exist, even if the new deposits were not developed initially.

4. No substitutes exist or are likely to be developed for chromium in the high-strength steels, high-temperature metals, and corrosion-resisting alloys that are essential in the manufacture of jet engines, petrochemical and power plant equipment, and various other critical products. It is highly unlikely that corrosion-resisting or high-strength alloy steels without chromium will be developed for such critical applications, although chromium-free substitutes could be used for decorative stainless steels, automotive trim, flatware, refractories, and some chemicals.

5. Current U.S. chromium consumption could be reduced potentially up to one-third within about five years without creating major economic dislocations by using available technology to substitute alternative materials or processes, to recover and recycle waste chromium, and to design for greater chromium efficiency.

6. A major chromium-conserving research program has the potential of reducing U.S. chromium consumption an additional one-third within 10 years but could involve economic penalties (or disruptions) in some areas.

7. Even if the above measures are taken, however, essential or unsubstitutable U.S. chromium consumption is expected to be at least 180,000 short tons per year (approximately 6 percent of 1975 world chromium production), on the average, in the foreseeable future.

8. Sudden mandatory chromium conservation programs would result in severe economic dislocations even if all needed development work were completed in advance.

9. Chromium conservation is an ineffective response to short-term (about five years) shortages. Moreover, unilateral changes in U.S. consumption will have very little impact on long-term world conditions but would create severe economic penalties for the nation.

10. Conventional stockpiling can provide short-term protection (five years) against chromium shortages; however, the continued use of chromium in easily collected functional products (e.g., hub caps, flatware, and coins) may provide a more cost-effective stockpile for the types of shortages the United States is likely to encounter during the remainder of this century.

11. The criticality of chromium to U.S. industry generally is not appreciated, and this lack of awareness works against the development of long lead-time technologies, stockpiles, or international agreements necessary to avoid supply interruptions.

12. The optimum response to the nation's increasing vulnerability to a disruption of the chromium supply probably would involve a combination of three approaches: some form of stockpiling to provide short-term (about five years) protection, conservation measures to produce medium-term (five to ten years) protection by reducing the consumption rate and thereby extending the life of the stockpile, and exploration for new deposits to provide long-term (more than ten years) protection against a total disruption of supply from existing sources.

1.1.2 Recommendations.—

1. The criticality of U.S. dependence on foreign chromium should be publicized widely in conjunction with the intention to institute a program to decrease U.S. vulnerability to chromium requirements.

2. A basic research program aimed at developing substitutes for chromium in stainless steels and high-temperature, oxidation-resisting alloys should be initiated. Although this is a long-term program with little chance for early success, it is the only technical possibility for eliminating U.S. vulnerability to a long-term chromium embargo.

3. The search for new chromium deposits outside of current producing areas should be supported with adequate incentives, particularly on the North American continent.

4. Research into chromium conservation

and recycling technology should be pursued vigorously, but only price and the marketplace should be used to control consumption. Detailed examination of this interaction will require further study.

5. A study should be initiated to develop innovative methods for stockpiling chromium to provide up to five years protection against a cessation of supply and improved methods for ensuring that the content of the stockpile is matched properly to changing U.S. needs.

6. The combination of approaches—stockpiling, conservation, and exploration—should be explored as a strategy in addressing the chromium problem.

7. A thorough technoeconomic follow-on study (including cost-benefit analyses) should be undertaken to assess the substitution potential of chromium-containing alloys.

1.2 Specific conclusions and recommendations:

These specific conclusions and recommendations represent the Committee's most attractive approaches for reducing U.S. chromium consumption. However, as indicated earlier, these recommendations will not eliminate U.S. dependence on imported chromium but could reduce by two thirds the quantity of chromium that otherwise would have been consumed. It should be noted that implementing the recommendations would involve considerable time, money, and effort from development of the alloys through various aspects of metallurgical processing such as heat treatment, fabrication, and testing.

Mr. HELMS. Mr. President, just as a matter of suggestion—and, of course, it has no effect beyond whatever extent that the conferees may want to consider it—I am going to hand to my friend from Mississippi copies of suggested compromise amendments which I have drafted. I ask unanimous consent that the text of each of these amendments be printed in the RECORD at this point.

Mr. TSONGAS addressed the Chair.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the texts were ordered to be printed in the RECORD, as follows:

AMENDMENTS

SEC. 103. In order to insure the unimpeded procurement of weapons and efficient conduct of national defense research and development with the funds authorized herein to be appropriated, taking into account the expense, availability, and quality of strategic and critical materials used in such weapons and research and development, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50 U.S.C. 98–98h–1) is amended by adding at the end thereof the following:

"SEC. 11. Notwithstanding any other provision of law, on and after November 15, 1979, the President shall facilitate the importation into the United States of materials determined to be strategic and critical pursuant to the provisions of this Act by permitting trade in lawful goods between the United States and Zimbabwe-Rhodesia."

Mr. HELMS. I would say again to my friend from Mississippi that I deeply appreciate his cooperation in this matter and his patience with me. I think he knows that the Senator from North Carolina has always vigorously supported a strong national defense, and I will never want to do anything to impede the progress of this legislation. I thank the distinguished Senator for his patience and cooperation.

Mr. STENNIS. Mr. President, I appreciate the attitude of the Senator from North Carolina, and certainly I will pursue the matters he has spoken of, the matters he has put in the RECORD, and the suggestions that he has, and I know the great good faith in which they are presented.

It is an important matter. Now we are in the last days of the legislative session for this year, and the appropriation bill is right around the corner. I notice the chairman of the Appropriations Committee is here. He is behind me to get that authorization bill out, and we will do the very best we can. I appreciate very much the sentiment and the cooperation of the Senator from North Carolina.

Mr. HELMS. I thank the distinguished Senator.

Mr. STENNIS. Mr. President, the Senator from Texas (Mr. TOWER) has arrived on the floor. He is the ranking minority member of our committee, and I would beg him to take the floor, and I hope he does, to make a motion that this matter be taken back to conference. The Senator from North Carolina has stated his position for the RECORD.

Mr. TOWER. Mr. President, if the Senator from Mississippi will yield——

Mr. STENNIS. I am glad to yield to the Senator.

The ACTING PRESIDENT pro tempore. The Chair has to interrupt the Senator from Texas for just a moment, with my apology. It is the understanding of the Chair that the Senator from Mississippi has moved to recommit the measure to the conference; is that correct?

Mr. STENNIS. That is correct, yes; and I was recognized in my own right, as I understood.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Texas.

Mr. TOWER. Mr. President, it is my understanding that the thrust of this motion is to recommit the conference report to deal only with the matter of the Rhodesian-Zimbabwe sanction provision in the bill, which was dropped in conference, and there was substituted therefor language of generic nature which simply expressed the sense of the Congress that there should be no impediment to the importation of strategic material.

Understanding that that is the matter that the conference would deal with, that all other matters that have been agreed to in conference will stand and we will not reopen those, I would like to say that I support the motion of the distinguished chairman of the committee wholeheartedly, and hope the Senate will act in an expeditious manner. I believe we can go to conference very soon, and have a conference report back to the Senate shortly. I would not like to see us delay the vital business of authorization of the defense appropriations any longer than is absolutely necessary to deal with this matter.

So with that understanding, I offer my support to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I certainly thank the Senator, and I am glad to yield to the Senator from Massachusetts, if I may, Mr. President; I believe he has a point or two.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. TSONGAS. I thank the Chair and I thank the Senator from Mississippi.

Mr. President, I wonder whether the Senator from Mississippi fully realizes how important the role he has played is in the whole issue of Zimbabwe-Rhodesia. It is somewhat ironic that it would be his committee, in dealing with the situation, that should have been the instrument that would have provided the opportunity for a peaceful settlement of the Zimbabwe-Rhodesia issue.

Although Mrs. Thatcher, Lord Carrington, and others will be recorded as the ones who brought peace if it happens, I think the Senate should know it was the action of this committee that really would have determined that this action was possible. I commend the distinguished chairman and the entire conference committee for giving this opportunity for peace a chance. Although certainly one does not expect the chairman to follow the issues in Africa as much as some of the rest of us, I would like to say to the Senator from Mississippi that we are indebted to him for his willingness to listen to the arguments made, and for having responded accordingly. I commend him for that action.

Just two other points, Mr. President. I do not want the RECORD to reflect an impression that Mrs. Thatcher is arguing that sanctions be lifted today against Rhodesia, and I am sure that is not what the Senator from North Carolina was suggesting.

Second, I would like to submit to the Senator from Mississippi and the Senator from Texas language that they might consider in terms of the reconvening of the conference, which I think would achieve the same result as what they came up with before, but would be specific enough to avoid the point of order which was raised earlier.

Again I commend the Senator from Mississippi for the role that he has played in helping all the thousands of people that may hereafter live in Zimbabwe-Rhodesia and not be consumed in the conflict. They owe him a great deal of gratitude.

I thank the Chair.

Mr. STENNIS. Mr. President, we really thank the Senator very much for his kind words and the real help the Senator has given in his consideration of all phases of this matter.

Mr. President, that completes my presentation. There does not seem to be any opposition to the motion.

Mr. HUMPHREY. Mr. President, I would like to thank the distinguished chairman of the Senate Armed Services Committee for the hard work and leadership he exerted in connection with the fiscal year 1980 defense authorization both in committee and in conference with the House. As a freshman Senator, I have been honored to be associated with Senator STENNIS and other members of the committee on this important bill which allows the country to move forward with the funding of many crucial DOD programs.

I am encouraged that the conference has authorized the procurement of 14 new ships in the budget as well as the conversion of 1 LPH to a light carrier. Over the past decade, the U.S. Navy has experienced a 23-percent reduction in manpower; a 50-percent reduction in ships; and a 31-percent reduction in aircraft. Total tonnage in the U.S. Navy has been reduced by 22 percent. At the same time, a reduction in operating funds and a quantum jump in the cost of fuel have forced a reduction in training. Consequently, the readiness and preparedness of our naval forces—while admirable given the circumstances—are not what they should be.

Ironically, the drawdown in U.S. naval forces has been accompanied by a decline in U.S. bases overseas—a decline which makes it even more difficult for the Navy to carry out its missions with fewer ships.

Over the last 20 years, the United States has seen its overseas naval and air bases decline in actual numbers from 150 to approximately 30. During the same time period, the Soviets have increased their facility arrangements abroad to a point where they are roughly equal to the United States.

The deterioration of U.S. basing structure has been particularly acute in the western Pacific in the wake of U.S. disengagement from Southeast Asia. But we also see widening cracks developing in our basing structure in the Mediterranean where even our allies are making more demands and placing more restrictions on our access to bases on their soil. Admiral Moorer—former Chairman of the Joint Chiefs—has argued that these cracks have reached the point where the effective projection of U.S. power to the Middle East and in support of NATO's southern flank is subject to growing doubt. The erosion of our basing structure in the Indian Ocean, over the last few years, also makes it increasingly difficult for the United States to project seapower into this vital oil rich and highly unstable area that has been come to be known as the "Arc of Crisis."

The rundown in U.S. Naval Forces has been taking place against the backdrop of heightened Soviet interest in projecting military power at sea. Soviet interest in seapower was prompted, in large part, by the Cuban missile crisis and the skillful way the United States demonstrated the utility of naval forces in controlling crisis in the nuclear era. Soviet Admiral Gorskhov's book "Sea Power of the State" provides valuable insights on how the Soviets view naval forces. Gorskhov argues in his book that, and I quote—

> All contemporary great powers are Maritime States . . . Among the many factors which characterize the economic and military might of our country, an ever increasing role is assumed by its sea power, which expresses the real ability of the State to employ effectively the world's oceans in the interest of the buildings of communism.

A decade ago, Mr. President, the Soviet Union essentially had a coastal navy. Today, as the result of an ambitious shipbuilding program, the Soviet Navy has a blue water capability and is currently projecting its influence in areas of crucial strategic importance to the United States and its NATO allies.

Soviet Naval deployments regularly visit and are usually stationed in the Mediterranean, the Pacific, and the oil rich Indian Ocean/Persian Gulf region.

Soviet strategy in these areas is aimed at denying the United States the ability to control those points and sea lanes of communication which are vital to a successful war fighting capability. In addition, the Soviets are projecting naval power to our very doorsteps.

The Soviet Union has been making regular port calls in the Caribbean since 1969 and in the early 1970's went so far as to attempt to construct a submarine base in Cuba.

After strong U.S. protest, the Soviets stopped short of introducing their own subs to Cuba but it has been revealed recently that the Soviets are supplying Cuba attack submarines which are based at Cienfuegos.

Mr. President, the Naval procurement programs authorized by the conference are a step in the right direction, but it does not begin to compare to the Soviet Union's shipbuilding effort. The Defense Authorization Conference Report presently before us, for example, authorizes the construction of one Trident submarine and two attack submarines. The Soviets, Mr. President, are constructing 10 submarines a year. We fought very hard to authorize one carrier. The Soviet plans call for the construction of 10 Kiev class carriers over the next decade. The Soviets build six large ASW ships a year. We have authorized one Aegis destroyer and six guided missile frigates which will be built over the next several years.

The Soviets, according to Paul Nitze, are aiming for a future fleet size of 745 ships. We are barely keeping the status quo, at a time when our Navy is actually being asked to assume greater responsibilities in the Persian Gulf, and now in the Caribbean and Latin America.

I fully support the conferees' decision to authorize the *Nimitz* nuclear power carrier, and I welcome reports from the White House that the President has decided not to veto the bill in reaction to our decision on the *Nimitz*.

The *Nimitz* is needed to meet the challenge of Soviet sea power. The *Nimitz* is vastly superior to the *Kennedy* class carrier sought by the administration.

While a conventional carrier would cost less, the nuclear carrier offers strategic and tactical advantages.

The advantages of a nuclear carrier include:

The capacity for 50 percent more aircraft ammunition, although it is true both carriers could carry the same number of aircraft;

Much greater independence of its logistics and capacity for more sustained operations; and

The general advantages of nuclear power in wartime, such as sustained speed and endurance.

It makes little sense to intentionally build a ship which will be operating in the 21st century and make it dependent on oil—a costly, dwindling and nonrenewable resource. A ship dependent on oil could, over a 30-year-life-cycle, consume 15 million barrels of oil, which is enough to supply New Hampshire for 2 years.

Mr. President, 80 percent of the free world's proven oil reserves are held by OPEC countries and we cannot be assured that we will have access to that oil in the years ahead, especially in wartime.

I also fully support the conferees' decision to build two rather than one nuclear attack submarine. In order to meet the Soviet threat in the North Atlantic and the Pacific sea lanes and forward areas, a minimum force level of 90 attack submarines has been set as the national goal. To reach this goal—within an acceptable times period—we have to produce at least 3.6 attack submarines a year. Even by authorizing two submarines, we are still not moving at a fast enough pace.

The constitutional responsibility of the Congress requires it to provide adequately for our Nation's defense. We need these submarines, and the conferees reacted responsibly in authorizing them.

The 688 is the best submarine of its class in the world today. It has met or exceeded all of its performance goals. The attack submarine, Mr. President, represents the most effective weapon for killing an enemy submarine and may be the only survivable U.S. naval platform in forward areas for engaging Russian forces.

In addition, nuclear powered attack submarines are about 20 percent less expensive than the larger *Los Angeles* class submarines currently in service.

I am pleased, Mr. President, that the committee recognized the importance of the Naval Reserve and decided not to accept the President's recommendations and authorized an 87,000 manpower strength for the Reserve. It should be noted that 26 Senators, including myself, urged the Senate Armed Services Committee to oppose the administration's plan to cut the Naval Reserve.

The Naval Reserve enhances the credibility of our security guarantee to NATO. I wholeheartedly support Admiral Hayward's commitment to a strong Naval Reserve, and his pledge to improve training and obtain more modern equipment for Naval Reservists so they can more effectively carry out their responsibilities. I also support his argument in favor of the one navy concept. The Naval Reserve is a vital element of the Navy's total fighting posture. The Naval Reserve, along with our other service reserves, underpins our strategy of flexible response.

Mr. President, we must stop the downward trend in our Naval Forces. Naval power is the only military instrument that can be brought to bear effectively during peacetime to project military power and influence abroad. Ironically, the Navy has suffered cutbacks in its service fleet at a time when it has been repeatedly called upon to guard our interests worldwide.

In 1978, the President deployed a destroyer force to the Horn of Africa in reaction to Cuba and Soviet involvement in that volatile area. Later that same year, the aircraft carrier *Kittyhawk* was deployed to the Indian Ocean in reaction to the troublesome events which eventually led to the downfall of the Shah's rule in Iran. Today, the 7th Fleet has been assigned the additional task of keeping a vigilant eye on the sealanes of communication from the oil rich and highly vulnerable Persian Gulf to the East and Japan. Most recently, the President—faced with a crisis in Cuba—has considered a stepped-up U.S. naval presence in the Caribbean without the adequate resources to carry out this and the many other missions assigned to the Navy.

The Navy is being asked to do all this, and it is our responsibility, Mr. President, to give the Navy the tools it needs to perform these duties.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to recommit the conference report.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, will the majority leader yield me 2 minutes?

Mr. ROBERT C. BYRD. If the Senator will first allow me to propound a unanimous-consent request.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the consideration of routine morning business of not to exceed 15 minutes, with Senators allowed to speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the Senator from Arizona.

## SENATOR GOLDWATER SUPPORTS AN EARLY VOTE TO UPHOLD THE DISTRICT COURTS DECISION REQUIRING LEGISLATIVE APPROVAL TO TERMINATE THE MUTUAL DEFENSE TREATY WITH TAIWAN

Mr. GOLDWATER. Mr. President, the distinguished majority leader has consulted me regarding his wish to obtain an early legislative vote which would clearly authorize President Carter to terminate the defense treaty between the United States and Taiwan. We are still discussing the exact nature of such a vote, but I wish to assure my friend from West Virginia that I will cooperate with him, to the best of my ability, in reaching a final vote at the earliest possible time.

Mr. President, a vote by the Senate or Congress to authorize Presidential action is what I have been seeking all along. In fact, that is the very heart of my lawsuit.

On many occasions, I have suggested to the President and high administration officials that all the President need do in order to implement this aspect of his foreign policy initiatives toward the People's Republic of China is to send us a proper request.

For my part, I am ready to act upon that request almost immediately, without any need for time-consuming debate or delay.

I am keeping an open mind on how I will vote on such a request until I see the actual text of what we will be voting on, but I might even vote for the proposal if it is drafted in accordance with the Constitution.

The whole point of this matter, Mr. President, is that the President of the United States is not an emperor. He does not possess all the powers of the National Government in the making of foreign policy. The President alone is not the entire Nation of the United States.

We are a government of divided and checked powers. The President cannot make a law on his own and he cannot repeal a law by himself. The President cannot make a treaty on his own and neither can he terminate a treaty unilaterally.

The argument has been raised on behalf of the Executive that the Constitution is silent on how to repeal a treaty. But I might remind my colleagues, the Constitution also is completely silent on how a treaty is amended. It is totally silent on how an act of Congress, a statute, is terminated.

Yet it is obvious that the same authority exercised in making a law or a treaty is necessary for the repeal of that law or treaty.

Now, if we hold a vote in the Senate or Congress to ratify what the President has done concerning the Taiwan Defense Treaty, our action will carry out the requirement of the Constitution for joint participation by both the President and legislature in terminating a treaty. If this vote is to occur in the Senate alone, however, I am convinced it requires a two-thirds vote of the Senators present. This is the same constitutional majority that was used in making a treaty.

If the President chooses to seek merely a simple majority vote in Congress, then it will satisfy the Constitution for both Houses of Congress to approve the requested authority. It takes only a simple majority of both Houses, acting together with the President, to repeal any law of the land; and it is obvious this same majority is sufficient to terminate a treaty.

Therefore, the option is up to the President; he can either seek a two-thirds vote in the Senate alone or he may request a simple majority of each House of Congress.

Whatever route he chooses, I announce here and now my full willingness to cooperate with President Carter, the majority leader, and any others who wish to pursue this legislative authority to a speedy and final solution.

In closing, Mr. President, I would like to bring my colleagues up to date on the status of the lawsuit which I and 25 other Members of Congress have filed regarding treaty termination. The U.S. Court of Appeals in the District of Columbia has just this morning granted the schedule for court proceedings suggested by my lawyers. This schedule is as follows:

First. The executive branch must by Thursday, October 25, file a complete set with each judge of all papers that were filed by both sides in the district court.

Second. On this Thursday, my lawyers will also file with each judge copies of the legislative materials involved in the lawsuit, such as the Senate hearings on treaty termination and the Taiwan Relations Act.

Third. The first briefs by both sides will be filed simultaneously on Monday, November 5, which is less than 2 weeks from today.

Fourth. The reply briefs will be filed simultaneously by each side on Thursday, November 8.

Fifth. The full court will sit on Tuesday, November 13, in open session to hear oral arguments in the case.

This timetable is a reasonable one. There can be a speedy disposition of the case in court if the Senate or Congress does not vote on the matter beforehand. If the President is truly interested in carrying out his foreign policy, instead of expanding his power, he will send to the Congress the request for legislative authority that I have suggested.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## DEPOSITORY INSTITUTIONS DEREGULATION ACT

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the minority leader and with other Senators, Mr. PROXMIRE and others.

Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 387.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts of depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Depository Institutions Deregulation Act of 1979".

### TITLE I—PAYMENT OF INTEREST ON DEPOSIT ACCOUNTS

SEC. 101. (a) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a(i)) is amended by striking out the matter in the first sentence before the first proviso and inserting in lieu thereof the following: "No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand, and a demand deposit shall not include a negotiable order of withdrawal account:".

(b) The first sentence of section 19(j) of the Federal Reserve Act (12 U.S.C. 371b(j)) is amended to read as follows: "The Board may from time to time, after consulting with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, prescribe rules governing the payment and advertisement of interest on deposits, including limitations on the rates of interest which may be paid by member banks on time and savings deposits.".

(c) The first section of the Federal Reserve Act (12 U.S.C. 221) is amended by adding at the end thereof the following new paragraphs:

"The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any insured credit union as defined in section 101 of the Federal Credit Union Act;

"(5) any member as defined in section 2 of the Federal Home Loan Bank Act; and

"(6) any insured institution as defined in section 408 of the National Housing Act.

"The term 'negotiable order of withdrawal account' means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawal by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.

"The term 'share draft account' means an account on which payment of interest may be made on a deposit with respect to which the credit union may require the member to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the member is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.".

SEC. 102. (a) Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by adding at the end thereof the following new subsections:

"(r) The term 'depository institution' means—

"(1) any insured bank as defined in this section;

"(2) any mutual savings bank as defined in this section;

"(3) any savings bank as defined in this section;

"(4) any member as defined in section 2 of the Federal Home Loan Bank Act; and

"(5) any insured institution as defined in section 408 of the National Housing Act.

"(s) The term 'negotiable order of withdrawal account' means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such deposit or account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.".

(b) The first sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows: "The Board of Directors shall by regulation prohibit the payment of interest or dividends on demand deposits in insured nonmember banks (including insured mutual savings banks) and for such purpose it may define the term 'demand deposit', except that the term as so defined shall not include negotiable order of withdrawal accounts; but such exceptions from this prohibition shall be made as are now or may hereafter be prescribed with respect to deposits payable on demand in member banks by section 19 of the Federal Reserve Act, or by regulation of the Board of Governors of the Federal Reserve System.".

(c) The second sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows: "The Board of Directors may from time to time, after consulting with the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, prescribe rules governing the payment and advertisement of interest on deposits, including limitations on the rates of interest or dividends that may be paid by insured nonmember banks (including insured mutual savings banks) on time and savings deposits.".

SEC. 103. Section 5B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1425b(a)) is amended by striking out the first sentence and inserting in lieu thereof the following: "The Board may from time to time, after consulting with the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board, prescribe rules governing the payment and advertisement of interest or dividends on deposits, shares, or withdrawable accounts, including limitations on the rates of interest or dividends on deposits or shares that may be paid by members, other than those the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act, by institutions which are insured institutions as defined in section 408 of the National Housing Act, and by nonmember building and loan, savings and loan, and homestead associations, and cooperative banks.".

SEC. 104. (a) Section 2 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1462) is amended by adding at the end thereof the following new subsections:

"(e) The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any member as defined in this section; and

"(5) any insured institution as defined in section 408 of the National Housing Act.

"(f) The term 'negotiable order of withdrawal account' means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawal by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such deposit or account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.".

(b) Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1)) is amended by adding at the end thereof the following: "The preceding sentence does not apply to negotiable order of withdrawal accounts, except that a Federal savings and loan association which is located in California may permit withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties only during periods when State-chartered savings and loan associations located in California are authorized to permit such withdrawals.".

SEC. 105. (a) Section 101 of the Federal Credit Union Act is amended—

(1) by inserting before the semicolon at the end of paragraph (5) the following: ", and such term also includes a share draft account";

(2) by striking out "and" at the end of paragraph (8);

(3) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(10) the term 'share draft account' means an account on which payment of interest may be made on a deposit with respect to which the credit union may require the member to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the member is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious philanthropic, charitable, educational, or other similar purpose and not for profit.".

(b) Section 107(6) of such Act is amended by inserting before the semicolon at the end thereof the following: ", and to issue, deal in, and accept as orders of withdrawal against shares, share drafts".

(c) Section 117 of such Act is amended by adding at the end thereof the following: "The maximum rate of dividends payable on share draft accounts shall be determined by the Board after consultation with the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board.".

SEC. 106 (a) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, a member bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board.".

(b) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting "(1)" after "(g)" and by adding at the end thereof the following:

"(2) Notwithstanding the provisions of paragraph (1), an insured nonmember bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board of Directors.".

(c) Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1)) is amended by adding at the end thereof the following: "This section does not prohibit the establishment of remote service units by associations for the purpose of crediting existing savings accounts, debiting such accounts, crediting payments on loans, and the disposition of related financial transactions as provided in regulations prescribed by the Board.".

SEC. 107. (a) The limitations on the maximum rates of interest or dividends for each category of deposits (including time and savings deposits) shares, or withdrawable accounts which were established pursuant to the provisions of law which are referred to in section 7 of the Act of September 21, 1966, shall remain in effect in accordance with the provisions of the amendments made by this title.

(b)(1) Except as provided in paragraph (2) the limitations on the maximum rates of interest or dividends referred to in subsection (a) and the limitations on the maximum rates of interest or dividends on negotiable order of withdrawal accounts established pursuant to this Act shall be increased by at least one-half of a percentage point on January 1, 1982, and on each succeeding January 1 through January 1, 1989, subject to section 102 of Public Law 94-200.

(2) If the Board of Governors of the Federal Reserve System, in consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, determines that economic conditions warrant or that such action is necessary to avoid a threat to the economic viability of depository institutions, it may postpone or reduce an increase required by this subsection. When the Board makes such determination and postpones or reduces an increase, it shall report to the Congress the reasons for such action.

(c) During the period beginning on January 1, 1982, and ending on July 1, 1989, no new category of deposits or accounts may be approved by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, or the National Credit Union Administration Board if the maximum rate of interest or dividends payable thereon is not at least equal to the maximum rate applicable to deposits or accounts of comparable maturities then in effect.

(d) Whenever the Board of Governors of the Federal Reserve System, in consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, determines that it is economically feasible or desirable to accelerate the increases in the maximum rates of interest and dividends as provided in subsection (b)(1), the Board of Governors shall report such determination to the Congress.

(e) The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall reduce the minimum denomination of all certificates of deposit to not more than $1,000 as soon as feasible and in any event within two years after the date of enactment of this Act, except that if the Board of Governors of the Federal Reserve System, in consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, determines that economic conditions warrant or that such action is necessary to avoid a threat to the economic viability of depository institutions, it may postpone the reduction required by this subsection. When the Board makes such determination and postpones a reduction, it shall report to the Congress the reasons for such action.

(f) As used in this section, section 108, section 109, and section 305 the term—

(1) "depository institution" means—

(A) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

(B) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

(C) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

(D) any member as defined in this section;

(E) any insured institution as defined in section 408 of the National Housing Act; and

(F) any insured credit union as defined in section 101(7) of the Federal Credit Union Act;

(2) "negotiable order of withdrawal account" means an account on which payment of interest may be made on a deposit with respect to which the depository institution may require the depositor to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the depositor is allowed to make withdrawal by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit; and

(3) "share draft account" means an account on which payment of interest may be made on a deposit with respect to which the credit union may require the member to give notice of an intended withdrawal not less than thirty days before the withdrawal is made, even though in practice such notice is not required and the member is allowed to make withdrawals by negotiable or transferable instrument for the purpose of making payments to third persons or otherwise. Such account shall consist solely of funds in which the entire beneficial interest is held by one or more individuals, or by an organization operated primarily for religious, philanthropic, charitable, educational, or other similar purpose and not for profit.

SEC. 108. On or after January 1, 1990, the Board of Governors of the Federal Reserve System, in consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, may prescribe limitations on the maximum rates of interest or dividends on deposits or accounts which may be paid by depository institutions only upon a finding that an extreme economic emergency exists and such action is necessary to maintain the economic viability of depository institutions. Any such finding shall be described in detail in a prompt report to the Congress. In no case shall any limitation prescribed under this section remain in effect for more than one year.

SEC. 109. The Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, the Board of Directors of the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board shall report to the Congress annually after the date of enactment of this Act on the economic viability of depository institutions. Each report shall contain such recommendations for legislation or other actions necessary to maintain the economic viability of depository institutions, and specifically shall contain recommendations as to whether the removal of any differential between the rate paid on deposits by banks and thrifts will negatively affect the housing finance market and the viability of the thrift industry. Each report shall also contain recommendations for encouraging savings and for equitable treatment of small savers, recommendations to ensure a steady and adequate flow of funds to thrift institutions and the housing market, and findings concerning disintermediation of savings deposits from insured banks and insured thrift institutions to uninsured money market innovators paying market rates to savers.

SEC. 110. (a) Effective January 1, 1990, section 19(j) of the Federal Reserve Act, section 18(g) (except the first sentence) of the Federal Deposit Insurance Act, and section 5B (a) of the Federal Home Loan Bank Act are repealed.

(b) Effective January 1, 1990, section 102 of Public Law 94-200 is repealed.

(c) Section 2 of Public Law 93-100 is repealed.

(d) Section 7 of Public Law 89-597 is repealed.

## TITLE II—RESERVE REQUIREMENTS

SEC. 201. (a) Section 19(b) of the Federal Reserve Act is amended—

(1) by inserting "(other than its negotiable order of withdrawal accounts and savings deposits subject to automatic transfers)" after "deposits" where it first appears; and

(2) by adding at the end thereof the following: "Each depository institution shall maintain reserves against its savings deposits subject to automatic transfer and negotiable order of withdrawal and share draft accounts in such ratios as shall be determined by the Board. The reserve ratios for such accounts shall be uniform for all depository institutions and shall be set at a ratio which is not less than 3 per centum nor more than 22 per centum, as determined by the Board.".

(b) Section 19(c) of such Act is amended—

(1) by striking out "subsection" and inserting in lieu thereof "subsections";

(2) by inserting "(except with respect to negotiable order of withdrawal accounts and savings deposits subject to automatic transfer)" after "(b)"; and

(3) by adding at the end thereof the fol-

lowing: "Reserves held by any depository institution against its negotiable order of withdrawal accounts, savings deposits subject to automatic transfer, and its share draft accounts shall be in the form of—

"(1) balances maintained for such purposes by such depository institution in the Federal Reserve bank of which it is a member or at which it maintains an account, or to the extent the Board may by regulation permit, in the form of vault cash, except that the extent permitted shall be identical for all depository institutions; and

"(2) balances maintained by a nonmember depository institution in a member bank, nonmember depository institution, or the National Credit Union Central Liquidity Facility, or in a Federal Home Loan Bank, except that such member bank, nonmember depository institution, Facility, or Federal Home Loan Bank shall maintain such funds in the form of balances in a Federal Reserve bank of which it is a member or at which it maintains an account. Balances which are received by a member bank from another depository institution and which are used to satisfy the reserve requirements imposed on such depository institution by this section shall not be subject to the reserve requirements of this section imposed on such member bank and shall not be subject to assessment imposed on such member bank pursuant to section 7 of the Federal Deposit Insurance Act.

Every depository institution which maintains reserves pursuant to this section shall make reports concerning its deposit liabilities and required reserves at such times and in such manner and form as the Board may require.".

(c) The required reserves imposed pursuant to the amendments made by subsection (a) against the negotiable order of withdrawal accounts, savings deposits subject to automatic transfer, or share draft accounts on the effective date of this Act for any depository institution which is not a member of the Federal Reserve System on July 1, 1979, shall be reduced by 75 per centum during the first year after the date of enactment of this Act, 50 per centum during the second year, and 25 per centum during the third year.

SEC. 202. The first sentence of section 13 of the Federal Reserve Act (12 U.S.C. 342) is amended by inserting after "may receive from any nonmember bank or trust company", the following: "or, subject to approval by the Board of Governors and the Federal Home Loan Bank Board or the Federal Credit Union Administration Board, as appropriate, by regulation or otherwise, from any Federal Home Loan Bank or member thereof or from any credit union or from the National Credit Union Central Liquidity Facility".

## TITLE III–MISCELLANEOUS

SEC. 301. Section 5(c)(4) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof the following:

"(E) CONSUMER LOANS AND CERTAIN SECURITIES.—An association may make unsecured loans for personal, family, or household purposes, and may invest in, sell, or hold commercial paper, corporate debt securities, and bankers acceptances, as defined and approved by the Board, but the aggregate amount of such loans and investments at any time may not exceed 10 per centum of the assets of the association.".

SEC. 302. Section 5(c) of the Home Owners' Loan Act (12 U.S.C. 1464) is amended by inserting the following new paragraph after paragraph (5) and renumbering subsequent paragraphs accordingly:

"(6) REAL ESTATE LOANS MADE BY NATIONAL BANKS.—Notwithstanding any of the foregoing provisions of this section, an association shall be permitted to invest in, sell, or otherwise deal in loans or investments secured by liens on residential real estate to the same extent and in the same manner and amounts without limitation as national banks pursuant to the provisions of section 24 of the Federal Reserve Act.".

SEC. 303. Section 5(b) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof the following:

"(3) An association may, if permitted by the Board and subject to such regulations as the Board may prescribe, act as a trustee, executor, administrator, guardian, or in any other fiduciary capacity.".

SEC. 304. Section 5 of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof the following:

"(n) TRUST POWERS.—

"(1) AUTHORITY OF BOARD.—The Board is authorized and empowered to grant by special permit to an association applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, guardian, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with associations are permitted to act under the laws of the State in which the association is located.

"(2) GRANT AND EXERCISE OF POWERS DEEMED NOT IN CONTRAVENTION OF STATE OR LOCAL LAW.—Whenever the laws of such State authorize or permit the exercise of any or all of the foregoing powers by State banks, trust companies, or other corporations which compete with associations, the granting to and the exercise of such powers by associations shall not be deemed to be in contravention of State or local law within the meaning of this section.

"(3) SEGREGATION OF FIDUCIARY AND GENERAL ASSETS: SEPARATE BOOKS AND RECORDS; ACCESS OF STATE BANKING AUTHORITIES TO REPORTS OF EXAMINATIONS, BOOKS, RECORDS, AND ASSETS.—Associations exercising any or all of the powers enumerated in this section shall segregate all assets held in any fiduciary capacity from the general assets of the association and shall keep a separate set of books and records showing in proper detail all transactions engaged in under authority of this section. The State banking authorities may have access to reports of examination made by the Board insofar as such reports relate to the trust department of such association but nothing in this section shall be construed as authorizing the State banking authorities to examine the books, records, and assets of such associations.

"(4) PROHIBITED OPERATIONS: SEPARATE INVESTMENT ACCOUNTS; COLLATERAL FOR CERTAIN FUNDS USED IN CONDUCT OF BUSINESS.—No association shall receive in its trust department deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes. Funds deposited or held in trust by the association awaiting investment shall be carried in a separate account and shall not be used by the association in the conduct of its business unless it shall first set aside in the trust department United States bonds or other securities approved by the Board.

"(5) LIEN AND CLAIM UPON BANK FAILURE.—In the event of the failure of such association the owners of the funds held in trust for investment shall have a lien on the bonds or other securities so set apart in addition to their claim against the estate of the association.

"(6) DEPOSITS OF SECURITIES FOR PROTECTION OF PRIVATE OR COURT TRUSTS; EXECUTION OF AND EXEMPTION FROM BOND.—Whenever the laws of a State require corporations acting in a fiduciary capacity to deposit securities with the State authorities for the protection of private or court trusts, associations so acting shall be required to make similar deposits and securities so deposited shall be held for the protection of private or court trusts, as provided by the State law. Associations in such cases shall not be required to execute the bond usually required of individuals if State corporations under similar circumstances are exempt from this requirement. Associations shall have power to execute such bond when so required by the laws of the State.

"(7) OFFICIALS' OATH OR AFFIDAVIT.—In any case in which the laws of a State require that a corporation acting as trustee, executor, administrator, or in any capacity specified in this section, shall take an oath or make an affidavit, the president, vice president, cashier, or trust officer of such association may take the necessary oath or execute the necessary affidavit.

"(8) LOANS OF TRUST FUNDS TO OFFICERS AND EMPLOYEES PROHIBITED; PENALTIES.—It shall be unlawful for any association to lend any officer, director, or employee any funds held in trust under the powers conferred by this section. Any officer, director, or employee making such loan, or to whom such loan is made, may be fined not more than $5,000, or imprisoned not more than five years, or may be both fined and imprisoned, in the discretion of the court.

"(9) CONSIDERATIONS DETERMINATIVE OF GRANT OR DENIAL OF APPLICATIONS; MINIMUM CAPITAL AND SURPLUS FOR ISSUANCE OF PERMIT.—In passing upon applications for permission to exercise the powers enumerated in this section, the Board may take into consideration the amount of capital and surplus of the applying association, whether or not such capital and surplus is sufficient under the circumstances of the case, the needs of the community to be served, and any other facts and circumstances that seem to it proper, and may grant or refuse the application accordingly: *Provided*, That no permit shall be issued to any association having a capital and surplus less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising such powers.

"(10) SURRENDER OF AUTHORIZATION; BOARD RESOLUTION; BOARD CERTIFICATION; ACTIVITIES AFFECTED; REGULATIONS.—Any association desiring to surrender its right to exercise the powers granted under this section, in order to relieve itself of the necessity of complying with the requirements of this section, or to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, or for any other purpose, may file with the Board a certified copy of a resolution of its board of directors signifying such desire. Upon receipt of such resolution, the Board, after satisfying itself that such association has been relieved in accordance with State law of all duties as trustee, executor, administrator, guardian or other fiduciary, under court, private or other appointments previously accepted under authority of this section, may in its discretion, issue to such association a certificate certifying that such association is no longer authorized to exercise the powers granted by this section. Upon the issuance of such a certificate by the Board, such association (A) shall no longer be subject to the provisions of this section or the regulations of the Board made pursuant thereto, (B) shall be entitled to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, and (C) shall not exercise therafter any of the powers granted by this section without first applying for and obtaining a new permit to exercise such powers pursuant to the provisions of this section. The Board is authorized and empowered to promulgate such regulations as it may deem necessary to enforce compliance with the provisions of this subsection and the proper exercise of the trust powers granted by this section.".

SEC. 305. (a)(1) The provisions of the constitution or law of any State expressly limiting the rate or amount of interest, discount points, or other charges which may be charged, taken, received, or reserved shall not apply to any loan, mortgage, or advance which is—

(A) secured by a first lien on residential real property;

(B) made after the date of enactment of this Act; and

(C) described in section 527(b) of the National Housing Act, except that the limitation described in section 527(b) (1) that the property must be designed principally for the occupancy of from one to four families shall not apply, and for the purpose of this section, the term "lender" in section 527(b) (2) (A) of the National Housing Act shall also be deemed to include any lender approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act.

(2) The provisions of the constitution or law of any State expressly limiting the rate or amount of interest which may be charged, taken, received, or reserved shall not apply to any deposit or account held by a depository institution.

(b) The provisions of subsection (a) (1) shall apply to loans, mortgages, and advances made in any State unless and until the State adopts a provision of law (within two years after the date of the enactment of this Act) limiting the rate or amount of interest, discount points, or other charges on any such loan, mortgage, or advance.

## TITLE IV—COMPTROLLER OF THE CURRENCY HOUSEKEEPING AMENDMENTS

### Part A—National Banking Laws

Sec. 401. (a) Section 5137 of the Revised Statutes (12 U.S.C. 29) is amended—

(1) by inserting before the period at the end of the last paragraph thereof the following: "except as otherwise provided in this section"; and

(2) by adding at the end thereof the following new paragraph:

"For real estate in the possession of a national banking association upon application, the Comptroller of the Currency may approve the possession of any such real estate by such association for a period longer than five years, but not to exceed an additional five years, if (1) the association has made a good faith attempt to dispose of the real estate within the five-year period, or (2) disposal within the five-year period would be detrimental to the association. Upon a showing of clearly extenuating circumstances and a highly probable detriment to the association and subject to such conditions and limitations as the Comptroller of the Currency may prescribe, such association may expend such funds for the development and improvement of such real estate as are reasonably calculated to enable such association to recover its total investment.".

(b) Section 4 of the Bank Holding Company Act of 1956 is amended by adding at the end of paragraph (a) the following: "Notwithstanding any other provision of this Act, the period ending December 31, 1980, referred to in paragraph (2) above, may be extended by the Board of Governors to December 31, 1982, but only for the divestiture by a bank holding company of real estate or interests in real estate lawfully acquired for investment or development. In making its decision whether to grant such extension, the Board shall consider whether the company has made a good faith effort to divest such interests and whether such extension is necessary to avert substantial loss to the company.".

Sec. 402. The first sentence of subsection (a) of section 302 of the Act entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933 (12 U.S.C. 51b), is amended by striking out "at a rate not exceeding 6 per centum per annum".

Sec. 403. The third sentence of section 345 of the Banking Act of 1935 (12 U.S.C. 51b–1) is amended by striking out "at a rate not exceeding six per centum per annum".

Sec. 404. Section 1 of the Act of September 28, 1962 (76 Stat. 668; 12 U.S.C. 92a), is amended by adding at the end thereof the following new subsection:

"(k) In addition to the authority conferred by other law, if, in the opinion of the Comptroller of the Currency, a national banking association is unlawfully or unsoundly exercising, or has unlawfully or unsoundly exercised, or has failed for a period of five consecutive years to exercise, the powers granted by this section or otherwise fails or has failed to comply with the requirements of this section, the Comptroller may issue and serve upon the association a notice of intent to revoke the authority of the association to exercise the powers granted by this section. The notice shall contain a statement of the facts constituting the alleged unlawful or unsound exercise of powers, or failure to exercise powers, or failure to comply, and shall fix a time and place at which a hearing will be held to determine whether an order revoking authority to exercise such powers should issue against the association. Such hearing shall be conducted in accordance with the provisions of subsection (h) of section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), and subject to judicial review as therein provided, and shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or later date is set by the Comptroller at the request of any association so served. Unless the association so served shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the revocation order. In the event of such consent, or if upon the record made at any such hearing, the Comptroller shall find that any allegation specified in the notice of charges has been established, the Comptroller may issue and serve upon the association an order prohibiting it from accepting any new or additional trust accounts and revoking authority to exercise any and all powers granted by this section, except that such order shall permit the association to continue to service all previously accepted trust accounts pending their expeditious divestiture or termination. A revocation order shall become effective not earlier than the expiration of thirty days after service of such order upon the association so served (except in the case of a revocation order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to such extent as it is stayed, modified, terminated, or set aside by action of the Comptroller or a reviewing court.".

Sec. 405. Section 4 of the Act of March 9, 1933 (48 Stat. 2; 12 U.S.C. 95), is amended—

(1) by inserting "(a)" after "Sec. 4."; and

(2) by adding at the end thereof the following:

"(b) In the event of natural calamity, riot, insurrection, war, or other emergency conditions occurring in any State whether caused by acts of nature or of man, the Comptroller of the Currency may designate by proclamation any day a legal holiday for the national banking associations located in that State. In the event that the emergency conditions affect only part of a State, the Comptroller of the Currency may designate the part so affected and may proclaim a legal holiday for the national banking associations located in that affected part. In the event that a State or a State official authorized by law designates any day as a legal holiday for either emergency or ceremonial reasons for all banks chartered by that State to do business within that State, that same day shall be a legal holiday for all national banking associations chartered to do business within that State unless the Comptroller of the Currency shall by written order permit all national banking associations located in that State to remain open. For the purposes of this subsection the term 'State' includes any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory, dependency, or insular possession of the United States.".

Sec. 406. The second sentence of subsection (b) of section 2 of the Act of August 17, 1950 (64 Stat. 456; 12 U.S.C. 214a), is amended by striking out the word "unanimous" and inserting in lieu thereof the word "majority".

Sec. 407. Chapter 9 of title VII of the Revised Statutes (12 U.S.C. 1 et seq.) is amended by inserting immediately following section 327 a new section 327A to read as follows:

"Sec. 327A. The Comptroller of the Currency may delegate any powers vested in the office by law.".

Sec. 408. Chapter 4 of title LXII of the Revised Statutes (12 U.S.C. 21 et seq.) is amended by inserting immediately following section 5239 a new section 5239A to read as follows:

"Sec. 5239A. Except to the extent that authority to issue such rules and regulations has been expressly and exclusively granted to another regulatory agency, the Comptroller of the Currency is authorized to prescribe rules and regulations to carry out the responsibilities of the office under the Financial Institutions Supervisory Act of 1966.".

Sec. 409. (a) Section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by striking out the first two sentences and inserting in lieu thereof the following: "The Comptroller of the Currency, with the approval of the Secretary of the Treasury, shall appoint examiners who shall examine every national bank as often as the Comptroller shall deem necessary.".

(b) Section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by adding at the end thereof the following new sentence: "The Comptroller of the Currency, upon the request of the Board of Governors of the Federal Reserve System, is authorized to assign examiners appointed under this section to examine foreign operations of State member banks.".

Sec. 410. Section 5146 of the Revised Statutes (12 U.S.C. 72) is amended by strikng out the second sentence and inserting in lieu thereof the following: "Every director must own in his or her own right either (1) shares of the capital stock of the association of which he or she is a director the aggregate par value of which is not less than $1,000, or (2) an equivalent interest, as determined by the Comptroller of the Currency, in any company which has control over such association within the meaning of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841). If the capital of the bank does not exceed $25,000, every director must own in his or her own right either (1) shares of such capital stock the aggregate par value of which is not less than $500, or (2) an equivalent interest, as determined by the Comptroller of the Currency, in any company which has control over such association within the meaning of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).".

Sec. 411. Paragraph Seventh of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by inserting before the period at the end thereof the following: ": *Pro-*

*vided further*, That, notwithstanding any other provision of this paragraph, the association may, purchase for its own account shares of stock of a bank insured by the Federal Deposit Insurance Corporation if the stock of such bank is owned exclusively by other banks and if such bank is engaged exclusively in providing banking services for other banks and their officers, directors, or employees, but in no event shall the total amount of such stock held by the association exceed at any time 10 per centum of its capital stock and paid in and unimpaired surplus, and in no event shall the purchase of such stock result in the association's acquiring more than 5 per centum of any class of voting securities of such bank".

Sec. 412. Section 5169 of the Revised Statutes is amended by adding at the end thereof the following: "Notwithstanding the provisions of the preceding sentence, a national banking association the operations of which are limited as provided in the preceding sentence shall be deemed an additional bank within the contemplation of section 3 of the Bank Holding Company Act of 1956.".

## PART B—TERMINATIONS OF NATIONAL BANK CLOSED RECEIVERSHIP FUND

### PURPOSE

Sec. 421. The purpose of this part is to terminate the closed receivership fund by—

(1) providing final notice of availability of liquidating dividends to creditors of national banks closed on or before January 22, 1934;

(2) barring rights of creditors to collect liquidating dividends from the Comptroller after a reasonable period of time following such final notice; and

(3) refunding to the Comptroller the principal amount of such fund and any income earned thereon.

### DEFINITIONS

Sec. 422. As used in this part—

(1) the term "closed receivership fund" means the aggregation of undisbursed liquidating dividends from national banks closed on or before January 22, 1934, held by the Comptroller in his capacity as successor to receivers of those banks;

(2) the term "Comptroller" means the Comptroller of the Currency;

(3) the term "claimant" means a depositor or other creditor who asserts a claim against a closed national bank for a liquidating dividend; and

(4) the term "liquidating dividend" means an amount of money in the closed receivership fund determined by a receiver of a closed national bank or by the Comptroller to be owed by that bank to a depositor or other creditor.

### TERMINATION OF CLOSED RECEIVERSHIP FUND

Sec. 423. (a) The Comptroller shall publish notice once a week for four weeks in the Federal Register that all rights of depositors and other creditors of closed national banks to collect liquidating dividends from the closed receivership fund shall be barred after twelve months following the last date of publication of such notice.

(b) The Comptroller shall pay the principal amount of a liquidating dividend, exclusive of any income earned thereon, to a claimant presenting a valid claim, if the claimant applies to collect within twelve months following the last date notice is published.

(c) If a creditor shall fail to apply to collect a liquidating dividend within twelve months after the last date notice is published, all rights of the claimant against the closed receivership fund with respect to the liquidating dividend shall be barred.

(d) The principal amount of any liquidating dividends (1) for which claims have not been asserted within twelve months following the last date notice is published or (2) for which the Comptroller has determined a valid claim has not been submitted shall, together with any income earned on liquidating dividends and other moneys, if any, remaining in the closed receivership fund, be covered into the general funds of the Comptroller of the Currency.

## TITLE V—TRUTH IN LENDING SIMPLIFICATION

### SHORT TITLE

Sec. 501. This title may be cited as the "Truth in Lending Simplification and Reform Act".

### DEFINITIONS

Sec. 502. (a) Section 103(f) of the Truth in Lending Act is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "The term 'creditor' refers only to a person who both (1) regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required; and (2) is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement. Notwithstanding the foregoing, a person who regularly arranges for the extension of consumer credit, which is payable in more than four installments or for which the payment of a finance charge is or may be required, from persons who are not creditors is a creditor, and in the case of an open end credit plan involving a credit card the card issuer and any person who honors the credit card offers a discount which is a finance charge are creditors."; and

(2) by redesignating the references to sections 127(a)(6), 127(a)(7), 127(a)(8), 127(b)(9), and 127(b)(11) in the next succeeding sentence as references to sections 127(a)(5), 127(a)(6), 127(a)(7), 127(b)(8), and 127(b)(10), respectively.

(b) The first sentence of section 103(g) of the Truth in Lending Act is amended to read as follows: "The term 'credit sale' refers to any sale in which the seller is a creditor.".

### EXEMPTED TRANSACTIONS

Sec. 503. (a) Section 103(h) of the Truth in Lending Act is amended by striking out "household, or agricultural" and inserting in lieu thereof "or household".

(b) Section 103 of the Truth in Lending Act is amended by redesignating subsection (s) as subsection (x), and by inserting a new subsection (s) as follows:

"(s) The term 'agricultural purposes' includes the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures those agricultural products, including but not limited to the acquisition of farmland, real property with a farm residence, and personal property and services used primarily in farming, and the term 'agricultural products' includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.".

(c) Section 104 of the Truth in Lending Act is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Credit transactions involving extensions of credit primarily for business, commercial, or agricultural purposes, or to government or governmental agencies or instrumentalities, or to organizations.";

(2) by amending paragraph (3) to read as follows:

"(3) Credit transactions, other than those in which a security interest is or will be acquired in real property, or in personal property used or expected to be used as the principal dwelling of the consumer, in which the total amount financed exceeds $25,000."; and

(3) by striking out paragraph (5).

### OPEN END CREDIT PLAN

Sec. 504. Section 103(i) of the Truth in Lending Act is amended to read as follows:

"(i) The term 'open end credit plan' means a plan under which the creditor reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and which provides for a finance charge which may be computed from time to time on the outstanding unpaid balance. A credit plan which is an open end credit plan within the meaning of the preceding sentence is an open end credit plan even if credit information is verified from time to time.".

### MODEL FORMS

Sec. 505. Section 105 of the Truth in Lending Act is amended by inserting "(a)" before "The", and by adding at the end thereof the following:

"(b) The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this title and to aid the borrower in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. In devising such forms, the Board shall consider the use by creditors of data processing or similar automated equipment. Nothing in this title may be construed to require a creditor to use any such model form or clause prescribed by the Board under this section. A creditor shall be deemed to be in compliance with the disclosure provisions of this title with respect to other than numerical disclosures if the creditor (1) uses any appropriate model form or clause as published by the Board, or (2) uses any such model form or clause and changes it by (A) deleting any information which is not required by this title, or (B) rearranging the format, if in making such deletion or rearranging the format, the creditor does not affect the substance, clarity, or meaningful sequence of the disclosure.

"(c) Model disclosure forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

"(d) Any regulation of the Board, or any amendment or interpretation thereof, requiring any disclosure different from that previously required by this chapter, chapter 4, or chapter 5, or regulation of the Board promulgated thereunder shall have an effective date of that October 1 which follows by at least six months the date of promulgation, except that the Board may at its discretion take interim action by regulation, amendment, or interpretation to lengthen the period of time permitted for creditors to adjust their forms to accommodation new requirements or shorten the length of time for creditors to make such adjustments when it makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive disclosure practices. Notwithstanding the foregoing, any creditor may comply with any such newly promulgated disclosure requirements prior to the effective date of the requirements.".

### COMPONENTS OF FINANCE CHARGE

Sec. 506. (a) Section 106(a) of the Truth in Lending Act is amended by striking out ", including any of the following types of charges which are applicable" and inserting in lieu thereof the following: ". The finance charge does not include charges of a type payable in a comparable cash transaction. Examples of charges which are included in the finance charge include any of the following types of charges which are applicable".

(b) Section 106(d) of the Truth in Lending Act is amended by striking out paragraphs (3) and (4).

### ACCURACY OF ANNUAL PERCENTAGE RATE

SEC. 507. (a) Subsection (c) of section 107 of the Truth in Lending Act is amended to read as follows:

"(c) The disclosure of an annual percentage rate is accurate for the purpose of this title if the rate disclosed is within a tolerance not greater than one-eighth of 1 per centum more or less than the actual rate or rounded to the nearest one-fourth of 1 per centum. The Board may allow a greater tolerance to simplify compliance where irregular payments are involved.".

(b) Subsection (e) of section 107 of the Truth in Lending Act is amended by striking out "(c) or".

(c) Subsection (f) of section 107 of the Truth in Lending Act is repealed.

### RESTITUTION

SEC. 508. Section 108 of the Truth in Lending Act is amended by adding at the end thereof the following:

"(e)(1) In carrying out its enforcement activities under this section, each agency referred to in subsection (a) or (c), in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and is authorized in accordance with the provisions of this subsection to require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(2) Each agency shall require such an adjustment when it determines that such disclosure error resulted from (A) a clear and consistent pattern or practice of violations, (B) gross negligence, or (C) a willful violation which was intended to mislead the person to whom the credit was extended. In the case of other such disclosure errors, each agency may require such an adjustment.

"(3) Notwithstanding the above paragraph (2), no adjustment shall be ordered (A) if it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the agency may require a partial adjustment in an amount which does not have such an impact, (B) if the amount of the adjustment would be less than $1, except that if more than one year has elapsed since the date of the violation, the agency may require that such amount be paid into the Treasury of the United States, or (C) except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two years after the violation, or in the case of any other extension of credit, after the later of (i) the expiration of the life of the credit extension, or (ii) two years after the agreement to extent credit was consummated.

"(4)(A) Notwithstanding any other provision of this section, an adjustment under this subsection may be required by an agency referred to in subsection (a) or (c) only by an order issued in accordance with cease and desist procedures provided by the provision of law referred to in such subsections.

"(B) In the case of an agency which is not authorized to conduct cease and desist proceedings, such an order may be issued after an agency hearing on the record conducted at least thirty but not more than sixty days after notice of the alleged violation is served on the creditor. Such a hearing shall be deemed to be a hearing which is subject to the provisions of section 8(h) of the Federal Deposit Insurance Act and shall be subject to judicial review as provided therein.

"(5) Except as otherwise specifically provided in this subsection and notwithstanding any provision of law referred to in subsection (a) or (c), no agency referred to in subsection (a) or (c) may require a creditor to make dollar adjustments for errors in any requirements under this title, except with regard to the requirements of section 165.

"(6) A creditor shall not be subject to an order to make an adjustment, if within sixty days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedues, the creditor notifies the person concerned of the error and adjusts the account so as to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(7) The provisions of this subsection do not apply to any loan or extension of credit consummated prior to October 28, 1974.".

### EFFECT ON OTHER LAWS

SEC. 509. Section 111(a) of the Truth in Lending Act is amended to read as follows:

"(a)(1) This title does not annul, alter, or affect the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that those laws are inconsistent with the provisions of this title, and then only to the extent of the inconsistency. The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether such inconsistencies exist. If the Board determines that a State-required disclosure is inconsistent, creditors located in that State may not make disclosures using the inconsistent term or form, and shall incur no liability under the law of that State for a good faith failure to use such term or form, notwithstanding that such determination is subsequently amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(2) The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether any disclosure required under the law of any State is substantially the same in meaning as a disclosure required under this title. If the Board determines that a State-required disclosure is substantially the same in meaning as a disclosure required by this title, then creditors located in that State may make such disclosure in compliance with such State law in lieu of the disclosure required by this title, except that the annual percentage rate and finance charge must always be disclosed as required by section 122.".

### ANNUAL REPORTS

SEC. 510. (a) Section 114 of the Truth in Lending Act is amended by striking out "Not later than January 3 of each year after 1969" and inserting in lieu thereof "Each year".

(b) Section 18(f)(5) of the Federal Trade Commission Act (15 U.S.C. 58a(f)(5)) is amended by striking out "not later than March 15".

(c) Section 707 of the Equal Credit Opportunity Act is amended by striking out "Not later than February 1 of each year after 1976" and inserting in lieu thereof "Each year".

### GENERAL DISCLOSURE REQUIREMENTS

SEC. 511. Sections 121 and 122 of the Truth in Lending Act are amended to read as follows:

**"§ 121. General requirement of disclosure**

"(a) Subject to subsection (b), a creditor or lessor shall disclose to the person who is obligated on a consumer lease or a consumer credit transaction the information required under this title. In a transaction involving more than one obligor, a creditor or lessor, except in a transaction under section 125, need not disclose to more than one of them if the one given disclosure is a primary obligor.

"(b) If a transaction involves one creditor as defined in section 103(f), or one lessor as defined in section 181(3), that creditor or lessor shall make the disclosures. If a transaction involves more than one creditor or lessor, only one creditor or lessor shall be required to make the disclosures. The Board shall by regulation specify which creditor or lessor must make the disclosures.

"(c) The Board may provide by regulation that any portion of the information required to be disclosed by this title may be given in the form of estimates where the provider of such information is not in a position to know exact information.

"(d) The Board shall determine whether tolerances for numerical disclosures other than the annual percentage rate are necessary to facilitate compliance with this title, and if it determines that such tolerances are necessary to facilitate compliance, it shall by regulation permit disclosures within such tolerances.

**"§ 122. Form of disclosure; additional information**

"(a) Information required by this title shall be disclosed clearly and conspicuously, in accordance with regulations of the Board. The terms 'annual percentage rate' and "finance charge' shall be disclosed more conspicuously than other terms, data, or information provided in connection with a transaction, except information relating to the identity of the creditor. Regulations of the Board need not require that disclosures pursuant to this title be made in the order set forth in this title and, except as otherwise provided, may permit the use of terminology different from that employed in this title if it conveys substantially the same meaning.

"(b) Any creditor may supply additional information or explanation with any disclosures required under chapter 4 and, except as provided in section 128(b)(1), under this chapter.".

### RESCISSION

SEC. 512. (a)(1) Subsection (a) of section 125 of the Truth in Lending Act is amended to read as follows:

"(a) Except as otherwise provided in this section, in the case of any consumer credit transaction (including opening or increasing the credit limit for an open end credit plan) in which a security interest, including any such interest arising by operation of law, is or will be retained or acquired in any property which is used as the principal dwelling of the person to whom credit is extended, the obligor shall have the right to rescind the transaction until midnight of the third business day following the consummation of the transaction or the delivery of the information and rescission forms required under this section together with a statement containing the material disclosures required under this title, whichever is later, by notifying the creditor, in accordance with regulations of the Board, of his intention to do so. The creditor shall clearly and conspicuously disclose in accordance with regulations of the Board, to any obligor in a transaction subject to this section the rights of the obligor under this section. The creditor shall also provide, in accordance with regulations of the Board, appropriate forms for the obligor to exercise his right to rescind any transaction subject to this section.".

(2) Section 103 of such Act, as amended

by section 3(b), is amended by adding at the end thereof the following:

"(v) The term 'material disclosures' means the disclosure, as required by this title, of the annual percentage rate, the method of determining the finance charge and the balance upon which a finance charge will be imposed, the amount of the finance charge, the amount to be financed, the total of payments, the number and amount of payments, and the due dates or periods of payments scheduled to repay the indebtedness.".

(3) Subsection (b) of section 125 of the Truth in Lending Act is amended by striking out "ten" in the second and final sentences thereof, and inserting in lieu thereof "20".

(4) Subsection (b) of section 125 of the Truth in Lending Act is amended by adding at the end thereof the following new sentence: "The procedures prescribed by this subsection shall apply except when otherwise ordered by a court.".

(5) Subsection (c) of section 125 of the Truth in Lending Act is amended by inserting "information, forms, and" after "whom".

(6) Section 125 of the Truth in Lending Act is amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e) This section does not apply to (1) a residential mortgage transaction as defined in section 103(u); (2) a transaction which constitutes a refinancing or consolidation (with no new advances) of the principal balance then due and any accrued and unpaid finance charges of an existing extension of credit by the same creditor secured by an interest in the same property; (3) a transaction in which an agency of a State is the creditor; or (4) advances under a preexisting open end credit plan if a security interest has already been retained or acquired and such advances are in accordance with a previously established credit limit for that plan.

"(f) An obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property, whichever occurs earlier, notwithstanding the fact that the information and forms required under this section or any other disclosures required under this chapter have not been delivered to the obligor, except that if (1) any agency empowered to enforce the provisions of this title institutes a proceeding to enforce the provisions of this section within three years after the date of consummation of the transaction, (2) such agency finds a violation of section 125, and (3) the obligor's right to rescind is based in whole or in part on any matter involved in such proceeding, then the obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the earlier sale of the property, or upon the expiration of one year following the conclusion of the proceeding, or any judicial review or period for judicial review thereof, whichever is later.

"(g) In any action in which it is determined that a creditor has violated this section, in addition to rescission the court may award relief under section 130 for violations of this title not relating to the right to rescind.".

(b) Section 103 of the Truth in Lending Act is amended—

(1) by redesignating subsection (t) as subsection (w); and

(2) by inserting after subsection (s) the following:

"(t) The term 'dwelling' means a residential structure or mobile home which contains one to four family housing units, or individual units of condominiums or cooperatives.

"(u) The term 'residential mortgage transaction' is one in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the consumer's dwelling to finance the acquisition or initial construction of that dwelling.".

### OPEN END DISCLOSURES

SEC. 513. (a) Section 127(a) of the Truth in Lending Act is amended—

(1) by adding at the end of paragraph (1) thereof the following new sentence: "If no such time period is provided, the creditor shall disclose that fact.";

(2) by striking out paragraph (5), and redesignating paragraphs (6), 7), and (8) as paragraphs (5), (6), and (7), respectively; and

(3) by amending redesignated paragraphs (5) and (6) to read as follows:

"(5) Identification of other charges which may be imposed as part of the plan, and their method of computation, in accordance with regulations of the Board.

"(6) In cases where the credit is or will be secured, a statement that a security interest has been or will be taken in (A) the property purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.".

(b) Section 127(b)(2) of such Act is amended to read as follows:

"(2) The amount and date of each extension of credit during the period, and a brief identification, on or accompanying the statement of each extension of credit in a form prescribed by the Board sufficient to enable the obligor either to identify the transaction or to relate it to copies of sales vouchers or similar instruments previously furnished, except that a creditor's failure to disclose such information in accordance with this paragraph shall not be deemed a failure to comply with this chapter or this title if (A) the creditor maintains procedures reasonably adapted to procure and provide such information, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161. In lieu of complying with the foregoing requirements, in the case of any transaction in which the creditor and seller are the same person, as defined by the Board, and that person's open end plan has fewer than 15,000 acounts, the creditor may elect to provide only the amount and date of each extension of credit during the period and the seller's name and location where the transaction took place if (A) a brief identification of the transaction has been previously furnished, and (B) the creditor responds to and treats any injury for clarification or documentation as a billing error and an erroneously billed amount under section 161.".

(c) Section 127(b) of the Truth in Lending Act is amended by striking out paragraph (7) and by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (7), (8), (9), and (10), respectively.

(d) Redesignated paragraph (7) of section 127(a) of the Truth in Lending Act is amended by striking out "each of two billing cycles per year, at semiannual intervals" and inserting in lieu thereof "one billing cycle per calendar year, at intervals of not less than six months or more than eighteen months".

(e) Subsection (c) of section 127 of the Truth in Lending Act is repealed.

(f) Section 143 of the Truth in Lending Act is amended by striking out "or the appropriate rate determined under section 127(a)(5)".

(g) Section 161(a) of the Truth in Lending Act is amended by redesignating the references to sections 127(b)(11) and 127(a)(8) as references to sections 127(b)(10) and 127(a)(7), respectively.

### OTHER THAN OPEN END DISCLOSURE

SEC. 514. (a) Subsection (a) of section 128 of the Truth in Lending Act is amended to read as follows:

"(a) For each consumer credit transaction other than under an open end consumer credit plan, the creditor shall disclose each of the following items, to the extent applicable:

"(1) The identity of the creditor required to make disclosure.

"(2) The 'amount financed', using that term, which shall be the amount of credit of which the consumer has actual use. This amount shall be computed as follows, but the computations need not be disclosed and shall not be disclosed with the disclosure conspicuously segregated in accordance with subsection (b)(1):

"(A) take the principal amount of the loan or the cash price less downpayment and trade-in;

"(B) add any charges which are not part of the finance charge or of the principal amount of the loan and which are financed by the consumer, including the cost of any items excluded from the finance charge pursuant to section 106;

"(C) subtract any charges which are part of the finance charge but which will be paid by the consumer at the time of the consummation of the transaction, or have been withheld from the proceeds of the credit; and

"(D) subtract any required deposit balance, in accordance with regulations of the Board.

"(3) The 'finance charge', not itemized, using that term.

"(4) The finance charge expressed as an 'annual percentage rate', using that term. This shall not be required if the amount financed does not exceed $75 and the finance charge does not exceed $5, or if the amount financed exceeds $75 and the finance charge does not exceed $7.50.

"(5) The sum of the amount financed, any required deposit balance, and the finance charge, which shall be termed the 'total of payments'.

"(6) The number, amount, and due dates or period of payments scheduled to repay the total of payments.

"(7) In a sale of property or services in which the seller is the creditor required to disclose pursuant to section 121(b), the 'total sale price', using that term, which shall be the total of the cash price of the property or services, additional charges, and the finance charge.

"(8) Descriptive explanations of the terms 'amount financed', 'finance charge', 'annual percentage rate', 'total of payments', and 'total sale price' as specified by the Board. The descriptive explanation of 'total sale price' shall include reference to the amount of the downpayment.

"(9) Where the credit is secured, a statement that a security interest has been taken in (A) the property which is purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.

"(10) Any dollar charge or percentage amount which may be imposed by a creditor solely on account of a late payment, other than a deferral or extension charge.

"(11) A statement indicating whether or not the consumer is entitled to a rebate or credit, or is subject to a penalty, if the obligation is refinanced or prepaid in full pursuant to acceleration or otherwise.

"(12) A statement that the consumer should refer to the appropriate contract document for any information it provides about nonpayment, default, the right to accelerate the maturity of the debt, and prepayment rebates and penalties.

"(13) In any residential mortgage transaction, a statement whether a subsequent purchaser or assignee of the consumer may assume the debt obligation on its original terms and conditions.".

(b) Section 128(b) of such Act is amended to read as follows:

"(b)(1) Except as otherwise provided in this chapter, the disclosures required under subsection (a) shall be made before the credit is extended. Except for the disclosures required by subsection (a)(1) of this section, all disclosures required under subsection (a) and any disclosure provided for in subsection (b), (c), or (d) of section 106 shall be conspicuously segregated from all other terms, data, or information provided in connection with a transaction, including any computations or itemization.

"(2) In the case of a residential mortgage transaction, as defined in section 103(u), which is also subject to the Real Estate Settlement Procedures Act, good faith estimates of the disclosures required under subsection (a) shall be made in accordance with regulations of the Board under section 121(c) before the credit is extended, or shall be delivered or placed in the mail not later than three business days after the creditor receives the consumer's written application, whichever is earlier. If the disclosure statement furnished within three days of the written application contains an annual percentage rate which is subsequently rendered inaccurate within the meaning of section 107(c), the creditor shall furnish another statement at the time of settlement or consummation.".

(c) Section 128(c) of the Truth in Lending Act is amended—

(1) by inserting "(1)" after "(c)";

(2) by striking out "deferred payment price" and inserting in lieu thereof "total sale price"; and

(3) by adding at the end thereof the following new paragraph:

"(2) If a creditor receives a request for a loan by mail or telephone without personal solicitation and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, then the disclosures required under subsection (a) may be made at any time not later than the date the first payment is due.".

(d)(1) Section 129 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 129 and inserting in lieu thereof:

(e)(1) Section 126 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 126 and inserting in lieu thereof:

"126. [Repealed].".

(f)(1) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 128 and inserting in lieu thereof:

"128. Consumer credit not under open end credit plans.".

(2) The caption of section 128 of such Act is amended by striking out "Sales" and inserting in lieu thereof "Consumer credit".

### CIVIL LIABILITY

SEC. 515. (a) Section 130 of the Truth in Lending Act is amended—

(1) by striking out "in such action" in subsection (a)(2)(B) and inserting in lieu thereof "under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same creditor";

(2) in subsection (a)(3), by inserting "or in any action in which a person is determined to have a right of rescission under section 125" after "liability";

(3) by amending subsections (b), (c), and (d) to read as follows:

"(b) A creditor or assignee has no liability under this section or section 108 or section 112 for any failure to comply with any requirement imposed under this chapter or chapter 5, if within sixty days after discovering an error, whether pursuant to a final written examination report or notice issued under section 108(e)(1) or through the creditor's or assignee's own procedures, and prior to the institution of an action under this section or the receipt of written notice of the error from the obligor, the creditor or assignee notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the person will not be required to pay an amount in excess of the charge actually disclosed, or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(c) A creditor or assignee may not be held liable in any action brought under this section or section 125 for a violation of this title if the creditor or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. Examples of bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programing, and printing errors, but an error of legal judgment with respect to a person's obligations under this title is not a bona fide error.

"(d) When there are multiple obligors in a consumer credit transaction or consumer lease, there shall be no more than one recovery of damages under subsection (a)(2) for a violation of this title.";

(4) by adding at the end of subsection (e) the following new sentence: "This subsection does not bar a person from asserting a violation of this title in an action to collect the debt which was brought more than one year from the date of the occurrence of the violation as a matter of defense by recoupment or set-off in such action, except as otherwise provided by State law.";

(5) by inserting ", section 108(b), section 108(c), section 108(e)," after "this section" in subsection (f);

(6) by adding the following new sentence at the end of subsection (g): "This subsection does not bar any remedy permitted by section 125."; and

(7) by amending subsection (h) to read as follows:

"(h) A person may not take any action to offset any amount for which a creditor or assignee is potentially liable to such person under subsection (a)(2) against any amount owing by such person, unless the amount of the creditor's or assignee's liability under this title has been determined by judgment of a court of competent jurisdiction in an action of which such person was a party. This subsection does not bar a consumer then in default on the obligation from asserting a violation of this title as an original action, or as a defense or counterclaim to an action to collect amounts owed by the consumer brought by a person liable under this title.".

(b) Section 130(a) of the Truth in Lending Act is amended—

(1) by inserting ", including any requirement under section 125," immediately after "this chapter"; and

(2) by adding at the end thereof the following: "In connection with the disclosures referred to in section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of section 127(a) or of paragraph (4), (5), (6), (7), (8), (9), or (10) of section 127(b) or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms referred to in section 127(a) or any of those paragraphs of section 127(b). In connection with the disclosures referred to in section 128, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of paragraph (2), (3), (4), (5), (6), or (9) of section 128(a), or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms referred to in any of those paragraphs of section 128(a). With respect to any failure to make disclosures required under this chapter or chapter 4 or 5 of this title, liability shall be imposed only upon the creditor required to make disclosure, except as provided in section 131.".

### LIABILITY OF ASSIGNEES

SEC. 516. (a) Section 131 of the Truth in Lending Act is amended to read as follows:

"§ 131. Liability of assignees

"(a) Except as otherwise specifically provided in this title, any civil action for a violation of this title or proceeding under section 108 which may be brought against a creditor may be maintained against any assignee of that creditor only if the violation for which such action or proceeding is brought is apparent on the face of the disclosure statement, except where the assignment was involuntary. For the purpose of this section, violations apparent on the face of the disclosure statement include, but are not limited to (1) disclosure which can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned, or (2) disclosures not made in the terminology required by this title.

"(b) Except as provided in section 125(c), in any action or proceeding by or against any subsequent assignee of the original creditor without knowledge to the contrary by the assignee when he acquires the obligation, written acknowledgement of receipt by a person to whom a statement is required to be given pursuant to this title shall be conclusive proof of the delivery thereof and, except as provided in subsection (a), of compliance with this chapter. This section does not affect the rights of the obligor in any action against the original creditor.

"(c) Any consumer who has the right to rescind a transaction under section 125 may rescind the transaction as against any assignee of the obligation, regardless of whether such assignee is a creditor under this title.".

(b) Section 115 of the Truth in Lending Act is repealed.

(c)(1) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 115 and inserting in lieu thereof:

"115. [Repealed].".

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 131 and inserting in lieu thereof:

"131. Liability of assignees.".

### LIABILITY OF CREDIT CARDHOLDER

SEC. 517. Section 133(a) of the Truth in Lending Act is amended to read as follows:

"(a) A cardholder shall be liable for the unauthorized use of a credit card only if the card is an accepted credit card, the liability is not in excess of $50, the card issuer gives adequate notice to the cardholder of the potential liability, the card issuer has provided the cardholder with a description of a means by which the card issuer may be notified of loss or theft of the card, which description may be provided on the face or reverse side of the statement required by section 127(b) or on a separate notice accompanying such statement, the unauthorized use occurs before the card issuer has been notified that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise, and the issuer has provided a method whereby the user of such card can be identified as the person authorized to use it. For the purpose of this section, a card issuer has been notified when such steps as may be reasonably required in the ordinary course of business to provide the card issuer with the pertinent information have been taken, whether or not any particular officer, employee, or agent of the card issuer does in fact receive such information.".

DISSEMINATION OF ANNUAL PERCENTAGE RATES

SEC. 518. (a) Chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 136. Dissemination of annual percentage rates

"(a) The Board shall collect, publish, and disseminate to the public, on a demonstration basis in a number of standard metropolitan statistical areas to be determined by the Board, the annual percentage rates charged for representative types of nonsale credit by creditors in such areas. For the purpose of this section, the Board is authorized to require creditors in such areas to furnish information necessary for the Board to collect, publish, and disseminate such information.

"(b) The Board is authorized to enter into contracts or other arrangements with appropriate persons, organizations, or State agencies to carry out its functions under subsection (a) and to furnish financial assistance in support thereof.".

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"136. Dissemination of annual percentage rates.".

CREDIT ADVERTISING

SEC. 519. (a) Section 143 of the Truth in Lending Act is amended to read as follows:

"§ 143. Advertising of open end credit plans

"No advertising to aid, promote, or assist directly or indirectly the extension of consumer credit under an open end credit plan may set forth any of the specific terms of that plan unless it also clearly and conspicuously sets forth all of the following items:

"(1) Any minimum or fixed amount which could be imposed.

"(2) Where periodic rates may be used to compute the finance charge, the periodic rates expressed as annual percentage rates.

"(3) Any other term that the Board may by regulation require to be disclosed.".

(b) Section 144 of the Truth in Lending Act is amended by striking out paragraphs (1) through (4) of subsection (d) thereof, and inserting in lieu thereof the following:

"(1) The downpayment, if any.

"(2) The terms of repayment.

"(3) The rate of the finance charge expressed as an annual percentage rate.".

CORRECTION OF BILLING ERRORS

SEC. 520. (a) Section 161(b) of the Truth in Lending Act is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following:

"(6) Failure to transmit the statement required under section 127(b) of this Act to the last address of the obligor which has been disclosed to the creditor, unless that address was furnished less than twenty days before the end of the billing cycle for which the statement is required.".

(b) Section 161(c) of such Act is amended by inserting after "account" the first time it is used a comma and the following: "which may include finance charges on amounts in dispute,".

CREDIT BALANCES

SEC. 521. (a) Section 165 of the Truth in Lending Act is amended to read as follows:

"§ 165. Treatment of credit balances

"Whenever a credit balance in excess of $1 is created in connection with a consumer credit transaction through (1) transmittal of funds to a creditor in excess of the total balance due on an account; (2) rebates of unearned finance charges or insurance premiums; or (3) amounts otherwise owed to or held for the benefit of an obligor, the creditor shall:

"(A) credit the amount of the credit balance to the consumer's account;

"(B) refund any part of the amount of the remaining credit balance, upon request of the consumer; and

"(C) make a good faith effort to refund to the consumer by cash, check, or money order any part of the amount of the credit balance remaining in the account for more than six months, but no further action is required in any case where the consumer's current location is not known by the creditor and cannot be traced through the consumer's last known address or telephone number.".

(b) The table of sections of chapter 4 of the Truth in Lending Act is amended by striking out item 165 and inserting in lieu thereof:

"165. Treatment of credit balances.".

GOVERNMENT EXEMPTION

SEC. 522. (a) Section 113 of the Truth in Lending Act is amended to read as follows:

"§ 113. Effect on governmental agencies

"(a) Any department or agency of the United States which administers a credit program in which it extends, insures, or guarantees consumer credit and in which it provides instruments to a creditor which contains any disclosures required by this title shall, prior to the issuance or continued use of such instruments, consult with the Board to assure that such instruments comply with this title.

"(b) No civil or criminal penalty provided under this title for any violation thereof may be imposed upon the United States or any agency thereof, or upon any State or political subdivision thereof, or any agency of any State or political subdivision.

"(c) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under this title where the violation results from the use of an instrument required by any such department or agency.

"(d) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under the laws of any State (other than laws determined under section 111 to be inconsistent with this title) for any technical or procedural failure, such as a failure to use a specific form, to make information available at a specific place on an instrument, or to use a specific typeface, as required by State law, which is caused by the use of an instrument required to be used by such department or agency.".

(b) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 113 and inserting in lieu thereof:

"113. Effect on governmental agencies.".

ORAL DISCLOSURES

SEC. 423. (a) Section 146 of the Truth in Lending Act is amended to read as follows:

"§ 146. Use of annual percentage rate in oral disclosures

"In responding orally to any inquiry about the cost of credit, a creditor, regardless of the method used to compute finance charges, shall state rates only in terms of the annual percentage rate, except that in the case of an open end credit plan, the periodic rate also may be stated and, in the case of an other than open end credit plan where a major component of the finance charge consists of interest computed at a simple annual rate, the simple annual rate also may be stated. The Board may, by regulation, modify the requirements of this section or provide an exception from this section for a transaction or class of transactions for which the creditor cannot determine in advance the applicable annual percentage rate.".

(b) The table of sections of chapter 3 of the Truth in Lending Act is amended by striking out item 146 and inserting in lieu thereof:

"146. Use of annual percentage rate in oral disclosures.".

EFFECTIVE DATE

SEC. 524. The amendments made by this title shall take effect upon the expiration of two years after the date of enactment of this Act. All regulations, forms, and clauses required to be prescribed under the amendments made by this title shall be promulgated at least one year prior to such effective date. Notwithstanding the foregoing, any creditor may comply with the amendments made by this title, in accordance with the regulations, forms, and clauses prescribed by the Board, prior to such effective date.

## TITLE VI—INTEREST RATE AMENDMENTS REGARDING STATE USURY CEILINGS ON CERTAIN LOANS

SEC. 601. Section 5197 of the Revised Statutes, as amended (12 U.S.C. 85), is amended by inserting in the first and second sentences before the phrase "whichever may be the greater", the following: "or in the case of business or agricultural loans in the amount of $25,000 or more, at a rate of 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the bank is located,".

SEC. 602. The Federal Deposit Insurance Act (12 U.S.C. 1811–1831) is amended by adding at the end thereof the following:

"SEC. 26. (a) In order to prevent discrimination against State-chartered insured banks with respect to interest rates, if the applicable rate prescribed in this subsection exceeds the rate such State bank would be permitted to charge in the absence of this subsection, a State bank may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the bank is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such State bank would be permitted to charge in the absence of this paragraph, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than is allowed by subsection (a) when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from the State bank taking or receiving such interest.".

SEC. 603. Title IV of the National Housing Act (12 U.S.C. 1724–1730(f)) is amended by adding at the end thereof the following:

"SEC. 414. (a) If the applicable rate prescribed in this section exceeds the rate an insured institution would be permitted to charge in the absence of this section, such institution may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the institution is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such institution would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than that prescribed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than the years after the date of such payment, an amount equal to twice the amount of the interest paid from the institution taking or receiving such interest.".

SEC. 604. Section 308 of the Small Business Investment Act of 1958, as amended (15 U.S.C. 661), is amended by adding at the end thereof the following:

"(i)(1) In order to facilitate the orderly and necessary flow of long-term loans and equity funds to small business concerns, as defined in the Small Business Act, if the maximum interest rate permitted by the Small Business Administration exceeds the rate a small business investment company would be permitted to charge in the absence of this subsection, such small business investment company may in the case of business loans in the amount of $25,000 or more, not withstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any such loan, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the small business investment company is located.

"(2) If the rate prescribed in paragraph (1) exceeds the rate such small business investment company would be permitted to charge in the absence of this subsection, and such State fixed rate is thereby preempted by the rate described in paragraph (1), the taking, receiving, reserving, or charging a greater rate than is allowed by paragraph (1), when knowingly done, shall be deemed a forfeiture of the entire interest which the loan carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of interest paid from the small business investment company taking or receiving such interest.".

SEC. 605. (a) In order to prevent discrimination against any financial institution chartered pursuant to the statutes of the United States with respect to interest rates, if the applicable rate prescribed in this section exceeds the rate such federally chartered financial institution would be permitted to charge in the absence of this section, the federally chartered financial institution may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the federally chartered financial institution is located.

(b) If the rate prescribed in subsection (a) exceeds the rate such federally chartered financial institution would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate than is allowed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the loan carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of interest paid from the federally chartered financial institution taking or receiving such interest.

SEC. 606. If any provision of this title or the application of such provision to any person or circumstance shall be held invalid, the remainder of the title and the application of such provision to any person or circumstance other than that as to which it is held invalid shall not be affected thereby.

SEC. 607. The amendments made by this title shall apply to any loan made in any State after the date of enactment of this title, but prior to January 1, 1981.

### TITLE VII—APPLICABILITY OF STATE USURY CEILINGS TO CERTAIN OBLIGATIONS ISSUED BY BANKS AND AFFILIATES

SEC. 701. Section 19 of the Federal Reserve Act (12 U.S.C. 461 et seq.) is amended by adding at the end thereof the following new subsection:

"(2) No member bank affiliate thereof, or any successor or assignee of such member bank or affiliate or any endorser, guarantor, or surety of such member bank or affiliate may plead, raise, or claim directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such member bank or affiliate or to any other person.".

SEC. 702. Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end thereof the following new subsection:

"(2) No insured nonmember bank or affiliate thereof, or any successor or assignee of such bank or affiliate or any endorser, guarantor, or surety of such bank or affiliate may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such bank or affiliate or to any other person.".

SEC. 703. Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is amended by adding at the end thereof the following new subsection:

"(f) No member or nonmember association, institution, or bank or affiliate thereof, or any successor or assignee, or any endorser, guarantor, or surety thereof may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member or nonmember association, institution, bank, or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such member or nonmember association, institution, bank, or affiliate or to any other person.".

SEC. 704. The amendments made by this title shall apply to any deposit made or obligation issued in any State after the date of enactment of this title, but prior to January 1, 1981.

### TITLE VIII—LIMITATION

SEC. 801. The provisions of titles VI and VII apply only in those States having a constitutional provision which provides that all contracts for a greater rate of interest than 10 per centum per annum shall be void, as to principal and interest.

Mr. MORGAN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LEVIN). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, H.R. 4986, as reported by the Banking Committee, is landmark legislation which will deregulate our financial institutions, making them more competitive in the future and enabling them to better serve the public interest.

The thrust of H.R. 4986 is on deregulation and enhanced competition between financial institutions. Currently, our financial institutions are so overly compartmentalized and fenced off from competition from one another that they are inhibited from fulfilling their public interest purposes.

For example, thrift institutions cannot offer checking accounts, consumer loans or trust services. They cannot, therefore, offer the homeowner all of the services he needs. The homeowner, therefore, finds it more convenient to place his funds at commercial banks. To compensate for this defect, the regulators have had to gerrymander a rate control structure that gives thrifts a differential advantage in what they can pay on deposits over what commercial banks are permitted to pay and interest rate controls in general have been pegged at below market rates for most savers.

Perhaps the worst aspect of interest rate controls, or regulation Q as they are known in the marketplace, are that they are inflationary because they reward consumption and discourage saving.

I want to stress that. How ridiculous can you get when you have a Federal law that makes it a crime to pay the small saver more than 5.25 percent by the commercial banks and more than 5.5 percent for the thrifts? Of course, what that does is discourage savings. It means the little guy is hurt. It means that you have to have $10,000, in many cases, in order to get anything close to the market rate.

There is very little incentive these days for saving money if you get a 5 percent return when the inflation rate is 15 percent and when there is nobody who expects the inflation rate to be as low as 5 percent by the end of next year. Under those circumstances, of course, the incentive to save for the overwhelming majority of American people is sharply diminished.

At the same time, regulation Q has failed because it has not prevented a collapse of the housing industry in periods of tight money except when the regulation is applied in a blatantly discriminatory way against small savers.

Mr. President, it is clear that the time has come to update our financial institutions and to make them more responsive to the public interest.

H.R. 4986 as reported by the Banking Committee will do the job that needs to be done now.

Let me spend a couple of minutes indicating the details of this bill, because it is a comprehensive bill. It does have a number of varied positions.

First, it provides the authority for commercial banks, Federal savings and loan associations, and Federal credit unions to offer the equivalent of interest-bearing checking accounts to individuals and nonprofit organizations.

Oh, how long have all of us been concerned about the fact that when we have $1,000, $1,500, $2,000 in a checking account, it sits there with no interest? That means that, these days, we are losing money and plenty of it, as the months pass. This would end that.

Such interest bearing checking accounts are referred to as NOW accounts—negotiable order of withdrawal accounts—at banks and thrifts, and share draft accounts at credit unions. Since NOW accounts and share draft accounts are transaction accounts—that is, can be used to pay bills by drawing a check on the accounts—and are part of the money supply, they are subjected to the reserve requirements of the Federal Reserve Board.

Second, interest rate ceilings on time and savings deposit, commonly referred to as regulation Q, are phased out over a 10-year period.

So we do not have that ceiling I spoke about earlier if this bill is enacted into law. No longer will we make it a crime to pay a market rate of interest to a saver—at least, after time passes. Current regulation Q authority is extended for 10 years. The bill directs that rate ceilings must rise by at least one-half of 1 percent each year from the 3d to the 10th year unless the increase is postponed or reduced by the Federal Reserve under the standards set forth in the legislation. At the end of the 10-year period, all interest rate control authority expires subject to standby authority lodged in the Federal Reserve under specified economic conditions.

Third, the regulatory agencies are required to provide greater equity to small savers by reducing the $10,000 minimum denominations—that is one of the other discriminations now. As I say, if you are a person with $10,000, and only a small proportion of the American people have anything like that in cash—only about 1 out of 20—if you have that, of course, you can go into the market. You can buy a certificate of deposit and you can make a 10 percent, 11 percent, 12 percent return. Otherwise, you are cut out. You cannot buy it. This would end that discrimination, too; not only the discrimination against the small saver who has a passbook account, but also the small saver who would like to buy a certificate but cannot afford it because he only has $1,000 or $2,000 or $3,000 or $4,000 and not $10,000.

What this would do would be to provide that the regulatory agencies permit people to purchase certificates of deposit with $1,000 within 2 years unless the Federal Reserve finds that economic conditions or the viability of thrift institutions, necessitates postponement. Any postponement must be reported to the Congress, and we have to have the reasons for it.

Fourth, Federal savings and loan associations are authorized to hold 10 percent of their assets in consumer loans, commercial paper, corporate debt securities or bankers acceptances; to offer personal trust services; and to make mortgage loans competitively with national banks.

Many people attack that, saying we are homogenizing the banking industry and we are not permitting the housing services to be as preeminent as they have been in the past. I call the attention of the Senate to the fact that this is a limited power but, nevertheless, an important one. It permits the savings and loans to get into consumer loans in a modest way, 10 percent; also into commercial paper, corporate debt securities, and so forth.

It enables them to offer personal trust services, which they cannot do now, so if you want to have something like full service by your savings institution, you cannot do it.

Fifth, several miscellaneous matters are provided for, including Comptroller of the Currency housekeeping amendments; the text of the Truth-In-Lending Simplification Act, which was passed earlier but have not been able to get through the House. One of the great problems with the truth-in-lending bill—I am the author of that bill. Paul Douglas did all the work on it, but I was able to carry it through to success in 1968. This is a bill which I think has served a useful purpose. The difficulty is that truth in lending has become so complicated that borrowers get confused when they go to borrow money and they are presented with a truth-in-lending statement but they do not know what to do with it.

It is a burden on the lender to have to fill it out. So this abbreviates, simplifies, provides all ingredients necessary for a borrower to understand what the true annual rate is and what the true finance charge will be if he borrows money.

Also, another very controversial, but I think vital provision, exemption from State usury limitations on residential mortgage loans for specified lenders unless the State reenacts ceilings within 2 years.

We have a situation now where the rate is getting so high that many banks and savings and loans simply cannot offer mortgages or they violate the statute. In some cases, it is imbedded in the Constitution; in others, it is very difficult for the legislature to meet and act on it.

This gives them a chance to start again.

Also, a temporary exemption from State usury limits applicable to business and agricultural loans in Arkansas.

On September 11, 1979 the House passed H.R. 4986 by a 367-to-39 vote. The House bill, called the Consumer Checking Account Equity Act of 1978, authorizes banks, thrifts and credit unions to offer consumers the functional equivalent of interest bearing checking accounts nationwide.

In other words, that is a NOW account bill. It provides for NOW accounts, checking accounts on demand deposit nationwide.

Mr. President, the House passed bill is incomplete because it does not address the gut issues of survival of thrift institutions and their commitment to housing over the long haul.

On June 14, 1979 Senator CRANSTON and I introduced a broad financial reform bill designed to meet head on the problems confronting our financial institutions. This bill (S. 1347) was referred to the Banking Committee. All interested parties were given the opportunity to testify. The legislation entitled the "Depository Institutions Deregulation Act," included the recommendations of the administration as contained in President Carter's message to the Congress on May 22, 1979. S. 1347 provided for a gradual lifting of rate ceilings on time and savings deposits; authorized banks, thrift institutions, and credit unions to offer the equivalent of interest-bearing checking accounts; extended new lending powers to Federal savings and loan associations; and exempted residential mortgage loans from State usury statutes.

Obviously, a great deal of that bill is included in this bill.

H.R. 4986 as reported by the committee embodies S. 1347 and was reported in lieu of S. 1347 by striking out the House version of H.R. 4986 and inserting in lieu thereof S. 1347.

The background of H.R. 4986 is as follows:

The President established an Inter-Agency Task Force on Deposit Interest Rate Controls and Housing Credit in 1978 to examine the function and effectiveness of the system of deposit interest rate controls and to recommend changes in that system if warranted. The members of the task force were the Department of the Treasury, the Department of Housing and Urban Affairs, the Office of the Special Assistant to the President for Consumer Affairs, the Office of Management and Budget, the Council of Economic Advisors, and the White House Domestic Policy Staff. The participating regulatory agencies were: the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the National Credit Union Administration, and the Comptroller of the Currency. The task force concluded in its report to the President that:

First, regulation Q does not prevent disintermediation and the consequent curtailment of funds for housing finance;

Second, regulation Q is unfair to small savers; and

Third, regulation Q is responsible for inefficiencies in the marketplace.

Following the receipt of the task force recommendations, on May 22, 1979, the President asked Congress to:

First phase out regulation Q—which we do in this bill—during a transition period during which all deposit interest rate ceilings would be permitted to rise in an orderly manner with regulatory flexibility to delay increases if economic conditions warranted or the safety and soundness of depository institutions was threatened.

Mr. President, I might point out that that recommendation and this legislation is anti-inflationary in the best sense because there is nothing we can do that would be more helpful in overcoming inflation than encourage saving on the part of people and discourage consumption. Certainly, at this stage.

As I say, there are justice and equity arguments involved here, too. But how ridiculous it is that we have a savings rate lower than almost any developed country in the world and we have an investment problem because people are not investing. One of the reasons, of course, is that we have this kind of situation where savers and investors are not given adequate rewards, particularly small savers.

Second, provide variable rate mortgage authority to Federal savings and loan associations to improve earnings and the ability to pay depositors market rates;

Third, permit Federal savings and loan associations to invest up to 10 percent of their assets in consumer loans; and

Fourth, permit all insured depository institutions, including savings and loan associations to offer interest bearing transaction (or checking accounts) to individuals.

H.R. 4986, as amended by the committee, embodies the recommendations of the President and the Inter-Agency Task Force on regulation Q.

I shall give a little history. In 1975 the Senate passed a similar measure updating our financial institutions. That legislation was not considered by the House. In the last Congress, the Banking Committee reported another financial institutions bill to the Senate; but that bill did not become law. But, Mr. President, everything that has happened since 1975 confirms that the Banking Committee is correct in pursuing the goal of financial reform. And reform is particularly needed now.

Regulation Q fixing the maximum rate of interest that may be paid on deposits by financial institutions was enacted in its present form in 1966 as a temporary measure. Even in 1966 the passage of interest rate controls were recognized to be discriminatory against the small saver.

What was enacted as a temporary measure in 1966 has become a semi-permanent feature of the financial institutions landscape. Regulation Q has been extended 11 times since 1966.

It was a temporary measure, extended 11 times since 1966, for 13 years has been the law of the land—and it was intended to be only temporary.

By now, however, it has become abundantly clear that rate ceilings have not been effective in shielding housing during periods of tight money. Instead they discriminate against small savers, encouraging the flow of funds to unregulated intermediaries, discourage savings and contribute to inflation.

The present structure cannot fulfill the temporary mandate given in 1966 to regulation Q to provide an even flow of funds into housing. Regulation Q addressed only fund flows between commercial banks and thrift institutions. Market forces have made this intramural war irrelevant. Savings alternatives such as the so-called money market funds, which are uninsured and offer the small saver a market rate of return on savings, have grown enormously, at the expense of insured financial institutions. Market innovators such as retailers have indicated their intent to market commercial paper in small saver denominations. It is thus clear that regulation Q and its mandate of below-market rates to small savers is driving money out of the financial system, out of housing, and into noninsured intermediaries. Regulation Q's original purpose, temporary as it was, has been overrun by events in the marketplace.

That is the answer to those who say that if we take out this differential that provides an advantage for savings and loan institutions, if we eliminate the cap that holds down the interest that can be paid savers, housing will be hurt.

The fact is that it is awfully hard to beat that marketplace, and that many people are withdrawing their funds now, particularly all those who have the big savings. The 10 percent of the people who have a whale of a lot of money no longer put it into savings and loans. Instead, they put it into those other investments to get 10-percent, 15-percent returns.

So housing is not being helped by this.

What this bill does is try to bring the financial institutions and the savings and loans into a recognition that the marketplace has changed.

When we have a 5-percent savings rate, a 15-percent inflation rate, and a 14½-percent prime rate, it is obvious the market just will not permit that and that any saver with any brains who has enough money will move his funds and move them out of housing.

Regulation Q is also out of keeping with the times because it is inflationary. Because regulation Q prevents savers from earning a fair rate of return, saving has become an unrewarding economic experience. Inflation eats away at savings and erodes savings as a store of economic value. Unfairly low returns on savings discourage savings and encourage current consumption. This is the wrong economic policy at a time when inflation is our No. 1 economic problem. Regulation Q fuels inflation by encouraging spending. It therefore should come as no surprise that the United States has one of the lowest savings rates of the industrialized world. Regulation Q discourages savings and thus discourages capital formation and increases in productivity.

I should say it discourages increases in productivity.

Regulation Q has become a prescription for economic disaster. That is why the committee believes a statutory 10-year timetable for phasing out regulation Q is in the best interest of the thrift industry—not only in the best interest of the saver, but in the best interest of the industry itself.

I wish we could phase it out today, but if we did, the adjustments would be extraordinarily difficult. It puts all institutions on notice that change is inevitable—that savers are eventually going to realize a market rate of return and that plans must be made today for competing in the future. Clinging to the regulation Q ceilings will simply regulate the thrift industry into extinction.

The provisions of the bill effectively phase out regulation Q in 10 years. Current regulation Q authority is extended for 2 years.

Beginning on January 1, 1982, and on each succeeding January 1 through January 1, 1989, and subject to Public Law 94–200, the ceilings of maximum rates of interest on each category of deposits established under regulation Q must be increased by at least one-half of 1 percent each year. The ceiling on each category of deposits is therefore mandated to increase by at least 4 percent during the 10-year period.

However, if the Board of Governors of the Federal Reserve System in consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board and the National Credit Union Administration, determines that it is economically feasible or desirable to accelerate the mandated increases in the ceilings during the 10-year period, it must report such determination to Congress. New categories of deposits created by these regulatory agencies during the 10-year period shall be at least equal to the ceiling rate applicable on accounts of comparable maturities.

On January 1, 1980—in about 10 years—all regulation Q authority expires. The bill, however, contains standby authority under which the Federal Reserve may reimpose rate controls for one year if an extreme economic emergency exists and such action is necessary to maintain the economic viability of depository institutions. Any such finding must be reported promptly to the Congress in detail.

This legislation thus provides an orderly statutory program to phase out regulation Q. The 10-year period appears long enough to enable thrift institutions to put their new powers into operation so that they can maintain their viability in a market rate environment.

The legislation authorizes Federal savings and loan associations to provide consumers with virtually all of their household borrowing needs. So that the savers, the persons interested in banking services, can patronize a savings and loan as in many cases they prefer to patronize a bank now, because the bank has more convenient services.

Thrifts have historically functioned as depositories and home mortgage lenders. But the home mortgage borrower has had to go elsewhere to other types of financial institutions to obtain a checking account, make a consumer loan, and obtain trust services. The inability to offer the consumer such services has handicapped savings and loan associations in competition with other depository institutions which offer the consumer convenient one-stop financial services across the board. As a result, in periods of tight money, savings and loan associations suffer from fund outflows even though the rates they pay on deposits are competitive.

This legislation gives Federal savings and loans the ability to compete for the savings dollar while remaining housing oriented. They are authorized by the legislation to offer checking accounts and to hold 10 percent of their assets in consumer loans, commercial paper, corporate debt securities and bank acceptances. These powers should enable thrifts to become one-stop family financial centers making them more competitive and giving them the earnings they need to pay market rates to depositors.

This legislation also gives Federal savings and loan associations the ability to offer trust services on the same basis as national banks and with the same protections against insider abuse. The FHLBB is expected by regulation to tailor permissible trust powers to those that enhance the ability of thrifts to offer complete financial service to the consumer.

At the present time, insured financial institutions, for the most part, are forbidden to pay the consumer interest on demand balances kept in a checking account even though it may be economically feasible and more efficient to do so.

Federal law prohibits insured commercial banks from paying interest on demand deposits. Federal law prohibits Federal savings and loan associations and credit unions from offering checking accounts.

In order to provide the consumer with a more competitive and efficient service, the regulatory authorities last year by regulation permitted financial institutions to offer interest bearing checking account type services nationwide. The bank regulatory agencies permitted insured banks to offer the consumer automatic transfer service from savings accounts to checking accounts (ATS); the FHLBB permitted Federal savings and loan associations to allow consumers to make savings deposits and withdrawals from off-premises remote electronic service units in some cases located in various retail stores. The National Credit Union Administration authorized Federal credit unions the power to offer interest bearing checking accounts. These accounts are called share draft accounts and are equivalent to the NOW accounts offered by banks and thrifts.

Recently the U.S. Court of Appeals for the District of Columbia ruled that the regulatory agencies had no authority to authorize these consumer services. The court mandated that all institutions offering these services must stop doing so by January 1, 1980. If the court decision is allowed to go into effect—this bill, of course, would meet the decision—millions of consumers who desire these services will be cut off. Worse yet, if credit unions are forbidden to offer share draft checking accounts they stand to loose hundreds of millions of dollars in deposits which may adversely affect the liquidity of credit unions. So the credit unions and the financial institutions generally have a very deep and real interest in seeing that this legislation is enacted. If it is not enacted by the first of the year, they will be in very serious trouble.

There is no good public policy reason in the world why interest bearing checking accounts should not be authorized for banks, thrifts, and credit unions in the context of financial reform.

Section 302 of the bill provides that federally chartered savings and loan associations may, under an amendment to section 5(c) of the Home Owners Loan Act (12 U.S.C. 1464), invest in or sell or otherwise deal in loans or investments secured by liens on residential real estate to the same extent and in the same manner and amounts without limitation as national banks can pursuant to the provisions of section 24 of the Federal Reserve Act (12 U.S.C. 371).

The committee's purpose in approving this provision is to enable Federal associations to make residential real estate loans in a manner which provides the greatest flexibility and which eliminates needless and overly technical distinctions between residential real estate lending authority and regulations of Federal savings associations and national banks. Thus, by applying section 24 to Federal savings and loan associations, such institutions would be able to undertake more creative and less rigid approaches to residential real estate lending now available only to national banks. For example, while most loans by Federal savings associations cannot exceed an 80-percent loan-to-value ratio and a $60,000 aggregate limit, banks may make loans on up to 90 percent of appraised value for improved real estate and, most significantly without dollar limitations.

The committee believes that the added lending flexibility provided under section 302 is required in order to permit Federal savings and loan associations to bolster their earnings capabilities and thus be in a position to pay higher rates of interest to their savers as provided for under section 107 of the bill. The committee wishes to emphasize that all of the new lending powers accorded Federal savings and loan associations are linked to the phaseout of the regulation Q ceilings and must be considered as a total package.

That is why it is important for us to act on this bill at this time, in this comprehensive way.

The administration also recommended that thrift institutions be given the authority to offer variable rate mortgages to consumers in connection with the phasing out of regulation Q. This legislation does not contain VRM authority because it is not needed. The FHLBB has already taken administrative action to authorize variable rate mortgages nationwide with consumer safeguards. I would oppose as unconscionable variable rate mortgage authority for thrifts if not coupled with a phaseout of regulation Q and the consequent ability of thrift institutions to offer market rates of return to savers. Unless regulation Q is lifted, thrifts will be in the position of being able to increase the rates of return on mortgages while the Government keeps a tight clamp on the rates they pay depositors. Such a situation would result in unconscionable windfalls to thrifts. However, in the context of a phaseout of regulation Q and market rates to savers, variable rate mortgages with consumer safeguards are not objectionable.

For too long, savers have been required to subsidize borrowers. The administrations study on deposit interest rate ceilings and housing credit cited evidence showing that "income levels of households that are savers and borrowers are very different, with deposits being more important in the wealth portfolio of lower income households than in other income households. Mortgage borrowers, on the other hand, were primarily from higher income groups."

Regulation Q has become a Government control program which requires lower income savers to subsidize wealthier borrowers. Does anyone doubt that this policy is bankrupt in current economic circumstances?

Hobart Rowen, the distinguished economic commentator of the Washington Post, recently stated in his column:

> The U.S. government, to encourage home ownership, has for the entire post-World War II period manipulated tax rates and interest-rate ceilings to encourage the building industry at the expense of the saver. Homeowners not only get the benefit of lower mortgage rates than they should have paid, but receive interest-rate deductions on their taxes as well. Savers took it in the neck.

Mr. President, it is time for Congress to focus on the saver. Regulation Q policy is distorting our economy. Savers should not be required to subsidize borrowers or to spend their money today because if they save it until next year it will buy less. Regulation Q is destroying incentives to save while rewarding current consumption.

Mr. President, this legislation encompasses the recommendations made by President Carter in May to the Congress to strengthen thrift institutions and to augment their earning powers so that they can pay market rates to savers while maintaining their commitment to housing.

This legislation also contains provisions which will alleviate the situations in many States whereby low usury mortgage lending limits are inhibiting the flow of funds into home mortgage lending. H.R. 4986 as reported preempts State usury limits on home mortgage loans but allows the States to reimpose such limits within a 2-year time period. This is not a preemption by fiat but makes a reasonable accommodation consistent with our Federal system.

Mr. President, H.R. 4986 as reported does the job that needs to be done now to update our financial system and to allow our financial institutions the hope to face the future. I hope and trust that the Senate will see the future, and I commend this bill to my colleagues for passage.

Mr. President, let me indicate the support for this bill. It is supported by the administration. It is supported by the American Bankers Association. It is supported by the credit unions. It is supported by a number of different savers' groups who testified before our committee. It is supported by the National Savings and Loan League. It is supported by the Gray Panthers, which is one of the outstanding savings groups. It is supported by the American Association of Retired Persons, by the Federal Reserve Board, by the Comptroller of the Currency, by the Home Loan Bank Board, and by the National Credit Union Administration.

I hope that we can act on this bill. I realize it is controversial, and I recognize that Senator Morgan, among others, has some very strong feelings on the bill and expects to express those as he has already expressed them extremely well.

Mr. President, I ask unanimous consent that the following staff members of the Banking Committee be accorded the privilege of the floor during consideration of H.R. 4986. They are: Ken McLean, Lindy Marinaccio, Steve Roberts, Steve Rhode, John Quinn, Carolyn Jordan, Howard Menell, Dan Wall, Tony Cluff, John Collins, Beth Climo, and Linda Zemke.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield the floor.

Mr. MORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. MORGAN. Mr. President, as always, I am reluctant to rise to oppose my distinguished chairman, on whose committee I have served for nearly 5 years now, and for whose judgment I have a great deal of respect, and even more respect for his courage because he does not hesitate to stand up for those things he believes in.

But, Mr. President, I do not believe my chairman could be more wrong than he is on this bill. The bill is entitled "The Depository Institutions Deregulation Act." But I honestly think it should be entitled "The Depository Institutions Abolition Act," because I believe the ramifications of this bill are so far-reaching that the effects could very well be the destruction of some of the finest financial institutions that have ever served this Nation.

I have not hesitated to point out my respect for the savings and loan associations of this land since I have been in the Senate, and my admiration for the role they have played not only in providing a place for savings for the small saver as well as the larger entities, but just as importantly for the role they have played in making available the financing for the purchase and construction of homes in this country.

If my memory serves me correctly, about 60 percent of all the homes in American have been financed by the savings and loan associations. I have heard figures as high as 80 percent, but I know that about 60 percent is certainly within reason. A great portion of the remaining homes have been financed indirectly or directly by the Federal Government.

I predict, Mr. President, if this bill is passed, in the future the only financing that will be available for home ownership will be that provided by the Federal Government. As a matter of fact, already one of the cointroducers of this bill has recognized the possibility of what could happen to the thrift institutions, if the bill is passed, and I am told he is prepared to offer an amendment to provide another bailout by the Federal Government of the savings and loans that would be caught in dire circumstances in the event this bill is passed.

Mr. President, there are a number of kinds of financial institutions in America. Commercial banks have a very important role to play. They engage in financing businesses and industry, and in consumer loans. But through the years the savings and loans have dealt primarily with home loans. They have been structured almost solely for that purpose.

Why we now feel the necessity to homogenize all of the financial institutions in this country into one kind of financial institution I do not know. I realize that this bill in itself will not completely homogenize them, but when the then Secretary of the Treasury, Mr. Blumenthal, was testifying on behalf of this bill before the Banking Committee, I asked him on a number of occasions to please describe for the committee the characteristics that would distinguish thrift institutions from commercial banks if this bill passed.

On at least two occasions he could not do it, or he did not do it. All he said on both occasions was, "Well, Senator, the characteristics, the difference between the thrift institutions and the commercial banks would be much narrower." That is exactly what this bill would do, make it narrower.

I am going to go more into detail later on in the day or the night or the week or whenever the time occurs about all the ramifications; but essentially what this bill would do is to give the savings and loans checking accounts, just put them into the checking account business. They call them NOW accounts, negotiable order of withdrawal accounts. But just put it down in your book that for all practical purposes it is a checking account.

Most of the savings and loans in the country do not want checking accounts. The U.S. Savings and Loan League, which is the largest savings and loan trade association, does not want them. My chairman said the National Savings and Loan League favored them. I do not know how many members it has, but it is something like 200 or 300, a small number. I will come back to that.

The bill proposes to make savings and loans resemble a bank by giving them checking account authority.

All right. What else happens? The bill would give them the authority to lend as high as 10 percent of their assets in consumer loans, that is, to finance automobiles, refrigerators, household furniture, and so forth.

Well, everybody knows what the purpose of that is. You make higher earnings when you finance an automobile. You go down to a local bank and try to finance a car that is 2 or 3 years old, and you will end up paying an extremely high annual rate of interest. But savings and loans are going to have to do that. They are going to have to be given authority to make more money than they can make on home loans if you are going to homogenize the savings and loans and thrift institutions and make them act like banks, because another provision in this bill abolishes the interest differential called regulation Q.

As the chairman pointed out, since 1966 the law has provided that thrift institutions could pay up to a quarter percent higher interest than commercial banks could pay on passbook savings. The reason for that, of course, was because savings and loans have been restricted in their investment portfolio. They have been designed to finance homes in order to make home loans available to the average person in this country at a reasonable rate. But now this bill would phase out that interest differential over a period of up to 10 years and, well, if they are going to phase it out, and if they are going to have to compete with that commercial bank down on the corner that is charging 12, 15, 20 percent interest or even higher on consumer loans, then they are going to have to have the authority to invest in other kinds of loans other than home loans in order to earn enough money to compete for the savings.

But what they are going to find, Mr. President, is that they cannot get along with 10 percent consumer loans. First of all, they are not geared up to handle consumer loans. They have been in the home loan business, the real estate loan business, and to gear up to get into the consumer finance business, which is the most lucrative of financial businesses, they are going to have to go to a great deal of expense, and that is still not going to be sufficient. So we will be right back here within a year—and I will predict within a year—we will be back saying, "Oh, the limitation of 10 percent on consumer loans is just too restrictive, so we ought to let them go on up to 25 percent" or to 50 percent, and they are going to have to do that if they are to be able to attract money into their institutions.

So what are we going to do? If this bill is passed, those savings and loans that are able to survive—and I predict there will be a very small percentage that will survive in their present form—will be engaged more in consumer loans than any other type of investment.

Where are the young couple going to get a loan to build a home? They are going to have to come with their hands in front of them begging for another Federal program to finance home loans.

So I say this bill has dire consequences, and every Member of the Senate and every Senator's staff listening to this colloquy or debate, if you want to call it a debate today, ought to look at their mail. Do not take this issue lightly. We have all been involved in the SALT debates and the SALT hearings. We have been involved in the budgetary process, and to be right honest with you I am afraid too many of my colleagues do not even realize the ramifications of this bill.

I have been living with this or some similar bill since 1975, but I have to confess to the Senator that it was only last night in my apartment that I sat down with a great stack of mail on the subject to read it, because I had not had time to read it before. So I am saying that it is an important bill.

Now, what is going to happen to these savings and loan institutions if this bill is passed because of the lowering of the minimum money market certificate requirement from $10,000 down to $1,000? I will tell you what it is going to do. It is going to force most small savings and loan institutions in this country into a position that they are going to have to merge with the giants, or they are going to be taken over by the banks, and some of them will convert into stock savings and loan institutions.

I agree with my chairman, and I commend his for his efforts to prevent that, but apparently both of us have failed, because one of the largest savings and loan's in Raleigh, N.C., has now converted to a stock savings and loan institution, and I predict that if this bill is passed, that stock savings and loan institutions will be taken over by one of the large banks of the State or some other large corporate entity within a year or two.

Why? Because they have been making home loans over the years at fixed rates of interest. Many of the loans in the portfolios of almost every savings and loan institution in this country today were made at 6 percent. As a matter of fact, the loan that I have on the first home that I built and I have just moved out of was at 6 percent. To tell you the truth, the interest rate is so attractive that I hate to pay it off. I have been putting it off, because of that 6 percent rate. Why, the same savings and loan institution is paying me more interest on money that I have got there than I am paying them on money I have borrowed from them.

So I am making money by having the loan. Well, a vast majority of their portfolio is in loans made at from 6 percent to 8 percent. They have to earn some money in order to see these low-interest loans out. Well, already, since the money market certificates have become so prevalent in the last few months, even in large amounts of money, large portions of the savings have been drawn into the higher-interest-paying certificates, to the extent that today many savings and loan institutions are operating on such a narrow margin that they can hardly survive and pay their expenses.

If we lower the money market certificate level down to a thousand dollars for a 2-year period, and the flow of the savings goes at a greater rate than at the present time from passbook savings to that type, then there is no way that the present savings and loan institutions will be able to pay that high interest when they have got most of their investment in home loans at 6 percent to 8 percent.

That is what the Senator from California (Mr. CRANSTON) recognizes, and he is one of the introducers of this bill. That is why I understand he already has an amendment prepared that says, "Oh, well, we will let HUD or Farmers Home or the Federal Government bail out these savings and loan institutions and save them from going bankrupt by buying these low interest loans."

You know, everything nowadays has to be a bail-out, a bail-out by the Federal Government. Sometime ago, when it first came out that Chrysler Corp. was in dire circumstances, I said to myself and to many of my constituents, "I will not be a party to bailing out Chrysler Corp. with a free enterprise system we ought to have a free market, or we ought not to pretend we have."

I say that especially, unless workers, dealers, the company, and others are willing to make sacrifices. But lo and behold, Mr. President, I find that now, with the various Government agencies, there are not many types of businesses in this country that have not been bailed out by Farmers Home or HUD or somebody else in the Federal structure. I have been dealing with Farmers Home as a member of Senator PROXMIRE's Banking, Housing, and Urban Affairs Committee for some time. I am privileged to be chairman of the Subcommittee on Rural Housing and Development. I have been concerned about the large loans that they have been making to substantial businesses in my State.

I thought Farmers Home was designed to protect the lower-income people, to help the small farmer get a farm, to help the rural people get a house. But lo and behold, I saw come across my desk one day a $2 million loan made to a business in my area that I thought was one of the biggest, wealthiest businesses in my State except those listed on the New York Stock Exchange. I know that business was worth several million dollars, and here that business was being bailed out by Farmers Home. So I got a printout of all the businesses in North Carolina that had been helped by Farmers Home, and I was astounded.

Then a couple of Sunday nights ago I saw the program on the CBS network called "60 Minutes," which reported that Farmers Home was bailing out farmers out in California, including one man who said his net worth was $17 million, and, because there was a disaster, we had bailed him out to the tune of $8 million.

That has nothing to do with this except to point out the kind of thinking, the state of mind of many of our colleagues who say, every time any problem comes along, "Let's bail them out."

(Mr. BOREN assumed the chair.)

Mr. STEWART. Mr. President, will the Senator yield for a question?

Mr. MORGAN. I am happy to yield to my friend from Alabama (Mr. STEWART).

Mr. STEWART. I would like to ask a question of the Senator, if I may, at this time with regard to title II of this bill, which has to do with reserve requirements.

It is my understanding that the provisions of title II of this legislation with regard to reserve requirements apply to those accounts that are authorized by this legislation. I have some other concerns, but let me just ask that as the first question of the Senator from North Carolina, if that is in fact the case.

Mr. MORGAN. That is my understanding, that the Federal Reserve would be permitted to require reserves of both member institutions and nonmember institutions if they use these accounts.

Mr. STEWART. All right. Now, if the Senator will yield further for another question which I would like to ask: As the Senator knows, we are considering now in the Banking, Housing, and Urban Affairs Committee another bill which has to do with reserve requirements. Does the Senator understand this legislation in any way to impact with regard to nonmember banks of the Federal Reserve—talking about this legislation, now—on any requirement that perhaps could be invoked other than those dealing with the accounts that are set forth under this legislation? Does the Senator understand what I am talking about? If not, I will rephrase it.

Mr. MORGAN. Let me see if I understand the question correctly. Well, first we agree that it does affect member institutions and nonmember institutions alike for some purposes. It is my understanding that it would affect them only to the extent that these NOW accounts or transactional accounts might be utilized.

Mr. STEWART. All right. As the Senator knows, the Senator from Alabama has not been here but a short period of time, and I do not want to put myself in the posture or position—and frankly I do not want to put other members of the Banking, Housing, and Urban Affairs Committee in that posture or position, or other Members of the Senate in that posture or position.

Let us just say as a hypothetical fact that the Senate might pass this legislation. Would it be possible, under title II of this bill, to add to that, as a part of the conference activity, S. 85 or its companion bill in the House with regard to reserve requirements being required of nonmember banks on a different basis, and in connection with something other than the transactional accounts that are required under this legislation?

Would that be possible in the conference committee if this language remained in the bill, without markup, without consideration by the committee of that legislation, other than what we have done so far?

Mr. MORGAN. Since there seems to be no other Member on the floor, let me see if I can put what we are talking about in perspective. Senate bill 85, as I understand it, is the bill which would authorize the Federal Reserve to require of member banks and nonmember banks—not necessarily limited to this bill—certain reserve requirements, and that is a bill, which as I understand it, addresses the same issue that three Chairmen of the Federal Reserve Board have been concerned with. It is a substantial departure from the present law.

Mr. STEWART. The Senator is correct about that. That is what I am concerned about.

Mr. MORGAN. I do not mean to filibuster, but, as I say, no one seems to want to take the floor away from me.

It is a substantial departure. It has great ramifications with regard to the dual banking system which has contributed so much to the financial and fiscal affairs of this country. Therefore, it is a very important issue.

I think maybe it might be possible that if we pass this bill, which has this one little provision in it which was described earlier, which would allow the Federal Reserve to require reserves of these institutions, if they exercise NOW account prerogatives, it is possible that the provisions of S. 85 could be attached in conference, and, as a matter of fact, we have heard rumors that it might be.

So what we might be doing is acting upon one of the most important and controversial issues which has been before the Banking Committee, in my service on it, as sort of a collateral issue on a different type of bill.

Mr. STEWART. If the Senator will yield for a further comment at this point, I do not mean to make disparaging remarks to those who are moving this legislation, and would not attribute that possibility to those people, but I think that matter ought to be considered by the Banking Committee and by the Senate as a whole. I would like to have a colloquy with the manager of the bill at the appropriate time, that this not take place in the conference committee. I hope it has not been suggested in any way that it would or that that possibility would exist.

I plan to join the Senator from North Carolina in discussing this on the floor. I do not feel this is the proper way for dealing with that far-reaching question, and I do not feel it is the proper approach to take with regard to resolving that matter because it deprives the members of the Banking Committee from the activity which they should have in both the House and Senate committees in marking up that legislation. I would hope that is not what is about to happen. I would certainly like to help the Senator from North Carolina in preventing that from happening.

**Mr. MORGAN. I thank my distinguished colleague for his comments.** I am always grateful for support, especially at a time when I seem to have so little. So it is even more welcome now than before.

The Senator makes a good point, and, again, I hope that members of the staffs of my colleagues were listening and will take note of that point because, if Senators will read the summary of this legislation in the committee report, it could be so easily overlooked.

I will read the only reference made to this very important principle, this very important requirement, in the summary. Let me hasten to point out that in the body of the report there is a discussion of it, but we all know of the thousands of bills which come before this Senate. Sometimes we have to rely on the summary alone to formulate a judgment.

If someone reads just one point of the section, section (1), it states:

> (1) Authority is provided for commercial banks, Federal savings and loan associations, and Federal credit unions to offer the equivalent of interest bearing checking accounts to individuals and nonprofit organizations. Such interest bearing checking accounts are referred to as NOW accounts (negotiable order or withdrawal accounts) at banks and thrifts, and share draft accounts at credit unions. Since NOW accounts and share draft accounts are transaction accounts and are part of the money supply, they are subject to the reserve requirements of the Federal Reserve Board.

That is all that is alluded to in the summary about this very important point the Senator was talking about, and which establishes a principle which has been debated by three different chairmen of the Federal Reserve Board.

In that connection, I want to read a letter from the Chairman of the Federal Reserve Board which we received just today, and which acknowledges this fact. He writes the letter to the Chairman in opposition to my amendment which would delete that section, but, I think, nevertheless his letter points out the fact that it has been pending:

> DEAR CHAIRMAN PROXMIRE: Thank you for your letter of October 18 which requests the Board's views on an amendment which may be offered to H.R. 4986 which would delete the reserve requirement provision of the bill to the effect that the Board could only apply reserve requirements to ATS and NOW accounts at member banks.

He is alluding to my amendment:

> The Board strongly opposes such an amendment. As you know, the Federal Reserve has been facing a serious and accelerating loss of members. This membership attrition is related directly to the inequitable reserve burden that member banks presently carry. We have been actively seeking a legislative solution to this problem for more than 3 years.

They have been working on it for 3 years, but all of a sudden they want to slide it in on a bill that at first blush has no relation to it.

He goes on to say:

> I have a certain degree of sympathy for the argument made by Senator Morgan that this reserve issue be settled in the context of legislation which addresses all aspects of the Fed membership problem. The Federal Reserve under three Chairmen has been seeking such legislation, and we will continue to seek it. However, in the interim period, the Congress should not adopt legislative measures which would only exasperate the serious membership problem we are facing which already is eroding the precision with which we can implement monetary policy while creating serious competitive inequities within the financial system.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
*Washington, D.C., Oct. 23, 1979.*

Hon. WILLIAM PROXMIRE,
*Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.*

DEAR CHAIRMAN PROXMIRE: Thank you for your letter of October 18 which requests the Board's views on an amendment which may be offered to H.R. 4986 which would delete the reserve requirement provisions of the bill to the effect that the Board could only apply reserve requirements to ATS and NOW accounts at member banks. The Board strongly opposes such an amendment.

As you know, the Federal Reserve has been facing a serious and accelerating loss of members. This membership attrition is related directly to the inequitable reserve burden that member banks presently carry. We have been actively seeking a legislative solution to this problem for more than three years.

The amendment which may be offered would aggravate the problem.

The bill which is under consideration by the U.S. Senate looks to authorize a new service for most of our nation's financial depository institutions. In turn, the amendment looks to impose a reserve requirement burden on only a limited category of institutions which would be authorized to offer the new service—namely, banks that are members of the Federal Reserve. If such an additional burden is imposed on member banks only, the already considerable pressures to leave the Federal Reserve System would be increased for many of our nation's banks.

I have a certain degree of sympathy for the argument made by Senator Morgan that this reserve issue be settled in the context of legislation which addresses all aspects of the Fed membership problem. The Federal Reserve under three Chairmen has been seeking such legislation, and we will continue to seek it. However, in the interim period the Congress should not adopt legislative measures which would only exacerbate the serious membership problem we are facing which already is eroding the precision with which

> we can implement monetary policy while creating serious competitive inequities within the financial system.
>
> I hope that the Senate will not adopt this amendment and maintain the wording of the bill as reported out of the Senate Banking Committee which requires that NOW accounts, share draft accounts and ATS accounts at all depository institutions be subject to uniform reserve requirements set by the Board of Governors of the Federal Reserve. Ultimately, I continue to hope that the reserve requirement matter can be settled in the context of broader legislation, but I also trust the matter will not be further aggravated by failure to keep the reserve requirement provisions of H.R. 4986.
>
> Sincerely,
>
> PAUL H. VOLCKER,
> *Chairman.*

**Mr. MORGAN.** What Chairman Volcker is saying is that they have been working on this legislation for 3 years and that three different chairmen have worked on it. If it is so controversial that they have not been able to get it passed in this Senate in 3 years with such eminent people as Dr. Arthur Burns, one of the Nation's most distinguished economists, and Mr. Bill Miller, who is now the Secretary of the Treasury, who was Chairman of the Federal Reserve Board, plus our present Federal Reserve Board Chairman, Paul Volcker, if they have not been able to get this issue successfully addressed in 3 years, to me that is a pretty good indication that it ought not come by as sort of a rider on a bill such as this one.

I thank the distinguished Senator for bringing the matter up.

Perhaps I ought to address that further at the present time.

Let me follow on this same subject. Permit me to read to the Senate portions of a letter from the executive vice president and the economist of the Conference of State Bank Supervisors.

Let me hasten to point out that these are public officials. These are not bank officials; these are State banking commissioners. Here is what he says about reserve requirements:

> Title II of this bill would establish authority for the Federal Reserve Board to set reserve requirements in all depository institutions offering negotiable orders of withdrawal and share draft accounts. The Fed would be able to determine the form in which such reserves would be held and where they would be held.
>
> The whole issue of whether the Federal Reserve Board should have such sweeping authority over nonmember institutions is now before the Senate Banking Committee in H.R. 7, S. 85 as amended, and S. 353, and hearings are scheduled to be held September 26–27 on this highly controversial subject. To attempt to circumvent the so-called Fed membership issue as dealt with in detail in the above three bills, and to resolve the reserve-setting issue as it applies to NOW accounts and to share drafts at credit unions is highly inappropriate. It represents nothing more than a side door approach to achieve in a piecemeal fashion an objective which has been unattainable through other legislative measures designed to deal specifically with the broad question of whether or not optional affiliation with the Fed for reserve-setting purposes should be retained for commercial banks, relative to all types of deposits. The House-passed bill, H.R. 7, after long and bitter debate in the House Banking Committee, and to a lesser degree on the House floor, would retain such optional affiliation unless and until deposits subject to the Fed's control dropped below 67½% of all insured commercial bank deposits. The Conference of State Bank Supervisors is strongly supportive of the optional affiliation aspects of the House-passed bill, but believes the 67½% "trigger" provisions should be eliminated.
>
> The Conference urges the Committee to eliminate the reserve-setting provisions of Title II of S. 1347—

Which is the bill we are talking about—

> and to focus on this complex issue within the context of those bills scheduled to be heard before this Committee on September 26 and 27, 1979.

This letter was written back in September.

So it is an issue that is attached, as an executive officer of the Conference of State Supervisors indicated, sort of in a backdoor fashion.

Mr. President, there are some other troublesome provisions of this bill. We have talked generally about NOW accounts. We talked a little bit about regulation Q, which is so important and so vital, I think, to the thrift institutions of America. Now we have talked about the reserve requirements, which comes in as a sort of backdoor account. Now I want to go a little more into the NOW account proposition.

First of all, let me say again that we are addressing some very, very important issues which, if enacted into law, will have such far-reaching effect as to change the basic nature of our financial institutions. As our chairman so ably pointed out, in 1975, the Senate passed the Financial Institutions Reform Act of 1975, which was a comprehensive financial institutions reform bill, one that, again, I did not agree with because I thought it was looking toward homogenization of all financial institutions and, for that reason, I voted against it, both in the committee and on the floor.

But, notwithstanding my opposition to it, I have to say, as someone else has said in a report, that it was not an enactment as a result of piecemeal legislation; it came as a result of some thoughtful and longtime study by the administration itself and by Congress, as I recall. But I do not think anyone has really considered the ramifications of this present bill. As a matter of fact, I understand that a subcommittee chairman of the Banking Committee, in a letter to our chairman, expressed very strong concern. Let me read that letter to you.

Mr. ST GERMAIN, who is chairman of the Subcommittee on Financial Institutions of the House of Representatives, wrote this letter to my chairman and to Senator CRANSTON, the introducers of the bill, on October 17, expressing his concern, the same kind of concern that I am expressing. I think maybe I can best put it to the Senate by reading his letter verbatim:

> DEAR SENATORS PROXMIRE AND CRANSTON: As you know, the Supreme Court on Monday declined to review the Appelate Court's decision outlawing share drafts, automatic transfers of funds, and remote service units. It is now certain that these consumer accounts will cease to exist on January 1 unless the Congress takes action by that date.
>
> On September 11, the House on a 367 to 39 vote passed legislation specifically authorizing the share drafts for credit unions, the NOW accounts for banks and thrift institutions, and the remote service units for savings and loan associations.
>
> With the court deadline bearing down on us—

Which is January 1 of next year.

> we in the House had hoped that the Senate would take speedy action to deal with these issues so that we could assure financial institutions and their millions of customers that interest-bearing checking accounts would continue. Your Committee has decided to bury these issues in a large package of financial measures which reach far beyond anything that has yet been considered in the House. Many of the issues constitute a major restructuring of financial institutions and a sharp increase in powers, particularly for savings and loan associations.
>
> While these issues and many others in the Senate bill may well be meritorious, the current Congress has not held hearings on most of the questions. I would be most reluctant to ask my Colleagues to make decisions on such far-reaching issues without extensive hearings at which a variety of witnesses could be given the opportunity to testify.
>
> In addition, I am fearful that we would face serious parliamentary problems in the House should we attempt a conference and return with the wide-ranging issues contained in your reported bill. Such a development could end hopes for extending the share draft and NOW account programs.
>
> I have repeatedly assured my Colleagues in the Subcommittee, the full Committee and on the House floor that we were dealing with the share draft-NOW account issue and not using this as a stalking horse for other issues. A substantial number of the votes for the legislation and for expeditious movement through the House were based on this firm and often repeated commitment. Many Members would feel betrayed if we attempted to return to the House with a thick package of measures dealing with fundamental changes in financial structure.
>
> I do not question for a moment the motives or the sincerity of your Committee in putting together its legislative package and at this point am in no position to make judgments on the merits of the various issues. I am speaking very frankly from a standpoint of legislative realities and I am convinced that these realities require a speedy resolution of the share draft-NOW account question.
>
> I do hope that the situation will develop where the Senate can deal with this share draft-NOW issue on its own merits without involving it in a volatile set of financial issues that are certain to require more thorough consideration than they have been given to date.
>
> Sincerely,
>
> FERNAND J. ST GERMAIN,
> *Chairman.*

**Mr. PROXMIRE.** Will the Senator yield on that point?

**Mr. MORGAN.** I would welcome a brief respite.

**Mr. PROXMIRE.** The Senator is right. The chairman of the subcommittee in the House, Congressman ST GERMAIN, did write to Senator CRANSTON and myself and we responded to him the next day.

I would like to read part of that letter, not the whole letter, and then I will have the entire letter printed in the RECORD.

This is what I responded, in part:

Thank you for your letter of October 17 regarding the Depository Institutions Deregulation Act as reported by the Senate Committee on Banking, Housing, and Urban Affairs. This bill authorizes nationwide NOW accounts, extends new powers to savings and loan associations and provides for a gradual phase-out of Regulation Q. You indicate your reluctance to ask the House to approve the measure in the Senate bill beyond NOW accounts until your Subcommittee has had the opportunity to hold "extensive hearings".

One would have to search long and hard to uncover another issue that has been studied or considered more by both Houses of Congress, year in and year out consistently during the past 13 years, than Regulation Q. I think the time for study by both Houses is over and Congress should act on Regulation Q this year.

In June of 1976, the Committee on Banking, Currency and Housing of the House of Representatives issued its study on Financial Institutions and the Nation's Economy (the "FINE" study). The Discussion Principals of the FINE submitted by yourself and Chairman Reuss, issued for the purpose of encouraging the fullest possible participation in House deliberations, called for elimination of Regulation Q as follows:

"All Regulation Q ceiling rates and the prohibition against paying interest on demand deposits would be removed by the direction of the Federal Depository Institutions Commission, according to a schedule which would avoid injury to the depository institutions affected and to the flow of capital necessary for housing and accompanied by a method of continuing to attract deposits in a period of rising interest rates. In no event would these ceilings and prohibitions exist later than five years after the date of enactment of this proposed legislation.

"There should be no promise of final review of this action before the ceilings are eliminated, because unless institutions are sure of the demise of ceiling rates, they will not engage in the portfolio adjustments necessary to allow them to survive in a world without ceilings on deposit rates. The Federal Depository Institutions Commission, in consultation with the Federal Reserve Board and the Federal Home Loan Bank Board, would have standby authority to reimpose interest rate ceilings, subject to Congressional review, should this be required by and financial emergency."

The action of the Senate Banking Committee in phasing out Regulation Q is consistent with the Principles of the FINE study with the exception that the FINE Principles called for a phase out of Regulation Q in five years while the Senate bill calls for a ten year phase out in the interest of an orderly transition to a market rate environment.

So the House has considered it. They studied it. They recommended it. We are simply responding by providing a more conservative and gradual phase out of what they requested.

Mr. President, I ask unanimous consent that my response to Congressman St Germain be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
*Washington, D.C., October 18, 1979.*

Hon. Fernand J. St Germain,
*Chairman, Subcommittee on Financial Institutions Supervision, Regulation and Insurance, Washington, D.C.*

Dear Congressman St Germain: Thank you for your letter of October 17 regarding the Depository Institutions Deregulation Act as reported by the Senate Committee on Banking, Housing and Urban Affairs. This bill authorizes nationwide NOW accounts, extends new powers to savings and loan associations and provides for a gradual phase-out of Regulation Q. You indicate your reluctance to ask the House to approve the measure in the Senate bill beyond NOW accounts until your Subcommittee has had the opportunity to hold "extensive hearings".

One would have to search long and hard to uncover another issue that has been studied or considered more by both Houses of Congress, year in and year out consistently during the past 13 years, than Regulation Q. I think the time for study by both Houses is over and Congress should act on Regulation Q this year.

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"All Regulation Q ceiling rates and the prohibition against paying interest on demand deposits would be removed by the direction of the Federal Depository Institutions Commission, according to a schedule which would avoid injury to the depository institutions affected and to the flow of capital necessary for housing and accompanied by a method of continuing to attract deposits in a period of rising interest rates. In no event would these ceilings and prohibitions exist later than five years after the date of enactment of this proposed legislation.

"There should be no promise of final review of this action before the ceilings are eliminated, because unless institutions are sure of the demise of ceiling rates, they will not engage in the portfolio adjustments necessary to allow them to survive in a world without ceilings on deposit rates. The Federal Depository Institutions Commission, in consultation with the Federal Reserve Board and the Federal Home Loan Bank Board, would have standby authority to reimpose interest rate ceilings, subject to Congressional review, should this be required by any financial emergency."

The action of the Senate Banking Committee in phasing out Regulation Q is consistent with the Principles of the FINE study with the exception that the FINE Principles called for a phase out of Regulation Q in five years while the Senate bill calls for a ten year phase out in the interest of an orderly transition to a market rate environment.

Consistent with an ordery phase-out of Regulation Q, the Senate bill also confers new powers upon savings and loan associations in order to enhance their ability to compete without deposit rate controls. Expanded powers for thrift institutions were also endorsed by the FINE study.

The House version of H.R. 4986, goes beyond merely providing a solution to the Court's deadline of January 1, 1980 for commercial bank automatic transfer services, savings and loan remote service units and credit union share drafts. The provision of nationwide NOW account authority for all financial institutions as contained in the House passed H.R. 4986, raises issues of competitive equality among financial institutions that go far beyond addressing the court decision and cuts across the full range of competitive issues addressed in the Senate bill. I support interest bearing checking account authority for all financial institutions. But consideration of that issue on a piece-meal basis will potentially create severe imbalances in our financial system that will not best serve the economy.

As you know in the last Congress, the Senate accepted a number of provisions in the Financial Institutions Regulatory Act which had not been included in a Senate bill. I would hope that the same spirit of discussion and open-minded approach will prevail this year in any conference between the House and the Senate on H.R. 4896.

I think it is particularly appropriate for House members to keep an open mind this year when the record is crystal clear that Regulation Q is inflationary and discriminatory to the small saver. I think it would be most unfortunate if the House were to adopt a frozen posture even before conference which excluded any consideration of the unfair treatment that the regulatory system has accorded the small saver and the need to provide stability to thrift institutions.

Comity necessitates that the House respond to the efforts of the Senate in a spirit of good faith. The public interest will be best served by your leadership in the House to ensure that financial reform, which has been the subject of extensive consideration by both Houses of Congress over the years, is not frustrated once again. The needs of the economy, the small saver and the continued viability of thrift institutions demand that the Congress move ahead on the issues.

Sincerely,

William Proxmire,
*Chairman.*

Mr. MORGAN. My distinguished chairman makes my point in my case much stronger than I have been able to because he points out in his letter that this issue has been considered for 13-plus years.

If it has been in the mill and studied for 15 years, it seems to me that urgency is not so great that we have to enact it in the last remaining closing weeks of this session when most of our colleagues are busy studying SALT, or the Armed Services conference committee report, or other pressing issues.

In addition, I say to my chairman that should the Senate enact this bill, which I hope they will not, and hope they would not enact it over my objection, although similar things have been done before, that if the attitude of the housing conference members in the House, indicates the obstinacy of the distinguished body on the other side of the Capitol, I would suspect we would not get any kind of agreement this year, and what would happen is that the credit unions, which have been assured that share drafts would continue, would be left caught with the court decision, and we would have no action.

So what I would like to see my chairman agree to, and I want to offer this a little later on, is to let us take the amendment that the Senator from Indiana (Mr. Lugar) and I offered in the committee, which simply would authorize the present powers now being exercised by these institutions, and then let us go into this measure again next year.

For instance, the Federal Reserve——

Mr. PROXMIRE. Will the Senator yield before he gets to that?

Mr. MORGAN. Surely.

Mr. PROXMIRE. I think the Senator confirms the position I have taken. He agrees this issue has been studied, studied, and studied by the House and by the Senate. He agrees we have gone over and over this for, as I say, 13 years. The House has proposed to act on it before.

Now, the difference is—and there is a difference—we have 13 percent inflation, and that makes that regulation Q, which enforces a top limit of 5¼ percent for banks and 5½ percent for savings and loans grossly unfair and utterly unfair.

If there ever was an urgency for action, it is now, when inflation is the No. 1 problem and when encouraging savings is so vital and important. That is the urgency.

Mr. MORGAN. My chairman makes another very good point which I intended to make.

First, let me say that I do not really agree that it has been studied 13 years. I have not been here that long.

But I do agree we studied similar issues in 1975.

But the Senator does make a point in that the economic situation of our Nation is entirely different today from what it has been at any time in the past.

No time in my lifetime, or certainly no time in my memory, have we ever had interest rates as high as they are today.

I was told by an executive officer of a savings and loan in North Carolina when I called this morning that the Home Loan Bank Board was paying 16.2 percent on time deposits.

I am not sure of all the ramifications of this bill. But what I am saying is that we ought to take a look at this bill in the light of the present economic crisis and circumstances. Is this the right time to eliminate regulation Q or even to move toward it?

Mr. PROXMIRE. The answer to that is, "Absolutely, yes." Certainly, when interest rates are this high, it is clearer than under any other circumstances. That is what makes the case.

Mr. MORGAN. That is what makes the case against it because—what is that word?

Mr. PROXMIRE. Disintermediation. We have it right now.

Mr. MORGAN. We have, and it will increase.

As a matter of fact, the Senator's own cosponsor of this bill admits if this bill passes, we will have to have a bailout amendment to let the Federal Government come in and save all of these valuable community institutions. Most of them are mutuals, not profit institutions. All of these community institutions that men and women have given years of their lives to try to promote in the service of their communities are going to have to either go broke, be merged, or bailed out by the Federal Government.

Mr. PROXMIRE. Well, the institutions are most concerned about this, the mutuals, and they will argue for this bailout whether this bill passes or not. They will keep pitching and pleading for it whether this bill is passed or not.

It is our position this bill will assist the savings and loans. That is why some of the people are strongly for it. They have made it very clear they feel this is vital. If they do not get some kind of action, they will be in far more serious problems.

Mr. MORGAN. I would be interested in talking to some of them because I read my mail last night, and I have had mail from all over the country. As a matter of fact, a great many of them were from California, the home State of the Senator's cosponsor.

I find almost no support in the savings and loans. Nobody has been crying out for NOW accounts or for checking accounts in the savings institutions, to my knowledge, except in the New England States. NOW accounts started, as the Senator knows, somewhere in Massachusetts and New Hampshire. Former Senator McIntyre was a great advocate of it. But even the savings and loan officials from Massachusetts and New Hampshire who testified before our committee said that they favored NOW accounts only on the condition that they retain the interest differential.

What I have been saying to the savings and loan people all over the country is, "You can't have your cake and eat it too." I think that is evident from this bill. In other words, you cannot expect to have a slight advantage over the banks if you are going to compete directly with the banks.

We talk about a banking lobby. I hate to use the word "lobby," because the words "special interest" have a bad connotation. The Southern Baptists—I am a Southern Baptist—have a full-time lobbyist in Washington. The Catholic Church has a lobbyist. The bankers have a lobbyist. They are all entitled to be heard.

But if you put the savings and loan institutions into the banking business, you can rest assured that the banking community of America is not going to stand by idly and say, "You can have your cake and eat it, too. You can offer checking accounts, you can engage in consumer loans, you can engage in trust work, and we also are going to let you have a slight advantage over us."

I asked the savings and loan executives from the New England States if they would favor NOW accounts if they were to lose regulation Q, and they said, "No."

I am a strong advocate of savings and loan institutions, but I do not think they should have an unfair advantage. I have said to them, "If you get the NOW accounts, don't look to me to vote to give you a differential or a slight advantage over the banks."

Mr. President, let us take a look at a little of the history as to how NOW accounts started.

It became a competitive situation in the New England States. I do not recall the exact sequence, but one of the States permitted the savings and loan institutions to offer checking accounts in order to enable them to attract business. This immediately resulted in the banks countering by saying, "All right, we will pay interest on the checking accounts," which always seemed sort of a foolish proposition to me.

It is an interesting argument that the little person with a checking account should be able to earn some money on that checking account. That sounds good. But, first of all, anybody who has enough money in a checking account where they should earn interest is more than likely to have it in a savings account in a bank or savings and loan institution or somewhere else where they will be paid interest.

Any businessman or any other person who has a substantial amount of money in a checking account on which interest is not paid is simply not interested in the interest or is not a good businessman.

We in Government cannot be Big Brother to everybody.

It is said, "How about the person who does not have that much money—the social security recipients who are going to deposit their checks in the bank every month, and it stays there a short period of time while they pay their bills? That person should get some interest."

That is a good and plausible argument. But banks and savings and loan institutions are not Government institutions. They are not eleemosynary institutions or charitable institutions. They are profitmaking institutions. They are owned by the stockholders, and somebody has to pay the workers and somebody has to pay some dividends.

So if the banks have to pay interest on a checking account—and this is where they have received a great deal of their money to invest—they will have to make up for that loss of revenue somewhere else. How are they going to do it? I will tell you how they did it in New England. They began to charge more for the services of the small checking account customer.

The argument that it is going to benefit the small saver is ludicruos.

I will read an excerpt or two from the statement of the Independent Bankers Association:

> The New England experience has demonstrated that when NOW accounts lose their effectiveness in expanding market share they are more realistically priced and the free NOW account is abandoned. As more and more depository institutions begin to price NOW accounts on the basis of costs and pass these costs on in the form of service charges, the cost of these accounts to low balance, high activity customers will far exceed the interest earned.

What they are saying is that if financial institutions will have to pay interest on the checking account, they will have to charge that social security recipient more for cashing his checks.

Two years ago, an independent study showed that the breakeven level was about $2,200. In other words, for a bank to handle a checking account and pay interest on it, and still service that account, there would have to be a minimum balance of about $2,200.

That means anybody who has $2,200 or more in the bank and wants interest on it simply has to transfer it to a savings account.

So the result will be that a lot of small people, such as the social security recipients, such as the people who work in a weekly salary basis, who, frankly, use the services of the bank as a convenience to them, will pay for those services. It is going to benefit the people with the large accounts, who have the know-how, the intelligence, and the resources to invest anyway.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. MORGAN. I yield.

Mr. HARRY F. BYRD, JR. The Senator from North Carolina is making a very able presentation of his analysis of this matter.

I have one question. If I read the bill correctly, I notice that it applies to 49 States but not to the State of California. As one who is not a member of the Banking Committee, I wonder why this proposal would apply to 49 States but not to the State of California.

Mr. MORGAN. I thank the distinguished Senator from Virginia for making a very interesting observation.

One of the two sponsors of this bill was the Senator from California (Mr. CRANSTON). I admire him for it; because, after he looked into it, he found out it was not such a good idea. He decided that it was not such a good idea: "Maybe it is all right for the rest of the Nation, but it should not apply to my home State."

One of the reasons why I am trying to engage in a little extended debate on this issue is that I believe if more of my colleagues would take the same hard look at this that the Senator from California did, they would want to exempt the entire Nation by deleting the bill.

Frankly, I question the constitutionality of that provision. I am going to offer an amendment later in the week that simply would extend share draft accounts and the present transactional accounts that were outlawed by the court, hoping that then we will look at this matter next year.

If that should fail, I am going to offer another amendment which I believe is also meritorious, and it would provide that these NOW accounts and transactional accounts could not be used by a Federal institution or a State institution in any State unless the laws of that State permit the State-chartered institutions to do it.

You remember that under the McFadden Act, at the present time nationally chartered banks in a State cannot engage in branch banking unless the laws of that State permit branch banking. That gives, I think, due credit to the federalist system of Government which Thomas Jefferson talked so much about and I think we should look at as a model. In other words, if New York, Maine, New Jersey, and New Hampshire want to offer NOW accounts, then let them do it. But do not force them on Virginia, North Carolina, and California unless the duly elected legislature of that State thinks that it would be in the best interests of the public.

So, the distinguished Senator points out a very interesting point, which I think adds weight to what I have been trying to say.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, it seems to the Senator from Virginia if one of the principal authors of the bill feels that his State should not be involved, I just wonder whether some of the rest of us should give consideration, also, as to whether our State should be involved. I do not know. I have not reached any conclusion on this legislation at all. But I think it is rather interesting that the committee reporting out this legislation would have eliminated one State out of the 50 States from its provisions.

Mr. MORGAN. I hope that fact would be persuasive for my colleague and he would be inclined to join me in opposition to this bill.

But let us go back to the NOW accounts and see——

Mr. PROXMIRE. Mr. President, will the Senator yield a little further on that?

Mr. MORGAN. I am happy to.

Mr. PROXMIRE. I wish to point out to the distinguished Senator a very interesting contradiction because the Senator is right. The Senator from California did ask that California be excluded and as a member of the committee and so forth, we accommodated him. It is interesting that this appears not to be the unanimous view in California by any means.

I have here a letter from a Mr. Fletcher who is the President of the Home Federal Savings and Loan Association of San Diego, and he says this:

> As the President of the sixth largest Savings and Loan Association in California, I urge you to take a leadership role in convincing your colleagues that California should not be excluded, and our depositors should have the same privileges as the other forty-nine states for NOW accounts.

He ran an ad: "Congress may give all Americans the opportunity to earn interest on checking at their savings and loan * * * except California."

So we feel we should have consistent, coherent legislation, not just a copout in which we say we will leave it up to the States to decide this. After all, we do have a degree of national responsibility. We recognize that we have a dual banking system and we should have that and we respect it. But at the same time to say that these problems are a little too tough for us and we will duck them, let the State decide it, seems to me does not make sense.

We have the only section of the country, the only section that has tried NOW accounts. What is their reaction in New England? What is their feeling about NOW accounts? They like them and think everybody else ought to have them.

Mr. MORGAN. Provided they can have their cake and eat it too. Provided they can have them and also keep the interest differential, I say to my colleague on the Banking Committee.

Mr. PROXMIRE. We face that over this bill. They still want it.

Mr. MORGAN. That was not my recollection of the testimony of the savings and loan executives before our Banking Committee. I remember asking one of them distinctly, "If you have to make a decision between NOW accounts and phaseout or abolition of the Regulation Q, do you want NOW accounts?" And my recollection is the answer was "no."

Mr. PROXMIRE. Of course, any institution is going to want every advantage it can get. They are not going to kiss away an advantage like that that gives them a leg up on the banks. They are going to want that differential and are going to ask for it, plead for it, just as the American Bankers Association takes the other view and says that is wrong and unfair.

We have to make the decision. So it seems to me we take an equitable, reasonable position and say, "All right, we will phase it out over a period of years and give the savings and loan associations certain moderate limited powers so that the adjustment will not be as difficult."

Mr. MORGAN. I say to my distinguished chairman I read that letter—the same letter I guess that was addressed to all Senators—last night, and it is the only letter from California that I had taking that position. All the rest of them were against NOW's.

Then of course we have to take the position, also, that this is a representative democracy and that the Senator from California was duly elected to represent the consensus of the people of California in the Senate, and apparently that is what he thinks the consensus is.

Let us look at NOW accounts. Let us see. Does it have the appealing argument for the small depositor that is often made?

I shall read now from a statement made by Mr. ANNUNZIO, a Representative from Illinois, that was inserted in the RECORD on October 17 of this year at RECORD page H9327. I shall read it in its entirety because I think he pretty well makes a good case.

> Mr. Speaker, on September 11, 1979, when my colleagues overwhelmingly passed legislation to permit nationwide NOW accounts (negotiable orders of withdrawal), I warned that this legislation was the biggest consumer rip-off to come down the pike in a long time. Nobody listened. Now, the General Accounting Office (GAO) has issued a report which supports me on this issue.
>
> NOW accounts are accounts only for the wealthy. GAO states that—
>
> "Depositors who can meet and maintain the minimum balance requirements can indeed benefit from transfer fund plans. However, those who cannot do so would fare better with regular checking and savings accounts."
>
> What are these minimum balance requirements? They range from $200 to $5,000. In fact, the average balance in a New York State NOW account is $7,000. How many people in your district have $7,000 to put into a checking account?
>
> There are some 35 million checking account customers in this country with balances of less than $200. NOW accounts will do nothing for them, and will probably hurt them in the long run. The interest paid on NOW accounts will have to come from somewhere, and it will most likely be from higher interest paid on loans and other bank services. Those charges will be borne by the small depositor while the rich guys happily collect interest on their consumer-oriented NOW accounts.
>
> Both in the subcommittee, and again in the full Banking Committee, I offered an amendment which would have made NOW accounts available to those with a minimum deposit of $100. Both times it was defeated.
>
> But, not only does the GAO agree with me that NOW accounts will not benefit the little guy, they also state that shopping around for the best NOW account isn't a simple matter.
>
> Banks which offer NOW accounts are reluctant to advertise the conditions in simple language, and for good reason. Who wants to advertise a sham? GAO researchers noted that they could not get all the facts they needed to analyze the costs and benefits of the new NOW accounts from bank advertisements. Additional phone calls to bank officers were necessary to answer such basic questions as:
>
> How is the interest compounded? How is the minimum balance compounded? How do

> service charges change when the depositor meets or fails to meet minimum balance requirements? This is basic information and it is being withheld.
>
> The less sophisticated consumer will undoubtedly be duped into opening a NOW account which promises wealth from checking accounts. While profit-hungry financial institutions cackle with delight as they rake in new-found profit from NOW account service charges, their secretaries will be writing letters to 367 Members of the House of Representatives thanking them for their support on this issue.

Let us go further and read from the statement of the independent bankers. The independent bankers are more or less the community bankers or locally owned banks and, of course, there are some large ones, but most of them are the small, hometown bankers, and let me read again from their statement to our committee.

> How well the majority of consumers will fare under S. 1347 will depend in large measure on how much of the cost of interest-earning checking accounts commercial banks can absorb. The experience of New England banks with NOW accounts demonstrates that banks cannot both pay 5 percent interest and offer free checking on NOW accounts with average balances under $3,000 and still make a profit.

They cite their authority as Paul Anderson in an article entitled "Cost and Profitability of Bank Functions" appearing in the New England Economic Review, the March-April 1979 issue, at page 49. The independent bankers say:

> It seems obvious that banks would ultimately be forced to make explicit charges for checking account services against accounts with average balances under $3,000 if S. 1347 became law.

Who is going to be hurt? The small wage earner, the social security recipient, the retiree who draws relatively small amounts of money and who uses the services of banks as a matter of convenience. The cost for handling checks and many other things is going to go up, and they are the ones who are going to have to pay for it.

Mr. President, I will come back to NOW accounts later on, but I would point out that Mr. Ralph Kimball, the assistant vice president and economist of the Federal Reserve Bank of Boston, wrote an article entitled "Commercial Bank Profitability In New England, A Comparative Study," the one I just quoted from. In his introduction he said:

> Since 1970 profit margins have declined by 50 percent at New England commercial banks and by 25 percent at commercial banks in the rest of the country

That gives you some indication of what is happening and what the effect of NOW accounts is in New England.

(Mr. BRADLEY assumed the chair.)

Mr. MORGAN. Mr. President, I will come back and deal more specifically with NOW accounts a little later on, but there are some other provisions of this bill I would like to address.

Mr. President, I want to talk about another issue briefly before the day is out because I want to make sure this matter is clearly known. This is another provision in this bill which seems to be time and time again coming before Congress, and that is the preemption of State laws and constitutional provisions.

This bill exempts all banks from State usury limitations on residential mortgage loans for specific lenders unless the State reenacts the ceilings within 2 years. We have done this in other bills, but let us examine what we are talking about.

Under our Federal system of government, the legislators of a given State are much closer to the people than we are here in Washington. That was the argument time and time again of James Madison and Thomas Jefferson as they argued for a Federalist system of government. What happened? We have left it to the States to determine what, in their best judgment, would be in the best interests of the people of their States with regard to usury laws.

You and I know that what might be entirely appropriate as a limitation on usury or interest or earnings in New York City would be entirely too high in rural North Carolina or Arkansas or California. Therefore, we have left it to the States because they ought to know best what is good for the people of their States and the economy and interest of their States.

The question of usury has been a difficult subject since biblical days. The Scriptures talk about usury. Some States have handled it one way and others have felt so strongly about it that they were not even willing to entrust this question to the legislature. They put it in their constitutions. They said:

> We, the people who are going to vote on this constitution, feel so strongly about usury laws that we do not even want to trust it to our elected representatives.

Arkansas is one of those. It does have a 10 percent usury law factor in there. Other States, like my own, have done it by legislation, by statute, and it has been changed from time to time.

Well, what this bill would do would be to say:

> You people in Arkansas or North Carolina really do not know best what is good for your own people; we here in Washington know better what is good for your own people than you do, and we are going to take away from you your right to determine this issue.

Well now, it has been argued here on the floor of the Senate that these are difficult times. Usury laws are restrictive because interest has gone so high. That is a question which has been debated across the country for a long time, and certainly as early as 5 years ago in Arkansas, because I was there, and I spoke to the Bankers Association, and they were debating it then. What happened? The people in Arkansas—the legislature said to the people in Arkansas:

> We think you ought to consider increasing this 10 percent usury law because it is hampering commerce and trade.

They submitted it to the people of Arkansas for a vote. The people in Arkansas voted it down and said, "No, we want to keep it."

Now, in one fell swoop we say we want to suspend all of those laws.

I hope some time we will recognize that the States do have some prerogatives, that they are closer to the people, and if they make mistakes they can correct them.

We had a great Governor in North Carolina at the turn of the century, Charles B. Aycock, who campaigned in the State on the basis of local government—not State government, but county and city government—and he used to have the saying that the government should be so close to the people that if the shoe hurt, the citizens could get some relief.

I believe that is true in this case, and I will offer an amendment at the appropriate time to eliminate the usury preemption.

I had one letter from Arkansas that said, "We are against this." The letter was from the Automobile Dealers Association, saying, "We are against this preemption because it applies only to homeowners; you ought to apply it to us, too."

My reply to those gentlemen was, "If it is too tight, if it is cramping your business, then go to your people down there and get it changed." I just do not think we, here in Washington, are capable of deciding what is good and what is best for everyone. I just do not think that we are capable of deciding here, in this Senate Chamber and the House Chamber, what is better for the people of the States.

I have told this story many times. The first year I was here, I was sitting in the chair presiding and a debate was going on between two of our distinguished colleagues, the Senator from Minnesota (Mr. MONDALE) and the Senator from Oregon (Mr. PACKWOOD) on day-care center regulations.

Mr. PACKWOOD told a very subtle but revealing story. He asked the Senator from Minnesota what made him think that the people here in Washington were more concerned about the children in Oregon than his people in Oregon were.

He asked, "What makes you think that we here in Washington know better what is good for the children in Oregon than the people there do?"

He said, "You know, you remind me of the priest in my hometown and the Presbyterian minister." The story was very subtle. He said the minister was a very staid individual, wore his high collar on Sunday morning in the pulpit and delivered a fine sermon, but he said you did not see him any more until the next Sunday because he stayed in his study in meditation. But he said the priest was a very gregarious and outgoing sort of fellow, and there was nothing that happened in the community that he was not a part of. He coached little league baseball; he coached football; if anything was happening in the Rotary Club he was right there.

But he said they met one day on the street, and the priest said to the minister, he said, "Reverend, you know, we do things differently. We have different styles, but there is no reason why we cannot be friends. You do things your way, and I will do things mine."

The minister cleared his throat and said, "Yes," he said, "you do things your way, and I will do things His."

That is a very subtle story, but I think sometimes we here in Washington think we have been annointed to prescribe and legislate for the people of this whole Nation.

Mr. President, I have dealt with labor unions of this country for a long time. It might surprise some of the union leaders on the national level to hear that I think a great deal of them and some of the things in their programs and their resources. Over many years in the State legislature, I suspect I supported as much of their progressive legislation as any Member, and we worked hand-in-hand for 6 years when I was attorney general as a consumer advocate, because that is where I thought the emphasis should be.

I have not voted the union label in Washington, because I think, here again, that the State is where such matters should be handled. But the unions have been the leaders in progressive legislation in the States and many times at the Federal level, working for the betterment of their members as well as the rank and file of the people.

I was tremendously impressed by the testimony of Mr. Henry B. Schechter, who is the director of the AFL–CIO Department of Urban Affairs here in Washington, when he testified back in July on this very bill that we are talking about. I commend his entire statement to my colleagues.

But I want to read what he had to say about interest. He said:

> Interest payments have absorbed an increasing portion of the national income over the past few decades; this trend makes the economy more inflation-prone and it supports great disparities in income distribution that add to economic imbalance. The AFL–CIO maintains its support of the usury laws and urges disapproval of Subsection 303(2)(1).
>
> We also urge disapproval of 303(2)(2) which would prohibit any State law limiting the rate of interest that may be paid on a deposit. As indicated in earlier discussion of the proposed phase-out of Reg Q, higher savings interest rates are likely to produce net gains for large, generally high-income savers, and net losses for low-income consumers with small savings. In addition, there is inherent a policy of economic defeatism in the underlying supposition that this economy will be operating at such an inflationary rate, that passbook account and certificate of deposit rates would exceed state usury ceilings.

And he goes on to talk further about that.

Mr. President, I have discussed several portions of this bill, not altogether in a logical sequence, but I have been discussing them one way or another. Now I want to talk about some amendments specifically that I am going to offer, because I think it is important that our colleagues know what proposals I do propose to offer in the next few days.

First, I will offer an amendment in the nature of a substitute which would authorize automatic transfers of funds between savings and checking accounts at commercial banks, credit union share drafts, and savings and loan associations remote service units. These are, of course, the instruments declared illegal by a Federal court earlier this year in a decision which the Supreme Court declined to review last week. In September by an overwhelming vote of 367 to 39, the House of Representatives authorized these instruments in legislation which also provided for nationwide negotiable order-of-withdrawal (NOW) accounts. While I do not agree with the proposal for NOW accounts, I do believe it is clear that the Congress must act prior to the Court-imposed deadline of January 1, 1981, to authorize these other financial services.

H.R. 4986—which is actually the House bill we are discussing here, though I have frequently alluded to it as S. 1347—H.R. 4986 as reported by the Senate Committee on Banking, Housing, and Urban Affairs, however, goes far beyond the authorization of these services and provides for a number of controversial and far-reaching changes affecting our Nation's system of financial institutions.

As I pointed out, the full ramifications of many of these changes are simply impossible to predict at this point. Given the tremendous uncertainty about the state of our economy at this time, I believe it would be terribly unwise to proceed with such far-reaching changes now.

Moreover, the chairman of the Subcommittee on Financial Institutions of the House Banking Committee has spelled out the attitude of the House quite clearly and strongly.

I read this letter earlier, and at the risk of being repetitious I want to read a reference to it in my prepared statement, which I have indicated I intended to read.

In a letter to committee Chairman PROXMIRE and Financial Institutions Subcommittee Chairman CRANSTON, which has been made available to the Senate, Representative ST GERMAIN has said that "your committee has decided to bury these issues" (transaction accounts) "in a large package of financial measures which reach far beyond anything that has yet been considered in the House. Many of the issues," he says, "constitute a major restructuring of financial institutions and a sharp increase in powers, especially for savings and loan associations." Noting that expeditious passage of a transaction account bill in the House was achieved with a solid commitment that such a bill would not become a stalking horse for other issues, Representative ST GERMAIN notes that "many Members would feel betrayed if we attempted to return to the House with a thick package of measures dealing with fundamental changes in financial structure." He for one, he says, "would be most reluctant to ask" his "colleagues to make decisions on such far-reaching issues without extensive hearings at which a variety of witnesses could be given the opportunity to testify."

At this point, Mr. President, I might inject that the Fine Study, which my distinguished chairman referred to in earlier remarks, never passed the House and did not even get to the floor.

I believe it would be wiser for the Senate to agree to a bill much more in line with that passed by the House of Representatives. Senator LUGAR and I moved to substitute the text of the amendment I intend to offer during the Banking Committee markup. That motion was defeated by a recorded vote of 8 to 7. I believe this indicates substantial uneasiness and difference of opinion within the Banking Committee as to the wisdom of proceeding with H.R. 4986 as it now stands, and I urge the Senate to agree to a limited substitute.

Second, while I do not favor NOW accounts, I will offer an amendment if my first amendment is defeated, to permit States to decide whether to offer NOW accounts. Senator CRANSTON, a chief sponsor of the original bill, moved to exempt the savings and loan associations of California from NOW account authority, citing their strong opposition to NOW accounts. The bill contains that exemption. I believe it would be far preferable to allow each State to decide for itself whether NOW accounts are desirable. My amendment would allow them for federally charted S. & L.'s and commercial banks only during periods when NOW accounts were authorized for similar State-chartered institutions by action of each State legislature.

As I pointed out early in my discourse, this is a procedure which is now followed by the banking laws for branch banks. That is, a nationally or federally chartered bank cannot offer or cannot maintain branch banks in any State unless the laws of that State permit the State-chartered institutions to do so. This has contributed to the effective dual system of banks in this country for a long, long period of time, and I think it could be well extended in this area if we are going to proceed to NOW accounts.

Third, I will offer an amendment to strike title II of the bill which gives the Federal Reserve authority to require reserves of nonmember depository institutions. I believe this is unwise, and feel that this controversial issue would be better resolved within the context of specific Federal Reserve membership legislation which is now pending and about which I have spoken at length.

Fourth, I intend to offer an amendment to strike the preemption of State usury laws contained in the bill. As I said a few moments ago, I am philosophically opposed to the Federal preemption of State laws except in rare instances in which an overriding national interest can be clearly demonstrated. But in the field of usury laws I see no reason to negate the long-standing tradition of State authority. As the Conference of State Bank Supervisors has noted, States are in a superior position to deal with situations unique to their respective regions. The imposition of a national usury norm would, in the long run, be less responsive and less appropriate for States than would measures designed by their respective State legislatures. Reflective of State concern in this matter is the fact that during the period from 1975 to 1979, 28 States liberalized their usury ceilings on individual or corporate loans in efforts to meet changing economic conditions. During this same period, 15 States exempted from their usury ceilings FHA and/or VA loans.

Moreover, I cite from the hearing record of the Banking Committee the strong opposition expressed by the AFL–CIO to the Federal preemption of State usury laws. The AFL–CIO witness noted that there is an "inherent policy of economic defeatism in the underlying supposition that this economy will be operating at such an inflationary rate, that passbook account and certificate of deposit rates would exceed State usury ceilings." To enact a Federal preemption of State usury laws and ceilings would, said the AFL–CIO, "sanction and invite a self-fulfilling prophecy of high interest rates and their inflationary impact."

Fifth, I am deeply concerned about the impact of the proposed reduction in the minimum denomination of money market certificates contained in the bill. The bill mandates the reduction of the minimum denomination from $10,000 to at least $1,000 within 2 years unless postponed by the Federal Reserve under the standards set forth in the bill. I believe that such a reduction would prove disastrous for the thrift industry, with predictable results for the availability of housing finance.

The portfolios of the bulk of savings and loan associations consist largely of mortgages made at far lower interest rates—6, 7, 8, or 9 percent. I would suggest the vast majority are 6 to 8. There is no way that their earnings can be adequate to pay market interest rates on savings in the form of $1,000 denominations. It seems clear that if institutions are going to have to offer these certificates in $1,000 denominations, that they are going to have to charge more for the services they offer and the money they lend. I believe this works against the interest of the average citizen generally, and will be especially damaging to housing finance.

As the AFL–CIO pointed out before our committee, "Higher money costs borne by depository institutions paying higher rates on savings would be reflected in their loan interest rates." The majority of consumers would suffer an overall economic loss.

Moreover, I think it should be pointed out that the Banking Committee has acted to adopt this provision of the bill with very little real evidence as to its impact.

I have some substantial figures with regard to this, and tomorrow or Thursday during the debate I will go into them at great length.

I predict, however, that its impact will prove disastrous to the earnings of savings and loans, and disastrous for the home buying and consuming public. I intend to move to strike this section.

I am deeply concerned about the entire thrust of this far-reaching bill, which I see as leading to an inevitable blurring of the traditional distinctions which have defined our system of financial institutions. I stress my earlier statement that the Nation would be far better served if the Congress were to enact a bill much more narrow in scope, and then take a look at the ramifications of this bill in the light of the present economic circumstances.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I think the distinguished Senator from North Carolina has made a very fine presentation, a very thoughtful presentation. He has obviously done a great deal of work on this legislation. Unfortunately, when we have legislation that deals with financial institutions, many Senators regard it as complex and remote from their immediate interests. It does not have the emotional content that other legislation has. In this case, I think the Senator from North Carolina has done more digging and more investigating, made more cogent arguments than I have heard in a long, long time on legislation of this kind. He deserves great credit for it.

I say that, of course, knowing, and I think he will recognize the fact, that I do disagree with him substantially. I should like to indicate some of the respects in which I do disagree.

The essential purpose of this legislation is to allow thrift institutions to prosper and remain viable while continuing to serve their traditional home mortgage market. In other words, the purpose of the legislation is to keep thrift institutions operating; not to hurt them, but to help them, and also make it possible for the housing industry to be able to survive in a very, very difficult, complicated, high-interest environment and high-inflation environment.

Every month recently, we have read that thrift institutions are experiencing outflow of funds. Just this morning, for example, the Washington Star pointed out that in September, savings banks' net deposit outflows totaled a billion dollars—almost a record—for 1 month. We all know that outflow is going to continue. It would be astonishing if it were not greater still in October, the present month. It is going to continue for some time unless we take action.

The Nation's thrift industry and the home mortgage markets cannot long cope with these deposit outflows without disastrous effects.

The economic reality is that Regulation Q is forcing thrifts to lose deposits because market innovators pay depositors more than thrifts can pay. If Regulation Q is not abolished and thrifts are given powers to enhance their earning capability—which we do in this bill—the thrift industry will run into heavy trouble. These economic realities will not go away with wishful thinking or theories about keeping thrift institutions simon-pure.

The fact is that thrifts need to pay market rates to depositors and to be able to earn returns so that they will remain viable.

This legislation does just that and meets the needs of thrifts.

First, it phases out regulation Q over a period long enough to allow thrifts to incorporate their new earning powers paying the rate of interest which they would find it necessary to pay to get deposits and to keep operating. It phases that out over a period long enough to allow thrifts to incorporate their new earning powers which we provide them.

Second, thrifts are accorded variable rate mortgages which they did not have before, as a matter of law, at least, checking accounts, consumer loans, trust powers and enhanced real estate lending authority.

Mr. President, these new powers should enable thrifts to remain viable in a market environment. I fear that if this bill is not passed the thrift industry will be in for hard times because the market forces that necessitate change will not go away.

It is too bad that we have a changing world sometimes, but we do have it. We have to adjust to it. This bill is an attempt to do that.

One additional matter I wish to address is the reserve provisions of title II, which the Senator from North Carolina indicated that he would try to strike with an amendment. There has been some discussion of that this afternoon.

I point out to the Members of the Senate that title II is not the Federal Reserve membership bill. Title II merely recognizes that for new powers granted to all financial institutions, equal reserves should be applied to all of them on the basis of competitive equality.

The House may very well introduce an amendment to this bill; it may introduce H.R. 7, the membership bill that passed the House, as an amendment. They can do that anyway when we send it over, regardless of the form in which we send it. Even if Senator MORGAN succeeds in every one of his amendments, we could still end up with the House adding the membership provision. From my conversations with Chairman REUSS, that is precisely what he intends to do. But that has nothing to do with the provisions we have in title II. That title merely recognizes that for new powers granted to all financial institutions, equal reserves should be granted to all of them on the basis of competitive equality and fairness. I do not know what could be fairer than that.

Title II is, therefore, a limited provision designed to meet the needs of placing reserves on new transaction accounts granted in this bill and is not a solution to the Federal Reserve membership issue.

I may point out to the Senate that once before, in 1975, the Senate passed a financial reform bill authorizing NOW accounts for all financial institutions and placed reserves on all of these accounts.

We did it before. A Senator who wants to be consistent will vote for it again, because that is what we are offering now, very similar legislation to what we passed in 1975. At that time, we placed reserves on all these accounts. At that time, the Senate voted to place reserves on these accounts. We are simply providing for the same measure of equality and fairness that we did at that time. So, H.R. 4986, as reported to the Senate, is consistent with what the Senate has done previously.

Also, the distinguished Senator from

North Carolina has mentioned the mail and indicated that there is considerable opposition to various parts of this bill. Mr. President, my mail has run overwhelmingly in favor of phasing out regulation Q and reducing the money market certificate to $1,000. The mail has been consistent from all parts of the country, particularly from my own State of Wisconsin, of course, which is the heaviest mail I get, supporting that position. Our State is a very typical State.

Consumers favor NOW accounts. Savers favor phasing out regulation Q.

The only mail I have in opposition to this bill is from some—not many, but some—savings and loans, although I should point out that many savings and loans support the legislation.

So, on the mail, on the basis of popular response, just in support of this bill, as I pointed out earlier, the number of institutions and groups supporting this legislation, I think, is very impressive. The constituents favor this bill, those who have studied this and are most responsible for our financial institutions favor the bill. Those who are most clearly affected by the legislation favor it. Of course, that is why the Banking Committee has acted favorably on it and why I hope that we can act on this legislation in the next few days.

Mr. President, I yield the floor.

Mr. MORGAN. Mr. President, just a word with regard to the Federal Reserve power. This provision in this bill does go further than the present law provides in other Federal Reserve legislation.

As I understand the law, and I think I understand it correctly, the Federal Reserve does not now have the power to require reserves on checking accounts or transactional accounts for nonmember banks.

But this bill would grant not only the Federal Reserve that power on nonmember banks, but also do it to nonmember thrift institutions if they participate in NOW accounts or transactional accounts.

So, in effect, this establishes the very principle that Chairman Volcker says they have been debating and arguing for 3 years and have not been able to get it resolved in this Congress.

Therefore, I argue that it should not come in the back door as an amendment to this bill.

Mr. President, as I mentioned earlier, I will move to strike at the appropriate time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

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## ABOLISH WAGE AND PRICE CONTROLS

Mr. HELMS. Mr. President, my friend Albert B. Fay, former Ambassador to Trinidad, Tobago, recently sent me a copy of an article that appeared in Business Week entitled "How to Achieve an American Miracle." I found it quite instructive.

The author of the article, C. Jackson Grayson, Jr., advocates scrapping wage and price controls in favor of a free market economy.

Mr. Grayson speaks from a position of expertise regarding wage and price controls. From 1971 to 1973 he was chairman of the Price Commission, charged with directing phase II of President Nixon's wage-price program. From this vantage point, Mr. Grayson observed the workings of wage and price controls and their effect on the economy.

Allow me to quote briefly from Mr. Grayson's article. He says:

> Economically, controls are a disaster. I saw this firsthand. After an initial appearance of gains, the inevitable erosion and inefficiencies began. No matter how good our intentions, how hard we worked, what models we employed, or how ingeniously we designed the regulations, the controls could never handle as efficiently or as effectively the millions of decisions made daily in the marketplace to adjust to the changing conditions of supply and demand. The controls did not reduce shortages or inflation. They increased both.

The inescapable conclusion is that wage and price controls do not work. They may provide short-term relief, but in the long run they have disasterous economic consequences. In advocating a return to the free market system, Mr. Grayson has proposed a solution to our economic woes. As Ambassador Fay writes, we should "give this daring idea some real consideration."

Mr. President, I urge Senators to read this article, and to contemplate its message. I ask unanimous consent that the article "How to Achieve an American Miracle" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Business Week, July 16, 1979]

### How To Achieve an American Miracle

(By C. Jackson Grayson, Jr.)

The most frightening aspect of the current gasoline crunch is not the long lines. Nor the price. Nor OPEC. It is not even the shootouts at the service stations.

It's the almost total absence of serious consideration and open support by businessmen, politicians, and economists for a return to the market system to ration demand and increase supplies.

The answer to our problems has to be complete decontrol—decontrol not only of oil, but also of gasoline—and elimination of the price and wage "guidelines" program along with it: a complete dismantling of the increasingly complicated, inefficient, inequitable, and unworkable machinery of energy and wage-price controls.

I recommend this not from blind ideological faith in the market system, but from (1) a reading of the history of the failures of wage-price and allocation controls for over 40 centuries, (2) an observation of the current failures of energy and wage-price guidelines, and (3) my own personal experience in directing controls, during Phase II of President Nixon's wage-price program.

The gasoline situation is a good example. The President blames Congress and scolds the public. The Congress blames the President and lectures the oil companies. Endless and fruitless disputes, investigations, and hearings drain the nation's energies to find out who's to blame: "Is there a shortage? Where is the gasoline?"

At the gas pumps there are hired guards, shootings, thefts, and scams. Hundreds of thousands of hours are spent nonproductively in long lines when the nation's productivity growth is already alarmingly low. New allocation schemes are cooked up almost daily: odd-even days, numbered windshield stickers, minimum purchase amounts, state conservation quotas, coupons. Such controls organize and prolong shortages. And in the process the poor, those with low incomes, and the weak are hurt the most.

#### BACK TO A MARKET ECONOMY

A good account of the history of controls is chronicled in a recent book by Robert L. Schuettinger and Eamonn F. Butler, *Forty Centuries of Wage and Price Controls* (The Heritage Foundation, Washington, D.C., 1979). It is tragicomic that 40 centuries of price and wage controls and governmentally directed allocation systems for such commodities as flour, corn, wheat, and housing show a record of repeated failures.

Not only do the guidelines violate the basic economic laws of supply and demand, they also violate the basic political laws of consensus, power, and equity. The program has no power base, no real support by business or organized labor, and it is rife with inequities. The program is not fading fast—it is dead. No scraping, painting over, or review is going to change it from being bad law, bad economics, and bad politics.

"We have to continue," says Barry Bosworth, director of the Council on Wage & Price Stability. "There is no alternative."

Yes there is. I offer these recommendations:

Remove all price and allocation controls over gasoline and other fuels.

Remove all wage and price controls.

Abolish the Council on Wage & Price Stability.

Return to a market economy.

A "political impossibility," the conventional wisdom runs. It can't be done. Congress, the President, and the public would never stand for it. Believing this, many businessmen and legislators fail to fight for a return to the market system. Instead, they remain silent or concentrate on compromises and accept what Representative Al Ullman calls "the political equation." That's a mistake, both economically and politically.

Economically, controls are a disaster. As chairman of the Price Commission during Phase II (1971–73), I saw this firsthand. After an initial appearance of gains, the inevitable erosion and inefficiencies began. No matter how good our intentions, how hard we worked, what models we employed, or how ingeniously we designed the regulations, the controls could never handle as efficiently or as effectively the millions of decisions made daily in the marketplace to adjust to the changing conditions of supply and demand. The controls did not reduce shortages or inflation. They increased both.

#### POLITICAL COURAGE

Bad economics is also bad politics. A very recent example is Britain. Margaret Thatcher rode to power on pledges to reduce much of the governmental economic management, to decontrol prices and wages, and to revive the market system.

The classic example, of course, is West Germany. In July, 1948, virtually all economic controls were removed, including price and wage controls. The Allied powers, then in control, were fearful that it would lead to greater inflation, unemployment, political instability, and more problems for the poor. The bold move was controversial even among those closest to its architect, the economist (later Chancellor) Ludwig Erhard.

The fears proved unfounded. There was higher employment, higher real wages, rising productivity, a disappearance of black markets, an abundance of goods in the shops, and—after an initial spurt in prices—a great reduction in inflation. Apathy and despair turned to hope and energy.

In truth, the "economic miracles" that have followed decontrol were not miracles. They were no more than an end to the economic paralysis and disorder caused by the control mechanisms and a return to the market economy.

President Carter speaks of the need for "political courage" in facing these problems. It's time for an act of political courage that makes both political and economic sense: decontrol.

## EVERETT DENNIS JACKSON: A SPECIAL KIND OF AMERICAN

Mr. HELMS. Mr. President, all of us ought to give thought to a remarkable American, Mr. Everett Dennis Jackson, whose courage and unshakable convictions were described in a recent article by Philip C. Clarke, of the American Security Council.

Mr. Jackson, on his own motion, undertook a heroic mission to investigate for himself reports of Soviet missile installations hidden in Cuba.

After a harrowing ordeal, Mr. Jackson was eventually captured and imprisoned by Fidel Castro's forces. His faith in America and in our democratic system withstood both torture and blandishments on the part of his ruthless, and at times, sadistic captors.

America is fortunate that men such as Everett Dennis Jackson still exist. If the time comes when this is not the case, then America will no longer be the country we know and love today.

Mr. President, in order to share Mr. Clarke's article with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

### A Special Kind of American

Everett Dennis Jackson would be the last person in the world to admit that he's someone special. Yet, this unassuming, quiet-spoken American, all but forgotten as a prisoner in the dungeons of Castro's Cuba for 12 agonizing years, emerged a few weeks ago unbroken and as defiantly anti-Communist as ever.

It was four das after Christmas, 1967, when Jackson, a 27-year-old ex-Army paratrooper from Miami, flew his tiny Taylor-Craft under the Cuban radar and bailed out in the darkness. His self-appointed mission: To photograph suspected Soviet missile bases in western Cuba and somehow make his way back to the United States. He carried press credentials from a California newspaper that wanted to publish his story—if he returned.

Three earlier attempts had been aborted. In one effort, three exiled Cuban colleagues had been killed. This time, Jackson was on his own.

At an American Security Council news media briefing in Washington October 11, Jackson described what happened:

"Realizing at last that I meant to keep trying, the CIA had a go-between brief me and supply me with some updated U–2 reconnaissance photos of two areas in western Cuba they suspected might contain Soviet missile sites.

"Against their advice, I took along an M–1 carbine and some ammunition for self defense. Unluckily, I was spotted by a Communist patrol boat. After 24 hours of hide-and-seek in a marshy area, and a narrow escape from quicksand, I was captured."

After 13 months of solitary confinement broken only by hours of grueling interrogation, Jackson went before a military tribunal on charges of espionage and smuggling arms to "counter-revolutionaries." The prosecutor asked for the death penalty.

As customary in such cases, a Swiss embassy representative attended the trial as an observer, and a brief summary, dated April 30, 1969, was delivered to the State Department. After his release last September, Jackson tried to obtain a copy of the report but was told it could not be found. Determined to prove that at his trial he had not implicated the CIA or had been involved in arms-smuggling, Jackson finally obtained the missing report from Swiss authorities.

Among other things, the trial report revealed that Jackson, though facing possible execution, coolly stood his ground. Once, when the Communist prosecutor demanded to know by what right he, Jackson, had entered Cuba without permission, the accused American shot back: "By the same right that Cubans without Bolivian consent are carrying on subversive warfare in Bolivia!"

Toward the end of the 2½ hour trial, Jackson told the tribunal: "I am an anti-Communist and you are Communists. Between the two ideologies there is a line and I crossed that line."

Awed, perhaps, by this bold and unyielding American, the court, instead of ordering Jackson executed, sentenced him to 30 years at hard labor.

Over the years in the dungeons of La Cabaña in Havana, many of Jackson's Cuban fellow prisoners were led away to die by firing squad within earshot of his cell. Others hanged themselves, or went insane, Jackson himself had his jaw broken by a sadistic guard.

Refusing offers of better treatment if he would join the "Plan," the Communists' indoctrination regime for political prisoners, Jackson never knuckled under. When he was told last September that he and three other Americans would be exchanged for four Puerto Rican nationalists serving life terms in the U.S. for shooting up the House of Representatives and trying to kill President Truman, Jackson told his Cuban captors that he would refuse to be traded for such would-be murderers.

"Listen, Jackson," he was told by the prison commandante, "we're going to deport you from Cuba even if we have to drag you out in chains!"

We asked Jackson if he would do it all over again. "Yes," he replied, "if I thought I had a chance to come up with the evidence that Soviet missiles are still in Cuba. In 1967, my CIA contact admitted that if they could not detect Soviet missiles going into Cuba in 1962, how could they tell for sure they were all taken out after the 1962 crisis."

To Jackson, now 39, it's more than a wild and improbable adventure. "I have a son and two daughters by a previous marriage, and one grandchild, and a country that I love. I'd do anything I could to help protect them."

Rash and foolhardy as his obsession over Cuba might seem, it is nonetheless reassuring in these "laid-back" times of "who cares" to know that there remain a few Americans like Everett Dennis Jackson.

## HOLOCAUST IN CAMBODIA

Mr. PROXMIRE. Mr. President, my subject is genocide. For more than a decade, I have discussed this issue daily in an appeal for the ratification of the Genocide Convention. I have spoken with reference to technical arguments about the treaty, with reference to the Holocaust of the Nazi era, and with reference to lesser but nonetheless ominous violations of human rights which were occurring at the time. Today, I speak out on genocide not as a nightmare from the past or as a threat for the future, but instead as an accomplished fact of today's world.

I speak of Cambodia. For more than 4 years after its takeover by the Khmer Rouge in 1975, we heard almost nothing from this small Asian nation. Our only reports were horrific tales of savagery and murder told by desperate refugees; it was difficult to tell what was actually happening there. Now, we are discovering that the truth is far worse than anyone could have imagined. The Cambodian nation, over these last few short years, has fallen victim to genocide.

As Western journalists enter the country for the first time in years, our knowledge of what has actually occurred in Cambodia is still incomplete. However, what has been reported indicates that the now deposed Pol Pot regime undertook a calculated and horribly efficient program to eliminate half of the men, women, and children in the country. This was a butchery as brutal and senseless as the Holocaust of 40 years ago.

The horror of this attempted destruction of a whole people has not ended; the final chapters are being written at this moment. Millions of Cambodia's survivors, in that scarred country and across the border in overburdened Thailand, face certain starvation over the next 6 months unless an unprecedented international relief effort is undertaken immediately. At the same time, however, warfare between the Vietnamese invaders and the remnants of the old regime continues and makes any distribution of aid in Cambodia virtually impossible. I am hoping that my colleagues have grasped the immensity of the human disaster which has overtaken Cambodia.

I note, incidentally, that three of our distinguished colleagues from this body are in Cambodia now inspecting this tragic situation, and that indicates to us how immediate and serious the genocide problem is at this very instant.

Finally, as I have done for so long in the past and will continue to do for as long as it is necessary, I call on the Senate to ratify the Genocide Convention. Our continued silence on this issue, in light of the destruction of the Cambodian people, is a terrible one indeed.

Mr. President, I yield the floor.

## UTAH LEADS THE NATION

Mr. HATCH. Mr. President, earlier this year I engaged in a small debate with my colleague and friend from Indiana, Senator Lugar, over the attendance figures at college basketball games. At that time I offered the opinion that the basketball fans of Utah had led the Nation in average attendance at major college basketball games. Senator LUGAR pointed out that the four major schools of his State had averaged a "few" fans more per game and later I learned in Sports Illustrated that the State of Kentucky was in fact first in that category.

While I may have been somewhat chagrined to find that I had erred, I still felt that the fans of Utah were the finest in the Nation. I also resolved that I would do a little more checking on the situation. I have since received data that supports my claim of attendance. In an article appearing in the October 5, 1979 issue of the campus paper of Brigham Young University, the Daily Universe, it points out that the State of Utah did indeed lead the nation in attendance per capita:

> As a State, Utah leads the nation in per capita attendance. Judged on a per capita ratio, Utah is ranked first in the nation with an amazing 1.74—that is, 728,805 total attendance compared to its population of 1,268,000 (1977 census). In other words, a ratio of 1.74 to 1.00 between population and total basketball attendance New Mexico was second among the states last year with a 2.34 per capita rating.

Mr. President, that same article explains that BYU has sold out its season tickets for basketball, thus we should improve on an already superior rating. I ask unanimous consent that the above mentioned article be printed in the RECORD so that my colleagues, especially my friend from Indiana, can read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### MARRIOTT CENTER SOLD OUT

In a move that was as unseasonal as it was unprecedented, officials at BYU this week posted a "sold out" sign for season tickets to the Cougars 1979–80 home basketball games.

"To the best of my knowledge," reported special events manager Scott Williams, "this is the first time we've sold out the Marriott Center on a season ticket basis. Certainly this is the earliest we've had to hang out the 'sold out' shingle."

Since the Marriott Center seats 22,700, the advance sale means the Cougars should have a full house, or near-full house, at most of the 15 home games on the BYU schedule this season.

While this is bad news for those fans who may have waited too long to purchase season tickets, there is faint hope for the future. According to BYU ticket manager LaRae Hawkins, there will be a few games this year when the visiting team—clubs like Baylor and Alaska—won't be claiming their ticket allotments. These are the tickets, she said, that will be going on sale Nov. 1.

In breaking down the ticket allotment, officials said 6,700 are reserved for students, 3,000 are designated for sale to faculty and staff, and approximately 300 are allocated to the visiting schools. Everything else is sold on a season basis.

"We moved 1,100 on what we call a 'super season' rate," pointed out Williams. "But these are not renewable on a season basis. If the fans want to renew them, they will have to come in before the deadline next year and purchase from those seating sections where they are renewable."

"In my way of thinking," said BYU athletic director Glen Tuckett, "the early sellout is a compliment to the fine coaches and players who brought a WAC championship to BYU last year. We want as many people as possible to have an opportunity to see their exciting brand of basketball."

Head Coach Frank Arnold had a similar reaction: "I've always felt BYU basketball fans were among the best—if not the best—in the country, and this confirms my feelings. We are really grateful for their enthusiasm and support."

For Williams and Hawkins, the sellout wasn't that much of a surprise. Last year, when the Cougars were battling their way to the conference championship, BYU averaged 19,048 fans for 14 home games. The season average for 1978–79 was second only to Kentucky in highest average per game in the nation. Kentucky led the nation with 23,403 per game, and New Mexico was third (16,641) behind BYU.

NCAA figures also revealed the Western Athletic Conference ranked third last year in overall attendance; an average of more than 10,000 fans per game for the eight member schools. Overall, the WAC drew more than 1,000,000 fans for the fifth year in a row.

As a state, Utah leads the nation in per capita attendance. Judged on a per capita ratio, Utah is ranked first in the nation with an amazing 1.74—that is, 728,805 total attendance compared to its population of 1,268,000 (1977 census). In other words, a ratio of 1.74 to 1.00 between population and total basketball attendance. New Mexico was second among the states last year with a 2.34 per capita rating.

And what about average attendance at the Utah schools?

Last year the four major Utah schools—BYU, Utah, Utah State and Weber State—averaged 8,377 fans per game, more than 2,000 ahead of second place New Mexico.

## 1980 SKI-A-THON

**Mr. HATCH.** Mr. President, today the 10 members of the 1980 "Ski-a-thon" team will leave Salt Lake City, Utah to continue on their remarkable cross country trek from Los Angeles to Lake Placid, N.Y. This endeavor to raise funds for our American athletes to participate in the 1980 winter Olympic games is worthy of the Congress' attention and commendation.

Jointly sponsored by the U.S. Ski Association, the U.S. Ski Team, the U.S. Ski Educational Foundation, the XIII Winter Olympic Games Organizing Committee, and the National Ski Patrol System, the cross country "Ski-a-thon" team began in Los Angeles on September 20 and is scheduled to end in Lake Placid on January 25, 1980. The team will be using "roller skis" when there is no snow in order to make Lake Placid before the Olympics.

The effort has been made to both raise money for the Olympics and to dramatize the Nation's support for our competitors at the games this winter. One of the primary goals of the "Ski-a-thon" is to invite the enthusiasm of every citizen for the games. The marathon expedition will take the "Ski-a-thon" team through 298 communities in the States of California, Nevada, Utah, Wyoming, Nebraska, Iowa, Illinois, Indiana, Ohio, Pennsylvania, and New York, a distance of 3,631 miles.

Mr. President, the Board of Supervisors of Los Angeles County, as well as Mayor Tom Bradley on behalf of the city of Los Angeles, have extended best wishes and commendation to the sponsors, patrons, and participants in "Ski-a-thon" in formal resolutions. I would like to join with the many citizens celebrating this endeavor and give to the skiers my utmost support for their project. I am grateful for the diligence and initiative shown by these Americans to promote a nationwide spirit of pride and patriotism.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

## EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Office laid before the Senate a message from the President of the United States submitting the nomination of Juan M. Perez-Gimenez, of Puerto Rico, to be U.S. District Judge for the District of Puerto Rico, which was referred to the Committee on the Judiciary.

## TRADE WITH THE PEOPLE'S REPUBLIC OF CHINA—MESSAGE FROM THE PRESIDENT—PM 126

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Finance:

*To the Congress of the United States:*

Pursuant to section 402(c)(2) of the Trade Act of 1974 (hereinafter, "the Act"), I shall issue today an Executive Order waiving the application of subsections (a) and (b) of section 402 of the Act with respect to the People's Republic of China.

I wish to report to the Congress that I have determined that the requirements of section 402(c)(2)(A) and (B) of the Act have been satisfied.

JIMMY CARTER.

The WHITE HOUSE, *October 23, 1979.*

## MESSAGES FROM THE HOUSE

### ENROLLED BILLS SIGNED

At 1:33 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 436. An act to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be insured by the Tennessee Valley Authority;

H.R. 3923. An act to amend chapter 25 of title 44, United States Code, to extend for one year the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes;

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 5386. An act to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such Act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States.

The enrolled bills were subsequently signed by the President pro tempore.

The message also announced that the House has passed the following bill, with amendments in which it requests the concurrence of the Senate:

S. 1871. An act to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STRATTON, Mr. MOLLOHAN, Mr. DAN DANIEL, Mr. BEARD of Tennessee, and Mr. ROBERT W. DANIEL, JR., were appointed as managers of the conference on the part of the House.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 507. An act to authorize Federal participation in stream rectification, Trinity River Division, Central Valley project, California, and for other purposes;

H.R. 826. An act to amend title 39, United States Code, to provide that the United States Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970;

H.R. 2584. An act to amend the provisions of chapters 83 and 89 of title 5, United States Code, which relate to survivor benefits for certain dependent children.

H.R. 4064. An act to amend title 39, United States Code, to provide that owners of motor vehicles leased by the United States Postal Service shall be exempt from the payment of State taxes and fees on those vehicles; and

H.R. 5506. An act to amend the Energy Policy and Conservation Act to extend for two months certain authorities relating to the international energy program.

At 2:13 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 1157) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. RODINO, Mr. BROOKS, Mr. KASTENMEIER, Mr. EDWARDS of California, Mr. SEIBERLING, Mr. DANIELSON, Mr. DRINAN, Ms. HOLTZMAN, Mr. MCCLORY, Mr. RAILSBACK, Mr. FISH, and Mr. HYDE were appointed as managers of the conference on the part of the House.

The message also announced that the House further insists upon its amendment to the resolution (S. Con. Res. 36) revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982; requests a further conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. GIAIMO, Mr. ASHLEY, Mr. STOKES, Mr. SIMON, Mr. MINETA, Mr. JONES of Oklahoma, Mr. SOLARZ, Mr. WIRTH, Mr. PANETTA, Mr. NELSON, Mr. GRAY, Mr. LATTA, Mr. CONABLE, Mr. REGULA, Mr. SHUSTER, and Mr. FRENZEL were appointed managers of the conference on the part of the House.

At 3:22 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has agreed to the concurrent resolution (S. Con. Res. 44) correcting the enrollment of S. 1030, without amendment.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes.

## HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 507. An act to authorize Federal participation in stream rectification, Trinity River Division, Central Valley project, California, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 826. An act to amend title 39, United States Code, to provide that the U.S. Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970; to the Committee on Governmental Affairs.

H.R. 2584. An act to amend the provisions of chapters 83 and 89 of title 5, United States Code, which relate to survivor benefits for certain dependent children; to the Committee on Governmental Affairs.

H.R. 4064. An act to amend title 39, United States Code, to provide that owners of motor vehicles leased by the United States Postal Service shall be exempt from the payment of State taxes and fees on those vehicles; to the Committee on Governmental Affairs.

H.R. 5506. An act to amend the Energy Policy and Conservation Act to extend for 2 months certain authorities relating to the international energy program; to the Committee on Energy and Natural Resources.

## COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-2361. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the transfer of certain funds appropriated to the Department of Defense; to the Committee on Appropriations.

EC-2362. A communication from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize training of personnel of the armed forces of NATO member countries; to the Committee on Armed Services.

EC-2363. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the National Marine Fisheries Services for calendar year 1978; to the Committee on Commerce, Science, and Transportation.

EC-2364. A communication from the Secretary of the Interior, transmitting, pursuant to law, an application from the Gulf Oil Co. for repayment of gas royalties due to an approved pipeline transportation allowance; to the Committee on Energy and Natural Resources.

EC-2365. A communication from the Under Secretary of the Interior, transmitting, pursuant to law, notice on leasing systems for oil and gas lease sale No. 58A, Gulf of Mexico, scheduled to be held on November 27, 1979; to the Committee on Energy and Natural Resources.

EC-2366. A communication from the Acting Assistant Secretary of the Interior, transmitting, a correction in the transmittal letter and a revised copy of the previously submitted draft of proposed legislation to provide for additional authorization for appropriations for the Tinicum National Environmental Center; to the Committee on Environment and Public Works.

EC-2367. A communication from the President of the United States, transmitting, pursuant to law, a copy of a proclamation extending nondiscriminatory treatment to the products of the People's Republic of China; to the Committee on Finance.

EC-2368. A communication from the Assistant Secretary of the Interior for Policy, Budget, and Administration, transmitting, pursuant to law, a proposed new system of records for the Assistant Secretary of the Interior for Indian Affairs, for implementing the Privacy Act; to the Committee on Governmental Affairs.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, October 23, 1979, he presented to the President of the United States the following enrolled bill:

S. 436. An act to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Valley Authority.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

### SECOND CONGRESSIONAL BUDGET RESOLUTION—CONFERENCE REPORT

Mr. MUSKIE, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 36) revising the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982 (Rept. No. 96-376).

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 1923. A bill to amend the act of November 8, 1978 (92 Stat. 3095) to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico; to the Committee on Energy and Natural Resources.

S. 1924. A bill to establish the Salinas National Monument in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WILLIAMS:

S. 1925. A bill to amend the Internal Revenue Code of 1954 to stimulate savings of income for retirement, and for other purposes; to the Committee on Finance.

By Mr. McGOVERN:

S. 1926. A bill to provide price support for producers of sunflower seeds through loans and purchases by the Secretary of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

S. 1927. A bill to amend the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) to require that the label on each loaf of bread disclose the cost to the manufacturer of the farm product ingredients; to the Committee on Commerce, Science, and Transportation.

By Mr. PROXMIRE:

S. 1928. A bill to provide safeguards for consumers in the areas of credit, banking, and insurance, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 1929. A bill to safeguard the privacy of electronic fund transfers by consumers, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs and the Committee on the Judiciary, jointly, by unanimous consent.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 1923. A bill to amend the act of November 8, 1978 (92 Stat. 3095), to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico; to the Committee on Energy and Natural Resources.

### CIBOLA NATIONAL FOREST

Mr. DOMENICI. Mr. President, today I am introducing a bill which pertains to the Cibola National Forest, adjacent to Albuquerque, N. Mex. I am introducing this bill on behalf of myself and Senator SCHMITT.

Mr. President, this bill pertains to land in the Cibola National Forest adjacent to Albuquerque and contains two tracts of land of about 30,700 acres. The lands are located in the Sandia Mountains and lie along the western face of the mountains overlooking Albuquerque.

The outstanding scenic beauty found in the Sandias has long been recognized by the public. Rugged cliffs and pinnacles of light-colored granite provide not only a test of the mountain climber's skill, but also a scenic grandeur that is always present but ever changing with the afternoon light.

The Forest Service has protected this area in the past by placing primary emphasis on scenic beauty in many areas. For example, the entire west face of the Sandias has for several years been within a special management unit with actions directed at maintaining and enhancing the scenic values of the land. The Forest Service has done an excellent job in assuring that actions which would detract from the scenic beauty are not allowed.

The people in New Mexico appreciate the fine job the Forest Service has done in managing these lands. However, they would like the added protection wilderness designation would provide the area.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1923

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 3 of the Act of November 8, 1978 (92 Stat. 3096) is amended by adding the following new subsection at the end thereof:

"(c) In furtherance of the purposes of the Wilderness Act of 1964 (78 Stat. 890) and section 2(g) of the Endangered American Wilderness Act of 1978 (92 Stat. 42), the western exterior boundary of the Sandia Mountain Wilderness is extended to a line beginning at the closing corner between section 35 and 36 of township 11 north, range 4 east, on the south boundary of the Elena Gallegos Grant and extending north 2,700 feet; thence east 1,515 feet; thence north 1,260 feet; thence east 3,160 feet; thence north 4,125 feet; thence north 42 degrees east, 4,480 feet; thence north 1,710 feet; thence west 3,235 feet; thence north 19 degrees west, 2,350 feet; thence west 1,400 feet; thence north 3,820 feet to a point on the north boundary of such grant; thence south 81 degrees 30 minutes east, 150 feet along the boundary of such grant to the 7½ mile corner. Such boundary will enclose approximately 6,423 acres of the lands in the grant as it is described in section 1 of this Act. Such lands, upon acquisition by the United States, will be administered as a part of the Sandia Mountain Wilderness.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 1924. A bill to establish the Salinas National Monument in the State of New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

### SALINAS NATIONAL MONUMENT

Mr. DOMENICI. Mr. President, also today I am introducing a bill on behalf of myself and Senator SCHMITT, to establish the Salinas National Monument by combining Gran Quivira National Monument and two State monuments, Abo and Quarai in New Mexico.

The National Park Service conducted an investigation to determine the suitability and feasibility of operating Abo, Quarai, and Gran Quivira as a three-unit monument under a single managing agency in 1974. The study indicated that factors were favorable for the establishment of Salinas National Monument and proposed that it be administered and operated as a part of the National Park System.

In 1909, President William H. Taft set aside the Gran Quivira National Monument to protect and preserve the ruins of prehistoric Indian pueblos and associated 17th century Franciscan Spanish mission ruins. This monument consists of 610.94 acres under Federal ownership and there are 21 pueblo mounds, 10 kivas, and 2 church complexes which require preservation and protection.

In 1933, Abo became a State monument under the administration of the Museum of New Mexico. Only the church and convento of Abo have been excavated. The mission has been partially restored and stabilized. Other archeological resources include three large house mounds, one small house mound, numerous pictographs and petroglyphs, several field houses and portions of a prehistoric trail. This unit would be accepted from the State by donation and an additional 350 acres of private land would be acquired to restore the integrity of the historical scene and to encompass additional ruins, petroglyphs, and pictographs in the area, as well as provide land for development.

In 1935 the Quarai State Monument was established under the administration of the Museum of New Mexico. There are two mission churches and conventos, nine Indian house mounds, pitroglyphs, ruins of an early Spanish corral, and remnants of a historic dam.

In 1974 the State legislature passed Senate bill 19, and the act was signed by the Governor enabling the State to cede jurisdiction of Quarai and Abo State Monuments to the National Park Service for inclusion in the Salinas National Monument upon presentation by the Park Service of an approved development plan.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1924

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in order to set apart and preserve for the benefit and enjoyment of the American people the ruins of prehistoric Indian pueblos and associated 17th century Franciscan Spanish mission ruins, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire by donation, or by purchase with donated or appropriated funds, or otherwise, four hundred and sixty-six acres of land in the State of New Mexico which, in addition to the lands now comprising Gran Quivira National Monument, shall be designated as the Salinas National Monument.

(b) Gran Quivera National Monument is hereby abolished, and any funds available for purposes of the monument shall be available for purposes of the Salinas National Monument.

SEC. 2. The Secretary shall administer, protect, and develop the national monument in accordance with the provisions of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended and supplemented.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. WILLIAMS:

S. 1925. A bill to amend the Internal Revenue Code of 1954 to stimulate savings of income for retirement, and for other purposes; to the Committee on Finance.

### SAVINGS OF INCOME FOR RETIREMENT ACT

● Mr. WILLIAMS. Mr. President, today I am introducing legislation to stimulate increased savings of income in retirement arrangements (SIRA). Under the bill, American workers will be encouraged to supplement their retirement income through tax deductible savings, which in turn will contribute greatly to more capital formation.

The SIRA concept of my bill involves two significant changes in Federal tax law. First, it would increase the deductible limits for Keogh plans and individual retirement accounts (IRA's). Second, it would permit an individual who is already covered by a tax-qualified retirement plan to claim a tax deduction for his or her own contribution to that plan or to an IRA.

Over the years, I have been concerned about the ability of private sector pension arrangements, in combination with the Social Security System, to supply sufficient retirement income. The enactment of pension reform legislation—ERISA—in 1974 was a major step forward in providing assurance that private sector employer- and union-sponsored pension plans would achieve this objective.

In 1974, recognizing that private sector pension plan coverage was by no means universal, Congress authorized IRA's, providing for the first time favorable tax treatment for retirement income savings by workers who are not covered by plans. IRA's have proven to be popular among these workers, with over 2 million individuals now saving almost $2.5 billion per year in individual and spousal retirement accounts, annunities, and bonds.

ERISA set the deductible limit for IRA contributions at the lesser of $1,500 or 15 percent of annual compensation. With the exception of the 1976 change which raised the dollar limit to $1,750 in the case of an IRA covering both the income earner and his or her nonincome earning spouse, the deductible limits for IRA's have not been changed since 1974.

For an employee earning sufficient compensation to contribute $1,500 each year to an IRA for 30 to 35 years, and assuming reasonable interest earnings on the contributions, the resulting pension at age 65, when combined with social security benefits, was deemed sufficient in 1974 to provide decent retirement income.

But, unusually high rates of inflation since 1974 and the outlook of continuing relatively high inflation in the years to come will seriously erode the value of the pension that can be provided with contributions limited to $1,500 per year.

According to the Consumer Price Index, the cost of living has risen over 40 percent since January 1, 1975. Even if inflation can be moderated somewhat in the coming years, the buying power of a pension in the year 2010 that is based on 35 years of contributions at the $1,500 per year rate will be pathetically inadequate.

Inflation has the same effects for Keogh plan participants. The raising of Keogh deductible limts 10 percent/$2,500 to 15 percent/$7,500 in 1974 was long overdue, but unless the Keogh limits are also indexed, future Keogh plan retirees will suffer a loss in ultimate retirement income security that is the same, in relative terms, as the loss that will be suffered by IRA pensioners.

Also, in order to retain the incentive for establishment of Keogh plans where IRA's are available, there must continue to be a gap between the maximum Keogh plan deduction and the maximum IRA deduction.

Therefore, my bill proposes two changes in the IRA and Keogh deductible limits.

First, an immediate increase in both the dollar and percentage limits to reflect most of the inflation that has taken place since 1974. For taxable years beginning during 1980, the IRA limit would be the lesser of 20 percent of compensation or $2,000, and the Keogh limit would be the lesser of 20 percent of compensation or $10,000.

Second, beginning in 1981, the dollar limit for IRA's would be linked to the CPI so that additional inflation does not erode IRA pension values. Then, when the inflation-adjusted IRA dollar limit reaches $5,000, the Keogh dollar limit would also become indexed. Thus, the maximum Keogh deductible limit would always be twice as large as the maximum IRA deductible limit.

The second part of the SIRA concept in my bill focuses on workers who are covered by employer-sponsored plans but who are in occupations involving transient employment, such as engineers and scientists, or who are covered by plans in which the benefit levels provided by employer contributions are low.

Workers in both situations may wish to set aside a portion of current income for retirement, but present law gives them little incentive to do so. Existing tax rules prohibit contributions to an IRA by individuals who are active participants in tax-qualified plans and contributions made to plans by covered employees are not tax deductible.

To eliminate this inequity and to encourage plan participants to augment the contributions that are being made by their employers, my bill provides a deduction for taxable years beginning in 1980 of up to $1,000 or 10 percent of annual earned income, whichever is less, for contributions made by a plan participant to his or her plans or to an IRA. For taxable years beginning during calendar years after 1980, the dollar limit will be indexed.

Except for the indexing feature, this provision in the bill is identical to section 203 of the "ERISA Improvemens Act of 1979," S. 209, which was approved by the Committee on Labor and Human Resources last May and is now pending before the Finance Committee.

But, since the introduction of S. 209, I have concluded that merely providing a new deduction for contributions by plan participants to their plans or to IRA's is not sufficient. If private sector arrangements are to supply sufficient retirement income to future retirees, the Keogh and IRA deductible limits must also be raised and adjusted so that inflation does not completely erode pensions provided by IRA's and Keogh plans.

These changes are important for additional reasons. The personal savings rate in the United States, expressed as a percentage of disposable income, has dropped to an alarmingly low level. In the United States, the rate was about 5 percent in 1977. This compares to a 20-percent rate in Japan; 15 percent in France; and about 10 percent in West Germany and the United Kingdom.

The reasons for the drop in the savings rate are not surprising. From an economic standpoint, Americans find few reasons to save.

High inflation rates make the real, after tax return on savings accounts at commercial banks and thrift institutions negative by a substantial margin.

Consumers are also inclined to buy on credit since the interest charges are often tax deductible and repayments are made in depreciated dollars.

In view of these trends, it is no wonder that Americans have lost their interest in saving money in traditional ways. Elsewhere in the world, governments actively promote personal savings. According to the Wall Street Journal—

> Frenchmen get generous tax breaks on their savings account interest, and the German Government stimulates savings by offering a cash bonus to savers of up to about $100 in each year.

And, in sharp contrast to the inflationary pressure to consume felt by most Americans, in Europe "deepening fears of inflation seem, oddly, to encourage savings."

The decline in the savings rate carries an ominous warning of a lower rate of investment and the associated slow growth in productivity. As a result, capital formation will suffer and the prospects for a full economic recovery will be impeded.

I believe my colleagues are well aware of the importance of developing policies to stimulate individuals to save. Such policies will combat inflation, make long-term investment capital more readily available, and create a steady stream of funds to our depository institutions for commercial and housing loans.

A number of ideas are being studied to reduce the negative impact on savings and investments. Liberalizing depreciation to accelerate the rate at which investments can be charged off is one; another is augmenting the pool of investment funds by eliminating double taxation of corporate dividends.

The Banking Committee has already taken action this year to eliminate the regulation Q ceiling on interest rates, removing a particularly inequitable burden on small savers.

It seems obvious that our tax laws will have to be changed to encourage saving. The current tax structure discourages saving since it immediately taxes individual income before the decision to save or consume is made.

Numerous bills have been introduced to provide a tax incentive for savings at depository institutions. Generally, these bills fall into several categories—provide a tax exclusion on interest earned, offer tax-planning opportunities through deferral arrangements, or shelter savings for specific purposes such as a downpayment on a home or college education.

I believe the wisest approach is to broaden the tax deductions and deferrals permitted for retirement-oriented savings—IRA and Keogh plans.

Since we already have experience with these tax deferral programs—successful experience, I might add—I believe it is both logical and practical to defer tax liability on long-term savings commitments. Thus, the legislation I am introducing today would defer—and not forgive—a tax liability by moving the personal income tax system in the direction of encouraging higher levels of personal saving through a supplemental individual retirement arrangement.

Unlike most proposed incentives for savers which allow deductions for interest earned on savings balances, the SIRA proposal would allow deductions only for long-term savings. As with IRA's, the preferential tax treatment would be allowed only when the contributor allows the accumulated funds to remain in the plan until the age of 59½. Withdrawals prior to that time would be subject to a substantial tax penalty.

Mr. President, the savings of income for Retirement Act of 1979 will serve two purposes. First, it will enable working Americans to supplement their incomes during retirement by saving now. Second, it will promote additional, long-term saving to stimulate capital formation, shore-up depository institutions and help to assure an adequate flow of mortgage credit.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

### S. 1925

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### Section 1. Short Title.

This Act may be cited as the "Savings of Income for Retirement Act".

### Sec. 2. Increase In Amount of Individual Retirement Savings Deduction.

(a) Retirement Savings for Individuals.—Section 219 of the Internal Revenue Code of 1954 (relating to retirement savings) is amended—

(1) by striking out "15 percent" in subsection (b) (1) and inserting in lieu thereof "20 percent",

(2) by striking out "$1,500" in subsection (b) (1) and inserting in lieu thereof "the deductible amount described in subsection (c) (6)", and

(3) by adding at the end of subsection (c) the following new paragraph:

"(6) Deductible amount.—For purposes of subsection (b) (1)—

"(A) Taxable years beginning in 1980.—The deductible amount for taxable years beginning in 1980 is $2,000.

"(B) Taxable years beginning after 1980.—The deductible amount for taxable years beginning in calendar years after 1980 is an amount, determined and published by the Secretary, which bears the same ratio to $2,000 as the Consumer Price Index for the 12-month period ending on September 30th of the preceding calendar year bears to the Consumer Price Index for the 12-month period ending on September 30, 1979. For purposes of this subparagraph, the term 'Consumer Price Index' means the average over a 12-month period of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics of the Department of Labor.".

(b) Retirement Savings for Married Individuals.—Section 220 of such Code (relating to retirement savings for certain married individuals) is amended—

(1) by striking out "15 percent" in subsection (b) (1) (B) and inserting in lieu thereof "20 percent",

(2) by striking out "$1,750" in subsection (b) (1) (C) and inserting in lieu thereof "the deductible amount described in subsection (c) (7)", and

(3) by adding at the end of subsection (c) the following new paragraph:

"(6) Deductible amount.—For purposes of subsection (b) (1) (C)—

"(A) Taxable year beginning in 1980.—The deductible amount for taxable years beginning in 1980 is $2,400.

"(B) Taxable years beginning after 1980.—The deductible amount for taxable years beginning in calendar years after 1980 is an amount determined and published by the Secretary which bears the same ratio to $2,400 as the Consumer Price Index (within the meaning of section 219(c) (6) (B)) for the 12-month period ending on September 30 of the preceding calendar year bears to the Consumer Price Index for the 12-month period ending on September 30, 1979.".

(c) Conforming Changes.—

(1) Section 408 of such Code (relating to individual retirement accounts) is amended—

(A) by striking out "$1,500" in subsections (a) (1), (b) (2), (b) (5), and (j) and by inserting in lieu thereof "the deductible amount described in section 219 (c) (6)", and

(B) by striking out "$1,750" in subsection (d) (5) (A) and inserting in lieu thereof "the deductible amount described in section 220 (c) (7)".

(2) Section 409 of such Code (relating to retirement bonds) is amended by striking out "$1,500" in subsection (a) (4) and inserting in lieu thereof "the deductible amount described in section 219 (c) (6)".

### Sec. 3. Increase In Amount of Owner-Employee Retirement Plan Deduction.

(a) In General.—Subsection (e) of section 404 of the Internal Revenue Code of 1954 (relating to special limitations for self-employed individuals) is amended—

(1) by striking out $7,500" in paragraphs (1) and (2) and inserting in lieu thereof "the deductible amount described in paragraph (5)",

(2) by striking out "15 percent" in paragraphs (1) and (2) and inserting in lieu thereof "20 percent", and

(3) by adding at the end of such subsection the following new paragraph:

"(5) Deductible amount.—For purposes of paragraphs (1) and (2)—

"(A) In general.—Except as provided by subparagraph (B), the deductible amount for taxable years beginning after December 31, 1979, is $10,000.

"(B) Adjustment for inflation.—The deductible amount for taxable years beginning more than 12 months after the first calendar year for which the deductible amount under section 219 (c) (6) (relating to deductible amount for individual retirement savings) first exceeds $4,999 (hereinafter referred to as the $5,000 IRA year) is an amount, determined and published by the Secretary, which bears the same ratio to $10,000 as the Consumer Price Index (within the meaning of section 219 (c) (6) (B)) for the 12-month period ending on September 30 of the preceding calendar year bears to the Consumer Price Index (within the meaning of such section) for the 12-month period ending on September 30 of the $5,000 IRA year.".

(b) Conforming Amendments.—

(1) Subsection (e) of section 401 is amended by striking out "$7,500" and inserting in lieu thereof "the deductible amount described in section 404 (e) (5) which is in effect for the taxable year with respect to which the determination is being made".

(2) Subparagraph (B) of section 401 (j) (3) of such Code (relating to defined benefit plans providing benefits for self-employed individuals and shareholder-employees) is amended—

(A) by striking out "and" at the end of clause (iii),

(B) by striking out the period at the end of clause (iv) and inserting in lieu thereof a comma and the word "and", and

(C) by adding at the end thereof the following new clause:

"(v) when appropriate, in the case of periods beginning after December 31, 1980, for adjustments in the applicable percentages based on changes in the deductible amount described in section 404(e) (5).".

(3) subsection (j) of section 408 is amended by striking out "$7,500" and inserting in lieu thereof "the deductible amount described in section 404(e) (5)".

### Sec. 4. Deduction for Certain Employee Retirement Savings and Contributions.

(a) In General.—

(1) Deduction allowed.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

### "Sec. 221. Deduction for Certain Employee Retirement Savings Contributions.

"(a) Deduction Allowed.—In the case of an eligible employee, described in subsection (c), there is allowed as a deduction amounts paid in cash for a taxable year by such individual for the benefit of himself—

"(1) to a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(2) to an annuity plan described in section 403(a),

"(3) to a qualified bond purchase plan described in section 405(a),

"(4) to an individual retirement account described in section 408(a), individual retirement annuity described in section 408 (b), or for a retirement bond described in section 409, or

"(5) to a group retirement trust maintained by a labor organization described in section 501(c) (5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessments paid to the trust by any participant are 100 percent nonforfeitable.

"(b) Limitation and Restriction.—

"(1) Maximum deduction.—The amount allowable as a deduction under subsection (a) to an eligible employee for any taxable year may not exceed an amount equal to 10 percent of the compensation includible in his gross income for such taxable year, or the deductible amount described in paragraph (6), whichever is less.

"(2) Additional limitation.—No deduction is allowed for any amount paid to an account, annuity, or for a bond described in paragraph (4) of subsection (a) except to the extent of the excess of the amount determined under paragraph (1) over any amount paid by the eligible employee to a plan or trust described in paragraph (1), (2), (3) or (5) of subsection (a).

"(3) Alternative deduction.—No deduction is allowed under subsection (a) for the taxable year if the individual claims the deduction allowed by section 219 or 220 for the taxable year.

"(4) Exception where plan is discriminatory.—No deduction is allowed under subsection (a) for a highly compensated participant (as defined in subsection (c) (7)) unless the employer certifies in accordance with regulations prescribed by the Secretary that the plan satisfies the discrimination standards in subsection (c) (6).

"(5) Exception respecting certain plans.—No deduction is allowed under subsection (a) for any amount paid by a participant to a plan described in paragraph (1), (2) or (3) of subsection (a) which was not in existence on January 1, 1978 (or to a successor to such a plan) if, under the terms of such plan (or successor plan), employee contributions are mandatory or employer contributions are not made unless contributions are made by employees.

"(6) Deductible amount.—For purposes of paragraph (1)—

"(A) Taxable years beginning in 1980.—The deductible amount for taxable years beginning in 1980 is $1,000.

"(B) Taxable years beginning after 1980.—The deductible amount for taxable years beginning in calendar years after 1980 is an amount, determined and published by the Secretary, which bears the same ratio to $1,000 as the Consumer Price Index for the 12-month period ending on September 30 of the preceding calendar year bears to the Consumer Price Index for the 12-month period ending on September 30, 1979. For purposes of this subparagraph, the term 'Consumer Price Index' means the average over a 12-month period of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics of the Department of Labor.

"(c) Definitions and Special Rules.—

"(1) Eligible employee.—For purposes of this section, the term 'eligible employee' shall mean an individual who is an employee without regard to section 401(c)(1) or is a member of a labor organization referred to in subparagraph (D) and who is an active participant for any part of the taxable year in—

"(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(B) an annuity plan described in section 403(a),

"(C) a qualified bond purchase plan described in section 405(a), or

"(D) a group retirement trust maintained by a labor organization described in section 501(c)(5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessments paid to the trust by any participant are 100 percent nonforfeitable,

but not if such plan is established or maintained by the United States, by a State or political subdivision thereof, or by an agency or instrumentality of any of the foregoing.

"(2) Reports.—The Secretary shall promulgate regulations which prescribe the time and manner in which reports shall be filed by an employer receiving contributions deductible under this section and by any eligible employee making any such deductible contribution.

"(3) Recontributed amounts.—No deduction shall be allowed under this section with respect to a rollover contribution described in section 402(a)(5), 402(a)(6), 402(a)(7), 403(a)(4), 403(a)(5), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(4) Amounts contributed under endowment contract.—In the case of an endowment contract described in section 408(b), no deduction shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which are properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(5) Married individuals.—In the case of an individual who is married (as determined under section 143), the maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(6) Discrimination standards.—

'(A) A plan satisfies the discrimination standards if the actual deferral percentage for highly compensated participants (as defined in paragraph (7)) for a plan year bears a relationship to the actual deferral percentage for all other participants for such plan year which meets either of the following tests:

"(i) The actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 1.5.

"(ii) The excess of the actual deferral percentage for the group of highly compensated participants over that of all other participants is not more than 3 percentage points, and the actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 2.5.

"(B) For purposes of subparagraph (A), the actual deferral percentage for a specified group of participants for a plan year shall be the average of the ratios (calculated separately for each participant in such group) of—

"(i) the amount deducted on behalf of each participant for such plan year, to

"(ii) the participant's total compensation for such plan year.

For purposes of the preceding sentence, the amount deducted on behalf of a highly compensated participant shall be determined without regard to the exception in subsection (b)(4).

"(7) Highly compensated participant.—For purposes of this section, the term 'highly compensated participant' means any participant who is more highly compensated than two-thirds of all participants but only if such participant's compensation for a plan year equals or exceeds the salary of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS–12. No individual who participates during a plan year only in a group retirement trust described in subsection (a)(5) shall be considered a highly compensated participant for such year.".

(2) Deduction allowed in arriving at adjusted gross income.—Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (14) the following new paragraph:

"(15) Deduction for certain contributions.—The deduction allowed by section 221 (relating to certain employee retirement savings contributions).".

(b) Tax Treatment of Certain Deductible Employee Contributions.—Subpart A of part I of subchapter D of chapter 1 of such Code (relating to retirement plans) is amended by inserting after subsection (1) of section 414 the following new subsection:

"(m) Deductible Employee Contributions.—For purposes of this title, other than for purposes of sections 401(a) (4) and (5), 404, 410(b), 411, and 412, any amount which an employer is required to report pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as an employee retirement savings contribution, shall be treated as an employer contribution.".

(c) Conforming Amendments.—

(1) So much of section 72(f) of such Code as precedes paragraph (1) thereof is amended to read as follows:

"(f) Special Rules for Computing Employee's Contributions.—In computing, for purposes of subsection (c)(1)(A), the aggregate amount of premiums or other consideration paid for the contract, for purposes of subsection (d)(1), the consideration for the contract contributed by the employee, and for purposes of subsection (e)(1)(B), the aggregate premiums or other consideration paid, amounts which an employer is required to report, pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as a retirement savings employee contribution shall be excluded, and amounts contributed by the employer shall be included, but only to the extent that—".

(2) Section 414(h) of such Code (relating to tax treatment of certain contributions) is amended by inserting after "any amount contributed" the following: "other than an amount described in subsection (m)".

(3) So much of section 4973(b) of such Code as follows paragraph (1)(A) thereof is amended to read as follows:

"(B) the amount allowable as a deduction under section 219, 220, or 221 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 408(d)(1),

"(B) the distributions out of the account for the taxable year to which section 408(d)(5) applies, and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 219, 220, or 221 for the taxable year over the amount contributed (determined without regard to sections 219(c)(5) and 220(c)(6)) to the accounts or for the annuities or bonds for the taxable year.

For purposes of this subsection, any contribution which is distributed from the individual retirement account, individual retirement annuity, or bond in a distribution to which section 408(d)(4) applies shall be treated as an amount not contributed.".

Sec. 5. Effective Date.—The amendments made by this Act shall apply to taxable years beginning after December 31, 1979.●

By Mr. McGOVERN:

S. 1926. A bill to provide price support for producers of sunflower seeds through loans and purchases by the Secretary of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

### SUNFLOWER SEED SUPPORT ACTION OF 1979

● Mr. McGOVERN. Mr. President, I send to the desk for appropriate reference a simple yet necessary piece of agricultural legislation. The legislation I propose would authorize the Secretary of Agriculture to establish loan rates for sunflower seeds.

Long viewed as a specialty crop at the Department of Agriculture, the once lowly sunflower has emerged in recent years as an important cash crop in the Upper Great Plains and elsewhere throughout the country. Indeed, in many areas, farmers are opting to plant sunflowers on land that would normally be sown to wheat. The sunflower is cheap to plant, easy to care for, extremely drought resistant, and has high yields of seed oil and feed residue from the crushed product.

Four years ago North Dakota farmers planted 600,000 acres of sunflowers. In 1979 this figure had grown to 3.46 million acres. In 1976 Minnesota farmers planted 200,000 acres of sunflowers. This year the figure rose to 1.4 million.

In my own State, farmers will harvest 612,000 acres of sunflower seeds this year. Four years ago there was not sufficient interest in sunflowers for the South Dakota State Crop and Livestock Reporting Service to forecast planting and production.

The bill I proposed would give the Secretary the authority to set a loan rate on sunflower seeds based on their equivalency to soybean oil and crushed residue of soybeans. Soybeans are a recognized product and provide Americans and foreign buyers with a good source of protein. Indications are that sunflowers can compliment soybean production without infringing on that important commodity. Presently the loan rate on soybeans is $4.50 a bushel. Though the commodity has a market value well above the loan, the fact that there is a loan gives soybeans a recognition and stability not enjoyed by the so-called specialty crops.

Sunflower seeds have now come of age. The product deserves the recognition of becoming included in the family of supported commodities.

Mr. President, I ask unanimous consent that an explanation of the bill and its text be printed in the Record.

There being no objection, the bill and explanation were ordered to be printed in the Record, as follows:

### S. 1926

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, effective only with respect to the 1980 and 1981 crops of sunflower seeds, section 201 of the Agricultural Act of 1949 is amended by—

(1) in the first sentence, inserting "sunflower seeds," after "soybeans,"; and

(2) in subsection (e), inserting "(1)" after the subsection designation and adding at the end thereof a new paragraph (2) as follows:

"(2) The Secretary shall make available to producers loans and purchases on each of the 1980 and 1981 crops of sunflower seeds at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for soybeans, taking into consideration the yield of seed oil and the feed value of crushed sunflower seeds in relation to soybeans: *Provided,* That, notwithstanding the provisions of section 1001 of the Food and Agriculture Act of 1977, the Secretary shall not require a set-aside of sunflower seed acreage as a condition of eligibility for price support for any commodity supported under the provisions of this Act.".

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### Explanation of Bill

The bill amends the Agricultural Act of 1949 to provide price support to producers for the 1980 and 1981 crops of sunflower seeds through loans and purchases by the Secretary of Agriculture.

The bill adds a new provision to title II of the Agricultural Act of 1949, which provides for price support programs for "designated nonbasic agricultural commodities" (soybeans, honey, milk, sugar beets, and sugarcane), to include sunflower seeds under title II as follows: Section 201(e) of title II now provides for price support loans and purchases for the 1978 through 1981 crops of soybeans; the bill adds a provision at the end of section 201(e) to require the Secretary of Agriculture to make price support loans and purchases on each of the 1980 and 1981 crops of sunflower seeds available to producers.

The Secretary would be required to make the loans and purchases on sunflower seeds available at such level as the Secretary determined was fair and reasonable in relation to the level that loans and purchases are made available for soybeans, taking into consideration the yield of seed oil and the feed value of crushed sunflower seeds in relation to soybeans.

The bill also provides that, notwithstanding the provisions of section 1001 of the Food and Agriculture Act of 1977, the Secretary may not require a set-aside of sunflower seed acreage as a condition of eligibility for price support for any commodity supported under the 1949 Act. (Section 1001 gives the Secretary authority, whenever a set-aside is in effect for wheat, feed grains, upland cotton, or rice during the 1978 through 1981 crop years, to require a set-aside of normally planted acreage. In these situations, the Secretary has the authority to require (as a condition of eligibility for price support loans and purchases) that acreage normally planted to crops designated by the Secretary be reduced by the acreage of the set-aside for wheat, feed grains, upland cotton, or rice).●

By Mr. McGOVERN:

S. 1927. A bill to amend the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) to require that the label on each loaf of bread disclose the cost to the manufacturer of the farm product ingredients; to the Committee on Commerce, Science, and Transportation.

### BREAD LABELING ACT

● Mr. McGOVERN. Mr. President, I am today introducing a bill which I believe will promote a better understanding of the relationship between farm prices and retail food costs by requiring that the farm value of the ingredients in a loaf of bread be shown on the wrapper.

It is a fact that wheat represents only about 4 cents of the retail price of a 1-pound loaf of bread; however, when farmers begin to receive a price for their wheat that nearly approximates their cost of production and maybe offers a profit, we too often hear cries that exports be halted to prevent an increase in the domestic price of bread.

Wheat exports are vital to our national economy, and our farmers could not continue to grow the quantity and quality of wheat they now produce if the opportunity to sell in world markets was eliminated or restricted. The U.S. market utilizes only one-third of the Nation's annual wheat output, and exports are vital to maintaining our productive capacity.

Since 1972 the farm price of wheat in a loaf of bread has increased 1.9 cents, according to the U.S. Department of Agriculture, while bread prices have increased 16.5 cents. A 25-percent increase in wheat prices would add less to the cost of a loaf of bread than would a 4-percent increase in the processing and distribution costs for the product.

Moreover, the farm price for wheat must increase at least $1 per bushel to justify a 1.2-cent increase in a 1-pound loaf of bread. A bushel yields about 70 loaves of bread.

I believe that the consumer should have the opportunity to know the value of the raw farm products in bread, and this bill would accomplish this aim by making the information available on the wrapper. This information is currently available, and it can be added to the bread label without any increase in the price of a loaf of bread.

Mr. President, for the purposes of illustration I ask unanimous consent that a table prepared by the Department of Agriculture showing the price of wheat and the net farm value of the wheat ingredient in a 1-pound loaf of bread, together with the text of the bill, be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

### S. 1927

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Bread Labeling Act."

Sec. 2. The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), is amended by adding thereto a new title V as follows:

"Sec. 501. When used in this title,

(a) The term "Secretary" means the Secretary of Agriculture;

(b) The term "interstate commerce" means commerce between any State or Territory of the United States, or the District of Columbia, and any place outside thereof; or between points within the same State or Territory, or the District of Columbia, but through any place outside thereof; or within any territory or the District of Columbia;

(c) The term "label" means a display of written, printed or graphic matter upon the immediate container of a loaf of bread.

"Sec. 502. Every loaf of bread in packaged form distributed in interstate commerce shall bear a label specifying (in cents per pound) the cost of the manufacturer, based upon its average costs for the previous marketing year, of the farm products which comprise the ingredients of the bread. Such label shall appear in a uniform location on the package and shall appear in conspicuous and easily legible type in distinct contrast with other matters on the package.

"Sec. 503. No person shall sell, transport, offer for sale or transportation, or receive for transportation, in interstate commerce, any loaf of bread in packaged form which is not labeled in accordance with the requirements of section 3 of this Act and the regulations promulgated thereunder.

"Sec. 504. Whenever it appears that any person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of this Act or any regulation issued under this Act, the Attorney General, at the request of the Secretary, may bring an action in the appropriate district court of the United States or the appropriate United States court of any territory of the United States to enjoin such act or practice, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Attorney General any such court may also issue mandatory injunctions commanding any person to comply with any regulation of the Secretary under this Act.

"Sec. 505. (a) Any person who knowingly violates a provision of this Act or any regulation promulgated thereunder shall be liable to the United States for a civil penalty of not more than $1,000 for each violation. The amount of such civil penalty shall be assessed by the Secretary by written order, after notice and opportunity for a hearing.

(b) Any person against whom a violation is found and a civil penalty assessed under this section may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his place of business or in the United States Court of Appeals for the District of Columbia Circuit by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty assessed, as provided in section 2112 of title 28, United States Code. The finding of the Secretary shall be set aside if found to be unsupported by susbtantial evidence.

(c) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States or appropriate United States court of any territory of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

"Sec. 506. The Secretary is authorized to prescribe such regulations as deemed necessary to carry out the purposes of this Act.

"SEC. 507. There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out the purposes of this Act."

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### BREAD FACTS

A bushel of wheat provides flour for about 69 one-pound loaves of white bread.

A change of $1 per bushel in the price of wheat affects the net farm value of the wheat ingredients in a one-pound loaf of white bread about 1.2 cents ($1 divided by 69 minus the value of millfeed byproducts). That is, if the farm price of wheat increases $1 per bushel, the net cost of the wheat ingredients in a one-pound loaf of bread increases about 1.2 cents.

A 25 percent increase in wheat prices would add less to the cost of a loaf of bread than would a 4 percent increase in the processing and distribution costs in a loaf of bread.

In June 1972, the month before the sale of wheat to the Soviet Union, bread prices averaged 24.7 cents for a one-pound loaf and the net farm value of the wheat ingredients in a loaf was 2.6 cents. In June 1979, bread prices averaged 41.2 cents a pound, while the net farm value of the wheat ingredients was 4.5 cents. In other words, the farm price of wheat in the price of bread increased 1.9 cents since 1972—but bread prices went up 16.5 cents.

Here is a comparison of wheat, flour, and bread prices over that time span:

| | U.S. average farm price per bushel of wheat | Net farm value of wheat ingredients in 1 lb bread[1] (cents) | Average wholesale price per 100 lbs of flour[2] | Average retail price for a 1-lb loaf of white bread (cents) |
|---|---|---|---|---|
| June 1972 | $1.33 | 2.6 | $5.77 | 24.7 |
| June 1973 | 2.43 | 3.9 | 7.87 | 26.4 |
| June 1974 | 3.57 | 4.5 | 10.48 | 34.7 |
| June 1975 | 2.92 | 3.6 | 8.96 | 35.6 |
| June 1976 | 3.46 | 4.2 | 9.75 | 35.6 |
| June 1977 | 2.03 | 2.2 | 6.22 | 35.3 |
| June 1978 | 2.82 | 3.4 | 7.89 | 37.8 |
| June 1979 | 3.72 | 4.5 | 9.43 | 41.2 |

[1] Farm value is the payment to farmers for 0.867 lb of wheat needed to produce flour for a pound of white bread, minus an allowance for the value of millfeed byproducts. Farm value is calculated from a 10-State average of prices received by farmers for Hard Winter and Spring Wheat. Farm value for June 1972 and 1973 is based on the price of wheat plus the cost to millers of a 75-cent per bushel marketing certificate.

[2] Weighted average wholesale price for bread-type flour in Kansas City, Minneapolis, and Buffalo.

This is what has happened to the "spread"—the difference between the average retail price of a one-pound loaf of white bread and the net farm value of the wheat ingredients in a loaf of bread—from June 1972 to June 1979:

*Spread*

| | *Cents* |
|---|---|
| June 1972 | 22.1 |
| June 1973 | 22.5 |
| June 1974 | 30.1 |
| June 1975 | 32.0 |
| June 1976 | 31.4 |
| June 1977 | 33.1 |
| June 1978 | 34.4 |
| June 1979 | 37.5 |

A special U.S. Department of Agriculture study in 1977 showed that the net farm value of the wheat in a loaf of white bread accounted for 2.7 cents of the 35.5 cent average cost of a one-pound loaf of white bread that year.

The 1977 study showed that the net farm value of the wheat in a one-pound loaf of white bread represented about 8 percent of the retail cost of bread. Here are the major costs in the one-pound loaf costing 35.5 cents in 1977:

| Item | Cents | Percent |
|---|---|---|
| Net farm value of wheat | 2.7 | 7.6 |
| Net farm value of other ingredients | 1.8 | 5.1 |
| Wheat and flour milling and transportation | 1.9 | 5.4 |
| Bread baking and distribution to stores | 26.0 | 73.2 |
| Labor | 12.7 | 35.7 |
| Profit | 1.8 | 5.1 |
| Advertising | .7 | 2.0 |
| Packaging | 2.5 | 7.0 |
| Depreciation | .8 | 2.2 |
| Business taxes | .2 | .6 |
| Rent | .1 | .3 |
| Energy | .5 | 1.4 |
| Repairs | .2 | .6 |
| Interest | .1 | .3 |
| Other | 6.4 | 18.0 |
| Retailing | 3.1 | 8.7 |
| Total | 35.5 | 100.0 |

●

By Mr. PROXMIRE:

S. 1928. A bill to provide safeguards for consumers in the areas of credit, banking, and insurance, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 1929. A bill to safeguard the privacy of electronic fund transfers by consumers, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs and the Committee on the Judiciary, jointly, by unanimous consent.

### FAIR FINANCIAL INFORMATION PRACTICES ACT OF 1979 AND PRIVACY OF ELECTRONICS FUND TRANSFERS ACT OF 1979

Mr. PROXMIRE. Mr. President, I am today introducing two bills which seek to strike a balance between the tremendous threat to personal privacy posed by the incredible growth of our computerized information technology and the needs of business and government for the legitimate exchange of information relating to individuals.

Both pieces of legislation, "The Fair Financial Information Practices Act" and "The Privacy of Electronic Fund Transfers Act of 1979", are part of President Carter's privacy initiative to implement the recommendations of the Privacy Protection Study Commission.

The enactment of this comprehensive legislation will strengthen existing privacy legislation and provide significant new safeguards for the citizens of this Nation in the areas of credit, banking, and insurance records. Upon their enactment by the Congress, we will have taken a significant step toward a consistent national policy for the protection of individual privacy.

In 1970, I sponsored the original Fair Credit Reporting Act. This legislation was a major effort forward in insuring accurate and timely credit reporting, as well as protecting consumers from unfair credit reporting practices. Unfortunately, however, the act contains numerous glaring defects and loopholes, most of which resulted from the many compromises which had to be made to get the bill enacted. While the act's deficiencies have been the subject of many law review and other articles, nowhere have these deficiencies been more ably described than in the landmark report of the Federal Privacy Protection Study Commission issued in 1977.

Using adjectives like "self-defeating," "deficient," "unfair," and "burdensome," the Commission cataloged the numerous the numerous areas where the FCRA falls grievously short of fairness to the consumer. The credit reporting industry's usual refrain that the act works just fine is simply demolished by the Commission's study. Opponents to legislation to erect privacy safeguards for personal information have counseled delay, over the past 4 years, on the grounds that we should await the recommendations of the Privacy Commission. Let us delay no further.

I am very pleased that Title I of the Fair Financial Information Practices Act entitled "The Privacy Protection Amendment of 1979" will plug many of these loopholes and eliminate the most serious deficiencies in the Fair Credit Reporting Act.

Among those improvements will be the right of consumers, for the first time, to actually see and copy their credit reports, increased rights to challenge and correct credit reports for inaccuracy or incompleteness, and a prohibition against "pretext" interviews.

Title II, entitled the "Fair Credit Information Practices Act" will extend privacy safeguards to major grantors of consumers credit—banks and other depository institutions, finance companies and credit card issuers. The Privacy Commission Study documented how the highly personal information stored and generated by these credit grantors can be converted into a detailed diary of an individual's activity and how extremely harmful this information can become if it is inaccurate or revealed to unauthorized parties.

This title requires credit grantors to inform individuals about their information collection and disclosure practices, and to follow the practices described in the notice.

It will also provide that individuals be informed by a credit grantor of both the reasons for any adverse decision made about them and the items of information used to support the decision.

Title III, the "Fair Authorization Information Practices Act," will establish a privacy policy for the burgeoning service industry which authorizes credit card purchases and provides check guarantees. Authorization services rely heavily on personal information supplied to them by banks, creditors and other sources. Tremendous embarassment and inconvenience can befall a consumer if this information is inaccurate or misleading.

This title will insure that independent authorization services maintain reasonable procedures to assure the accuracy of the information they collect and report. It will also establish procedures to speed the correction of inaccurate information maintained by these authorization services.

Title IV, the "Fair Debit Information Practices Act" will establish a privacy policy to safeguard the checking and savings accounts in depository institutions.

This proposal would require depository institutions to notify individuals of their recordkeeping practices and to follow the practices set forth in that notice.

Title V, the "Fair Insurance Information Practices Act," will extend a number of privacy safeguards to a tremendous amount of personal and often highly sensitive information collected and held by the insurance industry.

Consumers will be afforded the right to see, copy and dispute the accuracy of information lodged in their insurance records. Insurers will be required to inform customers of their information collection and disclosure procedures. Insurers will be limited to the disclosed practices. Pretext interviews will be prohibited.

A very important provision would afford consumers the right, upon request, to learn the specific reason for an adverse decision relating to insurance coverage. The Equal Credit Opportunity Act already imposes a similar requirement upon creditors. The Federal Reserve Board has found that very beneficial results have accrued to both creditors and consumers alike, as a result of the disclosure of the specific reasons for an adverse decision. A survey by the staff of the Reserve Board has indicated that a considerable percentage of consumers who were initially rejected for credit were finally granted credit after subsequently supplying the creditor with additional information.

The second bill, the "Privacy of Electronic Fund Transfers Act of 1978" develops a framework for the protection of the communication of electronic fund transfers. In essence, this bill seeks to protect the privacy of electronic fund transfers in transit in much the same way as telephone calls and letters are currently protected.

Privacy is simply too valuable a right to be bargained away irretrievably for an insurance policy or a line of credit. I believe the best guarantee of that right is full access by consumers to all information maintained on file about them and that the information is correct and complete. At the same time, we must be realistic to recognize that creditors, insurers and others have a legitimate right to enough information to make their business decisions and that we cannot impose undue costs and burdens.

I am happy to sponsor this legislation because I believe it will meet these requirements that are necessary.

I send the legislation to the desk for appropriate reference.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by the Senator from Wisconsin (Mr. PROXMIRE), relative to safeguarding the privacy of electronic fund transfers by consumers, be jointly referred to the Committees on Banking, Housing, and Urban Affairs and Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL COSPONSORS

### S. 43

At the request of Mr. HATCH, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of S. 43, the National Ski Patrol System Recognition Act.

### S. 94

At the request of Mr. BENTSEN, the Senator from North Dakota (Mr. BURDICK), the Senator from Utah (Mr. HATCH), the Senator from North Carolina (Mr. HELMS), the Senator from Nevada (Mr. LAXALT), the Senator from Montana (Mr. MELCHER), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 94, a bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses and for other purposes.

### S. 1179

At the request of Mr. BAYH, the Senator from Tennessee (Mr. SASSER), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from New York (Mr. MOYNIHAN), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Indiana (Mr. LUGAR), the Senator from Utah (Mr. HATCH), the Senator from Illinois (Mr. PERCY), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 1179, a bill to incorporate the Gold Star Wives.

### S. 1203

At the request of Mr. BAYH, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1203, a bill to amend the Social Security Act regarding disability benefits for the terminally ill.

### S. 1275

At the request of Mr. BAYH, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1275, a bill to provide for tariff reclassification of cold finished steel bars.

### S. 1579

At the request of Mr. BOREN, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 1579, the Family Welfare Demonstration Program Act.

## SENATE CONCURRENT RESOLUTION 46—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE $1 BILL AND THE $1 COIN

Mr. HELMS submitted the following concurrent resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

### S. CON. RES. 46

Whereas the currency system of the United States has been administered so as to provide supplies of currency in various denominations in response to the demand of the American people;

Whereas it has been the policy of the Federal Reserve System to issue notes to its member banks in such quantities as those member banks require to meet public demand;

Whereas the Congress has supported continuance of this policy during the course of its oversight responsibilities and in specific legislation;

Whereas the American people have indicated their desire to continue to use the one-dollar bill; and

Whereas the Coinage Act of 1965 directs the Secretary of the Treasury to only provide coins authorized by law in "such quantities as he determines to be necessary to meet national needs": Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of Congress that—

(1) no action shall be taken which would lead to the withdrawal of the one-dollar bill from circulation until such time as the Congress authorizes such withdrawal;

(2) no action shall be taken which attempts artificially to stimulate the demand for the one-dollar coin or require its use; and

(3) the production of various coins by the United States mint shall be in such quantities as may be necessary to meet national needs, as reflected in public demand.

### THE DOLLAR COIN—LET THE PEOPLE DECIDE

Mr. HELMS. Mr. President, the fate of the new $1 coin, bearing the likeness of Susan B. Anthony, is being debated, with the Treasury Department on one side and almost everyone else on the other.

I am convinced, however, that there should not be a great difference of opinion on what public policy should be in this regard. I believe that there is an approach on which there should be general approval.

Mr. President, the dollar coins should be made available to people—if they want them. But dollar bills or "notes" should remain available. And, the Treasury Department and the Federal Reserve System should refrain from pushing either down anyone's throat. Let there be freedom of choice.

The arguments go something like this: The Treasury Department imagines that replacing dollar bills with longlasting dollar coins will save taxpayer money. Their public relations package also says that if you drop a dollar coin, you can hear it, but you cannot hear a dropped bill. That piece of wisdom alone tells us something.

Other arguments relate to machine handling.

The arguments of those skeptical of the new coin are these:

First, the size of the coin is too close to that of a quarter and is easily mistaken;

Second, the coin is of questionable esthetics (some say it is ugly as sin);

Third, and most importantly, no one is particularly dissatisfied with the dollar bill.

The Treasury, apparently without a substantive marketing test, but with congressional approval, is in the process of producing a half a billion of these coins in hopes that people want them. They do not.

The coin has inspired about as much demand as a sale of secondhand pet rocks.

Mr. President, everyone has a favorite story of trying to pass one of the coins, or mistakenly using it as a quarter, or of people simply refusing to accept it. In fact, there are stores that have erected signs saying "We refuse to accept dollar coins."

The response from the Federal Government has been twofold. First, the Treasury Department and the Federal Reserve each has allocated $300,000 to fund a public relations effort. Under Secretary of the Treasury Bette Anderson testified that, "We realize the need for an intense educational effort." In other words, a propaganda blitz aimed at taxpayers—paid for by the taxpayers. That is what is allegedly needed.

If the public cannot be brainwashed into buying this numismatic Edsel, then the G-men are ready to strongarm us. If they have their way, the $1 bill will not be produced any longer. Instead of supplying currency according to the demands of the economy, the Government threatens us with Hobson's choice.

On September 13, Federal Reserve Board Gov. Philip Caldwell suggested that early 1980 would be the right time to stop production of the dollar bill. A study released by the Treasury Department of a "working document" recommended the phaseout of the dollar bill. In addition, a Federal Reserve Board study commissioned from the University of Michigan concluded that the dollar bills would have to be withdrawn from circulation in order for the new dollar coin to achieve its full potential.

Now this may be typical of bureaucrats everywhere in the world, but certainly it is true of American bureaucrats: When confronted with a decision between controls and no controls; between freedom of choice and coercion; between the marketplace and Government dictum, the bureaucrats will choose the latter every time. In this case, instead of saying, "Well, I guess the dollar coin isn't something that people want, let's put it on the shelf for a while," they are saying, "Well, if people won't go along with us, we'll make 'em go along."

There are proposals offered which would scrap the Susan B. Anthony dollar coins. I think that such proposals would have political problems because the advocates of the dollar coin are not about to do a complete turnaround.

In addition, there are proposals which would require the continued production of the dollar bill come what may. Obviously, Treasury would prefer more flexibility.

I propose putting the case strictly where it belongs—in the hands of the American consumer. I propose a resolution which would direct the Treasury to provide such dollar coins as may be warranted by public demand, but to take no major action to affect that demand. The resolution also directs the Treasury to provide dollar bills until such time as the demand for them dwindles and Congress approves the elimination of the dollar bill.

In other words, I believe we should stick to the policy of providing currency in denominations which are desired by the financial system of the Nation. Today, if people are using and demanding more 10 dollar bills, banks which are cognizant of this need order more 10 dollar bills from their regional Federal Reserve banks. The Federal Reserve System then communicates the need to the Bureau of Printing and Engraving which fills the need.

This resolution states that this policy, which Congress has tacitly endorsed dozens of times over the years, should be maintained. If banks find a need for dollar bills, the Federal Reserve System should continue to supply that need.

Mr. TSONGAS. Mr. President, let me jump at this opportunity to associate myself with the remarks of the Senator from North Carolina. I do not often have that opportunity. So I think I had better take advantage of it while I can.

## AMENDMENTS SUBMITTED FOR PRINTING

### DEPOSITORY INSTITUTIONS DEREGULATION ACT—H.R. 4986

AMENDMENTS NOS. 542 THROUGH 546

(Ordered to be printed and to lie on the table.)

Mr. MORGAN submitted five amendments, intended to be proposed by him to H.R. 4986, an act to amend the Federal Reserve Act, to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.

Mr. MORGAN. Mr. President, when H.R. 4986, the Depository Institutions Deregulation Act, comes before the Senate, I intend to offer several amendments.

I will offer an amendment in the nature of a substitute, which would authorize automatic transfers of funds between savings and checking accounts at commercial banks, credit union share drafts, and savings and loan association remote service units. These are, of course, the instruments declared illegal by a Federal court earlier this year in a decision which the Supreme Court declined to review last week. In September, by an overwhelming vote of 367 to 39, the House of Representatives authorized these instruments in legislation which also provided for nationwide negotiable order-of-withdrawal (NOW) accounts. While I do not agree with the proposal for NOW accounts, I do believe it is clear that the Congress must act prior to the court-imposed deadline of January 1, 1981, to authorize these other financial services.

H.R. 4986 as reported by the Senate Committee on Banking, Housing, and Urban Affairs, however, goes far beyond the authorization of these services and provides for a number of controversial and far-reaching changes affecting our Nation's system of financial institutions. The full ramifications of many of these changes are simply impossible to predict at this point. Given the tremendous uncertainty about the state of our economy at this time, I believe it would be terribly unwise to proceed with such far-reaching changes now.

Moreover, the chairman of the Subcommittee on Financial Institutions of the House Banking Committee has spelled out the attitude of the House quite clearly and strongly. In a letter to committee Chairman PROXMIRE and Financial Institutions Subcommittee Chairman CRANSTON, which has been made available to the Senate, Representative ST GERMAIN has said that "your committee has decided to bury these issues" (transaction accounts) "in a large package of financial measures which reach far beyond anything that has yet been considered in the House." "Many of the issues," he says, "constitute a major restructuring of financial institutions and a sharp increase in powers, especially for savings and loan associations." Noting that expeditious passage of a transaction account bill in the House was achieved with a solid commitment that such a bill would not become a stalking horse for other issues, Representative ST GERMAIN notes that "many Members would feel betrayed if we attempted to return to the House with a thick package of measures dealing with fundamental changes in financial structure." He for one, he says, "would be most reluctant to ask" his "colleagues to make decisions on such far-reaching issues without extensive hearings at which a variety of witnesses could be given the opportunity to testify."

I believe it would be wiser for the Senate to agree to a bill much more in line with that passed by the House of Representatives. Senator LUGAR and I moved to substitute the text of the amendment I intend to offer during the Banking Committee markup. That motion was defeated by a recorded vote of 8 to 7. I believe this indicates substantial uneasiness and difference of opinion within the Banking Committee as to the wisdom of proceeding with H.R. 4986 as it now stands, and I urge the Senate to agree to a limited substitute.

Second, while I do not favor NOW accounts, I will offer an amendment to permit States to decide whether to offer NOW accounts. Senator CRANSTON, a chief sponsor of the original bill, moved to exempt the savings and loan associations of California from NOW account authority, citing their strong opposition to NOW accounts. The bill contains that exemption. I believe it would be far preferable to allow each State to decide for itself whether NOW accounts are desirable. My amendment would allow them for federally chartered savings and loans and commercial banks only during periods when NOW accounts were authorized for similar State chartered institutions by action of each State legislature.

Third, I will offer an amendment to strike title II of the bill which gives the Federal Reserve authority to require reserves of nonmember depository institutions. I believe this is unwise, and feel that this controversial issue would be better resolved within the context of specific Federal Reserve membership legislation.

Fourth, I intend to offer an amendment to strike the preemption of State usury laws contained in the bill. I am philosophically opposed to the Federal preemption of State laws except in rare instances in which an overriding national interest can be clearly demonstrated. But in the field of usury laws I see no reason to negate the long-standing tradition of State authority. As the conference of State bank supervisors has noted, States are in a superior position to deal with situations unique to their respective regions. The imposition of a national usury norm would, in the long run, be less responsive and less appropriate for States than would measures designed by their respective State legislatures. Reflective of State concern in this matter is the fact that during the period from 1975 to 1979, 28 States liberalized their usury ceilings on individual or corporate loans in efforts to meet changing economic conditions. During this same period, 15 States exempted from their usury ceilings FHA and/or VA loans.

Moreover, I cite from the hearing record of the Banking Committee the strong opposition expressed by the AFL–CIO to the Federal preemption of State usury laws. The AFL–CIO witness noted that there is an "inherent policy of economic defeatism in the underlying supposition that this economy will be operating at such an inflationary rate, that passbook account and certificate of deposit rates would exceed State usury ceilings." To enact a Federal preemption of State usury laws and ceilings would, said the AFL–CIO, "sanction and invite a self-fulfilling prophecy of high interest rates and their inflationary impact."

Fifth, I am deeply concerned about the impact of the proposed reduction in the minimum denomination of money market certificates contained in the bill. The bill mandates the reduction of the minimum denomination from $10,000 to at least $1,000 within 2 years unless postponed by the Federal Reserve under the standards set forth in the bill. I believe that such a reduction would prove disastrous for the thrift industry, with predictable results for the availability of housing finance.

The portfolios of the bulk of savings and loan associations consist largely of mortgages made at far lower interest rates—6, 7, 8, or 9 percent. There is no way that their earnings can be adequate to pay market interest rates on savings in the form of $1,000 denominations. It seems clear that if institutions are going to have to offer these certificates in $1,000 denominations, that they are going to have to charge more for the services they offer and the money they lend. I believe this works against the interest of the average citizen generally, and will be especially damaging to housing finance.

As the AFL–CIO pointed out before our committee—

> Higher money costs borne by depository institutions paying higher rates on savings would be reflected in their loan interest rates.

The majority of consumers would suffer an overall economic loss.

Moreover, I think it should be pointed out that the Banking Committee has acted to adopt this provision of the bill with very little real evidence as to its impact. I predict, however, that its impact will prove disastrous to the earnings of savings and loans, and disastrous for the home buying and consuming public. I intend to move to strike this section.

I am deeply concerned about the entire thrust of this far-reaching bill, which I see as leading to an inevitable blurring of the traditional distinctions which have defined our system of financial institutions. I stress my earlier statement that the Nation would be far better served if the Congress were to enact a bill much more narrow in scope.

I submit several amendments and ask unanimous consent that they be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

### AMENDMENT NO. 542

Strike out all after the enacting clause and insert in lieu thereof the following:

SEC. 2. (a) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, a member bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board.".

(b) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting "(1)" after "(g)" and by adding at the end thereof the following:

"(2) Notwithstanding the provisions of paragraph (1), an insured nonmember bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board of Directors.".

SEC. 3. Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1)) is amended by adding at the end thereof the following: "This section does not prohibit the establishment of remote service units by associations in accordance with regulations prescribed by the Board.".

SEC. 4. (a) Section 101(5) of the Federal Credit Union Act (12 U.S.C. 1752(5)) is amended by striking out "or share certificate" each place it appears therein and inserting in lieu thereof ", share certificate, or share draft deposit".

(b) Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by striking out "credit unions serving" and all that follows through the end thereof and inserting in lieu thereof "credit unions serving predominately low-income members (as defined by the Board) payments on—

"(A) shares which may be issued at varying dividend rates;

"(B) share certificates which may be issued at varying dividend rates and maturities; and

"(C) share draft deposits authorized under section 205(f);

subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Board.".

(c) Section 116 of the Federal Credit Union Act (12 U.S.C. 1762) is amended by adding at the end thereof the following new subsection:

"(c) Each Federal credit union shall maintain reserves against its share deposits as defined by the Board in amounts not less than such percentages of its aggregate amount of such deposits as may be prescribed by the Board, after consultation with the Board of Governors of the Federal Reserve System. Reserves held by Federal credit unions to meet the requirements of the subsection shall be in a form specified by rules and regulations prescribed by the Board.".

(d) Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended—

(1) in the first sentence—

(A) by striking out "and" the second place it appears therein and inserting in lieu thereof a comma; and

(B) by inserting ", and at different rates on different types of share draft deposits" before the period at the end thereof; and

(2) in the second sentence, by striking out "and share certificates" and inserting in lieu thereof ", share certificates, and share draft deposits".

(e) Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every insured credit union is authorized to receive share draft deposits in accordance with rules and regulations prescribed by the Board. Except as provided in paragraph (2), an insured credit union may pay dividends on share draft deposits and may permit the owner of such share draft deposit to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to accounts which consist solely of share draft deposits in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

SEC. 5. The amendments made by this Act shall take effect on December 31, 1979.

### AMENDMENT NO. 543

Beginning on page 12, line 25, through page 13, line 1, strike out "which is located in California".

On page 13, line 4, strike out "California" and insert in lieu thereof "the same State".

On page 13, between lines 5 and 6, insert the following:

(c) Section 19(i) of the Federal Reserve Act is amended by adding at the end thereof the following: "Notwithstanding the foregoing, a national bank may permit withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties only during periods when State-chartered banks located in the same State are authorized to permit such withdrawals.".

### AMENDMENT NO. 544

Beginning on page 21, strike all which follows through page 24, line 20.

### AMENDMENT NO. 545

Beginning on page 31, line 17, strike all which follows through page 32, line 20.

### AMENDMENT NO. 546

Beginning on page 17, line 20, strike all which follows through page 18, line 10.

## SALT II TREATY—EX. Y, 96–1

### AMENDMENTS NOS. 547 THROUGH 549

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted three reservations intended to be proposed by him to the resolution of ratification of the Treaty Between the United States of America and the Soviet Socialist Republics on the Limitation of Strategic Arms, done at Vienna on June 18, 1979 (Ex. Y, 96–1).

Mr. HATCH. Mr. President, on October 19 I submitted three reservations to the resolution of ratification of the SALT treaty. Today I offer three more. All share the same theme. They clarify the circumstances under which this Nation would withdraw from that treaty. Treaty termination is a hostile act, Mr. President, and as the ranking Republican on the Constitution Subcommittee, I urge the Senate to consider carefully and with precision exactly what would trigger a decision to terminate the SALT agreements. None of us wants to face another 5 years of Soviet quasi-violations and cheating at the margins. It is only fair to put the Soviet leadership on notice in advance about what the Senate will tolerate. We cannot leave the entire matter at the discretion of the President alone.

Quite frankly, I have not yet made up my own mind about the terms of the treaty itself. And I will be closely watching the efforts of those Senators, who are seeking to change the terms of the treaty text in favor of the United States in order to win with a few votes on the Senate floor what our negotiators could not win in Geneva in 7 years of painstaking discussion. These Senators have focused their attention on the treaty text. In my view, it is the treaty context that is more important. In what context will we observe this treaty? A favorable context may well justify a bad treaty. Even the best treaty can be dangerous in some contexts.

Mr. President, my amendment calling for an annual comprehensive net assessment to be submitted to the President owes an intellectual debt to Senator Dole and Senator Nunn. The Senator from Kansas has already called for a net assessment, and Senator Bellmon of Oklahoma has called for a major review of our national security policy before the treaty is considered. My suggestion is to combine these ideas and to link them to the treaty on an annual basis. Only in this way, I believe, will the request of the Senator from Georgia, to review the President's 5-year projections of defense programs be meaningful. Without some binding link between our defense programs and the treaty, it serves little purpose in October 1979 to preview the highlights of defense planning for the next few years. Such plans can and will be changed during the life of the treaty, and the President can make a strong claim that some flexibility is necessary. How then can the Senate be assured that the context of the treaty will serve our national interests—if we are unable to change the text of the treaty? Today, I propose four ways.

First, the requirement for annual approval by the Senate of a comprehensive net assessment of both Soviet and American military power will provide a mandatory annual forum for a review of our defense spending plans in the context of the SALT process and of new Soviet programs that—we can be sure—will emerge only after the treaty comes into effect. In this way, Senator Nunn and others will be able to check in 1981, 1982, 1983, and 1984 whether that 5-year defense plan that they reviewed back in 1979 is still adequate and is still being pursued satisfactorily. If not, one-third of the Senate will be able to terminate the treaty under article 19.

Second, Mr. President, we can tie the level of defense spending to the treaty in the same way. That is, we can clarify the terms of the preamble of the treaty which, I understand were a matter of firm insistence by the Soviet negotiators. Those terms are that the treaty is "guided by the principle of equality and equal security." This is a wonderful principle, I suppose, but it must be understood in light of the much larger levels of Soviet defense spending that have been in effect for the last 15 years. When it comes to relative levels of defense spending, Mr. President, it seems that some parties to SALT are more equal than others. That is why I have proposed in my reservation that our rate of increase in real defense spending must keep pace with that of the other party or else the treaty will be terminated. Of course, one Congress cannot bind another to spend a certain amount on defense. That is not my intention. Rather, the Senate should review the context of the treaty on an annual basis and decide whether our national interest will be served by continuing it.

Mr. President, my third reservation today addresses the context of the treaty in a more specific way. The administration has assured us that the Backfire bomber threat has been taken care of by the letter presented to the President at Vienna in June. I believe this matter of the Backfire to be important enough that an ambiguity in that letter should be clarified to the Soviet Union before the exchange of the instrument of ratification, namely, the issue of mid-air refueling. The letter seems to prohibit mid-air refueling of the Backfire, yet public photographs show the Backfire with refueling probes. Several press accounts have asserted that Backfires have mid-air-refueling probes and, perhaps more significantly, the Backfire pilots may have been practicing in-flight refueling. If this is true, Mr. President, there is cause for concern that the SALT treaty has been violated before it has been ratified. I hope this is not the case, and my reservation calls upon the President to notify the Soviet Government before the treaty comes into force that the establishment of an in-flight refueling program for the Backfire will constitute "extraordinary events" as described in article 19 of the treaty and will make necessary the withdrawal of the United States with the treaty.

We will be hearing a great deal more about the Backfire in the weeks ahead since many find it difficult to understand how a bomber with a range less than our own B-52D can be excluded from the treaty while 80 B-52D aircraft are included. Of course, we are allowed to refuel.

I hope the Soviets do not have this in mind as well.

My fourth reservation, Mr. President, was written after I read the report of the National Security Council submitted to the Select Committee on Intelligence which describes Soviet compliance with SALT I. I deeply regret that some parts of this report have found their way into the press, and if there is no objection, I offer this article by Evans and Novak entitled "A Selective Pattern of Cheating." The records show that most Senators have not yet read the full report, and I assure them that the Evans and Novak article is not the full story. Every Senator should read this report by the National Security Council staff aid in charge of verification issues before considering my reservation which requires the President to inform the Senate before meetings of the Standing Consultative Commission of any intention to disclose classified sources and methods of our national technical means of verification, past disclosures notwithstanding. At this point, Mr. President, I think I have said all I can about this subject in open session. Thank you.

I ask unanimous consent that these three reservations be printed in the Record at this point.

There being no objection, the reservations were ordered to be printed in the Record, as follows:

### Amendment No. 547

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the reservations which are to be made a part of the instrument of ratification:

"(1) At least sixty days prior to any meeting of the Standing Consultative Commission, the President shall notify the Senate of his intention to disclose classified sources and methods of national technical means of verification to the Union of Soviet Socialist Republics. The President shall certify to the Senate Select Committee on Intelligence that such disclosures will be in the national interest, past disclosures not withstanding.

"(2) The Senate shall consider the matter in accordance with the applicable provisions of Section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

### Amendment No. 548

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the reservations which are to be made a part of the instrument of ratification:

"(1) The rate of increase in defense spending of the parties shall be equal for the life of the Treaty.

"(2) During the life of the Treaty, if the United States of America shall fail to match the rate of increase in defense spending of the Union of Soviet Socialist Republics (at present, approximately 4 percent to 5 percent above inflation) according to the annual estimates of the Central Intelligence Agency, the President will carry out the procedures of paragraph (3) of Article XIX of the Treaty necessary to withdraw the United States of America from the Treaty.

### Amendment No. 549

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the reservations which are to be made a part of the instrument of ratification:

"(1) Before the exchange of the instrument of ratification, the President of the United States shall notify the Union of Soviet Socialist Republics that the establishment of an in-flight refueling program for the Backfire Bomber shall constitute extraordinary events making necessary the withdrawal of the United States from the Treaty in accordance with Article XIX, paragraph (3).

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## DEPOSITORY INSTITUTIONS DEREGULATION ACT—H.R. 4986

### AMENDMENT NO. 550

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN submitted an amendment intended to be proposed by him to H.R. 4986, an act to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.

### AMENDMENT NO. 551

(Ordered to be printed and to lie on the table.)

Mr. DOLE (for himself, Mr. ARMSTRONG, Mr. LUGAR, Mr. HEINZ, and Mr. COCHRAN) submitted an amendment intended to be proposed by them, jointly, to H.R. 4986, supra.

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## SURFACE TRANSPORTATION ASSISTANCE ACT OF 1978—H.R. 4249

### AMENDMENT NO. 552

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted an amendment intended to be proposed by him to H.R. 4249, an act to amend title 23 of the United States Code, the Surface Transportation Assistance Act of 1978, and for other purposes.

● Mr. WEICKER. Mr. President, I submit an amendment to H.R. 4249, a bill amending the Surface Transportation Assistance Act of 1978, and I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

### AMENDMENT NO. 552

On page 1, between lines 2 and 3, insert the following:

### TITLE I—SURFACE TRANSPORTATION AMENDMENTS

On page 11, after line 5, insert the following:

### TITLE II—AMENDMENTS TO TITLE 23, UNITED STATES CODE DEFINITIONS

### DEFINITIONS

SEC. 201. Section 101(a) of title 23 of the United States Code is amended as follows:

(1) The first sentence of the definition of "construction" is amended by (A) adding after "highway" the words "or public transportation project"; (B) adding between "rehabilitation," and "acquisition of rights-of-way", the following: "maintenance,"; and (C) adding before the period at the end a comma and the following: "and the acquisition of necessary facilities and equipment for a public transportation project, and may include costs of operating such public transportation".

(2) The definition of "county" is amended by deleting the word "highways" and substituting in each place it occurs the word "transportation".

(3) Following the definition of "county" add the following definition:

"The term 'designated recipient' means the State agency or local public body designated pursuant to section 150.".

(4) The definition of "maintenance" is amended by inserting before the period at the end thereof the following: "or public transportation system including all structures, facilities and equipment necessary for the safe and efficient utilization of such systems".

(5) The definition of "project" is amended by (A) adding after the word "highway" as first used in the definition, the words "or public transportation system", and (B) deleting the last four words of the definition, and substituting in lieu thereof the words "such a system so constructed, and in the case of assistance for the operation of a public transportation system, the term 'project' shall apply to the conditions set forth by the Secretary for the use of such funds".

(6) The definition of "project agreement" is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

(7) The definition of "State funds" is amended by deleting the last two words of the definition, and substituting in lieu thereof the words "agency empowered by State law to expend such funds".

(8) The definition of "Federal-aid secondary system" is repealed.

(9) Following the definition of "Federal-aid system", add the following definition:

"The term 'Federal-aid small urban and rural system' means the Federal-aid system described in subsection (b) of section 103 of this title.

(10) Following the definition of "urban area," add the following definitions:

"The term 'mass transportation' means transportation by bus, or rail or other conveyance, either publicly or privately owned, which provides to the public general or special service (but not including school buses or charter or sightseeing service) on a regular and continuing basis.

"The term 'public paratransit' means those forms of collective passenger transportation, as defined by the the Secretary, which provide shared-ride service to the general public or special categories of users on a regular and predictable basis and which do not necessarily operate on fixed schedules or over prescribed routes.

"The term 'public transportation' means either mass transportation or public paratransit, or both.

"The term 'routes' means the geographical location of highways, or public transportation operations.".

### AMENDMENT OF SECTION 103

SEC. 202. Section 103 of title 23 of the United States Code is amended to read as follows:

"SEC. 103. FEDERAL-AID SYSTEMS.

"(a) For the purposes of this title, the four Federal-aid systems, the Primary system, the Small Urban and Rural system, the Urban system, and the Interstate System, are established and continued pursuant to the provisions of this section, and in the case of the Small Urban and Rural system, in accordance with section 133 of this title.

"(b)(1) The Federal-aid primary system shall consist of an adequate system of connected main highways, selected or designated by each State through its State highway department, subject to the approval of the Secretary as provided by subsection (f) of this section. This system shall not exceed 7 per centum of the total highway mileage of such State, exclusive of mileage within national forests, Indian, or other Federal reservations, and within urban areas, as shown by the records of the State highway department on November 9, 1921. Whenever provision has been made by any State for the completion and maintenance of 90 per centum of its Federal-aid primary system, as originally designated, said State through its State highway department by and with the approval of the Secretary is authorized to increase the mileage of its Federal-aid primary system by additional mileage equal to not more than 1 per centum of the total mileage of said State as shown by the records on November 9, 1921. Thereafter, it may make like 1 per centum increases in the mileage of its Federal-aid primary system whenever provision has been made for the completion and maintenance of 90 per centum of the entire system, including the additional mileage previously authorized. This system may be located both in rural and urban areas. The mileage limitations in this paragraph shall not apply to the District of Columbia, Hawaii, Alaska, or Puerto Rico.

"(2) After June 30, 1976, the Federal-aid primary system shall consist of an adequate system of connected main roads important to interstate, statewide, and regional travel, consisting of rural arterial routes and their extensions into or through urban areas. The Federal-aid primary system shall be designated by each State acting through its State highway department and where appropriate, shall be in accordance with the planning process pursuant to section 134 of this title, subject to the approval of the Secretary as provided by subsection (f) of this section. Funds apportioned to each State for the primary system may be expended for any project on the Urban system or on the Small Urban and Rural system to the extent that such apportionment is attributable to urbanized areas, and small urban and rural areas, respectively.

"(c) The Federal-aid Small Urban and Rural system shall consist of those routes designated in section 133.

"(d) The Federal-aid urban system shall be located in each urbanized area and shall consist of transportation projects therein other than highway projects on the Interstate System.

"(e)(1) The Interstate System shall be designated within the United States, including the District of Columbia, and, except as provided in paragraphs (2) and (3) of this subsection, it shall not exceed forty-one thousand miles in total extent. It shall be so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to the greatest extent possible, to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico. The routes of this system, to the greatest extent possible, shall be selected by joint action of the Governor of each State and the adjoining States, subject to the approval by the Secretary as provided in subsection (f) of this section. This system may be located in both rural and urban areas.

"(2) In addition to the mileage authorized by the first sentence of paragraph (1) of this subsection, there is hereby authorized additional mileage for the Interstate System of five hundred miles, to be used in making modifications or revisions in the Interstate System as provided in this paragraph. Upon the request of a Governor and the local governments concerned, the Secretary may withdraw his or her approval of any route or portion thereof on the Interstate System within that State selected and approved in accordance wih this title if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System (including urban routes necessary for metropolitan transportation) and will not be constructed as a part of the Interstate System, and if he receives assurances that the State does not intend to construct a toll road served by such route or portion thereof and the additional mileage authorized by the first sentence of this paragraph shall be available for the designation of Interstate routes or portions thereof as provided in this subsection. The provisions of this title applicable to the Interstate System shall apply to all mileage designated under the third sentence of this paragraph except that the cost to the United States of the aggregate of all mileage designated under the third sentence of this paragraph shall not exceed the cost to the United States of the aggregate of all mileage approval which is withdrawn under the second sentence of this paragraph, such costs shall be that as of the date of withdrawal as determined in accordance with subsection (i) of this section. In considering routes or portions thereof to be added to the Interstate System under the third sentence of this paragraph, the Secretary shall, in consultation with the States and local governments concerned, give preference, along with due regard for Interstate highway type needs on a nationwide basis, to routes or portions thereof in States in which the Secretary has heretofore or hereafter withdrawn his or her approval of other routes or portions thereof.

"(3) In addition to the mileage authorized by paragraphs (1) and (2) of this subsection, there is hereby authorized additional mileage of not to exceed 1,500 miles for the designation of routes in the same manner as set forth in paragraph (1), in order to improve the efficiency and service of the Interstate System to better accomplish the purposes of that system.

"(4) Upon the joint request of a Governor and the local governments concerned, the Secretary may withdraw his or her approval of any route or portion thereof on the Interstate System which is within an urbanized area or which passes through and connects urbanized areas within a State and which was selected and approved in accordance with this title, if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by the route or portion thereof. When the Secretary withdraws his or her approval under this paragraph, a sum equal to the Federal share of the cost to complete the withdrawn route or portion thereof, as determined in accordance with subsection (i) of this section, shall be available to the Secretary to incur obligations for the Federal share of either public transportation projects involving the construction of fixed rail facilities or the purchase of passenger equipment including rolling stock, for any mode of mass transit, or both, or projects authorized under any transportation assistance program under this title or the Urban Mass Transportation Act of 1964, or both, which will serve the urbanized area and the connecting nonurbanized area corridor from which the Interstate route or portion thereof was withdrawn, which are selected by the responsible local officials of the urbanized area or area to be served, and which are submitted by the Governor of the State in which the withdrawn route was located. Upon the joint request of the Governor and local governments concerned, the Secretary may approve substitute projects for other areas within the State. Approval of the plans, specifications and estimates for such project by the Secretary shall constitute a contractive obligation of the Federal Government to pay the Federal share of such project as provided in this paragraph. The Federal share of obligations incurred after September 30, 1980, for substitute projects shall be that provided in section 120(c) of this title. There are hereby authorized to be appropriated out of the general fund of the Treasury such sums as are necessary for public transportation projects substituted pursuant to this paragraph. The sums available for obligation under this paragraph shall remain available until obligated. Obligations incurred after the date of enactment of this sentence under this paragraph for highway or public transportation projects substituted as a consequence of withdrawals made after May 5, 1976, shall come from sums apportioned to the State under section 104(b)(2)(A) of this title. Funds available for expenditure to carry out the purposes of this paragraph shall be supplementary to and not in substitution for funds authorized and available for obligation pursuant to the Urban Mass Transportation Act of 1964, as amended. After the date of enactment of this sentence, the Secretary may not redesignate any mileage as part of the Interstate System as a consequence of any withdrawal made pursuant to this paragraph.

"(f) The Secretary shall have authority to approve in whole or in part the Federal-aid Small Urban and Rural system, the Federal-aid Urban system, the Federal-aid Primary system and the Interstate System, as when such system or portions thereof are designated, or to require modification or revisions thereof. No Federal-aid system or portion thereof shall be eligible for projects in which Federal funds participate until approved by the Secretary.

"(g) The Secretary on July 1, 1974, shall remove from designation as a part of the Interstate System each segment of such system for which a State has not notified the Secretary that such State intends to construct such segment, and which the Secretary finds is not essential to completion of a unified and connected Interstate System, with respect to which a State has not submitted by July 1, 1975, a schedule for the expenditure of funds for completion of construction of such segment or alternative segment within the period of availability of funds authorized to be appropriated for completion of the Interstate System, and with respect to which the State has not provided the Secretary with assurances satisfactory to him that such schedule will be met, shall be removed from designation as a part of the Interstate System. No segment of the Interstate System removed under the authority of the preceding sentence shall thereafter be designated as a part of the Interstate System except as the Secretary finds necessary in the interest of national defense or for other reasons of national interest. This subsection shall not be applicable to any segment of the Interstate System referred to in section 23(a) of the Federal-Aid Highway Act of 1968.

"(h) Notwithstanding subsections (e)(2) and (g) of this section, in any case where a segment of the Interstate System was designated part of such system on June 1, 1973, and is entirely within the boundaries of an incorporated city and such city enters into an agreement with the Secretary to pay all non-Federal costs of construction of such segment, such segment shall be constructed.

"(i) In determining the cost of an Interstate route or portion thereof for which withdrawal is applied for under paragraphs (2) and (4) of subsection (e) of this section, the Secretary shall use as a base cost for such determination the estimated cost of construction of such route or portion thereof at the latest stage of approval by the Secretary, or the date of approval of each substitute project under paragraph (4) of subsection (e) of this section, whichever is later. Such cost shall then be increased or decreased in accordance with the increase or decrease in construction materials and labor to construct such substitute project in the local market where the project is located. Additionally the Secretary shall take into account in his or her determination of cost, changes in the route or portion thereof which would have been necessary to meet Federal approval if the withdrawn project had been completed. Any Governor or designated recipient dissatisfied with the cost revision approved by the Secretary may appeal such decision in the manner provided for in subsection (g) of section 134 of this title.

"(j)(1) By September 30, 1986, all routes or portions thereof on the Interstate System (for which the Secretary finds that sufficient Interstate authorizations are available) must be completed or under contract for construction and construction must have commenced unless such failure to be under construction is due to court order. Immediately after such date, the Secretary shall remove from designation as part of the Interstate System each route or portion thereof of such system not complying with this paragraph.

"(2) Any Interstate route or portion thereof or any highway or public transportation project substituted pursuant to subsection (e) of section 103 of this title which is: (A) under construction but not completed, (B) not under construction due to court order, or (C) not under construction because of insufficient Interstate authorizations, shall, on September 30, 1986, become a separate and individual project for which authorizations and appropriations shall be made separately from funds provided under this title. After September 30, 1986, no apportionments shall be made to the States for the Interstate System pursuant to section 104(b)(2)(A)."

### AMENDMENTS TO SECTION 104

SEC. 203. Section 104 of title 23 of the United States Code is amended—

(1) by deleting paragraphs (2) and (4) of subsection (b), and redesignating the remaining subsections and cross references accordingly;

(2) by deleting the words "State highway departments" in redesignated paragraph (2) (A), and substituting in lieu thereof the word "Governor";

(3) by adding the following after the last sentence of such paragraph: "After the date of enactment of this sentence the Secretary shall revise the method of apportionment contained in this paragraph by including the cost of completion of any highway or public transportation project, substituted pursuant to subsection (d) of section 103 of this title, as part of the estimate of the cost of completing the then designated Interstate System.";

(4) by deleting the words "State highway departments" in subsection (e) and substituting in lieu thereof the word "Governors"; and

(5) by amending subsection (f) to read as follows:

"(f) On October 1 of each fiscal year, the Secretary shall set aside 2 per centum of the funds to be apportioned under this section which shall be available for the purposes of section 234 of the Highway and Public Transportation Improvement Act of 1979 relating to transportation planning, except that, for the funds apportioned under (b)(2)(A) of this section, the Secretary shall set aside and make available this per centum of such funds on October 1 of the year preceding the fiscal year for which authorized.".

### AMENDMENT OF SECTION 105

SEC. 204. Section 105 of title 23 of the United States Code is amended to read as follows:

"SEC. 105. PROGRAMS.

"As soon as practicable after the apportionments have been made under sections 104, 133 and 151 of this title, or appropriations have been made under the Urban Mass Transportation Act of 1964, the Governor of any State, or the designated planning organization, whichever is appropriate, shall submit to the Secretary, for his or her approval, a single program of proposed projects comprised of projects to be funded under either of such Acts, for the utilization of funds apportioned or appropriated. The Secretary shall act upon programs submitted to him or her as soon as practicable after the same have been submitted, and may approve a program in whole or in part.

"(b) Except as provided in subsection (c) of this section, in approving programs for projects, the Secretary shall require that such projects be selected in accordance with the planning process required pursuant to section 134 of this title and section 8 of the Urban Mass Transportation Act of 1964.

"(c) Notwithstanding subsection (b) of this section, the Secretary may approve projects under this section which he or she finds are eligible for emergency relief under the provisions of section 125 of this title.

"(d) In approving programs for projects under this section, the Secretary shall require that such programs of projects have been selected by the planning organizations designated pursuant to section 134 of this title and section 8 of the Urban Mass Transportation Act of 1964.

"(e) In approving programs for projects the Secretary shall require the Governors and designated planning organizations to give priority to the reconstruction of highways which have been shown to be hazardous to the public.

"(f) In approving programs for projects under this chapter, the Secretary may give priority of approval to, and expedite the construction of, projects that are recommended as important to the national defense by the Secretary of Defense, or other officials authorized by the President to make such recommendations.

"(g) In approving programs for projects on the Federal-aid systems pursuant to this chapter, the Secretary shall give priority to those projects which incorporate improved standards and features with safety benefits.

"(h) In preparing programs to submit in accordance with subsection (a) of this section, the Governors and designated planning organizations shall give consideration to projects providing direct and convenient public access to public airports and public ports for water transportation, and in approving such programs the Secretary shall give consideration to such projects.

"(i) In approving programs for projects under this section, the Secretary should give preference to those projects, implementation of which will result in the savings of energy resources, as such projects are identified in the plan submitted pursuant to section 134 of this title. Further priority shall also be given to projects falling within the provisions of section 146 of this title.".

### AMENDMENTS TO SECTION 106

SEC. 205. (a) Section 106(a) of title 23 of the United States Code is amended by deleting "Except as provided in section 117 of this title, the State highway department," and substituting in lieu thereof "The Governor or designated recipient".

(b) Section 106(c) of such title is amended by deleting the word "highway" and substituting in lieu thereof the word "system".

### AMENDMENT TO SECTION 107

SEC. 206. Section 107(c) of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "appropriate agency".

### AMENDMENTS TO SECTION 108

SEC. 207. (a) Section 108 of title 23 of the United States Code is amended by deleting the words "State highway department" wherever apearing therein, and substituting in lieu thereof the words "designated recipient", and by deleting the word "highway" from the phrase "Federal-aid highway system" wherever appearing therein.

(b) Subsection (c)(2) of such section is amended by deleting the words "of highways".

(c) Subsection (c)(3) of such section is amended by deleting the words "of a highway".

### AMENDMENTS TO SECTION 109

SEC. 208. Section 109 of title 23 of the United States Code is amended—

(1) in subsection (a), by deleting the phrase "on any Federal-aid system";

(2) in subsection (c), by deleting the words "Projects on the Federal-aid secondary system in which Federal funds participate" and inserting in lieu thereof the words "Small Urban and Rural projects"; and

(3) by deleting subsection (h) and inserting in lieu thereof the following:

"(h) In furtherance of the national transportation policy expressed in section 134 (a), not later than January 1, 1980, the Secretary after consultation with appropriate Federal and States officials, shall promulgate guidelines designed to assure that possible adverse economic, social, and environmental effects relating to any proposed project under this title or the Urban Mass Transportation Act of 1964 have been minimized in developing such project, and that the final decisions on the project are made in the best overall public interest taking into consideration the need for fast, safe, and efficient transportation, public services, and the costs and benefits of eliminating or minimizing such adverse effects and the following:

"(1) air, noise and water pollution;

"(2) destruction or disruption of manmade and natural resources, aesthetic values, important historical and cultural assets, and community cohesion;

"(3) adverse housing effects and tax and property value loss, particularly within the inner city;

"(4) injurious displacement of people, business and farms;

"(5) excess energy consumption and vehicle miles travelled;

"(6) ill health and traffic accidents; and

"(7) disruption of the integrity of existing farm units and the practical use of prime agricultural land.

Such guidelines shall apply to all proposed projects with respect to which plans, specifications and estimates are approved by the Secretary after the issuance of such guidelines. Until such guidelines are in force, the guidelines previously issued pursuant to this subsection shall remain in force.";

(4) in subsection (i) by inserting "(1)" after "(i)", by deleting the word "highway" wherever it appears, and by deleting the last sentence and adding the following paragraph:

"(2) Not later than January 1, 1980, the Secretary, acting jointly with the Administrator of the Environmental Protection Agency shall review and revise the standards issued pursuant to paragraph (1) of this subsection. After revising such standards the Secretary shall not approve plans and specifications for any proposed project on any Federal-aid system or financed by the Urban Mass Transportation Act of 1964, as amended, unless he determines that such plans and specifications insure compliance with such standards. The Secretary and the Administrator shall issue, at the same time and in the same manner as authorized above, regulations to achieve those standards by retrofitting or otherwise reducing noise levels on existing transportation facilities that have received Federal funds at any time, from either this title or the Urban Mass Transportation Act of 1964, as amended. Any area which fails to meet the standards issued pursuant to this subsection must take all reasonable steps to retrofit or otherwise reduce noise levels of those facilities which violate such standards. Any such area shall use at least 5 per centum of the funds apportioned to it under sections 104(b) and 133 (a) of this title for the purpose of retrofitting such facilities as were financed under this title. Any such area shall also use at least 5 per centum of the funds apportioned to it under the Urban Mass Transportation Act of 1964, as amended, for the purpose of retrofitting such facilities as were financed under that Act.";

(5) by deleting subsection (j) and inserting in lieu thereof the following:

"(j) Not later than January 1, 1980, the Secretary and the Administrator of the Environmental Protection Agency, acting jointly, shall issue regulations to assure that projects constructed pursuant to this title and the Urban Mass Transportation Act of 1964, are consistent with any approved plan for the implementation of any ambient air quality standard for any air quality control region designated pursuant to the Clean Air Act, as amended. The Secretary shall not approve any project, any program of projects submitted pursuant to section 105 of this title or any plan to certify any planning process under section 134 of this title unless he finds, in consultation with the Administrator of the Environmental Protection Agency, that such project, program of projects, plan or planning process does not (1) exacerbate any existing violations of National Ambient Air Quality Standards, (2) contribute to a violation of National Ambient Air Quality Standards for a pollutant for which no concentrations in violation of the standard have been measured, (3) delay attainment of National Ambient Air Quality Standards, (4) interfere with maintenance of National Ambient Air Quality Standards, once the standards are attained, or (5) omit any appropriate portions of implementation plans promulgated under section 110 of the Clean Air Act, as amended, including transportation control measures.";

(6) adding at the end thereof the following new subsections:

"(o) In furtherance of the national transportation policy expressed in section 134(a), the Secretary shall not approve any project for which funds have been apportioned under this title or appropriated pursuant to the Urban Mass Transportation Act of 1964 unless he finds that all reasonable alternatives capable of meeting the transportation needs, as such needs are identified in the appropriate plans required by section 134 of this title, have been considered and that the proposed project is one which can feasibly meet such transportation need while eliminating or best minimizing such adverse effects as the following:

"(1) air, noise and water pollution;

"(2) destruction or disruption of manmade and natural resources, aesthetic values, important historical and cultural assets, and community cohesion;

"(3) adverse housing effects and tax and property value loss, particularly within the inner city;

"(4) injurious displacement of people, business and farms;

"(5) excess energy consumption and vehicle miles traveled;

"(6) ill health and traffic accidents; and

"(7) disruption of the integrity of existing farm units and the practical use of prime agricultural land.

"(p) The Secretary shall not approve any project under this title which increases the vehicular or weight-bearing capacity of any highway unless it meets all requirements and provisions of the National Environmental Policy Act of 1969.".

### AMENDMENTS TO SECTION 110

SEC. 209. (a) Subsection (a) of section 110 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

(b) Subsection (b) of such section is amended by deleting the words "highway department".

### AMENDMENT TO SECTION 111

SEC. 210. Section 111 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipients".

### AMENDMENT TO SECTION 112

SEC. 211. (a) Subsection (a) of section 112 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

(b) Subsection (e) of such section is repealed.

### AMENDMENTS TO SECTION 113

SEC. 212. (a) Subsection (a) of section 113 of title 23 of the United States Code is amended by deleting the words "highway" and "the primary and secondary, as well as their extensions in urban areas, and the Interstate System,".

(b) Subsection (b) of such section is amended by deleting the words "high department" and substituting in lieu thereof the words "designated recipient".

### AMENDMENT TO SECTION 114

SEC. 213. Section 114 of title 23 of the United States Code is amended by—

(1) deleting the words "highways or portions of highways" and substituting in lieu thereof the word "project";

(2) deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient"; and

(3) deleting "Except as provided in section 117 of this title such" and inserting in lieu thereof "Such".

### AMENDMENT TO SECTION 116

SEC. 214. Section 116 of title 23 of the United States Code is amended—

(1) in subsection (a) by deleting the words "State highway department" and inserting in lieu thereof the words "designated recipient";

(2) in subsection (b) by deleting the words "State highway department" and "highway department" and substituting in lieu thereof the words "designated recipient";

(3) in subsection (c) by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient";

(4) in subsection (d) by deleting the words "State highway departments" the first time such words appear in such subsection, and substituting in lieu thereof the word "Governors", and deleting the words "State highway departments" the second time such words appear in such subsection, and substituting thereof the words "designated recipient"; and

(5) in subsection (e) by deleting the words "State highway departments" and substituting in lieu thereof the words "designated recipients".

### REPEAL OF SECTION 117

SEC. 215. Section 117 of title 23 of the United States Code is repealed.

### AMENDMENTS TO SECTION 118

SEC. 216. Section 118 of title 23 of the United States Code is amended—

(1) by deleting the words "State highway department" in subsection (a) and substituting in lieu thereof the word "Governors"; and

(2) by deleting the words "three years" in subsection (b), and substituting in lieu thereof the words "two years".

### AMENDMENTS TO SECTION 120

SEC. 217. Section 120 of title 23 of the United States Code is amended—

(1) in subsection (a)—

(A) by deleting "(d)", and substituting in lieu thereof "(c)";

(B) by deleting the words "with primary, secondary, or urban funds, on the Federal-aid primary system, the Federal-aid secondary system and the Federal-aid urban system", and substituting in lieu thereof the words "under this title"; and

(C) by deleting the words "highway construction" and substituting in lieu thereof the word "transportation";

(2) in subsection (f)—

(A) by deleting the word "highway"; and

(B) by deleting the next to the last sentence;

(3) in subsection (g), by deleting the words "States highway department" and substituting in lieu thereof the word "Governor"; and

(4) by adding the following new subsection:

"(i) Funds allocated in any year for a Federal-aid system may be used for the purposes of operating a public transportation system in accordance with the provisions of section 5(f) of the Urban Mass Transportation Act of 1964, as amended.".

### AMENDMENTS TO SECTION 121

SEC. 218. Section 121 of title 23 of the United States Code is amended—

(1) by deleting the word "State" and substituting in lieu thereof the words "designated recipient"; and

(2) by deleting the words "State highway department" and substituting in lieu thereof the word "Governor".

### AMENDMENTS TO SECTION 122

SEC. 219. Section 122 of title 23 of the United States Code is amended—

(1) by adding after "primary," the words "small urban and rural, urban";

(2) by deleting "or extension of any of the Federal-aid highway systems in urban areas,";

(3) by deleting "Federal-aid primary system" and substituting in lieu thereof the words "Federal-aid primary small urban and rural, and urban systems"; and

(4) by deleting "or extensions of any of the Federal-aid highway systems in urban areas".

### AMENDMENTS TO SECTION 123

SEC. 220. Section 123 of title 23 of the United States Code is amended—

(1) by deleting the word "secondary" and substituting in lieu thereof "small urban and rural, or urban"; and

(2) by deleting the words "including extensions thereof within urban areas".

### AMENDMENT TO SECTION 124

SEC. 221. Section 124 of title 23 of the United States Code is amended by deleting the words "State" and "State highway department", and substituting in lieu thereof the words "designated recipient".

### AMENDMENT TO SECTION 125

SEC. 222. Section 125 (b) and (c) of such Code is amended by deleting "highway" in the term "Federal-aid highway system" wherever appearing therein.

### AMENDMENT TO SECTION 128

SEC. 223. Section 128 of title 23 of the United States Code is amended by deleting the words "State highway department" and substituting in lieu thereof the words "designated recipient".

### AMENDMENT TO SECTION 129

SEC. 224. Section 129 of title 23 of the United States Code is amended by adding at the end thereof the following subsection:

"(j) Notwithstanding any provision of this title to the contrary, any State or designated recipient may impose tolls on any highway for the purpose of managing peak load demand of vehicular traffic. No funds from such tolls may be used for highway purposes, excepting such amounts which may be used for the operation and maintenance of such toll facilities.".

### SMALL URBAN AND RURAL TRANSPORTATION ASSISTANCE

SEC. 225. (a) Title 23 of the United States Code is amended by inserting after section 132 a new section as follows:

"SEC. 133. SMALL URBAN AND RURAL TRANSPORTATION ASSISTANCE.

"(a) On October 1 of each fiscal year the Secretary, after making the deduction authorized by subsection (g) of this section, shall apportion the remainder of the sums authorized to be appropriated for expenditure for small urban and rural transportation assistance for that fiscal year to the States in the following manner:

"One-fourth in the ratio which the area of each State bears to the total area of all the States; one-half in the ratio which the population of small urban and rural areas of each State bears to the total population of small urban and rural areas of all the States as shown by the latest available Federal census; and one-fourth in the ratio which the mileage of rural delivery routes and intercity mail routes where service is performed by motor vehicles in each State bears to the total mileage of rural delivery routes and intercity mail routes where service is performed by motor vehicles in all the States at the close of the next preceding calendar year, as shown by a certificate of the Postmaster General.

"(b) Sums apportioned under this section shall be available for obligation for a period of two years following the close of the fiscal year for which such sums are apportioned, and any amounts so apportioned remaining unobligated at the end of such period shall lapse.

"(c) The Secretary may approve as a project in small urban and rural areas any public transportation project, including operating assistance, which would be eligible for Federal financing assistance under the provisions of the Urban Mass Transportation Act of 1964, as amended, or any highway project, other than projects on the Federal-aid primary or Interstate System. Financial assistance provided under this section shall be subject to such terms, conditions, requirements, and provisions as the Secretary may determine to be necessary or appropriate for the purposes of this section. For public transportation projects such terms, conditions, requirements, and provisions shall be similar to those applicable to grants under sections 3 and 5 of the Urban Mass Transportation Act of 1964, as amended, insofar as the Secretary may deem them appropriate.

"(d)(1) The Federal share payable on account of any highway project financed with sums apportioned under this section shall be that provided in section 120 (a) of this title.

"(2) The Federal share payable on account of any public transportation project, other than operating assistance, financed with sums apportioned under this section shall not exceed 80 per centum of the net project cost as defined in section 4 (a) of the Urban Mass Transportation Act of 1964, as amended. The Federal share payable on account of any public transportation operating assistance project financed with sums apportioned under this section shall not exceed 33⅓ per centum of the total eligible operating expenses incurred in the operation of public transportation services assisted under this section. The Highway Trust Fund shall be reimbursed from the general funds of the Treasury for any sums expended pursuant to this section for any operating assistance project.

"(e) At least 10 per centum of the sums apportioned under this section to each State shall be used for public transportation projects as set forth in subsection (e) of this section: *Provided,* That, upon application by the State the Secretary may waive such requirement if the Secretary finds that a lower level of public transportation assistance is warranted by the transportation needs of the small urban and rural areas of such State.

"(f) The State may distribute funds to eligible recipients within the State to carry out the purposes of this section. Eligible recipients may include State agencies, local public bodies and agencies thereof (including counties and Indian tribes), nonprofit organizations, and operators of public transportation services.

"(g) On October 1 of each fiscal year, the Secretary shall set aside and make available 2 per centum of the sums authorized to be appropriated for expenditure for small urban and rural transportation assistance for that fiscal year, for carrying out the purposes of section 134 of the Highway and Public Transportation Improvement Act of 1979 relating to transportation planning.".

(b) Sections 155 and 219 of title 23 of the United States Code and section 147 of the Federal-Aid Highway Act of 1973, as amended, are repealed.

(c) The analysis of chapter 1 of title 23, United States Code, is amended by deleting "133. Repealed." and inserting in lieu thereof "133. Small urban and rural transportation assistance.", by deleting "155. Access highways to public recreation areas on certain lakes.", and inserting in lieu thereof "155. Repealed.", and by deleting "219. Safer off-system roads.", and inserting in lieu thereof "219. Repealed.".

### AMENDMENT OF SECTION 134

SEC. 226. (a) Section 134 of title 23 of the United States Code is amended to read as follows:

"SEC. 134. TRANSPORTATION PLANNING.

"(a) It is declared to be the national transportation policy to encourage and promote the development of transportation systems embracing various modes of transportation that will serve the States and local communities efficiently and effectively in a manner which will minimize air, noise and water pollution; destruction or disruption of man-made and natural resources, aesthetic values, important historical and cultural assets and community cohesion; adverse housing effects and tax and property value loss, particularly within the inner city; injurious displacement of people, business and farms; excess energy consumption and vehicle miles travelled; and disruption of the integrity of existing farm units and the practical use of prime agricultural land. To accomplish this objective, the Secretary shall cooperate with State and local officials in the development of long-range and five-year, statewide and urbanized area transportation plans, as well as programs of projects based on such plans. Before approving, in whole or in part, a plan, or a program of projects, the Secretary shall find that it is formulated on the basis of and reasonably addresses transportation needs and that it affirmatively uses transportation to achieve other national and local objectives while minimizing those adverse effects of transportation development identified in this section and identifies those specific elements of the plan, or program of projects, which would eliminate or best minimize such adverse effects. Such plans shall be the result of a planning process which includes an analysis of alternative transportation system management and investment strategies to make more efficient use of existing transportation resources and to meet needs for new transportation facilities. Such planning process shall consider all modes of transportation and shall be continuing, cooperative, and comprehensive.

"(b) The Secretary shall not approve under section 105 of this title any program of projects unless he or she finds that such projects are based on a plan, approved in accordance with the provisions of this section, and a continuing, comprehensive transportation planning process carried on cooperatively by States and local communities in conformance with the policies and objectives stated in this section.

"(c) After September 30, 1980, a State or designated recipient shall be eligible to receive its apportionments pursuant to the Urban Mass Transportation Act of 1964, only if it has a comprehensive long-range and five-year transportation plan that has been approved by the Secretary. Such plans shall be reapproved by the same procedure whenever a plan has been significantly changed since its previous approval or reapproval. When reapproving a five-year plan, the Secretary may reapprove the long-range plan if he or she finds that they are consistent with each other. The Secretary shall not approve any plan for any State or urbanized area unless he finds that (1) such plans are in accordance with a continuing, comprehensive, and cooperative transportation planning process and (2) all reasonable measures to permit, encourage, and assist public participation in such continuing, comprehensive, and cooperative transportation planning process have been taken. The Secretary, in cooperation with the States and urbanized areas, shall develop and publish regulations specifying minimum guidelines for public participation in such processes, which shall include hearings held at least annually, at which there will be a review of the transportation planning process, plans, and programs of projects, and opportunity provided for the consideration of various alternatives to the plan under consideration. No transportation project may be constructed in any urbanized area of fifty thousand population or more unless the responsible public officials of such area in which the project is located have been consulted and their views considered with respect to the corridor, the location, and the design of the project.

"(d) The States and urbanized areas shall each submit a single program of projects with respect to both this title and the Urban Mass Transportation Act of 1964. Such program of projects shall be approved in accordance with section 105 of this title. The Secretary shall not, however, approve a program of projects, unless (1) the urbanized area, or after October 1, 1980, the statewide planning process on which such program of projects is based is being carried on in conformance with the objectives and provisions of this section, and (2) the Secretary finds that the program of projects is based on the planning process.

"(e) The Secretary shall approve State and urbanized area plans in whole or in part, but shall not approve any plan which fails to reasonably meet transportation needs and—

"(1) provide that the State and urbanized area administering agencies will make such reports to the Secretary in such form and containing such information as may reasonably be necessary to enable the Secretary to perform his or her duties under this title and the Urban Mass Transportation Act of 1964, and will keep such records and afford such access thereto as the Secretary finds necessary to assure the correctness and verification of such reports;

"(2) provide such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid the State or designated recipients under this title or the Urban Mass Transportation Act of 1964;

"(3) provide for the expenditure of adequate amounts of such State's apportionment for each fiscal year under this title and appropriations under the Urban Mass Transportation Act of 1964 for the maintenance of the planning process;

"(4) provide for the development, maintenance, and operation of transportation facilities responsive to the needs of such State and its communities, and in determining compliance with this paragraph, the Secretary shall (A) require the State or designated planning organization to show how the plan reflects the needs of, and is coordinated with, community development plans in urbanized areas, and (B) rely on representations from the appropriate State, Federal and local agencies having responsibilities and jurisdiction in the areas of housing and community development as to the impact such plan will have on housing and community development;

"(5) demonstrate compliance with applicable State and Federal environmental laws, and in determining compliance with this paragraph, the Secretary shall rely on representations from the appropriate State and Federal agencies charged by law with responsibility for protecting environmental quality as to the impact the plan will have upon such State and Federal environmental protection programs;

"(6) demonstrate compliance with applicable State and Federal energy conservation programs, and in determining compliance with this paragraph, the Secretary shall rely on representations from the appropriate State and Federal agencies charged by law with the responsibility to implement programs to conserve energy as to the impact the plan will have upon such State and Federal energy conservation programs; and

"(7) provide an analysis of the impact such plan will have on the social, environmental, and economic well being of the State, or area covered by the plan, and such steps as will be taken to minimize adverse social, environmental and economic effects on such State or area.

The Secretary shall advise the State or designate planning organization of the reasons for not approving a plan or a program of projects. Approval by the Secretary of any plan or program of projects under this section shall not prevent the Secretary from subsequently disapproving any individual transportation project pursuant to the provisions of this title or the Urban Mass Transportation Act of 1964, or other Federal law, including but not limited to the National Environmental Policy Act of 1969 and section 4 (f) of the Department of Transportation Act.

"(f) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State or local agency administering a State or urbanized area plan approved under this title, finds that—

"(1) the State or urbanized area plan has been so changed that it no longer complies with the provisions of this title or the Urban Mass Transportation Act of 1964; or

"(2) in the administration of the plan there is a failure to comply substantially with any such provisions; the Secretary shall notify such State or designated recipients that no further payments will be made to the State or designated recipients under this title or the Urban Mass Transportation Act of 1964 (or, at his or her discretion, that further payments to the State or designated recipient will be limited to projects under, or portions of, the State or urbanized area plan not affected by such failure), until he or she is satisfied that there will no longer be any failure to comply. Until the Secretary is so satisfied, no further payments may be made to such State or designated recipient (or payments shall be limited to projects under, or portions of, the State or urbanized area plan not affected by such failure).

"(g) Any Governor or designated planning organization dissatisfied with a final action of the Secretary under this section may appeal to the United States court of appeals for the circuit in which the State or urbanized area is located by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or any officer designated by him or her for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he or she based his or her action, as provided in section 2112 of title 28. Upon the filing of such petition the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside the order. The findings of the Secretary as to the facts, if supported by substantial evidence, including representations or findings by other Federal agencies acting in accordance with the provisions of subsection (e) of this section, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his or her previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence and the representations or findings of other Federal and State agencies acting in accordance with the provisions of subsection (e) of this section. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to the review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

"(h) The Secretary may define those contiguous interstate areas of the Nation in which the movement of persons and goods between principal metropolitan areas, cities, and industrial centers has reached, or is expected to reach, a critical volume in relation to the capacity of existing and planned transportation demands and future growth. After consultation with the Governors and responsible local officials of affected States, the Secretary may by regulation designate, for administrative and planning purposes as a critical transportation region or a critical transportation corridor each of those areas which he or she determines most urgently require the accelerated development of transportation systems embracing various modes of transport, in accordance with the purposes of this section. The Secretary shall immediately notify such Governors and local officials of such designation. The Secretary may, after consultation with the Governors and responsible local officials of the affected States, provide by regulation for the establishment of planning bodies to assist in the development of coordinated transportation planning, to meet the needs of such regions or corridors, composed of representatives of the affected States and metropolitan areas, and may provide assistance including financial assistance to such bodies. Nothing in title 23, United States Code, or the Urban Mass Transportation Act shall preclude two or more States or contiguous urbanized areas from coordinating or acting jointly in the preparation and execution of their individual or joint transportation plans, as appropriate, as developed under this section, or from acting under such laws on a regional rather than a State basis. Such regional cooperation and joint activity is to be encouraged. There is authorized to be appropriated out of any money in the Treasury not otherwise appropriated, not to exceed $500,000 to carry out this subsection.".

(b) The analysis of title 23 of the United States Code is amended by striking out "134. Transportation planning in certain urban areas.", and inserting in lieu thereof "134. Transportation planning.".

### AMENDMENT TO SECTION 141

SEC. 227. Section 141(b) of title 23 of the United States Code is amended by deleting "Federal-aid secondary system" and substituting in lieu thereof "Federal-aid small urban and rural system" .

### AMENDMENT OF SECTION 142

SEC. 228. Section 142 of title 23 of the United States Code is amended to read as follows:

"SEC. 142. PUBLIC TRANSPORTATION.

"(a) To encourage the development, improvement, and use of public transportation systems, the Secretary may approve as a project that can be financed under this title, or the Urban Mass Transportation Act of 1964, as amended, the construction of exclusive or preferential bus lanes, highway traffic control devices, bus passenger loading areas and facilities (including shelters), and fringe and transportation corridor parking facilities to serve bus and other public transportation passengers. If fees are charged for the use of any parking facility constructed under this section, the rate thereof shall not be in excess of that required for maintenance and operation of the facility (including compensation to any person for operating the facility). The Secretary may also approve as such a project exclusive or preferential bus, truck, and emergency vehicle routes or lanes. Projects constructed under the previous sentence shall not be subject to the third sentence of section 109 (b) of this title. Sums apportioned under sections 104 (b) and 133(a) shall be available to finance the cost of projects under this subsection.

"(b) The establishment of routes and schedules of such public transportation systems shall be based upon a continuing comprehensive transportation planning process carried on in accordance with section 134 of this title, and the Urban Mass Transportation Act of 1964.

"(c) (1) For all purposes of this title, a project authorized by subsection (a) of this section shall be deemed to be a highway project.

"(2) Notwithstanding section 209(f)(1) of the Highway Revenue Act of 1956, the Highway Trust Fund shall be available for making expenditures to meet obligations resulting from projects authorized by subsection (a) of this section and such projects shall be subject to, and governed in accordance with, all provisions of this title applicable to projects financed from this title except to the extent determined inconsistent by the Secretary.

"(3) The Federal share payable on account of projects authorized by subsection (a) of this section shall be that provided in section 120 of this title.

"(d) In any case where sufficient land exists within the publicly acquired rights-of-way of any Federal-aid highway to accommodate needed rail or non-highway public mass transportation facilities and where this can be accomplished without impairing automotive safety or future highway improvements, the Secretary may authorize a State to make such land and rights-of-way available without charge to a publicly owned transit authority for such purposes wherever he may deem that the public interest will be served thereby.

"(e) Funds available for expenditure to carry out the purposes of subsection (a) shall be supplementary to and not in substitution for funds authorized and available for obligation pursuant to the Urban Mass Transportation Act of 1964, as amended.

"(f) In providing funds for public mass transportation projects under this title, the Secretary shall, to the maximum extent possible, provide that rules and regulations issued concerning the use of such funds for public mass transportation projects be the same as those issued pursuant to the Urban Mass Transportation Act of 1964. In complying with this section, the Secretary shall insure that projects for which funding is sought under this title comply with the following sections of the Urban Mass Transportation Act of 1964—

"(1) the third and fifth sentences of section 3(a)(1), relating to the use of Federal funds;

"(2) section 3(e), relating to the acquisition of privately owned facilities;

"(3) section 3(f), relating to the use of buses for charter operations;

"(4) section 3(g), relating to the use of buses for schoolbus operations;

"(5) sections 5(e) and 5(f), relating to the source of local funds used to match Federal funds for projects involving the payment of operating expenses;

"(6) section 5(k)(2), relating to projects where the source of non-Federal funds derives from more than one jurisdiction;

"(7) section 5(m) and section 108 of the National Mass Transportation Assistance Act of 1974, relating to the charging of fares for the elderly and handicapped;

"(8) section 5(n)(2), relating to the application of chapter 15 of title 5, United States Code, to nonsupervisory employees of federally aided mass transportation systems;

"(9) section 12(b), relating to contracts entered into by means other than competitive bidding;

"(10) section 12(d), relating to the powers of the Secretary to regulate the mode of operation of mass transportation facilities, but this provision shall not apply to the use of funds apportioned under this title for the payment of operating expenses;

"(11) section 13(c), relating to standards for labor;

"(12) section 15, relating to financial reporting systems; and

"(13) section 16, relating to the planning and design of facilities to meet the needs of the elderly and handicapped.".

### AMENDMENT TO SECTION 144

SEC. 229. Section 144 of title 23 of the United States Code is amended by adding at the end thereof the following new subsection:

"(n) The Secretary shall not approve any project under this section to replace or rehabilitate a bridge to exceed the traffic carrying capacity of the road adjacent to the bridge. The preceding sentence shall not apply to bridge rehabilitation or reconstruction undertaken to provide bridge capacity for farm implements and vehicles used for the cultivation of land or trucks carrying agricultural products from farm to market.".

### REPEAL OF SECTION 148

SEC. 230. Section 148 of title 23 of the United States Code, including the reference thereto in the analysis of such title, is repealed.

### AMENDMENT OF SECTION 150

SEC. 231. Section 150 of title 23 of the United States Code is amended to read as follows:

"SEC. 150. ALLOCATION OF URBAN SYSTEM FUNDS.

"(a) The funds apportioned to any State under section 104(b)(4) of this title which are attributable to an urbanized area having a population of 50,000 or more shall be allocated among such urbanized areas within such State for projects in programs approved under section 105 of this title in the ratio that the population within each such urbanized area bears to the population of all such urbanized areas, or parts thereof within such State. In the expenditure of funds allocated under the preceding sentence, fair and equitable treatment shall be accorded incorporated municipalities of 200,000 or more population within urbanized areas. The funds apportioned to any State under section 133 of this title which are attributable to urban areas of more than 5,000 but less than 50,000 population within such State for projects in programs approved under section 105 of this title, shall be allocated in accordance with a fair and equitable formula developed by the State in consultation with local elected officials and approved by the Secretary.

"(b) Notwithstanding any contrary provision of this title, the funds that would otherwise be apportioned to any State under section 104(b)(3) of this title on or after October 1, 1980, that are attributable to an urbanized area of 200,000 population or more shall be apportioned to the recipient or recipients jointly designated by the Governor and local elected officials of the urbanized area, to receive and disburse such funds. Expenditure of such funds shall be subject to all the requirements of this title, and where appropriate the Urban Mass Transportation Act of 1964, except that with regard to such funds the designated recipient shall have the responsibility and authority vested in the State by this title and must have adequate powers and be suitably equipped and organized to discharge the duties required by this section and demonstrate the capacity to administer the programs for which it is the designated recipient, to the satisfaction of the Secretary. Nothing in this section is intended to preclude the State from being a designated recipient if agreed to by the Governor and appropriate local elected officials.

"(c) Funds allocated to an urbanized area under the provisions of this section may, upon approval of the local elected officials of the area and the Secretary, be transferred to the allocation of another such urbanized area in the State or to the State for use in any urbanized area.".

### AMENDMENTS TO SECTION 217

SEC. 232. Section 217 of title 23 of the United States Code is amended—

(1) by deleting subsection (a) and inserting in lieu thereof:

"(a) To encourage energy conservation and the multiple use of transportation rights-of-way including the development, improvement, and use of bicycle transportation and the development and improvement of pedestrian walkways for recreational and commuting purposes in urban areas, or to connect such areas with national, State or local parks, seashores or recreational areas, the States and designated recipients may, as a Federal-aid project or in conjunction with other Federal-aid projects, construct new or improved bicycle lanes, either in conjunction with or on existing highway lanes or shoulders, or bicycle paths, traffic control devices, shelters and parking or support facilities designed and/or regulated to serve bicycles and persons using bicycles, and pedestrian walkways. Such projects shall be located and designed pursuant to an overall plan which will provide due consideration for safety and contiguous routes, and be in conformance with section 134 of this title.";

(2) in subsection (d), by inserting after "(d)" the following: "The Secretary shall establish by regulation, construction standards for bicycle projects to ensure that they have safe and adequate surface conditions, widths, sight distances and lighting, realistic design speeds, and grades reasonably negotiable on a bicycle."; and

(3) by deleting subsection (e), and inserting in lieu thereof:

"(e) The Secretary is authorized to make grants to States and designated recipients to achieve the purposes of this section on such terms and conditions he or she may require. To the extent that they are consistent with the purposes of this section, the provisions of chapter 1 of this title shall apply to such project and grants. There is hereby authorized to be appropriated $45,000,000 per year for fiscal years 1981, 1982 and 1983 for these purposes.".

### AMENDMENT TO SECTION 302

SEC. 233. (a) Section 302 of title 23 of the United States Code is amended—

(1) by deleting the title and substituting in lieu thereof: "State highway and transportation department."; and

(2) by inserting at the end thereof the following new subsection:

"(c) After September 30, 1980, any State desiring to avail itself of the benefits of this title or the Urban Mass Transportation Act of 1964, as amended, shall have a single State transportation agency, which shall have adequate powers and be suitably equipped and organized to discharge to the satisfaction of the Secretary the duties required by this title and the Urban Mass Transportation Act of 1964, as amended, as well as the authority for the development of multi-modal tranportation programs planning and policy generally in such State. After October 1, 1981, the provisions of subsections (a) and (b) of this section shall apply to such State transportation agencies.".

(b) The analysis of such title is amended by striking out: "302. State highway department." and inserting in lieu thereof: "302. State highway and transportation departments.".

### CONSOLIDATED PLANNING

SEC. 234. (a) In accordance with this section, the Secretary shall make grants to States and in urbanized areas, to planning organizations designated in accordance with the requirements of section 8 of the Urban Mass Transportation Act of 1964, as amended, and section 134 of title 23, United States Code, for projects for the development of transportation plans and programs required by such sections; and to make grants and contracts for activities eligible under section 8(j) of the Urban Mass Transportation Act of 1964, as amended. Grants under this section shall be from funds made available under section 4(f) of the Urban Mass Transportation Act of 1964 and section 104(f) and section 133(g) of title 23, United States Code.

(b) The Federal share of such projects under this section shall not exceed 80 per centum thereof unless the Secretary determines that the interests of the Federal program would be best served without matching funds. The Secretary shall designate for use in the States, 90 per centum of the funds available to carry out the purposes of this section in the ratio which each State's total apportionment of funds under sections 4(f) of the Urban Mass Transportation Act of 1964 and section 104(f) and section 133(g) of title 23, United States Code, bears to the total of all such apportionments to all States, except that no State shall be designated less than one-half of one per centum of the amount apportioned. Funds not distributed by formula will be retained by the Secretary for use on a discretionary basis.

(c) The amount of funds designated for a State pursuant to the formula established under subsection (b) of this section that are attributable to an urbanized area of fifty thousand or more population shall be made available by the Secretary to the planning organization designated in accordance with the provisions of section 134 of title 23, United States Code, and section 8(b)(3) of the Urban Mass Transportation Act of 1964, as amended.

### SHORT TITLE

SEC. 235. This title may be cited as the "Highway and Transportation Improvement Act of 1979".

## TITLE III—TERMINATION OF HIGHWAY TRUST FUND TERMINATION

SEC. 301. Effective after September 30, 1980—

(1) the Highway Trust Fund is terminated and the amount in such Fund, including any obligations held in such Fund, shall be covered into the general fund of the Treasury;

(2) any outstanding appropriations from, or obligations of, such Trust Fund shall be paid from such general fund;

(3) any authorizations for appropriations to be made from such Trust Fund shall be considered to be authorizations for appropriations from such general fund; and

(4) section 209 of the Highway Revenue Act of 1956 is repealed.●

## NOTICES OF HEARINGS

### SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold a hearing on Wednesday, October 31, 1979, on miscellaneous tax bills.

The hearing will begin at 2:30 p.m. in room 2221 of the Dirksen Senate Office Building.

The following pieces of legislation will be considered:

S. 246, sponsored by Senator BENTSEN. The bill would permit taxpayers to exclude from gross income up to $500—$1,000 in the case of a joint return—of interest income earned from a savings account.

S. 1488, sponsored by Senator NELSON. This bill would provide an exclusion from gross income for interest earned from a savings account but only for that amount of interest that exceeds the amount earned the previous year. Up to $500—$1,000 in the case of a joint return—is the maximum amount excludable.

S. 1846, sponsored by Senator TALMADGE. This bill would raise the dividend exclusion contained in present law from $100 to $250 and permits the exclusion to apply to interest from savings accounts.

S. 1638, sponsored by Senator ROTH. The bill would provide an election for a business to treat startup expenses as deferred expenses to be amortized over a 60-month period. Revenue estimates are not available at this time. The measure would benefit taxpayers beginning a new business.

S. 1703, sponsored by Senators CHAFEE, COCHRAN, MATSUNAGA, MOYNIHAN, JEPSEN, RIBICOFF, BOREN, and LONG. This bill would amend section 911 of the Internal Revenue Code to permit American employees of charitable organizations the option of using the $20,000 income tax exclusion now available only to corporate employees working in remote camps. Revenue estimates on this measure are not available at this time. The measure will benefit employees of charitable organizations who are working abroad.

S. 541, sponsored by Senators BAKER and SASSER. This bill would permit executors of an estate to elect the alternate valuation date—6 months after decedent's death—for estate assets even though the estate tax return is filed after the due date. This measure would have negligible revenue effect. Although only one estate has been identified as benefiting from this measure, the amendment would benefit any estate that wanted to elect the alternate valuation date but was not permitted to do so because the estate tax return had already been filed.

S. 999, sponsored by Senators Bentsen and Cochran. This bill would exempt taxpayers who make late payments of tax from penalties, provided the failure to make payment was due to reasonable cause and not willful neglect. It is estimated that this measure will reduce revenues by $14 million in fiscal year 1980 and by $25 million thereafter. This measure would benefit any taxpayer making a late payment of tax due to reasonable cause.

S. 555, sponsored by Senators Morgan, Baker, Sasser, Percy, Inouye, Schmitt, Mathias, Riegle, McGovern, Ford, Cohen, Pell, Helms, Pressler, Durkin, Cochran, Levin, and Stewart. The bill would permit the owners of independent local newspapers to make tax deductible contributions to trusts established for the eventual payment of estate tax. It is estimated that this measure would reduce revenues by $10 million per year. The measure would benefit owners of independent local newspapers.

S. 1543, sponsored by Senators Nelson and Bentsen. This bill would defer current Federal income tax on dividends reinvested in original issue stock of a company. This bill would primarily benefit any stockholder receiving dividends from a company.

Requests to testify. Persons desiring to testify during this hearing must make their requests to testify to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, not later than the close of business on Wednesday, October 24, 1979.

Witnesses will be notified as soon as possible after this date as to when they are scheduled to appear. If for some reason the witness is unable to appear at the time scheduled, he may file a written statement for the record in lieu of the personal appearance.

Consolidated testimony. The subcommittee strongly urges all witnesses who have a common position or the same general interest to consolidate their testimony and designate a single spokesman to present their common viewpoint orally to the subcommittee. This procedure will enable the subcommittee to receive a wider expression of views than it might otherwise obtain. Further, all witnesses should exert a maximum effort to coordinate their statements.

Persons not scheduled to make an oral presentation, and others who desire to present their views to the subcommittee, are urged to prepare a written statement for submission and inclusion in the printed Record of the hearing. These written statements should be submitted to Michael Stern, staff director, Senate Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510, not later than Friday, November 23, 1979.●

### SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, this announcement will advise of the cancellation of the hearing which had been scheduled by the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources on October 29, 1979, at 9:30 a.m. in room 3110 Dirksen Senate Office Building, on S. 1335, the Residential Furnace Improvement and Cost Savings Act of 1979, and on S. 1336, the Residential Energy Audit Act of 1979.●

### SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution of the Committee on the Judiciary, will hold a hearing on the proposed amendments to the Constitution to balance the Federal budget on November 1, 1979, at 9:30 a.m. in room 6226, Dirksen Senate Office Building.

Anyone wishing to submit testimony for the record, should contact Linda Rogers-Kingsbury of the Subcommittee on the Constitution, 102-B Russell Senate Office Building, Washington, D.C. 20510.●

### SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold a hearing on Friday, November 2, 1979, on S. 1691, a bill to create an appellate court with exclusive jurisdiction over all Federal civil tax appeals. This bill has been referred to the Committee on Finance for consideration until not later than December 31, 1979. Senator Max Baucus will chair this hearing.

The hearing will begin at 2:30 p.m., in room 2221 of the Dirksen Senate Office Building.

Requests to testify. Persons desiring to testify during this hearing must make their requests to testify to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, not later than the close of business on Thursday, October 25, 1979.

Witnesses will be notified as soon as possible after this date as to when they are scheduled to appear. If for some reason the witness is unable to appear at the time scheduled, he may file a written statement for the record in lieu of the personal appearance.

Consolidated testimony. The subcommittee strongly urges all witnesses who have a common position or the same general interest to consolidate their testimony and designate a single spokesman to present their common viewpoint orally to the subcommittee. This procedure will enable the subcommittee to receive a wider expression of views than it might otherwise obtain. Further, all witnesses should exert a maximum effort to coordinate their statements.

Written statements. Persons not scheduled to make an oral presentation, and others who desire to present their views to the subcommittee, are urged to prepare a written statement for submission and inclusion in the printed record of the hearing. These written statements should be submitted to Michael Stern, staff director, Senate Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510, not later than Friday, November 16, 1979.

The Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold a hearing on Wednesday, November 7, 1979, on the Technical Corrections Act of 1979.

The hearing will begin at 2:30 p.m. in room 2221 of the Dirksen Senate Office Building.

The bill, which the House of Representatives passed on July 18, 1979, contains technical, clerical, conforming, and clarifying amendments to provisions enacted by the Revenue Act of 1978 and other 1978 tax legislation.

Testimony is invited both on the bill as passed by the House of Representatives and on any proposed additions to or deletions from that bill. It is recommended, however, that witnesses who only wish to support provisions now contained in the House bill limit their testimony to the submission of written statements.

It is also recommended that written and oral statements deal both with the merits of the issue involved and with the question of whether it is or is not a technical rather than a policy change.

Witnesses who desire to make oral statements at the hearing should submit a written request to Michael Stern, staff director, Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510, by no later than the close of business on November 1, 1979.

Written testimony submitted by witnesses not making oral statements should be typewritten, not more than 25 double-spaced pages in length, and mailed with five copies by November 14, 1979, to Michael Stern, staff director, Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510.●

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## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Science, Technology and Space Subcommittee of the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate on Thursday, October 25, 1979, to hold a hearing on S. 1215, the Science Technology Research and Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

### SUBCOMMITTEE ON RURAL DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Rural Development Subcommittee of the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Wednesday, October 24, 1979, to hold a hearing on rural transportation problems.

The PRESIDING OFFICER. Without objection, it is so ordered.

### COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Monday, October 29, 1979, to hold a hearing on S. 1905, the Milwaukee Railroad legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

## IMPROVED FOOD SERVICE WITH COST SAVINGS

● Mr. CHURCH. Mr. President, in the October edition of a Capitol Hill newspaper, an article appeared entitled "The Senate Food Service is Going Uptown." by Beverly Moss. The article details the changes that have been made with the food service available to the Senate and its employees. As chairman of the Foreign Relations Committee, I can personally comment on Mr. Jay Treadwell's ability to match food with the occasion. I think it is worth noting that he has improved quality while decreasing the dollar cost. My congratulations to Mr. Treadwell and to Mr. White, the Architect of the Capitol, who supervises the food service.

Mr. President, I ask that the following article appearing in the October 10 edition of the Hill Rag be printed in the Record.

The article follows:

### The Senate Food Service is Going Uptown!

(By Beverly Moss)

Long gone are the days when the "dugout," a diminutive dingy, depressing cafeteria in the basement of the Russell Senate Office Building—closed down in 1971 because of a tuberculosis scare rumored to have originated in their creepy-crawly infested kitchen—was the closest place a busy Senate staffer could go for a quick bite of over-peppered chili or beef ragoo (sic). (Senate staffers were not the only ones to partake of dug-out grub, for the late Senator Carl Hayden of Arizona was seen there almost every noon hour, and he never left without leaving a 10¢ tip for the "busboy"—so maybe it wasn't all that bad!)

A walk through the underground tunnel brings you to the Dirksen north and south cafeterias—where the decor is pinkish and brighter, but the menu is basically the same as the dug-out—poor enough to send the solons and their staffs to the Monocle or Club II for some decent food.

1972—exit the dug-out; enter "Plastic Palace"—a sobriquet so given because not only are the seats and tables a modish mixture of aqua and orange vinyl, but the eating utensils are—you guessed it—Plastic! (Disposable forks don't carry TB germs.) The fare at Plastic Palace is pretty perfunctory—hamburgers, grilled cheese sandwiches, and the like—but the walls are clean, the furniture is bright and cheerful, and they offer a $1.35 salad bar, so at last the diet-conscious Capitol Hill employee can opt for something more exotic than cottage cheese or brown bags. In addition to having a vending machine packed with sandwiches, yogurt, fruit, etc., picnic box lunches are also made up for the many sun-worshippers that congregate in the park across the street at lunchtime. Choice of sandwich or taco, fruit and beverage for approximately $1.50.

### THE FRENCH GARDEN

Before the beautiful Washington fall days give way to winter, the Rag decided to meet a friend for lunch in the French Garden, a bucolic spot incongruously located right in the middle of the Russell Senate Office Building—in the courtyard just off the first floor. A long table was set up on the grass, buffet style. At one end of the table cool pitchers of iced tea, punch and a pineapple/orange concoction were offered, followed by two types of salad (the chef variety and a tempting fruit salad). These were followed by an assortment of cheeses, sold by the ounce. The selection included blocks of cheddar, swiss, provolone, gouda, monterey jack and bel paese, accompanied by bread or crackers. Assorted fresh fruits, attractively arranged in bowls came next in the process, a perfect conclusion to a light lunch . . . unless of course you, like us, are cookie freaks, in which case you would have elected to devour one (or more) of the enormous homemade chocolate chip cookies peeking out of a basket at the end of the table.

Picnic tables and benches in the courtyard are scarce, and unless you mind sharing a table with another group, bring a towel and have a picnic on the grass.

Lunch al fresco in the French Garden—a delightful way to break up a long day in a stuffy office. The French Garden is open, weather permitting, from 11:30 to 2:00.

### BREAKFAST BONANZA

You deserve a break today! Get your day off to a good start—eat breakfast! You've heard it all—but who has time to cook in the am—or even to stop at McDonalds? If your office happens to be in the Senate, you can eat your morning meal in style.

The Dirksen south cafeteria opens at 7:00 with a Breakfast Bonanza. The cafeteria line begins with a mouth-watering assortment of seasonal fruit—fresh strawberries, blueberries and melon chunks, today—mix and match, all that your bowl can hold for 75c. Further down the line are eggs, fat sausage links, bacon, pancakes, fried apples, hot cereals, and more.

On a good day you can even feast on freshly-baked croissants, brioche or muffins, depending on Ewald, the pastry chef's whim. Dry cereals are offered and attractively displayed in glass jars—but pass them up for they look as if they had their origin in a Post grapenuts box! For the not so voracious appetite, you can still pick up the old breakfast standby—a cup of coffee and a doughnut to go! Breakfast Bonanza at Dirksen—7:00 am to 10:00 am.

### PETER RABBIT'S GARDEN LETTUCE PATCH

On one August recess day, when the weather was too oppressive to venture outdoors for lunch, the RAG's nose sniffed out "Peter Rabbit's Garden Lettuce Patch" operating in the Dirksen north cafeteria. To eat there or take out, the buffet-style salad bar offered a selection of salad greens, raw vegetables, fruits (canned and fresh), cheeses, cold cuts and various salad combinations such as three-bean and potato. The greens were fresh and crisp, the fruit so-so, and the cold cuts looked like they were leaning towards limp. The finished product however turned out to be a satisfying, if not stimulating, lunch—with a minimum of bother.

One problem at the "Patch" was the cash register, where the cashier could not decide how much to charge for our selection. Within one week, three different Senate staffers purchased identical plates consisting of "Lettuce Patch Salad", cottage cheese and fruit. They were charged, respectively $1.65, $1.95, and $2.25. Peter Rabbit won't have a successful operation if he can't get his lettuce straight.

Peter Rabbit's Garden Lettuce Patch—Dirksen north cafeteria. 11:00 to 2:00. (Usually open when Senate is in recess.)

Senate offices are heralded each week with "The Senate Gastronome", another Treadwell invention which is actually a one-page newsletter listing the week's menus for the staff cafeteria and Senate dining rooms. Treadwell has had a wealth of exciting food ideas from South of the Border Week, which featured Mexican food such as enchiladas, fried bananas, burritos and tamales—to The Buffet of the States, with dishes such as Boston Bluefish Florentine, Green Mountain Lime-Baked Chicken and Georgia Deep-Fried Spare Ribs. And in between time, occasionally a table (known as Shirley's Corner, and run by Shirley Felix, manager of the Dirksen carry-out) pops up in a corner of the Dirksen south cafeteria, laden alternately with surprises such as do-it-yourself sundaes (an outrageous success), pizza by the slice, "Quickie Steamship Yum-Yum Roast Beef", or take-with bakery goods backed by Ewald such as Peach Crunch, pound cakes, pies, etc.

The first professional in the history of the United States Senate to take over operations of food services for that exalted body, Treadwell spent twelve years as Food Service Director of Pan Am after graduating from Cornell's School of Hotel and Restaurant Administration. So he arrives at his current position eminently qualified to plan menus for the most exclusive club in the country! The elusive Mr. Treadwell, under instructions from the Architect of the Capitol (who oversees the Senate restaurant operation), refused to be interviewed.

It was learned, however, from sources close to the Food Director (My goodness! Is this a restaurant review or the latest form of investigative reporting—Cafeteriagate?!) that he was hired by the Senate in 1975 to increase the volume of food served and to cut out waste and inefficiency. He oversees 200 staff workers, many of whom precede him in the Senate restaurant business, and with whom he appears to have the greatest rapport. Indeed, Senate Restaurant personnel as a whole have had a noticeably friendlier and more outgoing attitude since Jay Treadwell arrived on the scene. And another first—he managed, it is rumored, to bring a deficit operating figure of $239,000 in 1975 to the first break-even year (1978) in recent Senate history. Perhaps, before this year is over, the Senate food service will be operating entirely in the black.

### A GUIDE ON WHERE TO EAT IN THE SENATE

Inner Sanctum (Capital.)—For senators only. Sealed off behind massive double doors, the rooms are a retreat from outside. Standard fare. Speedy service.

Senators' Dining Room (Capital).—For senators, their guests, or those with a pass or letter from a Senator. A large room seating 150. Arm chairs, tableclothes, linen napkins and silver.

Senators' Dining Room No. 2 (G–211 Dirksen).—Limited to senators, senate aides, and the public with passes. Cozy room seating about 80. Regular menu, plus a super salad bar.

Small Family Dining Room (Capitol).—Senate staff and their guests. Seats 40. Small space which has been transformed into an intimate continental dining room.

Cafeterias.—Two major operations located in the basement of the Dirksen Building. Pinkish plastic decor. Senators rarely eat here, but tourists may overhear gossip from talkative Senate staffers and agency bureaucrats. North Cafeteria reserved for Senate staff; South Cafeteria open to public except between 12–1:30 p.m., when it is also reserved for staff.

French Gardens located in courtyard off first floor of Russell Building.—Serves cheese by the ounce and light lunch. Open 11:30 am–2 pm (weather permitting).

Snack Bar (Capitol Basement).—provides carry out or eat in fast food. Recently renovated.

Dirksen Carry Out (Adjunct to Dirksen South Cafeteria) Fast Food.—Specials offered daily. Perenial best seller is frozen yogurt, which Treadwell calls "frozurt". Open from 7:30 am to 7:00 pm.

Coffee Shop (Plastic Palace) (Russell Building, basement) plastic coffee shop decor.—Cafeteria style fast food, vending machines, microwave oven for re-heating, carry out "box lunches." ●

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## LET US EQUALIZE TAXES BEFORE JUMPING INTO THE VAT

● Mr. DOLE. Mr. President, yesterday the distinguished chairman of the House Ways and Means Committee, Representative AL ULLMAN, proposed a major restructuring of our tax system. The Congressman from Oregon would introduce a 10-percent value added tax (VAT) to finance reductions in social security, income, and corporate taxes, and tax incentives to encourage capital investment. The thrust of the proposal would be to shift taxation toward consumption and away from income.

The chairman of the Ways and Means Committee deserves much credit for attempting to rethink our tax policies in light of the problems we have experienced lately in managing the economy. His proposals deserve thoughtful and thorough consideration, and alternative approaches to reforming the tax structure will receive close attention during the coming year. The Senator from Kansas does not propose to undertake a detailed analysis of the Ullman plan at this time, but a few general points seem to be in order.

The danger of relying on a VAT is that it gives the Government another excuse to raise the overall tax burden on its citizens. The Ullman plan does not provide for an overall reduction of taxation or Government spending, but would simply shift the tax burden. Without a clamp on Government spending, an overall restraint on the role the Government plays in the economy, we run the risk that the tax burden will continue to grow and inhibit sustainable growth in the private sector. We seem to be learning that growth by inflation is not the answer, and we cannot afford to forget that a bloated Federal Government tends to spur inflation and restrain the private sector. For this reason, the VAT approach should be examined with care to see whether it can promise real tax relief in the long run or whether it will just contribute that much more to the growth of Government.

To the extent that VAT revenues would be used to reduce the income tax burden, the VAT could help us solve one of the major problems of the progressive income tax system—taxflation. However, the VAT alone would not go far enough toward eliminating this tax penalty. Taxflation occurs when taxpayers earn higher nominal incomes because of inflation, although they are doing little more than keeping up with prices. The fixed dollar amounts used in the tax tables mean that higher nominal income brings a higher rate of tax. All income growth is treated as though it were growth in real income. The consequence is that periodic tax cuts do not really cut taxes and serve only to redistribute the tax burden. With few exceptions, tax measures to stimulate the economy have merely restored the status quo.

Mr. President, this is where tax reform is most urgently needed, and it should receive top priority if we are to consider restructuring the tax system. I have introduced the Tax Equalization Act, S. 12, which would end taxflation altogether, not merely moderate its impact. The Tax Equalization Act would correct the tax tables each year according to the rise in the Consumer Price Index. Tax rates would correspond to real income levels, and tax cuts would be real tax cuts. Tax equalization would not provide a cushion against inflation; it would just make the tax tables honest and understandable.

As we begin debating the merits of various proposals, let us agree that ending taxflation must be on our agenda whatever other measures we may take. Tax equalization is the least we can do for the American taxpayer, but it is also the most direct and meaningful form of tax relief that we can provide.●

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## DECLINING PRODUCTIVITY IN THE UNITED STATES

● Mr. GRAVEL. Mr. President, a brilliant student of economics is currently visiting lecturer at George Washington University. His name is Chikara Higashi and he has recently authored a piece in the September 10, 1979 edition of "Look Japan." In this article Mr. Higashi discusses the declining productivity in the United States and compares our current economic situation with that of Japan. He analyzes productivity problems at three levels—individual, managerial, and policy. He points out, correctly I believe, that the United States is lacking in all three areas and as a result our economic productivity has been declining. His article suggests that we have failed to sufficiently motivate the American worker because we have not brought him into the decision-making process and involved him in his job with more than a salary. He points out that American industry often seeks efficiency at the expense of effectiveness, and he recognizes the failure of policymakers to plan effectively for the future of the United States in international trade.

I believe that this article is well worth considering, for from it we may derive some suggestions as to how to improve our economic position in the world. I hope that my colleagues will give serious thought to the issues raised by this article and to that end ask that it be printed in the RECORD.

The article follows:

### DECLINING PRODUCTIVITY IN UNITED STATES

(By Chikara Higashi)

Productivity is declining in various sectors in the U.S. While output is decreasing, total employment keeps increasing. This indicates that more people are currently producing less than in the past. This is symptomatic of the ailing U.S. economy. Thus, it is not surprising that inflation is rampant domestically, and the dollar vulnerable internationally. How serious is the situation, and what are the causes and remedies of this horrendous problem?

According to the Bureau of Labor Statistics of the U.S. Department of Labor, the U.S. manufacturing productivity increased only 2.5 percent in 1978 over 1977. This compares with 8.3 percent in Japan, 4.9 percent in France, 4.2 percent in Canada, 3.7 percent in W. Germany, 2.9 percent in Italy, and 1.8 percent in the United Kingdom. Among the seven industrialized nations, only the U.K. showed a lower rate of increase than the U.S. For the 10 years through 1977, the U.S. manufacturing productivity increased 26.1 percent compared with 99.2 percent in Japan, 71.7 percent in France, 69.0 percent in W. Germany, 67.8 percent in Italy, 46.1 percent in Canada, and 26.5 percent in the U.K. The increase in the U.S. productivity was the lowest among the seven. In 1979, productivity in the private business sector declined 3.8 percent in the second quarter at a seasonably adjusted annual rate, the second decline in a row and the largest decline since the first quarter of 1974.

W. L. Givens compared the productivity in motorcycle manufacturing between the U.S. and Japan during his interview with Fortune's W. Bowen. According to Givens, typical U.S. and European manufacturing facilities produce between 20,000 and 50,000 units annually, with output per worker ranging between 10 and 30 units per year. Japanese facilities produce from 300,000 up to two million units per year, with output per worker between 150 and 300 units, roughly ten times American and European productivity. This is an extreme case, but he states that "already the average Japanese worker in industry produces more than his American counterpart, and the gap is widening in favor of Japan" (Fortune, June 18, 1979).

The causes of this problem are multiple. Economists would attribute the lower productivity to the lack of investment in new innovative technology. Tax incentives, government loans and subsidies may be used to encourage such an investment. Businessmen and liberal public administrators would blame the ramifications of government rules and regulations. Professors in international marketing would discover global-based marketing induces economies of scale and accordingly higher productivity. Educators would put emphasis on education. Behaviorists would stress the importance of the work motivation. The integration of all these different approaches is most important. The following provides analyses at three different levels: individual, managerial and economic policy.

At individual levels, discipline and intelligence are the two major factors relevant to productivity. Discipline is closely interrelated with culture. By and large, the Japanese seem traditionally more disciplined to work than their American counterpart, at least in the middle and lower echelons of organizations. One of the cultural differences is in the concept of time. "Time is money" is true to practically all Americans, but not so much to the Japanese. For example: In the U.S., a repairman of, say, a color television set charges by the time he has spent. If one takes a television set to a less competent repairman, the bill is higher to that extent. If it is not repaired, one still has to pay for it, sometimes more than the set's original price. There is a rationale for this: If a repairman works at all, he should be paid. This however is based on a too naive assumption that every repairman's one hours costs the same. Only the job done is paid. Until a defeat is fixed, there is no charge. In this way, the individual workers cannot escape taking responsibility for both productivity and quality controls.

Another factor at the individual level is education and intelligence among the average people. According to E. F. Vogel, the inability to read and write is virtually absent in Japan. In the U.S., post-graduate schools produce more than 800 Ph.D.s in economics alone every year, yet 20 percent of the people are left illiterate due to inadequacy of earlier education. They can hardly read a job manual properly. This indicates one of the U.S. characteristics: a highly educated, well motivated, and handsomely paid manager has to manage illiterate, unmotivated and poorly paid workers. No matter how sophisticated the managerial skills may be, motivating people is much more difficult in this system. The U.S. industrial structure seems, therefore, vulnerable at the very foundation. Workers often say, "I have worked up to my salary, the manager should take all the responsibility because they are paid for that." In Japan, the workers may be more motivated and the quality may be more pervasively controlled at individual workers' levels primarily because egalitarianism prevails in education, salaries, and human relations between superiors and subordinates causing less hostility and fewer feelings of isolation.

At managerial levels, the conventional U.S. management tends to seek efficiency too much at the sacrifice of effectiveness. Professionalism, or job specialization, seems problematic if it goes too far. For instance, the more divided work is, the more difficult in principle it is to integrate or coordinate. Another problem is that excessive professionalism leads nonprofessionals to irresponsibility, or even to hostility. Professional expertise and professional schools feed each other with the result of more and more division of labor and a widening gap of emotion between the professional and those excluded from professional society.

This tendency often tends to dehumanize work relations. In successful Japanese-managed operations in the U.S., such as Sony at San Diego, YKK at Macon, Georgia and Kikkoman at Wisconsin, the American workers commonly say that the Japanese management cares about the people as well as the products. Behaviorists have discovered that human factors are much more critical in motivating people than other incentives. The U.S. conventional management style is too much efficiency-oriented and neglects human factors, hence, resulting in a loss of effectiveness.

Decision-making style is also often relevant to productivity. The Japanese consensual, bottom-up decision-making looks slow, but the consensual process makes implementation much faster because many people are ready to go. In the U.S., the manager, usually commanding and decisive, makes a decision in less time. However, implementation does not necessarily follow smoothly because the autocratic type of decision-making does not involve very many people in the decision-making process and accordingly reduces the degree of cooperation by the people required in implementation. Life-time employment systems also have the advantage that labor can more easily accept innovative technology since they do not have to worry about the loss of jobs.

At economic policy levels, the U.S. may be the only country that does not have industrial sector planning. The Department of Commerce provides U.S. businesses with excellent information on international markets but does not design an industrial sector plan. No other government branch does either. The President's Council of Economic Advisers may forecast, analyze, and advise about economic growth, inflation and unemployment, but it hardly functions as coordinator of sectoral planning. As a result, American economic policy has concentrated on the adjustment of demand through stimulative or restrictive monetary and fiscal policies; these have made possible the continuous expansion of American consumption and sustained economic growth.

In short, the U.S. economy has prospered unprecedently, the citizens have been able to consume abundantly, the unemployment has been most of the time relatively low throughout the post-war period. Most of these are the result of the government's expansion-oriented economic policies. However, a bad side of these Keynesian policies is that they inevitably bring forth virulent, chronic inflation. As inflation is almost constantly present, it develops into stagflation when the economy is in recession. Thus, prosperity seems to have been illusory to some extent. Underlying problems have been long accumulating. Affluent consumption has meant low savings. Too many dollars were printed resulting in devaluations. Lack of government industrial sector planning, together with protectionism, discourages upgrading of the U.S. industrial structure. In an industrialized country, common sense shows that wages keep increasing and individuals' work hours tend to decline. Therefore, unless technology-oriented industries replace labor-intensive ones, productivity in the aggregate of the economy as a whole will simply decline.

The Americans traditionally dislike government interference in free enterprise areas. The lack of industrial sector planning, which may interfere with resource allocation, may reflect this philosophy. The fact is, however, that the government sector's share in G.N.P. is 50% bigger in the U.S. than in Japan. Former Treasury Secretary W. Simon wrote in his A Time for Truth, "Washington was talking about one quarter of that national income. That meant in effect that we all would be working from January to the end of March only to turn our total income over to the federal government . . . Government at all levels had become this nation's biggest employer . . . One out of every six working people was employed by a federal, state, or local government."

Simon gave many examples of regulations that damage productivity. For instance, the 1973 automobile was subjected to 44 different government standards and regulations involving about 780 different tests of equipment. These cost General Motors $1.3 billion.

Accordingly, a real problem is that despite the government's pervasive interference and regulations, there is no positive, cohesive plan to designate the nation's priority industries and to give effective incentives to higher-technology-oriented industries. Protectionism is, in fact, the equivalent of helping allocate resources to lower-technology industries. Even if the U.S. succeeds in imposing voluntary restrictions (e.g. textiles) or import quotas (e.g. steel) on Japanese products, she will continue to encounter the challenges by many newly industrializing countries. The fundamental solution is to enhance the productivity of U.S. industries. Only this would be ultimately rewarded as an overall, fundamental, and long-term solution to inflation, trade imbalances and unemployment.

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## UNANNOUNCED SEARCH OF AN ATTORNEY'S OFFICE

● Mr. BAYH. Mr. President, in 1978 the Supreme Court ruled that police armed with a warrant could forcibly and without notice search a person's home or office for evidence of a crime, even if that person was in no way suspected of being involved in the crime. In the particular facts of Stanford Daily against Zurcher police forced their way into the pressroom of a college newspaper and rummaged through the paper's files, trying to find photographs taken during a demonstration which would show additional suspects. The Supreme Court made clear, however, that it was not only press which was subject to such unannounced searches—no innocent third parties were protected by the fourth amendment.

Shortly after the opinion in Stanford Daily, I introduced legislation to protect the privacy of all persons not implicated in a crime under investigation, newsmen, lawyers, doctors, businessmen, and just ordinary citizens, and in September of this year a similar bill, S. 1790, was introduced. In the 95th Congress, 4 days of hearings were held to explore the ramifications of the Stanford Daily decision. At that time, witnesses predicted that although law enforcement authorities had traditionally respected the "subpoena-first" rule in the past, in the wake of Stanford Daily they would begin to take advantage of the High Court's ruling and avail themselves of the easier course in collecting evidence, feeling free to enter third parties' premises without regard to intrusions on privacy. These prophecies have begun to come true. In California, there has been a growing number of unannounced searches not only of newsrooms but also of phychiatrists' and lawyers' offices. Last Thursday's Washington Post reported another incident, this time in Oregon. Mr. President, if there is no objection I would like to print the following article in the Record:

### Oregon Judge Orders Police to Return Lawyer's Papers

(By Phil Cogswell)

Portland, Oreg., Oct. 17.—A judge today ordered the return of documents seized from a lawyer's client file last week by Portland police.

Presiding Multnomah County District Court Judge Philip T. Abraham ruled the seizure violated the traditional protection accorded attorney-client communications.

The Oct. 10 police action, made under the authority of a search warrant issued by another district judge, had brought an immediate challenge from the American Civil Liberties Union, representing lawyer Milton Steward. It also drew expressions of concern from the Oregon State Bar over what bar officials said was an intrusion into the attorney-client privilege.

More than 1,000 pages of documents were seized in connection with an embezzlement investigation involving one of Stewart's clients. Two lawyers sharing offices with Stewart have said they will seek dismissal of charges against clients in a pair of related cases because police looked through their files during the search.

Abraham's ruling came after a three-day hearing, during which officers indicated they had led District Court Judge Thomas Moultrie to believe Stewart would not object to the seizure if a search warrant was obtained. Stewart said he had expected to be served instead with a subpoena for the documents, which he could then challenge in court.

Officers also said that Stewart suggested he would turn over the documents.

ACLU lawyers claimed in the hearing that police misled Moultrie when they obtained the search warrant from him by claiming, in effect, that no attorney-client privilege was involved.

Abraham, however, said an affidavit supporting the search warrant was so general that "it permitted exactly what occurred. It would permit rummaging through files that very well may have been protected by the attorney-client relationship."

ACLU officials have said they are considering further legal action for damages against officers over the incident. Meanwhile, an attorney for the city of Portland said an appeal of Abraham's order was possible.

Abraham on Friday had taken the documents into his custody pending a decision on the request that they be returned, but testimony during this week's hearing raised the possibility that some of them had already been copied by officers.

ACLU officials said they did not know of another case where police had taken documents from a lawyer's client file.

Stephen Houze, one of three lawyers cooperating with the ACLU, termed Abraham's ruling "a resounding victory."

However, Tom Gordon, representing the city, said the seized material was valuable as evidence and should not be released until the police had studied it. He said the police had a right to the information.

Abraham, however, said the affidavit supporting the search warrant was invalid because it did not show probable cause for believing a crime had been committed or that the evidence would be in Stewart's office. He noted that an affidavit for a search warrant, not yet executed, involving bank records in the same case, was much more specific than the one involving the lawyer's office.

Stewart said the judge's ruling was a decision that "citizens must be free to consult an attorney in confidence. That wouldn't be possible if police were allowed to obtain lawyer-client files in which those confidences are contained." ●

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## A NEW INDUSTRIAL STRATEGY—AN ADDRESS BY ASSISTANT SECRETARY JASINOWSKI

● Mr. STEVENSON. Mr. President, rethinking the fundamental economic principles that guide this country is long overdue. It is refreshing and encouraging to discover this point of view expressed in a recent address by the Honorable Jerry J. Jasinowski, Assistant Secretary of Commerce for Policy, before the Semiconductor Industry Association, Mr. Jasinowski correctly points out that the economic assumptions of the 1960's are no longer valid in today's interdependent and highly competitive world. I commend Mr. Jasinowski's address "A New Industrial Strategy" to my colleagues. I ask that Mr. Jasinowski's remarks be printed in the RECORD.

The remarks follows:

### A NEW INDUSTRIAL STRATEGY

### INTRODUCTION

Our economy has experienced some slowdown in economic growth during the last two quarters and the prospect is that this will continue into the early part of 1980. Many commentators claim that we are in a recession, arguing for new economic stimulus measures.

Although attractive in a superficial way, particularly as we enter an election year, I would argue against this course of action for three reasons:

First, I expect the recession to be moderate with economic growth bouncing back in the second half of 1980;

Second, efforts to ameliorate this recession by finetuning the economy may only serve to fuel inflationary expectations. We will ratchet up the rate of inflation without achieving any genuine economic progress; and

Third, our fundamental economic problems of slow growth, waning productivity, and persistent high inflation can only be solved over the longer run.

There is no quick fix to the economic problems we face. Rapid changes in the shape of the U.S. and world economy have created altogether new forces to contend with. Economic policy tools that were once appropriate are no longer adequate.

We are, in my opinion, entering a new era in the management of economic affairs in this country. We must come to grips with the economic change that is occurring, think anew about our economic policies, and set forth an economic strategy appropriate to the realities of the 1980's.

Throughout the post-World War II period, we were all Keynesians more or less. Our economic policies were based on the broadly held consensus that government's primary economic responsibility was one of controlling the level of total spending, or aggregate demand, in the economy. We felt that by manipulating government expenditures, taxes, and the size of the deficit, or by altering credit through the Federal Reserve, the level of total demand driving the business cycle could be managed so that steady growth and high employment could be achieved. Underlying our Keynesian policies was the assumption that the supply of labor, materials, and productive capacity would all respond to meet the level of demand.

Now we must admit openly that conscious management of demand is a necessary, but not sufficient condition for addressing the problems of the 1970's and 1980's. Increasingly, those problems revolve around our ability to supply the goods and services necessary to satisfy overall demand at stable prices. The source of our problems lies not in the Nation's ability to consume, but with our capacity to produce.

The challenge of the 1980's, in order to address the deficiencies of economic policy and to cope with the paramount problem of inflation, is to focus on the supply side of the economy. Attention to the supply side, I would argue, means shifting from a preoccupation with the ebb and flow of the business cycle, to a searching analysis of the effect of economic policies on the long-term structure, performance, and growth of sectors and industries. In that sense, I believe supply side policies are essentially economic growth and industrial policies.

Supply side policies are preeminently industrial policies because such a large proportion of the goods and services produced by the economy come from our industrial sectors. Although I recognize that the dividing line between industrial and general business is blurred, I am referring here to manufacturing, construction, mining, utilities, transportation, and communications. Taken together, these sectors produce almost half of our private sector GNP, and represent the heart of our economy with respect to economic growth, productivity, jobs, and trade.

### THE NEW ECONOMIC REALITIES

I mentioned earlier that rapid changes in the U.S. and the world economy have posed new problems for us. Shortages in both resources and capital, increased international competition and a marked increase in the demands we place on our economic system have all contributed to the need for a supply side industrial policy. Let me review some of the more noteworthy changes.

1. Supply constraints. Supply shortages, most notably energy, already constrain growth, add to inflation, and reduce the margin of freedom for both government and private enterprise actions. As we move into an era of increased scarcity, we can expect additional shortages in water, arable land, lumber, and basic metals. We must begin to recognize the real limitations posed by finite natural resources and adjust our policies accordingly to create far stronger incentives for achieving two seemingly contradictory objectives: adequate supply as well as conservation.

2. Capital formation. The shortages we are beginning to see in natural resources are also reflected in our capital stock.

The stock of fixed capital has grown at a much slower rate than the labor force, dropping from a 4.4 percent growth rate in the late 60's and early 70's to 1.9 percent in the period 1973–1976.

Compared to our major trading partners, U.S. investment as a proportion of GNP is lower than all of the major European countries, including the U.K. As an even more dramatic comparison, investment accounts for roughly 14 percent of our GNP, compared to 26 percent in Japan.

3. International trade competition. The decline of the dollar is the most obvious symptom of the erosion of American leadership in international trade. Our massive trade deficits, though partly owing to OPEC, are also the result of the growing economic strength of our trading partners. As you in the semiconductor industry are well aware, we face aggressive export competition from trading partners who have not hesitated to intervene in their economies through industrial policies, often in the form of export subsidies, with the aim of improving their trade balance. The Multilateral Trade Agreements attempt to eliminate these subsidies and curb the spread of unfair trade practices which distort international competition. We must move vigorously to implement them.

4. International interdependence. The mounting interdependence in the world economy has had a profound effect on our domestic economy. Increasingly, our domestic policy options are constrained by our foreign economic policies as well as those of other governments. We have seen how attempts to support the value of the dollar abroad can have a pronounced effect on our domestic interest rates. Similarly steps taken by the Japanese or German governments to support research and development in their semiconductor industries can pose serious competitive problems for our domestic manufacturers. We must find ways to meet this increased international interdependency without leaving our domestic economy and our domestic industries hostage to the economic policies of foreign governments.

5. Regulations. We must begin to regard our regulatory goals as no more sacred than industrial growth and development goals. Government regulations have an enormous impact on the structure and performance of American industry because they mandate investments which compete for the use of private capital. These regulations will not disappear. Whether reasonable or capricious, most of them stand as important statements of public concern for health, safety, and environmental quality. But regulations are at the same time haphazard in their cumulative effect on industrial structure and productivity. The effects of the growth of regulation in the 60's and 70's pose supply side problems for the 1980's which necessitate a thorough reexamination of our regulatory goals.

6. Excessive demands. Finally, the demands of various government policies have reached the point where they place too great a burden on the economy. For years we have talked about national priorities. Now we are at the point where we must choose among them. Our real economic growth has declined from an annual rate of 4 percent in the 1960's to about 3 percent in the 1970's. Similarly, our productivity growth has declined from a 3 percent annual rate in the period 1948–1973 to 1 percent per year since 1974. Given the size of our economic pie, our efforts to achieve quality of life improvements, higher living standards, higher defense spending, and other social and economic objectives exceed what our industrial machine can provide. Order must be given to our competing national objectives; hard choices are before us, like it or not.

### POLICY DIRECTIONS FOR THE 1980'S

These dramatic new realities press upon us the need to change and to alter our fundamental assumptions concerning government and business roles in the formulation of domestic and international policies. We cannot rely on old policy tools; we must shift our approach and our policies to a new concern with the supply side of the economy.

In proposing such a radical change in our policy perspective, there is at least some burden on me to outline the specific directions which would be involved in a supply side industrial policy strategy. As a first step, let me suggest the following:

1. Controlling government expenditures. We must maintain stringent controls on Federal spending in order to provide the resources for future economic growth. Our goal is to reduce the share of Federal spending in GNP to 21 percent by FY 1982. We must continue to seek further reductions thereafter.

2. Reducing specific government burdens on industry. We must reduce the specific legislative, regulatory, and administrative actions that only increase costs and prices, without providing commensurate benefits. We must examine the effect of our regulatory policies on individual industries. If environmental regulations, for example, inhibit our development of alternative energy supplies, we must reexamine the relative costs of both a cleaner environment and a fuel-sufficient economy and adjust our policy mix accordingly. We must control the proliferation of Federal regulations and work toward the establishment of a regulatory budget which would provide a comprehensive accounting of the costs regulations impose upon the American people.

3. Tax policy. We must systematically move our tax policies in directions that will stimulate productive investment and long-term growth. Accordingly, as budget resources become available, business taxes should be cut in order both to modernize industrial capacity and to enhance existing technologies. On the consumer side, we must insure that our tax actions are supply-side oriented, in the sense of reducing inflation at the same time we augment incomes.

4. Technology and innovation. Hand-in-hand with a rethinking of our tax and regulatory policies must come a revamping of our policies towards industrial innovation. You in the semiconductor industry are perhaps more aware than anyone else of the impact of government policy on the innovative process, whether through its investment in R&D spending, its procurement policies or its procedures governing the patent system. You are also quite obviously aware of the deficiencies of existing policies regarding technology and innovation. Perhaps here more than anywhere else there is a need for government policies geared to the specific technological problems of individual industries. Industrial innovation is, in my mind, the policy frontier of the 1980's. Business as well as government must work to expand that frontier.

5. Human capital. Increased investment in physical capital must be accompanied by increased investment in human capital on the part of both the public and private sectors. Of particular importance within an industrial policy framework is the need to identify long-term growth sectors and their future employment opportunities. Public and private policy initiatives can then be used to direct labor towards future job opportunities in these areas. Similarly, we must develop adequate training programs to insure a supply of skilled workers in areas where shortages are likely to create bottlenecks and wage pressures.

We must approach the human capital problem systematically, and education policy is a key element in this approach. In the past, education policy has been divorced from our overall economic planning. With recent demographic changes portending employee shortages in the 1980's, however, systematic programs in the education field will be crucial tools in our overall policy mix.

6. Energy. The need to encourage conservation, increase energy production, allocate supplies among alternative uses and reduce our dependence on foreign oil all comprise the frequently-stated goals of government energy policy for the 1980's. What is not so frequently stated, however, is the crucial role that the market mechanism—not government—must play in meeting these very disparate goals. It is my firm belief that our energy problems are so complex and so interrelated that the market mechanism itself is far better suited to sort them out than government policy intervention. Clearly, there is a role for government in energy policy, particularly in sharing risks involved in developing new domestic energy sources such as synthetic fuels and solar energy.

7. Market structure. We must also encourage increased competition and efficiency in the operations of markets. In one sense, our attention to market structure has comprised the single, explicit component of America's industrial policy to date. Our antitrust policies have been the keystone of the government's long-term approach to industry. The new realities of the 1980's, however, compel a reexamination of our traditional posture towards market structure. We may, for example, need to amend our view of antitrust in order to encourage the industrial cooperation required by competition in high-technology and high-growth world markets.

8. International trade. We must expand our commitment to trade through more vigorous public and private export promotion activities. The domestic policies I have outlined will go far in strengthening American industry and preparing it for the international marketplace. As I indicated earlier, the MTN should insure fair access for American goods to world markets. The key element will not be government policy, however, but business' willingness to take advantage of the improved conditions and new opportunities. The market place will work to the extent that American businessmen use it, compete in it, and blanket the world with their products. Business, not government, will sell America's goods.

### THE CHALLENGES OF INDUSTRIAL POLICY

I have outlined the elements which I feel are critical to a successful industrial policy. Moving towards such a policy, however, is not without its challenges. Adopting the kinds of policy measures I have outlined will require no less than a major rethinking of some of our most fundamental attitudes about the relationship of business and government. We are at a turning point in the conduct of economic affairs in this country, and some difficult decisions are before us.

As we face the economic challenges of the 1980's, it seems to me that there are three different approaches business and government can take in the management of our economic affairs:

1. we can plead for a pure free market approach;
2. we can continue our present policies, which I would characterize as "muddling through"; or
3. we can opt for the kind of cooperative arrangements between business and government which are at the heart of the industrial policies we have been discussing today.

I believe it is naive to consider the first option. Our economy has simply become too complex, and the role of government has become so important in insuring our national goals that a return to the unfettered functioning of the free market is not possible. Government is here to stay. Business does, however, have a major part to play in defining government's role in the economy.

Our present policy of muddling through is a form of accommodation in the business-government relationship. It is clear that our current government policies already influence industries in a variety of ways, whether through tax incentives, subsidies, credit assistance, tariff barriers, or regulation. Practically none of our industries is exempt from some form of government support or regulation, and thus in a sense we already have industrial policies. But these policies have failed to address our fundamental economic problems because the components of these current industrial policies have been, to a large degree, ad hoc, defensive, shortsighted, and lacking in any unifying conceptual framework. Our industrial policymaking to date has been largely reactive in nature. We seek to solve immediate problems without analyzing the long-term consequences of our policy actions. Often, we fail to consider the repercussions of these actions on other sectors of the economy. To be blunt, we have in fact muddled through in a disorganized and contradictory manner.

There are those who would argue, including some in the business community, that muddling through is the best course of action. In their view, such policies allow for a multitude of compromises among a vast array of competing interests. The resulting "contradictions" are, from this perspective, the essence of economic policy in a democratic society.

I cannot accept this view. I do not think this Nation can afford a muddling relationship between government and industry. We must make a choice, and that choice must be to define a new relationship in the form of an industrial policy based on cooperative arrangements between business and government. These cooperative arrangements can take two forms:

In the past, cooperative arrangements have for the most part focused on the problems of our weaker industries. Industrial policies in the form of loan guarantees and trade adjustment assistance, for example, have been used in a reactive way to prop up declining industries, often with the goal of protecting jobs. Although this type of defensive action has a role in our policy mix, it must be approached cautiously and used sparingly.

I think we must place our emphasis on a more positive kind of industrial policy, one which I would describe as a policy of "supporting the winners." Rather than reacting to events, we should develop policies which anticipate future developments. We should concentrate our limited resources where they can do the most good. Wherever possible, our economic policies should be centered not on our declining sectors, but rather on the growth sectors of our economy.

### CONCLUSION

Much of the responsibility for formulating such policies falls on government, but businesses must also share the burden by virtue of their unique insights, information, and experience. Moreover, it is business which must in the end get the job done. And that job is no less than restoring America to a position of world economic prominence.

Together, business and government must examine to what extent government has retarded development and where the role of government can be reduced. Deregulation is a prominent example. At the same time, we must determine those areas where government involvement is needed to promote economic growth and industrial development.

No national consensus exists on the need for a coherent industrial policy. This is true because such an industrial policy has never been presented as a reasonable alternative to our existing policies. A national consensus does exist, however, on the inadequacy of our present economic practices. The time is right for a change in policy direction.

Yet no matter how pressing the need, no new public policy framework can emerge without a constituency. The business community must form a core of industrial policy advocates, primarily because the private sector knows firsthand both the potentialities and pitfalls of government actions which affect the supply side of the economy.

You in the semiconductor industry have already articulated the need for industrial policies to face the economic challenges your industry faces in the 1980's. It is my hope that other industries would do likewise. Government may not be able to agree to all the solutions that you are seeking. But it is only through this kind of productive business-government partnership that a true industrial policy can emerge.●

## ENERGY MOBILIZATION BOARD

● Mr. BAYH. Mr. President, the Senate recently adopted legislation providing for creation of an Energy Mobilization Board to expedite regulatory decisionmaking on key energy projects. While I have some concern about a few of the provisions in the measure approved by the Senate, I believe that establishing the Board is important for avoiding regulatory delays often associated with duplicative, uncoordinated or unnecessarily prolonged Federal, State, and local regulatory proceedings that affect critical energy projects.

None of us needs to look very far, Mr. President, to find examples of delays resulting from agency sluggishness that have cost this Nation dearly. One such example is the Alaska natural gas pipeline. While each year we increase our dependence on foreign oil, the vast quantities of gas which have been discovered on Alaska's North Slope, and could be backing out foreign oil, still have not been made available to the Lower 48. This delay is partially due to the slowness of Federal agencies making the decisions necessary to get this pipeline underway.

When the Alaska gas pipeline route was approved in 1977, we expected that natural gas would begin arriving in Chicago through the southern legs of this system, by 1980. We are not even going to come close, Mr. President, and the American people cannot afford to wait much longer. Consider the costs of this delay. In financial terms, delays add about $1 billion a year to the cost of the pipeline. Even more serious is the fact that we are not using this domestic gas to back out 200 million barrels of oil a day that could be displaced by substituting Alaskan gas for foreign oil.

In this specific instance, I have tried to speed the Departments of Energy and Interior along by requesting that language be included in both the Interior and Public Works appropriations bills, directing the Departments of Interior and Energy to place the highest priority on getting this project cleared.

Another clear example of costly regulatory delay, Mr. President, is the difficulty project sponsors have had in launching an efficient transportation system to bring excess Alaskan crude oil from the west coast to the northern tier, Midwest States, and mid-Atlantic States where oil supplies are critically needed. We are all familiar with the regulatory problems that contributed to the demise of the Sohio west-east pipeline proposal.

With this case in mind, the Congress last year directed the Secretary of the Interior to study various proposals for a west-east crude oil pipeline and to recommend to the President which, if any, proposal should be subjected to expedited Federal permitting procedures. A west-east pipeline could enable us to displace at least 400,000 barrels of foreign oil a day within a few years if projects are not sabotaged by regulatory delay.

Earlier this month, I was joined by 34 colleagues in letters to the President and the Secretary endorsing one of these proposals, the northern tier project. I was quite pleased that last week Secretary Andrus recommended expedited permitting for this project and hope the President will accept the Secretary's recommendation.

Mr. President, these are two cases where the Congress specifically intervened to spur Federal agencies to act on energy projects. The Energy Mobilization Board legislation was fashioned to assure that critical energy projects get priority treatment as a matter of Government policy and not just when Congress intervenes in a specific instance after prolonged delay.

The Energy Mobilization Board is meant to reduce regulatory lag on energy projects by consolidating procedures for licensing and permitting energy projects, setting deadlines for Federal, State, and local project consideration and coordinating decisions made by diverse agencies on the same project. In order to speed project consideration, the Board will be able to designate certain projects "fast track" or priority projects and set deadlines for completion of project-related Federal, State, and local decisions.

Mr. President, two facets of S. 1308, as reported to the Senate by the Energy Committee, concerned me. The first of these involved the Board's ability to substitute its own decision for a Federal, State, or local agency's decision if any of these units failed to meet an EMB deadline. The second provision was the so-called grandfather clause, which permitted the Board to waive statutory requirements enacted after a project on fast track was under construction.

Because of these concerns, I supported a substitute bill to S. 1308, offered by Senators MUSKIE and RIBICOFF, which would have provided for a court injunction to enforce Board deadlines—instead of permitting the Board to act in lieu of Federal, State, or local agencies—and prohibited any waiver of statutory requirements even if enacted after a project was initiated.

Unfortunately, a majority of my colleagues did not support this alternative to S. 1308. A second Muskie amendment, which I supported, striking the Board's authority to make decisions for Federal, State, or local agencies missing deadlines, was also defeated. However, the Senate did compromise on the "grandfather clause" permitting a veto by the Environmental Protection Agency or Secretary of the Interior—with Presidential concurrence—of any Board waiver of a law passed after initiation of a project.

Mr. President, as is frequently the case, I voted for final passage of S. 1308 with some reservations. I was particularly concerned with the provisions in the bill permitting the EMB to substitute its own decisions for those of other agencies normally charged with statutory responsibilities—especially State and local agencies—when they failed to meet Board deadlines.

However, since the bill in no way weakened State and local authority, but just gave the Board the ability to set time limits on agency decisionmaking, in the end I decided that the benefits associated with this type of discipline outweighed the possible drawbacks. As the distinguished floor manager of the bill Senator JOHNSTON argued, there is nothing in this legislation which gives the Board the authority to make decisions for State and local agencies. The legislation only requires that State and local agency decisions and be made on a timely basis.

Mr. President, there is no doubt that our Nation's well-being is inextricably tied to a reduction of dependence on foreign oil. The action of one foreign leader, or one act of sabotage in an oilfield or refinery thousands of miles from our shores, can disrupt our society and bring us to our knees, as last winter's developments in Iran pointed out once again. In the face of this reality, we must discipline ourselves to make decisions more quickly and efficiently. I am hopeful the Energy Mobilization Board would contribute to this goal by expediting decisions about energy projects without sacrificing the health, safety, and environmental safeguards we have built up over the years.

In particular, I was gratified that the Senate adopted an amendment sponsored by Senators RANDOLPH, HUDDLESTON, and myself, automatically granting fast track treatment for the conversion of oil- and gas-fired utilities and industrial facilities to coal—one of the few options available to us to cut down significantly on oil consumption in the near future, before development of alternative energy sources can make the difference.

I hope the House of Representatives will act on this legislation in the near future, sending the bill to the President for his signature.●

## THE NEES PLAN

● Mr. PELL. Mr. President, the New England Electric System announced recently a new, innovative, and forward-looking plan to meet the power needs of its customers during the next 15 years.

The NEES plan is particularly noteworthy because it represents a significant departure from previous plans, not only of the New England Electric System, but of electric utilities generally.

Instead of emphasis on expanding the use of electric power, the emphasis is on conservation and more efficient use of electricity.

Instead of planning on the use of expensive imported oil to fuel generating plants, the plan calls for conversion to coal, investment in finding and developing offshore oil and gas, developing small-scale hydroelectric generating plants, and use of both wood fuels and windpower to help meet future electric generating needs.

Although nuclear generating plants remain an element in the system's plans for the future, it is clear that NEES has no intention of relying either exclusively or too heavily on nuclear power in the future.

At present the New England Electric System relies upon imported oil to meet 73 percent of its total petroleum requirements. Under the NEES plan that dependency on imported oil will be reduced to 10 percent.

Mr. President, during debates in the Senate on national energy policy, the Senate has often heard arguments by myself and other New England Senators calling for special consideration of the problems of the Northeast because of the region's very heavy reliance on oil and particularly on imported oil. I believe special consideration is warranted and justified.

But, because the economic life of our region and the welfare of its residents is at stake, New Englanders also know that we must work hard to free ourselves from the reliance on imported oil which developed during years of cheap foreign oil.

Business, government, and individual citizens have taken up this challenge. A recent study by the New England Regional Commission shows that New England leads the Nation in energy conservation. Between 1973 and 1977, while the rest of the Nation was increasing its use of middle distillate fuels by 6.4 percent, New England reduced its consumption by 4.5 percent.

The new 15-year plan by NEES is another indication that New England is ready to do its part in the national effort to reduce our dependency on imported oil.

I would hope, Mr. President, that other utilities will take note of the NEES plan and make similar efforts to recognize the realities of the new era of expensive energy.

Mr. President, I ask that an article from the Providence, R.I., Journal outlining the New England Electric System's 15-year plan, and an editorial from the same paper commenting on the plan be printed in the RECORD.

The articles follow:

### N.E. ELECTRIC OFFERS 15-YEAR PLAN TO SAVE AND DEVELOP ENERGY

(By Daniel Hackett and Joseph L. Goodrich)

PROVIDENCE.—With its efforts to build twin nuclear generators in Charlestown floundering, the New England Electric System today announced it will spend $335 million over the next 15 years to promote energy conservation, develop hydro-electric and other alternate energy sources, and intensify its search for offshore oil and natural gas deposits.

The New England Electric System is the parent company of the Narragansett Electric Co.

The key to the 15-year plan will be stemming the growth in demand for electricity.

Another major goal will be to reduce drastically the use of foreign oil by converting some generating plants to coal and by increasing the electric system's investment in the search for new oil and natural gas.

Although the plan announced today does not depend on construction of the proposed Charlestown generating stations, Narragansett president Edward E. Mulligan said the New England Electric System has not abandoned its plans to build atomic plants there.

Mulligan added that efforts to acquire the Charlestown land for the proposed nuclear plant which will continue to be part of the company's contingency plan, although he did say that success of the 15-year plan announced today could postpone its need until the mid-1990's.

To accomplish a reduction in the growth of demand for electricity, Narragansett Electric says it will offer to send experts to the homes and businesses of each of its 265,000 customers to advise them how they can save energy through such measures as better insulation.

Other conservation measures planned include special off-peak electrical rates for those who use solar systems to augment their conventional heating and cooling systems.

By reducing the annual increase in peak demand from the 3.1 percent per year predicted without a massive conservation effort, Mulligan said, the New England Electric System will be able to reduce its need for new electricity generating stations during the next decade and a half from 1,200 megawatts to 200 megawatts.

New England Electric said it plans to obtain 100 of the 200 megawatts in new electricity it will need within 15 years by:

Building small hydro-electric plants with a total capacity of 15 megawatts, and buying another 15 megawatts from hydro generators owned by others.

Building a 25-megawatt plant which will generate electricity by burning solid waste, and buying another 25 megawatts from solid waste generators owned by others.

Building a 15-megawatt generating plant which will burn wood.

Buying 5 megawatts of electricity from wind generators, either owned by others or to be built by the electric companies.

Even if its electricity conservation program succeeds, that will leave Narragansett Electric and its partners in the New England system needing 100 megawatts of new generating power.

"For the remaining 100 megawatts," Mulligan said today, "our analysis indicates that nuclear power is the superior choice. However, we also are investigating other options including the possibility of further imports of electricity from Canada."

### UTILITY PLAN THAT FITS ENERGY CONSERVATION

The plan of the New England Electric System for a substantial reduction in the growth of energy use in its area is a dramatic about-face from its previous course.

While it was driving hard for acceptance of the Charlestown site for twin nuclear reactors, with a total capacity of 2.3 million kilowatts, NEES was not interested in cutting the demand for electric power. It was concerned about substituting nuclear power for the increasingly expensive oil-fired power stations that have been the mainstay of New England for 30 years.

Now Charlestown is on a back burner, to say the least—the General Services Administration having decided against selling the site to NEES, and a court overturn of the decision looking less than promising. The power company, which serves a large part of Massachusetts as well as most of Rhode Island, has charted a new course of promoting conservation, "load management," use of alternate sources, even importing electricity from Canada.

When it comes up with a new estimate of the growth of peak demand—1.9 percent compared with 3.1 percent a year previously projected through 1995—the power company recognizes the impact of the overall energy situation in slowing growth. But it also has made a calculated guess of how much improvement in energy efficiency can be expected in the 15-year period. Obviously, such improvement depends on the cooperation of the power companies, government, industry and individual citizens.

NEES seems to be taking seriously all the suggestions for better insulation of homes and other buildings, the restructuring of rates to encourage the off-peak use of electricity and to keep peak loads down. It even proposes to develop small hydro-electric plants and to buy power from other plants owned by industries—perhaps from cogeneration of power along with heat for large plants and industrial processing. And it is not turning up its nose at power generated by giant new windmills.

But neither does the new plan turn its back on the nuclear power already on line or in the construction process in New England. The region now draws a third of its power from nuclear plants. In addition, NEES is basing its estimates for the next 15 years on getting at least 500,000 kilowatts from new nuclear projects. These include two reactors at the controversial Seabrook, N.H., site, Pilgrim 2 at Plymouth, Mass., and Millstone 3 in Connecticut. The latter two are in the hearing process and the proposal stage, respectively. All of these reactors are rated at 1,150,000 kilowatts. Even a growth rate of 1.9 percent a year requires a lot of new power in the next decade and a half when applied to all of New England.

Back of all this rethinking of NEES plans looms the rising cost of oil, especially the Middle East oil that fuels the boilers of the East Coast; and the predicted shrinkage in the world oil supply. But even if the use of oil for power generation in New England is cut drastically, that does not mean automatic reductions in electricity rates for customers of NEES or other utilities. The nuclear plants now being built or that may be built in the future are going to be expensive. Coal, where it replaces oil, will be more expensive than in the past. Conservation measures, too, will have their price.

Still, the NEES plan, as it was presented this week, does try to come to grips with the recommendations of many energy experts for cutting overall energy demand in this country. It does try to deal with the problem of escalating oil prices. It does seek alternatives. The power firm has set its course in the right direction. Resourcefulness and innovation can help it to keep on that course. Public understanding and approval will be essential.●

## PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on September 16, 1979.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol:

DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., October 16, 1979.*

Dr. HANS BINNENDIJK,
*Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an East Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,
ERICH F. VON MARBOD,
*Acting Director,*
*Defense Security Assistance Agency.*●

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for 1 minute to consider the nomination of Patricia Price Bailey to be a Federal Trade Commissioner.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not, the purpose of the reservation is to tell the majority leader that Mrs. Bailey is cleared on our calendar and we are delighted to proceed to her consideration and confirmation.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

## FEDERAL TRADE COMMISSION

The assistant legislative clerk read the nomination of Patricia Price Bailey, of the District of Columbia, to be a Federal Trade Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

## LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislation business.

The PRESIDING OFFICER. Without objection, it is so ordered.

## REQUEST FOR COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, October 24, 1979 beginning at 2 p.m. to hold a markup session on the SALT II treaty.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, I have instructions to object. I object.

The PRESIDING OFFICER. Objection is heard.

## RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, Messrs. RIEGLE, EAGLETON, LEVIN, and TOWER be recognized each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER TO PROCEED TO CONSIDERATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1978, H.R. 4249, TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following morning business on tomorrow the Senate proceed to the consideration of Calendar order No. 348, H.R. 4249, an act to amend title 23 of the United States Code, the Surface Transportation Assistance Act of 1978, and for other purposes.

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, it is so ordered.

## ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, by virtue of the Senate coming in at 12 noon tomorrow the Foreign Relations Committee will be able to meet until 2 p.m. if it so desires. Am I not correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

## PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there is a time agreement on that measure. So I anticipate that the Senate will complete action on that bill tomorrow with possibly some rollcall votes in relation thereto. In the meantime, the pending measure, H.R. 4986, will be temporarily set aside.

## RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the order entered earlier, that the Senate stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 5:09 p.m. the Senate recessed until Wednesday, October 24, 1979, at 12 noon.

## NOMINATION

Executive nomination received by the Senate October 23, 1979:

### THE JUDICIARY

Juan M. Perez-Gimenez, of Puerto Rico, to be U.S. district judge for the district of Puerto Rico, vice a new position created by Public Law 95-486, approved October 20, 1978.

## CONFIRMATION

Executive nomination confirmed by the Senate October 23, 1979:

### FEDERAL TRADE COMMISSION

Patricia Price Bailey, of the District of Columbia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1973.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

# HOUSE OF REPRESENTATIVES—*Tuesday, October 23, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

*The eternal God is your dwelling place, and underneath are the everlasting arms.*—Deuteronomy 33: 27.

O Lord, we pray for a feeling of confidence in our lives and in the lives of those we love. Give us the calming sense of destiny and the assurance of Your providence as we face the concerns of life. Remind us, O Lord, that Your power and presence have been with people from the beginning of time. May that presence, together with the renewing reality of Your daily forgiveness, cause us to anticipate the future, trusting in You and Your goodness to us. In Your name, we pray. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On October 19, 1979:

H.R. 929. An act for the relief of Eun Kyung Cho and Hei Kyung Cho;

H.R. 946. An act for the relief of Maria Estela Sims;

H.R. 1153. An act for the relief of Nyoman Rahmawati;

H.R. 1163. An act for the relief of Gladys Venicia Cruz-Sanchez;

H.R. 1486. An act for the relief of Dang Petersen;

H.R. 1628. An act for the relief of Susan Katherine Adamski;

H.R. 2098. An act for the relief of Antonio Rivera Aristizabal;

H.R. 3142. An act for the relief of Michael Carl Brown;

H.R. 3146. An act for the relief of Patrick A. and Wayne L. Thomas; and

H.R. 3218. An act for the relief of Rebecca Sevilla DeJesus.

On October 22, 1979:

H.R. 1753. An act for the relief of Sergio and Javier Arredondo.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4580) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 4, 7, 21, 25, and 27 to the foregoing bill.

The message also announced that the Senate further insists on its amendment numbered 12, and insists on its amendment to the House amendment to the Senate amendment numbered 27, agreed to a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Proxmire, Mr. Stennis, Mr. Bayh, Mr. Huddleston, Mr. Leahy, Mr. Sasser, Mr. Durkin, Mr. Magnuson, Mr. Mathias, Mr. Bellmon, Mr. Weicker, Mr. Laxalt, Mr. Schmitt, and Mr. Young to be conferees on the part of the Senate, to the bill, H.R. 4394 entitled "An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1037) entitled "An act to establish an actuarially sound basis for financing retirement benefits for police officers, fire fighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Ribicoff, Mr. Eagleton, Mr. Levin, Mr. Mathias, and Mr. Stevens to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2440) entitled "An act to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Cannon, Mr. Long, Mr. Inouye, Mr. Exon, Mr. Packwood, Mrs. Kassebaum, and Mr. Goldwater to be the conferees on the part of the Senate.

## UNITED STATES-U.S.S.R. MILITARY BALANCE—MYTHS AND FACTS VI

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, no aspect of the Soviet Union's increasing conventional military power has received more attention in the Congress than its naval forces. Newly designed Russian ships and submarines outnumber our own, and some alarmists charge that the U.S. Navy is being scuttled.

In fact, the Soviet Navy is no match for our own. Consider the following:

Our Navy is significantly larger than the Russians' in number of major surface ships, total tonnage, and average tonnage per ship.

The U.S. Navy has 13 large attack aircraft carriers, while the Soviets have none. Each of these carriers can deliver more munitions on land and sea or in the air than the entire Soviet surface fleet of ships which displace 1,000 tons or more.

While the size of the Soviet Navy is expected to decrease during the next 5 to 10 years, the U.S. Navy is planning to have a 10-percent larger force.

Our Navy works closely with 4 large, modern allied navies with some 600 ships, while the Soviets have only meager backup from Poland and East Germany.

Our ships are newer, while the Russians have a serious block obsolescence problem—half their major surface ships were constructed over 20 years ago.

The U.S. Navy has over 100,000 more sailors, whose skills and training are far superior to their Russian counterparts.

We have 15 times as many marines, and our amphibious ships can lift 4 times as many troops into battle.

U.S. ships are at sea and on station for much longer periods than Soviet ships, maintaining much higher levels of training and readiness.

## RESIGNATION AS MEMBER OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, COMMITTEE ON SMALL BUSINESS, AND SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

The SPEAKER laid before the House the following resignation as a member of the Committee on Interstate and Foreign Commerce, Committee on Small Business, and Select Committee on the Outer Continental Shelf:

October 23, 1979.

Hon. Thomas P. O'Neill, Jr.,
*Speaker, U.S. House of Representatives.*

Dear Mr. Speaker: I hereby resign from the following committees of the House: Committee on Interstate and Foreign Commerce; Committee on Small Business; and Select Committee on the Outer Continental Shelf.

Very truly yours,

Marty Russo.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

## DESIGNATING MEMBERSHIP ON STANDING COMMITTEE OF THE HOUSE

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by authority of the Democratic Caucus, I offer

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

a privileged resolution (H. Res. 463) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 463

*Resolved*, That the following-named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on Ways and Means: MARTIN A. RUSSO, Illinois.

The resolution was agreed to.

A motion to reconsider was laid on the table.

### PERMISSION TO HAVE UNTIL MIDNIGHT, WEDNESDAY, OCTOBER 24, 1979, TO FILE CONFERENCE REPORT ON H.R. 4387 AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. WHITTEN. Mr Speaker, I ask unanimous consent that the managers may have until midnight Wednesday, October 24, 1979, to file a conference report on the bill (H.R. 4387) making appropriations for the Department of Agriculture, rural development, and related agencies for the fiscal year ending September 30, 1980.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

### MAKING IN ORDER ON FRIDAY, OCTOBER 26, 1979, CONSIDERATION OF CONFERENCE REPORT ON H.R. 4387, DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it be in order on Friday, October 26, 1979, to consider the conference report on the bill (H.R. 4387) making appropriations for the Department of Agriculture, rural development, and related agencies for the fiscal year ending September 30, 1980.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

### APPOINTMENT OF CONFEREES ON H.R. 3354, NAVAL PETROLEUM AND OIL SHALE RESERVES AUTHORIZATION ACT FOR FISCAL YEAR 1980

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for the conservation, exploration, development, and use of the naval petroleum reserves and the naval oil shale reserves, and for other purposes, with the Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none, and appoints the following conferees: Messrs. STRATTON, MOLLOHAN, DAN DANIEL, BEARD of Tennessee, and ROBERT W. DANIEL, JR.

### PERMISSION TO FILE FURTHER CONFERENCE REPORT ON H.R. 4394, HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1980

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a further conference report on the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 20, 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### MAKING IN ORDER ON WEDNESDAY, OCTOBER 24, 1979, OR ANY DAY THEREAFTER, CONSIDERATION OF THE FURTHER CONFERENCE REPORT ON H.R. 4394, HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1980

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that it shall be in order on Wednesday, October 24, 1979, or any day thereafter, to call up for consideration the further conference report on the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### HOUSE RESPONDS TO ENERGY CHALLENGE

(Mr. HUTTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTTO. Mr. Speaker, the gas lines in the spring of this year highlighted the need for a comprehensive energy policy to make use of existing and emerging technologies. The Congress responded to the challenge by offering a variety of proposals to develop alternative sources of energy. I think a significant step in this direction was taken when we in this House passed H.R. 3930 to initiate a $3 billion program to develop a synthetic fuels industry with a national production goal of 500,000 barrels per day of crude oil equivalent by 1985, and 2 million barrels per day by 1990.

I rise today to commend the efforts of the leadership for its timely response to the needs of this country and also to urge the Members of both the House and Senate to work together to develop a viable program to make America self-sufficient in energy in the future. I realize the differences that exist between House and Senate versions, but I feel that we can and must come up with a program that will let the American people know we are serious about solving our Nation's energy problems.

### GOOD MAN IN A CRISIS

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VAN DEERLIN. Mr. Speaker, several weeks ago a member of Jim Malloy's staff, Leo Inglesby, stepped into an emergency situation and administered cardiopulmonary resuscitation to a fallen officer of the House. Yesterday, Leo again showed his mettle in a crisis by tackling an intruder on the House floor.

Though, as it turns out, the individual was not dangerous, no one could know this beforehand. At the moment when chaos reigned, Leo remained alert and calm, using the minimum of force to restrain him.

It is not odd for lightning to strike once—nor for someone to demonstrate quick thinking and fast action once. But when it happens twice, it is clear the individual is someone special.

Leo Inglesby is certainly that. Mr. Speaker, I am sure all Members will join in offering him our congratulations on a job well done.

☐ 1210

### DISPARITY IN FORMULA FOR DISTRIBUTING 221 CSA FUNDS

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, I would like to address the disparity in which local initiative 221 CSA funds are now distributed.

This formula was devised in past years when States, such as my home State of South Dakota, had not as yet begun to participate in the local initiative program. This formula has thus penalized States such as South Dakota for late entry into the program. The current formula is consequently inequitable and discriminatory.

South Dakota ranks 49th among the States in per capita personal income, at a level of $4,796 annually, yet South Dakota is consistently underfunded in relation to the other States of the country in terms of 221 local initiative funding.

I ask my colleagues why under this current formula the State of South Dakota should receive only $6.58 per poor person, while the District of Columbia receives $61.23 per poor person? I might add that this situation is further aggravated whenever additional local fund moneys are available from CSA which are also distributed according to this same formula.

The following table further illustrates the divergence of funding above the statutory minimum:

| State | Personal income per capita 1976 | Rank in region VIII | Rank among 50 States | Percent of funding above statutory minimum |
|---|---|---|---|---|
| Colorado | $6, 503 | 1 | 15 | 25 |
| Montana | 5, 600 | 3 | 34 | 10 |
| North Dakota | 5, 400 | 5 | 41 | 1 |
| South Dakota | 4, 796 | 6 | 49 | 1 |
| Utah | 5, 482 | 4 | 36 | 25 |
| Wyoming | 6, 723 | 2 | 13 | 13 |

Mr. Speaker, I find this formula intolerable and hope that my colleagues in North and South Dakota and throughout the region will pursue this inequity and comment to the Director of CSA to have this situation rectified.

## CONGRESSMAN ANDERSON OF CALIFORNIA ON OIL COMPANY PROFITS AND U.S. NEEDS

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. ANDERSON of California. Mr. Speaker, Exxon profits for this quarter have increased 120 percent from the third quarter of last year, to $1.14 billion. Atlantic Richfield profits are up 45 percent, Standard Oil of Indiana is showing a 49-percent-profit increase. The oil giants are not doing badly.

But the American people could be doing better.

Reports tell us that for the first 9 months this year, Exxon's return on capital invested was at a healthy annual rate of 15.3 percent, up from 11.6 percent last year. Similarly, return of stockholders' investment was up from 13 to 18.5 percent.

Americans are paying more, much more, for gasoline and home heating oil.

And the Senate is still considering what is sometimes called a windfall profits tax.

The American people need this tax, and they need the tax to be a meaningful one. They need some of those additional dollars they are paying for gasoline as a result of decontrol to go for mass transit, so that less of their paychecks will go for gasoline in the future. They need some of those dollars to go for research and development of alternate energy sources so we will be independent from foreign nations for the resources we need to power America.

The Nation needs this tax to help reduce our balance-of-payments deficit, improve the value of the dollar, and fight inflation.

We need to make the Nation's financial statement look as good as the oil companies'.

## THE LATE RENE GAGNON, UNSUNG HERO OF WORLD WAR II

(Mr. DUNCAN of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN of Tennessee. Mr. Speaker, I want to bring to the attention of the House the recent death of one of the unknown heroes of World War II. I am speaking of the late Mr. Rene Gagnon of Hooksett, N.H. Mr. Gagnon was one of the figures represented in the world famous statue of the raising of the American flag at Iwo Jima. The raising of the flag atop Mount Suribachi on February 23, 1945, signified the turning point in the Allied effort to win the war in the Pacific. It was truly one of the proud moments in American history.

Mr. Gagnon was one of the last two living participants that took part in that historic event, and the purpose of my brief remarks is to call attention to his contribution and achievement: Individual effort exercised in the team spirit by Mr. Gagnon and his only surviving comrade in the Iwo Jima flag raising, Mr. John Bradley of Wisconsin. Such heroism made it possible for us to prevail in the war.

I salute Mr. Gagnon and all of the others whose sacrifices made possible the preservation of this form of government and our way of life.

☐ 1220

## A COVERUP IN THE TITLE III DEVELOPING INSTITUTIONS PROGRAM

(Mr. TAUKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUKE. Mr. Speaker, there appears to be a coverup at HEW.

Recently, I discovered that title III funds which are awarded to developing educational institutions are being arbitrarily awarded in apparent disregard of the recommendations of the panel of grant application readers.

Last week, I called a respected and normally very cooperative employee of the Office of Education to obtain more information about the way in which the title III program is being run. The employee was nervous, afraid to talk. The employee noted that HEW employees are no longer permitted to talk to Members of Congress or their staffs. Suddenly, there was a strange silence on the other end of the phone, and then the employee said, "And I don't think you want to talk to me because this phone is probably tapped."

The conversation was very brief. No longer could this friend of honest government talk to me about the title III program. Patricia Harris, the new Secretary of HEW, on August 16, sent out a memo to all Department employees ordering them to have no contact whatsoever with any Member of Congress unless it is first cleared through the watchdog Assistant Secretary for Legislation.

This unwarranted edict is a direct attempt by Secretary Harris to subvert the protection of the "whistle blower legislation" which Congress passed to afford protection to honest Government employees who come forward with evidence of corruption in the bureaucracy. In the past, such employees were often fired. Since Secretary Harris can no longer fire those who would root out dishonesty and favoritism in her Department, she has taken the Draconian measure of forbidding all HEW employees to talk to any Member of Congress. The result is a coverup in the title III developing institutions program.

I am today asking President Carter to rescind Secretary Harris' order and to urge all Government employees with evidence of wrongdoing to step forward without fear of reprisal.

## ALMONDS AND EEC ENLARGEMENT

(Mr. THOMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, agricultural exports are extremely important to the U.S. balance of payments. Agricultural exports are projected to amount to $32 billion this fiscal year, an increase of 17 percent. Only this favorable agriculture picture has enabled the United States to contend as well as it has with the problem of costly oil imports.

In California we contributed significantly to this total by exporting $2.4 billion of agricultural products in calendar year 1978. Almonds, a product important to my district, will contribute approximately $0.5 billion in exports this year. Of that $0.5 billion, $0.25 billion will go to the European Economic Community.

The EEC currently maintains a 7-percent duty on almond imports. Our negotiators tried unsuccessfully to eliminate this duty during the multilateral trade negotiations. This was a major disappointment to the almond industry in California. My State of California and Spain are world's largest producers of almonds. It is crucial that negotiations to eliminate this duty be resumed immediately since Spain will soon begin negotiations to become a member of the EEC. As a member, Spain would also have the advantage of not being subjected to the 7-percent duty, thereby making it extremely difficult for California almond growers to compete effectively in the world market.

Mr. Speaker, in the interest of a stronger U.S. economy, I would urge the administration to proceed aggressively in negotiations aimed at elimination of the EEC's import duty on almonds.

## A MAJORITY OF TWO-THIRDS OUGHT TO HAVE THE RIGHT TO OFFER AMENDMENTS

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, once again I rise to defend the rights of the Democratic majority in this House of Representatives. As the Speaker well knows, recently there has been consideration by the Committee on Rules and by the majority party leadership of reporting out rules that would absolutely forbid any but the select few to offer amendments to bills. This grieves me a great deal. I think a majority of two-thirds ought to have the right to offer amendments. In fact, we have even heard the fiction and propaganda that it is the minority that is keeping bills from being considered by offering too many amendments.

I call the Members' attention to H.R. 3000, the energy authorization bill, that has been considered in this House lo these many months—October 11, 12, 16, and 18—with most of the amendments offered, some 67 different amendments, coming from members of the committee, 52 of them from the majority side and 15 measly little amendments from the minority side. That is better than 2 to 1; better than 3 to 1. Who is obstructing this House by amendments?

Rise up, Democrats! Protect your rights! I warn you, the Speaker may take them away.

## ONE OF FIRST MAJOR ACTS OF COMMITTEE ON COMMITTEES ACCEPTED BY REPUBLICAN CONFERENCE

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, one of the first major acts by the newly created Committee on Committees was a recommendation that Members can only serve on a limited number of subcommittees and that subcommittees be reduced. I am happy to report to the Members that in accordance with the Rules of the House the Republican conference took this up this morning and approved the recommendation of the Committee on Committees. We hope that the majority follows suit.

This is an important step in the reduction of staff members in the Congress, hopefully the first of many steps to reduce the cost of Government, and set an example for all agencies at the Federal level.

I repeat, I hope the Democrat majority in their caucus approves the recommendation of the Committee on Committees; then, with their 2-to-1 majority amends the House rules to comply.

## EXECUTIVE ORDER WAIVING APPLICATION OF SUBSECTIONS (a) AND (b) OF SECTION 402 OF THE TRADE ACT OF 1974 WITH RESPECT TO THE PEOPLE'S REPUBLIC OF CHINA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Ways and Means:

*To the Congress of the United States:*

Pursuant to section 402(c)(2) of the Trade Act of 1974, (hereinafter, "the Act") I shall issue today an Executive Order waiving the application of subsections (a) and (b) of section 402 of the Act with respect to the People's Republic of China.

I wish to report to the Congress that I have determined that the requirements of section 402(c)(2)(A) and (B) of the Act have been satisfied.

Jimmy Carter.

The White House, *October 23, 1979.*

## CONFERENCE REPORT ON SECOND CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1980

Mr. GIAIMO submitted the following conference report and statement on the Senate concurrent resolution (S. Con. Res. 36) revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982:

Conference Report (H. Rept No. 96-541)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 36) revising the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982, having met, after full and free conference, have been unable to agree at this time.

Robert N. Giaimo,
Thomas L. Ashley,
Louis Stokes,
Paul Simon,
Norman Y. Mineta,
James R. Jones,
Stephen Solarz,
Timothy E. Wirth,
Leon E. Panetta,
Bill Nelson,
William H. Gray III,
Delbert L. Latta,
Barber B. Conable,
Ralph Regula,
Bill Frenzel,
Bud Shuster,
*Managers on the Part of the House.*

Edmund S. Muskie,
Warren G. Magnuson,
Ernest F. Hollings,
Lawton Chiles,
Joe Biden,
Bennett Johnston,
Henry Bellmon,
Pete V. Domenici,
Boe Packwood,
Wm. Armstrong,
*Managers on the Part of the Senate.*

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 36) revising the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982, report that they have been unable to agree at this time.

Therefore, the managers on the part of the House and Senate, pursuant to Section 305 of the Budget Act are making this report. Section 305 requires the managers to submit this report in disagreement since 7 days have passed since the appointment of conferees and complete agreement has not been reached. The managers intend to seek authorization for a further conference in order to resolve the matters in disagreement.

Robert N. Giaimo,
Thomas L. Ashley,
Louis Stokes,
Paul Simon,
Norman Y. Mineta,
James R. Jones,
Stephen Solarz,
Timothy E. Wirth,
Leon E. Panetta,
Bill Nelson,
William H. Gray III,
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Edmund S. Muskie,
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Ernest F. Hollings,
Lawton Chiles,
Joe Biden,
Bennett Johnston,
Henry Bellmon,
Pete V. Domenici,
Bob Packwood,
Wm. Armstrong,
*Managers on the Part of the Senate.*

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the Senate concurrent resolution (S. Con. Res. 36) revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. ASHBROOK. Mr. Speaker, I reserve the right to object for the purpose of yielding to my colleague, the gentleman from Connecticut (Mr. Giaimo), who may have a comment or two to make. I think my colleague, after all of this hard work, deserves the right to tell the Members exactly what is transpiring.

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield, what is transpiring is that we have been in conference for 10 days, since a week ago last Tuesday. We have narrowed many of the issues. We have several issues left upon which to reach agreement: The issue of defense, the issue of education and training, income security, and the matter of revenues. As the gentleman knows, the Budget Act provides that if we do not arrive at either agreement or disagreement within 7 days, we have to report back to our respective Houses that fact, that we are in disagreement. So that is what we are doing now. It does not mean that we are deadlocked; it means that we have to ask permission of the House to be reconstituted to be named as a new conference committee, if you will, so that we can go back and try to complete the work of the conference.

Mr. ASHBROOK. I thank my colleague. Mr. Speaker, further reserving the right to object, I do not believe that any of us feel that the conferees should not be reconstituted or that the conference should not go on. There are many problems. I think some of us would point out that the Budget Act, brought in with such great expectations, has not really worked out as well as heralded or as well as we all would have liked. I am certainly not pointing my finger at my friend, the gentleman from Connecticut (Mr.

GIAIMO), because I know he spent the best part of his life during the last several years in Congress trying to make it work. But there are certain problems involved. I do not know whether we are looking in the future to a third concurrent resolution, maybe a fourth concurrent resolution, but it does seem that in this area, as in areas of appropriations, we do have problems meeting deadlines. I merely wanted to point that out, at the same time complimenting my colleague, the gentleman from Connecticut (Mr. GIAIMO), who is endeavoring to work this out with the Senate within the structure of laws set out by this body.

□ 1230

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. Under my reservation, I would yield to my colleague from California.

Mr. ROUSSELOT. Mr. Speaker, can the gentleman from Connecticut (Mr. GIAIMO) tell us what are the basic areas of disagreement?

Mr. GIAIMO. I thought I had just done so but I will be happy to repeat them.

In the area of national defense there is still a disagreement between us and the Senate.

In function 270 which deals with energy there is a disagreement which we think can be resolved.

We are also in disagreement in the education and training function, in the income security function, and in revenue.

Let me say we are very close, in my opinion, to reaching agreement and compromises on the amounts of money necessary for the budget in these areas.

Mr. Speaker, there are also other areas of disagreement where I very much doubt we will be able to reach agreement, such as the issue of reconciliation or the issue of a ceiling on the Committee on Appropriations. On the various breakdowns of the budget and the various functions, I think with several days more work and application we probably can reach agreement.

Mr. ROUSSELOT. I thank the chairman of the Committee on the Budget.

Mr. ASHBROOK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read the conference report.

(For conference report, see prior proceedings of today's RECORD.)

The SPEAKER. The Clerk will read the House amendment to Senate Concurrent Resolution 36.

The Clerk read the House amendment as follows:

Strike out all after the resolving clause, and insert: That the Congress hereby determines and declares, pursuant to section 310 (a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $519,250,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $5,050,000,000;

(2) the appropriate level of total new budget authority is $631,807,000,000;

(3) the appropriate level of total budget outlays is $548,175,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $28,925,000,000; and

(5) the appropriate level of the public debt is $885,825,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $55,825,000,000.

SEC. 2. The Congress reaffirms its commitment to find a way to relate accurately the outlays of off-budget Federal entities to the budget. The Congress recognizes that by law the outlays of off-budget Federal entities are not reflected in the budget totals, and that in fiscal year 1980, off-budget outlays (and, hence, the off-budget deficit) are estimated to be $16,000,000,000.

SEC. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $138,156,000,000;

(B) Outlays, $128,587,000,000.

(2) International Affairs (150):

(A) New budget authority, $12,593,000,000;

(B) Outlays, $8,522,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,833,000,000;

(B) Outlays, $5,662,000,000.

(4) Energy (270):

(A) New budget authority, $36,266,000,000;

(B) Outlays, $8,801,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,525,000,000;

(B) Outlays, $11,926,000,000.

(6) Agriculture (350):

(A) New budget authority, $4,983,000,000;

(B) Outlays, $2,542,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,778,000,000;

(B) Outlays, $2,828,000,000.

(8) Transportation (400):

(A) New budget authority, $19,610,000,000;

(B) Outlays, $18,651,000,000.

(9) Community and Regional Development (450):

(A) New budget authority $8,991,000,000;

(B) Outlays, $8,289,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $31,391,000,000;

(B) Outlays, $31,371,000,000.

(11) Health (550):

(A) New budget authority, $58,767,000,000;

(B) Outlays, $54,715,000,000.

(12) Income Security (600):

(A) New budget authority, $217,658,000,000;

(B) Outlays, $188,795,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,607,000,000;

(B) Outlays, $20,851,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,269,000,000;

(B) Outlays, $4,468,000,000.

(15) General Government (800):

(A) New budget authority, $4,484,000,000;

(B) Outlays, $4,301,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,076,000,000;

(B) Outlays, $9,075,000,000.

(17) Interest (900):

(A) New budget authority, $58,038,000,000;

(B) Outlays, $58,038,000,000.

(18) Allowances (920):

(A) New budget authority, $482,000,000;

(B) Outlays, $453,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$19,700,000,000;

(B) Outlays, —$19,700,000,000.

SEC. 4. The Congress projects the following budget aggregates for fiscal years 1981–1982, based on the policies assumed in sections 1 and 3—

(1) the level of Federal revenues is as follows:

Fiscal year 1981: $605,200,000,000;

Fiscal year 1982: $704,000,000,000;

(2) the level of total new budget authority is as follows:

Fiscal year 1981: $666,459,000,000;

Fiscal year 1982: $728,402,000,000;

(3) the level of total budget outlays is as follows:

Fiscal year 1981: $603,477,000,000;

Fiscal year 1982: $655,098,000,000;

(4) the amount of surplus in the budget is as follows:

Fiscal year 1981: $1,723,000,000;

Fiscal year 1982: $48,902,000,000;

(5) the level of the public debt is as follows:

Fiscal year 1981: $916,175,000,000;

Fiscal year 1982: $907,700,000,000.

SEC. 5. In 1980, each standing committee of the House of Representatives having jurisdiction over entitlement programs shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to what changes, if any, would be appropriate in the funding mechanisms of such programs to enable Congress to exercise more fiscal control over expenditures mandated by these entitlements.

Within a reasonable period of time after March 15, 1980, the Budget Committee of the House of Representatives shall submit to the House such recommendations as it considers appropriate based on such reports.

### MOTION OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GIAIMO moves that the House insist on its amendment to the Senate concurrent resolution (S. Con. Res. 36) revising the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982 and request a further conference with the Senate thereon.

The motion was agreed to.

A motion to reconsider was laid upon the table.

### APPOINTMENT OF CONFEREES ON SENATE CONCURRENT RESOLUTION 36

The SPEAKER. The Chair appoints the following conferees: Messrs. GIAIMO, ASHLEY, STOKES, SIMON, MINETA, JONES of Oklahoma, SOLARZ, WIRTH, PANETTA, NELSON, GRAY, LATTA, CONABLE, REGULA, SHUSTER, and FRENZEL.

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## APPOINTMENT OF CONFEREES ON S. 1157, DEPARTMENT OF JUSTICE AUTHORIZATION, 1980

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1157) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for the fiscal year 1980, and for other purposes, with the House amendment thereto, insist on the House amendment, and agrees to the conference asked by the Senate.

The SPEAKER. Is there objection to

the request of the gentleman from California? The Chair hears none and appoints the following conferees: Messrs. Rodino, Brooks, Kastenmeier, Edwards of California, Seiberling, Danielson, Drinan, Ms. Holtzman, Messrs. McClory, Railsback, Fish, and Hyde.

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## NEW YORK-NEW JERSEY PORT AUTHORITY COMPACT

Mr. DANIELSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4943) granting the consent of Congress to the compact between the States of New York and New Jersey providing for the coordination, facilitation, promotion, preservation, and protection of trade and commerce in and through the Port of New York District through the financing and effectuation of industrial development projects, as amended.

The Clerk read as follows:

H.R. 4943

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the consent of Congress is given to an agreement or compact amendatory of and supplemental to the Compact between the States of New York and New Jersey creating the Port of New York District and establishing the Port of New York Authority which agreement or compact has been agreed to by such States effective August 24, 1978, and is substantially as follows:

"Section 1. The states of New York and New Jersey hereby find and determine:

"a. that to prevent further deterioration of the economy of the port district and thereby to promote, preserve and protect trade and commerce in and through the port of New York district as defined in the compact between the two states dated April thirty, nineteen hundred twenty-one (hereinafter called the port district), it is the policy of each of the two states actively to promote, attract, encourage and develop economically sound commerce and industry through governmental action;

"b. that in order to preserve and protect the position of the port of New York as the nation's leading gateway for world commerce, it is incumbent on the states of New York and New Jersey to make every effort to insure that the port receives its rightful share of interstate and international commerce generated by the manufacturing, industrial, trade and commercial segments of the economy of the nation and of the port district;

"c. That since nineteen hundred fifty the number of available jobs in the port district, particularly within the older central cities thereof, has decreased, thereby resulting in the underutilization of available land and other resources, the erosion of the port district's tax bases and a rate of unemployment substantially in excess of the national average;

"d. that in order to preserve the port district from further economic deterioration, adequate industrial development projects and facilities must be provided, preserved and maintained to attract and retain industry within the port district;

"e. that a number of new industrial development projects and facilities should be organized into industrial parks or districts;

"f. that the construction of such industrial parks or districts shall conform to the policies of the two states with respect to affirmative action and equal employment opportunities;

"g. that providing port district industrial development projects and facilities is in the public interest and involves the exercise of public and essential governmental functions which may include appropriate and reasonable limitations on competition and which must be performed by the two states, or any municipality, public authority, agency or commission of either state and by a joint agency of the two states to accomplish the purposes of this act;

"h. that it is an objective of the two states, acting through the port authority, to facilitate reemployment of residents of the older cities through job training programs and employment opportunity priorities in connection with industrial development parks in their respective cities;

"i. that the acquisition and the use by such joint agency of abandoned, undeveloped or underutilized land or land owned by governmental entities within the port district for the generation of jobs and to reduce the hazards of unemployment would promote, preserve and protect the industry, trade and commerce of the port district, and will materially assist in preserving for the two states and the people thereof the material and other benefits of a prosperous port community;

"j. that the collection, disposal and utilization of refuse, solid waste or waste resulting from other treatment processes is an activity of concern to all citizens within the port district, that the health, safety and general welfare of the citizens within the port district require efficient and reasonable collection and disposal services and efficient utilization of such refuse, solid waste or waste resulting from other treatment processes with adequate consideration given to regional planning and coordination, and, therefore, that the construction and operation of any port district industrial development project and facility should conform to the environmental and solid waste disposal standards and state and county plans therefor in the state in which such project or facility is located;

"k. that the dedication by the municipalities of the port district of refuse, solid waste or waste resulting from other treatment processes to resource recovery to permit the generation of lower priced energy and the recovery of useful materials, together with the commitment by such municipalities to pay fees to permit the delivery and removal after processing of such refuse or solid waste at rates and for periods of time at least sufficient to assure the continued furnishing of such lower priced energy and material is in the public interest and would be a major incentive for the attraction and retention of industry within the port district;

"l. that the port authority of New York and New Jersey (hereinafter called the port authority), which was created by agreement of the two states as a joint agent for the development of terminal, transportation and other facilities of commerce of the port district and for the promotion and protection of the commerce of the port, is a proper agency to act in their behalf (either directly or by any subsidiary corporation) to finance and effectuate such industrial development projects and facilities;

"m. that it is desirable for the port authority, after consultation with the governing body of each municipality and within the city of New York the appropriate community board or boards and elsewhere another government entity or entities designated by such municipality in which industrial development projects or facilities are proposed to be located and with other persons, including but not limited to private real estate developers, to prepare and adopt a master plan providing for the development of such industrial development projects and facilities in the port district, which plan shall give consideration to the extent of unemployment and the general economic conditions of the respective portions of the port district and shall include among other things the locations and the nature and scope of such projects and facilities as may be included in the plan;

"n. that the undertaking of such industrial development projects and facilities by the port authority has the single object of and is part of a unified plan to aid in preserving the economic well-being of the port district and is found and determined to be in the public interest;

"o. that no such port district industrial development projects and facilities are to be constructed if the sole intent of the construction thereof would be the removal of an industrial or manufacturing plant of an occupant of such projects and facilities from one location to another location or in the abandonment of one or more plants or facilities of such occupant, unless such port district industrial development projects and facilities are reasonably necessary to discourage such occupant from removing such plant or facility to a location outside the port district or are reasonably necessary to preserve the competitive position of such project occupant in its industry;

"p. that no such port district industrial development projects or facilities are to be constructed unless and until the port authority has entered into an agreement or agreements with the municipality in which any such project or facility is to be located with respect to payments in lieu of real estate taxes and the location, nature and scope of any project or facility;

"q. that, subject to entering into said agreement or agreements, the port authority should have the ability to acquire, lease, vacate, clear and otherwise develop abandoned, undeveloped or underutilized property or property owned by governmental entities within the port district and to finance and construct industrial development projects and facilities.

"§ 2. The following terms as used in this act shall have the following meanings:

"a. 'Bonds' shall mean bonds, notes, securities or other obligations or evidences of indebtedness;

"b. 'Effectuation' of any project or facility or part of any such project or facility shall include but not be limited to its establishment, acquisition, construction, development, maintenance, operation, improvement (by way of betterments, additions or otherwise) and rehabilitation by the port authority or any other person and the provision of funds therefor through the issuance of obligations, the making or granting of loans or otherwise;

"c. 'General reserve fund statutes' shall mean chapter forty-eight of the laws of New York of nineteen hundred thirty-one as amended, and chapter five of the laws of New Jersey of nineteen hundred thirty-one as amended, and 'general reserve fund' shall mean the general reserve fund of the port authority authorized by said statutes;

"d. 'Governing body' shall mean the board or body vested with the general legislative powers of the municipality in which an industrial development project or facility will be financed or effectuated pursuant to this act;

"e. 'Industrial development project or facility' or 'port district industrial development project or facility' shall mean any equipment, improvement, structure or facility or any land, and any building, structure, facility or other improvement thereon, or any combination thereof, and all real and personal property, located within the New York portion of the port district or within a municipality in the New Jersey portion of the port district which qualified for state aid under the provisions of P.L., 1971, C. 64 as most recently supplemented by P.L., 1978, C. 14 or which may hereafter qualify for such aid, including, but not limited to, machinery, equipment and other facilities deemed necessary or desirable in connection therewith, or incidental thereto, whether or not now in existence or under construction, which shall be considered suitable by the port authority for manufacturing, research, non-retail commercial or industrial purposes within an industrial park, or for purposes of warehousing or consumer and supporting services directly related to any of the foregoing or to any other port authority project or facility; and which may also include or be an industrial pollution control facility or a resource recovery facility, provided that no such industrial development project or facility may include or be a facility used for the storage of chemicals, fuel or liquified natural gas unless incidental to the effectuation of such industrial development project or facility;

"f. 'Industrial pollution control facility' shall mean any equipment, improvement, structure or facility or any land, and any building, structure, facility or other improvement thereon, or any combination thereof, and all real and personal property, located within the port district, including, but not limited to, machinery, equipment and other facilities deemed necessary or desirable in the opinion of the port authority in connection therewith, or incidental thereto, whether or not now in existence or under construction, having to do with or the end purpose of which is the control, abatement or prevention of land, sewer, water, air, noise or general environmental pollution deriving from the operation of industrial, manufacturing, warehousing, commercial and research facilities, including, but not limited to any air pollution control facility, noise abatement facility, water management facility, waste water collecting system, waste water treatment works, sewage treatment works system, sewage treatment system or solid waste disposal facility or site, provided that no such industrial pollution control facility may include or be used as a site for organic landfill or be of a character or nature generally furnished or supplied by any other governmental entity where such industrial pollution control facility is located without the consent of such government entity;

"g. 'Municipality' means a city, county, town or village all or any part of which is located within the New York portion of the port district, or a city, county, town, borough or township all or any part of which is located within the New Jersey portion of the port district;

"h. 'Person' means any person, including individuals, firms, partnerships, associations, societies, trusts, public utilities, public or private corporatons, or other legal entities, including public or governmental bodies, which may include the port authority, as well as natural persons. 'Person' shall include the plural as well as the singular;

"i. 'Port authority' shall include the port authority and any subsidiary corporation now or hereafter incorporated for any of the purposes of this act; provided, however, as used in sections 4 and 5 of this act it shall not include any such subsidiary corporation;

"j. 'Purposes of this act' shall mean the effectuation of industrial development projects and facilities and of each project or facility constituting a portion thereof and of each part of each project or facility, and purposes incidental thereto;

"k. 'Real property' shall mean lands, structures, franchises and interests in land, including air space and air rights, waters, lands under water, wetlands and riparian rights, and any and all things and rights included within the said term, and includes not only fees simple absolute but also any and all lesser interests, including but not limited to easements, rights-of-way, uses, leases, licenses and all other incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and leins thereon by way of judgments, mortgages or otherwise;

"l. 'Resource recovery facility' shall mean any equipment, improvement, structure or facility or any land, and any building, structure, facility or other improvement thereon, or any combination thereof and all real and personal property located within the port district, including, but not limited to, machinery, equipment and other facilities deemed necessary or desirable in the opinion of the port authority in connection therewith, or incidental thereto, whether or not now in existence or under construction, for the disposal or refuse or other solid wastes or wastes resulting from other treatment processes and for the recovery and sale or use of energy and other resources from such refuse or other solid waste or wastes resulting from other treatment processes, provided that no such resource recovery facility may include or be used as a site for organic landfill;

"m. 'Surplus revenues' from any facility shall mean the balance of the revenues from such facility (including but not limited to the revenues of any subsidiary corporation incorporated for any of the purposes of this act) remaining at any time currently in the hands of the port authority after the deduction of the current expenses of the operation and maintenance thereof, including a proportion of the general expenses of the port authority as it shall deem properly chargeable thereto, which general expenses shall include but not be limited to the expense of protecting and promoting the commerce of the port district, and after the deduction of any amounts which the port authority may or shall be obligated or may or shall have obligated itself to pay to or set aside out of the current revenues therefrom for the benefit of the holders of any bonds legal for investment as defined in the general reserve fund statutes;

"n. 'Surplus revenues of port district industrial development projects or facilities' shall mean the surplus revenues of all industrial development projects or facilities effectuated pursuant to the terms of this act.

"§ 3. (a) In furtherance of the aforesaid findings and determinations, in partial effectuation of and supplemental to the comprehensive plan heretofore adopted by the two said states for the development of the said port district, and subject to the preparation and adoption of the plan authorized in paragraph (b) of this section three and the execution of an agreement or agreements authorized by sections eleven and twelve hereof, the port authority is hereby authorized, empowered and directed to establish, acquire, construct, effectuate, develop, own, lease, maintain, operate, improve, rehabilitate, sell, transfer and mortgage projects or facilities herein referred to as port district industrial development projects or facilities as defined in this act.

"The port authority is hereby authorized and empowered to establish, levy and collect such rentals, fares, fees and other charges as it may deem necessary, proper or desirable in connection with any facility or part of any facility constituting a portion of any port district industrial development project or facility and to issue bonds for any of the purposes of this act and to provide for payment thereof, with interest thereon, and for the amortization and retirement of such bonds, and to secure all or any portion of such bonds by a pledge of such rentals, fares, fees, charges and other revenues or any part thereon (including but not limited to the revenues of any subsidiary corporation incorporated for any of the purposes of this act) and to secure all or any portion of such bonds by mortgages upon any property held or to be held by the port authority for any of the purposes of this act, and for any of the purposes of this act to exercise all appropriate powers heretofore or hereafter delegated to it by the states of New York and New Jersey, including, but not limited to, those expressly set forth in this act. The surplus revenues of port district industrial development projects or facilities may be pledged in whole or in part as hereinafter provided.

"(b) The port authority is hereby authorized to initiate studies and prepare and adopt a master plan providing for the development of port district industrial development projects and facilities which shall include the location of such projects and facilities as may be included in the plan and shall to the maximum extent practicable include inter alia a general description of each of such projects and facilities, the land use requirements necessary therefor, and estimates of project costs, of project employment potential and of a schedule for commencement of each such project. Prior to adopting such master plan, the port authority shall give written notice to, afford a reasonable opportunity for comment, consult with and consider any recommendation made by the governing body of municipalities and within the city of New York the appropriate community board or boards and elsewhere another governmental entity or entities designated by such municipality in which industrial development projects or facilities are proposed to be located and with such other persons, including but not limited to private real estate developers, which in the opinion of the port authority is either necessary or desirable. The master plan shall include the port authority's estimate of the revenues to be derived by municipalities from each such industrial development project or facility and also a description of the proposed additional arrangements with municipalities necessary or desirable for each such project or facility. The port authority may modify or change any part of such plan in the same form and manner as provided for the adoption of such original plan. At the time the port authority authorizes any industrial development project or facility, the port authority shall include with such authorization a statement as to the status of each project included in such master plan and any amendment thereof.

"(c) No industrial development project proposed to be located within the city of New York may be included in such master plan unless and until the mayor of the city of New York requests the port authority to conduct a comprehensive study of the feasibility of the effectuation of one or more industrial development projects or any parts thereof (including resource recovery or industrial pollution control facilities) in such city, which request shall specify the borough in which such comprehensive study is to take place; provided, however, that the president of any borough in which an industrial development project or facility is proposed to be located may within sixty days of receipt of notice of such request, and after consulting with and considering any recommendation made by the local borough improvement board, notify the port authority not to include any proposed industrial development project or facility within that county in such feasibility study. Any such request by the mayor of the city of New York may specify the facilities to be included in such industrial park project.

"§ 4. The moneys in the general reserve fund may be pledged in whole or in part by the port authority as security for or applied by it to the repayment with interest of any moneys which it may raise upon bonds issued or incurred by it from time to time for any of the purposes of this act or upon bonds secured in whole or in part by the pledge of the revenues from any industrial development project or facility or any portion thereof or upon bonds both so issued or incurred and so secured; and the moneys in said general reserve fund may be applied by the port authority to the fulfillment of any other undertakings which it may assume to or for the benefit of the holders of any such bonds.

"Subject to prior liens and pledges (and to the obligation of the port authority to apply revenues to the maintenance of its general reserve fund in the amount prescribed by the general reserve fund statutes), the revenues from facilities established, constructed, acquired or otherwise effectuated through the issuance or sale of bonds of the port authority secured in whole or in part by a pledge of its general reserve fund or any portion thereof may be pledged in whole or in part as security for or applied by it to any of the purposes of this act, including the repayment with interest of any moneys which it may raise upon bonds issued or incurred from time to time for any of the purposes of this act or upon bonds secured in whole or in part by the pledge of the revenues of the port authority from any industrial development project or facility or any portion thereof or upon bonds both so issued or incurred and so secured; and said revenues may be applied by the port authority to the fulfillment of any other undertakings which it may assume to or for the benefit of the holders of such bonds.

"§ 5. In all cases where the port authority has raised or shall hereafter raise moneys for any of the purposes of this act by the issue and sale of bonds which are secured in whole or in part by a pledge of the general reserve fund or any portion thereof, the surplus revenues from industrial development projects or facilities financed in whole or in part out of the proceeds of such bonds and the surplus revenues from any other port authority facility the surplus revenues of which at such time may be payable into the general reserve fund shall be pooled and applied by the port authority to the establishment and maintenance of the general reserve fund in an amount equal to one-tenth of the par value of all bonds legal for investment, as defined in the general reserve fund statutes, issued by the port authority and currently outstanding, including such bonds issued for any of the purposes of this act; and all such moneys in said general reserve fund may be pledged and applied in the manner provided in the general reserve fund statutes.

"In the event that any time the balance of moneys theretofore paid into the general reserve fund and not applied therefrom shall exceed an amount equal to one-tenth of the par value of all bonds upon the principal amount of which the amount of the general reserve fund is calculated, by reason of the retirement of bonds issued or incurred from time to time for any of the purposes of this act the par value of which had therefore been included in the computation of said amount of the general reserve fund, then the port authority may pledge or apply such excess for and only for the purposes for which it is authorized by the general reserve fund statutes to pledge the moneys in the general reserve fund and such pledge may be made in advance of the time when such excess may occur.

"§ 6. The two states covenant and agree with each other and with the holders of any bonds issued by the port authority for the purposes of this act, that so long as any of such bonds remain outstanding and unpaid and the holders thereof shall not have given their consent as provided in their contract with the port authority, the two states will not diminish or impair the power of the port authority to establish, levy and collect rentals, fares, fees or other charges in connection with industrial development projects or facilities or any other facility owned or operated by the port authority the revenues of which have been or shall be pledged in whole or in part as security for such bonds (directly or indirectly, or through the medium of the general reserve fund or otherwise), or to determine the quantity, quality, frequency or nature of any services provided by the port authority in connection with the operation of each project or facility. This section shall not affect or diminish the provisions of section twelve of this act.

"§ 7. The port authority is authorized and empowered to co-operate with the states of New York and New Jersey, with any municipality thereof, with any person, with the federal government and with any agency, public authority or commission of any one or more of the foregoing, or with any one or more of them, for and in connection with the acquisition, clearance, replanning, rehabilitation, reconstruction or redevelopment of any industrial development project or facility or of any other area forming part of any industrial development project or facility for the purpose of renewal and improvement of said area and for any of the purposes of this act, and to enter into an agreement or agreements (and from time to time to enter into agreements amending or supplementing the same) with any such person, municipality, commission, public authority or agency and with the states of New York and New Jersey and with the federal government, or with any one or more of them, for or relating to such purposes, including but not limited to agreements with respect to the dedication by the municipalities of the port district of refuse, solid waste or waste resulting from other treatment processes to resource recovery to permit the generation of lower priced energy and the recovery of useful materials; with respect to a commitment by such municipalities to pay fees to permit the delivery and removal after processing of such refuse or solid waste at rates and for periods of time at least sufficient to assure the continued availability of such energy and recovered materials; with respect to financial assistance, loans and grants pursuant to any federal law now in effect or hereinafter enacted which would provide such financial assistance, loans and grants in connection with any of the purposes of this act, provided, that if either state shall have or adopt general legislation governing applications for such federal aid by municipalities, public authorities, agencies or commissions of such state or the receipt or disbursement of such federal aid by or on behalf of such municipalities, public authorities, agencies or commissions, then such legislation shall at the option of such state apply to applications by the port authority for such federal aid in connection with an industrial development project or facility located in such state and to the receipt and disbursement of such federal aid by or on behalf of the port authority, in the same manner and to the same extent as other municipalities, public authorities, agencies or commissions of such state; and, with respect to occupancy of space in any industrial development project or facility. The port authority is hereby authorized and empowered to apply for and accept financial assistance, loans and grants for such purposes under federal, state or local laws, and to make application directly to the proper officials or agencies for and receive federal, state or local loans or grants in aid of any of the purposes of this act. Nothing contained in this act shall be construed to limit or impair the power of the governor of New Jersey to review the actions of the commissioners of the port authority as provided for in chapter seven hundred of the laws of New York of nineteen hundred twenty-seven, as amended, and in chapter three hundred thirty-three of the laws of New Jersey of nineteen hundred twenty-seven, as amended, or to authorize the port authority to commence the effectuation of any industrial development project or facility unless and until the municipality in which such project or facility is to be located has consented to the commencement of such effectuation, with such consent to be provided for in the agreement authorized by section 11 or section 12 hereof. The port authority is authorized and empowered to enter into an agreement or agreements (and from time to time to enter into agreements amending or supplementing the same) with any public authority, agency or commission of either or both states to provide for the effectuation of any of the purposes of this act through a subsidiary corporation owned jointly by the port authority and any such public authority, agency or commission, and any such public authority, agency or commission is authorized and empowered to enter into such agreement or agreements with the port authority.

"§ 8. Notwithstanding any contrary provision of law, general, special or local, either state and any municipality thereof and any commission, public authority or agency of either or both of said two states is authorized and empowered to cooperate with the port authority and to enter into an agreement or agreements (and from time to time to enter into agreements amending or supplementing the same) with the port authority or with any other person for and in connection with or relating to the acquisition, clearance, replanning, rehabilitation, reconstruction, redevelopment, sale, transfer or mortgage of any industrial development project or facility or of any other area forming part of any industrial development project or facility for the purpose of renewal and improvement of said area as aforesaid or for any of the other purposes of this act, including but not limited to the dedication by the municipalities of the port district of refuse, solid waste or waste resulting from other treatment processes to resource recovery to permit the generation of lower priced energy and the recovery of useful materials and a commitment by such municipalities to pay fees to permit the delivery and removal after processing of such refuse or solid waste at rates and for periods of time at least sufficient to assure the continued availability of such energy and recovered materials, upon such reasonable terms and conditions as may be determined by such state, municipality, public authority, agency or commission and the port authority. Such agreement may, without limiting the generality of the foregoing, further include consent to the use by the port authority or any other person of any real property owned or to be acquired by said state, municipality, public authority, agency or commission and consent to the use by such state, municipality, public authority, agency or commission of any real property owned or to be acquired by the port authority or by any other person which in either case is necessary, convenient or desirable in the opinion of the port authority for any of the purposes of this act, including such real property, improved or unimproved, as has already been devoted to or has been or has to be acquired for urban renewal or other public use, and as an incident to such consent such state, municipality, public authority, agency or commission may grant, convey, lease or otherwise transfer any such real property to the port authority or to any other person and the port authority may grant, convey, lease or otherwise transfer any such real property to such state, municipality, public authority, agency, commission or any other person for such term and upon such conditions as may be agreed upon. If real property of such state, municipality, public authority, agency or commission be leased to the port authority or to any other person for any of the purposes of this act, such state, municipality, public authority, agency or commission may consent to the port authority or any other person having the right to mortgage the fee of such property and thus enable the port authority or such other person to give as security for its bond or bonds a lien upon the land and improvements, but such states, municipality, public authority, agency or commission by consenting to the execution by the port authority or such other person of a mortgage upon the leased property shall not thereby assume and such consent shall not be construed as imposing upon such state, municipality, public authority, agency or commission any liability upon the bond or bonds secured by the mortgage. In connection with any of the purposes of this act, either state and any municipality thereof, any commission, public authority or agency of either or both of said two states, the port authority and any other person are empowered to enter into any other agreement or agreements (and from time to time to enter into agreements amending or supplementing same) which may provide inter alia for the establishment of prices or rates, a requirement that any person sell, lease or purchase any commodity or service from any other person, or any other similar arrangement.

"Nothing contained in this section shall impair or diminish the powers vested in either state or in any municipality, public authority, agency or commission to acquire, clear, replan, reconstruct, rehabilitate or redevelop abandoned, undeveloped or underutilized land and the powers herein granted to either state or any municipality, public authority, agency or commission shall be construed to be in aid of and not in limitation or in derogation of any such powers heretofore or hereafter conferred upon or granted to such state, municipality, public authority, agency or commission.

"Nothing contained in this act shall be construed to authorize the port authority to acquire, by condemnation or the exercise of the right of eminent domain, property now or hereafter vested in or held by either state or by any municipality, public authority, agency or commission without the authority or consent by such state, municipality, public authority, agency or commission, provided that the state under whose laws such public authority, agency or commission has been created may authorize by appropriate legislation the port authority to acquire any such property vested in or held by any such public authority, agency or commission by condemnation or the exercise of the right of eminent domain without such authority or consent; nor shall anything herein impair or invalidate in any way any bonded indebtedness of either state or any such municipality, public authority, agency or commission, nor impair the provisions of law regulating the payment into sinking funds of revenues derived from such property, or dedicating the revenues derived from such property to a specific purpose.

"The port authority, subject to the express authority or consent of any such state, municipality, public authority, agency or commission, is hereby authorized and empowered to acquire from any such state or municipality, or from any other public authority, agency or commission having jurisdiction in the premises, by agreement therewith, and such state or municipality, public authority, agency or commission, notwithstanding any contrary provision of law, is hereby authorized and empowered to grant and convey, upon reasonable terms and conditions, any real property which may be necessary, convenient or desirable for any of the purposes of this act, including such real property as has already been devoted to a public use.

"Notwithstanding any inconsistent provision of this section or act or any compact or general or special law, the port authority may not acquire any park lands for industrial development projects or facilities unless each such conveyance of such land is specifically authorized by the legislature of the state wherein the land is located.

"Any consent by a municipality shall be given and the terms, conditions and execution by a municipality of any agreement, deed, lease, conveyance or other instrument pursuant to this section or any other section of this act shall be authorized in the manner provided in article twenty-two of the compact of April thirty, nineteen hundred twenty-one between the two states creating the port authority, except that as to towns in the State of New York, such consent shall be authorized in the manner provided in the town law and as to counties in the state of New Jersey, such consent shall be authorized in the manner provided in New Jersey statutes annotated, forty: one-one, et seq. Any consent by either state shall be effective if given, and the terms and conditions and execution of any agreement, deed, lease, conveyance or other instrument pursuant to this section or any other section of this act shall be effective if authorized by the governor of such state. Any consent by a public authority, agency or commission shall be effective if given by such public authority, agency or commission.

§ 9. The states of New York and New Jersey hereby consent to suits, actions or proceedings by any municipality, public authority, agency or commission against the port authority upon, in connection with or arising out of any agreement, or any amendment thereof, entered into for any of the purposes of this act, as follows:

"a. for judgments, orders or decrees restraining or enjoining the port authority from transferring title to real property to other persons in cases where it has agreed with said municipality, public authority, agency, or commission for transfer of such title to the municipality, public authority agency or commission; and

"b. for judgments, orders or decrees restraining or enjoining the port authority from committing or continuing to commit other breaches of such agreement or any amendment thereof; provided, that such judgment, order or decree shall not be entered except upon two days' prior written notice to the port authority of the proposed entry thereof; and provided further that upon appeal taken by the port authority from such judgment, order or decree the service of the notice of appeal shall perfect the appeal and stay the execution of such judgment, order or decree appealed from without an undertaking or other security.

"Nothing herein contained shall be deemed to revoke, rescind or affect any consent to suits, actions, or proceedings against the port authority heretofore given by the two said states in chapter three hundred one of the laws of New York of nineteen hundred fifty and chapter two hundred four of the laws of New Jersey of nineteen hundred fifty-one.

"§10. The effectuation of industrial development projects or facilities or any such projects or facilities constituting a portion of any industrial development project or facility, are and will be in all respects for the benefit of the people of the states of New York and New Jersey, for the increase of their commerce and prosperity and for the improvement of their health and living conditions; and the port authority and any subsidiary corporation incorporated for any of the purposes of this act shall be regarded as performing an essential governmental function in undertaking the effectuation thereof, and in carrying out the provisions of law relating thereto.

"§ 11. The port authority shall be required to pay no taxes or assessments upon any of the property acquired and used by it for any of the purposes of this act or upon any deed, mortgage or other instrument affecting such property or upon the recording of any such instrument. However, to the end that no taxing jurisdiction shall suffer undue loss of taxes and assessments by reason of the acquisition and ownership of property by the port authority for any of the purposes of this act, the port authority is hereby authorized and empowered, in its discretion, to enter into a voluntary agreement or agreements with any city, town, township or village whereby the port authority will undertake to pay in lieu of taxes a fair and reasonable sum, if any, or sums annually in connection with any real property acquired and owned by the port authority for any of the purposes of this act and to provide for the payment as a rental or additional rental charge by any person occupying any portion of any industrial development project or facility either as lessee, vendee or otherwise of such reasonable sum, if any, or sums as hereinafter provided. Such sums in connection with any real property acquired and owned by the port authority for any of the purposes of this act shall not be more than the sum last paid as taxes upon such real property prior to the time of its acquisition by the port authority; provided, however, that in connection with any portion of any industrial development project or facility, which is owned by the port authority or another governmental entity and improved pursuant to this act with buildings, structures or improvements greater in value than the buildings, structures or improvements in existence at the time of its acquisition, development or improvement by the port authority, any person occupying such portion of such industrial development project or facility either as lessee, vendee or otherwise shall, as long as title thereto shall remain in the port authority or in another governmental entity, pay as a rental or additional rental charge an amount in lieu of taxes, if any, not in excess of the taxes on such improvements and on personal property, including water and sewer service charges or assessments, which such person would have been required to pay had it been the owner of such property during the period for which such payment is made; provided further, however, that neither the port authority nor any of its projects, facilities, properties, monies or bonds and notes shall be obligated, liable or subject to lien of any kind whatsoever for the enforcement, collection or payment thereof. Each such city, town, township or village is hereby authorized and empowered to enter into such agreement or agreements with the port authority which agreement or agreements may also include provisions with respect to the joint review of categories of tenants proposed as occupants for industrial development projects or facilities with the cities, towns, townships or villages in which they are proposed to be located, and to accept the payment or payments which the port authority is hereby authorized and empowered to make or which are paid by a person occupying any such portion of such industrial development project or facility as rental or as additional rental in lieu of taxes, and the sums so received by such city, town, township or village shall be devoted to purposes to which taxes may be applied in all affected taxing jurisdictions unless and until otherwise directed by law of the state in which such city, town, township or village is located. At least ten days prior to the authorization by the port authority of any agreement provided for in this section eleven, the port authority shall notify the chief executive officer of each city in the port district within which an industrial development project or facility has been included in the master plan provided for in paragraph (b) of section three hereof of the proposed authorization of such agreement, shall seek their comments and shall include with such authorization any comments received from such city. The port authority shall not sell or lease substantially all of an industrial development project or facility to a proposed purchaser or lessee without the prior approval by the municipality wherein the project or facility is located of such purchaser or lessee.

"§ 12. Except as otherwise specifically provided, all details of the effectuation, including but not limited to details of financing, leasing, rentals, fees and other charges, rates, contracts and service, of industrial development projects or facilities by the port authority shall be within its sole discretion and its decision in connection with any and all matters concerning industrial development projects or facilities shall be controlling and conclusive; provided that the construction and operation of any such project or facility shall conform to the environmental and solid waste disposal standards and any state and county plans therefor in the state in which such project or facility is located. At least ninety days prior to the authorization by the port authority of the first contract for the construction of any industrial development project or facility, the port authority shall transmit to the governor of the state in which such project or facility is to be located a statement as to the conformance of such industrial development project or facility with such environmental and solid waste disposal standards and any state and county plans therefor, and shall consult with such governor or his designee with respect thereto. The port authority and the city, town, township or village in which any industrial development project or facility is to be located and for whose benefit such project or facility is undertaken are hereby authorized and empowered to enter into an agreement or agreements to provide which local laws, resolutions, ordinances, rules and regulations, if any, of such city, town, township or village affecting any industrial development project or facility shall apply to such project or facility. All other existing local laws, resolutions, ordinances or rules and regulations not provided for in such agreement shall be applicable to such industrial development projects or facilities. All such local laws, resolutions, ordinances or rules and regulations enacted after the date of such agreement or agreements shall not be applicable to such projects or facilities unless made applicable by such agreement or agreements or any modification or modifications thereto.

"So long as any facility constituting a portion of any industrial development project or facility shall be owned, controlled or operated by the port authority, no public authority, agency, commission or municipality of either or both of the two states shall have jurisdiction over such project or facility nor shall any such public authority, agency, commission or municipality have any jurisdiction over the terms or method of effectuation of all or any portion thereof by the port authority including but not limited to the transfer of all or any portion thereof to or by the port authority; provided, however, the port authority is authorized and empowered to submit to the jurisdiction over such project or facility of either state or any department thereof or any such public authority, agency, commission or municipality when the exercise of such jurisdiction is necessary for the administration or implementation of federal environmental or solid waste disposal legislation by either state.

"Nothing in this act shall be deemed to prevent the port authority from establishing, acquiring, owning, leasing, constructing, effectuating, developing, maintaining, operating, rehabilitating, improving, selling, transferring or mortgaging all or any portion of any industrial development project or facility through wholly owned subsidiary corporations of the port authority or subsidiary corporations owned by the port authority jointly with any public authority, agency or commission of either or both of the two states or from transferring to or from any such corporations any moneys, real property or other property for any of the purposes of this act. If the port authority shall determine from time to time to form such a subsidiary corporation it shall do so by executing and filing with the secretary of state of the State of New York and the secretary of state of the State of New Jersey a certificate of incorporation, which may be amended from time to time by similar filing, which shall set forth the name of such subsidiary corporation, its duration, the location of its principal office, any joint owners thereof, and the purposes of the incorporation which shall be one or more of the purposes of establishing, acquiring, owning, leasing, constructing, effectuating, developing, maintaining, operating, rehabilitating, improving, selling, transferring or mortgaging all or any portion of any industrial development project or facility. The directors of such subsidiary corporation shall be the same persons holding the offices of commissioners of the port authority together with persons representing any joint owner thereof as provided for in the agreement in connection with the incorporation thereof. Such subsidiary corporation shall have all the powers vested in the port authority itself for the purposes of this act except that it shall not have the power to contract indebtedness. Such subsidiary corporation and any of its property, functions and activities shall have all of the privileges, immunities, tax exemptions and other exemptions of the port authority and of the port authority's property, functions and activities. Such subsidiary corporation shall be subject to the restrictions and limitations to which the port authority may be subject, including, but not limited to the requirement that no action taken at any meeting of the board of directors of such subsidiary corporation shall have force or effect until the governors of the two states shall have an opportunity, in the same manner and within the same time as now or hereafter provided by law for approval or veto of actions taken at any meeting of the port authority itself, to approve or veto such action. Such subsidiary corporation shall be subject to suit in accordance with section nine of this act and chapter three hundred one of the laws of New York of nineteen hundred fifty and chapter two hundred four of the laws of New Jersey of nineteen hundred fifty-one as if such subsidiary corporation were the port authority itself. Such subsidiary corporation may be a participating employer under the New York retirement and social security law or any similar law of either state and the employees of any such subsidiary corporation, except those who are also employees of the port authority, shall not be deemed employees of the port authority.

"Whenever any state, municipality, commission, public authority, agency, officer, department, board or division is authorized and empowered for any of the purposes of this act to co-operate and enter into agreements with the port authority or to grant any consent to the port authority or to grant, convey, lease or otherwise transfer any property to the port authority or to execute any document, such state, municipality, commission, public authority, agency, officer, department, board or division shall have the same authorization and power for any of such purposes to co-operate and enter into agreements with such subsidiary corporation and to grant consents to such subsidiary corporation and to grant, convey, lease or otherwise transfer property to such subsidiary corporation and to execute documents for such subsidiary corporation.

"§ 13. The bonds issued by the port authority to provide funds for any of the purposes of this act are hereby made securities in which all state and municipal officers and bodies of both states, all trust companies and banks other than savings banks, all building and loan associations, savings and loan associations, investment companies and other persons carrying on a commercial banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever (other than savings banks), who are now or may hereafter be authorized by either state to invest in bonds of such state, may properly and legally invest any funds, including capital, belonging to them or within their control, and said bonds are hereby made securities which may properly and legally be deposited with and shall be received by any state or municipal officer or agency of either state for any purpose for which the deposit of bonds of such state is now or may hereafter be authorized. The bonds issued by the port authority to provide funds for any of the purposes of this act as security for which the general reserve fund shall have been pledged in whole or in part are hereby made securities in which all savings banks also may properly and legally invest any funds including capital, belonging to them or within their control.

"§ 14. Subsequent to and subject to the execution of the agreement or agreements authorized by sections eleven and twelve hereof for the projects and facilities and at the locations specified therein, if the port authority shall find it necessary, convenient or desirable to acquire from time to time any real property or any property other than real property (including but not limited to contract rights and other tangible or intangible personal property), for any of the purposes of this act whether for immediate or future use (including temporary construction, rehabilitation or improvement), the port authority may find and determine that such property, whether a fee simple absolute or a lesser interest, is required for a public use, and upon such determination the said property shall be and shall be deemed to be required for such public use until otherwise determined by the port authority, and such determination shall not be affected by the fact that such property has theretofore been taken for and is then devoted to a public use; but the public use in the hands of or under the control of the port authority shall be deemed superior to the public use in the hands of any other person, association or corporation.

"The port authority may acquire and is hereby authorized so to acquire from time to time, for any of the purposes of this act, such property, whether a fee simple absolute or a lesser estate, by condemnation (including the exercise of the right or eminent domain) under and pursuant to the provisions of the eminent domain procedure law of the state of New York in the case of property located in or having its situs in such state, and chapter three hundred sixty-one of the laws in New Jersey of nineteen hundred seventy-one, in the case of property located in or having its situs in such state, or, at the option of the port authority, as provided in section fifteen of chapter forty-three of the laws of New Jersey of nineteen hundred forty-seven, as amended, in the case of property located in or having its situs in such state, or pursuant to such other and alternate procedure as may be provided by law of the state in which such property is located or has its situs; and all of said statutes for the acquisition of real property shall, for any of the purposes of this act, be applied also to the acquisition of other property authorized by this section, except that such provisions as pertain to surveys, diagrams, maps, plans or profiles, assessed valuation, lis pendens, service of notice and papers, filing in the office of the clerk in which the real property affected is situated and such other provisions as by their nature cannot be applicable to property other than real property, shall not be applicable to the acquisition of such other property. In the event that any property other than real property is acquired for any of the purposes of this act under this section then, with respect to such other property, notice of such proceeding and all subsequent notices or court processes shall be served upon the owners of such other property and upon the port authority by personal service or by registered or certified mail, except as may be otherwise directed by the court.

"The port authority is hereby authorized and empowered, in its discretion, from time to time to combine any property which is to be acquired as aforesaid by condemnation for any of the purposes of this act for acquisition in a single action or proceeding notwithstanding that part of the property so to be acquired is personal property or mixed real and personal property or may be owned by more than one owner.

"The owner of any property acquired by condemnation or the exercise of the right of eminent domain for any of the purposes of this act shall not be awarded for such property any increment above the just compensation required by the constitutions of the United States and of the state or states in which the property is located or has its situs by reason of any circumstances whatsoever.

"Nothing herein contained shall be construed to prevent the port authority from bringing any proceedings to remove a cloud on title or such other proceedings as it may, in its discretion, deem proper and necessary, or from acquiring any such property by negotiation or purchase.

"Where a person entitled to an award in the proceedings for the acquisition of property by condemnation or the right of eminent domain for any of the purposes of this act remains in possession of such property after the time of the vesting of title in the port authority, the reasonable value of this use and occupancy of such property subsequent to such time, as fixed by agreement or by the court in such proceedings or by any court of competent jurisdiction, shall be a lien against such award, subject only to liens of record at the time of the vesting of title in the port authority.

"§ 15. The port authority and its duly authorized agents, and all persons acting under its authority and by its direction, may enter in the daytime into and upon any real property for the purpose of making such surveys, diagrams, maps, plans, soundings or borings as the port authority may deem necessary, convenient or desirable for any of the purposes of this act.

"§ 16. Any declarations contained herein with respect to the governmental nature and public purpose of any industrial development project or facility and to the exemption of any industrial development project or facility property and instruments relating thereto from taxation and to the discretion of the port authority with respect to said projects or facilities shall not be construed to imply that other port authority facilities, property and operations are not of a governmental nature or do not serve public purposes, or that they are subject to taxation, or that the determinations of the port authority with respect thereto are not conclusive. The powers hereby vested in the port authority and in any subsidiary corporation incorporated for any of the purposes of this act (including but not limited to the power to acquire real property by condemnation or the exercise of the right of eminent domain) shall be continuing powers and no exercise thereof by the port authority or a subsidiary corporation incorporated for any of the purposes of this act shall be deemed to exhaust them or any of them.

"§ 17. This section and the preceding sections hereof constitute an agreement between the states of New York and New Jersey supplementary to the compact between the two states dated April thirtieth, nineteen hundred twenty-one and amendatory thereof, and shall be liberally construed to effectuate the purposes of said compact and of the comprehensive plan heretofore adopted by the two states, and the powers granted to the port authority shall be construed to be in aid of and not in limitation of in derogation of any other powers, heretofore conferred upon or granted to the port authority.".

SEC. 2. Nothing contained in said agreement or compact shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of said agreement.

SEC. 3. The right to alter, amend, or repeal this Act is expressly reserved.

The **SPEAKER**. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. DANIELSON) will be recognized for 20 minutes, and the gentleman from New York (Mr. FISH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. **DANIELSON**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in keeping with the provisions of article I, section 10, clause 3, of the Constitution of the United States, the bill, H.R. 4943 grants the consent of Congress to the compact entered into between the States of New York and New Jersey in June, July, and August of 1978. The compact referred to in the bill provides for the financing and development of industrial development projects, and for related resource recovery facilities by the Port Authority of New York and New Jersey.

This compact between New York and New Jersey was agreed to by those States in 1978. The bill restates the provisions of the compact as entered into by both States and as approved by their legislatures. The compact was passed by the New York State Assembly and the New York State Senate on June 22, 1978, and was approved by the Governor of New York on July 25, 1978. The New Jersey General Assembly passed the compact on June 26, 1978, and the New Jersey Senate on July 27, 1978. It was approved by the Governor of New Jersey on August 24, 1978.

The compact contained in the bill supplements the compact between the States of New York and New Jersey creating the Port of New York District and establishing the Port Authority of New York and New Jersey consented to by the act of August 23, 1921. The 1921 compact between the States of New York and New Jersey created the Port of New York District and established the Port Authority of New York and New Jersey. Its implementation led to the comprehensive development of the Port of New York.

The industrial development projects contemplated under the compact now before us include resource recovery facilities and are designed to attract and retain industry within the bi-State Port of New York District. The resource recovery facilities I have just referred to would involve the collection, disposal, and utilization of refuse. It is contemplated that this activity would provide a major incentive for the attraction and retention of industry through the generation of lower priced energy and the recovery of useful materials.

The area of the port district includes those portions of northern New Jersey and metropolitan New York which are within a 25-mile radius of the Statue of Liberty.

The projects are intended to have the further beneficial effect of reducing unemployment in the area. On the basis of studies, the States concluded that such projects are necessary because in the last three decades the number of available jobs in the port district has decreased. This has been particularly true in the older central cities in the portions of New Jersey and New York included in the district and has contributed to an under utilization of available land and other resources, the erosion of tax bases and a rate of unemployment substantially in excess of the national average.

The port authority contemplates the development of moderate-size industrial parks on inner-city sites. This development of well-planned, secure, attractive, and economical industrial parks could be assisted by real estate tax abatements and, as has been noted, the possibility of lower cost energy.

The port authority has advised the committee that in planning for this program, the port authority has not contemplated receiving any special Federal assistance, although as provided under otherwise applicable laws, the port authority could establish its eligibility under those laws for available Federal aid under existing programs.

The compact's provision for industrial development projects was prompted by a desire by the State of New Jersey and New York to retain the substantial industrial base of both States which now exists within the port district and by a further desire to induce new manufacturing establishments to locate within it. As expressed in the compact, the industrial projects would involve a cooperative program which would draw upon State and local resources and, where qualified, resources available under laws administered by Federal Government. In effect the States have selected the port authority as the responsible agency to focus these resources and administer the program.

The Committee on the Judiciary has recommended that the amended bill be considered favorably. The amendments are technical in nature and merely correct printing errors in the bill. Accordingly, I recommend the approval of the bill.

Before concluding, Mr. Speaker, I would like to point out that the subcommittee has contacted the appropriate offices of the Government of the United States as well as the New York and New Jersey Port Authority and has been assured there are no respects whatever in which this compact would in any manner conflict with existing Federal laws or the rights of the Federal Government.

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In addition, the subcommittee has contacted each and every member of the New York and New Jersey delegations to the Congress, bipartisan, on both sides of the aisle, and has invited their comments. Without exception, all comments received have been favorable.

I might add that the gentlewoman from New York (Ms. HOLTZMAN) did have some questions concerning the bill, but I have been assured by the gentlewoman that she has worked them out with the responsible authorities of the Port Authority to her satisfaction.

Mr. Speaker, I know of no objection to the bill and urge it be adopted.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have no objection to this bill, but at one time I was concerned about the priorities of the port authority. In 1922 when the port authority was created, as part of its original master plan, it undertook to study the problem of rail freight access to the metropolitan area and to New York City and to construct a rail freight tunnel across the Hudson. New York City is not linked directly across the Hudson to the continental United States; instead you have to go 150 miles up the Hudson and cross over near Albany to bring freight by rail in and out of the city of New York. This detour of 300 miles can cause serious delays in rail shipment; it undermines the economy of New York and makes our port less attractive than it could be. Because the port authority is coming to the Congress to ask for help in the creation of new industrial parks to improve the economy of the port region (although these are industrial parks that at present stand half vacant), I thought it was important to ask the port authority why it was not fulfilling the terms of its original master plan and why it was paying virtually no attention to the issue of lack of rail freight access to New York City and to the Port of New York.

I am very pleased that as a result of my concern the port authority has now agreed to undertake a study to be finished, it is hoped and anticipated, by February 1, of the economic impact on the Port of New York of the construction of a tunnel across the Hudson River for the purposes of rail freight; and I want to thank the gentleman from California, Mr. DANIELSON, for his cooperation in this regard.

In formulating and urging this study and in my meetings with the port authority about this matter I was joined by a coalition of business and environmental groups including the New York Chamber of Commerce, Citizens Union Foundation, the Sierra Club, and the Regional Plan Association. A full description of the study agreed to by the port authority and a copy of the agreement follow.

I thank the gentleman for yielding.

STUDY TO DEVELOP ESTIMATES OF MARKET POTENTIAL FOR PROPOSED CROSS HARBOR RAIL FREIGHT TUNNEL

The basic objective of the study will be to develop estimates of the volume of freight which could be expected to move via the proposed tunnel in the period from 1990 and beyond. It is assumed that the tunnel would be located across Upper New York Bay, linking Conrail lines in Jersey City and the Bay Ridge line in Brooklyn, unless there is a mutually acceptable change in the near future. The freight flow could consist of: (a) traffic diverted from existing rail freight services over competitive routes, (b) diversion from existing truck freight flows, (c) diversion of commodity movements by water, (d) normal growth in freight traffic generated by the region between the present and 2000, and new freight flows generated by the new facility. Both freight moving to and from the New York-Northeastern New Jersey Metropolitan Region and freight moving through the region to and from points in New England will be included.

The freight volume estimates which will be generated will be based on two opposite basic assumptions: (1) Current restrictions in the rail route from the south via the Baltimore Tunnel will continue, and (2) that such restriction will be eliminated permitting unrestricted movement of TOFC and large size rail cars over the entire route from Washington to New York and New England.

Out of these estimates of freight flows through the proposed tunnel, the study will also develop revenue estimates for the tunnel. A further output of the study will be information concerning whatever reductions in truck traffic might result from the construction of the new tunnel, and finally, the impact on freight flows over existing rail routes as well as on proposed route improvements such as the removal of restrictions on the present rail route from Selkirk, New York to New York City and Long Island.

An Advisory Committee will be constituted which will meet twice during the conduct of the study to advise, to review study progress and to examine relevant materials on request. The Advisory Committee will include representatives of the New York Chamber of Commerce, Sierra Club, Citizens Union, Regional Plan Association, New York City Office of Economic Development, New York State Department of Transportation, and any other mutually acceptable organization or persons.

The actual study, which we will endeavor to complete by the end of February 1980, will require extensive work by Port Authority staff and may also involve the employment of a consultant to assist in the assembling of data required and the development of the freight diversion and generation models. The study will consist of the following components:

TASK I

It will be necessary to obtain data on existing freight flows into and out of the New York region and to and from New England by rail, truck, and possibly water. Certain information is available on this subject at present but a substantial effort will be necessary to overcome the gaps which presently exist in this knowledge. This will involve extensive contacts with existing carriers, shippers and receivers.

TASK II

Determine the competitive characteristics of existing services and routes provided by both railroads and trucks in order to identify those segments of existing freight flows which would represent potential traffic for a new tunnel. This will include the identification of the costs, elapsed times, reliability and standard of the services provided over these routes by existing carriers.

TASK III

Forecasts of the region's and New England's future growth as a freight generator or consumer will be made in order to estimate the region total freight market as it is expected to exist in the period 1990 and beyond. This will involve forecasts of employment in industries located in specific areas in the region as well as estimates of future population growth. These estimates will be made both with and without a new tunnel in order to develop projections of the possible future generative force of a new tunnel on the region's growth and consequent freight volumes.

TASK IV

Estimate diversions of present freight traffic flows from existing routes to a new route via the proposed tunnel. This will include traffic diverted from both existing rail services and truck services. It will require the use of a diversion model which would use simulated rail and truck networks on both the proposed new route via a tunnel and whatever improvements are planned in existing rail or truck services and routes by 2000. It will also measure effect of increased fuel costs on the trucking industry.

TASK V

A forecast of freight volumes for 1990 and beyond for the route via a new tunnel will be constructed using the information developed in Tasks 1 through 4. The forecast will include both freight moving to and from the New York-Northeastern New Jersey Metropolitan Region and freight moving through the region to and from New England points. Total forecast volumes will consist of freight diverted from existing and proposed rail services, freight diverted from existing and proposed truck routes, any additional freight resulting from the region's and New England's growth to 2000, and freight generated by the existence of the new route.

TASK VI

Estimates will be developed of the decrease in truck movements and the consequent reduction in highway wear in the region as well as any changes in rail freight flows on competing routes which would result from a new tunnel.

TASK VII

The forecast of future freight volumes through a new tunnel will be translated into estimates of freight transportation revenues available to defray the costs of constructing and operating a new tunnel. An effort will be made to express these revenues both in terms of revenues to the carriers and to the tunnel operator.

TASK VIII

Economic impacts of new tunnel on the region will be determined. Included will be effect on employment, on personal and business income, on industry location and on tax revenues.

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OCTOBER 5, 1979.

Hon. ELIZABETH HOLTZMAN,
*Rayburn House Office Building,*
*Washington, D.C.*

DEAR CONGRESSWOMAN HOLTZMAN: This is to confirm our conversation that the Port Authority will undertake a study to assess the extent and nature of the market which might utilize a suggested rail freight tunnel providing direct access to New York City from New Jersey and the South. We expect that this study can be completed by the end of February.

> Upon completion of this review, and depending upon the results, all the groups and agencies affected by such a project should sit down together and determine whether a more detailed engineering feasibility study of the tunnel makes sense, and how a feasibility study would be funded. If the results of the study are promising, and recognizing the Port Authority's responsibility for aiding the economic growth of the port, I will work with you and other concerned groups to secure appropriate funding for such an engineering feasibility study.
>
> Sincerely,
>
> Peter C. Goldmark, Jr.,
> *Executive Director.*

Mr. DANIELSON. Mr. Speaker, I thank the gentlewoman for her contribution.

Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Committee on the Judiciary, the honorable gentleman from New Jersey, Mr. Peter Rodino.

Mr. RODINO. Mr. Speaker, I urge the approval of H.R. 4943 which grants the consent of Congress to a compact agreed to by the States of New York and New Jersey on August 24, 1978, providing for participation by the Port Authority of New York and New Jersey in a program of industrial park development.

Under this compact the industrial park projects, including resource recovery facilities by the port authority, are intended to attract and retain industry for the central cities within the bi-State Port of New York District, an area in northern New Jersey and metropolitan New York which is located approximately within a 25-mile radius of the Statue of Liberty. The construction and operation of industrial parks are also expected to assist in reducing unemployment in the region's inner cities.

In the last 3 decades the number of available jobs in the port district has decreased, resulting in the under utilization of available land and other resources, the erosion of tax bases and a rate of unemployment substantially in excess of the national average. This has been particularly true in the older central cities of the region such as Newark, Jersey City, and New York City.

I believe that the two States in entering into this compact have wisely provided for the development of well planned, secure, attractive, and economical industrial parks. I understand that this effort will be assisted by available real estate tax abatements and the possibility of lower cost energy derived from resource recovery. The development of these parks is also intended to assist in reducing the rate of unemployment among inner-city residents and encourage further development of similar inner-city programs.

I am advised that pursuant to the compact as expressed in the laws of both States, the principal features of the industrial parks to be developed by the port authority would include:

First. An area of approximately 100 acres or more, capable of being prepared and marketed for occupancy by industry.

Second. An environment that overcomes the disadvantages that central city locations have been perceived to hold for manufacturing plants.

Third. A level of security for people and property that assures safety for tenants and satisfies insurers.

Fourth. Reasonable real estate costs, including any necessary tax abatement.

Fifth. Training programs for the region's abundant pools of unskilled and semiskilled labor.

Sixth. Good transportation access, with off-street parking and loading.

Seventh. Industrial park management with strong financing capabilities, continuity and the ability to buffer tenants from complicated or burdensome public administrative processes.

Eighth. Lower cost energy not now available throughout the region, and which may be provided through resource recovery systems (that is systems in which municipal solid waste is the basis for both the recovery of reuseable materials and the generation of electricity and steam through environmentally sound incineration).

The port authority forecasts a combined public and private investment of approximately a billion dollars over 10 years and hopes that if successful the program will encourage the private sector and other public agencies to invest additional funds in the inner cities. Today's energy crisis makes viability of the established inner cities more important than ever before. In this connection I would note, as has been stated in the letter from the Congressional Budget Office which is part of the report accompanying this bill, the enactment of this bill will result in no additional cost to the Federal Government.

Clearly the approval of this agreement between the States of New Jersey and New York will enable these States through the New York-New Jersey Port Authority to initiate the work to create the industrial development projects authorized under the interstate compact.

Mr. FISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation would grant the consent of Congress to an interstate compact between the States of New York and New Jersey, pursuant to the compact clause of the U.S. Constitution (art. I, sec. 10, cl. 3). This compact is, in reality, and amendment or supplement to the already existing compact which created the Port Authority of New York and New Jersey. The initial compact was approved in August, 1921 during the 67th Congress (42 Stat. 174). The purpose of this supplementary legislation is to grant unquestioned authority to the two States to engage in cooperative efforts to finance and implement industrial development projects, including resource facilities leading to energy for municipal waste.

H.R. 4943 was introduced by Judiciary Committee Chairman Peter Rodino, with the cosponsorship of numerous members of the New York and New Jersey delegations. I am pleased to be counted among the cosponsors of this measure.

The agreement between New York and New Jersey contained in the bill has been adopted by the legislatures of both states. The bill restates the provisions of the compact as entered into by both states and as approved by their Legislatures. The compact was passed by the New York State Assembly and the New York Senate on June 22, 1978, and was approved by the Governor of New York on July 25, 1978 (Ch. 651, Laws of N.Y. 1978). The New Jersey General Assembly passed the compact on June 26, 1978, and the New Jersey Senate on July 27, 1978. It was approved by the Governor of New Jersey on August 24, 1978 (Ch. 110, Laws of N.J. 1978).

In the early 1960's, when the port authority undertook the construction and development of the World Trade Center, it did so without specific congressional consent. Litigation developed challenging the validity of the World Trade Center project, citing the lack of congressional consent. While the litigation was unsuccessful, it nevertheless served to seriously delay the project. The New York Court of Appeals rejected the argument that specific congressional consent was necessary, emphasizing that terms of the original consent "expressly contemplated" such additional cooperative bi-State efforts in furtherance of port purposes. *Courtesy Candwich Shop.* v. *Port Authority*, 12 N.Y. 2d, 379, 391 (1963). The New York Port Authority, therefore, is exercising caution in seeking express authority with regard to the industrial development projects, so that similar delays cannot occur. I urge the House to suspend the rules and pass H.R. 4943.

Mr. Speaker, I have no requests for time.

Mr. DANIELSON. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Danielson) that the House suspend the rules and pass the bill, H.R. 4943, as amended.

The question was taken.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 412, nays 0, answered "present" 1, not voting 20, as follows:

[Roll No. 588]

YEAS—412

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson,
 Calif.
Andrews, N.C.
Andrews,
 N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner

Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

### NAY—0

### ANSWERED "PRESENT"—1

Conyers

### NOT VOTING—20

Anderson, Ill.
Bafalis
Burgener
Clausen
Cleveland
Conte
Davis, S.C.
Diggs
Duncan, Oreg.
Evans, Ga.
Flood
Leach, La.
Levitas
Lundine
McDonald
Rahall
Rangel
Scheuer
Wilson, Tex.
Winn

☐ 1300

The Clerk announced the following pairs:

On this vote:

Mr. Rangel and Mr. Rahall for, with Mr. McDonald against.

Until further notice:

Mr. Scheuer with Mr. Anderson of Illinois.
Mr. Charles Wilson of Texas with Mr. Winn.
Mr. Diggs with Mr. Cleveland.
Mr. Leach of Louisiana with Mr. Conte.
Mr. Davis of South Carolina with Mr. Clausen.
Mr. Evans of Georgia with Mr. Burgener.
Mr. Flood with Mr. Lundine.
Mr. Duncan of Oregon with Mr. Levitas.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

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## EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 457 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

### H. Res. 457

*Resolved,* That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, and all points of order against said conference report for failure to comply with the provisions of clause 3, rule XXVIII are hereby waived.

The SPEAKER. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 457 is a very simple rule and, to my knowledge, an uncontroversial one. It provides for routine consideration of the conference report on the bill S. 1030, the Emergency Energy Conservation Act, and grants a waiver of points of order against the legislation under clause 3, rule XXVIII of the House. Clause 3, of rule XXVIII provides that the contents of a conference report must be limited to the scope of the differences between the House and Senate positions.

There are four provisions where scope waivers may be needed. The first concerns the procedures for legislative review of a fuel rationing plan. Members will recall that the House voted to subject the implementation of any rationing plan to a one-House congressional veto. The Senate position, which was that of current law, provides for two-House approval as a standby plan, plus a one-House veto over the plan's actual implementation. The conference report provides for congressional disapproval of a standby plan upon passage of a joint resolution which would be subject to the President's veto. There is further provision for a one-House veto of the President's decision to implement.

The second area where a scope problem may exist is the language clarifying Governors' rights to include in State conservation plans provisions permitting persons affected by any measure in the State plan to use alternate means of conservation.

The third item is additional language in the conference report stating that, in the setting of conservation targets by the President, judicial relief is limited to the issuance of a final injunction. No temporary restraining order may be issued.

Finally, the conferees made explicit the authorization of funds for developing conservation and rationing programs mandated under the bill.

As the Members of the House can see, the waiver granted we believe is largely technical, since the provisions in question are clarifications or elaborations of items contained in either the House or Senate versions of S. 1030.

Mr. Speaker, House Resolution 457 is a good rule granting a totally appropriate waiver and I urge my colleagues to adopt it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from California (Mr. BEILENSON) has explained the provisions of the rule to make the conference report in order. I know of no major controversy on the conference report. It has much bipartisan support. The Senate has already passed it by a tremendous majority, and with the conference report coming to the floor of the House I would like to point out to the Members that it is somewhat of a watered down version of what we passed in the House.

Truly, it retains the provisions for a 20-percent shortfall before the gasoline rationing plan can go into effect. But the formula for anticipating such a shortfall has been changed. So, therefore, if two houses should approve the gasoline rationing plan could go into effect with a much smaller shortfall.

Mr. Speaker, I know of no objection to the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1310

Mr. DINGELL. Mr. Speaker, pursuant to the rule just adopted, I call up the conference report on the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. MINISH). Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 12, 1979).

The SPEAKER pro tempore. The gentleman from Michigan (Mr. DINGELL) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. BROWN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on S. 1030, the Emergency Energy Conservation Act of 1979. The conference report was approved last week in the Senate by a vote of 77 to 18.

The conference report consists primarily of two major provisions—one dealing with rationing and the other with conservation. There are additional provisions relating to matters such as studies, thermostat controls, and minimum fuel purchases. It is significant that all of the House and Senate conferees have signed the report which represents a fair blending of the House and Senate bills. The provisions are described in the statement of the managers accompanying the legislation as well as in the House report accompanying S. 1030, but I would like to briefly discuss the provisions of the conference substitute.

The legislation is an important step in providing the President and the States the necessary authority to plan for energy emergencies and the authority to exercise standby powers when necessary.

Only the House bill dealt with rationing. The House bill amended the procedure in existing law for approving and implementing rationing. Under existing law, a rationing plan must first be approved by both Houses of Congress to become a standby authority. The President's decision to implement rationing is then subject to a one-House veto. The House bill removed the first step by eliminating the two-House approval, but retained the one-House veto at implementation. Although the Senate conferees generally agreed with the House concern that a rationing plan be developed soon, and that it not be easily disapproved prior to its implementation, they insisted that the plan be subjected to some congressional review when it is first developed. Thus, the conference substitute permits the plan to be put in standby status unless both Houses enact a joint resolution of disapproval which is, of course, subject to Presidential veto. The decision to implement rationing would still be subject to a one-House veto, as is the case under existing law.

The House bill also established a "trigger" of 20 percent before rationing could be implemented. This trigger has been retained, with some modification to make clear that the 20-percent shortfall is related to the difference between anticipated supplies of gasoline and middle distillates and the anticipated demand for those products. It was also recognized that the calculation of the shortfall is highly judgmental, and that the President's determination of the shortage should not be reviewable. Indeed, a decision by the Congress not to veto the President's decision to ration will indicate congressional approval of the President's determination of the 20-percent shortfall as well as the decision to ration. However, the conferees were concerned that a lower threshold may be required. Therefore, the conference substitute permits rationing at a lower level of shortfall, but only if both Houses of Congress pass resolutions of approval.

The conference substitute also retains the various conditions in the House bill placed upon the plan, as well as the requirement for progress reports.

With respect to the conservation program, the two bills were similar. The conference agreement permits the President to establish conservation targets for States, if he makes a finding of an energy emergency. The States would then be required to develop plans to meet the target. If a State fails to meet its target, a Federal conservation plan could be imposed, subject to certain conditions. During consideration of the various conservation contingency plans, the Governors of various States indicated that they would prefer to assume the responsibility for conservation, rather than letting the Federal Government enforce plans which might be incompatible with their particular needs. This legislation provides the States just such an opportunity, but they must now bear a substantial responsibility. We cannot tolerate unnecessary delays in the development of effective conservation contingency plans by either the States or the Federal Government.

It is important to note that the legislation is designed to deal with emergencies. It is not a bill designed to assist long-term conservation programs. The conference substitute clearly makes this point. Since it is a bill designed for emergency situations it grants broad, but carefully drawn, authorities to the President to deal with such contingencies. Throughout the legislation we have made clear that the President has broad discretion which is generally not reviewable or is subject only to limited review. For example, the legislation limits the scope of judicial review. States are permitted to institute lawsuits, but only under very carefully prescribed conditions described in the legislation. Temporary injunctions in certain circumstances are specifically precluded, and it is expected that because the legislation is designed to deal with emergencies that such injunctions would not likely be granted in other cases as well. The judicial review provision is, despite some suggestions to the contrary, the exclusive provision.

The House bill also contained a provision which required the Federal building temperature plan to permit businesses to achieve a comparable savings through alternate means. This provision which was an amendment offered by my colleague from Ohio, Congressman WYLIE, has been retained, but modified to insure that the alternative conservation plans can be enforced. As adopted by the House, the provision would have permitted many businesses to decide to ignore the temperature regulations merely by claiming to be conserving by alternate means. Under the conference substitute, businesses may conserve by alternate means, but only under conditions which insure that such conservation is in fact taking place. The first condition is that a State or locality must first develop a "comparable program" and be exempted from the Federal rules.

Second, that comparable program may include provisions for approving alternative plans by individuals and businesses which indicate exactly the conservation steps they intend to take. The important factor is that the alternative plans must be enforceable and effective. The same concept of alternate compliance is also embodied in the conservative portion of the legislation.

The House provision relating to minimum automobile fuel purchases is retained, as is the provision exempting certain out-of-State vehicles from odd/even purchase rules. Studies contained in the House bill are retained in a modified form.

In summary, the conference agreement represents a fair compromise of the House and Senate bills. Important provisions of the House bill have been retained, and the legislation is an important step in making the country more prepared to deal with energy emergencies.

I would like to take this opportunity to commend my fellow House conferees, including my colleague and ranking minority member of the Subcommittee on Energy and Power, Congressman BROWN of Ohio. I would also commend the Senate conferees, particularly the chairman of the conference, Senator JOHNSTON, and his Republican cosponsor of S. 1030, Senator DOMENICI. I would also commend the House and Senate staffs for their work on the conference.

Finally, I would like to commend the

cosponsors of H.R. 4283, the conservation bill which was embodied in the House-passed version of S. 1030. I would note that although the "sticker plan" for reduced automobile use is not explicitly mentioned in the conference report, as it was in H.R. 4283, it remains a permissible conservation plan to be used to achieve State conservation targets.

Finally, I again emphasize that the temperature amendment which was offered by our good friend from Ohio (Mr. Wylie), who behaved in this whole matter in a most statesmanlike and gentlemanly fashion and for which I wish to commend him has as I have indicated been resolved in a constructive way. I observe that under the conference substitute, businesses may conserve by alternate means, but only under conditions which assure such conservation in fact taking place and enforced. This, I believe, reflects the intentions of the author of the regulation and I commend him for the basic idea.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding and appreciate his kind complimentary remarks.

I would like to say that I would return the compliment of the gentleman and thank him for the gentlemanly way in which he approached this amendment, and may I especially thank the gentleman from Ohio (Mr. Brown), and the gentleman from Michigan (Mr. Stockman), who were also very workmanlike in this regard. It was a pleasure to work with them. Their support was most helpful.

The thermostat control amendment as reported is agreeable to me, I might say, and my amendment was offered on the House floor in the interest of conservation, recognizing regional differences.

In Ohio, we have hot temperatures in the summer with high humidity and cold temperatures in the winter with high humidity. My amendment was indeed offered in a spirit of saving energy. I think that setting thermostats at 78 degrees in Ohio and some other States is not practical.

It has caused a burden on restaurant businessmen and retail owners. I do think that the language in the conference report retains the original concept of my amendment, which was to provide an alternate plan to conserve energy in those areas of the country which do not use oil to produce electricity; and Ohio is one of those.

The original idea, of course, of standby conservation plan No. 2 was to conserve oil.

I know the restaurant people and the retail merchants say they can live with this amendment. I would like to say that I appreciate the spirit in which the gentleman from Michigan (Mr. Dingell) recognized our problem. I, again, express my sincere thanks to the gentleman from Michigan (Mr. Dingell), to the gentleman from Ohio (Mr. Brown), to the gentleman from Michigan (Mr. Stockman), and to the gentleman from Connecticut (Mr. Moffett) for aiding me in getting this amendment adopted by the conference committee.

I thank the gentleman for yielding.

Mr. DINGELL. I thank the gentleman. I do commend him for the very statesmanlike fashion in which he approached this problem. It has been a pleasure to work with the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I have listened very carefully to the description of the gentleman from Michigan (Mr. Dingell) on this conference report on rationing.

As I recall, we had any number of days of debate on this issue on the floor at great length, and the conference report as the gentleman has described it has two congressional vetoes; one when the plan is made, and one when it takes effect. It has a 20-percent shortfall as the trigger. It contains some of the version of the Wylie thermostat amendment.

Those were all of the things that the gentleman from Michigan (Mr. Dingell) was opposed to.

Why did we debate this bill for days and days on the floor when the bill that came back is exactly what most of us in the House wanted, and the gentleman opposed? Did we not waste a lot of time?

Mr. DINGELL. I thank the gentleman.

As the gentleman well knows, we do a great many things around here which we are not greatly enthused about. I am sure the gentleman from Maryland (Mr. Bauman) has had the same experience from time to time himself. I note that the final version is quite different from the version on which we had several amendments. It does not provide for a one-House veto of the plan.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

I wish to commend the ranking member of the Interstate and Foreign Commerce Committee (Mr. Dingell), the Chairman of the Energy and Power Subcommitte (Mr. Moffett), and its ranking minority member (Mr. Brown) for their efforts in trying to arrive at a consensus on this emergency energy measure.

Mr. Speaker, when this emergency energy bill was initially debated in the House, I opposed it, and offered a motion to recommit it. The main reason—but not the only reason—that I opposed it was that it failed to include a reasonable safeguard against a President's prescription of an unreasonable standby gasoline rationing plan.

The congressional veto plan that I offered, and that was originally adopted but later removed from the bill, would have provided for congressional input by way of a one-House veto of any standby rationing authority.

I regret that the Senate did not insist that their conferees adopt this plan. But a moral victory has been won—this conference report concedes that Congress itself ought to retain the right to reject an improper or badly thought-out rationing plan. The proposed two-House veto—which would then in turn be subject to a Presidential veto, which could be overridden by a two-thirds vote—is a replication of the process one must go through to have any law enacted.

It is heartening that some semblance of my proposal for a meaningful congressional veto was adopted and I wish to thank the conferees for agreeing to it, although I wish they had been a little more flexible.

I just wanted to clarify the congressional veto that is now incorporated in the bill.

Am I correct that both Houses will have 30 days in which to consider the bill and can by resolution of this approval send it back to the President?

Mr. DINGELL. There are two sets of vetoes. The first is the veto of the plan when it comes up here. That is subject to veto by joint resolution by both Houses functioning generally under the EPCA process under the time limit of 30 days; and it does take affirmative action by both Houses.

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In connection with the actual implementation, that is subject to the one-House veto as has always been the case under EPCA. That is on a 15-day time limit.

Mr. GILMAN. If the gentleman would yield further, I am pleased that the gentleman now agrees to both of these vetoes. As I recall, at the time we suggested both vetoes there was a great deal of opposition to that. I would have liked to have seen a lot more flexibility in the congressional approval. However, I am pleased that this portion at least was incorporated so that the Congress has an opportunity to make a determination.

Mr. DINGELL. I thank the gentleman and I hope he will now support the proposal.

Mr. Chairman, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report accompanying S. 1030. Although I voted against final passage of S. 1030 when it was on the House floor, and am still dissatisfied with some of the provisions contained in this legislation, I am nonetheless supporting it because I feel that it is the best legislation possible given the two bills which went to conference.

Mr. Speaker, the conference report now provides for congressional review of any motor fuel rationing plan which the administration may devise, the concept espoused by Ben Gilman of New York. Although this review takes the form of a two-House veto, it still provides for a degree of congressional input that was absent in the House-passed bill after the House reversed itself on approval of the Gilman amendment.

Most importantly, however, the House was able to retain the trigger mechanism originally contained in the House legislation. As the bill is now written, before an approved rationing plan can be imposed, the President must find that a 20-percent shortfall of gasoline and middle distillate exists or is likely to exist for at least 30 days, and neither house has disapproved the President's proposal to implement the plan. Between zero and 20 percent shortfall, both Houses must approve implementation of the previously approved plan.

The most important provisions of this conference report concern emergency conservation authority. These provisions also trouble me more than any others contained in this bill. As the bill is now written, the President may establish energy conservation targets for any fuel which the President finds that an energy supply emergency exists. These targets must be related to the actual shortage and must be uniform throughout the Nation.

Within 45 days after the establishment of a target, each State must submit a plan to reduce consumption of the particular fuel in short supply to meet its target.

If the President finds that an approved plan is not achieving its target, he may impose a Federal mandatory conservation plan, provided he determines that the shortfall within the State for the energy source involved is at least 8 percent. The targets and any mandatory Federal measures can remain in effect for no more than 12 months without a finding by the President that the energy supply emergency continues to exist.

Two amendments which were offered by the minority and which were accepted by the House are contained in the conference report although they have been modified somewhat. The Wylie amendment was retained by the conference committee and provides that in the case of any plan which would regulate building temperatures, any State or local government may submit a comparable plan which will permit affected buildings within that State or locality to conserve at least as much energy by alternative means.

Another minority amendment, which I offered, has been modified to permit any State or local agency to submit as part of its proposed plan to the President a mechanism for allowing affected persons to receive an exemption from the plan if they can demonstrate comparable savings by alternative means. Both the Wylie amendment and this provision offer States, localities, and affected persons, including businesses, within those States much needed flexibility in meeting any federally established energy conservation target.

The most troublesome aspect of this conference report is that there is little protection against the President's arbitrarily declaring that an energy supply emergency exists with respect to any energy source. However, it is the intent of the conferees that this authority to establish targets not be used in other than severe supply disruptions. The conferees did not intend that this authority be used in a situation similar to the one that presently exists. I assure my colleagues that if the President attempts to use this authority in an arbitrary or unreasonable manner, I will be one of the first to try to repeal this provision or to limit the funds available for these purposes.

I can summarize the intent of this bill in one sentence: It is an emergency program to coordinate emergency energy conservation during periods of severe energy shortages.

Mr. Speaker, the conference substitute, which we will adopt today, contains a provision which provides an expedited procedure for States to seek review over the rather broad authorities granted by this legislation to the President and to the Secretary of Energy. This expedited judicial relief section subtracts nothing from the normal rights of the States, but adds a "fast-track" so that the rights of the States can be determined without unduly delaying an emergency program in energy conservation.

This legislation grants a great deal of power to the President and to the Secretary of Energy over the consumption of energy in each State during an emergency. There may well be conflicts, justifiable ones, between the Federal and State governments over the establishment of emergency targets, over the performance of State emergency plans, and over the approval of those plans. There must be quick and thorough judicial review. Only in the case of the establishment of targets, which starts, this emergency program and obligates the States to devise emergency plans, is the judicial review limited—and only limited in the sort of injunctive relief available at that time.

This judicial review section seeks to provide an avenue for the States to obtain prompt review over the determinations of the President and the Secretary of Energy. The State legislatures will have no ability to check these powers, nor will the Congress. So this judicial review section, offered by the gentleman from Maryland (Mr. BAUMAN) and consolidated in conference, is intended to quicken the ability of the States to seek adjudication, not, of course, to limit the judicial avenues of the States.

I might say in conclusion, Mr. Speaker, that the three Republican conferees, Mr. BROYHILL of North Carolina, Mr. STOCKMAN of Michigan, and myself have all supported the final conference version and have signed off on the conference report. I think the spirit of cooperation which motivates us to do that again springs from the fact that we do have a continuing energy shortage, and probably will have for many years to come. We do face severe tightening, as the years go by, of our fossil fuel sources and unless we get under way fairly shortly with synthetic programs and programs to develop exotic energy sources, we will find that this country is enthralled to those people who now supply us much of our energy from abroad, the OPEC nations.

For that reason I think it behooves us to undertake conservation in this country. It also behooves us to be prepared for emergencies because of the national security aspects of the situation. We must be ready to deal with any emergency supply disruption, particularly as it applies to our transportation industry and the use of motor gasoline, and our home heating industry with the use of distillates.

It is for that reason that I have subdued my own basic objections to the overweaning power of the Federal Government in the hope that we can have conservation plans and rationing plans that are sensible, that will deal with our problem as it should be dealt with in the future and which will also succeed in saving us energy in the situation in which we find ourselves now facing the possibility at any moment of shortages of a severe nature.

It is because I understand that the conference bill protects the States and localities from undue Federal involvements, offers States an additional avenue of judicial review to those already provided under other acts and the Constitution, and that it offers individuals and businesses an opportunity to become involved through their own alternative programs of conservation, that I support this conference report.

Mr. MOFFETT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I am happy to yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Speaker, I would like to say as one member of the conference committee that it was a pleasure working with the gentleman and the other Republican conferees on this matter. In fact, it was almost fun, entertaining.

I would like to congratulate the gentleman on the conciliatory approach he took in the conference. I hope this will lead to many more instances of cooperation between the majority and the minority.

Mr. BROWN of Ohio. I appreciate the gentleman's remarks. I might say to my colleagues on the majority side, and also say to some of my colleagues on the minority side who are going to face additional difficult votes in this whole energy area, notably in the fast track legislation and elsewhere, that it is really with a spirit of conciliation that I approach this particular piece of legislation.

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I would hope that we will, as a Congress, share this spirit without regard to party affiliation in the future. I know that the gentleman from Connecticut (Mr. MOFFETT)—and I do appreciate his kind remarks—has been a very valued member of our Subcommittee on Energy and Power, and has worked very hard on trying to address in particular the conservation aspects.

As we have worked through these problems together, we have to come to a general agreement that we must have both production and conservation, production in the domestic sense and conservation in the domestic sense, because of the finite nature of our energy resources. We literally must try to educate the general public to the problems that we face and see if we can come to a truly national agreement, rather than to some agreement that has partisan overtones.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I will be glad to yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding. I would just like to congratulate again everyone on the conference committee for the spirit of cooperation and the gentlemanly attitude which was displayed to me on my thermostat amendment—and that is the basis for me to relate to the conference and how it went.

It seems to me as though that the open and cooperative attitude which was displayed to me indicates that we can in this Congress accomplish something on energy and accomplish something on anything that is very important to the country if we really put our minds to it. Mr. Dingell, the chairman of the subcommittee, Mr. Brown of Ohio, Mr. Stockman, Mr. Moffett and others were very careful to keep me informed of the deliberations of the conference with respect to my amendment and all made significant contributions to this significant amendment.

Again, I want to say how very much I appreciate that.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman for his comment. I want to compliment him. There is a significant amount of the amendment offered by the gentleman from Ohio (Mr. Wylie) in this legislation. I think he can be proud of his contribution to the consideration of the bill.

I would say the same thing for the gentleman from New York (Mr. Gilman). His legislative input, on the critical subject of congressional review, is clearly put into this bill. His mark on this bill.

Mr. BETHUNE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Speaker, I thank the gentleman for yielding. I would like to make the comment that I am not a member of the committee, but I have watched its process concerning gasoline rationing and conservation all year long as a new Member. It seems to me that, to give it a little perspective, we did the right thing back earlier in the year by defeating a gas rationing proposal that come to the floor. Then the gentleman from Connecticut devised a sticker plan which I think gave a new dimension to the debates, and I think got us all thinking about conservation at the State and local levels. We were breaking away from the notion that Central Government can do all things for us.

I think that was very helpful in the course of this whole process. Then, we came to another time in the summer when the House considered conservation measures, delegating to State and local governments the authority to conserve at that level, and the process went on. Some of us at that time felt it proper to go ahead and vote for the measure, and then when it went to conference the debate continued.

Now, we are considering the conference report, and I think it is a good bill. I would like to commend the members of the committee for their long and arduous work which I think has brought us a reasonably good piece of legislation.

Mr. BROWN of Ohio. I thank the gentleman. He was one of the leaders who defeated the original badly designed and inequitable rationing plan the President devised. I think, literally, by making that important but difficult decision to disapprove the previous plan, we have brought to this body, and to the other body, a more rational view of this whole problem.

I must say that I appreciate the gentleman's firm leadership at that time, and I appreciate the gentleman from Connecticut (Mr. Moffett) and his proposals on the rationing plan. We are past the point when we can deal casually with these things, or where we can just say "no" to ideas. We have the obligation of originating these ideas, as the gentleman from Connecticut did, when we feel that the idea that has been presented to us is poor. I think we have the opportunity and the obligation in this body to try to bring these ideas into a forum and knock off the rough edges. Voting down the last rationing plan has, it turns out, enabled us to advance this Nation's emergency energy preparations.

Mr. BETHUNE. I just want to make the point that after this long and arduous process we now have a gasoline rationing mechanism mixed with conservation features. The new bill insures that rationing will be used only as a last resort. I think that is the position it should be in.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I will be happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding. I too want to commend the gentleman from Ohio, the distinguished ranking minority member of the Subcommittee on Energy and Power, Mr. Brown, for his efforts in bringing this concensus by way of this conference report back to the floor. I too want to thank him for preserving a congressional approval thereby making certain that Congress does have an input with respect to any emergency rationing proposal by the President, and for making the implementation of such a Presidential plan subject to a congressional veto.

While there are many items in this conference report that many of us cannot agree upon, most of us do recognize that this emergency measure is of extreme importance to the entire Nation and it is for these reasons that I commend the gentleman for his efforts.

Mr. BROWN of Ohio. I thank the gentleman, and wish to return that commendation to him because, as I said to the gentleman from my State of Ohio (Mr. Wylie), there is a great deal of the gentleman's amendment in this bill, and it was not in there when we came out of the House with the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. ASHBROOK. Mr. Speaker, I rise in opposition to this unwarranted attack on the American economic system. This Congress wisely defeated this irrational approach back in May. Only through arm twisting and some placating amendments was this proposal brought back from the dead and passed in July. The report we have before us may be an improvement over what this House voted on in May and in July, but the main concept of eliminating the market system in favor of a bunch of unknown bureaucrats is as insulting to America today as it was when it was defeated in May. While many of the good amendments I supported here in the House were accepted in conference. The net result is still a rationing bill.

I know many of my colleagues are concerned that shortages may occur this winter. A number of OPEC countries have announced production cutbacks and price increases. Today's news about Exxon profits adds additional concerns. However, I wish to remind my colleagues that every major development in energy began as a private initiative. This should make us pause before moving to scrap the only system that has provided goods and services in this Nation during peacetime. What has the Federal Government done for America regarding energy? It has dumped mountains of regulation and redtape on top of an already overburdened market sector. It has frustrated the development of coal and nuclear energy. It has spent more time placating special interests and bureaucrats than in solving our energy needs. This is the real issue we are voting on today. Do we, as a Congress, endorse the incompetence of the Federal Government or do we continue to put our faith in the hands of the one system of distribution that made this Nation the leading world power of the 20th century?

The American public is like a small town in the midst of a drought during the last century. In those earlier times rainmakers would tour drought regions with all sorts of cannons, smoke devices, and noise makers to put on a good show in trying to bring about a cloud burst. Sometimes these flim flam artists lucked out and a rain storm occurred, most of the time they collected their money and stole away in the middle of the night before the townspeople realized they had been taken. The rainmakers persisted in the face of their blatant fraud through the 1930's dust bowl for people never wanted to give up hope that they could pay for their salvation.

Today we have a new breed of rainmakers. These Government officials want us to disregard the natural forces of the marketplace in favor of the modern equivalents of the old noisemakers and smoke bombs. Every now and then an energy breakthrough occurs and these rainmakers are right there to take the undeserved credit in order to keep their shams alive. Energy has become a major issue, as well it should. But it has also become vogue to have every major official and politician become a rainmaker. Last week we saw how one major subsidy package after another was created with tax dollars to assist some new miracle cure for our energy woes. It is very easy to tell voters that they have nothing to fear because this new pilot project or that new fuel resources will solve every need if given enough tax money and enough years to develop. It is more difficult to state that the entire system has been stacked against innovation and change and that only through removing restrictions and allowing the creative force of the market to hold sway will long-range solutions actually be achieved.

It is really frightening to think that the grantsmanship mentality is the only process most people understand. It seems that bidding for attention in the marketplace is disreputable, but wheeling and dealing for Federal contracts is honorable. The question is which is better for society, to have the private investor and consumer decide what is best for themselves, or to abdicate the responsibility to some mindless and faceless entity in the booming energy bureaucracy. It is the same thing with this rationing bill. Most people seem to better comprehend some special exemption or some revised deadline for Government action that is a small part of the bill than to understand the fundamental assault this proposal makes on our economic system and our system of government. As I have stated earlier, it is not a lack of government, but a lack of freedom that has been the root of our energy woes. While promoting more government through ill conceived rationing plans and sexy sounding pilot programs may make better news, advocating more freedom and placing our hopes on our ability to innovate makes better policy.

Mr. MOFFETT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I first want to say that all of us in the conference committee, on both sides of the aisle, would like to extend our appreciation and admiration to the gentleman from Michigan (Mr. Dingell) for his leadership of this matter. He has served in the House much longer than many of us who accompanied him in the conference committee. Yet he was patient with us, and I think he did some educating and training along the way. I think the product is a good one.

Mr. Speaker, I also want to give special praise to the gentleman from Texas (Mr. Gramm); although he was not a conferee per se, I think it is safe to say that his presence was felt in the conference committee room, because he had been a moving force in the development of this legislation. I think through the efforts of Mr. Gramm and Mr. Stockman and Mr. Gilman and others on the Republican side, many of us who at one time talked rather casually about imposing rationing, came to the conclusion that indeed rationing should be a last resort, as the gentleman from Arkansas has so correctly stated.

This bill embodies that principle and that theme. While it changes somewhat the trigger mechanism itself, it certainly strengthens congressional involvement in a way that Mr. Gilman and others have suggested.

A second important theme that is embodied in the conference report is that, although Congress must play a role, it does not put Congress in the position of being an obstructionist force. It does give the proper respect and the proper degree of authority and responsibility to the Chief Executive. It is our hope, of course, that he will exercise that power in a prudent and effective, but not in an arbitrary manner. That is the same feeling that, of course, Mr. Brown of Ohio expressed so articulately.

Third, the bill embodies the notion that we must have tough conservation. There is no escaping that fact, and I do appreciate the kind remarks of the gentleman from Arkansas with respect to my sticker plan that was debated for a great deal of time on the House floor.

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In offering that proposal for a 1-day-of-the-week off-the-road-with-your-car sticker plan, it was my intention to spark debate and also to have the no-drive plan remain as an option for the States, and it remains as just such an option.

None of us want a situation where major inconveniences are imposed on the American public; but by the same token I do not think there is a person in this body who cannot envision a time when we might be forced to impose major inconveniences on the public. There is talk already of another gasoline shortage. The President may have to act, to determine that a severe shortage is imminent, set conservation targets, and urge and prod the individual States to achieve significant conservation.

In fact, I think it should be said today—and I hope that none of my colleagues would disagree with this—that it would be a good idea for the Governors to begin immediately determining how they would put their own plans together. In fact, the conference report itself on page 13 states:

> Each State is encouraged to submit to the Secretary a State emergency conservation plan as soon as possible after the date of the enactment of this Act and in advance of such publication of any such target. The Secretary may tentatively approve such a plan in accordance with the provisions of this section.

It is my hope, and I am sure the hope of others here, that we would be in touch with our Governors and encourage them to take that first step, in trying to develop plans that could be submitted to the Department of Energy.

Hopefully, this will be the first in a series of steps toward achieving meaningful conservation. I think if we do enact this legislation—and we assume the President will sign it—we will be on the way to doing something that I think is important, and that is having a meaningful conservation component in our energy policy.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MOFFETT. Mr. Speaker, I yield myself 2 additional minutes.

I think it is clear now that the decontrol debate in this Congress is all but over, and for that reason it is going to be important that we pay more than lipservice to conservation. Many who have said they are for decontrol have stated ● that we must have conservation as well. Now is the time to show that we mean what we say, and I think what the gentleman from Ohio (Mr. Brown) and the gentleman from Michigan (Mr. Stockman) and others who have been decontrol advocates have indicated is that we need conservation.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding. I think the gentleman has stated it absolutely correctly and with a degree of challenge absolutely appropriate to the circumstances. I would agree that decontrol and the regulation of price is over. I think we will see the price go up, regrettably. No one is pleased with that. It will force people to conserve in a painful way. Nobody can argue with that. I think it is absolutely necessary for all of us to undertake that with a degree of patriotism, if that is not the wrong word to use. I think it is the right word to use because conservation, as the gentleman has pointed out in his arguments on the floor of the House, is a way to produce energy for us. In other words, the gallon of gasoline we save is a gallon of gasoline that we have to use later, that somebody has to use. Ultimately we are going to run out of all of these fossil fuels. We will have to find new methods, and we may have to take some tough steps in our traditional beliefs. I appreciate the gentleman's leadership in the conservation area. I appreciate his leadership in devising a plan. I think that was extremely helpful in this whole debate. Whether or not the plan is the right answer is not the point. The gentleman provided the leadership, and that is the point, because it is on that sort of tough arguments that we have in this body that we eventually come to some consensus that leads us, hopefully, to a resolution of the problem.

Mr. MOFFETT. I thank the gentleman for his kind words.

Mr. SHARP. Mr. Speaker, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Indiana.

Mr. SHARP. I thank the gentleman for yielding.

Mr. Speaker, our country must be better prepared to deal with energy emergencies in the future. This bill will help us to do that. I believe that effective planning now by our State and local governments, by all sectors of our economy, can certainly help to minimize the problems that a cutback in future supplies can bring. It can also help us to see to it that all Americans are treated as fairly as is possible during a shortage. It is equally important, Mr. Speaker, for us to recognize that if the United States is able to quickly curb its energy appetite during a short-term crisis, we will be able to reduce the power of the OPEC cartel or of anyone else to dramatically push prices higher and higher during such a crisis. Mr. Speaker, it is critical we move forward on this issue. We clearly must have the kind of planning, the kind of preparation, that can make a difference for our future.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time. I would like to take just 1 minute to compliment the gentleman from Michigan (Mr. DINGELL) who is the chairman of the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, and also compliment the gentleman from Texas (Mr. GRAMM). As was noted, there is a good piece of thinking of the gentleman from Michigan (Mr. DINGELL) and his legislative approach in this piece of legislation. Had it not been for his insistence, the trigger mechanism of a 20-percent shortfall would not be in the legislative language of this bill. One need not compliment the gentleman from Michigan (Mr. DINGELL) too extensively because he has proven year after year, and in legislative accomplishment after legislative accomplishment, his ability to bring, sometimes with a little screaming and shouting, sometimes with tears, and sometimes with a bloody nose here and there, a consensus to this body and to the other body for the right result. I think in this case we have a good example of that. I must say that there were some tense moments as we fought this one out on the floor of the House, but now all of that is forgotten in the euphoria of other legislative accomplishment by the gentleman from Michigan. So with that compliment and with the kind words of the gentleman from Connecticut, perhaps we are ready for the vote.

● Mr. EDGAR. Mr. Speaker, I rise in support of the conference report on S. 1030, the Emergency Energy Conservation Act of 1979.

There are some aspects of the conference report which concern me, however. For instance, I have reservations about the provision which permits States or local governments to allow building owners to utilize alternative plans for saving the same amount of energy as would be conserved through thermostat restrictions. In my opinion, alternate conservation plans would be utilized together with, and not in place of, thermostat restrictions.

More significantly, I am concerned about the provisions which give Congress two opportunities to veto a gasoline rationing plan—once after the President submits the standby plan to Congress, and again when he announces his intention to implement it upon demonstrated need. In light of our record of decimating gasoline rationing plans because of self-interested bickering and special interest group pressures, I have some fear that this country may never have a standby rationing plan which can be quickly implemented during an emergency fuel shortage.

Notwithstanding these objections, I will vote to approve the Emergency Energy Conservation Act. I believe it is in the national interest to do so. It is my sincere hope that the President will submit to Congress a responsible and equitable rationing plan and that Congress will resist vetoing it. On balance, the legislation is a valuable and necessary tool for helping our country meet future energy crises.●

Mr. MOFFETT. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOFFETT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 301, nays 112, not voting 20, as follows:

[Roll No. 589]

YEAS—301

Addabbo
Akaka
Albosta
Alexander
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cavanaugh
Chisholm
Clay
Clinger
Coleman
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Courter
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Gray
Green
Grisham
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Livingston
Lloyd
Long, La.
Lott
Lowry
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKinney
Maguire
Markey
Marks
Martin
Mathis
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Schulze
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Snowe
Snyder
Solarz
Solomon
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—112

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Breaux
Burton, John
Campbell
Chappell
Cheney
Collins, Ill.
Collins, Tex.
Corcoran
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Edwards, Okla.
Erdahl
Evans, Ind.
Findley
Forsythe
Frenzel
Gaydos
Goldwater
Gradison
Grassley
Guyer
Hagedorn
Hansen
Harsha
Hillis
Holt
Horton
Huckaby
Ichord
Jacobs
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Lewis
Loeffler
Long, Md.
Lujan
Lungren
McDonald
McKay
Madigan
Marlenee
Marriott
Mattox
Michel
Miller, Ohio
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
O'Brien
Pashayan
Paul
Quayle
Railsback
Rhodes
Roberts
Robinson
Rousselot
Rudd
Runnels
Satterfield
Sawyer
Schroeder
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Spence
Stump
Symms
Taylor
Thomas
Vander Jagt
Walker
Whitehurst
Whittaker
Williams, Mont
Williams, Ohio
Wilson, Bob
Wyatt
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—20

Anderson, Ill.
Biaggi
Burgener
Clausen
Cleveland
Coelho
Diggs
Duncan, Oreg.
Flood
Jenkins
Leach, La.
Leland
Lundine
Rahall
Royer
Santini
Scheuer
Stark
Wilson, C. H.
Winn

☐ 1400

The Clerk announced the following pairs:

Mr. Biaggi with Mr. Anderson of Illinois.

Mr. Rahall with Mr. Royer.

Mr. Charles H. Wilson of California with Mr. Winn.

Mr. Santini with Mr. Cleveland.

Mr. Stark with Mr. Burgener.

Mr. Duncan of Oregon with Mr. Clausen.

Mr. Flood with Mr. Coelho.

Mr. Lundine with Mr. Diggs.

Mr. Jenkins with Mr. Scheuer.

Mr. Leach of Louisiana with Mr. Leland.

Messrs. HINSON, LEACH of Iowa, and LIVINGSTON changed their votes from "nay" to "yea."

Mr. WHITEHURST and Mr. BREAUX changed their votes from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## CORRECTING THE ENROLLMENT OF S. 1030, EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. DINGELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 44) making technical and conforming changes in the enrollment of the Senate bill, S. 1030.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 44

*Resolved by the Senate (the House of Representatives concurring)*, That, in the enrollment of the bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes, the Secretary of the Senate shall make the following corrections:

In the table of contents insert, at the appropriate place, "Sec. 215. Reports".

In section 101 strike out "(a) Findings.—".

In section 103(b)(1) strike out "42 U.S.C. 6361(e)" and insert in lieu thereof "42 U.S.C. 6261(e)".

In section 103(b)(2)(C) insert between the words "other" and "pursuant" the word "than".

In section 103(c)(1) strike out "42 U.S.C. 6361(f)" and insert in lieu thereof "42 U.S.C. 6261(f)".

In section 103(c)(2) strike out "42 U.S.C. 6361" and insert in lieu thereof "42 U.S.C. 6263".

In section 105(b)(1) strike out "42 U.S.C. 6261(d)(2)" and insert in lieu thereof "42 U.S.C. 6263(d)(2)".

In section 105(b)(2) strike out "42 U.S.C. 6261(d)(3)(A)" and insert in lieu thereof "42 U.S.C. 6263(d)(3)(A)".

In section 105(b)(3) strike out "42 U.S.C. 6261" and insert in lieu thereof "42 U.S.C. 6263".

In section 105(b)(4) strike out "42 U.S.C. 6261" and insert in lieu thereof "42 U.S.C. 6263".

In section 301 strike out "(a)".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

## PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to sit tomorrow when the House is acting under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us why in the middle of the very important legislation that I understand will be on the floor tomorrow that we need this permission?

Mr. UDALL. Mr. Speaker, if the gentleman will yield, I do not believe we will be in session very long, but we are trying to finish action on the coal slurry legislation.

Mr. ROUSSELOT. The coal slurry legislation?

Mr. UDALL. Yes.

Mr. ROUSSELOT. The gentleman feels that members of that committee can be away from the House floor during all this important legislation we will have tomorrow?

Mr. UDALL. It looks like if we handle it right, there will be very little we will miss on the House floor.

Mr. ROUSSELOT. The gentleman is saying they just cannot get it all done before we meet?

Mr. UDALL. That is the picture I get.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, can the gentleman assure us no other legislation will be taken up?

Mr. UDALL. It is just this one bill that we are anxious to finish.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to my colleague, the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, our distinguished full committee chairman must appear I think it is before another committee, I believe the Committee on Rules, I am not certain. We have three bills, two of which were passed out of my subcommittee without dissent.

I gather I will be chairing deliberations of the full committee in the absence of our good colleague, the gentleman from Arizona. We anticipate the meeting will be quite brief.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for all those assurances.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona (Mr. Udall)?

There was no objection.

## INTERNATIONAL SUGAR STABILIZATION ACT OF 1979

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2172) to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. Foley).

The motion was agreed to.

☐ 1420

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2172, with Mr. Burlison in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, October 19, 1979, all time for general debate on the bill had expired.

Pursuant to the rule, the committee amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the reported bill shall be considered by titles as an original bill for the purpose of amendment, and each title shall be considered as having been read.

The Clerk will designate section 1.

Section 1 read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "International Sugar Stabilization Act of 1979".

Mr. VANIK. Mr. Chairman, I have an amendment to title I.

The CHAIRMAN. The Chair will advise the gentleman from Ohio (Mr. Vanik) that we have not reached that point in the bill as yet.

Are there any amendments to section 1?

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at the opening of consideration of this bill for amendment today, let me state that in the initial discussion of this bill there have been so many questions raised about this legislation, both during debate and during the long period this bill has had in coming through both the Committee on Ways and Means and the Committee on Agriculture, that frankly, I am surprised that we are really considering this bill today on the floor. But it is here, and we start with the section that many have termed as a unique bill to aid the Cuban Government and a sugar agreement that is of very questionable nature.

I know and the gentlemen who are members of the committee know that I have an amendment printed in the Record at this time to strike title I. The gentlewoman from Massachusetts (Mrs. Heckler) has spoken very clearly on this issue concerning title I and her thoughts on it.

I would say at this time, Mr. Chairman, that as far as the efforts to amend this bill are concerned, while frankly I would like to separate the International Sugar Agreement from this bill by offering an amendment simply to strike it and let the International Sugar Agreement stand on its own rather than be tied to this bill, there have been indications that this might be misunderstood, and that if we offer this and improve the bill, that might enhance the bill itself, since there are also other amendments to be offered to the bill today that would enhance and make this bill a better bill if they were passed.

Obviously, one thing I do not want to do is to improve this bill. This being the only opportunity I have to talk to title I and the International Sugar Agreement, I am taking this opportunity now to say that I object to the International Sugar Agreement.

### PARLIAMENTARY INQUIRY

Mr. FOLEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FOLEY. Mr. Chairman, I will ask, have we reached title I of the bill yet? Are we now considering title I of the bill?

The CHAIRMAN. The Chair will state to the gentleman that we are now considering section 1.

Mr. FOLEY. We have not yet reached title I?

The CHAIRMAN. We have not yet reached title I.

Mr. FOLEY. Mr. Chairman, I would point out that the gentleman from New York (Mr. PEYSER) is directing himself to title I. I do not think we have yet reached that point.

The CHAIRMAN. The gentleman will proceed.

Mr. PEYSER. Mr. Chairman, I thank the committee chairman for calling that to my attention, but I am not offering an amendment, as I indicated, to title I at this time. However, I do think the entire question of title I and our ability to consider the International Sugar Agreement as a separate agreement, along with the other amendments that will be offered to this bill and that are being offered to "improve"—or so it is called—the bill, have to be considered by the membership very carefully so they will understand that if we overimprove the entire bill, we may then be reporting it out to the Senate, where the chairman of the Senate Finance Committee (Mr. LONG), the chairman of the Senate Foreign Affairs Committee (Mr. CHURCH), and Senator DOLE are all committed to put back the very things that are going to be suggested that we eliminate on the floor of this House.

So, Mr. Chairman, I am merely taking this opening time for the moment to caution the Members on each one of these amendments that come up to look at them carefully and decide what the overall impact will be on this legislation.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. There being no amendments to section 1, the Clerk will designate section 2.

Section 2 reads as follows:

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States; and the term "entry" means the entry, or withdrawal from warehouse, for such consumption.

(2) The term "person" has the same meaning as is given to such term in section 1 of title 1 of the United States Code.

(3) The term "Secretary" means the Secretary of Agriculture.

(4) The term "TSUS" means the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) The term "United States", when used in a geographical context, means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

The CHAIRMAN. Are there any amendments to section 2?

There being none, the Clerk will designate title I.

Title I reads as follows:

### TITLE I—INTERNATIONAL SUGAR AGREEMENT, 1977

SEC. 101. DEFINITIONS.

For purposes of this title—

(1) The term "Agreement" means the International Sugar Agreement, 1977, signed at New York City on December 9, 1977.

(2) The term "sugar" has the same meaning as is given to such term in paragraph (12) of Article 2 of the Agreement

SEC. 102. IMPLEMENTATION OF AGREEMENT

On and after the entering into force of the Agreement with respect to the United States, and for such period before January 1, 1982, as the Agreement remains in force, the President may, in order to carry out and enforce the provisions of the Agreement—

(1) regulate the entry of sugar by appropriate means, including, but not limited to—

(A) the imposition of limitations on the entry of sugar which is the product of foreign countries, territories, or areas not members of the International Sugar Organization, and

(B) the prohibition of the entry of any shipment or quantity of sugar not accompanied by a valid certificate of contribution or such other documentation as may be required under the Agreement;

(2) require of appropriate persons the keeping of such records, statistics, and other information, and the submission of such reports, relating to the entry, distribution, prices, and consumption of sugar and alternative sweeteners as he may from time to time prescribe; and

(3) take such other action, and issue and enforce such rules or regulations, as he may consider necessary or appropriate in order to implement the rights and obligations of the United States under the Agreement.

SEC. 103. DELEGATION OF POWERS AND DUTIES.

The President may exercise any power or duty conferred on him by this title through such agencies or offices of the United States as he shall designate. Such agencies or offices shall issue such regulations as they determine are necessary to implement this title.

SEC. 104. CRIMINAL OFFENSES.

Any person who—

(1) knowingly fails to keep any information, or to submit any report, required under section 102;

(2) submits any report under section 102 knowing that the report or any part thereof is false; or

(3) knowingly violates any rule or regulation issued to carry out this title;

is guilty of an offense and upon conviction thereof is punishable by a fine of not more than $1,000.

SEC. 105. REPORT TO CONGRESS.

The President shall submit to Congress, on or before April 1 of each year, a report on the operation and effect of the Agreement during the immediately preceding year. Unless otherwise published on a regular basis by an agency of the United States, the report shall contain, but not be limited to—

(1) information with respect to world and domestic sugar demand, supplies, and prices during the year concerned;

(2) projections with respect to world and domestic sugar demand, supplies, and prices; and

(3) a summary of the international and domestic actions taken during the year concerned under the Agreement and under domestic legislation to protect the interests of United States consumers and producers of sugar.

### AMENDMENTS OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. VANIK: Page 33, line 25, strike out "1982," and insert "1983.".

Page 36, between lines 7 and 8 insert the following:

SEC. 106. PRESIDENTIAL FEE AUTHORITY ON SUGAR

The first paragraph of section 22(b) of the Agricultural Adjustment Act (7 U.S.C. 624 (b)) is amended by striking out the period at the end of the second proviso thereto and inserting in lieu thereof the folowing: ": *And provided further*, That any fee imposed upon any sugar, syrup, or molasses provided for in items 155.20 and 155.30 of the Tariff Schedules of the United States (19 U.S.C. 1202) shall not be subject to the 50 per centum ad valorem limitation.".

Mr. VANIK (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Chairman, these amendments were adopted by the Subcommittee on Trade of the Committee on Ways and Means and were reported out by the full committee.

The first amendment enables the United States to fulfill its obligations under the International Sugar Agreement for the year 1982, which is through the full life of the ISA.

The version of the Committee on Agriculture, on the other hand, terminates the executive branch's authority to implement the ISA at the end of 1981, a year before the ISA is due to expire. We believe we can more effectively support the ISA if we authorize implementation powers for the remaining life of the agreement.

The second amendment of the Committee on Ways and Means makes a permanent amendment to the section 22 program allowing the President greater flexibility in the setting of import duties on sugar.

Mr. Chairman, I urge the adoption of these amendments.

Mrs. HECKLER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-three Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

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### QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. FOLEY. Mr. Chairman, I demand

a division of the question on the amendments.

The CHAIRMAN. The question will be divided.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, speaking for our side and the Committee on Agriculture, we would be happy to accept the first portion of the amendments as read.

The CHAIRMAN. The question is on the first part of the divided question.

The first part of the divided question was agreed to.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regrettably must take a different position with respect to the second portion of the question, which would eliminate the 50-percent ad valorem limit currently imposed by section 22. I would hope, however, that since the first part of the gentleman's amendment was accepted, he would agree that the second part could be reverently rejected by the committee.

Mr. VANIK. Mr. Chairman, I ask unanimous consent to strike the requisite number of words.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Chairman, I had originally proposed the elimination of the 50-percent ad valorem limitation, with the thought that I might offer an amendment providing for passage of just title I as a self-contained sugar bill. I no longer intend to offer that amendment, primarily because I do not want to give the other body a vehicle on which they could load up a lot of other sweetening amendments.

Second, the removal of the limitation is no longer necessary because of the change in the long-range sugar outlook and the rapid increase in world prices in the last 2 months.

Since the Committee on Agriculture objects to this amendment, I have no objection to its deletion.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, the minority on the Committee on Ways and Means has no objection to the withdrawal of the amendment if the gentleman chooses to do so.

Mr. VANIK. Mr. Chairman, I ask unanimous consent to withdraw the second part of the amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Are there further amendments to title I?

Mrs. HECKLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, although I do not intend to offer an amendment to this section or to this bill, because I think it should be defeated on both domestic and international grounds, I take this time to clarify some of the issues that have become the center of focus in the debate and to clear up some obvious misconceptions affecting the discussion today.

First of all, I think it is important to realize that those of us who oppose the sugar subsidy legislation are not doing so exclusively because of the International Sugar Agreement. Our main objection to this bill is the consumer impact which we have spelled out consistently. We consider this bill to be a ripoff by giant domestic sugar producers—a ripoff of the American consumers—who are already on the ropes, thanks to other selfish interests bent on driving the consumers down.

I hope the House will recognize the bill for what it is: bad public policy. Bad for the present and worse for the future. Consumers would continue to bear the brunt of the bill. They are now paying $2.6 billion annually in artificially high sugar prices. The Congress would be legislating inflation. And, with more than 75 percent of the sugar consumed in the United States annually found in processed foods rather than in the staple products, consumers would be prevented from venting their frustration by refusing to buy sugar.

However, beyond our consumer objection, many of us who are against this legislation also have grave misgivings about the International Sugar Agreement and the abdication of responsibility by the House in the legislative process on this bill.

In effect, title I of this bill is the incorporation by reference of the International Sugar Agreement.

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But this agreement has not yet been ratified by the other body. In fact, the International Sugar Agreement was sent to the Senate on January 25, 1978. Almost two legislative sessions have expired without having this agreement handled, dispatched, or disposed of by the Senate.

Therefore, in passing the implementing phase of the Sugar Stabilization Act, we are busily painting the cabin of the vessel while the other body, at its own leisurely pace, may well move toward scuttling the keel.

This is not the right way to run the ship of state or legislate for it.

Voices are raised, saying that the question of the International Sugar Agreement and its obvious benefits to Communist countries, particularly Castro's Cuba, are not an issue that is in question.

The issue of the sugar agreement is called a "red herring" being dragged across the trail.

Well, if it is a herring, it is definitely a "red herring."

We should not ignore the vital and legitimate questions of what will result from the agreement, which has not yet been ratified, and which we are incorporating by reference into this bill.

We should not sweep the proposals and the issues under the rug; anyone familiar with housekeeping knows how hard it is to get spilled sugar out of the carpet.

Much is made of a letter from the Assistant Secretary of State for Congressional Relations, J. Brian Atwood, to our distinguished chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN).

This letter hardly meets the objections that I and other Members have raised. It is just another depressing episode in the dreary sequence of the administration's failure to communicate directly and effectively with this Congress, if at all.

My own efforts to communicate with the Department of State on the subject of the International Sugar Agreement were either ignored or rebuffed.

This letter, which has been submitted to the record by the gentleman from Oregon (Mr. ULLMAN), is, in my judgment, another pat on the head for the Congress. The letter says, "We know best. Don't ask any questions, but if you must, we will give you nice, glib answers which simply restate as declaratory sentences the language of the questions themselves."

I say, thanks, but no thanks. These answers are brought to us by the same people who allowed the Soviet military presence in Cuba to turn into an international fiasco, making the United States look ridiculous in the eyes of the world.

In my opinion, the State Department is not doing any better on the subject of Cuban windfalls resulting from the International Sugar Agreement than it has done on the problem of Cuba becoming a Russian military base 90 miles off Florida.

It is not doing any better than it did on the question of how a small and economically troubled country can export violence and revolution throughout the Third World.

I think at this point the Foggy Bottom diplomats have had too many "Cuba Libres" with their afternoon tea.

The facts are that despite the careful selection of isolated and admitted facts in Mr. Atwood's letter, he does not refute the two basic propositions, first, that Cuba's benefit over the prevailing situation in the international sugar market is greater than that of any other country, and second, that Cuba's special arrangements with other Socialist countries will be permitted by the International Sugar Agreement to materially benefit Cuba and other Soviet bloc nations at the expense of the non-Communist world.

The CHAIRMAN. The time of the gentlewoman from Massachusetts (Mrs. HECKLER) has expired.

(At the request of Mr. PEYSER and by unanimous consent Mrs. HECKLER was allowed to proceed for 2 additional minutes.)

Mrs. HECKLER. The State Department says that what is being done is a stabilization of sugar prices by the International Sugar Agreement. I think that what is being stabilized is business as usual at the State Department, the business of treating the Congress as a necessary nuisance to be tolerated and the American people as uninformed puppets to be talked down to.

Mr. Chairman, if we aprove this legislation it will not be just another sorry victory for special interests over the general welfare, but damaging evidence of the State Department's ignorance of the best interests of our country and of our friends.

Mr. PEYSER. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from New York.

Mr. PEYSER. I want to thank the gentlewoman for very clearly bringing forth the issue on the International Sugar Agreement. I would certainly be most supportive of an effort to strike this agreement, but I also agree very much with the gentlewoman's decision to leave this agreement as part of the bill, because every effort to improve this bill may be an effort to pass the final bill, which we must defeat.

I thank the gentlewoman for her decision on this.

Mrs. HECKLER. I would like to say to the gentleman, I appreciate his kind words. He has shared with me the leadership in opposing this legislation. I am delighted we have also joined in opposing any amendment to strike title I.

I should also like to say the chart I have before all of us indicates in the blue bars the free market share of our allies: Brazil, Australia, and the Philippines. During the free-market period that this chart represents, the year 1977 in which the agreement was negotiated, the free-market countries were cut back in the amount of sugar they were allowed to export.

Cuba, despite its 1977 production of 1.5 million metric tons sold to the free market, got the lion's share of the free market export tonnage, as well as special arrangements to allowing unlimited exports to a block of Socialist countries, plus a guarantee of 650,000 tons to be sent to Albania, China, North Korea, Vietnam, and Yugoslavia, neither to be taken out of the market tonnage that Cuba was assigned for free market trade.

The other countries could ship their sugar to the Socialist countries or free world countries, but any exports would be taken out of their quota. With Cuba, whatever they shipped to Socialist countries was not to be subtracted from the total quota.

The CHAIRMAN. The time of the gentlewoman from Massachusetts (Mrs. HECKLER) has again expired.

(At the request of Mr. HUCKABY and by unanimous consent, Mrs. HECKLER was allowed to proceed for 2 additional minutes.)

Mr. HUCKABY. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentlewoman for yielding.

I wanted to ask the gentlewoman if the gentlewoman is concerned with regard to these export quotas on the part of Cuba and Russia having something to do with this device enabling these Communist nations to receive hard currency that they might not otherwise be able to get, since about the only thing Cuba exports in any quantity at all is sugar, so that they can then be in better shape to enhance their ability to spread chaos and military intervention throughout the world? Is that the gentlewoman's concern.

Mrs. HECKLER. I definitely agree that the gentleman has raised one of the major concerns here, that this agreement allowed Cuba to have a lion's share of the free-market tonnage as well as special arrangements with the Socialist and Communist world which were not to be subtracted from her quotas. This situation gave Cuba a windfall which she could then use for her own domestic policies and for her military misadventures in other parts of the world.

Mr. HUCKABY. I thank the gentlewoman for the explanation.

Mr. KELLY. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentlewoman for yielding.

I do not dispute her figures. I would simply like to ask, absent the International Sugar Agreement, is there any limitation on the amount of sugar that Cuba can sell to the free world or Communist nations?

Mrs. HECKLER. Certainly not. There is no limitation on its sales to the black Socialist countries. The significance of this chart indicates that the United Nations and its subunit which negotiated the sugar agreement not only guaranteed to Cuba what was already available to her, but allowed as well the lion's share of export tonnage to the free nations of the world.

If the other nations had the same opportunity to export unlimited sugar to Socialist countries, the amount that they exported would have to be subtracted from the white bars, which was the free market export tonnage. Cuba got preferential treatment in every way.

The CHAIRMAN. The time of the gentlewoman from Massachusetts (Mrs. HECKLER) has expired.

(At the request of Mr. MOORE and by unanimous consent, Mrs. HECKLER was allowed to proceed for 1 additional minute.)

Mr. MOORE. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentlewoman for yielding.

Does not the International Sugar Agreement provide limitations and obligations on Cuba, which it does not have now, such as restrictive export quota accumulation and release of special stocks, limit on market stocks, supply assurances and statistical recording requirements?

Mrs. HECKLER. I would agree with the gentleman that certain new requirements were imposed on Cuba as a result of the agreement, but these are fairly minor in comparison to the hundreds of millions of dollars Cuba was assured by its export tonnage quota in the International Sugar Agreement.

Cuba was limited in minor and bureaucratic provisions, but at the same time she was given the opportunity to take the lion's share of the free market and an unlimited hold on exports to the Socialist block countries plus a special quota to Albania, China, North Korea, Vietnam, and Yugoslavia.

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Mr. MOORE. Is the gentlewoman also aware that right now, without the International Sugar Agreement, that Cuban-refined sugar is coming into the United States at the present time?

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

(At the request of Mr. MOORE and by unanimous consent Mrs. HECKLER was allowed to proceed for 30 additional seconds.)

Mrs. HECKLER. I would like to say for the gentleman that, in fact, it is the feeling of many of those who were present at Geneva—and my information does not come from statistical bulletins alone but from expert eyewitnesses who were there that not only is Cuban sugar traveling all over the world, but this special arrangement with the Socialist countries is a means whereby Cuba is able to export more than her 2.5-million-metric-ton share to the free market without having any notice taken of the subject.

Mr. MOORE. If the gentlewoman will yield further, the point I am making is that Refined Syrups & Sugars Corp. of New York is bringing in Canadian sugar right now with no sugar agreement.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has again expired.

Mr. FOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, unfortunately there has been introduced into this debate an extremely emotional and, I think, regrettable suggestion that this International Sugar Agreement, signed by some 57 countries, is in some strange way a covert form of assistance or special treatment for Cuba. Nothing could be further from the truth.

As the gentleman from Louisiana (Mr. MOORE) has just pointed out, Cuba has undertaken, by becoming a signatory to the International Sugar Agreement, the same restrictions on its exports as every other country that has signed that agreement.

The gentlewoman from Massachusetts has indicated that somehow Cuba has been given something over and above what other exporting countries have and that in order to provide this extra others have been disadvantaged. This is an interesting conclusion. The gentlewoman is suggesting that these countries have been negotiated out of some benefit that, as exporting countries, they would otherwise have. The fact of the matter is that they, and they alone, negotiated the agreements on export quotas. To assume that those other countries were denying their own ability to export in order to be generous to Cuba implies that they do not know or are incapable of defending their own interests. The gentlewoman from Massachusetts apparently feels she and others know better what the interests of Brazil, Australia, and the Philippines are than they do themselves. That is a suggestion I have some difficulty in accepting.

All the major exporters accepted the quota of Cuba as fair. As a matter of fact, the Philippines voluntarily reduced its export level beyond what was necessary by awarding 100,000 tons of its own quota to Cuba.

The gentlewoman is suggesting that 1977 was the base year on which the Cuban and other quotas were determined. That is what the figures in her charts are based on. That, in fact, is not technically correct. The individual quotas were based on production and export performance over the 10-year period from 1966 to 1976. The 1977 figures she cites were not even available when the ISA was negotiated in 1977. Additionally, Cuba had an extraordinarily short year in 1977, which suits the purpose of suggesting that its quota is unusually high.

Another point I would like to make is that Cuba is by no means alone in having special arrangements beyond the ISA. In fact, many, many other nations have such special sugar arrangements, and they are neither large nor Socialist-camp countries. Barbados, Belize, Cuba, Jamaica, St. Kitts-Nevis-Anguilla, Trinidad and Tobago, Guyana, Malawi, Mauritius, Swaziland, and Fiji all have special arrangements recognized under the International Sugar Agreement. There is nothing unusual about that and there is nothing that the International Sugar Agreement or anything else can do to affect the bilateral trade that Cuba has with the Soviet Union.

Indeed, it is this bilateral trade with the Soviet Union rather than the ISA that provides special benefits for Cuba. The lion's share of Cuba's sugar exports are bartered with the Soviet Union for other goods such as oil. Converted to dollar values, this barter trade is equivalent to about 40 cents a pound that the Russians pay for Cuban sugar. That is where the subsidy is and it is totally independent of the International Sugar Agreement. Moreover, because Cuba ships such an insignificant amount in free trade, the fate of the ISA is inconsequential to it.

In addition, a further problem is created by the fact that the United States not only played a major part in bringing the agreement into being but is a signatory of the agreement itself and in doing so joined with 56 other countries who have either formally ratified the ISA or given notice of their agreement to proceed with its principal provisions. Many of these nations have been withholding excess exports from the market at great expense, as required, since January of 1978 in anticipation of U.S. ratification. And now the suggestion is here that we, the United States, should refuse to give the authorities necessary for our full participation, telling the other sovereign countries who undertook this cooperative effort with us in the best of faith, that we have decided that they are incapable of knowing their own interests, that their judgment is faulty, because the agreement might somehow benefit Cuba. Nothing we could do would help Cuba more than that single action alone—telling those countries that we have decided that irrespective of how it may help them we are going to wreck the entire agreement because it might also help Cuba in the bargain. I think Cuba would be handed an incomparable propaganda tool that it could use throughout Central and South America and Africa to attack and ridicule the United States for signing an agreement in concert with these countries and then turning around, on the grounds of totally misinformed evidence of Cuban treatment, to reject the accord.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. I would hope that the question the gentlewoman from Massachusetts has already described herself as a red herring will not be allowed to divert the Committee of the Whole House from the real issues here. Title I deals with the International Sugar Agreement. It is a subject that I would hope we would not distort or belabor with emotional reactions against Cuba.

I am no friend of the Cuban Government, nor, I suppose, is anybody in this room. The truth of the matter is that there are no special benefits to Cuba. In fact, quite the contrary is true. There are restrictions and obligations that Cuba would not otherwise have. Additionally, to deny all of those other countries that have joined in this agreement the ability to share in its benefits would, indeed, be handing the Cubans a propaganda machine and an enormous propaganda tool with which to beat the United States all over Central, South America, and Africa. I devoutly hope that this committee will not allow that.

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Chairman, I would just say that the term "red herring" came from the gentleman's earlier remarks, and I said if it is a herring, it is certainly a red one.

I think the point has to be made that special arrangements, which I mentioned, do exist for other countries. But in the case of the free market countries, the sugar that is exported under the special arrangements must be subtracted from the quota the country received under the agreement, whereas Cuba does not have that requirement upon her. It is an additional arrangement which allows her additional tonnage.

I would just like to ask the gentleman, it seems very strange to me that this legislation seeks to implement the International Sugar Agreement. Where the other body has not yet ratified the document. That, in my judgment, is putting the cart before the horse. If this agreement is so essential—and I personally think the bill should be defeated for domestic reasons, and have so stated many times—but if this International Sugar Agreement is so desirable and essential, why is it that it has been languishing in the Senate Foreign Affairs Committee for over a year and one half, and why is it that the other body has not sensed the urgency of agreeing to this measure?

Mr. FOLEY. I will be glad to answer the gentlewoman's question. It is my understanding that the Members of the other body felt it essential that we have a united program, with both international and domestic aspects.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. FRENZEL and by unanimous consent Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman.

Mr. FRENZEL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Washington, the chairman of the Agriculture Committee, has stated the case exactly. Whether the United States is in or out of the International Sugar Agreement makes no difference at all to whatever arrangements Cuba has within that agreement. So not all of our tears can scarcely erase a single line of that particular agreement.

The International Sugar Agreement is good foreign policy, it is good agricultural policy. Despite the beauty of the gentlewoman's charts and the brilliance of her rhetoric, her point is irrelevant.

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Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding. I want to concur in his remarks. I think it should be pointed out that the chart is technically correct, but for this year it is incorrect in actual production by a half million tons on the amount of sugar Cuba is allowed to export. That is because the price remained below 14.5 cents.

The countries are entitled to larger production figures. The gentlewoman has given us the largest figures allowable, but as a practical matter, Cuba is allowed to export only 2 million tons this year.

Mr. FOLEY. I thank the gentleman. I would like to point out that these quotas are subject to review in March 1980, so that all participating exporter countries can decide whether adjustments are needed in their own tonnages and in Cuba's. This, again, is done by the exporting countries alone, who are obviously those with the greatest interest in the fairness that the gentlewoman from Massachusetts is so anxious to have recognized.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. JOHNSON of Colorado and by unanimous consent, Mr.

FOLEY was allowed to proceed for 2 additional minutes.)

Mr. JOHNSON of Colorado. The mechanism under the ISA allows the exporting countries to readjust their quotas. They obviously intend to do that. I would like to point out that the gentlewoman, when she testified before the Rules Committee on July 31, was opposed to this present bill but she testified in favor of passing the International Sugar Agreement. What has occurred between July 31 and the present time to cause her to change her mind and attack the bill on the grounds of ISA I do not know, but that was her position on July 31.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, a moment ago I just pointed out that the International Sugar Agreement does in fact place limitations on the amount of sugar Cuba can export. Without the agreement, is it not the chairman's agreement that there is absolutely no limitation on the amount of sugar Cuba can export?

Mr. FOLEY. That is correct.

Mr. MOORE. Furthermore, there is absolutely nothing in this bill or in the International Sugar Agreement that gives Cuba the right to export sugar to the United States?

Mr. FOLEY. Absolutely not.

Mr. MOORE. Right now, as a matter of fact, sugar is coming into the United States from Cuba via the back door, which we think this bill will help prevent.

Mr. FOLEY. The gentleman is correct.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I thank the chairman of the committee.

I never did hear the chairman's answer with regard to the gentlewoman's question with regard to the extent of other countries that have special arrangements. Is not the amount that they ship out under these special arrangements deducted by the quota authorized them under the International Sugar Agreement?

Mr. FOLEY. To the best of my knowledge while the special agreements were looked at for all participating countries in setting export tonnages and are recognized by the ISA, they are in no case charged against any country's ISA export tonnage. The purpose of the ISA is only to stabilize prices on the free market, which is the market from which the United States and a number of other consuming nations buy their sugar.

Mr. KELLY. But the gentleman is not able to answer that directly?

Mr. FOLEY. I answer it, to the best of my knowledge the answer is "No."

Mr. KELLY. Then, does the size of these special arrangements with respect to any producing country in the world approach anything like the 4.4 million metric tons that is afforded Cuba?

Mr. FOLEY. Individually and in terms of overall tonnage, the answer is "No." Cuba is the largest sugar exporter in the world.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. KELLY and by unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. In terms of special arrangement exports as a percentage of their total exports, however, the answer is yes.

Mr. KELLY. Will the gentleman yield for a further question?

Mr. FOLEY. Certainly.

Mr. KELLY. I understand that Russia is the largest producer of sugar in the world, and Cuba is the largest producer of cane sugar. Am I correct?

Mr. FOLEY. The gentleman is correct. What I said is that Cuba is the largest exporter of sugar, either cane or beet, in the world.

Mr. KELLY. I did not intend to dispute that, but I just wanted to put in that additional fact.

The situation is that Russia also is not an exporter, yet it has an export quota under the ISA arrangement. Is that true?

Mr. FOLEY. The Soviet Union has an extremely small export quota, yes. In addition, these exports go to Soviet bloc countries.

Mr. KELLY. So, although they do not have enough sugar, what they are going to be able to do is bring the Cuban sugar in the back door, send Russian sugar out the front door, still have what they need and be able to get hard currency from our markets. This has something to do with, when they hang us, they will use a rope sold by the free enterprise system.

Mr. FOLEY. I do not agree at all with either the gentleman's judgment on Russian intentions or what will occur. For example, the Soviet Union is usually the largest wheat producer in the world; yet, it is also one of the largest importers of wheat. It is a very large country, and very often they are not able to meet their own demands.

Mr. KELLY. Importing Cuban sugar will enable them to do that. In other words, the quotas are supposed to limit the growth of sugar, the quantity of sugar in the world market in order to avoid a complete collapse of prices, and by simply using this device Cuba can grow more.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(By unanimous consent Mr. FOLEY was allowed to proceed for 1 additional minute.)

Mr. FOLEY. These countries have limited themselves in terms of both overall and individual exports as a means of collective effort at maintaining a price stability in a range from 11 to 21 cents.

Without the International Sugar Agreement, there is nothing to stop the Soviet Union from exporting all the sugar it wants to, then to increase its sugar imports from Cuba and dump it all over the world. There is no restriction on their activities.

Every country that signed the ISA has undertaken, as the gentleman from Louisiana has pointed out again and again, certain obligations, certain responsibilities, and restrictions. In the absence of an agreement they would be totally free of such restraints. So, I cannot imagine how it is anything but an advantage to responsible international sugar marketing that all countries support the International Sugar Agreement.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield again?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. While we are dealing in this minutia, the Soviet Union is entitled to 500,000 tons of export, which is small compared to the 17.5 million tons traded in the free market.

The CHAIRMAN. There appearing to be no amendments to title I, the Clerk will designate title II.

Title II reads as follows:

### TITLE II—IMPORT RESTRICTIONS ON SUGAR

SEC. 201. DEFINITIONS.

For purposes of this title—

(1) The term "assured return" means—

(A) for the 1979 sugar supply year, 16.3 cents per pound, raw value; and

(B) for each sugar supply year beginning after September 30, 1979, the price objective for such sugar supply year plus .50 cents per pound, raw value.

(2) The term "average daily price for United States raw sugar imports" means the average of the daily market prices (excluding any special import duty imposed under this title) for sugar in pounds, raw value, as determined by the Secretary.

(3) The term "price objective" means the price set forth in, or determined under, section 202(a).

(4) The term "quantitative restriction" means the total quantity of any sugar or sugar-containing product produced in all foreign countries, territories, or areas that may be entered, without regard to source, in any sugar supply year or supply year quarter.

(5) The term "raw value" has the same meaning as is given to such term in headnote 1 to subpart A of part 10 of schedule 1 of the TSUS.

(6) The term "sugar" means any sugar, sirup, and molasses provided for in items 155.20 and 155.30 of the TSUS. The term "raw sugar" means sugar to be further refined or improved in quality. The term "refined sugar" means sugar not to be further refined or improved in quality.

(7) The term "sugar supply year" means the 12-month period beginning on October 1 of each calendar year with each such year being designated by the year in which the beginning date occurs, except that (other than as used in sections 202(a) (3) and (4)) the 1978 sugar supply year shall begin July 1, 1979, and end September 30, 1979.

(8) The term "supply year quarter" means any of the 3-month periods beginning on October 1, January 1, April 1, or July 1 of any sugar supply year.

SEC. 202. PRICE OBJECTIVES AND PAYMENTS TO ACHIEVE ASSURED RETURN.

(a) PRICE OBJECTIVES.—(1) The price objective for the 1978 sugar supply year is 15 cents per pound, raw value.

(2) The price objective for the 1979 sugar supply year is 15.8 cents per pound, raw value.

(3) The price objective for each sugar supply year beginning after September 30, 1980 (hereinafter in this paragraph referred to as the "computation year") is the price objec-

tive for the sugar supply year that immediately precedes the computation year adjusted (but not to a price that is more than 107 percent of the price objective of such immediately preceding sugar supply year) to reflect the percent change between the average farm cost of production for—

(A) the 2 sugar supply years immediately preceding the computation year, and

(B) the 2 sugar supply years immediately preceding the sugar supply year that immediately precedes the computation year.

(4) For purposes of paragraph (3), the average farm cost of production for each sugar supply year shall be determined by the Secretary on the basis of such information as the Secretary finds to be necessary or appropriate for the purposes, and shall be limited to the—

(A) variable cost,

(B) machinery ownership cost, and

(C) general farm overhead cost,

allocated to the crop involved on the basis of the proportion of the value of the total production derived from such crop.

(b) PAYMENTS.—(1) If the assured return is not achieved in any sugar supply year that begins after September 30, 1979, the Secretary shall make payments (subject to the limitations set forth in this subsection) solely to domestic producers of sugarcane and sugar beets at the rate per pound, raw value (but not more than .50 cents per pound, raw value), equal to the amount by which the assured return for such year exceeds the greater of—

(A) the average daily price for United States raw sugar imports during such year; or

(B) the price objective for such year.

(2) Notwithstanding any other provision of this Act, the total amount which any person engaged in the production of sugarcane or sugar beets shall be entitled to receive as a result of payments made under this section shall not exceed $50,000. The term "payments" shall not include loans or purchases. The term "person" as used in this paragraph shall have the same meaning as provided in regulations issued by the Secretary under section 101 of the Food and Agriculture Act of 1977, except as the Secretary may determine necessary to assure a fair and reasonable application of the limitation to persons engaged in the production of sugarcane and sugar beets.

(3)(A) This subsection shall take effect October 1, 1979. The Secretary shall make payments authorized under this subsection through the Commodity Credit Corporation.

(B) During sugar supply years 1978 through 1981, the Secretary may not make payments to, or on behalf of, producers and processors of sugarcane or sugar beets under section 301 of the Agricultural Act of 1949 (7 U.S.C. 1447) or any other provision of law (other than this subsection) that authorizes payments by the Secretary to achieve price support levels for such commodities.

(c) TIME OF PRICE OBJECTIVE AND ASSURED RETURN DETERMINATIONS.—The Secretary shall determine the price objective under subsection (a), and the assured return, for each sugar supply year occurring after September 30, 1980, not later than July 31 of the year in which such sugar supply year begins and on the basis of the best information available at the time. The Secretary shall immediately announce each such determination and promptly thereafter publish it in the Federal Register, but may not thereafter adjust any such determination.

(d) AVERAGE DAILY PRICES.—(1) The Secretary shall determine on a continuing basis the average daily price for United States raw sugar imports and shall monitor the prices of sugar and sugar-containing products in the import trade of the United States.

(2) The Secretary shall publish the determinations made under paragraph (1) in the Federal Register on such periodic basis as he deems appropriate.

SEC. 203. SPECIAL IMPORT DUTIES.

(a) ON SUGAR.—(1) There is imposed on raw sugar entered during any supply year quarter a special import duty that shall be in the amount by which the average daily price for United States raw sugar imports during the 20 consecutive market days immediately preceding the 15th day of the month before the first month of such supply year quarter is less than the price objective that applies for such quarter. There is imposed on refined sugar entered during any supply year quarter such special import duty as the Secretary determines necessary to assure that the price objective for the year shall be achieved.

(2) The Secretary shall undertake a continuing review of the effects of the special import duties imposed under paragraph (1). The amount of such duty on raw sugar in effect for any supply year quarter shall be—

(A) decreased by .50 cents per pound, raw value, if the Secretary determines that the sum of—

(i) the average daily price of United States raw sugar imports for any period of 10 consecutive market days within such supply year quarter; and

(ii) the amount of such duty exceeds the price objective for that quarter by more than .50 cents; and

(B) increased by .50 cents per pound, raw value, if the Secretary determines that the sum of—

(i) the average daily price of United States raw sugar imports for any period of 10 consecutive market days within such supply year quarter; and

(ii) the amount of such duty is less than the price objective for that quarter by more than .50 cents.

The special import duty on refined sugar shall be adjusted at the time changes are made in the special import duty for raw sugar in such amount as necessary to assure that the price objective for the year is achieved.

(3) Notwithstanding the foregoing provisions of this section, if at any time during the sugar supply year the Secretary determines that the special import duties provided for under paragraphs (1) and (2) will not assure that the price objective will be achieved on the average during the supply year, the Secretary shall determine the amount of such adjustments in the special import duties as are necessary to achieve such result. The Secretary may provide for such adjustments in the special import duties determined for the 1978 sugar supply year as the Secretary determines necessary to provide an orderly transition to the program for the 1979 sugar supply year.

(4)(A) The Secretary shall determine and announce the amount of the special import duty imposed under paragraph (1) for each supply year quarter, and shall certify such amount to the President, before the close of the 11th day before the first day of that supply year quarter: *Provided*, That if the date of enactment of this Act is after June 15, 1979, the Secretary shall announce and certify any special import duty for the supply year quarter commencing on July 1, 1979, 5 days after the date of enactment of this Act to be effective on the date as provided in section 204.

(B) The Secretary shall announce any special import duty adjustment required to be made under paragraph (2), and shall certify such adjustment to the President, before the close of the 3d market day after the last day of the period of 10 consecutive market days on which the adjustment determination is based.

(C) The Secretary shall announce any special import duty adjustment required to be made under paragraph (3), and shall certify such adjustment to the President before the close of the 3d market day after determining its amount.

(5) This subsection shall apply with respect to the supply year quarter that begins July 1, 1979, and to each supply year quarter thereafter.

(b) ON SUGAR-CONTAINING PRODUCTS.—(1) The President may—

(A) after receiving a recommendation from the Secretary under paragraph (2), and subject to subsection (c), impose a special import duty on the sugar content of such sugar-containing products and in such amounts, as the President considers to be necessary to assure that the price objective for such sugar supply year will be achieved; and

(B) after receiving a recommendation from the Secretary under paragraph (3), make such adjustments with respect to any special import duty imposed under subparagraph (A) that the President considers necessary to achieve the price objective for the sugar supply year concerned.

(2) If at any time during any sugar supply year after September 30, 1979, the Secretary considers that the imposition of a special import duty on the sugar content of any sugar-containing product is necessary to assure that the average daily price for United States raw sugar imports will result in the price objective for such sugar supply year being achieved, the Secretary shall recommend to the President that the President impose such special import duties under paragraph (1)(A) on the entry of such sugar-containing products as the Secretary deems appropriate.

(3) The Secretary shall review, on a supply year quarter basis, the effect of all special import duties imposed under paragraph (1)(A). On the basis of such review, the Secretary may recommend to the President such adjustments with respect to the amount of any such duty, or with respect to sugar-containing products to which any such duty should be extended or removed, as the Secretary determines to be necessary to achieve the price objective for the sugar supply year concerned.

(4) Each recommendation made by the Secretary to the President under this subsection shall be promptly published by the Secretary in the Federal Register.

(c) SPECIAL RULES FOR SUGAR-CONTAINING PRODUCTS.—If the President has reason to believe that the sugar-containing product, to which any recommendation made by the Secretary under subsection (b)(2) applies, will adversely affect, or is adversely affecting, the achievement of the price objective during the sugar supply year concerned, the President may not impose any special import duty under subsection (b)(1)(A) on the sugar content of such product before—

(1) requesting the United States International Trade Commission to undertake an investigation to determine whether, and to what extent, the entry of such product is adversely affecting the achievement of the price objective; and

(2) taking into consideration the results of such investigation;

except that, if the Secretary in any recommendation made under subsection (b)(2) also advises the President that a condition exists with respect to the sugar-containing product concerned that requires emergency treatment, the President may immediately impose a special import duty under subsection (b)(1)(A) pending the receipt and consideration by him of the results of the investigation requested under paragraph (1). The United States International Trade Commission shall submit to the President a report on any investigation requested by him under this subsection within 60 days after the date of such request.

### Sec. 204. Proclaiming of Special Import Duties.

(a) Authority.—The President shall proclaim, under the authority of the headnotes to subpart A of part 10 of schedule 1 of the TSUS, the special import duties, and the adjustments thereto, that are required to be imposed, or that may be imposed at his discretion, under section 203.

(b) Special Provisions Relating to Proclamations.—(1) The special import duty certified to the President under section 203 (a)(1) shall be proclaimed by the President not later than the 5th day before the first day of the supply year quarter in which such duty applies: Provided, That if the date of enactment of this Act is after June 15, 1979, the President shall proclaim any special import duty certified under section 203(a)(1) for the supply year quarter commencing on July 1, 1979, not later than the 5th market day after the date of enactment of this Act to be effective on the date of proclamation or July 1, 1979, whichever is later.

(2) Any special import duty adjustment certified to the President under section 203 (a)(2) shall be proclaimed by the President not later than the close of the 5th market day after the last day of the period of 10 consecutive market days on which the adjustment determination is based.

(3) Any special import duty adjustment certified to the President under section 203 (a)(3) shall be proclaimed by the President not later than the close of the 5th market day after the adjustment determination is made by the Secretary.

### Sec. 205. Quantitative Restrictions on Imported Sugar and Sugar-Containing Products.

(a) Imposition.—At the end of the first 6 months of each sugar supply year beginning with the 1979 sugar supply year, the Secretary shall determine whether the price objective for that year will be achieved on an average basis by the special import duties in effect during that year and publish such determination in the Federal Register, together with a statement of factors which entered into the determination. If the Secretary determines that the price objective for that year will not be achieved on an average basis by the special import duties in effect during that year, the Secretary shall certify to the President such quantitative restrictions on the total amount of sugar and sugar-containing products which may be entered during the balance of that sugar supply year as the Secretary determines to be necessary to achieve, in conjunction with the special import duties imposed during the supply year concerned, the price objective for the year on an average basis. Any quantitative restrictions certified to the President shall be proclaimed by the President not later than the close of the 5th market day after the determination of the Secretary.

(b) Review.—If any quantitative restrictions are in effect under this section, the Secretary shall review, from time to time, the effect of such restrictions and shall certify to the President such adjustments in the restrictions as the Secretary determines are required to achieve the relevant annual market price objective. The President shall proclaim the adjustments in quantitative restrictions as certified by the Secretary, not later than the close of the 5th market day after the determination of the Secretary, with a statement of the factors which entered into such determination.

(c) Global Restriction.—Any quantitative restriction imposed under subsection (a) shall be administered as a global quantitative restriction imposed in terms of raw values.

### Sec. 206. Prohibited Acts.

(a) Certain Imports and Exports.—No person may—

(1) bring or import into the Virgin Islands in any sugar supply year for consumption in such islands, any sugar in excess of 100 pounds if such sugar was produced from sugarcane or sugar beets grown outside the United States; or

(2) export to any foreign country any sugar entered under any quantitative restriction imposed under section 205.

(b) Civil Penalty.—Any person who knowingly violates, knowingly attempts to violate, or knowingly participates or aids in the violation of subsection (a) shall forfeit to the United States the sum equal to three times the market value of the time of the commission of any such act, of that quantity of sugar involved in the violation, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

### Sec. 207. Exempt Articles of Sugar.

(a) Description of Articles.—This title does not apply with respect to any sugar or sugar-containing product—

(1) of any aggregate value not exceeding $25 in any one shipment, if entered as samples for the taking of orders, for the personal use of the importer, or for research;

(2) entered for the production of alcohol other than any alcohol or resulting byproduct for human food consumption;

(3) entered for the production of yeast, citric acid, or monosodium glutamate; or

(4) any sugar entered for the production of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar as a sweetener in human food consumption.

(b) Rules and Regulations.—The Secretary of the Treasury shall issue such rules and regulations as may be appropriate to implement this section.

### Sec. 208. Certain Exportations of Sugar.

Sugar entered under a bond, established under rules promulgated by the Secretary of the Treasury, for the purpose of subsequently exporting an equivalent quantity of sugar as such, or in manufactured articles, shall not be considered to be sugar entering the United States for purposes of section 205. Sugar exported under the provisions of sections 309 and 313 of the Tariff Act of 1930 (19 U.S.C. 1309 and 1313) shall be considered to be an exportation within the meaning of this section.

### Sec. 209. Suspension of Title.

If the President finds that a national economic or other emergency exists with respect to sugar, the President may by proclamation suspend the operation of this title, and headnote 2(b) to subpart A of part 10 of schedule 1 of the TSUS to the extent that it applies with respect to this title, until such time as the President finds and proclaims that such emergency no longer exists. The Secretary shall make such investigations, and prepare such reports, as the President may require for purposes of carrying out this section.

### Sec. 210. Regulations.

The Secretary shall issue such rules and regulations as he determines to be appropriate to carry out his functions and duties under this title. The knowing violation of any rule or regulation issued by the Secretary under this section upon conviction is punishable by a fine of not more than $1,000 for each such violation.

### Sec. 211. Amendments to TSUS.

The headnotes to subpart A of part 10 of schedule 1 of the TSUS are amended—

(1) by amending headnote 1 to read as follows:

"1. For the purposes of this subpart—

"(i) the term 'degree', as used in the 'Rates of Duty' columns of this subpart, means sugar degree as determined by polariscopic test;

"(ii) the term 'total sugars' means the sum of the sucrose and reducing or invert sugars contained in any grade or type of sugars, sirups, and molasses; and

"(iii) the term 'raw value' means the equivalent of such articles in terms of ordinary commercial raw sugar testing 96 degrees by polariscope as determined in accordance with regulations issued by the Secretary of the Treasury. The principal grades and types of sugar shall be translated into terms of raw value in the following manner:

"(A) For sugar described in item 155.20, by multiplying the number of pounds thereof by the greater of 0.93, or 1.07 less 0.0175 for each degree of polarization under 100 degrees (and fractions of a degree in proportion).

"(B) For sugar described in item 155.30, by multiplying the number of pounds of the total sugars thereof by 1.07.

"(C) The Secretary of the Treasury shall establish methods for translating sugar into terms of raw value for any special grade or type of sugar for which he determines that the raw value cannot be measured adequately under the above provisions.".

(2) by amending headnote 2 by inserting "(a)" immediately after "2.", and by adding at the end thereof the following:

"(b) In addition to the authority of the President under section 201 of the Trade Expansion Act of 1962 (19 U.S.C. 1821) to proclaim modifications of the rates of duty and quotas on imports of sugars, sirups, and molasses provided for in items 155.20 and 155.30, the President shall, for purposes of carrying out, and subject to, title II of the International Sugar Stabilization Act of 1979, proclaim special import duties on—

"(i) imports of any such sugars, sirups, and molasses; and

"(ii) the content of any such sugars, sirups, and molasses in imported products containing such sugars, sirups, and molasses.

Any special import duty proclaimed under this subdivision on the entry of any article is deemed to have given due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, shall be in addition to any other duty imposed by law on such entry and may not be made the subject of any preferential concession under any law or international obligation of the United States."; and

(3) by amending headnote 3 by striking out "For purposes of this headnote," and all that follows thereafter.

### Sec. 212. Termination of Authority Under Title.

No special import duty or quantitative restriction may be imposed, and no direct payment may be made, under this title with respect to any sugar supply year after the 1981 sugar supply year.

### AMENDMENTS OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, on behalf of the Ways and Means Committee, I offer technical amendments.

The Clerk read as follows:

Amendments offered by Mr. Vanik: Page 37, line 18, strike out "occurs," and all that follows thereafter down through line 21 and insert "occurs.".

Page 38, strike out lines 4, 5, and 6 and insert the following:

the 1979 sugar supply year is 15.8 cents per pound, raw value.

Page 38, line 7, strike out "(3)" and insert "(2)".

Page 38, line 20, strike out "(4)" and insert "(3)".

Page 43, line 1, strike out "The Secretary" and all that follows thereafter down through line 5.

Page 44, line 2, strike out "July 1, 1979," and insert "October 1, 1979.".

Mr. VANIK (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Chairman, basically, the first bloc of amendments simply makes changes in printing style and phraseology, which we believe will help make the title a little easier to administer.

The second bloc of amendments is one which was successfully offered by the gentleman from Minnesota (Mr. Frenzel) in the committee and which dropped references to the 1978 sugar supply year. Since this sugar supply year terminated at the end of September, it is obviously not a factor in this legislation, and the deletion of references to it simply eliminates some obsolete language. Other technical amendments included in this package provide that if the bill is enacted after the start of a new sugar supply year quarter—that is after October 1—which is now the case—then the various duty levels, and so forth, will be effective 5 days after enactment.

I urge adoption of this package of technical amendments.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, we have examined these technical amendments on this side. As far as the Committee on Agriculture is concerned, we have no objection to the amendments.

Mr. VANIK. I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, we have no objection to the technical amendments.

Mr. VANIK. I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio (Mr. Vanik).

The amendments were agreed to.

Mr. McCORMACK. Mr. Chairman, I move to strike the last word.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will be happy to yield to the gentleman from Minnesota.

PARLIAMENTARY INQUIRY

Mr. FRENZEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRENZEL. Mr. Chairman, is the Vanik amendment now pending?

The CHAIRMAN. The Vanik amendment has been agreed to.

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Mr. McCORMACK. Mr. Chairman, I rise in support of H.R. 2172, the sugar bill. I would describe it as a consumer protection act. I want to congratulate the chairman of the Committee on Agriculture, the gentleman from Washington (Mr. Foley) and the chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. Ullman) for bringing this bill before the House.

Those Members who do not know much about the Fourth Congressional District of Washington State may wonder why I am interested in sugar or sugar legislation, but the fact is that the largest sugar refinery in the world is located near Moses Lake in the Fourth Congressional District of eastern Washington, an area which I represent. In addition to that, another large sugar refinery is located in Toppenish, Wash., in the Fourth Congressional District. The largest sugar refinery in the world is closed, Mr. Chairman. It is not operating because it cannot be operated at a profit with the present price of sugar in this country. The sugar beets for these refineries are provided by hundreds of farmers operating modest size irrigated farms in the Columbia Basin and the Yakima Valley, and the farmers who have been producing beets to make sugar for the people of the United States are now forced to turn to other crops; and the people of the United States are the losers.

Of course, I have been troubled by the fact that these sugar refineries are closed; not only because it presents an economic problem for the people of the Columbia Basin and the Yakima Valley, but also because it makes the consumers of this country vulnerable to the international sugar market. I had intended, Mr. Chairman, to offer an amendment to increase both the market price objective and the direct payment to guarantee an assured return to the farmers, to increase the market price objective of this bill from 15.8 cents a pound and the direct payment from one-half cent a pound. However, I have been persuaded not to offer my amendment. Accordingly, I take this time to emphasize to my colleagues that this legislation, setting these market price objectives, is necessary to keep our domestic sugar beet farmers in operation. Indeed, the prices in the bill may be too low already, and the allowable inflationary rate is probably too low already. So make no mistake about it, this legislation is not dealing in the abstract. The fact is that the refineries are closed in this country because we do not have a sugar program. Every single consumer in the United States, is vulnerable to the vagaries of the international sugar market because we are not producing enough of our own sugar. H.R. 2172 is a consumer protection bill which would stabilize the sugar market and the sugar economy in this country, and I urge my colleagues to support the legislation.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

One point that the gentleman overlooks that it seems to me is important in this total picture is, I have just gotten some figures from the Reclamation Bureau records, and it turns out that seven western States in the last 5 years with beet growers—and this is dealing with western beet sugar producers—have received $200 million, in this last 5-year period, of Federal support in irrigation, watering of their land to produce beet sugar. I think that this is a worthwhile and admirable thing that we are doing; however I do want to make the point that an average of $40 million a year has been spent on water irrigation—Federal money—for beet growers, including the State of Washington.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. McCormack was allowed to proceed for 2 additional minutes.)

Mr. McCORMACK. I thank the gentleman for his comments. I should like to point out that the irrigation programs of the West are, of course, among the best investments of any Federal dollars that we spend, and that these desert areas of the West, which were totally unproductive in the past where one generation of farmers after another broke their backs and went completely bankrupt; these irrigated farms are now among the most beautiful productive areas for healthy American families that we have in this country. They are not only producing sugar beets; they are producing corn and hay and beans and potatoes and cattle and row crops and wheat and many other crops for the benefit of the people of this country. The amount of money we have spent to irrigate these areas of the West is a pittance compared to what is being returned to the Treasury from these areas, and I can assure the gentleman that there is a tremendous benefit to the people of this country from these irrigation programs.

Mr. PEYSER. Will the gentleman yield further?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. PEYSER. I think it is important that the gentleman recognize I did not say I oppose the moneys that were being spent here because I do support them, but I think it is important that we know that the beet sugar producers have received this kind of Federal support and are receiving it, and I support it. But I think we should not let the public be under the impression that these are people who have been isolated from the Federal Government support programs, because they have not.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from New York (Mr. Peyser) has the greatest ability to bring into debate extraneous material that is totally irrelevant. The reclamation projects in the West are paid back by the users over a 50-year period, and the projects which the Federal Government has financed have been used for such a wide variety in addition to what the gentleman has already stated that this has nothing to do with the question of whether or not this bill should be passed.

I concur with what the gentleman said about the closing of mills. I would also like to point out that sugar mills have closed in Colorado, Idaho, Utah, and Louisiana in addition to the State of Washington.

Mr. McCORMACK. I thank the gentleman for his comments, and I agree with him. In conclusion, I should observe that the investment in the irrigation of the West is the best way we could possibly invest our money, and this legislative program for our sugar producers will benefit all consumers in this country.

### AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 39, strike out line 15 and all that follows thereafter down through line 2 on page 40 and insert the following:

(2) (A) Notwithstanding any other provision of this Act, the total amount which any person engaged in the production of sugarcane or sugar beets shall be entitled to receive as a result of payments made under this section shall not exceed $50,000.

(B) As used in this paragraph—

(i) The term "payments" does not include loans or purchases.

(ii) The term "person" has the same meaning as provided in regulations issued by the Secretary under section 101 of the Food and Agriculture Act of 1977, except as the Secretary may determine necessary to assure a fair and reasonable application of the limitation under subparagraph (A) to persons engaged in the production of sugarcane and sugar beets.

Page 41, line 7, after "(1)" insert "(A)".

Page 41, strike out line 14 and insert the following:

(B) There is imposed on refined sugar entered during any supply

Page 41, strike out lines 18, 19, and 20 and insert the following:

(C) The Secretary shall undertake a continuing review of the effects of the special import duties imposed under this paragraph.

(2) (A) The amount of the special import duty imposed under paragraph (1) (A) on raw sugar in effect

Page 42, lines 1 and 10, strike out the semicolon and insert a comma.

Page 42, lines 3 and 12, insert a comma after "duty".

Page 42, strike out lines 15 through 18, inclusive, and insert the following:

(B) The special import duty imposed under paragraph (1) (B) on refined sugar shall be adjusted, at the time adjustments are made under subparagraph (A) to the special import duty on raw sugar, in such amount as is necessary to assure that the price objective for the year is achieved.

Page 43, line 7, strike out "duty" and insert "duties".

Page 43, line 9, strike out "amount" and insert "amounts".

Page 43, line 10, strike out ": *Provided*," and all that follows thereafter down through line 15 and insert "; except that if the date of the enactment of this Act occurs after the first day of a supply year quarter to which this subsection applies, the Secretary shall announce and certify any special import duty for that quarter before the close of the fifth day after such date of enactment.".

Page 46, lines 24 and 25, strike out "The special import duty certified to the President under section 203(a) (1)" and insert "Any special import duty under section 203(a) (1) that is certified to the President".

Page 47, line 2, strike out ": *Provided*," and all that follows down through line 8 and insert "; except that if the date of the enactment of this Act occurs after the first day of a supply year quarter to which such section applies, the President shall proclaim any special import duty certified under such section for such quarter not later than the fifth market day after such date of enactment.".

Page 47, lines 9 and 10, strike out "certified to the President under section 203(a) (2)" and insert "under section 203(a) (2) that is certified to the President".

Page 47, lines 14 and 15, strike out "certified to the President under section 203(a) (3)" and insert "under section 203(a) (3) that is certified to the President".

Page 54, line 8, insert "the" before "purposes".

Mr. VANIK (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Chairman, I would like to advise my colleagues that this amendment provides for better phraseology and eliminates obsolete referrals to the 1978 sugar year which expired last September 30. I urge adoption of the amendment.

### AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENT OFFERED BY MR. VANIK

Mr. FRENZEL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL to the amendment offered by Mr. VANIK: In lieu of the matter proposed to be stricken and the new language to be inserted as offered by Mr. VANIK with respect to section 202(b), strike out line 4 on page 39 and all that follows through line 12 on page 40 and insert the following:

(b) PROHIBITION ON PAYMENTS.—During the supply years 1979 through 1981, the Secretary shall not make payments to, or on behalf of, producers and processors of sugar cane or sugar beets under section 301 of the Agriculture Act of 1949 (7 USC 1447) or any other provision of law that authorizes payments by the Secretary to achieve price support levels for such commodities.

Page 36, strike out line 11 through line 17, inclusive.

Renumber the succeeding paragraphs of section 201 accordingly.

Mr. FRENZEL. Mr. Chairman, my amendment would prohibit direct payments from being used in any way to achieve price support levels for sugar during the period of time the price support program established in H.R. 2172 is in effect.

Members of this Committee will remember that last year the House on two different occasions expressed its opposition to direct payments. As a matter of fact, when the conference report came back from the Senate, the House rejected the conference report for the principal reason that it contained a direct payment to sugar producers.

In my judgment, it will be very difficult to pass a bill again this year with a direct payment in it. Therefore, I offer this amendment to eliminate the payments, and, perhaps, to make it easier to pass the bill.

The use of direct payments would advance sugar into the growing ranks of agricultural commodities subject to every sort of government involvement. As we are all aware, the record of the Federal Government in such matters has been a dismal one, indeed.

Direct payments are a direct subsidy to the sugar industry. Many of us in this body have consistently fought such a subsidization because it protects inefficiency. It hides the cost of sugar from the consumer. It promotes a noncompetitive atmosphere in both domestic and world markets, and it causes trade and other market distortions that in the long run are detrimental to everyone concerned.

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We have a recent example of a direct payments program for the 1977 crop year. That record was more dismal than usual and Congress was sufficiently disillusioned so that it replaced that interim program with a system of loans and purchases now in effect.

In March of this year GAO released a report on questionable payments which concluded:

> The administration of the sugar price-support program has resulted in . . . questionable payments of about $26.9 million.

Those questionable payments resulted from methods of calculating regional market prices, from payments made on ineligible sugar, and to a variety of problems in the promulgation and administration of the payment program regulations.

Especially in the cases of payments made for ineligible sugar, both administrative laxity and maneuverings by the industry to make ineligible sugar appear to be eligible contributed to the overpayments.

In addition, people who can sell their sugar at a high price under this bill can legally qualify for the full amount of the direct payment even though the total amount received by the producer is above the assured return in this bill.

Even without the direct payments, even if my amendment is successful, the bill now before us will be more generous than the bill we considered and passed last year. Even though inflation has undoubtedly caused the figures which would have been effective under that bill to rise somewhat, they would not be above the price objectives, even after the effect of my amendment as projected for H.R. 2172.

Also, unlike last year's bill, this bill continues wide range of support features. It continues the loan and purchase program with interest forgiveness in addition to the special fees, backup quotas, and direct payments. All in all, H.R. 2172 is considerably more generous than the sugar bill approved last year, not approved, incidentally, by an overwhelming margin.

As I mentioned in my general remarks last week, I further object to the use of direct payments because they destroy what few normal market forces remain when a price-support program is established for a commodity like sugar. Direct payments are not reflected in the marketplace, they are hidden in the tax system. As a consequence, consumers lose an important pressure point on prices: The ability to decide when the price of sugar is too high and when to go to competitive forms and substitutes.

Since 1974 sugar substitutes have become more and more competitive. Direct payments, however, tend to equalize the price of sugar and sugar substitutes, with the consumers paying, through their taxes, for the artificially improved competitive position of raw sugar.

Direct payments are an ineffective and market-distorting method of supporting the price of sugar or of any commodity. We should not include it in this legislation. I urge my colleagues to support my amendment.

Mr. Chairman, I would conclude by saying there would be some who would like to get the bill passed who will want to vote against this amendment. In my judgment, that is likely to be a mistake because if this amendment is not adopted I think there is a fair chance that the bill itself will fail.

My amendment is supported by a wide range of consumer groups and unions, unusual bedfellows for me, but whose support is gratefully accepted.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ALBOSTA and by unanimous consent, Mr. FRENZEL was allowed to proceed for 2 additional minutes.)

Mr. FRENZEL. I yield to the gentleman from Michigan.

Mr. ALBOSTA. Mr. Chairman, I would like to ask the gentleman if he thinks the American farmer is going to produce sugar, continue to produce it without an incentive program or the incentive part of this bill.

Mr. FRENZEL. In my judgment, the direct payment is the principal offending element of this bill. Without direct payments, there are other supports for the farmer which I think he needs.

I would remind the gentleman I voted for this bill in subcommittee, I voted for it in committee, I would like to see a sugar program. I think all sugar programs are distorted, but we have to have one. I agree that the gentleman's constituents need some protection. I do not agree they need direct payments.

I yield to the gentleman.

Mr. ALBOSTA. If the farmer does not get that protection and he does not grow the sugar beets or does not grow the sugar cane, then the factories cannot operate. Would that not be so? The incentive program is put into this bill to encourage the farmer to stay in the sugar business in the interim period of the next 3, 4, or 5 years until the Philippine Islands, Brazil, all the other countries that are world exporters are into the alcohol business and using their own sugar at which time there will be a depletion in the amount of sugar that will be distributed around the world. Certainly that is going to bring the price up. If we do not do something to keep them in business now, how are you going to get them back in business then?

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution but I must say I have told the gentleman before I do not object to protection. I do object to direct payments, particularly when they are laid upon another range of protective devices which ought to be satisfactory or, if they are not, they should be increased. It is the direct payment to which I object, not the support which the gentleman seeks to have for his producers.

I yield to the gentleman from Michigan.

Mr. ALBOSTA. I want to go on record and say I am in favor of these direct payments simply because I believe we have a perishable commodity in sugar beets. We cannot store them as beets as such, you have to process them into sugar, and that it would be in the best interests of the consumer and the country to have them there to continue the sugar production.

Mr. PEYSER. Mr. Chairman, I make a point of order a quorum is not present.

The CHAIRMAN. The gentleman from New York is advised that his point of order is not in order at this time.

Mr. MOORE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I urge my colleagues to vote down the Frenzel amendment as we did in the Subcommittee on Trade and the full Committee on Ways and Means. If we are against direct payments on a philosophical basis, as evidently the gentleman from Minnesota who offered this amendment is, that is a good philosophical point, but this is not the time to debate it. We are talking about whether or not the sugar industry is to remain a viable agricultural industry in this country. We have direct payments now in the 1977 general farm bill for almost every commodity you can name. We should debate the philosophical merits and demerits of payments when all the farm programs are up for consideration in 1981, not now concerning only one.

The interesting thing is, with the exception of corn, the amount of the direct payment, the total amount that comes from the Treasury and the rate of the direct payment is higher for every one of those other commodities than what we propose here for sugar. We are talking about only up to a half-cent-a-pound direct payment that might cost the Treasury somewhere between $40 million and $50 million a year. For such commodities as wheat you are talking about a much higher direct payment of eighty-seven hundredths of a cent instead of a half cent and $617 million a year. All others are higher than sugar as well.

Mr. Chairman, the philosophical argument is one we really should not consider at this point. The sugar industry cannot basically stay in business without this half-cent direct payment. The farmers do not want it. They did not come in here and ask for it. What they asked for was a 16.3-cent-per-pound price support as we are proposing in this bill, one-half cent of which turns out to be a direct payment. They did not want the half-cent direct payment. They wanted it all to come out of the marketplace. The administration imposed that upon us by telling us that, if the direct payment is not in the bill, they would veto a 16.3-cent price support. The farmers had no choice and we do not now.

Now, Mr. Chairman, it is unfair to take out this half-cent payment and give the sugar farmers less price support than they need to stay in business. Without the Frenzel amendment, I point out that sugar has less price support as a percent of parity of any commodity that gets any kind of price support or any kind of protection today in our law.

At 16.3 cents per pound which includes the half-cent direct payment, that amounts to 53.5 percent of parity, the lowest for any commodity. Milk is the highest with 80 percent and the rest range somewhere in between. If we accept the Frenzel amendment and we reduce this amount of price support to American sugar from 16.3 cents—take away the half cent—down to 15.8-cents per pound, you are then at 51.8 percent of parity. Almost 2 full percentage points below what is anticipated in the bill and 4 full percentage points below what we give for the lowest other commodity, rice, and there is no reason for that. The sugar industry is in trouble, the sugar industry needs help. In Louisiana, the 16.3-cents a pound will not keep anyone but the most efficient in business, as our cost of production runs somewhere between 17.5 and 18 cents a pound.

□ 1520

It is just simply not fair to take away this price support on this commodity at this time when we give it for so many other commodities in a greater amount and at a greater rate.

Now, one last thing of interest about price supports and direct payments. The fact is that the other commodities that we give direct price support payments from the Treasury do not do anything to put money in the Treasury. In this case, this bill, by virtue of duties and tariffs on foreign imported sugar will raise a minimum of about $217 million a year, four times the amount that will be paid out of the Treasury in terms of price support for sugar.

Now, all the other commodities are getting price support. They are getting it in a higher amount, at a higher rate and a higher charge to the Treasury and they contribute nothing to the Treasury.

In this bill, sugar is producing more money than it pays out and getting less back in terms of price support than any commodity on the books.

Sugar deserves this. Sugar is going to go out of business without it.

While I respect the arguments of my colleague, the gentleman from Minnesota, this is no time for a philosophical argument. We are talking about the realities of staying in business and being at least on a subpar support basis with the other agricultural commodities.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I certainly yield to my colleague, the gentleman from Louisiana.

Mr. TREEN. Mr. Chairman, I thank the gentleman for yielding.

I want to commend the gentleman for his efforts in the Committee on Ways and Means in bringing this legislation to the floor.

I particularly want to underscore one of the points that the gentleman makes and that is that the sugar farmers and producers did not want this payment, this half-cent payment. What they really wanted, of course, years ago, was a continuation of the Sugar Act which had given us price stability for many, many years. What they want today is to control the flow of imported sugar, so that we can achieve a decent price. The half-cent payment was a concession, in effect, to the administration in order to get the bill through.

I can tell you that the producers in my district definitely did not want that particular approach, but we must have it. The amendment, of course, must be defeated.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. MOORE) has expired.

(At the request of Mr. FRENZEL, and by unanimous consent, Mr. MOORE was allowed to proceed for 2 additional minutes.)

Mr. MOORE. Mr. Chairman, I thank the gentleman for securing this time for me and I do intend to yield to the gentleman.

I first want to thank my colleague, the gentleman from Louisiana (Mr. TREEN) for his comments. There has been no one in the Congress who has fought longer and harder and been in this battle more times than the gentleman has and the gentleman's support for sugar is something I think that is well noted in the CONGRESSIONAL RECORD of this body.

I would also point out one additional factor that is in this bill and that is there is built in it the highest minimum wage in Federal law, something that is not there for any other agricultural commodity. Nobody is complaining about that. We want to see people who work in the sugarcane fields to be well paid or better paid than other industries, if at all possible; but it is awfully cruel to take sugarcane farmers that are losing money and take away the half-cent direct payment which this amendment does, but leaves in the bill these labor provisions which nobody else in the country is saddled with, but we have saddled sugar production with. That is something else that ought to be noted in the debate on this amendment.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding.

I myself yield to no one in my affection and admiration of the two gentlemen from Louisiana. However, the gentleman in the well indicated that this program was going to pay for itself on fees. Is it not true that those fees are added to the cost of sugar and, in fact, paid for by the consumers who buy the sugar?

Mr. MOORE. Yes, it is, and I submit that that is where the price support ought to be paid, as opposed to from the Treasury. Any price support, I think, ought to be paid for by the users of that commodity.

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield further, I agree with the gentleman. Price support ought to be paid by users, not by general taxpayers. But the money does not come from foreigners or from God. It comes out of the pockets of consumers. I just wanted to set that straight in the record.

Mr. MOORE. As any duty or any tariff does, that is correct.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman.

Mr. TREEN. Mr. Chairman, will the gentleman yield further?

Mr. MOORE. I yield to my colleague from Louisiana.

Mr. TREEN. Of course, it will be paid for by the consumer. All costs are paid for by the consumer; but if we want to protect the consumers of this country against spiraling high prices, we will see to it that we keep at least a domestic production that will provide us with 50 percent of our needs, and that is what this bill is all about.

Mr. NOLAN. Mr. Chairman, I move to strike the requisite number of words.

I want to rise in opposition to the Frenzel amendment. As the gentleman from Minnesota (Mr. FRENZEL) knows, we have a cooperative of some 300 sugar beet producers in our own State of Minnesota that has been teetering between bankruptcy and survival for almost 3 years now because of the severely depressed sugar prices. This kind of support is going to be vital if they are going to have an opportunity to survive.

Now, for those who are not familiar with this issue and watching the debate in their offices on television, it should be known that this payment program represents a substantial change in the payment program: In the past there was absolutely no payment limitations. Under this payment program, there is a $50,000 payment limitation and also a stipulation that the payments go directly to the producers.

Under the old programs, payments used to go to some of the largest corporations in America, large sugar corporations, in amounts of tens of millions of dollars.

Under this program the way it is written by the committee, those big corporations will be subject to the same $50,000 payment limitation as one of the family farm sugar beet producers out in Minnesota. Of course, they do not like that. That is one of the reasons why those large corporations would like to see the Frenzel amendment passed, because this is an attempt to give aid directly to the smaller family farmers, without at the same time giving huge windfalls to the very, very large corporations.

While I have the floor, I want also to make it clear so that everybody understands that the domestic sugar industry is in very, very serious trouble and without the kind of support that is contained in this bill, more and more sugar beet producers are going to go out of sugar beet production and that means more and more of their processing plants and cooperatives are going to go out of business. We will then become more and more dependent upon imported sugar, which, yes, at this point in time is very cheap; but I ask everyone in this Chamber, particularly my liberal colleagues whom I have worked with on so many projects here over the years to recognize that sugar coming into this country from the Third World is cheap for a very, very specific reason. It is paid for out of the hunger and the malnutrition and the starvation of the people in those countries. The sugar that is grown in the developing world is more often than not owned by very wealthy families or government corporations or a combination of the two. They take the most valuable and productive land in those countries, and instead of growing fresh fruits and vegetables and grains and cereals to feed the starving and the hungry masses in those countries, they are growing sugar to export to the United States. If we want sugar in this country, that is fine; but we ought to have the decency and the good sense to be willing to pay for it ourselves and not ask little children and hungry, starving people around the world to pay for it. That is the least that we can do.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. Yes, I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the sugar industry and the processors that are teetering on the edge of bankruptcy are in Minnesota, as I understood the gentleman; and if that then be the case, was it not the same gentleman that added the labor provision that is going to add to the cost of operation and production in terms of millions of dollars that will be passed on to the consumer that are also suffering, and if the industry was in such bad shape why would we run up the cost of production, as a part of trying to save the industry?

Mr. NOLAN. Mr. Chairman, the gentleman raises a good question. The fact is that the plants are already in bankruptcy or are nearing bankruptcy or have already gone out of business because of bankruptcy, not just in Minnesota, but in the far West, the far South, the Southwest, the Southeast, and all over the country.

I point out Minnesota only because it is probably one of the most modern and most efficient plants, one of the newest plants anywhere in the world. The plant is owned and supported by some of the most efficient producers anywhere in the world and they are having trouble surviving because they cannot compete with countries that produce sugar while paying their people $1 and $2 a day to produce that sugar.

Yes, I was an author and a sponsor and a worker on that committee for the highest wage and the best labor provisions that we could possibly get; but you know what, it does not hurt the Minnesota producers one bit. Do you know why? Because they have a tradition of paying their labor decent wages and giving them good salaries and good benefits. Unfortunately, there are some sections of the country that do not have that kind of tradition; so those people suffer, and that is why we come in here and fight for good labor provisions.

☐ 1530

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. Nolan) has expired.

(On request of Mr. Kelly, and by unanimous consent, Mr. Nolan was allowed to proceed for 2 additional minutes.)

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I find myself in a strange agreement with the gentleman for entirely different reasons. I also hope that the Frenzel amendment is defeated.

But on the point concerning labor, on which I think the gentleman is absolutely correct, there are parts of this country where we have had slave labor. I am on the Subcommittee on Trade of the Committee on Ways and Means, and we have heard from people who work in the fields, in many instances very young people, at extremely low labor rates. There is just no question about that.

I am not really concerned about driving up the cost of labor because if driving up the cost means we are going to pay someone who works their tail off in cane fields a living wage, that should be one of the costs we have to pass on to consumers.

What I want to focus on is one of the gentleman's functional points, and that is that the price of sugar is supported by the slave labor rates paid in other countries, and that unless we have a domestic market, we will somehow be dependent upon foreign sources of sugar as we are for oil and for other strategic materials.

I want to ask the gentleman this—and the gentleman and I are close friends—and I want the gentleman to honestly tell me the answer: Under this bill, do we not really support the price and are we really paying to have an inefficient domestic sugar industry?

Not only is the world price of sugar less, but the fact is that we are dependent as a Nation on other countries for bananas and cocoa, although we do not feel that a banana cartel is growing to prevent the United States from getting bananas. There are at least 100 countries in the world that produce sugar.

Mr. Chairman, will the gentleman respond on those points?

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. Mr. Chairman, I will respond to the question of the gentleman from New York (Mr. Downey) first.

The fact is that we are not supporting an inefficient industry. That is why I used the Minnesota example. It has some of the most modern and most efficient plants anywhere in the world. Perhaps the major difference is that they pay decent wages to their employees.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. Nolan) has again expired.

(On request of Mr. Downey, and by unanimous consent, Mr. Nolan was allowed to proceed for 2 additional minutes.)

Mr. NOLAN. Mr. Chairman, if I may proceed, let me say that instead of paying a dollar a day for labor, in Minnesota, producers are paying in the neighborhood of $6 an hour. So the so-called economists say that it is relatively inefficient compared to the sugar producer in other countries because they can produce it for 3 or 4 cents cheaper. But the reason why we are considered inefficient is because we are paying decent salaries to our laborers.

The other point that is raised about the foreign producers, a point that I did not raise here yet, is the fact that because foreign sugar is controlled and in the hands of such a few people and a few governments, it is very, very volatile and easily manipulated. There is nothing to guarantee anybody here in this country that if we phase out our domestic industry, as we are doing, to take advantage of this cheap sugar, that we will have an adequate sugar supply, and there is nothing to protect us against those very, very few people deciding to withhold their sugar and raise their prices to some of the unbelievable levels that they did reach immediately after we did away with the last sugar act.

So, Mr. Chairman, we could easily be looking at sugar priced at a dollar a pound.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, my concern, I will state to my friend, the gentleman from Minnesota, is that what we are talking about here is a theory of comparative economic advantage.

It is a little tough to go in front of Minnesota farmers or cane producers in the South and say to them, "It is pretty clear to us that we are just not going to be able to compete, with certain exceptions, with other countries in international sugar prices."

This is the question we have to ask ourselves, those of us from the Northeast who are paying the prices. I will tell the gentleman that I wanted Alfred Kahn to come before the committee and talk about the inflationary aspects of this issue, but he refused to do it. He refused to do it because he knew it was inflationary.

We will just have to stand four square and confront the fact that producing as much sugar as we do in this country is no longer economically feasible without a big raid on the Treasury. We should let the marketplace dictate the price.

Mr. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am sure that I must not have understood, but I thought I heard the gentleman from New York say that he did not care that the American people are suffering due to inflation, and that it is all right for this Congress, in order to win favor with the workers and to buy votes, to just mandate an increase in wages.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I will yield in just a moment.

Mr. Chairman, the incongruity of this is that the American people are suffering because of inflation, and this Congress should care.

Then, in addition to that, the argument is that we should try to do something to help save the jobs of the American sugar workers. Well, it seems a little strange that the American sugar workers are losing these jobs because the industry is not competitive, and so what we are going to do now is increase the cost of production at the expense of the consumer and then be treated to a suggestion by a Member of this Congress that he really does not care about the consumer—never mind the mule, just load the wagon; just heap it on the American people. I think that they have had about enough of this good stuff and would like to see an end to it.

Mr. Chairman, I would be happy to yield to the gentleman because I think this is the same gentleman I was talking about.

Mr. DOWNEY. Mr. Chairman, one would never know that from what the gentleman from Florida said.

I would just tell the gentleman that he was right the first time: he did not understand.

Mr. KELLY. Good. Well, I think the record will speak for itself. I have not seen anything to indicate that the gentleman had any concern except for labor.

It is all just labor, just up the ante on labor, adjust the cost of labor, and then we have industry after industry in the United States that is becoming noncompetitive because this Congress is taking this very kind of attitude.

So, Mr. Chairman, I say right now that there is no salvation for the United States or for its industry except for the people in the United States to be competitive in the world, and this is no time to be heaping inflation on the American people.

We have all got troubles; it is not just the workers in the cane fields, it is every American. Our basic security and our ability to compete in the world are threatened by inflation, and it is this very kind of inflationary action that is causing it—this contempt for the security and the welfare of the United States.

Mr. Chairman, I yield back the balance of my time.

Mr. VANIK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Frenzel amendment.

Mr. Chairman, I support the amendment to strike the direct payment provision.

I oppose the half cent direct payment program, which will cost the Treasury about $50 million per year. As the GAO notes, this type of program is hard to administer and subject to overpayments and errors. In addition, the half cent payment, on top of the price objective, is far too generous.

The assured return of 16.3 cents, which will probably be escalated about 7 percent per year, is unnecessarily high and should be reduced. No one knows for sure what the cost of producing sugar is, but we do know that estimates of the cost of producing sugar—which were generally about 15 cents last year and must be about 16 cents this year—includes a value for land.

For example, the average cost of sugar production for the just completed 1978 crop year is considered to be 15 to 15.2 cents. According to the Agriculture Department, this estimate "implicitly assumes that everyone just recently bought their land and paid a high interest on it. * * *" The USDA testified:

> If the acquisition cost is used in calculating cost of production, it would lower the cost of production at least cent a pound, maybe a cent and a half.

The assured return figure is set too high. It guarantees many producers an unreasonable profit on land that in many cases has long been paid—and this charge for land severely and unnecessarily inflates the support level.

The 16.3 cent figure, which by 1981 will probably have risen to 18.6 cents, becomes a guarantee figure. For all too many producers, this figure will include some guarantee of profit, management contribution, or return to land. Yet there are no requirements in this bill that domestic producers limit production. Our other farm programs are not designed to insure or guarantee a profit regardless of production—and yet this one does.

The sugar industry is a cyclical industry. Everyone in it knows that there will be lean years, such as the last several. But there will also be years of enormous profit.

In 1974, when the world price of sugar went up to about 60 cents, the domestic producers raised their price to the same levels. The existence of a domestic industry did not provide any consumer protection—an argument which is often claimed by the proponents of this bill. And when prices rose to 60 percent producers made fantastic profits. The International Trade Commission has calculated that in Hawaii, for example, in 1973, the industry's profits were about $42 million. In 1974, however, they skyrocketed to $428 million. In 1975, they were still high at $83 million. While the last 3 years have been lean years, the cycle is now turning and they will again make millions in profits on high-priced sugar. But why are they—and the rest of the efficient sugar producers around the Nation—being guaranteed a minimum—and profitable—price now, when the consumer is never given maximum price protection in years of shortages? It is a sweet one-way street for the grower. It is only fair to demand that supports be set at a lower level in recognition of the highly profitable years available to this industry.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Vanik) has expired.

(By unanimous consent, Mr. Vanik was allowed to proceed for 2 additional minutes.)

Mr. ALBOSTA. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Michigan.

Mr. ALBOSTA. I thank the gentleman for yielding.

Mr. Chairman, I would like to point out to the gentleman that the chart closest to him only goes to 1972, but the chart further over goes back during the period of time of the sugar program, the old sugar program. It goes back to 1948. Look at the stable sugar prices we had during that entire period of time until we removed the old sugar program in 1974. We had no program any more. That is when the prices skyrocketed because the sugar industry in this country and everyone in the world felt—the market companies felt that way also—that they could withhold sugar, and it would destroy our domestic sugar industry.

Mr. VANIK. The point still stands that in this period when sugar prices escalated the sugar bill did not help the consumer one iota.

Mr. ALBOSTA. If the gentleman will yield on that point, I would like to point out that sugar during that period of time did maintain positive, stable prices for the domestic sugar in this country, and that chart shows it.

Mr. Chairman, I brought some charts in here today that are probably the biggest charts this House has seen, at least since I have been here.

The reason that they are here is very obvious. We must look back through history to find out what happened 5 years ago when we did not have a sugar program and when the world supply of sugar dropped off.

Let us take a look at this orange line right here. That orange line shows us that in 1973 sugar supplies started to be depleted and sugar prices started climbing. If this chart was big enough to reach up, it would have to go three times higher than it is right now, because the price only goes to 22 cents a pound. That was during the period when there was a shortfall in the supply of sugar in the United States and in the rest of the world.

Who had to pay that bill? The American consumers had to pay the bill. They are the ones who had to pay the cost of having a short supply in the world, simply because we import 50 percent of the sugar that we use here domestically. It does not make any sense to lose our industry in this country, knowing that the same thing is happening right now.

Let us take a look at what is happening. In fact, I called in today to find out what the sugar market is for the No. 12 and No. 11 contracts. The No. 12 contract, which is the quoted contract used here in this country, is up over 16 cents a pound. I remind the Members that that is more than the figure that is in this bill. This bill has a 15.8-cent-a-pound price in it, and the market is already above that.

What is happening to the rest of the sugar in the world? It was at 8 cents, first it was at 7 cents, then 8 cents, and then it was 9 cents. Where is it now?

I checked on that figure just a few hours ago, and right now it is 14.32 cents a pound. That is from Merrill Lynch, and I am sure that it is quite accurate.

□ 1540

The same exact thing that happened back in 1973 is now happening again. So for 50 percent of our sugar we are going to have to pay more money.

What happened with the price of products, those things that we use for sugar? The pop companies raised their price, the bakeries raised their price. All of them went up. How many of them came back down? Simply when this sugar went to 65 cents a pound, they had to have more money in order to put the sugar in that particular product, and so they raised the price of that product way up. I think it is very evident that it has not come down. Today you can go to buy a bottle of pop, and pay as much as 50 cents for it. It used to be 10 cents. Back in 1973 you could buy it for 10 cents, but that company had to raise that price simply because it cost more for sugar and this product went way up.

I want to talk a little bit more about what is happening in the rest of the world. I read an article just last week that the Philippine Islands intend to use sugar for the production of alcohol. I think the gentlewoman from Massachusetts pointed out in her charts that the Philippine Islands was one of the countries that was importing huge amounts of sugar in the world market. The gentlewoman was right. But what happens when they start using that product at home? What happens when you lose 10 percent of the total production in the world market of sugar? It goes up 50 or 60 percent in price. And what happens when Brazil, another big country and huge exporter of sugar, starts using all of that sugar at home? It simply means that the world supply of sugar is going to go down and we are going back to the same situation.

My question to the Members is: Should not the United States also be making alcohol out of sugar, and should we not be encouraging our sugar industry in this country to be producing more sugar and not going out of business, because it is one of the best raw products that there is for the production of alcohol?

This bill also has the production-of-alcohol clause in it that would lend money that would create a whole cycle of expenditures of $250 million for that production.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. Albosta) has expired.

(By unanimous consent, Mr. Albosta was allowed to proceed for 1 additional minute.)

Mr. ALBOSTA. Mr. Chairman, just to summarize this, I think that I would want to point out to every Member that it makes just good commonsense to keep a viable domestic sugar industry in this country. If we do not do that, we are going to be in the same situation that we are in with the cartel of the OPEC countries that controls the price of our oil. The small amount of money that we are talking about in this bill would be almost nil compared to what the cost is to the consumer when that price went up to 65 cents a pound. I think it is the responsibility of the Government to do that.

□ 1550

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I would be happy to yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I appreciate the gentleman's yielding, because the figures I have show the cost of sugar on the international market in 1974, and it was very stable, from 21 cents to 23 cents, up until June when the Sugar Act failed. Following the failure of the act in June, it went to 25 cents in July; in August, 31 cents; September, 34 cents; October, 39 cents; and November, 57 cents.

The gentleman from Michigan is correct. The prices were stable up until the time that the act actually failed, and at that point the prices went up.

Mr. VANIK. The act will not save the consumer anything or protect him.

Mr. HEFTEL. Mr. Chairman, I rise in support of the amendment.

I think almost all of the subject matter has or will be covered, but I think that it is important that we ask ourselves where will the $50 million go that leaves the Treasury in terms of payments directly to producers? Will is in fact go to the benefit of the consumer? The answer is no.

Seventy percent of the sugar production ends up in industrial production such as Coca-Cola, Pepsi-Cola, 7-Up, and baked goods. We do not have to kid ourselves and think there is a chance that the price of those products to the consumer will go down if the cost of sugar goes down.

We simply cannot benefit the consumer by using the direct-payment approach, be it a half cent, be it a quarter of a cent, or be it a nickel.

The best way to benefit the consumer is to maintain a stable price for sugar, to maintain a domestic industry.

It is unfortunate that the President has determined that 16.3 is what the price should be, but that he wants a half-cent payment inherent within it. I do not think that we have to abide by that judgment. I think we can let the bill go if we want the 16.3 and let the President veto if he wants to; but a Coca-Cola bill does not make any sense at this time for the benefit of the people or the President, as a matter of fact.

I would hope that we would support and pass the Frenzel amendment and then determine whatever the price, whether it should be 15.8, 16, or 16.3, as the case may be.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding.

My colleagues comes from Hawaii, which is a very strong sugar-producing State. We have discussed this bill in the past.

Would the gentleman agree basically the industrial users, the people who are using imported sugar, really do not care if this bill passes or not and probably would prefer it not pass so they could buy foreign sugar at a cheaper price and not have to worry with buying domestic sugar at a supported price at 15.8 or 16.3?

Mr. HEFTEL. I think the best thing we can do is allow the marketplace to bring that price to maintain domestic industry.

Mr. MOORE. I am talking about the industrial users the gentleman mentioned a moment ago.

Mr. HEFTEL. If they have to pay a combination of 16.3 or 15.8, as the case may be, because of the half cent they would rather have the 15.8. If they are buying on the foreign market at a lower price, then, of course, they will prefer that; but we can control that through our own tariff system.

Mr. MOORE. I agree that they would probably like the cheaper price of foreign sugar, and they have shown an affinity for that in the past, and opposition to this bill as late as the last time they testified before one of our committees.

Mr. HEFTEL. The industrial users would be willing to let the foreign market take over if the price of sugar gave them a higher profit.

Mr. MOORE. In debate on this bill, I believe the gentleman debated in debate and made the point that the direct payment was a thing particularly onerous, or I think the gentleman's colleague from Hawaii (Mr. AKAKA) did, particularly onerous to the Hawaiian sugar industry, that the payment limitation is the problem.

Would the direct payment be acceptable to the gentleman if there was no payment limitation on it?

Mr. HEFTEL. I could not be inconsistent in good judgment and good legislation and say I am opposed to the payment with a cap but I support it without. I have to oppose it in principle with or without the cap.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. The gentleman is to be commended for taking that position. I want to concur completely with the gentleman's position in that, if the 16.3 cents per pound for sugar production is adequate as reasoned by the President, then the consumer ought to pay that cost and not the American taxpayers, and the perverse logic that this administration has that anything more than 15.8 cents in the way of a market price support and then subsidizes the rest by the taxpayers is ludicrous.

So I also have to rise in support of the Frenzel amendment to strike the half-cent payment. I would join my friend from Hawaii in supporting a half-cent higher price market objective to be paid for by the consumer. That is the only reasonable way to proceed with this legislation.

Mr. STOCKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if some of the Members of the House are confused on this amendment, let me suggest a simple formula to resolve their doubt.

Flip a coin on the Frenzel amendment and then vote "no" on final passage, regardless of the outcome; because the fact is this amendment involves nothing more than an intramural debate about which pocket to fleece, the tax pocket via direct payments; and the gentleman from Minnesota (Mr. FRENZEL), is against that, and I commend him for it; or the consumer expense pocket via higher price supports and tariff levels.

I would suggest to the House that the important matter here is that in the final analysis it really does not matter which pocket you fleece, because either way, the American economy and the consumer taxpayers will end up paying up to $4 billion extra for sugar over the next 4 or 5 years and for absolutely no good reason.

Now, the simple, unvarnished purpose of this bill is to prevent low-cost foreign imported sugar from gaining a larger share of the U.S. market and thereby assure that every last acre, every plow, every harvesting machine and every processing plant now devoted to domestic sugar production remains profitable and competitive under the artificial protection of a high-tariff umbrella. Thus, the fundamental issue that this legislation poses to the House is very simple.

What does the American economy, or what do the great bulk of American consumers get from this billion-dollar insurance program designed to prop up the domestic sugar industry?

The answer, the only one that I can detect as I read the propaganda for this bill, is that in the spirit of the Halloween season upon us, the American consumer will get some protection from various international hobgoblins that are said to lurk in the world sugar market.

Of course, the most ferocious of these hobgoblins is an OPEC sugar cartel, something which we are told will spring up sphinx-like if the U.S. production base erodes even marginally.

The problem is that cartels can fix artificially high prices if, and only if, they can drastically curtail production or control production. The odds of that happening in the world sugar market are about of the same order as of eradicating ragweed.

Sugar is grown in 83 countries. It is exported by 47. It is produced in regions from Norway to Australia. It can be grown in practically every climate, topography and soil imaginable, and more importantly, since we are referencing the argument to OPEC, unlike the case of oil, in which it took mother nature 100 million years to lay down 60 percent of the world's reserves in a narrow strip of sand around the Persian Gulf, sugar production can be increased dramatically in a matter of 1, 2, or 3 years in dozens of regions around the world.

In response to these high prices that we have heard about in 1974 and 1975, for instance, U.S. acreage of sugar acreage alone expanded 27 percent within the course of less than two growing seasons.

☐ 1600

In short, the point is a sugar cartel cannot be created because there are too many producers to begin with and artificially high prices cannot be sustained for any reasonable period of time because the production response is too elastic.

The second benefit we are supposed to get, the consumer, the American economy is supposed to get for this very high insurance premium we are being asked to pay, is protection from an unstable market and, as we heard a moment ago, from the threat that without a sugar program prices might skyrocket through the ceiling and reach 60 cents a pound again or even $1 a pound.

I think the point here is very simple. Beware of price fixers bearing gifts of market stability and consumer protection. As a matter of fact, I would suggest we amend that old story about the three greatest lies to include: First, "My check is in the mail"; second, "This will only hurt a second"; and third, "My plan will protect you from high prices."

The fact is all price fixing, all market rigging schemes are designed to stabilize the price, of course. Even Mr. Yamani says he is ravaging our economy today to spare us from an even worse fate tomorrow.

But these price fixing, stabilizing schemes are not designed to minimize costs to consumers. They are not designed to maximize production efficiency.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. STOCKMAN was allowed to proceed for 4 additional minutes.)

Mr. STOCKMAN. No, they are designed to protect market shares, profits, and lessen competitive discipline in the industry involved.

Let me refer to this 60-cent price we had in 1975 and we have been warned will happen again if we do not have a sugar program. The main thing to say about that is that it lasted for a grand total of 5 weeks, and that is the honest to goodness fact.

In the entire last decade the world price of sugar exceeded 60 cents a pound for the grand total of 35 days. As a matter of fact, during the entire last decade the price of world sugar exceeded 30 cents a pound for only 7 months.

The point I am trying to make here very simply is yes, you had a very short period of instability in the market when the futures price was bid up, when Congress refused to extend the old program, but the underlying fundamentals of the industry and the world market are such that there is endemic excess production capacity or potential for sugar production in the world and that is going to hold the sugar price in the future much closer to the 12 or 15 cents per pound level that it is at today than the 16 to 20 cents provided for in this bill, and most certainly than the horror stories of 60 cents or $1 per pound sugar that is being warned about by its backers.

I want to talk about the third consumer benefit that we are supposed to get from this bill; namely, protection of our economy and our consumers from the stupidity of foreign producers who insist on dumping sugar on our market below the cost of production. Since dumping is a form of income transfer of what we call foreign aid, I am wondering just who the countries are, what foreign principalities really engage in this over a sustained period of time. The fact is there has not been any evidence presented to show that.

We keep hearing about how the price in France or Denmark or Japan is 40 or 50 cents a pound but those are net importers, not exporters. The reason the price is so high internally is they support their domestic industry at that very high level. If we want to talk about dumping we have to look at the net exporters, the Philippines, Brazil, Mexico, South Africa. Their internal prices are the same as the world price. They sell both on the spot market and long-term contract market. The long-term contracts, for the most part, except for the convention, are tied to the future price and spot market price of sugar. The fact is there is a workable world sugar market out there that is not subject to the influence of all these hobgoblins we hear about.

What we have before us is a proposal that merely is aimed at a few thousand marginal producers, a very small slice of American agriculture, that do not want to have to adjust or move acreage into some other productive endeavor.

I would just remind the committee in the last 4 years, and this is an astounding figure, but in the last 4 years we have seen an expansion of the production of sunflowers from 400,000 acres to 4 million acres which came out of something that was being produced there before that was not as profitable. That expansion in 4 years is twice all of the acreage we have in sugar in the entire country.

So what the choice here today really is is not between pro-producer or anti-consumer, the choice really is find a progressive economic policy that recognizes that our resources are our acreage, our capital, our labor has to shift as market conditions change, or a reactionary policy that is going to freeze in every acre, every investment in labor and capital that we have in the economy today, and drive up barriers to foreign imports in order to allegedly help the national economy and the consumers.

Mr. MOORE. Will the gentleman yield?

Mr. STOCKMAN. I will be happy to yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman from Michigan for yielding. He makes a very eloquent argument and I have great respect for the position he takes and his argument.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. MOORE and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 2 additional minutes.)

Mr. MOORE. If the gentleman will yield further, although the argument is tailored toward sugar, would not the gentleman make the same argument toward any price support program for agricultural commodities he is making now?

Mr. STOCKMAN. Yes; and I have in the past.

Mr. MOORE. And would it not also be fair to say that essentially the gentleman sees no redeeming quality, assuming the debate has been accurate, that sugar farmers cannot exist at the 10- or 11-cent world price in the United States, assuming they cannot produce for that, the gentleman sees no redeeming quality in maintaining them in business when we can, in fact, buy that sugar from a foreign market at 10 or 11 cents?

Mr. STOCKMAN. I think we should buy it at the lowest cost, whether domestic or foreign. The fact is the world market is now up to 15 cents. I think there is a substantial part of our industry that can produce and compete and make a profit over the cycle at that level. But we do have some in very high cost production areas or regions who cannot. But the fact is we have a constant process of adjustment, of acreage and of crops and of investment in our economy, and we have to encourage that, we cannot freeze in every acre that is planted to sugar today. If we did that, we would not have half the prosperity, efficiency, or level of wealth in our agricultural economy we have today.

Mr. MOORE. I understand that, but my question is, for those who cannot compete, at that point the gentleman sees no redeeming quality, economically speaking, in maintaining them in production by virtue of a price support program such as this?

Mr. STOCKMAN. I think it is a disservice to them and obviously a disservice to the entire economy.

Let me just add one point. I would say to the gentleman I grew up in a county that planted strawberries from hedgerow to hedgerow 20 years ago and if you go back there today you cannot find a strawberry sundae. But that does not mean our area is an economic wasteland. We are growing grapes and soybeans and lots of other crops, and the farmers are better off today than they ever were growing strawberries 20 years ago.

Mr. MOORE. Will the gentleman yield further?

Mr. STOCKMAN. I yield to the gentleman.

Mr. MOORE. I think the gentleman has been very honest and I think his economic arguments are always based on solid economic theory as far as he understands it, and facts, but I think the point ought to be made, and I think he just answered the question very honestly: First, he is against farm programs; and second, he sees no redeeming grace in saving the American sugar industry.

I think we ought to realize that is implicit in the gentleman's argument.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. DOWNEY and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 1 additional minute.)

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New York.

Mr. DOWNEY. The gentleman realizes we do not always agree on issues. But I want to congratulate the gentleman on one of the most succinct and carefully argued presentations that I have had the privilege to hear on this floor. The gentleman is right, it is not pleasant to hear because it rubs politically the wrong way, both in his party and my party; but the fact is that there is a world market, and the sooner we recognize it and let the marketplace come to bear, the better off we will be as taxpayers and also as consumers. I thank the gentleman for a fine statement.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I am happy to yield.

Mr. KELLY. I want to commend the gentleman for a very fine statement and presentation, and I want to ask him is it not also a truth that the ability of American agriculture to produce sweeteners from corn is a very important factor in the equation that was not mentioned by the gentleman; that the American consumer can continue on a lot better now than he could a few years ago if sugar supplies are reduced because of the advances that have been made in the corn sweetener industry?

Mr. STOCKMAN. I think the gentleman is precisely right. I do not think we have to worry about a dollar per pound or 60 cents per pound sugar.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

(At the request of Mr. Frenzel and by unanimous consent, Mr. Stockman was allowed to proceed for 2 additional minutes.)

Mr. FRENZEL. Will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman.

Mr. FRENZEL. I would say to the gentleman he has been discoursing on the proposition for over 10 minutes. I wonder if he has flipped his coin yet.

Mr. STOCKMAN. I am going to support the gentleman's amendment.

Mr. FRENZEL. I thank the gentleman.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I am happy to yield.

Mr. MOFFETT. Mr. Chairman, I would like to associate myself with the gentleman's remarks and say that we have worked together a great deal on energy problems. There is some analogy and the gentleman brought in the cartel argument and I think devastated that argument, which should be done.

I am not nearly as concerned about high sugar prices as I am high oil prices, but I think we are both concerned about inflation, and I have heard an awful lot today from Members who are sincerely interested in seeing the sugar bill passed, that, yet, it will be inflationary, but only for a little while.

All of us do have our inflationary votes. There is not a Member in the House that does not cast a vote that is inflationary from time to time, but for those who have voted for oil price decontrol and who will vote for the sugar bill, and so on and so forth, it is a big dose of inflation that we simply cannot turn away from.

☐ 1610

I congratulate the gentleman for his opposition to the bill and join him in that effort. I regret not being able to be with some of my friends who are for the bill.

Mr. STOCKMAN. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I would like to join in congratulating the gentleman from Michigan on a very eloquent statement, but I think, as Mr. Moore of Louisiana pointed out, the gentleman from Michigan believes that there should be no farm price support programs of any kind. His attack on the sugar program is no different than the attack he would make on corn or wheat or milk or any other product.

I find it interesting that some of my friends who are now congratulating him, accept his very succinct and classic economic theory that the Government should not interfere in any respect in any economic matters to protect jobs or protect industries or protect commodities. The gentleman believes the free market ought to make these determinations, and in the long run I think the gentleman believes that actually jobs that are lost here or there or elsewhere, in the infinite wisdom of the marketplace, will be picked up and replaced later. It is a classic and honorable and objective—within its framework—but I would not hesitate a moment to point out to some of my friends who do not seem to approve of Government intervention in sugar, that they found such Government intervention not a difficult shoe to wear—if I may make a pun—when it comes to their own regions of the country.

It is also surprising to me that some of the people here who are nodding in approval are, in fact, very much concerned with a particular segment of the sugar industry, the refining of imported sugar. For let us be honest about it, the cane refiners are one of the major opponents of this legislation. What they appear to overlook, however, is that if we carry the gentleman's thoughts and philosophy to their logical conclusion and put them into practice, we should not have any protection against the importation of unlimited quantities of refined sugar either. If our object here it to let the market work its will and to pursue the cheapest sources of sugar for our consumers, why stop at merely abandoning our domestic sugar growers, those who work in the fields, and in the processing of U.S.-produced sugar in favor of their foreign competitors? Why make a point of going to countries who pay their workers slave-labor wages in search of cut-rate raw sugar only to turn around and pay U.S. wages for refining it? Why not just bring in cheap refined sugar from abroad and kill off the thousands of workers who refine foreign sugar while we are about it?

This question of payments, which the gentleman diverted us from with his interesting approach to foreign trade interests, is something I would like to return to. We have in the bill provision for a payment of up to one-half cent per pound to make up the difference between the price objective and the assured return of 16.3 cents a pound. Is that an unreasonable payment? Well, in the first place, as Mr. Moore and others have pointed out, we have used the same approach in farm bill after farm bill to provide some income security to farmers without demanding that it all come from the marketplace.

One can argue endlessly as to whether it is better to have a 16.3-cent price objective or a 15.8-cent price objective with a half-cent payment. I for one would be perfectly happy to have the entire 16.3 cents or higher from the market because I believe that it is both reasonable and justified. Yet, in the interest of limiting consumer impact, the bill provides for a market price objective of 15.8 cents. Last year, it was the Department of Agriculture's best guess, based on outdated information, that it cost on average at least 15.2 cents a pound to produce sugar in the United States. During the intervening year, moreover, production costs have escalated by 11 to 14 percent or better. Unless one wants to join with the gentleman from Michigan in wiping out that industry, one cannot help but acknowledge that we must have some kind of price support for sugar that at least begins to approach the true cost of production.

The gentleman from Ohio (Mr. Vanik) suggests that that figure is inflated because it deals with land at current values. As a matter of fact, it deals with land on the basis of cash rents, share rents, and current values figuring capitalization of that land at a 7-percent interest rate. Obviously we have a 7-percent interest rate today. We all know just how inflationary and inflated that 7-percent figure is. If we were to even begin to approach the current rate, the actual cost of production figures would be much higher.

Second, the Department's estimate of production costs treats machinery in terms of depreciation or acquisition value rather than replacement costs. Thus, in point of fact, the formula used to compute the cost of production is too low. If we were to take 15.2 cents and adjust it by the real rate of inflation over the past year, we would certainly get a figure substantially above 16.3 cents as the average cost of producing a pound of sugar in this country; and, thus, this payment is well justified. If anything, it is inadequate. Yet, it is what the administration will support and, for that very reason, what we strongly urge here today.

Although one can come out on either side of the issue of payments as a concept, I do not believe that anyone can justly oppose this particular provision on the grounds that it is excessive. Furthermore, as has already been stated, payments to any one grower can neither exceed one-half cent per pound nor a total of $50,000; and the total cost of this provision for all growers will not exceed $50 million.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent Mr. Foley was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. We are estimating revenues from duties and fees to be somewhere between $250 and $500 million a year in the period from 1980 to 1983. Consequently, it is a question of whether the revenues are to be 5 or 10 times the amount of the total payments. I know that I need not remind any of my colleagues that it is very seldom that the Government has any program that returns 5 to 10 percent more to the Treasury than it pays out, let alone 5 to 10 times more.

I hope that Members who have some doubts about this bill will take another fact into consideration; that is, sugar operations are dying around the country. In Washington, Colorado, Louisiana, and many other States' sugar plants in impressive numbers have already closed or are in the process of closing. They are not doing this for demonstration purposes to focus attention on what they want, but because they cannot afford to process sugar at the current rates.

It has been suggested by the gentleman from Michigan that those who want to see this bill passed would have us believe in the imaginary threat of some sugar OPEC. Nothing in my remarks has suggested any such thing. Editorials such as the New York Times' recent offering have made the assertion, which I cannot fault, that sugar will always be available to us. Unfortunately, what they blithely fail to address is at what price. I am convinced that prices will be substantially higher.

If the United States, which now imports one-third of all the world's sugar available for free trade, is forced through the loss of substantial domestic production into even greater dependence on the already small world market, the result is inevitable. We will see sugar prices increase faster and soar higher than they otherwise would in times of normal to short supply because the restriction of the market will occur earlier.

In talking about consumer costs, it must be remembered that in just 1 year, 1974–75, consumers paid billions of additional dollars for the sugar they use. While prices were not long in the 60-cent range, but, rather, at 50 cents, 40 cents, or lower for much of the time, the average price of sugar in that 1-year period was nevertheless 30 cents per pound. That is a price variation between 1973–74 and 1974–75 of 20 cents per pound. Moreover, the 30-cent average price for 1974–75 is about twice what we are asking in this bill. H.R. 2172 would have to operate for 15 years, or until crop year 1993–94, to reach a price objective that is 20 cents above present levels.

It is maintained by some that, in essence, what we are dealing with here is a consumer issue. Interestingly enough, however, the facts do not appear to bear this out. The landed price of sugar in this country is now about 13 cents a pound, exclusive of duties or fees. Additionally, headnote duties take this price to around 16 cents. Under the circumstances and in line with the administration's current commitment to support the price of raw sugar at 15 cents, all import fees have been dropped. Furthermore, there are indications that with or without this bill, the price will be supported at 15.8 cents a pound. As a consequence, there is no evidence that the passage of H.R. 2172 will add so much as one-tenth of a cent to the cost of sugar in the United States over and above what the existing program and prevailing market conditions provide.

Finally, as sugar prices move up, and there is every indication that they will, we will probably see a situation in which not even the payments are made because under the provisions of the bill, as prices climb above 15.8 cents, payments are reduced accordingly.

☐ 1620

**Mr. JOHNSON of Colorado.** Mr. Chairman, will the gentleman yield?

**The CHAIRMAN.** The time of the gentleman has expired.

(By unanimous consent, Mr. Foley was allowed to proceed for 2 additional minutes.)

**Mr. FOLEY.** I yield to the gentleman from Colorado.

**Mr. JOHNSON of Colorado.** I thank the gentleman for yielding. I do not want to prolong the debate; I think we have been on this subject for quite some time now. But I would like to endorse what the chairman of the Committee on Agriculture, the gentleman from Washington (Mr. Foley), has said. The cost of production in most places runs a little bit higher than 17 cents, and the 16.3 cent assured return in this bill is inadequate at best. Those who have heard the testimony from around the country know that is the case. Twenty-five percent of our domestic processing capacity has been dismantled in the last few years. About that much of production has been dismantled and gone to other areas. If this half-cent payment is stricken, we are just adding the coup de grace to a dying industry as it is.

I thank the gentleman for yielding, and I hope his position prevails.

**Mr. MOORE.** Mr. Chairman, will the gentleman yield?

**Mr. FOLEY.** I yield to the gentleman from Louisiana.

**Mr. MOORE.** I appreciate the gentleman's yielding. I would simply add that maybe the gentleman from Michigan is correct that maybe there will never be an OPEC in sugar. I can think back 15 or 16 years ago there were some 15 or 16 oil countries operating in those countries. Nobody ever thought we would have the situation we have today. We had American companies operating there, and we felt secure. Now we know that is not the case and we are paying the price every day for that mistake. We are learning in the Trade Subcommittee of the Committee on Ways and Means there is now a Bogata group forming a cartel of coffee producers trying to jack up their prices. We are trying to deal with that now.

In 1975 the OPEC oil companies tried to form an OPEC in sugar and failed. I hope that they continue to fail, as the gentleman from Michigan assures us they will. But somehow or other, I am not just so sure we are not going to enter into an era of no cartels in the future, when we see them coming.

**Mr. FOLEY.** It is very difficult to predict what might happen in commodities in the future. We do not need to presume an OPEC in sugar to justify this legislation.

**Mr. STOCKMAN.** Mr. Chairman, will the gentleman yield?

**Mr. FOLEY.** I yield to the gentleman from Michigan.

**Mr. STOCKMAN.** I thank the gentleman for yielding. I appreciate the difficult task the gentleman has juggling all of these commodity groups trying to be fair about everything. I certainly commend him, because we could get some far greater excesses than we have. But the gentleman stated there is not going to be even a half-cent increase in the domestic price if this program is not adopted. Why is there, then, this frenetic effort to adopt it if it is not going to lead to any different outcome in terms of the market price in terms of this country?

**The CHAIRMAN.** The time of the gentleman has expired.

**Mr. FOLEY.** Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 1 additional minute.

**The CHAIRMAN.** Is there objection to the request of the gentleman from Washington (Mr. Foley)?

**Mr. FRENZEL.** Reserving the right to object, Mr. Chairman, I shall not object, but I did simply want to observe that we seem to be getting down near the end, and I hope the debate will not go on forever.

I withdraw my reservation of objection.

**The CHAIRMAN.** Is there objection to the request of the gentleman from Washington (Mr. Foley)?

There was no objection.

**Mr. FOLEY.** I share the gentleman's concern. The reason why the bill is important is that it provides for the implementation of the International Sugar Agreement, for special labor rates, guarantees and protections, and for additional mechanisms to maintain prices in the event we have another crisis which causes world sugar prices to drop drastically. Passage of this bill, through the signals it gives the domestic industry and through participation in the ISA, would help to limit the inrceases expected in world sugar prices over the next 2 to 3 years. The latter is something I think the gentleman would favor.

**Mr. PEYSER.** I move to strike the requisite number of words, Mr. Chairman.

Mr. Chairman, I will try to stay within the scope of the gentleman's amendment. There are many other things I would like to say on the sugar bill. Many of them have been said by Members on both sides. We are faced with a very unusual situation with the amendment offered by the gentleman from Minnesota (Mr. Frenzel) at this time. My friend, the gentleman from Michigan, indicated it was a flip of the coin and then vote against the sugar bill at the end of the whole debate. While I certainly support voting against the sugar bill at the end of the debate regardless of what happens, we are faced with a situation where many of us obviously say that anything that cuts away this kind of really wasteful expenditures for the sugar producer of today, such as this half-cent-per-pound payment, certainly ought to be out of this bill.

On the other hand, if we make that step and say it is going to go, we just made a very substantial improvement in this bill. It is a concern of many of us that if we do this, some who were sitting on the fence might say, we have knocked the half-cent a pound out; therefore let us pass the bill. It is for this reason I am going to oppose my friend, the gentleman from Minnesota (Mr. Frenzel), on this particular vote and vote against his amendment in the hope that many other Members who have the same concern will also vote against this amendment. I gathered, as I listened to the chairman of the committee and the ranking minority Member talk, that they are both going to vote against this amendment also, perhaps for different reasons than I would approach it, but, nevertheless, they are going to vote against it, as are many other Members. I think it is essential because of the claims that sugar growers need this to survive that I quote from an excerpt from a speech by a gentleman, Mr. Gravelles, who is the President of the American Sugar Cane League, on September 28, 1979:

> We have had some loss of acreage in Louisiana. Some of it has been lost to other crops, but some has been to commercial and industrial development. However, I think that we can survive whether we have legislation or not. I think we proved that by staying in business for the past five years.
>
> Regardless of what President Carter, or the Congress of the United States does, I know that these people in Louisiana have the fortitude and the determination to stay in the Louisiana sugar business. Louisiana sugar is going to stay here for a long, long time.

I think he is absolutely correct. We have been listening to the threats for years about how everybody was going to collapse and the sugar business was going to fold.

I also want to remind the Members that a large majority of the sugar is handled—and this is not only in the refining but in the ownership of land—by companies like the U.S. Sugar Corp., Holly Sugar, Great Western Sugar, Spreckles Sugar, Florida Cane, Gulf & Western, Sterling, Alexander & Baldwin, AM-FAC, Castle & Cook, I.U. International, Dole, Michigan, and many other corporate entities who are today making money in the sugar business, and they own or lease sugar land as well as refine. Why should we enhance this gift of a half a cent a pound? We probably should not. Why should we have the sugar bill? We should not have the sugar bill.

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. I thank the gentleman for yielding. I would just like to state to my distingiushed colleague that not only do I thoroughly agree with his opinion on the bill and with his strategy on the amendment, but I think there are inherent deficiencies in the bill. The question is whether this bill is going to be a burden to the consumer as well as to the taxpayer. In any case, I think we are going to see the price of sugar increase. It is a total misnomer to say that this is a sugar stabilization act. I personally feel if we in this House make any improvement in sweetening the pot for the other body and the legislation is then passed, then we will see a really astronomical sugar bill returned to us in the form of a conference report. Consequently, for that reason and because the amendment might improve the bill and make it more acceptable to the other body, I believe that the gentleman's strategy is the correct one.

Mr. PEYSER. I thank the gentlewoman.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding. Regardless of the gentleman's motive, I appreciate his indication of a vote on this amendment. I simply take issue with him on the comment that this bill will help the corporate farms. If I understand the gentleman's argument, the corporate farms do not need the bill; they are making money now. It is the noncorporate farms who need this bill. Seventy-five percent of the sugar is produced by noncorporate farms, and that is why we are trying to help.

Mr. PEYSER. The largest producers and owners of sugar land and of productive sugar land are the corporate farmers today. One of the things I would like to mention to the gentleman is that one of the major sugar corporations today has entered into leasing arrangements with individual farmers, so we have the individual farm that may have 400 or 500 acres that is under contract to the sugar corporations, and we are one way or the other supporting the corporate producer with this kind of legislation, and I do not think it is necessary.

Mr. MOORE. Will the gentleman yield further?

Mr. PEYSER. I yield to the gentleman from Louisiana.

Mr. MOORE. According to the USDA, I have to differ with the gentleman's comments. Seventy-five percent of the sugar produced by tonnage is produced by noncorporate farms. We can go down any State the gentleman would like. We have the figures for each and every State. The biggest corporate producers are Gulf & Western, which has 20 percent of Florida, and U.S. Sugar, which has 30 percent of Florida, and the rest are all independents.

Mr. PEYSER. Mr. Chairman, I trust we will defeat the Frenzel amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Frenzel) to the amendment offered by the gentleman from Ohio (Mr. Vanik).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 200, noes 212, answered "present" 1, not voting 20, as follows:

[Roll No. 590]

AYES—200

Addabbo
Akaka
Ambro
Applegate
Archer
Ashbrook
Aspin
Atkinson
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Benjamin
Bennett
Bethune
Bingham
Boner
Bouquard
Brademas
Brinkley
Brodhead
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Carter
Clay
Clinger
Collins, Ill.
Collins, Tex.
Conable
Conyers
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, R. W.
Dannemeyer
Davis, S.C.
Deckard
Dellums
Derwinski
Devine
Dixon
Dornan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
Erlenborn
Evans, Del.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Ford, Mich.
Forsythe
Fowler
Frenzel
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hamilton
Hammerschmidt
Harris
Harsha
Hefner
Heftel
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Hughes
Ichord
Jacobs
Jeffords
Jeffries
Kastenmeier
Kelly
Kemp
Kindness
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Lee
Lehman
Leland
Lent
Long, Md.
Lujan
Luken
Lungren
McClory
McCloskey
McDonald
McEwen
McHugh
McKinney
Madigan
Maguire
Marks
Mattox
Mazzoli
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Moffett
Moorhead, Calif.
Mottl
Myers, Ind.
Nedzi
Nowak
O'Brien
Oakar
Ottinger
Patterson
Paul
Pease
Petri
Quayle
Railsback
Ratchford
Regula
Reuss
Ritter
Roe
Rosenthal
Roth
Royer
Runnels
Russo
Santini
Seiberling
Sensenbrenner
Sharp
Smith, Iowa
Snowe
Snyder
Solarz
Solomon
Stack
Stanton
Stark
Stockman
Stokes
Stratton
Synar
Tauke
Thompson
Trible
Udall
Vanik
Walgren
Walker
Waxman
Weaver
Wilson, C. H.
Wolff
Wyatt
Wydler
Wylie
Yates
Young, Fla.
Young, Mo.
Zeferetti

NOES—212

Abdnor
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
AuCoin
Badham
Bafalis
Bailey
Baldus
Beard, Tenn.
Beilenson
Bereuter
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Bonior
Bowen
Breaux
Brooks
Brown, Calif.
Burlison
Butler
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Coelho
Coleman
Conte
Corman
Daniel, Dan
Danielson
Daschle
Davis, Mich.
de la Garza
Derrick
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Eckhardt
Edwards, Calif.
English
Erdahl
Ertel
Evans, Ga.
Fary
Fazio
Flippo
Foley
Ford, Tenn.

Fountain
Frost
Fuqua
Garcia
Giaimo
Gonzalez
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hance
Hanley
Hansen
Harkin
Hawkins
Heckler
Hightower
Holland
Howard
Hubbard
Huckaby
Hutto
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kildee
Kogovsek
Kramer
Latta
Leath, Tex.
Lederer
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
McCormack
McDade
McKay
Markey
Marlenee
Marriott
Mathis
Matsui
Mavroules
Mica
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nolan
Oberstar
Obey
Panetta
Pashayan
Patten
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rangel
Richmond
Rinaldo
Roberts
Robinson
Rodino
Rose
Rostenkowski
Rousselot
Roybal
Rudd
Sabo
Satterfield
Sawyer
Schroeder
Sebelius
Shannon
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Nebr.
Spellman
Spence
Stangeland
Steed
Stenholm
Stewart
Studds
Stump
Swift
Symms
Taylor
Thomas
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Wampler
Watkins
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wirth
Wolpe
Wright
Yatron
Young, Alaska
Zablocki

ANSWERED "PRESENT"—1

St Germain

NOT VOTING—20

Anderson, Ill.
Bonker
Burgener
Clausen
Cleveland
Diggs
Duncan, Oreg.
Flood
Hyde
Jenkins
Leach, La.
Lundine
Martin
Rahall
Rhodes
Scheuer
Schulze
Staggers
Williams, Ohio
Winn

☐ 1640

Ms. MIKULSKI, Messrs. OTTINGER, NEDZI, WEAVER, WAXMAN, CONYERS, RUSSO, WALGREN, AND BUCHANAN changed their votes from "no" to "aye"

Messrs. SAWYER, LATTA, OTTINGER, AND RICHMOND changed their votes from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1650

AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENT OFFERED BY MR. VANIK

Mr. FRENZEL. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment.

Mr. FRENZEL. Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The amendment to the amendment reads as follows:

Amendment offered by Mr. FRENZEL to the amendment offered by Mr. VANIK: In addition to the matter proposed to be inserted with respect to 202(b), on page 39 strike out lines 4 through 14, inclusive, and insert the following:

(b) PAYMENTS.—(1) If the assured return is not achieved in any sugar supply year that begins after September 30, 1979, the Secretary shall make payments under, but subject to the limitations set forth in, this subsection solely to domestic producers of sugarcane and sugar beets. Payment under this subsection to any such producer shall be made only at the rate per pound, raw value (but not more than 0.50 cents per pound, raw value) that is equal to the amount by which the assured return for the sugar supply year exceeds the greater of—

(A) the average related processor price for such year; or

(B) the price objective for such year.

For purposes of applying this paragraph with respect to any producer of sugarcane or sugar beets for any sugar supply year, the term "average related processor price" means the average price, as determined by the Secretary, in pounds, raw value, that is paid for all sugarcane or sugar beets that are purchased during such year by the commercial processors to whom such producer sells sugarcane or sugar beets during such year. No producer of sugarcane or sugar beets is eligible for payment under this subsection for any sugar supply year during which the average price in pounds, raw value, received by such producer for his crop is equal to, or more than, the assured return for such year.

Mr. FRENZEL. Mr. Chairman, the previous amendment has been defeated, and the committee has preferred to retain direct payments as a part of the remedy for achieving an assured return in sugar. I am offering this amendment, which will prevent payments from being made above the assured return level.

In other words, this amendment that I have offered would limit the amount of the direct payment so that the sum of the direct payment and the actual selling price of sugar does not exceed the support level, that is, the assured return.

Mr. Chairman, under the 1977 payment program, many payments were made above the support level. The sponsors of this bill have told us that it is not their intention to provide any more than the assured rate of return. This amendment would provide that they could not, through the direct payment, pay more than the assured rate of return, and I believe that is the intention of this bill.

The bill's language provides that when the average daily price of sugar equals the assured return, no payments will be made, and implicit in that language is the intention of the price support program to support the price of sugar up to the specified level. However, administrative practice under the 1977 interim program dictates that payments above the assured rate of return can and will be made under the provisions of this bill.

In 1977, 38 of the 77 participants in the payments program received payments above the support price. Those payments amounted to nearly $21 million. In the case of 10 of these firms the sugar was sold at a price higher than the support level, and yet the direct payments were made anyway.

Mr. Chairman, I have only 5 minutes to make my speech. The members of the committee have 5 minutes to listen, but apparently they have finished their job long before I have.

Mr. Chairman, I am trying to describe the 1977 experience in which payments were made over the support level to 38 of the 77 participants. In addition to money derived from the firms' marketing efforts at what was the support level or higher, 10 of these firms received $3.6 million in additional Federal payments which they really did not need under the program. The payments above the support level are some kind of a reward paid out of the Treasury by the taxpayers to producers for doing only what they should be doing out of self-interest and sound policy. I believe that any amount of money involved that is received by the growers above the assured return should be the result of marketing initiatives and not the result of a payment by the Government.

The General Accounting Office recommended this kind of an amendment in its report of 1979. It said, and I quote: "Payments should be limited such that the sum of the Government payment and the selling price received in any particular period does not exceed the support level."

Mr. Chairman, that is all this amendment tries to do. I would hope that it would be supported enthusiastically. However, it failed in committee because the Department of Agriculture said it was inconvenient, it somehow places an administrative burden on the Department; and they felt obliged to give away the taxpayers' money, even though the support level had already been achieved. I would hope the House would help to straighten out both the bill and the Department of Agriculture.

Mr. Chairman, to sum up, I think my amendment simply does what the authors of the bill intended. As nearly as I can figure, the only opposition to it is by the Department on administrative grounds.

I think we ought to have a little more respect for the taxpayers, and I would hope that the Members would support the amendment, which would prevent payments resulting in a total return to the producers above the assured price.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I must say to my good friend, the gentleman from Minnesota, that I have not the slightest idea of the effect of his amendment. The noise in the Chamber has been such that none of us could really hear the gentleman.

Could the gentleman give us in a succinct sentence the effect of the amendment?

Mr. FRENZEL. Yes. Mr. Chairman, in previous sugar programs, particularly in

1977, there has been a situation where we had an assured price, the producer sold at that price, and the producer still got a direct payment on top of it. This amendment would say that the combination of the price that he got and the direct payment will never exceed the assured price; that is, if he sells his sugar in the marketplace at the assured price, then he will not get the direct payment.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

(On request of Mr. FINDLEY, and by unanimous consent, Mr. FRENZEL was allowed to proceed for 1 additional minute.)

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I am impressed with the gentleman's amendment. It seems to me to be a very sensible idea.

Can the gentleman state whether the administration has had a look at the amendment. Is it administratively feasible?

Mr. FRENZEL. Mr. Chairman, in the committee the Department of Agriculture said that they would have great difficulty with it, and that is the reason the committee rejected the amendment.

I have tried to give the Department of Agriculture as much flexibility as anybody, except perhaps in relation to what the Chrysler Corp. would need, and if the Department of Agriculture cannot administer my amendment, perhaps we need a new Agriculture Department.

□ 1700

The Agriculture Department still objects to my amendment on administrative grounds. I believe that their objections are unfounded. I would hope that the gentleman would not be influenced by it.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I support the gentleman's amendment, notwithstanding the testimony of the Agriculture Department and, surely, they can find a way to see to it that undeserving companies do not benefit from the system.

Mr. FRENZEL. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the difficulty that this amendment presents is one that I know is compounded by the fact that it is extraordinarily technical.

Without disrespect to the distinguished gentleman who offered it, I would suggest that it is an elaborate cure for a relatively minor problem, which will create so many administrative, supervisory, and bureuacratic reporting requirements that the costs of Government enforcement alone will be far beyond any conceivable monetary benefit to be gained. Rather than saving the taxpayers money, it would add greatly to the costs of the program. In addition, because of technical problems in the sugar market, it may actually lead to higher direct payments than would otherwise occur.

Every farm program payment, be it for wheat, corn, rice, cotton, or whatever, is based upon average market prices rather than requiring a determination of what each individual producer actually sold his product for. It has worked out well in the existing farm programs.

Far from simplifying or correcting the problems of the earlier sugar payments program put into place by the administration, as the gentleman suggests, it would in all likelihood have quite the opposite effect.

A number of producers are also sugar processors. These processor/producers will be eligible to receive payments under the act on their own production. Adoption of this amendment may invite and/or encourage collusion and fraud between sellers and buyers of sugar. Under the current language of H.R. 2172, a payment would be made to all producers equal to the difference between the assured return and the average market price for raw sugar. If this amendment were to be adopted, there could be a strong disincentive to individual processor/producers to obtain a high market price on their entire production, inasmuch as the processor would know that even if he sells for a lower price the payment would help make him whole.

Adoption of this amendment would require the Department to establish an extensive reporting system in order to obtain the average related processor price. Although payments under the Department's interim 1977 crop payment program were based on the average price received by all processors nationwide as opposed to the average related processor price, considerable difficulties were experienced in developing and utilizing such data. For example, conversion of the price received for refined beet sugar to a raw sugar price equivalent is quite nebulous and controversial. It would be much simpler to use the New York quoted price for raw sugar as the basis for all payments made under this act. To base payments on the average related processor price would require another needless and burdensome report to be filled out and mailed to Washington. It would increase the Department's administrative costs greatly.

Further, adoption of this amendment would not be in the best interest of the Government. The domestic market price quoted by the New York Coffee and Sugar Exchange is believed to be a reliable indication of the price of both foreign and domestic raw sugar. The price for domestic raw sugar is rarely, if ever, higher than the New York price. In many cases, the New York price is discounted to domestic processors for stevedoring or other allowances. Therefore, in all likelihood, the payment rate to producers would be higher if payments are based on the average related processor price. The system currently contained in section 202(b) will surely reduce Treasury outlays associated with the proposed sugar program.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I concur in what the gentleman says, and I would just like to add that you are imposing a tremendous burden on the average producer. The average farmer would have to go through a reporting process that I do not think any Member would want. This is a mischievous amendment and it should be defeated.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, I would also point out that this amendment was offered and defeated in the Subcommittee on Trade, and at that time the U.S. Department of Agriculture testified that it would be an administrative nightmare, they did not know how in the world they would handle this and, as the gentleman said, they have handled every other commodity the way we do sugar in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL) to the amendment offered by the gentleman from Ohio (Mr. VANIK).

The question was taken; and on a division (demanded by Mr. FRENZEL) there were—ayes 18, noes 62.

So the amendment to the amendment was rejected.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Vanik amendment, it should be noted, is a technical amendment on which there is no objection, and at least speaking for this side, we hope that it will be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title II? If not, the Clerk will designate title III.

Title III reads as follows:

TITLE III—FARM LABOR PROVISIONS

SEC. 301. WAGE STANDARDS.

(a) IN GENERAL.—Every producer of sugar beets and sugarcane for sugar shall pay to each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane wages as follows:

(1) When employed on a time basis, the rates per hour shall be not less than the following:

(A) In all areas, except Hawaii and Puerto Rico, $3 for work performed during the 1978 sugar supply year beginning 30 days after the date of enactment of this Act, $3.30 for the 1979 sugar supply year, and in each of the 1980 and 1981 sugar supply years the rate for the sugar supply year previous to the year for which the determination is made increased by an amount directly proportional to the amount by which the assured return determined under title II of this Act for the year for which the wage determination is made exceeds the assured return for the last previous sugar supply year. Rates for field equipment operators in counties or parishes where at least 25 percent of the acreage devoted to the production of agricultural commodities is planted to sugarcane or sugar beets shall be not less than 10 percent more than the above rates.

(B) In Hawaii and Puerto Rico, as required by labor union agreement or Federal or local law.

(2) When employed on a piecework basis, the rates shall be not less than the rates for the 1978 crop as published in the Federal Register of January 10, 1978 (42 F.R. 1476), increased each sugar supply year beginning October 1979 in the same proportion as the hourly rates are increased under paragraph (1) of this subsection.

(b) Violation of Wage Standards.—Any producter who fails to pay the wages provided for in subsection (a) of this section shall be liable to the employee or employees affected in the amount of their unpaid wages and in an additional equal amount as liquidated damages. An action to recover such liability may be maintained against any producer in any Federal or State court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated. No employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought. The court in such action shall, in addition to any judgment awarded to any plaintiff, allow a reasonable attorney's fee to be paid by the defendant, and costs of such action.

(c) Administration.—(1) The Secretary is authorized to supervise the payment of the unpaid wages owing to any employee or employees under this section, and the agreement of any employee to accept such payment shall upon payment in full constitute a waiver by such employee of any right he may have under subsection (b) of this section to such unpaid wages and an additional amount as liquidated damages. Any hearing on a claim for unpaid wages shall be conducted by an attorney designated by the General Counsel of the Department of Agriculture from among the attorneys employed in the Office of the General Counsel of that Department, and the decision of such attorney shall be issued promptly thereafter, to the extent possible within 30 days after the conclusion of the hearing. Within 30 days after the issuance of such decision, any person who is adversely affected by such decision may obtain a review of such decision by filing a petition with the judicial officer appointed by the Secretary pursuant to section 3105 of title 5, United States Code. Any person who is adversely affected by a decision of the judicial officer hereunder may obtain judicial review of such decision by filing a complaint, within 30 days after such decision, with the United States district court for the district in which such person resides. Upon the filing of the complaint, the court shall have jurisdiction to affirm, set aside, or modify the decision of the judicial officer, and the findings of the judicial officer as to the facts, if supported by substantial evidence, shall be final and conclusive.

(2) The Secretary may bring an action in any court of competent jurisdiction to recover the amount of the unpaid wages and an equal amount as liquidated damages and to restrain further delay in the payment of unpaid wages owing to an employee. The right provided by subsection (b) to bring an action by or on behalf of any employee and of any employee to become a party plaintiff to any such action shall terminate upon the filing of a complaint by the Secretary in an action under this paragraph, unless such action is dismissed without prejudice on motion of the Secretary. Any sums thus recovered by the Secretary on behalf of an employee pursuant to this subsection shall be held in a special deposit account and shall be paid, on order of the Secretary to the employee or employees affected. Any such sums not paid to an employee because of inability to do so within a period of 3 years shall be covered into the Treasury of the United States as miscellaneous receipts.

(d) Statute of Limitations.—Any action commenced to enforce any cause of action for unpaid wages, or liquidated damages, may be commenced within 2 years after the cause of action accrued, and every such action shall be forever barred unless commenced within 2 years after the cause of action accrued, except that a cause of action arising from a willful violation may be commenced within 3 years after the cause of action accrued.

(e) Employee Protection.—(1) No employer may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee) has—

(A) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act;

(B) testified or is about to testify in any such proceeding; or

(C) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this Act.

(2) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of paragraph (1) may, within 180 days after such violation occurs, file (or have any person file on his behalf) a complaint with the Secretary alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(3) (A) Upon receipt of a complaint filed under paragraph (2), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within 30 days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this subparagraph. Within 90 days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for public hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If, in response to a complaint filed under paragrapph (2), the Secretary determines that a violation of paragraph (1) has occurred, the Secretary shall order the person who committed such violation to (i) take affirmative action to abate the violation, and (ii) reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment, and the Secretary may order such person to provide compensatory damages to the complainant. If an order is issued under this paragraph, the Secretary, at the request of the complainant shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expense (including attorneys' and expert witness fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(4) (A) Any person adversely affected or aggrieved by an order issued under paragraph (3) may obtain review of the order in the United States district court for the district in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within 60 days from the issuance of the Secretary's order. Review shall conform to chapter 7 of title 5 of the United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the Secretary's order.

(B) An order of the Secretary with respect to which review could have been obtained under subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

(5) Whenever a person has failed to comply with an order issued under paragraph (3), the Secretary may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages.

(6) (A) Any person on whose behalf an order was issued under paragraph (3) may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

(B) The court, in issuing any final order under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award is appropriate.

(7) Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28 of the United States Code.

(f) Excessive Charges Prohibited.—All producers of sugar beets and sugarcane are hereby prohibited from charging, or permitting to be charged, directly or indirectly, persons employed on the farm in the production, cultivation, or harvesting of sugar beets and sugarcane during the period beginning 30 days after the date of enactment of this Act until the end of the 1981 sugar supply year, any amount in excess of the reasonable cost for the furnishing to any such person of goods, services, board, lodging, or other facilities customarily furnished to employees engaged in the production, cultivation, or harvesting of sugar beets or sugarcane in the area. The Secretary may determine the reasonable cost of such goods, services, board, lodging, or other facilities for defined classes of employees and in defined areas, based on the average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value.

(g) Compensation Insurance.—The Secretary shall issue such regulations as the Secretary deems necessary to assure that the producer shall furnish each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane workmen's compensation insurance during the time so employed in the period beginning 30 days after the date of enactment of this Act until the end of the 1981 sugar supply year. Such insurance coverage shall be deemed adequate if it meets the requirements of the law in States in which such insurance is mandatory, or if it meets such standards as are established by law in States in which such insurance is not mandatory.

(h) Investigations.—Investigations of possible violations of provisions of this section shall be conducted by the Office of the Inspector General of the Department of Agriculture. The Inspector General may enter and inspect such places and such records, question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this title or which may aid in the enforcement of the provisions of this title. Every producer subject to the provisions of this title shall keep and preserve such records of the persons employed by him and of the wages, hours, and other conditions and practices of employment maintained by him for such periods of time and shall make such reports as the Secretary may prescribe by regulation as necessary or appropriate for the enforcement of this title.

(i) CIVIL PENALTY.—Any person who violates the provisions of subsection (f), (g), or (h), or any regulation with respect thereto, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. In determining the amount of such penalty, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be—

(1) deducted from any sums owing by the United States to the person charged; or

(2) recovered in a civil action brought by the Secretary in any court of competent jurisdiction.

Any administrative determination by the Secretary of the amount of such penalty shall be final, unless within 15 days after receipt of notice thereof by certified mail the person charged with the violation takes exception to the determination that the violations for which the penalty is imposed occurred, in which event final determination of the penalty shall be made in an administrative proceeding after opportunity for hearing in accordance with section 554 of title 5, and regulations promulgated by the Secretary. Sums collected as penalties pursuant to this section shall be applied toward reimbursement of the costs of determining the violations and assessing and collecting such penalties.

(j) RULES AND REGULATIONS.—The Secretary shall issue such rules and regulations as may be necessary or appropriate to carry out the provisions of this title. Any person who knowingly violates any such rule or regulation is guilty of an offense and upon conviction thereof is punishable by a fine of not more than $1,000.

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 54, strike out line 15 and all that follows thereafter down through line 8 of page 65 and insert the following:

TITLE III—FARM LABOR PROVISIONS

SEC. 301. DEFINITIONS.

For purposes of this title—

(1) The phrase "effective period of this title" means the period beginning on the 30th day after the date of the enactment of this Act and ending at the close of the 1981 sugar supply year.

(2) The term "FLSA" means the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

(3) The term "producer" means a producer of sugar beets or sugarcane for sugar.

(4) The term "Secretary" means the Secretary of Labor.

(5) The term "sugar supply year" has the same meaning as is given to such term in section 201(8).

SEC. 302. WAGE STANDARDS.

(a) RATES.—There shall be paid to persons employed on the farm in the production, cultivation, or harvesting of sugar beets for sugar and sugarcane wages at the following rates:

(1) When employed on a time basis, the rates per hour shall be not less than the following:

(A) In all areas, except Hawaii and Puerto Rico—

(i) $3.30 for the 1979 sugar supply year; and

(ii) in each of the 1980 and 1981 sugar supply years, the minimum rate required to be paid under this paragraph during the immediately preceding sugar supply year increased by an amount directly proportional to the amount by which the assured return determined under title II for the year for which the rate is being determined under this clause exceeds the assured return for the immediately preceding sugar supply year.

The rates for field equipment operators in counties or parishes where at least 25 percent of the acreage devoted to the production of agricultural commodities is planted to sugarcane or sugar beets shall be not less than 10 percent more than the rate referred to in the preceding sentence for the sugar supply year concerned.

(B) In Hawaii and Puerto Rico, the rates required by labor union agreement or Federal or local law.

(2) When employed on a piecework basis, the rates shall be not less than the rates for the 1978 crop as published in the Federal Register of January 10, 1978 (42 F.R. 1476), increased for each sugar supply year beginning after September 30, 1979, in the same proportion as the hourly rates are increased under paragraph (1) of this subsection.

(b) VIOLATIONS.—Any violation of this section, or of any rule or regulation issued to carry out this section, is a violation of section 6 of the FLSA and of paragraph (1) or (2), as applicable, of section 15(a) of the FLSA. In applying this section, the statute of limitations for actions brought under section 6 of the FLSA shall apply to actions brought with respect to violations that are deemed under this subsection to be violations of such section 6.

SEC. 303. EXCESSIVE CHARGES PROHIBITED.

(a) PROHIBITIONS.—No producer may charge, or permit to be charged, directly or indirectly, to any person employed during the effective period of this title on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane any amount in excess of the reasonable cost, as determined by the Secretary, for the furnishing to such person any goods, services, board, lodging, or other facilities customarily furnished to employees engaged in the production, cultivation, or harvesting of sugar beets or sugarcane in the area concerned. The Secretary may determine the fair value of such goods, services, board, lodging, or other facilities for defined classes of employees and in defined areas, based on the average cost to the producer or to groups of producers similarly situated, the average value to groups of employes, or any other appropriate measure of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of the actual measure of cost in determining whether excessive charges have been made.

(b) REASONABLE COST AND FAIR VALUE.—For purposes of this section, the terms "reasonable cost" and "fair value" shall have the same respective meanings as are applied with respect to such terms by the Secretary for purposes of administering section 3(m) of the FLSA.

(c) VIOLATIONS.—For violations of this section and penalties, see section 309.

SEC. 304. CHILD LABOR.

(a) LIMITATIONS ON EMPLOYMENT.—(1) During the effective period of this title, no individual who is under 14 years of age may be employed or permitted to work on the farm, whether for gain to such individual or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane; unless that individual is a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed.

(2) During the effective period of this title, no individual who has attained age 14 but has not attained age 16 may be employed or permitted to do work described in paragraph (1), whether for gain to such individual or any other person, for a period of more than eight hours in any one day; unless that individual is a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed.

(b) VIOLATIONS.—Any violation of this section, or any rule or regulation issued to carry out this section, is a violation of sections 12 and 15(a)(4) of the FLSA.

SEC. 305. EMPLOYEE PROTECTION.

(a) IN GENERAL.—No person may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or the Secretary or any person acting pursuant to a request of the employee) has—

(1) commenced, caused to be commenced, or is about to commence or cause to be commenced, a proceeding seeking compliance with any provision of this title;

(2) testified, or is about to testify, in any such proceeding; or

(3) assisted or participated, or is about to assist or participate, in any manner in any such proceeding or in any other action to carry out the purposes of this title.

(b) COMPLAINTS.—(1) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) may, within 180 days after such violation occurs, file (or have any person file on his behalf) a complaint with the Secretary alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(2)(A) Upon receipt of a complaint filed under paragraph (1), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within 30 days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this subparagraph. Within 90 days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for public hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If, in response to a complaint filed under paragraph (1), the Secretary determines that a violation of subsection (a) has occurred, the Secretary—

(i) shall order the person who committed such violation to (I) take affirmative action to abate the violation, and (II) reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment; and

(ii) may order such person to provide compensatory damages to the complainant.

If an order is issued under this paragraph, the Secretary, at the request of the complainant, shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expense (including attorneys' and expert witness fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(c) REVIEW OF ORDERS.—(1) Any person adversely affected or aggrieved by an order issued under subsection (b)(2) may obtain review of the order in the United States district court for the district in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within 60 days from the issuance of the Secretary's order. Review shall be in conformity with chapter 7 of title 5 of the United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the Secretary's order.

(2) An order of the Secretary with respect to which review could have been obtained under paragraph (1) shall not be subject to judicial review in any criminal or other civil proceeding.

(d) COMPLIANCE.—(1) Whenever a person has failed to comply with an order issued under subsection (b)(2), the Secretary may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages.

(2) Any person on whose behalf an order was issued under subsection (b)(2) may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

(3) The court, in issuing any final order under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award is appropriate.

(e) VIOLATIONS.—Any violation of this section, or any rule or regulation issued to carry out this section, is a violation of section 15 (a)(3) of the FLSA.

(f) EXCLUSIVENESS OF REMEDIES.—The remedies provided for in this section shall apply in lieu of any remedy provided for in section 16(b) or 17 of the FLSA.

SEC. 306. COMPENSATION INSURANCE.

(a) REQUIRED INSURANCE.—Producers shall furnish workers' compensation insurance to persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane during the time so employed during the effective period of this title. Such insurance coverage shall be deemed adequate if it meets the requirements of the law in States in which such insurance is mandatory, or if it meets such standards as are established by law in States in which such insurance is not mandatory.

(b) VIOLATIONS.—For violations of this section and penalties, see section 309.

SEC. 307. REMEDIES AND ENFORCEMENT.

(a) FOR FLSA VIOLATIONS.—Except as provided in section 305(f), all powers, remedies, and procedures under the FLSA available to the Secretary or to any aggrieved employee, as the case may be, are available with respect to any act the commission of which is deemed under this title to be a violation of the FLSA.

(b) RESTRAINT OF CERTAIN VIOLATIONS.—The Secretary may seek to restrain, pursuant to section 17 of the FLSA, any violation of sections 303 and 306, and for such purpose the jurisdiction of the United States district courts under section 17 is hereby extended to include any such violation.

(c) ENFORCEMENT POWERS.—For purposes of enforcing the provisions of this title, the Secretary may utilize the powers specified in—

(1) section 9 of the FLSA to compel the attendance of witnesses and the production of books, papers, and documents at hearings and investigations necessary for the enforcement of this title;

(2) section 11(a) of the FLSA to carry out investigations, gather data, and make entries, inspections, and inquiries regarding wages, hours, and other conditions and practices of employment engaged in by any employer subject to this title or to any order issued by the Secretary under this title; and

(3) section 11(b) of the FLSA to use the services of State and local agencies in carrying out the Secretary's duties under this title.

SEC. 308. RECORDS.

(a) IN GENERAL.—Each producer subject to this title shall—

(1) make, keep, and preserve such records of persons employed, and of the wages, hours, and other conditions and practices of employment maintained;

(2) preserve the records referred to in paragraph (1) for such time; and

(3) make available to the Secretary such reports based on such records;

as the Secretary shall by regulation require as being necessary or appropriate for the enforcement of this title.

(b) VIOLATIONS.—Any violation of this section, or of any rule or regulation issued to carry out this section, is a violation of sections 11(c) and 15(a)(5) of the FLSA.

SEC. 309. VIOLATIONS OF SECTIONS 303 AND 306 AND PENALTIES.

(a) CIVIL PENALTIES.—Any person who violates section 303 or 306, or any rule or regulation issued to carry out either of such sections, is liable to the United States for a civil penalty of not to exceed $1,000 for each such violation. In determining the amount of such penalty, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be—

(1) deducted from any sums owing by the United States to the person charged; or

(2) recovered in a civil action brought by the Secretary in any court of competent jurisdiction.

Any administrative determination by the Secretary of the amount of such penalty shall be final, unless within 15 days after receipt of notice thereof by certified mail the person charged with the violation takes exception to the determination that the violations for which the penalty is imposed occurred, in which event final determination of the penalty shall be made in an administrative proceeding after opportunity for hearing in accordance with section 554 of title 5 of the United States Code and regulations issued by the Secretary.

(b) CRIMINAL PENALTIES.—(1) Except as provided in paragraph (2), any person who willfully violates section 303 or 306, or any rule or regulation issued to carry out either of such sections, is guilty of an offense and upon conviction thereof is punishable by a fine or not more than $10,000, or imprisonment for not more than 6 months, or both.

(2) No person may be imprisoned under paragraph (1) except for the violation of either section 303 or 306, or any rule or regulation issued to carry out such section, committed after the conviction of such person for a prior offense under paragraph (1).

SEC. 310. REGULATIONS.

The Secretary shall issue such rules and regulations as may be necessary or appropriate to carry out the provisions of this title.

Mr. VANIK (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Chairman, while this amendment appears to be a substantial rewrite of the Agriculture Committee bill, I believe that, in its economic impact on sugar workers and its obligation on producers, it is equivalent to the Agriculture Committee version, with one exception.

Also, this is not the identical version of the amendment adopted by the Ways and Means Committee, but it is a technical rewriting of that version developed by the staffs of our two committees and the Department of Labor. It is nearly identical to the Ways and Means version contained on pages 96 to 106 of H.R. 2172, but it makes certain corrections and clarifications.

Mr. Chairman, the Agriculture Committee version of title III is basically a melding of the special labor provisions of the old labor sugar acts, along with some of the enforcement provisions contained in the Fair Labor Standards Act of 1938, as amended.

The Agriculture Committee version provides for the administration by the Department of Agriculture. The administration urged, however, that the bill be amended to provide for the enforcement of title III by the Department of Labor. The Ways and Means Committee considered this request and adopted that proposal as an amendment by the gentleman from New York (Mr. DOWNEY). As a part of the change in administering agency, it was made clear that the provisions of the FLSA would be used to enforce the title.

Second, the administration requested that the child labor provisions be included in the bill identical to those which were in the old Sugar Act.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, the amendment offered by the gentleman from Ohio essentially incorporates the Ways and Means Committee version of the labor provisions of this act. The principal differences, I believe, are that under the Ways and Means Committee version the administration of the act would be in the Department of Labor rather than in the Department of Agriculture, and that certain slightly more stringent rules against the use of child labor would be involved; is that correct?

Mr. VANIK. That is correct.

Mr. FOLEY. Mr. Chairman, speaking at least for myself, if for no others, I would have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to title III?

### AMENDMENT OFFERED BY MR. KELLY

Mr. KELLY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair will inquire of the gentleman, to what title does the gentleman's amendment apply?

Mr. KELLY. Title III.

The CHAIRMAN. Title III?

Mr. KELLY. Yes, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLY: On page 54, commencing with line 15, strike out all that follows through page 65, line 8.

The CHAIRMAN. The Chair will advise the gentleman from Florida (Mr. KELLY) that, having adopted an amendment striking title III and inserting new language, the gentleman's amendment to strike the title is not in order.

Mr. KELLY. Mr. Chairman, would the Chair repeat the ruling? I was not able to hear it.

The CHAIRMAN. The Vanik amendment rewrote title III in its entirety and was adopted. In view of that, the gentleman's amendment to title III to strike the title is not in order.

Mr. KELLY. Mr. Chairman, my amendment is aimed at the substitute title because other than the administration of it, the substance is the same. For that reason, I ask unanimous consent that my amendment be permitted to be directed to the Vanik amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. HUCKABY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will designate title IV.

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The CHAIRMAN. The Clerk will designate title IV.

Title IV reads as follows:

## TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. DEFINITION.

As used in this title, the term "sugar" has the same meaning as is given to such term in section 201(6).

SEC. 402. JURISDICTION OF COURTS.

The several district courts of the United States are hereby vested with jurisdiction specially to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant thereto including, among other things, the restraint of withholding payments of minimum wages found by the court to be due employees under title III of this Act. If and when the Attorney General shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties, fees, and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 403. INFORMATION, SURVEYS, INVESTIGATIONS, ETC.

(a) INFORMATION TO SECRETARY.—All persons engaged in the manufacturing, marketing, transportation or industrial use of sugar and other sweeteners, including those not derived from sugar beets or sugarcane, and having information which the Secretary deems necessary to enable him to administer titles I and II, shall, upon the request of the Secretary, furnish him with such information.

(b) SURVEYS, INVESTIGATIONS, AND RESEARCH.—The Secretary from time to time shall conduct such surveys, investigations, and research as the Secretary deems necessary regarding the manufacturing, marketing, transportation, or industrial use of sugar and other sweeteners.

(c) COST OF PRODUCTION STUDIES.—The Secretary shall conduct such studies on the cost of producing sugarcane, sugar beets, sugar, and other sweeteners as are deemed necessary by the Secretary.

(d) SUBPENAS.—The Secretary may subpena the production of such records, books, papers, and other documents that he determines to be necessary to carry out this section.

(e) CONFIDENTIALITY.—All information that is required to be furnished to the Secretary under this section and that relates to the separate operations of the person providing the information shall be kept confidential by all officers and employees of the Department of Agriculture: *Provided*, That such information shall be made available by the Secretary, upon request, to the Comptroller General or his delegates or employees who shall keep such information confidential.

(f) CRIMINAL PENALTY.—Any person who willfully fails or refuses to furnish the Secretary with information requested by him for purposes of carrying out this section, or furnishes false information in response to such request knowing the information to be false, is guilty of an offense and upon conviction thereof is punishable by a fine of not more than $2,000.

SEC. 404. INVESTMENTS BY OFFICIALS PROHIBITED.

No person may, while acting in any official capacity in the administration of this Act, invest or speculate in sugar, contracts relating thereto, or the stock or membership interest of any association or corporation engaged in the production or manufacturing of sugar. Any person who violates this section is guilty of an offense and upon conviction thereof is punishable by a fine of not more than $10,000 or imprisonment of not more than 2 years, or both.

SEC. 405. PRICE SUPPORT PROGRAM FOR SUGAR BEETS AND SUGARCANE.

(a) PRICE SUPPORT UNTIL SEPTEMBER 30, 1979.—Nothing contained in this Act shall affect (1) the application of section 201(f) of the Agricultural Act of 1949 with respect to the 1978 crop of sugar beets and sugarcane nor, (2) except as provided in section 202(b)(3) of this Act, the authority of the Secretary to provide price support under title III of the Agricultural Act of 1949 on the 1979 crop of sugar beets and sugarcane after the date of enactment of this Act until September 30, 1979.

(b) PRICE SUPPORT BEGINNING OCTOBER 1, 1979.—Effective beginning October 1, 1979, with respect to the 1979 through 1981 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949, as amended, is amended by—

(1) striking out in the first sentence "honey, and milk" and inserting in lieu thereof the following: "honey, milk, sugar beets, and sugarcane"; and

(2) adding at the end thereof a new subsection (g) as follows:

"(g) In order to assist in achieving the objectives of the International Sugar Stabilization Act of 1979, the price of each of the 1979 through 1981 crops of sugar beets and sugarcane, respectively, shall be supported through loans on or purchases of the processed products thereof at such level, not less than 89 percent of the price objective for sugar for the applicable sugar supply year determined under that Act, as the Secretary determines will meet such objectives."

(c) WAIVER OF INTEREST ON 1977 AND 1978 CROP PRICE SUPPORT LOANS.—Notwithstanding any other provision of law, the Secretary may waive a portion of the interest due on outstanding loans obtained from the Commodity Credit Corporation with respect to sugar produced from the 1977 and 1978 crops of sugar beets and sugarcane at such times and in such amounts as the Secretary determines necessary to encourage the repayment of such loans; except that such waiver authority shall be exercised in such a manner as not to affect unduly the market prices for sugar.

SEC. 406. COMMODITY CREDIT CORPORATION.

The authority vested in the Secretary under this Act shall be administered through the Commodity Credit Corporation.

SEC. 407. LOAN GUARANTEES FOR CONSTRUCTION, CONVERSION, OR MODIFICATION OF FACILITIES FOR INDUSTRIAL HYDROCARBON AND ALCOHOLS PRODUCTION.

The Commodity Credit Corporation may provide loan guarantees for construction, conversion, or modification of facilities for the production and marketing of industrial hydrocarbons and alcohols derived at least in part from sugarcane, sugar beets, or any byproduct derived therefrom, corn or any byproduct derived therefrom, or any other commodities covered under this Act, from a guarantee fund of up to $25,000,000 during the 2 fiscal years beginning October 1, 1979, but not to exceed the amount of special import duties collected under authority of this Act in such period.

That this Act may be cited as the "International Sugar Stabilization Act of 1979".

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States; and the term "entry" means the entry, or withdrawal from warehouse, for such consumption.

(2) The term "person" has the same meaning as is given to such term in section 1 of title 1 of the United States Code.

(3) The terms "TSUS" means the Tariff Schedules of the United States (19 U.S.C. 1202).

(4) The term "United States", when used in a geographical context, means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

## TITLE I—INTERNATIONAL SUGAR AGREEMENT, 1977

SEC. 101. DEFINITIONS.

For purposes of this title—

(1) The term "Agreement" means the International Sugar Agreement, 1977, signed at New York City on December 9, 1977.

(2) The term "sugar" has the same meaning as is given to such term in paragraph (12) of Article 2 of the Agreement.

SEC. 102. IMPLEMENTATION OF AGREEMENT.

On and after the entering into force of the Agreement with respect to the United States, and for such period before January 1, 1983, as the Agreement remains in force, the President may, in order to carry out and enforce the provisions of the Agreement—

(1) regulate the entry of sugar by appropriate means, including, but not limited to—

(A) the imposition of limitations on the entry of sugar which is the product of foreign countries, territories, or areas not members of the International Sugar Organization, and

(B) the prohibition of the entry of any shipment or quantity of sugar not accompanied by a valid certificate of contribution or such other documentation as may be required under the Agreement;

(2) require of appropriate persons the keeping of such records, statistics, and other information, and the submission of such reports, relating to the entry, distribution, prices, and consumption of sugar and alternative sweeteners as he may from time to time prescribe; and

(3) take such other action, and issue and enforce such rules or regulations, as he may consider necessary or appropriate in order to implement the rights and obligations of the United States under the Agreement.

### SEC. 103. DELEGATION OF POWERS AND DUTIES.

The President may exercise any power or duty conferred on him by this title through such agencies or offices of the United States as he shall designate. Such agencies or offices shall issue such regulations as they determine are necessary to implement this title.

### SEC. 104. CRIMINAL OFFENSES.

Any person who—

(1) knowingly fails to keep any information, or to submit any report, required under section 102;

(2) submits any report under section 102 knowing that the report or any part thereof is false; or

(3) knowingly violates any rule or regulation issued to carry out this title;

is guilty of an offense and upon conviction thereof is punishable by a fine of not more than $1,000.

### SEC. 105. REPORT TO CONGRESS.

The President shall submit to Congress, on or before April 1 of each year, a report on the operation and effect of the Agreement during the immediately preceding year. Unless otherwise published on a regular basis by an agency of the United States, the report shall contain, but not be limited to—

(1) information with respect to world and domestic sugar demand, supplies, and prices during the year concerned;

(2) projections with respect to world and domestic sugar demand, supplies, and prices; and

(3) a summary of the international and domestic actions taken during the year concerned under the Agreement and under domestic legislation to protect the interests of United States consumers and producers of sugar.

### SEC. 106. PRESIDENTIAL FEE AUTHORITY ON SUGAR.

The first paragraph of section 22(b) of the Agricultural Adjustment Act (7 U.S.C. 624(b)) is amended by striking out the period at the end of the second proviso thereto and inserting in lieu thereof the following: "*: And provided further,* That any fee imposed upon any sugar, sirup, or molasses provided for in items 155.20 and 155.30 of the Tariff Schedules of the United States (19 U.S.C. 1202) shall not be subject to the 50 per centum ad valorem limitation.".

## TITLE II—IMPORT RESTRICTIONS ON SUGAR

### SEC. 201. DEFINITIONS.

For purposes of this title—

(1) The term "assured return" means—

(A) for the 1979 sugar supply year, 16.3 cents per pound, raw value; and

(B) for each sugar supply year beginning after September 30, 1980, the price objective for such sugar supply year plus .50 cents per pound raw value.

(2) The term "average daily price for United States raw sugar imports" means the average of the daily market prices (excluding any special import duty imposed under this title) for sugar in pounds, raw value, as determined by the Secretary.

(3) The term "price objective" means the price set forth in, or determined under, section 202(a).

(4) The term "quantitative restriction" means the total quantity of any sugar or sugar-containing product produced in all foreign countries, territories, or areas that may be entered, without regard to source, in any sugar supply year or supply year quarter.

(5) The term "raw value" has the same meaning as is given to such term in headnote 1 to subpart A of part 10 schedule 1 of the TSUS.

(6) The term "Secretary" means the Secretary of Agriculture.

(7) The term "sugar" means any sugar, sirup, and molasses provided for in items 155.20 and 155.30 of the TSUS. The term "raw sugar" means sugar to be further refined or improved in quality. The term "refined sugar" means sugar not to be further refined or improved in quality.

(8) The term "sugar supply year" means the 12-month period beginning on October 1 of each calendar year with each such year being designated by the year in which the beginning date occurs.

(9) The term "supply year quarter" means any of the 3-month periods beginning on October 1, January 1, April 1, or July 1 of any sugar supply year.

### SEC. 202. PRICE OBJECTIVES AND PAYMENTS TO ACHIEVE ASSURED RETURN.

(a) PRICE OBJECTIVES.—(1) The price objective for the 1979 sugar supply year is 15.8 cents per pound, raw value.

(2) The price objective for each sugar supply year beginning after September 30, 1980 (hereinafter in this paragraph referred to as the "computation year") is the price objective for the sugar supply year that immediately precedes the computation year adjusted (but not to a price that is more than 107 percent of the price objective of such immediately preceding sugar supply year) to reflect the percent change between the average farm cost of production for—

(A) the 2 sugar supply years immediately preceding the computation year, and

(B) the 2 sugar supply years immediately preceding the sugar supply year that immediately precedes the computation year.

(3) For purposes of paragraph (2), the average farm cost of production for each sugar supply year shall be determined by the Secretary on the basis of such information as the Secretary finds to be necessary or appropriate for the purpose, and shall be limited to the—

(A) variable cost,

(B) machinery ownership cost, and

(C) general farm overhead cost,

allocated to the crop involved on the basis of the proportion of the value of the total production derived from such crop.

(b) PAYMENTS.—If the assured return is not achieved in any sugar supply year that begins after September 30, 1979, the Secretary shall make payments (subject to the limitations set forth in this subsection) solely to domestic producers of sugarcane and sugar beets at the rate per pound, raw value (but not more than .50 cents per pound, raw value), equal to the amount by which the assured return for such year exceeds the greater of—

(A) the average daily price for United States raw sugar imports during such year; or

(B) the price objective for such year.

(2) (A) Notwithstanding any other provision of this Act, the total amount which any person engaged in the production of sugarcane or sugar beets shall be entitled to receive as a result of payments made under this section shall not exceed $50,000.

(B) As used in this paragraph—

(i) The term "payments" does not include loans or purchases.

(ii) The term "person" has the same meaning as provided in regulations issued by the Secretary under section 101 of the Food and Agriculture Act of 1977, except as the Secretary may determine necessary to assure a fair and reasonable application of the limitation under subparagraph (A) to persons engaged in the production of sugarcane and sugar beets.

(3) (A) This subsection shall take effect October 1, 1979. The Secretary shall make payments authorized under this subsection through the Commodity Credit Corporation.

(B) During sugar supply years 1978 through 1981, the Secretary may not make payments to, or on behalf of, producers and processors of sugarcane or sugar beets under section 301 of the Agricultural Act of 1949 (7 U.S.C. 1447) or any other provision of law (other than this subsection) that authorizes payments by the Secretary to achieve price support levels for such commodities.

(c) TIME OF PRICE OBJECTIVE AND ASSURED RETURN DETERMINATIONS.—The Secretary shall determine the price objective under subsection (a), and the assured return, for each sugar supply year occurring after September 30, 1980, not later than July 31 of the year in which such sugar supply year begins and on the basis of the best information available at the time. The Secretary shall immediately announce each such determination and promptly thereafter publish it in the Federal Register, but may not thereafter adjust any such determination.

(d) AVERAGE DAILY PRICES.—(1) The Secretary shall determine on a continuing basis the average daily price for United States raw sugar imports and shall monitor the prices of sugar and sugar-containing products in the import trade of the United States.

(2) The Secretary shall publish the determinations made under paragraph (1) on such periodic basis as he deems appropriate.

### SEC. 203. SPECIAL IMPORT DUTIES

(a) ON SUGAR.—(1) (A) There is imposed on raw sugar entered during any supply year quarter a special import duty that shall be in the amount by which the average daily price for United States raw sugar imports during the 20 consecutive market days immediately preceding the 15th day of the month before the first month of such supply year quarter is less than the price objective that applies for such quarter.

(B) There is imposed on refined sugar entered during any supply year quarter such special import duty as the Secretary determines necessary to assure that the price objective for the year shall be achieved.

(C) The Secretary shall undertake a continuing review of the effects of the special import duties imposed under this paragraph.

(2) (A) The amount of the special import duty imposed under paragraph (1) (A) on raw sugar in effect for any supply year quarter shall be—

(i) decreased by .50 cents per pound, raw value, if the Secretary determines that the sum of—

(I) the average daily price of United States raw sugar imports for any period of 10 consecutive market days within such supply year quarter, and

(II) the amount of such duty, exceeds the price objective for that quarter by more than .50 cents; and

(ii) increased by .50 cents per pound, raw value, if the Secretary determines that the sum of—

(I) the average daily price of United States raw sugar imports for any period of 10 consecutive market days within such supply year quarter, and

(II) the amount of such duty,

is less than the price objective for that quarter by more than .50 cents.

(B) The special import duty imposed under paragraph (1)(B) on refined sugar shall be adjusted, at the time adjustments are made under subparagraph (A) to the special import duty on raw sugar, in such amount as is necessary to assure that the price objective for the year is achieved.

(3) Notwithstanding the foregoing provisions of this section, if at any time during the sugar supply year the Secretary determines that either or both of the special import duties provided for under paragraph (1) (whether adjusted under paragraph (2)) will not assure that the price objective will be achieved on the average during the supply year, the Secretary shall determine the amount of such adjustment in either or both of such duties as is necessary to achieve such result.

(4)(A) The Secretary shall determine and announce the amount of the special import duties imposed under paragraph (1) for each supply year quarter, and shall certify such amounts to the President, before the close of the 11th day before the first day of that supply year quarter; except that if the date of the enactment of this Act occurs after the first day of a supply year quarter to which this subsection applies, the Secretary shall announce and certify any special import duty for that quarter before the close of the 5th day after such date of enactment.

(B) The Secretary shall announce any special import duty adjustment required to be made under paragraph (2), and shall certify such adjustment to the President, before the close of the third market day after the last day of the period of 10 consecutive market days on which the adjustment determination is based.

(C) The Secretary shall announce any special import duty adjustment required to be made under paragraph (3), and shall certify such adjustment to the President before the close of the third market day after determining its amount.

(5) This subsection shall apply with respect to the supply year quarter that begins October 1, 1979, and to each supply year quarter thereafter.

(b) ON SUGAR-CONTAINING PRODUCTS.—(1) The President may—

(A) after receiving a recommendation from the Secretary under paragraph (2), and subject to subsection (c), impose a special import duty on the sugar content of such sugar-containing products and in such amounts, as the President considers to be necessary to assure that the price objective for such sugar supply year will be achieved; and

(B) after receiving a recommendation from the Secretary under paragraph (3), make such adjustments with respect to any special import duty imposed under subparagraph (A) that the President considers necessary to achieve the price objective for the sugar supply year concerned.

(2) If at any time during any sugar supply year after September 30, 1979, the Secretary considers that the imposition of a special import duty on the sugar content of any sugar-containing product is necessary to assure that the average daily price for United States raw sugar imports will result in the price objective for such sugar supply year being achieved, the Secretary shall recommend to the President that the President impose such special import duties under paragraph (1)(A) on the entry of such sugar-containing products as the Secretary deems appropriate.

(3) The Secretary shall review, on a supply year quarter basis, the effect of all special import duties imposed under paragraph (1)(A). On the basis of such review, the Secretary may recommend to the President such adjustments with respect to the amount of any such duty, or with respect to sugar-containing products to which any such duty should be extended or removed, as the Secretary determines to be necessary to achieve the price objective for the sugar supply year concerned.

(4) Each recommendation made by the Secretary to the President under this subsection shall be promptly published by the Secretary in the Federal Register.

(c) SPECIAL RULES FOR SUGAR-CONTAINING PRODUCTS.—If the President has reason to believe that the sugar-containing product, to which any recommendation made by the Secretary under subsection (b)(2) applies, will adversely affect, or is adversely affecting, the achievement of the price objective during the sugar supply year concerned, the President may not impose any special import duty under subsection (b)(1)(A) on the sugar content of such product before—

(1) requesting the United States International Trade Commission to undertake an investigation to determine whether, and to what extent, the entry of such product is adversely affecting the achievement of the price objective; and

(2) taking into consideration the results of such investigation;

except that, if the Secretary in any recommendation made under subsection (b)(2) also advises the President that a condition exists with respect to the sugar-containing product concerned that requires emergency treatment, the President may immediately impose a special import duty under subsection (b)(1)(A) pending the receipt and consideration by him of the results of the investigation requested under paragraph (1). The United States International Trade Commission shall submit to the President a report on any investigation requested by him under this subsection within 60 days after the date of such request.

### SEC. 204. PROCLAIMING OF SPECIAL IMPORT DUTIES

(a) AUTHORITY.—The President shall proclaim, under the authority of the headnotes to subpart A of part 10 of schedule 1 of the TSUS, the special import duties, and the adjustments thereto, that are required to be imposed, or that may be imposed at his discretion, under section 203.

(b) SPECIAL PROVISIONS RELATING TO PROCLAMATIONS.—(1) Any special import duty under section 203(a)(1) certified to the President shall be proclaimed by the President not later than the 5th day before the first day of the supply year quarter in which such duty applies; except that if the date of the enactment of this Act occurs after the first day of a supply year quarter to which such section applies, the Secretary shall proclaim any special import duty certified under such section for such quarter not later than the 5th market day after such date of enactment.

(2) Any special import duty adjustment under section 203(a)(2) certified to the President shall be proclaimed by the President not later than the close of the 5th market day after the last day of the period of 10 consecutive market days on which the adjustment determination is based.

(3) Any special import duty adjustment under section 203(a)(3) certified to the President shall be proclaimed by the President not later than the close of the 5th market day after the adjustment determination is made by the Secretary.

### SEC. 205. QUANTITATIVE RESTRICTIONS ON IMPORTED SUGAR AND SUGAR-CONTAINING PRODUCTS.

(a) IMPOSITIONS.—At the end of the first 6 months of each sugar supply year beginning with the 1979 sugar supply year, the Secretary shall determine whether the price objective for that year will be achieved on an average basis by the special import duties in effect during that year and publish such determination in the Federal Register, together with a statement of factors which entered into the determination. If the Secretary determines that the price objective for that year will not be achieved on an average basis by the special import duties in effect during that year, the Secretary shall certify to the President such quantitative restrictions on the total amount of sugar and sugar-containing products which may be entered during the balance of that sugar supply year as the Secretary determines to be necessary to achieve, in conjunction with the special import duties imposed during the supply year concerned, the price objective for the year on an average basis. Any quantitative restrictions certified to the President shall be proclaimed by the President not later than the close of the 5th market day after the determination of the Secretary.

(b) REVIEW.—If any quantitative restrictions are in effect under this section, the Secretary shall review, from time to time, the effect of such restrictions and shall certify to the President such adjustments in the restrictions as the Secretary determines are required to achieve the relevant annual market price objective. The President shall proclaim the adjustments in quantitative restrictions as certified by the Secretary, not later than the close of the 5th market day after the determination of the Secretary, with a statement of the factors which entered into such determination.

(c) GLOBAL RESTRICTION.—Any quantitative restriction imposed under subsection (a) shall be administered as a global quantitative restriction imposed in terms of raw values.

### SEC. 206. PROHIBITED ACTS.

(a) CERTAIN IMPORTS AND EXPORTS.—No person may—

(1) bring or import into the Virgin Islands in any sugar supply year for consumption in such islands, any sugar in excess of 100 pounds if such sugar was produced from sugarcane or sugar beets grown outside the United States; or

(2) export to any foreign country any sugar entered under any quantitative restriction imposed under section 205.

(b) CIVIL PENALTY.—Any person who knowingly violates, knowingly attempts to violate, or knowingly participates or aids in the violation of subsection (a) shall forfeit to the United States the sum equal to three times the market value at the time of the commission of any such act, of that quantity of sugar involved in the violation, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

### SEC. 207. EXEMPT ARTICLES OF SUGAR.

(a) DESCRIPTION OF ARTICLES.—This title does not apply with respect to any sugar or sugar-containing product—

(1) of any aggregate value not exceeding $25 in any one shipment, if entered as samples for the taking of orders, for the personal use of the importer, or for research;

(2) entered for the production of alcohol other than any alcohol or resulting byproduct for human food consumption;

(3) entered for the production of yeast, citric acid, or monosodium glutamate; or

(4) any sugar entered for the production of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar as a sweetener in human food consumption.

(b) RULES AND REGULATIONS.—The Secretary of the Treasury shall issue such rules and regulations as may be appropriate to implement this section.

### SEC. 208. CERTAIN EXPORTATIONS OF SUGAR.

Sugar entered under a bond, established under rules promulgated by the Secretary of the Treasury, for the purpose of subsequently exporting an equivalent quantity of sugar as such, or in manufactured articles, shall not be considered to be sugar entering the United States for purposes of section 205. Sugar exported under the provisions of sections 309 and 313 of the Tariff Act of 1930 (19 U.S.C. 1309 and 1313) shall be considered to be an exportation within the meaning of this section.

### Sec. 209. Suspension of Title.

If the President finds that a national economic or other emergency exists with respect to sugar, the President may by proclamation suspend the operation of this title, and headnote 2(b) to subpart A of part 10 of schedule 1 of the TSUS to the extent that it applies with respect to this title, until such time as the President finds and proclaims that such emergency no longer exists. The Secretary shall make such investigations, and prepare such reports, as the President may require for purposes of carrying out this section.

### Sec. 210. Regulations.

The Secretary shall issue such rules and regulations as he determines to be appropriate to carry out his functions and duties under this title. The knowing violation of any rule or regulation issued by the Secretary under this section upon conviction is punishable by a fine of not more than $1,000 for each such violation.

### Sec. 211. Amendments to TSUS.

The headnotes to subpart A of part 10 of schedule 1 of the TSUS are amended—

(1) by amending headnote 1 to read as follows: "1. For the purposes of this subpart—

"(i) the term 'degree', as used in the 'Rates of Duty' columns of this subpart, means sugar degree as determined by polariscopic test;

"(ii) the term 'total sugars' means the sum of the sucrose and reducing or invert sugars contained in any grade or type of sugars, sirups, and molasses; and

"(iii) the term 'raw value' means the equivalent of such articles in terms of ordinary commercial raw sugar testing 96 degrees by the polariscope as determined in accordance with regulations issued by the Secretary of the Treasury. The principal grades and types of sugar shall be translated into terms of raw value in the following manner:

"(A) For sugar described in item 115.20, by multiplying the number of pounds thereof by the greater of 0.93, or 1.07 less 0.0175 for each degree of polarization under 100 degrees (and fractions of a degree in proportion).

"(B) For sugar described in item 155.30, by multiplying the number of pounds of the total sugars thereof by 1.07.

"(C) The Secretary of the Treasury shall establish methods for translating sugar into terms of raw value for any special grade or type of sugar for which he determines that the raw value cannot be measured adequately under the above provisions.";

(2) by amending headnote 2 by inserting "(a)" immediately after "2.", and by adding at the end thereof the following:

"(b) In addition to the authority of the President under section 201 of the Trade Expansion Act of 1962 (19 U.S.C. 1821) to proclaim modifications of the rates of duty and quotas on imports of sugars, sirups, and molasses provided for in items 155.20 and 155.30, the President shall, for purposes of carrying out, and subject to, title II of the International Sugar Stabilization Act of 1979, proclaim special import duties on—

"(i) imports of any such sugars, sirups, and molasses; and

"(ii) the content of any such sugars, sirups, and molasses in imported products containing such sugars, sirups, and molasses. Any special import duty proclaimed under this subdivision on the entry of any article is deemed to have given due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, shall be in addition to any other duty imposed by law on such entry and may not be made the subject of any preferential concession under any law or international obligation of the United States."; and

(3) by amending headnote 3 by striking out "For the purposes of this headnote," and all that follows thereafter.

### Sec. 212. Termination of Authority Under Title.

No special import duty or quantitative restriction may be imposed, and no direct payment may be made, under this title with respect to any sugar supply year after the 1981 sugar supply year.

## TITLE III—FARM LABOR PROVISIONS

### Sec. 301. Wage Standards.

(a) In General.—Every producer of sugar beets and sugarcane for sugar shall pay to each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane wages as follows:

(1) When employed on a time basis, the rates per hour shall be not less than the following:

(A) In all areas, except Hawaii and Puerto Rico, $3 for work performed during the 1978 sugar supply year beginning 30 days after the date of enactment of this act, $3.30 for the 1979 sugar supply year, and in each of the 1980 and 1981 sugar supply years the rate for the sugar supply year previous to the year for which the determination is made increased by an amount directly proportional to the amount by which the assured return determined under title II of this act for the year for which the wage determination is made exceeds the assured return for the last previous sugar supply year. Rates for field equipment operators in counties or parishes where at least 25 percent of the acreage devoted to the production of agricultural commodities is planted to sugarcane or sugar beets shall be not less than 10 percent more than the above rates.

(B) In Hawaii and Puerto Rico, as required by labor union agreement or Federal or local law.

(2) When employed on a piecework basis, the rates shall be not less than the rates for the 1978 crop as published in the Federal Register of January 10, 1978 (42 F.R. 1476), increased each sugar supply year beginning October 1979 in the same proportion as the hourly rates are increased under paragraph (1) of this subsection.

(b) Violation of Wage Standards.—The Secretary of Labor (hereinafter in this section referred to as the "Secretary") or an aggrieved employee may seek compliance with this section in accordance with the powers, remedies, and procedures provided for in sections 9, 11, 15 (except subsection (a)(3) thereof), 16, and 17 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209, 211, 215, 216, and 217). Amounts owing to a person as a result of a violation of subsection (a) shall be deemed to be unpaid minimum wages or unpaid overtime compensation for purposes of sections 16 and 17 of such act of 1938.

(c) Statute of Limitations.—Any action commenced to enforce any cause of action for unpaid wages, or liquidated damages may be commenced within 2 years after the cause of action accrued, and every such action shall be forever barred unless commenced within two years after the cause of action accrued, except that a cause of action arising from a willful violation may be commenced within three years after the cause of action accrued.

(d) Employee Protection.—(1) No employer may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or the Secretary or any person acting pursuant to a request of the employee) has—

(A) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding seeking compliance with subsection (a);

(B) testified or is about to testify in any such proceeding; or

(C) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this section.

(2) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of paragraph (1) may, within 180 days after such violation occurs, file (or have any person file on his behalf) a complaint with the Secretary alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(3)(A) Upon receipt of a complaint filed under paragraph (2), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within 30 days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this subparagraph. Within 90 days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for public hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If, in response to a complaint filed under paragraph (2), the Secretary determines that a violation of paragraph (1) has occurred, the Secretary shall order the person who committed such violation to (i) take affirmative action to abate the violation, and (ii) reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment, and the Secretary may order such person to provide compensatory damages to the complainant. If an order is issued under this paragraph, the Secretary, at the request of the complainant shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expense (including attorneys' and expert witness fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complant upon which the order was issued.

(4)(A) Any person adversely affected or aggrieved by an order issued under paragraph (3) may obtain review of the order in the United States district court for the district in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within 60 days from the issuance of the Secretary's order. Review shall conform to chapter 7 of title 5 of the United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the Secretary's order.

(B) An order of the Secretary with respect to which review could have been obtained under subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

(5) Whenever a person has failed to comply with an order issued under paragraph (3), the Secretary may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions

brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages.

(6)(A) Any person on whose behalf an order was issued under paragraph (3) may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

(B) The court, in issuing any final order under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award is appropriate.

(7) Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28 of the United States Code.

(e) EXCESSIVE CHARGES PROHIBITED.—Wages required to be paid under subsection (a) shall be treated as wages for the purposes of section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)).

(f) COMPENSATION INSURANCE.—(1) The Secretary shall issue such regulations as the Secretary deems necessary to assure that the producer shall furnish each person employed on the farm in the production, cultivation, and harvesting of sugar beets and sugarcane workmen's compensation insurance during the time so employed in the period beginning 30 days after the date of enactment of this Act until the end of the 1981 sugar supply year. Such insurance coverage shall be deemed adequate if it meets the requirements of the law in States in which such insurance is mandatory, or if it meets such standards as are established by law in States in which such insurance is not mandatory.

(2) Any person who violates the provisions of paragraph (1) or any regulation with respect thereto, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. In determining the amount of such penalty, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be—

(1) deducted from any sums owing by the United States to the person charged; or

(2) recovered in a civil action brought by the Secretary in any court of competent jurisdiction.

Any administrative determination by the Secretary of the amount of such penalty shall be final, unless within 15 days after receipt of notice thereof by certified mail the person charged with the violation takes exception to the determination that the violations for which the penalty is imposed occurred, in which event final determination of the penalty shall be made in an administrative proceeding after opportunity for hearing in accordance with section 554 of title 5, and regulations promulgated by the Secretary. Sums collected as penalties pursuant to this section shall be applied toward reimbursement of the costs of determining the violations and assessing and collecting such penalties.

(g) CHILD LABOR.—No child labor under the age of fourteen years shall be employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane, from which the sugar was recovered, except a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed; and no child between the ages of fourteen and sixteen years may be employed or permitted to do such work, whether for gain to such child or any person, for a period longer than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed. A violation of this subsection shall be treated as a violation of section 12 of the Fair Labor Standards Act of 1938 (29 U.S.C. 212).

(h) INVESTIGATIONS.—Investigations of possible violations of provisions of this section shall be conducted by the Wage and Hour Division of the Department of Labor.

(i) RULES AND REGULATIONS.—The Secretary shall issue such rules and regulations as may be necessary or appropriate to carry out the provisions of this title.

## TITLE IV—MISCELLANEOUS PROVISIONS

### SEC. 401. DEFINITIONS.

As used in this title—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "sugar" has the same meaning as is given to such term in section 201 (7).

### SEC. 402. JURISDICTION OF COURTS.

The several district courts of the United States are hereby vested with jurisdiction specially to enforce, and to prevent and restrain any persons from violating, the provisions of this Act or of any order or regulation made or issued pursuant thereto including, among other things, the restraint of withholding payments of minimum wages found by the court to be due employees under title III of this Act. If and when the Attorney General shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties, fees, and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

### SEC. 403. INFORMATION, SURVEYS, INVESTIGATIONS, ETC.

(a) INFORMATION TO SECRETARY.—All persons engaged in the manufacturing, marketing, transportation, or industrial use of sugar and other sweeteners, including those not derived from sugar beets or sugarcane, and having information which the Secretary deems necessary to enable him to administer titles I and II, shall, upon the request of the Secretary, furnish him with such information.

(b) SURVEYS, INVESTIGATIONS, AND RESEARCH.—The Secretary from time to time shall conduct such surveys, investigations, and research as the Secretary deems necessary regarding the manufacturing, marketing, transportation, or industrial use of sugar and other sweeteners.

(c) COST OF PRODUCTIONS STUDIES.—The Secretary shall conduct such studies on the cost of producing sugarcane, sugar beets, sugar, and other sweeteners as are deemed necessary by the Secretary.

(d) SUBPENAS.—The Secretary may subpena the production of such records, books, papers, and other documents that he determines to be necessary to carry out this section.

(e) CONFIDENTIALITY.—All information that is required to be furnished to the Secretary under this section and that relates to the separate operations of the person providing the information shall be kept confidential by all officers and employees of the Department of Agriculture; except that such information shall be made available by the Secretary, upon request, to the Comptroller General or his delegates or employees who shall keep such information confidential.

(f) CRIMINAL PENALTY.—Any person who willfully fails or refuses to furnish the Secretary with information requested by him for purposes of carrying out this section, or furnishes false information in response to such request knowing the information to be false, is guilty of an offense and upon conviction thereof is punishable by a fine of not more than $2,000.

### SEC. 404. INVESTMENTS BY OFFICIALS PROHIBITED.

No person may, while acting in any official capacity in the administration of this Act, invest or speculate in sugar, contracts relating thereto, or the stock or membership interest of any association or corporation engaged in the production or manufacturing of sugar. Any person who violates this section is guilty of an offense and upon conviction thereof is punishable by a fine of not more than $10,000 or imprisonment of not more than 2 years, or both.

### SEC. 405. PRICE SUPPORT PROGRAM FOR SUGAR BEETS AND SUGARCANE.

(a) PRICE SUPPORT UNTIL SEPTEMBER 30, 1979.—Nothing contained in this Act shall affect (1) the application of section 201(f) of the Agricultural Act of 1949 with respect to the 1978 crop of sugar beets and sugarcane nor, (2) except as provided in section 202(b)(3) of this Act, the authority of the Secretary to provide price support under title III of the Agricultural Act of 1949 on the 1979 crop of sugar beets and sugarcane after the date of enactment of this Act until September 30, 1979.

(b) PRICE SUPPORT BEGINNING OCTOBER 1, 1979.—Effective beginning October 1, 1979 section 201 of the Agricultural Act of 1949 is amended by—

(1) striking out "honey, and milk" in the sentence appearing before subsection (a) and inserting in lieu thereof the following: "honey, milk, sugar beets, and sugarcane"; and

(2) adding at the end thereof a new subsection (g) as follows:

"(g) In order to assist in achieving the objectives of the International Sugar Stabilization Act of 1979, the price of sugar beets and sugarcane processed during each of the 1979 through 1981 sugar supply years shall be supported through loans on or purchases of the processed products thereof at such level, not less than 89 percent of the price objective for sugar for the applicable sugar supply year determined under that Act, as the Secretary determines will meet such objectives.".

(c) WAIVER OF INTEREST ON 1977 AND 1978 CROP PRICE SUPPORT LOANS.—Notwithstanding any other provision of law, the Secretary may waive a portion of the interest due on outstanding loans obtained from the Commodity Credit Corporation with respect to sugar produced from the 1977 and 1978 crops of sugar beets and sugarcane at such times and in such amounts as the Secretary determines necessary to encourage the repayment of such loans; except that such waiver authority shall be exercised in such a manner as not to affect unduly the market prices for sugar.

### SEC. 406. COMMODITY CREDIT CORPORATION.

The authority vested in the Secretary under this Act shall be administered through the Commodity Credit Corporation.

### SEC. 407. LOAN GUARANTEES FOR CONSTRUCTION, CONVERSION, OR MODIFICATION OF FACILITIES FOR INDUSTRIAL HYDROCARBON AND ALCOHOLS PRODUCTION.

The Commodity Credit Corporation may provide loan guarantees for construction, conversion, or modification of facilities for the production and marketing of industrial hydrocarbons and alcohols derived at least in part from sugarcane, sugar beets, or any byproduct derived therefrom, or any other commodity covered under this Act, or from corn or any byproduct derived therefrom, from a guarantee fund of up to $25,000,000 during the 2 fiscal years beginning October 1, 1979, but not to exceed the amount of special import duties collected under authority of this Act in such period.

Mr. VANIK. Mr. Chairman, I ask unanimous consent that I be permitted to return to section 2, and titles I, II, and IV, in order to offer conforming amendments made necessary by the passage of the Committee on Ways and Means version of title III.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENTS OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. VANIK: Page 33, strike out lines 4 and 5.

Page 33, line 6, strike out "(4)" and insert "(3)".

Page 33, line 8, strike out "(5)" and insert "(4)".

Page 37, between lines 8 and 9, insert the following:

(6) The term "Secretary" means the Secretary of Agriculture.

Page 37, lines 9, 15, and 22, redesignate paragraphs (6), (7), and (8) of section 201 of the bill as paragraphs (7), (8), and (9), respectively.

Page 65, strike out lines 11 and 12 and insert the following:

As used in this title—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "sugar" has the same meaning as is given to such term in section 201 (7).

Page 65, strike out lines 17 through 20, inclusive, and insert the following:

sions of titles I, and II, and IV, and of any order, rule, or regulation issued to carry out any of such titles. If and

Page 65, strike out line 25 and line 1 on page 66 and insert the following: "provided for in any of such titles. The remedies provided for in titles I, and II, and IV are in addition to, and not exclusive of, any of the".

Mr. VANIK (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Chairman, these amendments simply provide technical conformity throughout the other titles in the bill and do not make any substantive change.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Washington.

Mr. FOLEY. I agree entirely with the gentleman's description. I think the amendments need to be adopted and should be adopted by the committee.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio (Mr. VANIK).

The amendments were agreed to.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I understand it, we are on the last title of the bill, and we will soon be voting on it. Because the committee has declined to remove the direct payments, I would respectfully suggest that Members of the House will now want to vote against the bill.

It is true we need a Sugar Act, but unfortunately, the sponsors of this act have gone too far in asking for direct payments along with an assured price objective. They are protected by loans. They are protected by interest forgiveness. They are protected by quotas. They are protected by assured prices, and the additional protection of a direct payment is more than our taxpayers and our consumers should have to stand on this bill.

With the direct payments, we will now have a distorted market. We will have inefficient producers being asked to stay in the business. This House has also rejected an amendment which makes it perfectly legal for people to sell at higher than the assured price and still get the direct payment.

So if we vote for this bill, we will be giving a gift of $51 million, of which, if we look at the track record of the Department of Agriculture, we can absolutely depend on at least 10 percent being misspent and spent incorrectly or illegally.

So, in my judgment, Mr. Chairman, and with great regret, I have to state that I think we have no choice other than to turn down this bill.

I yield back the balance of my time.

Mr. KELLY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not want to shock any of the Members of Congress, but we have a problem in this country about inflation, and I knew one could never tell it by the way we conduct our business, but it is just the living truth.

Every time I go home, people mention it to me. Have any of the Members heard this same thing?

It would seem they have not.

Mr. Chairman, Alfred Kahn is the Nation's leading inflation fighter. He is the Chairman of the Council on Wage and Price Stability, very important in fighting inflation.

When he was before the Committee on Banking, Finance and Urban Affairs, on October 10 of this year, on oversight hearings, he was asked this question: "Do you favor the increase in the minimum wage that is going to take place in January?"

His answer was: "I don't think there is any doubt that in itself an increase in the minimum wage is inflationary."

Now, Mr. Chairman, I would like to point out to the Members of the House that in January there is going to be an increase in the minimum wage of 7 percent, just a little bit less than 7 percent, and Alfred Kahn said that was going to be inflationary; but the bill, this sugar bill that we are ready to vote on, provides not for a little less than 7, but a little more than a 25-percent increase in the minimum wage.

I am sure that the people, the American people who are out there struggling to try and pay for all of the nonsense that has been passed by this Congress, will be certainly pleased to hear that.

We are talking about the sugarcane workers and all these people having a hard time. The American people are having a hard time, and there is no way on Earth that any Member of this House can justify heaping more just unmitigated inflation on the American people.

If we have a sugar industry that is not competitive because production costs are too high, then increasing production costs are going to do nothing but to drive that industry further and further into the hole.

Deliberately increasing the costs of production by this bill is incredible.

This bill, with the special minimum wage and the labor provision that it contains, constitutes a danger to every labor intensive portion of American agriculture, and especially the citrus and vegetable growers, because American agriculture has got to be competitive with world production; and if it is not, we are then going to succumb to foreign competition.

Mr. Chairman, this bill is anti-American industry. It is anti the American workers, and it is inflationary; and it should not be a part of the law.

Mr. Chairman, the farm labor forces simply told the sugar industry if you want this subsidy you say you need to survive foreign competition, then we want more money.

This is a funny position when it had been argued all through the committee consideration that the reason for passing the bill was to save jobs for American workers.

Every product produced in the United States and protected by a tariff could be held up to this extortion. I refuse to submit, on principle and because of the threat to all agriculture, especially such industries as citrus and winter vegetables.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, a lot of Members with a great deal of feeling and sincerity have addressed themselves to this bill on both sides.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I thank the gentleman for yielding.

I oppose this bill in the form in which it was submitted. We have done nothing in the course of the committee's action to improve it. I think this is a bill whose time has come and gone. The increase in world prices of sugar make it unnecessary. I feel constrained to vote against a price-basing situation where we provide no inducement to the consumer where there is no protection for the consumer.

Under these circumstances, I expect to cast my vote against this legislation.

☐ 1720

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to my friend the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I have listened to hearings on sugar price supports, discussions in the Trade Subcommittee and debates in the full Ways and Means Committee, and now arguments on the floor for sugar price supports. The more discussion and debate I hear on this subject the more I become convinced of the transparent absurdity of the issue.

Sugar has been made out to be an apogee of American agriculture, a sort of tin god among the crops, deserving of special reverence and extraordinary treatment, whatever the cost to the taxpayer. We have been told that a vote for sugar is a vote for the American farmer, despite the fact that no more than 1 percent of the farmers in this country grow cane or sugar beets. If I were among the other 99 percent of American farmers I might be hesitant to allow the sugar growers to speak for me.

We have been told that this is the small farmers' issue, despite the fact that by far the major production of sugar in the United States comes from huge agricultural corporations, which would have been a dream come true for any colonial plantation planter out of another century. We have listened to these modern-day plantation owners complain of impending bankruptcy unless Uncle Sam extends further price supports to them for every pound of sugar they produce. They have made these cries for special treatment despite the fact that the largest of the sugar growing corporations. U.S. Sugar, in April of this year informed their stockholders that their profits were up more than $7 million, a 148-percent increase in earnings over the same period in 1978. The stockholders were pleased to see their dividend raised from $1.20 to $2.98 per share, and I am sure they will be even more pleased if the Congress approves higher price supports to "bail out" U.S. Sugar and her sister corporation growers.

We have also been told, in statements heavy with menace and foreboding, that the United States must continue to indulge the sugar industry for strategic reasons. As a congressional adviser on SALT, I have some understanding of strategic affairs, and I have yet to hear sugar mentioned prominently by our Nation's strategic planners. However, the strategic arguments of the sugar industry are deserving of closer analysis. We have heard sugar compared to oil and listened to vague portents of an insidious Third World sugar cartel lurking in the wings—an OSEC following in the successful footsteps of the OPEC carteliers. This sort of threat might have more impact if the sugar growing nations of the Third World were not already having difficulty in disposing of their excess supplies of the commodity.

Furthermore, it does not take into consideration the economic rationale by which developing countries operate. Sugar is the main item of export for a number of nations in the southern hemisphere, and as such it is their primary source of foreign income with which to purchase the equipment and technology, much of it from the United States, needed for development. If they did organize a sugar cartel and did embargo the American market or raise their prices and force the United States to turn more toward our domestic corn sweeteners, they would suffer much more than we. Sugar is not oil. The two are not comparable in any sense in the context of cartels and embargos.

We all know what happens to the American economy when even a fraction of our oil supplies are suddenly cut off, but what effect would a reduction or threatened reduction in our sugar supplies have on our country. It would certainly not be pleasant. Consumers would be drinking their coffee black, and they would have fewer Hostess Twinkies and probably a shortfall in Coca-Cola supplies—Coke being the largest single user of sugar in the United States. But to the American consumer who has weathered gas lines and brownouts and odd-even rationing this would not be an insurmountable difficulty. In the extremely unlikely event of a sugar cartel arising and instituting an embargo it would be the industries which use sugar that would have the most to lose. It should be remembered that these user industries are the strongest opponents of sugar price supports.

We have also heard that sugar growers are actually doing a favor to the American consumer by accepting price supports and maintaining domestic production of a commodity so essential to the American diet. Most nutritionists would point out that sugar is far too essential to the American diet, but that is another issue. I am not convinced that consumers in this country are anxious to pay, as the President's Economic Adviser Alfred Kahn has estimated, as much as $500 million for every penny added to the sugar price support system. With the current level of price supports the United States produces domestically 70 percent of all the sweeteners used in this country. The idea of an OPEC-style sugar cartel is nothing more than a strawman, set up by those seeking higher price supports in order to be knocked down again. American consumers are very fond of coffee, cocoa, and bananas, yet we do not grow any of these commodities. Should we be thinking about a potential threat from the banana cartel that may be forming somewhere in the jungles of the Third World?

Mr. PEYSER. I thank the gentleman.

I felt for many of the Members it would be interesting to know around the country those who have formally opposed this legislation. They are:

AFL–CIO, American Bakers Assn., American Assn. of Retired Persons, Assn. for Dressings and Sauces, Biscuit and Cracker Mfgrs. Assn., Chocolate Mfgrs. Assn., Common Cause, Community Nutrition Institute, Congress Watch, Consumer Affairs Committee, ADA, Consumer Federation of America, Flavor and Extract Mfgrs. Assn., Independent Bakers Assn., Int. Assn. of Ice Cream Mfgrs., Int. Longshoremen's Assn., Leadership Council on Civil Rights, Natl. Council of Senior Citizens, Natl. Bakery Supplier Assn., Natl. Food Processors, Natl. Assn. of Fruits, Flavors and Syrups, Natl. Preservers' Assn., Natl. Restaurant Assn., Natl. Soft Drink Assn., Pickle Packers Institute, Processed Apple Institute, Retail Bakers of America, Sugar Workers Council of North America, United Auto Workers, United Food and Commercial Workers, and U.S. Cane Sugar Refiners' Assn.

I just wanted to give the Members a feeling for the types of organizations who are opposing this legislation.

Mr. Chairman, we have worked long and hard on this bill. Hopefully the majority will recognize that this is a bad bill, it is a bill that should be defeated, it is a bill that can show the American people this Congress is concerned about the inflationary process. Let us vote no and get this bill back so someone else can work on it.

Mr. FOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know the shouts of "vote" are coming from Members who are anxious to proceed.

I think it is important that when we do vote, on this bill, either for or against it, that judgment be made on the basis of some relevance to the facts. Question: Is the bill inflationary? Does providing for a 15.8-cent price objective, plus a half a cent payment when it is clear that even the Department of Agriculture feels this combined return only just begins to meet the actual cost of production for American sugar producers make it inflationary?

Is it inflationary when, as a matter of fact, prices this year with or without this bill, will be that high? Or that price increases in the next 2 years are limited to 7 percent, well within the inflationary guidelines?

It is said by some Members that it provides, too high a minimum wage. However at the same time it is being opposed by the AFL–CIO because the minimum wage is not high enough. The fact is that sugar legislation first brought minimum wages to agriculture long before the Wage and Hour Act was ever enacted. One of the effects of this bill would be to provide substantially higher minimum wages to unrepresented, mostly black sugar workers, than provided all other categories of workers under the Fair Labor Standard Act and a premium over and above that to many machinery operators.

I find it difficult to understand why my great friends in the AFL–CIO, who have done so much over the years to advance the interests of organized and unorganized workers, would now deny these unorganized sugar workers the benefit of higher wages and other unprecedented protection, such as workmen's compensation purely on the grounds that they are not enough. They may not need it in Hawaii because Hawaii is unionized. They may not need it in Florida because Florida generally already pays higher wage rates. But they do need it in other areas.

We are enacting the provisions of the International Sugar Act, an agreement that the United States and 56 other countries have joined together in. The purpose of this agreement is to try and maintain a stable price for sugar, enhance trade, and help developing countries be less dependent on aid.

This bill has been criticized from left and right with more inaccuracies, more exaggeration, and less understanding or basis in fact than any of the other agricultural bills I have ever been associated with. Frankly, it does less for sugar as a commodity, than most agricultural programs do. Yet somehow it attracts this purely emotional opposition from every quarter of the House.

In reality, it is a moderate bill. It is so moderate that even if it passes much of our sugar production is probably going to be lost. As already pointed out, there are plants closed today in Idaho, in Washington, in Colorado, Louisiana, and elsewhere, and more will close even if the bill is passed. It is going to cost the consumer little if any additional charge. Although providing for increases in the price support and wage provisions for the next 2 years, it holds these increases to a maximum of 7 percent per year. What it does provide is some assurance that part of our industry will survive, and real benefits to workers who need the support of this bill and the support of this House.

It deals with an important international agreement that the United States should be proud to implement and take part in.

I hope the Members of this House will seriously consider these facts when they vote in a few minutes. This bill is a bill of moderation. It is a bill that has been attacked unwisely by ill-informed groups who, although well-intended, are looking at different problems on a different set of circumstances than those that exist today in the sugar market. When we conclude debate on the question and come to the House with a bill this moderate in an attempt to provide assistance not only to sugar growers but to the hardest working and least represented workers in our country. I hope Members will not make their decisions on the superficial, emotional harangues, that have sometimes marked this debate but, rather, on the basis of hard evidence and objective fact.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I will be glad to yield to my colleague from Oregon.

Mr. ULLMAN. Mr. Chairman, I want to commend the gentleman.

I have sat with the gentleman in many sessions, session after session, trying to work out a very, very difficult issue. The gentleman is absolutely right. This is an industry in America that is very important that is going down the drain if we do not do something about stabilizing the price. This is a moderate bill, it is in the best interests of the consumers of this country, it is in the best interests of the country, and I urge the Members to vote for the bill.

● Mr. BINGHAM. Mr. Chairman, after careful assessment of this legislation—the International Sugar Stabilization Act of 1979—upon American consumers generally, and particularly upon the New York City region, I have concluded that I must vote against H.R. 2172.

I make that decision with some reluctance because the legislation contains authorization for U.S. participation in the International Sugar Agreement, which I support. I have noted today, however, a statement by the Secretary of Agriculture that the administration would submit International Sugar Agreement implementing legislation to the Congress separately if this bill is defeated. I think this is a wise decision. There is no reason that the International Sugar Agreement authorization must be combined with the domestic sugar program contained in this bill. Some of these domestic provisions are, in my view, ill-advised, particularly from the consumers' point of view. The possibility of separating the International Sugar Agreement from them allows Members of this House to judge the proposed domestic program contained in this legislation on its own merits.

The United States' failure to participate in the International Sugar Agreement has held up the implementation of that agreement since 1977, and has severely upset and depressed the world sugar market to the detriment of some friendly nations, like the Dominican Republic which I recently visited. The Dominican Republic and some other nations have faithfully supplied the United States with sugar at reasonable prices through thick and thin over many years. They are now being severely hurt economically by low international sugar prices stemming in part from uncertainty about what the United States is going to do with its own sugar policies and programs. It is high time we put our own sugar policy into place and endorsed the International Sugar Agreement.

Participation in the International Sugar Agreement is in the interest of the United States and the American consumer because that agreement helps to keep world sugar prices at a stable and moderate level, which in turn, helps assure a world supply that meets the needs not only of the United States but of the rest of the world. This is done through a system of sugar stockpiles and export quotas which are used to offset any undesirable swings in prices or supplies.

Mr. Chairman, I voted for the Frenzel amendment that would delete the provision for direct subsidy payments to U.S. sugar producers of up to one-half cent per pound, with a limit of $50,000 per producer. All such direct payments do is subsidize and protect some domestic sugar producers from other domestic sugar producers—the less efficient domestic producers from the more efficient domestic producers. It is bad enough that we may have to subsidize our domestic sugar industry indirectly through guaranteed floor prices. Protecting our less efficient domestic sugar producers is even less defensible.

With or without the Frenzel amendment, this legislation unfortunately would have a most damaging effect upon the sugar refining industry—and particularly that portion of the industry located in the New York City region which I represent. Most New York City refineries are dependent upon and competitive only when there is a supply of foreign cane at somewhat lower prices than domestically produced sugar. The floor price of 15.8 cents a pound contained in this bill include a healthy profit for domestic sugar producers and refiners. But if New York City refineries have to buy foreign cane at that price—as they would under this bill—they would no longer be able to compete with domestic producers and refineries using domestic sugar sources such as beets and corn. This would have a most serious damaging effect on industry and employment in New York City, and I do not see why New York City should have to pay this added price to protect U.S. domestic sugar producers.

Strenuous opposition to this bill has been registered by a number of national organizations for which I have the greatest respect. These organizations are convinced that H.R. 2172 would add to the burdens of inflation on the American consumer. Accordingly I shall vote against H.R. 2172.●

● Mr. HARRIS. Mr. Chairman, I wish to rise in opposition to the International Sugar Stabilization Act of 1979. This legislation is designed to serve a small segment of the agribusiness—less than 1 percent are involved in sugar production—at the expense of literally millions of consumers. It will add significantly to skyrocketing prices in the food industry, where the inflation rate currently stands at 17 percent. The price supports as proposed in this bill will add as much as a half a billion dollars to the consumer grocery bill in the first year alone. Built-in cost escalators will allow the price to adjust to rising production costs—promoting inefficiency. Some sugar producers want to convince us that a penny or two added to the price of sugar will have little effect on the individual consumer; but we must keep in mind that this increase will drive up the price of every item containing sugar—the overall effect on senior citizens and others on fixed incomes will be particularly damaging. The Congressional Budget Office estimates that each 1 cent increase in the price of sugar adds $250 to $300 million directly to the consumer food budget and $150 to $200 million indirectly by affecting prices of items produced with sugar. This bill calls for raising the price some 3 cents a pound over the next 3 years.

On top of these price supports, the sugar industry will benefit from a direct subsidy which will cost the Treasury $50 million a year. The sugar program already costs consumers the sum of $2.6 billion a year to artificially boost the price of sugar.

Before we vote to raise the consumer grocery bill, I think we need to carefully examine exactly who will benefit from this measure. Clearly, those producers currently receiving large profits and operating efficiently are going to gain the most from raising the price of sugar. The Nation's largest sugar producer, U.S. Sugar Corp., is already earning 148 percent more for the first 6 months of this year than in the same period last year. The Government and consumers should not be in the business of subsidizing industry profits. Make no mistake, price supports serve to protect producers when world prices fall, and are designed by the sugar industy lobbyists to allow them to reap windfall profits when prices take unexpected upswings. There is no protection for consumers from wild variations in prices. Past sugar programs have not held down the price of sugar—from 1963 to 1974, sugar prices soared under various sugar agreements. Under the most recent sugar legislation, prices have increased 40 percent since 1977.

The sugar producers claim they need this legislation to slow the trend toward dependence on cheaper imported sugar. However, over the last 4 years, the amount of sugar imported has held steady at 44 percent—an alarming trend toward imported sugar in this figure. During the last year domestic cane sugar production—our largest source of domestic sugar—has shown a 5.1-percent increase. Production would not be expanding if it were not profitable.

Many of the problems in the sugar industry are a result of its own failure to read the market properly. Domestic production greatly expanded in 1974–75 during wide fluctuations in world sugar prices. In their attempts to take advantage of this, our sugar producers over expanded to the point that supplies now far exceed consumption. We cannot ask consumers to foot the bill for the industries own errors and inefficiency. This bill will allow inefficient operations to proliferate and thrive at the expense of family grocery bills.

If the Congress is serious about holding the line on inflation, then it should reject this bill as a direct attack on the consumer pocketbook. This legislation provides no protection from rising prices, on the contrary it will simply help boost them upward.●

● Mr. CHENEY. Mr. Chairman, I hope the House will pass the pending sugar bill, H.R. 2172. It is vitally important to sugar producers in this country, including beet growers in Wyoming and other Western States.

Without this legislation, there is a good chance a number of processing plants would shut down in the face of the uncertainty that would prevail. And once those plants are closed, the sugar producers who depend on them for a market would be doomed. We cannot allow this chain of events to occur. It would hurt not only those producers directly affected, but also their employees, the communities whose economies they support, and consumers throughout this Nation, who would find themselves that much more dependent on foreign sources of sugar.

This legislation is a compromise, as are most bills. It is not the bill I would have preferred to see us pass. It is not the bill the sugar producers preferred. And it is not the bill desired by consumer groups. It is the result of various compromises that had to be made in order to reach an agreement, and in order to fend off a Presidential veto.

I would have preferred that we consider the bill introduced by my colleague from Colorado, Congressman JOHNSON, to stabilize domestic sugar prices by regulating imports. Quotas and tariffs would have been employed in such a way as to protect and nurture a domestic industry. There would have been no subsidy payments to anyone under the Johnson bill.

But the Johnson bill was not approved by the Agriculture and Ways and Means Committees. H.R. 2172 was, and while it is not perfect, it would provide a minimum level of stability for the domestic industry—enough to prevent the demise of processing facilities and of many producing operations until prices improve.

The pending bill calls for a market price objective of 15.8 cents per pound for the 1979 supply year. This would be adjusted annually to reflect changes in production costs. It also provides for direct payments to producers, subject to a $50,000 ceiling, if producers are unable to achieve the price objective plus one-half cent per pound. And the bill would call for import quotas and/or duties if necessary to maintain the price objective.

The bill also requires sugar beet and cane producers to pay their workers a specified minimum wage and provides for loan guarantees for gasohol facilities.

Mr. Chairman, this country imports nearly half of the sugar required to meet domestic consumption levels. It is easy to see that if we fail to enact a reasonable program to protect our own producers, we will become increasingly dependent on foreign countries for sugar. We cannot afford to do that. We must enact the pending bill, in the absence of an opportunity to consider other alternatives.

Sugar beet growers in my State of Wyoming have expressed their strong support for this measure. I urge my colleagues to approve it.●

● Mr. CORRADA. Mr. Chairman, on March 6 of this year, I testified before the Committee on Agriculture in support of H.R. 2172, the International Sugar Stabilization Act of 1979, which I had cosponsored. It is imperative that we continue a steady supply of domestic sugar, and that we stabilize prices. We cannot simply write off an industry which continues to supply the majority of the sugar we consume, and employs thousands. In my district alone, over 23,000 people are involved in the production of sugar in all its phases. Although we have managed to slightly increase our production, and the Government-owned sugar corporation has reduced its deficit by $10 million in 2 years, we are still in a critical situation.

As the committee report points out, while Congress continues to debate this bill, four mills have closed in Puerto Rico. A 15.8 cents price objective is a minimum for the 1979 sugar supply year. Those who shortsightedly refuse to lend a helping hand now, because it may mean paying a few extra pennies, may find themselves in the near future bemoaning the foreign cartels which will inflict an "energy" crisis of another nature. Although I urge my colleagues to support the bill, I must take strong exception to the committee provision limiting to $50,000 the amount any producer can receive for any sugar supply year under the half a cent payment provision, regardless of level of production. This serves to severely limit the participation of larger growers, who precisely have been on the increase as the small farmer falls victim to increasing costs of production and diminishing returns.●

● Mr. MOAKLEY. Mr. Chairman, I rise in strong opposition to the International Sugar Stabilization Act which will, if passed, add to the food cost burdens of sugar consumers across America.

At a time when we are trying to bring inflation under control (the food inflation rate is already 17.7 percent), I believe it is unwise to pass legislation that will benefit fewer than 1 percent of all American farmers at a cost to consumers of $3 billion per year. With approximately 14,000 sugar producers in the United States, this amounts to over $200,000 per farm.

The American consumer will have no protection from this proposed price hike, even if consumption is decreased, because 75 percent of all sugar consumed in the United States is included in processed foods. Furthermore, this legislation has included built-in cost escalators that will continue to contribute to food price increases over the next 3 years.

Currently, domestically produced sweeteners, both corn and sugar, account for approximately 70 percent of the sweetener consumed in the Nation despite the fact the world price for sugar is around 7.6 cents per pound, as compared to the U.S. supported price of 15 cents per pound. H.R. 2172 would raise the price support level to 15.8 cents in the market price of sugar.

If we are going to seriously work to decrease inflation, all groups must do their part. Increasing sugar prices to benefit a select few will only pass the pains of inflation along to the consumer. I believe we can begin to slow inflation, and defeating H.R. 2172 is a step in the right direction.●

● Mr. FAZIO. Mr. Chairman, the attack on H.R. 2172, the International Sugar Stabilization Act of 1979, relies generally on the notion that the bill is inflationary and will cause consumers to suffer unnecessarily. A corollary is that the consumers and the Treasury will be expending large sums for the benefit of a few who do not need help, that is, farmers and sugar companies.

I sympathize with the consumer perspective on most issues. Certainly no one in this body wants to be known as someone who does not respond instantly to the threat of inflation. However, in this instance, I feel those who are opposed to the Sugar Stabilization Act are allowing themselves and their constituencies to be distracted by the red flag that the word "inflation" here constitutes. I am afraid that for the best of motives they are in the long run harming greatly the very consumers they would like to represent. They are being shortsighted; they are being penny wise and pound foolish. They seek to represent interests who do not understand how or why farmers produce, and even more important, who do not really understand that the farmer's problem will soon enough turn up to be their own problem.

The basic fact of the matter is that there is a surplus on the world sugar market and that this surplus is being dumped in the United States for prices much lower than the cost of anyone's production. This foreign sugar is subsidized; that is why its price is low. The foreign prices are not low because of relative foreign efficiency. To pass this bill would not be to subsidize American inefficiency.

The Department of Agriculture has established that the world will respond to the excess in supply by cutting production over the next few years. Prices will climb. To the extent that we fail to establish an international stabilization program we will be victims of an unregulated supply that is constituted by the highly volatile margin one-sixth of total production of what producing countries export in excess of their own consumption and their long-term contracts. The

United States gets slightly under half its sugar from this variable margin of world surplus. This share is 32 percent of the total margin. It is difficult to see how consumers or anyone would profit by dependency on this supply, for when the foreign curtailments occur they will occur first on the margin.

What will happen prior to this development if we lack a domestic price program? We will continue to witness a decline in domestic production. In districts such as mine, this means the loss of refineries and of jobs. This is not a temporary sort of loss. It is structural. Farmers must put out substantial capital investment for particular crops. It is difficult for farmers to change cropping patterns quickly, so it is not likely that they will rebound quickly. They will continue to slowly abandon sugar. Especially important is the loss of refineries to receive whatever the farmers produce. Numerous domestically oriented refineries in the Western United States have already shut down. This decline in processing facilities is largely responsible for a steady decline in acreage. Unless we arrest the trend by establishing a better domestic price program we are going to have a crippled domestic industry.

In terms of international political economics, the OPEC situation is analogous to what has been taking place with sugar. Obviously there is no commodity quite as important as energy supplies. However, the trends at work with sugar and the consequence are parallel: Foreign supply manipulated with the effect of suppressing domestic production, which means a long-term reliance on economic and political forces we are not in a position to influence. Again, it is difficult to see how consumers, including industry, would profit from this situation.

The Sugar Stabilization Act here before us handles these problems fairly and effectively. It thereby protects not only the long-term well-being of farmers, but also of consumers. Besides setting fair wages for sugar field workers, the bill would implement the International Sugar Agreement—ISA—to stabilize the world ebb and flow of this volatile commodity. Were we not to ratify this agreement—vigorously sought by the United States—we would invite the release onto the international market of stockpiles already accumulated by foreign producers under the terms of the agreement. We would guarantee the perpetual inability which would soon harm us.

By establishing a domestic price support program the bill takes care of the other half of the problem, protecting the United States' ability to maintain the home industry. The act provides only the bare minimum of support needed to avert collapse of the industry. It is not by any stretch of the imagination excessive. It is important for Members to realize that the figure of 15.8 cents per pound already represents a compromise far below the 17 cents the industry could really use.

How much will the bill really cost the consumers? Figures that sound enormous are being used to describe its alledgedly enormous inflationary impact. The fact of the matter is the price increases called for in the bill represent a theoretical maximum of about 80 cents per consumer per year. In reality, further, the current New York raw price is already the same as the objective the bill sets, 15.8 cents a pound, and therefore there will be little impact on what prevails. Increases in the bill are limited to 7 percent in sugar production year 1980 and 6 percent the year after that. Obviously these increases are far below the rate of inflation. They are well within the President's anti-inflation guidelines. They are also below projected increases for nonsugar sweeteners, use of which is increasing and will continue to increase when and if domestic sugar continues to become less available. In other words, the sugar industry would not be keeping pace with inflation, and its financial weaknesses will result in higher costs for the substitutes that will become more available.

It is easy to say any cost increase, even one limited to only half of inflation, is itself inflationary. It is easy to say that any Government-induced increase in prices is subsidized abuse of all consumers. All of us represent consumers; only a few represent farmers, and fewer still sugar farmers. But the sugar producers must live with inflation too, and at this point they are falling seriously behind. Further, the Congress needs to look beyond its immediate constituencies, beyond easy and simplistic prescriptions, to the truth. The truth is that we will all be worse off, regardless of constituencies, if this bill does not pass.●

● Mr. ALBOSTA. Mr. Speaker, I rise in strong support of H.R. 2172, the Sugar Stabilization Act of 1979 and in support of title II as reported by the Agriculture Committee.

Congress today has a unique opportunity to enact a program for sugar production which will prevent runaway sugar prices and increased dependence on foreign sugar in future years. It may be hard for some Members to believe but 5 years ago this fall, sugar prices were rising to 65 cents per pound causing cries of outrage from consumer and industrial users of sugar.

I have in my hand over 2 dozen articles describing the furor that took place in this country as sugar prices went through the roof. A worldwide shortage of sugar existed and the affects were felt by all.

Now, 5 years later, after sugar prices have come way down and then gone up again, as the charts on both sides indicate, we have a chance to enact a reasonable program which will insure that America can produce its own supply of this important commodity for years to come. The market price objective in this bill is higher than what the price of raw sugar sells for today in New York.

While it is attacked for being inflationary by some Members, this bill will not cost the U.S. Government any money in fiscal year 1980.

While it is attacked for being anticompetitive by some Members, this bill will stop the dumping of subsidized foreign sugar on the U.S. market.

The chart to my right shows U.S. sugar prices from 1972 to 1979. It also shows what the market price objective would have been under the sugar program that expired in 1974. That program's market price objective would be 18.3 cents per pound today. H.R. 2172 sets a market price objective of only 15.8 cents per pound.

The chart to my left details world sugar prices from 1948 to 1979. As the chart so clearly indicates, sugar prices went through the roof in 1974—hitting a peak price of 65.5 cents per pound after the sugar program expired.

Both of these charts based on statistics from the Agriculture Department graphically illustrate what has and what can happen to sugar prices unless H.R. 2172 is passed.

By the way, while the price of sugar has come down from 65.5 cents per pound in 1974, the price of foods such as soft drinks have not been lessened at all.

Mr. Speaker, the United States is now at least 50 percent dependant on imported foreign sugar. Because of the continuing scarcity and high price of oil, countries such as the Philippines and Brazil are converting more of their sugar crop to the production of gasohol. This will further squeeze the world supply of sugar in years to come. Unless we act now to pass H.R. 2172, more farmers will turn from growing sugar beets and cane and toward other crops. Once this occurs, the factories now used to refine the sugar will close up and the trained skilled work force will move to other industries. These factories will not reopen when we need their production later on.

If we do not pass H.R. 2172, America will lose her ability to become self-sufficent in sugar production and become instead prey to foreign cartels. If you like what OPEC is doing to us with oil, you will really enjoy what foreign sugar producers will do in the future when supplies become tight as in 1974.

In conclusion, I make a plea for foresight and common sense that this distinguished House has used before in seeing the urgency of passing the Sugar Stabilization Act of 1970 to the benefit of consumers, industrial users and producers alike.

Thank you.●

The CHAIRMAN. If there are no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BURLISON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2172) to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes, pursuant to House Resolution 393, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

□ 1730

### MOTION TO RECOMMIT OFFERED BY MRS. HECKLER

Mrs. HECKLER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Mrs. HECKLER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. HECKLER moves to recommit the bill, H.R. 2172, to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 158, nays 249, not voting 26, as follows:

[Roll No. 591]

YEAS—158

Abdnor
Albosta
Alexander
Andrews, N.C.
Andrews, N. Dak.
Anthony
AuCoin
Badham
Bafalis
Baldus
Bedell
Bennett
Bereuter
Blanchard
Boggs
Bolling
Bonior
Bowen
Breaux
Brown, Calif.
Broyhill
Burlison
Butler
Carr
Carter
Cavanaugh
Chappell
Cheney
Coelho
Coleman
Corman
Daniel, Dan
Daschle
de la Garza
Derrick
Devine
Dicks
English
Erdahl
Evans, Ind.
Fazio
Fithian
Flippo
Foley
Fountain
Frost
Fuqua
Glickman
Gore
Grassley
Gudger
Hance
Hansen
Harkin
Harsha
Hightower
Hillis
Hinson
Holland
Huckaby
Hutto
Ichord
Ireland
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kildee
Kogovsek
Kramer
Latta
Leath, Tex.
Lewis
Livingston
Loeffler
Long, La.
Lott
Lowry
McCormack
McKay
Marlenee
Marriott
Mathis
Matsui
Mica
Michel
Mineta
Montgomery
Moore
Moorhead, Pa.
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nolan
Oberstar
Obey
Panetta
Pashayan
Pepper
Preyer
Pritchard
Quillen
Rhodes
Roberts
Robinson
Rose
Rousselot
Royer
Rudd
Sabo
Satterfield
Sawyer
Schroeder
Sebelius
Shelby
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stangeland
Steed
Stenholm
Stump
Swift
Symms
Tauke
Taylor
Thomas
Traxler
Treen
Ullman
Vander Jagt
Vento
Volkmer
Wampler
Watkins
White
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Zablocki

NAYS—249

Addabbo
Akaka
Ambro
Anderson, Calif.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beilenson
Benjamin
Bethune
Bevill
Biaggi
Bingham
Boland
Boner
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Buchanan
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Chisholm
Clay
Clinger
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derwinski
Dickinson
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Florio
Ford, Tenn.
Forsythe
Fowler
Frenzel
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Gray
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harris
Hawkins
Heckler
Heftel
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Hughes
Jacobs
Kastenmeier
Kazen
Kelly
Kemp
Kindness
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lloyd
Long, Md.
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
McKinney
Madigan
Maguire
Marks
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Nichols
Nowak
O'Brien
Oakar
Ottinger
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Price
Pursell
Quayle
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roe
Rosenthal
Roth
Roybal
Runnels
Russo
Santini
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Simon
Slack
Snowe
Solarz
Solomon
Spellman
St Germain
Stack
Stanton
Stark
Stewart
Stockman
Stokes
Stratton
Studds
Synar
Thompson
Trible
Udall
Van Deerlin
Vanik
Walgren
Walker
Waxman
Weaver
Weiss
Whitehurst
Wolff
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NOT VOTING—26

Anderson, Ill.
Beard, Tenn.
Bonker
Burgener
Clausen
Cleveland
Crane, Philip
Diggs
Duncan, Oreg.
Evans, Ga.
Flood
Ford, Mich.
Hefner
Hyde
Jenkins
Leach, La.
Markey
Martin
Rahall
Rodino
Rostenkowski
Scheuer
Staggers
Williams, Ohio
Winn
Young, Alaska

□ 1740

The Clerk announced the following pairs:

Mr. Scheuer with Mr. Anderson of Illinois.

Mr. Rostenkowski with Mr. Burgener.

Mr. Rodino with Mr. Beard of Tennessee.

Mr. Markey with Mr. Philip M. Crane.

Mr. Evans of Georgia with Mr. Cleveland.

Mr. Rahall with Mr. Williams of Ohio.

Mr. Jenkins with Mr. Hyde.

Mr. Hefner with Mr. Winn.

Mr. Ford of Michigan with Mr. Martin.

Mr. Duncan of Oregon with Mr. Young of Alaska.

Mr. Bonker with Mr. Clausen.

Mr. Diggs with Mr. Flood.

Mr. RITTER changed his vote from "yea" to "nay."

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

### GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 2172, just considered.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

### THE DEFEAT OF THE SUGAR BILL WILL CAUSE GREAT UNCERTAINTY

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, the defeat of the sugar bill will cause great uncertainty among many friendly nations concerning the status of the International Sugar Agreement.

During the next few days, I would like to discuss the situation with members of my committee and with representatives of the Department of State.

It is possible that if the Senate is considering proceeding with ratification of the ISA, that we would again be willing to consider implementing legislation—but as the vote in the House has just shown, such implementing legislation would have to be limited to just the provisions in title I of H.R. 2172 as reported by the Agriculture Committee.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding. I think the gentleman's suggestion is a wise one. I think the ISA is important for this country and for our relations with the rest of the world. I would hope that the gentleman would go forward with his suggestion.

Mr. VANIK. I thank the gentleman.

Mr. Speaker, I yield back the remainder of my time.

## APPOINTMENT OF CONFEREES ON S. 1037, DISTRICT OF COLUMBIA RETIREMENT REFORM ACT

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill, S. 1037 an act to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits, with the House amendments thereto, insist on the House amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears one, and appoints the following conferees: Messrs. DELLUMS, FAUNTROY, MAZZOLI, MCKINNEY, and MARKS.

## APPOINTMENT OF CONFEREES ON H.R. 3824, AMENDING THE DISTRICT OF COLUMBIA SELF-GOVERNMENT AND GOVERNMENTAL REORGANIZATIONAL ACT

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3824) to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. DELLUMS, FAUNTROY, and MCKINNEY.

☐ 1750

## PERMISSION TO FILE CONFERENCE REPORT ON S. 428, DEFENSE DEPARTMENT AUTHORIZATIONS, 1980

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on S. 428, the Department of Defense authorization bill for fiscal year 1980.

The SPEAKER pro tempore (Mr. FARY). Is there objection to the request of the gentleman from Michigan (Mr. NEDZI)?

There was no objection.

## HOME ENERGY TAX RELIEF ACT OF 1979

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McHUGH. As we all know, Mr. Speaker, winter is rapidly approaching. In some areas of the Northeast and Midwest, including some parts of my district, it has already arrived. Yet, to date Congress has not come to grips with the most pressing problem many Americans face as winter approaches, the burden of rising home energy costs.

Mr. Speaker, we must not fail to act while some of our people may have to choose between heating their homes and feeding their families. For this reason, I am introducing legislation this afternoon which would provide some relief from these energy costs.

The only meaningful way of providing help quickly is by reducing the amount of taxes people pay, thus increasing the amount of resources available to help meet these rising costs. The measure that I am introducing today would provide such tax relief to low- and middle-income households.

Under this proposal, a household with an adjusted gross income of $15,000 or less would be entitled to a refundable tax credit of $300 if the household employs oil or kersosene as its principal heating source. This credit would be reduced by $20 for each additional $1,000 of income above $15,000, and would not be available to those earning $30,000 or more.

A household with an adjusted gross income of $15,000 or less would be entitled to a refundable tax credit of $150 if it employed any other fuel for heating or cooling. This credit would also phase out at $30,000, with the amount of the credit being reduced $10 for each additional $1,000 of income over $15,000.

As you know, Mr. Speaker, prices for all fuels have been rising and that is why my bill is designed to provide some help in meeting the increased costs associated with all fuels. On the other hand, since the price of home heating oil and kerosene have risen especially dramatically in recent months, my bill would provide special help to households that employ these fuels.

The tax credit provided for in this bill would be available to those who rent as well as to homeowners because it is clear that everyone pays the cost of heating their principal residence in one form or another. Similarly, the bill would apply to housing cooperatives and condominiums.

As I said, Mr. Speaker, the first step in helping the American people to cope with rising home energy costs is by providing them with some relief from the taxes they presently pay. Commendable as this may be as a first step, however, there are many individuals and families who will not be able to wait for help until they file their income tax returns.

These people need help now, and my bill provides two ways in which a household could take advantage of the tax credit immediately.

First, a wage earner in the household could increase the number of deductions claimed, thus receiving an immediate boost in real disposable income as a result of a reduction in the amount of Federal taxes withheld.

Alternatively, the household could file a simple form with the Internal Revenue Service. That form would include its projections of income and fuel expenses for the taxable year. Based upon that information, the IRS would then determine the amount of tax credit that the household was likely to be eligible for when it filed its income tax return the following year.

IRS would then establish an account on behalf of the household from which its fuel distributor could be reimbursed for the value of fuel delivered to the household.

If the amount reimbursed to a supplier exceeded the actual amount of the credit for which the household was later found to be eligible, the household would reimburse the IRS when it filed its income tax return. Alternatively, the household would be able to claim any excess credit as a tax refund.

Eligibility for this immediate assistance under title II of the bill would depend upon family size and income. For example, a family of four with an income of less than $11,725 would be able to establish such an account and have fuel bills charged against it.

Mr. Speaker, this is an important piece of legislation designed to meet a very real and compelling problem. For the benefit of my colleagues, I am attaching at the end of my remarks a series of questions and answers that explain the bill more fully.

I hope that the appropriate committees will give this bill their most serious consideration. As I said at the beginning, winter is rapidly closing in on us. It could be a very cold winter indeed for the American people unless we act now to deal with this issue:

### QUESTIONS AND ANSWERS ON THE HOME ENERGY TAX RELIEF ACT OF 1979

Q. How does the legislation help people cope with rising energy prices?

A. The legislation establishes a tax credit for households based on the household's adjusted gross income level and the type of fuel used to heat or cool the principal residence. The tax credit is refundable, that is, it would be available as a cash payment even if the household had no income tax obligation.

Q. What types of housing qualify for the tax credit?

A. All types qualify including owners, renters, condominium owners and those in cooperative arrangements.

Q. How much tax relief is available?

A. For households using oil or kerosene, a maximum of $300 is available. For households using other fuels, a maximum of $150 is available.

Q. Is everyone eligible for the maximum credit?

A. No. If a household's adjusted gross income is $15,000 or less, it is entitled to the maximum credit. When a household's adjusted gross income exceeds $15,000, the credit is reduced. For households using oil or kerosene, the credit is reduced $20 for each $1,000 by which the household's adjusted gross income exceeds $15,000. For households using other fuels, the credit is reduced $10 for each $1,000 by which the household's adjusted gross income exceeds $15,000. Both credits phase out at the $30,000 adjusted gross income level.

Q. Does a household have to wait to receive the credit until it files its income tax return at the end of the year?

A. No. There are two ways for households to receive the credit in advance of filing an income tax return.

(1) A household may have a wage earner claim extra deductions from paychecks in order to reduce withholding of taxes.

(2) A household may have the Internal Revenue Service establish an account from which its supplier of fuel may receive direct reimbursements for fuel delivered to the household.

Q. How does the account relate to the tax credits which are established?

A. The account is simply a mechanism by which certain households may receive the benefit of the tax credit so that prompt reimbursement can be made to suppliers of fuel delivered this winter. The amount of reimbursements to a supplier cannot exceed the amount of the tax credit to which a household would be entitled.

Q. May all households have an account established?

A. No. A household may have an account established only if the household's adjusted gross income is less than 175 percent of the poverty line and fuel is purchased directly from a supplier. For example, a household of four with an adjusted gross income less than $11,725 would be eligible.

Q. How would the account work?

A. A household would apply to the Internal Revenue Service for certification of eligibility and the amount of assistance to which it is entitled. The household would also designate its supplier of principal fuel. Both the supplier and the household would be promptly notified by the IRS of the certification. The supplier would then apply for direct reimbursement for fuel delivered to the household. Supplier reimbursements could not exceed the amount of tax credit to which the household would be entitled.

Q. How long would the tax credits and the accounts be available?

A. They would be available for 1979 through 1983.

## KIRKLAND AND MARSHALL DISPEL FICTIONS ON DAVIS-BACON

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, historians enjoy reminding us that Abraham Lincoln used to say that "You can fool some of the people all of the time, and all of the people some of the time, but you can't fool all of the people all of the time." Fortunately for us today, Mr. Lincoln's observation remains the truth.

I refer today specifically to the fooling that has been done over the years regarding the administration of the Davis-Bacon Act, which calls for the payment, on government contracts, of the prevailing wage rate. I repeat, the prevailing wage rate. Supporters of the act have long argued that indeed, the wage rate determined by the Department of Labor has been the prevailing rate, and not, in fact, as critics of the act have argued, a nearby union rate, which is not called for under the act.

During this year, two major figures in American labor today, the Secretary of Labor, and the leading candidate for the presidency of the AFL-CIO, Mr. Lane Kirkland, have finally decided to stop fooling the people, and have decided to publicly state that wages paid on Davis-Bacon projects really are the union rates. Their comments received little attention in the press. I therefore include, for the consideration of my colleagues, the statements from these two highly regarded individuals. Mr. Marshall's statement is from the third edition of his Labor Economics text, published in 1976, the year before he took public office. The Kirkland statement is from the text of a speech he gave in January of 1978 at an international conference at Davos, Switzerland:

Mr. Marshall said:

> In addition, flexible minima are provided by federal law in certain circumstances. Under the 1931 Davis-Bacon Act, the Secretary of Labor establishes minimum prevailing rates for contractors engaged in federal construction work costing $5,000 or more. In practice, these minima have been union rates and therefore have been useful to the building trades unions in preventing nonunion wage competition below these minima. The Walsh-Healey (Public Contracts) Act of 1936, among other things (for example, regulation of overtime pay, child labor, the use of convict labor, and certain safety and sanitation limitations) permits the Secretary of Labor to establish minimum wages on government contracts of over $10,000. Generally these prevailing minima are above those established on an industry basis. Like the Davis-Bacon, the Walsh-Healey minima thus help unions by preventing competition below the levels established by the Secretary of Labor. Unions complain, however, that these minima do not include "prevailing benefits" and advocate changes to correct this omission.

Mr. Kirkland's statement:

> Our unions are obligated by law to represent everyone employed in a bargaining unit regardless of whether or not they are members. The AFL-CIO negotiated with the President and the Congress the minimum wage legislation which established the wage and hours of millions of workers in America who do not belong to unions. Prevailing wage legislation, affecting federal, state and local contracts for construction or procurement further extend the application of union wages.

Mr. Speaker, we are indeed fortunate that Mr. Kirkland and Secretary Marshall have joined us in denouncing the great problem that makes Davis-Bacon totally unmanageable. The determination that a prevailing wage is a union wage, where a project is a distance from the unionized area, has the effect of barring local contractors from bidding on a project, and instead, brings in outside contractors who can afford the wage determinations. That in effect depresses the local economy, which is exactly the problem that Davis-Bacon was meant to remedy, and not to cause.

I thank both of these gentlemen for their candid comments on Davis-Bacon, and invite them in the future, to continue this frankness so that we may, for once and for all, remove from the books this unfortunate piece of legislation.

My colleague from Illinois (Mr. ERLENBORN) and I have jointly introduced H.R. 1931, a bill to repeal the Davis-Bacon Act. I would hope that my colleagues would see fit to join us in support of this measure.

## RETAINING THE DOLLAR BILL

(Mr. HANSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANSEN. Mr. Speaker, I am today introducing a concurrent resolution to express the sense of Congress that the $1 bill should not be retired arbitrarily and that the new $1 coin should be produced in such number as is warranted by public demand.

This resolution is being introduced concurrently in the other body by the senior Senator from North Carolina (Mr. HELMS).

Just a little over a year ago, this House voted to introduce a new $1 coin to replace the Eisenhower dollar. The new coin is smaller and lighter in weight, because it was the feeling of the Treasury and others that this would contribute to an acceptability that the larger coin does not have. The motive for this new coin was the savings to be realized as fewer dollar bills were needed.

A key question, therefore, was whether the new coin would be accepted by the public. Regrettably, this key question was lost sight of in the spirited debate over who should be pictured on the coin. We were warned at the time, especially by our colleague, the gentleman from Delaware (Mr. EVANS), that we were taking an awful chance by introducing the new coin without any reliable research to determine probable acceptability, or to determine what kind and extent of marketing efforts might be needed to encourage consumer acceptance.

As we are all now painfully aware, the coin has proven so far a flop. My own observation is that this coin has fared even worse than the unlamented $2 bill, because I never heard of anyone offering to fight rather than accept a $2 bill, whereas there are numerous reports of consumers becoming positively violent when offered the new $1 coin in change.

One would suppose that a rational response on the part of the Treasury would be to mount a well-conceived marketing program for the coin, perhaps in the interim helping out the situation by encouraging acceptance of the less-controversial $2 bill.

Here and there, however, the idea has arisen that the new coin should be imposed by fiat on the American consumer by withdrawal of its only real alternative, the dollar bill. This idea is in accord with the long-standing principle that if government makes a mistake it should make someone else bear the cost.

Rereading the proceedings last year on the new dollar coin, I have come to the strong conclusion that no one in Congress, either in this body or the other, contemplated enforced circulation of any particular piece of currency. Here I quote from the remarks of the prime sponsor of the dollar coin bill in the House, our colleague from Ohio (Ms. OAKAR), when she said:

> First of all, this coin does not replace the dollar bill. . . . This coin replaces the cumbersome, heavy Eisenhower dollar coin. It does not replace the dollar bill, and that should be made very, very clear.

Later on, she further said and again I quote:

> We are not asking the consumer to do anything less on this issue than we would ask them to in the case of food, clothing, soap, or what have you. Use the product and let us know how you like it.

We do not need any marketing surveys now to tell us the answer. The consumer has used the new dollar coin and doesn't like it one bit. Now it is reasonable to try to change that attitude by advertising the advantages of the dollar coin, and enlisting the aid of retailers and banks to help in that advertising. But it is not reasonable to stuff the coin down the consumer's throat and override his judgment of what he finds convenient and desirable.

My resolution seeks to continue the policy we have had in this country ever since the establishment of the Federal Reserve system of supplying whatever demand the public has for different types of coins and currency. There can be no question that the public has shown its whole-hearted desire to continue use of the dollar bill for the time being. Whatever the merits or deficiencies of the people's judgment, it is our job to see to it that their convenience is served in this matter, even while we may be seeking to persuade them differently. To do otherwise is to overturn a long-standing policy that has served the country well, a policy that seeks to promote efficiency in commerce, and convenience for the consumer by accommodating individual requirements for coin and currency.

I invite our colleagues to join me in sponsoring a resolution to continue this policy, the text of this resolution follows.

H. CON. RES. 203

Whereas the currency system of the United States has been administered so as to provide supplies of currency in various denominations in response to the demand of the American people;

Whereas it has been the policy of the Federal Reserve System to issue notes to its member banks in such quantities as those member banks require to meet public demand;

Whereas the Congress has supported continuance of this policy during the course of its oversight responsibilities and in specific legislation;

Whereas the American people have indicated their desire to continue to use the one-dollar bill; and

Whereas the Coinage Act of 1965 directs the Secretary of the Treasury to only provide coins authorized by law in "such quantities as he determines to be necessary to meet national needs": Now, therefore, be it

*Resolved by the House of Representatives* (*the Senate concurring*), That it is the sense of Congress that—

(1) no action shall be taken which would lead to the withdrawal of the one-dollar bill from circulation until such time as the Congress authorizes such withdrawal;

(2) no action shall be taken which attempts artificially to stimulate the demand for the one-dollar coin or require its use; and

(3) the production of various coins by the United States mint shall be in such quantities as may be necessary to meet national needs, as reflected in public demand.

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## AMENDMENT OF SAFE DRINKING WATER ACT NEEDED TO FORCE EPA SCIENTIFIC STUDIES

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McCLORY. Mr. Speaker, the Safe Drinking Water Act enacted into law in 1974 is being interpreted by the Environmental Protection Agency in a manner which is having extremely adverse and unjustifiable affects on a number of communities in my congressional district.

Section 1412 of that act empowers the Federal EPA to establish a standard for contaminants in drinking water which "may have an adverse effect on the health of persons." Relying on this language, the Federal EPA has designated a standard for barium in community water supplies at one part per million.

In my congressional district barium ions in excess of that standard are found naturally in the water supplies from some community water wells—particularly from the deeper wells which provide most of the water for domestic purposes.

Mr. Speaker, according to my investigations and on the basis of reliable scientific data which has come to my attention, there is no justification for such a standard. Indeed, such a standard could not be imposed except under the very loose or flexible language of the Safe Drinking Water Act. The Federal EPA does not know and has been unable to provide any recognized scientific data to establish that barium ions found naturally in community water supplies poses any danger to human health. Accordingly, one of the amendments which I am proposing to the Safe Drinking Water Act would require EPA to establish that a contaminant in drinking water must "pose a substantial health hazard"—before the EPA may establish a standard with which affected communities would have to comply.

Mr. Speaker, I am also introducing an alternative proposal which would compel the Federal EPA to conduct a comprehensive study on the health effects from barium, barium ions, radium or any combination thereof in community water supply systems before promulgating any standards or regulations which would compel compliance with any such standard.

Under this amendment, the Federal EPA would be required to conduct or arrange for scientific studies by contract or otherwise, including particularly scientific data derived from tests on animals and based upon epidemiological data. Mr. Speaker, under this amendment, which seems entirely equitable and essential, the Federal EPA would be required to defer any drinking water standards relating to these elements until such scientific studies and epidemiological programs are completed.

Mr. Speaker, I hope that the Subcommittee on Health and the Environment of the Interstate and Foreign Commerce Committee, to whom I expect these bills to be referred, may conduct prompt and informative hearings following which the basic Safe Drinking Water Act may be appropriately amended to serve the need which has resulted from the Federal EPA's misinterpretation of the law which we enacted in 1974 and under which the EPA seems determined to act notwithstanding the inadequacy of any scientific or epidemiological data upon which to base its regulations. Copies of these two bills are attached for the further information of my colleagues.

H.R. 5675

A bill to amend the Safe Drinking Water Act to change the requirements for estabishing national primary drinking water regulations, to require the Environmental Protection Agency to conduct a study of the health effects of barium and radium in drinking water, to suspend the standards for barium and radium pending the completion of the study, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) Section 1401(1)(B) of the Public Health Service Act is amended by striking out "may have any adverse effect on the health of persons" and inserting in lieu thereof "pose a substantial health hazard".

(b) Section 1412(b)(1)(A)(ii) of such Act is amended by striking out "may have an adverse effect on the health of persons" and inserting in lieu thereof "pose a substantial health hazard".

(c) Section 1412(b)(1)(B) of such Act is amended—

(1) in the first sentence, by striking out "may have any adverse effect on the health of persons" and inserting in lieu thereof "pose a substantial health hazard".

(2) in the second sentence, by striking out "known" and all that follows through the period and inserting in lieu thereof "unreasonable risk to the health of persons occurs"; and

(3) in the third sentence, by striking out "may have any adverse effect on the health of persons" and inserting in lieu thereof "pose a substantial health hazard".

(d) The amendments made by this section shall apply only to primary drinking water regulations (whether interim or revised) under title XIV of the Public Health Service Act which are promulgated, revised, or amended after November 1, 1979. Following completion of the study under subsection (e), the Administrator of the Environmental Protection Agency shall promulgate in accordance with section 1412 of such Act (as amended by subsection (c) of this Act), a revised national primary drinking water regulation for barium and barium ions and a revised national primary drinking water regulation for radium.

(e) (1) The Administrator of the Environmental Protection Agency shall conduct a comprehensive study of any health effects which result from barium, barium ion, or radium, or from any combination thereof, in concentrations greater than the maximum contaminant level specified under the national interim primary drinking water regulations promulgated under section 1412 of title XIV of the Public Health Service Act. Such study may be based upon data derived from animals and upon epidemiological data. For purposes of conducting such study, the Administrator may enter into contracts or other arrangements with appropriate persons or organizations in accordance with applicable law.

(2) A report containing the results of the study conducted under this subsection shall be submitted to the Congress as promptly as practicable.

(3) Following the date of the enactment of this Act—

(A) no national interim primary drinking water regulation promulgated under section 1412 of the Public Health Service Act with respect to barium or barium ions shall apply to any drinking water system which serves an area in which barium from natural (other than man-made) sources occurs in concentrations greater than the maximum contaminant level specified for such contaminant under the national interim primary drinking water regulations promulgated under section 1412 of such Act; and

(B) no national interim primary drinking water regulation promulgated under section 1412 of the Public Health Service Act with respect to radium shall apply to any drinking water system which serves an area in which radium from natural (other than man-made) sources occurs in concentrations greater than the maximum contaminant level specified for radium under the national interim primary drinking water regulations promulgated under section 1412 of such Act. Until completion of the study required under this section, no revised national primary drinking water regulation under section 1412 of the Public Health Service Act relating to barium or barium ions shall apply to any area described in paragraph (1) and no revised national primary drinking water regulation under such Act relating to radium shall apply to any area described in paragraph (2).

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### H.R. 5676

A bill to amend the Safe Drinking Water Act to provide for a study of the health effects of barium and radium in drinking water and to suspend the national interim primary drinking water standards for such contaminants pending the completion of such study and the promulgation of new standards for such contaminant

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) the Administrator of the Environmental Protection Agency shall conduct a comprehensive study of any health effects which result from barium, barium ion, or radium, or from any combination thereof, in concentrations greater than the maximum contaminant level specified under the national interim primary drinking water regulations promulgated under section 1412 of title XIV of the Public Health Service Act. Such study may be based upon data derived from animals and upon epidemiological data. For purposes of conducting such study, the Administrator may enter into contracts or other arrangements with appropriate persons or organizations in accordance with applicable law.

(b) A report containing the results of the study conducted under subsection (a) shall be submitted to the Congress as promptly as practicable.

(c) Following the date of the enactment of this Act—

(1) no national interim primary drinking water regulation promulgated under section 1412 of the Public Health Service Act with respect to barium or barium ions shall apply to any drinking water system which serves an area in which barium from natural (other than man-made) sources occurs in concentrations greater than the maximum contaminant level specified for such contaminant under the national interim primary drinking water regulations promulgated under section 1412 of such Act; and

(2) no national interim primary drinking water regulation promulgated under section 1412 of the Public Health Service Act with respect to radium shall apply to any drinking water system which serves an area in which radium from natural (other than man-made) sources occurs in concentrations greater than the maximum contaminant level specified for radium under the national interim primary drinking water regulations promulgated under section 1412 of such Act. Until completion of the study required under this Act, no revised national primary drinking water regulation under section 1412 of the Public Health Service Act relating to barium or barium ions shall apply to any area described in paragraph (1) and no revised national primary drinking water regulation under such Act relating to radium shall apply to any area described in paragraph (2).

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## ANOTHER BAD PRECEDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SOLOMON) is recognized for 60 minutes.

Mr. SOLOMON. Mr. Speaker, the Carter administration has labored to give the impression its China policy goal has been the establishment of relations with the People's Republic of China.

Billed by the administration as necessary sacrifices in the pursuit of this goal were diplomatic relations with Taiwan, the abrogation of our mutual defense treaty, and the moratorium on arms sales to Taiwan.

But now that diplomatic, cultural, and economic ties have been developed with the Communists, the administration is continuing its pressure against our ally, Taiwan, the Republic of China.

The latest push came in September when the administration announced the intention to terminate the 1946 Air Transport Agreement with Taiwan.

An "informal, unofficial understanding" is the only alternative being offered and, if Taiwan refuses to accept this dictated policy reversal, it will be left with no agreement at all. All or nothing. This action has very serious implications, one being the administration's continued efforts to circumvent Congress.

I am reminded that during debates on the Taiwan Relations Act, administration spokesmen repeatedly assured Congress the President's efforts to abrogate the mutual defense treaty did not represent a precedent.

I offer as examples of the promises made during that period, the words of President Carter himself.

During his December directive outlining his intentions, President Carter stated:

> Existing international agreements in force between the United States and Taiwan shall continue in force.

Also, Deputy Secretary of State Christopher promised the Senate Foreign Relations Committee, "We have moved to assure that, with the exception of the mutual defense treaty and related agreements, our many treaties and agreements with Taiwan—there are more than 55 in all—will remain in force."

Christopher further assured that, with regard to aviation arrangements—Taiwan would be viewed as "a valid treaty partner for the purpose of important treaties, such as aviation arrangements and nuclear supply arrangements, which now exist."

Despite administration assurances, Congress provided for the continuation of "all treaties and other international agreements between the United States and Taiwan" in section 4(c) of the Taiwan Relations Act.

And so, the very spirit of the Taiwan Relations Act has been compromised.

This effort, which was taken without consultation with Congress, represents yet another effort to expand the power of the Executive over Congress and seems blatant in view of Judge Gasch's ruling that the President does not have power to abrogate the mutual defense treaty without the consent of Congress.

And what is the administration's reaction to this obvious conflict in policy?

Assistant Secretary of State Holbrooke replied to questioning from Senator JAVITS that this action was necessary in order to improve relations with Peking.

Mr. Speaker, I question that reasoning. Furthermore, I question the President's judgment in taking such an action.

It is a well documented fact that despite the optimistic outlooks promoted by the State Department regarding long-range trade possibilities with the People's Republic of China, trade with Taiwan is seven times the size of our trade with the PRC.

No wonder American businessmen with established businesses in Taiwan are alarmed by this Presidential action.

In a letter to President Carter, Robert Parker, president of the American Chamber of Commerce in Taiwan, stated:

> We do not accept the contention that replacing a treaty with an "informal, unofficial arrangement" is only a change in form and not in substance.
>
> This concern related not only to the aviation treaty, but to other important commercial agreements with Taiwan including the vital treaty of friendship, commerce and navigation.

The House Foreign Affairs Committee met earlier today to consider this very symbolic and serious precedent-setting act by the administration.

I have requested this special order and invited comment to focus attention on what I consider an unnecessary and impractical act.

As I stated in my opening remarks—diplomatic, economic, and cultural ties have already been established.

We are not faced with an either/or choice. The present Air Transport Agreement could be amended, if necessary.

Congress, the American people, and our allies have been misled.

We should not allow the administration to continue to risk U.S. credibility and world opinion.

I would now like to submit for your consideration an article entitled "Deception on Taiwan" by the noted syndicated columnist M. Stanton Evans, which makes clear the deception which riddles the Carter foreign policy.

And on behalf of Senator BARRY GOLDWATER I want to personally thank all of the Members of this House who joined me as an intervenor in the successful Goldwater suit against the administration that proves once and for all that Congress is an equal branch of Government and that no President (present or future) can abrogate or break a treaty without the approval of Congress.

### DECEPTION ON TAIWAN

(By M. Stanton Evans)

Deception has always been a major factor in dealings among nations, but the Carter Administration is lifting the practice to new heights.

This is an administration, it should be recalled, that came to power on the strength of promises concerning honesty and openness in government. Yet its 30-odd months in office have equaled or surpassed existing records for misleading statements in the realm of foreign policy. Panama, Red trade, and the recent calamity in Nicaragua are just a few examples (that have been cited in this space).

The distinguishing feature in this pattern of deception is that the people being misled are not foreign adversaries, but the American public. In the typical case Panama, the SALT accords—the U.S. voter is given certain assurances concerning some proposed intiative of the Carter regime. But once the policy is in place, or subjected to closer scrutiny, it turns out the assurance is mistaken.

A recent example is President Carter's abrogation of our mutual defense treaty with Taiwan—the action being challenged in the courts, so far successfully, by Sen. Barry Goldwater (R-Ariz.). The attempted termination of this treaty stirred widespread misgivings, not only because of its intrinsic importance, but because it was feared a precedent was in the making. We have more than 50 other treaties and agreements with Taiwan, and if these were shredded in similar fashion the impact on Free China could be disastrous.

When this possibility was mentioned in the Taiwan debate, administration spokesmen were emphatic in denying that any such thing could or would happen. What was in prospect, they said, was only the abrogation of the defense treaty, and nothing more. No precedent was being established. The other agreements would remain intact. This was stated over and over again by administration spokesmen.

Thus in his directive on the subject last December, President Carter asserted that "existing international agreements in force between the United States and Taiwan shall continue in force." In February, Deputy Secretary of State Warren Christopher told the Senate Foreign Relations Committee, "We have moved to assure that, with the exception of the mutual defense treaty and related agreements, our many treaties and agreements with Taiwan—there are more than 55 in all—will remain in force."

Christopher went so far as to emphasize certain agreements with Taiwan that would remain intact. He referred to the fact that, under the administration's proposed new policy, Taiwan would be treated as "a valid treaty partner for the purpose of important treaties, such as aviation arrangements, nuclear supply arrangements, which now exist." Other administration witnesses testified to the same effect.

Given these elaborate assurances, imagine the surprise of various senators and congressmen the other day when they discovered the Carter regime was setting out to do precisely what it said it wouldn't—severing other arrangements with Taiwan. The agreement the administration is now trying to do away with is the air transport pact of 1946—one of the agreements specifically singled out by Christopher by which the United States and Free China have reciprocal aviation landing rights. The Carter administration wants such an arrangement with Red China, and to get it is trying to renounce the agreement with Taiwan.

To date, the administration has made no effort to reconcile the obvious conflict between this action and its previous statements on the subject. Assistant Secretary of State Richard Holbrooke was questioned on the matter by Sen. Jacob Javits (R-NY), and proceeded to explain that such a move was necessary to improve relations with Peking. No explanation of the previous false assurances was provided. Senator Goldwater and other lawmakers, however, are setting out to find one. Here's hoping they're successful.

### GENERAL LEAVE

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this special order on the Republic of China Air Transport Agreement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York (Mr. SOLOMON)?

There was no objection.

Mr. SOLOMON. Mr. Speaker, I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, let me first congratulate the gentleman from New York for taking this time today to discuss United States 1946 agreement with Taiwan. I would like to add my voice in opposition to the administration's announced intentions to terminate the 1946 Air Transport Agreement with the Republic of China. Such an action by the President would be untimely, disloyal, and against the best interests of American people and the people of Taiwan.

Only last week, a Federal district court declared, in a suit in which I was a plaintiff, that President Carter had unconstitutionally terminated the mutual defense treaty with Taiwan. The administration, in a desperate attempt to show "decisive action" and "make history" by recognizing the People's Republic of China, illegally attempted to circumvent Congress and unilaterally end our mutual defense pact with Taiwan.

That treaty provides that the United States would come to the defense of Taiwan if it should be attacked by mainland China. Understandably, the Communist Chinese—who still voice every intention of "unifying" Taiwan with mainland China—demanded an end to the treaty protecting Taiwan. Mr. Carter, anxious to please the Communist Chinese, went along.

And he went further. He assured Congress that we would somehow insure Taiwan's continued security. He assured Congress that this treaty was the only formal agreement which would be terminated. Our 55 other agreements would remain in force.

The President, who once told us that he would never lie to us, made these pledges in order to mollify Members of Congress and gain their assent to the Taiwan Relations Act. He succeeded. Earlier this year, Congress approved the Taiwan Relations Act, thereby relegating Taiwan to a "twilight zone" existence. It is there, but it is not there. We do not recognize it. We have no defense treaty, but we do have some 55 other treaties and agreements with that nation.

Section 4(c) of the Taiwan Relations Act provides for the continuation of "all treaties and other international agreements" between the United States and Taiwan. But barely had the ink dried on the Presdent's signature to that act, than he turned around and expressed his desire to transform our official treaties and agreements with Taiwan into "informal, unofficial understandings." The first victim of this process is to be the 1946 Air Transport Agreement.

How gullible are we to be? How far shall we acede in the duplicitous plans of the administration to apease the totalitarian regime on mainland China? Shall we be led by the nose to reduce Taiwan to a helpless nonentity, ripe for the plucking by mainland China?

I would hope that there is more honor and courage in this House than to allow that to happen.

The President's promises were promises of expediency. It is clear that his pledges to maintain our ties with Taiwan were made only to insure the passage of the Taiwan Relations Act. We must not now merely nod our heads in agreement as he seeks to break those promises. The President must be held to his word, and to the words of the Taiwan Relations Act, itself.

We have already gone much further than necessary to please the mainland Chinese. We must go no further.

It is particularly foolish at this time to proceed with the administration's plans to "derecognize" the Republic of China. Need I remind you that the very foundation of the President's China policy has been weakened by the Federal court's decision last week. If the abrogation of the defense treaty was illegal, and I believe it was, then the priority concern of Congress will ultimately be a debate and vote on the future of that treaty. Since the President intends to end the treaty by January 1, 1980, this matter must soon be decided.

A victory in Congress by the friends of the Republic of China, a free, prosperous, democratic nation, would probably force the President back to the negotiating table with the People's Republic of China to reconsider the state of our formal relations.

That is a rather basic agreement to work out. Before President Carter tries to weaken our ties with Taiwan any further, he should wait to see what the state of our relations with the PRC will be, if, indeed, there are to be any formal relations. It is my hope that if negotiations are reopened the President will prove to be a tougher negotiator than he has been in the past. The independent survival of the Republic of China, a sovereign nation, can be and should be assured.

It is the duty of this Congress to see that the President is not allowed to further dismantle our relations with Taiwan. His desire to present Congress with a fait accompli must be thwarted.

Congress must say "no" to the administration's plans to terminate the 1946 Air Transport Agreement.

Mr. SOLOMON. I yield to the gentleman from Georgia (Mr. McDonald).

Mr. McDONALD. I thank the gentleman for yielding.

Mr. Speaker, I rise today in support of the determined efforts of the gentleman from New York (Mr. Solomon) to stop the Department of State move to terminate our 1946 Air Transport Agreement with the Republic of China. I have already joined him in communicating to the distinguished chairman of the House Foreign Affairs Committee my concern over this matter. It is my hope that this issue can be resolved either with or without hearings.

The Congress needs to know if this effort by the Department of State to replace this 1946 agreement with an "informal, unofficial agreement" is just precursor of a number of such actions? It is my strong view that we cannot afford to insult further the Republic of China. Taiwan is a key trading partner of ours and will continue to be so for many years.

Communist China will not become a major trading partner of ours for years to come, if ever. Even the most optimistic estimates have already fallen flat on that score. One would also hope that the Department of State, after the recent decision by Judge Gasch, would proceed with a little more caution, or is that too much to hope for? Is it too much to hope for that we treat a longtime ally almost as well as we treat a Communist country sworn to destroy our way of life? It should be obvious to everyone that only Red China's sagging economy and her fear of the Soviet Union guide her present policy toward the United States, not her love of capitalism.

In my view, the Congress needs to search out the motivation for this move by the Department of State. Has Peking asked the United States to do this, and if so, why? If it is not done, what is the effect of maintaining the status quo? We need these and many more answers before further antagonizing one of the few friends this Nation still has in the world.

Mr. SOLOMON. I thank the gentleman from Georgia for his remarks.

I yield to the gentleman from Ohio (Mr. Ashbrook).

Mr. ASHBROOK. I thank my colleague for yielding.

Mr. Speaker, last week the Nationalist Republic of China celebrated its 68th year of existence. Considering the policies of the present administration it will take much effort and commitment for this valiant nation to prosper for another 68 years. I find it unbelievable how President Carter and his legions of appearers have made the isolation of the Nationalist Republic a cornerstone of their foreign policy of surrender. The issue we have before us today is the termination of a major bilateral agreement between this Nation and the Nationalist Republic. This agreement has been a standing commitment since 1946. Obviously, this President is only interested in honoring those accords that please Peking and the Kremlin. I can find no other rationale for the pattern of international corruption President Carter has brought to America's moral and legal commitments.

I am pleased to note that the U.S. district court agrees that Mr. Carter's actions relating to Taiwan are in direct violation of American law. It is indeed refreshing to have a Federal judge read the Constitution before making a legal decision. While the Constitution does not explicitly outline the role of Congress in the treaty termination process, Judge Oliver Gasch was perceptive enough to understand the fundamentals of American Government and the implicit role the Congress has in deciding foreign policy. The arrogant statements from the State Department and the White House implying that U.S. constitutional law should adapt to their opportunism is just one more sad chapter in the bizarre saga of this administration.

We also know that this administration has a number of proposals waiting in the wings to toss the Nationalist Government further into diplomatic oblivion. This summer Secretary Krebs negotiated a most-favored-nation agreement. The administration has been holding off presenting this document to the Congress for fear that the time is not right to push such a measure. It will only be a matter of time, however, before this insidious proposal is before us. Other measures will soon follow. The administration knows it cannot push appeasement too fast or America might catch on to what it is doing. It is sickening to think that the Oval Office is spending more time and money trying to circumvent American public opinion than it does trying to solve the Nation's problems. Thankfully, all public opinion polls are showing that time is running out on this pack of political hooligans. I only hope that they are driven out of office before they totally trash America's name in the world.

Unfortunately Taiwan has more to worry about than the unfaithfulness of Mr. Carter. The presence of over 12,000 Soviet troops on Shikotan and two other disputed islands North of Japan represent a major threat to the region. This division level force is complete with SAM missiles and Hind assault helicopters. These very aggressive Soviet moves underscore the need for America to honor its commitments to its Pacific allies. If we continue to back down in the face of communist browbeating and continue to discharge our obligations in this region we will find ourselves without any influence in a vitally important part of the globe. If we are really serious in being the leader of the free world we must be serious in fighting Communist aggression. A strong tie with Nationalist China is the only way we can draw the line to thwart both Peking and Moscow.

Sometimes I really wonder whose side Mr. Carter and company is on. I have received word that a new agreement has been reached between the United States and Communist China for the shipment of a General Electric Landsat–D ground system to that nation. The Landsat–D will tie China into the Landsat weather satellite network. This system includes the Digital WAC–11/780 computer. This computer is an advanced model that can process 70 to 80 million operations a second. It is far more advanced than the Cyber–76 computer recently denied to the Soviets because of its potential strategic use. Mr. Vance only recently stated that the United States would not sell any military equipment to the Red Chinese, now I find out he is letting the same end runs happen for China as is happening for the Soviets. What this administration does not understand is that the only reason the Communists in China do not pose as serious a strategic threat to the United States as the Communists in the Soviet Union is that they do not have the same weapons capability. If backroom technology transfers like this one keep going on it will not be long before America faces a Chinese menace as great as the existing Soviet one.

The Chinese computer deal and the Soviet troops movements are just two of the compelling reasons that this Congress should take a stand for our friend and ally on Taiwan. This administration has demonstrated that it is incapable of acting on behalf of the free world or on behalf of this Nation.

The circumventing of the trust of this Congress, this Nation, and this one ally, should prove beyond any doubt that this embarrassment we call a Presidency needs to end. It is the duty of the Congress to continue to expose Mr. Carter's lies and deceit as long as this man is darkening the Oval Office.

Mr. SOLOMON. I thank the gentleman from Ohio. I most certainly concur in his remarks.

I yield to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I want to join in complimenting the gentleman for bringing this special order and I associate myself with the gentleman's remarks today, and I think largely as a result of the urging of the gentleman in the well, the Committee on Foreign Affairs held the first of what promises to be several hearings on the subject of this special order.

We heard testimony from American business people in Taiwan on the subject matter. The chairman of the Committee on Foreign Affairs (Mr. Zablocki) made it very plain to the committee and to those in attendance that he intended to follow through on his oversight responsibility under the Taiwan Relations Act. He and practically all of us expressed great concern about what appears to be going on.

I think the time to stop the kind of shenanigans that appear to be going on is right now, before it gets started.

☐ 1800

We should let the White House and the State Department know that we are on to what it appears they are doing and that we do not like it, that it is not in accord, not only with the Taiwan Relations Act passed by the Congress and signed by the President, but with all the statements that were made at the time, the assurances we were given about the 54 treaties that would not be affected by the new relationship with the Peoples Republic of China; so again I want to thank the gentleman for taking this special order. I think it will serve a very useful purpose.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from California.

I would just like to point out that one of the people that testified before the Committee on Foreign Relations today happened to be one of those people that the gentleman from Ohio (Mr. Ashbrook), myself and others met with in Taiwan, when they stated their extreme alarm over what would happen if we went ahead with the President's plans at that time.

● Mr. SYMMS. Mr. Speaker, I wish to thank my colleague from New York (Mr. Solomon) for organizing this special order today regarding the United States-Republic of China. Air Transport Agreement. I am real proud of the job the gentleman from New York is doing here in the Congress.

I am extremely concerned about information I have received regarding attempts by the Carter administration to terminate the 1946 Air Transport Agreement between the United States and the Republic of China on Taiwan and replace that agreement with an unofficial accord.

Any attempt by the administration to terminate treaties between the United States and Taiwan which were in effect prior to December 31, 1978, with the exception of the Mutual Defense Treaty, would be a violation of the Taiwan Relations Act as enacted into law on April 10, 1979. According to section 4(c) of the act:

> For all purposes, including actions in any court in the United States, the Congress approves the continuation in force of all treaties and other international agreements, including multilateral conventions, entered into by the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and in force between them on December 31, 1978, unless and until terminated in accordance with law."

And it now appears that the President's actions in attempting to unilaterally abrogate the Mutual Defense Treaty have raised serious constitutional questions.

There is substantial testimony both in the House Foreign Affairs Committee and the Senate Foreign Relations Committee hearings discussing the status of the other 55 treaties with Taiwan which would remain in effect despite normalization of relations with the People's Republic of China. In hearings conducted by the House Foreign Affairs Committee on February 7 and 8 of this year, Deputy Secretary of State Warren Christopher stated:

> First, we have moved to assure that with the exception of the Mutual Defense Treaty and related agreements, our many treaties and other agreements with Taiwan—more than 55 in all—will remain in force.

I think it is important that the Congress look into this administration proposal. This matter is a concern to many Members who worked closely with the Foreign Affairs Committee on the provisions of the Taiwan Relations Act to insure continued strong security and commercial relations with the Republic of China on Taiwan. If any changes are to be made concerning the status of the treaties between the United States and Taiwan, the Congress, by law, must effect those changes.

I know that Congressman Zablocki, the distinguished chairman of the Foreign Affairs Committee, will be investigating this matter as he made it quite clear in oversight hearings on the Taiwan Relations Act today that he will not allow the administration to circumvent the Congress.

I urge the Members to stand behind the provisions of the Taiwan Relations Act so that any changes or modifications which need to be made in regard to agreements between the United States and Taiwan will be made with the consent of the Congress.

I wish to thank Mr. Solomon again for all of his efforts in this regard, and I hope that other Members will make their views known on this subject to the Foreign Affairs Committee.●

Mr. RUDD. Mr. Speaker, I commend the gentleman from New York (Mr. Solomon) for bringing to the attention of the Congress and the American people the administration's latest effort to shortchange our friends in Taiwan.

First, after a 25-year period of alliance, the President ended official relations and unilaterally canceled our Nation's mutual defense treaty with the Republic of China without any measure of consultation with Congress.

I am pleased to be one of the parties to the Goldwater suit which challenges the President's authority to abrogate a treaty without consultation with the legislative branch. It is our contention that treaties, which constitutionally require Senate approval, also require Senate approval for termination.

The administration also placed a moratorium on new sales of vital military equipment to Taiwan, contradicting the President's statements that derecognition would not result in lessening U.S. commitment to the security of Taiwan against the Communist Chinese on the mainland.

Now, it comes to light that the administration is planning to act again—and once more without prior consultation with Congress.

The State Department apparently has given notice to the Republic of China that the United States intends to terminate the Air Transport Agreement between this country and Taiwan—a treaty which has existed since 1946.

It seems particularly inappropriate for the State Department to proceed in this manner following the historic ruling last week by Judge Oliver Gasch which overturned the President's ability to terminate the United States-Taiwan Mutual Defense Treaty without congressional advice and consent.

While the administration will undoubtedly appeal that decision, in the interim, it would seem that the President is on tenuous ground to continue advocating unilateral terminations.

To make matters worse, this latest unilateral act is in direct contradiction to the administration's promises and in violation of the Taiwan Relations Act, which specifically provides for the continuation in force of "all treaties and other international agreements" between Taiwan and the United States.

During testimony before the Senate Foreign Relations Committee, Deputy Secretary of State Warren Christopher stated—

> We moved to assure that with the exception of the Mutual Defense Treaty and related agreements, our many treaties with Taiwan—more than 55 in all—will remain in force.

Despite this promise and specific statutory prohibition, the State Department has nonetheless proposed the replacement of the air transport agreement with an informal arrangement.

The exact impact of this semantic distinction is not clear, but it appears to be yet another effort to downgrade our relations with Taiwan.

One trend is becoming increasingly obvious. Congress cannot be certain that the administration will voluntarily abide by its promise to uphold the remaining 58 treaties with the Republic of China.

The status of these treaties and indeed of our Nation's moral commitment to Taiwan is placed in grave jeopardy by the administration's latest act of deceit.

The House Committee on Foreign Affairs has been hearing testimony on this important subject today. Hopefully, the committee will express to the administration strong congressional disapproval of these continued unilateral actions. Failing that, the full House must act to demonstrate our insistence that we be fully involved.

## SOME GOOD ADVICE ON SOCIAL SECURITY REFORM: A TAX ROLLBACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, in a few weeks the Social Security Advisory Council, the federally appointed panel of businessmen, labor leaders, and the public at-large, will recommend that Congress rescind most or all of the scheduled 1981 increase in the social security payroll tax. The planned hike in the tax to 6.65 percent from the present 6.13 percent level will only pinch the pockets of the average worker even more. With inflation taking a bigger and bigger bite out of our paychecks, a rollback of the tax increase would be a welcome relief.

The staggering deficit in the social security trust fund poses a serious threat to the treasury. The promise of benefits without a corresponding contribution to the system places us on a direct course for default when the chips are cashed in. Raising taxes, as this Congress has done, is something I have opposed, not only because of its effect on an overburdened taxpayer, but on the principle of prudent public policy. With the rising cost of living, the demand for liberalizing benefits is bound to land on the congressional doorstep. So how are we going to provide for the social security of our senior citizens? By raising taxes again? We are kidding ourselves to think that we can close the gap between paid-in contributions and paid-out benefits in the system. A broader scale of reform is needed, one which goes beyond a rollback of the payroll tax. It is up to Congress to come to grips with this reality and enact meaningful reform. Proposals on the order of those advocated by our colleague, Mr. CONABLE of New York, are an excellent place to start.

In the meantime, though, the advice of advisory council should receive our favorable seal of approval. I very much hope to be at the vanguard of the effort to undo the tax program of the 95th Congress, and examine the viable reform measures which do not impose such a strain on the pocketbook of the taxpayer.●

## SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW TO HOLD HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I wish to announce that the Subcommittee on Monopolies and Commercial Law will hold one day of public hearings on October 24, 1979, to consider H.R. 3567, H.R. 3573 and other similar bills to amend the antitrust laws for the purposes of establishing a different standard for determining the legality of exclusive territorial and customer restrictions in the soft drink bottling industry.

The hearing will be held in room 2141, Rayburn House Office Building, and will commence at 9:30 a.m. Testimony on these proposals will be received from the Department of Justice, and independent soft drink bottlers.●

## STATEMENT BY CONGRESSMAN CHARLES A. VANIK ON INTRODUCTION OF HOUSE CONCURRENT RESOLUTION TO APPROVE THE EXTENSION OF NONDISCRIMINATORY (MFN) TREATMENT TO THE PRODUCTS OF THE PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, today the President submitted to the House and the Senate the bilateral commercial agreement signed on July 7 by representatives of the United States and the People's Republic of China, a proclamation extending nondiscriminatory—most-favored-nation—treatment to the products of the PRC, and an Executive order waiving the application of the freedom of emigration requirements under section 402 of the Trade Act of 1974 with respect to the PRC.

As provided under section 405(c) of the Trade Act, the United States-China trade agreement and the proclamation extending MFN treatment to imports from the PRC shall take effect only if both Houses of Congress adopt the concurrent resolution approving the extension of MFN treatment within 60 legislative days. As chairman of the Subcommittee on Trade, I am announcing the beginning of public hearings to be held November 1 and 2 to consider this latest significant step toward normalization of United States-China political and economic relations. Additional hearing dates will be announced as needed.

Because of my tremendous concern about Soviet reaction to People's Republic of China preference on MFN treatment and the impact it can have on the current high level of Soviet emigration, I had hoped that we could face both issues at the same time and treat the two countries in an even-handed manner. However, the current SALT controversy and the Cuban issue have obscured the situation. Therefore, we should not hold up consideration of MFN for the People's Republic of China because of the current status of the Soviet issue.

It is my sincere hope that before Congress concludes its action on consideration of MFN for China, an administration recommendation may be forthcoming for MFN for the Soviet Union and that the Soviets may assist in this matter by continuing a high level of emigration and by making substantial progress on the release of long-standing emigration applicants and prisoners of conscience.●

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MAGUIRE) is recognized for 5 minutes.

● Mr. MAGUIRE. Mr. Speaker, I fully supported, endorsed and intended to vote for the Veterans Rehabilitation and Education Amendments of 1979. I am listed in rollcall vote No. 568 as voting "present," which was a mistake on my part due to the fact that the vote came as the first item of the day rather than the usual quorum call.●

## UNITED STATES-CHINA TRADE AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCOIN) is recognized for 5 minutes.

● Mr. AuCOIN. Mr. Speaker, today, the President sent to the Congress for approval the trade agreement between the

United States and the People's Republic of China. I rise in support of that agreement and to urge my colleagues to approve it without delay.

This treaty, which signals the end of a 30-year trade hiatus with the People's Republic of China, is a great opportunity for our international trade community. It comes at a time when our trade deficit has reached record levels, when American firms are being outbid in the international marketplace, and when our competitiveness abroad is being eroded daily.

As such, I endorse this agreement and pledge all of my efforts on behalf of its approval. At the same time, however, I think it is appropriate for us to review the requirements of the law that this and most other agreements with nonmarket countries must meet to secure most-favored-nation status and Eximbank credits.

Section 402 of the Trade Act of 1974 now restricts the extension of trade benefits to a nonmarket country, unless it exhibits a satisfactory emigration policy. Specifically, it is required to submit assurances to the United States that it adheres to a liberal emigration policy as a prerequisite for receiving either trade credits or MFN. This is a tall order for any sovereign nation and any nation that is a trading "partner" with us.

While I applaud the goal of this provision in attempting to promote free emigration around the world, I question not only its effectiveness but whether this kind of law is becoming of us as a mature, sophisticated trading nation.

It assumes that American goods, American products, and American technology is so overwhelmingly superior, the other nations of the world have no place else to shop. It assumes a leverage on Eastern bloc nations that does not exist. Perhaps there was a time when the United States held such a commanding position in world trade. But if it were ever true, it is manifestly not true today.

As my colleagues know, I have long been an advocate of expanded trade with the PRC, from the days even before recognition. My interest grows out of an active role in the House Subcommittee on International Trade where in the last session of Congress I authored an amendment that would have exempted the People's Republic of China from section 402 of the Trade Act, opening credits from the Eximbank for sales to China. My purpose in introducing the amendment was to signal the Chinese our interest in normalizing relations and enable U.S. businessmen to enter more forcefully blossoming Chinese markets.

This year, I have pursued this concern and proposed legislation to modify section 402 of the Trade Act for all nonmarket countries. My proposal addresses the whole framework of our trading relations with these countries, seeking to make this provision of the law not only a more effective trade tool but also a more effective tool of our international human rights policy. Instead of demanding assurances from a country that it will adhere to certain emigration standards, my legislation empowers the President to determine that granting a waiver to section 402 and granting MFN and Eximbank credits would "lead substantially to achievement of the free emigration objectives" we all seek.

In sum, it removes the onerous requirements unbecoming of trade partners while strengthening the linkage between trade and free emigration. It remains true to the intent of section 402 but strengthens its practical effect. It extends a carrot, not a stick.

While I firmly believe that there will be no stability in our trading relations with nonmarket countries and no effective leverage in human rights until this legislation is passed, I also believe we must move ahead as changes are being considered.

Mr. Speaker, let me say again that this agreement has my full support and let me underscore its importance to us.

Last year, our trade deficit was more than $30 billion; and currently, it is running at a rate of $24 billion, only a slight improvement. Moreover, between 1957 and 1977, our share of worldwide exports dropped from 21 percent to less than 12 percent.

This decline has important implication for our domestic economy. Currently, about 14 percent—$1 out of every $7—of all U.S. goods produced are exported. Moreover, better than one out of every nine Americans employed in manufacturing are producing goods for export. Almost as important, however, is the estimate that for every additional $1 billion in international trade that we generate, more than 40,000 jobs are created and another $2 billion added to the gross national product.

But even these figures belie the very important role that export trade plays as one of the great growth sectors of our economy. Between 1960 and 1970, U.S. exports in current dollars increase annually at 8.5 percent. But between 1970 and 1975—just half the time—they grew at a rate of 18.7 percent. When we realize that only 30,000 firms, or less than 10 percent of all manufacturing concerns in the country are responsible for this growth, the potential for American trade assumes dramatic proportions.

Since relations between the United States and the People's Republic of China were normalized last January, there has been much speculation about the vast market opening up in the East and what it will do for American exports and our trade deficit. While our optimism about the prospects for the China market is justified, we must recognize that it is not the cure-all for our international trade woes and the treaty will not reverse our long decline overnight. But it will help.

According to the Department of Commerce projections, U.S. exports to China are expected to rise between 35 and 70 percent this year alone to $1.1 to $1.4 billion. The long-range prospects, while subject to many factors, could reach $3.5 billion in 1985 with imports at $1.5 billion. Even with downward revision of these figures to accommodate the changing modernization targets of the Chinese, this is hardly a market we can ignore.

Beyond the potential of the China market itself, we must also recognize that there are other benefits to be derived from ratifying this agreement. One of them is stability in our important Pacific rim trade.

In 1977, U.S. trade with Pacific rim countries—China and her neighbors bordering on the Pacific Ocean—surpassed our trade with Europe for the first time. Today, Pacific trade equals 25 percent of the U.S. total. An approved trade pact with the People's Republic of China will not only encourage this vital flow of American goods and services, it will enhance the climate for American investment in the Pacific region. Expanded trade will bring expanded shipping and air cargo routes and further help to stimulate this exchange.

In conclusion, Mr. Speaker, let me reiterate my strong support for this agreement and pledge my efforts on behalf of its approval. I remind my colleagues of the importance of this pact to American interests in the Pacific and to American trade. It is a sound treaty and should be approved.●

## MAJOR DIFFERENCES AMONG HOUSE ENERGY MOBILIZATION BOARD BILLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, the House is scheduled to consider, in the near future, several proposals to create an Energy Mobilization Board. The purpose of the Board is to reduce redtape, streamline the permitting process, and help to get priority energy projects into operation.

There are three major proposals which will come before the Congress: A version reported by the Commerce Committee, a version reported by the Interior Committee, and the Udall-Clausen-Wirth substitute.

As the following side-by-side comparison of the major provisions of each version clearly shows, the Udall-Clausen-Wirth substitute grants the Board more authority to act on its own and to enforce decisions. Thus, there is no need for an unprecedented expansion of Federal powers to override Federal, State, and local law, as was recommended by the Commerce Committee.

I hope my colleagues will take a close look at these three alternatives. The Udall-Clausen-Wirth substitute will enable energy decisions to be made in an expeditious manner; it will do so within the confines of our federalist system of government, and it will not result in years of constitutional litigation—as would the Commerce Committee bill. When this legislation comes before us, I urge the adoption of the Udall-Clausen-Wirth substitute.

MAJOR DIFFERENCES AMONG HOUSE ENERGY MOBILIZATION BOARD BILLS

| INTERIOR COMMITTEE | UDALL-CLAUSEN-WIRTH BILL | COMMERCE COMMITTEE |
|---|---|---|
| | *1. Decision timetables* | |
| EMB can set binding timetables only for Federal agencies, and then only if not in conflict with a statutory requirement. Presidential waiver of such a time requirement subject to one-House veto. | After attempting to reach mutual agreement with agencies, EMB sets binding timetable for all Federal, State, and local agencies. This takes precedence over timetables in other laws or regulations. | After consulation with agencies, EMB sets timetable for all Federal, State, and local agencies. This takes precedence over timetables in other laws or regulations. |
| | *2. Streamlining procedures* | |
| EMB has no authority to streamline procedures. | On its own authority, EMB can order Federal agencies to streamline a specific list of procedures—hearing consolidation, et cetera. State and local agencies may be ordered by court to employ streamline list if they miss or are likely to miss a deadline. | EMB has no authority to streamline procedures. If procedures are an impediment, EMB may recommend waiver of Federal, State, or local law to President. Requires Presidential approval and one-House congressional veto. |
| | *3. Environmental Impact Statement (EIS)* | |
| No power to require a single, consolidated EIS. | EMB can require single, consolidated Federal EIS. | No power to require a single, consolidated EIS. |
| | *4. Enforcement of deadlines* | |
| President makes decision for Federal agency which misses deadline. No enforcement authority over State and local agency timetables. | Expedited court actions to force Federal, State, and local agency compliance with deadlines; suit may be brought if deadline is missed or likely to be missed. President makes decision if agency violates court order or court fails to act 120 days after deadline passes. | EMB may recommend waiver of Federal, State, or local law at any time before an agency makes a decision; waiver is not related to missed deadline or likelihood of missed deadline. Presidential approval and one-House veto required. |
| | *5. New requirements (grandfathering)* | |
| No provision addressing new requirements enacted after construction of a priority energy project begins. | EMB may suspend new requirements for up to five years if it finds requirement would, (1) delay timely completion, or operation, of project and, (2) suspension poses no threat to public health or safety. Findings and decision reviewable by court. | EMB may permanently waive any new requirement if it judges requirements may be impediment to "implementation" of project. Subject to Presidential approval and one-House veto; findings and decision not reviewable by court, except for constitutional violations. |
| | *6. Judicial review of EMB actions* | |
| All EMB actions reviewable—priority designation immediately, others after agency decisions are made. EMB required to comply with provisions of bill. | (1) Designation of priority projects and suspension of new requirements subject to immediate, expedited court review.<br>(2) Decision deadlines and procedural streamlining reviewable only when EMB brings court enforcement action or when a final agency decision is challenged under another statute.<br>(3) In these cases, courts can hold EMB to the requirements of this act and the Constitution.<br>(4) All other Board decisions reviewable only for constitutional violations; due process, et cetera. | All decisions of EMB are reviewable only on constitutional grounds. Court may not consider whether EMB complied with requirements of this act in designating projects, establishing timetables, waiving laws, or any other action, except that prohibition on waiving certain specific laws may be enforced. |
| | *7. Number of priority energy projects* | |
| 24 at any one time, with no more than six designated by EMB per year. | 75 total, with no more than 20 designated by EMB per year. | No limit. |
| | *8. Waiver of Federal, State and local law* | |
| No such provisions. | Not necessary. | EMB may recommend waiver of any Federal, State, or local law it considers an impediment to project development, even if it is not related to delays in agency decisionmaking. Subject to Presidential approval and one-House veto. |

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## LEGISLATION TO AMEND DISASTER RELIEF ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BENJAMIN) is recognized for 5 minutes.

● Mr. BENJAMIN. Mr. Speaker, on January 24, 1979, I introduced H.R. 1320, to amend the Disaster Relief Act of 1974. This legislation was designed to avert further undue hardships from being inflicted on disaster stricken areas, as a result of the Federal Emergency Management Agency (FEMA, formerly the Federal Disaster Assistance Administration, FDAA) current policy which states that Federal aid begins at 12:01 on the day of the President's declaration of an emergency.

This penalizes communities who meet the challenge of the emergency with speed and efficiency by declaring work completed prior to the President's declaration ineligible for Federal reimbursement. Through timely action of many communities, enough snow is removed to mitigate the threat to public health and safety but depleted their budgets and exhausted their capacity to conduct normal snow-related services for the remainder of the winter.

This inequity is a result of FEMA guidelines, not the Disaster Assistance Act of 1974. The Congress intended to provide assistance during an emergency and did not intend to set up an artificial and arbitrary scheme for measuring the onset of the emergency.

In August, GAO issued their report highlighting instances where FEMA's implementation of the act may create inequities, in addition to the declaration-reimbursement relationship. The GAO also reported that abuse of Federal funds is occurring through the reimbursement of expenses which would otherwise have occurred or are unacceptable for reimbursement for other reasons.

FEMA has responded to the GAO's accusation of Federal fund abuse by reducing their percentage of reimbursement to 50 percent (formerly 66 percent in 1979, and 75 percent in 1978). I do not believe that this is a responsible method for eliminating abuses of reimbursement.

The legislation I introduce today would establish a two-thirds maximum reimbursement level, except in the case where the President determines the community to have no legally available funds to incur the remaining one-third costs, and then 100 percent reimbursement is possible.

In an attempt to minimize the abuse of reimbursement, I also propose that it be specifically stated in an amendment to the Disaster Act that costs that would otherwise have been incurred may not be subject for reimbursement.

Regarding the procedures for declaring an emergency, the legislation states that FEMA may not take into account the past history of reimbursement for an area. FEMA is also required to develop standards for snowstorm conditions (including, but not limited to, amount of snowfall, temperature, and wind velocity) under which an emergency or a major disaster will be declared. This does not prohibit the President from making such a declaration if all the conditions are not present, but merely provides a minimum guideline for each area of the United States to be used when determining if an emergency or disaster should be declared.

This legislation also requires States which normally receive heavy snowfall to develop and maintain an adequate snow preparedness plan in order for the State to qualify for the annual $25,000 disaster plan maintenance grant.

The bill I am introducing today would make clear the intent of Congress that emergency assistance is available for the duration of the emergency or major disaster, regardless of the day on which the President declares the existence of the emergency. The President's declaration is inevitably delayed until a State has been able to compile the necessary information from its local communities and to transmit its request. The more serious the emergency, the more likely the compilation of data will be delayed because officials must deal with immediate threats to life and property before redtape.●

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, on October 12, I was forced to miss two votes due to the fact that the House adjourned later than the announced time of 3 p.m. and I had previous commitments in my district that could not be altered.

On the Sensenbrenner amendment (rollcall No. 564) to delete the mini-block LEAA grant program, I would have voted, "nay."

On the Neal amendment (rollcall No. 566) to insure that rescue squad personnel are covered by the Public Safety Officers Death Benefits Act, I would have voted, "aye."

On October 18, I was absent for a vote on a procedural motion to limit debate on the Department of Energy Authorization, H.R. 3000 (rollcall No. 583). I would have voted, "aye."●

## CONCERN EXPRESSED OVER THREAT TO REMOVE FTC'S JURISDICTION OVER FUNERAL INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

● Mr. SCHEUER. Mr. Speaker, the threat to remove FTC's jurisdiction over the funeral industry is of great concern throughout the Nation. Editorials supporting the FTC's rule appeared across the country last year and more are appearing now.

I have today received a letter from the National Council of the Churches of Christ in the U.S.A. highly critical of the attempt to abort the Federal Trade Commission's rule. It is consistent with other mail I have received.

For the benefit of our colleagues and other readers of the RECORD, I am inserting herewith the text of the letter from the National Council of the Churches of Christ in the U.S.A. and urge all our colleagues to consider it at the time they are formulating their position on this issue:

NATIONAL COUNCIL OF THE
CHURCHES OF CHRIST IN THE U.S.A.,
*New York, N.Y., October 19, 1979.*

Hon. JAMES H. SCHEUER,
*U.S House of Representatives,*
*Washington, D.C.*

DEAR REPRESENTATIVE SCHEUER: It is my understanding that when the House considers the authorization bill for the Federal Trade Commission shortly, an amendment will be offered which would, in effect, kill the Proposed Trade Regulation Rule governing funeral industry practices. I write to urge your strong opposition to any such amendment.

Historically the church has been involved in assisting persons in dealing with death crises and in giving continung support during time of grief. Therefore, we believe it is appropriate for us to speak to issues related to body disposition methods and options.

The Ecumenical Task Force on Death Education, Ministry to the Grieving, and Funeral Pre-Planning (representing the Commissions on Stewardship and Family Ministries and Human Sexuality of the National Council of Churches) has concluded that the Proposed Trade Regulation Rule is in the best interest of the consumer. We raise support at several specific points:

1. We believe the Proposed Trade Regulation Rule affirms the effectiveness of a free market system. The integrity of our economy is greatly dependent upon disclosure of information related to merchandise and services offered for sale. The consumer is due this disclosure from the funeral industry.

2. We believe a purchase as significant as that of a funeral and burial, which is the third most costly purchase an average family makes, deserves serious consumer protection attention.

3. We believe the consumer should easily be able to purchase body disposition merchandise and services which are commensurate with low and/or fixed incomes without experiencing either implicit or explicit pressure to conform to a costly standard funeral service package. The proposed Trade Regulation Rule encourages this possibility.

4. We believe the consumer should have convenient access to legal requirements related to body disposition methods during negotiation with a representative of the funeral service industry. Disclosure of such legal requirements will have the effect of exposing operative myths and subtleties which, in many cases, have contributed to the consumer's assumption that the costly standard funeral service package is the expected means of body disposition.

5. We believe the Proposed Trade Regulation Rule affirms the integrity of the consumer by making it easier for him/her to exercise informed decision-making power regarding body disposition choices.

We commend the F.T.C. staff for the work done in the area of funeral industry practices, and urge the Congress to acknowledge and support that work by providing the funds necessary to promulgate and enforce the funeral rule.

Sincerely yours,
REV. G. WILLIAM SHEEK,
*Director, Commission on Family Ministries and Human Sexuality, Division of Education and Ministry, National Council of Churches.*●

## INTRODUCTION OF FISHERIES DEVELOPMENT BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Guam (Mr. WON PAT) is recognized for 5 minutes.

● Mr. WON PAT. Mr. Speaker, in an effort to become more economically self-sufficient, Guam, American Samoa, and the Northern Mariana Islands have tried over the years to develop the marine resources in their surrounding seas. they have been unsuccessful largely because of the existing prohibition against the use of foreign-built vessels in the American fisheries.

The prohibition prevents local residents and business concerns from resorting to foreign-built and U.S.-owned vessels to develop the fishing industry in these areas. Local residents must either resort to U.S.-built fishing vessels which are considerably more expensive and foreign-built vessels, or sit back and allow foreign-flag and foreign-owned vessels to land fish caught on the high seas. In the former situation, the cost makes the purchase of U.S.-built vessels economically unfeasible; and in the latter, local residents themselves are not involved in the development of the industry and any fishing must occur outside the 200-mile fishery conservation zone around these islands.

The bill I am introducing today lifts the prohibition with respect to foreign-built vessels owned by citizens or nationals of the United States who are residents of Guam, American Samoa, and the Northern Mariana Islands, and entitles such vessels to employment in the fisheries within the territorial seas surrounding these islands and in that limited portion of the fishery conservation zone that is contiguous to the territorial seas of these islands. However, such vessels must still be eligible for registry pursuant to 46 U.S.C. 11 before they can be used in the fisheries.

A recent draft of an interagency territorial policy review task force report pinpoints the contradictory manner in which the documentation laws contribute to the wide gap between the perceived potential and the actual development of commercial fishing in these islands and suggests that amendments to existing laws may be warranted. My bill responds to this suggestion.●

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## NUCLEAR ENERGY ESSENTIAL TO NATIONAL SECURITY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, from my first association with the development of nuclear energy, which started over 33 years ago, I have considered it essential to our welfare and national security. Of course time has proven this to be a fact. Our development of nuclear energy for the military is now the basis of our national security. The use of nuclear energy for the generation of electricity for use in all sectors of our economy unfortunately is still not accepted in some quarters as essential to our future welfare and national security. This is an area which must receive additional attention.

Mr. John T. Conway, president of the American Nuclear Energy Council, recently gave an address in which he outlined the facts and relation of nuclear energy to the security of the United States. Mr. Conway is highly qualified to speak on this subject. He is both a lawyer and engineer. He has had a great deal of experience in the national security area as former executive director of the Joint Committee on Atomic Energy and as an executive of the Consolidated Edison Co. With these qualifications his utterances on the subject should receive the attention of all of us with responsibilities in the field of national security. For this purpose, I am including the text of his address at this point in the RECORD.

The October 11 remarks of Mr. Conway follow:

### NUCLEAR ENERGY—ESSENTIAL TO THE SECURITY OF THE UNITED STATES

(Remarks by John T. Conway, President, American Nuclear Energy Council, Before the Society of Former Special Agents of the FBI, Inc., Homecoming II Convention, Sheraton Park Hotel, Oct. 11, 1979)

Nearly 35 years have passed since the end of World War II. It is hard for some of us to realize, but one must be 40 years of age or older today to have any personal recollection of the announcement by the United States that we had developed an awesome weapon—one of which had destroyed a single Japanese City—Hiroshima, to be followed by Nagasaki and then the subsequent Japanese surrender.

There are those today who are most vocal in their criticism of the United States for having developed and used the atomic bomb in World War II. The overwhelming majority of these critics did not participate in nor suffer through the long war years, that culminated with the final victory of the Allies over the Axis powers. They give no recognition to the fact that more people were killed and injured in Tokyo by chemical fire bombs than by the atom bomb in Hiroshima—nor do they recognize the fact that our war with Japan was brought to an abrupt halt by the atom bomb, thus saving millions of casualties both for Japan and the United States.

Many of you here today who were in the armed services during World War II, particularly those assigned to amphibious forces, remember the training and planning for the invasion of Japan. Knowledgeable authorities in both the Japanese and American governments have attested to the expected casualties, had such an invasion been required. These same authorities have also attested that the demonstrated use by the United States of the atom bomb gave the Japanese government the justification for surrendering without the necessity of fighting the war to a bitter end on their own shores.

During the cold-war period that followed World War II, the United States' lead in nuclear weapons constituted a protective umbrella for our European NATO allies—a deterrent to Soviet military pressures. In addition, the development of our nuclear submarine and surface Navy, under the dynamic leadership of Admiral Hyman G. Rickover, helped assure the security of the Western World. Unfortunately, of late, we have not been funding our Navy at the levels necessary to maintain superiority, and the Soviet Navy has been gaining on us.

Important as it is to our national security, my discussion today, however, is not directed to the military uses of nuclear power, but rather to the civilian side of the atom, and why it is essential to our national security.

As all of you know, our country has become heavily dependent on the OPEC Nations for a significant amount of our petroleum needs. Approximately one-half of all the oil being used today in the United States is imported from overseas.

In October, 1973, just prior to when the Arabs declared an embargo on oil to the United States, we were importing six million barrels of oil per day. During the period the embargo continued, 1973–1974, the effect of the shortage of oil in our economy was quite severe; many factories and schools were closed and many people were put out of work. The danger to our economy occasioned by our dependence on foreign sources for so much of our oil supply was made quite apparent, and the government, at that time, initiated and highly publicized what was called "Project Independence." The public was led to believe we had embarked on a major effort to significantly cut back on our importation of foreign oil.

How successful have we been in Project Independence? In the five years that have elapsed since Project Independence was announced, we have not decreased our dependence on foreign supplies whatsoever, but instead, have become even more dependent upon the OPEC Nations for what constitutes the lifeblood of our economy. No longer are we importing six million barrels of oil per day, but, instead, we now depend upon the OPEC Nations for 8.5 million barrels of oil every single day.

Prior to the 1973–1974 Yom Kippur War, which precipitated an Arab embargo on the United States and other Pro-Israel Nations, we were paying $2 to $4 per barrel for imported oil, depending upon the grade. Today the price for that same oil is $22 to $24 per barrel and much more on the spot market. The United States' annual bill for imported oil in 1971 was $3.6 billion. Last year, $43 billion flowed out of our Nation to foreign nations to pay for the fuel we were required to import.

The United States last year ran an annual deficit of $39 billion in our foreign trade, primarily the result of the tremendous increase in the amount and price we are paying for our oil imports, and this is the basic reason the American dollar has been dropping in value throughout the world and for our galloping inflation.

Yet we know that we have not seen the end of the OPEC price increases. The cartel of oil exporting countries has made it abundantly clear that additional price increases can be expected. Our neighbors to the north—the Canadians, and our neighbors to the South—the Mexicans—have both taken the position that exportation of oil and natural gas from their nation will be at prices not less than the world market prices, and they are not inclined to deplete their natural resources to meet the United States' energy needs.

As serious as the rapid escalation in the price of imported oil is, even more serious in the near-term is the distinct possibility of a serious curtailment in the supply of foreign oil to the United States.

47.6 percent of all the oil being imported by the Western World originates in the Persian Gulf. Up until this past year, we looked primarily to Iran to maintain stability in this area, and when the Shah lost control of his country, this resulted not only in the curtailment of Iranian oil supplies to the Western World, but a major unsettling of the balance of power in that strategically important area of the world.

Soviet pressures on Saudia Arabia through Soviet-dominated South Yemen and Afghanistan, not to mention latent Moslem religious anti-Christian passions, coupled with strong pro-Arab, anti-Isreal sympathies make the entire area a most unreliable supplier of oil, for not only the United States, but the entire Western World. Any day we could wake up to find a major curtailment or complete cut-off of Persian Gulf oil with serious consequences to not only the United States, but the entire Western World.

In his last major address as Secretary of Energy on August 16, 1979, James R. Schlesinger, former Director of the CIA, pointed out the serious dangers we face from our dependence upon the Persian Gulf and the growing Soviet control of that area. As he observed—

"Soviet control of the oil tap in the Middle East would mean the end of the world as we have known it since 1945 and of the association of free nations."

At a meeting in Vienna last week (October 3, 1979), the President of the Organization of Petroleum Exporting Countries, Mana Saeed al Otaiba, warned—

"If there is another world war, it will be over petroleum."

Rene Ortiz, OPEC Secretary General, at the same meeting, declared—

"What has happened in 1979 is only an anticipation of the energy crisis of the mid-1980's."

As demonstrated in the 1973–74 embargo and the 1979 loss of Iranian oil supplies, we will have major dislocations in our economy resulting from the sudden loss of oil from the Persian Gulf unless we move rapidly to minimize our dependence on overseas oil supplies by active exploration and development of new U.S. oil supplies and substitution of other indigenous fuels, coupled with practical conservation efforts. Notwithstanding all the propaganda and exaggerated claims by advocates of solar power, even with a major research and development program, solar power cannot make any major contribution to the energy needs of our Nation within the next decade. The only practical indigenous fuels that can make major contributions are coal and nuclear power. In his speech of August 16, Dr. Schlesinger warned the Nation:

"Quite bluntly, unless we achieve the greater use of coal and nuclear power—over the next decade, this society may just not make it."

He went on to say:

"The dilemma is quite clear. We must make greater use of coal and nuclear power, with the technologies available today, or alternatively, we face reduced economic growth and rising levels of unemployment."

The need for nuclear energy was recognized at the Bonn Economic Summit Conference in July, 1978, when President Carter and other leaders of the Western World issued the following Declaration:

"The further development of nuclear energy is indispensable, and the slippage in the execution of nuclear power programmes must be reversed."

This position was reaffirmed at the June, 1979 Economic Summit Conference in Tokyo in the following communique:

"Without the expansion of nuclear power generation capacity in the coming decades, economic growth and higher employment will be hard to achieve. This must be done under conditions guaranteeing our people's safety. We will cooperate to this end. The International Atomic Energy Agency can play a key role in this regard. We reaffirm the understanding reached at the Bonn summit with respect to the reliable supply of nuclear fuel and minimizing the risk of nuclear proliferation."

How capable is nuclear energy in helping to alleviate the dependence upon overseas oil by our Nation?

Nuclear power came of age in the Post World War II period as the Nation simultaneously emerged from a deep depression and a victorious war in a rapidly expanding economic prosperity. Demand for electricity was doubling every ten years, and the newly discovered scientific knowledge that the atom could be split to provide tremendous amounts of energy gave expectations for its use in electric generation.

The 1946 McMann Act turned over to civilian control what previously had been a tightly held classified military project. Yet it was not until the Atomic Energy Act of 1954 that anyone in the United States, other than the federal government, was authorized to construct or own a nuclear reactor to produce electricity. The 1954 Act, for the first time, permitted a utility to apply for a construction permit or an operating license for a nuclear power reactor.

Compared with fossil-generated or hydroelectric power, electric energy from nuclear power is still really in its infancy. The first construction permit issued by the Atomic Energy Commission was in 1955 to the Consolidated Edison Company of New York, for Indian Point No. 1, a 265-megawatt unit which went into operation in 1962. A smaller 5-megawatt nuclear plant, owned and operated by General Electric, that tied into the Pacific Gas and Electric System, received the first operating license from the AEC in 1957.

Today, twenty-five years after the passage of the Atomic Energy Act of 1954, and 22 years after the issuance of the first operating license, we have 70 reactors operating in the United States, with a total of 51,000 megawatts of installed capacity. The existing generating capacity of operating reactors in the United States today is greater than the entire installed electric generating capacity in the United States in 1946, the beginning of the post World War II period.

Last year, 13 percent of all the electricity used by the people of the United States came from nuclear power, at an estimated savings of $3 billion to the consumers. At today's fuel costs, electricity generated by nuclear power is ½ to ⅓ the cost of electricity generated by coal or oil.

Construction permits have been issued for an additional 92 nuclear reactors, totaling 106,000 additional megawatts of electric capacity, of which 37 were under operating license review prior to Three Mile Island. If one totals all reactors operating and under construction, it comes to 162, with an electric capacity of 151,000 megawatts. That represents three times the entire electric generating capacity existing in the United States at the end of World War II.

An average 1000-megawatt nuclear plant will save approximately 10 million barrels of residual oil per year, if substituted for an equivalent sized oil-fired plant. That 10 million barrels of residual oil saved, could be processed into 252 million gallons of gasoline. While nuclear power cannot be used directly to fuel our present automobiles and trucks, it can, by substituting for oil-fired electric generation, release many millions of barrels of residual oil that could be processed into billions of gallons of gasoline to relieve future shortages. If the automobile industry successfully develops an economical electric car, nuclear power will more directly relieve our gasoline shortage problems.

Notwithstanding what has been accomplished in the past two decades, even prior to Three Mile Island, strong opposition was developing among some groups to nuclear power. Since Three Mile Island, opposition has grown even more vocal. The Ralph Naders and Jane Fondas are using the nuclear power issue as a mechanism to change our system of government. They are not only against nuclear power, but they are against all centralized methods of electric production, including the generation of electricity by central-station coal-fired plants and major dam construction to provide hydroelectric generation.

Increasing intervention by environmentalists and other so-called groups in regulatory review processes, including judicial appeals through all levels of our judicial system, has caused major delays in the construction and operation of electric generating facilities of all types—fossil, hydro and nuclear, not to mention the severe impact on the cost of these projects, ultimately to be paid for by the consumers. When opposing new coal-fired plants, the opponents cite the dangers to the public from airborne pollutants emanating from the plant. In opposing large-scale hydro electric facilities, the opponents use the threat of endangering species such as the Snale Darter in Tennessee. When it comes to nuclear, they attempt to identify nuclear power with nuclear weapons and radiation dangers—this despite the fact that uranium used in the nuclear power plants in the United States is different from what is used in a nuclear bomb and cannot explode, and the fact that one receives more radiation from working in Grand Central Station than living adjacent to a nuclear plant.

The maximum exposure any individual could have received from the Three Mile Island accident has been calculated by HEW, EPA and NRC experts to be 88 millirems and to have received that dose, an individual would have had to remain continuously out of doors without any clothes on twenty-four hours a day, for several weeks. This is less than we all average each year from natural background and far less radiation than a person receives from one minute under a fluoroscope. There are places in Grand Central Station in New York where the annual exposure from the building itself exceeds 500 millirem per year.

An objective evaluation of the safety of nuclear power—as was done in 1978 by the American Medical Association—will find it safer than alternative methods of producing electricity. To date, no member of the public nor any employee of a utility company has been fatally injured because of nuclear power. This is not to say, however, that we will never have a nuclear fatality because there are risks associated with it.

But even with the Three Mile Island accident, nuclear power has demonstrated in 400 reactor-years of operation that the risks associated with it are minimal compared with other risks the public faces. In the past two decades, one million persons have been killed in automobile accidents, not to mention the greater numbers who have sustaining disabling injuries. Commercial air travel—safer than automobile—accounts for 100–200 deaths each year, and the use of electricity results in 1,000 accidental deaths per year.

We as individuals and as a Nation, have accepted these risks because we desire the benefits, and, of course, we strive to improve the safety record. Civilian nuclear power facilities have yet to injure, let alone kill, a single member of the public. No other industry has a better safety record.

I do not want to minimize the legitimacy of the fear engendered among the people living near Three Mile Island during the early days of TMI when they were led to believe they might have to evacuate their homes. The sanctity of the home has always been paramount in our country, descendant from the English Common Law when even the King had to request permission to enter the home of the lowest peasant. The accident at Three Mile Island threatened for a time to violate the sanctity of many homes, and understandably, the people affected resented that threatened intrusion.

But it turned out that TMI did not require any evacuation of the nearby area—yet during this same period of time, thousands were forced to flee their homes in Mississippi and other states because man-made levees and restraining walls were not adequate to contain rampaging floods; 47 persons were killed, thousands injured and 6,700 homes destroyed in one day by tornados in northern Texas.

Also—

On April 8, 1979, at a time when it had been determined that no evacuation was required by the Three Mile Island accident, 4,500 to 5,500 persons had to be evacuated from a 300 square mile area of Florida because a freight train carrying harmful chemicals had derailed. A Civil Defense official was contemplating evacuating 7,000 more persons if a wind-shift were to occur.

On February 22, 1978, in Waverly, Tennessee, 2,000 people had to be evacuated when a railroad car exploded after a derailment. Fifteen persons were killed and 48 persons were injured by that explosion.

On December 28, 1977, 800 people in a ten-mile radius had to be evacuated due to a chemical explosion after a train derailment in Goldonna, Louisiana. Over $2 million property damage resulted in that accident which took place at the main street-crossing of that town.

The Department of Transportation records reveal that in a seven-year period, 1971 through 1977, there were 130 derailments or vehicle accidents that resulted in high property damage and/or evacuation of persons due to hazardous chemicals. The 130 accidents resulted in 75 deaths, 1049 injuries and property damage just under $43 million. Of the 130 accidents in that seven-year period, 41 required evacuation of people.

I mention this because a great deal of discussion is taking place today with respect to evacuation plans in states where nuclear power plants are located. Under the guise of advocating public preparedness, opponents of nuclear power are demanding annual exercises where the population actually would be evacuated out to a given distance. If they were rational in their demand, they would require the same for every town and village through which a railroad passes or through which toxic chemicals are transported by vehicle.

From any objective and rational point of view, the future of nuclear power in the United States should be assured. Surely, it must be clear that the dangers to our economy and our national defense are immensely greater if we renounce nuclear power than if we continued to exploit its beneficial uses in the generation of electric energy. The threat to our environment is greater if we deny ourselves nuclear power.

Yet there is a movement—an unfortunate movement—in our country and in other western nations that would have us give up the benefits of our industrial development. It is a movement personified in the Amory Lovins, Jane Fondas and Ralph Naders—made up of people who refuse to recognize the energy needs of our people and the practical means of meeting those needs. They preach a strange gospel that would have us renounce not only nuclear power but all large-scale power plant facilities and have us depend upon small individual solar units in what they describe as more labor-intensive economy.

Llewellyn King, publisher of Energy Daily—who I have often quoted on this point best sums up these people as follows:

"Those of us who have tried to codify and understand the nature of the nuclear opposition have gradually come to the conclusion that we are dealing with what amounts to a new class of American society, one that is unfettered by fear of shortages, privation or disaster. It is a class whose traumas have been external and national and not personal. It is a class of men and women who, paradoxically, are seeking to hobble the American economic machine when they themselves are the products of its bounty: well-fed, well-housed, and well-educated—a class that has been brought up in a cocoon of personal well-being in the comfort of a good home, the security of good schools and the luxury of university education. Their class perception of American society is of a good thing gone wrong; of venal capitalism astride the stallion of technology violating the wholesomeness of America."

Nuclear power by itself will not solve all our future energy problems. Together with increased use of indigenous coal and careful conservation it will help to relieve us from ever increasing dependence upon foreign oil sources, particularly if our Nation moves forward energetically in developing the Breeder reactor.

If we have learned anything from the 1973–1974 Yom Kippur War which resulted in an Arab oil embargo on us and our friends, if we have learned anything from the actions of the OPEC cartel in their oil price increases, and if we have learned anything from recent statements by Canadian and Mexican political leaders to limit future oil and other energy supplies to the United States, we should know that it is critical to our Nation's economic viability and national security that we develop, to the greatest extent possible, energy independence.

It would be imprudent for this Nation to declare a moratorium on nuclear power. Nuclear power has a safety record second to none. When compared with other alternatives today, and for the foreseeable future, nuclear power, if not fettered and burdened with additional and unnecessary handicaps—be they technical or political—can and will serve this Nation well. Nuclear plants can be and are being operated safely today to the economic advantage of our citizens. We have the technical knowledge to safely dispose of radioactive waste—over 90 percent of which presently is the result of our military program. It is more a political issue than a public safety problem.

The Harris Polls continue to show that the majority of Americans recognize the need for nuclear power and support the construction of nuclear reactor plants. It is a small but active and vocal group, led by Jane Fonda and Ralph Nader and others who try to make it appear that the American public is against nuclear power in order to influence political actions.

It is imperative that those of us who recognize how essential nuclear power is to the United States in solving our energy crisis make our views known at the federal, state and local levels, by communicating our views to our representatives. If we do not, they will become more and more intimidated by the Naders and Fondas and our economic stability and national security will be severely compromised by default.●

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## THE VISION OF ADMIRAL RICKOVER

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, Admiral Rickover made a public statement over 22 years ago on "Energy Resources and Our Future" which reveal the outstanding vision of this great patriot. When Admiral Rickover made this statement before the Minnesota State Medical Association in St. Paul on May 14, 1957, the importance of adequate energy supplies for our Nation was virtually unknown to the public. Admiral Rickover, on the other hand, on this date delivered a learned and now proven analysis of the problem we and the rest of the world face without adequate planning for energy needs. I highly commend his statement which I include at the close of these remarks.

The May 14, 1957, remarks of Admiral Rickover follow:

### ENERGY RESOURCES AND OUR FUTURE

I am honored to be here tonight, though it is no easy thing, I assure you, for a layman to face up to an audience of physicians. A single one of you, sitting behind his desk, can be quite formidable.

My speech has no medical connotations. This may be a relief to you after the solid professional fare you have been absorbing. I should like to discuss a matter which will, I hope, be of interest to you as responsible citizens: the significance of energy resources in the shaping of our future.

We live in what historians may some day call the Fossil Fuel Age. Today coal, oil, and natural gas supply 93 percent of the world's energy; water power accounts for only 1 percent; and the labor of men and domestic animals the remaining 6 percent. This is a startling reversal of corresponding figures for 1850—only a century ago. Then fossil fuels supplied 5 percent of the world's energy, and men and animals 94 percent. Five sixths of all the coal, oil, and gas consumed since the beginning of the Fossil Fuel Age has been burned up in the last 55 years.

These fuels have been known to man for more than 3,000 years. In parts of China, coal was used for domestic heating and cooking, and natural gas for lighting as early as 1000 B.C. The Babylonians burned asphalt a thousand years earlier. But these early uses were sporadic and of no economic significance. Fossil fuels did not become a major source of energy until machines running on coal, gas, or oil were invented. Wood, for example, was the most important fuel until 1880 when it was replaced by coal; coal, in turn, has only recently been surpassed by oil in this country.

Once in full swing, fossil fuel consumption has accelerated at phenomenal rates. All the fossil fuels used before 1900 would not last five years at today's rates of consumption.

Nowhere are these rates higher and growing faster than in the United States. Our country, with only 6 percent of the world's population, uses one third of the world's total energy input; this proportion would be even greater except that we use energy more efficiently than other countries. Each American has at his disposal, each year, energy equivalent to that obtainable from eight tons of coal. This is six times the world's per capita energy consumption. Though not quite so spectacular, corresponding figures for other highly industrialized countries also show above average consumption figures. The United Kingdom, for example, uses more than three times as much energy as the world average.

With high energy consumption goes a high standard of living. Thus the enormous fossil energy which we in this country control feeds machines which make each of us master of an army of mechanical slaves. Man's muscle power is rated at 35 watts continuously, or one twentieth horsepower. Machines therefore furnish every American industrial worker with energy equivalent to that of 244 men, while at least 2,000 men push his automobile along the road, and his family is supplied with 33 faithful household helpers. Each locomotive engineer controls energy equivalent to that of 100,000 men; each jet pilot of 700,000 men. Truly, the humblest American enjoys the services of more slaves than were once owned by the richest nobles, and lives better than most ancient kings. In retrospect, and despite wars, revolutions, and disasters, the hundred years just gone by may well seem like a Golden Age.

Whether this Golden Age will continue depends entirely upon our ability to keep energy supplies in balance with the needs of our growing population. Before I go into this question, let me review briefly the role of energy resources in the rise and fall of civilizations.

Possession of surplus energy is, of course, a requisite for any kind of civilization, for if man possesses merely the energy of his own muscles, he must expend all his strength—mental and physical—to obtain the bare necessities of life.

Surplus energy provides the material foundation for civilized living—a comfortable and tasteful home instead of a bare shelter; attractive clothing instead of mere covering to keep warm; appetizing food instead of anything that suffices to appease hunger. It provides the freedom from toil without which there can be no art, music, literature, or learning. There is no need to belabor the point. What lifted man—one of the weaker mammals—above the animal world was that he could devise, with his brain, ways to increase the energy at his disposal, and use the leisure so gained to cultivate his mind and spirit. Where man must rely solely on the energy of his own body, he can sustain only the most meager existence.

Man's first step on the ladder of civilization dates from his discovery of fire and his domestication of animals. With these energy resources he was able to build a pastoral culture. To move upward to an agricultural civilization he needed more energy. In the past this was found in the labor of dependent members of large patriarchal families, augmented by slaves obtained through purchase or as war booty. There are some backward communities which to this day depend on this type of energy.

Slave labor was necessary for the city states and the empires of antiquity; they frequently had slave populations larger than their free citizenry. As long as slaves were abundant and no moral censure attached to their ownership, incentives to search for alternative sources of energy were lacking; this may well have been the single most important reason why engineering advanced very little in ancient times.

A reduction of per capita energy consumption has always in the past led to a decline in civilization and a reversion to a more primitive way of life. For example, exhaustion of wood fuel is believed to have been the primary reason for the fall of Mayan Civilization on this continent and of the decline of once flourishing civilizations in Asia. India and China once had large forests as did much of the Middle East. Deforestation not only lessened the energy base but had a further disastrous effect: lacking plant cover, soil washed away, and with soil erosion the nutritional base was reduced as well.

Another cause of declining civilization comes with pressure of population on available land. A point is reached where the land can no longer support both the people and their domestic animals. Horses and mules disappear first, finally even the versatile water buffalo is displaced by man who is two and one half times as efficient an energy converter as are draft animals. It must always be remembered that while domestic animals and agricultural machines increase productivity per man, maximum productivity per acre is achieved only by intensive manual cultivation.

It is a sobering thought that the impoverished people of Asia, who today seldom go to sleep with their hunger completely satisfied, were once far more civilized and lived much better than the people of the West. And not so very long ago, either. It was the stories brought back by Marco Polo of the marvelous civilization in China which turned Europe's eyes to the riches of the East, and induced adventurous sailors to brave the high seas in their small vessels searching for a direct route to the fabulous Orient. The "wealth of the Indies" is a phrase still used, but whatever wealth may be there it certainly is not evident in the life of the people today.

Asia failed to keep technological pace with the needs of her growing populations and sank into such poverty that in many places man has become again the primary source of energy, since other energy converters have become too expensive. This must be obvious to the most casual observer. What this means is quite simply a reversion to a more primitive stage of civilization with all that it implies for human dignity and happiness.

Anyone who has watched a sweating Chinese coolie strain at his heavily laden wheelbarrow, creaking along a cobblestone road, or who has flinched as he drives past an endless procession of human beasts of burden moving to market in Java—the slender women bent under mountainous loads heaped on their heads—anyone who has so seen statistics translated into flesh and bone, realizes the degradation of man's stature when his muscle power becomes the only energy source he can afford. Civilization must wither when human beings are so degraded.

On the other hand, in societies where slavery represented a major source of energy, its abolition had the immediate effect of reducing energy consumption with consequent decline in civilization. Thus when this time-honored institution came under moral censure by Christianity, Western civilization declined until other sources of energy could be found. Slavery is incompatible with Christian belief in the worth of the humblest individual as a child of God. As Christianity spread through the Roman Empire and masters freed their slaves—in obedience to the teaching of the Church—the energy base of Roman civilization crumbled. This, some historians believe, may have been a major factor in the decline of Rome and the temporary reversion to a more primitive way of life during the Dark Ages. Slavery gradually disappeared throughout the Western world, except in its milder form of serfdom. That it was revived a thousand years later merely shows man's ability to strifle his conscience—at least for a while—when his economic needs are great. Eventually, even the needs of overseas plantation economies did not suffice to keep alive a practice so deeply repugnant to Western man's deepest convictions.

It may well be that it was unwillingness to depend on slave labor for their energy needs which turned the minds of medieval Europeans to search for alternate sources of energy, thus sparking the Power Revolution of the Middle Ages which, in turn, paved the way for the Industrial Revolution of the 19th Century. When slavery disappeared in the West engineering advanced. Men began to harness the power of nature by utilizing water and wind as energy sources. The sailing ship, in particular, which replaced the slave-driven galley of antiquity, was vastly improved by medieval shipbuilders and became the first machine enabling man to control large amounts of inanimate energy.

The next important high-energy converter used by Europeans was gun powder—an energy source far superior to the muscular strength of the strongest bowman or lancer. With ships that could navigate the high seas and arms that could outfire any hand weapon, Europe was now powerful enough to preempt for herself the vast empty areas of the Western Hemisphere into which she poured her surplus populations to build new nations of European stock. With these ships and arms she also gained political control over populous areas in Africa and Asia from which she drew the raw materials needed to speed her industrialization, thus complementing her naval and military dominance with economic and commercial supremacy.

When a low-energy society comes in contact with a high-energy society, the advantage always lies with the latter. The Europeans not only achieved standards of living vastly higher than those of the rest of the world, but they did this while their population was growing at rates far surpassing those of other peoples. In fact, they doubled their share of total world population in the short span of three centuries. From one sixth in 1650, the people of European stock increased to almost one third of the total world population by 1950.

Meanwhile much of the rest of the world did not even keep energy sources in balance with population growth. Per capita energy consumption actually diminished in large areas. It is this difference in energy consumption which has resulted in an ever widening gap between the one third minority who live in high-energy countries and the two thirds majority who live in low-energy areas.

These so-called underdeveloped countries are now finding it far more difficult to catch up with the fortunate minority than it was for Europe to initiate transition from low-energy to high-energy consumption. For one thing, their ratio of land to people is much less favorable; for another, they have no outlet for surplus populations to ease the transition since all the empty spaces have already been taken over by people of European stock.

Almost all of today's low-energy countries have a population density so great that it perpetuates dependence on intensive manual agriculture which alone can yield barely enough food for their people. They do not have enough acreage, per capita, to justify using domestic animals or farm machinery, although better seeds, better soil management, and better hand tools could bring some improvement. A very large part of their working population must nevertheless remain on the land, and this limits the amount of surplus energy that can be produced. Most of these countries must choose between using this small energy surplus to raise their very low standard of living or postpone present rewards for the sake of future gain by investing the surplus in new industries. The choice is difficult because there is no guarantee that today's denial may not prove to have been in vain. This is so because of the rapidity with which public health measures have reduced mortality rates, resulting in population growth as high or even higher than that of the high-energy nations. Theirs is a bitter choice; it accounts for much of their anti-Western feeling and may well portend a prolonged period of world instability.

How closely energy consumption is related to standards of living may be illustrated by the example of India. Despite intelligent and sustained efforts made since independence, India's per capita income is still only 20 cents daily; her infant mortality is four times ours; and the life expectance of her people is less than one half that of the industrialized countries of the West. These are ultimate consequences of India's very low energy consumption: one fourteenth of world average; one eightieth of ours.

Ominous, too, is the fact that while world food production increased 9 percent in the six years from 1945–51, world population increased by 12 percent. Not only is world population increasing faster than world food production, but, unfortunately, increases in food production tend to occur in the already well-fed, high-energy countries rather than in the undernourished, low-energy countries where food is most lacking.

I think no further elaboration is needed to demonstrate the significance of energy resources for our own future. Our civilization rests upon a technological base which requires enormous quantities of fossil fuels. What assurance do we then have that our energy needs will continue to be supplied by fossil fuels? The answer is—in the long run—none.

The earth is finite. Fossil fuels are not renewable. In this respect our energy base differs from that of all earlier civilizations. They could have maintained their energy supply by careful cultivation. We cannot. Fuel that has been burned is gone forever. Fuel is even more evanescent than metals. Metals, too, are non-renewable resources threatened with ultimate extinction, but something can be salvaged from scrap. Fuel leaves no scrap and there is nothing man can do to rebuild exhausted fossil fuel reserves. They were created by solar energy 500 million years ago and took eons to grow to their present volume.

In the face of the basic fact that fossil fuel reserves are finite, the exact length of time these reserves will last is important in only one respect: the longer they last, the more time do we have to invent ways of living off renewable or substitute energy sources and to adjust our economy to the vast changes which we can expect from such a shift.

Fossil fuels resemble capital in the bank. A prudent and responsible parent will use his capital sparingly is order to pass on to his children as much as possible of his inheritance. A selfish and irresponsible parent will squander it in riotous living and care not one with how his offspring will fare.

Engineers whose work familiarizes them with energy statistics; farseeing industrialists who know that energy is the principal factor which must enter into all planning for the future; responsible governments who realize that the well-being of their citizens and the political power of their countries depend on adequate energy supplies—all these have begun to be concerned about energy resources. In this country, especially, many studies have been made in the last few years, seeking to discover accurate information on fossil fuel reserves and foreseeable fuel needs.

Statistics involving the human factor are, of course, never exact. The size of usable reserves depends on the ability of engineers to improve the efficiency of fuel extraction and use. It also depends on discovery of new methods to obtain energy from inferior resources at costs which can be borne without unduly depressing the standard of living. Estimates of future needs, in turn, rely heavily on population figures which must always allow for a large element of uncertainty, particularly as man reaches a point where he is more and more able to control his own way of life.

Current estimates of fossil fuel reserves vary to an astonishing degree. In part this is because the results differ greatly if cost of extraction is disregarded or if in calculating how long reserves will last, population growth is not taken into consideration; or, equally important, not enough weight is given to increased fuel consumption required to process inferior or substitute metals. We are rapidly approaching the time when exhaustion of better grade metals will force us to turn to poorer grades requiring in most cases greater expenditure of energy per unit of metal.

But the most significant distinction between optimistic and pessimistic fuel reserve statistics is that the optimists generally speak of the immediate future—the next twenty-five years or so—while the pessimists think in terms of a century from now. A century or even two is a short span in the history of a great people. It seems sensible to me to take a long view, even if this involves facing unpleasant facts.

For it is an unpleasant fact that according to our best estimates, total fossil fuel reserves recoverable at not over twice today's unit cost, are likely to run out at some time between the years 2000 and 2050, if present standards of living and population growth rates are taken into account. Oil and natural gas will disappear first, coal last. There will be coal left in the earth, of course. But it will be so difficult to mine that energy costs would rise to economically intolerable heights, so that it would then become necessary either to discover new energy sources or to lower standards of living drastically.

For more than one hundred years we have stoked ever growing numbers of machines with coal; for fifty years we have pumped gas and oil into our factories, cars, trucks, tractors, ships, planes, and homes without giving a thought to the future. Occasionally the voice of a Cassandra has been raised only to be quickly silenced when a lucky discovery revised estimates of our oil reserves upward, or a new coal field was found in some remote spot. Fewer such lucky discoveries can be expected in the future, especially in industrialized countries where extensive mapping of resources has been done. Yet the popularizers of scientific news would have us believe that there is no cause for anxiety, that reserves will last thousands of years, and that before they run out science will have produced miracles. Our past history and security have given us the sentimental belief that the things we fear will never really happen—that everything turns out right in the end. But, prudent men will reject these tranquilizers and prefer to face the facts so that they can plan intelligently for the needs of their posterity.

Looking into the future, from the mid-20th Century, we cannot feel overly confident that present high standards of living will of a certainty continue through the next century and beyond. Fossil fuel costs will soon definitely begin to rise as the best and most accessible reserves are exhausted, and more effort will be required to obtain the same energy from remaining reserves. It is likely also that liquid fuel synthesized from coal will be more expensive. Can we feel certain that when economically recoverable fossil fuels are gone science will have learned how to maintain a high standard of living on renewable energy sources?

I believe it would be wise to assume that the principal renewable fuel sources which we can expect to tap before fossil reserves run out will supply only 7 to 15 percent of future energy needs. The five most important of these renewable sources are wood fuel, farm wastes, wind, water power, and solar heat.

Wood fuel and farm wastes are dubious as substitutes because of growing food requirements to be anticipated. Land is more likely to be used for food production than for tree crops; farm wastes may be more urgently needed to fertilize the soil than to fuel machines.

Wind and water power can furnish only a very small percentage of our energy needs. Moreover, as with solar energy, expensive structures would be required, making use of land and metals which will also be in short supply. Nor would anything we know today justify putting too much reliance on solar energy though it will probably prove feasible for home heating in favorable localities and for cooking in hot countries which lack wood, such as India.

More promising is the outlook for nuclear fuels. These are not, properly speaking, renewable energy sources, at least not in the present state of technology, but their capacity to "breed" and the very high energy output from small quantities of fissionable material, as well as the fact that such materials are relatively abundant, do seem to put nuclear fuels into a separate category from exhaustible fossil fuels. The disposal of radioactive wastes from nuclear power plants is, however, a problem which must be solved before there can be any widespread use of nuclear power.

Another limit in the use of nuclear power is that we do not know today how to employ it otherwise than in large units to produce electricity or to supply heating. Because of its inherent characteristics, nuclear fuel cannot be used directly in small machines, such as cars, trucks, or tractors. It is doubtful that it could in the foreseeable future furnish economical fuel for civilian airplanes or ships, except very large ones. Rather than nuclear locomotives, it might prove advantageous to move trains by electricity produced in nuclear central stations. We are only at the beginning of nuclear technology, so it is difficult to predict what we may expect.

Transportation—the lifeblood of all technically advanced civilizations—seems to be assured, once we have borne the initial high cost of electrifying railroads and replacing buses with streetcars or interurban electric trains. But, unless science can perform the miracle of synthesizing automobile fuel from some energy source as yet unknown or unless trolley wires power electric automobiles on all streets and highways, it will be wise to face up to the possibility of the ultimate disappearance of automobiles, trucks, buses, and tractors. Before all the oil is gone and hydrogenation of coal for synthetic liquid fuel has come to an end, the cost of automotive fuel may have risen to a point where private cars will be too expensive to run and public transportation again becomes a profitable business.

Today the automobile is the most uneconomical user of energy. Its efficiency is 5 percent compared with 23 percent for the Diesel-electric railway. It is the most ravenous devourer of fossil fuels, accounting for over half of the total oil consumption in this country. And the oil we use in the United States in one year took nature about 14 million years to create. Curiously, the automobile, which is the greatest single cause of the rapid exhaustion of oil reserves, may eventually be the first fuel consumer to suffer. Reduction in automotive use would necessitate an extraordinarily costly reorganization of the pattern of living in industrialized nations, particularly in the United States. It would seem prudent to bear this in mind in future planning of cities and industrial locations.

Our present known reserves of fissionable materials are many times as large as our net economically recoverable reserves of coal. A point will be reached before this century is over when fossil fuel costs will have risen high enough to make nuclear fuels economically competitive. Before that time comes we shall have to make great efforts to raise our entire body of engineering and scientific knowledge to a higher plateau. We must also induce many more young Americans to become metallurgical and nuclear engineers. Else we shall not have the knowledge or the people to build and run the nuclear power plants which ultimately may have to furnish the major part of our energy needs. If we start to plan now, we may be able to achieve the requisite level of scientific and engineering knowledge before our fossil fuel reserves give out, but the margin of safety is not large. This is also based on the assumption that atomic war can be avoided and that population growth will not exceed that now calculated by demographic experts.

War, of course, cancels all man's expectations. Even growing world tension just short of war could have far-reaching effects. In this country it might, on the one hand, lead to greater conservation of domestic fuels, to increased oil imports, and to an acceleration in scientific research which might turn up unexpected new energy sources. On the other hand, the resulting armaments race would deplete metal reserves more rapidly, hastening the day when inferior metals must be utilized with consequent greater expenditure of energy. Underdeveloped nations with fossil fuel deposits might be coerced into withholding them from the free world or may themselves decide to retain them for their own future use. The effect on Europe, which depends on coal and oil imports, would be disastrous and we would have to share our own supplies or lose our allies.

Barring atomic war or unexpected changes in the population curve, we can count on an increase in world population from two and one half billion today to four billion in the year 2000; six to eight billion by 2050. The United States is expected to quadruple its population during the 20th Century—from 75 million in 1900 to 300 million in 2000—and to reach at least 375 million in 2050. This would almost exactly equal India's present population which she supports on just a little under half of our land area.

It is an awesome thing to contemplate a graph of world population growth from prehistoric times—tens of thousands of years ago—to the day after tomorrow—let us say the year 2000 A.D. If we visualize the population curve as a road which starts at sea level and rises in proportion as world population increases, we should see it stretching endlessly, almost level, for 99 percent of the time that man has inhabited the earth. In 6000 B.C., when recorded history begins, the road is running at a height of about 70 feet above sea level, which corresponds to a population of 10 million. Seven thousand years later—in 1000 A.D.—the road has reached an elevation of 1,600 feet; the gradation now becomes steeper, and 600 years later the road is 2,900 feet high. During the short span of the next 400 years—from 1600 to 2000—it suddenly turns sharply upward at an almost perpendicular inclination and goes straight up to an elevation of 29,000 feet—the height of Mt. Everest, the world's tallest mountain.

In the 8,000 years from the beginning of history to the year 2000 A.D. world population will have grown from 10 million to 4 billion, with 90 percent of the growth taking place during the last 5 percent of that period, in 400 years. It took the first 3,000 years of recorded history to accomplish the first doubling of population, 100 years for the last doubling, but the next doubling will require only 50 years. Calculations give us the astonishing estimate that one out of every 20 human beings born into this world is alive today.

The rapidity of population growth has not given us enough time to readjust our thinking. Not much more than a century ago our country—the very spot on which I now stand—was a wilderness in which a pioneer could find complete freedom from men and from government. If things became too crowded—if he saw his neighbor's chimney smoke—he could, and often did, pack up and move west. We began life in 1776 as a nation of less than four million people, spread over a vast continent, with seemingly inexhaustible riches of nature all about. We conserved what was scarce—human labor—and squandered what seemed abundant—natural resources—and we are still doing the same today.

Much of the wilderness which nurtured what is most dynamic in the American character has now been buried under cities, factories, and suburban developments where each picture window looks out on nothing more inspiring than the neighbor's back yard with the smoke of his fire in the wire basket clearly visible.

Life in crowded communities cannot be the same as life on the frontier. We are no longer free, as was the pioneer, to work for our own immediate needs regardless of the future. We are no longer as independent of men and of government as were Americans two or three generations ago. An ever larger share of what we earn must go to solve problems caused by crowded living—bigger governments; bigger city, state, and federal budgets to pay for more public services. Merely to supply us with enough water and to carry away our waste products gets daily more difficult and expensive. More laws and law enforcement agencies are needed to regulate human relations in urban industrial communities and on crowded highways than in the America of Thomas Jefferson.

Certainly no one likes taxes, but we must become reconciled to larger taxes in the larger America of tomorrow.

I suggest that this is a good time to think soberly about our responsibilities to our descendents—those who will ring out the Fossile Fuel Age. Our greatest responsibility, as parents and as citizens, is to give America's youngsters the best possible education. We need the best teachers and enough of them to prepare our young people for a future immeasurably more complex than the present, and calling for ever larger numbers of competent and highly trained men and women. This means that we must not delay building more schools, colleges, and playgrounds. It means that we must reconcile ourselves to continuing higher taxes to build up and maintain at decent salaries a greatly enlarged corps of much better trained teachers, even at the cost of denying ourselves such momentary pleasures as buying a bigger new car, or a TV set, or household gadget. We should find—I believe—that these small self-denials would be far more than offset by the benefits they would buy for tomorrow's America. We might even—if we wanted—give a break to these youngsters by cutting fuel and metal consumption a little here and there so as to provide a safer margin for the necessary adjustments which eventually must be made in a world without fossil fuels.

One final thought I should like to leave with you. High-energy consumption has always been a prerequisite of political power. The tendency is for political power to be concentrated in an ever smaller number of countries. Ultimately, the nation which controls the largest energy resources will become dominant. If we give thought to the problem of energy resources, if we act wisely and in time to conserve what we have and prepare well for necessary future changes, we shall insure this dominant position for our own country.●

## GREED OF OUR NATION'S OIL INDUSTRY

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, last week we had one of the earliest snowstorms ever in the Northeast, a chilling portent of what we may face this winter. Just 1 day after this foretaste, the House, by a large majority, voted down an amendment designed to keep heating oil prices affordable this winter.

The majority argued that such a measure would disrupt the normal marketplace and create heating oil shortages. This viewpoint flies in the face of all information available to the House on what has been occurring with heating oil prices.

Quite frankly, the high cost of heating oil is not the result of normal market factors, but is a direct reflection of the greed of our Nation's domestic oil industry. It is a fact, which cannot be countered by oil industry propaganda and slick advertisements, that, if the Department of Energy had not forced the oil giants to increase refining of heating oil products this summer, we would be in a far worse position than we are today. It is a fact, thoroughly documented by the Subcommittee on Antitrust and Restraint of Trade, that the oil companies used this opportunity to keep supplies at the refiner level and not distribute them in a normal fashion to jobbers and individual homes. It is a fact that, during the time of the year when heating oil is normally at its lowest price, there was a 50-percent jump in the cost of heating oil. It is a fact that, of the 27 cents a gallon increase in the price of heating oil, 12 cents was increased profit taking. It is also a fact that this 12 cents is added to the 10 cents a gallon already received by big oil profits on heating oil.

Again, it is a fact that 12 cents is very close to the 14.8 cents a gallon we are forced to pay OPEC in increased oil costs. Not only does 25 percent of every dollar paid to the oil companies for heating oil go to big oil profits, but it is clear that our own domestic oil firms are turning the screws on consumers as badly as is OPEC.

Despite this information, last week's vote in the House was decisively against continued controls on heating oil. This is particularly understandable when we realize that only 18 States consume significant amounts of heating oil and many Members of Congress were not overly concerned or even informed on this particular issue since it did not affect their region or State. However, what is distressing is that many of the votes against this amendment were cast from States reliant on heating oil, where Members were informed.

I am sure some of these Members had very legitimate reasons for opposing this price amendment or were unavailable for the vote, but I am equally sure some Members cast their vote in the negative out of some philosophical feeling that price controls undermine the marketplace principles of capitalism. To those individuals, I would like to say that you are wrong. There is no normal marketplace and true competitive interaction among the oil companies nor among the OPEC nations. The refining and distribution of heating oil is done under near monopolistic conditions.

The oil industry has said, in effect, we will give you heating oil, not as much as you want and not when you want it, but enough to struggle through.

For that privilege you will pay through the nose. By failing to do anything about it, we have capitulated to their demands and surrendered to their terms. The result is that some of our citizens will have to make a choice this winter between eating and heating.

New York State, unlike some others I can think of, is not owned and controlled by big oil. Our citizens did not send us to Washington to continue policies that strip them of their hard-earned money and impose upon them the inflationary burden that comes with unconscionable price gouging by oil companies. I hope in the future, when such issues are considered, we will remember who sent us here and who we work for.●

## CONFERENCE REPORT ON H.R. 4394

Mr. BOLAND submitted the following conference report and statement on the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

### CONFERENCE REPORT (H. REPT. NO. 96-542)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 12 and 27 to the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, having met, after further full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 12.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,807,500,000"; and the Senate agree to the same.

Edward P. Boland,
Bob Traxler,
Louis Stokes,
Tom Bevill,
Lindy (Mrs. Hale) Boggs
Martin Olav Sabo,
Bennett M. Stewart,
Jamie L. Whitten,
Larry Coughlin,
Joseph M. McDade,
C. W. Bill Young,
Silvio O. Conte,
*Managers on the Part of the House.*

William Proxmire,
John C. Stennis,
Birch Bayh,
Walter D. Huddleston,
Patrick J. Leahy,
Jim Sasser,
John A. Durkin,
Warren G. Magnuson,
Charles McC. Mathias, Jr.,
Henry Bellmon,
Lowell P. Weicker, Jr.,
Paul Laxalt,
Harrison Schmitt,
Milton Young,
*Managers on the Part of the Senate.*

### JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the further conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report:

### TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 12: Deletes language proposed by the Senate appropriating $3,000,000 for the livable cities program.

### TITLE II—INDEPENDENT AGENCIES

### *National Aeronautics and Space Administration*

Amendment No. 27: Appropriates $3,807,500,000 for research and development, instead of $3,799,500,000 as proposed by the House and $3,822,500,000 as proposed by the Senate. The conferees agree to the recommendations contained in the report of the House with the following changes:

+$3,000,000 for the variable cycle engine program, and

+$5,000,000 for advanced rotorcraft technology.

### CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1980 recommended by the Committee of Conference, with comparisons to the fiscal year 1979 amount, the 1980 budget estimates, and the House and Senate bills for 1980 follows:

| | |
|---|---|
| New budget (obligational) authority, fiscal year 1979 | $70,040,207,000 |
| Budget estimates of new (obligational) authority, fiscal year 1980 | [1] 72,815,238,750 |
| House bill, fiscal year 1980 | 71,963,475,000 |
| Senate bill, fiscal year 1980 | 71,930,247,000 |
| Conference agreement | 71,842,684,000 |
| Conference agreement compared with: | |
| New budget (obligational) authority, fiscal year 1979 | +1,802,477,000 |
| Budget estimates of new (obligational) authority, fiscal year 1980 | −972,554,750 |
| House bill, fiscal year 1980 | −120,791,000 |
| Senate bill, fiscal year 1980 | −87,563,000 |

[1] Includes $92,492,000 of budget estimates not considered by the House.

Edward P. Boland,
Bob Traxler,
Louis Stokes,
Tom Bevill,
Lindy (Mrs. Hale) Boggs,
Martin Olav Sabo,
Bennett M. Stewart,
Jamie L. Whitten,
Larry Coughlin,
Joseph M. McDade,
C. W. Bill Young,
Silvio O. Conte,
*Managers on the Part of the House.*

William Proxmire,
John C. Stennis,
Birch Bayh,
Walter D. Huddleston,
Patrick J. Leahy,
Jim Sasser,
John A. Durkin,
Warren G. Magnuson,
Charles McC. Mathias, Jr.,
Henry Bellmon,
Lowell P. Weicker, Jr.,
Paul Laxalt,
Harrison Schmitt,
Milton Young,
*Managers on the Part of the Senate.*

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## CONFERENCE REPORT ON S. 428

Mr. PRICE submitted the following conference report and statement on the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.

### CONFERENCE REPORT (H. REPT. No. 96–546)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Department of Defense Authorization Act, 1980".

### TITLE I—PROCUREMENT

### AUTHORIZATION OF APPROPRIATIONS

Sec. 101. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

### AIRCRAFT

For aircraft: for the Army, $1,002,600,000; for the Navy and the Marine Corps, $4,534,900,000; for the Air Force, $7,842,340,000.

### MISSILES

For missiles: for the Army, $1,202,900,000; for the Navy, $1,575,100,000; for the Marine Corps, $20,500,000; for the Air Force, $2,263,800,000.

### NAVAL VESSELS

For naval vessels: for the Navy, $6,706,800,000.

### TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $1,679,000,000; for the Marine Corps, $13,000,000.

### TORPEDOES

For torpedoes and related support equipment: for the Navy, $336,800,000.

### OTHER WEAPONS

For other weapons: for the Army, $170,500,000; for the Navy, $153,000,000; for the Marine Corps, $25,200,000.

### REPORT ON B–52 AIRCRAFT MODIFICATION PROGRAM

Sec. 102. Of the amount authorized to be appropriated under section 101 for procurement of aircraft for the Air Force, $431,900,000 is authorized for the procurement of avionics and cruise missile integration for the B–52 aircraft modification program subject to the condition that the Secretary of Defense provide to the Congress at the earliest possible date, and not later than November 30, 1979, a report on—

(1) all uncertainties in the effectiveness of the B–52 aircraft as a cruise missile carrier over the next decade, including any degradation of defense penetration capabilities of the B–52 aircraft which could result from possible air defense advances by the Soviet Union; and

(2) the requirement for maintaining the defense penetration capability of the B–52 aircraft and the options available during the next decade to maintain such capability.

### AUTHORIZATION OF APPROPRIATIONS FOR CONTRIBUTION TO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) FOR NATO

Sec. 103. There is authorized to be appropriated for fiscal year 1980 the sum of $243,100,000 to be available only for contribution by the United States of its share of the cost for such fiscal year of the acquisition by the North Atlantic Treaty Organization of the Airborne Early Warning and Control System (AWACS).

### CERTAIN AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

Sec. 104. (a) During fiscal year 1980, the Secretary of Defense, in carrying out the Multilateral Memorandum of Understanding Between the North Atlantic Treaty Organization (NATO) Ministers of Defence on the NATO E–3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978, may—

(1) waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program office:

(A) auditing;
(B) quality assurance;
(C) codification;
(D) inspection;
(E) contract administration;
(F) acceptance testing;
(G) certification services; and
(H) planning, programming, and management services;

(2) waive any surcharge for administrative services otherwise chargeable; and

(3) in connection with the NATO E–3A Co-

operative Programme for fiscal year 1980, assume contingent liability for—

(A) program losses resulting from the gross negligence of any contracting officer of the United States;

(B) identifiable taxes, customs duties, and other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

(b) Authority under this section to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

### TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 201. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,866,461,000, of which $3,000,000 is authorized only for the performance and completion of a feasibility demonstration of launching Heliborne Missiles (HELLFIRE) from UH–60 helicopters.

For the Navy (including the Marine Corps), $4,542,992,000, of which (1) $60,000,000 is authorized only for the continued research, development, test, and evaluation of the 3,000-ton prototype Surface Effect Ship (SES), and (2) $30,000,000 is authorized only for joint Navy/Air Force full-scale engineering development of the Air-to-Ground Standoff Missile system which is to be available for production on or before December 31, 1984.

For the Air Force, $4,994,046,000, of which (1) $670,000,000 is authorized only for the concurrent full-scale engineering development of the missile basing mode known as the Multiple Protective Structure (MPS) system and the MX missile, as provided in section 202 of the Department of Defense Supplemental Appropriation Authorization Act, 1979 (Public Law 96–29), and (2) $30,000,000 is authorized only for the research, development, test, and evaluation required for competitive hardware demonstration of the Strategic Weapons Launcher and a derivative of a military aircraft or a commercial aircraft, in order to establish not later than September 30, 1981, the utility of these aircraft as cruise missile carriers.

For the Defense Agencies, $1,110,618,000, of which $42,500,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

#### REPORT ON NEW BASING MODE FOR INTERCONTINENTAL BALLISTIC MISSILES

SEC. 202. The Secretary of Defense shall submit to the Congress in writing, not later than March 1, 1980, a report evaluating in detail the ability of the basing mode for land-based intercontinental ballistic missiles known as the Multiple Protective Structure (MPS) system to survive foreseeable attempts by the Soviet Union to neutralize such system.

#### RESTRICTION ON THE USE OF FUNDS FOR DEVELOPMENT OF THE EXTREMELY LOW FREQUENCY COMMUNICATION SYSTEM

SEC 203. None of the funds authorized to be appropriated by this Act for the development of the Extremely Low Frequency (ELF) communication system may be obligated or expended for the development of such system unless the President certifies to the Congress in writing that the use of funds for such purpose is in the national interest, that a site has been selected for the deployment of such system, and that the President has approved such site for the deployment of such system, and in no event may any of the funds authorized to be appropriated by this Act be used for full scale development or construction of another test-bed facility for an Extremely Low Frequency (ELF) communication system.

### TITLE III—ACTIVE FORCES

#### AUTHORIZATION OF END STRENGTHS

SEC. 301. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1980, as follows:

(1) The Army, 776,700.

(2) The Navy, 528,000.

(3) The Marine Corps, 189,000.

(4) The Air Force, 558,000.

#### AUTHORIZED STRENGTHS OF RESERVE GENERAL AND FLAG OFFICERS

SEC. 302. (a) Section 3218 of title 10, United States Code, is amended by striking out "and those serving in the National Guard Bureau" and inserting in lieu thereof "those serving in the National Guard Bureau, and those counted under section 3202 of this title".

(b) Section 5457(a) of such title is amended by inserting after "rear admiral" a comma and "exclusive of those counted under section 5442 of this title,".

(c) Section 5458(a) of such title is amended by inserting after "combined" a comma and "exclusive of those counted under section 5443 of this title,".

(d) Section 8218 of such title is amended by striking out "and those serving in the National Guard Bureau" and inserting in lieu thereof "those serving in the National Guard Bureau, and those counted under section 8202 of this title".

#### ANNUAL OFFICER GRADE DISTRIBUTION REPORT AND PROMOTION PLAN TO BE INCLUDED AS PART OF THE ANNUAL MANPOWER REQUIREMENTS REPORT RATHER THAN AS A SEPARATE REPORT

SEC. 303. (a)(1) Section 686 of title 10, United States Code, providing for an annual officer grade distribution report, is repealed.

(2) The table of sections at the beginning of chapter 39 of such title is amended by striking out the item relating to section 686.

(b) Paragraph (3) of section 138(c) of such title, providing for an annual manpower requirements report, is amended to read as follows:

"(3)(A) The Secretary of Defense shall submit to Congress a written report, not later than February 15 of each fiscal year, recommending the annual active duty end strength level for each component of the armed forces for the next fiscal year and the annual civilian personnel end strength level for each component of the Department of Defense for the next fiscal year, and shall include in that report justification for the strength levels recommended and an explanation of the relationship between the personnel strength levels recommended for that fiscal year and the national security policies of the United States in effect at the time. The justification and explanation shall specify in detail for all military forces (including each land force division, carrier and other major combatant vessel, air wing, and other comparable unit) the—

"(i) unit mission and capability;

"(ii) strategy which the unit supports; and

"(iii) area of deployment and illustrative areas of potential deployment, including a description of any United States commitment to defend such areas.

"(B) The Secretary of Defense shall also include in the report required under subparagraph (A) a detailed discussion of—

"(i) the manpower required for support and overhead functions within the armed forces and the Department of Defense;

"(ii) the relationship of the manpower required for support and overhead functions to the primary combat missions and support policies; and

"(iii) the manpower required to be stationed or assigned to duty in foreign countries and aboard vessels located outside the territorial limits of the United States, its territories, and possessions.

"(C) In such report, the Secretary of Defense shall also identify, define, and group by mission and by region the types of military bases, installations, and facilities and shall provide an explanation and justification of the relationship between this base structure and the proposed military force structure together with a comprehensive identification of base operating support costs and an evaluation of possible alternatives to reduce such costs.

"(D) The Secretary of Defense shall also include in such report with respect to each armed force under the jurisdiction of the Secretary of a military department—

"(i) the estimated requirements in members on active duty during the next fiscal year;

"(ii) the estimated number of commissioned officers in each grade on active duty and to be promoted during the next fiscal year; and

"(iii) an analysis of the distribution by grade of commissioned officers on active duty at the time the report is prepared.".

### TITLE IV—RESERVE FORCES

#### AUTHORIZATION OF STRENGTHS

SEC. 401. (a) For fiscal year 1980, the Selected Reserve of the reserve components of the Armed Forces shall be programmed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 355,700.

(2) The Army Reserve, 197,400.

(3) The Naval Reserve, 87,000.

(4) The Marine Corps Reserve, 33,600.

(5) The Air National Guard of the United States, 92,500.

(6) The Air Force Reserve, 57,300.

(7) The Coast Guard Reserve, 11,700.

(b) Within the average strengths prescribed by subsection (a), the reserve components of the Armed Forces are authorized, as of September 30, 1980, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 6,244.

(2) The Army Reserve, 4,288.

(3) The Naval Reserve, 707.

(4) The Marine Corps Reserve, 67.

(5) The Air National Guard of the United States, 1,560.

(6) The Air Force Reserve, 681.

(c) The average strength prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

#### AMENDMENTS TO SELECTED RESERVE EDUCATIONAL ASSISTANCE PROGRAM

SEC. 402. (a) Section 2131(b)(1) of title 10, United States Code, is amended by striking out "50 percent" and inserting in lieu thereof "100 percent".

(b) Section 2133(b) of such title is amended to read as follows:

"(b) (1) A member who fails to participate satisfactorily in training with his unit, if he is a member of a unit, during a term of enlistment for which the member entered into an agreement under section 2132(a)(4) of this title shall refund an amount computed under paragraph (2) unless the failure to participate in training was due to reasons beyond the control of the member. Any refund by a member under this section shall not affect the period of obligation of such member to serve as a Reserve.

"(2) The amount of any refund under paragraph (1) shall be the amount equal to the product of—

"(A) the number of months of obligated service remaining during that term of enlistment divided by the total number of months of obligated service of that term of enlistment; and

"(B) the total amount of educational assistance provided to the member under section 2131 of this title.".

(c) The amendments made by this section shall apply only to individuals enlisting in the Reserves after September 30, 1979.

### DISCRETIONARY AUTHORITY OF SECRETARY CONCERNED TO RETAIN CERTAIN RESERVE OFFICERS ON ACTIVE DUTY UNTIL AGE 60

SEC. 403. (a) Section 3855 of title 10, United States Code, is amended by inserting "Veterinary Corps," after "Dental Corps,".

(b) Section 8855 of such title is amended by inserting "veterinary officer," after "dental officer,".

### REPEAL OF AUTHORITY FOR ADDITIONAL PAY FOR PERFORMANCE OF ADMINISTRATIVE FUNCTIONS BY OFFICERS OF THE NATIONAL GUARD AND RESERVE COMPONENTS

SEC. 404. (a) (1) Section 309 of title 37, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 5 of such title is amended by striking out the item relating to section 309.

(b) The amendments made by this section shall apply only with respect to administrative functions performed after September 30, 1980.

## TITLE V—CIVILIAN PERSONNEL

### AUTHORIZATION OF END STRENGTH

SEC. 501. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1980, of 983,600.

(b) The strength for civilian personnel prescribed in subsection (a) shall be apportioned among the Department of the Army, the Department of the Navy (including the Marine Corps), the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of the enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program, and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 1¼ percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

(e) During fiscal year 1980, the Secretary of Defense shall manage the manpower resources of the Department of Defense in a manner that will insure that those functions of the Department of Defense involving maintenance, construction, engineering acquisition, or repair activities will be provided civilian manpower resources sufficient to fulfill the work requirements for which funds have been appropriated on a schedule consistent with the requirements of national security and military readiness.

## TITLE VI—MILITARY TRAINING STUDENT LOADS

### AUTHORIZATION OF TRAINING STUDENT LOANS

SEC. 601. (a) For fiscal year 1980, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 54,865.
(2) The Navy, 61,913.
(3) The Marine Corps, 22,618.
(4) The Air Force, 43,249.
(5) The Army National Guard of the United States, 7,985.
(6) The Army Reserve, 4,772.
(7) The Naval Reserve, 906.
(8) The Marine Corps Reserve, 3,156.
(9) The Air National Guard of the United States, 1,958.
(10) The Air Force Reserve, 1,276.

(b) In addition to the number authorized for the Army, the Army National Guard of the United States, and the Army Reserve in subsection (a), such components are authorized military training student loads of not less than the following numbers to be utilized solely for one station unit training:

(1) The Army, 19,603.
(2) The Army National Guard of the United States, 6,631.
(3) The Army Reserve, 1,556.

(c) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1980 shall be adjusted consistent with the manpower strengths authorized in titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

## TITLE VII—CIVIL DEFENSE

### AUTHORIZATION OF APPROPRIATIONS

SEC. 701. There is authorized to be appropriated for fiscal year 1980 for the purpose of carrying out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251–2297) the sum of $106,800,000.

### INCREASE IN AMOUNTS THAT MAY BE APPROPRIATED FOR CONTRIBUTIONS TO STATES FOR PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 702. The last proviso of section 408 of the Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out everything after the last semicolon and inserting in lieu thereof "and appropriations for contributions to the States for personnel and administrative expenses under section 205 shall not exceed $40,000,000 per annum.".

## TITLE VIII—GENERAL PROVISIONS

### AMENDMENTS TO THE UNIFORM CODE OF MILITARY JUSTICE

SEC. 801. (a) Section 802 of title 10, United States Code (article 2 of the Uniform Code of Military Justice), is amended—

(1) by inserting "(a)" before "The" at the beginning of such section; and

(2) by adding at the end thereof the following new subsections:

"(b) The voluntary enlistment of any person who has the capacity to understand the significance of enlisting in the armed forces shall be valid for purposes of jurisdiction under subsection (a) of this section and a change of status from civilian to member of the armed forces shall be effective upon the taking of the oath of enlistment.

"(c) Notwithstanding any other provision of law, a person serving with an armed force who—

"(1) submitted voluntary to military authority;

"(2) met the mental competency and minimum age qualifications of sections 504 and 505 of this title at the time of voluntary submission to military authority;

"(3) received military pay or allowances; and

"(4) performed military duties;

is subject to this chapter until such person's active service has been terminated in accordance with law or regulations promulgated by the Secretary concerned.".

(b) Section 836(a) of such title (article 36(a) of the Uniform Code of Military Justice) is amended by striking out "The procedure, including modes of proof, in cases before courts-martial, courts of inquiry, military commissions, and other military tribunals" and inserting in lieu thereof "Pretrial, trial, and post-trial procedures, including modes of proof, for cases arising under this chapter triable in courts-martial, military commissions and other military tribunals, and procedures for courts of inquiry,".

### WAIVER OF APPLICABILITY OF OMB CIRCULAR A–76 TO CONTRACTING OUT OF CERTAIN RESEARCH AND DEVELOPMENT ACTIVITIES

SEC. 802. (a) Except as provided in subsection (b), neither the implementing instructions for, nor the provisions of, Office of Management and Budget Circular A–76 (issued on August 30, 1967, and reissued on October 18, 1976, June 13, 1977, and March 29, 1979) shall control or be used for policy guidance for the obligation or expenditure of any funds which under section 138 (a)(2) of title 10, United States Code, are required to be specifically authorized by law.

(b) Funds which under section 138(a)(2) of title 10, United States Code, are required to be specifically authorized by law may be obligated or expended for operation or support of installations or equipment used for research and development (including maintenance support of laboratories, operation and maintenance of test ranges, and maintenance of test aircraft and ships) in compliance with the implementing instructions for and the provisions of such Office of Management and Budget Circular.

(c) No law enacted after the date of the enactment of this Act shall be held, considered, or construed as amending, superseding, or otherwise modifying any provision of this section unless such law does so by specifically and explicitly amending, repealing, or superseding this section.

### AMENDMENTS RELATING TO THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

SEC. 803. (a) Section 2112(b) of title 10, United States Code, is amended by adding at the end thereof the following new sentence: "In so prescribing the number of persons to be graduated from the University, the Secretary of Defense shall, upon recommendation of the Board of Regents, institute actions necessary to ensure the maximum number of first-year enrollments in the University consistent with the academic capacity of the University and the needs of the uniformed services for medical personnel."

(b) Section 2114(b) of such title is amended by striking out "uniform" in the first sentence of such section and inserting in lieu thereof "uniformed".

(c)(1) The first two sentences of section 2115 of such title are amended to read as follows: "The Secretary of Defense may allow not more than 20 percent of the graduates of each class at the University to perform civilian Federal service for not less than seven years following the completion of their professional education in lieu of active duty in a uniformed service if the needs of the uniformed services do not require that such graduates perform active duty in a uniformed service and as long as the Secretary of Defense does not recall such persons to active duty in the uniformed services. Such persons who execute an agreement in writing to perform such civilian Federal service may be released from active duty following the completion of their professional education.".

(2) The section heading of such section is amended to read as follows:

"§ 2115. Graduates: limitation on number permitted to perform civilian Federal service".

(3) The item relating to section 2115 in the table of sections at the beginning of chapter 104 of such title is amended to read as follows:

"2115. Graduates: limitation on number permitted to perform civilian Federal service.".

### AMENDMENTS RELATING TO COMPENSATION OF HEALTH PROFESSIONALS

SEC. 804. (a) Section 2121(d) of title 10, United States Code, relating to stipends for members of the Armed Forces Health Professions Scholarship program, is amended to read as follows:

"(d) Except when serving on active duty pursuant to subsection (c), a member of the program shall be entitled to a stipend at the rate in effect under paragraph (1)(B) of section 751(g) of the Public Health Service Act (42 U.S.C. 294t(g)) for students in the National Health Service Corps Scholarship program.".

(b) Section 313(a) of title 37, United States Code, relating to special pay for medical officers who execute active duty agreements, is amended—

(1) by striking out clause (4) and redesignating clauses (5) and (6) as clauses (4) and (5), respectively; and

(2) by inserting after the first sentence of such subsection the following new sentence: "However, while serving an active duty obligation resulting from a medical education program leading to appointment or designation as a medical officer, such an officer shall be paid $9,000 (rather than an amount determined under the preceding sentence) for each year of the active duty agreement.".

(c) The amendments made by this section shall take effect on October 1, 1979.

### SIX-YEAR SERVICE OBLIGATION FOR PERSONS ENLISTING AFTER AGE 26

SEC. 805. (a) Section 511(d) of title 10, United States Code, is amended—

(1) by striking out "who is under 26 years of age,"; and

(2) by striking out the comma after "in an armed force".

(b) Section 561 of such title is amended by striking out "before his twenty-sixth birthday".

(c) The amendments made by this section shall apply only to individuals who become members of an Armed Force after the date of the enactment of this Act.

### RESTRICTION ON CONVERTING PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

SEC. 806. (a) During fiscal year 1980, no commercial or industrial type function of the Department of Defense that on the date of the enactment of this Act is being performed by Department of Defense personnel may be converted to performance by a private contractor—

(1) to circumvent any civilian personnel ceiling; and

(2) unless the Secretary of Defense shall provide to the Congress in a timely manner—

(A) notification of any decision to study such commercial or industrial type function for possible performance by a private contractor, together with a certification that the government in-house cost calculation for the function is based on an estimate of the most efficient and cost effective organization for in-house performance;

(B) if a decision is made to convert to contract performance, upon completing the study described in subparagraph (A) and before contracting for the performance of such function by a private contractor, a report showing—

(i) the potential economic effect on employees affected, and the potential economic effect on the local community and Federal Government if more than 50 employees are involved, of contracting for performance of such function;

(ii) the effect of contracting for performance of such function on the military mission of such function; and

(iii) the amount of the bid accepted for the performance of such function by the private contractor whose bid is accepted and the cost of performance of such function by Department of Defense personnel, together with costs and expenditures which the Government will incur because of the contract.

(b) The Secretary of Defense shall submit a written report to the Congress by February 1, 1980, describing the extent to which commercial and industrial type functions were performed by Department of Defense contractors during fiscal year 1979. The Secretary shall also include in such report an estimate of the percentage of commercial and industrial type functions of the Department of Defense that will be performed by Department of Defense personnel and the percentage of such functions that will be performed by private contractors during fiscal year 1980.

### ADVANCE PAYMENT OF STATION HOUSING ALLOWANCES FOR MEMBERS OF THE UNIFORMED SERVICES ASSIGNED OVERSEAS

SEC. 807. (a) Section 405 of title 37, United States Code, relating to allowances for members on duty outside the United States or in Alaska or Hawaii, is amended by inserting after the third sentence in such section the following new sentence: "A station housing allowance prescribed under this section may be paid in advance.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

### ANNUAL REPORT ON NATO READINESS

SEC. 808. (a) Each year the Secretary of Defense shall assess, and make findings with respect to, the readiness status of the military forces of the North Atlantic Treaty Organization and shall submit a report of such assessment and findings to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives on the same date that the President transmits to the Congress the Budget. The first such report shall be submitted on the date the Budget for fiscal year 1981 is transmitted.

(b) The annual assessment by the Secretary of Defense under subsection (a) shall include the assessment and findings of the Secretary of Defense with respect to—

(1) deficiencies in the readiness of the North Atlantic Treaty Organization (including an analysis of such deficiencies in each member nation of the North Atlantic Treaty Organization) with respect to—

(A) war reserve stocks;

(B) command control, and communications systems (including the susceptibility of such systems to degradation by potential overt activities of the Warsaw Pact);

(C) electronic warfare capabilities;

(D) offensive and defensive chemical warfare capabilities;

(E) air defense capabilities (including ground and air systems and the integration of ground systems with air systems);

(F) armor and anti-armor capabilities;

(G) firepower capabilities;

(H) forward deployed units and the proximity of such units to assigned general defensive positions;

(I) the availability of ammunition;

(J) the availability, responsiveness, and overall effectiveness of reserve forces;

(K) airlift capabilities to meet reinforcement and resupply requirements;

(L) the ability to protect, cross-service, and stage air assets from allied air fields;

(M) the maritime force capabilities (including sealift, minelaying, and minesweeping capabilities);

(N) logistical support arrangements (including the availability of ports, air fields, transportation, and host nation support);

(O) training (including the availability of the facilities and equipment needed to conduct realistic operational exercises); and

(P) the compatibility of operational doctrine and procedures among armed forces of the member nations;

(2) planned corrections in the identified readiness deficiencies of the United States with respect to the North Atlantic Treaty Organization and that portion of the Budget transmitted to the Congress by the President on the date such report is transmitted which is allocated for such corrections; and

(3) commitments made by other member nations of the North Atlantic Treaty Organization to correct readiness deficiencies of such nations (including any deficiencies of such nations in the items listed in paragraph (1)) and an identification of particular improvements to be made in readiness by weapons system, program, or activity.

### QUARTERLY SELECTED ACQUISITION REPORTS TO CONGRESS

SEC. 809. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94–106; 89 Stat. 539) is amended to read as follows:

"(a) Beginning with the quarter ending December 31, 1979, the Secretary of Defense shall submit quarterly to the Congress written selected acquisition reports for those major defense systems which are estimated to require a total cumulative financing for research, development, test, and evaluation in excess of $75,000,000 or a cumulative production investment in excess of $300,000,000. The report for the quarter ending on December 31 of any fiscal year shall be submitted within 20 days after the President transmits the Budget to the Congress for the following fiscal year, and the reports for the other three quarters of any fiscal year shall be submitted within 30 days after the end of the quarter. If a preliminary report is submitted for any quarter, then the final report for such quarter shall be submitted to the Congress within 15 days after the submission of such preliminary report.".

### AUTHORIZATION OF APPROPRIATIONS FOR ASSISTANCE FOR 1980 OLYMPIC WINTER GAMES

SEC. 810. There is authorized to be appropriated to the Secretary of Defense for fiscal year 1980 an amount not to exceed $10,000,000 for the purpose of providing assistance for the 1980 Olympic winter games, as authorized by section 816(a) of the Department of Defense Appropriation Authorization Act, 1979 (Public Law 95–485; 92 Stat. 1626). Except for funds used for pay and nontravel related allowances of members of the Armed Forces, no funds may be obligated or expended for the purpose of carrying out such section unless specifically appropriated for such purpose. The costs for pay and nontravel related allowances of members of the Armed Forces may not be charged to appropriations made pursuant to this authorization.

### PRESIDENTIAL RECOMMENDATIONS FOR SELECTIVE SERVICE REFORM

SEC. 811. (a) The President shall prepare and transmit to the Congress a plan for a fair and equitable reform of the existing law providing for registration and induction of persons for training and service in the Armed Forces. Such plan shall include recommendations with respect to—

(1) the desirability and feasibility of resuming registration under the Military Selective Service Act as in existence on the date of the enactment of this Act;

(2) the desirability and feasibility of establishing a method of automatically registering persons under the Military Selective Service Act through a centralized, automated system using existing records, together with a discussion of the impact of such method, or of alternative methods of establishing such a registration system, on privacy rights under the Constitution and under statutes protecting such rights (including section 552a of title 5, United States Code, commonly referred to as the "Privacy Act") and any proposal for reform of such Privacy Act or other statutes, relevant court decisions relating to Selective Service procedures, and the impact of such alternative methods on other constitutional issues;

(3) the desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense;

(4) whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act;

(5) the desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve;

(6) whether persons registered under such Act should also be immediately classified and examined or whether classification and examination of registrants should be subject to the discretion of the President;

(7) such changes in the organization and operation of the Selective Service System as the President determines are necessary to enable the Selective Service System to meet the personnel requirements of the Armed Forces during a mobilization in a more efficient and expeditious manner than is presently possible;

(8) the desirability, in the interest of preserving discipline and morale in the Armed Forces, of establishing a national youth service program permitting volunteer work, for either public or private public service agencies, as an alternative to military service;

(9) such other changes in existing law relating to registration, classification, selection, and induction as the President considers appropriate; and

(10) other possible procedures that could be established to enable the Armed Forces to meet their personnel requirements.

(b) The President shall transmit with the plan required by subsection (a) proposals for such legislation as may be necessary to implement the plan and to revise and modernize the Military Selective Service Act.

(c) The plan required by subsection (a), together with the proposed legislation required by subsection (b), shall be transmitted to the Congress not later than January 15, 1980, or the end of the three-month period beginning on the date of the enactment of this Act, whichever is later.

### PRESERVATION OF SELECTIVE SERVICE SYSTEM AS AN INDEPENDENT AGENCY

SEC. 812. Section 1 of the Military Selective Service Act (50 U.S.C. App. 451) is amended by adding at the end thereof the following new subsection:

"(f) The Congress further declares that the Selective Service System should remain administratively independent of any other agency, including the Department of Defense.".

### STUDY OF TITAN II MISSILE SYSTEMS

SEC. 813. The Secretary of the Air Force shall conduct an investigation of Titan II missile systems located within the United States to assess the physical condition of those facilities and components thereof as well as relevant maintenance procedures. Not later than 180 days after the date of the enactment of this Act, the findings of that investigation, along with recommendations for any needed physical or procedural improvements to protect the public safety (including the safety of military personnel assigned to those systems) shall be reported to the Committees on Armed Services of the Senate and House of Representatives.

### LIMITATION ON OVERSEAS TRAVEL AND TRANSPORTATION ALLOWANCES FOR DEPENDENTS

SEC. 814. Section 406 of title 37, United States Code, relating to travel and transportation allowances for dependents, is amended—

(1) by striking out "A" at the beginning of subsection (a) of such section and inserting in lieu thereof "Except as provided in subsection (i) of this section, a";

(2) by striking out "In" at the beginning of subsection (h) of such section and inserting in lieu thereof "Except as provided in subsection (i) of this section, in"; and

(3) by adding at the end of such section the following new subsection:

"(i)(1) After September 30, 1980, and except as provided in paragraph (3) of this subsection, the allowance and transportation authorized by subsection (a) and subsection (h) of this section for travel and transportation of dependents may not be provided with respect to travel and transportation of any dependent of a member of the Army, Navy, Air Force, or Marine Corps from any place inside the United States to any place outside the United States, or from any place outside the United States to any place inside the United States, during any period in which the number of dependents accompanying members of the Army, Navy, Air Force, and Marine Corps who are stationed outside the United States and who are authorized by the Secretary concerned to receive such allowance or transportation for dependents exceeds 325,000.

"(2)(A) The Secretary of Defense shall allocate among the three military departments the limitation established by paragraph (1) with respect to the total number of dependents who may be accompanying members of the Army, Navy, Air Force, and Marine Corps stationed overseas who are entitled under subsection (a) or (h) to travel and transportation for dependents before the allowance for such travel and transportation is suspended under such paragraph.

"(B) The Secretary of each military department, in his discretion, shall administer the limitation on the number of dependents who may be provided travel and transportation under subsections (a) and (h) allocated to his military department under subparagraph (A) in such manner as the Secretary considers to be fair and in the best interest of the United States.

"(3) Paragraph (1) does not prohibit the provision of travel and transportation under subsection (a) or subsection (h) of this section for travel and transportation of dependents from a place outside the United States to a place inside the United States if the travel and transportation of such dependents to such place outside the United States was authorized under subsection (a) or subsection (h) of this section at the time of the travel and transportation of such dependents to such place outside the United States.".

### PURCHASES OF GASOHOL AS A FUEL FOR MOTOR VEHICLES

SEC. 815. To the maximum extent feasible and consistent with overall defense needs and sound vehicle management practices, as determined by the Secretary of Defense, the Department of Defense is authorized and directed to enter into contracts by competitive bid, subject to appropriations, for the purchase of domestically produced alcohol or alcohol-gasoline blends containing at least 10 percent domestically produced alcohol for use in motor vehicles owned or operated by the Department of Defense.

### EXTENSION OF PERIOD FOR CERTAIN RESERVISTS TO ELECT COVERAGE UNDER SURVIVOR BENEFIT PLAN

SEC. 816. Section 208 of the Uniformed Services Survivors' Benefits Amendments of 1978 (Public Law 95–397; 10 U.S.C. 1447 note) is amended—

(1) by striking out "the end of the nine-month period beginning on the effective date of this title" and inserting in lieu thereof "January 1, 1980"; and

(2) by striking out "at the end of the one-year period beginning on the effective date of this title" and inserting in lieu thereof "on March 31, 1980".

### EXTENSION OF PERIOD FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE

SEC. 817. Paragraphs (1) and (2) of section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), are amended to read as follows:

"(1) After October 1, 1980, the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, may not exceed 1,073.

"(2) After September 30, 1981, the total number of civilian employees of the Department of Defense in grades GS–13 through GS–18 (including positions authorized under section 1581 of title 10, United States Code) may not exceed the number equal to the number of such employees employed by the Department of Defense on July 30, 1977, reduced by the same percentage as the percentage by which the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, is reduced below 1,141 during the period beginning on October 1, 1977, and ending on September 30, 1980.".

### SENSE OF CONGRESS CONCERNING IMPORTATION OF STRATEGIC AND CRITICAL MATERIALS FROM ZIMBABWE-RHODESIA

SEC. 818. It is the sense of the Congress that the United States should have unlimited access to strategic and critical materials which are vital to the defense and security of the United States and that every effort should be made to remove artificial impediments against the importation of such materials into the United States from Zimbabwe-Rhodesia.

### REPORTING REQUIREMENT REGARDING SALARIES OF OFFICERS OF FEDERAL CONTRACT RESEARCH CENTERS

SEC. 819. (a)(1) Chapter 139 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2359. Salaries of officers of Federal contract research centers: reports to Congress

"The Secretary of Defense shall notify the Congress not later than January 31 of each year of any officer or employee of a Federal contract research center the amount of whose compensation paid out of Federal funds during the preceding calendar year exceeded the annual rate of basic pay authorized (without regard to any limitation on the payment of such pay) for level II of the Executive Schedule under section 5313 of title 5 on the last day of such year. Such notification shall include a detailed statement of the reasons for the payment of such amount of compensation to each such officer or employee.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2359. Salaries of officers of Federal contract research centers: reports to Congress.".

(b) The first notification under section 2359 of title 10, United States Code, as added by subsection (a), shall be made not later than January 31, 1980.

(c) Section 407 of Public Law 91-121 (83 Stat. 208; 10 U.S.C. 2358 note) is repealed.

TECHNICAL AMENDMENTS TO TITLES 5 AND 10, UNITED STATES CODE, TO REFLECT CHANGES MADE BY THE DEPARTMENT OF DEFENSE REORGANIZATION ORDER OF MARCH 7, 1978

SEC. 820. (a) Section 136(a) of title 10, United States Code, relating to the Assistant Secretaries of Defense, is amended by striking out "nine" and inserting in lieu thereof "seven".

(b) Section 3013 of such title, relating to the Under Secretary and Assistant Secretaries of the Army, is amended by striking out "five" and inserting in lieu thereof "four".

(c) Section 5034(a) of such title, relating to the Assistant Secretaries of the Navy, is amended by striking out "four" and inserting in lieu thereof "three".

(d) Section 8013 of such title, relating to the Under Secretary and Assistant Secretaries of the Air Force, is amended by striking out "four" and inserting in lieu thereof "three".

(e)(1) Paragraphs (13), (14), (15), and (16) of section 5315 of title 5, United States Code, relating to positions at level IV of the Executive Schedule, are amended to read as follows:

"(13) Assistant Secretaries of Defense (7).

"(14) Assistant Secretaries of the Air Force (3).

"(15) Assistant Secretaries of the Army (4).

"(16) Assistant Secretaries of the Navy (3).".

(2) Paragraph (96) of section 5316 of such title, relating to positions at level V of the Executive Schedule, is amended to read as follows:

"(96) Deputy Under Secretaries of Defense for Research and Engineering, Department of Defense (4).".

CORRECTION OF ERRONEOUS SECTION DESIGNATION

SEC. 821. (a) The last section in chapter 49 of title 10, United States Code, relating to military unions (as added by Public Law 95-610; 92 Stat. 3085), is redesignated as section 976.

(b) The item relating to such section in the table of sections at the beginning of such chapter is amended by striking out "975" and inserting in lieu thereof "976".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

MELVIN PRICE,
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
RICHARD ICHORD,
LUCIEN N. NEDZI,
CHAS. H. WILSON,
RICHARD C. WHITE,
BILL NICHOLS,
BOB WILSON,
WILLIAM L. DICKINSON,
G. WILLIAM WHITEHURST,
FLOYD SPENCE,
ED BEARD,

When difference regarding intelligence related activities are under consideration only:

BILL D. BURLISON,
CLEMENT J. ZABLOCKI,
NORMAN Y. MINETA,
EDWARD P. BOLAND,
J. K. ROBINSON,
*Managers on the Part of the House.*

JOHN C. STENNIS,
H. M. JACKSON,
HARRY F. BYRD, Jr.,
SAM NUNN,
JOHN CULVER,
GARY HART,
JOHN TOWER,
STROM THURMOND,
JOHN WARNER,
GORDON HUMPHREY,
*Managers on the Part of the Senate.*

### JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

## TITLE I—PROCUREMENT

### AIRCRAFT

### ARMY

### *C-12 (Huron)*

The budget, as submitted, contained no request for C-12A aircraft. The House added $22.5 million for 20 C-12A aircraft. The Senate bill contained no authorization for C-12A's.

Conferees reached an agreement to authorize $13.7 million for 10 C-12A aircraft.

### *AH-1S (Cobra-Tow) helicopter*

This aircraft was not requested in the fiscal year 1980 budget. However, the House amendment contained $66.3 million for procurement and $1.7 million for spare parts for 34 helicopters for the National Guard.

The Senate bill did not authorize any AH-1S's.

The conferees agreed to authorize 15 AH-1S helicopters in the amount of $29.5 million plus $500,000 for spares.

### *Modification of aircraft (Guardrail V)*

In the fiscal year 1980 Defense Department request of $2.4 million for modifying the RU-21 aircraft there were no funds for the new Guardrail V system. The House amendment contained $14.9 million for this modification, including $12.5 million for Guardrail V. The Senate bill contained $2.4 million for the RU-21 modification.

The Senate recedes.

### NAVY

### *A-6E (Intruder)*

The budget submission included a request for $56.7 million to procure airframe, avionics and engine peculiar ground support and $12.4 million for spares for the A-6E aircraft. No aircraft procurement was requested. The Senate bill added $88.9 million to the $56.7 million request, for a total of $145.6 million, to procure six aircraft in fiscal year 1980. The House amendment authorized the amount requested. The conferees agreed to an authorization of $145.6 million to procure six aircraft in fiscal year 1980.

The House recedes.

### *F-14A (Tomcat)*

The budget request was for $464.7 million for 24 aircraft plus $115.7 million for advance procurement for 24 aircraft in fiscal year 1981. In addition, $58.0 million was requested for spares and repair parts for 24 aircraft.

The Senate bill approved authorization in the amounts requested. The House amendment provided authorization of $640.2 million to procure 36 aircraft in fiscal year 1980, $157.2 million to provide long-lead items for the procurement of 36 aircraft in fiscal year 1981, and $76.1 million for spares and repair parts.

The conferees agreed to authorization of $569.5 million to procure 30 aircraft in fiscal year 1980, $126.5 million for long-lead procurement for 30 aircraft in fiscal year 1981, and $67.0 million for spares and repair parts for 30 aircraft.

### *F/A-18 (Hornet)*

The Senate bill provided for authorization of $926.1 million to procure 25 aircraft (plus spares for 10 aircraft above the request) in fiscal year 1980 and $91.5 million for advance procurement for 48 aircraft in fiscal year 1981. The House amendment provided for authorizations of $955.4 million for 30 aircraft in fiscal year 1980 and $147.9 million for the advance procurement for 72 aircraft in fiscal year 1981. The Senate bill authorized $60.7 million for spares and repair parts while the House amendment provided for $109.3 million.

The conferees agreed to authorization of $890.0 million to procure 25 aircraft in fiscal year 1980 and $130.1 million which will provide for the procurement of long-lead items for 72 aircraft in fiscal year 1981. The conferees also agreed to an authorization of $96.8 million for spares and repair parts.

The conferees further agreed to the following statement concerning the use of advance procurement funds for the F/A-18 which could not be included as bill language under the rules of the House.

### *Authorization for advance procurement of items and services for F/A-18 aircraft*

Of the amount authorized to be appropriated under section 101 for the procurement of aircraft for the Navy and Marine Corps,

$130,100,000 shall be available only for the advance procurement of long-lead items for 72 F/A–18 aircraft during fiscal year 1981, and the Secretary of Defense shall contract for items and services required for such advance procurement on a termination liability basis.

This method of contracting and budgeting reduces the funding needed prior to the procurement authorization of full funding of the aircraft, and more accurately represents the manufacturing effort actually incurred during the advance procurement period.

The House recedes.

### *P–3C (Orion)*

The budget request was for $259.6 million to procure 12 aircraft in fiscal year 1980 plus $58.3 million for advance procurement items for 12 aircraft in fiscal year 1981. The Senate bill approved the amount requested for procurement in fiscal year 1980 and reduced the amount requested for advance procurement by $16 million, providing an authorization of $42.3 million. The House amendment authorized the amounts requested.

The conferees agreed to a net reduction in P–3C procurement of $12.3 million of which $4.0 million is apportioned to the procurement of fiscal year 1980 aircraft and $8.3 million is apportioned to advance procurement for fiscal year 1981. Authorizations of $255.6 million and $50.0 million, respectively, are approved.

### *C–9B (Skytrain)*

No authorization was requested for C–9B procurement in fiscal year 1980. The Senate bill contained no authorization. The House amendment provided authorization of $73.8 million to procure five aircraft and $7.4 million for spares and repair parts.

The conferees agreed to authorize $29.5 million for two aircraft and $1.5 million for spares and repair parts.

### *Modification of aircraft (Navy)*

The budget request included $781.4 million for the modification of Navy aircraft. The Senate bill provided an authorization of $781.1 million, a reduction of $300,000 relating to modifications of the C–9B aircraft. The House amendment provided for a general reduction of $100.0 million and an authorization of $681.4 million.

The conferees agreed to authorize $726.1 million for Navy aircraft modifications.

### AIR FORCE

### *A–7K (Corsair)*

There were no A–7K aircraft requested in the fiscal year 1980 Air Force budget; however, the House amendment contained an addition of $135.5 million in authorization for the procurement of 12 A–7K two-place trainer aircraft for the Air National Guard. This amount included $123.35 million for procurement, $3.65 million in advance procurement and $8.5 million in spares. The Senate bill contained $149.2 million for the same 12 A–7K aircraft.

Conferees agreed to authorize $123.35 million for 12 A–7K's and $8.5 million for spares. The $3.65 million in advance procurement contained in the House bill was deleted.

### *E–3A (airborne warning and control system (AWACS))*

Although the Senate authorized three E–3A Airborne Warning and Control System (AWACS) aircraft requested for fiscal year 1980, it deleted $68 million requested for advance procurement for three AWACS planned in fiscal year 1981. The House amendment contained the $68 million requested in advance procurement as well as authorization of the three E–3A's requested.

During conference, the Senate conferees pointed out that the AWACS program had been restructured and the Air Force planned to buy only two E–3A's in fiscal year 1981, two in fiscal year 1982 and two in fiscal year 1983 instead of three aircraft in fiscal year 1981 and three in fiscal year 1982. Therefore, only $55 million would be needed for advance procurement authorization for fiscal year 1981 and the conferees agreed to that amount.

### *C–130H (Hercules)*

The Air Force budget submission did not contain a request for C–130H aircraft. The House added $77.22 million for procurement of eight aircraft and $2.47 million for spares for a total authorization of $79.69 million. The Senate bill contained a total of $79.0 million for eight C–130H aircraft.

The conferees agreed to $79.69 million in authorization, as provided in the House amendment, for eight C–130H aircraft and spares.

The Senate recedes.

### *Modification of aircraft*

The budget request contained $1,575.1 million for the modification of Air Force aircraft. The Senate bill provided an authorization of $1,590.1 million, with the addition of $15 million for reengining the KC–135 tanker aircraft. The House amendment provided an authorization of $1,495.1 million, a net reduction of $80.0 million after the addition of $87.0 million for EF–111 electronic countermeasures modification and $15.0 million for reengining the KC–135 aircraft and the imposition of a general reduction of $182.0 million.

The conferees agreed to authorization of $1,637.9 million for Air Force aircraft modifications including the addition of $15.0 million for KC–135 reengining and $47.8 million for EF–111 electronic countermeasures modifications.

### *General reduction*

The House amendment reduced the authorization for the Air Force aircraft modification account by $182 million as a general reduction. The Senate bill made no similar reduction.

The conferees agreed to a general reduction in the aircraft procurement account of $100 million to be distributed at the discretion of the Air Force with the exception that *no* reduction is to be taken against the KC–135 reengining modification account.

## MISSILES

### ARMY

### *Hawk*

The House amendment authorized $71.9 million for procurement of 397 Hawk missiles and replacement rocket motors. The Senate bill authorized $36.5 million for procurement of 197 missiles.

The House recedes.

### *Roland*

The House amendment authorized no funds for procurement of the Roland missile system. The Senate bill authorized $283.3 million for procurement of 18 fire units and 410 missiles.

The House recedes.

### *Patriot*

The House amendment authorized $396 million for procurement of 5 fire units and 155 missiles. The Senate bill authorized $426 million.

The Senate recedes.

### *Stinger*

The House amendment authorized $106 million for procurement of 3,200 missiles. The Senate bill authorized $81 million for procurement of 2,400 missiles.

The House recedes.

### *TOW*

The House amendment authorized $28.7 million for procurement of 6,260 missiles. The Senate bill authorized $13 million for procurement of 2,060 missiles.

The Senate recedes.

### *Pershing IA*

The House amendment authorized no funds for procurement of Pershing IA missiles. The Senate bill authorized $70.6 million.

The Senate recedes.

### *Chaparral modifications*

The House amendment authorized $28.1 million for Chaparral modifications, including $12 million to expedite the fielding of the Forward Looking Infrared (FLIR) modifications. The Senate bill authorized $16.1 million.

The Senate recedes.

### *Hawk modifications*

The House amendment authorized $103.3 million for Hawk modifications. The Senate bill authorized $44.1 million.

The conferees agreed to authorize $84.9 million for Hawk modifications, including $26.7 million to complete procurement of the tracker adjunct system; $4 million for procurement of passive decoy sets; and $10 million for Hawk mobility improvements.

### *Spares and repair parts*

The House amendment authorized $128.9 million for missile spares and repair parts. The Senate bill authorized $117.5 million.

The House recedes.

### *Defense acquisition radar*

The House amendment authorized $29.7 million for procurement of 9 Defense Acquisition Radars. The Senate bill contained no authorization for this radar.

The Senate recedes.

### *Other financing*

The House amendment reduced the fiscal year 1980 missile request by $65 million based upon the assumption that termination of the Roland program would make this amount in the fiscal year 1979 Roland appropriation available for financing the 1980 Army missile program.

The Senate bill contained no such financing adjustment, since the Senate bill continued the authorization for the Roland.

The conferees agreed to continue the procurement of the Roland system, and therefore, the House recedes.

### NAVY

### *BGM–109 Tomahawk*

The Department of Defense requested no authorization for procurement of either the land-attack or anti-ship versions of the Tomahawk missile. An authorization of $3.3 million was requested for long-lead items for 24 anti-ship missiles to be procured in fiscal year 1981.

The Senate bill authorized $19.4 million for the procurement of six land-attack missiles in fiscal year 1980 and approved the $3.3 million requested for long-lead items.

The House amendment provided $19.3 million for the procurement of six anti-ship missiles and $19.4 million for six land-attack missiles in fiscal year 1980. The House amendment also included authorizations of $3.3 million for long-lead items for 24 anti-ship and $7.4 million for 24 land-attack missiles to be procured in fiscal year 1981. In addition, $11.2 million was authorized for Tomahawk missile support.

The conferees agreed to an authorization of $19.4 million for the procurement of three anti-ship and three land-attack missiles in fiscal year 1980 and an authorization of $10.7 million for long-lead items for 24 missiles of each version in fiscal year 1981. The conferees urge the Department of Defense to preserve an initial operating capability for the land-attack and anti-ship Tomahawk in 1982.

The House recedes.

### *AIM–7F/M (Sparrow), AIM–9L/M (Sidewinder), AIM–54A/C (Phoenix)*

The budget request contained $64.3 million to procure 240 AIM–7F and AIM–7M Sparrow missiles. The Senate bill provided an authorization of $48.9 million to procure 120 AIM–7M missiles. The House amendment approved the amount and numbers of missiles requested. The conferees agreed to an authorization of $64.3 million for the Sparrow missile procurement program as requested.

The budget request contained $21.3 million to procure 320 AIM–9L and AIM–9M Sidewinder missiles. The Senate bill provided an authorization of $16.3 million for 160 AIM–9M missiles. The House amendment approved the amount and numbers of missiles requested. The conferees agreed to an authorization of $21.3 million for the Sidewinder missile procurement program as requested.

The budget request contained $101.4 million to procure 180 AIM–54A and AIM–54C missiles. The Senate bill provided an authorization of $89.3 million for 60 AIM–54C missiles. The House amendment approved the amount and numbers of missiles requested. The conferees agreed to an authorization of $101.4 million for the Phoenix missile procurement program as requested.

The Senate recedes.

### AIR FORCE

#### Ground launched cruise missile (GLCM)

The budget request contained $25.0 million for the Ground Launched Cruise Missile (GLCM) procurement program. The Senate bill approved the amount requested for procurement. The house amendment approved $8.2 million for GLCM procurement and transferred $16.8 million to the Air Force research, development, test and evaluation account. The conferees agreed to adopt the House position.

The Senate recedes.

#### AIM–7F/M (Sparrow)

The budget request contained $144.2 million for 1,320 AIM–7F and improved AIM–7M Sparrow missiles. The Senate bill authorized $84.5 million for 660 AIM–7M missiles. The House amendment authorized the amount and numbers of missiles requested. The conferees agreed to an authorization of $124.2 million for the AIM–7F/M Sparrow missile procurement program.

#### AIM–9L/M (Sidewinder)

The budget request contained $86.8 million for 2,050 AIM–9L and improved AIM–9M Sidewinder missiles. The Senate bill authorized $71.8 million for 1,025 AIM–9M missiles. The House amendment authorized the amount and numbers of missiles requested. The conferees agreed to an authorization of $86.8 million for the Sidewinder missiles procurement program as requested.

The Senate recedes.

#### Other missile support

The budget request contained $599.6 million for other missile support. The Senate bill authorized $611.6 million for these programs. The House amendment authorized $596.6 million. The conferees agreed to an authorization of $611.6 million.

The House recedes.

### NAVAL VESSELS

The House amendment authorized a shipbuilding program totaling $6,790.4 million. The Senate approved a shipbuilding program totaling $5,791.6 million.

The conferees agreed on a compromise shipbuilding program totaling $6,706.8 million as follows:

| *Authorization (number)* | *Millions* |
|---|---|
| SSN–688 class attack submarine (2) | $809. 6 |
| CVN repeat *Nimitz* class nuclear powered carrier (1) | 2, 094. 0 |
| TAGOS ocean surveillance ships (3) | 104. 0 |
| Outfitting | 82. 7 |
| Escalation on prior year programs | 97. 7 |
| LSD–41 long lead funding | 41. 0 |
| LPH conversion (1) | 49. 5 |
| Financing adjustment, DDG–2 conversion | —55. 0 |
| Financing adjustment, SSN nuclear submarine | —21. 2 |
| Programs not in dispute | 3, 504. 5 |
| Total, Naval vessels, Navy | 6, 706. 8 |

The conference agreement relating to major areas of difference is further discussed below.

#### SSN—688 nuclear attack submarine

The House amendment authorized $831.5 million for two SSN–688 nuclear attack submarines.

The Senate bill authorized $429.6 million for one SSN–688 nuclear attack submarine. The Senate bill also contained authorization for long lead funding for another SSN–688 submarine.

The conference agreement provides $809.6 million for two SSN–688 attack submarines and advanced procurement for future submarines.

#### CVN Nimitz nuclear-powered aircraft carrier

A major difference in conference was the propulsion system for a new aircraft carrier. The Senate bill authorized $1,760 million for a *Kennedy* class conventionally powered carrier.

The House amendment contained $2,094 million for a *Nimitz* class nuclear-powered aircraft carrier.

The conferees agreed on the nuclear-powered ship.

#### LSD–41 landing ship dock

Advance procurement for the Landing Ship Dock (LSD–41) was a conference item due to a difference of $500,000 between the amounts authorized by the House and Senate. The Senate receded to the House figure, authorizing $41 million in fiscal year 1980 for procurement of long lead items associated with procurement of the lead ship of this class. The decision of the managers to adopt the lower figure is a financial adjustment and implies no lessening of congressional support for this program The conferees strongly endorse the report language adopted by both the Senate Armed Services Committee (S. Rept. 96–197) and the House Armed Services Committee (H. Rept. 96–166) which called for construction of the first LSD–41 in fiscal year 1981, leading to an expeditious replacement of the LSD–28 class ships now approaching block obsolescence.

#### LPH conversion

The Senate bill authorized $49.5 million for conversion of one LPH amphibious assault ship to a light carrier.

The House amendment provided no authorization for this purpose.

The conferees noted Navy testimony that antisubmarine warfare and mine countermeasure platforms are inadequate. The conferees agreed that priority should be given to addressing these serious shortages and that the Navy must move more rapidly toward providing air-capable platforms.

Conversion of one LPH assault ship to a light carrier is authorized at the cost of $49.5 million. A light carrier will add to the Navy's at-sea air capability and complement existing fleet carriers. It can be converted to undertake a variety of missions such as antisubmarine warfare, mine countermeasures operations and amphibious assault.

Before any actual conversion is undertaken, the Secretary of the Navy shall report to the Committees on Armed Services of the House and Senate on the cost and details of the conversion, and the advantages and disadvantages of the proposed conversion, in sufficient detail to allow the committees to review and further evaluate the conversion. The conversion shall not be undertaken until the expiration of a period of thirty days of continuous session of Congress following the submission of the Secretary's report.

#### TAGOS ocean surveillance ships

The House amendment provided $104 million for three TAGOS ocean surveillance ships.

The Senate bill authorized no funds for these ships.

The Senate recedes.

#### Financing adjustment

Section 106 of the House amendment authorized financing adjustment of $55 million for an additional SSN–688 nuclear attack submarine from unobligated funds previously appropriated for the DDG–2 destroyer modernization program.

The Senate bill authorized financing adjustments of $76.2 million.

The House recedes.

### TRACKED COMBAT VEHICLES, ARMY

#### Fighting vehicle systems

The House amendment authorized $225.4 million for procurement of 208 fighting vehicles and $2 million for a cost reduction study. The Senate bill authorized $225.4 million for the fighting vehicle systems and directed a cost reduction study but authorized no funds for such study.

The conferees agreed to authorize $226.4 million for fighting vehicle systems, including $1 million for a cost reduction study.

The cost reduction study should be conducted cooperatively by the Army and the Office of the Secretary of Defense to explore all promising manufacturing options (to include competitive procurement), rates of production and manufacturing techniques.

The House and Senate Armed Services Committee reports directed the results of this study be submitted to the Armed Services Committees by December 31, 1979. However, since additional time may be required to insure a quality study effort, the Army should submit the study to the Armed Services Committees of the House and Senate by April 1, 1980.

#### Combat engineer vehicle

The House amendment authorized $51.5 million for procurement of 56 combat engineer vehicles (CEV's). The Senate bill authorized no CEV's.

The Senate recedes.

#### M60A3 tank production

The House amendment authorized $216.8 million for procurement of 251 M60A3 tanks.

The Senate bill authorized no new M60A3 tank production.

The conferees agreed to authorize $55 million for procurement of 64 new M60A3 tanks.

#### XM–1 tank

The House amendment authorized $576.9 million for procurement of 352 XM–1 tanks. The Senate bill authorized $562.7 million for procurement of the same number of tanks.

The Senate recedes.

#### M60 modifications

The House amendment authorized $117.4 million for M60 tank modifications. The Senate bill authorized $177.4 million, including $60 million for conversion of an additional 251 tanks from the M60A1 to the M60A3 configuration.

The conferees agreed to authorize $162 million for M60 tank modifications including $44.6 million for conversion of an additional 187 M60A1 tanks to the M60A3 configuration.

#### Spares and repair parts

The House amendment authorized $140.4 million for tracked combat vehicle spares and repair parts. The Senate bill authorized $106.2 million.

The Senate recedes.

#### Depot maintenance facilities

The House amendment authorized $20.1 million for depot maintenance facilities. The Senate bill authorized $6.6 million.

The Senate recedes.

### TORPEDOES, NAVY

#### Torpedo MK–48

The Senate bill authorized $121.7 million for 144 MK–48 torpedoes.

The House amendment provided $46.6 million only for continuing testing and engineering support of previously approved MK–48 torpedo programs.

The House recedes.

### *Torpedo MK–48 modifications*

The Senate bill authorized $5.3 million for MK–48 torpedo modifications.

The House amendment provided for $10.8 million for MK–48 torpedo modifications.

The House recedes.

### OTHER WEAPONS

### ARMY

### *M198 howitzer*

The House amendment authorized $54.7 million for procurement of 208 M198 howitzers. The Senate bill authorized $28.8 million for procurement of 107 M198 howitzers.

The House recedes.

### NAVY

### *MK–15 close-in weapon systems (CIWS)*

The Senate bill authorized $109.4 million for 61 CIWS gun units.

The House amendment provided for $114.4 million for 61 CIWS units.

The House recedes.

### MARINE CORPS

### *M198 howitzer*

The House amendment authorized $15 million for procurement of 55 M198 howitzers. The Senate bill authorized $21.5 million for procurement of 80 M198 howitzers.

The House recedes.

### *Report on B–52 modification program (sec. 102)*

Section 103 of the House amendment to the Senate bill directed that the Secretary of Defense provide to the Congress at the earliest possible date a report on all uncertainties in the effectiveness of the B–52 aircraft as a cruise missile carrier including the requirement for maintaining the defense penetration capability of the B–52 and the options available during the next decade to maintain such capability.

The report was required to be submitted no later than September 30, 1979.

The conferees agreed that a study and report on the effectiveness of the B–52 as a cruise missile carrier and as a penetrating bomber over the next decade would be helpful in arriving at decisions regarding strategic aircraft during the next several years. The conferees agreed to extend the reporting date to no later than November 30, 1979.

The Senate recedes with an amendment.

### *E–3A NATO airborne early warning and control system (AWACS) (sec. 103)*

The budget request contained $250.2 million in the Air Force aircraft procurement account for the NATO Airborne Early Warning and Control System (AWACS) program. The Senate bill authorized $243.1 million for the NATO AWACS within the Air Force aircraft procurement account and prohibited the reprogramming of funds appropriated for that purpose. The Senate also denied $7.1 million of the amount requested, since this amount was proposed to pay the costs of administrative expenses not properly included in a defense procurement act.

The House amendment authorized the amount requested in a separate section and contained no provision regarding reprogramming of funds.

The conferees agreed to authorize $243.1 million for the NATO AWACS program in a separate section which provides that the funds authorized to be appropriated shall be available only for the United States' contribution of its share of the cost of this program for fiscal year 1980.

### *Authority provided Secretary of Defense in connection with the NATO airborne warning and control system (AWACS) program (sec. 104)*

With the fiscal year 1980 budget submission, the President requested special legislation authorizing the Secretary of Defense to take necessary actions to implement an international agreement signed in December 1978 for the procurement of the NATO AWACS. The Senate bill and the House amendment differed in the following respects as to the legislation approved for this purpose.

The Senate bill authorized the Secretary of Defense to assume contingent liability for losses resulting from the gross negligence of U.S. contracting officers. The House amendment provided that the authority granted the Secretary in this section be limited to the extent provided in appropriations acts as required by the Congressional Budget Act of 1974. The conferees agreed to accept the additional authority provided in the Senate bill and also to accept the requirement for implementing appropriations legislation contained in the House amendment.

### *Restriction on obligation of aircraft modification funds*

Section 102 of the House amendment to the Senate bill provided that the amounts authorized to be appropriated for the modification of aircraft shall be available only for aircraft modification and that none of the funds specified could be obligated or expended for any other purpose.

The Senate bill contained no similar provision.

After considerable discussion, the conferees agreed to delete the House provision. The Department of Defense is directed to submit a full accounting, by program, of the obligations and expenditures of funds authorized to be appropriated for aircraft modifications to the Committees on Armed Services of the Senate and House of Representatives concurrently with the submission of the budget request for fiscal year 1981 and subsequent years.

The House recedes.

### *Structural soundness of the KC–10A advanced tanker cargo aircraft (ATCA)*

Section 103 of the Senate bill contained language providing that no funds authorized to be appropriated for the KC–10A Advanced Tanker Cargo Aircraft (ATCA) may be obligated until the Federal Aviation Administration had reinstated the type certification for the commercial operation of the DC–10 aircraft and until the Secretary of Defense notifies the Congress that the KC–10 aircraft is structurally sound.

The House amendments contained no similar provision.

The conferees agreed to delete the Senate provision since the Federal Aviation Administration rescinded the grounding orders relating to the DC–10 aircraft on July 13, 1979.

The Senate recedes.

## TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

### GENERAL

The Department of Defense requested authorization of $13,541,441,000 for the fiscal year 1980 Research, Development, Test and Evaluation appropriations. The following table summarizes the Senate and House modifications to the Research and Development budget request:

R.D.T. & E. SUMMARY

[In thousands of dollars]

| | Request | House | Senate | Conference |
|---|---|---|---|---|
| Army | 2, 927, 000 | 2, 772, 422 | 2, 933, 900 | 2, 866, 461 |
| Navy [1] | 4, 489, 341 | 4, 569, 544 | 4, 524, 396 | 4, 542, 992 |
| Air Force | 5, 005, 100 | 4, 940, 265 | 4, 994, 100 | 4, 994, 046 |
| Defense agencies | 1, 086, 600 | 1, 064, 118 | 1, 076, 600 | 1, 068, 118 |
| Director, Test and Evaluation | 33, 400 | 42, 500 | 33, 400 | 42, 500 |
| Total, R.D.T. & E | 13, 541, 441 | 13, 388, 649 | 13, 562, 396 | 13, 514, 117 |

[1] Includes $5, 341, 000 in special foreign currency.

As shown, the conferees agreed on a total of $13,514,117,000 which is $27,324,000 less than the amount requested for fiscal year 1980.

The details of the differences between the Senate bill and the House amendment and the positions adopted by the conferees are reflected in the following tables:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—FISCAL YEAR 1980

[In thousands of dollars]

| Item No. | Program element | Budget request, fiscal year 1980 | House authorization | Senate authorization | Change from House | Conference |
|---|---|---|---|---|---|---|
| | ARMY | | | | | |
| 101 | Defense research sciences | 118, 680 | 110, 335 | 118, 680 | +8, 345 | 114, 000 |
| 102 | Missile technology | 29, 350 | 27, 850 | 29, 350 | +1, 500 | 27, 850 |
| 103 | Communication-electronics | 13, 291 | 8, 000 | 13, 291 | +5, 291 | 10, 500 |
| 104 | Recovery from injury (A813) | 4, 957 | 3, 465 | 4, 957 | +1, 492 | 4, 500 |
| 105 | Test, measurement, and diagnostic equipment technology | 700 | 0 | 700 | +700 | 0 |
| 106 | Medical systems in chemical defense | 1, 890 | 3, 600 | 1, 890 | −1, 710 | 3, 600 |

Table continues.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—FISCAL YEAR 1980—Continued

[In thousands of dollars]

| Item No. | Program element | Budget request, fiscal year 1980 | House authorization | Senate authorization | Change from House | Conference |
|---|---|---|---|---|---|---|
| 107 | Military energy technology | 2, 635 | 0 | 2, 635 | +2, 635 | 1, 000 |
| 108 | Very high speed integrated circuits | 12, 000 | 0 | 12, 000 | +12, 000 | 0 |
| 109 | Terminal homing systems | 9, 500 | 0 | 9, 500 | +9, 500 | 9, 500 |
| 110 | Advanced land mobility system concepts (D188) | 15, 936 | 1, 560 | 15, 936 | +14, 376 | 15, 936 |
| 111 | Advanced technology demonstration of test, measurement, diagnostic equipment | 700 | 0 | 700 | +700 | 0 |
| 112 | Night vision advanced development (DK70) | 14, 017 | 11, 863 | 14, 017 | +2, 154 | 14, 017 |
| 113 | Advanced development of automatic test equipment and systems | 2, 800 | 0 | 2, 800 | +2, 800 | 1, 400 |
| 114 | Fuels and lubricants (advanced development) | 600 | 600 | 3, 600 | +3, 000 | 2, 000 |
| 115 | Ballistic missile defense advanced technology | 113, 668 | 120, 855 | 113, 668 | −7, 187 | 120, 855 |
| 116 | Ballistic missile defense systems technology program | 114, 784 | 120, 840 | 114, 784 | −6, 056 | 120, 840 |
| 117 | Surface-to-surface missile rocket system (D216) | 72, 250 | 69, 250 | 72, 250 | +3, 000 | 70, 250 |
| 118 | Assault breaker | 9, 200 | 3, 000 | 9, 200 | +6, 200 | 9, 200 |
| 119 | Antitank guided missile (ATGM) improvements | 12, 000 | 0 | 12, 000 | +12, 000 | 12, 000 |
| 120 | Field artillery cannon system (D285) | 3, 306 | 2, 306 | 3, 306 | +1, 000 | 2, 306 |
| 121 | Special purpose detectors | 3, 000 | 0 | 3, 000 | +3, 000 | 0 |
| 122 | Tactical operations system (TOS) | 36, 482 | 0 | 36, 482 | +36, 482 | [1] 0 |
| 123 | Command and control | 18, 590 | 0 | 18, 590 | +18, 590 | 9, 000 |
| 124 | Aircraft avionics | 756 | 0 | 756 | +756 | 756 |
| 125 | CH-47 modernization | 23, 146 | 20, 146 | 23, 146 | +3, 000 | 22, 500 |
| 126 | Roland | 11, 299 | 0 | 11, 299 | +11, 299 | 11, 299 |
| 127 | Heliborne missile—Hellfire | 58, 000 | 61, 000 | 58, 000 | −3, 000 | 61, 000 |
| 128 | Fire and forget—Hellfire | 15, 000 | 0 | 15, 000 | +15, 000 | 0 |
| 129 | Countermine and barriers (D300) | 4, 593 | 3, 393 | 4, 593 | +1, 200 | 3, 393 |
| 130 | Tank systems | 31, 569 | 49, 569 | 63, 369 | +13, 800 | 49, 569 |
| 131 | High mobility weapons carrier | 2, 500 | 0 | 2, 500 | +2, 500 | 2, 500 |
| 132 | Cavalry fighting vehicle (CFV) XM3 | 331 | 0 | 331 | +331 | 0 |
| 133 | Tank gun cooperative development | 51, 890 | 39, 390 | 47, 490 | +8, 100 | 43, 090 |
| 134 | Tactical data system interoperability (D324) | 6, 984 | 4, 984 | 6, 984 | +2, 000 | 4, 984 |
| 135 | Family of military engineer construction equipment (FAMECE) | 25 | 0 | 25 | +25 | 0 |
| 136 | Battlefield systems integration | 3, 300 | 0 | 3, 300 | +3, 300 | 0 |
| 137 | Chaparral | 6, 052 | 10, 052 | 6, 052 | −4, 000 | 10, 052 |
| 138 | Standoff target acquisition systems | 66, 460 | 66, 460 | 52, 960 | −13, 500 | 66, 460 |
| 139 | Mechanized infantry vehicle | 0 | 0 | 3, 000 | +3, 000 | 0 |
| 140 | Classified programs | 34, 946 | 27, 546 | 32, 946 | +5, 400 | 27, 546 |
| 141 | U.S. Army Training and Doctrine Command (TRADOC) studies and analyses | 2, 300 | 2, 200 | 2, 300 | +100 | 2, 200 |
| 142 | Theater nuclear force survivability (TNF/S) analysis | 2, 480 | 0 | 2, 480 | +2, 480 | 0 |
| 143 | Technical information activities | 4, 890 | 3, 915 | 4, 890 | +975 | 3, 915 |
| 144 | TRADOC operational testing | 26, 935 | 26, 935 | 24, 935 | −2, 000 | 24, 935 |
| 145 | OTEA operational testing | 12, 613 | 12, 613 | 11, 613 | −1, 000 | 11, 613 |
| 146 | Programwide activities | 52, 210 | 52, 210 | 49, 210 | −3, 000 | 49, 210 |
| 147 | Viper | 3, 000 | 18, 100 | 3, 000 | −15, 100 | 18, 100 |
| 148 | Advanced diesel engine development |  |  |  |  | 14, 200 |
|  | Other, Army | 1, 895, 385 | 1, 890, 385 | 1, 890, 385 |  | 1, 890, 385 |
|  | Total | 2, 927, 000 | 2, 772, 422 | 2, 933, 900 | +161, 478 | 2, 866, 461 |

[In thousands of dollars]

|  |  |  |  |  |  |  |
|---|---|---|---|---|---|---|
|  | NAVY |  |  |  |  |  |
| 201 | Defense research sciences | 204, 716 | 191, 000 | 204, 716 | +13, 716 | 198, 000 |
| 202 | Command and control technology | 26, 870 | 30, 870 | 26, 870 | −4, 000 | 26, 870 |
| 203 | Energy and environmental protection technology | 11, 686 | 2, 400 | 11, 686 | +9, 286 | 3, 000 |
| 204 | Very high speed integrated circuits | 10, 430 | 0 | 10, 430 | +10, 430 | 0 |
| 205 | Avionics | 10, 396 | 12, 896 | 10, 396 | −2, 500 | 11, 896 |
| 206 | Antiradiation missile (ARM) system technology | 3, 513 | 0 | 3, 513 | +3, 513 | 1, 500 |
| 207 | Air-to-air missile technology demonstration | 6, 883 | 0 | 6, 883 | +6, 883 | [1] 0 |
| 208 | Advanced air launched air-to-surface missile system (W0627) | 6, 956 | 3, 915 | 6, 956 | +3, 041 | 3, 915 |
| 209 | Surface launched munitions | 5, 618 | 8, 618 | 5, 618 | −3, 000 | 5, 618 |
| 210 | Laser countermeasures/counter countermeasures | 3, 010 | 0 | 3, 010 | +3, 010 | 0 |
| 211 | Environmental protection | 5, 053 | 3, 000 | 5, 053 | −2, 053 | 3, 000 |
| 212 | Manufacturing technology | 5, 500 | 0 | 5, 500 | +5, 500 | 0 |
| 213 | Surface electromagnetic/optical systems (X0665) | 10, 114 | 3, 359 | 10, 114 | +6, 755 | [1] 3, 359 |
| 214 | Laser communications study | 0 | 0 | 2, 000 | +2, 000 | 0 |
| 215 | Extremely low frequency (ELF) communications | 13, 494 | 0 | 6, 750 | +6, 750 | 6, 750 |
| 216 | Trident missile system | 40, 640 | 0 | 40, 640 | +40, 640 | 25, 640 |
| 217 | High speed collision avoidance and navigation system | 1, 429 | 2, 429 | 1, 429 | −1, 000 | 1, 429 |
| 218 | Air launched/ship launched antiship missile Harpoon | 7, 970 | 0 | 7, 970 | +7, 970 | [1] 0 |
| 219 | Modular glide weapon improvement program | 9, 317 | 2, 000 | 9, 317 | +7, 317 | 2, 000 |
| 220 | Maritime patrol aircraft (MPA) program | 4, 024 | 0 | 4, 024 | +4, 024 | 0 |
| 221 | Vertical/short takeoff and landing (V/STOL) aircraft development | 16, 779 | 0 | 14, 779 | +14, 779 | 3, 000 |
| 222 | NATO identification system | 2, 000 | 0 | 2, 000 | +2, 000 | 0 |
| 223 | Medium range air-to-ground standoff weapon | 15, 844 | 30, 844 | 9, 644 | −21, 200 | 30, 000 |
| 224 | Air control | 2, 521 | 0 | 2, 521 | +2, 521 | 1, 250 |
| 225 | Advanced identification techniques (AIT) | 3, 595 | 0 | 3, 595 | +3, 595 | 0 |
| 226 | Hydrofoil craft (advanced) | 442 | 0 | 442 | +442 | 442 |
| 227 | Landing vehicle assault (LVA) | 17, 797 | 14, 115 | 17, 797 | +3, 682 | 14, 115 |
| 228 | Navy energy program (advanced) | 17, 180 | 6, 100 | 17, 180 | +11, 080 | 8, 000 |
| 229 | Avionics development (W0572) | 5, 881 | 4, 072 | 5, 881 | +1, 809 | 4, 072 |
| 230 | Airborne tactical signal exploitation | 2, 000 | 0 | 1, 000 | +1, 000 | 0 |
| 231 | Area air defense (S0854) | 25, 307 | 15, 057 | 11, 907 | −3, 150 | 15, 057 |
| 232 | Air-to-air missile (AAM) systems engineering | 44, 711 | 32, 000 | 44, 711 | +12, 711 | 32, 000 |
| 233 | Close-in weapon system (Phalanx) | 2, 114 | 1, 000 | 2, 114 | +1, 114 | 1, 500 |
| 234 | NATO Seasparrow | 5, 091 | 2, 000 | 4, 191 | +2, 191 | 4, 191 |
| 235 | Computer systems engineering development | 1, 126 | 0 | 1, 126 | +1, 126 | 0 |
| 236 | Point defense improvements | 2, 121 | 0 | 2, 121 | +2, 121 | [1] 0 |
| 237 | Joint Army/Navy guided projectile | 22, 072 | 25, 072 | 22, 072 | −3, 000 | 22, 072 |
| 238 | Gun systems improvement (S0178) | 15, 170 | 11, 870 | 15, 170 | +3, 300 | 15, 170 |
| 239 | Navy energy program (engineering) | 9, 015 | 4, 000 | 9, 015 | +5, 015 | 5, 000 |
| 240 | AV-8B+ | 0 | 0 | 5, 000 | +5, 000 | 5, 000 |
| 241 | Surface effect ship | 0 | 100, 000 | 0 | −100, 000 | 60, 000 |
| 242 | Major caliber lightweight gun | 0 | 32, 000 | 0 | −32, 000 | 1, 000 |
| 243 | Submarine ASW standoff weapon | 8, 049 | 8, 049 | 0 | −8, 049 | 7, 000 |
| 244 | Advanced ASW target | 11, 104 | 11, 104 | 5, 000 | −6, 104 | 5, 000 |
| 245 | Submarine tactical warfare system | 42, 782 | 42, 782 | 38, 612 | −4, 170 | 38, 612 |
| 246 | SSNX | 10, 000 | 10, 000 | 0 | −10, 000 | 5, 000 |
| 247 | Radar surveillance equipment (advanced) | 13, 375 | 13, 375 | 4, 575 | −8, 800 | 7, 500 |
| 248 | Combat system architecture | 10, 000 | 10, 000 | 8, 800 | −1, 200 | 8, 800 |
| 249 | Combat system integration | 12, 054 | 12, 054 | 8, 054 | −4, 000 | 8, 054 |
| 250 | Combat system engineering development site | 44, 818 | 44, 818 | 41, 818 | −3, 000 | 44, 818 |
| 251 | 5-in rolling frame missile | 19, 051 | 19, 051 | 18, 051 | −1, 000 | 19, 051 |

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**Footnotes at end of table.**

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION—FISCAL YEAR 1980—Continued

[In thousands of dollars]

| Item No. | Program element | Budget request, fiscal year 1980 | House authorization | Senate authorization | Change from House | Conference |
|---|---|---|---|---|---|---|
| 252 | Radar surveillance equipment | 14, 993 | 14, 993 | 7, 993 | −7, 000 | 7, 993 |
| 253 | A–6 squadron | 3, 446 | 3, 446 | 2, 246 | −1, 200 | 3, 446 |
| 254 | Tactical information system | 17, 819 | 17, 819 | 14, 519 | −3, 300 | 14, 519 |
| 255 | Advanced design submarine nuclear propulsion plant | 7, 854 | 7, 854 | 0 | −7, 854 | 5, 000 |
| 256 | Ship development (advanced) | 14, 219 | 14, 219 | 12, 419 | −1, 800 | 27, 419 |
| 257 | Ship development (engineering) | 63, 953 | 63, 953 | 54, 953 | −9, 000 | 59, 953 |
| 258 | Penguin | 9, 284 | 9, 284 | 0 | −9, 284 | 8, 500 |
| 259 | Marine ground combat supporting arms | 1, 554 | 1, 554 | 6, 554 | +5, 000 | 6, 554 |
| 260 | Light carrier design | 0 | 0 | 25, 000 | +25, 000 | 10, 000 |
| 261 | SEAMOD | 0 | 0 | 8, 000 | +8, 000 | 8, 000 |
| 262 | APRAPS | 0 | 0 | 3, 100 | +3, 100 | 3, 100 |
| 263 | Advanced target systems development | 1, 037 | 0 | 1, 037 | +1, 037 | 0 |
| 264 | Aerial target fund | 7, 447 | 0 | 7, 447 | +7, 447 | 6, 500 |
| 265 | Surface warfare training device | 23, 691 | 3, 940 | 10, 000 | +6, 060 | 10, 000 |
| 266 | International R.D.T. & E | 1, 316 | 621 | 1, 316 | +695 | 1, 316 |
| 267 | Test and evaluation support | 191, 516 | 191, 516 | 184, 516 | −7, 000 | 187, 516 |
| 268 | Navy studies and analyses (reduction) |  | −12, 000 |  | +12, 000 | [1] −12, 000 |
| 269 | Advanced computer technology |  |  |  |  | 12, 000 |
| 270 | 30 mm gun pod |  |  |  |  | 2, 000 |
|  | Financing adjustment from fiscal year 1979: |  |  |  |  |  |
|  | ELF communications |  |  | −13, 250 | −13, 250 | −20, 000 |
|  | Surface effect ship |  |  | −44, 000 | −44, 000 | 0 |
|  | Other, Navy | 3, 361, 594 | 3, 542, 495 | 3, 542, 495 |  | 3, 542, 495 |
|  | Total[2] | 4, 489, 341 | 4, 569, 544 | 4, 524, 396 | −45, 148 | 4, 542, 9920 |
|  | AIR FORCE |  |  |  |  |  |
| 301 | Defense research sciences | 113, 184 | 107, 000 | 113, 184 | +6, 184 | 110, 000 |
| 302 | Aerospace avionics | 63, 200 | 55, 200 | 63, 200 | +8, 000 | 55, 200 |
| 303 | Training and simulation technology | 11, 400 | 10, 500 | 11, 400 | +900 | 10, 500 |
| 304 | Personnel utilization technology | 4, 800 | 4, 500 | 4, 800 | +300 | 4, 500 |
| 305 | Advanced simulator technology | 0 | 2, 000 | 0 | −2, 000 | 2, 000 |
| 306 | Advanced computer technology | 2, 700 | 4, 700 | 2, 700 | −2, 000 | 4, 700 |
| 307 | Advanced drone/remotely piloted vehicles development (2233) | 5, 500 | 3, 500 | 5, 500 | +2, 000 | 3, 500 |
| 308 | Advanced avionics for aircraft | 12, 000 | 12, 000 | 8, 300 | −3, 700 | 12, 000 |
| 309 | Cruise missile carrier aircraft | 30, 000 | 0 | 30, 000 | +30, 000 | 30, 000 |
| 310 | Penetrating manned bomber | 5, 000 | 0 | 5, 000 | +5, 000 | 0 |
| 311 | Strategic bomber enhancement | 12, 800 | 0 | 12, 800 | +12, 800 | 0 |
| 312 | AN/ALQ–161 defensive avionics system | 0 | 15, 000 | 0 | −15, 000 | 0 |
| 313 | Strategic weapons launcher/AMST competitive flyoff | 0 | 30, 000 | 0 | −30, 000 | 0 |
| 314 | Missile surveillance technology | 21, 800 | 4, 400 | 21, 800 | +17, 400 | 4, 400 |
| 315 | Minuteman squadrons | 30, 300 | 40, 300 | 30, 300 | −10, 000 | 40, 300 |
| 316 | Postattack command and control system (E–4)(2212) | 25, 500 | 24, 500 | 25, 500 | +1, 000 | 24, 500 |
| 317 | PARCS range extension | 5, 000 | 0 | 5, 000 | +5, 000 | 0 |
| 318 | WWMCCS ADP/E–4 | 800 | 0 | 8.00 | +800 | 0 |
| 319 | Air Force satellite communication system | 70, 600 | 19, 200 | 60, 600 | +41, 400 | 19, 200 |
| 320 | Bomber penetration evaluation | 54, 900 | 54, 900 | 30, 000 | −24, 900 | 54, 900 |
| 321 | SAC communications | 18, 000 | 18, 000 | 12, 000 | −6, 000 | 18, 000 |
| 322 | Combat aircraft technology (2600) | 8, 000 | 2, 000 | 8, 000 | +6, 000 | 2, 000 |
| 323 | Enforcer aircraft | 0 | 6, 000 | 0 | −6, 000 | 6, 000 |
| 324 | Theater ballistic missile | 4, 000 | 0 | 4, 000 | +4, 000 | 2, 000 |
| 325 | Engine model derivative program | 26, 000 | 39, 300 | 26, 000 | −13, 300 | 39, 300 |
| 326 | FAC–X | 1, 000 | 0 | 1, 000 | +1, 000 | 1, 000 |
| 327 | Ground launched cruise missile | 44, 100 | 60, 900 | 44, 100 | −16, 800 | 60, 900 |
| 328 | Low level laser guided bomb | 12, 000 | 8, 000 | 12, 000 | +4, 000 | 8, 000 |
| 329 | Common NATO munitions (2639; 2641) | 16, 700 | 2, 200 | 12, 800 | +10, 600 | 2, 200 |
| 330 | Reconnaissance equipment (2057, 2368) | 20, 400 | 4, 900 | 20, 400 | +15, 500 | 4, 900 |
| 331 | Precision location strike system (PLSS) | 24, 900 | 70, 200 | 0 | −70, 200 | [1] 15, 00 |
| 332 | Combat rescue replacement helicopter | 500 | 0 | 500 | +500 | 0 |
| 333 | F–4 squadrons | 500 | 2, 000 | 500 | −1, 500 | 2, 000 |
| 334 | 30-mm gun pod | 0 | 7, 000 | 0 | −7, 000 | 0 |
| 335 | Advanced attack weapon | 35, 800 | 35, 800 | 34, 800 | −1, 000 | 34, 800 |
| 336 | Pave mover | 6, 700 | 6, 700 | 4, 000 | −2, 700 | 6, 700 |
| 337 | Close air support system | 54, 000 | 54, 000 | 60, 000 | +6, 000 | 60, 000 |
| 338 | Advanced communication system | 12, 000 | 12, 000 | 6, 000 | −6, 000 | 12, 000 |
| 339 | Aircom | 500 | 0 | 500 | +500 | 0 |
| 340 | Special activities | 353, 139 | 368, 239 | 467, 739 | +99, 500 | 440, 739 |
| 341 | Development planning | 2, 100 | 1, 100 | 2, 100 | +1, 000 | 1, 100 |
| 342 | Next generation trainer aircraft | 1, 900 | 0 | 1, 900 | +1, 900 | 1, 900 |
| 343 | Management headquarters, research and development | 19, 751 | 17, 800 | 17, 751 | −49 | 17, 751 |
| 344 | Productivity, reliability, availability and maintainability (PRAM) | 7, 900 | 3, 000 | 5, 900 | +2, 900 | 5, 900 |
| 345 | Public affairs | 300 | 0 | 300 | +300 | 300 |
| 346 | General reduction |  |  | −12, 500 | −12, 500 | −12, 500 |
| 347 | Very high-speed integrated circuits |  |  |  |  | 30, 430 |
| 348 | Advanced warning systems |  |  |  |  | 12, 000 |
| 349 | Night attack aircraft | 12, 800 | 12, 800 | 12, 800 | 0 | 25, 300 |
|  | Other, Air Force | 3, 852, 626 | 3, 820, 626 | 3, 820, 626 |  | 3, 820, 626 |
|  | Total | 5, 005, 100 | 4, 940, 265 | 4, 994, 100 | +53, 835 | 4, 994, 046 |

[In thousands of dollars]

| | | | | | | |
|---|---|---|---|---|---|---|
|  | DEFENSE AGENCIES |  |  |  |  |  |
| 401 | Foreign weapons evaluation (OSD/JCS) | 9, 100 | 0 | 9, 100 | +9, 100 | 0 |
| 402 | Technical support (OSD/OJCS) | 19, 982 | 10, 000 | 19, 982 | +9, 982 | 14, 000 |
| 403 | Laser communication experiment (DARPA) | 0 | 5, 000 | 0 | −5, 000 | 5, 000 |
| 404 | Classified program (NSA) | 1, 200 | 0 | 1, 200 | +1, 200 | 0 |
| 405 | WWMCCS ADP (DCA) | 4, 694 | 2, 614 | 4, 694 | +2, 080 | 2, 614 |
| 406 | WWMCCS system engineering (DCA) | 34, 166 | 29, 046 | 24, 166 | −4, 880 | 29, 046 |
| 407 | Director, test, and evaluation | 33, 400 | 42, 500 | 33, 400 | −9, 100 | 42, 500 |
|  | Other, defense agencies | 1, 017, 458 | 1, 017, 458 | 1, 017, 458 |  | 1, 017, 458 |
|  | Total | 1, 120, 000 | 1, 106, 618 | 1, 110, 000 | +3, 382 | 1, 110, 618 |

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[1] Without prejudice.

[2] Includes $5,341,000 in special foreign currency.

## ARMY

### *Advanced diesel technology engine*

The Senate bill authorized $14.2 million for development of a diesel engine within the XM-1 tank development program. The House amendment did not include authorization for diesel-engine development. The conferees agreed to an authorization of $14.2 million in a new program, Advanced Diesel Technology Engine.

The conferees intend that this authorization be directed toward completing advanced technology work on the AVCR-1360 diesel engine by building two new engines and rebuilding two existing engines and to conduct design, test, and durability improvements on those engines.

This program should follow the proposals the Under Secretary of Defense made to the House and Senate Committees in May of 1979 and would include modification of two prototype test vehicles to accept the AVCR-1360 engine with modified controls, cooling systems, and to include automotive testing. The program would also include Army field tests, lab tests, and program support for the above-mentioned effort.

### *Anti-tank guided missile*

The Senate bill authorized $12 million for the Anti-Tank Guided Missile program as requested by the Department of Defense. The House amendment did not include authorization for this program.

The conferees authorized $12 million for continued support of technology, rather than a structured development program, in view of the inability of the Department of the Army to propose a specific program. The technology supported should be selected for its potential to improve anti-tank weapon operational effectiveness. Weapon lethality and reducing exposure of missile-launching troops should be emphasized. The Army should also use funds provided in this program to explore interoperability and standardization of anti-armor weapons within NATO.

In order to reduce confusion over the Army's requirements and plans, work performed during fiscal year 1980 should be structured to complete a comprehensive plan for an expedited development program so that the Congress can act on a specific proposal in the fiscal year 1981 budget request.

### *Tactical operations system (TOS)*

The Army requested $36.5 million for the Tactical Operations Systems. The Senate bill authorized the full amount. The House amendment did not authorize any funds. The Senate receded to the House. The conferees support the concept of the TOS but not the program as presented by the Army. The conferees, therefore, deleted the request for authorization without prejudice.

### *Tank gun cooperative development*

The Senate bill authorized $47.49 million of the $51.89 million requested for the Tank Gun Cooperative Development program. The House amendment authorized $39.39 million. The conferees agreed to authorize $43.09 million.

The authorization of $43.09 million approved by the conferees is $8.8 million below that requested. The reduction is the amount identified by the Army as excess to the authorization required for fiscal year 1980.

The Senate insisted on providing authorization of $3.7 million for continued development of an interim round for the 120-mm smooth bore gun, and the House receded.

### *Terminal homing systems*

The Senate bill authorized the full Army request of $9.5 million to initiate development of the 8-inch anti-radiation projectile. The House amendment deleted the entire request.

The House action was based on the Army's plan to develop an entirely new 8-inch guided projectile with an anti-radiation seeker without consideration of previous Navy efforts that resulted in the successful development of an 8-inch guided projectile.

Subsequent to passage of the House amendment and Senate bill, the Army advised the Committees on Armed Services that an investigation of the Navy's 8-inch guided projectile resulted in the selection of the Navy's projectile body for the anti-radiation projectile. Consequently, the House receded to the Senate position with the understanding that the Army will proceed with the Navy 8-inch guided projectile body.

### *Theater nuclear force survivability analysis*

The Senate bill authorized $2.48 million as requested for the Theater Nuclear Force Survivability Analysis program. The House amendment denied all authorization.

The conferees denied Army authorization for this program with the understanding that theater nuclear force survivability analysis may be continued in programs approved for Department of Defense agencies, including the Defense Nuclear Agency.

## NAVY

### *Advanced computer technology*

The Senate bill authorized the Navy request for $26.87 million and $1.126 million for the Command and Control Technology and Computer Systems Engineering Development programs, respectively.

The House amendment authorized $30.87 million, an addition of $4 million to the Navy request for Command and Control Technology and deleted the entire request of $1.126 million for the Computer Systems Engineering Development program.

The conferees authorized $26.87 million for the Command and Control Technology program but provided no authorization for the Computer Systems Engineering Development program. In addition, the conferees agreed that funds are required for continued development during fiscal year 1980 for advanced computers.

The conferees established a new program element, Advanced Computer Technology, with an accompanying authorization of $12 million of which $7 million is for the large-scale integrated circuit (LSI) 43/44 project and $5 million for the Advanced S-1 computer project. The $5 million for the S-1 is in addition to the $1.5 million authorization requested and approved for this project under the Command and Control Technology program. The authorization of the LSI 43/44 is predicated on the availability of funds for the S-1 project.

### *Light carrier design*

The conferees authorize $10 million in R&D funding for continued design work on a Light Carrier. The conferees expect the Navy to move as rapidly as possible to develop a Light Carrier design to the point where a Light Carrier can be authorized. These funds may not be applied to any purpose other than Light Carrier design without a reprogramming action.

### *Surface electro-magnetic/optical system (project X0665)*

The Senate bill authorized the full Navy request for $10.114 million which included $6.755 million for the continued development and testing of an infrared search tracker (IRST) system.

The House amendment deleted the $6.755 million requested for this project. Last year, the conferees, in the joint explanatory statement accompanying the conference report on H.R. 10929, conveyed to the Navy the necessity for technology exploitation that culminates in an operationally deployable system. The basis for this concern emanated from the Navy's long-term research and development investment in infrared systems with no substantive deployment of hardware in the fleet. The conferees agreed that the authorization for the IRST project be deleted without prejudice. In the event the Navy continues this project during fiscal year 1980, the conferees expect that a shipboard implementation plan for infrared systems including IRST and forward-looking infrared (FLIR) be provided in conjunction with the fiscal year 1981 budget submission.

### *Trident II*

The Senate bill authorized the full Navy request for $40.64 million for the Trident II missile system.

The House amendment deleted the entire request in the absence of a requirement for the Trident II missile, or a description of the Trident II system alternatives, and on the basis of the high cost of the system considering other Navy requirements for funds.

The conferees agreed to an authorization of $25.64 million for the improved accuracy program, tradeoff studies and concept design of the Trident II missile.

The conferees requested that the Secretary of Defense provide to the Committees on Armed Services by March 1, 1980, a report on the requirement for the missile, the design alternatives of the total missile system, its affordability—that is, how the program will be funded within the constraints of the Navy budget—and a management plan for competing the development and production of the missile system components and integration.

## AIR FORCE

### *Bomber penetration evaluation*

The Air Force requested $54.9 million to continue evaluation of the B-1 as a penetrating bomber. The House authorized the full amount; the Senate authorized $30 million. The Senate receded to the House. The conferees agreed that this would be the final authorization for the Research, Development, Test and Evaluation for the B-1 as a penetrating bomber unless the Department of Defense could demonstrate that such testing was part of an approved program to deploy a penetrating bomber. The future requirement to test the effects of electromagnetic pulse on the B-1 should be funded in the aircraft survivability program.

### *Common NATO munitions/night-attack program*

The Air Force requested $16.7 million for the Common NATO Munitions program which included $12.5 million for the Airborne Tracker Laser Illuminator System (ATLIS II) project. The Senate bill authorized $12.8 million which included $12.5 million for the ATLIS II project. This authorization was predicated upon a reduction of $12.5 million from the overall Air Force research and development account.

The House amendment deleted the request for authorization for the ATLIS II program.

The conferees agreed on the requirement for a Laser Designator capability for the F-16 aircraft.

The conferees, therefore, agreed to authorize $12.5 million under the Air Force Night-Attack System program element for the purpose of a competition for the selection of a laser designator-equipped pod for the F-16 and other aircraft.

The conferees are concerned over the proliferation of the electro-optical pods and request that the Air Force, Army, and Navy provide a coordinated report to the Congress, as part of the fiscal year 1981 budget submission, on a plan to reduce the types of pods being developed and procured for the three services in order to achieve maximum commonality.

### *Missile surveillance technology*

The Senate bill authorized $21.8 million as requested for the Missile Surveillance Technology program and the House amendment authorized $4.4 million.

The conferees agreed to a reduction of $17.4 million in the authorization requested for the Missile Surveillance Technology program and provided authorization of $12 million to initiate a new program titled Advanced Warning Systems. The conferees also agreed to authorize $4.4 million for the Missile Surveillance Technology program to allow continuation of the infrared background measurements program.

The conferees have been advised that prior to January 1980, Defense Systems Acquisition Review Council meetings will be convened to address the requirement to improve or replace the Defense Support Program system and which new technologies should be pursued if a requirement is established. This authorization is provided to give the Department of Defense the funding flexibility required to make a decision and present schedule and cost estimates for a new warning satellite program to Congress, if such a program is required.

All appropriations provided through this authorization are to be used only for continuing base technology efforts until the requirement, the system characteristics and the technologies to be incorporated in a new warning satellite have been established and presented to Congress by the Secretary of Defense. The funds authorized are intended to be used to maintain all feasible technical options that might be used in the new system.

### *The M–X missile*

The House amendment in section 201(1) identified $670 million only for concurrent full-scale engineering development of the Multiple Protective Structure (MPS) basing system and the M–X missile. The Senate bill contained no such provision.

The Senate recedes.

Section 202 of the House amendment required the Secretary of Defense to submit a report to Congress by March 1, 1980, evaluating the ability of the MPS missile basing to survive attempts by the Soviet Union to neutralize such a system. The Senate bill section 202 authorized appropriations of $670 million for research and development of the M–X missile and required the President and the Secretary of Defense to report no later than October 1, 1979, on the final characteristics of the missile system. The Senate bill further stated that if a final basing system chosen was other than a land-based system, the President or his designee would be required to certify to Congress that a land-based system is not in the best interest of national security and that the approved basing system is either militarily more effective than any land-based system or less costly and equally or more militarily effective than any land-based system. Additionally, the Senate bill stipulated that no funds may be expended for the program for 60 days after receipt of such a report unless both Houses passed a resolution of approval within that period.

In view of the President's decision and his report to Congress on the selection of a M–X basing mode subsequent to Senate action on the bill, the Senate agreed with the House position to include the House language in section 202.

### *Precision location strike system (PLSS)*

The Air Force requested $24.9 million for the development of a PLSS for detection and location of enemy air defense radars. The House authorized $70.2 million; the Senate deleted the entire amount.

The conferees agreed to authorize $15.0 million, the reduction made without prejudice, with the direction that no funds are to be obligated or expended until a report on the restructured program is submitted to the Congress by the Secretary of Defense.

## DEFENSE AGENCIES

### *Blue/green laser communications*

The Senate bill authorized $2 million for a joint office of Naval Research and Defense Advanced Research Projects Agency (DARPA) analysis of the potential of blue-green laser technology for communicating with patrolling submarines. The House amendment authorized $5 million for DARPA to initiate a feasibility demonstration.

The conferees agreed to authorize $5 million for DARPA to be used for both the feasibility demonstration and a review of the potential of this technology. The conferees ask that a report be submitted by March 1, 1980, that defines the cost, risk, schedule and capability of an operational system.

### *Technical support OSD/OJCS*

The Senate bill authorized $19.982 million as requested by the Department of Defense, and the House amendment authorized $10 million. The conferees agreed to authorize $14 million of which $2.5 million is to be used specifically by the Under Secretary of Defense for Research and Engineering to establish a list of "Military Critical Technologies." This list is to be provided to the Secretary of Commerce in compliance with the Export Administration Act of 1979.

### *Very high-speed integrated circuits*

The Senate bill authorized $12.0 million for the Army, $10.43 million for the Navy, and $8.0 million for the Air Force to begin development of very high-speed integrated circuits. The House amendment provided no authorization for this work. The conferees agreed to authorize the full amount requested.

In approving the authorization for $30.43 million, the conferees established a new program line in the Air Force titled Very High-Speed Integrated Circuits. Management of this tri-service program, including funding control, is to be executed by the Under Secretary of Defense for Research and Engineering.

The conferees concurred in the concerns of the House and approved authorization for this program with the following understanding:

The export of the technology developed in this program would be controlled where applicable by the International Traffic in Arms Regulations until the state-of-the-art for such technology progresses to the point where national security permits its transfer to other controls for export.

The contracts awarded for this program must include the clauses contained in amendment number 0003 dated September 24, 1979, to the Request for Proposals issued for this program on June 22, 1979. These clauses provide the Government the option of having licenses granted so that the technology developed under this program can be used in practice by the Department of Defense and its contractors as needed for future programs.

### *World wide military command and control system (WWMCCS)*

The Defense Communications Agency requested authorization of $4.694 million for the WWMCCS Automatic Data Processing—Joint Technical Support Activities (ADP–JTSA) program and $34.166 million for the WWMCCS System Engineering Program. The Senate bill authorized the full request for the WWMCCS ADP–JTSA but levied an undistributed reduction of $10 million against the WWMCCS System Engineering Program. The House amendment reduced the WWMCCS ADP–JTSA program request by $2.08 million and the WWMCCS System Engineering program by $5.12 million.

The conferees accepted the House authorization levels but agreed to provide the Department of Defense the flexibility to apply the reduction across the full set of Defense Communication Agency WWMCCS activities.

The reports accompanying the Senate bill and the House amendment, both expressed concern about the WWMCCS program. The Senate report requested that the Department of Defense undertake a critical review of all strategic surveillance, warning and command and control programs and submit a report on its findings by January 15, 1980. The House report requested that the Department of Defense present an integrated plan with the fiscal year 1981 budget submission that clearly indicated what type of ADP capability is required by the various commands for their command and control functions and how the Defense Department plans to modernize both the computer hardware and software elements of the WWMCCS in support of these requirements.

The conferees agreed to the authorization with the understanding that the Department of Defense will address the concerns expressed in both reports.

### *Advanced self-protection system*

Section 201 of the House amendment provided that $13.19 million be authorized only for the joint Navy/Air Force development of a common electronic self-protection system for integration into, but not limited to, the Navy F–18 and Air Force F–16 aircraft.

The Senate bill did not contain any such provision.

The conferees agreed with the intent of section 201 of the House amendment, but concluded that specific language was not required in the law and, therefore, the House recedes. It is the clear intent of the conferees of both Houses that the joint Navy/Air Force development of a common electronic self-protection system should go forward.

## TITLE III—ACTIVE FORCES

Active duty military strengths in the Senate bill and House amendment differed by a total of 10,100. The conferees' agreement is summarized in the following table:

| | House | Senate | Conference |
|---|---|---|---|
| Army | 780, 337 | 776, 700 | 776, 700 |
| Navy | 529, 002 | 524, 000 | 528, 000 |
| Marine Corps | 189, 000 | 189, 000 | 189, 000 |
| Air Force | 558, 761 | 557, 300 | 558, 000 |
| Total | 2, 057, 100 | 2, 047, 000 | 2, 051, 700 |

The conference agreement is 4,700 above the Senate position and 5,400 below the House. The changes from the Administration request are in the Army, for which the conference agreement is 2,700 above the Administration request in order to accommodate the President's decision to defer troop withdrawals from Korea in fiscal year 1980, and in the Air Force.

### *Double counting of reserve general officers (sec. 302)*

The House amendment contained a provision (sec. 804) that amends current law to provide that a Marine Corps reserve general officer who is serving on extended active duty—and charged against the active duty ceiling—will not be charged against the reserve general officer strength while so serving.

The Senate bill (sec. 303) amends current law in a similar manner but extends the amendment to include all services.

#### *Officer grade distribution reporting requirement (sec. 303)*

Current law requires each of the Service Secretaries to submit an officer grade distribution report and promotion plan to Congress by April 30 of each year. Section 304 of the Senate bill required that this information be included as part of the Manpower Requirements Report rather than as separate reports.

No similar provision was contained in the House amendment.

The House recedes.

### TITLE IV—RESERVE FORCES

Section 401(b) of the bill contains the authorization for the number of reservists on full-time active duty for the purpose of organizing, administering, recruiting, instructing and training the Reserve components. The House and Senate differed on the strength for such full-time active duty Reserve personnel in the Naval Reserve. The Senate increased the Administration request by 1,500 personnel for a total of 1,707. The House amendment had authorized 207, the amount requested. The conferees agreed to an increase of 500 (bringing the total in the bill to 707). The additional full-time support personnel should be used in a test program involving high-priority missions of the Naval Reserve or to offset deficiencies in critical skills in the active Navy.

The conferees expect the Naval Reserve to be provided full-time support consistent with the average strength of 87,000.

The conferees believe that critical types of units with important capabilities such as deployment-related units, aviation, ship and aircraft maintenance, intelligence and other highly professional skills should be retained in the force structure consistent with modernization programs and that 17 Reserve Naval Mobile Construction Battalions should be retained.

There were no other differences between the Senate bill and the House amendment on Reserve component strengths.

#### *Amendments to the reserve educational assistance program (sec. 402)*

Section 402 of the House amendment amended the current Reserve Educational Assistance Program (section 2131(b)–2135 of title 10, United States Code.) The House amendment increases from 50 to 100 percent the reimbursement for a year's education expenses, although still limited to the existing limit of $500 per year. The recoupment provision of the Reserve Educational Assistance Program is revised in order to take into account the amount of time a participant serves satisfactorily in the Selected Reserve in computing the amount to be refunded.

The Senate recedes.

#### *Retention of reserve veterinary officers to age 60 (sec. 403)*

Section 403 of the House amendment granted permissive authority to the Secretary of the Army and the Secretary of the Air Force to retain reserve veterinary officers to age 60 under the same conditions as reserve officers of other health professions and chaplains.

No similar provision was included in the Senate bill.

The Senate recedes.

#### *Administrative duty pay (sec. 404)*

The Senate bill contained a provision (sec. 402) that would terminate the authority to pay Administrative Duty Pay to reserve and national guard commanders for performing administrative functions.

The House amendment contained no similar provision.

The House conferees expressed concern that unilateral action at this time terminating this authority would have an adverse impact on these individuals who spend significant time above and beyond their normal paid drill periods performing administrative tasks. However, the House conferees agreed payment is no longer functional and eventually should be terminated.

In order to minimize the impact of this termination, the conferees agreed to an amendment delaying for one year termination of this authority and request the Secretary of Defense to submit a report evaluating possible changes to the overall Reserve Compensation System by December 31, 1980.

The House recedes with amendment.

### TITLE V—CIVILIAN PERSONNEL

For fiscal year 1980, the Department of Defense requested an end strength of 985,100. The House authorized a Department-wide end strength of 986,292. The Senate authorized a civilian end strength for each of the services totaling 980,900. The conferees agreed to provide for an overall Department of Defense-wide authorization for civilian personnel of 983,600—a reduction of 1,500 from the Administration request. The conferees agreed that in allocating civilian manpower spaces in fiscal year 1980, the Department of Defense should follow the specific recommendations made by the respective committees concerning increases for Naval Air Rework Facilities and for medical support activities. In accommodating the reduction, the Department of Defense should include a reduction in support personnel for dependent activities overseas and give consideration to the areas addressed in the reports of the House and Senate Committees on Armed Services concerning civilian personnel.

#### CIVILIAN MANPOWER FOR MAINTENANCE-RELATED ACTIVITIES

The Senate bill contained a section which provides that the Secretary of Defense shall manage manpower resources in a manner that will insure that activities engaged in maintenance, construction, engineering acquisition, or repair are provided sufficient civilian manpower to perform the work for which funds have been appropriated.

The House recedes.

#### INTELLIGENCE ANALYSIS

The conferees agree on the need to improve intelligence analysis capabilities. The conferees strongly recommend that the services set a goal for fiscal year 1980 of increasing the number of production analysts in the intelligence community by 300 active duty military in the military services and Defense Intelligence Agency, and a related increase of 100 civilians for the Army and 100 civilians for the Defense Intelligence Agency. The United States must continue to invest in high technology systems for intelligence collection, but it must not neglect the need to train and maintain an adequate number of expert analysts to give meaning to the intelligence data collected. These increases should provide additional top quality line analysts and are specifically not to be used for other intelligence activities.

### TITLE VI—MILITARY TRAINING STUDENT LOADS

The Senate bill and the House amendment differed on military training student loads for the Army, Army National Guard, and Army Reserve.

The Senate bill specifically authorized a portion of the requested student loads for utilization solely for One Station Unit Training.

The House amendment, although containing the same numbers overall, authorized these training loads without any specific allocation for One Station Unit Training.

The House recedes.

#### TRAINING LOAD ADJUSTMENTS

The Senate bill contained a provision requiring the Secretary of Defense to adjust the military training student loads in order to be consistent with the manpower strengths authorized in Titles III, IV, and V of this act. The House amendment contained no such provision.

The House recedes.

#### SCHOLARSHIPS FOR MILITARY JUNIOR COLLEGES

The conferees agreed to endorse the language of the Senate report which recommends that 30 of the additional two-year R.O.T.C. scholarships requested by the Army for fiscal year 1980 be allocated to military junior colleges.

### TITLE VII—CIVIL DEFENSE

The House provided $138 million for civil defense. The Senate authorized $106.8 million. The House recedes.

The House version also contained a five-year authorization for civil defense. The multi-year authorizations included a provision containing a new civil defense policy statement and related program elements. The Senate conferees were unable to accept the House provisions for a series of specific authorizations totaling $989.9 million over a five-year period for civil defense operations without any hearings having been held on the nature of the programs that would be funded by such authorizations. The House recedes.

However, the conferees do agree that civil defense is a vital and necessary part of a sound deterrent posture, and therefore, recommend to the appropriate executive agencies that earnest efforts be made over the next five years to increase the commitment to and effectiveness of the nation's civil defense, with funding each successive year at a level that reflects both the inflation rate and the Soviet threat.

The House amendment contains a provision to eliminate various limitations on appropriations for personnel and administrative expenses, student travel, radiological instrument procurement and personal equipment for state and local civil defense workers. The Senate bill contains a provision that increases the limitation on appropriations for personnel and administrative expenses from $35 million to $40 million and retains the existing limitations on other activities. The House recedes.

The Senate amendment to the Federal Civil Defense Act establishing a Federal-State matching requirement for the construction of emergency operations centers was not agreed to. The Senate recedes.

### TITLE VIII—GENERAL PROVISIONS

#### *Amendments to the Uniform Code of Military Justice to improve military discipline (sec. 801)*

The Senate bill contained a provision (sec. 801) intended to improve military discipline by limiting the right of an accused to raise defects in the enlistment process to defeat court-martial jurisdiction, and to clarify the President's authority to issue a manual of procedure not only for trial procedures, but pre-trial and post-trial procedures as well

The House amendment has no similar provision.

The House recedes.

The House conferees were reluctant to take a step which might be misinterpreted as providing further encouragement to an already serious recruiting malpractice problem. However, it is inappropriate to address the issue of malpractice in a court-martial proceeding.

The conferees agree that the current management technique of using recruiting quotas has increased the likelihood of recruiting malpractice. The Secretary of Defense is urged to review the management of recruiting in the military services and to consider an alternative approach to the current quota system.

The conferees have also agreed that a more effective administrative process to permit enlistees to raise questions of the validity of their enlistment is necessary. The conferees expect the Secretaries of each of the services to establish an administrative process that will provide each enlistee a voluntary opportunity to raise any improper matters in his or her enlistment, as well as permit service management to uncover recruiting malpractice. The general framework of this process shall permit an enlistee at the end of his basic training period, or at a similarly appropriate point, the opportunity to raise such matters.

The service secretaries shall report back to each of the Committees on Armed Services by December 31, 1979 on the process that will be established to uncover recruiting malpractice.

### *Waiver of OMB Circular A-76 for contracting out of certain research and development activities (sec. 802)*

Section 801 of the House amendment contained a provision exempting most research and development (R&D) activities from the application of Office of Management and Budget (OMB) Circular A-76. This circular establishes the policies and procedures to be used by executive branch departments for implementing the general policy that the Government will rely on competitive private enterprise where practicable to supply the products and services it needs. Only those support activities for R&D which are more structured in nature, such as facility and equipment maintenance, are excluded from the prohibition contained in the House provision.

The Senate bill had no similar provision.

The Senate recedes.

### *Uniformed Services University of the Health Sciences (sec. 803)*

Section 802 of the House amendment requires that the Secretary of Defense take actions to insure the Uniformed Services University of the Health Sciences operates at full capacity, upon recommendations of the Board of Regents and consistent with academic capabilities. It also makes a technical correction (changes "uniform" to "uniformed") and clarifies original Congressional intent to allow up to 20% of graduates to serve in civilian Federal service in lieu of military service by clarifying the language to indicate that authority is *permissive* in nature.

No similar provision was included in the Senate bill.

The Senate recedes.

### *Stipend increase for health professions scholarship program (sec. 804(a))*

The House amendment contained a provision (sec. 806(a)) that would increase the stipend for the Health Professions Scholarship Program participants to the same level as that received by participants in the National Health Service Corps Scholarship Program—administered by the Department of Health, Education, and Welfare—($453 per month) and provide for annual adjustments thereafter at the same time and in the same amount as the HEW stipend.

The Senate bill contained a provision (sec. 807) that would adjust the current stipend ($400 per month) in the future.

The Senate recedes.

### *Special pay for medical officers during periods of obligation (sec. 804(b))*

The House amendment contained a provision (sec. 806(b)) that provides $9,000 per year to military physicians who are not in internship or residency training but who are serving their initial active duty obligation.

No similar provision was included in the Senate bill.

The Senate recedes.

### *Six-year military service obligation for persons enlisting after age 26 (sec. 805)*

The House amendment contained a provision that extends the 6-year statutory military obligation to all enlistees by terminating the exception for enlistees age 26 and over. The Senate bill contained no similar provision.

The Senate recedes.

### *Restrictions on contracting out (sec. 806)*

The Senate bill declared that it was United States policy that the provisions of the Office of Management and Budget Circular A-76 prohibiting the use of private contractors to avoid personnel or salary limitations and prohibiting personnel actions in violation of Civil Service personnel regulations are binding on the Department of Defense. Further, commercial or industrial type functions being performed by Department of Defense personnel at Davis-Monthan Air Force Base on January 1, 1979, may be contracted out to a private contractor only if such action does not affect technical skills necessary to critical military capabilities, mobilization capabilities, or accountability in the Department of Defense.

The Senate bill also required an annual report by the Secretary of Defense on conversion of commercial or industrial type functions to performance by private contract for the year preceding the fiscal year in which the report is provided and an estimate of such conversion for the fiscal year in which the report is provided.

The House amendment contained language that provides that no commercial or industrial type function may be converted from performance by Department of Defense personnel to performance by private contractor to circumvent a civilian personnel ceiling or unless the Secretary of Defense—

(1) Notifies the Congress of a decision to study a function for conversion;

(2) Submits a report showing the economic impact of such a conversion on the community, the employees affected, and the military mission or function; and

(3) Notifies the Congress of a final decision to convert a function to performance by private contractor, and submits the amount of the bid accepted and the cost of performance by government personnel, together with all other costs and expenditures the government could incur by such conversion.

The House amendment also provided that no funds may be obligated or expended for a contract after a decision to convert until the appropriate congressional committees have had 30 legislative days to review the decision.

The conferees agreed on language similar in most respects to that contained in the House amendment without the requirement for the 30 legislative day delay before obligation of funds can occur and with the requirement for an annual report of such conversions as contained in the Senate bill.

### *Advanced housing allowance (sec. 807)*

Section 807 of the House amendment authorized the Department of Defense to make advanced payments of the overseas housing allowance.

No similar provision was included in the Senate bill.

The Senate recedes.

### *Annual report of NATO readiness (sec. 808)*

This section of the House amendment required the Secretary of Defense to assess annually and report to the Congress on the readiness status of the military forces of the North Atlantic Treaty Organization (NATO), including an annual assessment of deficiencies, a reporting of planned corrections in the identified readiness deficiencies and the portion of the budget which is allocated for such corrections, and a reporting of commitments made by other member nations to correct their readiness deficiencies. There was no similar provision in the Senate bill.

The conferees agreed that the Secretary of Defense should also include within the required report an assessment of the readiness status and deficiencies relating to NATO tactical and theater nuclear capabilities.

The Senate recedes.

### *Selected acquisition reports (sec. 809)*

Both the Senate bill (sec. 804) and the House amendment (sec. 809) contained provisions requiring quarterly selected acquisition reports to the Congress. Both provisions contained essentially the same language and the technical differences were resolved by the conferees.

### *Assistance to the 1980 Winter Olympic Games (sec. 810)*

Both the Senate bill (sec. 805) and the House amendment (sec. 810) authorized an amount not to exceed $10 million for providing assistance under certain conditions to the 1980 Winter Olympic Games.

The Senate provision required specific appropriations to carry out the provisions of the section. The House provision had a similar requirement but excluded pay and non-travel related allowances.

The Senate recedes.

### *Presidential recommendations for Selective Service (sec. 811)*

The House amendment contains a requirement for the President to provide a report on his recommendations for reform of the Selective Service System. The Senate bill contains no similar provision.

The Senate recedes with an amendment.

The President's recommendations with regard to the feasibility of establishing a registration plan through a centralized automated system should specifically address court decisions with respect to the requirement for issuing induction orders in the proper "order of call," as well as those dealing with conscientious objectors, classification procedures, and other relevant court decisions.

Both the House and Senate Committee on Armed Services have made a detailed review of the plan presented with the President's fiscal year 1980 budget for registration and induction under the Selective Service System following mobilization. Both committees have concluded that this ambitious plan will not work and that peacetime registration is needed. If the President intends to rely on this or some other post-mobilization registration plan as the foundation of our mobilization capacity at time of emergency, then the report called for in section 811 should also address the extent of testing of the plan that will be done, the acquisition schedule, and capability of computers, and other necessary equipment, the extent of agreements with state election officials or other non-Federal agencies, the schedule for training Federal and non-Federal personnel who would be involved in registration, and the likelihood that induction orders issued under such a plan would survive potential court challenges.

### *Preservation of the Selective Service System as an independent agency (sec. 812)*

The House amendment contained a provision (sec. 813) that expresses the Congress' view that the Selective Service System should remain an independent agency. The Senate bill contains no similar provision.

The Senate recedes.

### *Study of Titan II (sec. 813)*

Section 814 of the House amendment requested a study of the physical condition of Titan II facilities and maintenance procedures. Findings and recommendations of the studies were to be furnished to the Committees on Armed Services and to the Members representing the districts in which Titan facilities are located within 180 days of enactment.

No such provision was included in the Senate bill.

The Senate recedes with an amendment deleting the requirement that the studies be furnished to the Members representing the districts in which Titan facilities are located.

### *Junior enlisted dependents (sec. 814)*

The Senate bill contained a provision (Sec. 302) that would have allowed reimbursement for travel and transportation of dependents only to service members above the pay grade of E-4 who have over two years of service in an effort to reduce the number of dependents overseas. This provision would be less favorable to junior enlisted personnel than current law.

The House amendment contained a provision (Sec. 814) that would have prohibited the Service Secretaries concerned from differentiating among members (or dependents of members) on the basis of a member's grade, rank, rating or years of service, with respect to these benefits. This provision would be more favorable to junior enlisted personnel then current law.

The conferees, after lengthy discussion, agreed to drop both provisions from the bill (in effect retaining current law) and to include a provision mandating the Secretaries to undertake a program to reduce the total number of dependents including the use of discretionary authority in the granting of travel entitlements by prohibiting payment after September 30, 1980, of travel and transportation benefits to members assigned overseas when the total number of dependents authorized to be overseas and entitled to receive travel allowances exceeds 325,000. This level would represent a reduction of about 10,000 in the current number of so-called command sponsored dependents and addresses, in part, the intent of the provision contained in the Senate bill.

The House conferees reluctantly dropped the language contained in the House amendment with the understanding that the language of the conference report leaves the implementation of any restrictions resulting from the ceiling to the discretion of the Service Secretaries concerned. It is the intent of the conferees that the Service Secretaries implement any restrictions on travel entitlements fairly and in a manner in the best interest of the United States. The conferees agreed that junior enlisted members should not bear the unilateral burden of restrictions in travel entitlements or in reductions of dependents overseas, but that the Secretary in his discretion can consider such factors as age, size of family, length of service, number of overseas tours and overall morale of the service in implementing travel restrictions.

The conferees unanimously expressed concern with the current capability to evacuate the dependent population from overseas during a period of hostilities. In view of this concern, the Secretary of Defense, by March 31, 1980, is requested to submit and certify as to its effectiveness to the Committees on Armed Services of the Senate and House of Representatives, an evacuation plan for military dependents in Europe. This plan should address not only the dependents of U.S. service members, but also the impact of the other noncombatant U.S. citizens who would be competing for the limited evacuation resources during a time of extreme emergency, including the potential impact of the requirement to evacuate combat casualties.

### *Gasohol (sec. 815)*

The House amendment contained a provision designed to encourage the use of alcohol and alcohol-blends as a fuel in military motor vehicles.

The Senate bill contained no such provision.

The Senate recedes.

### *Extension of cut-off for electing coverage under the reserve survivor benefit plan (sec. 816)*

The House amendment contained a provision (sec. 819) that would extend the cut-off date for electing into the Reserve Survivor Benefit Program for 6 months, from September 30, 1979, to March 31, 1980.

No similar provision was included in the Senate bill.

Public Law 95-397 modified the Survivor Benefit Plan to permit reservists who have completed 20 years of satisfactory service to provide survivor benefit coverage in the event they die before reaching age 60. Those reservists who had already completed 20 years of service by October 1, 1978, were given until September 30, 1979, to elect coverage before age 60.

The Senate recedes.

### *Extension in time period for reductions in high grade civilians (sec. 817)*

The House amendment contained a provision (sec. 820) that would extend for one year the period of time during which reductions in high grade civilians (GS-13 and above) mandated under Public Law 95-79 are required.

No similar provision was included in the Senate bill.

Enactment of the Civil Service Reform Act resulted in certain restrictions on reducing the grades of high grade civilians. The conferees agree that this extension is granted only for this reason and that further extensions of the required reduction will not be considered.

The Senate recedes.

### *Sense of Congress expression concerning importation of strategic and critical materials from Zimbabwe-Rhodesia (sec. 818)*

The Senate bill contained a provision to amend the Strategic and Critical Materials Stock Piling Act to require the cessation of restrictions on importation of strategic materials from Zimbabwe-Rhodesia and further to lift all trade sanctions against that country. Subsequent to the passage of the bill in the Senate, Congressional action was taken on other legislation providing procedures for ending sanctions against Rhodesia and the House conferees, therefore, declined to yield.

The conferees agreed, however, on a new section 818 expressing the sense of Congress that the United States should have unlimited access to strategic and critical materials which are vital to the defense of the United States and that every effort should be made to remove artificial impediments to the importation of such materials from Zimbabwe-Rhodesia.

### *Requirement for reporting salaries of officers of Federal Contract Research Centers (sec. 819)*

Section 806 of the Senate bill directs that the Secretary of Defense report to Congress annually on all employees of Federal Contract Research Centers whose salaries are in excess of that paid to Government employees at the pay grade of level II of the Executive Schedule and the reasons for their salaries being above that amount. This reporting requirement would begin September 30, 1979, according to the Senate bill.

The House amendment had no similar provision.

The conferees agreed to include the provision in the conference report but changed the date establishing the reporting requirement to January 31, 1980.

The House recedes with an amendment.

### *Technical amendments to Defense reorganization order (sec. 820)*

The House amendment makes technical amendments to several sections of titles 5 and 10, United States Code, to reflect changes made by the Department of Defense reorganization order of March 7, 1978.

The Senate recedes.

### *Correction of erroneous section designation on prohibition against military unions (sec. 821)*

The House amendment corrects an erroneous section designation in title 10, United States Code.

The Senate recedes.

### *Extension of Polaris program*

Section 903 of the Senate bill contained language which would prohibit the deactivation of any Polaris submarines prior to one year following the enactment of this legislation.

The House amendment provides no such provision.

The Senate recedes

### *Limitation on reduction of forces at Guantanamo Bay*

Section 811 of the House amendment contained a provision to prohibit the use of any funds authorized by the bill for reduction of personnel support or equipment levels at Guantanamo Bay, Cuba, or reducing military function supported by Guantanamo Bay.

No such provision was included in the Senate bill.

The House recedes

### *Pay of administrators and instructors in Junior ROTC*

Senate bill contained a provision (sec. 809) that would require the Department of Defense to reimburse schools with Junior ROTC units for 60 percent (vice 50 percent) of the difference between the salary of administrators and instructors and military retired pay.

No similar provision was included in the House amendment.

The House conferees indicated that no problem is apparent in recruiting personnel, no programs have been terminated based on financial conditions, and no complaints have been received from the schools.

The Senate recedes.

Melvin Price,
Charles E. Bennett,
Samuel S. Stratton,
Richard Ichord,
Lucien N. Nedzi,
Chas. H. Wilson,
Richard C. White,
Bill Nichols,
Bob Wilson,
William L. Dickinson,
G. William Whitehurst
Floyd Spence,
Ed Beard,

When difference regarding intelligence related activities are under consideration only:

Bill D. Burlison,
Clement J. Zablocki,
Norman Y. Mineta,
Edward P. Boland,
J. K. Robinson,
G. William Whitehurst,
*Managers on the Part of the House*

John C. Stennis,
H. M. Jackson,
Harry F. Byrd, Jr.,
Sam Nunn,
John Culver,
Gary Hart,
John Tower,
Strom Thurmond,
John Warner,
Gordon Humphrey,
*Managers on the Part of the Senate*

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CLEVELAND (at the request of Mr. RHODES), for October 22 and 23, on account of a death in the family.

Mr. SCHEUER (at the request of Mr. WRIGHT), for the balance of the week, on account of a death in the family.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ROTH) to revise and extend their remarks and include extraneous material:)

Mr. SOLOMON, for 60 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

(The following Members (at the request of Mr. FROST) to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. RODINO, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. MAGUIRE, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Mr. REUSS, for 5 minutes, today.
Mr. WIRTH, for 5 minutes, today.
Mr. BENJAMIN, for 5 minutes, today.
Mr. OTTINGER, for 5 minutes, today.
Mr. PREYER, for 5 minutes, today.
Mr. WON PAT, for 5 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Ms. HOLTZMAN to insert extraneous material at the end of her comments on H.R. 4943.

Mr. ASHBROOK, to revise and extend following the statement of Mr. BROWN of Ohio on Senate 1030 today.

The following Members (at the request of Mr. ROTH), and to include extraneous matter:)

Mr. YOUNG of Alaska.
Mr. WILLIAMS of Ohio in two instances.
Mr. ASHBROOK in three instances.
Mr. MCCLORY.
Mrs. HOLT.
Mr. BEARD of Tennessee.
Mr. CONTE.
Mr. WYDLER.
Mr. KEMP.
Mr. BETHUNE.
Mr. DEVINE.
Mr. QUAYLE.
Mr. MICHEL.

(The following Members (at the request of Mr. FROST), and to include extraneous material:)

Mr. MURPHY of New York.
Mr. STARK in two instances.
Mr. WRIGHT.
Mr. GUARINI.
Mr. STACK.
Mr. KILDEE.
Mr. CONYERS.
Mr. PANETTA in two instances.
Mr. FORD of Michigan in two instances.
Mr. MOAKLEY in two instances.
Mr. EDGAR.
Mr. ADDABBO.
Mr. STEWART in two instances.
Mr. BRODHEAD.
Mr. PATTERSON.
Mr. MAVROULES.
Mr. FOUNTAIN.
Mr. SIMON.
Mr. CHARLES H. WILSON of California.
Mr. OTTINGER.
Mr. GARCIA.
Mr. MINETA.
Mr. DINGELL.
Mr. AMBRO.

## SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 436. An act to amend section 15(d) of the Tennessee Valley Authority Act of 1933 to increase the amount of debt which may be incurred by the Tennessee Valley Authority; and

S. 1030. An act to establish an emergency program for the conservation of energy and to provide for a standby rationing plan for motor fuel.

## ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3923. An act to amend chapter 25 of title 44, United States Code, to extend for 1 year the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes;

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 5386. An act to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States.

## BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on October 22, 1979, present to the President, for his approval, a bill of the House of the following title:

H.R. 1825. To protect archaeological resources on public lands and Indian lands, and for other purposes.

## ADJOURNMENT

Mr. MINETA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Wednesday, October 24, 1979, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2683. A letter from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize training of personnel of the armed forces of NATO member countries; to the Committee on Armed Services.

2684. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize ordering reserve commissioned officers of the Army on active duty (other than for training) to serve on active duty in a grade to which promoted; to the Committee on Armed Services.

2685. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $28,898.05 in excess gas royalty payments to the Gulf Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

2686. A letter from the Deputy Assistant Secretary of the Interior, transmitting an announcement of the matching fund water research and development areas of interest for fiscal year 1981 funding consideration, pursuant to section 411 of the Water Research and Development Act of 1978; to the Committee on Interior and Insular Affairs.

2687. A letter from the Acting Assistant Secretary of the Interior, transmitting a revised draft of proposed legislation, previously submitted, to provide for additional authorization for appropriations for the Tinicum National Environmental Center; to the Committee on Merchant Marine and Fisheries.

2688. A letter from the Secretary of Commerce; transmitting the annual report of the National Marine Fisheries Service for calendar year 1978, pursuant to section 9(a) of the Fish and Wildlife Act of 1956, as amended; to the Committee on Merchant Marine and Fisheries.

2689. A letter from the Deputy General Counsel of the Army (Military and Civil Affairs), transmitting a report on the investigation of allegations of mismanagement and prohibited personnel practices at Aberdeen Proving Ground, Md., pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

2690. A communication from the President of the United States, transmitting a proclamation extending nondiscriminatory trade treatment to the products of the People's Republic of China, together with related reports, pursuant to section 407 of the Trade Act of 1974 (H. Doc. No. 96–209); to the Committee on Ways and Means and ordered to be printed.

2691. A letter from the Comptroller General of the United States, transmitting a report on ways the Western Area Power Administration should implement conservation practices and commercialization of solar and wind technology in its marketing area (EMD–79–73, October 16, 1979); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. S. 423. A bill to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes; with amendments (Rept. No. 96–492 pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIAIMO: Committee of conference. Conference report on Senate Concurrent Resolution 36. In disagreement (Rept. No. 96–541). Ordered to be printed.

Mr. BOLAND: Committee of conference. Conference report on H.R. 4394 (Rept. No. 96–542). Ordered to be printed.

Mr. GARCIA: Committee on Post Office and Civil Service. H.R. 5461. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; with amendments (Rept. No. 96–543). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5262. A bill to amend the act of December 22, 1974 (88 Stat. 1712; 25 U.S.C. 640d); with amendments (Rept. No. 96–544). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 5505. A bill to simplify certain provisions of the Internal Revenue Code of 1954, and for other purposes; with amendment (Rept. No. 96–545). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRICE: Committee of conference. Conference report on S. 428 (Rept. No. 96–546). Ordered to be printed.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAFALIS:

H.R. 5670. A bill to amend the Wild and Scenic Rivers Act to designate a certain portion of the St. Lucie River in Florida for potential addition to the Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. BENJAMIN:

H.R. 5671. A bill to amend the Disaster Relief Act of 1974 to provide for improvements in the operation and scope of snow emergency declaration procedures and reimbursement policies; to the Committee on Public Works and Transportation.

By Mr. FISHER:

H.R. 5672. A bill to provide that adjustments in the rates of pay for Members of Congress shall be considered in a manner separate from that for other employees and officials of the legislative, executive, and judicial branches of Government, and to provide that such adjustments in the rates to pay for Members of Congress shall take effect at the beginning of the Congress following the Congress in which they are approved and then only if approved by a concurrent resolution of the Congress; to the Committee on Post Office and Civil Service.

By Mr. FORD of Michigan (for himself, Mr. Thompson, Mr. Clay, and Mr. Charles H. Wilson of California):

H.R. 5673. A bill to authorize the use of certified mail for the transmission or service of matter which, if mailed, is required by certain Federal laws to be transmitted or served by registered mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GIAIMO:

H.R. 5674. A bill to rescind certain budget authority contained in the message of the President of October 1, 1979 (H. Doc. 96–198) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. McCLORY:

H.R. 5675. A bill to amend the Safe Drinking Water Act to change the requirements for establishing national primary drinking water regulations, to require the Environmental Protection Agency to conduct a study of the health effects of barium and radium in drinking water, to suspend the standards for barium and radium pending the completion of the study, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5676. A bill to amend the Safe Drinking Water Act to provide for a study of the health effects of barium and radium in drinking water and to suspend the national interim primary drinking water standards for such contaminants pending the completion of such study and the promulgation of new standards for such contaminants; to the Committee on Interstate and Foreign Commerce.

By Mr. McDADE:

H.R. 5677. A bill to amend the Internal Revenue Code of 1954 to provide an additional $750 exemption for certain volunteer firemen; to the Committee on Ways and Means.

By Mr. McHUGH:

H.R. 5678. A bill to amend the Internal Revenue Code of 1954 to provide a refundable tax credit for low and middle income taxpayers for amounts paid for the primary fuel used in their principal residences, and to establish a program under which the Secretary of the Treasury makes advance payments of such credit to suppliers of fuel to be so used; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself, Mr. Breaux, Mr. McCloskey, Mr. Forsythe, and Mr. Edgar):

H.R. 5679. A bill to provide for additional authorization for appropriations for the Tinicum National Environmental Center; to the Committee on Merchant Marine and Fisheries.

By Mrs. CHISHOLM:

H.R. 5680. A bill to amend the Higher Education Act of 1965 to strengthen and improve the student loan programs so as to assure the availability of funds to students to attend the institution of higher education of their choice, to strengthen the procedures for the repayment of such loans, and for other purposes; to the Committee on Education and Labor.

By Mr. WON PAT:

H.R. 5681. A bill to entitle foreign-built vessels registered to certain U.S. citizens and nationals pursuant to section 4132 of the Revised Statutes for employment in the fisheries within the territorial seas of American Samoa, Guam, and the Northern Mariana Islands and within that portion of the fishery conservation zone contiguous to the territorial seas of American Samoa, Guam, and the Northern Mariana Islands; to the Committee on Merchant Marine and Fisheries.

By Mr. HAMMERSCHMIDT:

H.R. 5682. A bill to extend for 4 fiscal years the authorization of appropriations for the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

By Mr. MINETA (for himself, Mr. Giaimo, Mr. Gephardt, Mr. Nelson, Mr. Conable, and Mrs. Holt):

H.R. 5683. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs; to the Committee on Rules.

By Mr. UDALL (by request):

H.R. 5684. A bill limiting use of project water for production of excess crops; to the Committee on Interior and Insular Affairs.

By Mr. NATCHER:

H.J. Res. 427. Joint resolution making urgent supplemental appropriations for low-income energy assistance for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

By Mr. BIAGGI:

H.J. Res. 428. Joint resolution designating December 1979 as "National Child Abuse Prevention Month"; to the Committee on Post Office and Civil Service.

By Mrs. HOLT:

H.J. Res. 429. Joint resolution prohibiting the offering of floor amendments to continuing resolutions; to the Committee on Rules.

By Mr. HANSEN:

H. Con. Res. 203. Concurrent resolution expressing the sense of the Congress that the $1 bill should remain in circulation and the $1 coin should be produced in such volume as demand warrants; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ULLMAN (designated by the majority leader) and Mr. Conable (designated by the minority leader) (both by request):

H. Con. Res. 204. Concurrent resolution approving the extension of nondiscriminatory treatment to the products of the People's Republic of China; to the Committee on Ways and Means.

## MEMORIALS

Under clause 4 of rule XXII,

316. The SPEAKER presented a memorial of the Legislature of the Territory of Guam, relative to the Presidential Task Force Report on Economic Development, Federal Assistance, Coordination of Federal Grants, Federal Organization and Federal Presence; to the Committee on Interior and Insular Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAFALIS:

H.R. 5685. A bill for the relief of Earl Tyler; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 5686. A bill for the relief of Mario U. Mentuano; to the Committee on the Judiciary.

By Mr. HARRIS:

H.R. 5687. A bill for the relief of Michael G. Macdonald; to the Committee on the Judiciary.

By Mr. PEASE:

H.R. 5688. A bill to provide for the conveyance of certain surplus property of the National Aeronautics and Space Administration located in Erie County, Ohio, to the individuals from whom the United States acquired the property; to the Committee on Government Operations.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1078: Mr. Kogovsek.

H.R. 1644: Mr. Anthony and Mr. Sawyer.

H.R. 2191: Mr. Edgar.

H.R. 2364: Mr. Leach of Iowa.

H.R. 3105: Mr. Bafalis, Mr. Corcoran, Mr. Frenzel, Mr. Gramm, Mr. Rousselot, Mr. Stangeland, Mr. Yatron, and Mr. Carney.

H.R. 3106: Mr. Roe, Mr. Carter, Mr. Goldwater, Mr. Duncan of Tennessee and Mr. Frost.

H.R. 3685: Mr. Mollohan and Mr. Volkmer.

H.R. 3718: Mr. Bailey and Mr. Findley.

H.R. 3981: Mr. Buchanan and Mr. Howard.

H.R. 4156: Mr. Evans of the Virgin Islands.

H.R. 4471: Mr. Jeffries, Mr. Edwards of Oklahoma, Mr. Quillen, and Mr. McCloskey.

H.R. 4561: Mr. Wolpe.

H.R. 4842: Mr. Coughlin, Mr. Oberstar, and Mr. Cavanaugh.

H.R. 5200: Mr. Bailey.

H.R. 5225: Mr. Badham, Mr. English, Mr. Corcoran, and Mr. Rousselot.

H.R. 5278: Mr. Fazio.

H.R. 5282: Mr. Bevill, Mr. Corrada, Mr. Hughes, and Mr. Lagomarsino.

H.R. 5327: Mr. Lagomarsino, Mr. Collins of Texas, Mr. Whitehurst, Mr. Spence, Mr. Kindness, Mr. Butler, Mr. Hughes, Mr. Gradison, Mr. Buchanan, Mr. Wyatt, Mr. Kemp, Mr. Kildee, Mr. Stanton, Mr. Devine, Mr. Broyhill, and Mr. Won Pat.

H.R. 5341: Mr. Gibbons.

H.R. 5440: Mr. Livingston, Mr. Rudd, Mr. Mazzoli, Mr. Dougherty, and Mr. McDonald.

H.R. 5443: Mr. Seiberling and Mr. Dougherty.

H.J. Res. 68: Mr. Jeffords.

H.J. Res. 343: Mr. Erdahl, Mrs. Spellman, Mr. Hall of Ohio, Mrs. Heckler, and Mr. Buchanan.

H.J. Res. 372: Mr. Moffett, Mr. Blanchard, Mr. Roe, Mr. Green, Mr. Ambro, Mr. Pashayan, Mr. Yates, Mr. Rosenthal, Mr. Weiss, Mr. Dougherty, Mr. Stokes, and Mr. Wolff.

H.J. Res. 382: Mr. Abdnor, Mr. Bethune, Mr. Alexander, Mr. de la Garza, Mr. Holland, Mr. Bereuter, Mr. Brown of Ohio, Mr. Evans of Delaware, Mr. Sebelius, Mr. Hall of Texas, Mr. McCloskey, Mr. Fuqua, Mr. Kemp, Mr. Kindness, Mr. Erdahl, Mr. Lagomarsino, Mr. Coleman, Mr. Price, Mr. Stockman, Mr. Walgren, Mr. Leach of Louisiana, Mr. Johnson of Colorado, Mr. Fazio, Mr. Coelho, Mr. Mathis, Mr. Dodd, Mr. Whitten, Mr. Jeffords, Mr. Frenzel, Mr. Ginn, Mr. Lott, Mr. Kastenmeier, Mr. Johnson of California, Mr. Bafalis, Mr. Winn, Mr. Roe, Mr. Murphy of New York, Mr. Spence, Mr. Findley, Mr. Kramer, Mr. Madigan, Mr. Evans of the Virgin Islands, Mr. Wampler, Mr. Loeffler, Mr. Whittaker, Mr. Neal, Mr. McHugh, Mr. Hutto, Mr. Guyer, and Mr. Hance.

H. Con. Res. 122: Mr. Bonior of Michigan, Mr. Scheuer, and Mr. Murphy of New York.

H. Con. Res. 151: Mr. Abdnor, Mr. Annunzio Mr. Badham, Mr. Beard of Tennessee, Mr. Beilenson, Mr. Benjamin, Mr. Bereuter, Mr. Bethune, Mr. Burgener, Mr. John L. Burton, Mr. Campbell, Mr. Carter, Mr. Cheney, Mr. Clausen, Mr. Clinger, Mr. Coelho, Mr. Coughlin, Mr. Courter, Mr. Daniel B. Crane, Mr. Philip M. Crane, Mr. Dannemeyer, Mr. Daschle, Mr. Dellums, Mr. Dornan, Mr. Dougherty, Mr. Eckhardt, Mr. Erdahl, Mr. Evans of the Virgin Islands, Mr. Fazio, Ms. Ferraro, Mr. Fuqua, Mr. Gingrich, Mr. Goodling, Mr. Gore, Mr. Grassley, Mr. Grisham, Mr. Guyer, Mr. Hall of Texas, Mr. Hinson, Mr. Huckaby, Mr. Hyde, Mr. Jeffries, Mr. Johnson of California, Mr. Johnson of Colorado, Mr. Jones of Tennessee, Mr. Kemp, Mr. Kogovsek, Mr. Kramer, Mr. Lagomarsino, Mr. Latta, Mr. Lee, Mr. Leland, Mr. Lewis, Mr. Lloyd, Mr. Lott, Mr. Lujan, Mr. Marriott, Mr. Matsui, Mr. McClory, Mr. McCloskey, Mr. McKay, Mr. Miller of California, Mr. Mineta, Mr. Moorhead of California, Mr. Mottl, Mr. Myers of Indiana, Mr. Natcher, Mr. Panetta, Mr. Patten, Mr. Patterson, Mr. Pepper, Mr. Petri, Mr. Peyser, Mr. Quillen, Mr. Ritter, Mr. Robinson, Mr. Rousselot, Mr. Roybal, Mr. Royer, Mr. Rudd, Mr. Sawyer, Mrs. Schroeder, Mr. Shumway, Mrs. Smith of Nebraska, Mrs. Snowe, Mr. Solarz, Mr. Solomon, Mrs. Spellman, Mr. Stack, Mr. Stangeland, Mr. Stenholm, Mr. Stockman, Mr. Symms, Mr. Tauke, Mr. Trible, Mr. Vander Jagt, Mr. Walker, Mr. Wampler, Mr. Waxman, Mr. Weaver, Mr. Whitehurst, Mr. Whittaker, Mr. Bob Wilson, Mr. Charles Wilson of Texas, Mr. Charles H. Wilson of California, Mr. Wolpe, Mr. Young of Florida, and Mr. Young of Alaska.

H. Con. Res. 202: Mrs. Heckler, Mr. Dodd, Mr. Solarz, Mr. Ambro, Mr. Edwards of California, Mr. Yates, Mr. Frenzel, Mr. Lent, Mr. Oberstar, Mr. Long of Maryland, Mr. Fish, Mr. Markey, Mr. Evans of the Virgin Islands, Mr. Skelton, Mr. Ottinger, Mr. Stark, Mr. Donnelly, Mr. Kildee, Mr. Waxman, Mr. Albosta, Mr. Thompson, Mrs. Spellman, Mr. Beilenson, Mr. Peyser, Mr. AuCoin, Mr. Lagomarsino, Mr. Carney, Mr. Gradison, Mr. Mathis, Mr. Murphy of Pennsylvania, Ms. Holtzman, Mr. Gilman, Mr. Roe, Mr. Fowler, Ms. Ferraro, Mr. Charles Wilson of Texas, Mr. Green, Mr. Mitchell of Maryland, Mr. Addabbo, Mr. Solomon, Mr. Biaggi, Mr. Marks, and Mr. Wolff.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

S. 212. By the SPEAKER: Petition of the Executive Director, American Public Works Association, relative to resolutions and policy statements of the association for 1979; to the Committee on Public Works and Transportation.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

### H.R. 2608

By Mr. SEIBERLING:

—On page 12, line 18, strike "by October 1, 1979" and insert in lieu thereof: "within 90 days of enactment of this legislation".

### H.R. 4904

By Mr. JEFFORDS:

—On page 109, after line 2, insert the following new subsection (c):

"(c) Notwithstanding any other provision of law, the Secretary of Agriculture, at the request of the governor, in accordance with arrangements entered into with the Secretary of Health, Education, and Welfare, shall pay each household—

"(1) of which every member is either over sixty-five or is eligible for grants to the blind or disabled in Guam, Puerto Rico, and the Virgin Islands;

"(2) which is eligible to participate in the food stamp program; and

"(3) which is not entitled to a payment under section 1619 of the Social Security Act;

an amount equal to the value of a coupon allotment to which the household is entitled under the Food Stamp Act of 1977. For the purposes of section 8(b) of the Food Stamp Act of 1977 pertaining to benefits provided being excluded as income or resources under other laws, an amount paid under this subsection shall be treated as the value of the coupon allotment. In the administration of such Act, a household which receives payments under this subsection for any month shall not be issued a coupon allotment for such month. Payments under this subsection shall be made at such time or times as the Secretary of Agriculture determines by rule and shall be designated (on any voucher or other record of payment) as 'Nutritional Supplement.' "

### H.R. 5297

By Mr. SEIBERLING:

—On page 7, line 18 and 19, strike "by October 1, 1979" and insert in lieu thereof: "within 90 days of enactment of this legislation".

# EXTENSIONS OF REMARKS

## MORE ON ACTION: FROM SOCIAL SERVICE TO SOCIAL ACTIVISM

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

• Mr. ASHBROOK. Mr. Speaker, it is no secret that I am not among the admirers of Sam Brown or his Action agency. During hearings before the Education and Labor Committee earlier this year, M. R. Kramer and I raised several questions about the administration of the program, particularly the widespread allegations about political activism under Mr. Brown's leadership. Many of our questions were glossed over by those who want to look the other way. Many remain unanswered.

The Republican Study Committee has published in its bulletin of this week, an excellent study of the ACTION agency and some of its activities. Although the agency has won reauthorization, I intend to closely monitor the program. We all know that you can not teach an old dog new tricks and I think this column tells us why.

I urge my colleagues to read it.

ACTION'S PACE IS SLOWED; SHOULD BE EVEN SLOWER

Despite claims by agency officials that alleged illegal activities have been curtailed, ACTION staffers still manage to get into trouble by extending their activities beyond the legal scope of their job descriptions. Unfortunately, state and local officials have more of an idea of what goes on than we do here in Washington.

A small Arkansas paper, the Southern Standard, recently ran a story about a VISTA volunteer in Clark County who is paid through the state ACTION office and is assigned to an ACORN group as a community organizer. As has been noted in past Bulletin issues, ACORN was originally started in Arkansas by a former member of the National Welfare Rights Organization; ACORN activities have always been oriented toward assisting the poor, and whenever possible ACORN has encouraged the poor to work through the political arena to achieve change. The state ACTION director is looking into alleged illegal activities by the VISTA worker, but no action has yet been taken. However, he said he was aware of the allegations of the illegal activities but did nothing until a group of local Clark County officials demanded some answers. City manager of Arkadelphia Hugo Blaas said after the meeting with the ACTION official, "From my personal viewpoint, and personal edification, I asked one basic question which is, by what authority does the federal government disperse federal monies as payroll to support groups who at times seem to go against the Democratic order of the right to choose and vote on matters? What activities are sanctioned under the Domestic Volunteer Service Act of 1973 under Section 403-b? It would appear that there is a conflict between the act and certain behavior of groups sponsored by the federal govern-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ment." It would appear as though Clark County officials are not too happy with VISTA's involvement with the ACORN group.

Earlier this month, ACTION won reauthorization, but not before receiving scathing criticism on some of the programs. Republican critics defeated funding for a new urban volunteers program. The national grants program narrowly survived, but received reduced funding. This program was one of Sam Brown's babies, instituted to bypass the normal VISTA route for disseminating funds; rather than go through regional offices, the money was given directly to national anti-poverty groups to support volunteers. The House of Representatives also adopted amendments to restrict political involvement of volunteers and to make VISTA projects subject to the approval of local officials. Governors already have the jurisdiction to veto projects in their states, and with final passage of this amendment, local officials will have a say at their level about the plans and activities of VISTA programs.

The short life of ACTION (created by the Nixon administration) has evolved in an interesting fashion; the direction of the agency seems to have moved from service to social activism. The service-oriented concept advocated by the Nixon administration has been shoved aside, and agency head Sam Brown argues that the (federally-supported) volunteers should concentrate on helping the poor and powerless learn to help themselves by acquiring political clout to defend their economic interests.

Hopefully, local officials, such as the ones in Arkansas, will be able to veto objectionable VISTA projects in the future, if they choose to do so. With this power, perhaps only then will the majority in Congress see that not all the VISTA projects are welcomed into communities with proverbial open arms. With new evidence that is bound to crop up in the future, maybe ACTION will eventually be whittled away to the non-controversial operation it should be today.

## NEGATIVE IMAGES IN SOUTH BRONX

## HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, October 22, 1979*

● Mr. GARCIA. Mr. Speaker, all too often negative images are presented of the South Bronx, completely ignoring any attempts by residents themselves to improve their living conditions. I am particularly pleased when the media seeks to bring attention to concerned individuals fighting to keep the South Bronx alive. The following article which appeared in New York magazine, on October 15, 1979, is an excellent example of people who care in my community:

### Miracle on a Mean Street: How a Slum Building Was Saved

(By Gelvin Stevenson)

"Nearly everyone was moving out, but I decided to stay and fight," says Luis Juarbe, the superintendent of 481 Wales Avenue, a five-story walk-up in the South Bronx. Mr. Juarbe has lived there for nineteen years, and his father used to be super in the adjacent building. He's never wanted to move. Many of his friends had fled when their buildings began the slide to abandonment, but not Luis Juarbe.

His warm and friendly manner belies the combative spirit and perseverance that lie below. When surgery for a chipped bone in his elbow resulted in a paralyzed left arm. Juarbe set to work on it. "It's a lot better now," he says. "I've rehabilitated it."

He has also helped to rehabilitate 471–481 Wales Avenue. In the fall of 1977, the two connected buildings near Hunts Point, with 100 apartments between them, were teetering on the brink of abandonment. Fire had gutted the street-level bodega, pipes were leaking, and the boilers were in disrepair. Services were minimal, security nonexistent. Locks on mailboxes were broken, doors to vacant apartments were left open, stairs were crumbling, hallways were dark and dingy with dirty flaking paint, and tenants were leaving in droves.

Today the buildings show new life. The bodega is open and active again. Many once vacant apartments are full again; apartments still vacant are sealed. The worst leaks have been fixed, the front hallways sport fresh paint, there are new mailboxes, the boilers work, the leaky boiler pipes have been replaced, and eight-foot fences protect the entrances to the buildings.

Had it not been fought for, 471–481 Wales Avenue would undoubtedly have been destroyed by one of the 28 purposely set fires that eat away at the city every day. Over half of all arson fires occur in abandoned buildings, and many of the rest take place in buildings that are becoming abandoned.

When a landlord wants to torch an occupied building, he typically starts with a small roof fire. He wants people to be able to get out—murder is to be avoided. The tenants in the damaged top-floor apartments move out, and then strippers remove and sell fixtures and plumbing exposed by the fire. A second fire may be set to ease the job of extracting pipes. Fires and flooding due to the broken pipes help to empty two or three more floors. One more fire is often necessary to get the remaining tenants to flee. Tenants have even been known to set fire to their own places at this point to escape a firetrap and get priority relocation in public housing. At any rate, it is just a matter of time until such a building has entirely gone up in smoke. This fate was averted at 471-481 Wales Avenue, and the buildings have become an example of how the city can help prevent arson by stopping abandonment and stabilizing the neighborhood.

"It started this way," says Luis Juarbe, from the easy chair in his second-floor apartment. "In the fall of 1975 Charles Garcia knocked on the door and said, 'I represent Key Properties, Inc. We're the new landlord.' "

Tenants were at first pleased by this change because the situation under the former landlady had been deteriorating rapidly. But their relief was short-lived, for the deterioration continued. "Once I told Garcia I needed a new sink," Juarbe recalls, "and he told me to take one out of an empty apartment."

Nearly every week the boiler ran out of oil. Even with electric heaters, tenants were shivering. A group of tenants were promised improvements after they visited the landlord's office, but the promises were never kept.

In early 1977 squatters began moving into the unsealed vacant apartments left by tenants who had fled. Homeless drug dealers took over several apartments to be near a primary market, Samuel Gompers Vocational High School, right across the street. They decorated the halls with graffiti, like Kool Sex and Cindy is a Joy, and brought a dangerous atmosphere with them. Tenants complained to the landlord unavailingly.

Slow deterioration almost gave way to instant destruction late one August night in 1977 when a fire broke out in the bodega on the ground floor of 481. Flames and neighbors' screams woke everyone in the building and all the tenants had time to throw on some clothes and flee to safety. The fire was extinguished quickly, no one was hurt, and the damage was confined to the bodega, which was destroyed.

The smoke cloud from the fire in the bodega had a silver lining—it alerted Joe White to the building's plight. A police officer assigned to the arson squad, Joe White had grown up at 481 Wales Avenue and lived there for 22 years after his mother brought him to New York from Puerto Rico in 1941.

"When I heard about the fire in the bodega, I decided to investigate," White says. "People rumored that it might have been set, so I snooped around. But that was all hearsay, and the Fire Department later declared it non-suspicious—an electrical fire."

White took the tenant leaders to a meeting of the 40th Precinct Community Council, "but help from them would have taken a lot of time, and the tenants needed help immediately." So White called Nicholas Borg, then director of the Mayor's Arson Task Force, a committee set up to coordinate the arson-prevention efforts of city agencies.

"It was a classic case of a building about to become another arson statistic," recalls Borg. "In November 1977 only about 60 percent of the 100 units at 471-481 Wales Avenue were occupied, no repairs were being made, there was no heat, and it was emptying fast.

"After Joe White called me, I took a look at the buildings and decided we could do something," Borg continues, "People were leaving like crazy, and I knew there would be fires if we couldn't stop the process."

Borg's strategy began with keeping the buildings occupied. In early November Borg and White met on their own time with tenants at a church just up the block. It was a familiar place for Joe White: He had been baptized and married there. Seventy tenants heard these articulate and forceful city officials ask them to stay put. And Borg promised heat and hot water if they would stay.

This was not to be a simple matter. First the city had to gain legal control over the buildings. According to Harold Shultz, who handled the litigation for the Department of Housing Preservation and Development (HPD), this is possible whenever there are "conditions dangerous to life, health, and safety in a building." At the request of the Mayor's Arson Task Force—and with a lot of pushing from Nick Borg—several city agencies inspected the buildings. The place was "crawling with inspectors," recalls Luis Juarbe. "One inspector told me he had been an inspector for eleven years and this was the first time he'd been in the field. He asked me who I knew."

At the court proceeding leading to takeover, on November 23, 1977, housing officials, who rarely if ever appear in Housing Court, testified about housing-code violations, and Fire Department officials testified about fire hazards. The police balked, however. They said they didn't know anything about real estate and had no business testifying. Judge Anne Targum agreed, nevertheless, that conditions were dangerous and appointed HPD as the city's "7A administrator." It is Article 7A of the state real-estate law that allows the Housing Court to turn deteriorating buildings over to a responsible operator. Under 7A, repairs and operating expenses are generally paid for from rental income; no city funds are committed. One of HPD's first acts was, at the tenants' request, to offer Luis Juarbe the job of superintendent of 481. He accepted, and soon thereafter Juarbe's friend Freddie Ortiz moved in as the super of 471. A plumber, Ortiz saved at least 50 percent on numerous plumbing jobs. He is no longer super, but he still does plumbing for both buildings. Squatters still occupied several apartments when Juarbe became super, and after one of them scribbled graffiti on the lobby wall he had just painted, Juarbe nailed the doors to the squatters' apartments shut. The two people he accidentally locked in broke a window and escaped.

They have not been back. Two months after Juarbe had taken care of business, a city marshal came to nail a dispossess notice to the door of one of the apartments. Luis Juarbe patiently explained that the apartment was now empty. And in April, five months after the super had solved the problem, two police officers knocked on his door. They were answering the original tenant complaint about squatters, from long before the takeover.

As soon as the buildings were in the city's hands, Borg set to work mobilizing city resources. Heat and security were vital. HPD's Emergency Repair Program repaired the boiler and provided oil. All of the vacant apartments were boarded up, and their entrances were wired with alarms by fire marshals, who set up an around-the-clock monitoring operation in a fifth-floor apartment—on a wall of which someone had scrawled Cristo Te Ama.

Police officers were staked out around the building from 4 p.m. to midnight every day, and fire marshals covered the other two shifts. Police made themselves conspicuous on the streets—they wanted to prevent, not capture. But that created problems.

"It was costing us nearly $800 per day in police and marshal manpower," say Borg. "There had to be a better way." So he requested that HPD install a fence around the building. For about $4,000 it would provide the security tenants needed, and it would pay for itself in saved manpower costs in less than a week. But Borg hadn't counted on the city's inimitable way of doing things. HPD's Office of Evaluation and Compliance had to approve the situation. The Technical Department had to draw up specifications and working drawings and let bids. Once a contract was finally awarded and signed, it took two months for the fence to be erected. The time lost cost the city well over $50,000 in salaries and overtime for police and fire marshals at 471–481 Wales Avenue—all for a $4,000 fence.

The unusually heavy snows of winter 1978 weren't the only thing that held up the work. "Contractors don't always act as if time is of the essence," explains Carl Callender, former assistant commissioner of evaluation and compliance. "That's partly because the city has historically taken months to pay them."

Before the fence was completed, the police had gone; much of the slack was taken up by fire marshals. The police didn't like the stakeout and complained of being treated like "rent-a-cops." According to Joe White, "The first month had been crucial, and the building was now secure." Nick Borg disagreed but had no authority over the police. So the Police Department pulled its men off the job.

Under its new administration, 471–481 Wales Avenue has been filling up rapidly, and tenants have been working together in a spirit of collective self-reliance. Residents paint, plaster, and help with plumbing for low wages. They feel 471 and 481 are their buildings.

Not that frustration has been eliminated. In mid-1978 there was a desperate shortage of materials. Tenants had to· wait several weeks for repairs on a water pipe which was leaking and about to break. Juarbe and Ortiz noted bitterly that a building two blocks away had been taken over by the city in what is called 309 receivership, meaning that additional city funds could be invested in repairs. "So why can't we get the materials we need?"

Harold Shultz, the HPD counsel who worked on 471–481 Wales Avenue, says that the 309 Receivership Program takes weeks to institute and would have taken effect too late for the building. But no one explained that to the tenants at Wales Avenue.

Eventually the city did provide some help when a program to lend seed money to such buildings went into effect. With Judge Targum's approval, a $10,000 loan was made last fall to fix the roofs and the top-floor apartments, put in some new bathrooms, do tile work, and upgrade the boiler. With that work completed, the remaining apartments will soon be occupied. Apartments are being snatched up as soon as they are available, as tenants from worse buildings want to move into one "on its way up." A postal worker with two children moved into a five-room apartment after she, her uncle (who lives on the first floor), her children, and some friends first fixed the large holes in the walls.

The buildings are currently three-quarters occupied and are paying all their operating expenses. Money owed the city for fuel and repairs proffered during the first two winters has been repaid and sufficient funds are on hand to pay the coming winter's fuel bills.

Without the efforts of Luis Juarbe, Nicholas Borg, Joe White, and many other people, the city would have spent a lot of money and perhaps firemen's lives putting out fires. Relocating tenants would have cost the city dearly. Demolition would have cost tens of thousands of dollars. Rehabilitation of a fully burned-out hulk would probably have cost $4 million in city and federal funds. That makes 471–481 Wales Avenue quite a saving—it took only a few thousand dollars' worth of effort, not counting the fiasco with the fence.

A viable tenant organization, to screen prospective tenants, has yet to be set up at 471–481. Mirriam Juarbe, Luis' wife, explains that the large influx of tenants has made things difficult because most newcomers don't appreciate the struggles the building has been through. "We need an organizer," says Luis Juarbe.

Last December—a little over a year after the buildings were put into the 7A program—the tenants held a meeting in the basement of 481 to hear Carl Callender tell them what the city expected of them and what they could expect of the city. He told the 27 tenants gathered that the city would gradually turn the management of the buildings over to the tenants. But the tenants had to show that they were ready to take on the responsibility. Callender asked how many wanted to be part of an association making decisions about the buildings. Only half raised their hands. Mirriam Juarbe repeated the question in Spanish, and the rest of the hands went up.

Callender also explained the management courses the city offers to tenants. At the first such course meeting, a spokeswoman for Con Ed, scheduled to speak on how to clean your refrigerator and stove, of all things, failed to appear, but the tenants' hopes are high that the quality of such offerings will improve.

Callender didn't leave without giving the tenants the credit they deserved. "This is a successful test," he said. "It has proven something to a lot of city officials."

In response, George Juarbe, Luis's brother, proclaimed that "it proves some people want to live like people. You've just got to help them out. The people care." ●

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## FISHERY PRODUCTS GAIN IN WORLD MARKETS

### HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. YOUNG of Alaska. Mr. Speaker, as the world food problems become more and more intense, the utilization of the world's fishery products is becoming more and more important. The world is beginning to fully appreciate the necessity of seafood in their diet.

World trade in fishery products continued to show impressive gains in 1978. The United States also showed impressive increases in these world trade statistics. The United States has risen to second place, behind Canada, in the world exporting market of fishery products. These U.S. exports have vastly contributed to the fact that Japan is now the leading importer of fishery products.

Japan imports great quantities of fishery products from the United States, and more specifically, the State of Alaska. This is due to the fact that Alaska is the largest producer of seafood products in the country. Alaska's success can be directly attributed to the passage of the Fishery Conservation and Management Act of 1976, and the enforcement of the 200-mile limit.

The fishing industry in Alaska is alive and well. However, at this point, there are many other species that should be utilized for the world's diet. What is now necessary are sound management proposals for the harvesting and marketing of these species. As the world becomes more in tune with the hunger problem, the producing of such species is imperative.

With the establishment of seafood products in the world's diet and with sound management proposals for underutilized species, Alaska and the rest of the United States can continue to excel in the world's fishery products markets. The United States must be made aware of the fishery product potential that lies within its borders. It must realize the worth of that potential, and then it must manage and produce that potential in an intelligent and sound manner.●

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## CHRIST THE KING PARISH TO CELEBRATE ITS GOLDEN ANNIVERSARY

### HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. KILDEE. Mr. Speaker, it is with pleasure that I bring to the attention of the Congress the golden anniversary observance this weekend in Flint, Mich., of Christ the King Catholic Church. The observance will include special recognition of the Reverend Norman A. DuKette, the founder of Christ the King Parish and who now is retired from the active ministry.

Christ the King Parish was founded in October 1929 by Father DuKette, who had been sent from Detroit to minister to the black Catholics of the Flint area. In that first Mass, held in the former St. Joseph Catholic Church on Flint's north side, only four persons attended.

Father DuKette soon moved the parish to the south side of Flint, where he celebrated Mass in homes and an old Methodist parsonage. It was not until the 1940's that the parish obtained a permanent home by purchasing a home on Clifford Street, and later it purchased a former National Youth Administration building and had it moved to Seymour Street where it was divided, with half being used as a rectory and half as a church. This building was razed in 1969 because of highway construction, and the former Bishop of Lansing announced that Christ the King Parish would be disbanded and its members absorbed by other parishes. But the parishoners of Christ the King Church wanted to keep their parish alive, and their wishes finally were agreed to by the Diocese of Lansing and they were allowed to keep their identity. Construction was begun in 1969 on the present Christ the King Church, with Mass being held in the basement of the rectory until money could be raised to build the church. Father DuKette retired at the age of 80 in 1970, and was succeeded by Rev. Michael Matarazzo, who continued Father DuKette's and the parish's dream of having their church building completed. The church was completed in 1972, and in 1978 Father Matarazzo was transferred to Sacred Heart Parish, also in Flint, and succeeded by the present pastor, Rev. Lawrence Parkhurst.

Christ the King Parish now has 66 families. The Very Rev. Kenneth M. Povish, Bishop of Lansing, will celebrate the parish's Golden Anniversary Mass at noon on October 28, 1979, and Father DuKette will be presented with the "Gold Medal of Merit" award from the Knights of Peter Claver afterward. I am pleased and proud to provide this brief sketch of the parish's history, which speaks to the courage and perseverance of a large number of devoted and dedicated priests and parishoners in establishing and building an active and healthy parish.●

## ANOTHER ASSAULT ON THE AMERICAN FAMILY

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. ASHBROOK. Mr. Speaker, since Jimmy Carter came to the White House, we have witnessed a continuing assault on the American family. First it was the Department of Education, an agency which will replace parents and local authorities with Washington bureaucrats and social engineers from the NEA mold. Then it was the IRS proposal to deny tax-exempt status to private schools throughout the country. Fortunately, many of us in Congress concerned about this blatant attack were able to block it. Unfortunately, we had no such luck with the Department of Education.

Now the President has insulted the concept of the family once more with a proposal which would create an Office of Families within HEW. Apparently, Mr. Carter does not find parents capable of coping with the rigors of family life. His solution, of course, is to bring the Federal Government into the home. This is preposterous.

The pro-family forces in this Nation should stay on their toes. At the rate the Carter administration is going, it would not be long before he moves a bureaucrat into every living room. On October 18, the Cincinnati Enquirer published an excellent editorial condemning this ridiculous proposal. My colleagues would do well by reading this column:

FAMILY POLICY—CARTER'S REPUGNANT PROPOSAL

> "President Carter has become an unfortunate parody of himself.
>
> "His newest proposal to make good his promise of a government 'as full of love as the American people themselves'—an Office of Families in the Department of Health, Education and Welfare—is morally repugnant to those who genuinely care about the sanctity of the American family.
>
> "The President's notion is absurd on its face. 'Many families have been strained to the breaking point by social and economic forces beyond their control,' the President said in Kansas City the other day. 'Some indeed have broken.' What he failed to say is that it is government taxation and government inflation that have created the 'economic forces beyond' the control of most American families.
>
> "The American family is too important to the very fabric of this society to let it become the plaything of a liberal, activist bureaucracy, a porkbarreling Congress, a judiciary out of touch with mainstream America, and an executive in desperate search of re-election.
>
> "Who can resist the temptation to suggest that the Office of Families (OOF) could become the moral equivalent of OSHA, the Occupational Safety and Health Administration, or of EEOC, the Equal Employment Opportunity Commission. Would we have unannounced, unwarranted investigators peering into the kitchens, the parlors, the family rooms and the bedrooms of American homes? Do we have an equal number of male and female children here? Is love adequately distributed amongst all the members of the family? Did you wash behind your ears? Have you spent 20 hours this week filling out the proper government forms, in triplicate? Is this family represented by counsel?
>
> "If we have learned our lessons from Washington, it is that whenever government finds the excuse, it grows bigger on its own momentum. This is one more example in that vein. And we would have Mr. Carter to thank." ●

## TRIBUTE TO WYSU

### HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. WILLIAMS of Ohio. Mr. Speaker, today is a very special day in Ohio's 19th Congressional District, the district I represent. Today, Tuesday, October 23, 1979, is the 10th anniversary of WYSU-FM, a fine arts radio station operated on the campus of Youngstown State University.

It was 10 years ago today that WYSU began to offer residents of northeastern Ohio and western Pennsylvania a dramatic alternative to the programing available on commercial radio stations in that area. For the first time, a local station began offering shows featuring symphony music, national public affairs, and even book reviews.

Since its beginning 10 years ago, WYSU has provided the residents in its listening area with cultural programing that is unequaled. Truly, WYSU has been a boon to the listeners in the 19th Congressional District.

Special credit for WYSU's success must go to: Dr. John Coffelt, president of Youngstown State University; Stephen Grcevich, director of telecommunications at YSU; and Donald Elser, chairman of the YSU speech and drama department at YSU when WYSU first went on the air.

I take this opportunity, Mr. Speaker, to pay tribute to those three gentleman and to the entire staff of WYSU for a job well done.

I know those three and the staff would be the first to point out that they could not have made WYSU successful without the help of many others. So, I also salute the YSU board of trustees and the community advisory committee for their tireless efforts to make WYSU the tremendous station it is today.

In closing, Mr. Speaker, I wish WYSU good luck and Godspeed in whatever the future may bring. Fine arts programing is an alternative which can only bring good things to the residents of northeastern Ohio and western Pennsylvania.●

## WEST GERMANY'S CHALLENGE TO THE UNITED STATES

### HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. SIMON. Mr. Speaker, over the weekend I tried to catch up on some of my reading and came across the article, "The German Challenge to American Conservatives" by Morton Kondracke which appeared in the New Republic recently.

The article is perhaps mistitled because it is a challenge both to American conservatives and American liberals.

What Germany has done is to adopt social policies that are more liberal than those of the United States, but it has adopted economic policies which are more conservative. Frankly, that is precisely the kind of medicine I believe our Nation needs.

I am not suggesting that everything the Germans have done in their country can be repeated in ours, but I believe we can learn some valuable lessons.

I hope my colleagues will read this article by Morton Kondracke.

THE GERMAN CHALLENGE TO AMERICAN CONSERVATIVES

(By Morton Kondracke)

> BONN.—Especially if it's Kennedy versus Reagan in 1980, we are likely to have one of the most ideological presidential elections of the century in the U.S. next year. The conservatives already are saying that what America needs is big tax cuts, more incentives for business investment, balanced budgets, reduced government intervention in the economy, less social spending, more defense, reduction of union power, and fewer environmental controls.
>
> Beyond these specific targets, the conservatives (the neoconservatives, particularly) are gearing up for combat over principles. Adopting the gospels of Friedrich Hayek and Milton Friedman, they are arguing (as *Commentary* put it in a recent symposium) that there is an "inescapable connection between capitalism and democracy" and that there is "something intrinsic in socialism which exposes it ineluctably to the 'totalitarian temptation.' " Even though "socialism" is the

last label U.S. liberals would pin on their program—even "social democracy" is too politically risqué—there is no mistaking that the Republicans intend to suggest that conservative economic nostrums are essential to the preservation of our way of life, and that the humane social goals identified with Democrats threaten to produce stagnation, decline, and ultimately a loss of freedom itself.

But visiting West Germany makes one wonder about this equation. Why isn't it possible to have it both ways? Why can't the U.S. have a generous welfare state, national health insurance, free university education, adequate welfare, a clean environment, strong unions, and also a healthy, productive, competitive economy, low inflation, and a strong currency? After all, Germany has all of it.

Germany is the living disproof of conservative claims that high taxation, government involvement in the economy, and generous welfare state programs are necessarily the undoing of economic well-being and democracy. From a total wreckage after World War II, West Germany has developed (with U.S. help, of course) into a country whose prosperity matches our own. Its per capita income in 1977 was $8,410, compared to $8,670 in the U.S. By this year, Germany may have even passed us. Its inflation rate, of course, is much lower than ours, five percent instead of 13.5 percent. The German growth rate in recent years has been lower than ours, on the average, but it also has been steadier. During the world recession of the mid-1970s, the U.S. gross national product declined 2.1 percent in 1974 and 3.75 percent in 1975, but Germany had negative growth—minus two percent—only in 1975. Right now the German growth rate is four percent, while our economy is shrinking again.

What else do conservatives value as evidence of economic virtue? A strong currency? The German mark is one of the strongest in the world. Productivity rates? Germany's output per worker is growing at three percent a year. Ours is falling. Capital formation? Per capita, the German level is 34 percent better than ours. High-quality industrial products? Anyone who's looked at VWs, BMWs, and Audis knows they're better than Pintos, Chryslers, and Oldsmobiles. Exports to the U.S. have remained brisk, even at the huge prices that the sagging dollar makes us pay for them.

And yet consider what Germany does for its people. A German worker who loses a job gets 68 percent of his or her last year's income in unemployment benefits for a year, and 58 percent after that for three years. These benefits are lost if a worker turns down an "appropriate" new job offer. If a worker can't find anything in his or her own field, the government will pay for retraining. Germany has national health insurance that's obligatory for all low-income workers and also covers retirees and the unemployed. Moderate-income workers can join voluntarily, up to a certain income. The upper middle class has to take out private insurance. Every employee can claim full pay from his or her employer for up to six weeks' sickness per year, after which health insurance pays benefits for up to 78 weeks at up to 85 percent of regular pay.

All workers are covered by pension insurance. And here, retirees can actually survive on the benefits, which are indexed to rise with average wages in the labor market and with inflation. Germany also provides child allowances to every family—$30 a month for the first child, $60 for the second, and $120 for each additional child. There is more assistance available for the chronically dependent. Germans say that social stigma does attach to being on unemployment aid for more than a year, but, legally speaking, "social basket" benefits are available as a matter of right. The disparagement US welfare bureaucrats show recipients doesn't apply here. There are far fewer welfare bureaucrats and their duties do not include midnight raids to catch a man in the house or the mass cheat-purgings that characterize the US system.

On top of all this, education is all free, including college tuition. And Germany also has a nationalized passenger railway system which doesn't make a profit but, unlike Amtrak, is still required to serve out-of-the-way towns and villages.

All this costs money, of course. Pension insurance costs 18 percent of a worker's pay, of which the worker and the employer each pay half. Health insurance costs about 11 percent, again paid half-and-half. All told, about 45 percent of the average worker's income goes to pay taxes, pensions, and insurance. In 1976, "welfare" payments represented 28.6 percent of Germany's gross national product, as against 19.2 percent in the US. And the crowning reproof to American conservatives is this: though Germany's economy is more stable, productive, and non-inflationary than ours, government expenditures represent 41.3 percent of GNP, as opposed to 32.6 percent in the United States. Clearly government spending and programs to make life more humane do not have to cripple a country and sap its vital juices.

Nor could anyone claim that Germany is not a democracy. In October 1980, it will hold a federal election just as free, and free-swinging, as ours. The conservative Christian Democratic Union, led by Bavaria's Franz Josef Strauss, probably will charge that pensions are too expensive, that health care costs are rising alarmingly (they are, in spite of cost-containment provisions built into the insurance system), that taxes are too high and business investment is too low. The inflation rate of five percent is scandalous by German standards. The social democratic government of Chancellor Helmut Schmidt is expected to stay in power by pointing to Germany's prosperity and stability. But both the Christian Democrats and the Social Democrats accept the basic principles of a market economy tempered by generous social programs. According to US conservative dogma, having 41.3 percent of GNP in the public sector ought to spell the beginning of ruin and the onset of despotism. In Germany, though, it spells health and democracy—social democracy.

How is it possible? The flip thing to say is that Germans are Germans: they work harder, follow the rules, click their heels, and produce. There is something in this. But the Germans seem to be getting less "German" all the time. Certainly this is true of young people. If you plucked one teenager from a street in Hamburg and another from Chicago and put them side by side, you could not tell the difference in appearance; and probably there wouldn't be much difference in their lifestyle either. The Germans on the average take more time off work than Americans do. Ninety-seven percent of all workers over 35 years old get paid vacations of four weeks or more. Seventy-three percent get four and a half weeks or more. It isn't possible to say whether the Germans work harder than Americans when they're at work, though employers and government officials doubt it.

In other respects, too, Germans seem to be getting Americanized. They are less formal with each other and with visitors than they used to be. Young people and workers, especially, use the familiar "du" on short acquaintance these days, instead of stiffly calling each other "sie" forever. Once Germans never walked across the street against red lights. Now even old ladies to it. German cities still are much cleaner than ours, but parks are starting to get trashy enough that burghers complain. Germans also are distressed that the trains don't run precisely on time anymore.

There are serious explanations for Germany's ability to afford a social democracy and be productive too. And if the German example undermines the debating points of American conservatives, it also should give pause to American liberals. Probably the most important single factor in Germany's economic success is that its population and government regard inflation as a scourge worse than any except war. American liberals historically have pooh-poohed inflation as a conservative bogeyman (except when it becomes a political issue, of course). But Germany regards it as the social and economic cancer that it really is. If liberals want America to enjoy Germany's social benefits, they will also have to give conservatives their due and find a way to cut inflation. American labor unions, especially, will have to swallow hard.

Germany's social democracy is more advanced than ours, but its management of the economy is more conservative. Germany hasn't rejected Keynesian economics. The government intervenes in the economy to temper fluctuations in the business cycle. It cuts taxes in slow-growth times, loosens credit, spends on public works, and goes into budget deficit to stimulate the economy, just as ours does. But unlike ours, the German government reverses course when times are good. It doesn't respond to political or bureaucratic pressure to keep counter-cyclical programs in force beyond their time. It doesn't create bureaucracies as big as ours (900 people manage the German housing program, as against 16,000 at HUD), and the political pressures are all in the opposite direction from ours.

It would be politically unthinkable for a German chancellor to do what Richard Nixon did in 1972: superheat the economy to insure full employment in an election year, while imposing wage and price controls to hold down inflation. Right now in Germany, Chancellor Schmidt is running a budget surplus in order to reduce the public debts accumulated in deficit years that followed the mid-1970s recession and also in order to reduce inflation. With a US recession coming on, there is talk of cutting taxes in Germany next year to ease the impact here. But Schmidt has asserted he won't do the politically popular thing until after next October's election. Of course, the really popular thing to do in Germany is to resist stimulative (and potentially inflationary) tax cuts. There is just a world of difference between economic politics as practiced in Germany and in the US.

History explains the difference between the German and American attitudes toward economics. Americans remember the Great Depression as their worst time of suffering, and the New Deal as the beginning of social salvation. Without a real "social basket," we still—liberals especially—regard recession and its resulting unemployment as the most terrible economic danger. In Germany social insurance began in the 1880s under Bismarck. The Germans' worst historical memories are of the ruinous inflations of the 1920s and the postwar 1940s. From 1955 to 1970, Germany let its inflation rate go above 3.5 percent only once, and the all-time high, after the great OPEC oil gouge of 1974, was seven percent.

As a result, Germany is not plagued by the inflation psychology that prevails now in the United States. Americans think it's senseless to save money because, with inflation in double digits, savings will be worth less tomorrow than they are today. So we spend, but the Germans don't. Though their per capita income is just as high as ours, Germany's consumption rate is 66 percent of that in the U.S. On the average, Germans have far fewer TV sets, cars, and telephones than we do. The money that doesn't go for taxes goes for savings. The German savings rate is 15 percent of income, double ours. This money is available for capital investment, which increases productivity, which increases the competitive strength of the economy, which makes for a stronger currency, which makes for cheaper imports, which contributes to lower inflation. Germany is in a virtuous cycle of price stability, whereas we are in a vicious one of inflation. It's no wonder that Schmidt balked when the Carter administration tried to get Germany to inflate its economy in 1977 to serve as the "locomotive" to pull along weaker economies in Europe. In Germany's interest, he was dead right to refuse to drive a train to nowhere.

Also, unlike the US, which discourages savings through ceilings on bank deposit interest rates, the German government offers incentives to save. Bank interest is untaxed up to a sizable amount, and the government offers matching funds to people who commit themselves to buying a house. The government also gives matching money to small savers who have their money in the stock market. There is nothing like the American's level of consumer credit buying in Germany.

Corporate profits are taxed at 56 percent in Germany, nominally higher than in the US, but profits are not double-taxed. An investor pays tax on his dividend income, above a certain level, but the corporation isn't taxed on distributed profits. As in the US, Germany has an investment tax credit. Government gives grants and loans for corporate expansion and also helps out companies in trouble. High-income Germans are taxed at a maximum of 56 percent, a lower rate than in the US.

Besides an anti-inflation, pro-investment, productivity psychology, the other most important contributor to Germany's economic strength is labor union restraint. German labor and management view themselves as "social partners." The unions are as dedicated as management and government to holding down inflation on the theory that—as a labor ministry official said—"You don't slaughter the cow that gives you milk." As a matter of policy, the unions tailor wage demands to productivity, predicted growth rates, and inflation, rather than aiming to take what they can get.

Since 1973 the German Labor Federation has even dropped the objective of redistributing national wealth from capital to workers. Anticipating a 10 percent inflation rate in 1974, the unions asked for and got increases of 10 percent to 13 percent. When inflation actually rose only to seven or eight percent, the unions honestly felt they had gotten more than their fair share. "We haven't given back the extra we got in 1974," a union official said, "but we made the unspoken concession to moderate our demands. We understand the need of industry for profits to reinvest. The profit rate had fallen continuously since 1970. We accepted the fact that they needed a re-creation period, so we dropped our redistribution demands in 1973. What happened in 1974 was an accident. These are things we don't talk about. It's unspoken, but we knew that profits had to go up faster, and so we kept back a bit. Profits have been back up since 1975, more than increases for the workers, and we're back to the same distribution (of income) as in 1972; we say, 'now, it's enough.'"

An American or British labor leader who exhibited such concern about the welfare of corporate capital might be tried of treason. "I know we're considered tame in England and the US," this union official said, "but you have to understand the psychology here. We're not against industry. We're with it." It will please conservatives to know that Germany not only has picturebook unions, but that the federal law forbids the closed shop and that there is no statutory minimum wage. Unionists say, though, that workers never are paid less than the prevailing union contract wage for similar work.

A lot has been written about the German union-participation device, *mitbestimmung* (co-determination), as a contributor to labor stability, but it's overrated. In big corporations, unions by law hold half the seats on the board of directors, and they probably get more information about company finances than American unions do. In practice, though, the union bloc always gets outvoted in board meetings. Unionists say that co-determination leads more to conflict than to cooperation, and that it also puts a strain on union leaders to represent diligently their members and the company at the same time.

Real union power and industrial democracy in Germany reside in plant-level work councils, elected by employees, which must be consulted on work rules, hours, layoffs, and automation. They do not have veto power, but can take a company to labor court in a dispute. The councils' powers of obstruction are great enough that management has an incentive to negotiate rather than fight. Big layoffs are rare in German industry. In a recession, the preferred custom is to put employees on shorter weeks. They receive partial unemployment compensation.

To adapt to German practice, U.S. unions would have to strike less and drop their demands for protection against foreign competition and "runaway plants." Strikes are illegal except during contract bargaining, and they also are unpopular. From 1960 to 1975, Germany lost only 6.8 million worker days in strikes, compared to 63 million in France and 155 million in Britain. A labor ministry official said that greater union cooperativeness in Germany, as compared with the U.S., was matched by the fact that "our industry is not constantly looking for a 'sunbelt' to move to in order to be free of unions." Of course it would be useless for firms to move within Germany to escape unions—they are everywhere—but there is nothing to keep capital from going abroad to find cheaper labor and better currency exchange rates. Volkswagen, for example, has opened plants in Pennsylvania and Brazil, and labor's man on Volkswagen's board even voted for it because it made economic sense for the company. The unions do not lobby for laws to keep imports out or capital in. "We can't be protectionist," said a union official. "Germany lives on exports and we have to welcome imports. America shouldn't be protectionist either, because we'd have to take revenge, and it would bring the collapse of the world economy, as in the 1920s and 1930s."

According to this union official, Germany is now exporting more capital than is coming in. "Jobs are down and industry is shrinking," he said. "You can be angry about it, but what can you do about the weather?" Germany now has 800,000 unemployed workers and is not growing fast enough to provide employment for all of the 100,000 new workers entering the labor market each year. Unemployment insurance, though, takes much of the pain out of joblessness, and unionists figure unemployment will decline radically in the 1980s, when the effects of below-zero growth population begin to shrink the labor force. In the late 1980s, in fact, Germany should be suffering from a labor shortage. That will require new importing of foreign workers.

There are no energy price controls here. When OPEC raises prices, they go up correspondingly at the gas pump. Gasoline now costs $2.30 a gallon here. The Germans stubbornly refuse to establish speed limits on the intercity autobahns. But they have absorbed energy price increases without ruinous inflation and without gas lines. Per capita energy consumption in Germany is just over half what it is in the US. "If we see a house with all its lights on," a German diplomat said, "we say to each other, 'that's where the Americans live.'"

The comfortable, non-inflationary German lifestyle depends on several advantages that the US doesn't have. For one, Germany spends just 3.5 percent of its GNP on defense, whereas the US spends six percent. The Germans have promised, along with the US and the rest of NATO, to raise defense expenditures by three percent annually for the next five years; but in holding down inflation this year, they will fall short of their pledge. This obviously isn't fair, and some honest Germans will admit the fact. Also, the German economy doesn't bear the weight of large, chronically depressed minority groups, although two million foreign workers and the' families—Turks especially—are beginning to present a poverty problem.

Germany's prosperous society is rather dull. As a US expert said, "The Germans have about reached the limits of the welfare state. They haven't overdone it, as in Britain and Sweden. They haven't pushed for too much welfare and redistribution of income. They've kept up productivity. They've got it nice, and they'll probably keep it. Slow growth, a high standard of living—a happy, satisfied, stagnant country."

It's fine for the Germans. They've given the world and themselves all too much excitement for more than a century. With our penchant for growth, our need to provide an escape from poverty for blacks and other poor people, and our role as the guarantor of the free world's freedom, we obviously can't adopt the contemporary German model completely. But Germany demonstrates that we don't have to adopt conservative writ and abandon the welfare state in order to be productive and powerful. The principle of German social democracy is adaptable. Germany is able to keep inflation low and productivity high precisely because its citizens are protected by a social net. At the same time, social benefits can be kept generous because that economy is productive and non-inflationary. The US, if it wants to, can have it both ways too.●

## THE INTERNATIONAL YEAR OF THE CHILD

## HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. CHARLES H. WILSON of California. Mr. Speaker, the United Nations has declared 1979 as the International Year of the Child. In that spirit I would like to take this opportunity to congratulate one family who is extremely deserving of recognition for their abiding concern for needy children.

During the past 25 years, Maurice Kraines and his family have built Kraco Enterprises into one of the Nation's largest manufacturers of autosound equipment and automotive accessories, with annual sales exceeding $100 million and employing more than 500 people at their facility at Compton, Calif.

Throughout the growth of his business, Kraines and his sons Larry and Steve, who serve as the company president and vice president, respectively, have gone to great lengths to lend a hand to organizations dedicated to children in need of assistance.

Following the tragic kidnapping of 26 schoolchildren and their bus driver in Chowchilla, Calif., the Kraines family donated 24 CB radios and antennas to the Chowchilla school district to help provide protection for the children through easier communication on buses in the future.

The Kraines have also been involved with the education of the physically handicapped through their donations of CB equipment to Widney High School in Los Angeles. The school officials use the equipment to help alleviate nuero and physical related speech handicaps among young people. The Kraines are hoping that their contribution will evolve into a nationwide program designed to benefit the speech handicapped.

Furthermore, earlier this year, a plea was made by Headstart officials in Ross County, Ohio, to the Kraines to donate whatever CB equipment they could spare to install in the Headstart vans. The Kraines immediately responded by supplying enough complete CB equipment to cover all seven vans of the Ross County Headstart program.

I would like to express my own personal thanks to the Kraines for their generous deeds and I hope that their actions will serve as an example for all of us in commemorating this, the Year of the Child.●

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## A TRIBUTE TO THE LATE FRANK FRANCONERI UPON HIS POSTHUMOUS INDUCTION INTO THE NEW JERSEY BOXING HALL OF FAME

### HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. GUARINI. Mr. Speaker, I would like to share with my colleagues the posthumous induction into the New Jersey Boxing Hall of Fame of a courageous man from my district.

The New Jersey Boxing Hall of Fame is an organization dedicated to recognizing those worthy individuals who have been involved in the sport of boxing in the Garden State.

We have all admired the great international champions who have participated in this sport; a sport made famous by the remarkable strength, skill, and courage of the fighters. But, the New Jersey Boxing Hall of Fame recognizes not only the great, but the "near great," as well.

In my area, there were many club fighters who did not make it to the top in the minds of all sports fans, but they did, indeed make it to the top in the hearts of the neighborhoods from which they came. The pugilists we speak of were indeed generous men, often to the point of hurting themselves. They inspired many young people in the necessity of physical fitness and in the value of clean living.

It is with this view in mind that I wish to pay tribute to those who were recently inducted into my State's boxing hall of fame: Wallace Cross, Ernie Durando, Johnny Nelson, Charley Trader Horn, Vince Martinez, Clarence "Champ" Snell, and Abe J. Greene, commissioner. And, of course, the posthumous inductees: Frank Franconeri, Jimmy Krug, and Phil Krug.

Today, I wish to pay special tribute to one of the posthumous inductees who was born and raised in the city of Bayonne, a city that is in my district. I believe my feelings can best be expressed by the following article concerning this Bayonne neighborhood "world champion," a man who helped to raise money for various charities by taking part in numerous exhibition bouts.

The article in the 11th annual induction dinner program of the New Jersey Boxing Hall of Fame, held October 14, 1979, is as follows:

THE FRANCONERI STORY

Frankie was born September 28, 1923, in the city of Bayonne, New Jersey, the son of the late John and Angelina Franconeri, and at the early age of 14 started to fight as an amateur and in the next year, 1937 he won the 112 pound Junior Hudson Dispatch Golden Gloves title. He repeated the following year by winning the 112 pound Open class championship. He then went on to win the 118 pound Diamond Belt and the AAU 118 pound Golden Gloves championship in New York City and after an unblemished amateur career he turned pro in 1941 beating men like Lou Maxwell, Charley Smith, Freddie Hermann, Leo Lebrun, Eladio Colon and Barney Campbell.

In the year 1942, Frankie was to meet boys like: Lulu Costantino, Willie Pep, Phil Terranova, all ranked fighters, besides men as: Charley Cabey Lewis, Harold Gibson, Gus Levine, Lou Alter, Augie LaPara, Clint Miller and many other featherweight contenders of that era. A great little campaigner Frankie gave the fans many a thrill with his aggressive slam bang style of fighting.

After his retirement in 1946 he went to work for the Pennsylvania Railroad and after his many years with the railroad, he retired and went to work with the youth of Bayonne, where he spent the years helping various Charity Benefit Boxing Shows, boxing numerous exhibition bouts, and on June 5, 1972 at the age of 48 years old The Champ passed away, a victim of a heart attack. Ironically, Frankie was to box an exhibition bout with the former featherweight great Freddie Russo that same night, but fate took its toll. The New Jersey Boxing Hall of Fame is honored to have on its scrolls the name of Frank Franconeri and may God be with him wherever he is battling now. Rest in Peace . . . "Frankie."

Frank Franconeri loved Bayonne and its people and Bayonne loved Frankie. It has been written "to live in the hearts of those you love is not to die." This indeed applies to this young man and this tribute that you are joining me in today.●

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## OFFICE ON FAMILIES

### HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mrs. HOLT. Mr. Speaker, President Carter has invented a new sinkhole in which to dump tax dollars and a new agency to intervene in people's lives. I refer to his recent announcement establishing an Office on Families in HEW.

And what would this new thing do? Here is the definition offered by HEW to a member of my staff:

> Its purpose basically would be to advocate on behalf of the family and coordinate program policy that impacts on family life to serve as a focus for the integration of policy relating to the family and assume limited relevant research and analysis functions.

Under the best of circumstances, this new creation will just waste tax dollars making worthless studies and writing reports with meaningless language, as per the example quoted above. In the worst case scenario, it will take itself seriously and attempt to shape public attitudes and create public policy on family life. In other words, it might actually attempt to do something with family life.

I can imagine a totalitarian government having an Office on Families. I can imagine a totalitarian government having a Department of Education to exercise mind-bending control over every school.

But we are not a totalitarian society, are we?●

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## CROSS BURNING—SYMBOL OF HATE

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. BIAGGI. Mr. Speaker, as a young boy, I remember symbols. A symbol which evoked fear and terror to me was the sight of burning crosses. As I grew older, this same symbol as well as the sight of white hooded men marching in the streets evoked anger. In recent weeks I have noted with great alarm and anger the reappearance of this symbol of evil cross burnings. This is a symbol which reminds us of eras in our Nation's history which would be better left forgotten.

Burning crosses, white hoods—are manifestations of a reprehensible organization, the Ku Klux Klan. For blacks and other groups in this Nation the KKK represents one thing—hate.

It was just under 20 years ago when this Nation's collective conscience was shocked by the actions and reactions to the civil rights movement as led by Dr. Martin Luther King. Millions of Americans on national television saw a dedicated man and a similarly dedicated band of nonviolent followers—seeking basic civil, human, and political rights—encounter hate and violence at every juncture by those who practiced the doctrine of white supremacy.

Yet our Nation reacted properly to this travesty. The catalyst provided by Dr. King led to the enactment of landmark laws such as the 1964 Civil Rights Act and the 1965 Voting Rights Act. These were testimonials to an enlightened America—a Nation which had a fault exposed and sought to correct it. The civil rights advances made in the 1960's have been carried into and expanded in the 1970's and opportunities for education and employment are present for all minorities as never before.

A society is measured by its progression, not its regression. The recent rash of cross burnings on lawns in New York and the sudden reappearance of the Ku Klux Klan on the streets of Alabama are signs of regression. The KKK, like the American Nazi Party seek to abuse the rights and privileges afforded by the first amendment freedom of speech and expression clauses. Their message is a message of hate—it is a message whose impact corresponds in intensity and impact with yelling fire in a crowded theater.

I express my fervent and deep-rooted condemnation of any efforts to refuel the fires of hate and prejudice against black Americans or any Americans for that matter. Let us close the door on these activities and continue to work for a society where all men who are created equal are treated as equals by their society.●

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## WATER RESOURCES CONGRESS

### HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. BREAUX. Mr. Speaker, I am pleased today to extend to the CONGRESSIONAL RECORD recent testimony of Dr. Vernon Behrhorst, chairman of the board of the Water Resources Congress.

Given the close relationship of water and energy resources in this country, I feel that Dr. Behrhorst's remarks on how we can better implement water resource development projects should be of particular interest to my colleagues.

WATER RESOURCES CONGRESS

TESTIMONY OF VERNON BEHRHORST

Water Resources Council Hearing on Proposed Rules for Principles and Standards and Planning Manual, St. Louis, Mo., July 24, 1979.

"The Water Resources Congress is a nationwide organization dedicated to the continuous development of water resources for America's future. We believe adequacy of our nation's water supply, for present and future uses, is a necessary ingredient for full employment and economic opportunity for the American people." This is a direct quote from the first paragraph of Water Resources Congress' platform and is the basis of my comments to the Council today.

Water Resources Congress has been working closely with the Council in its efforts to implement the President's water policy initiatives. We are indeed grateful for the confidence you have placed in Water Resources Congress by requesting us to assist you. Our suggestions and comments may not always be in accord with the President's policy proposals, however, we mean them to be constructive and trust that they will be received in this spirit. Water Resources Congress is including detailed comments and suggestions in our report containing the comments of other organizations you have asked us to contact on the Council's behalf.

Today, I am here to urge you to undertake an additional step, a complete revision of the Principles and Standards to make them supportive of rather than detract from our efforts to develop the water resources which are absolutely necessary to achieve our national goals—energy self-sufficiency in particular.

Several weeks ago when our Water Policy Study Committee met to consider your proposed rules, the committee members felt that it is essential that the Council be impressed with the urgency of redirecting the thrust of the Principles and Standards to serve as an instrument for achieving our national goals. Therefore, they asked me to come here today to make this special appeal to you. We recognize that the Council cannot do this on its own. However, we urge you to carry our message back to Washington. I assure you that we will do our part to see that the President and the Congress get the message from other sources.

The President, ten days ago, promised the people of the United States future energy security through a bold, broad program of alternate energy development in the next decade. I am here to tell you that this can happen only if there is a parallel and just as aggressive effort to develop the essential water resources that will be required to achieve this goal, a goal which is priority number one. On this one, we all agree with the President. Energy and water are inseparable.

When we look at the President's energy message we see that almost every new source of energy proposed requires tremendous quantities of water—water that is largely not now available for such use. I say "now" because the total quantity of water we have is sufficient and we have the technical ability and the domestic financial capability to bring together the necessary resources, including water, to achieve this national goal or energy security. But we have no comparable water policy objective.

I must be candid with you. The proposed Principles and Standards and the accompanying manual, which will be the rule-book for managing our water resources, if adopted, will not, I repeat, will not serve as a useful instrument for achieving this national goal. I regret that I must say the contrary. They will restrict our ability to achieve this goal, not enhance it.

I am using the goal of "energy security" and the provision of ample water to achieve this goal as an example. There are others, and there are questions we must ask concerning how water contributes to achieving these goals. Are we to provide sufficient water to maintain our world market in agricultural products? Are we to provide municipal water for future generations of Americans? Are we to provide water for American industry and to protect employment? Are we to provide water to sustain our total economy? Are we to provide water for a healthy and aesthetically pleasing environment? Are we to provide water to meet other social objectives?

If we answer "yes" to these questions, then we are well on the road to establishing a national water policy embodying goals which must be defined before Principles and Standards are established for achieving these goals. Water Resources Congress respectfully suggests and is recommending to the Council that we do not rush into promulgating new Principles and Standards for the sake of meeting a timetable but do not effectively contribute to achieving national goals. Let's keep our present system intact until we define our goals and weigh every policy proposal with respect to its value in attaining these goals.

If we are critical of the proposed revisions to the Principles and Standards, and for that matter the existing Principles and Standards, which I am, I owe you our reasons for being critical. Details are contained in our written statement, but here I wish to give some general comments.

I could elaborate on "Congressional intent" with respect to the Principles and Standards. This serves little purpose as you are more aware than I of the differences between what is transpiring and what Congressional intent is perceived to be.

However, it is quite obvious, particularly since there have been very clear signals from the Congress, that there must be a meeting of the minds upon what needs to be done to reconcile Section 209 of the Rivers and Harbors and Flood Control Act of 1970, the Principles and Standards published on September 10, 1973, and the revisions that are now being proposed at the direction of the President.

This meeting of the minds, when it takes place, must take into consideration changes that have taken place in the United States since 1973, particularly our national stance of a country with assumed unlimited resources, particularly energy, to one highly dependent upon foreign sources of energy.

The proposed revision of the P&S to include conservation and non-structural alternatives is indeed a laudable undertaking. We agree on the desirability to conserve physical quantities of water, particularly in the drier areas of our nation. Likewise, we agree on the economies inherent in non-structural alternatives to dams, pumps, channels, levees, etc. However, a reasonable consensus must be reached on the definition of "conservation" before conservation measures can be implemented. This certainly has not been done.

With regard to non-structural alternatives there are great disparities of opinions as to their place in water resources management. The insistence that there is always a non-structural alternative, other than do nothing, is an unrealistic requirement. Louisiana, where I come from, is approximately one-half flood plain, and three-fourths of our people and economic activity are in this flood plain. We have struggled with this physical limitation for several centuries and are still looking for viable non-structural alternatives.

The chairman of the Council has admitted that the task force on non-structural measures has been unable to come forth with reasonable recommendations of non-structural alternatives and has engaged the services of four experts to draft a new report. This is additional evidence that implementation of the revisions of the P&S should be postponed.

Let me turn briefly to the present P&S National Economic Development account. When removing the "green book", Senate Document 97, and other pertinent publications from my library shelf to prepare this statement, I counted twelve scholarly volumes which deal with economic justification for water projects—and there are others that I do not have.

Here we have twelve different views from twelve experts on what constitutes a valid economic justification for projects. This alone is sufficient evidence to question the propriety of giving so much weight to a B/C ratio, especially since under the present P&S trade-offs must be made with environmental factors which can only be vaguely quantified. A B/C has many weaknesses. However, I do not recommend totally discarding it, but let's use it along with other appropriate measures.

Section II, C. of Senate Document 97 explicitly states, "Well-being of all the people shall be the overriding determinant in considering the best use of water and related land resources." I doubt very seriously that we can conjure up an economic, and certainly not an environmental, justification for supplying the right amount of water at the right place at the right time to meet the President's goal of "energy security". The "well-being of all the people" must be the primary principle adhered to in pursuing this goal.

Water Resources Congress firmly believes that we must first determine the direction we are going to go in utilizing our water resources to achieve national goals, energy and otherwise. At the present time we are trying to build a road without first deciding where we want it to go. No wonder we can't agree on a best route. Instead of spending valuable time reaching a consensus on a national water policy we have been directed to prepare new formulae containing new numbers for project evaluation without first deciding what the numbers are intended to accomplish.

In closing, it will be to our benefit to reflect upon the comments made at the last meeting of the Water Management Subcommittee of the National Governors' Association by Senator Domenici when he met with us to explain his and Senator Moynahan's cost-sharing legislation. Members of the Council were present, and I was there representing Governor Edwards, who, for your information concurs in the statement I am making today.

Senator Domenici emphatically stated that a major reason for proposing a block-grant method based upon priorities established by the governors of the various states for authorizing and funding water projects is the frustration encountered by members of the Congress, frustration over the present method for economic justification of water projects. We may not agree which method is best, but we must take heed of Senator Domenici's frustration which is shared by myself and many others.

To those who have expressed a similar frustration I believe we can add the names unofficially of a large number of water organizations which recently have joined together to form a coalition supporting continuous development of our water resources. I say unofficially because no formal action could be taken as the coalition is in the formative stage. However, last week at the organizational meeting of the Steering Committee, revision of the P&S was agreed upon as one of the major issues to be considered by the coalition. As chairman of the American Water Coalition, the name we have chosen, I pledge our full cooperation to the Council.

On behalf of the members of Water Resources Congress I extend to the Council, in particular the members of the staff, our commendation for a job well done within the scope of your restricted directive and the almost impossible time frame within which you had to perform your task. Let us now join together in developing a national water policy which can be the keystone for "the continuous development of water resources for America's future".●

## THE BRITISH MOVE OUT SMARTLY ON NUCLEAR POWER

### HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. WYDLER. Mr. Speaker, with our own administration still trapped in indecisiveness on energy technology options it is refreshing to see the strong position that the British Government is taking on nuclear power.

As the Washington Post mentioned this week, Mrs. Thatcher's government is pushing an ambitious program across all fronts in nuclear development.

Prime Minister Margaret Thatcher's government is planning a major expansion of British nuclear energy program designed to produce as much as half the country's electricity through nuclear power by the 1990s.

Although no formal decisions or announcements are expected for several weeks, both Thatcher and her energy Secretary, David Howell, have made clear their commitment to nuclear energy expansion in public speeches and private discussions.

At last week's Conservation Party Convention at Blackpool, Howell said he favored greatly expanding Britain's nuclear generating capacity and was taking urgent steps to help gear up the country's nuclear construction industry to build many more reactors.

Although Britain now gets enough oil and gas from the North Sea to meet all its energy needs, it prefers to sell more than half of it to other nations to gain more revenue. It currently expects its North Sea reserves to have mostly run down by the end of the century.

Britain now has 11 major nuclear reactors generating electricity with three more under construction, according to government energy officials, as well as a number of research and other specialized reactors supplying small amounts of power. It also has a prototype fast breeder reactor that produces plutonium.

I think it is important to note that the British energy policy is based on an objective perception of the real risk and benefits of various energy options not from visceral feelings that cannot be defended by scientific fact.

The British Health and Safety Commission issued a report last year which is particularly useful in understanding the basis on which they are making energy decisions. This report is entitled "The Hazards of Conventional Sources of Energy" and is an excellent document. I have included the following excerpts for the benefit of my colleagues.

It is worth noting the fact that as in the United States, the health and safety implications of nuclear power have been better studied in Britain than for any other conventional source of energy.

An assessment of the complete health and safety implications of an entire industry is an exceedingly complex and time-consuming task. It has been carried out in varying degrees of detail for most of the component parts of the nuclear industry, but only very recently has attention been directed towards the possibility of carrying out similar assessments in other industries or in relation to conventional sources of energy. It is tempting to suggest that if such assessments were carried out for conventional sources of energy, a direct comparison could be made with the work already done in relation to nuclear sources. But this is to overlook some of the considerable complexities of the problem of meaningful comparison.

In all countries with a well-developed nuclear industry, the work started as a government enterprise, in which money and resources for health and safety studies, if not unlimited, were at least freely available. In addition, the consequences of ionising radiation were fairly well understood even twenty years ago, and to this has been added the increasing experience available from such studies as those on the survivors of the weapons' explosions at Hiroshima and Nagasaki. There is, perhaps, less understanding of the possible health effects of conventional energy sources largely because detailed studies have not been thought necessary.

Against this background, the process of health and safety assessment in the nuclear industry has developed along characteristic, and possibly unique, lines. In particular, the level of protection achieved has been so high that there has been no real possibility of there being sufficient effects on the health, either of the workforce or, *a fortiori*, of members of the general public to provide information on the consequences of the exposures to radiation and radioactive materials. Assessments of possible effects have therefore been based on a cautious extrapolation from levels of radiation dose known to produce effects in man, down to those which actually occur in practice. In the case of members of the public, this extrapolation involves factors in excess of a thousand. These very small exposures are indeed much less than the variations in the natural exposure to background radiation.

The British have some very interesting points to make on the risk of coal burning for electricity if one consider the entire fuel cycle. I would recommend that the Governor of my own State read this section of the report very carefully.

Coal mining has been undertaken in Britain for many years. In the past it has had a history of accidents and disasters resulting in large numbers of deaths. However, since the creation of the NCB the accident rate has fallen progressively. By its nature mining takes place in a hostile environment. In the past, explosions of flammable gas and coal dust resulted in a number of disasters and despite the progress achieved in recent years fatal accidents from falls of ground still occur. In addition, like any industrial activity involving tools, machinery, transport, conveyors, electricity, explosives and other materials, mining carries with it the risk of conventional industrial accidents. In 1975, sixty-four persons were killed from a workforce of about 250,000 in the coal mining industry. There were approximately ten times as many serious accidents (586), and 100 times more accidents resulting in absence from work for more than three days (53,898).[7] However, as previously acknowledged (para 11), the three-day accident is not necessarily a good indicator of safety performance since many factors affect the length of absence from work.

There is, in addition, the possibility of a major accident occurring. In the past these were most frequently associated with explosions of flammable gas or coal dust. Since the last war there have been disasters at Whitehaven (1947—104 deaths) and Easington (1951—eighty-three deaths). In recent years improved methods of control have been introduced and while it is still possible to conceive of a large scale disaster, it must be acknowledged that the chance of such an event is now remote.

There has not been sufficient time, in preparing this paper, to present a detailed study of the relationship of the way in which the primary energy source is used. However, by a close examination, in the case of coal, of those sites actually supplying coal to generating stations, the National Coal Board estimates that it is possible to allocate to the electricity generating cycle twenty-six deaths in 1975 which arose from coal mined for that purpose.

Mining causes its own health hazards, of which pneumoconiosis is the best known. From information supplied by the National Coal Board[6] it appears that in the three years 1974, 1975 and 1976, 2.3 percent of the miners x-rayed then, had a compensable degree of pneumoconiosis, mainly in the older age groups. Over the last few years some 600 men have been diagnosed each year by Pneumoconiosis Medical Panels and awarded compensation for coalworkers' pneumoconiosis. A substantial proportion were exminers. Since pneumoconiosis is caused by exposure to dust over a long period, these figures are not a good guide to the health conditions of mining as it is today; pneumoconiosis diagnosed today reflects the dust conditions of a few decades past. Although the problem of respirable dust control has been increased by the mechanisation of mining, especially in the 1960s, dust control techniques and other protective measures have been developed and have resulted in an overall reduction in the levels of exposure to airborne dust. The regular chest x-ray surveys carried out at collieries indicate that there is a distinct trend of improvement in the last few years. Nevertheless it is not to be expected that pneumoconiosis will be eliminated in the near future. Certifications will continue to number several hundreds per year, although decreasing, and deaths associated with pneumoconiosis will, because of the large number of men already with pneumoconiosis, remain a substantial problem for some time to come.

The British Health and Safety Commission has made a carefully qualified attempt to assess comparative risk of primary energy sources per unit of power generated. I think this is a particularly striking array of data and the results are very much like we heard in our Science and Technology Committee hearings on nuclear waste management, nuclear powerplant safety, and low-level radiation.

An attempt has been made in Table 3 to build up a comparative picture of the deaths due to accidents associated with the production of electricity from various fuels. Because of the uncertainties, health effects have not been tabulated. It should be noted that in these comparisons we deal with routine risks only. We have not included any estimate for the effects of severe rare accidents. We recognise that in the nuclear field in particular—and to an increasing extent in respect of other industrial activities—public concern centres on such events. Their possibility has a major influence on the regulatory control of hazards and may influence policy decisions. The inclusion of severe but very rare events in the consideration of any one of the energy sources discussed would certainly invalidate the comparisons for any year in which an event occurred, and even, perhaps, for a decade. But the probability of these events is so small that they would have no significant effect on the long-term averages. In the long run, most deaths in industry are caused by events each affecting only a small number of individuals.

TABLE 3.—ESTIMATED NUMBER OF DEATHS DUE TO ACCIDENTS PER GWY[1] OF ELECTRICAL ENERGY SENT OUT[2]

| Primary energy source and operation | Deaths/GWy sent out—Deaths caused by accidents |
|---|---|
| Coal:[3] | |
| Extraction | [4] 1–4 |
| Transport | [5] 0–2 |
| Generation | [6] 0–2 |
| Total | 1–8 |
| Oil and gas: | |
| Extraction | [7] 0–3 |
| Transport | ([8] [9]) |
| Generation | ([8] [10]) |
| Total | 0–3 |
| Nuclear: | |
| Extraction (United States) | [11] 0–1 |
| Transport | ([8]) |
| Generation and reprocessing | [12] 0–15 |
| Total | 0–25 |

[1] Gigawatt years (giga=10 $^9$).

[2] Based on average electricity supplied from stations for years 1972–74 reproduced in table 71, "Digest of United Kingdom Energy Statistics 1975," which shows relative outputs for nuclear, oil-fired and other steam raising plants (of which the vast majority are coal-fired).

[3] Based on underground mining figures only. Opencast fatalities are not included. (They would have an insignificant effect on the final figures.)

[4] Based on an assumed figure of 26 deaths in mining coal for power stations (cf. par. 27).

[5] Based on estimated number of deaths attributable to the movement of coal by rail not including accidents to the public (cf. par. 44). Figures for deaths due to the movement of coal by road considered insignificant.

[6] Based on number of deaths to CEGB employees 1970–77. Information supplied by CEGB.

[7] Based on figures for fatal injuries in exploration and production in the United States published in the 46th Annual Review of Fatal Injuries report to the American Petroleum Institute. It is appreciated that the bulk of the fuel oil used in United Kingdom power stations is from the Middle East where accident performance may differ sharply from that of the United States. Figures for the Middle East are not available and we have therefore used the American figures as the only available indicator. Making allowances for the lower fuel oil consumption of the United Kingdom we have arrived at a figure of approximately 2 deaths per annum in overseas oil fields attributable to the production of oil for United Kingdom. To these we have added the figures for deaths in the North Sea oil extraction industry published by the Department of Energy. This gives an approximate figure of 12 deaths per annum.

[8] Insignificant.

[9] Cf. par. 43 and 44. We have been unable to obtain figures for deaths due to the shipping of oil from overseas oil producing countries.

[10] None reported.

[11] Based on figures from United States uranium mining reproduced in USAEC Wash 1224 Comparative Risk—Cost—Benefit study of alternative sources of electrical energy. It is appreciated that the United States is not the primary supplier of uranium for United Kingdom power stations. Again we have used these figures as they are the only ones readily available.

[12] Based on information supplied to CEGB (see footnote 7 above) and by British Nuclear Fuels Limited for accidental deaths of employees 1970–77. None of these deaths was due to radiation effects.

Sources: The sources of these figures and the necessary reservations about their accuracy and appropriateness are discussed in pars. 82 to 84.●

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# SEPARATION OF PAY FOR HIGH-LEVEL GOVERNMENT OFFICIALS FROM PAY FOR MEMBERS OF CONGRESS

## HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. FISHER. Mr. Speaker, I am introducing today a bill to provide that adjustments in the rates of pay for Members of Congress shall be considered separately from the adjustments for other Federal employees and judges. The bill also provides that adjustments in Members' pay shall take effect at the beginning of the Congress after the one in which they are approved, after an election has taken place.

By providing separate procedures for pay adjustments for Members of Congress and for other employees, the bill makes it possible for Members to turn down or reduce a pay adjustment for themselves while allowing the employees to get the full adjustment. In addition, the effective date of any adjustment for Members would be deferred until after the next election. This would allow an opportunity for the Members' constituents to vote on his record, including his stand on pay issues, before he could get the new rate of pay.

I think that both the separation and the deferral are needed changes in the pay adjustment procedure. Because the pay rates for high Government officials have been linked to the rates for Members of Congress, the officials have been denied pay increases every time that Members have decided against raises for themselves. The people who make the highest level decisions in our Government have had only two pay adjustments since 1969, a period that has seen high inflation and annual raises for the majority of Federal workers. A situation like this is not conducive to effective government. My proposal, by breaking the pay linkage, offers a way out of this problem.

The provisions of my bill affect both of the pay adjustment procedures—the quadriennial adjustment in base pay and the annual adjustment for comparability.

### BASIC RATES OF PAY

The base pay for Members of Congress, Federal judges, Cabinet officers, other agency heads, and other high-level positions in the three branches of Government are based on recommendations by a commission of private citizens, the Commission on Executive, Legislative, and Judicial Salaries, established every 4 years by the President. The President makes his recommendations on the pay rates after he has received the Commissions' report.

Under new procedures adopted in 1977 for the quadriennal adjustments, pay rates for each of the personnel categories will be considered separately by Congress. This procedure will be used for the first time in 1981. Each House of Congress is required to take a separate rollcall vote on the adjustment for each category. This procedure permits Congress to reject its own raise without blocking the other raises.

The proposal I am introducing further changes the procedure for the quadriennal raises as they apply to Members of Congress. In addition to the separate rollcall vote, the effective date of the raise for Members would be deferred until the beginning of the succeeding Congress.

### ANNUAL ADJUSTMENTS TO PAY

The Comparability Pay Act of 1970 establishes procedures for adjusting Federal employee pay every year. In 1975 Congress amended the law so that Members of Congress and high-ranking officials would get the same annual adjustment that is given to other Federal employees. This procedure has only been followed once, in 1975. In subsequent years, Congress has rejected the annual raise for itself and the high ranking officials by refusing to appropriate funds for the raises. The basic law has not been amended; instead, the matter has been handled each year in the appropriations legislation.

The proposal I am introducing would establish a separate procedure for annual adjustments for Members of Congress. A rollcall vote on the adjustment would be required, for Members' pay only, and the effective date would be deferred until the beginning of the succeeding Congress. This proposal leaves in place the 1975 law providing for automatic annual adjustments for high-level officials. Congress could still use the appropriations process to block these raises. The advantage of the change I am proposing is that it focuses attention and requires a separate vote on Members' pay. A similar vote is not required on adjustments for other categories of employees.

In conclusion, Mr. Speaker, I urge the speedy consideration and passage of this bill to separate consideration of pay for Members of Congress from the pay for high-level Federal employees.●

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# A CALL FOR FREEDOM FROM THE BALTIC NATIONS

## HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. MOAKLEY. Mr. Speaker, recently a group of 45 citizens from Latvia, Lithuania, and Estonia demanded self-determination for their captive nations on the grounds they were illegally annexed under the 1939 Nonaggression Pact between the Soviet Union and Nazi Germany.

I commend this effort for these brave people have demonstrated the popular yearning for independence that still exists in these three countries despite years of Soviet military occupation. The Soviet Union should live up to the deal it made 40 years ago and allow the majority will to determine the future course of the Baltic nations.

We, in the Congress, must do all we can to support and encourage efforts that seek to return fundamental rights and freedoms to the people of Lithuania, Latvia, and Estonia. I am proud to be a cosponsor of House Concurrent Resolutiono 147 which expresses the sense of Congress and urges the end of Soviet domination.●

## TRIBUTE TO EDWARD ROSINSKI

### HON. EDWARD J. STACK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. STACK. Mr. Speaker, in view of this Nation's critical energy situation, I would like to bring to the attention of my colleagues in the Congress, a man who has made major contributions in the field of energy through his revolutionary inventions.

Mr. Edward Rosinski will be honored Saturday, September 29, 1979, by the Polish American Club of Fort Lauderdale, Fla., at Whiting Hall in Sunrise, Fla., in recognition of his dynamic discovery of the zeolite catalyst which made it possible to refine 50 percent more gasoline at the refinery.

Essentially, all of Mr. Rosinski's inventions involve studies in the catalytic field where he engaged in the synthesis and development of new and improved catalysts. Since 1965, he has been a leader in catalyst research, and has made many important contributions to reforming catalysts, amorphous TCC cracking catalysts, and hydrocracking catalysts.

Mr. Rosinski has previously been honored on many occasions for his discoveries. The New Jersey Council for Research and Development has presented him with its annual Outstanding Patent Award. A report he helped to prepare, "Acidic Crystalline Aluminosilicates—New Superactive, Super-Selective Cracking Catalyst," was selected as 1 of the 12 most important papers published in industrial and engineering chemistry during its 64-year history.

In March 1979, Mr. Rosinski was inducted as the 38th member of the National Inventors Hall of Fame in Arlington, Va.

Membership in the National Inventors Hall of Fame is restricted to the elite of those who have chosen to devote their lives to this creative and difficult career, which has, over the course of centuries, improved the quality of life of all mankind. He is now publicly acclaimed as a peer among a group of historic figures whose fame will last until the end of time. These include Thomas Edison, Alexander Graham Bell, Louis Pasteur, and the Wright brothers, all of whom are members of the National Inventors Hall of Fame.

As a further tribute to his record of achievement, it is fitting that a copy of this segment of the CONGRESSIONAL RECORD be presented to Mr. Rosinski upon the occasion of the testimonial to him by the Polish American Club at Whiting Hall in Sunrise, Fla., on Saturday, September 29, 1979.●

## AMNESTY INTERNATIONAL REPORT SAYS ULSTER CHILDREN VICTIMS OF ABUSE BY BRITISH TROOPS

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. BIAGGI. Mr. Speaker, as chairman of the 130 member Ad Hoc Congressional Committee for Irish Affairs, I have a profound concern about the impact of years of civil strife on the residents of Northern Ireland. Nowhere is my concern stronger than with respect to the children of Ulster—many of whom have spent their entire lives in an environment of war and oppression.

My concerns were recently heightened with the release of a report by the Nobel Peace Prize winning organization Amnesty International entitled Children. The report details those nations where children are victims of human rights violations including detention, separation from family and physical abuse. On page 15 of the report a reference is made to Northern Ireland.

> There have been reports of young people being assaulted by security forces in Northern Ireland. In August 1977, 13 year old Brian McCabe was reported to have been beaten on the head, back and legs by British soldiers on the street before being taken into custody for questioning. He later stated that while in custody he had been punched and had his head banged against a wall.
>
> A 13 year old girl who was alone when British soldiers broke into our home has since suffered from blackouts and insomnia after they placed the barrel of an automatic weapon against her head and abused her.

We hear much about the violence in Ireland but we only seem to hear about one side of the coin. My condemnation of violence encompasses both the civilian violence which gains the headlines and also the institutional violence such as that depicted in the Amnesty report. It is this institutional violence which serves as an incentive for other violence.

When we pledge our efforts to peace and justice for Ireland we must do so with a clear eye on the plight of children in Ulster under the existing status quo. The harsh reality of warfare is only compounded by the ever present factor of economic and social discrimination. It is a sad state of affairs.

We are about to close on the year long international observance of the International Year of the Child. The Amnesty International report serves to graphically depict the horrors that children endure in certain nations of this world. Unfortunately, Northern Ireland is one of those nations.

There has always been a compelling need to work for peace and justice for Ireland. However, it becomes even more urgent when we consider the conditions of children in the North. I hope that political initiatives of a meaningful nature will be forthcoming from the Thatcher and Lynch governments of Great Britain and Ireland respectively. I pledge my continued efforts to assist in the peace process.●

## PENNY WISE, POUND FOOLISH

### HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. PANETTA. Mr. Speaker, on September 14, 1979, during House consideration of the Defense authorization bill for fiscal year 1980, I offered an amendment to equalize pay and benefits for former members of the Philippine Scouts, who fought and died alongside American soldiers during World War II. The House rejected my amendment on a division vote of 8 to 11.

Word of this defeat, naturally, reached the Philippines. I recently received a letter from Mr. Antonio M. Allego, editor of the New Record, concerning my amendment and the House's refusal to provide equal pay for equal risk for the veterans of the Philippine Scouts. Mr. Allego wrote an editorial for the September 29, 1979, edition of the New Record on the House action. I commend the editorial to the attention of my colleagues and reprint it below for their convenience.

The editorial follows:

PENNY-WISE, POUND-FOOLISH

> It is beyond cavil that Americans and Filipinos fought side by side in defending the Philippines at the onset of World War II in the Pacific. Since then, in fact, their combined heroism has been portrayed in different ways as the epicenter of an earth-shaking event.
>
> From such chronicles, one would infer that the heroes of Bataan and Corregidor, American or Filipino, dead or alive, are now getting their just reward—and be wrong. After the war, a line was drawn to separate the two groups of combatants. This line took the form of unequal benefits: less for the Filipinos, more for their quandam comrades-in-arms. Indeed, those of the Philippine Scouts get only one-half of the benefits received by their American counterparts.
>
> The inequality is decidedly unfair, a mistake, one running counter to the American tradition of magnanimity. And it was indubitably on this score that Rep. Leon Panetta (D-California) introduced an amendment to the law involved so as to rectify the mistake. The other day the House of Representatives, Congress of the United States, rejected Panetta's bill providing for that amendment.

Rep. Bill Nichols (D-Alabama) reportedly led the opposition to the measure, which would have entailed an annual appropriation of nine million dollars, postulating that "passage of the amendment would establish a precedent that would lead to a similar request from Filipinos who served in the navy."

The argument is definitely specious. Nine million dollars a year is measly for unmatched gallantry in action. Even plus another nine million dollars for those who served in the navy, the sum would still be measly. And apropos of this, Rep. Nichols would do well to remind himself of the hundreds of millions of good American dollars given annually as economic or military assistance to certain backward countries in Africa and Asia whose self-appointed, corrupt, and grasping leaders probably thank Uncle Sam under their breath as they pocket most of the money.—A.M.A.●

## OVERTIME AND WORKWEEK REDUCTION

## HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. CONYERS. Mr. Speaker, the Full Employment and Balanced Growth Act of 1978 mandates the reduction in the unemployment rate of persons 20 years and older to 3 percent by 1983. Among the policies that have to be examined to implement this mandate is the reduction in worktime, the curbing of overtime work, and worksharing. Legislation that I and 12 other Members have introduced—the Fair Labor Standards Amendments of 1979, H.R. 1784—to abolish compulsory overtime, raise the overtime rate of pay to double time, and reduce the standard workweek to 35 hours over a 4-year period will be the focus of hearings before the Labor Standards Subcommittee on October 23, 24, and 25. These hearings represent the first major congressional examination in 15 years of worktime reduction as a means to combat unemployment.

In October 1978, the National Commission for Manpower Policy held a conference on worktime and employment that explored a number of the issues that will be dealt with in the hearings. Its chairman, Dr. Eli Ginsburg of Columbia University, as well as a number of participants, including Dr. Wassily Leontieff of New York University, and Dr. John Owen of Wayne State University, will be testifying at the hearings. As a way to inform my colleagues on the substance of the upcoming hearings, I am including excerpts from papers delivered at the Work Time and Employment Conference. The first by John Zalusky of the AFL–CIO research department explains the need for changes in existing law on overtime; the second selection by Dr. Wassily Leontieff explains why worktime reduction is necessary to counteract technological unemployment; the third by Janice Hedges of the Bureau of Labor Statistics provides data on recent trends in worktime and preferences for leisure time; and the fourth selection by Fred Best of the Department of Labor comments on public preferences for leisure time and worksharing.

The papers follow:

### JOHN L. ZALUSKY, AFL–CIO RESEARCH DEPARTMENT

At the outset, the AFL–CIO views the consistently high unemployment now being experienced by America and inflation as major concerns. To the unemployed, being without a job is devastating, while to most others inflation is an aggravation or social discomfort. Looking at the issue of unemployment, we find it particularly distasteful to have workers required by their employers to work overtime while others are unemployed.

This occurs because it is cheaper to schedule overtime than to build inventory or hire new workers. The result is distressing. The 40-year-old public policy of a 40-hour workweek enforced by a time-and-one-half overtime penalty has been slowly eroded by the exclusion from overtime premium requirements the cost of fringe benefits.

We believe that increasing the overtime premium from time-and-one-half to double time will increase the number of jobs and decrease unwarranted overtime. In the same sense, reducing the workweek is another approach that we think is needed to expand employment opportunities. However, both changing the required overtime premium to the point where it is an effective limit on regularly scheduled overtime and decreasing the workweek along with other economic and social policies are necessary to put millions of Americans back to work. Then they too can enjoy the dignity and stature of having a decent job.

The principal thrust of the paper under discussion here is the relationship between jobs and increasing the overtime premium from time-and-one-half to double time. We are not terribly surprised with the outcome; that is, the number of jobs that would be created is substantially less than if we totally prohibited work in excess of 40 hours per week or whatever the public policy might be.

Concerns with the paper are with its public relations slant against increasing the overtime premium, the way the results will be understood, and some of the data used.

The writers of the paper seem to overlook the fundamental purpose behind the overtime premium. The purpose was to discourage regularly scheduled overtime; and in 1938 when fringe benefits were slightly less than 5 percent of total compensation, there is no doubt that it did discourage regularly scheduled overtime. Thus, the issue here is something more than economics; it is the implementation of a social policy through an overtime premium operating as a tax on the employer to discourage the use of overtime.

The authors here seem to take issue with the basic premise by arguing that an increase in the overtime premium would be inflationary, decrease demand, etc. The method is one of setting up a straw man to be knocked down with an economic model. Of course, there are economic costs of discouraging regularly scheduled overtime.

The authors rather subtly introduced the issue by relating U.S. Chamber of Commerce fringe benefit data to the idea of doubling the overtime premium. In 1953 the Chamber of Commerce reported fringe benefits amounted to 16.8 percent of payroll, and in 1975, 36.1 percent of payroll. Without going into the quality of the Chamber's statistical sample and other problems, the impression created is that doubling the overtime premium about matches the increase in fringe benefit costs. But the Fair Labor Standards Act time-and-one-half overtime premium was adopted in 1938, not 1953, when fringe benefits were less than 5 percent of total compensation. The overtime premium pay has remained unchanged as a ratio since 1938, although fringe benefits as a percentage of payroll have increased as a ratio seven times.

It would be useful to know just how high the overtime premium would have to be to maximize adherence to the legislated public policy of a 40-hour workweek. It is clear that time-and-one-half doesn't do the job when fringe benefits are approximately 35 percent of total compensation than it did in 1938 when fringe benefits were but 5 percent of total compensation. Thus, it should be no surprise to anyone that simply doubling the overtime premium will not do the job. From a public policy point of view, it would be much more instructive to have the same type of analysis on double time, triple time, and other ratios.

It has been the experience of many who deal in labor relations that many labor contracts presently provide triple time payments for work on holidays; that is, double time plus pay for the holiday. Very few workers are asked to work on these premium days and work is rarely scheduled on these holidays for economic as well as social reasons. Thus, to be an effective deterrent to regularly scheduled overtime, it may well be that the overtime premium should be more than double time.

### WASSILY LEONTIEF, NEW YORK UNIVERSITY

Professor Wachter and Professor Perloff came to the conclusion that a mandatory reduction of working hours cannot make a significant contribution to solving or even mitigating the unemployment problem either in the short or in the long run. After a careful inspection of past statistical records, they arrive at that conclusion, as do the authors of other papers prepared for this symposium, on the basis of a partial analysis involving a detailed examination of the present operation of the labor markets with particular emphasis on the supply conditions interpreted in terms of the behavior of individual households.

Without questioning the factual basis or the logic of their arguments, I feel that the problem of unemployment cannot be adequately posed, not to say solved, without an examination of the basic structural characteristics of the modern industrial economy, of the position that labor occupies within that structure and, in particular, without a systematic analysis of the decisive change in that position brought about by the inexorable forces of technological change; a factor hardly mentioned to my surprise, in this or any of the other contributions to this symposium.

It is technological change that made possible the progressive reduction of the length of the work week from 70 hours to less than 40 over a period of some sixty years. It was technological innovation that caused workers in the English textile mills to rebel a hundred and fifty years ago and it will be technological change, and the way our society will respond to its challenge, that will determine the position that labor will occupy in our economy and our society in the future.

Machinery can replace manpower by carrying out tasks that formerly were performed by labor and new tasks that labor cannot perform at all. If the average productivity of labor is defined as the total output divided by the number of workers or the number of labor hours required along with all the other inputs—to produce that output, we can say that technological progress increases the average productivity of labor. But what does it really mean?

The steady downward trend in working hours referred to by Mr. Wachter at the beginning of his paper and analyzed in greater detail by Mr. Owen, indeed can be explained as resulting from a combination of two factors, one of them being the steady rise in potential per capita income brought about by technological advance, the other, by the decision of the average working family to consume a steadily rising portion of that income in the form of an increasing number of leisure hours. But what about the future? The curve of weekly and annual working hours as shown in these papers flatten out while technological progress goes on and the productivity of labor as defined above continues to rise. Under the vanes of cyclical fluctuations of the employment figures, one can still discern a continued trend toward or, as in the present time, primarily involuntary leisure hours, days, months and even years. Because of definitional disagreements and statistical difficulties, a sharp line between the two cannot be easily drawn. I submit that, nevertheless, all this is a sign of a slow but persistent trend toward technological unemployment.

### JANICE N. HEDGES, BUREAU OF LABOR STATISTICS

John Owen's broad-ranging paper provides an excellent introduction to this conference. Rather than responding point by point, I will make some general observations, then cite a few findings from a forthcoming BLS report.

First, I suggest that analyses of hours of work that are very long term, although valuable, may be somewhat less informative than analyses of the shorter term. Over time the data base changes, the methodology changes. Such problems are familiar to researchers. Further complicating the analysis of long term trends in worktime are changes in the nature of hours reductions, illustrated by the shift since the 1940's toward larger blocks of time off rather than decreases in weekly hours. In addition, the magnitude of reductions possible from the very long workweeks that prevailed at the turn of the century obscures smaller but very real reductions from the workweeks of the 1940's.

Second, we should be mindful that an analysis of the hours worked by any one demographic group—even one that makes up 57 percent of the total—is not a proxy for all workers. If we abstract from sex, age, race, marital status, occupation, and industry—or even concentrate unduly on a single group—we are in danger of overlooking real changes. Although the workweek of the nonstudent male population that John Owen uses has remained remarkably constant for many years, hours have declined for other groups.

To illustrate, since 1968 average hours of employees who usually work full time in serve occupations have declined—from about 45.7 to 43.4 hours for men and from 41.5 to 39.9 hours for women. These reductions carry added weight because of the more rapid employment increases in these occupations than for the all-occupation total. The average hours for all men aged 20–24 years and 25–34 years who are on full-time schedules also have shortened in the same period. If this should reflect different and enduring preferences for leisure versus income between the newer entrants to the labor force and those who entered before the mid-1960's, the impact on hours could become pronounced over time.

Overall, in fact, hours worked have declined in recent years, partly because of continuing changes in the nature of jobs and the characteristics of the workforce, and partly as a result of economic factors. Since May 1968, average hours of all wage and salary employees have decreased from 39.1 hours to 38.4 hours. Over the same period, average hours of employees on full-time schedules also have declined slightly, from 43.0 to 42.6 hours. When these figures, for employees who were at work during the reference week of the survey, are adjusted for employees who were absent for any reason, we find an additional slight decline.

A look at trends in the distribution of workers by hours at work gives us further insight. Among the more significant changes since 1968 is a decrease of several percentage points in the proportion of workers at work 41 to 48 hours. The decline occurs, incidentally, for men as well as for women. While there is a tendency to think of hours declining from the standard 40-hour workweek, a 40-hour week would have represented a substantial reduction for one-fourth of all nonagricultural employees in May 1978.

Third, I suggest that our most common measure of work-time—weekly hours—should be supplemented with a measure of annual hours. The growing levy of vacations, holidays, and personal days on work-hours is reducing the relevance of weekly hours as the universal measure of worktime. Flexitime systems that provide workers with the opportunity to mix shorter weeks with longer weeks, schedules that call for shift workers to work weeks of different lengths, and floating holidays (already granted by three-fifths of the firms in a recent survey by the Bureau of National Affairs) will make further inroads on the primacy of weekly hours.

Similar reasons no doubt have prompted the United Automobile Workers, a leader among labor unions in negotiating reductions in worktime, to adopt a measure of annual hours. (Incidentally, their recent report shows a decline in full-time straight-time annual hours for auto workers of about 100 hours, or 6 percent, since 1967.)

I will not attempt to forecast future trends nor to isolate from the numerous factors that John Owen cites, those that will be most influential. However, one factor that may be particularly interesting to watch is a change in tastes. Analysis of data from the Current Population Survey for a forthcoming study on worktime reveals a finding that ties in with scattered reports of workers opting for fewer hours even at the cost of a smaller paycheck: namely, a marked increase since 1968 in the proportion of wage and salary workers on vacation who take a week off at their own expense. These individuals apparently are acting out their preferences for a little more leisure and a little less money without waiting for changes in the wage-hour contracts between the suppliers and demanders of labor. This finding suggests that the pressures for fewer hours of work may be greater than shown by the current major data series on hours worked.

### FRED BEST, U.S. DEPARTMENT OF LABOR

### POLICY IMPLICATIONS OF WORK TIME PREFERENCES

If it is true that substantial portions of today's work force are willing to forego current and potential earnings for more free time, there are important policy implications that Kalachek's paper has not addressed.

First, observed indications of desire for more free time at the cost of earnings may indicate realignments of goals within our society that require time rather than money. Most particularly, the rise of women workers and dual earner families may be fostering circumstances in which family units find it desirable, and occasionally necessary, for the men to reduce work time in order to share family responsibilities. Correspondingly, women may continue to increase their labor force participation, but work less than what we now consider to be "full-time." Similarly, older persons faced with a need for income to supplement pensions and the sense of social participation that comes with work may seek less than full-time work. At the same time, younger students and unmarried populations may likewise prefer options for part-time or part-year employment to pursue studies or personal goals. Finally, the handicapped may require shorter than normal work hours, and many adults may require time to pursue training which they missed in their youth. Without belaboring the point, the desire for more free time evidenced by the previously cited survey may reflect new social conditions which justify changes in current public and institutional policies in order to allow increased work time options.

Second, the likely desire for more leisure on the part of a significant minority of workers might be tapped to combat unemployment. Specifically, creative use of social policy could establish options that allow the labor market to better optimize the allocation of work time available at any given point in time. Let me illustrate this potential with an admittedly speculative computation: If ways could be found to encourage or allow 25 percent of our labor force to "voluntarily" forego an average of 6 percent of their earnings for free time, and two-thirds of that foregone time became jobs for the unemployed, we could create one million new jobs while simultaneously meeting the needs of those desiring more time away from their jobs. This is certainly not "the" solution to our unemployment problem, but it could be a contribution that happily serves other social purposes as well.●

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## MISHAPS INVOLVING NUCLEAR MATERIALS

## HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. STARK. Mr. Speaker, as a participant in the public information project on the little known history of atomic accidents, I am today introducing the following excerpt from Leo Goodman's catalog of mishaps involving nuclear materials:

### EXCERPT

Source: HW–23352 (Rev.) "Study of Atmospheric Contamination in the Melt Plant Building," April 4, 1952, pages 73–74.

All processes connected with the remelting of uranium, uranium oxide recovery, rod-handling, and related activities in the Melt Plant Building are contributors to atmospheric contamination, most of them to a major degree. The oxide, $U_3O_8$, which forms rapidly on uranium metal surfaces, whether in storage or during handling, is easily dislodged as dust to contaminate the atmosphere or to deposit on floors, ledges, and other surfaces. Friction on uranium metal surfaces, either by some machining process or by incidental contact with some other solid surface, causes ignition of the metal, particularly of small pieces. The fume produced by burning of uranium is also $U_3O_8$.

* * * * *

. . . During the period of the study, the dust and fume created by these processes exposed regular workers at the remelt processes to atmospheric concentrations that, when weighted to consider the lengths of exposure, were 40 to 78 times the maximum permissible exposure level. Rod-handling exposed personnel to weighted concentrations that were 2½ times the permissible exposure.

Particles of $U_3O_8$ dust and fume in the air are small, 90 percent by weight being less than 10$\mu$ in diameter. This 90 percent fraction is respirable and can remain air-borne for long periods, so that concentrations above the maximum permissible are found throughout a normal workday. Owing to plant traffic, vibration, and air turbulence, particles that do deposit on floors and other surfaces become readily redispersed into the air.

Exhaust ventilation for control of dust- and fume-producing operations is present in the furnace room, in the burnout room, at the oxidizing furnace, and at the rod straightener. Furnace room ventilation is effective, but is offset by the lack of adequate control elsewhere. Machining and grinding operations in the shop and part of the oxide-handling operations are without ventilation control.

General ventilation, induced partly by mechanical and partly by natural causes, results in an intermixing of the atmosphere of various plant processes and also causes contamination in non-production areas.●

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## THE HOUSE SHOULD RESTORE CONTROLS ON GASOLINE

### HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. DINGELL. Mr. Speaker, our colleagues are well aware of my opposition to the recent vote on the amendment to the Department of Energy authorization for fiscal year 1980, H.R. 3000, when the House adopted by only a 3-vote margin, 191 to 188, the provision by our colleague from New Jersey (Mr. Courter) which in effect would result in sudden decontrol of gasoline prices and allocation regulations.

This vote must be reversed and that is my intention when we again consider H.R. 3000. My earlier remarks against the amendment are in the Congressional Record of October 12, 1979, pages 28089-28095. I also refer my colleagues to the Congressional Record of October 17, 1979, pages 28679-28680, "Gasoline Decontrol Vote Should Be Reversed," which I inserted.

Several of our colleagues and various organizations are working to overturn the gasoline decontrol vote and I am inserting at this point the communication of October 16, 1979, from the National Congress of Petroleum Retailers Inc. which urges the House to "hold gasoline allocation and price controls in place." I commend this information to the attention of our colleagues.

The communication follows:

National Congress of Petroleum
Retailers Inc.,
*Washington, D.C., Oct. 16, 1979.*

Hon. John D. Dingell,
*Rayburn House Office Building,*
*Washington, D.C.*

Dear Congressman Dingell: We urgently request you do all you can to persuade your colleagues to hold gasoline allocation and price controls in place until supply is adequate to meet demand or some legislative provision is made to assure a fair opportunity for the survival of the nation's remaining 140,000 independent branded and unbranded retail dealers.

The regulations are grossly unfair in their present form. Nevertheless, thousands of retail dealers who are otherwise efficient in their operations are in business today only because the refiners and resellers cannot cut off their supply of product. Decontrol in a period of short supply as we are now in will bring about the premature closing down of another 50,000 dealers.

Without the pricing restraints on refiners and resellers consumers will suffer greatly from even higher prices. Refiner and reseller net profits will soar.

Decontrol of gasoline under present circumstances will aid and assist refiners and resellers in taking over the retail market. Fewer gasoline outlets will mean lines and longer lines at the remaining outlets.

Thank you for whatever you can do to hold controls in place at this time.

Sincerely,

Joseph J. Grish,
*Acting President.*●

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## SMALL SAVERS INCENTIVE LEGISLATION INTRODUCED

### HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. QUAYLE. Mr. Speaker, I have introduced H.R. 5647, the Small Savers Incentive Act of 1979, to encourage Americans to renew their interest in the savings habit. It is alarming to find that today's inflationary cycle coupled with the current tax system are combining to discourage passbook savings accounts.

During the last quarter of 1978, commercial banks experienced the largest quarterly net outflow of savings deposits ever reported. In April of this year, savings and loan associations experienced the largest savings outflow recorded during any previous April. Savings at commercial banks during the first two quarters of 1979 were 6.4 percent below savings for the comparable 1978 period. Since January, State-chartered mutual savings banks have lost more than $2 billion in deposits.

These are depressing statistics because they reveal that, first, inflation is eating away the ability of many people to save; second, the only people who still have money in passbook savings accounts are those who cannot afford any other type of investment; third, many are electing to spend their money rather than let it depreciate in a savings account.

At the same time the reduced savings means that funds for housing and other investment capital are drying up.

It is time to give a tax incentive to savers. Such an incentive will be a capital formation device which will generate investment capital and put downward pressure on soaring mortgage interest rates.

As things now stand, tax typically trims a 5.5 percent interest rate to below 4 percent, so that when inflation is running at 13 percent, the small saver's account loses purchasing power at an annual pace of 9 percent.

Under H.R. 5647, an individual could exclude from his taxable income up to $500 in interest or dividends each year, provided that $400 or more of that amount is left in the savings account for further investment, or in the case of dividends, used to purchase more stock. Married couples could receive up to $1,000 in tax-free interest, as long as they left $800 or more in the account. This provision guarantees that, while the individual enjoys a tax break on his savings, the money is made available to the capital formation market.

This legislation would apply to interest earned in all thrift institutions including commercial banks, savings and loans, and credit unions.

Mr. Speaker, the United States is the only major western industrial nation which does not provide a significant tax incentive for its savers. Germany, Great Britain, and Japan all provide tax incentives for savings.

Americans are presently saving at a new, all-time low, 4.5 percent of their after-tax income, as compared to 12.7 percent in Germany, 14.4 percent in England, 18.2 percent in France, and 20.4 percent in Japan.

Given proper incentive, small savers will start saving again which will dampen the fires of inflation and create necessary capital formation funds. It is important that Congress act expeditiously on this legislation.●

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## USE OF CERTIFIED MAIL SERVICE

### HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. FORD of Michigan. Mr. Speaker, today, together with Mr. Thompson, Mr. Clay, and Mr. Charles H. Wilson of California, I have introduced a bill to allow the National Labor Relations Board to use certified mail service for the transmission and delivery of agency mail in lieu of the registered mail service which is now mandated by section 11 (4) of the National Labor Relations Act. The bill remedies an omission made in 1960 when the Certified Mail Act of 1960 amended 56 provisions of law and allowed various agencies to employ the newly created certified mail service.

As a result of this omission, the NLRB is forced to use the more expensive registered mail unnecessarily. The Board makes about 150,000 registered mailings a year that contain no material of intrinsic value, which registered mail is designed to protect. By using certified mail the Board will save more than $300,000 a year in postal costs, at a time when its retiring Republican General Counsel indicates that the scarcity of the Board's financial resources is limiting its activities.

The bill we have introduced is a purely technical amendment to end the anomalous treatment of the NLRB. The Postal Service and the Office of Management and Budget have no objection whatsoever to the bill. In addition, the AFL-CIO, the Chamber of Commerce and the Labor Law Section of the ABA have all expressed support for it.

We hope every Member of Congress will join with us and these groups to support this needed, logical, and noncontroversial addition to the types of mail service available to the NLRB.●

## OUR DECLINING ECONOMY

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## HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. BEARD of Tennessee. Mr. Speaker, in the many contacts I have had with my constituents over the last several months, it is clear that concern about energy shares the No. 1 spot with concern about our declining economy.

To date, we have heard a lot of rhetoric about who is responsible for the current energy crisis and the blame has been laid alternately on OPEC, the big oil companies, the Department of Energy, and the wastefulness of the American people—depending upon who is doing the blaming.

The fact is, because of the enormous complexity of the world energy situation, we may never be able to identify who the real culprit is—if indeed there is a single culprit.

In the meantime, the rhetoric goes on and our energy problems get worse. The fact is we are more dependent than ever on oil—particularly foreign oil—as an energy source, and our Government's only response so far has been to offer a program of standby rationing along with a complicated set of still-vague proposals that would firmly entrench the Federal Government in every phase of our Nation's energy industry.

A standby rationing program is necessary in extreme emergencies. But standby programs have a way of becoming permanent national policy, and none of these programs does anything to encourage active conservation. They only acknowledge our inability to meet our energy needs.

Rather than wasting our rhetoric figuring out who is responsible for the oil shortages we are experiencing with increasing frequency, we ought to be concentrating on reducing our dependency on oil.

And what the Government ought to be doing, I think, is offering incentives to individuals and businesses to conserve energy by investing in alternate energy technologies. These incentives ought to be in the form of tax credits to reward individuals and businesses who make the extra effort to help reduce our dependence on oil—both foreign and domestic—as an energy source.

The use of alternate technologies can have an important impact on our efforts to reduce our unacceptably high consumption of imported oil. Many alternate technologies are generally currently available for wide scale use. However, according to recent studies by Harvard University, by our own Government and by private institutions involved in the energy industry, substantive tax incentives can greatly increase the rate at which our society makes these energy investments.

Although loan and grant programs can also enhance use of new energy technology, meaningful tax incentives are an important way to encourage families and businesses all over the country to invest in America's energy future.

Legislation first introduced last year made some inroads in this area by establishing tax incentives to encourage increased use of solar, wind, geothermal, hydroelectric, and biomass energy; industrial cogeneration, residential conservation, and alcohol fuel.

The problem is that these tax incentives did not go far enough to make it attractive to most American families and businesses to consider investing in these alternate technologies.

For this reason, I am introducing legislation that will greatly increase the tax credits now available for some of these technologies and will add other technologies to the list.

In summary, my bill would provide the following:

Fifty percent tax credits available more quickly than currently for individuals who invest in solar, wind, geothermal and other conservation technologies.

Fifty percent tax credits for businesses investing in solar, wind, geothermal, hydroelectric, biomass and ocean-thermal energy conversion equipment.

More flexible Federal tax exemptions and credits for use of alcohol fuels.

Improvement of the provisions of the Energy Tax Act of 1978 relating to individual and business conservation, solar, wind and geothermal energy; tax credits for cogeneration and for individual and business use of heat pumps and energy efficient electric motors.

Extension of all tax credit provisions from 1981 to the year 2000 to encourage both individuals and businesses to invest now in the long-range future.

I do not share the view of this administration that the same Government who brought us last summer's gas lines and tangled web of allocations will prove competent to manage the allocation of our energy resources on a permanent basis.

Nor do I share the view that total Government management of our resources is necessary as the last remaining solution to our energy problems.

I do share the view, however, that active conservation is necessary to reduce our dependence on both foreign and domestic oil as an energy source.

When provided with incentives, Americans have always risen to the challenges that have faced them throughout their history through the free enterprise system.

To date, inflation and the relatively high cost of alternate energy technologies have prevented many American families from investing in these technologies.

My legislation will make it possible for many more American families to take up the challenge of reducing our dependence on both foreign and domestic oil by rewarding them for their conservation efforts with substantial tax credits.

Only when we make alternate technologies widely available, affordable and competitive with oil in the marketplace can we, as consumers, have any control over the price of that oil in the marketplace and over the price of our utilities in the future.●

## NATIONAL HEALTH INSURANCE OPPOSITION

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## HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. DEVINE. Mr. Speaker, not all retired persons have been snowed by the alleged virtue of national health insurance. I received a letter last month from a constituent, Mr. B. P. Kang, setting forth specifically his views in opposition to national health insurance, even though he had been urged by the American Association of Retired Persons to support it.

I have Mr. Kang's permission to publish his letter in the CONGRESSIONAL RECORD and hope that all Members will take the opportunity to read it.

COLUMBUS, OHIO,
*September 14, 1979.*

Hon. SAMUEL L. DEVINE,
*U.S. House of Representatives*
*Washington, D.C.*

DEAR MR. DEVINE: Recently I was urged by an organization which I belong to, the American Association of Retried Persons, to ask members of my Congressional Delegation to promote National Health Insurance Legislation and to support it when it comes up before the Senate and the House for action. As a senior citizen I should comply with the request wholeheartedly, but after careful consideration and deep and soul searching thinking and with good conscience I must, on the contrary, ask you to oppose that proposition. The reasons are as follows:

1. It may destroy initiatives of the Medical Profession and make it an assembly line practice.

2. It will encourage the abuse of Medical Care by the public.

3. It will create a monstrous Federal Bureaucracy larger and more difficult to manage than the Social Security, Medicare, and general Social Welfare combined.

4. It will brew dissatisfaction and complaints of bias and inequality. There is no way to prove impartiality.

5. It will overload the middle class taxpayers on their already too heavy a tax burden. It has been a common belief and a well publicized supposition that the poor pays no tax and the rich escapes taxation through numerous loopholes, whence it leaves the middls class hard working citizens to hold the bag.

6. The very rich and rich can and probably will receive better health care by slipping something under the table, whence it will enhance bribery even in the here-to-fore upright Medical Profession. The poor may assume that they receive equal treatment but in reality it might be proven rather deceitful.

The system is workable only in a Socialist Society where private possession of wealth is prohibited and all professions, medical experts included, are always under the nose of the ruling authority.

The proposition sounds excellent on the surface, but actually it is good only for the chronic parasites. Those who favor it are pitifully deceived, failing to recognize that it is only a colorful platform for some ambitious politicians. Who are going to pay for it? Santa Claus does not live here. I feel sure you will exercise your best judgment and hopefully you will examine my views on this matter.

Very respectfully,

B. P. KANG. ●

## OMNIBUS MARITIME LEGISLATION

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## HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. EDGAR. Mr. Speaker, I would like to include in the RECORD the testimony of Mr. Peter Hepp, president of Sun Ship, Inc., of Chester, Pa., as given before the Merchant Marine Subcommittee on October 16. Mr. Hepp comments with some expertise on the omnibus maritime legislation before that subcommittee, as embodied in H.R. 4769. As an expert on the shipbuilding industry, Mr. Hepp provides excellent insight into the financial problems and needs of the shipbuilding industry of today. I believe his analysis of H.R. 4769 should be read by all of us who will be called upon to consider and vote on this important legislation.

The testimony follows:

STATEMENT BY PETER S. HEPP

Thank you, Mr. Chairman. My name is Peter Hepp, and I am President of Sun Ship, Inc., of Chester, Pennsylvania. Sun Ship has been building vessels since 1916. During World War II it was one of the largest shipyards in the world; today we have over 4,000 employees and are growing. We are located in an area of chronic high unemployment, and our annual sales are between $200 and $300 million.

As part of our industry comments on H.R. 4769, I have been asked to address the question of construction differential subsidies. Let me begin by saying how CDS affects Sun. Today we have orders to build 8 ships worth close to $500 million. We hope to have two more soon worth over $300 million. These orders should provide work for us for about 3½ years. All of these ships are in one way or another government assisted. Without CDS and the Jones Act, our yard would close; our jobs would be lost; and our community would experience economic depression.

I am new to the process of giving testimony before Congress, so I began my preparation by reviewing statements that you have heard previously on the omnibus maritime legislation. I was struck by how fragmented the comments have been. It is almost as if the testimony was dissecting the American shipbuilding industry into its component parts—capital investment, management, union rules, production approaches and so forth.

This approach is understandable—analysis has been the tool generally accepted to explain observations in all fields of science and human interaction. That is, we tend to break down the thing under examination, looking for the effect of the parts on the whole.

Today we are beginning to recognize that this analytic method does not tell the full story. We are learning that many complex systems cannot be explained satisfactorily through subdivision, because the whole loses its unique identity when pulled apart. The human body is an excellent example—people see, the eye by itself cannot.

The failure to see shipbuilding as a whole may explain some of the difficulties we have had in locating and explaining its problems. Shipbuilding is a complex system to set in a greater system—a supra system—our national culture.

Viewed in this context, the differences between U.S. and foreign shipyards, particularly those of Japan and the Third World, can be explained by observing that their national cultures have established goals and objectives different from our own. These goals and objectives have, in turn, resulted in vastly different uses of labor, capital and management in each country's shipbuilding industry. Japanese see their industry as a necessary adjunct to their overwhelming dependence on imports and exports as well as one of the most important users of Japanese steel. Koreans look upon their shipbuilding industry as an earner of foreign exchange and an important step on the road to industrialization.

How do these attitudes abroad compare with American views of its shipbuilding industry? The approach of Japan and Korea seems so strange to us that our first reaction might well be, "it could never happen here." But it has: In 1940 there were about 100,000 shipyard workers in the United States—not even as many as today. World War II changed our goals and the importance of the shipbuilding industry to those goals.

Within three years, the industry had grown to nearly 1.4 million workers and was a major factor in winning the war. The supra system in which the yards operated—government, individual companies, management, workers, suppliers, capital sources, and so on—responded to the new goals to meet the new challenge.

Today, American shipyards employ 163,000 workers directly and another 490,000 earn their livelihoods in associated industries. This number of jobs in any industry would, of course, be important to our national economy. But shipyard jobs are important not only for their quantity but also for their special character. For the most part, shipyards hire unskilled laborers, whose ability to enter other industries is severely limited. We train these workers to be electricians, plumbers, welders and in the great variety of other skills needed to build a ship. Shipbuilding is not easy work, and much of it takes place outdoors. Thus, once they have learned a skill, our employees tend to move to other jobs, and the process begins again. Thus, shipyards are constantly upgrading the ability of the workers they employ and of the work force as a whole. At Sun Ship each year, 35 percent of our work force moves on. We "main stream" 600 workers a year.

This characteristic of shipyard employment is especially important to minority workers. Shipyards provide on-the-job training for these workers in numbers that are simply not available elsewhere. For example, 30 percent of Sun Ship's employees are minority and female workers.

This then is my view of the American shipbuilding industry as it exists in relation to our supra-system. Others might view things differently. What is important, however, is that we look at the whole and not its pieces.

My thesis is very simple: no amount of tinkering with elements of the U.S. shipyard system—be it union rules, series production, management talent, or capital formation—will have the impact as will a clear determination of the national goals we wish the industry to achieve. I would argue that we should set the same goals as the major shipbuilding countries—the importance of the industry is worthy of such treatment. But as long as those goals are not established, it is wrong—totally wrong—to judge the performance of the U.S. industry by the same criteria we use for the Japans and Koreas of the shipbuilding world.

Mr. Chairman, the U.S. shipbuilding system is exactly what our society has asked of it—no more, no less.

We feel that H.R. 4769 was drafted without proper consideration of the shipbuilding industry in our national culture. Instead, there seems to have been undue concern with short term factors, many of which are of transient importance.

The current worldwide overcapacity has led other countries to increase their ship construction subsidies. Artificial markets have been created to keep workers on the jobs, even if every ship is built at a loss. The net result is that foreign ships are undoubted bargains today. But the world market is going to turn around. (Figure 1) simply because we are considering maritime legislation at the low ebb in the market, we are not entitled to ignore this fact. Let me discuss world supply, prices and CDS.

Foreign ship prices bear little relationship to costs. Indeed, in the face of worldwide inflation and increased costs, foreign shipyards have reduced their prices. How did they do it? Because they have received substantial government subsidies, which were adjusted upwards as demand declined. Thus, as demonstrated by figure 2, foreign ship prices track demand—as the world market shrinks, foreign yards battle to preserve their sales by cutting prices; government subsidies make this tactic possible. These subsidies, intended to get their yards past the present trough in the market, will be phased out as ship orders increase and foreign ship prices will climb again.

The fact that world prices for ships are not related to costs also has an important implication for the payment of CDS to American yards. U.S. shipbuilding prices are directly related to costs. (Figure 3 shows this relationship by comparing ship prices to the U.S. inflation index over the last several years.) But CDS represents the difference between U.S. and foreign shipbuilding prices, not costs. As shown by figure 4, in periods of high demand, foreign yards have raised their prices substantially above those justified by cost factors alone. During that same period, CDS rates fell, showing that U.S. yards did not increase their prices enough to hold CDS at the legal limits. That is, American price increases reflected only increased costs and not the tight market situation, a clear benefit for U.S. buyers. This history strongly suggests that CDS cannot accurately be appraised by considering solely the cost differences between U.S. and foreign production; market factors are of even greater importance. In fact, marad negotiates cost with the shipyard based on historical performance data and productivity analysis. To this cost is added a profit allowance which under marad policy never exceeds 10 percent. A legal ceiling on CDS is unwarranted, since U.S. yards cannot skew their prices to maximize subsidies.

Foreign ships will not always be cheaper. As ship orders increase, so will their prices. Foreign government subsidies, intended to get their yards past the present trough in the market, will be phased out. The phenomenon of ridiculously low prices for foreign construction will disappear.

We prohibit "dumping" of foreign television sets and steel: It seems to us, Mr. Chairman, that the American commercial shipbuilding industry should and must have available to it the same weapons.

It is not beyond our control to share in the economic benefit that other nations derive from trade with the United States. Every day we rely more and more on foreign countries, especially in the third world, to supply our raw materials. I recognize that we must export the dollars or goods necessary to buy these commodities; but, Mr. Chairman and members of the committee, how can we stand idly by and even support legislation which creates programs which would export our water transportation jobs as well? We applaud the fact that the bilateral approach envisaged in H.R. 4769 recognizes this point and seeks to right the present imbalance.

As I have said, Mr. Chairman, the performance of the U.S. shipbuilding industry can only be judged in the context of the goals our country has set for the industry.

If the Congress finds that our national objectives provide only marginal need for American shipyards, no detail work will change the overall result. However, if our national goals are different—if the shipyard industry is asked to continue to train unskilled workers; if we are asked to continue to provide an industrial base to build and maintain our navy; and, if we are asked to provide an alternative to reliance on foreign yards for American water transportation—we can do, will do and look forward to doing those jobs, too.●

## IRVING KLEIN: A MAN OF ACHIEVEMENT AND PURPOSE

## HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. AMBRO. Mr. Speaker, on Saturday, November 17, the Eastern Long Island Division of the United Jewish Appeal—Federation of Jewish Philanthropies will honor Mr. Irving Klein at its annual inaugural dinner. Never has a more deserving individual been chosen to receive this honor.

An active participant in the United Jewish Appeal for the past 20 years, he has been a member of the Eastern Long Island cabinet, past chairman of the special gifts and cash committee, and he is currently the chairman of project renewal. A resident of the town of Huntington for the past 20 years, Irving Klein has been involved—usually in a leadership capacity—in just about every worthwhile community endeavor ranging from the presidency of Temple Beth El, to the board of the Huntington Arts Council, the Children's Oncology Society of New York, and Melville House, to name just a few. When a group of underprivileged teenagers needed a bus to travel to the Nation's Capital to explore college entrance prospects, Irving Klein provided the bus; when the Huntington program for retarded youngsters needed refreshments for its Special Olympics, Irving Klein provided the food. I could go on with many more similar examples. If it is worthwhile, if it is good for the community and its residents, you can expect to find Irving Klein involved. He is never too busy, and he never just "gave at the office."

Webster defines a philanthropist as one who practices "goodwill to fellowmen; especially an active effort to promote human welfare * * *" from the French and Greek roots meaning "loving mankind." Surely that description fits Irving Klein. The word I prefer, however, is "mensh," from the German meaning person, or human being. However, the word conveys a special sense of respect, dignity, and approbation far beyond that. As Leo Rosten so aptly explains in his book "The Joys of Yiddish," "'The finest thing you can say about a man is that he is a mensh!' * * * To be a mensh has nothing to do with success, wealth, status . . . The key to being 'a real mensh' is nothing less than—character: rectitude, dignity, a sense of what is right * * *." Those, Mr. Speaker, are the most accurate words that I could ever use to describe Irving Klein.●

## HOME HEATING OIL

## HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. MOAKLEY. Mr. Speaker, I wish to voice my serious concern over the spiraling and unwarranted increases in the price of home heating oil. House bill, H.R. 5389, of which I am a cosponsor, recognizes this problem and attempts to resolve it.

The proposed legislation mandates a rollback and freeze of the price of home heating oil to January 1, 1979 levels. Such a move would reduce heating oil prices from the current 81 cents per gallon to 51 cents per gallon, a substantial savings. Indeed, my colleague, Robert Roe of New Jersey, the original sponsor of this bill, has estimated that the bill would save the average home heating oil user $500 this winter.

Since the first of the year, the price of home heating oil has leaped by an astounding 60 percent. Furthermore, probable increases in the price this winter could raise it to an unthinkable $1 per gallon. True, a fraction of this increase is justifiable due to the exorbitant price increases this year by the Organization of Petroleum Exporting Countries. However, OPEC's profiteering clearly cannot explain why, that in the past 9 months oil refiner's profit margins have nearly doubled. This "price gouging" is inexcusable; H.R. 5389 would provide an effective remedy for this situation.

I am particularly concerned over the gravity of this situation because of the acute problems it poses for my district, and Massachusetts in general. As I am sure you are all well aware of, Massachusetts is critically dependent on home heating oil. Refiners cannot continue to raise their prices arbitrarily. Steps must be taken now to protect homeowners who use home heating oil. If the present price spiral continues unabated, the impact would be devastating for homeowners trying to cope with double digit inflation; while the consequences for people living on fixed incomes would be even worse. The susceptibility of Massachusetts to harsh winter serves to heighten the problem. I am not one for tampering with the free enterprise system, but the monopolistic prices cannot be tolerated.

Mr. Speaker, I cannot emphasize enough the importance of passing this legislation. I fully support this bill and will do everything in my power to see it enacted.

The material follows:

House of Representatives,
*Washington, D.C., September 28, 1979.*

Dear Colleague: As we all well realize, there is the strong possibility of a national emergency this winter unless something is done quickly to abate the steady, unwarranted increases in home heating oil prices.

There can no longer be any doubt that the refiner level profits on home heating oil are much higher than they should be.

To correct that situation, I have introduced legislation, H.R. 5389, that would both roll back and freeze the price of home heating oil to January 1, 1979 levels. It would force heating oil prices to be reduced from the current 81 cents per gallon average to the 51 cents a gallon it was selling for last January. Heating oil distributors' profits would not be affected by the roll back.

It has been estimated my bill would save the average homeowner who uses heating oil $500 on this bill this winter.

Department of Energy (DOE) studies have shown that the refiners are making unfair profits in the sale of home heating oil. The "Wall Street Journal" recently noted:

> . . . refiners, both independent and those owned by large oil companies, in the past nine months have roughly doubled the cents-per-gallon spread between their selling price and their crude oil costs. In the coming months, these increases will cost consumers hundreds of dollars in higher fuel bills.

I have enclosed the entire "Wall Street Journal" article for your information.

There is increasing talk of $1 a gallon heating oil by the end of this year. That price would be devastating to the middle income wage earner trying to cope with double digit inflation. And those living on fixed incomes, such as the elderly and poor, might have to make a decision this year whether to buy food or to purchase heating oil for their homes. Steady hikes in home heating prices are also making it very difficult for municipalities around the nation to prepare budgets for fuel purchases next year.

My bill would also place similar controls on diesel fuel prices.

If you would like to join my efforts to roll back and freeze heating oil prices to reasonable and fair levels by co-sponsoring H.R. 5389, please call Ken Rinzler at 5–5751.

Thank you.

Sincerely,

Robert A. Roe,
*Member of Congress.*

### Refiners Are Suspected of Using Heating Oil To Warm Their Profits

(By John R. Emshwiller)

Earlier this year, drivers were waiting in long lines at filling stations and muttering oaths about the oil companies. Then the catch phrase was "windwall profits." Now it is the turn of homeowners, and the charge increasingly being made is "price gouging."

The price of home-heating oil has climbed by 60 percent to an average of about 80 cents a gallon since the beginning of the year, and many believe the price could go even higher when the heating season begins. Although the oil companies were largely prevented from increasing their profit margins on gasoline because of price controls, there is some evidence that the oil companies have been pushing up their profit margins in the uncontrolled heating-oil market.

Although part of the unprecedented rise in heating-oil prices can certainly be traced to the big increases in crude-oil prices this year by the Organization of Petroleum Exporting Countries, some of the explanation is apparently to be found closer to home. For example, data gathered by the federal government and by industry sources show that refiners, both independent and those owned by large oil companies, in the past nine months have roughly doubled the cents-per-gallon spread between their selling price and their crude-oil costs. In the coming months, these increases will cost consumers hundreds of millions of dollars in higher fuel bills.

### CARTER'S CALL

President Carter voiced the growing anxiety over these soaring prices on Wednesday when, before an audience in Hartford, Conn., he called on 27 major oil companies to follow the recent lead of Texaco Inc. and freeze their prices of home-heating oil at current levels during the winter. Energy Secretary Charles Duncan said yesterday that he plans to meet with major refiners next week to ask them to hold down voluntarily their heating-oil prices. Reached for comment, some companies said they will attempt to hold down further increases but are unable to make any firm promises (see story on page 4).

The oil companies deny the charges of price gouging and say that their higher margins are due to higher refinery operating costs and that their policies are justified. But one oil-company source concedes that the higher margins "do indicate increased profits in the business."

Both Congress and the Department of Energy are investigating the price increases. Rep. Toby Moffett, Democrat of Connecticut, who heads one congressional subcommittee looking into heating-oil prices, asserts that the refiners are reaping "tremendous" profit margins on the fuel. Like others, Mr. Moffett is pushing for reimposition of federal price controls on heating oil, which were lifted in 1976.

Oil company officials are clearly worried about the growing attention their heating-oil prices are getting. "It is politically a very sensitive issue. The specter of new controls is a real threat," says a senior executive at a major oil company.

### WILL PRICE REACH $1?

The threat could grow rapidly if, as some expect, heating-oil prices climb even higher. Although prices have risen rapidly in recent years, from about 35 cents a gallon in 1974 to about 49 cents last year, the jumps in the past months have dwarfed anything that has come before. Now some industry observers are saying the price could approach an average of $1 a gallon this winter.

However, one problem that does seem to be off the oil companies' backs is that of supply: With a little luck, the roughly 16 million American homes that depend on heating oil will have enough fuel this winter. In itself, the prospect of sufficient heating-oil supplies is a major improvement over the outlook just three months ago when heating-oil inventories were perilously low and there was widespread fear of a severe shortage this winter.

Inventory levels have improved rapidly since then, thanks partly to increased supplies of foreign crude oil. Most observers now believe that in the absence of an unusually hard winter or some major new upheaval in world oil production, stocks will be adequate.

Most of the attention now has shifted to prices, particularly the pricing practices of the big oil companies. As with many questions in the oil industry, comprehensive, up-to-date information is scarce and firm conclusions are hard to come by. But it does seem clear that the refiners' margins have been going up.

### 11-CENT MARGIN

The Energy Department's statistics for May, the latest month available, show that the average margin between a refiner's selling price and his average crude-oil cost to be a little over 11 cents a gallon, compared with 7.6 cents in January and 6 cents in May, 1978.

In the three months since May, industry experts believe that this margin has continued to increase as the refiners' selling price has gone up by about 14 cents to about 66 cents a gallon. Some industry people believe that the margin is now about 16 cents a gallon. Each penny increase in heating-oil prices produces about $200 million annually in added revenues.

Because the costs of buying petroleum and of running refineries have been increasing, some increase in the refiners' cents-per-gallon margin has been necessary just to stay even. But the refiners appear to be steadily pushing up that margin as a percentage of their selling price. If the margin is indeed about 16 cents a gallon, that would represent about 24 percent of the refiners' 66-cent selling price. But Energy Department figures show that in January the margin was about 10 percent of the selling price, and last September it was only about 15 percent.

On top of the refiners' new wholesale price, wholesalers and dealers appear to be adding about 14 cents, bringing the retail price to its current 80-cent-a-gallon level.

The Energy Department is now trying to assess the refiners' operating costs. Last week Deputy Secretary John O'Leary told a congressional hearing that although the evidence is weak, "we see a prima facie case that (profit) margins have gone up. But we don't know what has been happening to operating costs of refiners."

The oil companies' pricing moves on heating oil come at a time when the industry hardly needs added reasons to be disliked by the public. Some contend that the industry is behaving arrogantly. "They used the panic about possible supply shortages as a smokescreen to jack up prices," charges one large heating-oil dealer.

But oil-company officials say that their heating-oil prices are fair and that the rising margins really aren't their fault. "There are just an awful lot of people trying to buy it, and the market is bidding the price up. It doesn't have anything to do with gouging," says Robert W. Baldwin, president of Gulf Oil Corp's refining and marketing operations.

There also is some belief that the biggest price jumps already have been made and that the picture will improve as supplies grow. Observers believe that the current economic downturn and the high price of oil will soften demand and hold down further price increases. Many regular buyers of heating-oil contracts with delivery dates in the months ahead aren't buying them at the current prices, according to Vincent Sgro, editor of Oil Buyers' Guide, an industry publication. "They feel prices are stabilizing or coming down," he says.

Political pressure also may prevent further price increases in heating oil in coming months. Oil companies are strongly opposed to the reimposition of federal price contrls and may take some pains to avoid confrontation. "As a businessman I'm pleased about rising margins, but they can't continue to go up. There are absolutely political considerations," says one senior oil-company executive.

The sensitivity to this problem is heightened by President Carter's reelection bid. His first major primary test is scheduled for what will almost certainly be a cold February day in New Hampshire, where about 80 percent of homes use heating oil. Although the administration officially opposes reinstituting price controls "the companies are playing with fire," says a federal energy regulator. "It's very easy to imagine a politically weak President Carter, facing crucial primary elections in the Northeast, slapping a price ceiling on heating oil if prices keep rising."

At the beginning of this year, the revolution in Iran and the upheaval in world oil markets had seriously depleted the nation's heating-oil inventories, and the Carter administration made rebuilding these stocks a top energy priority. In May, with inventories still far below year-earlier levels. Energy Department officials asked 32 of the nation's largest refiners to increase stocks of distillates, which include home-heating oil, to about 240 million barrels by early October. That would be about 3 percent higher than the average levels for October over the past four years.

Refiners have been rapidly building their stocks in recent weeks, and as of Sept. 7 they had accumulated over 200 million barrels, slightly ahead of a year earlier. Although they apparently won't meet the October goal, it's widely felt that the stocks will be adequate by the time the cold weather arrives.

There is some concern, though, that enough oil won't be in the right place at the right time. In the push to build up their inventories, refiners have restricted sales to heating-oil dealers. As a result, retailers and their customers have less oil on hand than a year ago. "If the winter hits in late October or early November, enough oil might not be at homes," says Allan Darrow of the National Oil Jobbers Council, a trade group representing heating-oil dealers.

But for most people the problem will not be getting the oil, but paying for it. State and federal officials are looking at a variety of aid programs, including possible low-interest loans to middle-income households to help stretch out the payments for fuel.

Industry observers say that credit terms on heating-oil payments have been tightening throughout the distribution system. That could be a further constraint on middle-income budgets as people find they are being expected to pay their higher fuel bills faster than ever before.

But most of the worry focuses on the nation's poor. Studies last winter indicated that many low-income households were paying up to 40 percent of their incomes trying to stay warm. With the prospect of an even bigger bite being taken by this winter's heating costs, most observers believe large-scale federal aid is essential.

The President has asked Congress to allocate $400 million in assistance for the poor this winter, with an additional $1.2 billion if the "windfall" tax on oil-company profits is passed. Even if financial aid is approved there are worries about whether it will be enough or whether it will reach people in time to prevent a serious crisis. In the past, aid efforts have become bogged down in administrative delays and the money often didn't reach those in need until after the heating season.

"Thousands of people's lives are in jeopardy and we have already waited too long to avoid some human tragedies. Now we must move as quickly as possible to minimize the number," says Anthony Maggiore, an anti-poverty official in Milwaukee who is head of an advisory group to the Energy Department on the energy problems of the poor.●

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## DR. FAYE B. EAGLES: CHIROPRACTOR OF THE YEAR

## HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. FOUNTAIN. Mr. Speaker, Dr. Faye B. Eagles, a longtime personal friend and constituent from Rocky Mount, N.C., has been named national Chiropractor of the Year by the American Chiropractic Association. The award was made last June at the association's annual convention in Seattle, Wash.

Faye's career in the health and chiropractic fields is filled with a long list of "firsts." She was the first woman president of the North Carolina Chiropractic Association. She was the first doctor of chiropractic to serve on the North Carolina Commission for Health Services. She is the first North Carolinian—and the first woman in the Nation—to receive the ACA's Chiropractor of the Year Award.

In addition to her professional activities, Faye has long been active in countless civic and community endeavors in her hometown.

Mr. Speaker, I congratulate Faye Eagles on her award and on her many professional and civic accomplishments. I know that my colleagues in the House join me in wishing her all the best in her future endeavors.●

## HOLDING THE PAC'S IN CHECK

## HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. FISHER. Mr. Speaker, like others of my colleagues I have been listening to this debate on setting limits on Political Action Committee (PAC) contributions to campaigns of candidates for election to the House of Representatives. The arguments made pro and con have been enlightening. As always with the difficult issues that come to us for decision, there is no perfect option, no totally right course to take.

If limits on PAC contributions are not established, the rapid increase of such contributions over the last few years points clearly to a situation in which PAC's—including business, labor, and others—will dominate in election financing. The phrase, "awash in a sea of special interest money", will turn out to be accurate.

On the other hand, very severe limits, or even outright prohibition, will largely preclude individuals from participating in financing campaigns by contributing as groups, the members of which have similar concerns.

Clearly, a balance is needed. The real issue, it seems to me, is to find a sensible compromise. That, of course, is what democratic, representative government is all about. Several elements in this whole issue are important.

First, Political Action Committees are desirable on the national scene. Most of them are genuine, grassroots organizations. They are not sub rosa, subversive, or sub-anything else. They do increase both political awareness and political participation. As long as the general public knows who they are and how they operate, protection against most abuses will be adequate.

Second, PAC's have already reached a scale of activities that threatens responsible government. In the last House election quite a few candidates received half or more of their contributions from PAC's frequently with most of it coming from PAC's located outside their congressional districts. Furthermore, in many instances PAC contributions are made to particular candidates chosen by a single or a small number of PAC officials. Also subtle, or sometimes not so subtle, pressures are brought to bear on employees or members to contribute blind, so to speak, without knowing how their money will be used.

Third, no matter how you slice it, House Members will give, or will be tempted to give, some degree of preference to campaign contributors, especially those giving large amounts, in their consideration of legislation. And even if they are not tempted to do this, many persons will think the worst, that Members of Congress will be influenced unduly by their big contributors, that they will dance to the tune of the special interests.

Finally, the practical way to deal with this problem is to establish reasonable limits on PAC campaign contributions. I would greatly prefer much lower limits than those the House voted for, which are $6,000 from any single PAC and $70,000 from all PAC's. In each of my own campaigns I have pledged from the beginning to abide by lower limits by far than the House has agreed to. But the $6,000 and $70,000 were the lowest that could win approval; therefore, I voted for these limits. The principle has now been established that the House will put a brake on special interest dominance of elections. I hope the limits can be lowered further in the future.

## IMPORTANCE OF BLACK AND JEWISH COMMITMENTS TO COMMON GOALS

## HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. OTTINGER. Mr. Speaker, I would like to call to the attention of my colleagues a joint statement by black and Jewish organizations in the Leadership Conference on Civil Rights. Now that the smoke is finally clearing from the "rift" between the black and Jewish communities, we can get back to working toward achieving our mutual goals. The inflated rhetoric and excessive media coverage which followed the resignation of Andrew Young was neither constructive nor beneficial for promoting the interests of either the black or Jewish communities.

Blacks and Jews have long worked and fought together in Congress and across the country to realize common victories. Let us not lose sight of our common agendas and commitments to civil rights, full employment, decent housing, and equal opportunities for all. Let us not forget the consistent black support for Israel and the funds and armaments it needs for survival. Let us get back to addressing the real problems at hand. This important statement confirms our continual alliance and commitment to the achievement of our common goals. The text of the joint statement by black and Jewish organizations in the Leadership Conference on Civil Rights and list of its signers follow:

### JOINT STATEMENT BY BLACK AND JEWISH ORGANIZATIONS IN THE LEADERSHIP CONFERENCE ON CIVIL RIGHTS

The undersigned Black and Jewish organizations are deeply concerned over recent reports of a rift between Blacks and Jews. That we have our differences is clear. But to suggest that such differences constitute an irreparable rift is to misunderstand the nature of a coalition and of our relationship.

The essence of our plural democracy is that it encourages every group to express its views on whatever issues it chooses in accordance with its own values and judgment. It is out of such differing values, judgments and priorities that the temper of our society is forged.

A free plural society demands not the elimination of differences but the expression of differing views without rancor, racism or anti-Semitism.

For 30 years we, together with other groups, have worked through the Leadership Conference on Civil Rights in furtherance of its stated purpose: to establish "an integrated, democratic, plural society in which every individual is accorded equal rights, equal opportunities and equal justice without regard to race, sex, religion, ethnic origin, handicap or age; and in which every group is accorded an equal opportunity to enter fully into the general life of the society with mutual acceptance and regard for difference."

In pursuit of that goal, as members of the Leadership Conference, we have committed ourselves to support, "as a matter of right—a useful job at a decent wage for all who are employable or who can be made so by training or retraining; income sufficient to provide all others with the essentials for living in dignity and self-respect; decent housing in a decent environment for all; medical care for all in health, sickness and disability; and education to the limit of each person's capacity to benefit from it."

That shared commitment continues undiminished. Our years together have been marked by great advances, great achievements. The work that still must be done is too important to let differences divide us.

### SIGNATORIES TO JOINT STATEMENT BY BLACK AND JEWISH ORGANIZATIONS IN THE LEADERSHIP CONFERENCE ON CIVIL RIGHTS

Richard M. Ballard, National President, Phi Beta Sigma Fraternity, Inc.

Syd Bykofsky, President, United Hebrew Trades.

Marjorie Merlin Cohen, Executive Director, National Council of Jewish Women.

Bishop Charles H. Foggie, Secretary, Board of Bishops, African Methodist Episcopal Zion Church.

Bertram Gold, Executive Director, American Jewish Committee.

Benjamin Hooks, Executive Director, National Association for the Advancement of Colored People.

Vernon Jordan, President, National Urban League.

Aline Kaplan, Executive Director, Hadassah.

Frieda S. Leemon, National President, Pioneer Women.

Theodore R. Mann, Chairman, National Jewish Community Relations Advisory Council.

Emanuel Muravchik, Executive Director, Jewish Labor Committee.

Bayard Rustin, President, A. Philip Randolph Institute.

S. Garry Oniki, Executive Director, Office for Church in Society—United Church of Christ.

Nathan Perlmutter, Executive Director, Anti-Defamation League of B'Nai B'Rith.

Nathan Peskin, Executive Director, Workmen's Circle.

William M. Ross, Executive Director, Recruitment & Training Program.

Eleanor R. Schwartz, Executive Director, National Federal of Temple Sisterhoods.

Simon Schwartz, President, United Synagogue of America.

Rabbi Henry Siegman, Executive Director, American Jewish Congress.

Harris B. Stone, National Commander, Jewish War Veterans of the U.S.A.

Inez W. Tinsley, National President, National Association of Colored Women's Clubs.

Rabbi Alexander Schindler, President, Union of American Hebrew Congregations.

Evelyn Wasserstrom, President, B'Nai B'Rith Women.

Dr. Fredda Witherspoon, National President, Iota Phi Lambda Sorority, Inc.

Dorothy Height, President, National Council of Negro Women.

Janice Kissner, Grand Basileus, Zeta Phi Beta Sorority, Inc.

Rabbi Arthur Lelyveld, President, Synagogue Council of America.

Theodore R. Hagans, President, National Business League.

Walter Hubbard, President, National Office of Black Catholics.●

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## MEDICAL TECHNOLOGY AND GOVERNMENT REGULATIONS

## HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. ADDABBO. Mr. Speaker, many of us in Congress are concerned over the growth of Government regulations. President Carter, in his campaign, reiterated this mutual concern and promised to cut the Government redtape. This is particularly evident in the health field where HEW rules and regulations often conflict with the development and utilization of new medical technology.

I wish to submit the following column by Harry Schwartz, a most venerable writer, which appeared in the New York Times on October 12, 1979, and which so aptly illustrates a Catch-22 situation.

The article follows:

### COSTS CUTS NEVER GET A NOBEL

(By Harry Schwartz)

The Nobel Prize Committee yesterday delivered a major blow against the bureaucrats in Washington who would like to halt, or even to reverse, the current technological revolution in United States medicine.

By awarding the Nobel Prize in Medicine to scientists who developed the much-maligned CAT-scanner, the committee in effect issued a public rebuke to those who have been working hard to minimize the use of CAT-scanners in the United States.

Developed earlier in this decade, the CAT-scanner—the name for the apparatus that does computerized axial tomography—is probably the most important advance in medical diagnosis since the original discovery of X-rays, at the turn of the century.

By combining X-rays with a computer, the CAT-scanner can quickly supply a physician with a clear and complete picture of a slice of the human body at any level from head to foot.

This is the quickest and most painless way to check whether there is a cancer, a blood clot or some other physical pathology in some part of the body, particularly in the brain.

One might easily think that Government officials would welcome a major improvement in medicine's diagnostic capability.

But cost containment is now the top priority in Washington's approach to medicine.

So the advent of the CAT-scanner has been greeted with the enthusiasm that would be accorded to the bubonic plague.

Using Government regulations having the force of law, as well as exhortation and other forms of pressure, the bureaucrats have been trying to discourage or prevent hospitals and doctors from getting these machines.

The reason is that CAT-scanners are expensive and that their use may increase medical costs.

A prominent university representative of this point of view recently suffered an unpleasant personal backlash from this economy campaign.

The professor's spouse suffered a stroke and for several weeks went into and out of a coma. Physicians needed a CAT scan of this patient's brain to determine the extent of the stroke's damage, but there was no CAT-scanner in the community. So, to the professor's distress, the semi-comatose spouse had to be transported carefully 15 miles to another town having such a machine and then back home again. The professor, friends report, is now much less sure of the wisdom of radically restricting CAT-scanner availability.

All this suggests that one way to bring realism to the making of health policy is to require top officials in Washington to get their care in the most economical fashion.

President Carter has been fighting to keep medical costs down since he entered the White House, but his personal medical care is so extensive and costly that, as the nation learned a few weeks ago, his personal physician even participates at his side when he runs in a foot race.

The President and other makers of health policy are great advocates of so-called Health Maintenance Organizations (H.M.O.'s).

Federal law now provides for millions of dollars in subsidies for these groups while requiring that employers must offer H.M.O. membership to their workers where these organizations exist.

But it is curious that neither President Carter nor apparently most of the key figures in Washington belong to H.M.O.'s personally, and thus do not have to suffer the inconveniences that H.M.O. customers must often put up with.

Washington's largest H.M.O., the 110,000-member Group Health Association, told The Washington Post recently that the Association deliberately delays appointment for members wanting to see doctors. Thus, a woman wanting to check a lump in her throat to see if it is cancerous is now waiting 10 weeks to see an Association physician. Until recently, this H.M.O.'s members have had to wait more than 12 weeks for routine gynecology and obstetrics appointments. It's all done in the sacred name of cutting costs in a system that puts little or no value on easing the patient's anxiety quickly.

One doubts that Rosalynn Carter would want to wait 10 or 12 weeks to check some lumps in her breast. Mrs. Carter some time ago, it may be remembered, went to a Government hospital for a check-up. And when some breast lumps were found, she had those lumps immediately biopsied and checked by a pathologist who, fortunately, found them harmless—all in a few hours.

Why then is her husband in favor of a medical system for the rest of us that makes comparable, rapid and convenient treatment of a patient impossible?

The Nobel committee has now implicitly asked why Federal bureaucrats want to deny or to impede access by millions of Americans to the greatest medical diagnostic advance of this generation. If health care is a right, why not the best?●

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## PAKISTAN'S NUCLEAR PROGRAM

## HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. STARK. Mr. Speaker, on September 6, 1979, on page 23432 of the CONGRESSIONAL RECORD I made a statement concerning nuclear proliferation and Pakistan's nuclear program. I included with my remarks a news item, "Pakistan: the Quest for Atomic Bomb," written by Don Oberdorfer of the Washington Post.

The Pakistani Ambassador to the United States, His Excellency Sultan Muhammad Khan has written to me concerning the Oberdorfer article and at this point I would like to place the Ambassador's letter in the RECORD:

EMBASSY OF PAKISTAN,
*Washington, D.C., September 21, 1979.*

Hon. FORTNEY STARK,
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN STARK: I have seen your statement on nuclear proliferation made in the House of Representatives on September 5. The Government of Pakistan fully shares your concern about its dangers. You may have gathered as much during your recent visit along with your other colleagues, to my country.

The problem of nuclear proliferation, as you have very rightly said, transcends national boundaries. It demands a global solution. It is this realization which has prompted Pakistan to propose, inter-alia, that concerned governments outline non-discriminatory measures to resolve this issue.

However, articles like one by Mr. Oberdorfer which you have entered in the Congressional Record, present a sensational and fictionalized picture of Pakistan's nuclear programme and create the impression that Pakistan is the epitomy of the world's nuclear problems. Such perceptions can only deflect attention from the gravity and complexity of the proliferation problem and vitiate the broader approach that you have advocated in your statement. Allow me to clear the misconceptions about Pakistan's nuclear programme which the Oberdorfer article has tended to promote.

Pakistan has no intention of acquiring or developing nuclear weapons. Pakistan's entire nuclear programme is geared to the peaceful uses of nuclear energy. The programme is essentially oriented to gaining access to nuclear technology which would best help us to meet the energy shortage arising out of increasingly costly and undependable supply of conventional fuels.

Pakistan has already accepted the most stringent international safeguards yet devised on its planned reprocessing plant as well as on the Karachi nuclear power reactor, and it is prepared to accept similar safeguards and international inspection on its other nuclear facilities on a non-discriminatory basis.

Pakistan's commitment to non-proliferation is second to none and antedates the U.S. concern and campaign on this issue. Allegations of Libyan and Arab financial help to manufacture an "Islamic Bomb" are absolutely false. Pakistan in pursuing its peaceful nuclear programme on a basis of self-reliance. Pakistan does not have any intention to emulate the nuclear weapons capability of any other country in the region. Pakistan has already proposed and is prepared to make a joint declaration with India and other states in South Asia to renounce the acquisition or manufacture of nuclear weapons. Pakistan's deep and abiding interest in the prevention of nuclear proliferation has been demonstrated by its attempts to establish a nuclear-weapons-free zone in South Asia. Pakistan has striven hard to seek effective security guarantees for the non-nuclear-weapons states so that they are rid of the fear of a nuclear threat or attack.

These are some of the basic features of Pakistan's nuclear programme, which I might add paranthetically, is far less developed than that of many other developing countries and about which the media is maintaining a benign silence. In the interest of fair play you might wish to insert these views in the Congressional record also.

In case you have any questions, I will be available to answer them at your convenience.

Yours sincerely,

SULTAN MUHAMMAD KHAN.

Mr. Speaker, the Ambassador's statement that, "Pakistan has no intention of acquiring or developing nuclear weapons," is one that I welcome. But I welcome it without illusions, for my recent trip to Pakistan and impressions I have gained, lead me to the conclusion that the Pakistani effort can lead and is leading to nuclear weapons. I hope that I am wrong. I would very much like to be proven wrong and the best way to do this is to open the Pakistani facility to qualified experts who could tell the world without fear of contradiction what was going on there.

Mr. Speaker, I am also introducing with this statement a news item from the Sunday, September 23, 1979, New York Times. Written by Seymour Topping, it provides additional information about the nuclear program of the Pakistani Government. It makes clear that the Government of President Mohammed Zia ul-Haq is extremely sensitive to any arrangements that single out the Pakistani nuclear program for special attention and handling. Mr. Speaker, I understand and sympathize with these sensitivities. Yet the problem remains that we are asked to take the word of the Pakistani Ambassador to the United States and the President of Pakistan that "Pakistan is not making a bomb," while there is strong evidence that indicates otherwise.

Mr. Speaker, I would hope we could find a way to confirm the Pakistani assertions. I certainly would lend myself to any proposal that could provide a definitive answer to this most serious question. But we need more than unverified statements by Pakistani spokesmen. Without more, we must continue our policies that deny some U.S. aid to Pakistan.

Two days of high level United States-Pakistani talks focusing on the nuclear issue were recently completed. News reports indicate that there was no progress. I include two of these reports and a Washington Post editorial, "The Fallout From India's Bomb," at the conclusion of my remarks. All three items reinforce my own conclusions.

The articles follow:

[From the New York Times, Sept. 23, 1979]

### ZIA DENIES PAKISTAN BUILDS NUCLEAR BOMB AND URGES U.S. TO RESUME AID

(By Seymour Topping)

RAWALPINDI, PAKISTAN.—President Zia ul-Haq denied today that Pakistan intended to make a nuclear bomb and said that he had appealed to President Carter to review the policy that resulted in a cutoff of American aid.

There have been reports that the Pakistan Defense Production Board is building a uranium enrichment plant at Kahuta, 25 miles southeast of Islamabad, that would utilize the gas centrifuge system.

The Carter Administration, expressing fear that weapons-grade uranium would be produced and give Pakistan the capability of exploding a nuclear device in three to five years, suspended aid to Pakistan in March.

"Pakistan is not making a bomb," General Zia said in an interview. "Pakistan is not in a position to make a bomb and has no intention of making a bomb."

The President did confirm reports that his country had embarked on a program of producing enriched uranium. "Pakistan is close to it, if we have not already acquired" the technology of making enriched uranium, he said.

#### ENERGY IS CALLED THE REASON

Insisting that Pakistan's projected plant would not produce weapons-grade uranium, General Zia said his nation's nuclear program was designed to create an urgently needed source of energy. "If we do not get an alternative source of energy, Pakistan will choke in the next few years," he said.

Pakistan, already heavily in debt, will spend an estimated $950 million this year to import oil. The general bitterly complained about the devastating effect that the steady rise in oil prices was having on developing countries.

The President was interviewed in the residence reserved for the Chief of Staff, where General Zia has chosen to live. The heavily guarded white-walled compound is in Rawalpindi, about 15 miles from Islamabad, the capital. It is only a short distance from the city jail in which Zulfikar Ali Bhutto, the former Prime Minister, was hanged five months ago. It was Mr. Bhutto, who declared after India's nuclear test explosion in 1974 that Pakistanis would "eat leaves of grass" to match India's achievement.

#### GENERAL DECLARED MARTIAL LAW

Seated on a couch before an exquisitely carved table on which tea was served, the 55-year-old officer, dressed in brown traditional sherwani button-up tonic and loose white shalwar trousers, spoke in a confident and relaxed manner. The general deposed Mr. Bhutto in July 1977, after the nation was caught up in violent political turmoil, and declared martial law pending national elections.

General Zia said he intended to go forward with national elections on Nov. 17 although some of the political parties, notably Mr. Bhutto's Pakistan People's Party, were resisting registration, which requires them to hold internal elections, make public their rules and submit finances to an audit. He said that he doubted that elected officials would want to retain a soldier like himself as president.

General Zia said that he had written to President Carter, at the suggestion of American officials, renewing assurances about the nature of Pakistan's nuclear program and said he was hoping for a review of American policy. He remarked that he had received a "nice reply" from President Carter saying that his letter was under study.

Under United States law, the Government is required to suspend aid if it becomes convinced that a nonnuclear recipient is actively seeking to acquire the technology to build atomic weapons.

Pakistan has received very little of the $40 million in economic aid budgeted for this year. And promised food shipments were cut in half after the country had a good harvest.

The Carter Administration recently set up an interagency task force under the direction of Gerard C. Smith of the State Department to frame alternatives for curbing or slowing Pakistan's program.

#### INDIAN REACTION IS FEARED

American officials say acquisition of nuclear weapons by Pakistan would impel India to begin a weapons development program and heighten danger of war on the subcontinent. The Indians have pledged to refrain from weapons production but they have become restive over Pakistan's nuclear progress.

General Zia, calling for a "fresh look," said there was no need for the worldwide pressure that the United States was exerting on Pakistan. He accused the United States of pressing the consortium of nations that extended credits to Pakistan to desist from further loans and from the rescheduling of current debts.

While some members of the consortium, such as West Germany and Japan, have indicated willingness to reschedule the debts, the United States, which is owed about $3 billion of the $5 billion, has resisted such a move, contending that the danger of default is still about six months away.

The President said that no Pakistani Government could compromise on the nuclear issue under United States pressure. "We do feel the pinch in a very hard way, but our sacrifice will have to be made unless, of course, the United States sees what is the reality," he said.

#### MATTER OF NATIONAL PRESTIGE

Western diplomats in Islamabad agree with General Zia that no Pakistan Government could buckle on the nuclear issue and survive. The nuclear program has gone too far and become a matter of national prestige and commitment.

The general vehemently rejected as "fiction" speculation that he was conspiring with Col. Muammar el-Qaddafi, the Libyan revolutionary leader, to develop nuclear weapons that would be made available to the Palestine Liberation Organization for use against Israel.

He said it was unfounded speculation of this kind that had created the atmosphere of distrust, emotionalism and irrationality that opened a gap between the United States and Pakistan.

The general complained of American assistance to India in its nuclear program, cited West German supplying of a nuclear-fuel reprocessing plant to Brazil and tolerance of the acquisition of nuclear weapons by South Africa and Israel. He said he knew, and that the United States also knew, "the exact number of nuclear devices and weaponry" possessed by Israel.

#### A MINIATURE PROGRAM

Discussing Pakistan's nuclear program, the general said: "It is a model, modest, a miniature program for enriching uranium. We need this technology in the event that we will not be able to get a reprocessing plant that would convert uranium to plutonium for use in the few breeder reactors which we will need to be able to close our energy gap. We need enriched uranium to run the lightweight reactors of modern technology."

The general said Pakistan was "nowhere near" acquiring the technology that would involve taking "the little bit of enriched uranium to run a plant, convert it into weapons grade, then into metal, making a device, a trigger mechanism, a delivery system and then exploding it."

General Zia said he still hoped to get a reprocessing plant from France and was still negotiating with President Valery Giscard d'Estaing. Pakistan is ready to agree to all safeguards, he said, including the posting of French inspectors at the facilities if necessary.

In March 1976, Pakistan signed an agreement with France for a reprocessing plant. After many of the designs had been delivered, but not the most vital equipment, France canceled the contract in August 1978 when the United States protested that the plutonium could be used for the manufacture of weapons.

While the Indians have expressed anxiety about Pakistan's nuclear program, General Zia said that relations with New Delhi had improved and that there was "a lot of good will" despite the continuing dispute over divided Kashmir.

The general was less sanguine about relations with Afghanistan since the fall of President Noor Mohammad Taraki. He said that he had succeeded in Havana in opening discussions with President Taraki on problems between the two countries and that they had parted with "tremendous good will." He described the successor, Hafizullah Amin, as a "hard-liner" and said he was afraid that he would prove unrealistic.

#### ASYLUM FOR AFGHAN REFUGEES

Pakistan has become a refuge for 193,000 Afghan tribesmen who have fled the civil war. In private talks, the Pakistanis have declined demands of the Communist regime in Kabul that the border be closed to the dissident tribesmen, who it charges have used Pakistan as a base to carry on their struggle against the Soviet-supported Afghan Government.

The Pakistanis have declined to attempt to close the rugged border on humanitarian grounds and also cited the fact that the Kabul regime still refuses to recognize the existing border, drawn by the British as the Durand Line. The Afghan Government has pushed since 1953 for the creation of a "Pushtunistan state" embracing Pathan tribesmen on both sides of border. Kabul has claimed vast areas of Pakistan's North-West Frontier Province west of the Indus River as part of such a state.

There is some uneasiness that the Kabul regime, if it succeeds in consolidating its position, will renew, with Soviet support, its demands for a Pushtunistan state and bring heavy pressure on Pakistan's western border.

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[From the Washington Post, Oct. 21, 1979]

### THE FALLOUT FROM INDIA'S BOMB

India's explosion of a "peaceful nuclear device" in 1974 shocked the founding members of the nuclear club into recognizing that the policies they had adopted to prevent the spread of nuclear weapons were not working. For the first time, they saw the intimate connection that exists between some of the materials and technologies needed to run a commercial nuclear power system and those necessary to make a bomb. India had diverted a research reactor supplied by Canada and material known as heavy water exported by the United States, both intended for peaceful purposes, to make its bomb. Accordingly, the nuclear nations joined in efforts to place more controls over nuclear exports, especially those connected to weapons technology.

These efforts were the silver lining of the Indian mushroom cloud, but in one sense they came too late. The message had already gotten across that exploding a nuclear weapon, far from inflicting political costs, had in India's case actually enhanced its prestige. The United States, for one, never protested the misuse of its heavy water, at the time or later. Correcting that mistake—and trying to ensure that any other nation contemplating a nuclear explosion understood in advance that the political costs would be heavy—has been the underlying purpose of all that has been done in the name of non-proliferation since.

But recent events in South Asia threaten to unravel a good deal of what has been accomplished in non-proliferation in the past few years. Pakistan, India's longtime adversary, is building a clandestine plant, the purpose of which is almost certainly to make the highly enriched uranium necessary for atomic weapons. All diplomatic efforts to alter Pakistan's course have so far failed. Across the border, equally determined negotiations to convince India to accept international safeguards on all its peaceful nuclear facilities have also broken down. An export license for nuclear fuel for India is pending before the Nuclear Regulatory Commission, and, under law, it should not be approved unless there is reason to believe that the safeguards negotions will succeed.

Especially in light of recent upheavals in Iran and Afghanistan, there are compelling reasons for the United States to preserve functional, if not warm, relations with both India and Pakistan. But it is increasingly doubtful whether Washington has the leverage to induce either of them to change its nuclear course. The United States may therefore have nothing left to do but to ensure that whatever nuclear developments it cannot control in South Asia do minimal damage to its other non-proliferation objectives.

At the least, this means that further nuclear shipments for India not be approved without a specific quid pro quo, and that a maximum effort be made to agree *in advance* with our European allies on the steps that would be taken if Pakistan were to test a nuclear weapon. To be taken by surprise once is human, twice is unforgivable.

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[From the New York Times, Oct. 19, 1979]

### U.S.-PAKISTAN TALKS INCONCLUSIVE

WASHINGTON.—The United States and Pakistan ended two days of intensive high-level discussions yesterday without resolving serious differences about the Pakistani nuclear program, which, Washington fears, may include the development of nuclear weapons.

"There were no specific decisions taken nor were they anticipated, since these talks are part of the continuing dialogue between the United States and Pakistan," said a State Department statement issued after the talks, between Secretary of State Cyrus R. Vance and the Acting Foreign Minister of Pakistan, Agha Shahi.

Mr. Shahi told reporters that he believed he had allayed some of the American fears that Pakistan was engaged in making nuclear weapons, but he said that some differences remained with regard to the "orientation" of the program. "We have repeatedly assured the United States side that its intent and purpose is entirely peaceful," he added.

#### PLUTONIUM POTENTIAL DISCERNED

Carter Administration officials have said that a plant the Pakistanis are building near Islamabad will eventually be capable of producing plutonium of the grade required for nuclear weapons. The United States cut off aid to Pakistan except food shipments in April because of its refusal to provide what are regarded here as adequate assurances about its nuclear intentions.

Asked about press reports from Pakistan that work on the plant had halted, Mr. Shahi said that the reports were "based on incomplete and inaccurate information" or on speculation.

Another major difference developed during Mr. Shahi's visit when President Mohammed Zia ul-Haq, saying he foresaw adverse effects, announced an indefinite postponement of elections he had promised for November as well as a crackdown on opposition leaders and the press. Hodding Carter 3d, the State Department spokesman, said yesterday that the United States was deeply disappointed by the Pakistani leader's actions and had conveyed its feelings to his Government. Mr. Shahi said that the actions were not discussed at the meetings here.

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[From the Washington Post, Oct. 20, 1979]

### EFFORT TO BLOCK PAKISTAN FROM A-BOMB FALTERING

(By Don Oberdorfer)

Two days of bilateral discussions here have left U.S. officials less optimistic than ever about heading off Pakistan's drive for an atomic weapons capability.

The talks between Secretary of State Cyrus R. Vance and Pakistani foreign affairs adviser Agha Shahi, as well as recent intelligence reports, have also left U.S. officials less certain than before that a Pakistani nuclear explosion is at least two years away.

A Pakistani atomic test would be a grave setback for efforts by the United States, Soviet Union and other technologically advanced countries to curb the spread of nuclear weapons. Such an explosion would be certain to spur Pakistan's neighbor and rival, India to undertake new atomic weapons development projects and could encourage other Third World Countries to seek atomic arms, according to officials.

Shahi, who is his country's senior diplomat, reportedly told members of Congress following the meetings here that President Mohammed Zia ul-Haq would be willing to give the United States a "no explosion" pledge during the life of his current government.

According to Rep. Lester Wolff (D–N.Y.), chairman of the House Foreign Affairs Committee's subcommittee on Asian and Pacific Affairs, Shahi also made it clear, however, that Zia could not tie the hands of a future Pakistani government. Shahi told the U.S. lawmakers that Secretary Vance and other high American officials have been seeking a longterm commitment that there will be no explosion.

After a lengthy Capital Hill meeting with Shahi, Wolff also quoted him as saying that Pakistan is willing to place all its nuclear facilities under international safeguards and inspections, but only if India does the same. So far India has refused and shows no current sign of changing its mind.

Rep. Jonathan Bingham (D-N.Y.), who also met with Shahi, said that "a very serious situation is developing . . . due to the apparent determination of Pakistan to develop a nuclear weapons capability," Bingham called for intensive U.S. diplomatic efforts to seek a regional arrangement of nuclear weapons restraint involving both Pakistan and India.

Although the U.S.-Pakistani talks at the State Department were described by participants as more candid than ever before, Shahi apparently cast little light on whatever secret planning exists in Islamabad about the highly enriched uranium plant being built nearby.

The Pakistanis suggested, according to one account, that no decision on an atomic test was likely for at least six months to a year. Previously, most U.S. officials had been confident that a Pakistani explosion is at least two to five years away.

A recent U.S. intelligence report quoted a Pakistani who is privy to inside information as saying that "we have the material" to make a bomb. Even though some U.S. officials speculate that the statement may have been made for political effect, it has generated concern in official circles.

The United States is seeking "reliable assurances" that Pakistan will not produce or acquire nuclear weapons or aid any other country in doing so. Under a U.S. nonproliferation law, such assurances must be obtained before Washington can resume economic or military aid, which was cut off last April after confirmation of reports of the clandestinely assembled Pakistani plant to make weapons-grade uranium.●

## OIL AND GAS LEASE SALE ON GEORGES BANK

### HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. MAVROULES. Mr. Speaker, Georges Bank, located on the Continental Shelf off our eastern coast, is the world's richest source of fish and has been a major source of this Nation's protein for the past 350 years. Despite this, the Department of the Interior has announced plans to proceed with oil and gas lease sale No. 42 on Georges Bank on November 6. As that day approaches, I become increasingly fearful of the potentially grave consequence of this ill-conceived decision.

Let me assure you that this is not simply a local issue that will affect only the livelihood of the fishermen and fish processors in my district; it is an issue of national proportions. In the headlong attempt to exploit every possible energy resource, in the great rush to satisfy the immediate energy demands of our economy, we are losing our perspective on the most important need this world will ever face: The need to feed its growing populations.

Currently, Georges Bank provides this country with 17 percent of its fish. The demand continues to increase—in the last 10 years it has risen 20 percent per capita and doubled since 1950. Much more importantly, however, our need for fish protein is expanding rapidly. Fish—and primarily those spawned and caught on Georges Bank—can provide the world with a most rich and efficient source of protein for generations to come—but only if we choose to protect those spawning grounds and leave them intact.

On the other hand, the amounts of oil and gas extracted from lease sale No. 42 is estimated at 123 million barrels of oil and 870 billion cubic feet of natural gas—an energy potential that is equivalent to about 16 days of U.S. energy demand. It appears that in an effort to supply the United States with a nominal amount of energy, the Federal Government is willing to risk the destruction of a major, renewable source of food for the world.

Gross concern and opposition, both in the public sector and within the Government, exists with regard to this lease sale. It stems from the realization that the Federal Government has not adequately addressed the environmental issues surrounding the drilling. The details of an agreement reached by the Departments of Interior and Commerce, which was intended to protect the fish and breeding grounds of Georges Bank, has been announced—and I assure you the agreement is simply not adequate. This is most clearly demonstrated by the pronounced opposition of NOAA Administrator Richard Frank to the lease sale, as well as the reluctance of the Environmental Protection Agency to participate in a monitoring biological task force. Additionally, no meaningful provision has been made to deal effectively with the issue of disposal of drill cuttings and muds or the reinjection of formation waters. No nonbiased, effective mechanism has been developed to report objectively on pollution control efforts related to the drilling.

The residents of my district are united in their belief that it is not the appropriate time to go forward with the lease sale. As they have poignantly stated—the oil on Georges Bank will keep, so let it be—until a time when we have both the integrity and the knowledge to drill safely, allowing Georges Bank and its marine life the respect and protections we owe them.

In my opinion, the risks we are about to take are clearly not justified—the fish are an eternally renewable resource, the oil is obviously finite. With effective conservation efforts, I am confident that we could save more oil and gas than could ever be removed from Georges Bank—so let us move together in that direction.

There is still time to postpone the lease sale and I implore Secretary Andrus and President Carter to do so.●

## FAIRNESS FOR CALIFORNIA FISHERMEN

### HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. PANETTA. Mr. Speaker, a week ago today, I presented testimony before the Subcommittee on Fisheries, Wildlife Conservation and the Environment on behalf of H.R. 4638, the Fairness for California Fishermen Act, which would amend the law to create a separate California Fisheries Management Council. I would like to once again thank Chairman John Breaux for holding hearings on this matter. I would like to share my testimony with you as well as mention some of the organizations that have expressed support for the creation of a separate California Fisheries Management Council: The California State Legislature; the Marine Conservation League, the Del Norte Municipal League, the United Fishermen's Organization of Southern California, Inc.; Western Fishboat Owners Association; the California Seafood Institute; the Board of Supervisors of Del Norte County; and, the Sportfishing Association of California.

Testimony Before the Subcommittee on Fisheries, Wildlife Conservation, and the Environment

(By Representative Leon E. Panetta)

Mr. Chairman: I'm grateful for this opportunity to present testimony on H.R. 4638, the Fairness for California Fishermen Act. As you know, this measure would amend the Fisheries Conservation and Management Act of 1976 to create a new California Pacific Fisheries Management Council. I'm pleased to have with me today, Mr. Zeke Grader, Executive Director of the Pacific Coast Federation of Fisherman's Associations, who would be happy to assist in providing answers to whatever questions you and the members of the Subcommittee may have following my testimony.

I think that all of us participating in these hearings agree about the basic importance of having a national policy and program to protect our fishery resources. Clearly, the fishing industry is vital to our economy. We must work, therefore, toward the conservation and management of our fishery resources to insure that this industry remains strong. The contribution of the members of this committee to the establishment of sound fishery conservation practices is immensely important to our country's future. I commend you for your dedicated efforts.

The one aspect of the present Fisheries Conservation and Management Act that is of particular concern to me and to the Fishermen of California, is representation and participation in the management process through the fisheries management councils. As you well know, these councils are charged with the responsibility of developing management plans for various species of fish to prevent overfishing and depletion of our resources. This is a necessary and worthwhile task that depends in great measure for its success upon the cooperation of fishermen. There are few classes of individuals in my experience who are more concerned about or more directly affected by the long-term preservation of our fishery resources than our fishermen. It is vitally important, therefore, that fishermen are intimately involved in the process of developing fishery management plans.

In California there has been a growing sense among fishermen since the creation of the Pacific Marine Fisheries Management Council that their voice is not being heard. That sense has led me to propose the creation of a separate fisheries management council to have the responsibility of developing management plans for California fisheries. Of course, this new council would be obliged to cooperate as much as possible with its neighbors in developing management plans for common species. The essential advantage of this approach, however, is the greater degree of cooperation and harmony in implementing the management plans that would result from a fairer representation in their development.

There are many other reasons to support the creation of a California Fisheries Management Council, in addition to the need for fair representation. The state of California has over 1000 miles of coastal water with more fisheries in the conservation zone than the other Pacific Council states combined. In fact, of the nation's seven management councils, California alone has about the same or more coastal area than both the New England and the Mid-Atlantic Councils combined. The magnitude of California's fishing industry is perhaps best reflected by the fact that its landings exceed one billion pounds annually.

It is the issue of representation, however, that stands out as the primary reason why Congress should create the new council I propose. California's disproportionately small representation on the present Pacific Management Council is clear. Not only are Oregon and Washington represented on the Alaska Marine Fisheries Management Councils, they along with Idaho have 80% of the votes on the present Pacific Management Council. California, with well over half the fishery resources of the present council, has only three voting members on the fifteen member council. In light of these facts, it is no wonder that our fishermen feel that Oregon and Washington fishing interests are controlling California's resources. In addition, California finds itself a potential victim of local factions in other states that seek injunctive relief for their grievances. The very real threat of California's fishing season being cut short by court order resulting from a dispute to which California is not a party further adds to our fishermen's feelings of distress.

Earlier this year, the House passed under suspension of the rules a three year reauthorization of the Fishery Conservation and Management Act. This measure called for the expansion of the voting membership on the Pacific Fisheries Management Council from 13 to 15. In addition, the committee specifically recommended that the two new voting members represent commercial fishing interests. I commend my colleagues for offering this reform because I believe it reflects a recognition of the present Pacific Fisheries Management Council's inability to do the job. There simply must be greater representation, which I believe should be accomplished through the creation of a new management council for California.

The California State Legislature recently passed a resolution urging Congress to create the very council I propose in my legislation. In addition, numerous city councils and county boards of supervisors across California have joined in support of my bill. I urge you, therefore, in the interest of fairness for California fishermen to recommend passage of H.R. 4638.

In closing, I'd like to once again thank the Chairman and members of the subcommittee for giving me the opportunity to testify on this matter. The fact that these hearings are being held and that you are giving consideration to my proposal, is a source of encouragement to California fishermen who have truly felt left in the cold by the federal government. I think all of us want the Fishery Conservation and Management Act to work. I think we also want it to be fair. That is why I'm seeking passage of my legislation. I hope that you will support this measure for the reasons I've outlined here today and for the reasons expressed by others who have testified on its behalf.●

## THE NEED FOR MORTGAGE REVENUE BOND FINANCING

### HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. PATTERSON. Mr. Speaker, I would like to share with my colleagues today why I believe Congressmen GEPHARDT and FRENZEL's proposed amendment to H.R. 3712 is critical in terms of furthering our goals of providing more affordable housing for low- and moderate-income people. This is particularly true in high cost housing areas like Orange County, Calif.

A headline in the local section of the Los Angeles Times last week was "Demand for Homes Hits All Time High." The article went on to cite some critical facts. The vacancy rate in Orange County is less than 3.2 percent which is a record low level. As a result, the price tags on new and used housing continues to climb. The current median resale price of homes is $112,000 with the average price of a new home jumping to $138,000. From June 1978 to June 1979, there was a 62-percent drop in homes priced under $90,000, that were available on the market.

This has created a situation where Orange County is desperately trying to hold onto its industrial base. The influx of new industry has markedly slowed and existing industry is having severe problems convincing employees to relocate to Orange County due to high housing prices. Wage earners with moderate and low incomes are being forced to live in surrounding communities and make commutes of 100 miles a day and further.

As a direct result of this contribution to air pollution, the Environmental Protection Agency has placed a moratorium on sewer hookups until the county develops an affordable housing program that will provide homes for people that work in Orange County to live in Orange County.

This lack of affordable housing is also placing an unfair economic burden on surrounding counties such as Los Angeles, Riverside, and San Bernardino. The people being forced into these areas places increased pressure on government services and creates a need for such things as new schools, and so forth. Also of great concern, is the fact that with increasing commuter costs, low- and moderate-income people will not be able to afford to continue the long commutes. Thus this could potentially mean increased unemployment in Los Angeles, San Bernardino, and Riverside while Orange County's industrial base deteriorates due to lack of an adequate labor pool.

Without dwelling on all of the problems a lack of affordable housing can create, one that directly impacts the Federal Government is the lack of ability to occupy the General Services Agency's huge complex located in southern Orange County due to the complete lack of affordable housing.

The Orange County Board of Supervisors has recognized the lack of affordable housing and has taken positive steps toward solving it. On March 7, 1979, the board directed the preparation of an inclusionary housing program to assure the development of affordable housing. The program was developed by a series of workshops involving over 40 interest groups. The program recommendations were approved by the board of supervisors in November, 1978. Very briefly, the program requires that 25 percent of all new housing development be affordable by families with incomes of less than 120 percent of the median income. The report also recommended density bonuses to allow more intensive use of land and the use of housing revenue bonds to provide low interest mortgages to reduce finance costs and directed studies to determine ways to reduce approval process time and cost inspection delays.

On November 1, 1978, a report was submitted to the board of supervisors proposing the use of tax exempt revenue bonds to establish a low- and moderate-income loan program. Then the board ordered a feasibility study for a $200 million bond issue. After indepth study and extensive legal research, a report was submitted to the board of supervisors recommending the $200 million bond issue.

On April 3, 1979, the board of supervisors approved the recommended approach to establishing the revenue bond program and authorized the issuance of a request for proposals from underwriters for a $200 million housing revenue bond program. On August 14, an underwriter was selected and the county is now carrying out preliminary work to enable issuance of the bonds as soon as possible after the legislative issues are resolved.

To focus again briefly on the need, the HUD defined median income, family of 4, for Orange County is approximately $20,000, and the county's inclusionary housing program directs that not less than 25 percent of all new housing developments will be affordable. This 25 percent is further targeted with 40 percent of the 25 percent affordable housing to families with incomes less than 80 percent of the median, 40 percent for less than 100 percent of the median, and 20 percent of the 25 percent for family incomes of less than 120 percent of the median.

Houses affordable to these income ranges are not feasible unless all elements of housing costs are addressed. The county is doing many things to aid in reducing land and construction costs, yet without the ability to lower financing costs there appears to be little hope of homeownership for moderate and especially low-income families. It will take 2,000 affordable units per year to meet the requirements of the inclusionary housing program. This is not close to meeting the current need for affordable housing in Orange County.

Obviously, the county has worked a long time on this bond issue and I firmly believe the need is well established.

The Gephardt-Frenzel amendment will allow Orange County to proceed with a mortgage revenue bond issue that will help considerably to provide low- and moderate-income housing so desperately needed. I urge my colleagues to join me in supporting the Gephardt-Frenzel amendment to H.R. 3712.●

## NO CAPITAL GAINS TAX RELIEF FOR FOREIGN INVESTORS

### HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. FISHER. Mr. Speaker, I have recently introduced legislation which I believe is important in terms of tax equity, tax relief and social policy. This bill, H.R. 5634, would extend the tax on capital gains to the sale of real property within the United States by nonresident aliens and foreign corporations. This would include both farmland and nonfarm related real estate. It would also cover the capital gain in excess of $3,000 derived from the sale of stock in a corporation where the gain is attributable to real estate holdings of that corporation. It is estimated by the Treasury that extension of the capital gains tax in this manner would increase Federal revenues by $142 million in 1979. Furthermore, it is reasonable to estimate that this amount will increase 10 percent each year over the next few years.

Currently, nonresident aliens or foreign corporations can effectively avoid capital gains taxation on the sale of real property within the United States in a number of ways. First, if the real property is not connected with the conduct of a trade or business within the United States and if the nonresident alien is not within the United States for more than 183 days during the year of sale, then the sale of property will not result in any capital gains tax liability being incurred by the owner. Second, under some circumstances such as the treaty with the Netherlands Antilles, these individuals and corporations may avoid paying a capital gains tax by electing to be taxed as a "passive investor" engaged in a U.S. business. As such, the passive investor would be liable for a tax of 30 percent of the property's gross income earned during the year of sale, but would escape all capital gains taxes which would be associated with that sale. As a practical matter, many of these individuals and corporations are able to manage their transactions so that they pay little or no tax in the year of sale. For example, if the property is sold on January 1, then there will be little if any income on which to pay 30 percent and the capital gains tax will be avoided at the same time.

Similar techniques can be used to avoid the payment of capital gains taxes on the sale of personal property. However, taxation of the sale of these assets would encounter substantially more administrative difficulties due to the ease with which they could be removed, or claim to have been removed, from the United States prior to the sale, thereby eliminating any reasonable basis upon which the United States could levy a tax on the transaction.

As a matter of tax equity, the present state of the law is unjustifiable. Since the Congress has made a decision that capital gains should be subject to a tax, then the gains should be taxed regardless of the status of the taxpayer. The tax should not depend on whether an individual is an American or an Arabian. Rather, it should be determined solely by looking at whether the sale of real estate resulted in a gain to the seller of the property. The legislation which I have introduced would assure that we keep our focus on this central issue.

Furthermore, H.R. 5634 will bring an end to the current situation in which residents of the United States are, in effect, subsidizing nonresident aliens and foreign corporations by paying increased taxes to make up for the fact that these individuals and corporations are not paying any capital gains taxes at all. We all realize that if we want to raise a certain amount of revenue, then each taxpayer has less of a burden if the tax extends to a wider base. This legislation will extend that tax base to include nonresident aliens and foreign corporations. In doing so, it contributes to easing the pressures for higher taxes on residents of the United States and domestic corporations. And it must be remembered, that in most cases this contributes to tax relief on the State as well as the Federal level because most of the States which have income taxes largely accept the tax base as determined by the Federal tax laws.

Finally, I believe we must ask whether the current law reflects wise social policy. For a number of reasons, I do not believe that it does. First, while there may have been a need to develop incentives to encourage foreign investment in the United States many years ago, times have changed. The devaluation of the dollar and the continuing stability of our political system already provide substantial incentives for foreign investment. Further incentives at the expense of the average taxpayer are simply not justified.

Second, since under current law a nonresident alien or foreign corporation can avoid paying capital gains taxes on the sale of real estate, they can pay more for property than could a resident or domestic corporation and still over the long run receive the same rate of return on their investment. A recent Department of Agriculture study shows that because of these tax incentives the nonresident alien or foreign corporation can pay 12 percent to 15 percent more for land than could a U.S. individual or corporation and still receive the same net return.

Third, at a time when many Americans are feeling beleaguered by events abroad and frustrated at our own dependence on the outcome of those events, the increasing purchase of real estate in the United States by nonresident aliens and foreign corporations is having a demoralizing effect. According to a report by the General Accounting Office which examined the sale of farmland and timberland in 10 States between January 1977 and June 1978, nonresident aliens and foreign corporations acquired approximately 515,000 acres or 4 percent of the total. More recent evidence gathered by the Department of Agriculture indicates that the pace of acquisition has increased since that time. Now, admittedly, these numbers are small when compared to all of the available real estate in the United States. Nevertheless, however small these figures are at the present time, they are a further indication to many Americans that if the present trend continues, we will soon be at the mercy of outside economic pressures. In addition, some time in the future we may risk having important sectors of our economy under the influence, if not the control, of foreign investors.

For these reasons, Mr Speaker, I urge my colleagues to give this legislation their serious consideration and support.●

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## THE FEDERAL CREDIT PROGRAM CONTROL ACT

## HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. MINETA. Mr. Speaker, today I am introducing a bill—the Federal Credit Program Control Act—to enable the Congress to set targets and ceilings in its concurrent resolutions on the budget for direct lending by the Federal Government and Federal guarantees of private borrowing for a fiscal year. I am very pleased that Congressman GEPHARDT, Congressman NELSON, Congressman CONABLE, and Congresswoman HOLT have joined me in cosponsoring this legislation. I am particularly pleased that the chairman of the Budget Committee, Congressman GIAIMO has also agreed to cosponsor this legislation.

Mr. Speaker, events in the last several weeks have underscored the importance that credit programs have come to play in the Federal Government's total program of assistance to various elements of the economy and population. For instance:

Recently, the Chrysler Corp. asked the Federal Government to guarantee $1.2 billion in loans to assist it in regaining financial soundness.

The President's post-Camp David energy program proposed both direct and indirect credit assistance—loans and loan guarantees—in the amount of $88 billion to finance synthetic fuel plants designed to reduce the Nation's dependence on imported oil.

The Economic Development Administration of the Commerce Department and the Farmers Home Administration of the Agriculture Department recently combined to guarantee $150 million in loans to Wheeling-Pittsburgh Steel Corp. for new capital facilities and pollution control equipment, provoking a lawsuit from one of its competitors that had privately financed such improvements.

For fiscal year 1980, new loans by the Federal Government, including loans by off-budget entities, and new loans guaranteed by the Federal Government will total an estimated $107.4 billion. The total of outstanding direct loans and guaranteed loans will reach an estimated $391.4 billion by the end of fiscal year 1980.

While plans for direct and guaranteed loans under individual Federal credit programs are reviewed each year during the budget process, there is no systematic mechanism in either the Congress or the executive branch for reviewing the total volume of Federal credit activity.

In a sense, Mr. Speaker, we are in the same position today with respect to Federal credit programs that we were in 5 years ago with respect to direct expenditures: We are unable to set targets and ceilings on the total volume of credit being allocated by the Federal Government. It is perhaps not a coincidence that Federal credit programs have grown faster than direct expenditures since the implementation of the Congressional Budget Act. New direct loans and new loans guaranteed, both on- and off-budget, have grown 70 percent over fiscal years 1976–80 while direct expenditures have grown only 45 percent, based on estimates in the President's 1980 budget.

The President is preparing to implement in the fiscal year 1981 budget some of the Federal credit program controls that were promised in the fiscal years 1979 and 1980 budget. Specifically, the President will propose in his fiscal 1981 budget limitations on commitments for gross direct lending and gross loans guaranteed for inclusion in the appropriations language for each direct or guaranteed loan program. The information on credit programs in the budget and appendix will be expanded, and OMB will begin requiring updates of credit estimates as part of a credit control tracking system.

Thus, the President will present to the Congress in his 1981 budget the basic elements needed for the Congress to begin controlling Federal credit programs. The Federal Credit Program Control Act picks up where the President's proposals leave off: It will provide a statutory basis for a credit program control system within the framework of the existing congressional budget process.

Basically, this is a simple bill. At its heart are amendments to titles III and IV of the Congressional Budget Act of 1974. Title I "piggybacks" the provisions for setting targets and ceilings for direct and guaranteed loans onto the provisions establishing the first and second concurrent budget resolutions. Title II contains minor amendments to the Budget and Accounting Act of 1921 to require inclusion of data on Federal credit programs in the President's budget.

Mr. Speaker, I do not wish to pretend to my colleagues that this bill is the answer to all questions about Federal credit programs. In fact, this bill may raise more questions than it answers. It is time, however, Mr. Speaker, for the Congress to begin considering these issues. I urge my colleagues to give careful consideration to the Federal Credit Program Control Act.●

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## DR. ARTHUR W. MEEK'S OUTSTANDING CAREER

## HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. FORD of Michigan. Mr. Speaker, I would like to call the attention of my colleagues to the outstanding career of one of my constituents, Dr. Arthur W. Meek, now director of the Madonna academic performance program at Madonna College, in Livonia, Mich.

In recognition of Dr. Meek's achievements, the board of education in the Inkster School District has voted to conduct a special tribute in his honor, launching American Education Week activities in the school district. The tribute will be held on Sunday, November 11, at the Milton School.

Dr. Meek, now 68 years old, has devoted his entire adult life to the education of young people.

A native of Springfield, Ill., he earned a bachelor's degree in 1931 at Illinois College, and a master's degree in 1932 at the University of Illinois. He began his teaching career in 1932 in the Vandalia, Mo., public school, serving first as teacher, then as principal, at Vandalia and then at Mounds, Ill.

His educational career was interrupted by World War II, when he served as a lieutenant in the Army Quartermaster Corps, including a tour in the European theater of operations.

After the war, he returned to civilian life as head of the music department for the Inkster Public Schools, for 9 years. In 1956, he became an elementary school principal, then business administrator from 1959 to 1965. He was acting superintendent from 1965 to 1967, and assistant superintendent from 1967 to 1975.

In 1976, he began his career with Madonna College, first as assistant professor, then as director of student teaching. He took over his current duties in 1978.

In addition to his educational duties, Dr. Meek has compiled an enviable record in professional and civic activities.

He is past president of the Wayne County School Business Association and of the Wayne County State/Federal Coordinators, and is active in a dozen other education-oriented groups.

At the community level, he has served on the Inkster Mayor's Committee on Drug Abuse, the Inkster Youth and Manpower Commission, the Inkster City Charter Revision Committee, the Ad Hoc Committee on Community Educational Needs, and on the Area 7 Advisory Board for the Wayne County Community College. He is an active member of St. James United Methodist Church, the St. Andrew A.M.E. Church, the Inkster YWCA, and the Veterans of Foreign Wars.

Among the many honors bestowed upon him over the years are:

Michigan Teacher of the Year Award (1952); Outstanding Service Awards from the Michigan Association of School Business Officials (1969 and 1974); Outstanding Educators of America Award (1970); Behavioral Research Laboratories Merit Award (1973); Wayne County Community College Recognition Award (1974, 1975, and 1976); Distinguished Service Award, Neighborhood Education Authority, Michigan Department of Education (1975); Oakmulgee-Dunbar Alumni Award, Michigan Teacher of the Year (1979); and the President's Cabinet Lumen Award, Madonna College (1979).

I think this brief outline, Mr. Speaker, will give some idea of the tremendous achievements by Dr. Meek over his years of service, and indicates why he has been chosen by the Inkster Board of Education to be honored as a major feature of American Education Week in Inkster.

I know that you and all our colleagues join in extending our congratulations to Dr. Meek, and our best wishes for continued success in his life's work.●

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## THE SUGAR BILL

## HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. BETHUNE. Mr. Speaker, I take this occasion to place in the RECORD a commonsense editorial which appeared in the Wall Street Journal October 23. It is a succinct statement with which I agree.

### THE SUGAR BILL

The House is set to vote this week on an income transfer program to 15,000 sugar farmers. The sugar lobby claims the subsidy is needed to save the farmers from massive losses and to save the American consumer from a foreign sugar cartel.

We are suspicious of both arguments. If sugar is unprofitable, why do producers insist on growing it? There are alternative crops. Since 1960 acreage devoted to soybeans has expanded by 250% as a result of farmers rotating out of less profitable crops. And since 1974 sunflower acreage has increased 1,000% in response to strong worldwide demand for high-protein vegetable oil. Moving from crops that don't pay to those that do is what creates wealth and raises productivity in the agricultural sector.

Of course, most any crop has marginal producers that are caught out on the downside. But it wasn't that long ago that consumers were boycotting sugar because its price soared through the roof. If price floors to protect marginal producers on the downturn are "fair," consumerists can make the same claim for price ceilings to protect consumers on the upturn. The sugar lobby should think about whose foot gets in the door with theirs, before their subsidy scheme turns into the sugar price control board.

As for the argument that we must establish an income transfer program for high-cost domestic producers or find ourselves at the mercy of a sugar OPEC, Congressman Dave Stockman (R., Mich.) points out that sugar is produced in almost every climate, topography, and growing condition found in the world.

It is easy to rapidly increase sugar beet production which accounts for 60% of U.S. sugar production. "When prices rose in 1974 and 1975," says Rep. Stockman, "U.S. acreage soared by 27%; in Idaho, acreage planted in 1975 was up a whopping 80% over the previous year." The top five sugar producing nations account for less than a third of world output. If they tried to rig an artificially high price, the output response in the rest of the world would drive down the price.

The danger to the consumer is in the sugar bill itself. It would allow ever higher import tariffs to support domestic price rises of 7% a year. By 1983 consumers could find themselves with 34% higher sugar prices costing them an extra $4.2 billion a year.

But the main problem with the bill is the economic philosophy behind it: every row and furrow of domestic sugar must be kept in production regardless of supply, demand and competitive conditions. No economy can remain dynamic and be successful when owners are paid for not moving their labor and capital resources into more productive and profitable areas. Subsidies can't prevent economic change. By offering a reward for standing pat, they just make the economy unable to adapt to new opportunities for growth and progress.●

## DAN ROSTENKOWSKI WRITES ON SYNFUELS

### HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. WRIGHT. Mr. Speaker, while the gas lines have disappeared, the need for concrete steps to forestall future emergencies of that kind is still with us. Fortunately, the Senate is nearing completion of its amendments to the House-passed synthetic fuels bill, and the House soon will take up legislation to expedite energy projects which are in the national interest. Before Congress adjourns this year there is every likelihood that these measures will be enacted.

If this does occur, it will be because of the stalwart support of Members who have refused to be misled by arguments that our energy needs can be met wholly by conservation. There is no doubt that we must use a whole array of measures, including both conservation and synthetic fuels, if we are going to reduce our dependence on unreliable and foreign sources of oil. No one measure can fill the need.

Yesterday our colleague, Congressman Dan Rostenkowski, made an eloquent case for both synthetic fuels and conservation in an op-ed article appearing in the Chicago Sun-Times. His article responded, in part, to a recent Sun-Times editorial calling for a slowdown of synfuels legislation.

The article by Mr. Rostenkowski follows:

Let's Get Perking Again on Synfuel Bill . . .

(By Dan Rostenkowski)

A short time ago Americans faced a summer of long gasoline lines. They wanted action, and they got it. A bill known as H.R. 3930, which launches a synthetic fuels industry, passed the House in nearly record time. It was hailed as a declaration of energy independence, signaling America's revolt against undependable and capricious foreign oil sources.

This is true in both a symbolic and real sense. For the gasoline lines not only brought out our anger and frustration, but also caused us to consider some facts that didn't seem important until recently:

Americans pay more than $60 billion a year to OPEC for oil.

Americans import nearly half of the oil that runs our cars and industries, warms our homes and moves our military.

Our dependence has a high-risk factor as well as a high price. Synfuels will not provide a fast, cheap or total solution. Nothing will. But they can help us break away from an unhealthy national dependency.

Unfortunately, the surge of interest in this alternate energy initiative appears to have been short-lived. Constituents no longer are having trouble buying gas, so some legislators are reluctant to take the firm, decisive steps necessary to establish a national energy plan. A few recent editorials, one in The Sun-Times, called for a slowdown on synfuels legislation. Before energy initiatives slow down to a complete halt, let's look at what propelled H.R. 3930 in the first place.

Synthetic fuels can provide home-grown sources of energy. They would be produced from our own resources: coal, tar sands, shale, solid wastes and grains. These are sources we can control. Perhaps just as important, the initiative, ingenuity and technology would be of the American variety.

Synfuels aren't new, nor are they untested. They simply weren't important when oil was $3 a barrel. Our own state of Illinois could be the linchpin in an ecologically sound coal gasification-liquefaction program. Illinois ranks first in the nation in bituminous coal reserves, and four of the eight best regions for coal gasification plants are in Illinois.

Lyle Sendlein, a coal expert at Southern Illinois University, has said: "Bituminous coal is an environmental pollutant when it's burned, but when it undergoes gasification and liquefaction, as it would in the synthetic fuel process, hazardous sulphurs can be removed." South Africa, which has produced synthetic oil from coal since the 1950s, reports zero discharge of pollutants into streams and rivers.

Synfuels need government backing. Current legislation allows for any number of manageable ways for government to invest in production: for example, through loan guarantees and contract purchases.

The energy equation has two sides—supply and demand. The synfuels bill is the beginning of a logical and less risky way to handle supply. Demand is another question. Americans have shown a great willingness for Congress to increase fuel supplies, but less willingness to curtail their demands. So Congress which reflects the will of the people, has been reluctant to move in conservation. Clearly, we can change our life-styles. We just don't want to. But we cannot continue our familiar and comfortable ways.

I have received countless letters about energy from citizens. The message is usually the same: Keep fuel prices down and prevent gas lines. But are people willing to do without overheated homes, vacations by auto or the convenience of driving to work? Perhaps Congress would be more receptive to legislation to ensure conservation if it heard from people who are willing to take these steps.

Few of us want to reduce our energy use. That requires courage and sacrifice. But these are qualities the American people always have delivered in times of crisis. The halcyon days of cheap energy are over. We will have to ask ourselves what we are willing to forgo to be energy self-reliant.

Albert Einstein, whose centennial we celebrate this year, once asked why the science that makes life so much easier for us has brought so little happiness. He said the answer was simple: "Because we have not yet learned to make sensible use of it."

The development of synfuels is yet another application of science. We must use it to increase our energy supply, but we will have to learn to use it sensibly.●

## EFFECTS OF FOOD STAMP ACT OF 1977

### HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. BRODHEAD. Mr. Speaker, I want to share with my colleagues the views of Dr. John Dempsey, Director of the Michigan Department of Social Services, on the Food Stamp Act of 1977. Dr. Dempsey describes how he perceives the 1977 changes to have affected recipients of food stamps, case workers, and the State-Federal partnership in this program.

Remarks by John Dempsey at the National Food Stamp Conference

I have been asked to speak to this conference from the perspective of a state administrator on the subject "happiness is . . .". I am not precisely certain what the program committee had in mind, but I assume that what they have asked me to do is to answer the question as to whether states and state agencies are any happier under the new Food Stamp program and its accompanying regulations than we were under the old. If that is the charge, I will attempt to address it.

I must begin, however, with a personal comment. A couple of years ago at a national meeting of welfare administrators I heard Ed Maher, the Director of the Department in the State of Connecticut, assert that he had been in the welfare business for 25 years, and it was his experience that nothing had ever gone right. I have only been in this business for about four and a half years and I have found very little that really has gone right. Because we are not in an easy business, it's not by any standard a happy business; at the same time it is possible to point out that in certain areas conditions are better than in others, and that at certain times things seem to go somewhat better than at other times. So, although we can't address the subject from a totally objective point of view, it is possible to make some comparative judgments. This I shall try to do.

The Food Stamp Act passed by Congress in 1977 was, of course, the result of a tremendous amount of work over a very long period of time. It was a virtual reworking of the long-existing Food Stamp program. As such, it presented many difficulties, not only to the state agencies that administer the program, but to the Department of Agriculture itself, and particularly to the Food and Nutrition Service of the Department of Agriculture. It has not been easy moving from the passage of the act to the implementation of the program, but on the whole its been, I think, a very successful experience.

When Congress acted in the latter part of 1977, it was attempting, in my judgment and in the words of the Act, to establish and achieve three somewhat different goals. First, it was the intent of Congress to assure maximum participation in the Food Stamp program by the lowest income American households. Secondly, Congress desired to make the administration of the program more clear and, to the maximum extent possible, much more simple. Finally, and somewhat contradictorily, it was congressional intent to minimize the opportunity for fraud, and therefore, reduce fraud waste and error in the program. These goals are clearly established in the statute. The problem, of course, is that at times, these goals conflict with one another, and in attempting to attain one goal at a particular time as compared to another, it may be that not all three goals can be mutually satisfied.

Nevertheless, in attempting to address the subject of the experience which states have had as we have gone forward to implement the 1977 Act, I do believe that on the whole the experience has been better than prior experiences. In order to demonstrate this I would suggest we look at the program from three different standpoints: from the points of view of the households who participate, the workers who administer the program, as well as the state administration responsible for it.

First, are the households receiving Food Stamps happier today than they were under the old program. The answer clearly is yes.

It did take a long time to get the program implemented, as the Food and Nutrition Service and USDA struggled with the task of preparing adequate regulations in this very very difficult area. And perhaps the task could have been accelerated. Yet, statistical evidence at least, as well as the anecdotal knowledge that I have suggests that on the whole Food Stamp recipients are much more satisfied with the current program.

I can demonstrate this by pointing out, for example, that my State, Michigan, today has the largest Food Stamp caseload ever.

In August of 1978, there were, throughout my State, 204,000 households receiving Food Stamps. By August 1979, a year later, this number had increased to 261,040 households. In August of 1978, 579,000 Michigan citizens participated in the Food Stamp program. By August of 1979, this had grown to 687,000. So an additional 108,000 people in Michigan, 57,000 families, were receiving Food Stamps in August 1978, as compared to a year earlier.

The net effect of this is a 28% increase throughout Michigan of certified households participating in the program over the last twelve months. In Wayne County alone participation has gone up 30% in one year, as might be expected since that's where many of our poor are concentrated, yet participation has increased rather uniformly across the State.

Families are also better off. In August, 1978 the average household coupon allotment was $56.62. Twelve months later, August, 1979, this had increased to $71.16, an increase of 26%, well above the level of inflation and the result is good for the entire state. Right now the food stamp program is bringing into Michigan approximately $18.5 million a month provided to low income families for the purchase of food. A little less than half of this—$8.3 million—is provided to households in Wayne County alone. Thus for the State of Michigan well over $200 million in food purchasing power is being made available through the new program to eligible families in Michigan; this is a substantial increase over the total dollars coming into the State under the old program. So my conclusion is that it is quite clear that families are more happy with the current program, partially because they receive more money, and partially because more of them are participating.

Anecdotal information also suggests that the individual food stamp households are the ones who are happiest about the elimination of the purchase requirement. It's true that many families and individuals did not fully understand initially why they receive fewer coupons than they did when they had to put up their own money to purchase the coupons but, caught on quickly. It's quite clear now that they are happy with the idea that they don't have to pay for the stamps. Participation has dramatically increased throughout the State of Michigan, and elsewhere in the country, because the poor no longer have to come up with the cash at a given point in time. This is good, and clearly was the intent of Congress.

This inevitably makes it easier for people to participate, and is the major reason for the expansion of participation. In December 1978, for example, of the certified households in Michigan 82.6% actually participated. In August, 1979, eight months later, the participation rate of certified households had increased to 96.7%. Thus, fewer than 4% of the families who are certified now decline to participate, and this increased participation certainly must be clearly related to the elimination of the purchase requirement.

Thus it is evident that the first objective of the food stamp act, namely to increase participation by lowest income households, clearly is being achieved. I think both Congress and the Department of Agriculture are to be commended for this happy result.

We now get to our second area: the attitude of the workers who must administer these programs. Only rarely is any worker in any welfare agency really content. Nevertheless, given the terrible difficulties which face the average worker in a line agency administering the food stamp and other income assistance programs, it is clear, in my judgment, that workers are much happier with the new program than they were with the program that it replaced. This stems from the fact that the new program has simplified policy across a number of difficult areas, and that such practices as standard deductions have eased the lot of the worker to a significant degree.

Also, workers much more clearly understand what is expected of them and what is expected of the food stamp household. As a result, they are doing a better job. We could quarrel as to whether the new program is easier to administer than the old program but it certainly is clear that it is easier for the worker to do his or her job because he or she knows what to do; therefore, the program is better administered. So, the second objective of the act, namely simplification and standardization, to the maximum extent possible, is being achieved to a significant degree. I believe that even more could be done to simplify administration and to lessen the problem of the front line worker, if the Department of Agriculture and the Department of Health, Education and Welfare would be able to move further forward in standardization of program requirements across the two departments, and I know that this is underway and I hope that it will continue. The welfare reform bill recently reported out by the Ways and Means Committee will help significantly here, if it becomes law.

The third group we must consider are the State Administrators, and this means much more than the directors of the 50 State programs. As I talk with other administrators, and as I reflect upon my own experience, I think it is fair to say that there is much more of a spirit of understanding and appreciation between the Department of Agriculture and the Food and Nutrition Service than used to be the case. I am not going to relate this to any person or any particular National Administration, but I must assert that in the past couple of years I have personally witnessed a substantial improvement in the atmosphere which exists in the relations between state administrators and the Food and Nutrition Service of the Department of Agriculture.

I think that we communicated much better with each other (than we used to) as we discussed the development of the final regulations. I think that FNS listened much more closely to state administration in the past couple of years than they ever did before. And this, too, has been good.

Evidence of this new attitude, this new condition, was provided by our successful conversion to the new program. We can say either that FNS gave us more authority and more flexibility, or that they interfered with us less than had been the case in the past. However, we express it, it is clear that there is a new attitude, an improved attitude that might be described as one of much more mutual trust than used to be the case. In the conversion process itself the food and nutrition service allowed states to accomplish the task of conversion without constantly demanding detailed time consuming activity reports or without insisting as they had frequently done in the past on mandatory prior approval of all specific conversion activities. By working much more cooperatively than used to be the case, we collectively achieved more successful conversion than could have been done under any other circumstances. USDA and FNS facilitated state efforts by remaining silent in certain circumstances where I'm sure they were tempted to speak up, by trusting the states, by allowing us to move forward. The result is that together we did accomplish a most difficult administrative task quickly, and quite cleanly.

The issuance and accountability issues in the new program also are good from the standpoint of state administrators. The once-a-month issuance of the authorization to purchase cards and the simultaneous elimination of the purchase requirement greatly simplifies the reconciliation activities of state programs. We also have reduced administrative costs as a result of fewer mailings and reduced transactions counts. The issuance process has been simplified, accountability has been more clearly assigned, and the result has been an improved program.

We in Michigan particularly are grateful for the right to undertake mail issuance of food coupons. We have successfully done this in only four of Michigan's counties on a pilot basis, but that pilot has been so successful that we are expandng mail issuance to other communities as quickly as is possible. In the not too distant future this will be the prevailing form of distribution in the rural, less-populated communities of Michigan. This has substantial benefits: it reduces administrative costs; it simplifies the reporting of program activity; and it simplifies the delivery of program benefits. Recipients seem happier, workers seem happier, and as a state administrator I am obviously much happier. I look forward to the day when mail issuance is the norm rather than the exception as it still remains.

So summing up to this point I would say that we are much happier with the new program than we used to be with the old. I hasten to add that that doesn't mean that we're completely happy or that we're as happy as we think we deserve to be; but it does mean that things are much better than they were just three years ago or even two years ago. For this I commend all those concerned. My life is easier than it used to be, at least as far as Food Stamps are concerned.

I'd like to add a few comments about some possible future events that might disturb or alter our present state of relative sublimity.

First, from the standpoint of food stamp households: While they are not extremely familiar with the details, the fact that Congress has expanded benefits and has recently done some other things particularly for the aged, presents a conflict between the level of food stamp benefits and the congressionally-estimated cap on dollar spending. It is again conceivable that the question of rateable reductions may come up again in the current fiscal year. I need not say to anyone here that rateable reduction would be a most unhappy experience. I know that neither USDA nor its FNS want to contemplate such a possibility and certainly states and families do not. Therefore, I believe it is imperative that we unite our voices and urge Congress to act promptly so that the uneasy and strained period of last August not be repeated in the coming August. Congress must face its responsibilities.

Disadvantaged households do not control the availability of resources to them, and if they are suddenly faced with a rateable reduction of benefits the simple fact is they would all eat less, and less well. They do not have resources which they can switch to make up for a reduction in food stamp benefits, if such should occur. Consequently, it's unthinkable that a rateable reduction might be necessary; since it's unthinkable, it's impossible that it again be seriously contemplated. Congress must face this issue and they must face it very soon.

A second issue that must be addressed is the proposal to cash out food stamp benefits. I know that several significant and powerful members of Congress favor cashout. And to be honest I must say on occasion I have favored it too. Yet I find myself in an ambivalent position. Because I believe that the average person should be free, to the maximum extent, to control resources and to plan his or her own expenditure activities, it is difficult for me to oppose the cash-out of food stamps. At the same time I re-recognize that there are real benefits in the existence of the food stamp coupon. Coupon allotments do provide an informal budgeting of resources which enable individuals to eat better than would be the case otherwise. Most of us, for example, participate in some wage-withholding provision, either the purchase of savings bonds, or having money directly deducted from our pay check and go into a savings program, or something else, simply because it's a form of external discipline even though self-generated which enables us to plan and conduct ourselves more intelligently. Food stamps have a similar consequence. If food stamps were cashed out than clearly a problem would ensue for many, because the discipline which the food stamp represents would be removed, and the money which replaced the coupon would be available for other use and possibly for abuse.

The money might go for frivolity, or for other needs that are equally urgent, but the result is that if Food Stamps were replaced by cash, it's quite clear that some people would have nutritional needs that would not be met as well today. Consequently, we in Michigan, on balance, come down against the cashing out of Food Stamps.

I also would like to advocate increased federal financial commitment to nutrition education for Food Stamp households. Such a program exists today, but access to it is most limited, and it should be broadened. It is not insulting to say that few American households really understand the principles of good nutrition. The popularity of paperbacks on this subject illustrate that many people would like to know more about proper nutrition. Low income households, just as higher income households, have the problem. Broader access to nutrition education would be beneficial to all Americans and certainly is appropriate for low income households.

From the standpoint of workers, a couple of extra comments are appropriate. The restoration of medical deductions and excess shelter adjustments for the aged is something that I believe almost all workers approve. It may complicate their job just a little, but my firm impression is that workers never understood why these were removed from the program. In our conversion process in Michigan we received substantial input from workers who criticized the lack of medical deductions for the aged and disabled. One thing that should clearly be understood by all citizens is that the prime purpose in professional life of the welfare agency worker is to make it possible for people to live a little bit better. The restoration of the medical deductions and the excess shelter deductions certainly will make it possible for the elderly to live a little bit better, and this we all applaud.

Not quite so happy, however, are workers, with the whole question of restitution and claims determinations. The simple fact is that the laws of Congress do require reimbursement for erroneous payments, but a lack of strong reimbursement policy in the program naturally discouraged workers from diverting much time to fraud investigation. What's the point of determining fraud and trying to move against it when the fact is that nothing is going to happen. The changes in P.L. 96-58 may have solved this problem, at least in part, because it is clear now that there are penalties that can be applied, and this makes fraud investigation worth pursuing. We are pleased that the Department of Agriculture did support the 1979 amendments which provide a much stronger reimbursement policy, and I commend USDA and FNS for that.

From the particular standpoint of state administrations, there are a few issues I should raise also. First of all, we do appreciate the fact that there is some enhanced funding for specific activities. We appreciate the fact that the Department of Agriculture and the Food and Nutrition Service now clearly realize that they share responsibility for some of the less than acceptable results of the Food Stamp program. Frankly, going back about three years, I must say that I felt that there was almost a state of war between the Food and Nutrition Services and the State administrations.

It was almost as though they wanted us to fail so they could prove their superiority. And given that attitude, at times they helped promote failure. I believe now that this attitude is gone. We have talked a good deal in this country about a federal-state partnership, in fact ever since 1787. A few years ago I saw no such attitude in the Food Stamp program. Today, I not only see it, but I experience it regularly. Relations between myself and my Regional Administrator and the administrator of the Food and Nutrition Service and up through the hierarchy, are much better than they used to be, and for this I am grateful.

I am concerned as a state administrator about the issue of quality control. I certainly applaud the congressional and USDA intent to provide benefits with a minimum of verification. But, that minimum verification naturally has resulted in some households taking advantage of the situation. Food Stamp recipients and welfare recipients are not unlike the vast majority of us. At times we are all tempted to chisel a little bit. If one were to add up the total amount of religious and charitable deductions listed on the 1040's of all American citizens, I suspect we'd discover that the churches and charities in America are doing incredibly well.

The fact is that they don't always get everything people say they give them. So it's not surprising that some Food Stamp recipients misstate the facts occasionally. This we understand, this we accept, even though we lament it. But now to be told in QC requirements that we must look beyond eligibility decisions and that QC will verify things which workers are not allowed to even question not only will cause further problems, but it will injure the integrity of the program. The simple fact is that the program is not fraught with waste and error and fraud, and those politicians who imply that it is are not doing anyone a real service.

A couple of weeks ago the Internal Revenue Service, in a widely distributed press release, announced that a current review of the Income Tax Program indicated that about 12% of the income of American citizens was simply not being reported. The result of this, IRS said, was that there was a loss of federal revenue of as much as 19 to 22 billion dollars. Well, if 12% of the income earning American public fails to report it, that's a fraud, or waste, or error rate of over 10%. When we look at the very poor, and we discover that administrative errors and fraud and honest mistakes add up to less than 10%, I think we must say that the Food Stamp Program, and the ADC program are run at least as well as the income tax program. But that is not the public perception. So anything that causes our programs to look error ridden, or fraud dominated, is dangerous, and for that reason I am not happy with all of the QC requirements that have reecntly been announced.

However, the support which has been given by the Department of Agriculture and the Food and Nutrition Service for enhanced funding for investigation as well as their current support for the 1979 amendments that allow states to retain 50% of collections do demonstrate a real commitment on the part of the Department of Agriculture to share responsibility as well as success. This is a helpful note. It will lead, if enacted, to substantial improvement in the collection activities of most of the states, and to a better administered program.

I do think, however, as we get to the question of more and more attention to errors, we have to be careful about how an error is described. I urge the Department of Agriculture and FNS to be cautious about defining things as mistakes when they may not be. One of the biggest problems we have faced in the whole ADC error rate program is the confusion between a technical error and a real error. The intent of Congress and the intent of the QC program is to make sure that the appropriate amount of benefits are provided to eligible recipients. When a client fails to fill out a line on a form accurately, through inadvertence or ignorance, when a worker fails to process a piece of paper in a timely manner, when someone in another agency fails to send back to the social services agency a required piece of paper, when any of these things happen, a technical error may result. Technical errors may make up as much as one third of the errors in the ADC and Food Stamp programs. But the central fact is that appropriate benefits are paid to people who are eligible and that's the intent of Congress. So as we move forward, I think we have to be very careful to clarify what is really an error, and what is really improper participation.

If we can separate program technicalities from accurate coupon allotment determination we will be able to realisticly evaluate our program performance. This would allow state agencies and USDA to jointly focus our activities in areas where they will have the greatest impact. I also would suggest that in the Food Stamp program we have a separate identification of client error so that we can intelligently assess and discuss state agency responsibility for mistakes in this program.

Now, let me conclude. From the standpoint of the most important people of all, those who receive Food Stamps, I think the current Food Stamp program is a quantum leap ahead of the old one. From the standpoint of the workers who must administer this undoubtedly and admittedly complicated program, I believe we are better off today than we were just a couple of years ago. From the standpoint of State administrators, I particularly would like to say that things have gotten better. I hope they will continue to get better.

Finally, I must conclude by paying a special expression of appreciation to the person who is most responsible for the good things that have happened, and I refer of course to USDA Assistant Secretary, Carol Foreman. Prior to the time I first met Mrs. Foreman, I had heard many things about her; some of them were awesome, others were merely frightening. With the limited contact that I have had with her, I have come to respect her most highly. She is a competent, tough, but humane professional and I am personally grateful for the way in which she has led the Department of Agriculture as this new program went forward. I also would like to pay a special tribute to Bob Greenstine, the Administrator of the Food and Nutrition Service. I have found Bob always willing to talk and willing to call things very candidly. I never have the feeling that he is a push-over, and will lie down and let anyone walk over him. Neither do I feel that he is a blind obstructionist. It's a pleasure to work with him and Mrs. Foreman, and their associates. Also, I am personally grateful for the understanding and compassion displayed by Monroe Woods, my Regional Administrator, even as he holds my feet to the fire. On behalf of Michigan, and on behalf of all of you I would like to express our thanks to them.

Thank you very much.●

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## ALDERMAN BOBBY EVANS IS SHRINE'S ILLUSTRIOUS POTENTATE

## HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. McCLORY. Mr. Speaker, some of our citizens come to public notice because of a single successful activity such as public service, athletics, or by reason of their civic and community contributions in the areas where we live. In the case of Alderman Bobby Evans of Waukegan, Ill., in my congressional district, excellence has characterized his activities in all of these—and most notably in his significant attainments in the Order of the Shrine.

Alderman Bobby Evans, born Robert Baxter Evans, the son of former Alderman and Mrs. Raymond Evans, began life in Waukegan in 1940. He was educated at the Happy Day Nursery School under the guidance of the late and distinguished Anna Perry Thomas, and in the grammar school and high school in Waukegan. In his high school years he twice became the Illinois State high school wrestling champion. Alderman Bobby Evans continued his education at Northern Illinois University. After college he worked for more than 10 years at Johns-Manville Co. in Waukegan. Finally, in 1969 he established an insurance agency to represent the United Insurance Company of America where he continues to serve with great success.

Mr. Speaker, since 1970, Bobby Evans has served as alderman for Waukegan's first ward where he has gained popularity and respect as an outspoken leader in behalf of the people of his area, and where he fights hard in support of the more disadvantaged and handicapped citizens of the community.

Mr. Speaker, it is particularly with respect to Alderman Bobby Evans' service in the shrine that I take the floor today. For on Saturday, November 10, Bobby Evans will be honored as the Illustrious Potentate of the Nobles of Shawall Temple No. 165 Aeaonoms. In the course of rising to the high office as the Illustrious Potentate of this organization, Bobby Evans became a 33d degree Mason in 1977, and attained other positions of leadership and prominence in this esteemed organization.

Mr. Speaker, while I am unable to be personally present to honor Bobby Evans on the occasion of the 14th Annual Potentates Ball, I want to call to the attention of my colleagues this distinguished citizen of my district, and to take this means to express congratulations and good wishes to Bobby Evans and to his lovely and devoted wife, Trudy. Certainly, Bobby Evans is an exemplary citizen of our Nation who has earned the respect and praise of his peers. It is entirely fitting that he should be honored for having attained this high office in the Shrine.●

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## INTRODUCTION OF H.R. 5679

## HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. MURPHY of New York. Mr. Speaker, on October 16, 1979, the Secretary of the Interior forwarded to the Congress Executive Communication 2659 proposing legislation to provide for additional authorization for the Tinicum National Environmental Center.

Following is a brief explanation of the need for and background of this legislation, which was included in the communication submitted by the Department of the Interior:

The Tinicum National Environmental Center was established by enactment of Public Law 92-326. That Act directed the Secretary of the Interior to create a refuge and environmental center consisting of some 1,200 acres of land and water in the southwest corner of Philadelphia at the confluence of Darby Creek with the Delaware River. Historically, the marsh comprised several thousand acres of important feeding and nesting area for large numbers of waterfowl and other wildlife. The needs of an expanding urban area of some four million people resulted in conversion of the marsh to serve industry, filling the marsh for roadbeds and homesites and use of the marsh for the disposal of waste. By 1960, only 900 acres of the marsh remained, only 200 acres of which remained in a condition resembling their natural state.

In early 1969 Tinicum Marsh became the center of a controversy over whether to construct Interstate 95 and a large scale dump fill project or preserve the last remnants of a tidal marsh ecosystem. Local interests had long sought protection for Tinicum Marsh. The Tinicum Wildlife Preserve was established in 1955 through the efforts of the Philadelphia Conservationists, Inc. The Preserve, plus a 70 acre parcel acquired by transfer from the Corps of Engineers to the Fish and Wildlife Service (hereinafter referred to as the "Service") and administered by the City of Philadelphia under cooperative agreement, represented one of the largest city-operated wildlife sanctuaries in the United States in the 1960's. Recognizing the significance of the Tinicum Marsh estuary, the Department of the Interior refused permission of a highway right-of-way through the federally owned refuge lands. Subsequent litigation halted expansion of the dump. Then in June of 1972 Congress assured preservation of the Marsh by authorizing establishment of the Tinicum National Environmental Center.

Tinicum's greatest asset is its potential for an urban wildlife habitat. As an environmental center it will offer an opportunity for wildlife interpretation, education and high quality outdoor recreation. In its present condition, many different migratory bird species use Tinicum Marsh. A total of 119 different species of waterfowl and wading birds have been recorded in the Tinicum area. White-tail deer are occasional visitors; mink, weasel, otter, fox, muskrat, raccoon and skunk are found in the marshes and edge areas. Ten species of fish have been recorded and there is considerable fishing for crappie, carp and bullheads among others. With rehabilitation of the marsh, conditions for wildlife will naturally improve and we expect a greater diversity of wildlife and greater numbers of the species presently using the marsh.

The Act establishing the Center has been amended in both the 94th and the 95th Congresses. In each instance the boundaries of the Center were enlarged and the authorizations for appropriations increased. Our proposed legislation would increase the authorization for the Tinicum Environmental Center in Philadelphia to $11 million for acquisition.

The Service previously estimated that approximately $6.6 million would be required for land acquisition. These estimates were made in the initial stages of the planning process. That process has now been substantially completed and the revised estimates are that approximately $11 million will be needed for acquisition.

Twelve tracts consisting of 527 acres, with an estimated value of $6.2 million, remain to be purchased. Of this amount, $1.8 million is currently available and $3.5 million is requested in the fiscal year 1980 budget, leaving a balance to be appropriated in future years of $.9 million. Several of these tracts of land were not included in the Service's original concept plan, but have been added because the planning process revealed the necessity of acquiring additional buffer lands. The addition of these lands and the escalating land values are responsibile for the revised acquisition estimates.

Our proposal would also authorize $4,000,000 for the construction of environmental educational center facilities. Under this authorization, we anticipate building an environmental educational center to serve the many people in the Philadelphia area and a visitor contact station.

We are also requesting an authorization for "such sums as may be necessary for other development projects on the Center". The estimates of the development costs are undergoing rapid changes and we are currently unable to provide reliable estimates as to what development costs are likely to be. Much of the development money will be needed to restore the habitat. Much of this will be needed to stabilize the Folcroft Landfill area, which is currently the cause of rather severe leachate pollution, and this is the area where estimates are currently the least reliable. Thus, we have requested an authorization of "such sums" until such time as we can provide reliable cost estimates.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

ROBERT HERBST,
*Assistant Secretary.*

Enclosure.

A copy of the draft bill proposed for introduction in the October 16 communication follows:

H.R. 5679

A bill to provide for additional authorization for appropriations for the Tinicum National Environment Center

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act of June 30, 1972, entitled "An Act to provide for the establishment of the Tinicum National Environmental Center in the Commonwealth of Pennsylvania, and for other purposes" (86 Stat. 391; U.S.C. 668dd, note) as amended, is further amended by adding the following subsection (c) to section 7:

"(c) Beginning with fiscal year 1980, there are authorized to be appropriated, in addition to the appropriations authorized under subsections (a) and (b), $4,400,000 to complete the acquisition of the Environmental Center, $4,000,000 for construction of environmental educational center facilities, and such sums as may be necessary to carry out other development projects on the Center.".

Mr. Speaker, on October 22, 1979, the Secretary of the Interior forwarded to the Congress an Executive communication correcting certain errors in the October 16 communication and proposing revised legislation concerning the Tinicum National Environmental Center.

A copy of the Executive communication follows:

U.S. Department of the Interior,
*Washington, D.C., October 22, 1979.*

Hon. Thomas P. O'Neill,
*Speaker of the House of Representatives,*
*Washington, D.C.*

Dear Mr. Speaker: On October 16, 1979, this Department transmitted to you proposed legislation which would provide for additional authorization for appropriations for the Tinicum National Environmental Center. The purpose of this letter is to correct an error in our transmittal letter and to submit to you a revised draft bill.

The encosed draft bill corrects some technical problems in the draft bill which was previously sent to you. Also, the third paragraph on page 2 of our transmittal letter should be deleted. We are unable at this time to verify the accuracy of some of the figures in that paragraph.

We apologize for any confusion these revisions may have caused. We would appreciate your substituting our revised draft bill for the one previously sent and correcting our transmittal letter as suggested above.

Sincerely,

Richard J. Myshak,
*Acting Assistant Secretary.*

Enclosure.

A copy of the revised draft bill, as introduced in the form of H.R. 5679, follows:

H.R. 5679

A bill to provide for additional authorization for appropriations for the Tinicum National Environmental Center

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Section 7 of the Act of June 30, 1972, entitled "An Act to provide for the establishment of the Tinicum National Environmental Center in the Commonwealth of Pennsylvania, and for other purposes" (86 Stat. 391; U.S.C. 668dd, note) as amended, is further amended to read as follows:

"Sec. 7. There are authorized to be appropriated, $11,000,000 for acquisition of the Tinicum Environmental Center, $4,000,000 for construction of environmental educational center facilities, and such sums as may be necessary to carry out other development projects on the Center.".●

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## SATELLITES FOR PEACE RECEIVE MORE ATTENTION

### HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. BROWN of California. Mr. Speaker, the national debate over the SALT II treaty has highlighted the essential role of satellite systems on gathering information to aid the search for world peace. The technology is now available to increase significantly the contributions of satellite sensing and communication capabilities to a peaceful world order.

I refer in particular to the utilization of satellite technology in the creation of an unclassified global information system, to be shared and operated on a cooperative international basis. Such a system has great potential for enhancing international stability through its military intelligence capabilities and would benefit all nations by the acquisition and sharing of information concerning global resources and environmental conditions.

Mr. Speaker, it is most appropriate that the United States, the originator of much of the technology of satellite communication, should take the lead in this initiative. I hope that Congress and the administration will give serious attention to the possibility of using our space resources for the furtherance of international stability and equity.

At this time I insert in the Record two articles which I commend to my colleagues on the uses of satellite technology for peace. The first is from a recent issue of the Washington Post; the second, from a recent issue of the Air Force Times. These two articles convey the points I have been trying to make more completely.

The articles follow:

[From the Washington Post, Sept. 30, 1979]

### Satellites For Peace: An Idea Whose Time Has Come?

(By William Greider)

As the arms-control strategy known as SALT gradually slides toward collapse this autumn, important statesmen begin to resemble priests of a dying religion. They repeat all of the right prayers but the liturgy no longer seems convincing.

Some of us who were agnostics all along thought it would take at least a decade to reach this point when neither left nor right, hawks nor doves, can still look reverently upon this treaty-making process. Hawks think SALT leaves us weak and vulnerable. Doves are beginning to understand that SALT propels the arms race as much as it harnesses it. Any grand strategy which can be easily routed by a light cavalry brigade—those Russians in Cuba with their 40 tanks—must not be so grand.

This perception, I think, is now widely shared in Washington regardless of whether SALT II eventually does get ratified. The theory of serial superpower treaties with the Russians is a lot less promising than Nixon and Kissinger, Ford and Carter led us to suppose. The high priests of diplomacy will be traumatized by this, but the rest of us may see an opportunity in disaster—a chance to think new thoughts which fit world realities better than SALT.

Sen. Adlai Stevenson of Illinois, who is so serious about his work that newspapers usually describe him as dull, has the germ of an historic idea—a concept of international relations that actually looks forward and tries to address the interdependent world of the future, instead of the superpower past. The idea is simple enough, but it requires a fresh perspective to grasp its full potential. So, naturally, very few in Washington are ready to take it seriously.

"The SALT process is inadequate," the senator was saying the other day. "It may be collapsing of its own weight. It can't control weapons systems faster than technology can develop them."

Stevenson wants to build another international structure alongside the Soviet-U.S. arms negotiations—a global information system, shared and operated cooperatively by all nations. It would use space satellites and the technological wizardry of modern intelligence agencies for peace-keeping as well as to aid human endeavors, from agriculture to mineral exploration.

The senator is uniquely positioned to see the potential for he is chairman of the Senate Space Committee, overseer of NASA's plans for the 1980s, and also chairman of the intelligence subcommittee which keeps tabs on the CIA and other clandestine agencies. These NASA space satellites have become ho-hum to most citizens, just as NASA became a public bore after the moon landings, but a new generation of devices can now do extraordinary things in monitoring the surfaces of earth—from identifying crop blights and impending drought to locating the most promising target ground for oil drilling, for mineral extraction, for human development of many kinds.

Coupled with the CIA's sophistication in photo-reconnaisance analysis, this new era of space could produce stunningly direct benefits for everyone, rich and poor, big and small.

As the Bible tells us, mankind will go on making war of one kind or another until the last millennium and space satellites aren't going to change that. But a shared intelligence system does offer another means of early-warning alarms when one country starts massing troops on a border or a superpower opens a new submarine base or a nation's industrial capacity is shifted in a menacing direction. It would not make pacifists out of rogues—but it would pin down the rogues in the international forums with hard evidence.

Stevenson is offering his own version of an idea which has been pushed for years by a dogged team of peace seekers. Howard Kurtz and his late wife Harriet, who incorporated themselves as global thinkers under the arresting title of War Control Planners. Mostly they are ignored. But those skeptics who threw away the Kurtzes' material on a "global information cooperative" might want to fish it out of the wastebasket now that a mainstream figure like Adlai Stevenson has picked up the concept.

"It's not theoretical," Stevenson said. "It's so concrete I can't talk about it."

Anyone who understands how the world has changed in the last 20 years, the complicated and fragile interdependence of trading nations and supranational corporations, can see immediately how a cooperatively operated international system might contribute to stability and equity. Those who don't yet understand the new global conditions ought to read Robert Samuelson's recent tour of the horizon in the National Journal. Samuelson, who is not given to hot-blooded opinions, trembles a bit for our future.

In diplomatic terms, a shared satellite system might create, for the first time in this century, a daily practicality to that old and somewhat tattered vision of world cooperation—the theme that created the League of Nations and then the United Nations, neither of which lived up to the cotton-candy promises of world fellowship. The world, I think, has learned that you can't get from here to there by solemn resolutions. It has to be done, if it ever will be done, a step at a time, in the most practical terms—serving real human necessities, not lofty sentiment. It could be hardware, not hot air, which brings nations together, cooperating in mutual self-interest.

What would happen to the Cold War? The

Cold War will continue surely, for a long time. If for no other reason, it continues because our leaders and the Soviet leaders believe in it so fervently. Two mucle-bound empires contending for the world's loyalties, mainly through the stockpiling of megadeath weapons and occasionally by military adventure, cannot simply stop their competition by a declaration of amity. The historic pull is much stronger than any treaty. The Cold War will not end until it seems increasingly irrelevant, even to the most opaque diplomats, theirs and ours.

In the SALT debate, a great many people assume that if the Russians are for it, it must be bad for America.

One of the most attractive features of Stevenson's concept of a global system is that it doesn't require a blessing at the summit from the Russians. Americans can make it happen with the Soviets or without them. One assumes that the Soviet Union and other closed societies will be at least unenthusiastic and perhaps hostile to the idea. In the same sense, a global space cooperative tests the sincerity of America's own proclamations. We have been saying we are for "open skies" since the days of Eisenhower; now we have the practical means to fulfill that objective in a way that would help each independent nation to develop itself and also to protect itself.

Like any important idea, this one creates some hard arguments. The civil space program, for instance, is chilled by the notion of marrying up on some international scale with military intelligence—fearful that it would be devoured. No one, for that matter, would advocate that the United States dismantle its own intelligence systems; it would continue to operate alongside the world system.

The United States, as the leader in space and intelligence, would naturally be "giving away" more technological secrets than others, but one of the new realities is that other nations already grasp this potential of remote sensing and are pursuing it aggresively—France, Japan, the European Space Agency and, of course, the Soviet. The question is not whether global systems will be developed—they will be—but whether nations will compete with one another at extraordinary costs, developing hardware of conflicting design, or whether they will pool their efforts insuring equitable participation for those poor nations who can't afford their own rockets.

But, as Stevenson sees it, the basic question is whether American leaders in the 1980s have the imagination to grasp untested ideas and take the plunge into the future. He is not hopeful. Last summer, he sold this idea at a U.N. conference in Vienna, officially endorsed by the State Department. But he isn't kidding himself about the meaning of that commitment, which is no more than a polite nod. Most of our statesmen don't understand this idea or care about it. Some who begin to grasp the concept are scared by it.

"It has to be negotiated," Stevenson said, "and it will only be negotiated if the United States takes the lead. . . . The obstacle is the inability of the United States to think in large global terms. Launching an Apollo program today is inconceivable. Today we debate reorganization and zero-based budgeting."

I think the serious senator has a point. Small minds will tremble if the SALT process collapses. Others will see an opportunity and reach for new ideas.

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[From the Air Force Times, Oct. 22, 1979]

### POOLING TECHNOLOGY FOR PEACE

(By Bruce Callander)

Unless they've stopped teaching history the way they used to, every half-grown school boy should know about the Battle of New Orleans.

It was the last big fight in the War of 1812. The British attacked American forces there and took a bloody beating—2000 dead vs. only 71 for the U.S. forces. The victory helped propel the American general, Andrew Jackson, to national prominence and, eventually, into the White House.

The irony of the story is that the battle was fought on Jan. 1, 1815, a week after the Treaty of Ghent had been signed in Belgium, ending the war.

Communications were such in those days that word of Jackson's victory reached Washington before word of the peace treaty.

Teachers who can woo their students away from the colorful exploits of Andy Jackson and his troops use the incident to illustrate the progress made in communications technology in the last century and a half.

The battle never would have happened, they point out, if they had had communications satellites at the time. But Comsat was not available, of course. Nor was international radio (1901) or the trans-Atlantic cable (1866).

It was, in short, an instance in which technology (had it been in hand) might have prevented bloodshed.

This is an interesting point to ponder, because, more often, the complaint is that the fruits of peaceful technology are turned to uses of war.

People old enough to remember the post-WW II debate over nuclear technology will recall, for example, the classic question: Is this the beginning of a new era in the progress of mankind (nuclear energy, atomic medicine, controlled power for mining, etc.), or the end of civilization as we know it (the A-bomb)?

In the case of nuclear energy, as it turned out, the concern seems to have centered of late more on the hazards of peaceful uses than on the potential for global destruction. But that's a little off the point of this discussion.

What is to the point is the question of whether present and future technology can be used as well for the prevention of future wars as for fighting them.

One modern example of an attempt in that direction, of course, is the White House "hot line" with Moscow. If the analogy is not stretched too far, the system might be seen as an effort to head off the possibility of our fighting another Battle of New Orleans by mistake—because somebody did not get the word.

Now, jumping from the hot line to more complex technology, consider the relatively recent development of satellites.

Militarily, they already are used extensively for intelligence gathering. They may have weapons potential already in various degrees of development by different nations.

Lately, an additional role has been seen for the orbiting vehicles: that of monitoring compliance with the SALT agreements.

In this role, satellites would (1) assure that neither party was sneaking in weapons banned by the agreement and equally important, (2) reduce the chances of either party's making a dangerous move because it merely suspected that the other was up to something. This second function would be similar to that of the hot line, in that the aim would be to prevent a fatal mistake from growing out of simple ignorance.

The trouble with this particular application of technology to the search for peace is that many people do not believe technology can meet the need. Many others believe it can defeat the intent of disarmament.

Those who trust too little question whether it is possible to keep the opposition honest by means of inspection based heavily on satellite observation.

Those with more faith in technology fear that one or the other of the parties may use it to develop arsenals more deadly than the ones outlawed.

Both to those who fear disarmament and to those who favor it, the promised benefits of SALT II seem to be evaporating.

On both sides, however, there presumably is a desire to reduce world tension and find some means to a peace which can be trusted.

And because Americans have been nurtured for generations with the notion that "know-how" can satisfy most human needs, we can't shake the notion that there must be some way of using our technology toward better ends. As we have come to say of any difficult problem, "If we can put a man on the moon . . ."

A number of people have been saying for years that there is another approach to the problem. One is Howard Kurtz, a former AF pilot who heads a group called War Control Planners. Kurtz and his late wife, Harriet, developed the concept of a "global information complex," which has been discussed in these pages a number of times.

Kurtz has preached his gospel of peace through technology for years with little apparent effect. But he has caught the ears of a number of well-placed persons, some of whom seem to be giving the idea a second look—if for no other reason than that nothing else is working.

One such ear is that of Sen. Adlai Stevenson (D-Ill.), who has gone public in his support of a plan based substantially on the Kurtz approach.

The idea is almost impossible to oversimplify. The meat of it is this:

That world technology, including satellites, be pooled to exploit its most promising capabilities for the general good—to explore for natural resources, to increase crop yields, to preserve the environment, to warn of coming natural disasters and aid recovery from them, etc.

That, in cooperating, no nation would have to give up its own defense establishment until it felt secure that others were doing the same. In this respect, the same information-sharing concept developed to improve the human condition would be used to help to assure compliance with any future arms limitations that might be worked out.

That the U.S., birthplace of so much technology, is the logical place to launch the new concept and possibly the logical place to base a center for the development and application of the technology.

Those are the main elements of a scheme to exploit the technology developed largely for defense, business, entertainment and convenience and give it the added missions of keeping the peace and serving the more basic needs of humanity.

If Kurtz has been written off by many as a gentle dreamer, Stevenson and some others of like mind cannot be. The senator is chairman of the Senate subcommittee on Science, Technology and Space. He states his doubts about the SALT pact publicly and he is not alone in the Senate as a skeptic. He may find less company as he pursues his alternative plan, but Kurtz sees almost mystical forces moving to make conditions ripe for it.

He may be right.

After all, if you count the invention of the wheel, human technology had been progressing for tens of centuries when Andy Jackson was tangling with the British at New Orleans. If it had advanced only 50 years faster, word could have been passed through the Atlantic cable that the two nations already were at peace, and the fight might have been called off before it started.

Stevenson's view apparently is that the technology which might prevent a far greater conflict already is at hand or within reasonable reach. The possibilities are, he thinks, at least worth looking into.●

## GEORGE CHAMPION'S LASTING CONTRIBUTIONS TO NEW YORK AND OUR NATION

### HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. KEMP. Mr. Speaker, in the normal course of things, it is difficult to find any consistent relationship between human achievement and human modesty. There are those whose slight modesty is matched only by their achievements; those whose otherwise considerable accomplishments are somehow diminished by their own elaborate recounting; and still others who have a great deal to be modest about. It is rare, though, to find someone whose great modesty masks equally great accomplishments. George Champion, who retired recently as chairman of New York's Economic Development Council, belongs in this rarest category.

During his 40 years in banking, his talent and innovative work resulted in his universal recognition as one of the world's foremost bankers and a man of unparalleled integrity, respect, and leadership.

In the 1960's, George Champion became our country's leading spokesman on pioneering responsibilities of business in a changing social and economic environment. His articulation for greater business and corporate involvement in the solving of social problems established patterns which improved the quality of life for New York and all Americans.

His capacity for leadership—he served as chairman and chief executive officer of the New York Chamber of Commerce and Industry at the same time as he chaired New York's EDC—have been, and remain, prodigious.

Mr. Speaker, I suspect George Champion will consider it no favor for me, his friend, to single him out for a tribute. But I am compelled to believe it would be a shame if the people of both our State of New York and our Nation remained unaware of his lasting contributions to their lives and future generations.

Additionally, I would like to share with them and my colleagues an editorial on his life and public service which recently appeared in the New York Daily News.

The article follows:

A REAL CHAMPION

George Champion retired recently as chairman of the Economic Development Council in typical Champion style—without fuss or bother or ceremony, and without the public plaudits that are his due.

It is not too much to say that Champion made the EDC what it is today, a dynamic force for progress in New York City. He was one of EDC's founding fathers, and its chairman for 10 years after a distinguished career with Chase Manhattan.

Among the notable public services EDC performed under Champion's direction, none was more valuable than the series of extended studies it made of municipal agencies to improve effectiveness and efficiency. This invaluable work was carried out at no cost to the city by experts on loan from EDC members.

For Champion, the EDC was a labor of love. He cared deeply about New York, and gave freely of his time, talent and energy to make it a better city. He earned the heartfelt gratitude of all its people.●

## DINING WITH FIDEL

### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. MICHEL. Mr. Speaker, when Fidel Castro recently came to this country he dined with representatives of the major media. As they were dining a man named Huber Matos was enduring another night of unjust imprisonment in one of Fidel Castro's jails. He had endured almost 7,300 such nights in prison—20 years.

What was his crime? What terrible atrocity did the man commit to deserve such a fate? After all, Albert Speer, Hitler's assistant, received 20 years imprisonment for his crimes against humanity. Surely Matos must have done something horrible to deserve an equal fate.

But incredible enough, Matos did not commit a crime. Twenty years ago he resigned his military post in the Cuban revolution, led by Fidel Castro, in protest against Communist influence in Cuba. For that demonstration of courage and independence he spent over 7,000 days and nights as a prisoner of Castro. For 2 years Castro forced Matos to live without clothes. For 7 years Castro did not let Matos communicate with his family.

Let us think of that for a moment, Mr. Speaker. Can we imagine what it would be like to be a prisoner, in those conditions, for not just a week, not a month, not a year—but for 20 years? For 7,300 days and nights? And all because you protested Communist domination.

Mr. Speaker, it was not reported if Castro, as the wine and champagne flowed, told the media elite that he regretted his inhumanity toward Matos and his family. I doubt it. The good wine, the civilized conversation, the excellent food, the wit, the ambience at this dinner must have made Castro forget for a time about Huber Matos. After all, one can only think of one thing at a time.

I bring the Matos case to your attention because the New York Times reported that Huber Matos was set free at 7 a.m., October 21, 1979, exactly 20 years to the day after he was arrested on charges of high treason. Castro has had his revenge.

I hope the media elite invite Huber Matos to dinner. He will have a different story to tell them. The story may interfere with their digestion. For 20 years they have almost totally ignored Huber Matos. Surely they owe him a touch of indigestion as he briefs them on the hospitality their former dinner companion shows to those who fall into his power. It is my hope that California Governor Jerry Brown who favors recognition of Castro's tyranny attends the dinner.

At this point I wish to insert in the RECORD, "Matos Is Freed in Cuba After 20 Years in Prison" from the New York Times, October 22, 1979.

MATOS IS FREED IN CUBA AFTER 20 YEARS IN PRISON

SAN JOSE, COSTA RICA, October 21.—Huber Matos, perhaps the most prominent political prisoner left in Cuba, was set free at 7 A.M. today in Havana, exactly 20 years after he was arrested on charges of treason for having resigned his military post in protest against growing Communist influence in Cuba.

His son, Huber Matos Jr., said his father had breakfast this morning in Havana with Oscar Vargas Bello, the Costa Rican Counsel, and planned to come to Costa Rica this evening with his father, Rugelio Matos, 94 years old, and his sister, Salustina.

Mr. Matos, a teacher who joined Mr. Castro's guerrillas and became a commander in the Cuban rebel army, resigned as military governor of Camaguey Province on Oct. 19, 1959. He was arrested two days later.

Mr. Matos steadfastly maintained his innocence and his loyalty to the Cuban revolution. He refused to accept any indoctrination program while kept in prison conditions under which he lived without clothes for two years and was kept incommunicado from his family for seven years.●

## RESOLUTION FOR PROTECTION OF UNDOCUMENTED RESIDENTS FOR 1980 CENSUS

### HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 23, 1979*

● Mr. GARCIA. Mr. Speaker, last week I joined with my colleague, Congresswoman HOLTZMAN, to cosponsor a joint resolution (H.J. Res. 422), to protect undocumented residents from deportation or any other form of Government reprisals as a result of their participation in the 1980 census.

Although title 13 of the Federal Code provides adequate protection to individuals, indeed, it is illegal to release any census data, punishable by $5,000 fine or 5 years in jail, the problem has been that the administration has not been forceful in publicizing the fact that census information is absolutely confidential.

Some type of public, demonstrative act perhaps in the form of a proclamation or pledge from this country's chief legal officer, the Attorney General, as well as from the President, is required.

This is not an amnesty issue, however a legislative affirmation is required to prod the administration into publicly declaring that individual census records are protected against Federal encroachment.

This is a particularly sensitive issue in the case of undocumented residents and minority people. I have held census hearings all across the country, from San Diego to Puerto Rico, as well as in seven other cities.

The Subcommittee on Census and Population, which I chair, has an additional six hearings scheduled before the end of the year.

I have maintained throughout all these hearings, that in order to prevent another serious undercount as occurred in 1970, there must be some reaffirmation for not only the undocumented people, but for all those individuals who fear Government abuse of census information by providing them with a sense of security that can only be achieved by a guarantee from the highest source of administrative and judicial authority in this country.

This bill will go a long way toward alleviating the fear and distrust many people may have about the census. I urge quick action on this measure so that we can put this message out before the census begins next year.●

# SENATE—*Wednesday, October 24, 1979*

*(Legislative day of Monday, October 15, 1979)*

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. Bill Bradley, a Senator from the State of New Jersey.

## PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God, by whom we are brought into this world, who knows us better than we know ourselves, let Thy spirit enter every heart bringing forgiveness, freedom and faith. We come to Thee weighted by solemn duties and heavy responsibilities praying for strength and wisdom sufficient to serve the present age. We lay before Thee our frequent disappointments, our frustrated hopes, our vexed spirits, our petty irritations, asking for Thy healing and renewing grace. Help us as we labor with Thee for the coming commonwealth of God where man's worth is reckoned higher than the things he fashions, where science serves not destruction but preservation and political action promotes peace. Remove all that obstructs the reign of Thy spirit. Enthrone Thyself King of Kings and Lord of Lords over all men and all nations.

In the Redeemer's name. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
*Washington, D.C., October 24, 1979.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Bill Bradley, a Senator from the State of New Jersey, to perform the duties of the Chair.

Warren G. Magnuson,
*President pro tempore.*

Mr. BRADLEY thereupon assumed the chair as Acting President pro tempore.

## RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from West Virginia.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## FAMINE RELIEF IN CAMBODIA

Mr. ROBERT C. BYRD. Mr. President, we are all aware of the frightful situation that is emerging in Cambodia—tens of thousands, and perhaps hundreds of thousands, of people are on the brink of death due to famine. The situation is critical and the need for action is imperative.

A number of proposals for the relief of the Cambodian people are being considered in Congress. President Carter has pledged the administration's support for food relief.

I thought it was important that the Senate have a first-hand report on this situation. I appointed Senator Sasser and Senator Baucus who, along with Senator Danforth, compose a bipartisan group that has gone to Thailand. This group will go to Phnom Penh, Cambodia today from Thailand. They will be the first American officials to visit Cambodia since 1975. Their aim is to help open a "land bridge" for convoys of food supplies between Thailand and Cambodia. I hope that their mission is a success, and I look forward to their report on their return.

The Cambodian situation is a disaster, all the more tragic because it is a manmade disaster, not a natural disaster. But whatever the source of the problem, the suffering of the people is the same—and our humanitarian support should be no less generous than if we were responding to the victims of a hurricane or flood.

A strong, positive, and rapid response to this situation is not a political act. Aid for famine relief in Cambodia is the helping hand that we Americans have traditionally extended to those who need help. In the wake of World War I and World War II, American food relief went to ravaged Europe, to nations that were both former allies and former adversaries. In the spirit of this tradition, I hope that Cambodian famine relief will continue to enjoy the support of the Senate.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. RIEGLE. I wish to commend the majority leader for taking this initiative in sending this group of Senators on this assignment. I think this is a vitally important initiative, and I think it is an act of leadership which deserves support.

I hope our colleagues have a safe and productive trip, and I applaud them for undertaking this assignment at the Senator's request.

Mr. ROBERT C. BYRD. I thank my distinguished friend from Michigan. I am sure that Senators Sasser, Baucus, and Danforth will welcome the expressions of sentiment that have been so ably presented by the distinguished Senator from Michigan. I appreciate his support for the mission.

## ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The majority leader has 6 minutes left.

Mr. ROBERT C. BYRD. I thank the Chair.

I will yield my time to any Senator who wishes it.

Mr. RIEGLE. Perhaps we both would wish time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield the remainder of my time to Mr. Riegle, who has an order, I believe, and if he then wishes to yield part of it to the Senator from Virginia, my namesake and "cuzzen," Harry F. Byrd, Jr., he may do so.

Mr. RIEGLE. I appreciate the majority leader's yielding his time.

Would the Senator from Virginia want to take some of the time now and, if so, how much would he want?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Michigan be willing to yield 3 minutes now?

Mr. RIEGLE. Yes, indeed.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. RIEGLE. I yield 3 minutes to the Senator from Virginia.

## HUBER MATOS

Mr. HARRY F. BYRD, JR. Mr. President, at 2 a.m. on Monday, October 22, Huber Matos gained freedom in Costa Rica after 20 years in prison in Cuba. Huber Matos, a former major in the Castro revolutionary army, is now 60 years old. Twenty years ago, at the age of 40, he resigned as military governor of Camaguey Province in Cuba to protest the betrayal of the Cuban revolution to communism and Russian domination. He was immediately tried for treason and imprisoned under the most inhumane conditions.

Yet, Huber Matos has triumphed over his captors. His great courage and indomitable spirit have prevailed over the worst that the Cuban Communists could bring against him in physical and psychological violence.

This man's will, his mental integrity, and intrepid fidelity to principle are, I believe, outstanding representations of the best potential of man for spiritual greatness under adversity.

There are still others who are political prisoners of the Cuban dictator, Castro. There are still hundreds suffering the most inhumane conditions of imprisonment because of their belief in freedom and in God. There is still an entire population immediately off our shores from whom freedom has been stolen and for whom the future appears to hold nothing but repression and foreign domination.

But there is hope for Cuba and for the Cuban people so long as brave men like Huber Matos seek freedom and refuse the blandishments and the threats of dictators.

Huber Matos is the true hero of the Cuban revolution. By his example, freedom will someday be brought to his homeland.

That little island of Cuba, Mr. President, is a fine place with warmhearted, friendly, wonderful people. I spent much time there 20 years ago, right after Fidel Castro came to power.

I was there as a newspaper correspondent, and watched how the revolution changed from the idealism exemplified by Huber Matos in its early days to one which came under Soviet domination, brought to that plight by Castro who proclaimed himself a dedicated Marxist within 2 years after assuming power and promising freedom from the corruption of former President Batista.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from today's New York Times entitled "Freed Cuban Tells of Years Spent in 'Concrete Boxes' Underground."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### FREED CUBAN TELLS OF YEARS SPENT IN "CONCRETE BOXES" UNDERGROUND

(By Jo Thomas)

SAN JOSE, COSTA RICA, Oct. 23.—Outside, the afternoon rain was falling on the orchids and the rose gardens, but the man who once spent a year underground in a concrete closet did not pause to remark on them. Huber Matos, perhaps the best known of Cuba's political prisoners, needed first to speak of the world he knew for 20 years, a world of isolation, punishment and endurance.

"I am certain," he said in an interview here today, "they had a plan to annihilate me slowly, so that my death could be achieved without the necessity of giving me the death sentence."

He was kept in isolation for 16 years, he said, "incarcerated in the worst places of each jail."

#### ACCUSED OF TREASON BY CASTRO

Mr. Matos had been arrested Oct. 21, 1959, charged by his former comrade, Fidel Castro, with treason for resigning his post as military governor of Camagüey Province over the growing influence of Communists in the Government.

He said that before his trial he was kept in a cell that had been constructed by blocking off what had once been a slit in the thick wall of the Spanish fortress El Morro. It was slightly more than three feet wide, dark and airless.

He was there when, two months before his trial, Mr. Castro asked the people of Havana to show support for his death by a show of hands. It was there, too, that he learned of the disappearance of his fellow military commander, Camilo Cienfuegos, within a week of Mr. Matos's arrest.

"Camilo was an admirable commander and a good friend of mine from the first time we met," Mr. Matos said. "I think there was a current of reciprocal sympathy. At the end of the war, we remained excellent friends and we talked on several occasions of the problem of Communist infiltration.

"In spite of his public criticism of my conduct, I was certain Camilo didn't consider me a traitor. With his death went my hope that my upcoming trial would not be a farce."

After his conviction, Mr. Matos said, he was taken to a prison on the Isle of Pines, where he remained for six and a half years, two of which he spent living in two holes.

"In the last year," he said, "I was in a concrete box some two and a half meters wide and three feet long. No one in the prison knew of my location. It was in the bottom of a passageway constructed in such a way that I could never see the light of day in all the time they had me there."

Mr. Matos, who paused often to choke back his emotions, said that in May, 1966, he was taken from the Isle of Pines to La Cabaña Prison in Havana, placed in a dark punishment cell and stripped. "It was so dirty," he said, "I cleaned the wall with the moisture from my breath. I gave myself a bronchial infection."

#### IN AN UNDERGROUND CELL

On July 1, 1966, Mr. Matos said, he was taken to the prison's Gallery 53, which was also underground, where he and 12 fellow prisoners lived next to the kitchen. "The air was full of smoke," he said. "It was very, very humid." There he stayed for five years.

When his mother died and was buried near the family home in Yara, in Oriente Province, he said he had hoped he would be allowed to visit her grave. But even this, he said, was not permitted.

"When I had four days to complete my sentence," he said, "on the afternoon of Oct. 17, a colonel came to my cell and asked me to accompany him to the prison office."

In the office, he said, were a number of officers who said they wanted to take him to the Department of State Security to ask him several questions connected with his release.

"I told them that if there were any questions that they could talk to me in the prison office," Mr. Matos said, adding that he was familiar with the arrangements usually made for people who were being released from prison.

He said he was taken from the prison office by force. "They taped my mouth and threw me on the floor of the car and put their feet on my face and on my chest." Then they sent word on their shortwave radio that the prisoner was rebelling.

## RECOGNITION OF THE ACTING MINORITY LEADER

Mr. RIEGLE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. RIEGLE. How much of the majority leader's time is available to me now, in addition to my 15-minute special order?

The ACTING PRESIDENT pro tempore. The Senator has 2½ additional minutes.

Mr. RIEGLE. I thank the Chair.

The ACTING PRESIDENT pro tempore. Will the Senator suspend? Under the standing order, the Chair recognizes the minority leadership.

Mr. STEVENS. Mr. President, I will be pleased to take the minority leader's time after the Senator from Michigan has completed his statement. There is no problem about that, if it is agreeable with the majority leader. I ask unanimous consent that the minority leader's time be available after the Senator from Michigan has completed his statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIEGLE. Let me say that I appreciate the courtesy of the Senator from Alaska, but one thing I should indicate is that there are two other Senators, the Senator from Michigan (Mr. LEVIN) and the Senator from Missouri (Mr. EAGLETON), who have 15-minute special orders on the same subject, the Chrysler issue, that will follow mine.

Mr. STEVENS. I realize that, and also, following that is Senator TOWER, though I think he will not take his time. So I will be happy to use my time after the three Senators have concluded their colloquy.

Mr. RIEGLE. I appreciate the Senator's courtesy.

## S. 1937—CHRYSLER EMERGENCY LOAN GUARANTEE ACT

Mr. RIEGLE. Mr. President, today I am introducing the Chrysler Emergency

Loan Guarantee Act with a number of cosponsors.

This bill would provide carefully controlled financial assistance to the Chrysler Corp. I am gratified that several distinguished Senators are joining me as cosponsors today. They include Senators LEVIN, NELSON, BAYH, DANFORTH, EAGLETON, MATHIAS, and MCGOVERN.

I intend to introduce the bill late this afternoon, and that list may grow, because there are other Senators who have indicated a great interest in this issue, and I here and now invite all other Senators to consider becoming original cosponsors, and welcome their support and participation.

The bill would further the national interest, first, by modernizing major U.S. factories and converting them to the production of fuel efficient automobiles; second, by preventing a loss of jobs by hundreds of thousands of American workers and a substantial loss of business by thousands of firms; third, by averting a damaging shock to the U.S. economy in a period of growing uncertainty and instability; fourth, by avoiding long-term economic devastation in several large regions and numerous small communities across the country; fifth, by protecting Federal, State, and local governments from huge losses in revenues and increases in expenditures; and sixth by improving our balance of payments and strengthening the value of the dollar.

Mr. President, for several months now I have been studying the situation of the Chrysler Corp. in great detail. I have consulted financial analysts, legal experts, public officials, automotive executives, car dealers, and autoworkers from many parts of the country. Ever since Chrysler's financial plight came to light in the public, there has been a continuing debate in the press over whether aid to Chrysler was indeed appropriate. We have seen numerous pros and cons stated on the issue by some of our most learned economic and business leaders. What is so troubling about this debate, however, is the fact that we as a country have never been faced with a problem like the present Chrysler situation. In terms of size and potential adverse economic impact—there has never been a problem like Chrysler. We really do not know what might happen if Chrysler went bankrupt. We know the effects would be bad, but we cannot be totally sure when or where the economic trouble would stop.

Through my study of this problem, it has become increasingly clear to me that Federal financial assistance is not only justified, it is needed; it is needed urgently; and it is in the national interest.

### PROVISIONS OF THE BILL

Mr. President, the bill I am introducing today would provide loan guarantees to meet the financial needs of the Chrysler Corp. through a tightly controlled program that would target benefits on national objectives and protect the interests of taxpayers.

My bill would create a tripartite board composed of the Secretary of the Treasury as chairman, and the Secretaries of the Departments of Labor and Commerce. The board would have the authority to guarantee loans to the corporation within the guidelines established by the legislation.

Before providing assistance to Chrysler, the board would have to find that the company has an actual need for loans, that failure to meet this need would adversely affect the economy or employment in the United States or any major region of the United States, that credit is not otherwise available, and that the lender would not make the loans without a Government guarantee.

Guaranteed loans could extend for up to 10 years and bear interest at rates controlled by the board. The board could impose guarantee fees and design other arrangements to compensate the taxpayers for any administrative expenses or risks incurred by the guarantee.

The bill would protect the Government's interest by requiring the full collateralization of any guaranteed loan, the suspension of payments to stockholders and certain lenders, the audit of Chrysler records by GAO and the imposition of other stringent protections. The board could require appropriate managerial and financial reforms of Chrysler before guaranteeing any loan. Moreover, the board would be authorized to take actions necessary to insure that unguaranteed lenders and other parties maintain their current levels of support to the corporation.

The board's authority to extend guarantees would terminate on December 31, 1983. A ceiling on outstanding loan guarantees would be established after the issue of suitable assistance levels is studied in banking committee hearings.

The bill would provide $250 million or 25 percent of the guarantee aid through an employee stock ownership plan (ESOP). ESOP's have been championed by several distinguished Senators including the majority leader, Senator BYRD, by the chairman of the Finance Committee, Senator LONG, and by my colleague on the Banking Committee, Senator STEWART who, recently, announced his intention to introduce employee stock ownership as an amendment to any bill that would involve financial assistance to Chrysler.

A recent study sponsored by Senator LONG of 72 ESOP companies showed that in the 3 years after adoption of the ESOP, sales increased by an average of 72 percent, jobs increased 38 percent, sales per employee increased 25 percent, pretax profits increased 157 percent, and Federal taxes paid increased 150 percent.

These are compelling statistics which I believe demonstrate that employee stock ownership plans may offer a route by which we can move imaginatively to assist Chrysler.

### AN HISTORIC CHALLENGE TO AMERICAN INDUSTRY

Mr. President, I believe that this bill provides a prudent response to the financial problems of the Chrysler Corp. The Senate's decision on this bill is part of our Nation's response to a much larger and unprecedented economic challenge.

An industrial evolution is underway, Mr. President. Between 1978 and 1984, American automobile manufacturers are scheduled to spend the vast sum of $80 billion for new plant and equipment. That amounts annually to a 25-percent real increase in spending over the average of the preceding 7 years. This figure does not include additional, massive increases in spending for research and development. That high level of spending will continue in good years and in bad because federally mandated standards must be met.

We are witnessing nothing less than the sudden obsolescence and replacement of a major segment of the Nation's industrial base. This unprecedented level of spending must be made if American workers are to produce the fuel efficient cars for which there is a growing demand.

The United States must rapidly make an extraordinary transition from an era of cheap and abundant gasoline and oil supply into an era of scarce and expensive gasoline and oil.

By contrast, the national policies of our major trading partners have long encouraged the development of energy efficient products and production techniques. Moreover, their governments have lent significant support to their own auto companies and other industries by assisting with technological development, providing generous tax credits, imposing protective measures against import competition and maintaining a general climate of cooperation between Government and industry. Until recently, they had to provide this support in order to catch up with American auto makers. These foreign governments concentrated on the small car market and as gasoline became more costly have been able to carve out a 25-percent share of the U.S. auto market. It is now apparent that standard size autos are going to be obsolete and more jobs will be lost to foreign auto makers if we do not improve the level of cooperation between Government and industry.

Now, Mr. President, of course this burden of industrial conversion falls—and must fall—largely on the Nation's private industry and capital markets. I am confident that the private sector has sufficient resources, vigor, and imagination to meet the bulk of the challenge.

However, those of us in Government must understand the stress that is being imposed on industry, and be prepared to respond when the strains threaten to bring down a major component of our capacity and shatter the lives and livelihoods of hundreds of thousands of our fellow citizens. That is what is at stake in Chrysler.

The past failings of Chrysler's former management may have been serious and many. But the Government also bears responsibility for the corporation's present crisis, not only because of our current energy situation but the lack of a coherent national energy strategy and policy. Even those Senators who most strongly favor regulation of the auto industry must admit that hundreds of millions of dollars were drained unnecessarily from the auto firms by Federal decisions such as those to mandate ignition interlock systems and to prohibit joint development ventures to meet Federal standards. These are decisions we cannot undo. The capital which was required by those Federal policy decisions is capital which is spent and gone. In fact, as long as a year and a half ago, regulators decided to ignore clear warnings of an impending financial crisis at Chrysler and chose to do nothing to help avoid it.

Mr. BAYH. Will the Senator yield for 30 seconds? I know he is under a time constraint.

Mr. RIEGLE. I yield.

Mr. BAYH. I compliment the Senator from Michigan for the important role he is playing on the Banking and Currency Committee and the leadership he is providing in this area. I feel fortunate with him and the junior Senator from Michigan in a problem that confronts the whole country and not just the State of Michigan and the State of Indiana, though we happen to be No. 1 and No. 2.

This is something that will have an effect on the whole country. I think the way the Senator from Michigan is approaching this will help solve the problem and get us out of this in a way to have a minimum amount of risk to the country. I associate myself with his remarks.

Mr. President, the bill offered today by Senators RIEGLE and LEVIN, of which I am a cosponsor, represents an attempt to draw from the best thinking which has been put forward to find a solution to Chrysler's dilemma.

I think it imperative that steps be taken promptly. The impact of a bankruptcy proceeding on Chrysler was described in hearings before the Senate Banking Committee as at best uncertain, but quite possibly disastrous.

The impact on the State of Indiana of a Chrysler shutdown is hardly in doubt. Nearly 15,000 Chrysler employees would be out of work and Indiana would lose $1 billion annually in direct wages and purchases from Chrysler alone and perhaps another $2 billion in indirect losses from jobs which are dependent on Chrysler wages and purchases.

Two cities in Indiana would be hit with an even more devastating impact than the closing would have in Detroit. Fourteen percent of the work force in Kokomo is directly employed by Chrysler and nearly 12 percent of the work force in New Castle, Ind. The Booz, Allen & Hamilton, Inc. report submitted to the Treasury indicates that one-third to 40 percent of all jobs in these two cities are related to Chrysler's business. The entire economy surrounding these cities already feels the impact of the uncertainty caused just by the possibility of a shutdown. Indianapolis and Michigan City would also be substantially affected.

The cost to the Federal Government of a Chrysler failure would not just be in the millions of dollars, it would be in billions of dollars of lost revenues and increased expenditures. This bill is an effort to prevent that loss by guaranteeing loans that financial institutions acting separately would not otherwise make.

Mr. President, I hope that the Congress will act promptly. The Booz, Allen & Hamilton report also warns that Chrysler's funding needs could increase if there are any major delays in obtaining adequate funds. I think this bill represents an attempt to develop a reasonable solution to this problem. I feel certain that as the Banking Committee takes this bill under consideration, it will further develop and refine this legislation. I look forward to working with all the parties involved including Chrysler Corp., the United Auto Workers, and my distinguished colleagues on the Senate Banking Committee.

Mr. RIEGLE. Mr. President, I thank the Senator for his comments and the great help he has given to the efforts to solve this problem.

Mr. President, there are a number of precedents to which we can look.

### PRECEDENTS

Fortunately, the Federal Government has considerable experience in providing assistance to important forms of economic activity. And we can build on that experience.

Congress has already recognized a national interest in helping major domestic industries compete in changing international markets. The fiscal 1978 State-Justice Appropriation Act, for example, authorized EDA to provide up to $550 million in loan guarantees for steel companies. Three objectives were identified. Steel companies would be helped to modernize so that they "could better face foreign competition," to "meet Government mandated environmental standards," and to retain jobs in the U.S. steel industry. All three items relate directly as well, to the auto industry.

Since early 1978, five firms have received a total of $364.6 million in loan guarantees under the program. EDA is considering requests for an additional $160 million to other firms. The administration estimates that the approved guarantees would retain a total of some 54,000 American jobs. It should be noted that Chrysler buys steel from U.S. producers.

The steel industry program is extending about $6,800 in loan guarantees per job retained. Since a Chrysler collapse would cause a loss of 200,000 to 600,000 jobs, $6,800 in loan guarantees per job would justify $1.4 billion to $4.1 billion in guaranteed loans for Chrysler.

The Federal Government has extended financial assistance to thousands of private borrowers for a multitude of purposes. Over $7 billion in loan guarantees is currently outstanding for international security and development assistance. The Agriculture Department now has $54 billion in loan guarantees to help finance investment in farms, rural housing, and rural electric facilities. The Commerce Department has over $7 billion in outstanding guarantees to finance shipbuilding and numerous other American industries. HEW has over $1 million of guarantees outstanding to finance medical facilities. Railroads have about $300 million. New York City has about $700 million. The Small Business Administration has guarantees of over $11 billion. All in all, the Federal Government now has a total of some $240 billion in outstanding loan guarantees. In view of this loan, a loan guarantee to the Chrysler Corp. breaks little, if any, new ground.

In 1971 Congress established the Emergency Loan Guarantee Board to assist major firms when a temporary financial crisis could result in a business failure which would adversely affect the economy of the Nation. Under that legislation the Lockheed Corp. received $250 million in loan guarantees which helped the firm avoid financial collapse and disruption of critical production.

Even though there are many differences between Lockheed and Chrysler, the Lockheed experience has helped us to develop the capacity to provide prudent assistance to major industrial corporations in temporary difficulty.

In the auto industry itself, the Federal Government has helped out American Motors with a wide variety of measures, including tax breaks, exemptions from mandated standards, and Government purchases of AMC vehicles.

Despite all this activity, governmental assistance to American industry has been undertaken in a sporadic, piecemeal, and uncoordinated way. The relationship between Government and industry in this country has too often been marked by a lack of understanding, by mutual suspicion and by hostility.

Many countries have stolen the march on us by developing what they call cooperative programs of "industrial policy" that have facilitated capital formation and contributed to the growth of productivity.

The problems of the Chrysler Corp. should be viewed within this larger context. And I am hopeful that the debate surrounding this issue will be conducted in that way.

### TIGHT LIMITS AND CONTROLS

Let me emphasize, Mr. President, that this bill would not authorize a "bailout" in which the Federal Government steps in to prop up a failing company and permit it to continue inefficient operations.

I am convinced that there are very positive signs that Chrysler can be an efficient, vigorous manufacturer. But difficult adjustments must be made by everyone involved. This bill does not relieve the pressure for reforms. On the contrary, it gives those reforms a chance.

Any assistance must be tightly controlled and targeted on the national objectives of providing modern factories, maintaining the productive employment of American workers, and avoiding massive regional economic dislocations. Windfall gains to stockholders and lenders should be minimized. This bill would authorize the Board to be innovative in achieving those objectives.

The Federal Government should not provide aid alone, but should lead others—including suppliers, dealers, management, workers, banks, and State and local governments—to take risks and play a large role in making Chrysler successful again. That leadership is urgently needed, and this bill provides a framework for it.

### BANKRUPTCY IS NO SOLUTION

Some have denied there is a need for Federal response to the problems of Chrysler.

Mr. President, the suggestion that a difficult national problem will solve itself always has a seductive appeal. Nevertheless, I am convinced that as Senators consider this complex industry, they will come to agree that the counsel of inaction is simplistic, unworkable, and dangerous to the Nation.

Some have put forth the notion that bankruptcy would buy time to speedily reorganize, consolidate, and operate Chrysler on a smaller scale as a viable company. Such thinking is not logical in the case of the auto industry.

Chrysler requires the flow of $40 million in cash per day to maintain operations. It depends daily on a fragile network of commitments by suppliers, dealers, banks, customers, and others. Ronald Trost, one of the country's leading experts on bankruptcy, testified before the Banking Committee that a declaration of bankruptcy would send an immediate and devastating shock throughout the entire Chrysler system. And it would trigger hundreds of bitter lawsuits that could last for up to 5 years.

In the meantime, Chrysler's dealership network would fall apart within 5 weeks because few would want to buy a car that lacks a guaranteed warranty, that carries no assurance that spare parts or service will be available, and that has almost no resale value. Banks would stop credit for dealer floor plans and dealer bankruptcies would spread like wildfire.

The supplier network could crumble just as quickly. There could be a supplier panic. They will have to insist on payment on delivery or even in advance, adding some $1.8 billion to Chrysler's cash needs. Many will stop shipping and attempt to turn elsewhere for business. Many suppliers will be forced out of business. It would only take the failure of a few critical suppliers to bring nearly all Chrysler production to a halt.

Reorganization through bankruptcy will mean only one thing and that is liquidation. Those who think otherwise do not recognize the organic nature of this company. One plant cannot function unless the others do. Consequently, trying to solve the problems of Chrysler through bankruptcy would be precisely the wrong course of action. It cannot remain alive on a piecemeal basis.

For the Congress to rely on bankruptcy would be a failure to respond. And we would have to live with and pay for the consequences of that failure for years to come.

### FAILURE WOULD WEAKEN U.S. ABILITY TO COMPETE IN INTERNATIONAL MARKETS

Mr. President, let me enumerate some of the consequences of a Chrysler failure.

First, the failure would deprive the United States of productive capacity we will need to compete effectively in the world automobile markets. Chrysler is a major part of our industrial base. It was the 10th largest industrial company in America in 1978, with annual sales of about $12 billion.

The corporation is investing some $1.1 billion to convert its plants to the production of new fuel efficient cars. Over $187 million is being spent to install a state of the art production line for four cylinder engines at its facilities in Trenton, Mich. That line will begin operations in January and will be able to produce 400,000 engines of which there is a severe world shortage. Another $85 million is being spent to convert the Jefferson Avenue assembly plant in Detroit for the production of a new front wheel drive car that will become available in August 1980. Similar capital improvements costing $85 million are underway at the Newark, Del., plant.

By next summer Chrysler's Kokomo, Ind., plant will have the capacity to produce annually an additional 425,000 automatic transaxles for front wheel drive cars after an investment of $190 million. This is one of the very few such U.S. plants that can manufacture these needed components.

The company's new process gear plant will have the capacity—which, by the way, is unique in the United States—to produce 250,000 5-speed front wheel drive transaxles.

Another $190 million in new tooling is being installed at all Chrysler stamping plants to provide better, higher utilization facilities.

The financial collapse of Chrysler would bring this capital investment program to a screeching halt. The Nation would lose much of the benefits of the years of planning and the hundreds of millions of dollars of investment that have already gone into these facilities.

Some have glibly asserted that other auto firms will quickly step in to continue these facilities in operation. That totally overlooks the highly specialized nature of these production lines and the difficulty of converting them. Even if other companies eventually do decide to purchase some of the facilities, a minimum of 2, and probably 3 years would be required to retool the plants to different specifications.

Moreover, if foreign companies take advantage of some bargain plants, only the lower skilled jobs would tend to remain in the United States. Critical work related to the design of products and manufacturing processes would move overseas.

Because of the current domestic shortage of capacity to produce small cars, a significant part of Chrysler's market share would be taken over by imports so that our balance of payments would worsen, the dollar would weaken once again, and American jobs would be transferred abroad.

These losses would have far-reaching consequences for U.S. jobs and the U.S. balance of payments. This year we will spend some $7 billion more on imports of motor vehicles and parts than we earn from their export. Chrysler's potential contribution to the subcompact market should make substantial inroads in the 25 percent of the domestic market now held by imports. This will help domestic employment, it will improve our balance of payments, and it will raise the international value of the dollar. In so doing, it will help to combat the substantial part of our inflation that has been caused by higher import costs due to the depreciating dollar. If we let Chrysler go under, exactly the opposite will happen.

### ECONOMIC IMPACT OF A CHRYSLER FAILURE

Second, Mr. President, a failure would cause tremendous job and production losses in nearly all segments of the economy.

Let us work through a scenario of what might happen in the event of a Chrysler collapse:

Chrysler directly employs 140,000 workers: its suppliers employ an additional 180,000 in Chrysler related work. Chrysler dealers and others employ 100,000. All of these jobs would be threatened.

Once these income losses are felt, there will be sharply reduced consumer spending by the unemployed workers. Also Chrysler will have to cancel its capital spending program. Both of these factors will send additional shockwaves throughout the economy adding, by modest estimates, another 200,000 to the unemployment rolls. Therefore, if Chrysler were to go under in the next few months, total employment could fall by as much as 600,000 in 1980 and this could mean an increase in the national unemployment rate of 0.6 percentage points.

A Chrysler shutdown would cause tremendous economic losses for the minority population since Chrysler is a major employer of black and Hispanic workers. In testimony before the Banking Committee, S. Martin Taylor, director of the Michigan Employment Security Commission, estimated that the black unemployment rate, which now stands at 13.8 percent in Detroit, would increase to about 25 percent. Nationally, it is estimated that 1 percent of total black income is derived from Chrysler. That income is in jeopardy, and it is income the black economy cannot afford to lose.

In the recession of 1974–75, unemployment in Detroit rose by 188,000 and the city's unemployment rate increased by 9 percentage points. A Chrysler shutdown would exceed those disastrous conditions except this time the disaster would be permanent.

Unemployment would also rise significantly in many other States, including Delaware, Illinois, Indiana, Missouri, and Ohio to name but a few.

Claims that these workers would be absorbed smoothly by other employers fly in the face of past experience with much smaller corporate failures. In light of the current recession and the regional dislocations that would result from a Chrysler collapse, these claims are cruel and irresponsible. A Chrysler collapse would certainly deepen and lengthen the period of recession and economic uncertainty that has already begun. What scares me most is that we really do not know where and how the trouble would stop. It would be reckless to assume there would be a modest impact.

### SEVERE REGIONAL DISLOCATIONS

Third, a Chrysler collapse would bring depression conditions in many regions across this country. The effects on Detroit, St. Louis, and several other areas have been extensively described in the press.

The regional effects on unemployment would be substantial. In his Banking Committee testimony, S. Martin Taylor noted that a Chrysler shutdown would eliminate 3.5 percent of all manufacturing jobs in St. Louis, 13.6 percent in Kokomo, Ind., 11.7 percent in New Castle, Ind., and 9.5 percent in the Detroit metropolitan area. Mr. Taylor went on to say that:

> Chrysler . . . represents a significant portion of the total employment in those areas, and if there was a total shutdown of the corporation . . . the prospects for re-employment would be tough.

The reasons cited by Mr. Taylor are the generally slow growth of the manufacturing sector in the country, and the location of Chrysler facilities in the older industrial cities that have experienced the slowest job growth, particularly in the manufacturing sector, and in smaller communities such as Kokomo where Chrysler provides a high percentage of total employment.

What are we going to do with these displaced workers? Even if they were relocated, it is doubtful whether they could find jobs without massive retraining efforts because Ford and GM do not appear to need this work force and because further inroads will be made by foreign automakers.

My distinguished colleague, Senator TSONGAS, has movingly described to the Banking Committee the long-term economic, social, and psychological consequences that resulted from the loss of a large number of firms in Lawrence, Mass., 30 years ago. The effects are still being felt. Other Senators also know firsthand that we are playing with dynamite if we underestimate the consequences of a do-nothing policy.

I have studied the impact of a Chrysler failure on automotive suppliers. Some 20,000 firms sell goods and services to Chrysler. I think many Senators will be surprised to discover the importance of Chrysler to numerous small communities within their States. In many instances these suppliers are the major employer for a whole town.

Chrysler is less vertically integrated than Ford and GM and therefore relies heavily on its many suppliers. Consequently, a reduction in employment at Chrysler carries with it a loss of business and employment for a vast number of other firms. Because the other major auto companies are vertically integrated, many of Chrysler's suppliers would have nowhere else to turn for business.

Mr. President, much of the discussion of the past and present inefficiencies of Chrysler overlook a vital fact. It is that a Chrysler failure will bring down in its wake many small firms that are efficient, technologically advanced, innovative, aggressive, and vital elements of our economy.

A Chrysler failure would do further damage to regional economies because of its serious impact on the solvency of the Federal/State unemployment compensation system.

The unemployment compensation system still has not recovered from the impact of the 1974–75 recession, the deepest and longest since the Great Depression of the 1930's. During that recession, State unemployment insurance programs proved unable to maintain benefit payments without massive Federal loans and/or cost-raising increases in employer payroll taxes. As a result, the outstanding indebtedness of the States to the Federal Government still stands at more than $5 billion, with Illinois, Massachusetts, Michigan, New Jersey, New York, and Pennsylvania alone having a collective trust fund debt of $4.1 billion.

The inability of States to repay these outstanding debts caused both Federal and State unemployment insurance taxes to be raised substantially. Under present law, employer payroll tax increases are mandated if a State is unable to repay its loans. These increased employer-based payroll taxes, together with escalating social security taxes, add significantly to labor costs. They will raise the prices of goods and services. They will further undermine the competitive ability of businesses within the affected States, even if they are unrelated to Chrysler.

### HUGE BUDGETARY COSTS OF DOING NOTHING

Fourth, Mr. President, if Congress stands idly by and lets Chrysler collapse, the costs to the Federal, State, and local taxpayers would be so high that they would dwarf any costs related to a prudent program of financial assistance.

The 1980 job loss would translate into a reduction in GNP of some $18 to $20 billion. As a consequence Federal tax revenues would be reduced at least $4.5 billion, not to mention the tax losses at the State and local levels. In addition, transfer outlays for unemployment compensation, welfare, and food stamps all will have to rise, at an additional budget cost of at least $1 billion.

The Banking Committee has heard testimony from the Pension Benefit Guarantee Corp. that existing Federal loan pension guarantees cover a shortfall of about $1 billion. If we do not act to prevent Chrysler's collapse, well over 100,000 vested and unvested workers will find themselves dependent on an insufficient pension fund, and the Federal Government will be obligated by law, under the Employee Retirement Income Security Act of 1974, to contribute almost a billion dollars to cover the existing pension guarantees.

Thousands of federally insured home mortgages would be threatened with default and HUD would incur costs reaching hundreds of millions of dollars. Costs totaling $90 to $120 million are projected for the Detroit area alone.

Many promising economic and community development projects for which Federal funds and guarantees have been committed would also be endangered.

At a bare minimum, the total Federal budget loss would be $6 billion, with a more likely total of some $10 billion. Additional billions of dollars in losses would be suffered by State and local governments. Viewed from this perspective, possible Federal loan guarantees in the amounts that have been suggested as necessary would be cheap at the price.

### CONCLUSION

Mr. President, I look forward to a thorough debate on this bill and the issues it addresses.

I am confident that a careful examination of the evidence will indicate that Chrysler can become profitable again if it receives assistance sufficient to finance the investments needed to modernize its facilities, increase its ability to supply the small car market, and ride out the recession. I have outlined the costs of a failure above, and they are enormous. When weighed against the benefits and probability of success, it seems clear that such assistance is justified. Assistance to Chrysler would maintain the company's capital spending program and thereby greatly enhance the value of its facilities to the Nation and provide important industrial capacity to meet foreign small car competition. Even if those modernized facilities would ultimately be taken over by foreign companies, the jobs provided would be American jobs.

Just 14 years ago Chrysler was a growing, vibrant company with an almost 20 percent market share. I can foresee this happening again given the new leadership in the company, Government assistance through this crucial period, and starting with a 10-percent market share base.

I urge my colleagues to support this bill.

Let me now emphasize certain facts that are important for anyone within the sound of my voice to consider. In the United States today we have a tremendous problem in our balance of payments deficit. The leading item in our deficit is, of course, oil. But what most people do not realize is that the second worst item in our balance of payments deficit today is the area of motor vehicles.

Last year, the United States ran a deficit of $7 billion in the trade account for motor vehicles, most of it in the form of foreign imports from Japan, West Germany, and other trading partners. There is absolutely no reason why this country should find itself in such an adverse trade position. But we are going to stay that way and it is going to get worse unless we understand the need to modernize our own national motor vehicle industry and to do it within the tough and costly constraints that our own Government has imposed with respect to mandated standards in the three areas I mentioned earlier.

There is a profound balance of payments effect.

In terms of jobs, if Chrysler were to go into bankruptcy today we are talking about the loss of up to 600,000 jobs across the United States, a reduction in GNP for the first year that can total $20 billion.

We are talking about increases to the Federal deficit that could run, in the first year alone, as high as $10 billion. It is easy to identify at a minimum a loss in tax revenues if Chrysler were to go into default of $4.5 billion to the Federal Government which would directly increase the Federal deficit.

In addition to that, in recent Senate hearings we have already identified an additional pension guarantee loss to the Federal Government in excess of $1 billion; an increase in Federal and State unemployment compensation cost of at least $1 billion, not to mention all the tax losses to State and local units of government.

When we take those dollar costs and we look beyond that to the wreckage that will occur in the lives of tens of thousands of people across the United States, many of them in my State of Michigan and in other States in the Midwest but ultimately all across the Nation, it makes no sense whatsoever for the United States to turn its back and inflict a wound on itself that is going to have these kinds of tremendously adverse effects on our whole country.

It is estimated that the increase in the unemployment rate nationally would be six-tenths of 1 percent. Coming at a time when we are in the midst of a recession, this development makes no sense whatsoever.

Some have suggested that bankruptcy may be an answer to this problem. That is errant nonsense. We had in our hearings expert testimony from probably the No. 1 bankruptcy expert in the United States who has been handling these kinds of problems for the last two decades.

He testified without any equivocation that Chrysler could conceivably be tied up in the courts for as long as 5 years trying to sort out the equities if we were to allow a bankruptcy to take place. So that is not something that we ought to recognize as not a viable strategy from a going concern point of view.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Missouri is recognized.

### AID TO CHRYSLER—AN ECONOMIC NECESSITY

Mr. EAGLETON. Mr. President, I am pleased to join my colleague from Michigan in submitting legislation to assist the financially troubled Chrysler Corp. Senator RIEGLE has been outstanding in his leadership on this important problem.

The issue of aid to Chrysler already has provoked much heated discussion and frenetic news coverage. Undoubtedly, the coming debate will stimulate new clouds of rhetorical smoke. But I hope that, as the debate unfolds, my colleagues will keep a few salient facts in mind.

We must remember that Chrysler Corp. is not just its president. It is not just 12 people sitting on a board of directors. Chrysler is a network of manufacturing and dealer facilities employing more than 300,000 people across our country. Chrysler represents nearly $8 billion in purchases and additional hundreds of thousands of jobs for Chrysler suppliers. Chrysler means nearly $4 billion in payrolls invested in our Nation's banks and spent in our Nation's retail stores each year by Chrysler employees.

As these figures indicate, a Chrysler shutdown would have a devastating impact on all Americans. A study for the Congressional Budget Office predicts that a Chrysler failure would put as many as 600,000 people out of work and cause the loss of $19.3 billion in personal income through 1981. Many of those lost jobs would be permanently exported overseas.

A further consequence of a Chrysler collapse would be the continued concentration of American automobile production and sales in the hands of the two giant manufacturers, General Motors and Ford. These two companies now control 67 percent of all U.S. auto sales; in the event of a Chrysler failure, that figure would be likely to increase to 75 percent.

As any student of elementary economics knows, concentration in an industry is fundamentally incompatible with vigorous competition. American consumers would pay a heavy price for that lack of competition in the future.

Many have said that the Government should not help Chrysler because there is no place in our economic system for Government assistance to private enterprise. But even the briefest survey of recent history shows a wide variety of instances in which the Federal Government has provided loan guarantees, and even direct Federal loans, to businesses when the benefits of such assistance were judged to outweigh the cost to the Government. The Lockheed Corp. was brought back to financial health through a program of loan guarantees which cost the American taxpayers absolutely nothing. More recently, the steel industry received a total of $365 million in loan guarantees to safeguard jobs and help meet the costs of environmental regulation. The American people have assisted the shipbuilding and maritime industries with a total of more than $5 billion in loan guarantees.

So the issue is not whether the Government ever should intervene to assist private industry, or whether we would set a dangerous precedent by doing so in the Chrysler case. Clearly, such intervention already is more commonplace than most of us realize. And, clearly, the precedents in this area already have been set. The issue, then, is whether the benefits in this particular case outweigh the potential costs. On this basis, a Chrysler loan guarantee is solidly justified. Assistance to Chrysler would save far more jobs with less risk to the Government than either the steel or shipbuilding assistance programs.

The bill we are introducing today does not amount to unwarranted public interference in the private sector. It does not amount to a public takeover of Chrysler. It does provide for short-term relief, in the form of loan guarantees to be issued through 1983. It does provide for tight public control over those loan guarantees. It does safeguard the taxpayers' interests, by giving the public prioritized collateral rights to Chrysler's assets.

Far from being a pernicious influence in the free market, our Chrysler proposal represents a form of occasional Government help which may be an essential tonic to keep the free market functioning smoothly.

Mr. RIEGLE. Mr. President, let me just say of the Senator from Missouri, who has given tremendous leadership to this issue, as has Senator LEVIN, of my State, as far as Senator EAGLETON is concerned he has really worked with great effort and over a long period of time to try to bring this problem into focus and to try to help bring about a prudent, a measured, and a sound response to what is clearly a strategic national issue.

I wish to praise him for that effort and to acknowledge it at this time.

Mr. EAGLETON. Mr. President, I thank my colleague very much. He has in fact been the leader on this issue from its earliest inception. But for the attention that he has focused upon it, the matter would be in very deplorable shape.

Mr. President, I ask unanimous consent that any time I have remaining I be permitted to yield to the distinguished senior Senator from Michigan.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I again thank the Senator from Missouri for his kind comments, and for generously yielding his remaining time to me. I will not consume all of that time. I note my colleague from Michigan is ready to present his remarks. I will conclude my statement so that Senator LEVIN may proceed.

Let me say again to those who are here and might be listening that I hope that people who have a concern about this problem will take the time to study the evidence that we have assembled so far. The statement I am making today in its full detail, I think, lays out the key aspects of this problem. I hope that my colleagues will seriously consider becoming cosponsors today. If that is not a course of action which they wish to follow, then I ask them to keep an open mind on this issue until we have had the chance to commence full hearing in the Senate Banking Committee and to establish clearly the dollar figure that seems appropriate in the Chrysler case.

I emphasize again that what we are proposing here is not a bailout of Chrysler. It is, in fact, something very different from that. What we are talking about here is a program of loan guarantees, very tightly written, very tightly controlled. It will enable this company to get through a most difficult financial period and to get back on its feet so that it can function in a profitable position and so that it can modernize the tremendous number of facilities that Chrysler has which are vital to our own ability to produce the kind of cars that are needed in the future; and to put us on a stronger footing in dealing with foreign competition.

We have to bear in mind that the Chrysler Corp. is the 10th largest corporation in the country. Its sales last year were close to $13 billion. So the sheer size of the auto industry as a whole, something close to 20 percent of our national economy, and therefore, the size of the third largest auto company is essential for us to understand so that we can see why the economic shock waves would be so devastating to the country as a whole.

The other day, someone said that Chrysler was the first automobile company to experience this problem. I want to make sure for the record that everyone understands that that is not the case. The first company to get into serious financial difficulty, partly due to the pressure of Government regulations and standards, was the American Motors Co. The Federal Government responded and, I think, properly so, by providing relief in a number of forms: Tax credits, special purchasing arrangements through GSA, relief from certain emission standards, relief from antitrust requirements that allowed them to buy technology from other companies rather than have to spend to create the technology on their own. These were useful steps because American Motors has since gotten on a strong financial footing. It is today a profitable company that has resumed paying dividends and has kept those jobs in place in our society. As I say, I supported those initiatives and I would do so again.

Chrysler now comes along in an equivilent situation, not first, but second. That is why I think it is important that those who might want to target Chrysler for criticism ought to think very carefully about that because, as I say, we have today numerous other examples. We have the Lockheed case in a different industry; we have the American Motors example in the automobile industry. We have the recent EDA loan guarantees in the steel industry, which is immediately adjacent to automobiles and which provides a lot of its product to the automobile industry.

We presently have outstanding at the Federal level $240 billion worth of loan guarantees for every conceivable item under the Sun, ranking from shipbuilding to FHA mortgages, to a host of programs in the field of agriculture, the steel loans that I have just mentioned, and so forth. So any suggestion that, somehow, the Chrysler situation breaks new ground is just not true. It breaks no new ground at all.

Having said that, I want to make it also very clear that I want the U.S. Government to participate only on a basis that lays down tough, hard, fair conditions that fully protect the interests of the taxpayers. That is exactly what our bill would do.

Finally, let me say this: For some time now, the Treasury Department, in behalf of the administration and the Chrysler Corp. have been talking and working together to try to arrive at a formula of help for Chrysler that the administration could sponsor and send to the Congress. Unfortunately, those discussions have not yet reached a conclusion and of course, here we are, moving into new financial circumstances with new monetary policies and the high interest rates; the uncertainty in the capital goods industries with a recession setting in. So every day that passes is a costly day. As a matter of fact, the Booz-Allen study on Chrysler, just revealed, indicates that if action had been taken 6 months ago to assist Chrysler, less money would have been needed than is needed today. It went on to say that if we wait another 6 months, more money will be needed in the future than would be needed if action were taken now.

In addition to that, we are coming down to the end of this legislative session, so time is of the essence for us to respond. With this bill today, we put the issue on the table legislatively. I am prepared to wait a matter of a few more days for the Treasury Department and Chrysler, hopefully, to have a meeting of minds with respect to a specific proposal. I have reason to believe that will happen, and it ought to happen.

But if, for any reason, it should fail to take place within the constraints of the time pressure that we are under now, in the waning days of this session of Congress, I am going to seek formal hearings in the Senate Banking Committee. Then we shall have to act on an independent basis to try to develop our own judgment about a dollar figure to seek, a loan guarantee figure. I have every reason to believe the Senator from Wisconsin, the chairman of the Committee on Banking, my friend, will take a reasonable view toward conducting hearings on a problem as urgent as this one.

I know he has made it clear that he does not favor loan guarantees in the Chrysler situation; at least, that is his current position. But I know that, in the past, with respect to the New York City loan guarantees, where he also was opposed to loan guarantees, he was eminently fair as a chairman and moved on a timely basis, allowed the committee to act on the issue with hearings, with markup, and with action. The will of the committee was freely expressed despite his position to the contrary. I respect that past history on the New York issue and others. I trust we shall see the same in the Chrysler case. I have no reason to think we shall not.

In any event, we are at the place where action must take place now in the executive branch. I would be delighted to see the Treasury Department come forward in a short time with a specific proposal. I shall be delighted to work with them as we have done all along up to this point.

We have a companion bill moving forward in the House, with some slight differences, introduced by Congressman BLANCHARD and a number of other cosponsors, which we hope to see in conference before this session ends, along with a bill that can come through the Senate based on the legislation that we have introduced today.

As I say, my full statement goes into much greater detail. I should like to ask those who have a sincere and deep interest in this issue to take the time to look at the detail, because I think it will answer many of your questions.

I also say that if anyone else has further questions that they would like to go into, I am available at any time and my staff is available to sit down and discuss this matter and provide information. If additional facts are needed, we are prepared to seek those facts and make them available to whoever might need them.

Mr. President, I know my colleague from Michigan (Mr. LEVIN) who has given great leadership and effort to this cause, is here and has a special order. I should like, at this point, to reserve the remainder of my time and ask that he be recognized if he would like to speak.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized for not to exceed 15 minutes.

Mr. LEVIN. I thank the Chair.

Mr. President, I am delighted to join with Senator RIEGLE and the other cosponsors of this bill in introducing legislation to assist Chrysler Corp., and to save the Treasury, the taxpayers, and the economy from the severe impact of a Chrysler failure. In doing so, I want to pay a special tribute to my colleague and friend, the senior Senator from Michigan, for the extensive effort he has put into this project. I know he has spent literally hundreds of hours discussing the issues with leading authorities, studying materials associated with previous governmental action of this type, and thinking through the larger philosophic and economic issues associated with this problem. The bill he has drafted for introduction today reflects that work and it is one that I am delighted to support.

There are some obvious facts which I think need to me acknowledged from the outset. I, of course, have a particular bias as I approach this situation: My home State of Michigan would be the State most heavily affected by a Chrysler collapse. The city of Detroit would be devastated by a Chrysler collapse. And to that extent, I am probably not the most objective judge of this situation. But I do not think that geographic considerations have warped my judgment or influenced my thinking to the extent of making me abandon some basic principles and perspectives which I believe are widely shared in the Congress and which I believe compel us to assist Chrysler.

First, I believe in the fundamental free market structure of the American economy. And I also believe that Federal assistance to Chrysler does not damage or modify the basic framework of a free market as we know it and practice it today.

Long ago, we made the decision that Government should intervene in the marketplace in order to assure the safety of the people and the well-being of the Nation. That decision led to the creation of the Small Business Administration, the passage of the Economic Development Act and a host of other similar programs and agencies devoted to helping business enterprise.

Chrysler's request might, at first, appear to set a precedent if one looks only at the size of the request—but, if one examines the basic nature of the request, there is no precedent established, there is no violation of the free market as we know it, and there is no violence done to the notion that the private and public sectors ought to work together to achieve mutually supportive goals.

Second, I believe that we, as a Nation, are wiser and stronger if we act to prevent disaster than if we simply react to it. If we refuse to assist Chrysler, or if we sit back and fail to make any decision, we will be paying for it for years to come. The dimensions of a Chrysler failure are hard to fathom because they are so massive. A whole series of studies suggests that the cost to the GNP would approach 1 percent within the first year; unemployment would increase by 0.5 percent with areas like Detroit and St. Louis being particularly hard hit; direct costs to the Federal Government pension insurance program would exceed $1 billion;

and the costs to Federal and State treasuries in the form of unemployment compensation and welfare would cost billions more.

And these, Mr. President, are not only short-term effects. These are effects which will continue for years to come. The Chrysler work force will not be easily integrated into the economy because of the existing slack demand in the auto industry and because of the geographic location of Chrysler facilities.

If we allow Chrysler to fail, we allow the economy and the employees to fail for a prolonged period of time. And during that time, we will all bear the economic and psychic scars created by a self-inflicted wound. And the wound will not be restricted to Chrysler. The impact of a failure of this magnitude will not be felt only in the auto industry. With Secretary of the Treasury Miller telling us recently that we have yet to feel the full impact of the current recession, one would be foolish to believe that there will not be a massive spillover from Chrysler to the general economy. So, Mr. President, a failure to aid Chrysler will cost us. It will cost us now and in the future. It will cost us in terms of economic and human growth.

Third, I believe that, when the Government moves into the private sector, it should minimize the risk. I think this bill accomplishes that goal by securing our guarantees and giving the Government guaranteed loan priority standing among creditors.

We should also see to it that Government assistance is complemented by other interested parties. I believe that we are all aware that negotiations are underway with the UAW and with banks and with State governments and with local governments. Those negotiations are designed to bring all of them into the plan. The problem has been that they all want to see the Federal Government make its commitment first since they know that no action on their part—without Federal assistance—will be adequate.

By the same token, the Federal Government has held back, in part because they have not seen action from the other affected parties. This game of "who will bell the cat" must end. We have before us legislation which makes clear there will be a Federal Government commitment while leaving plenty of room for the commitments of other interested parties. Once the broad framework of the commitment has been established, we can move to assure the widest possible participation from other parties. But that participation is less likely and less strong until there is a signal from Washington, even if that signal is conditioned on others doing their share.

Any investment by the Government should also have a high probability of success. In this case, we need to be assured, to the extent that we can be, that a guarantee of the nature being proposed will in fact be sufficient. The amount of the guarantee seems to me to be the issue which is most open to debate, and that issue will need to be resolved in committee and on the floor. Based on what I have read and based on the discussions I have had with knowledgeable industry observers, I believe that Chrysler can succeed, that their goals can be achieved, that they can return to a profitable and competitive posture in the industry.

That cannot occur if they are forced into reorganization in bankruptcy; that cannot occur if they are forced to restrict their product lines; that cannot occur if they are denied Government assistance. But it can occur if we seek to help as well as regulate. It can occur if we act instead of delay. And it can occur if we are but willing to recognize our obligations. When we have done so in the past—as we have with Lockheed and with American Motors and with the steel industry and with literally thousands of other businesses—the results have been satisfactory.

Any investment must recognize that the motive is to help workers. Several members will address the issue of employee stock ownership as an element of any Federal plan. I am inclined to support such an effort and this bill recognizes the desirability of it. Once we have had an opportunity to hear from the Treasury, from the company, and from the UAW and other unions, I am hopeful that we will have a firmer sense of precisely how such a proposal would operate and precisely how it would contribute to the success of this venture.

Mr. President, I hope that all Members will keep an open mind on this subject. I am confident that, as this legislation moves through the committee process, a hearing record will be developed which will answer questions and remove doubts.

And I urge my colleagues, no matter what their position on the merits of the issue, to cooperate in expediting the consideration of this legislation and other bills associated with it. I know full well that there are pressing issues before the Senate. But I also know that many of those issues will be around for years to come—Chrysler may not be unless we act and act soon.

Obviously, I care about getting this legislation passed. But I also care about getting this legislation considered. I am more than willing to abide by the will of the Senate—I just want to be sure that the Senate gets an opportunity to express that will in a timely fashion.

In this regard, I hope the Treasury Department will expedite its decision and get moving. They say they want to help. I am frankly less than satisfied with the strength or speed of the signals emanating from the Treasury. I am less than enthralled with their leadership, with their apparent decision to wait and see what others would do before they made a firm commitment to act and with their setting an arbitrary ceiling on the level of Federal involvement even before they saw Chrysler's detailed statement of their needs and intentions.

I hope Treasury will reconsider that arbitrary ceiling in light of the Booz-Allen report which shows that the needs are greater than was estimated a few months ago.

In conclusion, Mr. President, I again want to commend my colleague from Michigan for his extraordinary leadership in this matter.

Mr. President, I suggest the absence of a quorum.

Mr. RIEGLE. Mr. President, if the Senator will withhold that, I am about to yield back the remainder of my time.

I commend Senator LEVIN for an excellent statement. I again acknowledge the tremendous leadership he has given in this issue. I thank him for his kind words and echo his appeal to all our colleagues to keep an open mind on this issue and to give us a chance, in the weeks ahead, to get a full factual record out on the table, so that we can make careful and prudent decisions as to what the problem requires. I think it is something we are in a position to lay out in a way that will satisfy all Members of the Senate, and we look forward to that opportunity.

I yield back the remainder of my time.

● Mr. NELSON. Mr. President, I am pleased to cosponsor the Chrysler Emergency Loan Guarantee Act. I consider temporary aid to Chrysler to be vital to the national interest. At present, we have two choices. We can either do nothing and let Chrysler slide into certain bankruptcy or we can provide the loan guarantees which will allow Chrysler to survive and prosper in the future.

Given our economy's precarious condition, I do not see that we really have a choice. Mr. President, let us consider the following facts. Chrysler employs approximately 300,000 people directly in the United States and employs hundreds of thousands more indirectly through its suppliers and dealers. A CBO study has estimated that a Chrysler bankruptcy would put 600,000 people out of work and cause a loss of $19.3 billion in aggregate personal income by the end of 1981.

Wisconsin's stake in Chrysler's survival is less apparent than that of Michigan, Missouri, or Indiana, but it is, nonetheless, substantial. Chrysler has six facilities in Wisconsin, employing 950 people; 4,581 people in Wisconsin work on Chrysler parts for supplying firms. And Wisconsin's 167 Chrysler dealers employ 2,441 persons.

Mr. President, this legislation has been carefully and sensibly drafted. It would create a Board composed of the Secretaries of the Treasury, Labor, and Commerce with the authority to guarantee loans to Chrysler upon its certification of the necessity of such loans. The Board's loan guarantees could extend for up to 10 years at rates of interest to be controlled by the Board.

The bill would require that all Government loan guarantees be fully collateralized and provide for a variety of administrative safeguards to protect the taxpayers' interests. The board's authority extend guarantees would expire in 1983. The bill provides no ceiling on loan guarantees but it is my assumption that the hearing process will disclose what constitutes a proper ceiling level. The bill provides that $250 million or 25 percent of the loan guarantee will be provided through an employee stock ownership plan. The ESOP concept is one that I support and one that I believe has much to contribute to a Chrysler revival.

Mr. President, most of the opposition to loan guarantees for Chrysler has been premised on the belief that failing corporations ought not to receive public support. The survival of free enterprise, it is alleged, depends upon letting mismanaged companies go broke. With all respect to those who hold this view, it is too simplistic. We do not live in a pristine capitalist economy. We live in a complex, interrelated mixed economy where a business failure of this magnitude could and would have catastrophic "ripple" effects. It also matters to me that Chrysler employs tens of thousands of black workers in its Detroit plants and that if those people were to lose their jobs no amount of poverty programs could return them to their present economic level.

Further, it ought to be noted that loan guarantees are given all the time by the Government with minimal publicity and no measurable damage to the free enterprise system. The shipbuilding industry has been so assisted and the steel industry recently got a $365-million loan guarantee to help with antipollution costs. The Lockheed loan guarantee saved a company and the Government never lost a nickel. Proposals for loan guarantees ought to be weighed on an individual basis, not ritualistically condemned.

I have confidence in Chrysler's new management team, headed by chairman Lee Iacocca. Chrysler's most recent sales figures are promising. Guaranteeing loans for Chrysler is an investment in the future. It is an investment in continuing competition in the automobile industry. And it is an investment in self-sufficiency for hundreds of thousands of American workers. It is, I have concluded, a worthwhile step to take.●

● Mr. MATHIAS. Mr. President, today I join my distinguished colleague from Michigan (Mr. Reigle) as a cosponsor of his bill to provide a program of assistance to Chrysler Corp. The provision of the bill that I find most appealing is the mandatory employee stock ownership plan, which I think will help solve Chrysler's long-run productivity problems.

Today, the New York Times published a letter on this subject from Senators Long, Byrd of West Virginia, Nelson, Gravel, Stewart, and myself, and Congressmen Kostmayer and McHugh. I ask unanimous consent that the text of the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

[From the New York Times, Oct. 24, 1979]

### If Chrysler Workers Were Chrysler Stockholders

To the Editor:

The Chrysler Corporation has recently been in the news with its request for financial assistance from the Federal Government. Such a request raises an array of issues, one of which we would like to address.

A chief difficulty currently facing American industry is the steady decline in productivity. In the second quarter of this year, U.S. nonfarming businesses suffered the sharpest drop in productivity since the Federal Government started keeping such figures, in 1947. Although this problem is not as severe in the automobile industry as in other sectors of the economy, it has become so great a national problem that we feel it is an issue which must be kept in mind whenever the American taxpayer is asked to assist a financially troubled company.

If American business is to be competitive, we must find a way to reverse productivity's downward spiral. During the decade of 1967 to 1977, the United States was tied with Great Britain for the lowest productivity gains of any major industrial nation in the Western world.

If a beleaguered American corporation is to be offered Federal assistance in any form, the form that assistance takes should be one that directly addresses this productivity issue. Over the past several years, we have begun to accumulate evidence indicating that employee stock ownership may offer a solution to this troublesome problem.

Employee stock ownership may offer a route by which we can move imaginatively to reverse productivity's decline. For example, a recent survey by the Senate Finance Committee of almost 100 companies with employee stock ownership plans indicates that in the average three-year period since the adoption of such a plan, as opposed to an average corporate age of 24 years, the responding companies:

Realized a 72 percent increase in sales.

Realized a 37 percent increase in number of employees.

Realized a 157 percent increase in profits.

The merit of employee stock ownership can be easily summarized: Ownership counts. It seems to summon up a common determination to succeed. It creates a climate wherein a unity of interest and incentive can emerge. If a company succeeds, its success is widely shared. And its eventual success or failure is placed in the hands of those upon whom it's success or failure will largely depend. Certainly the U.S. economy can only be made stronger by providing the American worker with an opportunity to own the tools and equipment with which he works.

In 1970, the United States guaranteed a $250 million loan by a group of banks to Lockheed Aircraft Corporation. This step was taken to assure the continued viability of Lockheed. At that time, Lockheed directly and indirectly employed almost 400,000 individuals; had we not guaranteed these loans, these jobs could have potentially been lost.

Today, Lockheed is a thriving corporation, these loans have been repaid and the Federal Government actually realized a profit because we received a fee for guaranteeing the loans. Had we required that Lockheed establish an employee stock ownership plan as part of its Federal assistance and contribute an amount of stock to the plan equal to $10 million, today that stock would be worth about $100 million.

This is not meant to indicate at this time that each of the signatories to this letter either supports or opposes the granting of Federal assistance to the Chrysler Corporation. We do feel, however, that, should aid be offered, it should only be offered in such a way as to create an opportunity for a solution to this difficult productivity issue. Employee stock ownership seems to offer such an opportunity.●

## RECOGNITION OF ASSISTANT MINORITY LEADER

The ACTING PRESIDENT pro tempore. The assistant minority leader is recognized.

## ORDER FOR RECOGNITION OF SENATOR TOWER VACATED

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the recognition of Senator Tower be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## LINKAGE BETWEEN NATO REQUIREMENTS AND SALT II

Mr. STEVENS. Mr. President, I invite the attention of the Senate to an editorial in the Washington Star today entitled "Mr. Brezhnev and NATO." I believe this editorial wisely urges that any linkage between the NATO decision on stationing our new nuclear missiles on European soil and the ratification of the SALT agreement be discouraged. A linkage would be very dangerous, and I think it is the kind of question that should be pursued seriously and cogently, as I believe this editorial does.

I am going to join a group of Senators who will be traveling to Ottawa this weekend to meet with parliamentarians from various European nations. Undoubtedly, they will express their opinions, as they did at the NATO parliamentary meeting in Portugal last year, concerning the necessity for action on SALT.

I hope we do not run into a situation in which the consent that is necessary for us to modernize the NATO forces, as this editorial points out, in order to offset existing Soviet bloc military strength, will be conditioned upon our approval of a SALT II treaty that some of us think is defective in its current status.

I note in this morning's New York Times that Senator Nunn has expressed a similar concern over the question of linkage as that to that expressed by the editorial in the Star.

Mr. President, I ask unanimous consent that the editorial from the Star and the article from the New York Times, setting forth Senator Nunn's concern over the linkage of the SALT II treaty with the decision on the part of the NATO countries as to whether to allow us to deploy nuclear missiles in Western Europe be printed in the Record at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. Mr. President, some of us live in areas where we are able to observe constantly the actions of the Soviets. That is true, obviously, for the Floridians. It is even more true for those of us from my area of the country, Alaska, and from the point of view of our Canadian neighbors.

I find it very interesting, as I pointed out to the press before the Senate convened today, that the 5,500-mile limit, or minimum, for a missile to be classified as an ICBM came from a determination of the distance between Murmansk and Maine. It is very interesting that what is an ICBM for SALT I and SALT II is viewed only from the point of view of what can strike the Atlantic Coast of the United States from Russia. It has no application whatsoever to the situation of the deployment of SS–20's in Siberia, so far as their ability to reach Alaska and Canada is concerned, or the ability of missiles such as SS–20's, which are not included in SALT II, to reach all the North American air defense facilities that are located in Alaska and Canada. Nor does it take into account the fact, as was pointed out to me this morning, that Hawaii is closer to Peking than it is to Washington, D.C.

I think it is high time that those people who are involved in negotiating treaties with the United States, in terms of the balance of our forces vis-a-vis the Russian bloc, take into account the fact that we have two coasts, that we have a total United States land mass that must be protected by our defense capability, and that this is not a strategic arms limitation treaty solely for the North American Atlantic Alliance. This is true for the concept of defense of not only of the NATO countries but also of the United States as a whole.

I, for one, hope that our friends and allies in the NATO countries do not tell us that their consent to locate cruise missiles in Europe is going to be conditioned upon the approval of SALT. If that occurs, I predict the deterioration of the NATO alliance rather quickly; because I do not believe that we can condition our ability to defend our European neighbors upon agreeing to a treaty in a form we do not find acceptable.

I hope they can bear with us as we go through the process of debate and change of this SALT II agreement.

### Exhibit 1

### Nunn Warns Against Tying Arms Pact to Missiles

Washington, Oct. 23.—Senator Sam Nunn, Democrat of Georgia, said today that attempts by the Carter Administration and leaders of allied governments to link Senate approval of the strategic arms treaty with a decision to deploy medium-range missiles in Western Europe could "shake the very foundations of the alliance."

In an interview, Senator Nunn, an influential member of the Armed Services Committee, strongly criticized statements by President Carter and other senior officials warning that a failure to affirm the new arms accord would lead to a political crisis within the North Atlantic Treaty Organization.

The Senator challenged assertions on both sides of the Atlantic that a failure by the Senate to approve the arms treaty might lead allied governments to reject an American plan for stationing a new generation of nuclear missiles in Europe.

"If the Europeans are concerned about their own security," he said, "the modernization of theater nuclear forces will go on regardless of what happens to the SALT treaty."

Senator Nunn said that the alliance's failure to approve the Administration's plan for stationing new missiles in Europe could lead to a review of the American role in NATO.

Several Administration officials said that the Senator's position could interfere with the delicate diplomatic campaign now being waged to get NATO governments to approve a plan for stationing missiles on their territory.

In hearings today before the Senate Armed Services Committee, Secretary of Defense Harold Brown said that four different NATO governments recently told the Administration that failure to approve the arms treaty would damage chances for gaining approval of the Administration's proposal on stationing missiles.

### Mr. Brezhnev and NATO

Soviet President Leonid Brezhnev is in the midst of an uncommonly overt effort to crack the unity of the North Atlantic Treaty Organization on the need for modernization. The Russian leader has written to European heads of government to press his offer of an insignificant Soviet pullback from East Germany if NATO drops a plan for medium-range nuclear missiles. The allies are supposed to decide on the question next month.

The latest Brezhnev pitch is the same as it was in his initial announcement. He seeks, in part, to convince the Western Europeans that they would be safer from attack without the new missiles deployed, and particularly without having them on their soil. His argument cannot be reconciled with the premise of NATO—that the Soviet bloc's military strength requires a credible defensive posture by the West. The 572 new warheads, mostly on cruise missiles, would not put NATO ahead but would merely offset Soviet missiles already aimed westward. If relative weakness were the way to inspire benign treatment by Moscow, then NATO need never have been formed in the first place.

As clear as the choice for the Western allies appears to be, the Brezhnev bid is troublesome. Several of the NATO countries already have qualms about having nuclear missile bases within their borders. (The West Germans don't want to be the only hosts for the new missiles.) Some leftist political parties in the West can be expected to seize on any anti-nuclear issue, as they did with the scrapped plan for the neutron warhead. The Brezhnev gesture may seem to provide a sequel, at least in the thinking of edgy government officials.

A complication in the U.S.-European discussion of the question is the insistence of a number of NATO allies on linking their backing of the new missiles with the ratification of the SALT II treaty by the Senate. The military logic of this linkage is elusive. If SALT II fails, that will make it all the more urgent to keep up NATO's defenses. The opposite result, rationalized as despair over a breakdown of American leadership, would be a dangerous exercise in defeatism. Its significance would not be lost on Moscow.

Again, the chink in the West's armor is political, with the rhetoric of detente overshadowing hard security considerations in the democratic give and take. The Carter administration is trying to make the best of a tricky situation by using the NATO allies' threat of no-missiles-without-SALT as an argument for ratification. We hope the dubious connection between the two issues can be broken if events require.

The NATO allies would be wise to ignore both the U.S. Senate debate and the calculated offer of Mr. Brezhnev in considering the need for modernization. The pertinent considerations are contained in the array of NATO and Warsaw Pact forces, in which thoughtful observers see growing peril for the West. If there are to be mutual reductions of forces in Europe, these will come as a result of tough-minded negotiations from strength—not from a Brezhnev campaign to split NATO.

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## ORDER OF BUSINESS

Mr. STEVENS. Mr. President, I yield back the remainder of my time, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Will the Senator withhold that request?

Mr. STEVENS. I do withhold it.

Mr. President, a parliamentary inquiry: Upon the completion of my time, will that trigger the order for routine morning business?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. STEVENS. Then, I withhold the request, and I yield back my time.

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## ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

Is there morning business?

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Stewart). Without objection, it is so ordered.

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## VERMONT SENATOR'S SPEECH HERALDED McCARTHY'S END

Mr. LEAHY. Mr. President, I know that many of my colleagues are admirers of former U.S. Senator Ralph Flanders of Vermont, and many knew Senator Flanders when he was alive.

Recently an excellent article was written about Senator Flanders by one of Vermont's best newspaper writers, Barnev Crosier.

I wish to share it with my friends and colleagues, as Senator Flanders is one of the greatest Senators Vermont has ever sent to this body. Certainly, he will rank with Senator Justin Morrill among the finest Vermonters to have the privilege to serve in the Senate.

At a time when most were afraid to speak up against excessive McCarthyism, Senator Flanders spoke out loud and clear. The courage of his act was demonstrated by the fact that he was initially joined by only one other New Englander. Senator Margaret Chase Smith from Maine.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Rutland Herald, Aug. 26, 1979]

### Vermont Senator's Speech Heralded McCarthy's End

(By Barney Crosier)

Springfield.—A forum in the First Congregational Church in Springfield 25 years ago has been tagged as a turning point in the nation's post-World War II torment over "McCarthyism."

For it was that forum that spurred the late U.S. Sen. Ralph E. Flanders of Springfield into action . . . the one that ended with the censure of the senator responsible for the sickness dividing the nation.

It was a meeting of the "First Friday Forum"—gathering on the first Friday of every month—and at least 100 people were out to hear Flanders, home from Washington for the weekend, speak about the nation's problems.

"I don't recall that he mentioned McCarthy (the late U.S. Sen. Joseph R. McCarthy, R-Wis.) during his speech," said Springfield podiatrist Dr. Walter G. Wetherhead recently.

But people at the meeting hit Flanders with a barrage of criticism about McCarthy's activities as chairman of the Senate Permanent Investigations Subcommittee.

It was a national and international issue—McCarthy's bulldozing tactics in his drive to ferret Communists out of every nook and cranny of American governmental and civilian institutions.

He had, as Flanders remarked later, divided the nation in a time when unity was of paramount importance.

Said Flanders in June, "Race is set against race, party against party, religion against religion, neighbor against neighbor, and child against parent."

That statement was made three months after the forum in the Congregational Church and almost as long after Flanders delivered his first speech against McCarthy March 9, 1954. It was a Tuesday.

That first speech shook the nation back to reality and gave moderate people a chance to reflect on just what the Wisconsin senator was doing. It brought accolades from people across the breadth of the continent, including the comment by then-President Dwight D. Eisenhower that Flanders had performed "a real service" in the speech that was heard by no more than a dozen senators.

Flanders appeared at the church forum March 5, and Elizabeth French of Springfield, his secretary at the time, believes it was the crowd's criticism of McCarthy that led to the Vermont senator's decision that the hour was at hand for a public statement on the matter.

She said Flanders handed her his handwritten draft of the speech Monday morning, March 8, in Washington. She had it typewritten for his delivery the next day.

French said she didn't know the exact details of his decision-making as far as the speech was concerned, but feels there is no doubt about the impact of the church forum.

"They tackled him, and he went home and wrote the speech on yellow foolscap. He handed it to me for typing Monday morning."

Ruefully, she added, "I typed it and destroyed the original. I've always regretted it."

Neither French nor Wetherhead believes that the First Friday Forum changed Flanders' thinking on the subject of McCarthy and his tactics in the search for communists in and out of government.

"I just have a feeling," said French, "that this group stimulated his action."

Wetherhead noted, "The whole McCarthy attitude was completely foreign to Senator Flanders' thinking."

The Springfield podiatrist, who had attended the Friday forums since returning home from World War II, added, "I don't think our comments did any more than galvanize his thinking into action."

The Vermont senator might also have been "galvanized to action" by other signs of the times—letters to editors, the avalanche of critical questions by Australians when he and Mrs. Flanders visited that nation in 1953, and comments by students at Antioch College where the senator and his wife spent a week in residence in October of 1953.

(Helen H. Brown, a Salisbury woman, wrote a letter to the editor of the Rutland Herald on March 3, 1954, calling on Flanders and his colleague, U.S. Sen. George D. Aiken, R-Vt., to challenge McCarthy. The letter said the country's atmosphere reminded her of the mood in Germany that allowed Hitler to gain control of the government.)

In his autobiography, Senator From Vermont, published by Little, Brown & Co. in 1961, Flanders wrote of the image McCarthy was creating for the nation. He told of his "valued contacts with individual students" at Antioch when he was working on his book Letter to a Generation.

While there is no doubt the "contacts" gave him insight into the younger generation's worry about McCarthy, he mentioned the division of the nation more specifically in his comments about the visit to Australia.

Flanders said he was subjected to "persistent" questioning by the press in Melbourne where "the same question appeared and reappeared at luncheons, dinners and informal meetings."

The senator continued in his memoirs, "At last it became clear that the impression was gaining ground that an American brand of Naziism was in the process of formation.

"Of course this was absurd, as I tried to explain, but there were some things I couldn't explain—even to myself."

### THE M'CARTHY IMAGE

He went on to mention a vitriolic attack by McCarthy on another senator some years previous, the "fascination or fear in which the Wisconsin senator was held" and the tactics used in probing for subversive elements in the American society.

Flanders reported in his book that the Australian trip made him realize that "in the outside world, McCarthy was the United States and the United States was McCarthy."

His next statement shows that Flanders had decided, while visiting Australia, that something had to be done.

"The conviction grew," he stated, "that something had to be done about this, even if I had to do it myself."

Thus, his mind was made up, but it apparently took the First Friday Forum in Springfield to tell him that action couldn't be delayed.

Interesting to note are the feelings of the late senator's family about his leading role in what proved to be a historic turning point for the nation.

In the Flanders' autobiography, there is a reference to a hurried call made by his son, James F. Flanders, to the senator following a speech at Middlebury College where, it seemed to some anti-McCarthy people, the senator was too tolerant of the Wisconsin lawmaker.

The younger Flanders recalled that episode and the call to his father, who assured him that he wasn't getting "soft" on McCarthy, but had only acknowledged a possible changing of McCarthy's attitude.

James Flanders said his father drafted his speeches in his own handwriting on yellow legal papers: "The speech about McCarthy donning his warpaint—I know he wrote that by hand in the book room at Smiley Manse."

Smiley Manse was the Flanders' big brick house on Cherry Hill in Springfield.

"He would set himself up in the book corner with his dictionary and book of quotations," said the son, who at the time was at the Massachusetts Institute of Technology doing advanced work on guidance control of military aircraft and missiles.

### HAWKISH IN RETROSPECT

While most people—especially when looking back 25 years—think of Flanders as a "progressive" or even "liberal" senator, his son pointed out that he would have been considered a "hawk" by current standards. He was exceptionally worried about communist encroachment on undeveloped nations around the world.

But he was, historically, a man necessary to the time in which he lived—a time described in Congress and the Nation, 1945–1964, published by Congressional Quarterly Inc., as torn by a single question: "Is communism in the United States a political movement, or is it a treasonable conspiracy?"

It continued, "To advocates of the conspiracy viewpoint, restrictions on communistic activities and inquiries into communistic beliefs and associations were a necessary adjunct to stiffer sabotage and espionage laws.

"To those who looked on communism as a political movement, such restrictions and inquiries were seen as unconstitutional. Passions ran high on both sides of the issue."

Those passionate feelings were best exemplified in the public statements of McCarthy himself, and that is probably why he was a hero to so many, even though frightening, or sickening, to others.

"Joe McCarthy really censured himself," recalled former U.S. Sen. George D. Aiken at his home in Putney recently.

Aiken noted that the Wisconsin senator had one of the best lawyers available, Everett Bennett Williams, to help him prepare "a good speech" that was delivered by McCarthy from the floor during the debate on his censure.

"He finished it and then went into a diatribe," Aiken added.

"No, I didn't talk with Ralph (Flanders) about it. He went ahead fully on his own, and there was nothing left for the rest of us to do but censure him."

Aiken said McCarthy was "a nice guy to meet, but I think he had troubles he couldn't help.

"Joe made it impossible for the rest of us to support him," Aiken concluded.

The Putney octogenarian noted during the discussion that he read and signed the "Declaration of Conscience" by then-Sen. Margaret Chase Smith, R-Maine. It was a fair-play document originated by Smith at the height of the McCarthy uproar.

The fact that Flanders played the leading role in censuring McCarthy is a source of pride for his daughter, Elizabeth Ballard of Norwich, and she believes her husband, William Ballard, might have had some influence on the senator two days after the First Friday Forum in Springfield.

Flanders went to visit his daughter and her husband in Norwich Saturday night and stayed through Sunday. There was some talk Sunday about the McCarthy matter.

"My husband was needling him about why he didn't do something about it," said Mrs. Ballard.

Two days later the Vermont senator was in the limelight after delivering his initial speech in his challenge to the Wisconsin lawmaker.

### THE HEARING ROOM

But Mrs. Ballard remembers more clearly the day of her father's censure speech. It was prior to that speech that Flanders went into McCarthy's hearing room and handed the Wisconsin senator a written notice of what he (Flanders) intended to do.

McCarthy was angered by Flanders' appearance at the hearing and had officers escort the Vermonter—with a smile—from the room. Flanders then went to the Senate floor to deliver the speech that proved to be the turning point for McCarthy and McCarthyism.

The senator's daughter had friends in for coffee that day. They were Australians who she had invited to meet her sister, Nancy Balivet, who was just back from a year in Australia.

While the guests were there, Dillys Laing of Norwich telephoned Ballard to tell her of the big television news concerning Flanders appearance at McCarthy's hearing and then offering the censure motion.

"My Australian friend said, 'You must be awfully proud of your father,' " Mrs. Ballard recalled.

The Norwich woman is still proud of the role he played in what turned out to be only the fourth censure of a senator since the nation was founded.

What did the senator say March 9, 1954, that gave so many Americans new hope?

To keep the moment in perspective, it should be remembered that McCarthy's tactics in the hearings before his investigative committee were of a nature that amazed his Senate colleagues, alarmed moderate people and frightened anybody called before the committee.

It was a time when he was digging "communists" out of the U.S. Department of State, the U.S. Army, Harvard University, labor unions, the press and, during the hot summer of 1954, out of the White House itself.

### BETTER SILENT THAN PINK

There were few who dared challenge him because to do so would gain the challenger a "pink" label. He could immediately be branded a "fellow traveler"—sympathetic with the Communist Party if not a member.

Though some Democrats had jabbed away at McCarthy, few Republicans had said a word in opposition. An exception is a speech March 2, 1954, in which Republican National Chairman Leonard W. Hall criticized the McCarthy tactics.

By that date, 2,427 "security risks" had been removed from the federal government's payroll and McCarthy said 90 percent of them were "subversive."

The day following Hall's statement, Eisenhower objected during a press conference to "a disregard for the standards of fair play" in congressional probes.

It was March 5 when McCarthy called off the $2-million slander suit he had brought against then-Sen. William Benton, D-Conn. The Connecticut senator, in 1951, accused McCarthy of perjury, fraud and deceit in his campaign against people he called "subversive."

On March 7, two days after the church forum, Flanders told the Rutland Herald in an interview that McCarthy "has gone past his usefulness" and that something should be done to curb the Wisconsin senator's activities.

That same day, Democratic National Chairman Stephen Mitchell was charging Eisenhower with responsibility for McCarthy's actions, and Adlai Stevenson, who had lost to Eisenhower in the presidential election of 1952, branded the Republican Party "half-McCarthy and half-Ike."

### FLANDERS SPEAKS

Into the breach, unheralded, stepped Vermont's junior senator.

Speaking to a handful of senators Tuesday morning, Flanders deplored the fact that McCarthy was in New York and couldn't hear the speech.

He then offered the thought that the Wisconsin man "puzzles some of us," and wondered with which party McCarthy was affiliated.

Flanders charged the Red-hunting senator with splitting the Republican Party and the nation, taking attention away from the important business of the day—containing communism around the world.

The Springfield man—a high school graduate who had become president of two machine tool firms, a member of the Federal Reserve Bank of Boston and of former President Franklin D. Roosevelt's War Production Board—compared McCarthy to a woman who takes over someone else's home and starts looking for dirt.

Flanders admitted there is usually a lot of noise on such occasions, but said he has "never seen nor heard anything to match the dust and racket of this particular job of housecleaning."

He added, "Is the necessary housecleaning the great task before the United States, or do we face far more dangerous problems . . .?"

Flanders said McCarthy's headline-grabbing ventures were diverting the nation's attention from Korea, Indochina, Italy, France and England—lands that were in need of this country's attention and help as they fought to maintain their governments in the face of communist challenges.

He said the attack was coming from outside the country, not from within, and he warned his colleagues, "Look out, Senators, and see what is creeping upon us."

It was a time when containment of the communist ideology was this country's popular cry, and Flanders chastised McCarthy for not paying heed to what the Vermonter felt was the real danger.

"He dons his war paint. He goes into his war dance. He emits his war whoops.

"He goes forth to battle and proudly returns with the scalp of a pink Army dentist (Maj. Irving Peress, a Camp Kilmer, N.J., Army dentist investigated by McCarthy's committee) . . .

"If we cannot view the larger scene and the real danger, let him return to his housecleaning . . . but let him not so work as to conceal mortal danger in which our country finds itself from the external enemies of mankind."

### THE REACTION

The speech was a sensation, and the next day Vonda Bergman reported to the Herald that Flanders was unable to appear on the Senate floor because of the flood of telephone calls and telegrams, said to run 6-1 in his support.

One message called his speech "a fine example of Vermont courage, humor and decency," while another told him, "Your remarks brought a breath of clean, fresh air from the Green Mountains."

Two Senate colleagues, John Sherman Cooper, R-Ky, and Herbert Lehman, D-N.Y., were among those who heaped praise on the Vermont senator.

The editor of a national publication said: "It was one of the few recent indications that the Republican Party on Capitol Hill is not wholly devoid of courageous moral leadership."

And the Rutland Herald allowed editorially that "the effect of the speech was to hearten that vast majority of Americans who hate communism but who also revere the Constitution."

But Flanders hadn't finished the task.

It was June 1, 1954, when he addressed the Senate on "the colossal innocence of the junior Senator from Wisconsin."

Comparing McCarthy to "Dennis the Menace" of cartoon fame, the Vermonter delivered a scathing address in which he lambasted the Wisconsin man for dividing the nation.

"In every country in which communism has taken over," he reminded the Senate, "the beginning has been a successful campaign of division and confusion."

He marveled at the way the Soviet Union was winning military successes in Asia without risking its own resources or men, and said this nation was witnessing "another example of economy of effort . . . in the conquest of this country for communism."

He added, "One of the characteristic elements of communist and fascist tyranny is at hand as citizens are set to spy upon each other.

"Were the junior Senator from Wisconsin in the pay of the communists, he could not have done a better job for them.

"This is colossal innocence, indeed."

During his speech, Flanders noted McCarthy's attacks upon some American Jews, and the Wisconsin man called the speech "a vicious and dishonest thing."

### MOVE TO CENSURE

It was 10 days later that Flanders launched his move through which the Senate eventually—on Dec. 2, 1954—condemned McCarthy. The Vermonter's grounds for the proposed censure were based primarily on McCarthy's refusal to cooperate with the elections subcommittee investigating Sen. Benton's charges of fraud and deceit.

Flanders maintained "it is surely clear" that McCarthy treated the members of the subcommittee "with contempt."

The Vermonter said "it is no defense to call the charges a smear"—which McCarthy had done—because a smear is easily handled.

"There is this about a smear," he intoned. "It can be removed by a dry-cleaning process which involves a vigorous application of the truth. That process the Senator was unwilling to apply."

Getting at the truth apparently meant a lot to Flanders. His monument bears the inscription, "Ye Shall Know the Truth And The Truth Shall Set You Free."

The dictum dominates the spot where he was buried the spring after his death on Feb. 19, 1970, at the age of 89. His widow, Helen Hartness Flanders, died May 23, 1972, and is buried beside him.

In that censure speech of June 11, 1954, Flanders asked specifically that McCarthy be stripped of his chairmanship of the Committee on Government Operations and of any of its subcommittees.

Showing that he would give McCarthy one last chance, Flanders told the Senate he wanted his motion to "lie on the table until sufficient time has been given for the Senator from Wisconsin to purge himself of contempt."

Speaking at the commencement ceremony at the Georgia Institute of Technology in Atlanta three days later, Flanders explained his actions succinctly with the charge that the Wisconsin senator was following "a course that leads to facisim."

### A BITTER SUMMER

It was a long, bitter summer that followed, with campaigns for the mid-term Congressional elections in full swing and McCarthy charging the Democrats with "20 years of treason."

The so-called "Communist Control Act of 1954" was passed that year as the Democratic Party's answer to McCarthy's charges.

The Wisconsin anti-communist crusader had attacked Dr. Nathan Pusey, president of Harvard University, for refusing to fire a professor who had used the Fifth Amendment of the Constitution to back his refusal to testify at one of McCarthy's hearings.

He had also had a run-in with Brig. Gen. Ralph W. Zwicker over the general's refusal to reveal the names of officers who had ordered the honorable discharge of Peress, for whom McCarthy wanted a court martial.

The subcommittee chairman told Zwicker he was "not fit to wear the uniform."

The Army-McCarthy hearings earlier had consumed 35 days during which as many as 20 million viewers, a huge audience for that day, watched the drama.

McCarthy referred to his own censure hearing in 1954 as "a lynch party." He called the select committee the "unwitting handmaiden" and "involuntary agent" of the Communist Party.

The hearings—not as spectacular as McCarthy's productions on communist infiltration of the Army or Department of State—ended with a committee recommendation for censure. The report was made public Sept. 27, the day before Flanders' 74th birthday.

The Senate was called into special session after the Nov. 2 elections (Republican Joseph B. Johnson was elected governor of Vermont, but Democrats took control of both Houses in Washington) and spent two weeks debating the McCarthy consure motion.

### M'CARTHY CONDEMNED

When it was finally approved on a 67–22 vote, it used the word "condemn" rather than "censure," so many felt it was not actually a "censure."

However, old hands in the Senate pointed out that the historical word for a censure was "condemn," and the Rutland Herald reported it as both a censure and condemnation.

The body condemned McCarthy for obstructing the constitutional processes of the Senate by refusing to cooperate with the committee investigating Sen. Benton's allegations of fraud and deceit.

It also condemned him for referring to the select committee as a "handmaiden of communism."

Republicans in the Senate were split 22–22 on the issue, but Democrats stood solidly in favor of taking the Wisconsin lawmaker off his lofty perch.

The day of the big decision, McCarthy told news reporters he would go back to his task of "digging out communists," but he never again held the power that had catapulted him to fame, or infamy, in the years after World War II.

Generally, the period of McCarthyism, described by the Herald editorially as "a reign of terror," ended when the Senate approved Flanders' censure move.

In the years that followed, many of the hastily drawn and approved anti-communism laws were repealed or allowed to die quiet deaths without enforcement.

McCarthy himself died in 1957, a victim of the effects of alcoholism.

The Vermont senator concluded, "Joe McCarthy was indeed a man to be pitied.

"The burden he bore was that of a deep inferiority complex. For this, he found relief in bullying witnesses, slurring associates and garnering headlines

"In the pursuit of headlines he had a masterly success, and the bullying and slurring provided acceptable journalistic material.

"The press of our country must share in the blame for this unfortunate period in our history."

Whatever blame the press might bear for highlighting the McCarthy antics, it also gave a big play to Flanders' move to cut the Wisconsin man down to size

And however dull some forums may be, the First Friday Forum can take at least some of the credit for inspiring the Vermonter to do what he had long known he had to do under the moral law he so often extolled.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## LEGISLATIVE SCHEDULE FOR THE REMAINDER OF THE SESSION

Mr. MOYNIHAN. Mr. President, I wish to take this quiet moment in the Senate's day to comment on our proceedings and schedule for the remainder of this session. Our beloved majority leader addressed himself to this matter, and it has been reported in the press that, in keeping with his concern that we do our business with dispatch, there is the possibility that we will take up the SALT treaty on a double-track basis; under this arrangement we would, perhaps, deal with the remaining appropriation bills and the windfall profits tax, as it is called, in the morning, and deal with the treaty in the afternoon.

I would like to urge on the majority leader the thought that this would not best serve the interests of either legislation. The Committee on Finance of the Senate has all but completed its work on a windfall profits tax. It can be sent to the floor very shortly, where it will be a matter of intense debate and, very likely, will require invocation of cloture. But it can be disposed of before we turn to SALT.

### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. If the Senator will suspend, time for morning business has expired.

### EXTENSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the morning business period be extended for 10 minutes, and that a Senator may speak up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. The majority leader is most gracious.

Mr. ROBERT C. BYRD. Mr. President, will the Chair recognize me?

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. MOYNIHAN. I yield.

Mr. ROBERT C. BYRD. Mr. President, may I say to the distinguished Senator that rumors are rife, they fly as the clouds fly in the month of March.

We hear all kinds of things, and we dream all kinds of dreams, and we see all kinds of visions. But up to now I have had no clear modus operandi in mind. Oh, yes, I think of double tracks and multiple tracks, and I think I will run this ahead of that and that ahead of this, but I really have not come down to any definite approach.

I have said from the beginning that we would do the energy legislation before we do the treaty, and that is the way I would like to do it. It is still the way I would like to see us approach this whole matter.

I have said just recently that I might run the treaty in ahead of the energy matter, but, if I might, I would term it as thinking out loud, speculation on my part, and I am entirely flexible.

What I want to do is to do the right thing at the right time by the Senate, and sometimes I do not know what the right thing is at the right time until I reach the situation and see what the circumstances and conditions have become.

Certainly the Senator may be assured that I will take his counsel into consideration, his viewpoint, but I simply want to say that there is nothing etched in stone up to this point.

Mr. MOYNIHAN. The majority leader has never been anything but gracious in that respect. He rarely thinks of anything save what is good for the Senate, and his judgment, in my mind, has been impeccable in these matters.

I would offer him this one simple thought: There is a not unfamiliar imbalance between the amount of public attention that will be paid to an issue and the issue's importance. The energy legislation will be intensely controversial and there will be pressures on us from everywhere to make up our minds this way or that way. The SALT treaty, while of incomparably greater importance, does not have in the Nation an economic and consumer constituency that will press us. We will have to make up our minds on this floor based on our experiences and judgments.

It would be such a great shame if SALT came up before this other legislation, and caused us to be surrounded by people saying, "Hurry and make up your minds" about the most important issue mankind faces so we can get to the question of stripper oil.

That would distort our priorities, and I know the Senator would never want to do that.

I simply wanted to ask—and the Senator will have my total cooperation in this—if we could consider first our other legislation and then move to this majestically and preeminently important issue and take our time to consider and resolve it.

That is all I wish to say and I am happy the Senator has given me the opportunity to speak.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. ROBERT C. BYRD. Mr. President, I have found the Senator's comments to be beneficial and helpful to me. The Finance Committee is moving toward reporting the excess profits tax measure, the obituary of which has been written over and over again. The choir has been assembled from time to time, the grave plot has been marked out, and the monument has already been prepared on numerous occasions.

But I, as is somewhat characteristic, I guess, of some of us West Virginia hills people, have said, "Well, I don't believe it is time yet for the obituary to be written." The Finance Committee is moving, and Senator JACKSON's Energy Committee is rapidly developing the peroration to its energy bill.

Right today, if either of those bills were on the calendar and we could get agreement to proceed to them, we would have them up right now. Right next week, if they were on the calendar, we would have either of them called up. But it takes time, and I believe the time the committee spends on that legislation will prove to have been time well spent, because it will probably, in the long run, be time saved.

Those committees are attempting to resolve the problems in the committees rather than here on the Senate floor, and I compliment the committees.

I close by saying that once the measures come to the calendar and we can get clearance to proceed with them, I want to do just that. I agree with the distinguished Senator from New York that energy legislation is uppermost—after all, that constitutes at least 4 percent of the inflation rate, as I understand it——

Mr. MOYNIHAN. Yes.

Mr. ROBERT C. BYRD. And as long as the American people do not really believe there is an energy problem they can do something about, and continue to spend $65 billion a year for energy, which is $65 for every minute since John the Baptist came walking out of the wilderness, we are going to continue to have a serious inflationary problem and a serious energy problem.

But I thank the Senator. He has made a serious and timely observation, one with which I agree and which I want to follow, but one on which I want to retain some flexibility, depending on how the situation develops, so that I may then be able to make the judgment based on the circumstances at the time.

At the moment we cannot take any one of the three measures up, because they are not on the calendar; but at the time we get something on the calendar the Senator's observation, I daresay, will probably be the right approach to follow.

Mr. MOYNIHAN. I thank the majority leader.

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## KARL EARL MUNDT

Mr. PRESSLER. Mr. President, Senator Karl E. Mundt passed away in August of 1974. Inasmuch as the Senate was in recess at the time of the anniversary of his death, I want to take this opportunity to call to the attention of my colleagues some contributions of this illustrious American, the late Republican Senator who was born in Humboldt, S. Dak., my hometown, and the man who held the Senate seat which I now occupy. In the swift passage of time in this age of accelerated living, it is easy to overlook the significant impact others have had upon us and upon our country.

For me, a remembrance of Karl E. Mundt comes with ease. For most of my life, I had the good fortune to virtually live in the shadow of this great man. Like dozens of other youngsters, we lived in the town where he was born. We grew up only 27 miles from where Karl and his wife, Mary, later lived in their South Dakota home of Madison.

That Karl Mundt's life and service were inspirational to individuals such as myself begs the point. I think many young men and women who had the opportunity to grow up in South Dakota and be exposed to leaders such as Karl Mundt found the calling to public service careers to be particularly attractive because of the enthusiasm, leadership, and genuine affection for people that he brought to his life work in politics and Government.

In recalling the life and times of Karl Mundt briefly, as I do today, it is impossible to overlook the visionary capacity of this man and what his concepts have meant or could have meant to the three constituent areas of service to which he dedicated himself—his State, our Nation, and the world—each distinct but all interwoven into the common fabric we call mankind.

The century in which we now live has found mankind physically, and sometimes uncomfortably, closer together than perhaps anyone could possibly have foreseen when it began in 1900 when Karl Mundt was born. World War II represented the turning point for nearly everyone alive at that time. We came to recognize that no longer did oceans and space divide us but that they are links of togetherness in which the seas and skies served as our bridges of communication, travel, and economic livelihood.

Karl Mundt was in the vanguard of those recognizing that we had come into a new era. He believed that if we as a free Nation were to survive in a world of continuing great progress and achievement—but one also posing increasing threats to our liberty—we would need to extend ourselves and our concepts worldwide.

Some of his ideas bore great fruit. Others remain merely as reminders of what we might or should have done. He called for the Voice of America to be part of a permanent informational institution (USIA) to promote freedom. He recommended international student exchanges to open to other peoples the richness of our ideas and the diversity of our lifestyles. He collaborated with our other Senator at the time, Francis Case, with Milt Young, and other Midwest colleagues in urging establishment of our first food for peace program, then known as Public Law 480.

He pushed for expansion of our efforts to tell the story of America through a "Vision of America," which would have utilized our space satellite technology to beam television to remote areas of the world.

He urged development of a Freedom Academy not only to promote throughout the world the ideals which have encouraged the growth of liberty in our Nation but to develop an understanding of and a capability to respond to the encroachments of communism in psychological and economic warfare throughout the world.

His foresight was equally keen with respect to our Nation and South Dakota and the need to husband our precious resources. Long before ecology became the watchword for many in the struggle to preserve and enhance our environment, Karl Mundt was promoting soil and water conservation, watersheds, wetlands preservation and development, and explaining the importance of wildlife and nature as vital ingredients to a sound, productive, and happy social order.

The well-known living symbol of endangered wildlife species, the whooping crane, is preserved because Karl Mundt was one of those individuals 15 years ago who said creatures such as the crane and the black-footed ferret belong to our world.

Much of the Federal energy research conducted on the utilization of agriculture products for conversion to grain alcohol found its inception in Mundt proposals more than two decades ago.

Nearly 10 years earlier than the first "energy crisis" of this decade, Senator Mundt was moving Federal and coal industry interests toward the establishment of an experimental plant in South Dakota to convert lignite coal to pipeline gas.

He likewise viewed offshoots of our space program as holding tremendous potential for natural resource activity and promoted the establishment of a data center to utilize information obtained from satellites through various imagery techniques in the Earth resources observational satellite (EROS) program.

The 34 years of congressional and nearly five decades of public service by Karl Mundt stands, of course, as its own monument. It would be impossible for me to fully catalog his accomplishments and I have touched on only a few.

Any remembrance by me, or by anyone else, cannot strengthen or diminish that record. And that is as it should be.

History does the reckoning. We note it, respond to it. And, if we enjoy the good fortune that was Karl Mundt's, we may have some impact upon how that history unfolds in a world that Karl Mundt often described "as the one and only place in which we have to live and die, but a place which also provides the opportunity for us to make it just a bit better by the time we leave than when we came in."

Karl Mundt's objective to make life "a bit better" than we found it is a worthy legacy for each of us. Our effort to emulate this concept is, perhaps, the finest remembrance of all for Senator Mundt and his many contributions.

I want to thank Mr. Roger Haugo, of Sioux Falls, S. Dak., the son of a close friend of Karl Mundt, for his contribution to these remarks. He and his father, Erling Haugo, knew firsthand the many fine acts of Karl Mundt that left this world a finer place than he found it.

The Mundt Library and Foundation in Madison, S. Dak., has done an excellent job of maintaining his records and even displaying a replica of his Senate office. Senator Mundt's widow, Mary Mundt, resides in Washington, D.C., where the Senator spent his last days.

Mr. President, I am honored to be able to submit the statements of several distinguished Americans who were closely associated with Senator Mundt. Other Senators who worked with Senator Mundt will submit separate comments.

Mr. RANDOLPH. Mr. President, I am pleased to join the able Senator from South Dakota (Mr. PRESSLER) in a tribute to the memory of the late Senator Karl Mundt of South Dakota, on the fifth anniversary of his death.

It was my honor to serve with Karl both in the House of Representatives and in the Senate. Although we frequently were on opposite sides of the political fence, our mutual respect for convictions held and constituencies served formed a close bond of friendship.

Karl Mundt began his career as a teacher in a small college, as did I. He came to the Congress as a representative of a poor, rural State during the years of the Great Depression, as did I. Karl's continuing interest in public speaking and in writing paralleled my own interest.

I recall that we appeared together on many forums, many podiums, many seminars. In fact, our mutual interests resulted in the production of an unheralded tape recording entitled, "Your Voice Is Your Fortune," which I unabashedly recommend to my colleagues. Karl and I taught leadership training together as instructors in the Dale Carnegie course.

These personal remembrances of mutual affection serve to enhance my recollection of his role as a leader of his party, a servant of his people, and as a major force in domestic and political affairs. He made constructive and lasting contributions, through his performance and example, to the betterment of mankind. His legislative efforts on behalf of the citizens of South Dakota and of the Nation will be long remembered. Our Republic suffered a grievous loss on his passing, for he chose to devote his considerable abilities to the services of America.

It is my personal privilege to join in marking the enduring presence in these legislative Halls of the departed Senator from South Dakota, Karl Earl Mundt.

Mr. YOUNG. Mr. President, I am pleased to have this opportunity to join with my good friend, the junior Senator from South Dakota, Mr. PRESSLER, to express a few thoughts about the late Senator Karl Mundt.

Karl Mundt was one of the best U.S. Senators of my time and a very good friend. He served much of his life in the House and then in the Senate. In both bodies, he became a highly respected, effective legislator. Karl was a very gifted speaker and one who never was reluctant to become involved in a debate.

One of the central issues following World War II was Communist infiltration in the Government. Much of it was understandable, as we were partners of Communist Russia during World War II and many of our people carried that partnership too far. During his early years in this Senate, Karl Mundt was deeply involved in the investigation of Communists in Government.

Karl Mundt was a conservative and deeply interested in the solvency of our Government and our national security. He left a deep imprint on much of the legislation which was enacted by Congress during his time.

I became closely associated with him on agriculture legislation when both of us served on the Senate Committee on Agriculture and Forestry. His views on agriculture matters were always much the same as my own. He was very close to the farmers of South Dakota and that is one of the major reasons he was elected in South Dakota for so many years.

I was very pleased to be closely associated with Senator Mundt on the Appropriations Committee. In fact, I had only one notch more in seniority than he did.

Karl Mundt was a strong supporter of the Pick-Sloan plan for the Missouri River Basin. This plan made possible all our great reservoirs and huge hydroelectric power generating systems from these dams. These dams provided flood control, not only for our area, but even more importantly, in the lower areas of the Missouri River and on into the Mississippi River. Navigation was another beneficiary of this program. No one was a more ardent supporter or did more to make this possible than the late Senator Karl Mundt.

There is so much that could be said about Karl Mundt with whom I was so closely associated and especially in politics. Like him, I was a Republican and we campaigned together many times.

Mr. President, in paying tribute to Karl Mundt, one also has to include his wife, Mary, who was constantly at his side. Mary was his great inspiration and helpmate. She is a farm girl and not only was knowledgeable on farm matters but on a wide range of subjects. She always exhibited the same conservative trend of thinking as Karl. Mrs. Young and I wish only the best for Mary.

Mr. THURMOND. Mr. President, on the fifth year of the death of Senator Karl Mundt, I want to take this opportunity to remind my colleagues of what a fine man he was.

I knew Karl Mundt for many years. He was a close friend and a trusted colleague.

He was an individualist, an independent thinker, and one who put his country above his party.

His firm commitment to America earned him the respect of Senators from both parties, and his overriding sense of responsibility for its welfare are reflected in the sound positions he took.

He was a friend of the farmer and one who was concerned about his fellow man.

He advocated constitutional reform of the electoral system and favored the district plan.

Karl Mundt favored a balanced budget, less Government spending, and a strong defense. In other words, he stood for things that are essential to America's well-being.

Karl Mundt was jovial and had a delightful personality. He was an inspiration to be around and was fortunate to have had a devoted and loving wife.

Mr. PRESSLER. Mr. President, I ask unanimous consent to have printed in the RECORD the fine comments of our former Representative from the Second District of South Dakota, Mr. E. Y. Berry, who served in the House from 1951 to 1971, and worked closely with the late Senator Karl E. Mundt.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### STATEMENT BY E. Y. BERRY

Senator Karl E. Mundt was, in my judgment, the greatest statesman that South Dakota has ever produced.

I say this not only as an old friend but as a fellow worker. Karl was not only an outstanding American but also an outstanding politician. He loved politics and he loved to win, but, while winning, he played the game fairly and hard. Because his political knowledge and political savvy were well recognized, he was frequently called upon to work in national campaigns.

It was my great privilege to have known Karl Mundt well. For more than 20 years, we worked together and campaigned together and for more than 10 of those years, we lived in adjoining apartments in Washington. I therefore saw at close range his tireless energy.

Karl was unique. Although he walked and worked among the great and the near great, he never, for one moment, forgot South Dakota. His efforts were geared primarily toward the state he loved and, in his quiet, unassuming way, he did more for his state than any other man has ever been able to do. South Dakotans will never forget Karl E. Mundt.

Mr. PRESSLER. Mr. President, I am pleased to share the remembrances of Mr. Robert L. McCaughey, executive director, the Karl E. Mundt Historical and Educational Foundation, Dakota State College, Madison, S. Dak. Mr. McCaughey served as administrative assistant to the late Senator Mundt from 1957 to 1972.

During these years, Mr. McCaughey provided excellent service not only to Senator Mundt, but to the State of South Dakota and to the Nation as well. We are grateful to him for this and the fine remarks he has prepared concerning Senator Mundt.

Mr. President, I ask unanimous consent that a copy of these remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

### REMARKS OF MR. ROBERT L. MCCAUGHEY

I appreciate the opportunity offered to me by Senator Pressler to set forth some of my memories of Senator Karl E. Mundt. Serving on his staff for over a quarter of a century was an educational, challenging and fulfilling experience for me and the others who were selected by him to participate with him in his Senatorial Career.

Senator Mundt was a very amiable, even tempered individual. He tried to be a friend to all people. He never displayed any animosity towards a person—in fact, he went out of his way to try and convince people that he wanted to be their friend.

Senator Mundt loved South Dakota. The history of South Dakota intrigued and challenged his probing mind. He respected the people of South Dakota and all they stood for. In his eyes, they epitomized that character of determination and greatness which built this great nation he so loved.

For those reasons—as an advocate of communication, be it oral or written—he maintained constant contact with South Dakotans either through a newsletter which reached over 80,000 homes or via the airwave, as he did a weekly fifteen minute television and radio show which was used by most of the stations in South Dakota. He also set a goal of visiting every county at least once each year. He believed that through these visitations with his constituents he learned more about their needs and their problems and could best represent their views in the United States Senate. He also demanded that the top echelon of his staff return home annually and renew their acquaintances with old and new friends so they too, could bring to the Washington office the South Dakota viewpoint.

The Washington office to Senator Mundt was a South Dakota Island in our Nation's Capitol. His staff was all from South Dakota. They were from all areas of the state so that a visitor from home could be met by and visit with a "friend from home". All office orientation was towards the personal touch for his South Dakota constituents.

Senator Mundt was a very compassionate man, with a sincere interest in each individual as a person. He was interested in families, the children or the grandparents. It was the same with his staff. He enjoyed being with them and participating in social activities with them. I know that on occasions he and Mary returned to Washington to spend Christmas or New Years at our home and with our friends, since we usually had several staff people present with their families on those occasions. I have seen him participate with the youngsters of the families in various games for hours on end on such occasions. Perhaps it was because the Mundt's had no children of their own that injected into his life style this seeking of companionship with our children. He followed their schooling, their illnesses and their accomplishments.

As a United States Senator, he was very thorough and very demanding. Senator Mundt operated the office through his staff in a continuing search for information on legislation, problems to be solved in South Dakota, and in preparation for new ideas which he hoped to inject into the legislative process or into the South Dakota picture which would enhance the quality of life in South Dakota.

As his Administrative Assistant, he advised and counseled that with staff resources and their occupation with constituent problems and certain types of legislative activities, that a network of expertise be developed that we could call on to develop needed proposals. As a result of this process we developed a working relationship with Stanford University, Penn State University, Georgetown University, American Enterprise Institute, and several other "think tanks". Because of this build-up of such a source of expertise, the Senator was able to participate in many activities and to be knowledgeable on many subjects. He always demanded that our information or research be summarized on one or two typed pages with the in-depth material attached for his reading. Because of his continuing thirst for information we kept very long hours in the office. Most evenings were spent reading or discussing various subjects for his information. He did not attend many social functions as he believed he could better utilize his time preparing himself for the work of the Senate.

On Sunday afternoon he read all the newspapers from South Dakota. We received every weekly paper and every daily paper in the office and he scanned them all. He also used Sunday afternoon and evening to type memos to staff members on projects he wanted them to implement. He would also use Sunday to talk on the phone with friends in various areas of South Dakota, maintaining a constant feel of the pulse of South Dakota thinking.

The Senator worked with the staff in preparing responses to all communications received in the office. Each morning he and I would discuss the mail received and would indicate through memos to the appropriate staff member the information to be searched out for preparation of a response to the letter writer. The staff member would have a draft response approved before it was typed for final approval and the Senator's signature which he personally affixed to each letter. He liked to append handwritten notes to various letters. Another one of his ways of maintaining personal contact with the "folks back home".

Senator Mundt was a continuing student of government He continuously studied the constitution and referred to it in his speeches and his probing during committee sessions. In his opinion it was a sacred document for good government with the flexibility built in to meet the needs of changing times. He did not believe in amending it frivolously. His perception for his work in the United States Senate was built around constitutional interpretations.

In addition to his belief in building on the foundation of our constitution, he also was a student of the rules under which Congress operates. He was fully informed on parliamentary procedure which he used to the fullest advantage. In fact, a copy of the Senate Rules was on his desk on the Senate floor and also his desk in the office for ready reference.

Every morning he perused the Congressional Record fully informing himself of previous day debate and activities he might have missed. He called committee staff personnel to the office to brief him on activities within those committee's meetings he did not attend. With service on three major committees it was just impossible to be in attendance of all at the same time. Even so, through briefings he maintained a complete knowledge of all committee functions and deliberations.

I recite these personal probes for information to try to explain his wide use of his personal staff to keep him informed and also the committee staff personnel. His communication with people and his ability to retain knowledge imparted to him made it possible for him to be an influencing factor in debates and in the shaping of legislation or committee reports.

The Senator was not a great introducer of bills. It was his belief that most goals could be accomplished through amendments to those bills which must be considered each year to meet government housekeeping needs. He also was a staunch opponent of government growth—which new legislation continually foisted on people. He certainly has been proven right in his philosophy as is now being supported by the American public's antipathy to our bulging bureaucracy.

While most people viewed the Senator as a conservative there were many of us on his staff who viewed him as a man attuned to changing times with his basic philosophy as flexible as the constitution. A man who went to Congress as an isolationist and yet later helped formulate the legislation to implement the Truman Doctrine and our foreign aid programs. A man dedicated to the growth of the Free Enterprise System and an unfettered business climate in which to operate, but also recognizing as our society became more complex and intertwined, that we all must live and abide by certain guidelines. He was a man dedicated to balanced budgets and reduced appropriations for government, but once the decision made wanted his share for his constituents. His urgings to the staff were that "Congress will bake the pie, then we must get a big piece of that pie for South Dakota".

Senator Mundt was a "horse trader". He always cautioned us as staff to work closely with other Senate staff people as he did with other Senators. We were to help them with their problems, knowing that in return we could depend on their assistance in our needs for projects or legislative proposals. Cooperation, trust, and faith in people were his watchwords. Dividends to his state flowed from that understanding of his friends and his co-workers.

Senator Karl Mundt loved his service in the United States House of Representatives and the Senate. I have heard him say on many occasions that he would work without pay in his job because he liked it and the challenges it posed. He liked people. I have pointed out his constant communications with his constituents, seeking their advice but also conveying to them what he was doing so they would be informed. Because of this personal contact and communication he felt he was better prepared to do his job and his constituents were more enlightened supporters when it came time for them to do their job on election day.

Mr. McGOVERN. Mr. President, I am pleased to note that my colleague, Senator PRESSLER, and other Senators have commented today on the significance of the career of the late Senator Karl Mundt. Karl Mundt and I were once political rivals. We were members of opposing political parties. But we were also friends and colleagues in the U.S. Senate. Indeed, we cooperated on many matters of concern to the people of South Dakota. We maintained a warm and friendly relationship during all the years that we served together in the Senate.

I still miss the eloquent voice, the sharp wit and the obvious love for public service which Karl Mundt represented in the Senate. I am pleased to salute him now as a colleague whom I remember with affection and appreciation. I also send my warm greetings and good wishes to his lifetime partner and my friend—Mary Mundt.

### RECESS FOR 10 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 10 minutes.

There being no objection, at 1:25 p.m. the Senate took a recess for 10 minutes; whereupon, at 1:35 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. STEWART).

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired. Morning business is closed.

## SURFACE TRANSPORTATION ASSISTANCE ACT AMENDMENTS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 4249, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4249) to amend title XXIII of the United States Code, the Surface Transportation Assistance Act of 1978, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 6, beginning with line 13, insert the following:

(b) Notwithstanding any other provision of law discretionary bridge funds authorized under section 144(g) of title 23, United States Code, for fiscal year 1980 may be transferred to a State's apportionment under section 104(b)(6) of title 23, United States Code, to repay funds obligated under section 104(b)(6) of title 23, United States Code, between June 1 and July 31, 1979, for bridge projects which are eligible for funding by virtue of the amendment in subsection (a) of this section.

On page 10, beginning with line 5, insert the following:

SEC. 18. Section 119(b) of title 23, United States Code, is amended by deleting the date "October 1st" in the second sentence and inserting in lieu thereof the date "January 1st", and by deleting "funds apportioned to such State for that fiscal year" in the third sentence and inserting in lieu thereof "next apportionment of funds to such State".

SEC. 19. Section 125(b) of title 23, United States Code, is amended by inserting at the end of the first sentence the following new sentence: "Notwithstanding any provision of this chapter actual and necessary costs of maintenance and operation of ferryboats providing temporary substitute highway traffic service, less the amount of fares charged, may be expended from the emergency fund herein authorized on the Federal-aid highway systems, including the Interstate System."

SEC. 20. (a) Section 170(b) of the Surface Transportation Act of 1978 is amended by striking "one year" and inserting in lieu thereof "eighteen months";

(b) Section 170(l) is amended to read as follows:

"(1) There is hereby authorized to be appropriated, to remain available until expended, to the Commission not to exceed $3,000,000 to carry out the purposes of this section.".

SEC. 21. Section 161(f) of the Federal-Aid Highway Act of 1973, Public Law 93–87, is amended by inserting after "managed" the following: "and maintained".

The PRESIDING OFFICER. Debate on this bill is limited to 30 minutes to be equally divided and controlled by the Senator from Texas (Mr. BENTSEN) and the Senator from South Dakota (Mr. PRESSLER), with 30 minutes on any amendment except on an amendment by the Senator from Connecticut (Mr. WEICKER) on the highway trust fund on which there shall be 1 hour, and with

20 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. PRESSLER. Mr. President, I suggest the absence of a quorum until the Senator from Texas (Mr. BENTSEN) arrives in the Chamber, and I ask that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. BENTSEN. Mr. President, I yield such time as I may need to myself.

Mr. President, today the Senate has before it H.R. 4249, a bill to amend the Surface Transportation Systems Act of 1978.

On November 6, 1978, the Surface Transportation Systems Act of 1978 was enacted. This measure was of broad scope in meeting the transportation problems facing this Nation. For the first time, one bill authorized funds for the Federal-aid highway program, urban mass transit programs, and highway safety. This was a large undertaking because amendments to the various statutes were complicated. The Committee on Environment and Public Works recognized that the implementation of the act should be monitored to determine if problems arose.

During the committee's hearings with the Department of Transportation on its fiscal year 1980 budget request, the problem areas in the implementation were explored. These matters were carefully pursued over the next several months and led to the House passage of H.R. 4249. Subsequently, the Committee on Environment and Public Works carefully reviewed all of the 17 provisions contained in H.R. 4249 and now recommends them to the Senate.

In addition to those provisions contained in H.R. 4249, as referred to the Senate, the reported bill contains five new provisions.

First, the bill amends the discretionary bridge program addressing a problem of small State apportionments and eligibility for discretionary bridge funding.

Second, the bill is amended with regard to the interstate resurfacing provision involving State certification of an adequate maintenance program. Currently, the law requires certification of October 1; however, this is the day for apportioning funds for the interstate system. Consequently, in the event of difficulties regarding certification, the entire system can be distorted. The committee amendment would change the October 1 date to January 1 and would provide that the penalty associated with the certification process shall apply to the next apportionment to the State. This was a technical change which will allow the program to function as intended in providing a meaningful and timely penalty for failure to have an adequate interstate maintenance program.

The third amendment addresses a problem with the Emergency Relief Fund. Under current law, a ferryboat may be purchased with funds available under the emergency relief program when it is to be used as a substitute for highway service. However, the program will not provide funds to operate the ferry if revenues from tolls do not cover all operating expenses. This amendment would allow funds to be utilized in that manner.

Mr. President, clearly what we are talking about are generally technical amendments. After we have passed a major piece of legislation that had a substantial effect on highway transportation in this country, now, in effect, we are taking care of some of the inconsistencies and the technical problems that arose.

The fourth amendment changes the time for reporting in the authorization for the National Alcohol Fuels Commission. The extension of the reporting date of 1 year is necessary to provide a reasonable length of time for a complete and thorough study. With the extension of the Commission beyond 1 year, it was also necessary to make the appropriations available until extended. The committee believes the Alcohol Fuels Commission to be of value in addressing our critical energy problem. It must have the ability to study the issues and deliver a comprehensive report. It must have the time to do it.

The fifth amendment addresses a highway which is being constructed in West Virginia. The amendment clarifies the responsible agency charged with maintaining this route as the Department of Agriculture, through the Forest Service. With respect to this maintenance requirement for the Highland Scenic Highway, it is the intent of the committee that the language of the amendment not preclude a cooperative agreement between the Forest Service and the State of West Virginia with respect to maintenance.

I urge my Senate colleagues to act favorably on the passage of H.R. 4249 to allow for the continued good operation of the Federal aid highway program and to provide the appropriate technical modifications to the Surface Transportation Systems Act of 1978.

I want to take this opportunity to thank the chairman of the full committee (Mr. RANDOLPH), the ranking minority member of the full committee (Mr. STAFFORD), and the ranking minority member of the Subcommittee on Transportation (Mr. PRESSLER), for their assistance and cooperation during consideration of H.R. 4249 by the Committee on Environment and Public Works.

Mr. President, I reserve the remainder of my time.

Mr. PRESSLER. Mr. President, I rise in support of H.R. 4249, reported by the Senate Environment and Public Works Committee. This bill contains a number of technical amendments to the Surface Transportation Assistance Act of 1978. The 1978 Highway Act was comprehensive legislation undertaken to address a large number of transportation issues. Understandably, during the time since passage of the act, situations have arisen which were not envisioned and portions have surfaced which need clarification and corrections. I believe H.R. 4249 addresses the problems which have been raised since the 1978 act was passed.

The Senate Committee on Environment and Public Works carefully examined the provisions included in H.R. 4249 by the House Committee on Public Works and Transportation and concurred with those provisions. In addition, the committee added five other provisions.

I want to focus specifically on one of these provisions which I believe is particularly important. The National Alcohol Fuels Commission was authorized by the Surface Transportation Assistance Act of 1978 to investigate the potential for alcohol fuels as an energy resource. I believe exploring alternative energy sources must be one of the highest priorities of our country at this time. The National Alcohol Fuels Commission has an important role to play in exploring those alternatives and should have sufficient time and resources to fulfill their mandate. H.R. 4249 will assure that the Commission has sufficient time and funding.

I want to add that gasohol, ethanol, and methanol and their development are of great importance. I think it is very important that adequate time for thorough study of this issue by the Alcohol Fuels Commission should be provided by this bill.

Indeed, during consideration, I raised a question as to whether the Commission was adequately funded and learned it had been included in the bill at the request of Senator BAYH, who is to be commended for his efforts in this area. I am pleased that an extension of time is granted the Commission by H.R. 4249. I appreciate the opportunity to be floor manager of a bill that acknowledges the importance of the National Alcohol Fuels Commission and assures adequate time for the Commission to complete its vital work.

I want to take this opportunity to thank the chairman of the Subcommittee on Transportation (Mr. BENTSEN) and the chairman and ranking member of the full committee (Mr. RANDOLPH and Mr. STAFFORD) for their assistance and cooperation during consideration of H.R. 4249 by the Committee on Environment and Public Works.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, I ask the minority manager of the bill (Mr. PRESSLER) if he will yield me such time as I may require off the bill?

Mr. PRESSLER. I yield.

Mr. STAFFORD. Mr. President, I want to add my support for H.R. 4249, technical amendments to the Surface Transportation Assistance Act of 1978.

As ranking member of the Senate Environment and Public Works Committee, I have been involved in the development of highway legislation for some time. The Surface Transportation and Assistance Act of 1978 for the first time authorized funds for the Federal-aid highway program, urban mass transit program and highway safety all in one bill. It was agreed at that time that this legislation should be closely monitored after enactment into law, and changes should be made as soon as possible which would contribute to the effectiveness of this legislation. H.R. 4249 makes these changes.

During consideration of the 1978 Highway Act, we recognized the tremendous need for bridge replacement and rehabilitation throughout the country, and greatly expanded the Federal funds available for this purpose. In addition, a provision was included which sets aside $200 million each year to be used at the discretion of the Secretary of DOT for funding high priority bridge replacement and rehabilitation projects provided certain criteria are met.

The committee has included a provision in H.R. 4249 which would allow a bridge project costing less than $10 million, as is now required, to be eligible provided the cost of the project is at least twice the State's regular bridge fund apportionment.

While this provision does not benefit my own State, I can easily understand the concerns of a small State, because Vermont too is experiencing difficulties in keeping up with maintaining bridges in a safe condition. Recently members of my staff met with the Lake Champlain Bridge Commission regarding the Rouses Point Bridge which spans Lake Champlain from Rouses Point, N.Y., to Alburg, Vt. This bridge was completed in 1937 and now is badly in need of replacement. The two States are in the process of working out an agreement which would make the Rouses Point Bridge eligible for discretionary bridge funds. I believe the replacement of this bridge should have high priority and am pleased that New York and Vermont are working together so this bridge will be eligible for discretionary funds.

My distinguished colleague from Vermont (Mr. LEAHY) and the distinguished Senators from New York (Mr. MOYNIHAN and Mr. JAVITS) also support the replacement of the Rouses Point Bridge.

Mr. President, I want to thank the chairman of the full committee (Mr. RANDOLPH), and the chairman and ranking member of the Subcommittee on Transportation (Mr. BENTSEN and Mr. PRESSLER) for their leadership during consideration and preparation of H.R. 4249.

I thank the distinguished minority manager of the bill for yielding.

Mr. LEAHY. Mr. President, I would like to add a few words to those of my fellow Senator from Vermont, Mr. STAFFORD, with regard to the Rouses Point Bridge.

As he mentioned, a joint Vermont/New York commission has already met to find a way to replace the bridge, which was built in 1937. Senator STAFFORD and I met recently with the Vermont members of the commission and will be working with them to find assistance from the Federal level. I agree with Senator STAFFORD that the Secretary's discretionary fund may be an appropriate funding source for this important project. There is only one other bridge over Lake Champlain, and the Rouses Point Bridge provides a key link between the northern portion of the two States. We are hoping to start a replacement as quickly as possible, since delay will only mean higher costs in the future. I am pleased to see my State of Vermont and the State of New York cooperating so well, and hope that we will be able to find a solution to replacing the bridge at Rouses Point.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Thirteen minutes and forty-nine seconds remain.

Mr. BENTSEN. Under those circumstances, I yield half that time to the distinguished chairman of the committee and we will renegotiate if that is not enough.

Mr. RANDOLPH. Mr. President, that is adequate.

Mr. President, I am very appreciative of the chairman of our Transportation Subcommittee, the distinguished and able Senator from Texas (Mr. BENTSEN). I am also very gratified to see a newer member of our committee, the Senator from South Dakota (Mr. PRESSLER), handling the highway legislation for the minority.

In the committee we have never really thought of Democrats or Republicans. We have worked together. Frankly, the ratio within the Environment and Public Works Committee of 8 to 6 is the closest ratio between the parties of any of the committees operating in the Senate.

I wish to express my thanks to the ranking minority member of the full committee (Mr. STAFFORD) for the continued cooperation he gives, not to me alone, but that he gives to all members of the committee in the development of meaningful legislation.

Mr. President, Senate Members are considering a measure reported by the Environment and Public Works Committee. This legislation provides technical and clarifying corrections to certain sections of the 1978 Surface Transportation Act. The bill also contains other provisions clarifying ambiguities in existing programs authorized by title 23 of the United States Code.

The primary amendment contained in this legislation covers the discretionary bridge program as authorized by section 124 of the 1978 Highway Act. That program was created to allow those States which had expensive bridges across major bodies of water to apply for funding when their State's regular apportionment was not sufficient to cover the cost of the bridge. The program was designed to cover those bridges costing more than $10 million.

There has been very little funding for the States under the apportionments and we have not had sufficient moneys with which to cover the particular important bridges.

Small States with expensive bridges costing less than $10 million were severely impacted by this $10 million limitation. The amendment contained in this legislation directs that discretionary funds be available for bridges costing less than $10 million if the cost of the bridge is at least twice the State's regular annual apportionment. This amount corrects an oversight in the 1978 act which, frankly, discriminated against smaller States.

In this discretionary category several worthwhile projects have been brought to the attention of the committee which appear to be logically eligible for programing during fiscal year 1980. These are the Sampit River Bridge on Route 17 in Georgetown County, S.C.; the F. J. Torras Causeway Bridge in Glynn County, Ga.; the Barron Collier Bridge on Route 41 in Charlotte County, Fla.; and the South River Bridge on Route 2 in Anne Arundel County, Md.

Mr. President, I commend this bill to my colleagues. I believe the committee report adequately explains the reason for this measure and I urge its adoption.

Mr. President, I believe that the Committee on Environment and Public Works through its Subcommittee on Transportation is doing a service to the country, particularly to the smaller States in connection with these clarifying amendments.

I thank the Senator very much.

Mr. THURMOND. Mr. President, I rise to make a few brief remarks regarding a specific project in my State of South Carolina that I am hopeful can be funded under the discretionary bridge replacement program, which is addressed by section 8 of the pending bill, H.R. 4249. This project is the Sampit River Bridge on U.S. Route 17 in Georgetown County, S.C.

By way of background, Mr. President, I would point out that U.S. Highway 17 is a major north-south highway corridor along the east coast. Portions of this highway in Georgetown and Charleston Counties of South Carolina are now in the process of being expanded from two to four traffic lanes in order to accommodate the heavier traffic. Improvements on both the north and south banks of the Sampit River have been virtually completed, but the two sections cannot be permanently joined until a new bridge across this river is constructed. Furthermore, in order to provide access to the Georgetown Harbor by oceangoing tugs, it is necessary that this bridge be some 60 feet in height above the water, which I understand in effect disqualifies this project for funding under the regular Federal-aid highway construction program. Hence, it is necessary for Congress to designate this project as a candidate for funding under the special bridge replacement program provided for in section 124 of the 1978 Surface Transportation Assistance Act.

Mr. President, I am pleased that the House Committee Report No. 96–288, accompanying H.R. 4249, on page 6 of the report, has named the Sampit River Bridge as a likely candidate for the discretionary funding program. Earlier this year, I urged that the Senate Committee on Environment and Public Works similarly designate the Sampit Bridge as a logical project for funding under this special program. I am pleased that the distinguished chairman of the committee, Senator RANDOLPH—who I might note is the principal architect of this discretionary bridge replacement program—has indicated in his opening statement that the Senate committee concurs in the selection of this project as one which should be funded under this program. I wish to take this opportunity to thank Senator RANDOLPH and the other members of the committee for their kind consideration in this matter.

Mr. President, completion of this new bridge over the Sampit River is most important to the economy of South Carolina and the Nation. It will remove a bottleneck in the flow of traffic along this heavily traveled, north-south corridor, while also allowing oceangoing vessels access to the Port of Georgetown, which will in turn be a boon to industrial development in the area. With the selection of this project as one that should be funded by the Federal Highway Administration in the current fiscal year, I am hopeful that this critical surface transportation improvement will soon be a reality.

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Does the Senator have an amendment?

Mr. BAYH. Yes.

The PRESIDING OFFICER. Until the committee amendments have been disposed of, floor amendments are not in order.

Mr. BENTSEN. If there are no objections from the minority at this time, I would move adoption of the committee amendments en bloc.

Is there any objection?

If not, Mr. President, I move adoption of the committee amendments en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

### UP AMENDMENT NO. 661

(Purpose: To authorize the repayment of certain Federal-aid highway funds by the State of Indiana, and for other purposes)

Mr. BAYH. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. BAYH), for himself and Mr. LUGAR, proposes an unprinted amendment numbered 661.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 5, insert the following:

### TITLE II—AUTHORIZATION OF REPAYMENT

SEC. 201. (a) That the State of Indiana (hereinafter referred to as the "State"), acting by and through the Indiana State Highway Commission, and the Indiana Toll Road Commission (hereinafter referred to as the "commission") shall be free of all restrictions with respect to the issuance of bonds or other obligations constituting a lien against the East-West Toll Road in northern Indiana (Interstate Route 80/90) (hereinafter referred to as the "toll road") or payable out of revenues derived from the toll road and with respect to the imposition, collection, and use of tolls and other charges on the toll road contained in title 23, United States Code, or in any regulation or agreement under such title upon—

(1) repayment to the Treasurer of the United States of the sum of $1,936,894, which is the amount of Federal-aid highway funds received for the construction of the interchanges connecting the toll road with—

(A) Interstate Route 69 in Steuben County, Indiana;

(B) Interstate Route 80 in Lake County, Indiana; and

(C) Interstate Route 65 in Lake County, Indiana; and

(2) issuance of new bonds by the commission at such time and in such principal amount as will provide bond proceeds available for payment of costs of construction and acquisition of right of way not less than the amount required to undertake and complete the required construction and the required acquisition of right of way, as defined in the subparagraphs (D) and (E) of this paragraph, such issuance to be made subject to a trust indenture which will be binding on the commission and will provide—

(A) that the required construction and required acquisition of right of way will be performed and that the funds from the bond proceeds will be allocated sufficient to perform the required construction and the required acquisition of right of way before any other commitment of the bond proceeds (other than the refunding of outstanding bonds and payment of costs of issuance) is made;

(B) that any revenues from the toll road, and any proceeds of the bond issued in connection with the toll road shall, after payment of the costs of issuance, be used only (i) for payment of the costs, direct and indect, of the required construction and the required acquisition of right of way; (ii) for the payment of the costs, direct and indirect, of the operation, maintenance, repair, and improvement of the toll road, including the construction of lane additions and the construction or modification of, and acquisition of right of way for interchanges; (iii) for the debt service, payment, and refunding of outstanding bonds, the proceeds of which were used for the construction of the toll road or any improvement thereto or for the refunding of such bonds; and (iv) for the payment to be made under paragraph 1 of this Act and for the repayment to the State out of the proceeds of the sale of such new bonds of amounts required to be paid by the commission to the State under the provisions of title 8, article 15, chapter 2, section 20 of the Indiana Code of 1971, as amended to the date of enactment of this Act;

(C) that the commission will promptly commence acquisition of rights of way and preparation of final plans and specifications for the required construction and that it will commence the required construction on or before December 31, 1981, and that the commission will promptly begin acquiring all the required acquisition of right of way and will commence acquiring such rights of way on or before December 31, 1981;

(D) that the term "required construction" shall mean and include the following, all given equal priority:

(i) construction of a new interchange at Indiana State Highway 912 South (Cline Avenue) in Lake County, Indiana, and

(ii) construction of a new interchange at Mishawaka in St. Joseph County, Indiana, between mileposts 080 and 085 of the toll road after consultation with the executive authority of the county of St. Joseph and the executive authority of the ctly of Mishawaka, Indiana, and

(iii) construction of a new interchange in Elkhart County, Indiana, located between mileposts 095 and 102 of the toll road after consultation with the executive authority of the County of Elkhart, and

(iv) construction of a new interchange at Willow Creek Road in Porter County, Indiana, and

(v) construction of a new interchange at Indiana State Highway 912 North (Cline Avenue) in Lake County, Indiana, and

(vi) construction of a new interchange at Indiana Highway 53 (Broadway) in Lake County, Indiana, and

(vii) completion of construction of a new interchange at United States Highway 31 by pass in St. Joseph County, Indiana, located at milepost 072 of the toll road.

(E) that the term "required acquisition of right-of-way" shall mean and include the following:

(i) acquisition of right-of-way at State Road 149 in Porter County, Indiana, sufficient for placement of a future interchange as construction funds (other than proceeds of the bonds issued in connection with the trust indenture provided herein) become available and after consultation with the executive authority of the county of Porter, and

(ii) acquisition of right-of-way at United States Highway 20 in LaPorte County, Indiana, sufficient for placement of a future interchange as construction funds (other than proceeds of the bonds issued in connection with the trust indenture provided for herein) become available and after consultation with the executive authority of the county of LaPorte.

The amount repaid to the United States under this Act shall be deposited to the credit of the appropriation for "Federal-Aid Highway (Trust Fund)." Such repayment shall be credited to the unprogramed balance of the Federal-aid highway funds of the same class last apportioned to the State of Indiana. The amount so credited shall be in addition to all other funds then apportioned to the State of Indiana and shall be available for expenditure in accordance with the provisions of title 23, United States Code.

Mr. BAYH. Mr. President, before proceeding on this amendment which I am pleased to introduce for myself and my distinguished junior colleague (Mr. LUGAR), I would like to express my deep appreciation to the distinguished Senator from Texas who has done such a yeoman's job on this particular legislation.

I had the good fortune several years ago to have the same responsibility and have a good understanding of the cross currents imposed on someone in that position. I know of no Member of this body who has fulfilled a similar responsibility in a more laudatory manner. Not only has he done a fantastic job from a legislative standpoint, but he is one of this body's most patient creatures. He is always willing to listen to the concerns expressed by other Members of this body. This, in the final analysis, might make his job more complicated. My colleague from Texas and I feel, however, that it fits, in a broader sense, into representing our own States.

I am indebted to him, as are the people of Indiana, for his patience and his willingness to help us resolve the specific problems that exist in Indiana.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. BENTSEN. Mr. President, I have listened to the very kind remarks of the distinguished Senator from Indiana, who served so ably on this committee and chaired this particular subcommittee. I want it fully understood that I had agreed to the equity of his amendment before he made those generous remarks. I appreciate them. But the merit of his amendment speaks for itself. It is a good amendment.

Mr. BAYH. Mr. President, I appreciate the Senator's reminding us of the chronology. But any of us who know the Senator from Texas know that it takes more than flattery to persuade him of the merit of a given proposition.

I reiterate what I said: Sometimes, when an issue is a close call and it could go one way or the other, some of us are tempted to say, "Well, it would be quicker to dispose of it this way." The Senator from Texas is not one of those. He is willing to listen. If it makes sense for a State or a locality he is willing to listen, even though it might be a little inconvenient.

The Senator from Texas serves in the environs of the man who chairs the full committee and whose camaraderie permeates that committee and extends to all of us who have had a chance to serve on the Public Works Committee. I think that kind of experience is one that serves us well in the Senate.

I also express my appreciation to the Senator from South Dakota for the role he has played in reporting this bill out of committee.

I particularly thank the Senator from Texas for the complimentary remarks he made with respect to the effort to try to get the National Alcohol Fuels Commission moving. I feel it is important to get the country moving toward ending its dependence on foreign oil imports. Development of alcohol fuels offers a method of accomplishing this goal.

Mr. President, the amendment I am offering today to H.R. 4249, the Surface Transportation Assistance Act, will enable the Indiana toll road to continue to collect tolls even after their bonds have been retired. This amendment has the overwhelming support of my constituents in northern Indiana as well as the bipartisan support of all Republican as well as Democratic members of the Indiana congressional delegation.

The Indiana east-west toll road was completed in 1956. The proceeds from the sale of $280 million worth of revenue bonds, issued by the Indiana Toll Road Commission, financed the 157-mile road across northern Indiana. The road is a key link in the highway system between the Midwest and east coast.

The number of people traveling on the toll road annually has increased dramatically each year. In 1960, 10 million toll transactions occurred, 1,233,000 of which were commercial users. In 1978, 16 million transactions occurred with approximately 3 million of these commercial users. This 60-percent increase also brought a boost in income. In 1960 toll receipts of $12,379,000 were generated which included $4 million from commercial vehicle users. By 1978, total receipts had more than doubled to $27,493,000 of which $15,502,000 was from commercial users.

The strategic location of the road has made it one of heavily traveled roads in the Midwest for many out-of-State travelers as well as providing a first-class highway for Hoosiers. In fact, its popularity means that the 40-year bonds issued for its construction will be paid off earlier than had been expected. It is very possible the current bonds will be retired in the mid-1980's.

It has become clear to the majority of Hoosiers that it is to our State's benefit to extend collection of the tolls. I took a poll of the residents of the 11 northern counties in Indiana, through which the toll road passes, and the results reflect clear public preference. Those people who live near the road and use it most often want the tolls continued. They fully realize that if the tolls are lifted, and the responsibility for operating the road is given to the Indiana Highway Commission, the quality of the road will be downgraded severely. Of the 20,540 people who responded to the poll, 16,990 want to continue the tolls, and only 3,550 do not. This is a 5-to-1 margin in favor of the tolls.

The amendment I am offering today is necessary to allow the road to continue as a toll road. The Indiana Toll Road Commission entered into agreements in 1961, 1962, and 1963 to interchange certain portions of the new Interstate Highway System with the Indiana toll road and to designate the toll road as part of the system. These three agreements, or tripartites, provided for a total of $2 million in Federal funds to be used toward construction of the Angola, Gary East, and Burns Harbor interchanges and are still in effect. As required by United States Code, section 129, the agreement contains a covenant that the tolls would be stopped when the outstanding bonds were retired and that no additional bonds would be issued. Therefore, unless these tripartites are nullified, the toll road must become a free road. Upon repayment of the $1,936,894 in Federal funds the tripartite agreements become null and tolls could continue to be collected.

My amendment enables bonds to again be sold, the proceeds of which would be used to perform construction, operation, maintenance, repair, and improvement of the toll road. Of particular importance, the bill authorizes the construction of nine additional interchanges with construction to commence before December 31, 1981.

The overwhelming success of the toll road can be attributed to many factors, but in large measure stems from the fine condition in which the road is kept. When one compares this road to others in Indiana it's superiority is clear. Northern Indiana also receives a large quantity of snow annually. The tolls are used to keep the road open almost constantly during bad weather conditions even though other roads in the State are frequently forced to close during storms due to a shortage of manpower and equipment.

Without a change on the Federal level, the responsibility for operating the Indiana east-west highway would fall to the Indiana Highway Commission. Unfortunately, this commission does not have sufficient funds to maintain the high quality of the toll road. It has cost the toll road commission approximately $8 to $10 million annually to keep the road in first-class condition. This figure represents 12 percent of the highway commission's annual maintenance budget and 6 percent of its total budget. Therefore, the quality of the east-west highway would suffer, as would that of other Hoosier roads which share the total budget of the commission, if the State became responsible for its upkeep. I have long been concerned with the quality of the roads in Indiana. Chuckholes of great proportion are found everywhere in the State and create hazardous driving conditions as well as being responsible for high repair costs. One would expect regular users of the toll road to want it available at no cost, but their experience with other Indiana roads has made it evident that in order to have good driving conditions it is necessary to pay the toll. And it is worth this extra money to them.

In addition, it is imperative that additional access be provided along this 157-mile stretch. Currently only 11 interchanges provide access within the State of Indiana, with two terminal connections at the Illinois and Ohio State lines. This means that an average of 12 miles can be driven before a driver has an opportunity to leave the toll road. In many instances the exits are more unevenly spaced than that. During a time when fuel costs are soaring, every bit of gasoline which is wasted hurts us all.

Construction of additional interchanges, to allow much easier access and departure from the road, would put a stop to unnecessary driving. However, such construction cannot be undertaken without a substantial investment of funds which the State of Indiana cannot possibly provide. Additional interchanges are estimated to cost an average of $7.5 million each and the State of Indiana does not anticipate having sufficient revenue for this purpose until approximately 1990. The importance to the communities in the traffic zone cannot be overemphasized. The additional business these interchanges will provide can do much to revitalize some cities, such as Gary, whose downtown areas are in need of a shot in the arm.

The nine interchanges authorized in the bill will be located as follows: Three in Lake County, two in Porter County, one in La Porte County, two in St. Joseph County, and one in Elkhardt County.

I urge my colleagues to accept this amendment which will greatly benefit the citizens of northern Indiana as well as the many travelers who cross our beautiful Hoosier State.

Mr. LUGAR. Mr. President, I deeply appreciate the efforts of my colleague Senator BAYH, as well as the tremendous cooperation and support we have received from Senator BENTSEN; Senator PRESSLER; the chairman of the committee, Senator RANDOLPH; and the ranking minority member, Senator STAFFORD.

This is a moment of concern for our constituents in Indiana, and I am pleased to join my colleague, Senator BAYH, in support of this amendment to the Surface Transportation Assistance Act to authorize repayment of approximately

$2 million by the State of Indiana to the Federal Government and to release the State from certain tripartite agreements concluded with the Federal Government in the early 1960's. Release of Indiana from these agreements will allow the State to continue the collection of tolls on the Indiana toll road in order to operate and maintain the toll road and to make necessary improvements to bring the road up to interstate highway standards.

The Indiana East-West Toll Road, which was completed in 1956, was constructed with the proceeds of a bond sale. In the early 1960's, the State of Indiana and the toll road commission entered into a tripartite agreement with the Federal Government to obtain Federal funds to construct access roads to toll road entrances. Under 23 U.S.C. 129, the agreements contained a requirement that the tolls be rescinded when the bonds are retired, and that no additional bonds be issued. Indiana statutes do not contain requirements for removal of tolls.

The bonds were to be amortized over a period not to exceed 40 years. However, if revenues and expenses continue at the present level, the bonds should be retired about 10 years ahead of schedule. If the amendment is passed, the repayment of the approximately $2 million granted under the agreements will release the toll road commission from any obligation to make the road toll free. The toll road commission will then be free to issue new bonds.

Permitting the continuation of tolls and issuance of new bonds is essential to the maintenance and improvement of the toll road. If the road is allowed to go toll free at this time, the State highway commission will be forced to assume responsibility for the toll road. The highway commission simply does not have the revenue to operate, maintain, and improve it sufficiently. Thus, Indiana will be forced, through lack of funds, to forego much-needed improvement and additional planned interchanges for the toll road.

For instance, it is estimated that costs of maintaining the toll road run about $8,000,000 to $10,000,000 per year. These figures represent 12 percent of the State highway commission's annual maintenance budget and 6 percent of its total annual budget. Moreover, the toll road commission now spends about $25,000 each year to maintain a single mile of the highway, while the State highway commission is spending only $10,700 a year to maintain 1 mile of interstate highway.

In addition, Indiana would have to forgo the construction of seven to nine new interchanges presently planned by the toll road commission, and described in our amendment. A congressionally mandated study of the toll road released by Wilbur Smith Associates in April 1979 estimates that these interchanges, as well as improvements such as repairing bridges, widening roads, and renovating and adding toll facilities, will cost over $250,000,000. Revenues for the additional interchanges would not be available from the State highway commission until 1990, at the earliest. However, in the event that Indiana is freed from the Tripartite Agreement, the toll commission plans a 30-year bond issue that will provide $151,819,000 for improvements and additions and immediate construction of these new interchanges which will make the road accessible to more Indiana citizens and bring the road up to interstate standards.

This legislation is designed to maintain the toll road in the most practical and efficient way, and to extend the use of the road to greater numbers of Indiana citizens. Citizens in northern Indiana appear to overwhelmingly favor continuation of these tolls for this purpose, and I am, therefore, happy to support this legislation.

Mr. BENTSEN. Mr. President, the minority manager and I have discussed this amendment with the Senators from Indiana, and as far as the majority is concerned, we have no objection.

It is a good amendment. It shows, once again, that we can adapt to local conditions and do what the people of an area want. The Senators are ably representing their constituents.

I thank Senator BAYH again for his generous comments to me. When he talks about the camaraderie of this committee, I agree with him; it is true. But I think much of the camaraderie comes from the chairman of the full committee, Senator RANDOLPH, and his example, which leads to decisions being made in our committee with a minimum of partisanship, and that is the way it should be. I am delighted to serve under his very able leadership in that committee.

I have no objection to the amendment, and I urge its adoption.

The PRESIDING OFFICER. Is all time on the amendment yielded back?

Mr. PRESSLER. Mr. President, we concur in accepting the amendment.

Mr. BAYH. I yield back the remainder of my time.

Mr. BENTSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

### UP AMENDMENT NO. 662

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment.

The PRESIDING OFFICER (Mr. CULVER). The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 662.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, after line 5, insert the following:

SEC. . Section 204(h) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended by adding at the end thereof a new paragraph to read as follows:

"(3) Notwithstanding any other provision of this title, where a State assumes or has assumed, pursuant to an agreement entered into under section 274b. of the Atomic Energy Act of 1954, authority over any activity which results in the production of byproduct material as defined in section 11e.(2) of that Act, the Commission shall not, until the date three years after the date of enactment of this Act, have licensing authority over such byproduct material produced in any activity covered by such agreement, unless the agreement is terminated. If, upon expiration of the three-year interim, a State has not entered into such an agreement with respect to byproduct material as defined in section 11e.(2) of the Atomic Energy Act of 1954, the Commission shall have authority over such byproduct material."

(b) Section 204(h) (1) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended to read:

"SEC. 204(h)(1). On or before the date three years after the date of enactment of this Act, notwithstanding any provision of this title, any State may exercise any authority under State law (including authority exercised pursuant to an agreement entered into pursuant to Section 274 of the Atomic Energy Act of 1954, as amended) respecting (a) byproduct material, as defined in section 11e.(2) of the Atomic Energy Act of 1954, or (b) any activity which results in the production of byproduct material as so defined, in the same manner and to the same extent as permitted before the enactment of this Act; provided, however, that nothing in this section shall be construed to preclude the Commission or the Administrator of the Environmental Protection Agency from taking such action under 275 of the Atomic Energy Act of 1954 as may be necessary to implement title I of this Act."

(c) The last sentence of section 83 a. of the Atomic Energy Act of 1954, as amended, is amended to read:

"Any license in effect on the effective date of this section and subsequently terminated without renewal shall comply with paragraphs (1) and (2) upon termination."

(d) Section 204(e) of the Urianium Mill Tailings Radiation Control Act of 1978 is amended by adding at the end thereof a new paragraph to read as follows:

"(2) This subsection shall be effective on the date three years after the date of enactment of this Act.".

(e) Section 83(b)(1)(A) of the Atomic Energy Act of 1954, as amended, is amended by—

(1) striking all that follows: transferred to—" down through "Unless" and inserting in lieu thereof the following"

"(1) the United States, or

(ii) the State in which such land is located, at the option of such State, unless", and

(2) striking "section 84 b." and inserting in lieu thereof "section 81 of this Act".

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to consider the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BENTSEN. Mr. President, will the Senator restate the question?

Mr. DOMENICI. That it be in order to consider the amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, this amendment to H.R. 4249 would make certain technical changes in Public Law 95-604, the Uranium Mill Tailings Radiation Control Act of 1978.

These changes are to title 2 of that act as title 2 addresses the authority of the Nuclear Regulatory Commission and the agreement States to license and regulate uranium mills and milltailings. Specifically, NRC was given immediate authority to regulate uranium milltailings in States which do not elect to regulate uranium mills and milltailings under the agreement States program. Significant new substantive and procedural requirements were also imposed on the agreement States by that act. In recognition of the fact, the agreement States were given a period of 3 years to impose their regulatory programs to meet the new requirements. At the end of the period, an agreement State which failed to fully satisfy the new requirement would lose its regulatory authority and NRC would assume licensing responsibility.

Mr. President, on April 26 of this year, the principal authors of the regulatory portion of the Uranium Mill Tailings Radiation Control Act wrote the Nuclear Regulatory Commission on this subject. That letter expressed their concern that certain possible ambiguities in the wording of the statute might be interpreted to conflict with the statutory intent which I have described. On May 30, the Commission advised the Subcommittee on Nuclear Regulation that in the view of a majority of the Commission, the Mill Tailings Act, as presently written, could not be interpreted to meet this intent. At the same time, the Commission proposed legislation to correct these ambiguities and to bring the language of the statute into accord with our intent. Those proposed changes, which are supported by the full Commission, are incorporated into my amendment.

Mr. President unless these changes are enacted swiftly the Commission will be required to exercise dual licensing jurisdiction in the agreement States of the 3-year interim period. This would result in needless and costly duplication, and would be disruptive of the spirit of cooperation and support which has been carefully developed between NRC and the agreement States. This amendment would eliminate that problem and insure that the implementation of the act's important improvements will proceed in an orderly and expeditious manner.

Mr. President these technical clarifying changes to the Uranium Mill Tailings Act were already adopted by the Senate as amendments to the NRC authorization bill for fiscal year 1980, S. 562, on July 16 of this year. However, the House has so far failed to act on that legislation, and there are indications that the House may not consider that legislation until some time next year. In view of the need to enact these clarifying changes promptly, I would urge that they be adopted as an amendment to H.R. 4249.

Mr. President, I ask unanimous consent that the April 26 letter from the principal authors of the legislation to NRC, the May 30 letter from NRC to the Environment and Public Works Committee, a June 8, 1979, letter from the Governor of the State of New Mexico to me regarding this legislation, and a section-by-section analysis of the amendment be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
*Washington, D.C., April 26, 1979.*

Hon. JOSEPH HENDRIE,
*Chairman, Nuclear Regulatory Commission, Washington, D.C.*

DEAR CHAIRMAN HENDRIE: During your testimony last month on the NRC fiscal year 1980 budget request before the Senate Environment and Public Works Committee and the House Interior and Insular Affairs and Interstate and Foreign Commerce Committees, you referred to potential problems in implementing Public Law 95-604, the Uranium Mill Tailings Radiation Control Act of 1978.

Specifically, you mentioned that there may exist some uncertainty based upon the language of the statute regarding the date by which the Agreement States must meet the new requirements in the statute and the need for the Commission to exercise within the Agreement States its new licensing authority for uranium mill tailings. At that time, you indicated the Commission's continued support for the three year grace period in making these requirements effective, but expressed the view that any intrepretation of the present statutory language on these points would likely lead to litigation.

It is our view that these questions should be resolved promptly, in accordance with the intent of the Congress, and in a manner which will not cause disruptions in the ongoing regulatory programs and activities of NRC and the Agreement States. In that regard, we are concerned that the statute might be interpreted to require the Agreement States to immediately meet the new requirements of the Act in all cases or to require the duplicate licensing by NRC of all uranium mills and mill tailings in the Agreement States. Such interpretations, in our view, would be contrary to the intent of Congress and would discourage rather than encourage the Agreement States from making every effort to meet the new requirements of the Act as early as possible.

As the principal authors of the legislation in the House and the Senate, we are confident the Congress intended for NRC to exercise authority over mill tailings in the Non-Agreement States immediately, and intended to provide for a period of up to three years for Agreement States which license uranium milling operations or mill tailings to meet the new requirements of the statute. During this three year period, an Agreement State could continue its licensing activities under previously existing authority. New standards and requirements would be applicable to the maximum extent practicable, and NRC is expected to make every effort to encourage and assist the States in upgrading their licensing programs to meet the new requirements as early as possible.

The Congress did not intend for NRC to immediately exercise licensing authority within Agreement States which were exercising authority over uranium milling operations or mill tailings on the date of enactment. At the expiration of the three year interim period, however, NRC would exercise its authority in any State which did not then have in effect a licensing program satisfying all of the applicable new standards and requirements.

If the Commission would benefit in future enforcement of this intent and interpretation from clarifying legislation, we would be happy to provide our assistance.

Truly,

JENNINGS RANDOLPH,
*Senator.*
GARY HART,
*Senator.*
PETE V. DOMENICI,
*Senator.*
JOHN D. DINGELL,
*Congressman.*
MORRIS K. UDALL,
*Congressman.*
ROBERT E. BAUMAN,
*Congressman.*

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U.S. NUCLEAR REGULATORY COMMISSION,
*Washington, D.C., May 30, 1979.*

Hon. GARY HART,
*Chairman, Subcommittee on Nuclear Regulation, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: The Nuclear Regulatory Commission would like to request your support for legislation to resolve questions arising from the effective date provisions of the Uranium Mill Tailings Radiation Control Act of 1978 enacted by the last Congress. The Commission received a letter dated April 26, 1979 and signed by the principal authors of this legislation in both the Senate and House of Representatives which expressed the intent of the drafters regarding the date on which licensing authority and procedural requirements under the Act would become effective with respect to the Commission and affected State governments. The letter supports the position that existing authority of Agreement States to license uranium mills and to control mill tailings should not be disrupted during the three-year interim period following enactment and that during this period the NRC should not be required to exert concurrent licensing authority over tailings produced in milling activities regulated by the Agreement States.

The Commission is mindful of and sympathetic with these views. Nonetheless, after a careful analysis of the language of the 1978 Act, a majority of Commissioners have concluded that without amendments to the Act the NRC is required to license tailings at Agreement State-regulated uranium mills during the three-year period before the Act permits renegotiated agreements to become effective. Pursuant to this decision as to the meaning of the Act, implementing regulations and associated arrangements are now being prepared.

Enclosed with this letter is a draft of statutory language and a section-by-section analysis which would accomplish the intent of the principal authors of the legislation, as expressed in the April 26, 1979 letter. All Commissioners agree that such clarifying language is desirable. Some additional clarification which the Commission believes necessary are also included and are described in the section-by-section analysis. The Commission believes that prompt enactment of this legislation is necessary to assure that the intent expressed by the authors of the Act may be carried out during the remainder of the three-year interim period.

Sincerely,

JOSEPH M. HENDRIE.

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JUNE 8, 1979.

Re Certain Requirements of the Uranium Mill Tailings Radiation Control Act of 1978 (UMTRCA).

Hon. PETE DOMENICI,
*U.S. Senate, Russell Senate Office Building, Washington, D.C.*

DEAR SENATOR PETE DOMENICI: The State of New Mexico needs your assistance in a matter of utmost importance concerning the status of New Mexico's uranium mill licensing program as an Agreement State under Section 274 of the Atomic Energy Act of 1954, as amended, for the following reasons:

(a) On May 17, 1979, the NRC Commissioners, by a 3 to 2 vote interpreted the language of the UMTRCA of 1978 as authority to assume immediately licensing of uranium mill tailings in all states and to issue a general license for existing mill tailings in all states. These general licensees would be subject to remedial action orders of the Commission, if the Commission decides such orders are needed.

(b) The split Commission vote indicates confusion in interpreting the UMTRCA of

November 8, 1978. The Commission's decision ignores the language of Section 204(h)(1) which states:

"On or before the date three years after the date of the enactment of this Act, notwithstanding any amendment made by this title, any State may exercise any authority under State law respecting byproduct material, as defined in section 11e(2) of the Atomic Energy Act of 1954, *in the same manner and to the same extent, as permitted before the enactment of this Act.*" (Emphasis added.)

New Mexico, under the 1954 Atomic Energy Act and the State's Radiation Protection Act, has exercised complete and sole authority in the issuing of licenses for uranium mills and their tailings since May 1, 1974. The decision of the NRC to impose dual jurisdiction immediately over the licensing of uranium mill tailings is not in accordance with the UMTRCA provision quoted above, the UMTRCA as a whole, or the 1954 Atomic Energy Act.

(c) The May 17, 1979, Commission decision also runs counter to the intent of UMTRCA's primary Congressional sponsors as indicated by the attached letter signed by Senators Randolph, Hart and Domenici and Congressmen Dingell, Udall and Bauman.

(d) The Commission has not adopted a formal order, rule, or regulation concerning this matter. In other words, the Commission has not taken any formal action pursuant to procedures which allow public comment and a clear route of appeal through the courts.

(e) Since May 17th, the NRC staff has been actively putting into operation the "interim" policy of "a." above, by contacting a New Mexico mill applicant and instructing the applicant to forward its New Mexico application to Oak Ridge National Laboratory (ORNL) so that ORNL can prepare an Environmental Impact Statement.

In view of the above activity on the part of NRC, we are now faced with an unworkable situation in attempting to operate an efficient and effective mill licensing program in New Mexico. New Mexico has always considred the mill and tailings as inseparable and therefore issues one license for both activities as a prudent regulatory control of radioactive material. The State's concern with regulatory overlap caused by concurrent licensing over uranium mill tailings include the following:

(a) Dual licensing by both NRC and New Mexico of mill tailings will be unworkable since no one will be in control and the applicant will be caught in an impossible situation. Only one regulatory body can be responsible for efficient and effective regulation.

(b) Dual licensing by regulatory bodies is contrary to Congressional and Administration policies for non-duplication of regulatory activities and is an unnecessary cost to the taxpayers.

(c) Interference with and encroachment on the regulatory program of New Mexico by NRC may weaken the Agreement State Program which in the past has been exemplary example of Federal-State cooperation.

(d) Preparation of an Environmental Impact Statement by the NRC (actually done by a national lab) is a long and expensive process and will delay even further the licensing process. This is counter to the Administration's policy of expediting regulatory reviews; and in practice offers no substantial improvement over the environmental review conducted currently by New Mexico.

To prevent further encroachment on the regulatory program of the State of New Mexico, and mitigate the untoward effects that stem from the recent Commission action. I urge your assistance in swift passage of remedial legislation designed to correct this intolerable situation.

I would also like to explore with you any other methods you may suggest to resolve this pressing issue.

Sincerely,

Bruce King,
*Governor.*

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### Section-by-Section Analysis

A product of the hectic final days of the 95th Congress, the Uranium Mill Tailings Radiation Control Act of 1978 contains certain provisions regarding dates of effectiveness which, if left to stand, may be subject to differing legal interpretation. Specifically, two questions of immediate concern have arisen regarding the timing of State and NRC implementation of title II of the Act:

(1) Do both the States and the Federal Government have authority to license uranium mill tailings (i.e., exercise concurrent licensing jurisdiction) for the three years following enactment of the Uranium Mill Tailings Radiation Control Act?

(2) Are the requirements of new section 274o of the Atomic Energy Act pertaining to procedures to be followed by Agreement States in issuing source material licenses for uranium mills immediately effective?

These questions have arisen because one section of the Uranium Mill Tailings Radiation Control Act (section 208) makes the provisions of the regulatory program in title II of the Act immediately effective unless otherwise specified, and another section of the Act (section 204(h)(1)) delays the effectiveness of certain provisions of the Act regarding State authorities for three years after the date of enactment. Accordingly, the Nuclear Regulatory Commission has proposed amendments to clarify the effective dates of title II.

These amendments generally provide a three-year interim period before the requirements in title II of the Uranium Mill Tailings Radiation Control Act (Mill Tailings Act) apply to milling operations and tailings licensed by Agreement States.

In non-Agreement States, the NRC would have immediate authority to implement the regulatory program in title II. Although section 204(h)(1) preserves prior State authority for three years, in case of conflict between Federal and State law, the Federal would prevail.

One of the provisions in title II (section 206) adds a new section 275 to the Atomic Energy Act of 1954. Section 275 authorizes certain Environmental Protection Agency standards which are, under section 108(a)(2) of the Mill Tailings Act, a prerequisite to the remedial actions authorized in title I. Thus it is stressed that these clarifying amendments are not intended to prevent the Administrator of the Environmental Protection Agency or the Nuclear Regulatory Commission from taking such action under section 275 of the Atomic Energy Act as may be necessary to implement title I of the Mill Tailings Act.

SEC. 1. During the three years following enactment of the Mill Tailings Act, section 1 prohibits the NRC from exercising duplicative authority over tailings produced in activities licensed by Agreement States unless the agreement is terminated within that period. The EPA and NRC may, however, take such action under 275 of the Atomic Energy Act as may be necessary to implement title I of the Mill Tailings Act.

SEC. 2. This section makes the provision in section 204(h)(1) of the Mill Tailings Act preserving State authority over tailings and wastes for the three-year interim conform to the new requirements of the Mill Tailings Act which apply to both byproduct material and milling operations that result in the tailings and wastes now defined as byproduct material. As enacted, section 204(h)(1) mentions only byproduct material specifically, although the regulatory program generally covers both milling and tailings. As amended, this section explicitly covers both byproduct material and milling operations and applies also to States that enter into agreements during the three-year interim.

Further provision is made so that EPA and NRC may take such action under section 275 of the Atomic Energy Act of 1954 (as added by the Mill Tailings Act) as may be necessary to implement the remedial action program in title I of the Mill Tailings Act immediately.

SEC. 3. As originally enacted, section 83 of the Atomic Energy Act of 1954 may be subject to various interpretations regarding its timing. Its provisions are not, under section 202(b) of the Mill Tailings Act, to become effective until three years from their date of enactment. Nonetheless, section 83a (as added by section 202 of the Mill Tailings Act) states that licenses in effect on the date of enactment of this section must comply with 83a (1) and (2) upon their renewal or termination, whichever first occurs. Conceivably this renewal or termination could take place during the three-year period in which section 83 is not supposed to be effective. The sentence as amended applies section 83a only to licenses that are renewed or terminated after the effective date of section 83.

Moreover, it might be argued that a loophole was left for licenses issued after the date of enactment but before the effective date of section 83. It could be argued that such licenses would not be covered by section 83a. As amended, the section applies the requirements of section 83a to any license in effect on the effective date of section 83.

SEC. 4. This section amends section 204(e) of the Mill Tailings Act to make it clear that the new Agreement State responsibilities regarding tailings and milling operations in new section 274o of the Atomic Energy Act are not effective until three years after the enactment of the Mill Tailings Act. The States are, however, encouraged to implement the new standards and requirements of the Mill Tailings Act to the maximum extent practicable.

Mr. DOMENICI. Mr. President, this bill is not going to get through the House of Representatives for some time, and we are concerned that undue delay will render the intent of that provision inoperative because the Federal Government and the States will be for 3 additional years involved in a process that is extremely duplicative and inoperative.

We, therefore, ask that this amendment be adopted and taken to conference.

If it offers any delay, I say to my good friend from Texas, certainly we would not expect him to cause any delays in his bill. It should go to the same committee that the bill we are considering today. Therefore, I ask that the Senate adopt it, that our good conferees take it and see if we can make it law before the year is out so that the goals of the amendment to the Nuclear Regulatory Commission bill with reference to this area will become law this year.

Mr. BENTSEN. Mr. President, I yield myself such time as I may need.

I say to my distinguished friend from New Mexico that traditionally we do not want to get involved in the jurisdiction of another committee, but it is my understanding that the leadership of the committee, the majority and minority, is not objecting to our considering this particular amendment and that the amendment was part of the legislation that already passed the Senate. In trying to expedite the determination of what he seeks I will not object to it being attached to this particular piece of legislation with the understanding that we are subject to what the House of Representatives does on the question of germaneness once it gets over there.

But we are pleased from the standpoint of the majority to cooperate on this and if he has that kind of success with the minority he should be in good standing.

Mr. DOMENICI. I thank my good friend from Texas. He states it exactly correct. This passed the Senate with no opposition. Those who supported it then, minority and majority, from the Public Works Committee indicate no objection to this process. If it offers any jurisdictional problems, I am saying now that I certainly would encourage him to expedite his bill and, if that means dropping this amendment, that is satisfactory with us.

Mr. BENTSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from New Mexico yield back?

Mr. DOMENICI. I yield back my time.

Mr. BENTSEN. Mr. President, I urge passage of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

### UP AMENDMENT NO. 663

(Purpose: To abolish the Highway Trust Fund)

Mr. WEICKER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an unprinted amendment numbered 663:

On page 1, between lines 2 and 3, insert the following:

### TITLE I—SURFACE TRANSPORTATION AMENDMENTS

On page 11, after line 5, insert the following:

### TITLE II—TERMINATION OF HIGHWAY TRUST FUND TERMINATION

SEC. 201. Effective after September 30, 1980—

(1) the Highway Trust Fund is terminated and the amount in such Fund, including any obligations held in such Fund, shall be covered into the general fund of the Treasury;

(2) any outstanding appropriations from, or obligations of, such Trust Fund shall be paid from such general fund;

(3) any authorizations for appropriations to be made from such Trust Fund shall be considered to be authorizations for appropriations from such general fund; and

(4) section 209 of the Highway Revenue Act of 1956 is repealed.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, the amendment I am offering today takes us right to the heart of this country's energy problem: We consume too much gasoline. Our total commitment to the automobile and to highways has left us with no choice for the future. Today mobility means the automobile. Tomorrow that luxury will not exist.

Today's amendment is designed to reduce our consumption of gasoline by abolishing the highway trust fund effective September 30, 1980. Federal gasoline and other user taxes that support the fund would remain in place, but revenues derived would flow into the general fund of the Treasury. Thus, funding levels for the revised transportation programs would be analyzed and set by Congress through the normal authorization and appropriations process. This legislation represents my continued commitment to remove the existing bias toward highway construction in Federal transportation programs and to create a balanced transportation system in the United States.

Mr. President, since the highway trust fund was created 23 years ago, the needs of our society have dramatically changed. In 1956, energy was plentiful and cheap. Today, energy availability is one of the crucial problems facing this Nation. Our heavy reliance on insecure foreign-sourced oil threatens our national security, creates economic turmoil, and fuels inflation. The highway trust fund has helped to exacerbate this problem. By acting as an automatic pilot for highway construction, where expenditures were based on trust fund revenues regardless of demonstrated needs, we have created the best highways and the worst overall transportation system in the modern world. This unequal and fragmented approach to transportation funding has led to a society dominated by the automobile. More than four out of every five American families own cars today and 90 percent of all urban travel is by car or truck.

I recognize the importance of having a a good highway system both at the interstate and intrastate levels; I know that our country basically runs on tires. But have we not already built the greatest highway system in the world? Presently our Interstate Highway System comprises over 39,000 miles of superhighways; we have more than 900,000 miles of other Federal-aid roads, not to mention the State and local roadway system, and we have spent over $104 billion from the fund alone. Enough is enough. It is well understood that more roads generate more cars and more traffic, and cars are one of the biggest categories of petroleum consumers.

We all know the facts: Transportation is the largest single end use of energy consumption in the country. Currently, 52.6 percent of our total energy use is for transportation with 39.5 percent of that going into automobile gasoline tanks. The Federal Government, through the development and implementation of its transportation programs, has had an enormous impact on the yearly waste of millions of gallons of gasoline. Today, mobility means the automobile—no real choice exists for most of the American public.

Mr. President, it is time for the Congress of the United States, through the implementation of policy and programs, to lead this Nation out of the grasp of OPEC and toward measures of conservation and eventual energy independence. If we really want to do something about the energy problems facing this country today, if we really want to reduce our level of gasoline consumption, and if we really want to improve our environment at the same time, we should abolish the highway trust fund and spend a good deal of the substantial funds raised by these excise taxes to finance more energy-efficient transportation.

With the long gasoline lines of just a few months ago it is obvious that alternatives to private automobile travel must be found. And yet the existence of the highway trust fund prohibits balanced transportation planning. Because of the fund, Federal transportation programs provide approximately 97 cents of each dollar for highways. Broken down into separate categories, the transportation dollar actually dictates transportation priorities to the States and cities. Local officials see money in our specific category of the existing highway code and then build a road that fits the Federal guidelines, rather than building what they need.

We, as a responsive legislative body, need to weigh our many national needs and seek a better balance in the use of limited financial resources. We must create a mechanism that allows States and local units to be more responsive to the changing transportation needs of our society.

Mr. President, I imagine this is about the seventh or eighth time in the last 7 to 8 years that I proposed the legislation to eliminate the highway trust fund and to give balance to our transportation system in this Nation.

The proposition has either been buried in committee, defeated on the floor, or has lost in conference. It has never seen the light of day.

The year is 1979, and I hope we will look at this proposition in terms of the year 1979 and the vastly changing world around us and more particularly the changing circumstances of energy as it relates to our Nation.

I do not see, Mr. President, how we are going to rid ourselves of the reliance on OPEC both as to supply and as to price until certain basic reevaluations take place in this country and until certain hard-nut decisions are made and acted upon.

When it came to the business of conservation measures on this floor, the Senate said no. It said no by a vote of 93 to 7 to fuel stamps in 1977 and it said no by a vote of 79 to 10 just a few months ago.

I have noticed that there seems to be some great elation in the country about the fact that the President has been given some sort of a standby rationing authority. I think it should be made clear through my friends in the media, since the impression has been conveyed by them, that the President has such authority but that the authority he has is meaningless. Not until there is a 20-percent shortfall—you only had 4 to 5 percent during the Iranian oil cutoff and look what happened—only then can he invoke it. Even then Congress has two shots at him.

Senator METZENBAUM and I sat out here and argued for a minimal type of conservation measure the other day dealing with the efficiency of small electric motors. All it was were some suggested guidelines by the year 1983. It passed by four votes.

I am not going to get myself into a lather belaboring what should by now be the obvious. Until we get into place some effective conservation measures there is no way to solve our energy problems—the price will continue to soar and supply will be unstable.

Apparently the price is not high enough and the gasoline lines have not been long enough or frequent enough to bring us to this conclusion. But we will come to it. Instead of accomplishing conservation in a small but meaningful way and in a way that does not discombobulate everybody's life we are going to come to a point where we are literally going to be tossed bodily out of our automobile.

Why do I make these comments as I relate now to the highway trust fund. I think we all agree that any energy program has to encompass the following: Conservation in the terms of diminishing our use of gasoline; additional supplies of energy both in the traditional sense of the fossil fuels, which hopefully will be realized through deregulation and decontrol; and additional supplies whether they come from the development of the exotics, solar energy, geothermal, fuel cell, gasification, and so forth. None of the exotics are going to come on stream until the year 2000 and beyond in sufficient amount to give us that kind of a handle on our energy problems. Conservation, as I have already pointed out to Senators, has not been accomplished.

So now we come to the third part of any solution which is alternate forms of transportation.

For all intents and purposes, since the end of World War II the Federal Government has spent probably on an average of 96 cents of every transportation dollar on the highways or more specifically on the automobile, with roughly a penny or two going to rails and another penny to airplanes.

So if we have the greatest highway system in the world it is because we paid for it, and we are paying for it. If we have no rail systems, we have no bus systems, it is because we have spent nothing on them.

We might be able to continue in this kind of dream world were it not for people 12,000 miles away who have made it clear there is going to have to be some alteration in our thinking, that no longer can it be the automobile society that has existed since the end of World War II.

It seems to me that the responsible reaction by Congress then is to anticipate what will occur, to anticipate and to start providing the alternate methods of moving about this Nation either by rail, intercity bus, or mass transit. We know it is going to come. The only thing to be decided is as to whether we will plan for that eventuality or we will allow it to come over the top of us and behind us before we start to make adequate provision for it.

Again I think I know what the answer is going to be. Two years ago I sat here or stood here on the floor of the Senate and I decried the gas rationing by price that was going on in this country, and I said we had better make provision for our poor, our elderly, and our fixed income people, and to get a better system of rationing plan. That was 2 years ago, to prepare for that day when prices were going to get so high that large elements of our society would not be able to afford their utility bills.

It was accepted in the compromise version but lost in conference. Here we are 2 years later scrambling around with a crisis intervention program, trying to make sure that the disadvantaged in our society are not going to freeze this winter when we could have planned for it 2 years ago.

There is no way that Americans are going to be able to continue to drive the way they have during the past 20 years, and you ought to say so. You ought to tell your constituents that as much as 40 percent of every barrel of oil goes to gasoline. Do you think that is going to be able to continue? I do not think so. How else are they going to move about?

This is the same U.S. Senate that just before the Fourth of July recess, when the President proposed his plan to cut back 40 percent on Amtrak, sat here with 1977 statistics and said, "These statistics justify a 40 percent cutback," when even on that very same day you could not get hold of Amtrak to make a reservation. Every train was 105 and 110 percent full. We were going to go ahead and act on 1977 statistics.

Do you think a few things have changed since 1977? Do you think a few things have changed since 1956 when the highway trust fund went into being? All this amendment does is to take highway trust fund moneys and put them into the general fund of the Treasury, and then—I hate to bring this to the attention of my colleagues—it forces each one of us to start assigning transportation priorities and making choices, doing our homework here on the floor as to what is needed.

We cannot excuse the fact that we are ill prepared with all new forms of transportation by saying "It is the highway trust fund. We do not have matters of judgment on this score."

My amendment does not eliminate the money for highways. It will still be there, but State by State, locality by locality, it will have us making judgments as to what is needed to move about this country of ours.

To give your constituents the impression that 1979 in terms of transportation mobility and need is the same as 1956 is a total abandonment of the trust placed on each one of our heads.

Twenty-three years ago this trust fund began, and we are stuck with a transportation policy of 23 years ago. It is like an automatic pilot. We have overflown the destination hundreds of times in many of our States. It does not make any difference, we will just keep on going and going and going, and not because of any national need, not because of any change in priorities, but because of vested interests, because of the highway lobby, which is one of the most powerful in this Nation's Capital, and they would far rather deal with a trust fund than 100 freely elected Representatives of the people, who have to use their heads.

The need for highways still exists in almost all sections of the country, both in the primary and secondary roads. Nobody is going to argue against it.

On the other hand, neither can anyone else argue against the enormous need for a decent passenger rail system, intercity, in the United States, for decent bus service in our various States and cities, and mass transit facilities.

The argument is going to be presented, "Well, then, let us have a unified transportation trust fund or a mass transit transportation trust fund. We already have the airport trust fund."

I say "No" to all trust funds. It is no different from any other national need, but it should be judged as to its circumstances and as to its time by that particular group of Representatives of the people.

How in heaven's name in the year 1979, with a crisis that confronts this country, can we come forth with the same old stuff? How?

Am I correct when I read the report that they did not even have hearings on this bill this year? Is that correct, no hearings were even held? No hearings held, no votes in the committee, nothing. It just goes on and on and on. The world changes, but the highway trust fund does not. The world changes but the U.S. Senate does not. Then we wonder why our dependence on oil continues to soar, why the price continues to soar, and why the supply is in jeopardy.

There is no mystery, Mr. President. We are not doing our job.

We are not doing it on conservation. We are not doing it on alternate forms of transportation. All we like to do is dream up new energy mobilization boards, synthetic fuels corporations—everything to get away from the fact that the lifestyle in this Nation is going to have to change. The automobile no longer can dominate our lives, unless your constituents would prefer having an automobile to having a job, unless they would prefer having an automobile to a sound dollar, unless they would prefer having an automobile to the very many services that are so essential to the well-being of their families and their neighbors.

It becomes clear, more so as every day goes by: The inflation we are in is an energy inflation. The recession we are going into might as well be called an "ener-cession"—an "ener-cession," resulting from failure to respond to the challenge that is laid down to us. I heard the critics of the President's energy plan when they said, "Where are the provisions for mass transit and alternate forms of transportation?" That was a good question when asked, and is still a good question, and will be a good question tomorrow, I am sure, after the vote is over, and the month after that and the year after.

I would hope that at least we would show some sensitivity to this changing world around us, to our increasingly impoverished circumstances, and agree that there are more important things than the automobile and the highways, and agree that new occasions demand new responses—not 30-year-old responses, but new responses.

I urge the adoption of my amendment.

Mr. BENTSEN. I yield myself such time as I may need.

Mr. President, I have enjoyed the rhetoric of the Senator from Connecticut, as I always do, but he has some problems with the facts. When he talks about the committee not having hearings, of course we did not have hearings. We are dealing with technical amendments. We are dealing with a certification date, determining whether it is done on October 1 or January 1. We are talking about the question of ferries and subsidizing tolls for emergency use ferries. I have read the list of amendments, and they are technical amendments. They have been considered by the staff, they have been considered by the members of this committee. When the Senator talks about trying to change this kind of bill by bringing something that he says would drastically change the highway program, he is right; it would drastically change the highway program.

He says it is an idea that is 30 years old; no changes over 30 years—automatic pilot, full steam ahead, no deviation.

Not so. And the Senator had a good deal to do with what we have changed, as he well knows. We have changed how urban funds can be used; we have provided the flexibility to use funds for bus lanes, to turn in urban interstate projects for mass transit authorizations. We have changed this particular piece of legislation, and we will continue to change it.

This idea of his is not a new one. It is something like a biennial blossoming. As I recall, it has been considered a number of times. In 1972 there were 18 votes for it, in 1973, 23 votes for it, in 1975, 22 votes for it, in 1978, 10 votes for it. Yes; 100 Senators considered it, they sure did, and they said it was a bad idea, and they said that the trust fund was working, and it was something that we ought to continue.

The trust fund is not something that spurs spending; the trust fund, in effect, has put a cap on spending. He cited some figures of 97 percent of the transportation dollar going to the highways. Who paid for it? It is a user tax; the people that use the highways pay for them. That is where the money came from.

Then the Senator talks about railroads. Sure, I am for railroads, and I think we need railroads. But we have to understand where we build those railroads. They have to be built along concentrations of population, along corridors. I am delighted that the Senator from Connecticut has those concentrations of population in Connecticut. Across vast parts of my State I do not have it. Nor does the Senator from West Virginia. The present Presiding Officer (Mr. CULVER) does not have it.

But the Senator who is sitting in the chair as Presiding Officer is one who is interested in bridges, and understands the dangers of bridges that need reconstruction, widening, and strengthening, and the number of fatalities we have had as a result of bridges failing. Where does the money for bridge repair come from? The highway trust fund. The Senator from Iowa wishes it could have been more, and I understand that, because we have thousands and thousands of bridges across this country that do not meet safe standards, and we are a long way from finishing that job.

Abolish the highway trust fund? Well, you gut the Federal-aid highway program. That is what you do; you put the whole Interstate System in jeopardy. It is just as simple as that.

As far as I am concerned, the highway trust fund has two rare attributes: First, it is a Government program that works, and second, it does not spend more money than it collects. There are sure not many of those. But this one, the highway trust fund, is that kind of a program.

For two decades, it has provided the means to build an Interstate Highway System that is of enormous significance to the citizens across our country.

What do you think the transportation problems would be in this country if we did not have the Interstate System, if we did not have an Interstate System that provided an economical kind of transfer of goods across this country, instead of some of the tortuous trails that we have had to traverse in years past?

The Senator from Connecticut suggests that we continue to collect the funds, that we put them in the general revenues. Well, now, what does that mean? Does it mean he wants to cut the amount of funds that are going to highways? If he does not mean that, then why bother to change it from the highway trust fund to general revenues?

The cost of maintaining highways is going up with inflation, escalating all the time. The demand for funds is constantly increasing. But the money that is going into the highway trust fund is leveling off. It has plateaued. I frankly believe that we have seen the peak in gasoline usage in this country, in spite of the increase in population, in spite of the fact that we have more automobiles every year. It has peaked, it has leveled, and it will probably go down. The reason is that we have mandated better mileage in our automobiles. The manufacturers are building cars that today give you 35 percent better mileage than they did just 4 years ago in this country, and they are going to have to do a lot more. Just a few moments ago I was talking with someone who was telling me that one manufacturer, Volkswagen, is coming out with an automobile that, 2 years from now, will give you 75 miles to the gallon, with a diesel engine. I hope they do, and that American manufacturers will beat them to it.

We had expenditures of $8.5 billion in fiscal year 1979. To those people who think there is fat in that fund, that we have billions of dollars sloshing around in the coffers begging to be spent, I say it is not so. It is not the case.

This committee and this Senator have resisted efforts to mandate new and higher levels of expenditures for our highways. Last year the Senate conferees reduced the House-passed funding levels by nearly $16 billion over 4 years—reduced them. When the Senator talks about lobbies, now, does he think that is something that is popular with them, that this so-called powerful lobby he was talking about was pushing this Senator to reduce funding, that they wanted it reduced by $16 billion? Certainly not.

In the future, we are going to see this highway trust fund under continued pressure.

Another argument we hear is that our highways are inherently inefficient, that they increase our dependency on imported energy. Well, that is just not necessarily the case, Mr. President. We had the committee make a study of the most efficient means of transporting people around cities and we found that the most energy efficient modes were vans and buses, and those modes depend on the interstate and other highway systems. In addition we have seen that only a limited number of metropolitan areas have the population density to support nonhighway mass transportation.

In most areas of this country, mass transportation must take the form of multipassenger motor vehicles that utilize the regional road and highway network.

The argument that the Federal highway program is inflexible and unresponsive to our current needs is also without merit. For 6 years, that program has been characterized by its flexibility.

I spoke a moment ago how we can use these funds for the purchase of buses, construction of bus lines, fringe parking, and all the rest.

With the approval of the Secretary of Transportation, urban areas can substitute a mass transit project for an unwanted interstate segment. The list goes on and on.

Mr. President, if you scrap the highway trust fund as proposed by the Senator from Connecticut, there will no longer be any certainty that adequate funds will be available to complete and maintain the vital arteries of highways across this country. Highway-related projects have long leadtimes, and the ability to enter into those obligations without waiting for appropriations allows the State agencies to plan their programs far in advance and make the necessary financial arrangements. To abolish the trust fund would be to replace a proven, effective program with uncertainty we can ill afford.

There is an old saying, "If it ain't broke, don't try to fix it." And this one ain't broke; it is working.

I do not pretend that the trust fund is sacrosanct, that it cannot be improved. We have made an honest effort to make the fund flexible and responsive to current needs, and we are going to continue that effort. When we do the highway bill next year, I would be pleased to take a very close look at any proposal to improve the system my distinguished friend from Connecticut wants to present to the committee and give it full consideration at that time. But that is the time we ought to consider a major piece of legislation such as he is now proposing to us.

Let me also point out that the trust fund is not a spur to highway spending. Historically, highway needs have generally far exceeded revenue generated by the fund—but we have made it a practice not to provide authorizations that exceed revenues. In this important respect the fund has acted as a cap—not a spur—on highway spending.

Mr. President, this amendment is clearly inappropriate. It suggests a fundamental change in transportation policy that has been carefully considered and soundly rejected by the Senate.

Remember once again this is a technical bill, and what the Senator from Connecticut has proposed is a major, drastic change in a program which is working. I urge my colleagues to defeat this amendment.

I reserve the remainder of my time.

Mr. RANDOLPH. Mr. President, could I inquire—I was away from the Chamber for a few minutes—what is the status now of the pending amendment offered by the able Senator from Connecticut (Mr. WEICKER)?

The PRESIDING OFFICER. The Chair will state that under this amendment 1 hour has been allocated equally divided with 30 minutes to the Senator from Texas and the Senator from Connecticut. The Senator from Connecticut has now used 17 minutes of his 30 minutes, and the Senator from Texas has used 12 minutes of his time.

Mr. BENTSEN. Mr. President, I yield such time as our distinguished chairman (Mr. RANDOLPH) may require.

Mr. RANDOLPH. I hope that Senators will reject the amendment to terminate the highway trust fund offered by the able Senator from Connecticut (Mr. WEICKER). I stress the fact that the trust fund has proved a valuable and flexible asset in meeting the highway needs of the Nation for more than 20 years.

It has afforded financing for the greatest public works program ever undertaken by any country in any age—the construction of the Interstate Highway System. It serves people. We recognize that this task is not yet completed. This is not the time to terminate the existence of the mechanism which has been responsible for the monumental accomplishment already achieved in this program.

We must also remember that the priority accorded interstate construction—a justified priority, I add—has obscured a number of other pressing highway needs. I speak of such needs as bridge replacement and rehabilitation, roadway resurfacing and repair and highway safety. We should not, I emphasize, terminate a financing source which has proven itself equal to the task of addressing needs of the magnitude of our Highway Transportation System.

Mr. President, I urge the rejection of this amendment for another important reason. The bill, H.R. 4249, now under consideration, makes technical amendments and addresses special needs, to last year's Highway Act.

The errors in the Senator's comments are many. They have been repeated year after year. Members here, and in the House of Representatives, have recorded their votes in favor of the highway trust fund.

Mr. President, I do not have a desire to reiterate what has been said year after year, although the chairman of our Transportation Subcommittee is correct in saying that this is not the appropriate measure to which to offer the amendment.

The Senator from Connecticut has every right to offer it, but this is a bill that is clarifying, which takes care of technical situations, and what we call pressing needs in certain parts of the country. However, I am ready to go to a rollcall vote rather than to take additional time.

Mr. President, I will say that the continued errors in the argument of my colleague are as evident today as they have been in the past. The response to those arguments frankly has been the best evidence of the Senate's belief that the highway trust fund is the instrumentality for more than 20 years which has brought into being in this country the greatest public works program in the history of any country in any part of the world. The Interstate program has been a people's program. It has served the people. The products of the farm, the factory, the mill and the mine are moving over this network of roads in this country, as well as those people who go from their homes to the mines of West Virginia or into the pursuits of day-by-day gainful employment in every State of this Union, including Connecticut.

I would welcome, as I say, although I am not the one who should say that, a rollcall vote on the amendment.

Mr. BENTSEN. Mr. President, there is one in the U.S. Senate who has done more work on the bill pertaining to a modern highway system across this country than the Senator from West Virginia. I applaud him for it.

I will say to my distinguished friend from Connecticut that, once again, this is not the first time that I have had a major piece of legislation which is technical and someone wanted to attach other amendments to it. I want to say that I will be glad to listen to his proposal in the next year, and after I have given him a fair trial, I will do my best to defeat his proposal.

Mr. RANDOLPH. Mr. President, will the Senator yield 60 seconds to me?

Mr. BENTSEN. I will be delighted to yield such time as the distinguished chairman desires.

Mr. RANDOLPH. I appreciate my colleague's yielding. I had a predecessor in this body, Senator Matthew Mansfield Neely. On one occasion he looked at his friend across the aisle and said, "If he was in need, I would climb the highest mountain to be by his side, I would swim the widest river to bring assistance to him, I would trudge through the snows of winter to help him, I would walk through the searing sands if I could be of assistance. Having said all this, the amendment he offers I cannot support."

He paid compliments to his friend as a friend, but the logic of the amendment he could not endorse.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, the distinguished Senator from West Virginia speaks as one who has the votes in his pocket. I have no doubt he is going to prevail here on the floor, no doubt at all. I only hope that it is within my lifetime to correct this. My position is established.

Mr. BENTSEN. I wish the Senator such a long lifetime.

[Laughter].

Mr. WEICKER. Now let me respond to some of the facts which have been put forth in the debate. The distinguished Senator from Texas has said that the trust fund is a cap. He knows well, as well as I do, that it is not a cap. The Congressional Budget Office estimates that anticipated receipts will not cover authorized spending levels over the next 3 to 4 years. The trust fund is operating with a $7 billion deficit in 1978. The trust fund revenues are leveling off, but the expenditures, as he has indicated, are increasing. It is possible that general funds will have to be used.

It is not a cap. He might have many arguments on his side, but he should not use that one.

Point No. 2: He asked the question, Does the Senator from Connecticut intend to cut highway funds? Yes, yes. Everybody thinks there is going to be a resolution of the energy crisis without any change in anything at all, that we can drive as much as we drove; that in the application of a transportation system, the highway is still going to be No. 1 and in its same relative position to other forms of transportation; that we can continue to embody or embrace those programs which do not give us additional production to the fossil fuel.

The Senator from Texas knows full well I mentioned additional production of fossil fuels as being essential to our getting out of the energy crisis. I point out to my distinguished colleague that I was the only New England Senator—the only one, and have been since 1973–74, for 5 years—to vote for decontrol and deregulation, so much so that I am called by my opponents in New England the third Senator from Texas. Texas hardly needs a third Senator.

What we do need is additional production, along with the conservation I mentioned, along with the alternate forms of transportation. That decontrol position is unpopular in New England, as I am sure my mandatory conservation position and my highway position is unpopular in Texas. But, Mr. President, it is those unpopular decisions that are going to get us out of the crisis we are in. And until they are made, there is no getting out. That is the problem.

Even the President is tied hand and foot by the unwillingness of Congress to make the unpopular decisions. I am no fan of President Carter's, but do I think he deserves more support on the power that is given to him to get us out of this energy problem? I sure do and I have supported him on those points.

If you ask the people of the State of Connecticut what are our priorities right now in that small State, they would answer, "We need more bus systems, we need more rail service." This does not mean to say we do not have some highway needs, but they have become minimized as the Interstate System has been completed in some States. That is not the case in all States. What I am asking for is an option, locale by locale, to meet the circumstances of that area, and certainly more specifically, the circumstances that confront us as a Nation.

The Senator from Texas mentioned the fact that rail transportation is just good for those areas of heavy population concentration. That used to be the case; it is no longer. How many have heard Senator MELCHER from Montana stand up here and plead for Amtrak funds for his State, which, on a ridership basis up to now, would not justify additional rail service or the maintenance of the rail service that was there? But with people not being in their automobiles in Montana, they also have to get around.

I do not care if there is only one Senator. It has nothing to do with whether it is 1, 10, or 100,000; if people cannot move and cannot get into their automobiles something should be done.

Yes, I supported the Senator from Montana, as I would Texas, Iowa, wherever, in seeing to it that their constituents are protected from a crisis which is not regional in its nature but, rather, national.

Lastly, the business of its being a user tax. I pay it, as everybody does when we buy a gallon of gasoline. I am not necessarily paying that tax to build another highway; I am paying that tax so I can move—so I can move, however that occurs. Do you think the people who are sitting there in the world's greatest parking lot, on Long Island, bumper to bumper, for 2 hours, do you think that is what they want? Or do they want more efficient rail systems running between Manhattan and the Island? They want to move, however that is best accomplished. That is what we are paying our taxes toward.

How many of us have flown over sections of this country, and all of a sudden see a highway going to nowhere and ending? That is what I can see with this automatic pilot. This legislative automatic pilot is going to keep on spitting out those highways, even though there are going to be no cars on them. As you fly across this country, you are going to see stretch after stretch of concrete, ending nowhere with nothing on it. There will be the final testimony to the legislative wisdom of the U.S. Senate.

Mr. BENTSEN. Mr. President, I have a great respect for the Senator from Connecticut and his deep concern, and that is why I overlook his lapses in logic when he gets to something like the highway trust fund. I accept his prejudice in this regard, but I cannot agree with him.

When he talks about long-distance trains for passengers and how effective they are, I find that a little difficult one to accept, too. Anybody who tries to get on a train and go from New York to Los Angeles is trying to entertain his grandchildren. There cannot really be any economic reason for that. You can get all the people that take a passenger train for those long distances three airplane tickets and buy the railroad buffs a free Lionel train set, and the taxpayer would be better off. Once again, there are places for passenger trains, but the places are where you either have population corridors or you have reasonably close population centers to take care of.

As to what the Senator said about the deficit in the trust fund, let us be sure we understand what we are talking about. At the present time, the trust fund has a $12.5 billion surplus and we are trying to stretch that out. That is why we held down these expenditures this time, because we can see some of the problems that are forthcoming in the way of decreasing revenues coming from cars that give better gasoline mileage, so people are paying less and less into the highway trust fund as these years pass on.

We have brought forth what we think is a minimum program, needed for the modernization of our highways, for rebuilding the bridges that are not safe in this country, for trying to build safer roads to have the lives of our people. The program that we agreed on last year, after long and lengthy debate, after long and lengthy hearings, as a sound one for this country of ours brought about substantial changes in the utilization of the trust fund. I ask my colleagues not to do violence to that now on a technical amendments bill that did not, in any way, anticipate this kind of major legislation.

I urge the defeat of the amendment.

Mr. WEICKER. Mr. President, I intend to yield back the remainder of my time after just two comments—one question and one comment.

First of all, the Senator from Texas asked the question, where would we be if we did not have this system, this highway trust fund? I will tell you where we would be: We probably would be where we were right after World War II, when we had no highways, and we would be where we are right now in the year 1979, where we have no rails. That is where we would be and where we are.

The question I ask the Senator from Texas—I have to lay my traps out in front of me here. I realize it is going to be several years before the correctness of my position is borne out.

I estimate that you fellows—by that I mean the committee, the distinguished Senator from West Virginia, and the distinguished Senator from Texas—are going to have to go for general fund moneys to balance things out sometime in the near future.

I wonder if the distinguished Senator from Texas would like to comment: At such time as any portion of this fund has to be supplemented by general funds, would that be the proper time, then, will we then have crossed the line to the elimination of the highway trust fund, therefore sending up the whole issue each year for legislative determination, rather than just some small part of it, which is asking for supplementary funding?

Mr. BENTSEN. I say to my distinguished friend, when that time comes—if it comes, and it may well—when we have problems with having adequate funds in the highway trust fund, I would not anticipate at that time going to general revenue. At that time, I would anticipate that we would increase the user tax to take care of it and that the users would continue to pay for the highway system in this country.

I know that is not going to be in the next year or two, but I have previously proposed that and I anticipate that I shall propose that again.

### SAVE THE HIGHWAYS

● Mr. HUMPHREY. Mr. President, I rise in opposition to Senator WEICKER's amendment to abolish the highway trust fund and divert revenues to the general fund of the Treasury. This action would result in the diminishment of our Nation's highway program, and highways remain the crucial link binding my State of New Hampshire.

The highway trust fund has been a model Federal program which has been of great benefit to New Hampshire. We must not suddenly turn our back on such a model program.

In addition, this program is still urgently needed. Recently, the Federal Highway Administration released some startling figures stating that:

Nearly half of the Nation's 1.9 million miles of paved roads are rated "very poor" or "fair";

Nine percent of all paved roads are beyond repair and must be rebuilt;

Approximately 105,500 of our 563,500 bridges are listed as needing repair or replacement. Allowing our Nation's highways to fall into disrepair will result in increased accidents, leading to increased injuries and deaths, and to the destruction of property.

As the distinguished Senator from Connecticut knows, it is the motor fuel tax that supplies the majority of funds for our highway program. The program has been hit especially hard by inflation, since the Federal tax is fixed in cents per gallon of gasoline sold and does not increase with the inflation rate. There has been no increase in the 4-cent Federal gasoline tax since 1959, thereby reducing the buying power of the funds available. Another cause of decreased revenues for the trust fund is the increased fuel efficiency of vehicles which tends to erode the total dollars available.

At the same time, there is concern regarding the condition of our Interstate System. Some of it is over 20 years old and badly in need of repairs.

These facts make it necessary that we do not suddenly change course in our Nation's highway program. This Nation relies on its highways as an essential means of transportation.●

Mr. WEICKER. Mr. President, I am prepared to yield back the remainder of my time.

Mr. BENTSEN. Mr. President, I am

prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The question then occurs on the amendment of the Senator from Connecticut. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. LONG), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. BAUCUS) and the Senator from Tennessee (Mr. SASSER) are absent on official business.

I also announce that the Senator from Alaska (Mr. GRAVEL) is absent because of illness.

I further announce that, if present and voting, the Senator from Montana (Mr. BAUCUS), the Senator from Nevada (Mr. CANNON) and the Senator from Alaska (Mr. GRAVEL) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH) is absent on official business.

The PRESIDING OFFICER (Mr. PRYOR). Are there Senators in the Chamber desiring to vote?

The result was announced—yeas 9, nays 82, as follows:

[Rollcall Vote No. 370 Leg.]

YEAS—9

Chafee
Cranston
Javits
Kennedy
Pell
Percy
Proxmire
Tsongas
Weicker

NAYS—82

Armstrong
Baker
Bayh
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Church
Cochran
Cohen
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Williams
Young
Zorinsky

NOT VOTING—9

Baucus
Biden
Cannon
Danforth
Gravel
Huddleston
Long
Morgan
Sasser

So the amendment (UP No. 663) was rejected.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, I commend the chairman of the Transportation Subcommittee, Mr. BENTSEN, for holding hearings and reporting H.R. 4249, which addresses some of the problems in the implementation of the Surface Transportation Assistance Act of 1978.

Under this law, the Secretary of Transportation had the authority to select three States in which to conduct access control demonstration projects. One of the States selected was Arkansas. Arkansas officials, in addition to officials from the other two States, have been engaged in a battle with the Federal Highway Administration over the Federal-State shares. Arkansas State officials assumed, quite naturally, that the $3.3 million project would be completely funded by the Federal Government as other demonstration projects have been.

The Federal Highway Administration took the position that Congress intended for projects to be funded on a 75 to 25 percent matching basis. The committee report states clearly that the conferees on the Surface Transportation Act intended that the funds for the access control projects were to be obligated on the same basis as other demonstration projects, namely 100 percent federally funded. This should eliminate the confusion on this program and permit the States to proceed.

I urge expeditious action by the Senate on this legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. ROTH. Mr. President, I commend the committee, especially the chairman and ranking member of the full committee and their staffs for their personal efforts in addressing the critical bridge replacement needs of States such as Delaware in these technical amendments.

In addition, I commend the chairman of the subcommittee, who represents the great State of Texas, for his understanding and support for a solution to this small-State problem. I also commend the ranking member of the subcommittee who represents the great State of South Dakota for his concern for the balanced bridge needs of States like his and my own.

These technical amendments would correct an oversight in the 1978 act which has had a severe impact on the critical bridge replacement needs of States such as Delaware.

Last year the Environment and Public Works Committee under the leadership of the chairman and ranking member established the $200 million discretionary bridge program. This program addresses the critical needs of States to be able to fund high-cost bridge projects which cannot be funded in reasonable time under the regular bridge replacement program. Although not included in the Senate-passed version of the act, a provision was added in conference making only bridge projects costing $10 million or more eligible for funding from the discretionary bridge fund.

However, many vital bridge projects which impact entire regional transportation networks cost many times the annual allocations of certain States, such as Delaware, under the regular bridge replacement program—but cannot be funded because the projects cost less than $10 million. These States are in a real bind when it comes to funding these bridge projects.

One such project is the Augustine Bridge, a vital, high-cost, high-traffic volume arterial link in the civic and commercial heart of metropolitan Wilmington, Del. Replacing this bridge, which has been closed as unsafe since May, 1978, will cost over $6 million. But the $10 million minimum removes this project and other high-cost, high-traffic volume bridges costing less than $10 million from eligibility for the discretionary bridge program. The $10 million minimum also acts as an incentive to States to inflate the costs of their bridge projects in order to meet the minimum.

Last year when I brought the Augustine Bridge problem to the attention of the committee as well as the House Commerce and Transportation Committee, their response was swift and responsible. In December 1978, I wrote the chairman and ranking member about the oversight in the 1978 act, and in January of this year I and the other members of the Delaware congressional delegation introduced S. 258, legislation to correct this oversight. At that time the committee immediately began considering correcting the Augustine Bridge problem as part of these technical amendments.

Section 8 of this bill would correct this oversight by also making eligible for the discretionary bridge fund those projects costing at least twice the annual allocation to a State under the regular bridge program. In addition, section 8 would permit Delaware, which has previously transferred urban system moneys to its bridge replacement program in order to fund the Augustine Bridge project not eligible under the discretionary bridge program, to transfer those moneys back to its sorely needed urban system projects when the bridge project becomes eligible under section 8. This language prevents the anomaly of a State "robbing Peter"—its urban system projects—"to pay Paul"—its bridge project made eligible under the discretionary fund.

I have a couple of questions for the chairman concerning the committee's intentions to solve this Augustine Bridge problem once and for all under section 8. First, by making the Augustine Bridge eligible for the discretionary program under section 8, is it not the committee's intention that the Augustine Bridge is a bridge which has come to the committee's attention as a logical choice for high priority assistance by the Secretary of Transportation under the discretionary program?

Mr. RANDOLPH. Yes, the Senator from Delaware is correct. The committee intends that the Augustine Bridge funding problem should be solved once and for all, and that the bridge is a logical choice for high-priority funding in the discretionary program in fiscal year 1980.

Mr. ROTH. I also understand section 8 directs the Federal Highway Administration to permit Delaware to transfer back urban system moneys to urban system projects where the Augustine Bridge has been funded as a stopgap measure under the State's urban system allocation. Is that the intention of the committee in approving section 8(b)?

Mr. RANDOLPH. Yes, it is. The committee believes that the Augustine Bridge should be considered quickly for funding when it becomes eligible under the discretionary program. Section 8(b) contains language which the Federal Highway Administration has stated would expedite their administrative obligations in considering the bridge for funding.

Mr. LEVIN. Mr. President, as I was campaigning for the Senate seat last year I came across a situation in Bay City, Mich., that should be corrected. Bay City has an established downtown district; this is attributable in large part to the preservation and character of the old buildings and street patterns in that area. Unfortunately, one of the bridges in downtown Bay City collapsed a few years ago. Bay City residents sought funds for its reconstruction. Some wanted to replace it in its same form—a two-lane bridge—in order to maintain the businesses and residences at both ends of the bridge. They were told by DOT, however, that if a study of probable future traffic needs showed a four-lane bridge was needed, they could have Federal money only for a four-lane bridge.

Many people in Bay City say that will result in the destruction of several blocks of small businesses and over 60 homes that were at both ends of the former bridge. Some Bay City residents did not want that; they just wanted their two-lane bridge restored so the businesses and residences could be preserved. The collapsed bridge has not been replaced. I am at a loss to understand why the Federal Government has to force communities to follow inflexible Federal concepts of what is good for them. I believe that the residents of Bay City know more about the needs and desires of their community and should be allowed the option to replace their bridge with a two-lane bridge, if that is their desire under these circumstances.

DOT says their conduct is controlled by law—23 U.S.C. 109—pertaining to standards for Federal highway assistance. That law states:

> (a) The Secretary shall not approve plans and specifications for proposed projects on any Federal-aid system if they fail to provide for a facility (1) that will adequately meet the existing and probable future traffic needs and conditions in a manner conducive to safety, durability, and economy of maintenance; (2) that will be designed and constructed in accordance with standards best suited to accomplish the foregoing objectives and to conform to the particular needs of each locality.

Senator Randolph, as chairman of the Senate Environment and Public Works Committee and as author of this particular statutory language, I ask your assistance in clarifying this language for me, DOT and the residents of Bay City. Does this section permit approval of only those projects and in particular, funds for the reconstruction of a bridge, which are estimated to meet probable future traffic needs or is that just one of several factors which the Secretary of DOT must consider. Should not the Secretary also weigh the effect of such construction on the local community and the impact of a wider bridge on existing businesses and neighborhoods?

Mr. RANDOLPH. Senator Levin, the assessment of future traffic needs of a proposed highway project is only one item to be considered by the Secretary in making a decision to approve a plan or specifications. Where other factors exist that outweigh the probable future traffic needs, the Secretary shall consider them and act accordingly. This means that where, as in Bay City, the preservation of the character of a business district is of great importance and value, and the local community supports the construction of a bridge which statistically may not meet projected future traffic needs, the Secretary may approve the plans and specifications for such a project. I agree with you, Senator, that the Federal Government should not ignore existing business and residential patterns and needs when funding a replacement bridge.

Mr. LEVIN. Thank you for this clarification.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. BENTSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from South Dakota yield back the remainder of his time?

Mr. PRESSLER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 4249), as amended, was passed.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BOSCHWITZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be one more conference report brought up yet this afternoon. Votes will occur on any or all of them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the moment there be a period for the transaction of routine morning business not to extend beyond 15 minutes, and Senators may speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## JAPANESE UNFAIR TRADE PRACTICES HURT AMERICAN RICE FARMERS

Mr. LONG. Mr. President, in 1979, the Government of Japan has initiated a program to dispose of nearly 5 million metric tons of surplus rice over the next 5 years. This program consists of massive export subsidies that allow Japanese rice to be sold at prices and on terms much more favorable than those of American rice, displacing sales of U.S. rice in foreign markets.

I am very troubled by this unfair trade practice of the Government of Japan. All of the countries that are parties to the agreements initiated at the conclusion of the Multilateral Trade Negotiations in Geneva early this year have pledged themselves to the elimination of just such practices as this. Subsidized exports distort world trade, create uncertainty, and invite retaliation. Where this Government can act to eliminate them, I believe it is our duty to do so.

Mr. President, the Government of Japan pays its farmers up to five times the world price for rice. The consumption of rice in Japan is on the decline. Normally, market factors would force producers of a commodity for which demand is declining to diversify, and to plant other crops. While it is said that the policy of the Japanese Government is to discourage rice production, these artificially inflated prices obviously have the opposite effect.

If the Japanese Government wants to buy surplus rice, and to make sure it will have more rice than can be consumed in Japan, that is the Government's own business. What is not purely a Japanese affair, however, is the impact of the exportation of that rice on the sales of other exporters of rice.

When Japanese rice is sold for export, it is sold at or under the world price. The loss is absorbed by the Government of Japan. That loss, Mr. President, is an export subsidy, just as surely and clearly as if it were a cash grant to farmers who export their crops.

Japan has during this year been selling large quantities of rice to Korea. Korea is a traditional commercial purchaser of American rice, grown by American farmers whose Government is not paying 80 percent of its cost. Japan has been selling even larger quantities to Indonesia. In 1976 and 1977, Japan did not sell a single grain of rice in Indonesia. In 1978, they sold 100,000 tons. So far, in 1979, since the beginning of the subsidy program, they have sold nearly half a million tons.

Mr. President, Indonesia is one of the largest purchasers of American rice under Public Law 480, and has lately bought small quantities for cash. There is strong evidence that Indonesia could become a significant commercial purchaser of U.S. rice very soon. But that assumes that we are competing with other exporting countries who are not engaging in unfair export subsidization. Japan has been unfairly subsidizing its rice export, and Louisiana rice farmers should not have to pay the price for this unfair foreign trade practice.

Japan has also been offering grants and concessional sales of rice to other countries, including Bangladesh, Tanzania, and Sierra Leone. There have been rumors of negotiations for sales to Peru. I do not oppose any legitimate form of food aid that will feed the hungry. But the Japanese seem to think that by selling rice on concessional and not commercial terms, they get around their obligation to avoid subsidizing primary products.

In November of this year, negotiators from the Department of Agriculture will be meeting with their Japanese counterparts in Tokyo. I think it is very important not only to America's rice growers and processors but to our overall trading relations with Japan, that the American negotiators take a firm position on the propriety and legality of the Japanese subsidy practices.

We should insist on four points. First, Japanese sales pursuant to their announced surplus food disposal program during the current fiscal year, which ends in March 1980, should be limited to those already carried out or subject only to ministerial ratification in Japan. They predicted at the beginning of the year that they would sell 200,000 tons. Current transactions alone may total the quadruple of that figure. Any additional sales during the fiscal year ending on March 31, 1980, should be on a strictly commercial basis.

Second, the Japanese should agree to true consultations with the United States before concluding sales under the rice disposal program to any actual or potential market for American rice, as required by the FAO surplus food disposal principles.

Third, the Government of Japan should bear the burden of proving that any concessional sale is to a buyer who could otherwise not purchase rice. This would mean that the market for subsidized Japanese rice will be a pure addition to what otherwise would be the world export market in the country.

Finally, the Japanese should be required to sell rice at prices that do not make subsidized rice cheaper than unsubsidized rice. This, after all, is the evil of government subsidies—about which there was agreement in Geneva.

Mr. President, the November negotiations are among the first trade talks between this country and Japan since the multilateral trade negotiations concluded. The United States should state clearly and emphatically that we mean to adhere to the obligations contained in the Geneva agreements, and that we expect our trading partners to do likewise.

Mr. CRANSTON. Mr. President, I associate myself with the remarks of the Senator from Louisiana. California rice growers as well are put in jeopardy by the Japanese Government's subsidy practices, which are in violation of the spirit of the Geneva agreements.

Mr. President, I am sympathetic with the plight of a government faced with overproduction of a commodity. But when export is adopted as a solution to domestic surplus problems, other nations' interests must be considered. Japan should not attempt to solve domestic problems by trampling on the rights of American traders who seek only to compete for foreign markets on equal terms.

I agree with the Senator from Louisiana when he says that it is important for the United States not to acquiesce—or even to be seen as acquiescing—in a weakening of the principles of the new Geneva accords. Rice is an important export crop in California, but even more important is the principle involved. Massive domestic subsidies are an unfair method of obtaining advantages in the world market. The United States has joined with Japan in agreeing to avoid their use. If we protest firmly and loudly now, not only will we prevent the threat of serious harm to our rice industry, but we will go far toward preventing the spread of unfair trade practices in the future.

Mr. PRYOR. Mr. President, as I listened to the statements of the Senator from Louisiana and the Senator from California, I found myself wondering whether the points they have proposed go far enough. It is, after all, possible that in the context of international negotiations, the Japanese will simply not agree to consult with us, or to raise their prices, or to do the other things we should ask. Or, it is possible that they will agree to do those things, but that the practical effect will not be very great. It is possible that the Japanese may agree to consult with us and then still sell subsidized rice that displaces exports from the United States.

I believe that a remedy already exists in American law to combat the very type of abuse that the Japanese are engaging in right now. Mr. President, that remedy can be found in title III of the Trade Act of 1974, as amended by the Trade Agreements Act signed into law just a few months ago.

Title III is very clear. Whenever the President determines that a country is engaging in policies inconsistent with a trade agreement, or otherwise unjustifiable, unreasonable, or discriminatory, or that burden or restrict U.S. commerce, he can order the imposition of trade sanctions. These can include quotas, withdrawal of concessions, or special import duties.

Mr. President, I am not even certain that the impropriety of what the Japanese are doing is determined only by the Geneva agreements. I think that, even apart from those agreements, subsidizing exports that can interfere with sales from the United States would be an unreasonable practice under section 301. But the Geneva text makes this absolutely clear. A subsidy may not be granted on a primary product if it gives the exporting nation "more than an equitable share of world export trade in such product." "An equitable share" is defined in historical terms. The Japanese are new to the export trade in rice. Almost any significant sales of subsidized rice creates more than "an equitable share" for Japan.

Mr. President, I fully agree that the Japanese practices must be stopped. I agree also that representations should be made during the Tokyo negotiations. I simply wonder whether those diplomatic efforts will be enough. Considering the harm threatened to rice farmers in my State, I want to be certain.

Mr. JOHNSTON. Mr. President, the remedy proposed by the Senator from Arkansas is a harsh one. I am not saying that there is not ample justification for invoking it. I believe that there is. Nor am I suggesting that the Senator is proposing retaliation against Japanese imports lightly. I agree that the seriousness of the threat to our rice producers is more than sufficient to make a section 301 determination appropriate.

I do think, however, that the American rice industry would want to give our negotiators every opportunity to negotiate a successful resolution without resorting to an action under title III. And I think a successful resolution can be reached, if our representatives in Tokyo make it clear that the Japanese export subsidy program is unacceptable.

Mr. President, the program is obviously unacceptable. For the Government of Japan to sell rice for export at a quarter of the price of purchasing that very same rice from domestic producers is to grant a subsidy. Without that subsidy, Japanese producers would have to absorb losses themselves, or diversify, or do any of the other things market forces require of an inefficient industry.

In the early part of this year, the Japanese Government was paying producers over $1,400 per ton, and exporting at $225 to $275 per ton. Mr. President, that is unfair to American and other rice exporters. It is in our power to stop it, if we act decisively.

Mr. President, I understand that the U.S. rice industry has already prepared a complaint under section 301 of the Trade Act. Whether that complaint will be filed is a question now in the hands of the Government of Japan. For my part, I have no doubt that the complaint would succeed. But I think all of us prefer that the industry not be forced to file it.

Mr. COCHRAN. Mr. President, Mississippi has but recently entered the growing ranks of rice-exporting States. I want to add my voice to those of my colleagues who have called upon the Government of Japan to cease its unfair competition with rice producers in the United States.

American rice farmers are not seeking any kind of special concession or favor. They are asking only to be allowed to compete on equal terms with their counterparts in Japan, just as they now compete with exporters from other nations.

Mr. President, I favor the approach taken by the junior Senator from Louisiana. I agree with him that, were a complaint filed by the U.S. rice industry under section 301 of the Trade Act of 1974, the President would be authorized to order retaliation against imports from Japan into this country. I, too, believe that the seriousness of the threat to the American industry and to American trade policy in general more than justifies this extraordinary relief.

Like the Senator, however, I also hope that it will be possible to resolve this matter at the diplomatic level. I cannot accept the view that the Japanese will voluntarily assume a posture so clearly unacceptable under the terms of the agreements they signed in Geneva.

Mr. President, the multilateral trade negotiations resulted in what history may record as a great and irreversible step toward commercial détente among the trading nations of the world. A great many sensible measures were agreed upon, and many rational principles were enunciated. We believe in the results of the Tokyo round. We must insist that other nations which accepted obligations under those agreements live up to them. This is of vital interest to American rice producers in the short run, and to all Americans concerned with international trade.

## JACK PERLMUTTER

Mr. THURMOND. Mr. President, Jack Perlmutter, a gifted Washingtonian, has established himself as a prominent American artist.

Mr. Perlmutter has become well known in South Carolina where he was artist-in-residence at the Gibbes Art Gallery in Charleston and the Museum School of Art in Greenville. Additionally he has displayed his works in a one-man show at my alma mater of Clemson University.

Currently, Mr. Perlmutter is a contributing editor to Art Voices/South, a new magazine which concentrates on southern artists and art activities in the South.

Also he is a professor of art and chairman of the graphics department at the Corcoran Gallery School of Art and is a highly respected artist.

Much of Mr. Perlmutter's art may be seen throughout Washington. One fine work is a painting which is now hanging in the National Air and Space Museum.

His art has been seen by countless people from across the country and has contributed greatly to our artistic heritage.

## FEDERAL DISTRICT COURT DECISION ON TERMINATION OF MUTUAL DEFENSE TREATY WITH TAIWAN

Mr. THURMOND. Mr. President, I rise today in recognition of the recent decision by Judge Gasch that President Carter violated the Constitution by unilaterally terminating the U.S. Mutual Defense Treaty with Taiwan.

As 1 of 25 plaintiffs in the lawsuit in which Judge Gasch made his ruling, I have taken the position that the Framers of the Constitution prohibited the President from terminating treaties unilaterally without the advice and consent of Congress. I continue to take that position and I am delighted that a Federal judge has upheld that interpretation of the Constitution as correct.

It is my understanding that the Justice Department, acting for the President, plans to appeal the district court's ruling. I hope the appellate courts will see the wisdom of Judge Gasch's decision and uphold it. By so doing, the Federal courts will be following sound principles of constitutional law, thereby recognizing the proper role of Congress in the conduct of U.S. foreign policy.

## AWARD TO SENATOR ROBERT MORGAN OF NORTH CAROLINA

Mr. THURMOND. Mr. President, recently it was a personal pleasure and great privilege to be included with a group of members of the Non-Commissioned Officers Association of the U.S.A. (NCOA) to present a special award to my colleague and friend, Senator Robert Morgan of North Carolina.

A very handsome plaque named the "NCOA Vanguard Award," and especially designed for the occasion, was given to Senator Morgan for his dedication and loyalty to the noncommissioned and petty officers corps of the U.S. Armed Forces.

Among the many contributions he has made on behalf of this gallant corps—the backbone of our military services—NCOA cited two of his bills and his interest in the uniformed recruiter.

One bill, already enacted into law, authorizes the first sergeants major of the Marine Corps to recalculate their retired pay, the same as provided later for their successors in all branches of the services. The second bill calls for equal per diem payments for officer and enlisted personnel.

The third citation in the award is of great importance to the NCO and Petty Officer Corps. It is concerned that many recruiters are being unjustly charged with irresponsible recruiting practices when, in reality, the system is at fault. Senator Morgan intends to see that these recruiters are fairly treated.

I was pleased, of course, to see the NCOA make this award to such a distinguished legislator. What made it better was my being invited to assist in the presentation.

Again, I commend the NCOA for its excellent service to the enlisted personnel of our Armed Forces, and I congratulate Senator Morgan for being honored by this association of 180,000 men and women of the Army, Navy, Marine Corps, Air Force, and Coast Guard.

## INCREASING WEAKNESS OF U.S. NAVY

Mr. THURMOND. Mr. President, a powerful letter has been written to President Carter by the National President of the Navy League of the United States, J. J. Spittler, regarding the increasing weakness of the U.S. Navy.

President Spittler has rendered a fine service to our Nation by calling upon the administration to redress the serious shortage of ships in our Navy. He urges prompt action "to reverse this suicidal trend."

Mr. President, I ask unanimous consent that this letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

### An Open Letter to the President of the United States

Dear President Carter: Much has been written about your administration's plans for the 1981 defense budget and the ensuing four years. Frankly, the data I have seen and the reports I have read appall and frighten me. For I find it inconceivable that your planners could even remotely consider a budget that comes so close to decimating United States maritime power.

As I understand it, your Pentagon planners would, among other things:

Reduce the Navy's five-year shipbuilding program to 46 ships, fewer than 10 ships a year and some 100 fewer overall than the program sought by your predecessor in office—a program endorsed by you in the first year of your presidency.

Cut aircraft procurement to a level well below the current rate at which the Navy loses aircraft in peacetime operations, even though naval aircraft procurement in the past two years also has been below that level.

Markedly reduce weapons procurement across the board, even though stockpiles of key weapons are lower now than they have been for years.

Call for further civilian personnel reductions that would cripple even further the Navy's ability to maintain and repair its ships and aircraft.

Eliminate all funding for new amphibious assault ships, without which naval sealift and Marine Corps combat capabilities both will be drastically reduced.

Downgrade allocations for research and development, thus continuing a trend begun in your earlier defense budgets.

Slash the production line of one of our most competent aircraft producers so severely that it might well be forced out of business.

Reduce nuclear-submarine construction capability to the point that only one shipyard would be building such ships, and then at a rate only an eighth that of the Soviet Union's building rate.

In short, Mr. President, your planners, presumably operating under your specific instructions, would further reduce the Navy in the very near future to a level under 400 ships—at a time when over 600 are required—thus leaving the United States with a fleet only marginally able, if that, to maintain sustained air operations, far less capable of keeping even the present reduced inventory of ships and aircraft in operation, and allocated fewer resources than at any time in the last half century upon which to rebuild that fleet in time of crisis.

Mr. President, can this possibly be the legacy you wish to leave your country? Do you really want our once-mighty Navy to be second best? In short, does the evidence speak for itself?

You may well attempt to answer those questions, and many others which could be asked, by contending that only minimum-level planning figures are involved. It also is recognized that you have instructed your Secretary of Defense both to ask for an increase in the 1980 defense budget, and to anticipate more funds for the defense portion of the 1981 budget which you will submit to the Congress in January. Mr. President, that is all to the good. But it is not enough.

Will you momentarily reflect on the uses to which the limited additions to the 1980 budget will be spent? For example, the $2.7 billion addition you recently have requested of Congress will serve only: (1) to close the gap between the allowed 6 percent inflation rate and the actual double-digit rate; (2) to counter changes in currency rates caused by the weakened dollar; (3) to pay for the higher fuel costs imposed by OPEC; and (4) to more fully fund maintenance and repair work already planned, and already in the budget.

Those expenditures may pay fully for what you previously have requested, Mr. President, but they won't buy any new hardware. They can't commence the rebuilding process of our naval and military weapons inventory that is so vital to the nation's safety. In fact, they'll do no more than permit the Navy to operate in a more realistic environment, rather than being forced to plan and operate under totally unrealistic funding postulates imposed by planners whose motives become more suspect.

And what will the 1981 budget permit the Navy to do to improve the situation? As nearly as I can interpret the more credible analyses I have read, Mr. President, the 1981 funds you reportedly plan to request will, in the long run, only maintain the Navy at about today's dangerously reduced level. I do understand and appreciate, however, that there were some concessions made affecting the whole 1981–1985 period and mitigating to some extent the worst effects of the earlier defense program guidance given the services last July.

DDG-47s will be built at a more sensible rate of four a year. An experimental destroyer will be continued in the R&D stages—but will not be funded for construction until two years after originally planned. The attack submarine rate will be up slightly, although it still will be below what is required to build the Navy to previously approved and vitally essential force levels. Funding for the much-needed LSD-41 amphibious assault ship will be restored in the later years of the period.

Aircraft production will climb above the rate of loss to attrition, but those aircraft remaining in the Navy's inventory will have to be flown far longer than desirable from either a safety or an operational viewpoint. The business base of one long-time supplier of Navy aircraft will be sustained, so that means he won't be forced to completely shut down. Weapons procurement will be up, thus increasing stockpiles modestly.

But even if those plans do become reality, at the end of the five-year period the Navy still would be barely able even to meet *today's* commitments, let alone those that will undoubtedly be imposed during the increasingly dangerous years ahead.

Because the fact is, Mr. President, what your budget planners refer to as an "enhanced" shipbuilding program still would be more than 40 ships below what the Chief of Naval Operations submitted to the Chairman of the Senate Armed Services Committee this year as being *absolutely necessary* if the Navy is even to hope to hold its own on the high seas. Insufficient numbers of aircraft will be built. Weapons stockpiles still might not be enough to carry us through the first stages of a sustained war. Navy manpower will be down, with the shore establishment being manned at only three-quarters of demonstrated need. And the Navy still will be struggling just to stay even with the maintenance and repair backlog, while the major overhaul picture becomes next to impossible.

The defense budget increases you now appear willing to approve will be of minimal help, although they might impress some uninformed voters. But they still are a mighty long way from insuring that five years from now we will have a Navy adequate to carry out the traditional role of securing freedom of the seas.

While our Navy is struggling to maintain bare steerageway, on the other side of the world the Soviet Union is building aircraft carriers and cruisers at an unprecedented rate.

They could have as many as eight carriers in five years. They already have a cruiser at sea with a system as good as our AEGIS radar-and-weapons capability—a capability we won't have in our fleet for at least two more years. As noted, their submarine construction rate is eight times ours. And each year they're operating farther from their home bases on an ever larger scale and with greater effectiveness, competence, and confidence.

Mr. President, no matter what happens to SALT II, no matter whether the Soviet brigade in Cuba stays or goes, the United States still needs an ever more powerful Navy. All the strategic warfare capability imaginable will not protect our waterborne oil lines if they become threatened by Soviet fleet units. Nor will our strategic forces enable us to go to the aid of our allies around the world in confrontations short of nuclear war without further endangering our safety. Nor, finally, will our strategic forces afford assurance to our merchant marine, and those of our allies, that they can sail the seas peacefully and trade where and when they wish without intimidation by a foreign power.

So, as you face the budget decisions immediately ahead, I implore you to pay more than lip service to the terribly serious needs of the Navy. Throughout the country I hear those who, despite the vigorous denials made by your budget planners, are convinced the Navy is deliberately, systematically, and ruthlessly being decimated—against the recommendations of your senior naval and military advisers. When your planners slash naval ship and aircraft procurement plans for the future to the levels here indicated, I cannot but wonder if perhaps those critics aren't right.

Mr. President, when historians write the record of your time in office, you'll not want to be remembered for the methodical sinking of the Navy in which you once served and on which our nation, and the entire Free World, so strongly depend. That may well be the most conspicuous mark you leave on the pages of history unless you act now to reverse this suicidal trend. For the military reality in today's world is that to be second best is to be dead last!

Sincerely,

J. J. SPITTLER,
*National President, Navy League of the United States.*

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## THE PORT OF PROVIDENCE BEGINS CONTAINER SHIPPING SERVICE AND PROMOTES INCREASED TRADE

Mr. CHAFEE. Mr. President, last Friday marked an important event in the area of international trade for Rhode Island.

I am pleased to announce that on Friday, October 19, the first container barge left the Port of Providence loaded with Rhode Island and New England exports, via the Port of New York. This signaled the commencement of a new weekly container shipping service between Providence and New York, that will connect the Port of Providence with modern containerized ports throughout the world.

Almost all major ports deal in containerized cargo because it is safer, faster, and more economical. Shipments made in containers reduce damage and pilferage. They can be loaded and unloaded in just hours, while bulk cargo could take days to be transferred to and from ships. This means extra dock costs and lost time to shippers.

Containers can be placed on wheeled chasis and easily hauled by trucks or trains to their ultimate destination.

Friday's maiden voyage will have several significant ramifications for New England trade.

First, New England businesses will now be able to save time and expense by utilizing a New England port that has access to every ship serving New York. The feeder service between Manhattan and Rhode Island is part of the same steamship line that ships exports and imports through New York port. The only cost to New England firms is an overland freight charge from Providence.

Second, the use of container shipping is a first for Rhode Island, and represents the first step for the Port of Providence in becoming a major east coast container port.

Plans to rehabilitate the Port of Providence to make it a full container terminal are already underway. Port, city, and State officials are pursuing Economic Development Administration matching loan programs, engineering firms have completed the necessary preliminary studies on dock refurbishment, and private operators of the container barges are negotiating for the sale of a large permanent container crane.

Third, exporting will be made easier and more economical for companies, especially smaller ones, that have previously believed that shipping through New York presented many obstacles. Companies from Rhode Island, Connecticut, and southern Massachusetts can now watch their packages being loaded on the container barges in Providence.

This is an opportunity that Rhode Island has so desperately needed to help promote trade. As a member of the Senate Export Caucus and of the Finance Subcommittee on International Trade, I am especially happy to note that the first container shipment was an export shipment of New England products. The barge contained Rhode Island manufactured products from such prominent companies as Bostitch, makers of industrial fasteners and power tools, and Avid Corp., which produces acoustical and audiovisual equipment. In addition, there were containers with other New England products, from firms such as the Norton Co., in Worcester, that were handled by Rhode Island freight forwarders.

Put simply, this type of port development stimulates exports; and Rhode Island, New England, and the Nation all stand to benefit from it.

Having sponsored a Providence conference this past May on expanding the Rhode Island export market, I am convinced that there is not a product made in Rhode Island that cannot be sold abroad, whether it is jewelry, skateboards, looms, or prosciutto ham. But it is unfortunate to think that of Rhode Island's total production of manufactured goods, less than 6 percent are exported.

I do want the world to "Discover Rhode Island," as our State motto says, and the maiden voyage of this container barge is a great step in that direction.

Congratulations are in order to the Mayor of the city of Providence, Vincent A. Cianci, Jr., and to the shipping and business communities for their commitment to this endeavor. Mayor Cianci has been instrumental in fostering this service.

I extend a very special note of appreciation to the port director, Mr. Eugene Neary, whose dedicated efforts have helped to turn one of the State's most important dreams into a reality. I commend Mr. Neary for a job well done and wish him and the Port much continued success.

Thanks to the work of the Mayor and of Mr. Neary, Providence is on its way to becoming a major port.

Mr. President, I ask unanimous consent that the following two articles on the Port of Providence be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Providence Journal, Sept. 12, 1979]

### SHIPPING LINES GIVE CONTAINER IDEA REALITY

Providence.—Five steamship lines serving nearly every major port in the world have agreed to provide container service to the Port of Providence using the McAllister barge feeder service, it was disclosed last night at a meeting of the local World Trade Club.

Mayor Vincent A. Cianci Jr. told more than 100 members attending the dinner at the Holiday Inn that the first barge of the McAllister firm is scheduled to arrive at the port Oct. 18. He said McAllister bargers will arrive every Thursday from New York and return those evenings.

The mayor also said that the private operators of the container terminal that will open next month have found a large container crane in Rotterdam and are negotiating its purchase. If all goes well, the Port of Providence could have a permanent, heavy-duty container crane in operation at Berth 6, within four months, Cianci said.

Last night's announcements indicated that the container terminal plans are becoming reality and that the new service has elicited interest among shippers. The attendance at the meeting was the largest in several years, and shippers asked a number of questions about the technical aspects of the container operation.

"Everybody at the Port of Providence is enthusiastic," said Port Director Eugene Neary. "The adrenaline is flowing."

The five steamship lines will offer bills of lading directly to Providence, giving shippers the ability to send containerized cargo directly here from almost anywhere. Until now, most area companies have shipped goods or ordered materials through New York or Boston and trucked containers from those ports.

Most shippers prefer containerized cargo because it cuts down pilferage and damage. Containers, which can be placed on wheeled chassis, can be easily hauled by trucks to their ultimate destination.

The steamship lines involved are Atlantic Container Lines, Evergreen, Sea Train, Dart and Farrell. They are expected to maintain an inventory of containers and wheeled chassis at the port for use by shippers.

Providence's container terminal is expected to break the near-monopoly held on New England container shipping by the Port of Boston. Cianci, noting a Massport representative's presence in the audience last night, said, "We're out to be as big or bigger than the Port of Boston."

Providence will collect a fee of $16 per container and other fees. The initial container terminal here will involve two mobile cranes operating at Berth 2 and about three acres of storage area.

The McAllister firm expects to handle initially about 100 containers, each 20 or 40 feet long, per barge. Port officials have estimated that about 7,500 containers will go through the new terminal in the first 12 months.

Much of last night's program involved Cianci trying to sell shippers on the idea of using the new Providence container terminal.

"When you go to other ports, it's a three- or four-day effort to find your container," he said. "At Providence, it's a matter of hours. You can't justify to me driving to New York or Boston when you can drive your truck down 95 to get better service here at a lower price with no labor problems."

Cianci noted that McAllister, and any other container shipping service that comes in, has been guaranteed a berth every time one of its ships arrives.

A McAllister representative at the meeting said it was too early to say how large the firm's first cargo would be. He expects that exports will exceed imports because of "the enthusiasm in Providence."

"We have no qualms about this service working," he said.

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[From the New England Business magazine, Sept. 16, 1979]

### PROVIDENCE CONTAINER PORT GAINS MOMENTUM

A baby taking its first halting steps, the Port of Providence is slowly inching toward its goal of beginning container operations.

Providence, one of New England's largest importers of bulk cargo, and several other coastal communities for almost two years have enviously eyed the virtual container-monopoly held by the Port of Boston. But lack of land, money and a 9-to-1 imports-to-exports ratio have been the hurdles.

Now Providence seems finally to have found its stride. Late last year Mayor Vincent A. Cianci Jr. announced that private developer David Friedman, president of PM Industries which includes Port Providence Warehousing Inc., had agreed to provide the land for storage, and the money to buy cranes and other container terminal equipment. John J. Orr, who runs the local stevedore operation, is to run the container terminal in partnership with Friedman.

Recently Cianci disclosed that McAllister Brothers, the largest carrier of containers into Boston, has agreed to bring in one barge a week of up to 200 containers, beginning October 1.

It was a breakthrough for Friedman, owner of a series of warehouses and a preparation service for imported cars brought through the port. He has been wooing steamship lines for almost a year.

In the original announcement last November, Cianci said one line had agreed to bring in 25,000 tons of containers a week through the port. But port insiders were skeptical, as that amount equaled the container traffic going through Boston's Moran terminal, an 8-year-old operation. When no container ships appeared as promised, Cianci's political opponents dismissed the container proposal as a preelection stunt. But port sources indicated that the mayor did indeed have a steamship line in hand, only to see it back out.

The mayor and Friedman have had trouble attracting shippers or steamship lines, partly because of the import-export imbalance, they acknowledge. Ships don't want to come in full and leave without a cargo. But they say privately that another reason is Massport, which runs the Port of Boston.

Several Port of Boston employees last year indicated that a Providence container terminal could hurt their business. "A Providence container port could do a hell of a job on us," one said.

"Those guys in Boston have been turning the screws," said one Friedman staffer. He said shipping lines have indicated fears that if they take some of their business to Providence, they could end up with problems in Boston.

McAllister, which ships more than half of the containers going into Boston, apparently intends to circumvent this. The plan is to solicit shippers to send their containers coming overseas to New York, where they will be transferred to a barge bound for Providence.

McAllister's general manager admitted in a recent interview that the company did not have any shipping lined up. But Cianci said the city is embarking on a big sales push to get companies in Rhode Island and nearby Massachusetts and Connecticut to ship through Providence.

"We've had a number of firms say they would prefer to go through Providence, if it only had a container facility," Cianci said, citing American Tourister, which makes luggage in Warren, R.I.

Sidal Aluminum, a New Jersey firm which began shipping aluminum through Providence about six months ago, indicated recently that it would love to ship the cargo in containers for better protection.

But Lawrence Carrera, a vice president in Friedman's firm, said it has been a vicious circle. The shippers want to see commitments by steamship lines first, and the steamship lines won't come in unless they are guaranteed enough business to make it profitable. And neither side will become enthusiastic until they see cranes up and container ships coming in.

So Friedman plans to provide two mobile cranes and five acres of backland for storing 20 to 40-foot-long containers on wheeled chassis. By contrast, Boston containers are stacked for storage, in order to fit them all on a relatively short supply of land, 23 acres.

Friedman said he is willing to commit 50 acres to the container terminal, if the traffic develops, and eventually plans to install two heavy-duty container cranes.

The question now is whether McAllister can make a go of it in Providence, and whether a once-sleepy municipal wharf will become a major East Coast container port, bringing badly-needed revenue to the city.

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## FAIR FINANCIAL INFORMATION PRACTICES ACT AND PRIVACY OF ELECTRONIC FUND TRANSFERS ACT OF 1979

Mr. TSONGAS. Mr. President, I commend Senator Proxmire for yesterday introducing the Fair Financial Information Practices Act and the Privacy of Electronic Fund Transfers Act of 1979.

This legislation, which represents the commitment of the administration to implement many of the recommendations of the Privacy Protection Study Commission, attempts to balance the legitimate needs of business for the efficient exchange of personal information in our society while safeguarding personal privacy.

We are well aware of the technological advances in the communication and storage of information over the past few decades which have contributed greatly to the economy and well-being of our Nation, nonetheless we must also recognize that these same technological advances represent a potential threat to one of the most valued of our rights—the right of privacy.

Yesterday's standards are no longer adequate to deal with the enormous threat to the privacy of individuals represented by the fact that these technological advances have made detailed personal information readily available from the records that business collects. The threat of economic harm to the individual resulting from incomplete or inaccurate data is no less significant.

The Privacy Protection Study Commission recognized the need to move beyond our patchwork legislation and establish a national privacy policy formulated under consistent guidelines applicable to all segments of society.

These two measures are a major step toward that goal. Our task will not have been completed, however, until we have resolved the issue of Government access to our personal records retained by businesses such as creditors and insurers.

We expect the administration to present a further proposal, before the end of this year, dealing with access by Government agents to our personal records held by creditors and insurers. I would agree with the Privacy Commission that safeguards against unwarranted intrusion into our personal records by the Government is a very critical element in this important issue.

Over 80 years ago, a longtime resident of the State of Massachusetts, destined to become one of the most distinguished Justices of the U.S. Supreme Court, Louis Brandeis, declared that "the right to be let alone" is the right most valued by civilized man.

I am hopeful that consideration by the Congress of these measures as well as the issue of Government access will result in a national privacy policy that will finally provide adequate privacy safeguards for the individual.

I am supportive of Senator Proxmire's bill subject to whatever modification would seem to be reasonable following our hearings.

## SATELLITE COMMUNICATIONS AND NATIONAL SECURITY

Mr. PRESSLER. Mr. President, I am being given the "runaround" by the White House in trying to get an answer to some hard questions on satellite security questions.

I have expressed my concern over the need for national policy to address the problem of increased vulnerability of our communications systems to outside interference.

Advances in communications technology are concentrating greater percentages of our communications services on satellites. To facilitate public and industrial use of satellites, the Federal Communications Commission ruled on Thursday, October 18 to make licensing of Earth receiver stations optional. This decision heralds the explosion of satellite transmission.

While I welcome the increased services to rural and urban areas that will be provided by satellite technology, the concentration of our communications on a few satellites requires policy to address national security questions raised by these developments.

On two occasions I have written the President to urge action and to inquire about specific steps that have been taken in this area.

On both occasions, the response that I received from the White House offered nothing but superficial treatment of my concerns and gave no indication of consideration of the problem within the administration.

I express my deep alarm at this unresponsiveness.

I ask unanimous consent that my originating letter of October 10 and the October 19 reply from the White House be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
*Washington, D.C., October 10, 1979.*

Hon. Jimmy Carter,
*The President,*
*The White House,*
*Washington, D.C.*

Dear Mr. President: In April, 1979 I wrote to you to express my deep concern over questions of national security raised by developing commercial satellite technology. Having found no study of this issue, I asked what attention has been given this problem by our federal agencies.

With increased use of satellite facilities for broadcasting, our control over information transmitted to the American public is significantly reduced. Proposals for direct satellite-to-home television broadcast are being enthusiastically promoted by private companies, promising new and improved communications services. I have been informed by the Federal Communications Commission that there is nothing in present technology to prevent deliberate misuse or interference from an external source. Even when monitored by a station, there have been cases involving the broadcast of incorrect information for some time before the mistake was detected.

In the hands of unfriendly sources, a foreign satellite could broadcast false information for a period of time which would threaten our national security under certain circumstances. Although this is an extreme example, the vulnerability of our central broadcast facilities to interference or subversion poses a national security problem that requires immediate attention.

The National Association of Broadcasters has expressed concern that broadcasting satellites could present a vulnerable target to aggressors in time of war or when actions to disrupt the United States communications system are contemplated. In the event that developing technology results in the concentration of all national television broadcast communications on a relatively small number of satellites, these facilities could be easily destroyed, moved, or jammed, leaving no adequate backup system for emergency communications.

Comments regarding communications security made Department of Defense officials at Senate hearings on 1978 appropriations support this concern. Statements made at those hearings emphasize the need to protect important communications links. Security measures are used by the Department to "protect command and control communications from unauthorized access, exploitation of commands or information, and attempts at communication deception." Although the Department's communications security program includes all resources devoted to the protection of U.S. telecommunications against exploitation by foreign intelligence, it does not address problems involved in commercial operations.

Earlier responses to my letter of April 10 contained no information regarding the development of communications and defense policy to address this national security problem. I respectfully request a report of efforts underway in the National Telecommunications and Information Administration, the Department of Defense, and other agencies and departments concerned with national communications and security to ensure adequate protection of our communications facilities.

I urge your support for these efforts and thank you for your consideration of this serious matter.

Sincerely,

Larry Pressler,
*U.S. Senator.*

The White House,
*Washington, D.C., October 19, 1979.*

Hon. Larry Pressler,
*U.S. Senate,*
*Washington, D.C.*

Dear Larry: The President asked me to acknowledge his receipt of your letter of October 10 regarding national security and commercial satellite telecommunications. He has been apprised of your request for a report on efforts underway to protect U.S. communications facilities.

The President appreciates your comments and your concern. He has asked me to share your letter with several of his advisers, so that they might be aware of your views. A further response should be forthcoming.

Sincerely,

Frank Moore,
*Assistant to the President*
*for Congressional Liaison.*

## BIG OIL PROTEST DAY

Mr. HATCH. Mr. President, it is regrettable that many Americans were manipulated by the media presentation of "Big Oil Protest Day" October 17, sponsored by a letterhead group calling itself the Citizens' Labor Energy Coalition.

Americans are properly concerned with the price of petroleum products, which has risen precipitately this year. But the group's so-called program is no way to improve the situation. And the media's exaggerated attention to this nonevent was shocking.

The coalition's announced objectives were: First, a rollback of oil and natural gas prices and reimposition of price controls; second, an investigation into what it termed "phony" shortages, presumably manipulated by the oil companies; and third, establishment of a taxpayer-owned energy corporation. But many concerned Americans who carried placards in the protest obviously failed to consider the real consequences of the plan.

Briefly stated, a rollback of oil and gas prices, with controls reimposed, would lessen the incentives both for people to conserve energy and for domestic producers to accelerate exploration for new energy resources. The matter of phony shortages had already been laid to rest by the Department of Energy and the General Accounting Office, both of which determined on the basis of independent studies that the shortages were real. Nor is there any need for a taxpayer-owned energy corporation as long as there is aggressive competition among a vast number of domestic companies which produce, refine and market petroleum and petroleum products.

What is much more disturbing than the misguided zeal of the protest's leaders is the fact that, with today's communications technology, it is possible to mislead an entire nation by creating an event out of a nonevent. The "Big Oil Protest Day" was a case in point.

Though its sponsors, through a vigorous advance publicity campaign, predicted a massive turnout in about 20 cities around the country, only small groups of people actually showed up. At an earlier time in our history—before the mass impact of television—the protest would have been deemed a failure or it would have been ignored altogether.

Not so today. Because of the advance

publicity, TV networks scheduled coverage, not only of the nonexistent crowds, but also by multiple interviews with the protest leaders. Many of them were interviewed at length and given rich opportunities to state the protest's goals again and again.

By sheer repetition, these goals began to take on the aura of validity. By imputation, the relatively small number of demonstrators became a symbol for what the sponsors claimed to be a much larger group of passive adherents. By inference, the viewing public began to think an event had really taken place.

When a nonevent can take on the semblance of a mass protest—can almost take on a life of its own—it is time for us to reconsider how well the media are serving the public. It is time, as well, to examine the real motives of those who organize such media events. Indeed, such an examination by the media could be far more productive than the coverage of phantom rallies.

## MESSAGES FROM THE HOUSE

### ENROLLED BILL SIGNED

At 12:29 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1030. An act to establish an emergency program for the conservation of energy and to provide for a standby rationing plan for motor fuel.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. BRADLEY).

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3824) to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. DELLUMS, Mr. FAUNTROY, and Mr. MCKINNEY were appointed as managers of the conference on the part of the House.

The message further announced that the House insists upon its amendment to the bill (S. 1037) to establish an actuarially sound basis for financing retirement benefits for police officers, fire fighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. DELLUMS, Mr. FAUNTROY, Mr. MAZZOLI, Mr. MCKINNEY, and Mr. MARKS were appointed as managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of further conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

At 1:55 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 975) to authorize appropriations for fiscal year 1980 for intelligence activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4943. An act granting the consent of Congress to the compact between the States of New York and New Jersey providing for the coordination, facilitation, promotion, preservation, and protection of trade and commerce in and through the Port of New York District through the financing and effectuation of industrial development projects.

### ENROLLED BILL SIGNED

At 4:15 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bill:

S. 975. An act to authorize appropriations for fiscal year 1980 for intelligence and intelligence-related activities of the United States Government for the Intelligence Community Staff, and for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1979 for the intelligence and intelligence-related activities of the United States Government, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

## HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 4943. An act granting the consent of Congress to the compact between the States of New York and New Jersey providing for the coordination, facilitation, promotion, preservation, and protection of trade and commerce in and through the Port of New York District through the financing and effectuation of industrial development projects; to the Committee on the Judiciary.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, October 24, 1979, he presented to the President of the United States the following enrolled bill:

S. 1030. An act to establish an emergency program for the conservation of energy and to provide for a standby rationing plan for motor fuel.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

John N. Gentry, of Virginia, to be Under Secretary of Labor.

(The above nomination from the Committee on Labor and Human Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, as in executive session, from the Committee on Armed Services, I report the following nominations: Gen. James E. Hill, USAF (age 57), for appointment to the grade of general on the retired list, and Maj. Gen. Kelly Howard Burke, USAF, to be lieutenant general. I ask that these two nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN:

S. 1930. A bill to provide for death gratuities for the survivors of certain Central Intelligence Agency employees; to the Select Committee on Intelligence.

By Mr. THURMOND:

S. 1931. A bill for the relief of Ching-Yau Cheng and Mei-Wa Tam Cheng, his wife; to the Committee on the Judiciary.

S. 1932. A bill for the relief of Ching-Kee Cheng and Wun-Mun Wong Cheng, his wife; tions; to the committee on the Judiciary.

By Mr. CHAFEE:

S. 1933. A bill to amend title XVI of the Social Security Act to increase the amount of the supplemental security income benefit payable to individuals in certain institutions; to the Committee on Finance.

By Mr. BRADLEY:

S. 1934. A bill to provide for authorization of a price support loan program for municipal solid waste to energy systems; to the Committee on Energy and Natural Resources.

By Mr. McGOVERN:

S. 1935. A bill to revise provisions of title 49, United States Code, which discourage contract ratemaking by railroad shippers; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself, Mr. JAVITS, Mr. WILLIAMS, Mr. RIBICOFF, Mr. STEVENSON, Mr. MATSUNAGA, and Mr. TSONGAS):

S. 1936. A bill to ban the importation, manufacture, sale, and transfer of Saturday Night Specials, to improve the effectiveness of chapter 44 of title 18, United States Code, relating to gun control, to promote more effective management of certain law enforcement functions of the executive branch by transferring functions of the Secretary of the Treasury under chapter 44 of title 18, United States Code, relating to gun control to the Attorney General, a ban possession, shipment, transportation, and receipt of all firearms by felons, to provide relief for victims of handgun crimes, and for other purposes; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. LEVIN, Mr. BAYH, Mr. DANFORTH, Mr. EAGLETON, Mr. NELSON, Mr. MATHIAS, and Mr. MCGOVERN):

S. 1937. A bill to authorize emergency loan guarantees to the Chrysler Corporation; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GLENN (for himself and Mr. RIBICOFF):

S. 1938. A bill to ensure adequate protection of workers, the general public, and the environment from harmful radiation exposure, to establish mechanisms for effective coordination among the various Federal agencies involved in radiation protection activities, to develop a coordinated radiation research program, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BAKER:

S. 1939. A bill to amend title 28 of the United States Code to provide that certain judicial pleadings in the Commonwealth of Puerto Rico may be conducted in the Spanish language, and for other purposes; to the Committee on the Judiciary.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 1930. A bill to provide for death gratuities for the survivors of certain Central Intelligence Agency employees; to the Select Committee on Intelligence.

### INTELLIGENCE OFFICERS BENEFITS

● Mr. BENTSEN. Mr. President, today I introduce legislation to provide for the payment of 1 year's salary to the surviving dependents of CIA employees who are killed overseas as a result of hostile or terrorist acts, or in connection with intelligence activity having a substantial degree of risk.

We live in a time of global instability and danger. We face aggressive, provocative, and dangerous behavior by adversaries who are bent on the destruction of those very freedoms we Americans take for granted. Around the world we are faced with serious threats to American interests and serious dangers to American security.

It is absolutely essential that our Nation have intelligence information that is timely and accurate. We must have strong ground personnel to obtain information that is only available through on-the-spot analysis.

Mr. President, our intelligence officers perform the most difficult work under dangerous and often deadly circumstances. Their mission is vital to our national security, vital to protecting our national interests, and vital to the Western alliance.

These people who so courageously serve our country are vulnerable to foreign enemies, terrorists, and a small band of disgruntled former intelligence employees who have undertaken a reckless effort to destroy our intelligence capability and endanger our security.

We have seen a station chief in Athens, Greece, Richard Welch, murdered shortly after his identity had been revealed.

I have introduced S. 191, which would provide criminal punishment for former Government employees who reveal the identities of acting intelligence officers. I am confident that this bill can be enacted in the current Congress, and I will do everything that I can to see that it is. At the same time, we can never eliminate the great dangers facing our personnel overseas.

The bill I introduce today will provide assistance to the widows and children of CIA employees who are killed overseas as a result of hostile or terrorist acts, or in connection with intelligence activities with a substantial degree of risk. Benefits such as this are already available to employees of the State Department killed under similar circumstances and death benefits are also provided by the Federal Government to public safety officers in this country.

This bill would provide benefits to dependents of those who so courageously serve our country. We owe it to them for the risks they take on our behalf.

This bill has recently been introduced by Representative DERWINSKI and others on the House side, and like them, I hope that benefits are never paid out. I hope there would be no deaths resulting from dangerous intelligence work. Nevertheless, in the dangerous world we live in it is possible, and this bill is necessary.

Also, I would add, it is fair, it is just, it is a clear statement of support of intelligence officers who serve this Nation at great personal risk, and I would hope it will be given swift approval by Congress. I urge my colleagues to join me in supporting S. 191, and the bill I introduce today.●

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By Mr. CHAFEE:

S. 1933. A bill to amend title XVI of the Social Security Act to increase the amount of the supplemental security income benefit payable to individuals in certain institutions; to the Committee on the Judiciary.

### PERSONAL NEEDS ALLOWANCES FOR SSI RECIPIENTS

Mr. CHAFEE. Mr. President, I am today introducing a bill which provides for an increase in the personal needs allowance for SSI beneficiaries in medical facilities.

Mr. President, when the supplemental security income program was enacted by Congress in 1972, it contained the provision that when an aged, blind, or disabled person eligible for SSI benefits becomes an inmate of a hospital, extended care facility, nursing home, or intermediate care facility receiving medicaid support, such individuals' benefit would be reduced to $25 a month to cover basic personal needs. Although the medicaid program supports the major institutional costs, including shelter and medical care, for such individuals, this $25 monthly personal needs allowance is expected to cover all other incidental personal expenses.

These are truly the forgotten people. It has been 7 years since this provision was enacted, and even though social security and SSI benefits have been increased to account for growing inflation, this personal needs allowance has remained the same. The same allowance also applies to social security beneficiaries who are in medicaid institutions, and even though their benefits have increased, they do not receive personally a share of this increase.

This meager amount can hardly be expected to cover the everyday needs of institutionalized persons, such as clothing and personal necessities, much less the cost of such small luxuries as a magazine or transportation for an occasional visit outside the facility.

My bill would increase this personal needs allowance to $30 a month for SSI recipients. This is a very modest, long overdue increase for our institutionalized aged, blind and disabled citizens.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1933

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) clauses (i) and (ii) of section 1611 (e) (1) (B) of the Social Security Act are each amended by striking out "$300" and inserting in lieu thereof in each instance "$360".

(b) Clause (iii) of section 1611(e) (1) (B) of such Act is amended by striking out "$600" and inserting in lieu thereof "$780".

(C) The amendments made by this section shall be effective with respect to benefits payable on or after the first day of the first month that begins more than 60 days after the date of the enactment of this Act.

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By Mr. BRADLEY:

S. 1934. A bill to provide for authorization of a price support loan program for municipal solid waste to energy systems; to the Committee on Energy and Natural Resources.

### MUNICIPAL SOLID WASTE TO ENERGY ACT OF 1979

Mr. BRADLEY. Mr. President, I introduce for appropriate reference a bill to provide financial incentives to municipal solid waste to energy systems.

In the past decade, resource recovery in the United States has evidenced the potential to play a major role in providing sections of the country with an alternative source of energy derived from urban waste. Today, there are seven large resource recovery facilities in operation, extracting energy from waste. Those plants have a combined daily design ton capacity of 5,800 tons. Small-scale commercial systems now in operation represent another 500 TPD in capacity. Four more plants with a combined ton-per-day capacity of 6,200 tons are in an advanced stage of start-up.

Recovery technology has crossed the threshold of technological feasibility and the Federal Government should now turn its attention to the widespread commercialization of urban waste to energy conversion systems. The systems in place today demonstrate that several technologies for both small and large scale systems can provide effective, reliable, and affordable means for recovering useful energy from waste while simultaneously solving the serious waste disposal problems of many local governments.

Yet the potential for resource recovery to make a significant contribution to the Nation's energy goals by substituting recovered energy products for increasingly scarce and expensive fossil fuels has barely been tapped. The capacity in place today will process less than 3 percent of the Nation's waste stream in 1980. The Nation continues to discard the energy equivalent of 200 million barrels of oil annually by landfilling and dumping solid waste. Although resource recovery offers the dual attractions of both economically disposing of waste and producing energy, the implementation of a project involves the commitment of large amounts of capital and is a complex and time consuming task. Successful implementation requires securing a reliable and sufficient supply of solid waste as a feedstock; obtaining the long-term contractual commitment of an energy buyer who is suitably located and whose energy requirements can be technically satisfied at an economically attractive price; and selecting a technology which can reliably produce a product to the buyer's specifications, reduce the volume of waste for ultimate landfilling to stipulated levels, and operate in conformance with various Federal and State environmental regulations.

In addition to the above-mentioned considerations, as a business venture involved in the sale of energy or fuel resource recovery projects must also meet competitive constraints in the local marketplace. Specifically, a substitute fuel must be produced for sale at a more advantageous price to the buyer than the fuel it displaces. Furthermore, the disposal of waste must be at a price that is competitive with the cost of landfill disposal.

The sale of a recovered energy product in a local market drives the economics of a resource recovery project and the price acquired for that energy product is the crucial ingredient in determining commercial feasibility. The capital, operating, and maintenance costs of a project must be balanced by energy revenues and disposal (tip) fees. Insufficient energy revenues in the early years of project operation can delay or defeat the implementation of a project. This is so because implementation occurs in a political context where local public officials have strong incentives to choose the least costly near term disposal alternatives, even where long run economics may argue for another choice.

Although resource recovery facilities have been demonstrated to be economic ventures in some areas of the country, there are situations where the price that can be obtained in the local market for the fuel substitute produced by the resource recovery project is too expensive in the short term to allow immediate implementation. For example, a resource recovery project producing energy to displace regulated natural gas may be competing against a fuel price of $1.50 to $2.00 per million Btu, while a project displacing oil is competing against a fuel price of $3.70 per MMBtu. While this gap presently exists, escalation in the price of gas and other fossil fuels which are substitutes for oil will close that gap over time.

Resource recovery projects typically have escalator clauses in their contracts with their energy buyers which have the effect of increasing revenues as the market price of the displaced fuel rises. Thus, using reasonable assumptions about escalation, these projects will be economically attractive over their useful life. This does not, however, solve the immediate problem of the local public official who seees a tip fee for disposal that may be significantly higher than the cost of landfill disposal in the early years of project operation. (Revenues from the energy stream of a recovery facility are governed by the cost of competing fuels; whereas, the disposal (tip) fee is ultimately governed by localized political considerations; that is, what the citizenry will tolerate.)

The local official may delay a decision to go forward with project implementation where the tip fee is not competitive with landfill disposal and where the cost for the energy produced is not competitive with existing fuels. As a consequence, a potentially valuable source of energy will continue to be buried in the ground.

In many respects urban waste to energy conversion systems can be compared to solar hot water and solar flat plate collector heating systems. If judged on a life cycle cost basis (where competing fossil fuels are expected to increase in cost) those alternative energy systems using renewable resources, will be competitive over time.

National policy should encourage displacement/conservation of higher quality fossil fuels including especially oil wherever possible by accelerating development of alternative energy resources even where local energy market conditions pose barriers. A short-term price support loan program can shift forward to the present energy revenues in early years which would normally not be realized until later years through the effects of fuel escalation. This enables a project to show a lower "tip" fee in early years, and appear more attractive to local decisionmakers.

### PROGRAM DESCRIPTION

The price support loan program for urban waste to energy systems proposed by this legislation is premised on a national policy to encourage substitution of alternative fuels for scarce fossil fuels. A resource recovery project may receive a payment from the Federal Government for the recovered energy it produces. The payment will only extend for a 7-year period, on the assumption that the disparity between the price of energy that can be produced for a waste-to-energy facility and the price of conventional fossil fuels will have largely disappeared.

It is not, however, an open ended subsidy which would undermine the incentives that now exist in the resource recovery marketplace for creating economically and technically sound projects. The program is designed so that only those projects which are fundamentally economic over their life cycle will be supported. It is important that the introduction of Federal subsidies into the resource recovery marketplace not have the effect of discouraging waste to energy systems vendors from assuming the risks for the satisfactory performance of their technology, nor should they inadvertently relax the responsibilities of project sponsors for establishing secure markets for the sale of the energy product they produce on the basis of good faith buyer/seller negotiations. The program should also encourage the implementation of projects on an accelerated basis.

In order to achieve the objectives stated immediately above, the bill which I am introducing incorporates the following specific points:

### 1. LOAN PAYBACK

The program is designed as a loan paid out to the project over a 7-year term and limited specifically to a payment for only that energy or fuel which is actually produced. Beginning in the eighth year and over the balance of the project amortization period, or 15 years (whichever is less), the cumulative amount of the loan must be repaid at an interest rate not to exceed 5 percent. Since most resource recovery projects are financed with revenue bond issues, and since the market for revenue bonds demands adequate coverage of economic risks, the effect of this provision is to force a careful economic analysis to assure that only those projects which can reasonably expect repayment of the loan will be financed. Thus, the availability of a Federal subsidy will not tend to result in simply more costly projects.

### 2. PRODUCTION AND SALE OF ENERGY

Loan payments to the project are contingent upon the production and sale of an energy product to a buyer. Payment is made on a per million Btu basis for only that amount of recovered energy which is produced and used internally or sold by the project. Thus, a project has strong incentives to make sure it has a secure deal with its energy buyer and to that assure the technology it selects can reliably produce the anticipated amount of energy product. Because the program is premised on energy production, it should not encourage high risk, unreliable technology where proven technology is available. Furthermore, by limiting the Federal incentive to the production of energy the risk to the system vendor and the local municipality is not removed.

### 3. CAP ON LOAN PAYMENT

The program establishes a ceiling of $2 per million Btu on the amount of the per unit price differential which is the basis for the loan payment. This limitation is intended to discourage use of the program in cases where the prices of the displaced fuel is unrealistically low, which would, in turn, create economic difficulties with the repayment provision. The $2.00 cap approximates the spread between the current cost of low sulfur oil and reasonably good quality coal.

### 4. FIXED SUPPORT PRICE

Since the purpose of this program is to accelerate development of an alternative energy resource, it is important that the program design not induce delay. The standard support price which establishes the basis of the per unit subsidy a project receives is set by regulation on the basis of the price of oil at the beginning of the program and does not change thereafter, even though the actual market price of oil can be expected to increase. This encourages a project to proceed with implementation sooner rather than later, since the price support differential will narrow as a consequence of escalation in the price of the fuels displaced.

### 5. SUNSET PROVISION

The program is designed so that all payments for support will cease as of December 31, 1994. This recognizes that the original gap between the standard support price and local market prices will have largely disappeared by that time. It also encourages projects toward rapid implementation, otherwise the 7-year term of their loan payment will be cut short.

### 6. ARMS LENGTH NEGOTIATIONS

The intention of the price support loan is to improve the economics of the project. It should not simply be passed through as a price discount to the energy buyer. Since the recovered energy produced by a project is always sold at some discount to the buyer, to make it attractive versus the competitive fuel, there is a tendency on the part of the energy buyer to bargain for a higher discount where a price support is involved in the project. This is counteracted by a provision in the Bradley amendment that bases the per unit price support on the differential between the buyer's actual fuel costs, which must be documented, and the standard support price. Increasing the discount given to the buyer for the energy from a resource recovery facility cannot increase the amount of the subsidy.

### 7. FACILITATE PRIVATE FINANCING

The rigorous requirements of revenue bond financing could be an impediment to the utilization of the program if the effect of terminating the price support payment in year 7 were to cause a sudden increase in the fees (particularly the tip fee) which must be the sources of revenue for covering debt service, operation and maintenance costs, as well as repayment of the cumulative amount of the price support.

If the parties to the financing question the ability of the project to realistically obtain this revenue once price supports are terminated then tax exempt revenue bond financing might not be possible. There are several program provisions which deal with this problem.

The per unit amount of a price support to a project declines in equal decrements over a 7-year period, to zero. This is the only basis on which the unit amount of the price support can change. It is not influenced by the price behavior of the displaced fuel, once the price support agreement has been made. This steady trend is important in terms of the integrity of project financing agreements under revenue bond financing, which must anticipate the eventual elimination of the subsidy and identify in bond indenture agreements what other revenues (either energy or tip fees) will provide debt service coverage.

Second, the term of the repayment to the Federal Government for the price support disbursements is spread over a 15-year period and, in negotiating a price support agreement, the Secretary has the flexibility to set a repayment schedule that takes into account the needs of the project in terms of the time at which its fuel escalation clause will generate the revenues needed for repayment.

### 8. SPECIAL PROVISION TO DISPLACE OIL IMPORTS

The bill also recognizes that it is in the national interest to reduce use of imported oil. Therefore a special price support is made available to a project which displaces the use of oil. Notwithstanding the provisions of the program, which base the price support on the difference between the price of oil and the price of displaced fuel, a project displacing oil will receive a special support payment. It is set at the level of 80 cents a million Btu in the first year to be reduced in accordance with the mechanics of the program which otherwise remain the same in all other respects. This provides a special economic incentive to projects that displace oil.

### 9. PROGRAM FINANCING

A total authorization of $196,000,000 is proposed to support this program which will trigger the investment to bring 20,000 to 30,000 tons-per-day of garbage processed to a useful form of energy over the life of the program.

I ask unanimous consent that the text of the bill be printed in the Record at the conclusion of these remarks.

Finally, I want to emphasize that I consider this proposal to be a first draft. I am hopeful that as the Senate considers the question of Federal involvement in the development of alternative energy resources that my colleagues will consider the proposal in that package of legislation that will provide this country with alternative sources of energy and that interested parties will provide comments and criticism that will help fashion an acceptable bill that will benefit and stimulate the widespread use of municipal solid waste—garbage—as a useful source of energy.

There being no objection, the bill was ordered to be printed in the Record, as follows:

## S. 1934

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SHORT TITLE

Section 1. This Act may be cited as the "Municipal Solid Waste to Energy Act of 1979".

### FINDINGS

Sec. 2. The Congress hereby finds that—

(a) embedded in the municipal solid waste stream is a store of energy and energy intensive materials which can be recovered and used and, as a consequence, conserve increasingly scarce and expensive supplies of higher quality fossil fuels;

(b) a commitment to develop this energy resource on a priority basis can potentially produce the equivalent of 149 million barrels of oil annually by 1990 with an approximate dollar value at prevailing world market energy prices of three billion dollars annually, and can reduce the unfavorable impact of oil imports on the balance of payments by an equivalent magnitude;

(c) the volume of discarded material in the municipal solid waste stream is increasing and the agencies of State and local governments with municipal solid waste management responsibilities confront growing problems in disposing of this waste in environmentally sound and economically acceptable ways;

(d) the technologies to convert waste to energy and recover valuable materials have demonstrated commercial feasibility to a degree that has warranted significant public and private investment in developing resource recovery projects;

(e) further improvements in the development of economical, commercially demonstrated resource recovery technology for the primary purpose of energy production will represent a significant innovation in the state-of-the-art and will present the opportunity to develop export markets for this technology; and,

(f) the implementation of resource recovery projects is a demanding, time consuming, and costly process, imposing signficant burdens on project sponsors and participants that often frustrate or delay a successful outcome of the project.

### DEFINITIONS

Sec. 3. For the purposes of this Act—

(a) the term "standard support price" means, that price set by the Secretary which reflects the most costly conventional fossil fuel used in not less than 10 per centum of the industrial and commercial boilers in the United States with a nameplate capacity of 20,000,000 Btu's per hour. *Provided,* That in no event shall the standard support price be less than the average cost per million Btu value over the preceding three months of imported 0.7-per centum sulfur No. 6 fuel oil free on board in New York Harbor; and, *Provided further,* That the Secretary shall determine the standard support price within six months of the enactment of this section. Such price shall be set on a cost per million of Btu value basis.

(b) the term "adjusted support price" means that price which is determined by multiplying the standard support price by such price support factors as are determined by the Secretary. The adjusted support price shall be applicable where electricity or steam produced by a resource recovery project is sold to any user.

(c) the term "price support factor" means those factors which take into account any operating efficiencies, other cost savings and any other economic benefits realized in producing such electricity or steam as determined by the Secretary pursuant to published regulations.

### ESTABLISHMENT OF A PRICE SUPPORT LOAN PROGRAM

Sec. 4. (a) The Secretary of Energy (hereinafter referred to as "Secretary") may enter into price support loan agreements with the owner or operator of a resource recovery project pursuant to the terms of which quarterly disbursements to such participant shall be made in an amount calculated by multiplying the quantity (measured in millions of Btu's) of recovered fuel products or electricity or steam produced by the resource recovery facility by the support price as determined with reference to:

(1) (A) in the case of recovered fuel products except as provided in subparagraph (B), the lesser of—

(i) the difference between the standard support price and the average cost of fuel per million British thermal units ("Btu's") value during the previous four fiscal quarters to the customer purchasing recovered fuel products from the resource recovery project, or

(ii) $2.00 per million Btu value; or

(B) Notwithstanding the above, in the case where a recovered fuel product displaces the use of oil, the amount of price support shall be the difference between the customer's actual cost of oil and the standard support price plus $0.80 per million Btu value; or

(2) (A) in the case of recovered electricity or steam except as provided in paragraph (B), the lesser of—

(i) the difference between the adjusted support price, and the average cost per million Btu value during the previous four fiscal quarters for electricity or steam purchased by the customer on a cost per million Btu basis, or

(ii) $2.00 per million Btu value times any price support factor established by the Secretary; or

(B) Notwithstanding the above, in the case where a recovered electricity or steam product displaces the use of oil, the amount of price support shall be the difference between the customer's actual cost of oil and the standard support price plus $0.80 per million Btu value.

(b) The value of the price support determined pursuant to subsection (a) shall be reduced each fiscal quarter beginning with the fifth consecutive fiscal quarter during which the resource recovery project has maintained commercial operation at substantially the level for which it is designed and, *Provided that:* The value of such price support shall be zero by the end of the twenty-eighth fiscal quarter as measured from the first of the four consecutive fiscal quarters referenced above.

(c) The amount of disbursements made pursuant to this section and which remains outstanding at the end of the twenty-eight consecutive fiscal quarters during which this price support program is utilized by any project shall bear interest at a reasonable rate determined by the Secretary, in consultation with the Secretary of the Treasury, but in no case shall such interest rate exceed five percent and, *Provided that:* Such interest shall not begin to accrue until the final disbursement has been made.

(d) The terms of the agreement between the Secretary and the owner or operator of the project shall require full repayment of the cumulative total of the amounts disbursed by the Secretary thereunder, *Provided that:* Such repayment shall commence at a date no later than one year after the date of the last disbursement by the Secretary and shall be completed no later than the earlier of fifteen years after such date or the time at which the indebtedness incurred to acquire the resource recovery project has been repaid, and shall provide for a repayment schedule as mutually agreed upon by the Secretary and the owner or operator of the project, after taking into account the impact of the timing and amount of annual repayment on the economic stability of the project and the integrity of the financing agreements.

(e) Price support operations undertaken by the Secretary pursuant to this section are hereby expressly limited to the use and sale of recovered fuel products and recovered electricity or steam produced by a resource recovery project and shall not extend to the sale of other recovered materials produced by such products.

(f) Notwithstanding any other provision of this section, the Secretary shall have no authority to disburse amounts pursuant to any price support loan agreement made under this section after December 31, 1994.

### AUTHORIZATION OF APPROPRIATIONS

SEC. 5. For purposes of carrying out the provisions of this section, the amounts of $36,000,000 are authorized to be appropriated for the fiscal year 1980; $67,000,000 are authorized to be appropriated for fiscal year 1981; $93,000,000 are authorized to be appropriated for fiscal year 1982.

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## Mr. McGOVERN:

S. 1935. A bill to revise provisions of title 49, United States Code, which discourage contract ratemaking by railroad shippers; to the Committee on Commerce, Science, and Transportation.

### IMPROVING RAIL INDUSTRY PERFORMANCE

● Mr. McGOVERN. Mr. President, after chairing a series of Joint Economic Subcommittee hearings for more than a year, I am convinced that railroad shippers and railroads themselves, through mutually beneficial contract agreements, can clear away the morass of confusion and alarm surrounding the prospect of reduced economic regulation of the rail industry.

Accordingly, I have today introduced the Railroad Contract Act of 1979.

The thrust of the bill is to promote voluntarily reached rail service contracts between shippers and railroads regarding rates and performance by clearly establishing as a matter of law that such contracts are legal.

In my judgment, this legislation may constitute the best step taken to bring the rail industry in line with the objectives of national energy and transportation policies by opening the way for railroads and shippers to establish the most efficient means of utilizing the national rail system.

Under this legislation it would be a matter of national policy to encourage shippers and railroads to engage in contract negotiations free of the often counterproductive Interstate Commerce Commission regulatory intervention that now frequently shapes ratemaking proceedings.

The premise of the legislation is that rail shippers and the railroads, more than any Government entity, know best what their requirements and problems are, and how they can be resolved. If given the opportunity afforded by this bill, railroads and shippers will be free to initiate economic regulatory reform without having to wait on or be restricted by cumbersome and unsatisfactory standards and criteria to be established by the ICC.

Rail service contracts hold out inherent benefits to both the railroads themselves and to shippers. Contracts permit railroads to know with certainty over the long run what demands shippers will make and how much they will pay for such service. Railroads thus can more efficiently schedule and utilize equipment and personnel. Shippers, in return for guaranteeing minimum service payment, will be assured of far greater service adequacy.

Mr. President, I want to emphasize that, although the bill encourages free contract bargaining by shippers and the rail industry, it nevertheless retains presently existing common carrier service obligations for all noncontract shippers. Beyond that, it keeps in place all presently existing prohibitions against discriminatory, prejudicial, or otherwise abusive practices that have or could victimize shippers.

Moreover, the bill provides that similarly situated shippers, such as grain shippers, are entitled to enter into similar rail contracts in order to assure competitive equity.

All contracts freely negotiated by shippers and railroads would be subject to ICC approval only for purposes of determining whether the requirements of such agreements would result in reduced service to noncontract shippers.

No railroad would be permitted to take locomotives and freight cars away from noncontract shippers or reduce their service in other ways in order to fulfill the terms of a contract.

To this end, the bill requires that the ICC, immediately following enactment, undertake a nationwide survey of the freight car and locomotive fleet of all railroads so that it can determine whether the size of various fleets is adequate to the demands placed on them and whether individual contracts will interfere with noncontract service.

To further protect shipper interests and for the benefit of all interested parties, the bill would establish within the ICC an information retrieval system on rail contract ratemaking. This provision directs the ICC to make nonconfidential summaries of contracts available to inform shippers and others of the provisions of various contracts and developing trends in the rail service contracts area as a whole.

Moreover, the legislation encourages shippers who are being poorly served by one railroad to seek ICC approval allowing a competing railroad to provide truck service to that rail line. Thus, noncontract shippers, especially those shippers who must rely heavily on rail transport, will have added bargaining leverage to obtain adequate service.

Mr. President, we long ago passed the point where the rail industry ceased to be the dominant transportation mode of the Nation, yet Government regulatory policy continues to hamstring the ability of our seriously weakened rail system to effectively compete with trucks and barges.

By allowing railroads and shippers free rein to dedicate specified amounts of rolling stock to stated routes and schedules in return for shipper guarantee for payment for specified service, we will have done much to modernize marketplace for railroads and rail shippers.

Mr. President, I ask unanimous consent to have the text of the Railroad Contract Act of 1979 printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

### S. 1935

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Railroad Contract Act of 1979".

SEC. 2. (a) Chapter 107 of title 49, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter VI—RAILROAD CONTRACT RATES

"§ 10791. Exemption from common carrier obligation

"(a) A rail carrier may enter into a contract with a shipper for transportation at rates and conditions of service agreed on by such rail carrier and shipper. Such contracts shall not be construed as adversely affecting the common carrier obligation of such rail carrier if such contracts do not prejudice service to non-contract shippers.

"(b) The Commission may not, after approving a contract entered into between a rail carrier and a shipper in accordance with subsection (a), take any action under subchapter II of chapter 111 which would interfere with the performance of such contract.

"(c) In reviewing and approving contracts under subsection (a) the Commission shall consider only the effect upon service to noncontract shippers. A contract entered into under this section shall be considered approved unless the Commission, in consultation with appropriate Federal departments, agencies, and instrumentalities, determines within thirty days after receipt of such contract that such contract will prejudice service to non-contract shippers. For the purposes of review and approval of contracts under this section the Commission shall only require the submission of such contract information it determines necessary to fulfill the purposes of this section and section 10792(2).

"§ 10792. Railroad contract rate advisory service

"The Commission shall establish a railroad contract rate Advisory Service. The Advisory Service shall—

"(1) be responsible for the initial review and approval of all contracts entered into under section 10791;

"(2) compile and disseminate to interested parties non-confidential summaries of the provisions of individual contracts information relating to the provisions of contracts entered into under section 10791 with regard to various goods, items, and commodities covered by such contracts; and

"(3) provide the Commission and interested parties with advice regarding contracts described in section 10791.

"§ 10793. Directed contract service

"(a) The Commission shall, not later than thirty days after the date of enactment of this Act, promulgate standards and criteria to be used by the Commission and carriers in determining similarities between shippers for the purpose of offering contracts to such shippers pursuant to subsection (b).

"(b) Any carrier which enters into a contract pursuant to section 10791 shall enter into good faith contract negotiations with shippers who are similarly situated pursuant to findings of the Commission in section 10793 upon application by such shipper. If a contract is not agreed to within ninety days after such shipper applies to the carrier to begin contract negotiations the Commission may direct the carrier to enter into an agreement which is determined reasonable and equitable."

(b) The index for chapter 107 is amended by inserting the following after 10786:

"Subchapter VI—Railroad Contract Rates

"Sec.

"10791. Exemption from common carrier obligation.

"10792. Railroad contract advisory service.

"10793. Directed contract service.".

Sec. 3. (a) Subchapter II of chapter 111 of title 49, United States Code, is amended by adding at the end thereof the following new section:

"§ 11129. Survey of rail capacity

"The Commission shall immediately after the date of enactment of this section commence a survey of the rail service capacity of the nation's railroads. Such survey shall be periodically updated and shall be used by the Commission in making determinations under sections 10791 and for such other purposes as the Commission may determine.".

(b) The index for chapter 111 is amended by insecting the following after 11128:

"11129. Survey of rail capacity.".

Sec. 4. Section 11344 of title 49, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) A rail carrier, or a person controlled by or affiliated with a rail carrier may apply for approval of a transaction which involves motor carrier transportation to serve inadequately served shippers located on another railroad. Such application shall be approved by the Commission if the shippers demonstrate present evidence of impaired rail service which results in the serious failure of the railroad serving the shippers to meet the rail equipment or transportation schedules of shippers or to seriously fail to otherwise provide adequate normal rail servcies required by shippers and which shippers would reasonably expect the railroad to provide. The Commission shall approve or disapprove applications under this subsection within thirty days after receipt of such application. The Commission shall approve applications which are not protested by interested parties within thirty days following receipt of such application.●

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By Mr. KENNEDY (for himself, Mr. Javits, Mr. Williams, Mr. Ribicoff, Mr. Stevenson, Mr. Matsunaga, and Mr. Tsongas):

S. 1936. A bill to ban the importation, manufacture, sale, and transfer of Saturday night specials, to improve the effectiveness of chapter 44 of title 18, United States Code, relating to gun control, to promote more effective management of certain law enforcement functions of the executive branch by transferring functions of the Secretary of the Treasury under chapter 44 of title 18, United States Code, relating to gun control to the Attorney General, to ban possession, shipment, transportation, and receipt of all firearms by felons, to provide relief for victims of handgun crimes, and for other purposes; to the Committee on the Judiciary.

### HANDGUN CRIME CONTROL ACT OF 1979

Mr. KENNEDY. Mr. President, on behalf of Senators Javits, Williams, Ribicoff, Stevenson, Matsunaga, Tsongas, and myself, I introduce the Handgun Crime Control Act of 1979 to curb the senseless killings caused by the proliferating use of handguns in America.

Handgun shootings can occur any place, and injure or kill anyone. There are no geographical limits. Handgun killings and woundings occur in the east, south, north, and west. Hundreds of thousands of American families suffer each year from the scourge of handgun violence.

During the Vietnam war the number of American civilians murdered by handguns here at home in the United States was larger than the number of American soldiers killed in combat in Indochina.

The Vietnam war is over. Yet our handgun war continues to escalate, fueled daily by the easy availability of handguns. Conservative estimates suggest that there are now 50 million handguns in civilian hands. Each year, we add nearly 2 million additional handguns to that arsenal. At the current rate of production and sales, over 100 million handguns will be in civilian hands by the year 2000.

America today is an armed society—armed against our neighbors, armed against our families, armed against ourselves. Our society has become captive to the fear of crime and violence. Fearing for their safety, residents on the block and in local neighborhoods purchase handguns to defend themselves. But rarely are these handguns used for self-defense. Instead, they become the quick solution to a heated family argument. Instead, they are stolen by a criminal and used to commit new crimes against society. They fall into the hands of children who harm themselves—often fatally.

The last time the Congress faced up to the handgun problem was in 1968. But the past decade's unprecedented wave of handgun crime and violence demonstrates that there are flagrant loopholes in the existing law that must be closed.

Every year, another quarter million citizens are killed, wounded or threatened with handguns. Every year, every month, every day, every hour, many of our constituents are added to the toll of handgun victims.

The American people want strong handgun control laws. Every responsible public opinion poll reports that handgun owners are willing to accept common sense controls on handguns. But Congress is stymied by a narrow segment of gun owners who, through intense lobbying and political intimidation, block the Government from dealing with this national problem.

The Handgun Crime Control Act of 1979 seeks to address the concerns of the handgun industry, handgun sellers, handgun owners and the millions of Americans who want us to do something about handgun crime.

The Attorney General, Benjamin Civiletti, has today released the annual FBI crime report, which shows an increase of 5.2 percent in violent crime during 1978. According to the report, handguns were used in 49 percent of the murders in the United States in 1978. The Attorney General had earlier stated that violent crime increased by 13 percent during the first half of 1979. So the rise in violent crime goes on unchecked.

My colleagues are aware that hundreds of bills have been introduced in recent years on the gun problem. They run the entire gamut: From a total ban on handguns, to the total repeal of the Nation's current gun laws. My proposal today, the Handgun Crime Control Act of 1979, seeks to find common ground between law-abiding, responsible handgun owners and those Americans who do not own or wish to own handguns the majority of Americans who favor handgun controls.

Let me first state what this legislation will not do.

The legislation does not apply to long guns—that is, rifles or shotguns. It does not restrict hunting in any way. It is not a foot-in-the-door piece of legislation that will lead in the future to confiscation of sporting weapons.

The bill is not retroactive. No law-abiding citizen must do anything to retain possession of a handgun. The bill does not confiscate any handgun. The bill does not jeopardize anyone's right to legitimately buy or use a handgun. The bill does not limit pistol clubs.

Instead, the bill is carefully designed to reduce handgun crime. It will achieve this goal by stopping the commerce in Saturday night specials through a ban on the manufacture, importation, assembly, sale, transfer, and distribution of these easily concealable weapons of violence.

In 1968, Congress wisely prohibited the importation of these nonsporting weapons. But Congress left a loophole larger than the law. We failed to stop the importation of parts for these cheap handguns and their domestic assembly. The proposed legislation applies basically the same criteria currently used on imports to all domestic manufacture and sales.

The legislation also establishes a broad-based, independent commission to examine the handgun marketplace and determine within 1 year whether the criteria should be revised. Such factors as the handgun's concealability, sporting value, and criminal potential would be carefully weighed. Congress would consider the final recommendations of this panel.

The bill would also reduce handgun crime by attacking the illegal traffic in handguns. The first step is to assure that all handgun transactions are in compliance with existing Federal laws.

A reasonable regulatory procedure must be established to insure that a handgun purchaser does not have a criminal record, a history of mental illness, or drug addiction, is at least 21 years of age, and is properly identifiable.

A Federal procedure is established which a purchaser must follow unless the State in which the purchase is made has a comparable law. The bill requires the purchaser to appear before a licensed dealer and provide appropriate data. The dealer will then verify this information with law enforcement authorities. The purchaser is subject to a maximum 21-day waiting period before delivery. If the purchaser has previously complied with a State procedure, similar to the Federal process, he need only show the handgun dealer a valid State license in order to complete the purchase.

This preclearance procedure will cover the sale of every handgun, including all secondary transfers. Individuals who are not dealers will have to conduct the transfer through a licensed dealer.

The legislation also encourages States to adopt license-to-carry laws, modeled after the successful Bartley-Fox law in the State of Massachusetts. A recent study of the impact of this law shows a dramatic reduction in the number of gun deaths and gun assaults. The law requires a person to have a license to carry a handgun outside his home or place of business. Failure to abide by the law carries a mandatory jail term.

Why is a person carrying a concealed handgun on the street to begin with? If there is a legitimate need to carry that handgun, the individual will take the responsible step of securing a license. To encourage States to pass a license-to-carry law, the legislation will allow anyone possessing a valid license to purchase a handgun through Interstate Commerce.

These procedures are fair to those who wish to purchase handguns. Yet they will also help restrict the availability and use of handguns by the criminal.

In addition to procedures governing the sale of handguns, we must also increase the responsibility and accountability of licensed handgun manufacturers, handgun importers, handgun dealers, and handgun owners.

We have all heard the arguments about the establishment and cost of a large Federal bureaucracy created to supervise handgun control efforts. The proposed legislation creates no such bureaucracy. It does not call for a Government-run, centralized registration system. However, those who engage in the handgun business or maintain handgun ownership must recognize the serious consequences caused by misuse of these handguns.

To allay the fears of handgun owners and yet facilitate handgun tracing, the maintenance of handgun information is made the responsibility of the handgun industry itself.

Each licensed handgun manufacturer or importer will be ultimately responsible for keeping track of the disposition of all handguns introduced into commerce. They will be required to maintain records by serial number of all handguns produced, imported, received, sold, transferred, maintained in inventory, destroyed, lost, or stolen. They will receive periodic reports from all dealers with whom they do business on transactions involving the manufacturer's or importer's handguns. Manufacturers and importers will also conduct periodic audits of handgun dealers to insure the accuracy of records received from dealers.

Periodically, these manufacturers and importers will submit summary data, without serial numbers or individual names, to the Federal agency overseeing the law.

Through this accounting mechanism within the handgun industry, a partnership against handgun crime will be established. Tracing a stolen handgun will become as quick and easy as tracing a stolen automobile. At the same time, handgun manufacturers and importers will be able to notify owners of any defect or potential problem. And Federal agencies and the industry will be able to identify illegal handgun commerce.

The legislation also requires the theft, loss, or disappearance of any handgun to be reported to the appropriate law enforcement authority. Studies have consistently shown that stolen handguns constitute a major source of weapons for the criminal. Besides aiding in law enforcement efforts, such reporting will allow the police to restore the lost or stolen property to the legitimate owner or business.

Handgun owners will also be prohibited from loaning or renting their handguns to anyone, except for use in their presence or on their premises. Again, this provision seeks to deter the misuse of these weapons.

To underline the emphasis on handgun commerce as opposed to long gun commerce, a separate commercial licensing scheme is established for handguns. Higher commercial handgun fees are included.

Handgun dealers are also required to take appropriate security precautions to protect their place of business.

The legislation also contains provisions to limit the opportunities for illegal traffic in handguns. Pawnbrokers, because of a long history of abuse, are prohibited from dealing in handguns. There is a limit on the number of handguns one can buy. In a given year, a dealer may not sell more than three handguns to one person, unless special permission is obtained for sales to handgun collectors or other legitimate users. This provision is aimed at curtailing the existing practice whereby blackmarketeers have been able to make large-scale purchases of handguns in States with ineffective laws, and then resell them in States with tighter handgun control laws.

The Handgun Crime Control Act of 1979 also seeks to remedy the situation arising from the 1971 Supreme Court decision in *U.S.* v. *Bass* (404 U.S. 336). The Court significantly restricted the Federal Government's ability to prosecute felons for possession of handguns. The Court ruled that the Gun Control Act of 1968 did not indicate a clear legislative intent to proscribe possession, unless a specific impact on commerce was caused by the act of possession involved in the prosecution. This legislation states clearly that possession of handguns by felons does in fact burden Interstate Commerce, and that an impact on commerce by individual acts of possession need not be proved.

We have also heard the argument that we must punish the handgun criminal and other misusers of handguns. This legislation will do that as well. The penalty section of the legislation is aimed at deterring handgun crime, by imposing strict punishment for crimes involving handguns, and improving the effectiveness of handgun laws by clearly establishing the legal liability for noncompliance.

Under the bill, a mandatory jail term will be imposed on those who use or carry a handgun during the commission of a Federal felony. The bill also encourages States to adopt a mandatory 6-months term of imprisonment for persons found guilty of carrying a handgun outside their home or place of business, without a valid State license to do so.

Besides insuring that criminals go to jail, we must put teeth into the law as it relates to other citizens. If a handgun owner or commercial licensee fails to report a theft or loss of a handgun, and it is subsequently used in the commission of a felony, the owner or licensee will be subject to a fine. In addition, a commercial licensee or handgun owner will be civilly liable to the victims if he illegally sells or transfers a handgun to another person who then uses that handgun in the course of a crime.

We must also do a better job of enforcing the laws already on the books. I strongly believe that we must have better enforcement of existing laws. To that end, all aspects of the administration and enforcement of Federal gun laws—except tax collection—would be transferred by the bill from the Treasury Department to the Department of Justice, in order to enable the Department of Justice to develop a greater concentration and focus on handgun crime.

Finally, the legislation seeks to aid the innocent victims of handgun violence. The bill provides for a victim compensation program consisting of Federal grants to support federally approved State programs for personal injury and death resulting from handguns.

The time has come for this Nation to

enact responsible legislation to end the plague of handgun crimes. Together, the President, the Congress, the handgun industry, handgun owners, and handgun victims can enact an effective handgun control law that is fair to all concerned.

I ask unanimous consent to have printed in the RECORD the full text of the Handgun Crime Control Act of 1979 and accompanying materials.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

### S. 1936

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Handgun Crime Control Act of 1979".

### FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. The Congress finds and declares—

(1) that easily concealable handguns are used in a substantial percentage of the criminal offenses committed with handguns;

(2) that easily concealable handguns have no sporting purpose and constitute a serious threat to general law enforcement, to the public safety, and to the integrity of State and local firearms control laws;

(3) that the existing ban on importation of easily concealable handguns has been effectively subverted by the importation of parts and the domestic assembly, manufacture, and sale of the weapons the Congress banned from importation;

(4) that public opinion polls have consistently indicated that a substantial majority of the American public as well as a substantial majority of American handgun owners favor the introduction of more effective handgun controls;

(5) that legitimate purposes for handgun ownership will not be impeded by the regulation of illegal traffic in handguns to ensure that commerce in handguns is responsible and accountable;

(6) that the receipt or possession of firearms and ammunition by persons barred by Federal law from such receipt or possession constitutes—

(A) a burden on commerce within and among States; and

(B) a threat to the domestic tranquility;

(7) that it is necessary to provide (A) a new organizational structure for improved performance, coordination, and evaluation of firearms control functions at the Federal level, and (B) more effective coordination between Federal, State, and local governmental agencies in an effort to assist States and localities in improving interstate and local regulation of illicit handgun traffic;

(8) that a person obtaining a Federal license to import, manufacture, or deal in firearms should be an importer, manufacturer, or dealer operating not only within the Federal laws but also within State and local laws;

(9) that the burden on commerce caused by illegal possession of handguns by felons and by persons barred from possession of handguns by Federal, State, or local law requires an increased obligation on the transferor of handguns and on law enforcement agencies to assure that there is no sale or transfer of a handgun to a person not authorized to possess it;

(10) that the fees for licenses for handguns importers, manufacturers, and dealers must be determined according to the cost of administering and enforcing the provisions established for regulating the commerce in handguns; and

(11) that the innocent victims of handgun crime have been forgotten and ignored and should be compensated for the harm they suffer as a result of handgun violence.

## TITLE I—AMENDMENTS TO CHAPTER 44 TITLE 18, UNITED STATES CODE, GUN CONTROL

### DEFINITIONS

SEC. 101. (a) Section 921 (a) (11) of title 18, United States Code, is amended to read as follows:

"(11) The term 'dealer' means any person who is (A) engaged in business as an ammunition retailer, (B) engaged in business as a gunsmith, (C) engaged in business as a firearms dealer, or (D) a pawnbroker whose business includes the taking or receiving by way of pledge or pawn, of any firearm or ammunition as security for the payment or repayment of money. The term 'licensed dealer' means any dealer who is licensed under the provisions of this chapter.";

(b) Section 921 (a) of such title is amended—

(1) by redesignating paragraphs (12), (13), (14), (15), (16), (17), (18), (19), and (20) as paragraphs (19), (20), (21), (22), (23), (24), (25), (26), and (27), respectively; and

(2) by adding after paragraph (11) the following new paragraphs:

"(12) The term 'ammunition retailer' means any person who is not otherwise a dealer and who is engaged in the business of selling ammunition at retail, other than ammunition for destructive devices.

"(13) The term 'gunsmith' means any person who is not otherwise a dealer and who is engaged in the business of repairing firearms or making or fitting special barrels, stocks, or trigger mechanisms to firearms.

"(14) The term 'firearms dealer' means any person who is engaged in the business of selling firearms or ammunition at wholesale or retail.

"(15) The term 'handgun' means a firearm which has a short stock and which is designed to be held and fired by the use of a single hand. The term also includes any combination of parts from which a handgun can be assembled.

"(16) The term 'handgun model' means a handgun of a particular design, specification, and designation.

"(17) The term 'pistol' means a handgun having a chamber or chambers as an integral part or parts of, or permanently alined with, the bore or bores.

"(18) The term 'revolver' means a handgun having a breechloading chambered cylinder so arranged that the cocking of the hammer or movement of the trigger rotates the cylinder to bring the next cartridge in line with the barrel for firing.".

(c) Section 921(19) (as redesignated by clause (1) of subsection (b)) is amended to read as follows:

"(19) The term 'pawnbroker' means any person whose business or occupation includes the taking or receiving by way of pledge or pawn, of personal property as security for the payment or repayment of money.".

(d) Section 921(25) (as redesignated by clause (1) of subsection (b)) is amended to read as follows:

"(25) 'Department' means the Department of Justice;".

### UNLAWFUL ACTS

SEC. 102. (a) Section 922(a)(1) of title 18, United States Code, is amended by inserting after "manufacturing" a comma and the following: "repairing".

(b) Section 922(a)(2)(A) of such title is amended—

(1) by inserting after "replacement firearm" a comma and the following: "other than a handgun model which has not been approved by the Attorney General under section 923A,"; and

(2) by inserting after "customizing" a semicolon and the following: "except that an individual may not mail a handgun model which has not been approved by the Attorney General under section 923A, except for the purpose of modification pursuant to subsection (d)(3)".

(c) Section 922(a)(3) of such title is amended by striking out "and (C)" and inserting in lieu thereof "(C) shall not apply to the transportation or receipt of a handgun pursuant to section 922A(a), and (D)".

(d)(1) Section 922(a)(5) of such title is amended by striking out "resides in any State other than that in which the transferor resides (or other than that" and inserting in lieu thereof "does not reside in the State in which the transferor resides (or does not reside in the State".

(2) Section 922(a)(5) of such title is further amended by striking out "and" at the end of clause (A) and by inserting before the period a comma and the following: "(C) the loan or rental of a handgun, other than a handgun model which has not been approved by the Attorney General under section 923A of this chapter, to any person for temporary use for lawful sporting purposes within the premises or in the presence of the transferor, and (D) the transfer, transportation, or delivery of a handgun pursuant to section 922A(a)(2)".

(e) Section 922(b)(2) of such title is amended by inserting after "other disposition" a comma and the following: "or the place of residence of the purchaser,".

(f) Section 922(b)(3) of such title is amended by redesignating clause (C) as clause (D) and by inserting after clause (B) the following: "and (C) shall not apply to the loan or rental of a handgun, other than a handgun model which has not been approved by the Attorney General under section 923A of this chapter, to any person for temporary use for lawful sporting purposes within the premises or in the presence of the transferor".

(g) Section 922(c) of such title is amended—

(1) by inserting after the words "may sell a firearm" a comma and the following: "other than a handgun,"; and

(2) by deleting ", in the case of any firearm other than a shotgun or a rifle, I am twenty-one years or more of age, or that, in the case of a shotgun or a rifle," in subsection (c)(1).

(h)(1) Section 922(d) of such title is repealed.

(2) Section 922(h) of such title is repealed.

(i) Section 922 of such title is amended—

(1) by redesignating subsections (e) and (f) as subsections (j) and (k), respectively;

(2) by redesignating subsection (g) as subsection (f);

(3) by redesignating subsections (i), (j), (k), (l), and (m) as subsections (l), (m), (n), (c), and (p), respectively; and

(4) by inserting after subsection (c) the following new subsections:

"(d)(1) It shall be unlawful for any licensed manufacturer, licensed importer, licensed dealer, or licensed collector to manufacture, assemble, sell, deliver, or transfer any handgun, other than a curio or relic, in the United States unless the handgun model has been approved by the Attorney General pursuant to section 923A of this chapter.

"(2) It shall be unlawful for any person other than a licensed manufacturer, licensed importer, licensed dealer, or licensed collector to sell or transfer any handgun, other than a curio or relic, in the United States unless that person knows or has reasonable cause to believe that the handgun model has been approved by the Attorney General pursuant to section 923A of this chapter.

"(3)(A) This subsection shall not preclude an individual from mailing a handgun model which has not been approved by the Attorney General pursuant to section 923A of this chapter which he owns in compliance with Federal, State, and local law to a licensed importer, licensed manufacturer, or licensed dealer for the sole purpose of modifying the handgun to comply with the standards of a handgun model approved under section 923A of this chapter, if such person first wraps the handgun in a package for mailing and does not remove the handgun from his residence or business premises prior to informing the local law enforcement authorities that he intends to do so.

"(B) This subsection does not apply to the manufacture, sale, delivery, or other transfer of a handgun to the Attorney General for testing and analysis by the Attorney General or a research organization designated by him.

"(e) It shall be unlawful for any person to modify a handgun if the handgun model was previously approved by the Attorney General under section 923A of this chapter if as a result of the modification the handgun no longer meets the standards of a handgun model approved under section 923A.".

(j) Section 922(f)(3) of such Act, as redesignated by subsection (h) of this section, is amended—

(1) by deleting "drug (as defined in section 201 (v) of the Federal Food, Drug, and Cosmetic Act)" and inserting in lieu thereof "substance"; and

(2) by deleting "(as defined in section 4731 (a) of the Internal Revenue Code of 1954); or" and inserting in lieu thereof "as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802);".

(k) Clause (4) of section 922 (f) of such title (as redesignated by subsection (h) of this section) and the matter following such clause (4) are amended to read as follows:

"(4) who has been adjudicated as mentally incompetent or has been committed to a mental institution; or

"(5) who, being an alien, is illegally or unlawfully in the United States;

"(6) who has been discharged from the Armed Forces under dishonorable conditions; or

"(7) who having been a citizen of the United States has renounced his citizenship;

to possess, ship, transport, or receive any firearm or ammunition. It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or otherwise dispose of any firearm or ammunition to any person knowing or having reasonable cause to believe that such person is a person described in clause (1), (2), (3), (4), (5), (6), or (7) of this subsection.".

(l) Section 922 of such title is further amended by inserting after subsection (f) (as redesignated by subsection (h) of this section) the following new subsections:

"(g) It shall be unlawful for any person—

"(1) who, while being employed by an employer who is prohibited from possessing, shipping, transporting, or receiving firearms or ammunition under clause (1), (2), (3), (4), (5), (6), or (7) of subsection (f), and

"(2) who, knowing or having reason to believe such an employer is a person described in clause (1), (2), (3), (4), (5), (6), or (7) of subsection (f),

to possess, transport or receive any firearm or ammunition in the course of such employment unless the Attorney General waives the prohibition under this subsection with respect to such a person pursuant to such uniform procedures as the Attorney General prescribes.

"(h) It shall be unlawful for any person to ship or transport any firearm or ammunition in interstate or foreign commerce if such shipment or transportation is in violation of a State law in a place to which or through which the firearm was shipped or transported or of an ordinance applicable at the place of sale, delivery, or other disposition.

"(i) (1) It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or transfer three or more handguns to the same person, other than another licensed importer, licensed manufacturer, licensed dealer, or licensed collector, in a period of three hundred sixty-five days or less, unless the transferee has obtained prior approval of the purchase from the Attorney General, pursuant to regulations promulgated by the Attorney General.

"(2) It shall be unlawful for any person, other than a licensed importer, licensed manufacturer, licensed dealer, or licensed collector to purchase or receive three or more handguns in a period of three hundred sixty-five days or less, unless the person has obtained prior approval of the purchase from the Attorney General pursuant to regulations promulgated by the Attorney General.".

(m) Section 922 of such title is further amended by adding at the end thereof the following new subsection:

"(q) It shall be unlawful for any person, including a licensed importer, manufacturer, dealer or collector, who has knowledge of the loss, theft, or disappearance of a handgun in his possession or control to fail to report the loss, theft or disappearance to the chief law enforcement officer of the place where the handgun was kept, within twenty-four hours after discovering the loss, theft, or disappearance, and to the Attorney General within five days after discovering the loss, theft, or disappearance. Each such report shall contain (1) the serial number, (2) the model, (3) the caliber, (4) the manufacturer of the handgun, (5) the date and place of theft, loss or disappearance, and (6) a complete statement of facts and circumstances surrounding the theft, loss or disappearance.".

### TRANSFER OF HANDGUNS

SEC. 103. (a) Chapter 44 of title 18, United Sates Code, is amended by inserting after section 922 the following new section:

"§ 922A. Transfer of handguns

"(a) In any case not otherwise prohibited by this chapter, a person in lawful possession of a license or permit to carry handguns issued under a State licensing or permit granting program which has been approved by the Attorney General pursuant to subsection (c), may purchase or receive a handgun in any State only if such purchase or receipt would not be in violation of any State or local laws applicable at the place of transfer, and if—

"(1) the transferee appears in person at the business premises of a licensed dealer in handguns, and if—

"(A) the transferee has shown the licensed dealer his license or permit to carry handguns and the licensed dealer has verified the current validity of that license or permit to carry and has stamped on such permit or license the date of transfer or purchase. The licensed dealer shall maintain a record of the permit or license number of the transferee, the expiration date of the license, the date of the purchase or transfer, and the serial number of the handgun purchased or transferred; or

"(B) the transferee provides identification sufficient to establish, under regulations prescribed by the Attorney General, reasonable grounds to believe that the individual described on the permit or license is the transferee, and the dealer reasonably believes that the individual described on the permit or license is the transferee; or

"(2) in the event of a transfer by a transferor other than a licensed importer, manufacturer, dealer or collector, to a transferee other than a licensed importer, manufacturer, dealer or collector, the transferee has supplied the transferor with a certificate that establishes the current validity of the license or permit and that was obtained from a local law enforcement agency or licensed dealer in handguns in a form and in a manner prescribed by the Attorney General; and upon completion of the transfer, the transferor has reported the transfer on a form to be provided by the Attorney General to a licensed dealer who shall maintain a record of that transfer pursuant to this subsection. The licensed dealer shall maintain a record of the permit or license number of the transferee, the expiration date of the license, the date of the purchase or transfer, and the serial number of the handgun purchased or transferred for the purpose of clause (2)(A).

"(b) In any case not otherwise prohibited by this chapter, a person in lawful possession of a license or permit to purchase handguns issued under a State licensing or permit-granting program which has been approved by the Attorney General pursuant to subsection (d), may purchase or receive a handgun in that State, only if such purchase or receipt would not be in violation of any local laws applicable at the place of transfer, and if—

"(1) the transferee appears in person at the business premises of a licensed dealer in handguns and if—

"(A) the transferee has shown the licensed dealer his license or permit to purchase handguns and the licensed dealer has verified the current validity of that license or permit to purchase and has stamped on such permit or license the date of transfer or purchase. The licensed dealer shall maintain a record of the permit or license number of the transferee, the expiration date of the license, the date of the purchase or transfer, and the serial number of the handgun purchased or transferred;

"(B) the transferee provides identification sufficient to establish, under regulations prescribed by the Attorney General, reasonable grounds to believe that the individual described on the permit or license is the transferee, and the dealer reasonably believes that the individual described on the permit or license is the transferee; or

"(2) in the event of a transfer by a transferor other than a licensed importer, manufacturer, dealer or collector, to a transferee other than a licensed importer, manufacturer, dealer or collector, the transferee has supplied the transferor with a certificate that establishes the current validity of the license or permit and that was obtained from a local law enforcement agency or licensed dealer in handguns in a form and in a manner prescribed by the Attorney General; and upon completion of the transfer, the transferor has reported the transfer on a form to be provided by the Attorney General to a licensed dealer who shall maintain a record of that transfer in the same manner as for transfers under subsection (a) (2) of this section.

"(c) The Attorney General shall review State laws providing for licenses or permits to carry handguns. The Attorney General shall certify any such law as approved under this section if the law contains provisions to assure that—

"(1) a license or permit to carry is issued only after (A) positive determination of the identity of the applicant; (B) an examination of pertinent local, State, and Federal records; (C) a determination that the applicant has not been convicted of, and is not currently charged with an offense punishable by imprisonment for one year or more; and (D) the application and examination reveal no other grounds for disqualification to possess a handgun under Federal or State law;

"(2) the license or permit to carry to be issued provides, on its face, a photograph or other reliable means of determining that an individual possessing the permit or license is the individual to whom it was issued;

"(3) each license or permit to carry issued to an individual is cancelled upon the holder becoming ineligible to have a license or permit, and for the purpose of this clause a license or permit shall be deemed cancelled if the State issues at least monthly, to the Department and to all licensed dealers within the State, a list of cancelled license or permit numbers;

"(4) the license or permit to carry a handgun is only issued to an individual if that individual would not be prohibited from purchasing and carrying a handgun under the local law applicable at his place of residence;

"(5) the license or permit to carry a handgun is effectively nonalterable or the State law punishes the alteration thereof;

"(6) the State maintains a record of the names of individuals who have been issued a license or permit to carry a handgun;

"(7) the license or permit to carry a handgun is only issued to individuals with a legitimate need to carry a handgun outside their residence or place of business, including, but not limited to—

"(A) law enforcement personnel;

"(B) licensed security guards;

"(C) individuals who meet standards of demonstrated need for the use of handguns for protection of their person or property;

"(D) individuals who meet standards of demonstrated need for the use of handguns for legitimate sporting purposes; and

"(E) individuals who, for a limited period of time, must transport a handgun in their possession through or within the State;

"(8) the State periodically reviews the need of an individual for a license or permit to carry so that any license or permit to carry may be cancelled when the need no longer exists; and

"(9) the State provides a mandatory penalty of imprisonment for a term of at least six months for all individuals who are found guilty of carrying a handgun outside of their residence or place of business without a license or permit to carry a handgun.

The Attorney General shall publish monthly a composite list of cancelled license or permit numbers, by State, for all States submitting lists under clause (3) of this subsection.

"(d) The Attorney General shall review State laws providing for licenses or permits to purchase handguns. The Attorney General shall certify any such law as approved under this section if the law contains provisions to assure that—

"(1) a license or permit to purchase is issued only after (A) positive determination of the identity of the applicant; (B) an examination of pertinent local, State, and Federal records; (C) a determination that the applicant has not been convicted of, and is not currently charged with an offense punishable by imprisonment for one year or more; and (D) the application and examination reveal no other grounds for disqualification to possess a handgun under Federal or State law;

"(2) the license or permit to purchase to be issued provides, on its face, a photograph or other reliable means of determining that an individual possessing the permit or license is the individual to whom it was issued;

"(3) each license or permit to purchase a handgun issued to an individual—

"(A) allows the licensee or permittee to carry the handgun outside of his residence or place of business for not more than twenty-four hours from the date he actually receives the handgun from the transferor, but only if the handgun is carried in nonfunctional form;

"(B) expires within two years, with renewal predicated on a redetermination of the holder's eligibility;

"(C) is cancelled upon the holder becoming ineligible to have a license or permit, and for the purpose of this subclause a license or permit shall be deeemd cancelled if the State issues, at least monthly, to the Department and to all licensed dealers within the State, a list of individuals whose licenses or permits are cancelled;

"(4) the license or permit to purchase a handgun is only issued to an individual if that individual would not be prohibited from purchasing a handgun under the local law applicable at his place of residence;

"(5) the license or permit to purchase a handgun is effectively nonalterable or the State law punishes the alteration thereof; and

"(6) the State maintains a record of the names of individuals who have been issued a license or permit to purchase a handgun.

The Attorney General shall publish monthly a composite list of cancelled licenses or permits, by State, for all States submitting lists under clause (3)(C) of this subsection.

"(e) In any case not otherwise prohibited by this chapter, and, except as provided in subsections (a) and (b), a licensed dealer in handguns or other person may sell, deliver, or otherwise transfer a handgun to another person in the State of residence of that person (other than a licensed importer, manufacturer, or dealer) only if the transferee appears in person at the business premises of a licensed dealer in handguns and if—

"(1) the transferee submits to the dealer a sworn statement on a form prescribed by the Attorney General which states—

"(A) his name, and his residence;

"(B) that his receipt, purchase or possession of the handgun will not be in violation of Federal law, or of a State or local law applicable to his place of residence and that he does not intend to resell or transfer the handgun to a person who is barred from purchasing, owning or possessing it by Federal, State, or local law applicable to the place of the residence of the transferee;

"(C) the title, name, and address of the chief law enforcement officer of the place of the transferee's residence;

"(2) a State or local law applicable at the place of the residence of the transferee requires that an individual must have a permit or license to own, carry, purchase, or possess the handgun, a true copy of such permit or license shall be attached to the sworn statement, and any other information required to be supplied to purchase, acquire, possess, own, or carry a handgun under such State or local law shall also be attached to the sworn statement;

"(3) the transferee provides identification sufficient to establish, under regulations prescribed by the Attorney General, reasonable grounds to believe that the individual named on the sworn statement is the transferee, and that the residence of the transferee is at the address stated in his sworn statement;

"(4) the dealer has, prior to delivery of the handgun, forwarded immediately by registered or certified mail (return receipt requested), to the chief law enforcement officer of the place of residence of the transferee and to the Federal Bureau of Investigation a copy of the sworn statement (with the attached copy of any State license or permit), in a form prescribed by the Attorney General, for the purpose of—

"(A) notifying such officer of the proposed transaction, and permitting such officer to check the identity and record of the transferee, and to determine and report to the dealer whether ownership or possession of the handgun by the transferee would be in violation of Federal law or of State or local law of the residence of the transferee;

"(B) permitting an identity and record check by the Federal Bureau of Investigation which shall, within fifteen days of receipt of the sworn statement from the dealer, transmit to the dealer a report whether the transferee is prohibited by law from receiving a handgun; and

"(5) the dealer—

"(A) has received the report of the Federal Bureau of Investigation;

"(B) has received the report of the chief law enforcement officer of the place of residence of the transferee, or has received a return receipt evidencing delivery of the statement to the chief law enforcement officer, or has had the statement returned due to the refusal of the named addressee to accept such letter in accordance with United States Postal Service regulations, or 21 days have elapsed after the licensee submitted the sworn statement of the transferee and the licensee has not been advised that the transferee is prohibited by law from receiving a handgun; and

"(C) has not received a report from the Federal Bureau of Investigation or from the chief law enforcement officer that the transferee is prohibited from shipping, possessing, transporting or receiving a handgun under subsection (f) of section 922, or that the transferee is less than twenty-one years of age, or that the receipt, purchase, or possession of the handgun by the transferee would be a violation of State or local law applicable at the place of residence.

A copy of the sworn statement, a copy of any State license or permit to purchase or carry, and a copy of any notification to the Federal Bureau of Investigation and the appropriate chief law enforcement officer, together with the report received from the Federal Bureau of Investigation and the law enforcement officer under this subsection, shall be retained by the licensee as part of the records required to be kept under section 923(g).

"(f) In the case of a transfer of a handgun by a transferor, other than a licensed dealer in handguns, to a transferee, other than a licensed importer, manufacturer, dealer, or collector, and except as provided in subsections (a) and (b), the transferor shall not transfer the handgun unless he has received from the transferee or from a licensed dealer in handguns a written certification on a form provided by the Attorney General, that the dealer has followed the procedure required under subsection (e). Upon completion of the transfer, the transferor shall notify the dealer, on a form provided as part of the certificate, that the transfer has taken place. The dealer shall maintain a separate record of the serial numbers of handguns involved in transfers reported to him under this section.

"(g) The provisions of this section shall not apply to loans or rentals of handguns at legitimate shooting ranges for use on the premises for periods of less than twelve hours and under conditions prescribed by regulation.

"(h) A licensed dealer in handguns who arranges for the transfer of a handgun between nonlicensees shall be entitled to charge the transferee a fee to be determined by the Attorney General but not to exceed $10 per transaction.

"(i) Nothing in this section shall be construed to permit an individual to carry a handgun in any State if such a carrying is illegal in that State.".

(b) The analysis of chapter 44 of such title is amended by inserting after item "922" the following new item:

"922A. Transfer of handguns.".

### LICENSING

SEC. 104. (a) Section 923(a)(1) of title 18, United States Code, is amended—

(1) by redesignating clauses (B) and (C) as clauses (C) and (D), respectively;

(2) by adding after clause (A) the following new clause:

"(B) of handguns, a fee of $5,000 per year;"; and

(3) by inserting in clause (C), as redesignated by this subsection, "or handguns" after "destructive devices".

(b) Section 923(a)(2) of such title is amended—

(1) by deleting the word "or" at the end of clause (A);

(2) by redesignating clause (B) as clause (C);

(3) by inserting after clause (A) the following new clause:

"(B) of handguns, a fee of $5,000 per year; or"; and

(4) by inserting "or handguns" after "destructive devices" the first time they appear in clause (C), as redesignated by this subsection.

(c) Section 923(a)(3) of such title is amended—

(1) by redesignating clauses (B) and (C) as clauses (E) and (F), respectively;

(2) by adding after clause (A) the following new clauses:

"(B) in handguns, a fee of $500 per year;

"(C) in ammunition for handguns that is not also used in rifles, a fee of $100 per year;";

"(D) who is a gunsmith, a fee of $100 per year;"; and

(3) by inserting "or handguns" after "destructive devices" each time the term appears in clauses (E) and (F), as redesignated by this subsection.

(d) Section 923(a) of such title is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of law, the license fees paid pursuant to this section shall be used by the Attorney General for the administration and enforcement of the provisions of this chapter.".

(e) Section 923(c) of such title is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following:

"(2) A pawnbroker may not be licensed as a dealer in handguns or handgun ammunition, and a handgun dealer or dealer in handgun ammunition may not conduct his business from the premises of a pawnbroker.".

(f)(1) The matter preceding clause (A) of section 923(d)(1) of such title is amended to read as follows:

"(1) Any application submitted under subsection (a) or (b) of this section shall be approved if the Attorney General finds that—".

(2) Section 923(d)(1)(B) of such title is amended to read as follows:

"(B) the applicant (including, in the case of a corporation, partnership, or association, any individual possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of the corporation, partnership, or association)—

"(i) is not prohibited from possessing, transporting, shipping, or receiving firearms or ammunition under section 922 (f) or (g) of this chapter;

"(ii) is not prohibited by the law of the State or by the relevant ordinance of his place of business from conducting the business of transporting, shipping, receiving, selling, transferring, owning, or possessing the firearms or ammuntion to which the license would apply; and

"(iii) certifies he will not employ individuals in his licensed business who are prohibited from possessing, transporting, shipping or receiving firearms or ammunition under section 922(f).".

(3) Section 923(d)(1)(E)(i) of such title is amended by inserting before the comma the following: "and such premises are appropriate nonmobile premises protected by such adequate security devices as the Attorney General shall by regulation prescribe;".

(g) Section 923(d)(2) of such title is amended by deleting "forty-five" and inserting in lieu thereof "ninety".

(h) Section 923(e) of such title is amended to read as follows:

"(e) The Attorney General may, after notice and opportunity for hearing, suspend or revoke any license issued under this section, or may subject the licensee to a civil penalty not to exceed $10,000 per violation, if the holder of such license has violated any provision of this chapter or any rule or regulation prescribed by the Attorney General under this chapter. The Attorney General may at any time compromise, mitigate, or remit the liability with respect to such violation. The Attorney General's action under this subsection may be reviewed only as provided in subsection (f) of this section.".

(i) Section 923(f) of such title is amended to read as follows:

"(f)(1) Any person whose application for a license is denied and any holder of a license which is suspended or revoked or who is assessed a civil penalty shall receive a written notice from the Attorney General stating specifically the ground upon which the application was denied or upon which the license was suspended or revoked or the civil penalty assessed. Any notice of a suspension or revocation of a license shall be given to the holder of such license before the effective date of the suspension or revocation.

"(2) If the Attorney General denies an application for, or suspends or revokes a license, or assesses a civil penalty, he shall, upon request by the aggrieved party, promptly hold a hearing to review his denial, suspension, revocation, or assessment. In the case of a suspension or revocation of a license, the Attorney General shall upon the request of the holder of the license stay the effective date of the suspension or revocation. A hearing held under this paragraph shall be held at a location convenient to the aggrieved party.

"(3) If after a hearing held under paragraph (2) the Attorney General decides not to reverse his decision to deny an application or suspend or revoke a license or assess a civil penalty, the Attorney General shall give notice of his decision to the aggrieved party. The aggrieved party may at any time within sixty days after the date notice was given under this paragraph file a petition with the United States district court for the district in which he resides or has his principal place of business for a judicial review of such denial, suspension, revocation, or assessment. In a proceeding conducted under this subsection, the court may consider any evidence submitted by the parties to the proceeding. If the court decides that the Attorney General was not authorized to deny the application or to suspend or revoke the license or to assess the civil penalty, the court shall order the Attorney General to take such action as may be necessary to comply with the judgment of the court.".

(j) Section 923(g) of such title is amended to read as follows:

"(g)(1) Each licensed importer, licensed manufacturer, licensed dealer, and licensed collector shall maintain such records of importation, production, shipment, receipt, sale, or other disposition, of firearms and ammunition at such place, for such period, and in such form as the Attorney General may by regulations prescribe.

"(2) Each licensed importer and licensed manufacturer shall for each handgun imported, received or manufactured by such importer or manufacturer, maintain accurate records kept according to the serial number of each such handgun for 10 years from the date of each disposition, of (A) the disposition of each such handgun whether through sale, transfer, destruction, loss, theft, or other means, (B) the date of such disposition, and (C) in addition for each sale or transfer of each such handgun including subsequent transfers reported by a licensed dealer under subsection (b) of section 922A, of the model, the name and address of the transferor, and the name and address or license number of the transferee.

"(3) Each licensed dealer in handguns shall, for each handgun received or transferred by or through him under section 922A, maintain accurate records kept according to the serial number of each such handgun, of (A) the disposition of each such handgun, whether through sale, transfer, trade-in, destruction, loss, theft, or other means, (B) the date of such disposition, and (C) in addition for each sale or transfer of such handgun, of the model, the name and address of the transferor, and the name and address or license number of the transferee. Each such dealer shall monthly transfer such records to the importer or manufacturer whose serial number appears on the handgun.

"(4) Each licensed importer and licensed manufacturer shall, pursuant to such regulations as the Attorney General shall prescribe, conduct periodic audits of the records received from licensed dealers under paragraph (3) of this subsection to ensure the accuracy of such records.

"(5) In the event that a licensed importer, manufacturer, dealer or collector loses his license, sells or transfers his business to another person or corporation, dies, or in any other way ceases doing business as a licensed importer, manufacturer, dealer or collector, he shall transfer, or cause to be transferred, to the subsequent purchaser or transferee of the business, or in the event that there is no subsequent purchaser or transferee of the business, to the Department, the records maintained under this section. All reports under subsection (b) from dealers with respect to transfers of handguns with serial numbers associated with an importer or manufacturer who has ceased doing business, shall be sent to the subsequent purchaser or transferee of the business, or in the event that there is no subsequent purchaser or transferee of the business, to the Department.

"(6)(A) All licensed importers, licensed manufacturers, licensed dealers, and licensed collectors shall make such records available for inspection at all reasonable times, and shall submit to the Attorney General such regular reports and information with respect to such records as he shall by regulations prescribe, including, but not limited to, quarterly reports, kept according to handgun size and model, summarizing the disposition of all handguns transferred by or through that licensed importer, licensed manufacturer, licensed dealer or licensed collector. No such regular reports shall contain the name or address of any non-commercial licensee.

"(B) The Attorney General may enter during business hours the premises (including places of storage) of any firearms or ammunition importer, manufacturer, dealer, or collector for the purpose of inspecting or examining (i) any records or documents required to be kept by such importer, manufacturer, dealer, or collector under the provisions of this chapter or regulations issued under this chapter, and (ii) any firearms or ammunition kept or stored by such importer, manufacturer, dealer, or collector at such premises. Upon the request of a State or any political subdivision thereof, the Attorney General may make available to such State or any political subdivision thereof, any information which he may obtain by reason of the provisions of this chapter with respect to the identification of persons within such State or political subdivision thereof, who have purchased or received firearms or ammunition, together with a description of such firearms or ammunition.".

(k) Section 923 (i) of such title is amended by inserting at the end thereof the following: "The Attorney General shall approve for each licensed importer and manufacturer a serial number code unique to that importer or manufacturer.".

### EASILY CONCEALABLE HANDGUNS ILLEGAL

SEC. 105. (a) Chapter 44 of title 18 is amended by inserting after section 923 the following new section:

"§ 923A. Easily concealable handguns

"(a)(1) The Attorney General shall approve for manufacture, assembly, importation, sale, or transfer any handgun model if he has caused to be evaluated and tested representative samples of such handgun model, and has found that such handgun model satisfies the criteria established pursuant to subsection (b) of this section and made effective pursuant to subsection (c) of this section.

"(2) The Attorney General is authorized to make exceptions to the handgun criteria for handguns particularly appropriate for use for law enforcement purposes by law enforcement authorities. The Attorney General may by regulation approve the manufacture and sale of limited quantities of such handgun models only to law enforcement authorities that have a demonstrated need to use such handguns for law enforcement purposes. Such handgun models shall not be sold or resold to any other individuals.

"(b)(1) The Attorney General shall appoint a Handgun Criteria Commission for the purpose of developing criteria by which handgun models may be evaluated according to the frame size and other factors as may be appropriate to determine whether such handgun models are easily concealable, are handguns with potential for criminal use or are handguns particularly suitable for sporting purposes.

"(2) The Commission shall be comprised of 15 members from among individuals who are representative of—

"(A) the handgun industry, including at least two handgun ballistics experts;

"(B) law enforcement personnel and members of the Armed Forces; and

"(C) citizens groups and the general public.

"(3)(A) The Commission shall within one year from the date of enactment of the Handgun Crime Control Act of 1979 submit to the Attorney General a report setting forth the criteria established pursuant to subsection (b)(1) of this section. The Attorney General shall within thirty days after the submission of the report publish the proposed criteria in the Federal Register, together with notice for an opportunity to comment on the criteria. The Attorney General shall publish the final criteria in the Federal Register within sixty days after the period for public comment has ended.

"(B) Every two years thereafter the Commission shall evaluate the effectiveness of the then existing criteria. If the Commission determines that handguns that satisfy such criteria are significantly involved in handgun crime, the Commission shall submit to the Attorney General a report recommending appropriate revisions of such criteria. The Attorney General shall prepare revised final criteria pursuant to the procedures set forth in subsection (b)(3)(A) of this section. Until such revised final criteria become effective pursuant to subsection (c) of this section, the Attorney General shall apply the existing final criteria.

"(4) (A) Any vacancy in the Commission shall not effect its powers but shall be filled in the same manner in which the original appointment was made.

"(B) Eight members shall constitute a quorum, but a lesser number may conduct hearings. The chairman of the Commission shall be selected from among the members by the members of the Commission.

"(5) The Commission may, in carrying out the provisions of this chapter, sit and act at such times and places, hold such hearings, take such testimony, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer oaths, and have such printing and binding done, as the Commission deems advisable.

"(6)(A) Subpenas shall be issued under the signature of the Chairman or any member of the Commission designated by him and shall be served by any person designated by the Chairman or any such member. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

"(B) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances of witnesses so summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

"(C) Any person who willfully neglects or refuses to appear, or refuses to qualify as a witness or to testify, or to produce any evidence in obedience to any subpena duly issued under authority of this section shall be fined not more than $500, or imprisoned for not more than six months, or both. Upon the certification by the Chairman of the Commission of the facts concerning any such willful disobedience by any person to the United States Attorney for any judicial district in which such person resides or is found, such Attorney shall proceed by information for the prosecution of such person for such offense.

"(7) The Commission may acquire directly from the head of any department, agency, instrumentality, or other authority of the executive branch of the Government available information which the Commission determines useful in the discharge of its functions. Each department, agency, instrumentality, or other authority of the executive branch of the Government shall cooperate with the Commission and, to the extent permitted by law, furnish all information requested by the Commission.

"(8) Subject to such rules and regulations as may be adopted by the Commission, the Chairman is authorized to—

"(A) appoint and fix the compensation of an executive director, and such additional staff personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title;

"(B) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals;

"(C) enter into agreements with the General Services Administration for procurement of necessary financial administrative services, for which payment shall be made by reimbursement from the funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services; and

"(D) enter into contracts with Federal, State, and local public agencies, private business concerns, institutions, and other organizations for the conduct of research which the Commission determines to be necessary.

"(9)(A) Members of the Commission who are otherwise employed by the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

"(B) Members of the Commission not otherwise employed by the Federal Government shall receive compensation at a rate fixed by the President but not in excess of the duty rate prescribed for GS-18 under section 5332 of title 5, United States Code, including traveltime, for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

"(10) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.

"(c)(1) All final criteria established by the Attorney General under subsection (b)(3) (A) of this section shall be transmitted to the Congress. Such criteria shall become effective at the end of the first period of 60 calendar days of continuous session of Congress after the date on which such criteria are transmitted to the Congress unless, between the date of transmittal and the end of the 60-day period, either House passes a resolution stating in substance that the House does not favor the criteria submitted under this section.

"(2) The provisions of section 908 and sections 910 through 912 of title 5, United States Code, shall apply to any resolution considered under this subsection. For the purpose of the preceding sentence of this paragraph—

"(A) all references in such sections to 'reorganization plan' shall be treated as referring to criteria submitted under section 923A of title 18, United States Code,

"(B) all references in such section to 'resolution' shall be treated as referring to a resolution of either House of Congress, the matter after the resolving clause of which is as follows: 'That the ——— does not favor ——— of the criteria submitted under section 923A of title 18, United States Code, transmitted to the Congress by the President on ———, 19—.', the first blank therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled, and

"(C) all references to the Committee on Governmental Affairs and the Committee on Government Operations shall be treated as referring to the Committee on the Judiciary.

"(d) Prior to the time that the criteria established pursuant to subsection (b)(3) (A) of this section become effective pursuant to subsection (c) of this section, the Attorney General shall, within 120 days after the date of enactment of the Handgun Crime Control Act of 1979, cause to be evaluated and tested representative samples of all handgun models in manufacture on or after October 22, 1968, or, in the event of handgun models manufactured after the date of enactment, within 120 days after the date of manufacture. The Attorney General shall approve for manufacture, assembly, importation, sale, or transfer any handgun model if he has found that—

"(1) in the case of a pistol, the handgun model meets the requirements of subsection (e); and

"(2) in the case of a revolver, the handgun model meets the requirements of subsection (f).

"(e) In the case of a pistol, the handgun model meets the requirements of subsection (d)(1) if the handgun model—

"(1) has a positive manually operated safety device, or a safety device equal or superior to the manually operated safety device,

"(2) has a combined length and height of not less than ten inches with the height (measured from the top of the weapons, excluding sights, at a right-angle measurement to the line of the bore, to the bottom of the frame, excluding magazine extensions or releases) being at least four inches and the length (measured from the muzzle, parallel to the line of the bore, to the back of the part of the weapon that is farthest to the rear of the weapon) being at least six inches, and

"(3) attains a total of at least seventy-five points under the following criteria:

"(A) OVERALL LENGTH.—One point for each one-fourth inch over six inches;

"(B) Frame construction.—(i) fifteen points if made of steel having an ultimate tensile strength of at least fifty-five thousand pounds per square inch, and (ii) twenty points if made of high tensile strength alloy having an ultimate tensile strength of at least fifty-five thousand pounds per square inch;

"(C) Pistol weight.—One point for each ounce, with the pistol unloaded and the magazine in place;

"(D) Caliber.—(i) zero points if the pistol accepts only caliber .22 rimfire short, or metric equivalent, or caliber .25 ACP (Automatic Colt Pistol), or metric equivalent ammunition, (ii) three points if the pistol accepts either caliber .22 rimfire long rifle, or metric equivalent, ammunition or any ammunition within the range delimited by caliber .32 ACP (Automatic Colt Pistol), or metric equivalent, and caliber .380 ACP (Automatic Colt Pistol), or metric equivalent, (iii) 10 points if the pistol accepts caliber 9x19 millimeter (also known as Luger or Parabellum) ammunition or ammunition of an equivalent or greater projectile diameter or ammunition of equivalent or greater power loading, and (iv) in the case of ammunition not falling within one of the classes enumerated in division (i) through (iii) of this subparagraph, such numbers of points not greater than ten (following the classification schedule of this subparagraph (D) as nearly as practicable) as the Attorney General shall determine appropriate to the suitability for sporting purposes of handgun models designed for such ammunition;

"(E) Safety features.—(i) five points if the pistol has a locked breech mechanism, (ii) five points if the pistol has a loaded chamber indicator, (iii) three points if the pistol has a grip safety, (iv) five points if the pistol has a magazine safety, and (v) ten points if the pistol has a firing pin block or lock; and

"(F) Miscellaneous equipment.—(i) two points if the pistol has an external hammer, (ii) ten points if the pistol has a double-action firing mechanism, (iii) five points if the pistol has a drift adjustable target sight, (iv) ten points if the pistol has a click adjustable target sight, (v) five points if the pistol has target grips, and (vi) two points if the pistol has a target trigger.

"(f) In the case of a revolver, the handgun model meets the requirements of subsection (d)(2) if the handgun model—

"(1) has an overall frame (with conventional grips) length of four and one-half inches (measured from the end of the frame nearest the muzzle, parallel to the line of the bore of the back of the part of the weapon that is farthest to the rear of the weapon);

"(2) has a barrel length (measured from the muzzle to the cylinder face) of at least four inches;

"(3) has a safety device which, either (A) by automatic operation in the case of a double action firing mechanism or (B) by automatic or manual operation in the case of a single-action firing mechanism, causes the hammer or transfer bar to retract to a point where the firing pin or other firing mechanism does not rest upon the primer of the cartridge, and which once activiated, is capable of withstanding the impact of a weight equal to the weight of the revolver, dropped a total of five times from a height of thirty-six inches above the rear of the hammer spur onto the rear of the hammer spur with the revolver in a position such that the line of the barrel is perpendicular to the place of the horizon, or (C) which is determined to be equal or superior to those listed above; and

"(4) attains a total of at least forty-five points under the following criteria:

"(A) Barrel length.—one-half point for each one-fourth inch that the barrel is longer than four inches;

"(B) Frame construction.—(i) fifteen points if made of steel having an ultimate tensile strength of at least fifty-five thousand pounds per square inch, and (ii) twenty points if made of high tensile strength alloy having an ultimate tensile strength of at least fifty-five thousand pounds per square inch;

"(C) Revolver weight.—one point for each ounce with the revolver unloaded;

"(D) Caliber.—(i) zero points if the revolver accepts only caliber .22 rimfire short, or metric equivalent, or caliber .25 ACP (Automatic Colt Pistol), or metric equivalent, (ii) three points if the revolver accepts caliber .22 rimfire long rifle, or metric equivalent, or ammunition in the range between caliber .30, or metric equivalent, and caliber .38 S&W (Smith & Wesson), or metric equivalent, (iii) four points if the revolver accepts caliber .38 Special (Smith & Wesson Special), or metric equivalent, (iv) five points if the revolver accepts caliber .357 Magnum, or metric equivalent, ammunition or ammunition of an equivalent or greater projectile diameter or ammunition of equivalent or greater power loading, and (v) in the case of ammunition not falling within one of the classes enumerated in divisions (i) through (iv) of this subparagraph such number of points not greater than five (following the classification schedule of this subparagraph (D) as nearly as practicable) as the Attorney General shall determine approporiate to the suitability for sporting purposes of handgun models designed for such ammunition; and

"(E) Miscellaneous equipment.—(i) five points if the revolver has either drift or click adjustable target sights, (ii) five points if the revolver has target grips, and (iii) five points if the revolver has a target hammer and a target trigger.

"(g)(1) The Attorney General shall give written notification of the results of evaluation and testing conducted pursuant to subsection (i) of this section to the licensed manufacturer, licensed importer, licensed dealer, or licensed collector who submitted a sample of a handgun model for such evaluation and testing. If any handgun model fails to meet the standards for approval, the notification of the Attorney General shall state specifically the reasons for such finding.

"(2) Any licensed manufacturer, licensed importer, licensed dealer, or licensed collector who submitted to the Attorney General for testing a handgun model that is subsequently found not in compliance with the criteria established under this section shall have ten days from receipt of notification of noncompliance within which to submit in writing specific objections to such finding and a request for retesting such model, together with a justification therefor. Upon receipt of such a request the Attorney General shall if he determines that sufficient justification for retesting exists, promptly arrange for retesting and notify the aggrieved party of the results. If the Attorney General determines that retesting is not warranted, the Attorney General shall promptly notify the aggrieved party of his determination. If upon retesting the finding of the Attorney General remains adverse, or if the Attorney General finds that retesting is not warranted, the aggrieved party may within sixty days after the date of the notice of the Attorney General of such finding file a petition in the United States district court in the district in which the aggrieved party resides or has his principal place of business in order to obtain judicial review of such finding. Such review shall be in accordance with the provisions of section 706 of title 5, United States Code.

"(h) The Attorney General shall publish in the Federal Register at least semiannually a list of handgun models which have been tested and the results of the tests. Any handgun model—

"(1) not in manufacture on or after October 22, 1968; and

"(2) which has not been tested or for which the test results have not been published;

shall be deemed to be approved under this section until notice of the disapproval of the handgun model has been published in the Federal Register. The list shall also be included with the published ordinances required under section 921(a)(26) to be furnished to each licensee under this chapter.

"(i) Within 120 days after the final handgun criteria become effective pursuant to subsection (c) of this section, the Attorney General shall cause to be tested and evaluated representative samples of all handgun models in existence on or after October 22, 1968. The Attorney General shall cause to be tested and evaluated representative samples of any handgun models manufactured or imported any time thereafter, within 120 days after the date of manufacture or importation of such models.".

(b) The analysis of chapter 44 of such title is amended by inserting after item "923" the following new item:

"923A. Easily concealable handguns.".

### PENALTIES

Sec. 106. (a) The first sentence of section 924(a) of title 18, United States Code, is amended by adding after the words "violates any provision of this chapter" a comma and the following: "other than subsection (g) or (q) of section 922 or, in the case of the transfer of a handgun between non-licensees, section 922A,".

(b) Section 924(a) of such title is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2)(A) Whoever violates section 922(g) of this chapter shall be fined not more than $1,000, or imprisoned not more than one year, or both.

"(B) Whoever, being an individual who is not a licensee, violates section 922(q) of this chapter, shall—

"(i) for the first offense, be fined not more than $500, and

"(ii) for the second and subsequent offenses be fined not more than $1,000 or imprisoned not more than six months, or both.

"(C) Whoever violates section 922(q) of this chapter if the handgun, the loss or theft of which such person fails to report under section 922(q) is used in the commission of an offense punishable by imprisonment for not more than one year, such person shall be fined not more than $5,000 or imprisoned not more than one year, or both. If there is a transfer of a handgun between non-licensees in violation of section 922A, the transferor and transferee shall each be liable to a civil pentalty of $100, except that (i) if the handgun transferred in violation of section 922A by a non-licensee is used by the transferee, in the commission of an offense punishable by imprisonment for more than one year, the transferor shall be fined not more than $1,000 or imprisoned not more than six months; or (ii) if the unlicensed transfer is, in fact, an unlicensed dealer in handguns, the dealer shall be subject to the penalties applicable to any other violation of this chapter.".

(c) Section 925(c) of such title is amended to read as follows:

"(c) Whoever—

"(1) uses a firearm to commit any felony for which he may be prosecuted in a court of the United States, or

"(2) carries a firearm during the commission of any felony for which he may be prosecuted in a court of the United States, shall, in addition to the punishment provided for the commission of such felony, be sentenced to a term of imprisonment of not less than one year nor more than ten years in the case of the first offense, and to a term of imprisonment of not less than two nor more than twenty-five years for a second or subsequent offense. Nothwithstanding any other provision of law, the court shall not suspend the sentence of such person or give him a probationary sentence, nor shall the term of imprisonment imposed under this subsection run concurrently with any term of imprisonment imposed for the commission of such felony nor shall the defendant be eligible for parole for a term specified by the court for at least one year for a first offense and at least two years for a subsequent offense, unless the court finds that, at the time of the offense—

"(A) the defendant was less than eighteen years old;

"(B) the mental capacity of the defendant was significantly impaired, although the impairment was not such as to constitute a defense to prosecution;

"(C) the defendant was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; or

"(D) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the participation of the defendant was relatively minor.".

(d) Section 924 of such title is amended by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following new subsection:

**"(d) Any person including any licensed importer, licensed manufacturer, licensed dealer, or licensed collector who negligently sells, transfers, or delivers a handgun in violation of the provisions of this chapter shall be civilly liable for the death or injury suffered by an individual as a result of the use of the handgun by the transferee in the commission of an offense that causes death or personal injury to that individual.".**

### EXCEPTIONS; RELIEF FROM DISABILITIES

SEC. 107. (a) (1) Section 925(a) (2) of title 18, United States Code, is amended by inserting after "firearms" a comma and the following: "other than a handgun of a model which has not been approved by the Attorney General pursuant to section 923A of this chapter,".

(2) Section 925(a) (2) of such title is further amended by inserting after "may receive a firearm" a comma and the following: "other than a handgun of a model which has not been approved by the Attorney General pursuant to section 923A of this chapter".

(3) Section 925(a) (4) of such title is amended by inserting after "of any firearm" a comma and the following: "other than a handgun of a model which has not been approved by the Attorney General pursuant to section 923A of this chapter,".

(b) (1) Section 925(c) of such title is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2) Any individual who, having been adjudicated as mentally incompetent, or who, having been committed to a mental institution, subsequently has been adjudicated by a court or other lawful authority to have been restored to mental competency, if such court or other lawful authority specifically finds that the individual is no longer suffering from a mental disorder and that the possession of a firearm by the individual would not pose a danger to the individual or to the safety of another individual, shall be relieved from the disabilities imposed by this chapter with respect to the acquisition, receipt, transfer, shipment, or possession of firearms incurred because of such adjudication or commitment.".

**(2) Section 925(c) (1) of such title, as redesignated by this section, is amended by inserting after "National Firearms Act" the following: "or of a State or local law which relates to the importation, manufacture, sale, or transfer, of a firearm".**

**(c) Section 925(d) (3) of such title is amended to read as follows:**

**"(3) is of a type that does not fall within the definition of a firearm as defined in section 5845(a) of the Internal Revenue Code of 1954; is not a surplus military firearm; is generally recognized as particularly suitable for sporting purposes; and, if a handgun, the model has been approved by the Attorney General pursuant to section 923A of this chapter; or".**

### RULES AND REGULATIONS

**SEC. 108. (a) Section 926 of title 18, United States Code, is amended—**

**(1) by deleting "and" at the end of paragraph (1);**

**(2) by deleting the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and "and";**

**(3) by adding after paragraph (2) the following new paragraph:**

**"(3) regulations precluding multiple sales or transfers of handguns under section 922(1) to persons who do not demonstrate to the satisfaction of the Attorney General that such purchase or transfer is for lawful purposes, as defined in the regulations.".**

**(b) Such section 926 is further amended by inserting "(a)" before "The" the first time it appears and by adding at the end thereof the following new subsection:**

"(b) Any officer or employee of the Department who is designated by the Attorney General to carry out the provisions of this chapter is authorized to administer such oaths or affirmations as may be necessary for the enforcement of this chapter and any other provision of law or regulation administered by the Bureau.".

### COMPENSATION FOR VICTIMS OF HANDGUN CRIME

SEC. 109. (a) Chapter 44 of title 18, United States Code, is amended—

(1) by inserting immediately after the section analysis of the chapter the following:

"Subchapter I—FIREARMS GENERALLY"; and

(2) by adding after section 928 the following new subchapter:

"Subchapter II—COMPENSATION OF VICTIMS OF HANDGUN CRIME

"Sec.
"941. Program authorized; amount of payment.
"942. Eligibility; application.
"943. Payments.
"944. Reports.
"945. Administration.
"946. Advisory Committee on Victims of Handgun Crime.
"947. Definitions.
"948. Authorization of appropriations.

"§ 941. Program authorized; amount of payment

"(a) Subject to the availablity of amounts appropriated for any fiscal year, the Attorney General shall make an annual grant for each fiscal year and may make supplemental grants for compensation of victims of handgun crime to each State program that qualifies under section 942.

"(b) Except as provided in section 943 (a), the grants made to a qualifying State program under this subchapter for any fiscal year shall equal—

"(1) 100 percent of the cost, as determined by the Attorney General, of paying compensation for personal injury or death for such fiscal year for which the determination is made for qualifying crimes that are described in section 947(8) (B); and

"(2) 25 percent of the cost, as determined by the Attorney General, of paying compensation for personal injury or death for such fiscal year for qualifying crimes that are described in section 947(8) (A).

"(c) The Attorney General shall not have the power to modify the disposition of any individual claim that has been processed by any State program.

"§ 942. Eligibility; application

"(a) (1) A State program for the compensation of victims of handgun crime qualifies for grants under this subchapter if the Attorney General finds that such program is in effect in such State on a statewide basis during any part of the Federal fiscal year for which grants are to be made and if such program meets the criteria set forth in paragraphs (2) through (10) of this subsection.

"(2) The program offers—

"(A) compensation for personal injury to any individual who suffers personal injury that is the result of a handgun crime; and

"(B) compensation for death to any surviving dependent of any individual whose death is the result of a handgun crime.

"(3) The program offers the right to a hearing with administrative or judicial review to aggrieved claimants.

"(4) The program requires as a condition for compensation that claimants cooperate with appropriate law enforcement authorities with respect to the handgun crime for which compensation is sought.

"(5) The program does not have a limitation based on the financial means of the victim or any surviving dependent.

"(6) There is in effect in the State a requirement that appropriate law enforcement agencies and officials exercise reasonable care to insure that victims of a handgun crime are informed of—

"(A) the existence of a State program of compensation for injuries sustained by victims; and

"(B) the procedure for applying for compensation under that program.

"(7) There is in effect in the State a law or rule that the State is subrogated to any claim the victim, or a dependent of the victim, has against the perpetrator of the handgun crime for personal injury or death resulting from the handgun crime, to the extent of any money paid to the victim or dependent by the program.

"(8) There is in effect in the State a law or rule that, in addition to or in lieu of any other penalty, a perpetrator of a crime may be required to make restitution to any victim or victim's surviving dependent for that crime.

"(9) The program does not require any claimant to seek or accept any benefit in the nature of welfare unless such claimant was receiving such benefits prior to the occurrence of the handgun crime that gave rise to the claim.

"(10) The program requires denial or reduction of a claim if the victim or claimant contributed to the infliction of the death or injury with respect to which the claim is made.

"(11) The program does not require as a precondition to payment that any person be apprehended, prosecuted, or convicted of the handgun crime that gave rise to the claim.

"(b) A State desiring to receive payments to carry out a State program under this section shall submit an application to the Attorney General at such time and in such form and containing or accompanied by such information as the Attorney General shall by regulation prescribe.

"(c) If a State has a crime victim compensation program in effect on the effective date of this subchapter which does not otherwise qualify under subsection (a), such program shall be deemed qualified for grants under this subchapter until the day after the close of the first regular session of the State legislature that begins after the effective date of this subchapter. Thereafter, only programs which comply with the requirements of subsection (a) shall be eligible for grants under this subchapter.

"§ 943. Payments

"(a) In computing the annual cost of a qualifying State program for the purpose of establishing the amount of Federal grants under section 941(b), there shall be excluded from such cost any amount for administrative expenses incurred in carrying out the program, any amount for which the program has received proceeds pursuant to section 942(a)(7), and any amount representing State compensation awards—

"(1) for pain and suffering;

"(2) for property loss;

"(3) to the extent the amount of any award to a victim, or the aggregate amount of any awards to the surviving dependents of a victim with respect to such victim, exceeds $35,000;

"(4) to any claimant who has received or who is entitled to receive compensation for personal injury or death from any source, other than from a compensation program assisted under this subchapter or from the perpetrator of the handgun crime, an amount not to exceed the amount of that compensation;

"(5) to any claimant other than a claimant 62 years of age or older whose award would be for an amount less than $100 or for lost earnings or loss of support computed on the basis of less than five work days;

"(6) to the extent the amount of any award for loss of earnings to a victim, or the aggregate amount of any awards for loss of support to the surviving dependents of a victim with respect to such victim, exceeds $200 per week per individual;

"(7) to any claimant who failed to file a claim under the State program within one year after the occurrence of the handgun crime, unless good cause for such failure to file has been found by the appropriate State agency; and

"(8) to any claimant who failed to report the handgun crime to law enforcement authorities within seventy-two hours after the occurrence of that handgun crime, unless good cause for such failure to report has been found by the appropriate State agency.

"(b) Grants under this subchapter may be made in advance or by way of reimbursement.

"§ 944. Reports

"Not later than one hundred and thirty-five days after the end of each fiscal year in which grants were made to State programs under this subchapter, the Attorney General shall submit a report to the Senate Committee on the Judiciary and the House Committee on the Judiciary. The report shall include—

"(1) with regard to each qualifying State program—

"(A) the number of individuals compensated;

"(B) a statistical presentation of—

"(i) the kinds and corresponding amounts of loss compensated;

"(ii) the range in the monetary value of claims awarded;

"(iii) the reasons for denial of claims; and

"(iv) the types of crimes that resulted in claims;

"(C) a description of the administrative mechanisms and procedures used in processing claims, including claims for emergency assistance if the program provides for such assistance.

"(D) the time required to process claims, including claims for emergency assistance if the program provides for such assistance:

"(E) efforts made to publicize the program;

"(F) administrative expenses; and

"(G) the number of handgun crimes described in section 942(7)(B) which were compensated; and

"(2) with regard to the activities of the Attorney General in carrying out the provisions of this subchapter—

"(A) an itemized statement of grants and expenditures;

"(B) copies of all rules promulgated pursuant to section 945(b)(2); and

"(C) projected expenditures for the Federal fiscal year in which the report is required to be submitted.

"§ 945. Administration

"(a) The Attorney General shall administer the provisions of this subchapter. The Attorney General shall not delegate primary responsibility for administering any provision of this subchapter unless such delegation is made to an individual who is compensated at a rate provided under the Executive Schedule under subchapter II of chapter 53 of title 5, United States Code.

"(b) For the purpose of carrying out the provisions of this subchapter, the Attorney General is authorized to—

"(1) promulgate such rules, regulations, and procedures as are necessary to carry out the provisions of this section, including rules and regulations regarding the data to be kept by State programs receiving funds under this section and the manner in which these data shall be reported to the Attorney General; and

"(2) approve in whole or in part, or deny, any application for an annual or supplemental grant under this subchapter.

"§ 946. Advisory committee on victims of handgun crime

"(a) There is established an Advisory Committee on victims of Handgun Crime to be composed of nine members appointed by the President. The President shall appoint seven of the members of the Committee from among individuals who are officials of State programs that qualify under this subchapter.

"(b) The Committee shall advise the Attorney General with respect to the administration of this subchapter and generally on policies relating to the compensation of victims of handgun crimes.

"(c)(1) The Committee shall select its own chairman and vice chairman and shall meet at the call of the chairman but not less than two times a year.

"(2)(A) The term of office for each member of the Committee shall be one year.

"(B) The Committee shall make such interim reports as it deems advisable and an annual report of its findings and recommendations (including recommendations for changes in the provisions of this subchhapter) to the Attorney General each year. The Attorney General shall transmit each such report to the President for transmittal to the Congress, together with his comments and recommendations.

"(C) A vacancy in the Committee shall not affect its activities and five members thereof shall constitute a quorum. The Attorney General shall be an ex officio member of the Committee.

"(d) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall serve only for the remainder of the term. Members shall be eligible for reappointment and may serve after the expiration of their terms until their successors have taken office.

"(e)(1) Members of the Committee who are otherwise employed by the Federal Government shall serve without compensation but shall be reimbursed with travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Committee.

"(2) Members of the Committee not otherwise employed by the Federal Government shall receive compensation at a rate fixed by the President but not in excess of the daily rate prescribed for GS-18 under section 5332, title 5, United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Committee and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Committee.

"(f) The Attorney General shall make available to the Committee such staff, information, and other assistance as it may require to carry out its activities.

"§ 947. Definitions

"As used in this subchapter—

"(1) The term 'administrative expenses' includes any fee awarded by the State agency administering a State compensation program to any claimants attorney, if such fee is paid in addition to, and not out of, the amount of compensation awarded to such claimant.

"(2) The term 'claim' means a written request to a State compensation program for compensation for personal injury or death made by or on behalf of a victim, or any surviving dependent of a victim, of a handgun crime.

"(3) The term 'compensation for death' means compensation for loss that is the result of death caused by a handgun crime, including—

"(A) all appropriate and reasonable expenses necessarily incurred for ambulance, hospital, surgical, nursing, dental, prosthetic, and other medical and related professional services and devices relating to physical or psychiatric care, including nonmedical care and treatment rendered in accordance with a method of healing recognized by the appropriate State agency;

"(B) all appropriate and reasonable expenses necessarily incurred for physical and occupational therapy and rehabilitation; and

"(C) loss of past and anticipated future earnings.

"(4) The term 'dependent' means, with respect to any State compensation program, any dependent as defined by such State for purposes of such program.

(5) The term "compensation for personal injury" means compensation for loss that is the result of personal injury caused by a qualifying crime, including—

(A) all appropriate and reasonable expenses necessarily incurred for ambulance, hospital, surgical, nursing, dental, prosthetic, and other medical and related professional services and devices relating to physical or psychiatric care, including nonmedical care and treatment rendered in accordance with a method of healing recognized by the law of the State;

(B) all appropriate and reasonable expenses necessarily incurred for physical and occupational therapy and rehabilitation; and

(C) loss of past and anticipated future earnings:

"(6) The term 'personal injury' means, with respect to any State compensation program, personal injury occurring in such State as defined by that State for the purposes of such program.

"(7) The term 'property loss' does not include expenses incurred for medical, dental, surgical, or prosthetic services and devices.

"(8) The term 'handgun crime' means any act or omission by which the victim's injury or death is caused, in whole or in part, by a handgun, and such act or omission—

"(A) is criminally punishable under any statute of a State and that such State designates as appropriate for compensation under its program;

"(B) would be a handgun crime under subparagraph (A) except for the fact that such act or omission is subject to exclusive Federal jurisdiction.

"(9) The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands or the Trust Territory of the Pacific Islands.

"§ 948. Authorization of appropriations

"(a) There is authorized to be appropriated for each fiscal year beginning after September 30, 1979, an amount equal to 25 per centum of all receipts of the Federal Government attributable to the payment of penalties under section 924 of this chapter, for the fiscal year preceding the fiscal year for which the determination is made, to be available for payments under this subchapter.

"(b) There are authorized to be appropriated for each fiscal year beginning after September 30, 1979, such additional sums as may be necessary for payments under this subchapter.".

(b) The chapter analysis of part I of such title 18 is amended by inserting after item "44" the following:

"I. Firearms generally ................ 921
"II. Compensation of victims of handgun crime ..................... 941".

## TITLE II—GUN CONTROL FUNCTIONS TRANSFERRED TO ATTORNEY GENERAL

### TRANSFER OF FUNCTIONS

SEC. 201. (a) There are transferred to the Attorney General, and the Attorney General shall perform, all functions of the Secretary of the Treasury under chapter 44 of title 18, United States Code, commonly known as the Gun Control Act of 1968.

(b) Within one hundred and eighty days after the effective date of this section, the President may transfer to the Department any function of any other agency or office, or part of any agency or office, in the executive branch of the United States Government if the President determines that such function relates primarily to functions transferred to the Department by this section.

(c) (1) Subchapter I of chapter 44 of such title 18, as redesignated by section 109(a), is amended by striking out "the Secretary" whenever it appears in such subchapter and inserting in lieu thereof "the Attorney General".

(2) Section 103 of the Gun Control Act of 1968 is amended by striking out "the Secretary of the Treasury" and inserting in lieu thereof "the Attorney General".

### ESTABLISHMENT OF THE FIREARMS SAFETY AND ABUSE CONTROL ADMINISTRATION

SEC. 202. (a) There is established within the Department of Justice the Firearms Safety and Abuse Control Administration. The Administration shall be headed by an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be under the supervision and direction of the Attorney General.

(b) The functions of the Attorney General under chapter 44 of title 18, United States Code, and under this Act shall be administered through the Administration.

### ANNUAL REPORT

SEC. 203. (a) The Attorney General shall prepare and transmit to the Congress as part of the annual report of the Department of Justice a report on the activities of the Administration.

(b) Each such report shall include a description of the effective use of the resources of the Federal, State, and local law enforcement agencies in controlling illicit handgun traffic, the extent of intergovernmental cooperation in controlling such traffic, a detailed summary of the activities of the Administration, an assessment and evaluation of specific programs of Federal, State, and local law enforcement agencies to reduce illicit handgun traffic, a description of the nature, extent, and effect of Federal, State, and local law enforcement agency intelligence operations relating to illicit handgun traffic, and such recommendations, including recommendations for additional legislation, as the Attorney General deems appropriate.

### TRANSFER OF OFFICES AND PERSONNEL

SEC. 204. (a) All personnel, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of section 101, are transferred to the Attorney General.

(b) (1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfer.

### SAVINGS PROVISIONS

SEC. 205. (a) All orders, determinations, rules, regulations, contracts, certificates, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this title, by (A) any agency or office, or part thereof, any functions of which are transferred by this title, or (B) any court of competent jurisdiction; and

(2) which are in effect at the time this title takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Attorney General, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this title shall not affect any proceedings pending at the time this section takes effect before any agency or office, or part thereof, functions of which are transferred by this title; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the agency or office, or part thereof, before which they are pending at the time of such transfer. In either case orders shall be in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Attorney General, by a court of competent jurisdiction, or by operation of law.

(c) (1) Except as provided in paragraph (2)—

(A) the provisions of this title shall not affect suits commenced prior to the date this section takes effect; and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any agency or office, or part thereof, functions of which are transferred by this title, shall abate by reason of the enactment of this title. No cause of action by or against any agency or office, or part thereof, functions of which are transferred by this title, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this title. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this title takes effect, any agency or office, or officer thereof in his official capacity, is a party to a suit, and under this title any functions of such agency, office, or part thereof, or officer is transferred to the Attorney General, then such suit shall be continued by the Attorney General (except in the case of a suit not involving functions transferred to the Attorney General, in which case the suit shall be continued by the agency, office, or part thereof, or officer which was a party to the suit prior to the effective date of this title).

(d) With respect to any function transferred by this title and exercised after the effective date of this title, reference in any other Federal law to any agency, office, or part thereof, or officer so transferred or functions of which are so transferred shall be deemed to mean the Department or officer in which such function is vested pursuant to this title.

(e) Orders and actions of the Attorney General in the exercise of functions transferred under this title shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceeding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this title shall apply to the exercise of such function by the Attorney General.

(f) In the exercise of the functions transferred under this title, the Attorney General shall have the same authority as that vested in the agency or office, or part thereof, exercising such functions immediately preceding their transfer, and his actions in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

### DEFINITIONS

SEC. 206. As used in this title—

(1) "Department" means the Department of Justice; and

(2) "function" includes power and duty.

### COMPENSATION OF ADMINISTRATOR

SEC. 207. Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(70) Administrator, Firearms Safety and Abuse Control Administration, Department of Justice.".

## TITLE III—MISCELLANEOUS PROVISIONS

### EXPLOSIVE MATERIALS; UNLAWFUL ACTS

SEC. 301. (a) Section 842(d) (5) of title 18, United States Code, is amended—

(1) by deleting "(as defined in section 4761 of the Internal Revenue Code of 1954)";

(2) by deleting "drug (as defined in section 201(v) of the Federal Food, Drug, and Cosmetic Act)" and inserting in lieu thereof "substance";

(3) by deleting "(as defined in section 4721 (a) of the Internal Revenue Code of 1954); or" and inserting in lieu thereof "as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)"; and

(4) by striking out "or" at the end of such section.

(b) Section 842(d) (6) of such title is amended to read as follows:

"(6) has been adjudicated as mentally incompetent or has been committed to a mental institution; or

"(7) being an alien, is illegally or unlawfully in the United States.".

(c) Section 842(i) (3) of such title is amended—

(1) by deleting "drug (as defined in section 4761 of the Internal Revenue Code of 1954)";

(2) by deleting "drug (as defined in section

201(v) of the Federal Food, Drug, and Cosmetic Act)" and inserting in lieu thereof "substance";

(3) by deleting "(as defined in section 4731 (a) of the Internal Revenue Code of 1954); or" and inserting in lieu thereof "as those terms are defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)"; and

(4) by striking out "or" at the end of such section.

(d) Section 842(1)(4) of such title is amended to read as follows:

"(4) who has been adjudicated as mentally incompetent or has been committed to a mental institution; or

"(5) who, being an alien, is illegally or unlawfully in the United States;".

### EXPLOSIVE MATERIALS; LICENSING

SEC. 302. (a) Section 843(c) of title 18, United States Code, is amended by deleting "forty-five" and inserting in lieu thereof "ninety".

(b) Section 843(d) of such title is amended to read as follows:

"(d)(1) The Attorney General may revoke a license or permit issued under this chapter if the person holding the license or permit is ineligible to acquire explosive materials under section 842(d).

"(2) A person who has a license or permit issued under this section and who violates a provision of this section or a rule or regulation prescribed by the Attorney General under this chapter, shall be subject to a civil penalty, to be imposed by the Attorney General, of not to exceed $10,000 for each violation, or to suspension or revocation of his license or permit, or to both the civil penalty and revocation or suspension. The Attorney General may at any time compromise, mitigate, or remit such penalties. An action of the Attorney General under this subsection is subject to review only as provided in subsection (e) of this section.".

(c) Section 843(e) of such title is amended to read as follows:

"(e)(1) Any person whose application is denied or whose license or permit is suspended or revoked or who is assessed a civil penalty shall receive a written notice from the Attorney General stating the specific grounds upon which such denial, suspension, revocation, or civil penalty is based. Any notice of a suspension or revocation of a license or permit shall be given to the holder of such license or permit prior to or concurrent with the effective date of the suspension or revocation.

"(2) If the Attorney General denies any application for, or suspends or revokes, a license or permit, or assesses a civil penalty, he shall, upon request by the aggrieved party, promptly hold a hearing to review his denial, suspension, revocation, or assessment. In the case of a suspension or revocation, the Attorney General may upon a request of the aggrieved party stay the effective date of the suspension or revocation. A hearing under this section shall be at a location convenient to the aggrieved party. The Attorney General shall give written notice of his decision to the aggrieved party within a reasonable time after the hearing. The aggrieved party may, within sixty days after receipt of the written decision of the Attorney General file a petition with the United States court of appeals for the district in which he resides or has his principal place of business for a judicial review of such denial, suspension, revocation, or assessment pursuant to sections 701 through 706 of title 5, United States Code.".

### NONMAILABLE FIREARMS

SEC. 303. Section 1715 of title 18, United States Code, is amended—

(1) by adding after the words "Such articles" in the second sentence the words ", other than handguns whose transfer is restricted under section 922(d),"; and

(2) by adding after the second sentence the following new sentence: "The Postal Service shall promulgate regulations, subject to approval of the Attorney General, consistent with section 922(d) of this title, concerning conveyance in the mails of handguns subject to that section for the United States or any department or agency thereof, or to any State, department, agency, or political subdivision thereof.".

### STUDY OF EFFECTIVENESS OF CRIME CONTROL LAWS

SEC. 304. The Advisory Commission on Intergovernmental Relations established by the Act entitled "An Act to establish an Advisory Commission on Intergovernmental Relations", approved September 24, 1959, in consultation with the United States Conference of Mayors and the National League of Cities, and representatives of Federal, State, and local law enforcement agencies shall investigate, analyze, and report within six months of the enactment of the Act upon (1) intergovernmental problems involved in controlling illicit handgun traffic, and (2) the effectiveness of the Omnibus Crime Control and Safe Streets Act of 1968 and chapter 44 of title 18, United States Code, and particularly the requirements for licensing of manufacturers, importers, and dealers.

### REPEALER

SEC. 305. Title VII of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. Appendix 1202–1203) is hereby repealed.

### EFFECTIVE DATE

SEC. 306. This Act and the amendments made by this Act shall become effective 120 days after the date of enactment, except that—

(1) the amendments to section 922(a)(2)(A) of chapter 44 shall not preclude the return, within 30 days of the effective date, to the person from whom it was received, of a handgun of a model not approved by the Attorney General under section 923A which was transferred to the licensed importer, licensed manufacturer, licensed dealer, or licensed collector before the effective date of the Act;

(2) sections 102(j), 301(a), 301(c), and 305 shall take effect on the date of enactment of this Act;

(3) a valid license issued pursuant to section 923 of title 18, United States Code, shall be valid until it expires according to its terms unless it is sooner suspended, revoked, or terminated pursuant to applicable provisions of law; and

(4) the first publication of the list required under section 923A(g) shall be made on or before the expiration of the 60-day period following the date of enactment of this Act.

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### SUMMARY OF THE HANDGUN CRIME CONTROL ACT OF 1979

A. Purpose of the act:

1. Reduced handgun crime by banning all commerce in "Saturday Night Specials."

2. Reduce handgun crime by effective enforcement of existing law as to who may or may not legally acquire a handgun.

3. Reduce handgun crime, and the illegal handgun traffic it feeds on, by requiring that the handgun industry be responsible and accountable for the products from which they profit.

4. Reduce handgun crime by requiring that handgun owners be responsible and accountable for handgun possession, care, use and ultimate disposition.

5. Reduce handgun crime through imposition of stiffer penalties, mandatory sentencing and civil liability.

6. Reduce handgun crime by strengthening our Federal regulatory apparatus for administering and enforcing handgun control laws.

7. Aid the innocent victims of handgun crime.

B. Focus of the act:

1. Reduction of handgun crime through the control of handguns only. This legislation does not affect commerce, possession or use of long guns (e.g, rifles, shotguns) in any way.

2. Prospective only—legislation does not require legal handgun owners to take any specific action to maintain ownership of existing handguns.

3. Establishes standards of responsibility and accountability for handgun ownership and commerce commensurate with the hazardous nature of handguns.

4. Emphasizes enforcement of existing law and verification of existing eligibility criteria for those who wish to acquire or carry handguns.

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### SECTION-BY-SECTION ANALYSIS OF THE HANDGUN CRIME CONTROL ACT OF 1979

Section 1:

This is the title of the bill and emphasizes that the legislation is designed to combat handgun crime by: banning the importation, manufacture, sale and transfer of "Saturday Night Specials"; improving the effectiveness of the 1968 Gun Control Act; promoting better enforcement of gun laws; and aiding the victims of handgun crime.

Section 2: Congressional findings:

1. "Easily concealable handguns" have no sporting purpose and are used in a large percentage of criminal offenses.

2. The existing ban on the importation of "easily concealable handguns" has been effectively undermined by the importation of their parts, and their domestic assembly.

3. The public, including the majority of handgun owners, favors effective handgun control.

4. That legitimate handgun ownership should not be impeded by these controls.

5. To more effectively enforce gun laws, the authority for handgun regulation, should be transferred from the Treasury Department to the Justice Department.

6. There is a need for stronger controls on the handgun industry to combat illegal traffic in handguns.

7. Receipt of firearms by persons barred from possession burdens interstate commerce. This finding is a response to the Supreme Court ruling in U.S. v. Bass, 404 U.S. 336, 1971, which restricted the government's ability to prosecute felons in possession of firearms.

8. Federal licensing provisions for firearms' manufacturers, importers and dealers do not preempt state and local laws.

9. Fees for federal commercial licensees should be determined according to the cost of administration and enforcement of the law.

10. That innocent victims of handgun crime should be compensated.

Section 101: Amends section 921—Definitions sections:

Adds and changes definitions to fit with the new regulatory scheme. Terms defined are: "dealer," "licensed dealer," "ammunition retailer," "gunsmith," "firearms dealer," "handgun," "handgun model," "pistol," "revolver," "pawnbroker," and "Department." "Handgun" is defined to include its parts. "Department" is defined as the Department of Justice, as authority is shifted from the Secretary of the Treasury to the Attorney General.

Section 102: Unlawful acts:

Under current Federal law (18, U.S.C. Section 922):

A. 1. Only a federally licensed individual can engage in the business of importing, manufacturing or selling firearms and ammunition.

2. The commercial licensee cannot ship firearms or ammunition to a non-licensee except:

The commercial licensee can return a firearm or a replacement firearm to a non-licensee.

A non-licensee can mail a firearm to a commercial licensee for repair or customizing.

A commercial licensee can ship to military or law enforcement personnel who are allowed to receive firearms through the mails.

3. The law applies to the United States and its territories, including the District of Columbia and the Commonwealth of Puerto Rico.

4. A non-licensee cannot transport into or receive in the state where he resides, a firearm obtained in another state.

5. A non-licensee cannot transfer a firearm to an individual from anothr state except to:

Carry out a bequest

Temporarily loan the individual a firearm for a sporting purpose.

6. No one can make a misrepresentation or present false identification in connection with obtaining a firearm from a licensee.

B. A commercial licensee cannot transfer:

1. A rifle, a shotgun or their ammunition to an individual younger than 18 years old; or a handgun (i.e., a revolver or pistol) and its ammunition to an individual younger than 21 years of age.

2. A firearm to an individual in the state, where purchase would be illegal under the state law, at the place of sale or delivery.

3. A firearm to an individual who does not reside in the state of the commercial licensee except:

This does not apply to the sale of a rifle or a shotgun to an individual from a contiguous state, if that sale would not violate the law of both states.

Does not apply to the temporary loan or rental of a firearm to an individual for a lawful sporting purpose.

Does not apply to replacing a stolen, lost or inoperative rifle and shotgun which is being used for hunting, or in a match or contest.

4. A destructive device, machinegun, short-barrelled shotgun or rifle, to anyone except those specifically authorized.

5. A firearm or ammunition to any person unless the commercial licensee notes in his records the name, age and place of residence of that person.

C. A commercial licensee may transfer a firearm to an individual who does not appear in person if that individual provides a sworn statement; notice is made to law enforcement authorities; there is a seven-day delay before delivery of the firearm; and appropriate records are maintained by the licensee.

D. A commercial licensee cannot transfer a firearm to any person that he has reason to believe is a: felon (under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding one year); is a fugitive from justice, an unlawful drug user or addict; a mental defective.

E–F. Sets requirements for mailing firearms.

G–H. Those prohibited from purchasing a firearm may not transport a firearm in interstate commerce.

I. It is illegal to transport stolen firearms.

J. It is illegal to receive stolen firearms.

K. It is illegal to transport or receive firearms with the serial number removed or altered.

L. It is illegal for an individual to import firearms unless duly licensed.

M. It is illegal for a licensee to keep false records.

This legislation amends Section 922 to focus on unlawful acts involving handguns, particularly "easily concealable handguns."

1. It restricts certain activities with "easily concealable handguns" such as repairing, renting or mailing such handguns.

2. No handgun may be loaned or rented to another person for temporary use for lawful sporting purposes, unless it is done in the presence of the owner, or on the premises of the owner.

3. A commercial licensee may not sell or deliver a handgun to any person if that sale or delivery is in violation of the law, in the place of residence of the purchaser.

4. A commercial licensee may not sell a handgun to any person who does not appear in person at the commercial licensee's place of business.

5. Bans the manufacture, sale or transfer of "easily concealable hundguns," except those classified as curios or relics by the Secretary of the Treasury under the 1968 Gun Control Act.

A non-licensee may only transfer a handgun if that individual knows or has reasonable cause to believe that the handgun is not an "easily concealable handgun."

An individual may mail an "easily concealable handgun" to a commercial licensee for modification to meet the legal standards for handguns, if that individual notifies the local law enforcement agency of his intentions prior to mailing the handgun.

6. Prohibits the modification of a handgun if, as a result of such modification, the handgun falls under the "easily concealable handgun" definition.

7. Prohibits felons, fugitives from justice, drug users, mental defectives, illegal aliens, those who have been dishonorably discharged from the Armed Forces, and those who have renounced their citizenship, from possessing, transporting or receiving firearms in interstate commerce.

8. Prohibits an employee from possessing, transporting or receiving any firearm in the course of his employment if the employer is prohibited by law from such activity.

9. Unlawful to ship or transport a firearm if such shipment violates the law of the state to which or through which the gun is shipped, or an ordinance applicable at the place of sale, delivery or other disposition.

10. A commercial licensee may not sell to one person, and one person may not purchase, more than three handguns in one year without the special approval of the Attorney General.

11. It is unlawful for any person to fail to report the theft, loss or disappearance of a handgun to the chief law enforcement officer of the place where the handgun was kept, within 24 hours after discovering the loss, theft or disappearance. It is also to be reported to the Attorney General within 5 days. Each report is to contain the serial number, model, caliber, manufacturer of the handgun, date and the place of theft, loss or disappearance, and a complete statement of facts and circumstances surrounding the theft, loss or disappearance.

Section 103: Transfer of Handguns:

This section sets out special provisions for the transfer of handguns, except in the situations where both parties are commercial licensees, i.e., licensed importers, manufacturers or dealers. The system for transfers provides alternative procedures which require a check on the eligibility of the purchaser to receive the handgun.

1. Any purchaser with a valid state license-to-carry a handgun, which is issued under a state licensing system that meets certain minimum Federal criteria, may purchase a handgun in any state by: the purchaser appears in person at the licensed dealer's premises and (1) shows the dealer the license; (2) the dealer verifies its validity; (3) the purchaser provides sufficient identification to the dealer for him to reasonably believe the individual described on the license is the purchaser; and (4) the dealer maintains specified records of the transaction.

In the event of a transfer occurring between two non-commercial licensees, the would-be-purchaser must provide the seller with a certificate that establishes the current validity of the state license-to-carry. This certificate must be obtained from the local law enforcement agency or a licensed dealer in handguns in a form prescribed by the Attorney General. Upon completion of the transfer, the seller must forward a prescribed form to a licensed dealer for recordkeeping.

2. A purchaser with a valid state license to purchase, which is issued under a state licensing program approved by the Attorney General, may purchase or receive a handgun in that state if:

The purchaser appears in person at the licensed dealer's premises and (1) shows the dealer the license; (2) the dealer verifies its validity; (3) the purchaser provides sufficient identification to the dealer for him to reasonably believe the individual described on the license is the purchaser; and (4) the dealer maintains specified records of the transaction.

In the event of a transfer between two non-licensees the purchaser must provide the seller with a certificate which establishes the validity of the license-to-purchase from a local law enforcement agency, or a licensed dealer in handguns on a form prescribed by the Attorney General. Upon completion of the transfer, the seller reports the transaction to a licensed dealer in a form prescribed by the Attorney General.

Under procedure, the Attorney General must approve state license-to-carry laws. The standards for approval require the following minimum provisions:

(1) Prior to issuing the license-to-carry, the state must perform an identity and record check and determine that the individual is not barred from possessing a handgun under Federal or state law.

(2) The license-to-carry provides a means of establishing the identification of the license (e.g. photograph).

(3) The state shall issue at least monthly to the Department of Justice and to all licensed dealers within the state, a list of cancelled license numbers.

(4) The license-to-carry may only be issued if a person would not be prohibited from purchasing or carrying a handgun under the law at his place of residence.

(5) The state license-to-carry is non-alterable.

(6) The states maintain a record of the names of individuals who have been issued a license-to-carry.

(7) The license-to-carry is only issued to individuals with a legitimate need to carry a handgun outside their residence or place of business.

(8) The state maintains a record of licensees and periodically reviews peoples' eligibility for licenses-to-carry.

(9) The state provides for a mandatory penalty of six months imprisonment for those found guilty of carrying a handgun outside of their residence/business without a license-to-carry.

As to procedure (2), the Attorney will use the following standards in approving a state's license-to-purchase program:

(1) The license-to-purchase is only issued after verifying the identity of the individual and determining that he is not barred by local, state or Federal law from possessing a handgun.

(2) The license-to-purchase provides a photograph or other evidence to verify identity of holder.

(3) Each license-to-purchase allows the individual to carry the handgun in a non-functional basis outside his home or place of business not more than 24 hours from the date of receipt.

The license expires within two years and must be renewed by redetermining the holder's eligibility. Each month the state provides the Attorney General and the dealers in that state with a list of cancelled licenses.

(4) The license-to-purchase is issued to an individual if he is not barred from purchase under the local law of his place of residence.

(5) The state license-to-purchase is non-alterable.

(6) The state maintains a record of the names of individuals who have been issued a license-to-purchase.

Under both procedures, states submit a list to the Attorney General of cancelled licenses which are sent to dealers for reference, to determine validity of licenses.

3 Unless the purchaser has a valid state license-to-carry or a valid state license-to-purchase, he must undergo a record and identity check. He must appear in person at the business premises of a licensed dealer:

He must submit a sworn statement stating his name and residence; that his purchase will not be in violation of Federal, state, or local law applicable to his place of residence; that he does not intend to resell it to an individual barred from ownership. The statement must also set forth the title, name and address of the chief law enforcement officer of the purchaser's place of residence.

The purchaser must attach a true copy of any permit required to purchase, own, and carry a handgun in his place of residence.

The purchaser must provide sufficient identification to verify his identity.

The dealer, prior to delivery, must forward to the chief law enforcement officer of the purchaser's residence and to the FBI a copy of the sworn statement.

The dealer must wait 21 days for the verification reports from the law enforcement agency and the FBI. The FBI is required to respond in 15 days. These reports are to be maintained by the dealer.

If, after 21 days, the FBI report has been received, and the dealer has received no indication that the purchase is prohibited, the dealer may transfer the handgun even if the local police fail to respond in 21 days.

In the event of a transfer between two non-licensees, the seller may not transfer the handgun unless he has received from the purchaser or licensed dealer a written certification that the dealer has followed the verification procedure set forth above. Upon completion of the transfer, the seller shall notify the dealer that the transfer has taken place.

The provisions of this section shall not apply to loans of rentals of handguns at legitimate shooting ranges. A licensed dealer who arranges for the transfer of handguns between non-licensees shall be entitled to a fee of not more than $10.

Section 104: Licensing:

1. This section deals with various commercial licenses and raises fees to support administration and enforcement efforts. The section also provides for several types of licenses for several types of dealers, e.g., gunsmiths (dealers only involved in the repair of handguns), or ammunition dealers, for whom a lower license fee is required.

a. The fee for dealers in handguns is raised from $10 to $500. The fee for manufacturers of handguns is raised from $50 to $5,000; and the fee for importers of handguns is raised from $50 to $5,000.

b. Conditions for commercial licenses:

(1) Present law requires that the applicant be over 21; not prohibited from possessing a handgun under the law; not have willfully violated any of the provisions of the chapter; not provided false information on his application; and have appropriate business premises.

(2) The legislation sets forth the following additional requirements:

A. Commercial licensees must be doing business in compliance with state and local laws.

B. Commercial licensees must take appropriate security precautions to prevent thefts.

C. Commercial licensee must certify that he will not employ individuals in his licensed business who are prohibited from possessing, transporting, shipping or receiving firearms under the law.

D. Procedures for denial, suspension and revocation of licenses, and allows fines in addition to extreme penalty of license revocation.

E. Provides for a system of private, decentralized record maintenance through the commercial network:

Licensed importers, manufacturers, dealers and collectors must keep records of the importation, production, shipment, receipt, sale, or other disposition of all firearms and ammunition as prescribed by the Attorney General.

Licensed importers and manufacturers must keep records by serial number, of each handgun he imports, receives or manufactures for a period of ten years from the date of disposition. These records shall include: the disposition of the handgun, whether it was sold, transferred, destroyed, lost or stolen; the date of the disposition; and for subsequent sales and transfers reported by licensed dealers, the name and address of the transferor, and the name, address or license number of the transferee.

Licensed dealers must keep by serial number a record of each handgun received or transferred by or through them. The record shall include: whether the disposition was through sale, transfer, trade-in, destruction, loss, theft, or other means; the date of such disposition; and for each sale or transfer of that handgun, the model, the name and address of the transferor, and the name and address or license number of the transferee. Each dealer shall monthly transfer such records to the importer or manufacturer whose serial number appears on the handgun.

Each licensed importer and licensed manufacturer shall conduct periodic audits of the records received from licensed dealers to ensure their accuracy.

In the event the licensee sells or transfers his business, the appropriate records are to be transferred to the new owner. If the licensee ceases business, the records are sent to the Department of Justice.

All licensees shall make their records available for inspection by the Attorney General. They shall submit quarterly reports kept according to handgun size and model, but not including the name and address of any noncommercial licensee, to the Attorney General, summarizing the disposition of all handguns transferred by or through that licensee.

Section 105: Easily Concealable Handguns Illegal:

The Attorney General shall approve for manufacture, assembly, importation, sale or transfer any handgun model which satisfies the criteria established by the Handgun Concealability Criteria Commission.

As recommended by the Commission, the Attorney General shall determine handgun. models particularly appropriate for law enforcement authorities. By regulation, he can approve certain quantities for manufacture, available only to these authorities.

The Handgun Criteria Commission will be appointed by the Attorney General to evaluate handguns according to frame size and other factors, to determine such handgun models that are easily concealable, are handguns with potential for criminal use and are handguns particularly suitable for sporting purposes, for criminal use, or are particularly suitable for sporting purposes.

The Commission will have 15 members who are representative of the handgun industry, the law enforcement community, the Armed Forces, citizen groups and the general public. Within one year, the Commission will submit to the Attorney General a report setting forth the proposed criteria. The Attorney General within 30 days of receiving the report shall publish the proposed criteria in the Federal Register for comment. Every two years thereafter the Commission shall evaluate the effectiveness of the criteria and shall revise them if necessary.

The criteria established by the Commission shall be transmitted to the Congress. They will become effective at the end of 60 calendar days from the day they are sent to the Congress, unless either House passes a resolution stating in substance that the House does not favor the criteria submitted.

Prior to the time that the criteria established by the Attorney General becomes effective, he shall approve within 120 days the manufacture, assembly, importation, sale or transfer, any handgun model that:

For a pistol: Has a positive manually operated safety device; a combined length and height of not less than ten inches. The height being at least four inches and the length six inches. Must attain a total of at least 75 points under the criteria of overall length, frame construction, weight, caliber, safety features and miscellaneous equipment.

For a revolver: Must have an overall frame length of four and one-half inches; a barrel length of at least four inches; has a safety device; attains a total of 45 points under the criteria of barrel length, frame construction, weight, caliber, and miscellaneous equipment.

This measure sets forth procedures for testing and evaluating handguns to determine whether they satisfy the aforementioned standards; and provides for an opportunity for retesting or review of any adverse findings. The Attorney General is also obligated to publish a list of approved handguns in the Federal Register.

Section 106: Penalties:

Present law provides criminal penalties for violation of the gun control laws, and transporting a firearm with intent to commit a felony. Using or carrying a firearm during the commission of a felony is punishable as a separate offense, and for the second offense, a mandatory imprisonment is required.

Under this legislation:

(1) A person who possesses, ships, transports or receives firearms or ammunition, while employed by an employer who he has reason to know is prohibited from possessing, shipping, transporting or receiving firearms or ammunition, faces up to a $100 fine and imprisonment of not more than one year or both.

(2) If an individual fails to report a theft or loss of a handgun: on the first offense he will face a fine of not more than $500; for the second and subsequent offenses he shall be fined not more than $1000, or imprisoned not more than six months or both.

(3) If the individual fails to report a theft or loss of a handgun, and it is subsequently used in a felony, the individual faces a fine up to $5000 or being imprisoned not more than one year or both.

(4) An illegal transfer between nonlicensees make each liable to a civil penalty of $100. If the transferee subsequently uses the handgun in the commission of a felony the transferor shall be fined not more than $1000 or imprisoned not more than six months.

(5) If someone uses or carries a firearm in the commission of a felony, he will receive a mandatory sentence of 1–10 years for the first offense; and 2–25 years for the second offense.

(6) Any person will be civilly liable to a handgun victim if he negligently sells a handgun to a person in violation of the provision of the act, and that person then uses the handgun in a crime against that victim.

Section 9: Relief from Disabilities:

This section contains some technical amendments and a provision permitting those who have been found to be mentally ill to purchase handguns once their health has been restored.

Section 10: Rules and Regulations:

This section deals with the Attorney General's authority to prescribe rules and regulations. It contains technical amendments and adds a specific power for agents to administer such oaths as are necessary in the enforcement of firearms laws.

Section 11: Compensation for Victims of Handgun Crime:

This section outlines a system to provide Federal grants to support federally approved state programs for compensation for personal injury and death of victims of handgun crime. Funding is derived from regular appropriations. An Advisory Committee on Victims of Handgun Crime is appointed by the President to advise the Attorney General on policies relating to the compensation of victims of handgun crimes.

Section 12: Transfer of Functions:

All functions relating to the gun control act now performed by the Secretary of the Treasury are transferred to the Attorney General.

There is established in the Department of Justice the Firearms Safety and Abuse Control Administration. It will be headed by an administrator appointed by the President and confirmed by the Senate. The Attorney General will report annually to the Congress on the activities of this agency, the impact of the firearms laws and recommendations for new legislation.

Section 13: This section slightly alters the current explosives provisions in order to update the language concerning drug users to conform with the Controlled Substances Act.

Section 14: This section revises the provisions dealing with explosives' license holders. It extends to 90 days the time the Attorney General has to approve or disapprove a license application and it permits the Justice Department to impose civil fines or suspensions on licensed dealers for violations of explosives regulations.

Section 15: Technical amendments to the postal regulations.

Section 16: This repeals part of the existing gun control laws which are made redundant by the provisions to this bill.

Section 17: This section contains the effective dates of the legislation.

Mr. JAVITS. Mr. President, I join with Senator KENNEDY in the introduction today of the Handgun Crime Control Act of 1979. The need for Federal handgun legislation has long been clear to me. New York has one of the toughest gun control laws in the Nation. But over 90 percent of handguns used in New York City come from out of State. Only when we have strong Federal legislation, that effectively bans cheap Saturday Night Specials, and provides for improved recordkeeping for the estimated 50 million handguns in circulation, will we be able to control this pernicious traffic.

Every year, 250,000 citizens are assaulted with handguns. Of these, 9,000 are murdered. Handguns, which are easily obtainable and for which so often no one is accountable, are responsible for an average of 24 deaths a day.

Recently an ABC News-Louis Harris poll was released revealing that a 78 percent to 20 percent majority of the American people favor a "Federal law requiring that all handguns people own be registered by Federal authorities." Results also show an almost equally strong majority (76 to 26) favor control of the sale of handguns.

The Handgun Crime Control Act of 1979 is legislation that respects the views of the majority of the people in this Nation, rather than of a well-organized minority.

The bill attempts to reduce handgun crime in several ways. All commerce in Saturday Night Specials is banned. The bill closes an important loophole in the 1968 Gun Control Act by also banning commerce in parts for Saturday Night Specials.

Senator KENNEDY has a detailed analysis of the legislation in his statement. I believe that the stricter controls on the transfer of handguns, the new requirements on obtaining commercial handgun licenses, and the increased penalties, civil liabilities and mandatory sentencing provisions will lead to more effective regulation. The innovative victim compensation program is also worthy of support.

Mr. President, crime statistics are appalling. Polls show that the American people recognize the need to control the increasing rates of murder, aggravated assaults, and armed robberies through Federal handgun legislation. It is clear that the time has come for Congress to have the political courage to fight for what is right and for what the people want. I urge support of the Handgun Crime Control Act of 1979.

Mr. President, it is amazing that we have not yet even now gone to effective gun control in view of the dreadful record of homicides in this country, especially in the major cities. I urge my colleagues to support the Handgun Crime Control Act of 1979.

● Mr. STEVENSON. Mr. President, I join Senator KENNEDY in sponsoring the Handgun Crime Control Act of 1979, a bill designed to reduce handgun violence in the United States.

The fear of crime in America is first and foremost a fear of violence. And the principal instrument of violent crime in the United States is the handgun.

In 1967, 5,700 murders, approximately 37 percent of the total number of homicides in the United States, were committed with handguns. By 1973, the number of handgun murders had almost doubled, with the percentage of murders attributable to the use of handguns rising from 37 to 53 percent. In 1978, handguns accounted for more than 9,500 deaths in the United States, 49 percent of the total number of homicides in that year.

It is time to protect the lives—of citizens and of policemen—that handguns endanger. Our present gun laws are too limited and too inconsistent to be effective. Since control of handguns is impossible in any jurisdiction if they remain uncontrolled in another, effective national laws are the only satisfactory solution to the plague of handgun violence. I believe that the bill introduced today is a workable and practical means of curbing the increasing numbers of crimes and deaths involving the use of handguns, and I urge its passage.●

● Mr. MATSUNAGA. Mr. President, I am very pleased to join the distinguished chairman of the Judiciary Committee, the Senator from Massachusetts (Mr. KENNEDY), in introducing the proposed Handgun Crime Control Act of 1979. I wish to commend the Senator from Massachusetts for his tireless efforts in formulating this bill which I believe represents a reasonable and effective approach to solving the serious problem of handgun crime in the United States.

Mr. President, I need not recite the results of numerous national opinion polls which clearly indicate that crime across the Nation is one of the greatest domestic concerns of a majority of Americans today. I am sure that all Senators are fully aware of public opinion on crime nationally and within their own States. However, I would like to take a moment to speak about the crime situation in my home State of Hawaii.

Mr. President, the people of Hawaii have told me through cards, letters, and opinion polls, that crime to them is of grave concern, perhaps a domestic concern equal to that of inflation. I might emphasize that we in Hawaii have never had a crime problem similar to comparable areas on the mainland. Nevertheless, we have been experiencing steady and alarming increases in both violent crimes and nonviolent crimes over the last several years.

From 1975 to 1978, robberies were up in Hawaii by 40 percent; aggravated assaults were up by 13.5 percent; burglaries were up by 10 percent; larceny was up by 30.6 percent; motor vehicle thefts were up by 13 percent; and forcible rapes were up by 7.9 percent. More recently, the State of Hawaii's criminal justice statistical analysis center issued a report which found that in the first 6 months of this year, murders in Hawaii were up 44 percent; robberies were up 11 percent; forcible rapes were up 6.7 percent; and in some parts of Hawaii, aggravated assaults were up 45.5 percent and robberies were up a whopping 85.7 percent.

Needless to say, Mr. President, these are alarming statistics to a State whose economy is dependent, to a certain extent, on a healthy tourism industry.

Like other States, Hawaii has moved rapidly over the last several years to stem this spiraling increase in crimes. One of the most significant steps which was taken by Hawaii's State legislature was the enactment in 1975 of a handgun control law banning the ownership of cheap, nonsporting, concealable handguns, better known as Saturday Night Specials. Our State legislature determined that these types of handguns, which are designed to serve no other function than to kill human beings at close range, account for a disproportionate number of the weapons used in violent crime in Hawaii.

As in so many other areas, my State of Hawaii was far ahead of many other States in recognizing that there is a clear correlation between the sheer availability of inexpensive, concealable handguns and the number of violent crimes committed in this country each year. By limiting the availability of Saturday Night Specials, the State of Hawaii was attempting to reduce significantly handgun violence in the islands.

Unfortunately, Mr. President, it is generally agreed in our State that Hawaii's Saturday Night Special law has not resulted in significant reductions in handgun crime. One of the reasons for this failure is, and I believe this is one of the most important and effective arguments for the enactment of a national handgun control law, that effective handgun control cannot be achieved through purely State and local initiatives. This was a finding of the House Judiciary Committee in its report on H.R. 11193, the proposed Federal Firearms Act of 1976. The House committee stated in its report that its investigative record "clearly demonstrates that handgun commerce is extremely fluid, respects no jurisdictional boundaries, and, as such, escapes the reach of individual States and political subdivisions." I am afraid to say that as long as a large pool of substandard, concealable handguns is available at low cost and easy access on the mainland, these types of weapons will find their way to Hawaii.

Mr. President, the Senator from Massachusetts has described vividly how handgun crime in the United States has grown to near epidemic proportions in the past two decades. In order to reduce handgun crime, the Congress must move now to ban all commerce in substandard, concealable handguns, tighten existing controls on the transfer of handguns, and generally strengthen the enforcement of our gun control laws. In my judgment, the proposed Handgun Crime Control Act of 1979, being introduced today by the Senator from Massachusetts, will accomplish these goals in a moderate, reasonable, and effective manner, which all sides of the gun control issue will be able to support.

The bill being introduced today is certainly not a combination of hastily conceived ideas; Senators should make no mistake about that. Many of the provisions contained in this legislation were taken from the handgun control bill reported in 1976 by the House Judiciary Committee. That bill was the subject of extensive hearings and investigation by the House Judiciary Subcommittee on Crime. It was a clean bill which was drafted after the subcommittee had reviewed hundreds of proposals, including a handgun control bill recommended by President Gerald Ford, and received hours of testimony from a broad range of witnesses.

I am sure that the distinguished chairman of the Judiciary Committee (Mr. KENNEDY) intends to review the proposed Handgun Crime Control Act in a similar manner to make certain that the approaches taken in the bill will achieve the goal of maximizing the reduction of handgun violence and be both reasonable and responsive to other legitimate needs of our citizens in terms of firearms.

The proposed Handgun Control Act makes the following provisions:

First, it bans the manufacture and importation of, and all commerce in Saturday night specials. The factoring criteria contained in the bill, which will be used to determine if a handgun is substandard, is the same language which was approved by the House Judiciary Committee in 1976.

Second, the bill will reduce handgun crime by imposing stricter, though simpler, controls on the legitimate commerce in handguns through an improved handgun transfer system requiring law enforcement verification of all prospective handgun transferees' eligibility. Importantly, under this section of the bill, a 21-day waiting period is established to allow a law enforcement check of a handgun purchaser for felony convictions or other circumstances which would, under existing law, disqualify that person for ownership of a firearm. Establishing this so-called cooling off period will close a loophole in the Gun Control Act of 1968 which allows purchasers to take immediate possession of weapons and does not require a background check of such individuals. It is hoped that with the enactment of this section, fewer handguns will be sold to persons with criminal records or who are otherwise unqualified to own such a weapon, and the number and frequency of casual crimes—crimes in which a perpetrator purchases a handgun immediately prior to committing a crime—will be reduced.

Third, the bill improves upon the procedures established in the Gun Control Act of 1968 to control commercial gun traffic by imposing stricter requirements for acquiring a commercial handgun license, and imposing businesslike recordkeeping procedures and high standards of responsibility and accountability at all levels of the handgun industry.

Fourth, the bill encourages States to enact laws limiting the carrying of handguns in public to legitimate citizens authorized to do so, and requires that handgun owners be responsible and accountable for the possession, care, use, and ultimate disposition of handguns.

Fifth, the bill will deter handgun crime by imposing stricter punishment for crimes involving handguns, and improving the effectiveness of handgun control regulations by increasing legal liability of individuals for noncompliance with license-to-carry laws.

Sixth, the bill includes a section, based on S. 190, the proposed Victims of Crime Act of 1979, of which I am a cosponsor, which provides a victim compensation program consisting of Federal grants to State programs for compensation for personal injury and death of victims of handgun crime.

I strongly believe, Mr. President, that it is in the best interest of the American people to strictly limit the availability of inexpensive, nonsporting, concealable handguns. I am convinced that the legislation Senator KENNEDY is introducing today would not place undue restrictions on honest citizens with respect to the acquisition, possession, or use of handguns for recreational or other lawful purposes. It is, indeed, important to note that this legislation would not impose any national system of gun registration or licensing. The bill, on the contrary, goes to great lengths to encourage State licensing systems to minimize Federal involvement. Enactment of the Kennedy bill, which would restrict the availability of substandard, nonsporting handguns, would, in my estimation, be a giant step forward in our fight against crime in this Nation. It would also sharply reduce the number of handgun deaths which occur in the United States each year.

Mr. President, I urge my colleagues to give this important bill thoughtful and favorable consideration.●

● Mr. TSONGAS. Mr. President, the right of the American people to keep and bear arms is fundamental. It is part of the Bill of Rights, and I could not support any bill that infringed on this basic right. Thus in 1976 I opposed a Massachusetts ballot initiative which would have banned the possession, ownership, or sale of all handguns. I thought it unconstitutional, and so did a majority of voters in Massachusetts.

But even before article I, the Constitution includes among its purposes to "insure domestic tranquility, provide for the common defense, [and] promote the general welfare * * *" When ideals clash in our democracy, we are challenged to find practical approaches that do not compromise the principles involved. The chronic, mushrooming destructive power of handgun crime in America is such a challenge.

Handguns now kill nearly 10,000 people in this Nation each year. They are a prime accomplice in the pathetic fact that homicide is the leading cause of death among black teenagers and young adults. They represent a relentless threat to individual citizens and to society as a whole. We have every right to take prudent measures in our common defense.

Mr. President, the Handgun Crime Control Act of 1979 is a reasonable, constitutional program to reduce the violent consequences of the free and easy handgun trade in this country. It applies standards of responsibility and accountability to the handgun market that are finally appropriate to the lethal nature of these weapons. It stresses more effective enforcement of existing laws. Ths legislation does nothing—absolutely nothing—that impairs the use of long guns such as rifles and shotguns. On the other hand, it would end our do-nothing attitude toward a huge loophole in 1968 gun legislation by banning finally the importation of Saturday Night Special parts.

Mr. President, I commend Senator KENNEDY for this comprehensive, balanced bill, which I am proud to cosponsor. I respectfully urge my distinguished colleagues to follow the vast majority of Americans in supporting such legislation.●

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By Mr. RIEGLE (for himself, Mr. LEVIN, Mr. BAYH, Mr. DANFORTH, Mr. EAGLETON, Mr. NELSON, Mr. MATHIAS, and Mr. MCGOVERN):

S. 1937. A bill to authorize emergency loan guarantees to the Chrysler Corp.; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. RIEGLE when he introduced the bill appear earlier in today's proceedings.)

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By Mr. GLENN (for himself and Mr. RIBICOFF):

S. 1938. A bill to insure adequate protection of workers, the general public, and the environment from harmful radiation exposure, to establish mechanisms for effective coordination among the various Federal agencies involved in radiation protection activities, to develop a coordinated radiation research program, and for other purposes; to the Committee on Governmental Affairs.

### FEDERAL RADIATION PROTECTION MANAGEMENT ACT OF 1979

● Mr. GLENN. Mr. President, I am pleased to introduce today, with the cosponsorship of the imminent chairman of the Governmental Affairs Committee (Senator RIBICOFF), the Federal Radiation Protection Management Act of 1979. This bill seeks to bring order to a chaotic situation that cannot be allowed to remain chaotic any longer. More than 20 Federal agencies are currently engaged in activities involving radiation protection and/or research. The demise of the old Federal Radiation Council 1970, despite the transfer of some of its authorities to EPA, has resulted in a serious erosion of interagency coordination in this area. The lack of focus or leadership of the Federal program places the health and safety of the American people in needless jeopardy. This bill seeks to provide the focus and leadership presently lacking in the Federal program.

While the consciousness of the public to the radiation exposure problem has been raised significantly in the past year, particularly in the aftermath of the Three Mile Island accident, the questions, the problems and the concerns go well beyond Three Mile Island. In fact, the major source of radiation exposure to the general population in the United States is through diagnostic medical procedures. If we look at manmade sources of radiation exposure we find that the average American receives more than 90 percent of such exposure from this source. It is also important to understand that there is an element of radiation exposure that we can do nothing about.

Every person is exposed to a certain level of background radiation from the Earth's atmosphere and its soil. There are wide variations in this exposure from an average yearly dose of about 45 millirems for persons living in the Washington, D.C. area to about 128 millirems a year for persons living in the area of Leadville, Colo.

There is now sufficient evidence in the medical literature to conclude that a concerted effort must be made to eliminate unnecessary exposure of the population to radiation. To do so requires that we increase our attention to issues such as the overuse of medical X-rays, the licensing and inspection of all radiological equipment, the undertraining of radiological personnel, the licensing of institutions providing such training, the use of radioactive materials in consumer products, the validity of current radiation dose limitations for persons in certain occupations and the adequacy of the public education program regarding radiation protection. The latter point cannot be overemphasized.

People in this country want to know what radiation is and what it can do to them. They want to know how well protected they are from the ill-effects of radiation and how they might be better protected. They are turning to the Federal Government with these questions—and they have a right to some good answers.

The answers to these questions depend upon thorough research, reasoned findings and intelligent implementation of policy. Some of the best minds in the United States are working on radiation research and protection. The problem is not a lack of talent in dealing with these questions; the problem is that Federal agency jurisdictions in this area are overlapping and fragmented.

The Environmental Protection Agency, for example, has the responsibility for setting overall exposure standards. But the question of how these standards are to be translated in terms of the licensing and inspection of equipment as well as the training and licensing of radiologic personnel is left to other agencies or to the States. The National Institutes of Health is the chief health research organization of the U.S. Government, but most of the research in ionizing radiation is funded and managed by the Department of Energy.

The question of overlapping and fragmented jurisdiction by Federal agencies was addressed by an interagency task force established last year by President Carter. The Government Affairs Subcommittee on Energy, Nuclear Proliferation and Federal Services, of which I am chairman, explored the report of this interagency task force in hearings earlier this year.

I believe, after careful study of the recommendations made by the task force and by the former Secretary of HEW, that the bill I am introducing today, the Federal Radiation Protection Management Act, will significantly improve the organization of the Federal Government's efforts in radiation research and protection.

Its thrust is simple; it sets up two councils, one dealing with radiation protection and the other with radiation research, that bring together the many Federal departments and agencies involved in these matters.

The first, the Federal Radiation Protection Council, would be chaired by the Administrator of the Environmental Protection Agency, or his designee; EPA is the Federal agency most directly involved with health protection standards. This Council would provide advice and guidance on radiation protection standards, review the various agencies' authorities over radiation-related matters and recommend any necessary changes in those authorities, identify the agencies' research needs, help develop public education programs on radiation health and safety, and review State and local radiation control programs. After 1 year, it would submit a report and recommendations dealing with Federal radiation protection legislation.

The second group, the Federal Conference on Research into the Biological Effects of Ionizing Radiation, would have as its chairman the director of the National Institutes of Health; that organization's mission, more than any other Federal agency's, is health-related research. The conference would advise on the development of radiation research projects; issue an annual comprehensive Federal agenda on radiation health effects research; make various recommendations regarding the conduct of that research and the dissemination of its results; and assist in the development of public education programs. It would also review agency radiation research requests according to several criteria in order to decide whether each proposed project has scientific merit and, if so, whether the requesting agency is the right group to do it. It would also issue a report noting the inadequacies of Federal research and recommending legislative changes.

Mr. President, the organizational changes that would follow enactment of this bill would help fill the gap of leadership and coordination that has been missing from the Federal program in radiation protection. The bill presents an opportunity to not only increase government efficiency in this area, but to provide a mechanism for raising the level of protection for the public against unnecessary radiation exposure.●

● Mr. RIBICOFF. Mr. President, I am pleased to join with Senator GLENN in introducing the Federal Radiation Protection Management Act of 1979.

The effectiveness of Federal programs to protect the public from radiation hazards is clearly a matter of widespread concern. At present, radiation health and safety is a particularly complex and varied field, involving a large number of Federal departments, commissions, and agencies. The public rightfully expects an orchestrated Federal approach to these hazards.

Responsibility is now scattered and uneven, resulting in jurisdictional disputes and regulatory confusion. Too many agencies are charged with administering too many laws. And nobody has the clear ability to overview the total situation, or the power to guide and coordinate that dispersed authority. As a result coordination is not always systematic, the extent of the risk is not fully understood, and some potentially significant hazards are not subject to any Federal controls at all.

I am deeply concerned about this matter. And the Governmental Affairs Committee, over the past several years, has been actively involved in studying this problem, and finding ways to better coordinate Federal radiation protection activities.

In December 1977, pursuant to Senate Resolution 71, the committee published volume V of our "Study on Federal Regulation," which discussed the need for more effective coordination of radiation programs. Thereafter, in April 1978, the opinion of a wide range of informed groups and individuals in the private sector was solicited on the study's findings. The comments were very helpful to the development of this legislation. In early May of this year, the committee held hearings on the institutional recommendations of the HEW task force on radiation protection. At that time we heard from a number of witnesses on the problems in this area. This bill is a product of those efforts.

Thus, we have approached this difficult and complex area with deliberate care. The proposals contained in the bill we introduce today have already been the subject of thorough consideration. I believe these proposals are a workable solution to the organizational confusion that now plagues this important area of Federal regulation.●

## ADDITIONAL COSPONSORS

### S. 1465

At the request of Mr. TALMADGE, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 1465, the Farm Credit Act Amendments of 1979.

### S. 1792

At the request of Mr. MCGOVERN, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1792, a bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal.

### S. 1922

At the request of Mr. DOMENICI, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 1922, a bill relating to appeals to certain orders canceling permits to graze livestock on public rangelands.

### AMENDMENT NO. 523

At the request of Mr. MCCLURE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of amendment No. 523 intended to be proposed to S. 1020, a bill to authorize appropriations for the Federal Trade Commission.

## SENATE CONCURRENT RESOLUTION 47—SUBMISSION OF A CONCURRENT RESOLUTION TO APPROVE THE EXTENSION OF NONDISCRIMINATORY TREATMENT WITH RESPECT TO THE PRODUCTS OF CHINA

Mr. RIBICOFF (by request) submitted the following concurrent resolution, which was referred to the Committee on Finance:

### S. CON. RES. 47

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress approves the extension of nondiscriminatory treatment with respect to the products of the People's Republic of China transmitted by the President to the Congress on October 23, 1979.

Mr. RIBICOFF. Mr. President, under the statutes, when MFN is sought for any country, the majority leader is responsible to introduce the legislation or he can request that another Member of this body do so.

The majority leader (Mr. ROBERT C. BYRD) has requested me accordingly to submit a concurrent resolution, and I now do so.

Hearings on this concurrent resolution will be held on November 6 by the Subcommittee of International Trade of the Finance Committee.

The PRESIDING OFFICER. Without objection, the resolution will be received and appropriately referred.

## SENATE RESOLUTION 264—SUBMISSION OF A RESOLUTION RELATING TO EXCESS PROFITS OF MAJOR OIL COMPANIES

Mr. DURKIN submitted the following resolution, which was referred to the Committee on the Judiciary and the Committee on Rules and Administration, jointly, by unanimous consent:

### S. RES. 264

*Resolved*, That—

SECTION 1. (a) There is hereby established a select committee of the Senate to be known as the Select Committee on Petroleum Corporation Activities, to conduct an investigation and inquiry of the extent to which illegal, improper, and unethical activities are engaged in by domestic and multinational petroleum corporations individually or in combination with others, and to determine whether in its judgment any occurrences which may be revealed by the investigation and inquiry indicate the necessity or desirability of the enactment of congressional legislation to safeguard the nation's economic, environmental, and social welfare.

(b)(1) The select committee created by this resolution (hereinafter referred to as the "select committee") shall be composed of fifteen members as follows: (a) two members from the Committee on Appropriations; (b) two members from the Committee on Commerce, Science, and Transportation; (c) seven members from the Committee on Energy and Natural Resources; (d) two members from the Committee on the Judiciary; (e) two members to be appointed from the Senate at large: (2) Members appointed from each committee named in clauses (A) through (D) of paragraph (1) shall be evenly divided between the two major political parties and shall be appointed by the President pro tempore of the Senate upon the recommendations of the majority and minority leaders of the Senate. Four of the members appointed under clause (E) of paragraph (1) shall be appointed by the President pro tempore of the Senate upon the recommendation of the majority leader of the Senate and three shall be appointed by the President pro tempore of the Senate upon the recommendation of the minority leader of the Senate.

(3) The majority leader of the Senate and the minority leader of the Senate shall be ex officio members of the select committee but shall have no vote in the committee and shall not be counted for purposes of determining a quorum.

(c) No Senator may serve on the select committee for more than eight years of continuous service, exclusive of service by any Senator on such committee during the Ninety-sixth Congress.

(d) At the beginning of each Congress, the Members of the Senate who are members of the majority party of the Senate shall elect a chairman for the select committee, and the Members of the Senate who are from the minority party of the Senate shall elect a vice chairman for such committee. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. Neither the chairman nor the vice chairman of the select committee shall at the same time serve as chairman or ranking minority member of any other committee referred to in paragraph 6(f) of Rule XXV of the Standing Rules of the Senate.

(e) For the purposes of paragraph 6(a) rule XXV of the Standing Rules of the Senate, service of a Senator as a member of the select committee shall not be taken into account.

SEC. 2. That the select committee is authorized and directed to do everything necessary or appropriate to make the investigations and studies specified in section 1(a). Without abridging or limiting in any way the authority conferred upon the select committee by the preceding sentence, the Senate further expressly authorizes and directs the select committee to make a complete investigation and study of the activities of any and all persons or groups of persons or organizations of any kind which have any tendency to reveal the full facts in respect to the following matters or questions: (1) Whether major oil corporations have accrued profits through illegal or unethical means; (2) whether major oil corporations acting individually or collectively, have acted to manipulate and adversely affect the market; (3) whether major oil companies have created unstable and inequitable petroleum products supply conditions; (4) whether major oil corporations have engaged in anticompetitive monopolistic practices in violation of U.S. antitrust law; (5) whether domestic oil corporations have willfully contributed to creating adverse inflationary conditions in the economy; (6) whether major oil corporations have illegally or unethically manipulated Federal Government activities; (7) whether any of the existing laws of the United States are inadequate, either in their provisions or manner of enforcement to safeguard the economic and environmental stability and well being of the Nation.

SEC. 3. (a) The select committee, for the purposes of accountability to the Senate, shall make regular and periodic reports to the Senate on the nature and extent of the intelligence activities of the various departments and agencies of the United States. Such committee shall promptly call to the attention of the Senate or to any other appropriate committee or committees of the Senate any matters requiring the attention of the Senate or such other committee or committees. (b) On or before March 15 of each year, the select committee shall submit to the Committee on the Budget of the Senate the views and estimates described in section 301(c) of the Congressional Budget Act of 1974 regarding matters within the jurisdiction of the select committee.

SEC. 4. (a) For the purposes of this resolution, the select committee is authorized in its discretion (1) to make investigations into any matter within its jurisdiction, (2) to make expenditure from the contingent fund of the Senate, (3) to employ personnel, (4) to hold hearings, (5) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (6) to require, by subpena or other, wise, the attendance of witnesses and the production of correspondence, books, papers, and documents, (7) to take depositions and other testimony, (8) to procure the service of consultants or organizations thereof, in accordance with the provisions of section 202 (i) of the Legislative Reorganization Act of 1946, and (9) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

(b) The chairman of the select committee or any member thereof may administer oaths to witnesses. (c) Subpoenas authorized by the select committee may be issued over the signature of the chairman, the vice chairman, or any member of the select committee designated by the chairman, and may be served by any person designated by the chairman or any member signing the subpoena.

SEC. 5. The select committee shall formulate and carry out such rules and procedures as it deems necessary to prevent the disclosure, without the consent of the person or persons concerned, of information in the possession of such committee which unduly infringes upon the privacy or which violates the constitutional rights of such person or persons. Nothing herein shall be construed to prevent such committee from publicly disclosing any such information in any case in which such committee determines the national interest in the disclosure of such information clearly outweighs any infringements on the privacy of any person or persons.

Sec. 6. For the period from the date this resolution is agreed to through September 31, 1980, the expenses of the select committee under this resolution shall not exceed $450,000, of which amount not to exceed $30,000 shall be available for the procurement of the services of individual consultants, or organizations thereof, as authorized by section 202(i) of the Legislative Reorganization Act of 1946. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Sec. 7. Nothing in this rsolution shall be construed as constituting acquiescence by the Senate in any practice, or in the conduct of any activity, not otherwise authorized by law.

Mr. DURKIN. Mr. President, in the wake of the major multinational oil companies' recent announcement of exorbitant third quarter profits, I am submitting today a resolution which calls for a special Senate Select Committee to investigate the preposterous profits unfairly earned by the major oil companies at the expense of the hard-working American consumer.

The major oil conglomerates' rise in third quarter profits over last year borders on the criminal. Conoco reaped a rise in profits of 134 percent over the same period last year.

AMOCO was up 49 percent.

ARCO was up 45 percent.

Occidental Oil Co. earned excessive profits of almost 1,000 percent—a tenfold increase.

Gulf enjoyed record profits, up 97 percent from last year.

And Exxon, the world's largest oil company, saw their profits rise 118 percent to well over a billion dollars.

Even as these staggering profits were announced, Clifton C. Garvin, Jr., Exxon's chairman, dared to claim that marketing earnings in the United States, "continue to be depressed, as they have been throughout 1979."

The Senate cannot allow this cavalier attitude and the obscene profits on the part of the major oil companies to stand unchallenged.

We will never get today's 15 percent inflation rate under control while we have runaway energy costs and bloated oil profits. The highly scandalous and inflation fueling activities of the major oil companies certainly rival, if not exceed, the scope of the Watergate scandal.

The major oil companies raked in these outrageous profits while people in New Hampshire, New England, and throughout the Nation were trapped in gas lines and forced to pay prohibitively high gasoline prices of over a dollar a gallon. We have since learned that these long lines and high prices were caused by the artificially low supplies created by the oil companies. At the same time the major oil companies also withheld home heating oil from the small business supplier and the hard-working homeowner which has caused the price of home heating oil to climb beyond the means of the average consumer.

A full investigation by a Senate Select Committee, similar to the Senate Watergate Investigation is absolutely necessary. It will go a long way to bring out all the facts and insure that the major multinational oil companies do not continue to reap unjust profits at the expense of those who can least afford it.

I urge my Senate colleagues to join with me today in standing up to the major multinational oil companies. The oil companies have called the shots for too long. It is high time that the American public, the elderly, the handicapped, and low- to moderate-income families receive their full representation here in Washington. A Senate Select Committee to investigate the oil companies preposterous profits is an essential step in that direction.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the resolution submitted by the Senator from New Hampshire (Mr. Durkin) be referred jointly to the Committee on the Judiciary and the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AMENDMENTS SUBMITTED FOR PRINTING

### SOCIAL SERVICES AND CHILD WELFARE AMENDMENTS OF 1979—H.R. 3434

AMENDMENT NO. 553

(Ordered to be printed and to lie on the table.)

Mr. LEVIN (for himself, Mr. DeConcini, Mr. Riegle, and Mr. Hatfield) submitted an amendment intended to be proposed by them, jointly, to H.R. 3434, an act to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes.

### INDIVIDUAL SAVINGS ACT OF 1979—S. 1488

AMENDMENT NO. 554

(Ordered to be printed and to lie on the table.)

Mr. NELSON submitted an amendment intended to be proposed by him to S. 1488, a bill to amend the Internal Revenue Code of 1954 to provide for the partial exclusion of interest from gross income.

● Mr. NELSON. Mr. President, earlier this year I introduced S. 1488, the Individual Savings Act of 1979. I would now like to offer a technical amendment to the bill which; first, corrects a typographical error; and second, clarifies the types of accounts from which interest received would be excluded from taxation.

Mr. President, I ask unanimous consent that this amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 554

On page 2, line 8, insert "(other than interest or dividends on a money market certificate or on an account for which the rate of interest is negotiable)" after "accounts".

On page 3, line 5, strike out "$100" and insert "$500".●

### HANDGUN CRIME CONTROL ACT OF 1979—S. 1936

AMENDMENT NO. 555

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. McCLURE (for himself, Mr. Helms, and Mr. Melcher) submitted an amendment intended to be proposed by them, jointly, to S. 1936, a bill to ban the importation, manufacture, sale, and transfer of "Saturday Night Specials," to improve the effectiveness of chapter 44 of title 18, United States Code, relating to gun control, to promote more effective management of certain law enforcement functions of the executive branch by transferring functions of the Secretary of the Treasury under chapter 44 of title 18, United States Code, relating to gun control to the Attorney General, to ban possession, shipment, transportation, and receipt of all firearms by felons, to provide relief for victims of handgun crimes, and for other purposes.

Mr. McCLURE. Mr. President, I am today submitting an amendment to the handgun crime control bill of 1979 designed to bring about a fair and effective answer to the problem of criminal misuse of fire arms. By any standard the Gun Control Act of 1968 has failed to halt the increase in violent crimes which plagues our country. The reason for that failure, I suggest, is that the Gun Control Act of 1968 is fundamentally misdirected. It burdens the law-abiding citizen who obtains firearms through legal channels while affecting not at all the criminal who long before 1968 was barred from legally possessing guns.

It is easy to erect obstacles to those who want to buy firearms for hunting or target practice or defense of their home and family. These people want to obey the law. But these people have nothing whatever to do with the crime problem. Yet, they, not the professional criminal, are the victim of gun control laws. So I propose that we redirect Federal gun laws to deter this criminal behavior without infringing on the traditional right of law-abiding Americans to keep and bear arms. To do this I offer this amendment which simply repeals a law that has failed, the Gun Control Act of 1968.

I introduced a similar bill, S. 38, on the first day of the 96th Congress as well as during the 95th Congress, and was pleased to see that the principles behind these bills made significant gains. During consideration of the criminal code reform legislation, the Senate adopted several amendments I offered to refine the mandatory sentencing provisions and strengthen the rights of law-abiding gun owners. Congress also cut the budget of the Bureau of Alcohol, Tobacco, and Firearms and blocked their plan to impose national registration of firearms transactions. We voted to continue the civilian marksmanship program and forced the withdrawal of a nominee with extreme antigun views to head the LEAA.

These victories were made possible by the vigilance of millions of Americans who were willing to make their voices heard in defense of traditional American values, and their rights as granted under the second amendment to the Constitution of the United States.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 555

Strike all after the words "That this Act may be cited as the "Handgun Crime Control Act of 1979," and insert in lieu thereof the following new section:

"SEC. 2. Chapter 44 of Title 18 of the United States Code nown as the "Gun Control Act of 1968", is hereby and the same is repealed."

## DEPOSITORY INSTITUTIONS DEREGULATION ACT—H.R. 4986

AMENDMENT NO. 556

(Ordered to be printed and to lie on the table.)

Mr. MORGAN submitted an amendment intended to be proposed by him to H.R. 4986, an act to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.

● Mr. MORGAN. Mr. President, I submit an amendment and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

Mr. President, H.R. 4986, the Depository Institutions Deregulation Act, as reported by the Senate Banking Committee, phases out the interest rate differential contained in regulation Q over a period of 10 years. The amendment I am introducing would substitute for that provision in the bill, a formula to tie the differential directly to the commitment of a financial institution to housing finance. Specifically, the amendment makes rate control permanent and provides a differential for all financial institutions—banks, credit unions, mutual savings banks, and savings and loan associations—provided that such institutions have and maintain at least 60 percent of their entire loan portfolio in residential real estate. Included within the definition of residential real estate are home improvement loans, and loans for mobile homes. This amendment recognizes the need of long-term lenders to attract savings while extending credit over protracted terms. The amendment provides an incentive for all financial institutions to engage in this important area of lending activity, that of making homeownership possible.

On two other amendments which I have previously introduced, Mr. President, I ask unanimous consent that two letters discussing these amendments be printed in the RECORD.

First is a letter from Hon. Otis R. Bowen, M.D., Governor of Indiana and chairman of the National Governors Association. Governor Bowen writes on behalf of the NGA in support of my amendment to strike title II of H.R. 4986. Title II would give the Federal Reserve authority to require reserves of nonmember financial institutions. Governor Bowen writes that this "complex and controversial matter * * * should not be handled in a piecemeal fashion through H.R. 4986," and states that the NGA supports my amendment "because the granting of such authority to the Fed would constitute an unwarranted preemption of State authority in an area that we believe properly belongs to the States."

A second letter from Hon. Jay Janis, Chairman of the Federal Home Loan Bank Board, is addressed to Senator CRANSTON, and a copy has been made available to me. Chairman Janis warns that a lowering of the minimum denomination on money market certificates to $1,000 would have a "highly adverse" effect on the earnings of thrift institutions, and would be particularly "devastating" on S. & L.'s in the Boston and New York Federal Home Loan Bank districts. I urge my colleagues to give careful attention to both these letters.

There being no objection, the amendment and letters were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 556

Beginning on page 15, line 24, strike the entirety of Sections 107, 108, 109, and 110, through page 21, line 20, and substitute in lieu thereof the following:

Section 107(a) Strike paragraph 7 of Public Law 89–597.

Section 107(b) Strike section 102 of Public Law 92–200 and substitute in lieu thereof the following:

"An interest rate differential of at least ¼ per centum may be paid on any category of deposits or accounts of a bank, the deposits of which are insured by the Federal Deposit Insurance Corporation, and savings and loan, building and loan or homestead association (including cooperative banks), the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation, any mutual bank as defined in § 3f of the Federal Deposit Insurance Act or any credit union, the accounts of which are insured by the National Credit Union Share Insurance Fund, provided that such institutions shall have and maintain loan portfolios in which sixty per cent of such loans are comprised of loans secured by liens of single family residential real estate, mobile home loans or home improvement loans."

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NATIONAL GOVERNORS' ASSOCIATION,
*October 23, 1979.*

Re H.R. 4986—Depository Institutions Deregulation Act of 1979.

Hon. ROBERT N. MORGAN,
*Dirksen Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR MORGAN: This is to advise you of the strong support of the National Governors' Association for the amendment you plan to offer on the floor of the Senate to delete Title II of H.R. 4986, the Depository Institutions Deregulation Act of 1979.

Title II of H.R. 4986 would grant the Federal Reserve Board (Fed) compulsory reserve-setting authority over nonmember banks and other state-chartered depository institutions with respect to their Negotiable Orders of Withdrawal (NOW) accounts and share drafts. This Title should be stricken from the bill. Whether or not the Fed should have compulsory reserve-setting authority over state-chartered nonmember commercial banks and over other depository institutions not now affiliated with the Fed is currently being considered by the Senate Banking Committee in several bills (S. 85, H.R. 7, and S. 353) designed specifically to deal with this complex and highly controversial matter. It should not be handled in a piecemeal fashion through H.R. 4986.

NGA also opposes Title II of H.R. 4986 because the granting of such authority to the Fed would constitute an unwarranted preemption of state authority in an area that we believe properly belongs to the states.

The National Governors' Association greatly appreciates your efforts on this matter.

Kindest personal regards,
OTIS R. BOWEN, M.D.,
*Governor.*

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FEDERAL HOME LOAN BANK BOARD,
*October 23, 1979.*

Hon. ALAN D. CRANSTON,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR CRANSTON: In response to your request, we have analyzed the impact of implementing the provision of S. 1347 that could lead to a lowering of the minimum denomination on money market certificates to $1,000.

We estimate the percentage of passbook accounts of S&Ls would decrease to 16 percent of total accounts by the second quarter of 1980 if the minimum denomination were lowered. This compares to 24 percent without any such change. In addition, there would be an attrition of maturing long-maturity certificates into higher rate MMCs so that there would also be a reduction in long-term certificates as a percentage of total accounts.

The results on earnings would be highly adverse. A reduction in the minimum denomination of MMCs to $1,000 is estimated to result in a rate of return on assets of 0.14 of 1 percent by the second half of 1980 compared to 0.34 of 1 percent if this action were not taken. Even the latter rate of return would be the lowest that S&Ls have experienced in the post-World War II period and compares wtih 0.82 of 1 percent in 1978. With the MMC at $10,000, S&Ls would be experiencing severe earnings problems, particularly in light of the recent Fed actions, and would imply about 20 percent of all S&Ls having a negative income. With the even lower rate of return on assets implied by the $1,000 minimum denomination, we estimate that 37 percent of S&Ls would have a negative income during the second half of 1980.

The impact on S&Ls in the Boston and New York Federal Home Loan Bank districts would be more devastating. These associations have a higher proportion of their savings accounts in passbook accounts and already suffer from low profitability. A reduction in the minimum denomination on MMCs would, in the second half of 1980, produce a loss of 0.23 of 1 percent on assets for S&Ls in the Boston district, with over 57 percent of S&Ls having a negative income. It would produce a loss of 0.25 percent of 1 percent on assets in the New York district, with over 52 percent of S&Ls in this district having a negative income. The impact on mutual savings banks, concentrated in the Northeast, would be particularly devastating.

I thought you might be interested in an analysis of the effect of the $1,000 provision done by Home Savings and Loan Association in California, the country's largest savings institution. Using conservative estimates, their analysis indicates a cost increase of 70 basis points in 1980 if the provision were adopted. This represents a substantial decrease in income for this institution, on the order of 75 percent.

Over the long run, we remain committed to a phasing-out of rate control. I stated this in my support of S. 1347, which, at that time, did not include the provision to reduce the minimum denomination. However, any such phasing-out, including a reduction in the minimum denomination on MMCs, must take account of the extremely difficult financial environment facing thrifts.

The information contained in this analysis was obtained before the recent Fed actions. If data had been available, the results would have been even more devastating.

Sincerely,

JAY JANIS.●

### AMENDMENT NO. 557

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON (for himself, Mr. PERCY, Mr. TSONGAS, Mr. LUGAR, Mr. MORGAN, Mr. MOYNIHAM, Mr. JAVITS, Mr. LEVIN, and Mr. DURENBERGER) submitted an amendment intended to be proposed by them to H.R. 4986, supra.

## NOTICES OF HEARINGS

### SUBCOMMITTEE ON CONSUMER AFFAIRS

Mr. TSONGAS. Mr. President, I wish to announce that the Subcommittee on Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs has scheduled oversight hearings on the Truth-In-Lending enforcement activities of the Federal financial regulatory agencies. The hearings will be held on Wednesday, October 31 and Thursday, November 1 at 10 a.m. in room 5302 of the Dirksen Senate Office Building. If you have any questions regarding the hearings, please contact the subcommittee at 224–7391.

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources on the nominations of the following:

Dr. Ruth M. Davis of Maryland to be an Assistant Secretary of Energy (Resource Applications).

Dr. William W. Lewis of the District of Columbia to be an Assistant Secretary of Energy (Policy and Evaluation).

Charles B. Curtis Esq. of Maryland to be reappointed as a member of the Federal Energy Regulatory Commission.

The hearing is scheduled for Wednesday, October 31, beginning at 8 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3106 Dirksen Senate Office Building, Washington, D.C. 20510. For further information regarding the hearing, you may wish to contact Jessie Mackenzie of the committee staff on extension 47147.●

### COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, the Committee on Labor and Human Resources will hold a hearing on S. 1089, the "ERISA Simplification Act of 1979." This legislation, similar in intent to portions of S. 209, the "ERISA Improvements Act of 1979," is different in its approach toward achieving improvements Act of 1979," is different in its approach towards achieving improvements in the administration of ERISA and reduction of ERISA paperwork. The committee's efforts to attain these goals will be assisted by comments on S. 1089 from witnesses and others in connection with the hearing process.

The hearing will be held on Wednesday, November 7, 1979, in room 4232 of the Dirksen Senate Office Building, beginning at 9:30 a.m.

Requests to testify or present statements for the record should be directed to Steven J. Sacher, special counsel to the committee, (202) 224–1097.●

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on the SALT II treaty and protocol.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENT

## THE RHODESIAN CONFLICT

● Mr. HAYAKAWA. Mr. President, the Rhodesian conflict is at a critical turning point. If there is any hope left for a peaceful solution to this tragic war, it lies in the London Conference now being held under the auspices of the British Government. The Carter administration's policy toward Rhodesia has unfortunately equated conditions in Rhodesia with those formerly encountered in the American South. Quite to the contrary, the Rhodesian conflict is not simply one of majority rule. It cannot be regarded as analogous to the American civil rights movement with its slogans of "black power; one man—one vote; white vs. black." It is rather a more complex problem, that is deeply based on tribal warfare and conflicting loyalties.

The new black majority government of Zimbabwe-Rhodesia is being threatened not only by a massive guerrilla war, but by these traditional tribal divisions dating back to 19th century battles between the Matabele and the Mashona, and the animosities left over these clashes.

As one ponders the future of this unfortunate country, dangers as well as opportunities come to mind. Among the former, tribalism may continue to play a detrimental risk by preventing a peaceful settlement and the return of prosperity. In this context, I want to call the attention of my colleagues to an article appearing in the Salisbury Herald, Friday. October 5, 1979, recounting of clashes between the tribal forces supporting the leaders of the Patriotic Front.

The article indicates that a prevailing view of the Rhodesian conflict is inaccurate. This view holds that the Patriotic Front is effectively united by common ideology. Actually hostility based on tribal differences is paramount. The aforementioned article deserves the attention of my colleagues and I hereby request that it be printed in the RECORD.

The article follows:

### PF "GOT THE HELL IN"

ZANLA terrorists loyal to Robert Mugabe and the ZIPRA forces of Joshua Nkomo appear set for a major confrontation to settle long-simmering tribal differences.

Senior security men say there is growing evidence of a dramatic escalation of fighting between the two groups, mainly in south and south-west Matabeleland—a traditional ZAPU stronghold—where ZANLA is seeking ascendancy.

Instances that have come to light:

ZANLA leaders are instructing their troops to seek out and destroy ZIPRA forces.

ZIPRA terrorists are encouraging sympathetic tribespeople to report any ZANLA presence in their areas to the security forces.

ZANLA are increasingly resorting to beatings, torture and murder to win support.

ZIPRA is pledged to a no-holds-barred war against the ZANLA "enemy".

The information was gleaned from captured terrorists and others who have surrendered—all of whom had been in interfaction clashes—and from captured documents.

It is difficult to assess accurately the full extent of the conflict because contacts between the rival groups often occur in remote areas or sparsely populated tribal trust lands. Both sides mop up after clashes, burying their dead and removing the injured.

"They have obviously got the hell in with each other and are giving it a full go" a security forces spokesman said. He confirmed the number of clashes was escalating.

ZANLA's determination to gain supremacy is indicated by the number of men moved into southern Matabeleland, where it is now numerically superior.

### CAMPAIGN

There is evidence that the campaign is being directed by ZANLA's hierarchy, and intelligence sources indicate that on September 15, Rex Tichafa, a senior member of the Mozambique War Council, was drafted into the Tuli area to plan an intensified war against ZIPRA strongholds.

Documents captured by security forces also provide proof of top-line involvement.

ZANLA terrorists who have surrendered indicated this week that since entering the country they had been involved in more contacts with ZIPRA than with security forces.

One, Chida Moyo, was in 10 clashes with ZIPRA in the Kezi and Gwanda areas from February to May. Six ZIPRA and five ZANLA men died. Seven ZANLA terrorists were wounded.

He said his group had been constantly subjected to surprise attacks by ZIPRA acting on information supplied by the locals.

"Some of the engagements were short. In others we stayed and fought. The attacks were mostly initiated by ZIPRA. We only attacked for revenge."

Robert Mbunkunye (29), entered the country in April.

"I joined a group that had been operating here for some time. They told me they had been in numerous skirmishes with ZIPRA.

"Before giving myself up, I was involved in two fights with them. We were told to fight ZIPRA. They were considered the enemy as much as the security forces."

Cheetah (25), was involved in two contacts with ZIPRA in the Gwanda area in May and July. Both were attacks on ZANLA base camps.

He said tribal differences were the main cause of the inter-faction fighting.

"We don't like them. They do not like us."

A ZANLA terrorist, captured this year, said that in April his group was involved in a clash with ZIPRA, in which one ZANLA terrorist was killed.

In June, they discovered two ZIPRA terrorists in a kraal which they surrounded. They opened fire, killing the ZIPRA terrorists.

Another captured ZANLA man said time was spent trying to persuade tribesmen to support ZANLA and forget traditional loyalty to ZIPRA.

In May, his group went to an area to investigate a clash between ZANLA and ZIPRA. Several ZAPU supporters, thought to have given information to ZIPRA, were executed.

A Police patrol in the Gwanda area was recently preceded by a ZIPRA group telling locals to give the Police information about ZANLA.

And there have been instances where locals, frightened to divulge information to security forces for fear of retribution by ZANLA have been beaten by ZIPRA.

The feed-back has resulted in intensified contact between ZANLA and the security forces and spiralling ZANLA casualties.

ZANLA, frustrated in efforts to win locals on their side, has now resorted to a reign of terror to gain support.

On September 26, at the Benfer Estates in the Umzingwane farming area about 30km from Beitbridge, terrorists took 40 men, women and children from a farm compound. Those who did not escape were ordered to strip.

One of the men, Davison Moyo, said: "They told us to lie on the ground. The terrorists set fire to plastic fertiliser bags and dropped them on the men's private parts. I was badly burned. The pain was very bad.

"The people should hate them for what they did to us."

One young mother, Marabuni Muleya, was ordered to leave her child behind when she was taken.

She said: "They were bad to us. They set fire to the women's clothing after they had stripped and dropped it on their bodies. One woman was held down by the terrorists. They forced a burning stick into her genitals"

The woman said the terrorists told them they should not work on the farm but return to the tribal trust lands to grow food for ZANLA.

### TORTURED

Captured documents compiled by ZANLA indicated that on August 8, in the Gwanda area, a 22-year-old woman, Selina, was tortured to give information about ZIPRA.

The documents said: "She told the comrades of some masses who were working hand in hand with ZIPRA. The comrades accused Selina's brother of being a member of ZIPRA and that she had moved her home into an area where ZIPRA operated.

"She was sentenced to death. The comrades killed her by beating her with stones."

Another document records that on August 7, again in the Gwanda area, a tribesman, Alias (32), married with children, was accused of being a sell-out. He was tortured.

He was accused of sending his son to inform ZIPRA that ZANLA was in the area.

"He was sentenced to death. There were 14 people in the village when the comrades stoned Alias to death. The action shocked the masses, who ran away."●

## SENATOR KENNEDY ADDRESSES THE HUMAN CRISIS IN CAMBODIA

● Mr. McGOVERN. Mr. President, there is a growing consensus in Congress and in the Nation that the United States must play a major role in the international humanitarian relief effort now underway in Cambodia. We must act to deliver food to the hungry and medicines for the victims of disease and epidemics. And we must use our diplomatic leverage to help lessen the basic political tensions which are the cause of the enormous human crisis which threatens the survival of the Cambodian people. No one in America has done more to help form this consensus and to bring these problems to our attention than Senator KENNEDY. In an address this morning at Georgetown University, Senator KENNEDY gave a realistic and eloquent description of this major tradegy. He called for a six-point program of action which I endorse and fully support. Mr. President, Senator KENNEDY has combined the best aspects of America's humanitarian traditions with the need for creative diplomacy. I know I speak for all my colleagues by recognizing the Massachusetts Senator for his excellent proposals and for his strong moral concern.

I ask that the Senator's remarks, entitled "The Human Crisis in Cambodia." be printed in the RECORD for the benefit of my colleagues.

The text of the speech follows:

### ADDRESS OF SENATOR EDWARD M. KENNEDY

I welcome this opportunity to address the graduate students of Georgetown University. Under the leadership of Father Healy, Georgetown is known throughout the world for its excellence in learning and its commitment to the basic moral values of our world society.

My subject today is a massive human tragedy that is taking place half way around the world in an area the size of Missouri, the tragedy that is engulfing the people of Cambodia. I know that many of you here today are deeply concerned about that tragedy. I command Georgetown's own involvement in the growing world-wide effort to alleviate the suffering.

Georgetown students are now on their way to Indochina to work with the voluntary agencies, to bring some measure of comfort and assistance to the enormous number of starving and homeless refugees who need our help. By their unselfish work, the students are also bringing credit to this university, demonstrating again the meaning of the truth that individuals and institutions can make a difference if they care enough to get involved.

Help for Cambodia from individuals and voluntary groups is critical at this time. But so is help from governments, including the government of the United States.

I come here today deeply troubled by the past indifference of our nation and our government to the tragedy in Cambodia. Archibald MacLeish has written:

"When the fact is disassociated from the feel of the fact in the minds of an entire people and in the common mind of a civilization—that people—that civilization—is in danger."

The people of this nation and the leaders of this nation must begin to feel the genuine horror that is the daily existence of millions of Cambodians. The awesome scale of the present suffering alone should be cause enough for America's concern. Our basic decency and humanitarian instincts as a nation are being tested. We cannot stand mute in the face of a calamity of such unspeakable proportions, a tragedy of death and human misery greater than any the world has known since the days of the holocaust.

But there is an additional reason for America's concern. Cambodia is on our conscience. This nation cannot wash its hands of the people of that land. Of course, the Cambodian tragedy has been compounded many times over by domestic tyrants and foreign invaders in recent years. Whatever the ultimate verdict of history may be on the degree of responsibility the United States must bear for the present tragedy in Cambodia, we cannot escape the moral consequences of our actions during the Vietnam War, which helped to launch the descent into hell of that once beautiful and peaceful land.

It is said that Cambodia is fast becoming a country without children. Infants and young children are dying in Cambodia today, dying from starvation and disease, dying from causes that could easily be prevented if only the world would care.

What can we tell our own children about the deaths? What can we tell ourselves? That the world looked the other way to this holocaust of the 1970's, as it did to another holocaust of the 1940's? That diplomats delayed while children died? That governments could not agree on simple steps to launch the missions of relief?

Unless more is done, and done now, millions of men, women and children may die. The very existence of the Cambodian people may be extinguished.

Already, the nation has lost nearly half its population from the ravages of war and the barbarity of the Pol Pot regime. Now, Cambodia faces famine and the relentless spread of disease among its remaining people.

We have known the statistics for many months. The figures are among the worst the world has ever seen. From the field reports our Senate Judiciary Committee has received, it is clear that three and a half million Cambodians now face severe starvation. Over half of them will die in the next few months unless we act.

Over 250,000 sick and starving refugees have fled into Thailand to escape the famine and the violence. Relief workers along the border predict this number will soon be doubled as the famine spreads.

In the few camps and towns that can be seen across the border, 300 Cambodians are now dying every day.

Voluntary agency and international relief officials report that acute famine exists in northeastern and central Cambodia. They report the entire country is on the move in a fearful and frenzied search for food. Roads are clogged with starving people, vainly seeking food, wandering toward their certain death.

Our intelligence reports estimate that the current harvest will be less than 20 percent of the normal level. This drastic shortfall in food production will be compounded by the complete breakdown of Cambodia's transportation system, and by the continuing warfare in many areas of the country.

They also report that disease is rampant—bubonic plague, malaria, dysentery—diseases especially fatal to infants and young children.

America and other nations in the international community have known of the Cambodian crisis for many months. We have known since last spring from our own intelligence reports of the imminent shortfall in food production. We have known for many weeks of the spread of disease and famine.

According to an official report received by our Embassy in Thailand: "The physical condition of newly arrived refugees over the past few days was among the worst we have witnessed. Assuming that only the strongest are able to make the trek into Thai territory, it appears that those still inside Cambodia are reaching the point where it is no longer possible for them to survive."

The United States government had that report on September 17, over a month ago But during that time, and throughout the recent months, our government was more concerned with the credentials fight over Cambodia's seat at the United Nations, than with the issue of mass starvation among its people. Our government was more concerned with which dictator—Pol Pot or Heng Samrin—sits in the United Nations, than with the many children dying in the nation they purport to lead.

Last April, when the warning signs were already completely clear, I called for an international conference on Indochina. I suggested that the United States, Japan, and the ASEAN countries should meet to help Cambodia, before conditions deteriorated beyond recall and an overwhelming refugee crisis developed. Other countries joined in similar calls—including Britain, Sweden, Australia, and Japan. But the voice of the United States has been most notable by its silence.

In June, I met with Secretary General Waldheim at the United Nations in New York to express my sense of urgency about the crisis. On June 18th, I called again for an international effort to deal with the mounting refugee crisis, and to support the United Nations effort. I urged the United States government to undertake an immediate new initiative, and to answer the cries for help with immediate food and other relief supplies.

In Geneva last July, an international conference was convened on Indochina. Under Secretary General Waldheim and the U.N. High Commissioner for Refugees, that conference achieved a major breakthrough. It responded to the plight of the Vietnamese "boat people" and generated new international support and participation in the refugee program. But the subject of Cambodia was dropped from the agenda of the conference, without protest by the United States, and with no assurance it would be considered later.

I raised this question with Secretary Cyrus Vance at a hearing by the Senate Judiciary Committee later in July. Mr. Vance agreed that famine threatened in Cambodia, and that there was an urgent need to act. He said that, although we faced many diplomatic hurdles, we would be willing to work with others to begin a major international effort for relief.

But three months have passed, with no action by the government. Incredibly, the only movement was the heroic effort of the Red Cross and UNICEF to do the job alone.

Finally, in an effort to expedite U.S. action, Congress itself began to act. On October 11th, the Senate amended the foreign aid bill to urge that all available funds be used for the crisis in Cambodia, with a specific request for an initial $30 million contribution. Today, three members of the Senate—Jim Sasser of Tennessee, Max Baucus of Montana and John Danforth of Missouri—are actually in Cambodia, prodding America into more effective actions for relief.

This afternoon, I understand that the President plans to announce that the $30 million is at last to be provided.

That action is a welcome step. But it is only a first installment, compared to the need that now exists. The Red Cross, UNICEF, and the U.N. High Commissioner for Refugees have already appealed for funds to deal with the crisis.

We must take essential steps now if we are to stave off mass starvation in Cambodia and avoid even graver dangers to the peace in Southeast Asia:

First, dollars cannot do the job alone. We must begin an immediate massive airlift of food and medicine to Cambodia, in conjunction with the work of the Red Cross and the other voluntary agencies already in the field. In a similar crisis in 1975, the United States airlifted over 400 tons a day of rice to the city of Phnom Penh. We can do the same again in 1979, to ease the much more drastic crisis now taking place before our eyes.

Second, we must be prepared to supplement these immediate actions with increased cash assistance. It is estimated that up to $200 million in food and medicine and other supplies may be needed over the next nine months. Together, America and other nations must insure the need is met.

Third, we should press urgently for an international conference on Cambodia by all concerned nations. The Geneva Conference last summer catalyzed effective international action to deal with the plight of the boat people. A similar conference now could generate prompt action on Cambodia, and prevent vast new deaths from starvation, disease, and the bayonets of brutal dictators.

Fourth, we should use every possible diplomatic means to achieve a military ceasefire in Cambodia. We should seek peace, neutrality, and independence for Cambodia and Laos, with effective international guarantees. Without a political solution of this kind, the unending flow of refugees from Indochina will go on. I do not minimize the difficulty of this effort. But it should receive the highest priority of American diplomacy, and it should involve the highest leaders of this nation.

Fifth, we should reinforce this international action with strong pressure on Hanoi and Phnom Penh to join in resolving the crisis. Our allies in Europe and Asia should also join the effort. We should challenge the Chinese and the Soviets to cooperate. The approaches should be high-level and direct. We cannot afford a policy of diplomatic noninvolvement or under-involvement. Weak or ineffective action now will only reduce America's credibility further in the area, and undermine our diplomacy with other nations.

Sixth, we must increase our efforts in Thailand to cope with the rising tide of refugees. We must also encourage international efforts to resettle Cambodian and other Indochinese refugees. For the vast majority of refugees, we must work to create conditions permitting them to return to their homes in peace. For countless others, however, resettlement must take place in other lands. The United States has already enacted legislation to facilitate this action, and other countries should be encouraged to make a greater effort on their own.

The human crisis of Cambodia cries out for urgent action by peoples and nations in every corner of this earth. It is time to end the long period of delay and neglect. We can no longer avert our eyes.

As we act to end the tragedy of Cambodia, let us remember the words of the Bengali poet Tagore, who wrote, "Life is given to us. We earn it by helping to give it."

This rich nation once brought death and devastation to Cambodia. Now, we have a unique opportunity to bestow the gift of life. The tragedy is upon us. The hollow eyes of children peer out from our morning newspaper. Their faces are pressed against our window, waiting for an answer.●

## IMPACT STATEMENT FOR S. 1873, THE JUDICIAL CONDUCT AND DISABILITY ACT

● Mr. DeCONCINI. Mr. President, on October 10, 1979, the Senate Judiciary Committee reported S. 1873, a bill to establish a procedure for the processing of complaints directed against Federal judges, and for other purposes.

Rule 29.5 of the rules of the Senate requires that reports accompanying legislation contain an evaluation of the regulatory impact of the legislation. Through an oversight, such a statement was not included in the report on S. 1873.

Mr. President, I state for the record that it is the judgment of the Judiciary Committee that enactment of S. 1873 will result in a minimal amount of additional regulation.

This proposed legislation, if enacted, will effect or regulate approximately 1,500 judicial officers; create 13 attorney and secretarial positions; 11 circuit judicial councils; and the Administrative Office of the U.S. Courts. Each attorney and secretary will be needed to process approximately 177 of the 2,300 annually projected complaints. Projections of the number of complaints that will be filed are uncertain. For purposes of this legislation, 3 percent of the number of prisoner petitions filed along with the number of criminal defendants convicted was used as an estimating base. The circuit judicial councils will be required to meet on the average of six times a year to act upon these complaints. The Administrative Office of the U.S. Courts will be responsible for providing administrative, professional, and financial assistance to the judicial councils. The administrative office will also be responsible for the preparation of reports required by the House of Representatives, including the annual report showing the number of complaints filed with each judicial council and the action taken on each complaint. Two additional attorney positions and two secretarial positions will be required in the administrative office in order to prepare these reports.

The economic impact of such regulation on these parties is as follows:

*Cost estimate for 1981*

| | |
|---|---|
| A. Circuit judicial councils: | |
| Miscellaneous Expenses | $81, 600 |
| Salaries and expenses of 13 attorneys and 13 secretaries | 559, 000 |
| Travel of judicial council members | 46, 000 |
| Contractual court reporting | 13, 000 |
| B. "Court"/Administrative Office: | |
| Salaries and expenses of 2 attorneys and 2 secretaries | 86, 800 |
| Travel for 5-judge court sessions | 20, 000 |
| Contractual court reporting | 2, 500 |
| Counsel fees | 25, 000 |
| Witness fees and travel to de novo hearings | 28, 500 |
| Total cost (2,300 complaints) | $861, 900 |

The cost of prisoner travel and U.S. marshals' expenses would be the responsibility of the Department of Justice and have not been included in these estimates.

I further state for the record that the provisions of S. 1873 providing for the imposition of sanctions against members of the Federal judiciary will have minimal impact on the personal privacy of the affected individuals. Sanctions that may be imposed under the act are authorized only if the judicial officer is or has been unable to discharge efficiently the duties of his or her office by reason of mental or physical disability, or is or has been engaged in conduct inconsistent with the effective and expeditious administration of justice. These provisions, however, will not excise the rights of the disciplined judge, a public figure, who in accepting the Federal judicial office, must yield to some extent privacy rights relating to those matters which are legitimately within the scope of the public interest.

In addition, there is insufficient factual information available at this time to make determinations on the amount of additional paperwork that will result from regulations promulgated pursuant to this bill.●

## TRIBUTE TO GENERAL JONES

● Mr. McGOVERN. Mr. President, the October 29, 1979, issue of Time magazine carries on its cover the picture of Gen. David C. Jones, chairman of the Joint Chiefs of Staff. This issue of Time includes a far-ranging article on the Nation's defense posture with a special essay on General Jones.

I have long been impressed with General Jones' patriotism and his commitment to the national interest. I do not always agree with him on defense issues, but I have never doubted his ability and his dedication.

I am proud of the fact that he is a native of South Dakota. As was the case with me, General Jones left college to join the Army Air Corps in the spring of 1942. He has maintained his interest in flying and in the larger concern of airpower ever since.

I ask that the essay on General Jones be printed in the RECORD. I also ask that the balance of the Time magazine article to which I have referred to be printed in the RECORD.

The articles follow:

### HE IS EXASPERATED WITH PEOPLE ABOUT HALF THE TIME

"He gets into an airplane and he just doesn't know how to turn toward the passenger compartment," says a senior aide about General David C. Jones. Indeed, during his frequent trips around the U.S. and to many parts of the globe, the Chairman of the Joint Chiefs of Staff invariably takes charge of the plane's controls.

Heading straight for the cockpit is a habit that Jones acquired during his 37 years in the Air Force. But he is no mere hot pilot. Cool, meticulous, low-key and dogged, Jones typifies the new breed of military managers. Explains a senior Pentagon aide: "The era is over of flamboyant combat heroes rising to the top of the military. The military is no longer going to win the budget game through image and authority. The brass are going to win it by knowing their stuff and knowing how to present it."

At this, Jones is an ace. During the current SALT II ratification hearings, he has made numerous trips up Capitol Hill to testify. Leaning intently across the witness table, with rows of ribbons glistening on his four-starred uniform, he has persuasively argued the military case: that SALT II is acceptable if the U.S. increases its arsenal to counter the growing Soviet threat. To a significant degree, it has been the clarity and force of Jones' arguments that transformed these hearings into a wide-ranging analysis of national defense needs. The Jones touch was also evident in a successful campaign against the Office of Management and Budget; OMB wanted to limit military pay raises to 5%, but Jones got 7%. He has been equally persuasive at the White House, where he helped sell Jimmy Carter on the MX mobile ICBM.

Jones does not win every argument, of course. Indeed, he still bears the scars of the fight over the B-1 supersonic bomber. Carter canceled that project in June 1977, when ex-Bomber Pilot Jones was Air Force Chief of Staff and the plane's leading advocate. Carter's surprise decision shook the Air Force. Its generals immediately began talking of mounting a campaign in Congress to save the bomber and they looked to Jones to lead the attack. Jones concluded instead that such a campaign would have almost no chance of succeeding. "That was an agonizing decision," he recalls today. "Maybe we could have made a better case, but the President had made his decision."

Some Air Force hard-liners, still smarting from the B-1 experience, have insinuated that the J.C.S. chairmanship was the reward Jones got for going along with the White House. To be sure, Carter, like most Presidents, prizes team players. But the main element in Jones' selection was the problem-solving managerial talent that he had demonstrated during his four years as head of the Air Force and prior to that as commander in chief of the U.S. Air Forces in Europe between 1971 and '74.

What was more unusual about Jones' appointment as the nation's top soldier was that he neither attended a service academy nor finished college. A native of South Dakota, he dropped out of Minot State in North Dakota in April 1942 to join the Army Air Corps. Ten months later he had his pilot's wings as a second lieutenant. To his dismay, instead of being sent into combat, he spent the war in the U.S. training other pilots. His combat turn came during the Korean War, during which he flew B-29 bomber missions over North Korea.

His first important staff job came in 1955 at the Strategic Air Command, where he served two years as an aide to its legendary Chief, General Curtis LeMay. Jones refers to LeMay as "my mentor." In 1964, at age 43, Jones decided to learn to fly fighters. He outperformed many of the students who were half his age and went on to command an F-4 Phantom wing. Major posts in NATO, Viet Nam and back at SAC later earned him his stars.

As Chairman, Jones works at least a dozen hours daily, many of them at his stand-up desk in his spacious second floor Pentagon office. Not directly involved in commanding troops, he primarily oversees and coordinates the four service chiefs. He took a speed-reading course to help him through the mountains of paper work, and he writes memos fluently with both right and left hands. "I do it totally unconsciously," he says of this unusual ambidexterity. "It depends on how I'm sitting or standing."

Reserved and dignified, Jones is not known to slap many backs or crack many jokes. No one but a few retired generals, especially LeMay, would dare call him "Davey"—at least not to his face. Explains former Air Force Vice Chief of Staff William McBride: "I've never seen him slam a desk or shout at anybody. But at the same time, he is exasperated with people about half the time. It is hard to work for him if you're mediocre. He demands that everybody be as good as he is—and that's pretty tough." But Jones can also show tenderness. When ailing, wheelchair-bound Omar Bradley, 86, visited the Pentagon in July 1978, Jones personally took the nation's only living five-start general on a nostalgic 45-minute tour of the headquarters.

Jones tries to play racketball every day and tries to jog a couple of miles daily. "I ran before it became popular," he says. He and his wife Lois (they were married in 1942) live in the Chairman's sprawling official residence at Fort Myer, in Virginia, a short distance from the Pentagon. Their two daughters are living on the West Coast, and their son David, 18, is attending Auburn University in Alabama. "He tells me he wants to be an Air Force pilot," the Chairman says of his son, and then adds with a smile, "If he doesn't, he'll have to go to work." For one who does not seem to regard the Air Force as work, David Jones has done quite a job.

### THE PRICE OF POWER

Through a driving rain that swept the Cuban coast, 2,100 U.S. Marines stormed into Guantánamo Bay, the tiny U.S. military base that perches like a lighthouse on the eastern tip of Fidel Castro's island fortress. Most landed by helicopter from seaborne troop carriers, but a quarter of the force hit the beach in more classic Marine style, splashing ashore aboard tracked amphibious vehicles. Though their rifles, tanks and howitzers were unloaded—no live ammunition was carried throughout the operation—their performance was intended by Jimmy Carter to be a firm and well-publicized demonstration of Washington's concern about the presence of a Soviet combat brigade in Cuba.

But that was only one of a pride of U.S. military maneuvers round the world last week. At Grafenwöhr, West Germany, a U.S. tank battalion roared into combat exercises after having been flown in from Fort Hood, Texas, on a "no notice" emergency drill. At Florida's Eglin Air Force Base, 20,000 soldiers, sailors and airmen prepared to launch "Bold Eagle 80," a nine-day maneuver to practice coming to the aid of an invaded ally. In the Indian Ocean, a U.S. Navy seven-ship carrier task force joined up with a five-ship Middle East force to show the flag.

All these military activities were designed to maintain the U.S. readiness needed both to protect the nation and meet its far-flung obligations. But just how well the Pentagon would be able to carry out its awesome responsibilities is a matter of growing concern in Washington. Both in the Administration and in Congress, officials confront a question that will not go away: Could the U.S. successfully counter a major Soviet military thrust, no matter where it came? If the answers seems doubtful, then the next question inevitably is: What must be done to ensure the nation's security?

Those two related questions have dominated the Senate debate on ratification of the SALT II accord. More generally, they have been influencing the way other countries view the U.S. as a world power. The search for answers has already caused one of the most far-ranging U.S. defense controversies since World War II.

The debate began stirring in scholarly journals, inside think tanks and on Capitol Hill. It has assumed a heightened sense of urgency during the SALT hearings, in which both expert witnesses and Senators have been expressing grave concern about the state of the nation's military strength. Armed with volumes of facts and statistics, they have convinced a growing number of citizens that the U.S. can no longer afford to postpone tough and costly defense decisions if it intends to remain a superpower. As a result, a consensus has been emerging that favors a stronger U.S. military establishment, something that would have seemed impossible only a few years ago. Badly—and unfairly—scarred by the Viet Nam War, the armed services were forced into a period of retrenchment, receiving little popular backing for their expensive needs. But the national mood and the international realities are both changing.

In the coming months, the focus of the debate will be the fiscal 1981 defense budget, the final details of which are now being drafted in highly technical but often heated sessions behind closed doors at the Pentagon, White House and Office of Management and Budget. Congress will get a look at this draft in a few weeks, two months before the rest of the federal budget is shown to Capitol Hill. This unusual preview, at first resisted by the White House, is an attempt by the Administration to prove that it will increase defense spending. Several key Senators have been threatening to oppose SALT II unless more money is earmarked for modernization and expansion of the U.S. arsenal. This, they say, is the price of power.

A key participant in the mounting debate is the officer who must plead the Pentagon's case, the top-ranking man among the nation's generals and admirals and the only military personage who can carry his arguments directly into the President's Oval Office. He is David C. Jones, 58, the cool, persuasive Air Force general who serves as ninth Chairman of the Joint Chiefs of Staff. In an interview with Time Pentagon Correspondent Don Sider, Jones stressed that he is more worried about U.S. security today than when he became chairman 15 months ago. Because of the "continued military buildup by the Soviet Union," he says, there is a "need for us to do more." Fully in agreement is Jones' civilian boss at the Pentagon, Secretary of Defense Harold Brown: "The gap between U.S. and Soviet defense expenditures cannot continue to expand without a dangerous tilt in the relevant balances of power and a weakening of the overall U.S. deterrent."

The loudest alarm has been sounding on Capitol Hill. Senator Sam Nunn, the Georgia Democrat who is emerging as one of the most influential military experts in Congress, has warned, "We in this country have gone to sleep, [while] the Soviet Union has diligently, consistently, steadily set about the task of building the most awesome military machine mankind has ever seen." As a result, argues Arizona Republican Senator Barry Goldwater, the U.S. is "no longer the No. 1 military country in the world." Rather, it is "No. 2, and not a very good No. 2."

What many critics of current defense policies want is an increase in military spending of 5% annually (after adjustment for inflation) for at least the next five years. Such an increase has been endorsed by General Jones. Harold Brown, however, has argued that a 3% boost might prove adequate; this is the rate of annual growth pledged by the U.S. and the other NATO states last year. But Brown has also said, "It may not be feasible to do what we need to do with the 3%. If not, we'll ask for more." Brown also has warned, "The last thing I would want to see is some unsustainably large increase in defense budgets over a very short time, followed by no increase or by decreases over a much longer period. We've experienced that too often in the past."

Even the lower 3% figure means billions of extra dollars in military costs at a time when the White House has been struggling to trim the estimated $29 billion federal budget deficit in order to fight inflation. The defense outlays for fiscal 1980, which began Oct. 1, will be about $122 billion, although Congress and the Administration have not yet definitely agreed on a figure. Simply to maintain this level for the next fiscal year, compensating only for an estimated inflation rate of 10%, the Pentagon would need an extra $12.2 billion. A 3% hike, after inflation, would require spending $4 billion over that; a 5% real boost would mean yet an additional $2.6 billion outlay.

Other critics charge that a nation in which 25 million citizens are classified as living below the official poverty line can ill afford huge increases in military spending. The $2 billion to $3 billion required to build one new nuclear carrier, says Democratic Representative Patricia Schroeder of Colorado, could support 1,000 New York schools for a year. The $4.3 billion needed to build 860 miles of track for the proposed MX missile could finance all the nation's mass-transit systems for two years. Even the $60 million used to build one C–5A transport could feed 12,000 families of four for a year. Asks Schroeder: "How do we let them get away with that?" Somewhat more cautiously, Senator Edward Kennedy, who now supports an increase in defense spending, has warned against asking "the poor, the black, the sick, the young, the cities and the unemployed to bear a disproportionate share."

If the conflicting demands for military and social-welfare spending cannot be reconciled, the two alternatives are to increase taxes, a measure that most Americans strongly oppose, or increase deficit financing, which would worsen the inflation that is already ravaging the economy. The debate over the Pentagon budget is thus not simply a debate over defense requirements—though that is fundamental and important enough—but also a debate over national priorities, over how best to allot resources among the nation's pressing social, economic and security needs.

General Jones and his allies do not flinch at any such challenges. Although the financial requests of the military appear staggering, Jones argues that "we are spending less on defense in real terms today than we did at the time of the '62 Cuban missile crisis." He is right. When reckoned in "constant dollars," to avoid the distortion of inflation, the estimated U.S. defense outlays for fiscal 1980 are just about what they were in the strikingly low military budgets of the last Eisenhower years and lower than in most years since then. An even more telling comparison is the one between Pentagon spending and some key economic indexes. In 1955 defense spending claimed 58.1% of federal expenditures and equaled 10.5% of the gross national product. Ten years later, it had shrunk to 40.1% of federal spending and 7.2% of G.N.P. In the current fiscal year, it is down to 23% of federal spending and 4.9% of G.N.P., the lowest it has been since the early 1940s.

What makes today's military budget appear gargantuan is inflation. The Pentagon has not been immune to the rising prices that plague all Americans. As a consumer of 170 million bbl. of fuel annually (conservation measures have cut that from 193 million bbl. in 1974), the military has been extraordinarily hard-hit by last spring's OPEC price jump, which added $888 million to the Pentagon's fuel bill. Other costs have similarly skyrocketed. Inflation has pushed up the salary-and-benefits cost of both uniformed personnel and civilian employees (the uniformed-to-civilian employee ratio is 2 million to 900,000).

The steady decline in the share of U.S. national wealth devoted to arms would be a welcome development if the same had happened to the Soviets. Instead, they continue to pour an estimated 11% to 13% of G.N.P. into defense. Today they spend from one-fifth to two-fifths more than the U.S. does on the military. (The range in estimate is so broad and imprecise because ruble costs in the U.S.S.R. are hard to convert to dollar outlays in the U.S.) While the Pentagon is just now asking for at least a 3% larger budget, Soviet annual increases have been at about 5% for the past 15 years. Says Harold Brown: "Through all our negotiations with the Soviets, they have kept on increasing their military efforts, carrying out what they had planned to do and beginning new programs." Overall, Moscow has spent about $100 billion more than the U.S. on arms in the past decade.

The result of these divergent U.S.-Soviet trends was inevitable: a substantial Soviet gain in the balance of forces. The comfortable strategic superiority that Washington enjoyed only half a dozen some years ago has now been replaced by, at best, nuclear parity. The Soviet's deploy more land-based intercontinental ballistic missiles than the U.S. (1,400 vs. 1,054), and more submarine missile-launching tubes (950 vs. 656). By 1985 they could nearly close completely the current U.S. lead in strategic nuclear warheads (9,200 vs. 5,000). The only remaining category of clear-cut U.S. strategic superiority is the manned bomber; the advantage is 348 vs. 150, but the aircraft providing this lead are almost all aging B–52s, some of which date back to 1956.

Because of the Soviet strategic buildup and modernization, the U.S. Minuteman ICBMs will soon be subject to destruction by a surprise attack. This is what Pentagon officials label the window of vulnerability, a period that could last from four to six years, beginning in the early 1980s. This window and the current strategic balance will scarcely be changed by SALT II, though the treaty could restrain the Soviets from further widening of the gap.

In conventional arms, Soviet gains have been almost equally impressive, and in some ways are of more concern. Explains William Perry, the Under Secretary of Defense for Research and Engineering: "The Soviets are outproducing us by 2 to 1 or more in most categories of military equipment [and] deploying military equipment that is no longer inferior in quality." The U.S.S.R. leads the U.S. in total military manpower (3,658,000 vs. 2,022,000), tanks (50,000 vs. 10,500), artillery (40,700 vs. 18,000), tactical warplanes (4,350 vs. 4,164) and major warships (523 vs. 260). The main American advantages are in high-technology weapons, such as guided antitank missiles, and the ability to deploy forces rapidly into distant areas with aircraft carriers, Marine Corps units and airborne forces.

There are substantial geopolitical dangers in the Kremlin's expanding military strength. Senator Henry Jackson, the Washington Democrat, warned the Senate that Moscow's growing power could "mean an increasingly aggressive Soviet international policy." Harold Brown agrees. Referring to increasing Soviet interference in Africa and the Middle East, he says, "We've seen the Soviets become more adventurous in their behavior. This is an inevitable consequence of their greater confidence in their military capabilities."

To counter Moscow's buildup, the U.S. is already modernizing its forces with new weapons systems, ranging from the Trident nuclear-missile submarine to the Patriot antiaircraft missile. But much more will probably be required, and at a quicker pace.

The most important measures concern strategic arms, even though such weapons systems take only 7% of the defense budget. As Jones put it, "The strategic balance sets the tone for what goes on in the rest of the world." The Administration has just taken an important step in this area by approving a $33 billion, ten-year program for the MX ICBM. The movable MX is theoretically invulnerable to surprise attack, so when the Pentagon starts deploying the first of these missiles in Utah and Nevada in 1986, the window of vulnerability will begin closing. The U.S. has also been moving ahead with the

$4.4 billion air-launched cruise missile program; the 1980 budget provides $90 million for it. Under the current timetable, the first cruise missiles are to be deployed at the end of 1981 and would probably be launched from converted B–52s.

Another step to increase the nation's strategic capability, a proposal by Air Force Chief of Staff Lew Allen Jr., is to radically upgrade 155 of his F–111s. A major part of his plan: extending the fuselages of 66 of the FB–111 fighter-bombers 104 inches and installing the General Electric engines that were designed originally for the canceled B–1 bomber. This would enable these FB–111s to fly into the U.S.S.R. faster at 740 m.p.h., *vs.* 450 for the B–52) and more safely at low altitudes. The FB–111 would be more difficult for the Soviets to detect, in part because it shows up as a smaller radar image than the B–52. What might prevent Allen's project from taking off is its price tag: $6 billion.

More certain of deployment is the Pershing II nuclear missile, a $1.5 billion weapon system that occupies a gray area in analysts' calculations of the strategic balance. Because its 1,000-mile range would prevent it from hitting the Soviet Union from the U.S., the Pershing II is not, strictly speaking a strategic weapon. But since it could strike Russia from bases in Western Europe it is something considerably more than a tactical battlefield nuclear device like the atomic cannon or the proposed neutron warhead.

Moscow has recently expanded its own arsenal of similar weapons. In the past year the Soviets have stationed in Eastern Europe an estimated 100 atomic-tipped, multiwarhead SS–2 intermediate-range ballistic missiles and about 90 supersonic Backfire bombers. These could strike all Western European countries. Warned Henry Kissinger at a September NATO conference in Brussels: "If there is no [Western] theater nuclear establishment on the continent of Europe, we are writing the script for selective blackmail in which our allies will be threatened."

Far along in development, the Pershing II could be based in Europe by the mid-1980s, and this prospect has already prompted denunciations from the Kremlin. Britain is expected to base some new Pershings on its territory, but West Germany last week indicated that it would do so only if joined by one other Continental NATO member. Bonn's ruling Social Democratic Party is worried about a potential uproar from its vocal left wing if West Germany becomes the only Continental NATO state to have nuclear missiles capable of reaching the U.S.S.R. Washington remains optimistic that at the mid-December meeting of NATO, several countries will agree to accept the Pershing II.

Despite all the attention paid to strategic weapons, experts are nearly unanimous that the U.S. would be making a dangerous error if it continued concentrating as much as it has on the nuclear balance. As long ago as the mid-1960s, when targets in the U.S. first became vulnerable to Soviet ICBMs, the threat of massive nuclear retaliation lost some of its credibility, and thus some of its ability to deter Soviet aggression. Would U.S. leaders really defend Western Europe by launching a nuclear strike against the U.S.S.R. if that could trigger a devastating Soviet counterstrike at New York or Los Angeles? The question echoes more loudly now that the U.S. no longer boasts strategic superiority. As Kissinger put it in Brussels, "It is absurd to base the strategy of the West on the credibility of the threat of mutual suicide." With U.S. and Soviet strategic nuclear forces tending to cancel each other out. Washington needs adequate non-atomic forces to counter threats that could range from an armored invasion of Germany to a brushfire war in the Third World. Says Jones: "If you don't have the capability to respond around the world to different crises, then the risks can be very great."

Since 1975 the Army and Air Force have been allocating increasing resources to conventional weapons and missions. But so widely is it felt that more must be done that the Pentagon plans to spend most of any budget boost it gets on its conventional forces. Initially, says Jones, the extra funds would mostly be used for "new procurement, more supplies, more ammunition and fixing personnel problems."

Translated into specifics, here is where the money might go:

### GROUND FORCES

The Army requires more trucks, supplies and ammunition. In mid-September, Nunn charged that the Army had only "one-third of the ammunition and equipment it needs to . . . sustain simultaneously a war in Europe and a minor contingency in the Middle East or outside of Europe." Nunn was referring to the official U.S. doctrine of having the resources to fight 1½ wars at the same time: a major confrontation with the Soviets in Europe, plus a regional skirmish. Said Nunn: "In the category of tank ammunition designed specifically to destroy other tanks, the Army has on hand about one-fourth of the requirement postulated by the Department of Defense for sustained combat in Europe." In addition, he said, the service is short almost 60,000 wheeled vehicles "required to move ammunition, fuel, wounded soldiers, food, weapons and to support just about every other Army mission."

Providing these needed vehicles would cost about $4 billion. An extra $600 million is needed annually by the Army just for enough bullets, artillery shells and mortar rounds for adequate training. So tight has money been that Army crews training in Europe have been allowed to fire only one TOW antitank missile (cost: $5,000 each) a year. Experts believe that minimum proficiency would require three TOWs annually for each crew. Several additional billions of dollars in each of the next few years would be required if the Army sought faster delivery of some major new weapons. Only eight Black Hawk helicopters are produced monthly, the minimum needed to keep the assembly line open. The Army would like 15 choppers a month.

Maintenance of more prosaic matériel has long been shortchanged too. Overhauls are needed for heating plants, sewage systems, hospitals and living quarters. The cost of putting Army facilities and equipment into shape: $1.1 billion. Millions could also be used to give U.S. ground and air units more training and better gear for fighting on battlefields that have been contaminated. Soviet forces have been practicing extensively on techniques for disabling foes with chemical and biological agents.

### TACTICAL AIRCRAFT

The U.S. Air Force deploys the world's most sophisticated and deadly warplanes, but the Soviets have been catching up. No longer are their planes confined primarily to air defense. In the past decade, the Soviets have deployed a family of aircraft that, like U.S. warplanes, can support ground units in combat and strike deep inside enemy territory to destroy airfields and supply depots. Says Brigadier General John Chain, the Air Force's deputy director of plans: "They've closed the technology gap. They have damned good equipment and their people are well trained."

The latest U.S. warplanes—the F–15 Eagle, A–10 Thunderbolt and F–16—far outclass anything the Soviets now fly, but American quality ultimately could be overtaken by Russian quantity. The Soviet Union has been turning out about 1,150 fighters annually, of which 25% are exported to its Warsaw Pact allies. By contrast, the U.S. has been building only 500 such planes each year, and 30% have been sold to other nations.

This year the U.S. Air Force is scheduled to take delivery of 350 new fighters. General Chain would also like to see a more rapid deployment of the EF–111. This $25 million aircraft is packed with computers and other electronic gear that can jam the radar on Soviet planes that would be used to spot U.S. aircraft and guide missiles to them. The EF–111 also could neutralize Soviet ground-based radar. Current planes call for the Air Force to buy 42 EF–111s over an unspecified period of time. Like the Army, the Air Force has an ammunition shortage. Currently, it is very low on air-to-air missiles.

### NAVAL FORCES

In no area has the U.S.S.R. been catching up faster than at sea. Just two decades ago, the Red fleet was primarily a coastal defense force, rarely venturing far from its home shores. Today, its 1,769 vessels constitute a full-fledged blue-water navy. Meanwhile, the U.S. Navy has been steadily declining, from 955 ships two decades ago to 458 today. This is roughly half the number of ships the Navy had before the attack on Pearl Harbor in 1941. Complains a high Navy official: "We've been underinvesting for 15 years. Shipbuilding has been dismal." Because of its 13 mammoth aircraft carriers and the high technology crammed into its other surface ships and submarines, the U.S. Navy still commands the seas. For how long, is another matter. There are indications that the Soviets may be building their first large-deck aircraft carrier and are already well along with the construction of a 30,000-ton nuclear battle cruiser.

Just to keep the U.S. fleet at its present size would require construction of 17 new vessels annually. Yet the fiscal 1980 budget authorizes only 14 new ships. This includes a $2 billion aircraft carrier, six guided-missile frigates and two nuclear attack submarines. The admirals would like an extra $2 billion to $2.5 billion for shipbuilding in 1980. This would buy two more attack submarines, one more destroyer armed with the devastatingly accurate AEGIS guided-missile weapons system, a landing ship for the Marines and two oilers. The oiler shortage typifies the Navy's plight. While at least 21 oilers are needed to keep the fleet steaming, only 16 are available and ten of these were commissioned before the end of World War II. Mines are also scarce, and torpedo stockpiles are so low that there are not even enough to arm all U.S. attack subs for two patrols.

### AMPHIBIOUS FORCES

Sending in the Marines has traditionally been one of the nation's most effective means of intervening in distant lands. There is concern now, however, over whether the Leathernecks could really reach the beaches. Declares Nunn: "If the U.S. Marines were called upon to undertake a major landing in the Persian Gulf or elsewhere in the Middle East, they would probably have to walk on water to get ashore." With only 63 amphibious ships, the Marines are suffering from a severe shortage of vessels for such operations and probably could not land more than one division at a time.

The fiscal 1980 budget earmarks $41 million for start-up costs for the first $300 million LSD–41, a 15,774-ton amphibious vessel that could carry about 340 Marines. But senior officers would like a commitment of $1.2 billion for four of the new LSDs. The Marines also want 336 British-designed, vertical-takeoff Harrier attack planes (cost: $5.7 billion), plus 33 heavy-lift and attack helicopters ($400 million for the first year's production). Bringing Marine Corps ammunition stockpiles up to a level that could sustain combat operations would cost an extra $1.5 billion; improving battlefield command systems would run $400 million.

So hard up for cash is the corps that it is reluctantly planning to shrink itself. Through attrition, it will drop to 179,000 by mid-1980, a reduction of 10,000. Says a senior Marine officer: "We are reducing manpower to pay our bills. There is no sense in having a force like the Marine Corps if it does not have the means to go to war."

### RESUPPLY CAPABILITIES

According to General Jones, "In any large operation or full-blown conflict short of a nuclear exchange, lift becomes a very critical factor." He feels that the Pentagon's ability to resupply troops rapidly on the battlefield is "one of the areas in which we run into limitations early." Though the Air Force would have sufficient planes to rush troops overseas, including requisitioned commercial airliners, it would not have enough to take along their arms and equipment.

The Air Force wants more transport aircraft, but has not yet decided how many. Also needed are additional tankers for airborne refueling of transport and combat planes. In fiscal 1980 the Air Force will be buying four KC–10 tankers, a version of the McDonnell Douglas DC–10 jetliner, at a total cost of $200 million. In all, the service will purchase 20 of the $50 million tankers.

The total annual cost of the programs that the experts have cited tops $30 billion, and even these would not exhaust the Pentagon's shopping list. Yet this sum already exceeds what a 5% military budget boost would yield. Chairman Jones and the Joint Chiefs therefore will have to set program priorities, an exercise that has almost always aggravated interservice rivalries.

More and better weapons would obviously strengthen all the armed forces, but they will not solve what many experts feel is perhaps the nation's most serious military shortcoming—manpower. Admits Chairman Jones: "We have a growing personnel problem in the military." To Senator Gary Hart, the Colorado Democrat, "the big factor in the strategic equation is not weapons. None of them makes any difference if the people aren't there to man them."

The basic total numbers reveal no manpower shortages. The 562,419 men and women in the Air Force and the 524,514 in the Navy bring both services up to 99 percent of their authorized minimum force levels; the Army with 752,468 soldiers and the Marines with 189,000 stand at 98 percent. But these figures are deceptive. The Air Force, for example, badly needs pilots and technical officers. The Navy is short of more than 20,000 petty officers in such critical areas as aviation, nuclear propulsion and medical care. Complains Admiral Thomas Hayward, the Chief of Naval Operations: "Our retention of second-termers has dropped from a barely satisfactory 59 percent in 1975 to a totally unsatisfactory 48 percent today." First-termers have been proving even harder to retain; the Army's re-enlistment rate for this group is a dismal 38 percent. Notes a senior Pentagon official: "The absence of skilled people can take a very sophisticated weapons system and turn it into mush."

One of the most disturbing trends has been the fall in recruitment. For the first eleven months of fiscal 1979 (through this August), the 127,500 men and women recruited by the Army were only 89 percent of its goal and a 5 percent drop from a year earlier. Though the other three services have been doing better, all are below their targets.

Worse yet, the quality of the recruits has been dropping. Only 72 percent of those inducted during the first eleven months of fiscal 1979 had high school diplomas, compared with 76 percent for the previous year. Yet the electronic gear on today's battlefields requires highly skilled G.I.s. Warns General Edward Meyer, the Army's new Chief of Staff: "Clearly there is some level at which the Army has to say, 'Whoa! That's far enough. We can't take any more of the [low intelligence] category.'" Meanwhile, the intense pressure on military recruiters to fulfill quotas, as well as the lure of bonuses they receive for doing well, apparently has prompted widespread cheating among them. Some 1,100 recruiters are now being investigated by the Pentagon.

Would more money cure the manpower problem? Some experts think so. States C.N.O. Hayward: "Since 1972, when we had the last major pay adjustment, real military compensation has declined about 17 percent in purchasing power. Average union pay and benefits have increased 5 percent in purchasing power during the same period." From this, the nation's top admiral concludes that "the system is totally out of whack when a janitor on union scale makes almost the same salary as a chief petty officer with 17 years of service." General Jones puts it in different terms. "There is a popular perception that the military receives too many benefits. I say, if military benefits are all that great, why are we having all these people leaving?" But to improve pay and benefits would be very costly. A wage increase that simply permitted servicemen to catch up with inflation since 1972 (about 75 percent) would cost $5 billion. Reinstating attractive educational benefits, similar to the old G.I. Bill, would run an additional $1 billion.

Whether the Pentagon can afford to pay billions more for manpower when it needs billions just for ammunition is going to be one of the most controversial questions in the defense budget debate. Yet even now, a surprising 60¢ of every Pentagon dollar goes for personnel costs. The Soviets, by contrast, devote less than 30 percent of their defense outlays to personnel. How the Kremlin does this is no secret. Because the U.S.S.R. never abolished conscription, 75 percent of all Soviet males are drafted. (The rest are deferred for the familiar reasons: poor health, family need, employment in a critical job.) But the Pentagon is compelled to rely entirely on volunteers and thus must pay wages and offer benefits reasonably competitive with those available in the private economy.

For demographic reasons, the manpower squeeze is going to get even tighter. Because of generally declining birth rates since 1960, a decreasing number of Americans will be reaching the minimum military enlistment age of 18 in the 1980s. The Pentagon will have an ever more difficult time getting enough recruits to maintain the armed forces at their present strength of 2 million. In view of this prospect, there has been a revived questioning of the concept of the all-volunteer force, which was started in 1973. Some analysts have called outright for the restoration of the draft. Others have suggested merely a return to compulsory registration for all 18-year-olds so that conscription machinery could start moving quickly if needed in a crisis. In September, the House of Representatives voted against restoring registration but asked the White House to study the question and report to Congress.

That the American arsenal needs strengthening is a proposition that has a diminishing number of dissenters, at least in Washington. There are some, like Senator Hart, who continue to argue that the Soviet threat has been exaggerated and that the Pentagon might not need all the money it has requested. Among most officials and experts, however, the debate is no longer whether to boost defense spending but how much and in what way. One substantial fear is that a higher defense budget would fuel inflation. Insisted Maine's Edmund Muskie in a mid-September Senate speech: "The enemy who has the capacity . . . to devastate the economy—the defense budget, the Government's overall budget—is not the Soviet Union or any other enemy I can foresee. It is the enemy called inflation."

A noninflationary means of obtaining the money needed to buy more arms might be to free funds by cutting the Defense Department's fat. Though Chairman Jones has stressed that it is "just plain wrong" to think that somebody can tap a 'mother lode' by issuing an order to get more efficient overnight," he has admitted that "our feet should be held to the fire to be more efficient."

One recommendation by Washington's Brookings Institution: about $500 million could be saved annually if the Pentagon stopped paying civilian blue-collar employees more than what comparable non-Government workers earn in the same community. Another by Congress's General Accounting Office: a gain of $300 million if the military would simplify the methods by which it protects its telephone conversations from eavesdroppers.

Even if these recommendations are feasible (and accepted), the Pentagon would still have to turn to the federal budget for more money. This would alarm those critics who have argued that defense expenditures are particularly inflationary. Concluded Columbia Professor Seymour Melman in a report on the subject: "Cause and effect links the military economy to inflation and unemployment." The kernel of a thesis put forth by Professor Lloyd Dumas of the University of Texas is that "people who do military-related work and the firms they work for receive a flow of money that is not balanced by a production of goods and services that can be used to absorb that money."

Such reasoning, however, could be applied to just about every expenditure by a Government bureaucracy, from the State Department's outlays for American diplomats to the battalions of inspectors employed by regulatory agencies. Moreover, whatever inflationary impact the Pentagon might have, it is relatively minor compared with that of other Government programs. Today, defense outlays are only half as much as Washington spends on social welfare programs. Says Murray Weidenbaum, a member of TIME's Board of Economists: "The inflationary effects of defense spending are sufficiently mild so that the decision about how much is to be spent on arms should be made on other, noneconomic grounds." It is notable that those years when the Pentagon budget was largest in real dollars, and took its greatest share of the G.N.P. and federal budget, were also the years when the nation enjoyed some of its lowest inflation rates. In 1955 inflation was nil, and in 1965 it was around 2 percent. Increases of more than 2,000 percent in Government spending on health and housing in the past decade, declares Nunn, show that the pattern of inflation fits "the real increase in nondefense spending." Observes Oregon Senator Bob Packwood: "Let's lay to rest the shibboleth that we have been chipping away at human resources spending on behalf of defense."

It can be maintained, in fact, that a nation's most fundamental social-welfare obligation to its citizens is to defend them against attack. The responsibility for this is entrusted to the armed forces, but the U.S. military has been denied sufficient resources to fulfill the responsibility. Catching up now is certain to be expensive. How much it will cost and how long it will take are urgent questions that the mounting debate on national defense will have to resolve. What exactly is the price of power?

Even more critical perhaps is another question: Are Americans willing to pay the price? There is, of course, a widespread sense that the U.S. confronts a deadly threat from the Soviets, and that something must be done about it. But deciding what to do will test the nation's confidence and nerve as well as its ability to see issues in a long-term perspective. It will also require a challenging self-examination in which the U.S. weighs its role as a superpower and balances the inherent heavy burdens against the benefits. How such a process turns out could set America's course for the closing decades of the century.●

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## TEXAS NURSE WEEK

● Mr. TOWER. Mr. President, Texas Nurse Week is October 21–27. It is time for each of us to consider what nurses mean to us and recognize the valuable contribution these professionals give our community.

Nurses practice in many situations: Homes, hospitals, community agencies, clinics, schools and industry, to name a few. Today, nurses are emerging into new roles in order to bring the delivery of good health care closer to the consumer. an example of one of the new roles is the nurse practitioner. A nurse practitioner works closely with patients to assess their health by physical examination, patient education, and nursing care. A specialized nurse practitioner could be further educated to be a certified nurse midwife, a specialist in helping the elderly and many other areas underserved in today's society.

Currently, the nursing profession is encouraging the return of nonworking nurses to practice through refresher courses and inservice training. Fewer than two-thirds of the 55,000 registered nurses in Texas are practicing. The greatest need for nurses is in rural areas. Fortunately, the number of applicants and graduates of nursing schools has risen sharply in the last half decade. The number of men in nursing has also increased.

Nurses continue to be very important members of a health care team of professionals. Increasing complexities in health care services, coupled with advances in knowledge, have increased the need for well prepared nurses. The nurse is a viable solution to curbing the rising cost of health care to the consumer/patient.●

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## THE STARVING CHILDREN OF CAMBODIA

● Mr. McGOVERN. Mr. President, a picture in this morning's Washington Post tells the whole story of the famine in Cambodia. It shows a starving 7-month-old Cambodian child in Thailand—wide eyed, shrunken, his bones draped with sagging flesh. It is a grotesque portrait of the suffering of innocent children and of the fate of an entire nation.

How can this shocking picture fail to move us? We must respond urgently to help meet the food and medical needs of the 2 to 3 million Cambodians who face imminent starvation or death from epidemics. I understand that President Carter will be announcing today a food relief program. Now we must do all we can to deliver the foodstuffs and medical supplies as rapidly as possible.

The article accompanying the photograph is a moving account of one reporter's traumatic confrontation with the human tragedy of Cambodia. I ask to print it in the Record to alert my colleagues to the sense of desperation which visitors to Cambodia are feeling. I am also submitting an account of the forthcoming mission to Cambodia by three of our colleagues, Senator Sasser, Senator Baucus, and Senator Danforth. I wish them every success and I hope that their participation will strengthen the capacity of the Senate to provide the financial and diplomatic commitment necessary to deliver the food to the hungry children as soon as possible.

The texts of the articles follow:

### A Futile Dash With a Dying Boy

(By John Burgess)

Bangkok.—Somewhere on the road between Thailand's newest mass encampment of refugees and a small hospital 35 miles away, an emaciated Cambodian boy, probably about 12 years old, died next to me in the front seat of my car.

I do not know his name, whether his parents were alive, or precisely what he died of. He was one of countless Cambodian children who have succumbed to disease and malnutrition in recent months.

Another boy, who lay motionless and wide-eyed in the back seat, survived the drive last week. A Thai doctor later diagnosed malaria—believed to be the most serious disease among Cambodians, though it could be easily controlled if people had once-a-week preventative pills. The boy was wheeled off to a ward already crowded with refugees immobilized by disease.

A nurse said the dead boy's body would be sent back to the camp at Klong Kai Tuen, where about 30,000 Cambodians are sleeping beneath trees, oxcarts and plastic sheeting. Every day, corpses are collected there and carried into the forest for hasty burials.

The experience was for me traumatic confirmation of months of reports that war and politics have created famine and epidemics in Cambodia and kept readily available aid from many of those who desperately need it.

When Vietnamese forces pushed into the country last December to overthrow the Khmer Rouge regime of Pol Pot, Cambodian society was once again turned upside down. Guerrilla fighting continued sporadically as hundreds of thousands of people traversed the country on foot returning to home villages from which Khmer Rouge forces had removed them.

As a result, only a fraction of the country's rice fields were planted and tended through to harvest. Reports filtered out that food stocks were dangerously low and that Cambodia's few hospitals were filling with people showing the stark symptoms of severe malnutrition.

Meanwhile, political bickering slowed relief efforts. Western countries do not recognize the Heng Samrin regime, installed in Phnom Penh by Vietnam. They declined direct contact and insisted that aid be channeled through the United Nations and International Committee of the Red Cross.

Heng Samrin officials in turn argued with the two agencies over the amount of relief and who would get it. In August, token once-a-week flights began into Phnom Penh—most carrying 40 tons of supplies when relief officials estimated 1,000 tons a day were required.

Despite warnings from Phnom Penh that nothing must go to Khmer Rouge zones—an apparent attempt to starve them into submission—relief groups sent food to them through Thailand, including one area where the boy who died in my car probably lived.

But there politics intruded again to help keep children hungry: Khmer Rouge soldiers get priority over food supplies—a fact attested to by the presence of well-fed, healthy young men among the boys' fellow refugees.

I and another journalist, John McBeth of the Hong Kong magazine Far Eastern Economic Review, saw the children after we had spent several hours last Saturday at the Klong Kai Tuen camp, about four miles from the Cambodian border.

Its people are among the more than 65,000 soldiers and civilians who began crossing into Thailand from Khmer Rouge zones Oct. 11, when Heng Samrin troops, believed to be Vietnamese, began a sweep around the Phnom Malai hills in western Cambodia.

On Saturday Thai and foreign doctors from an assortment of relief agencies were working furiously in a makeshift clinic—a frame of tree branches freshly cut from the forest, topped by plastic sheeting.

Hundreds of sick people squatted in the sun waiting their turn. Consultations were quick—some as short as 30 seconds—and usually ended with dispensing of vitamins and drugs to treat malaria and dysentery. The seriously ill were arrayed, shoulder-to-shoulder, on mats beneath the shelter.

Saline-dextrose solution—the normal emergency treatment for severe malnutrition—dripped through needles into patients' forearms from bottles suspended from the shelter's beams.

McBeth and I were about to leave when I noticed a spindly limbed boy lying on his side beneath the shelter. He breathed in starts and stared ahead vacantly. Flies were crawling undisturbed around his mouth—the usual prelude to death in refugee camps—and the smell of feces came from his filthy pants and fatigue shirt.

"Is the kid going to die?" I asked a Thai doctor. "He will for sure if he doesn't get to a real hospital," the doctor replied. I asked if we could take him, but the man shrugged and said, "You have to talk to the soldiers."

Sick or healthy, Cambodian refugees are normally required to stay at sites the Thai army designates for them. But we were in luck—the officer in charge agreed immediately to my request and wrote out a pass on a slip of notebook paper.

The doctor then suggested we take out two others, both malaria cases. Did he know their names? I asked. He shook his head—with one clinic for 30,000 people, there was no time to worry about names.

Our car could only take two children comfortably, so we asked other journalists to take the third and any others allowed to leave.

One of the malarial cases, a boy of about 15, was stretched out across the back seat. For the child I had first noticed, we reclined the front bucket seat and laid him on it.

McBeth drove and I sat on the gearbox between the two bucket seats with my arm over the child to support him when we crossed rough roads. As we rolled out of the camp he coughed and stirred slightly, and we began to think there was more life in him than first appeared.

But after a only mile he again began breathing fitfully. Thick white liquid oozed from his lips and dripped onto his shirt.

For the rest of the 35-mile trip—speeding along dirt and paved highways, passing everything on the road—he lay inert. The stench from his clothes was terrible, and we rolled down the windows despite clouds of dust raised by other vehicles.

Five miles from the hospital we began to suspect he was dead. There was no pulse or sign of breath and his arms dropped limply when I lifted them.

At the hospital I bundled him out of the car onto a wheeled stretcher. A nurse felt for a pulse, then shined a flashlight into his pupils. They did not react. She pronounced him dead.

Her confirmation was a shock. During the ride I had been thinking how I would visit him in the hospital, watch him recover and perhaps even adopt him.

The other boy was still conscious and feebly responded to inquiries in Cambodian about his name. A doctor listened to his chest, called him malarial and orderlies wheeled him past the dead boy.

We searched through his clothes for something to establish his identity. There was only one pocket, containing two pills apparently given him at the camp and some dried-out chili peppers.

He probably died of dysentery and malnutrition. It is possible his parents were dead; the state of his clothes indicated he had lain untended for many days. If his parents were dead, they might never learn how he died. Thousands of people come and go at the camp daily and the word we sent back of his death could easily have gone astray.

We left for Bangkok that same night. A doctor there advised that there was a small chance the boy had had cholera and I disinfected my clothes and the car as a precaution.

Few people visit camps like Klong Kai Tuen without an emotional reaction. On Oct. 18, Thai Prime Minister Kriangsak Chomanan flew to another camp containing an estimated 35,000 newly arrived Cambodians. He was reported to be so disturbed by what he saw that he decided no one would be forced back across the border, as the government had intended to do if necessary.

Current plans call for construction of a refugee center with a capacity of 300,000 people. Diet and medical care there will presumably be far better than what the people are receiving today. For the moment, however, there are too many cases like the boy who died in our car.

### Three U.S. Senators Taking Food Aid Plan to Cambodia Today

(By John Burgess)

Bangkok, Oct. 23.—Three U.S. Senators are scheduled to fly to Phnom Penh Wednesday morning to seek approval of a plan they have devised to truck internationally donated relief supplies directly from Thailand to famine-ravaged zones controlled by the Vietnamese-supported Heng Samrin government.

When they land in Phnom Penh Sens. James Sasser (D-Tenn.), Max Baucus (D-Mont.) and John Danforth (R-Mo.) will be the first official U.S. visitors to Cambodia since the Khmer Rouge captured Phnom Penh in 1975.

Analysts in Bangkok believed that the Vietnamese and their clients in Phnom Penh had approved the trip partly to gain increased international standing for the diplomatically isolated regime installed by the Vietnamese in January after toppling the Khmer Rouge government of Pol Pot. The U.S. has not had diplomatic relations with either government.

"The sole mission of our trip is humanitarian" Baucus said at a press conference here. "Our visit in no way . . . amounts to recognition of any form of government in Cambodia."

[In Washington the State Department said the senators' visit should not be taken as indicating any move by Washington toward recognition of the Heng Samrin government.

[Spokesman Hodding Carter said that for policy reasons, no senior U.S. officials will accompany the American legislators to Phnom Penh.

[Assistant Secretary of State Richard Holbrooke, who went to Bangkok with the Senators, will not travel with them to Phnom Penh.

["We have to be sure no mixed signal will come out of it." Carter said. "It seems safer not to have implications raised" about possible U.S. recognition.]

Approval for the Americans' visit was received this morning from the Vietnamese embassy in Bangkok. Aides said the delegation would fly to Phnom Penh early tomorrow aboard a U.S. government jet that brought them to Bangkok.

The senators' visit comes at a time when Cambodia is faced with severe shortages of basic foodstuffs. Warfare and politically motivated bickering is slowing the delivery of international aid to the village level.

The three men are members of a special senatorial delegation on refugees. On Monday they traveled to the Cambodian border to talk with people who recently fled into Thailand in response to escalated fighting.

Today they detailed their proposals to open a "land bridge" into Cambodia. The trucks and supplies would be provided by agencies like the United Nations Childrens' Fund and the International Committee of the Red Cross. The convoys would deliver the aid along routes 5 and 6 which pass close to areas in which guerrillas loyal to the ousted Khmer Rouge regime operate.

Methods of delivering aid that the Heng Samrin authorities have approved by air to Phnom Penh and by sea to Kompong Som have a capacity of less than half the 1,000 tons per day that Cambodia needs Danforth said. "If permission were given tomorrow" for their proposals he stated "in a period of about three to five days trucks loaded with food would be moving from Thailand."

Vietnamese troops in Cambodia could be asked to provide security for the convoys the senators said, a possibility that was discussed this morning in a meeting here with Vietnamese Minister of State for Foreign Affairs Nguyen Co Thach. Thach told them Vietnam would help with security if the Phnom Penh authorities so requested, the senators said.

The senators said they did not know who exactly might pose a security threat to the trucks, though one did mention the possibility of hijackings.

Indochina watchers in Bangkok believed that any threat would probably come from Khmer Rouge guerrillas who would not look kindly on hundreds of heavily laden trucks passing into the territory of their adversaries.

Khmer Rouge enclaves are currently receiving some relief trucked in directly from Thailand. In Phnom Penh, Heng Samrin officials have repeatedly condemned those shipments and demanded that all Cambodian relief be channeled through their government.

The senators said they had not sought a guarantee of security from the Khmer Rouge, nor did they intend to.

When pressed for details on the expected threat to the convoys, U.S. Embassy sources said the question was more one of clearance than of security. It is simply a practical problem, one source said. Aid "cannot be moved without the permission of the Vietnamese Army."

However, this explanation conflicted with the senators' statements, which implied the Vietnamese would be asked to provide some sort of escort force.

Sasser said that Thai Prime Minister Kriangsak Chamanan had expressed "warm support" for the relief convoy idea. Thailand is anxious that food enter Cambodia to reduce the flow of refugees across its borders.

Sources reported today that the Thai Supreme Command has told the United Nations that 180,000 people have entered its territory in recent months from Cambodia or are gathered just across the border. Tomorrow the Thai army will begin moving 90,000 of them to a new refugee center away from the border.●

## STATEMENT ON COST ESTIMATE ERROR IN REPORT 96–362

● Mr. **DeCONCINI**. Mr. President, on October 10, 1979, the Senate Judiciary Committee reported S. 1873, a bill to establish a procedure for the processing of complaints directed against Federal judges and for other purposes.

S. 1873 was accompanied by Report 96–362. A printing error was made on page 18 of that report, paragraph 5. Under the headings "Estimated authorization level" and "Estimated outlays" the fiscal year range should read "1981, 1982, 1983, 1984, 1985" rather than "1980, 1981, 1982, 1983, 1984."●

## ANGOLA

● Mr. **McGOVERN**. Mr. President, in recent months, there have been several positive developments occurring in Africa. Three bloodthirsty dictators—Bokassa in the Central African Empire, Idi Amin in Uganda, and Macias in Equatorial Guinea—have been overthrown. Nigeria and Ghana have returned to civilian rule. An all-parties conference on Rhodesia has been convened in London and progress has been made on the Namibian negotiations. In South Africa it appears that some substantive steps forward have also been taken to reduce racial tensions.

These developments compel us to take a fresh look at the role of the United States in the continent. To encourage further progress in this direction and extend our influence in Africa, the United States should take a bold step forward—it should extend diplomatic recognition to Angola.

I became convinced of the wisdom of this policy during my trip to Angola last December. Representatives of other NATO countries and American businessmen operating in the country all told me they favored normalization of relations. During his visit to the United States last month, President Tolbert of Liberia, who is serving as the current head of the Organization of African Unity, also made a strong plea for U.S. recognition of Angola, emphasizing that this is the psychological moment to move since a new head of state, Jose Edwardo dos Santos, has been installed. No single gesture would better serve U.S. interests in the continent at this propitious time than diplomatic recognition of the Luanda government.

Two recent press accounts have argued this case very strongly. A Baltimore Sun editorial quoted President Carter while campaigning for the Presidency in 1976:

> I think that the United States position in Angola should be one which admits that we missed the opportunity to be a positive and creative force for good in Angola during the year we supported Portuguese colonization. We should also realize that the Russian and Cuban presence in Angola, while regrettable and counterproductive of peace, need not constitute a threat to United States' interests, nor does that presence mean the existence of a Communist satellite.

Prof. Gerald Bender, an expert on Angola, pointed out in his excellent op-ed piece in the New York Times that many officials in Washington have been encouraged by the peaceful succession of dos Santos after the death of President Neto, and by Angola's record of cooperation with the West, particularly its receptivity to foreign investment, its reconciliation with Zaire, and its commitment to negotiated solutions to the conflicts in Rhodesia and Namibia.

Mr. President. I request that these two articles be printed in the Record at the conclusion of my remarks. They underscore the need for Washington to take the long overdue step of putting our relations with Angola on a realistic footing. It is my hope that the administration will take this opportunity to reassess its position, basing its decision not on presumed domestic constraints but on an objective assessment of our foreign policy interests in southern Africa—an area of the world that Ambassador Marshall D. Shulman described on October 16, 1979, in his testimony before the House Subcommittee on Europe and the Middle East, as the region representing "the most serious potential problem on the horizon in United States-Soviet relations."

The article follows:

### Opportunity in Angola

Jimmy Carter, campaigning for the presidency in 1976, had this to say about Angola:

"I think that the United States position in Angola should be one which admits that we missed the opportunity to be a positive and creative force for good in Angola during the years we supported Portuguese colonization. We should also realize that the Russian and Cuban presence in Angola, while regrettable and counterproductive of peace, need not constitute a threat to United States' interests, nor does that presence mean the existence of a Communist satellite."

Since moving into the White House, Mr. Carter has pulled back—just as he has on withdrawing U.S. troops from South Korea. He has joined Congress in holding that the United States will not recognize Angola until Cuban troops have departed, avowing that they represent a direct threat to this country's interests. This has been a dubious policy. The change in leaders, therefore, offers an excellent opportunity for updating American policy. There are indications that the government, which is not monolithic, is anxiously courting U.S. support.

Regarded by the U.S. as hopeful signs are the following: With calm and surprising speed, the ruling hierarchy chose Edoardo Dos Santos president to succeed Dr. Neto. Foreign Minister Paulo Jorge and External Minister Robert de Almeida, both moderates, have been made full central committee members of the ruling party—the Popular Front for the Liberation of Angola.

President Dos Santos, in his inaugural address, indicated that Angola will follow his predecessor's policies, which the United States apparently favored. Angola, he said, will continue seeking peaceful solutions to the problems of southern Africa and maintaining already established diplomatic ties while seeking others. His country would also seek international assistance for solving its myriad development problems.

A Marxist poet and revolutionary, Dr. Neto readily acknowledged that his country needed U.S. assistance. Two and one-half times the size of France and with a population of only six million, Angola has the potential for being one of the most prosperous in Africa because of its vast natural wealth. Gulf Oil Corporation already has a booming operation in Cabinda province, which ironically is protected by Cuban troops. The Boeing Company also is developing the country's airport facilities. Many other opportunities exist for utilizing American capital and know-how.

United States non-recognition may have the undesired effect of maintaining Angola's dependence on the Soviet Union and Cuba. So as Mr. Dos Santos extends a friendly hand, President Carter should respond, taking care, however, not to arouse the Senate's Castrophiles into even stronger opposition to SALT II.

### U.S. Policy on Angola

(By Gerald J. Bender)

Los Angeles.—Until his death in September, Angola's first President, Agostinho Neto, was described in the news media as a "Soviet puppet" and a "dogmatic Marxist," while United States officials were concerned more with his Cuban guests than his foreign and domestic policies. Since his death, he has been described as "moderate . . . a strong nationalist . . . honest . . . committed to nonalignment . . . [and an] uncompromising supporter of multiracialism."

The newer perceptions' closeness to reality underscores a fundamental problem of American foreign policy toward the third world: How to distinguish genuine nationalist or moderate leaders (with whom America can maintain reasonable relations) from radical Marxists who will eschew their national interests in order to advance Soviet policies.

Western leaders are trying to assess the prospects of the Angolan Government, now led by 37-year-old José Eduardo dos Santos, in pursuing the same moderate policies that Dr. Neto did, especially with respect to receptivity toward foreign investment, nonalignment, peaceful relations with neighbors such as Zaire, and continued cooperation in the search for negotiated, not military, solutions in Southern Africa.

But as the only Western nation that has not recognized the Angolan Government, the United States has little first-hand intelligence with which to make such an assessment. One Defense Department analyst says, "We know practically nothing about dos Santos or the rest of the M.P.L.A. leadership and much of what we do know appears to be inaccurate." One high State Department official complained that until recently the Central Intelligence Agency appeared to gather most of its information from the National Union for the Total Independence of Angola (a rival movement still fighting the Popular Movement for the Liberation of Angola) while the department was highly dependent on African governments and European allies whose perceptions or interests do not always coincide with ours.

However, many Washington officials have been encouraged by the rapid, peaceful transition. Mr. dos Santos, sworn in three days after Mr. Neto's funeral, pledged to uphold all of the Mr. Neto's policies, from recognition of the necessity for continued Western economic assistance to his commitment "to continue to help find solutions which will bring [Southern Africa] peace and stability."

American oil companies, a number of which are seeking or expanding rights for further oil exploration in Angola, are no doubt pleased by the selection of Mr. dos Santos as President. He holds a degree in petroleum engineering and was Angola's chief negotiator with Texaco, which signed a $360 million contract with the Government shortly before Mr. Neto's death. Texaco expects to be producing 50,000 barrels a day by next year. Gulf already produces 150,000 barrels a day in Angola and is investing approximately $80 million to increase production.

Contrary to the predictions of former United States officials, the M.P.L.A. has not attempted to deny its resources to the United States. Most of its oil and other major exports, such as coffee, are shipped here. Americans concerned about the dwindling supply of oil available should also be concerned that Washington adopt a more enlightened policy towards the recognition of the dos Santos-led Angola.

The State Department, from Secretary Cyrus R. Vance on down, appears to solidly favor recognition of Angola. They receive support not only from businessmen and academics but also from a growing number of liberal Republicans. All are concerned about the presence of some 20,000 Cuban troops in Angola, but they recognize that the Cubans will not be withdrawn while Angola remains under continual attack from South Africa.

In the meantime, America has far more to gain by normalizing relations with Angola now than it could possibly lose politically from recognizing the Government while the Cubans are still there.

The stability of the Angolan regime, demonstrated by the smooth transition, presents the Carter Administration with an excellent opportunity to change its policy toward recognition. America tried its best to make Agostinho Neto out as its enemy but his pragmatism and statesmanship never conformed to our unfounded perceptions and accusations. Mr. dos Santos has now indicated that he, like Mr. Neto, is prepared to normalize relations with the United States on the basis of mutual respect. One should not underestimate, however, the genius of the United States to make enemies out of potential friends in the third world.●

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## HOW TAXFLATION ADDS INSULT TO INJURY

● Mr. DOLE. Mr. President, more people than ever before are aware of the impact inflation has on their tax liabilities because acute inflation continuing over a number of years has such a dramatic impact on taxes. The inflation tax increase, or taxflation, hits every taxpayer who owes taxes for the year. This is because taxflation operates through the declining real value of the fixed dollar amounts in the tax code—for example, the zero bracket amount and personal exemption—and through bracket creep, or the pushing of taxpayers into higher marginal rate brackets.

No one is immune from taxflation, but it is interesting to note which taxpayers suffer the most from these automatic tax increases. It has been observed that people in the lower income brackets are more likely to suffer because the tax brackets are narrower at lower incomes. But there are other compelling reasons why eliminating taxflation would be of greatest benefit to low-income taxpayers.

Consider the significance of tax exemptions and deductions to people with marginal incomes. These are not the individuals who benefit from tax loopholes because they do not have income to spare for investments or, in these times, for owning their own home. This means that low-income taxpayers are unlikely to itemize deductions and will instead use the zero bracket amount. But unless Congress acts to change it, the zero bracket amount declines in real value each year because of inflation. As a result, it is of less value to low-income taxpayers, whose taxes thereby increase.

The situation is the same with the personal exemption. Personal exemptions constitute a much greater proportion of income in the lower brackets. Therefore, lower income taxpayers suffer most acutely when the real value of the personal exemption declines each year because of inflation. Obviously, the declining value of the personal exemption also has an unusually heavy impact on the tax liability of large families. It is apparent that marginal income taxpayers have the most to lose to taxflation.

Indexing the income tax for inflation would relieve low-income taxpayers from this burden. The zero bracket amount and personal exemption, and their real value would be maintained constant unless changed by Congress. Similarly, the tax bracket cutoff points would be changed to reflect the rate of inflation. The Federal Government would no longer receive a revenue windfall for doing nothing about taxes.

Mr. President, the Tax Equalization Act, S. 12, would do all of the above. The Senator from Kansas has introduced S. 12 which would adjust the zero bracket amount, personal exemption, and tax brackets according to the rise in the Consumer Price Index. My colleagues who express concern at the plight of marginal wage earners ought to promote the cause of tax equalization. There is no better way to help those whose productivity is most vital to our economy than by relieving them of the burden of taxflation. Our low-income wage earners are suffering enough from inflation without having to pay a tax penalty as well.●

## THE STRUCTURE OF AMERICAN AGRICULTURE

● Mr. MORGAN. Mr. President, the Secretary of Agriculture, Bob Bergland, has written a provocative essay, "It's Time to Rethink Our Farm Policy," in the November issue of the Country Journal. I commend this article to every Member of the Senate.

Secretary Bergland, through this article, demonstrates his sensitivity to the changing structure of American agriculture. He believes that the structural characteristics of our system of farming make the formulation of farm policy a most difficult and complex task. He has begun to set the tone for a fresh debate on our farm program, the lifeblood of some 3 million farm families, which will be a major issue of the 97th Congress.

The Secretary has called for a national dialog on the structural issue. He will be leading a series of 10 hearings that will begin in late November of this year. One of those hearings, I might add, will be in Fayetteville, N.C., on November 28.

Mr. President, I request that the text of Secretary Bergland's article be printed in full in the RECORD.

The article follows:

### IT'S TIME TO RETHINK OUR FARM POLICY

(By Bob Bergland)

In Roseau County, Minnesota, where I grew up and farmed, the harvest is in, the first dusting of snow lies on the fields, and folks who live there—among them my oldest children—are getting ready for Thanksgiving and the holiday season.

The people in Roseau County, like people everywhere, are worried about inflation and energy. But there is an air of comparative well-being in that community that is common to much of farm country in this autumn of 1979.

The truth is that our countryside boasts more people and more opportunity today than it has in decades. Nonmetropolitan areas are growing faster than metropolitan areas, and the most rapid growth is taking place in the most rural counties. What is more, this nonmetropolitan growth is taking place in every U.S. Census region.

I think what we're seeing is convincing evidence that rural development efforts launched in the fifties and accelerated in more recent years have helped reverse nearly a century of migration out of the countryside. In 1900, 85 percent of all Americans lived on farms or in small towns. But from 1945 to 1970, more than 20 million left their rural homes for the cities. In the 1950s, more than a million a year were fleeing the countryside. In the 1960s, the yearly number of departures dropped to 600,000—not because the rate had slowed, but because the source, the rural population base, had shrunk so much in the previous years.

But in the seventies, the pattern reversed itself. Rural areas gained more than 2 million people, and the growth of rural nonfarm jobs was double the rate of urban jobs in metropolitan areas. Some people, of course, simply opted for country life. Their motivation was more esthetic than economic. But for many others, the economic factor was of equal if not overriding importance. Earlier this year a report issued by the Urban Land Institute specifically credited those federal and state programs that channeled development money, manpower, and project resources into rural communities with having been a major factor in bringing people and opportunity back to the countryside.

On the farm front, our agricultural exports continue to set new records; commodity prices are up and relatively stable; and there is a good chance that net farm income—which increased 40 percent in 1978—could set a new all-time record this year. So I think we are also seeing evidence that farm policy and programs have created a tough, efficient, market-responsive food and agriculture system that rewards the prudent and efficient producer, has all but eliminated hunger in America, provides food aid where it is needed overseas, and still feeds the American consumer for proportionally less of his or her income than most other consumers in the world pay.

Yet in the last several years—and somewhat to my surprise—I have become increasingly uneasy about the state of agriculture and what it portends for the future of rural America. Somehow I sense that we have no clear purpose or direction, that what semblance of public policy we have is shaped by events and circumstances rather than by vision and deliberation. Programs that are the product of reactive policy tend to be themselves reactive, narrowly focused, transient—or expedient. There are some 144 different farm commodities, for example, and at any one time perhaps 20 of them are in trouble. When the trouble occurs, pressure builds on the Congress to apply a "patch"—higher support prices, emergency allocation for fuel, subsidies for energy to power irrigation systems, or something else in the way of a quick fix. What is more, what policy we have had over the years, for all its remarkable successes, may have had other consequences few foresaw, and many may not want.

Three personal experiences in recent times brought these misgivings home. After a speech I made in Iowa several years ago, I was visited by ten young families. They were tenant farmers. And the land they farmed was being sold out from under them. They wanted to get together to buy that land and save their chosen way of life. They couldn't get the financing. And I thought to myself the old approaches just won't do. There has to be a better way.

And then, last winter, hundreds of farmers drove their tractors into Washington to tell us that farm programs that had helped increase total farm income to the second highest level on record and not buffered them from the threat of financial ruin. Most of these farmers were not marginal operators. Many had substantial farms. Big machinery. Heavy investments. And an equally heavy debt load.

I did not agree with their argument—that government-mandated 90-per-cent-of-parity price supports would save them. I said that what they were asking would only aggravate their problems, because it might price them out of the export market and further inflate the land, capital, and production costs that were at the root of their predicament.

Nevertheless, that demonstration pointed up the inescapable conclusion that what we now have in the way of public policy in agriculture neither gets to the root of an elemental problem, nor addresses the full spectrum of problems arising from the differences in American farming operations. As good as the Food and Agriculture Act of 1977 is, it is flawed as its predecessors were flawed. It, too, fails to recognize the wide diversity in farms and farm problems.

This is why I responded as I did last spring when a young woman reporter stood up at a press conference in Kansas City and asked me what the goals were for U.S. farm policy. Her question was perceptive. I thought hard, and then I told her that while we had food policy goals, we did not have farm policy goals that are consistently and explicitly expressed. The means and ends become blurred. Price supports, target prices, or the reduction of surplus stocks tend to become the sole focus of policy. Lost is the ultimate goal of these measures—a rate of return for agriculture that is comparable to that earned by other industries.

These incidents, coupled with the mulling over of fundamental questions about agriculture through a quarter of a century of farming, seven years in the Congress, and three as Secretary of Agriculture, have moved me now to call for an intensive review—within and beyond the Department of Agriculture—of all the basic questions relating to what economists call the "structure" of agriculture, to order new or fine-tuned research on the issue, and to invite a national public discussion of how public policy might be changed to reshape farm structure and redirect its course.

What do economists mean by farm structure?

To get at this matter of structure, we have to ask a number of questions. Among them are these: What is the number and the size of our farms? How do they vary by type and by location? How do they relate to their markets? Who owns or controls our agricultural land, and who makes the decisions about its use? What are the technological requirements of our various farms? What obstacles stand in the way of a family getting into farming? How does a farmer retire without selling his land to his neighbor, a speculator, or a developer? What are the social and economic characteristics of farm operators and owners?

By the time this is read, many papers on the questions involved in structure—and some of the new research efforts—will have been completed by economists, sociologists, and historians within the USDA, and by experts from the land grant universities, foundations, and other public interest groups. Other commentaries and recommendations have been solicited from farm organizations, rural life associations, including the church-affiliated; and from many other individuals or institutions who have a direct or tangential stake in the future of agriculture and the rural community.

It is my hope that the factual data collected will serve as an informational base for the national discussion that will begin in the next few weeks at a series of ten public hearings. I will chair these meetings at locations throughout the country.

What then? A filing away of just another report on just another public exercise? Not if I have anything to say about it. In 1981, the Congress will renew or revise basic farm legislation. By that time I hope we will have amassed the most comprehensive and reliable base of data and recommendations ever compiled for developing not only a new farm bill, but for making whatever adjustments are deemed necessary in tax laws, credit programs, and government regulations that affect the structure of American agriculture.

I am telling all participants in the farm structure project to let the factual chips fall where they may, regardless of how those facts might contradict their own—or *my* own—prejudices.

For that reason I want to explain my own philosophy, attitudes, and opinions, for *they* explain why I have initiated this project.

At the heart of the issue of structure is the clash between two venerable American ethics. The democratic ethic is predicated upon the belief that control of resources and political decisions should be as broadly based as possible. The enterprise ethic holds that there should be no limits on the amount of property men and women can fairly earn their work.

These two-ethics co-existed in rural society even beyond the time that commercial family farms began to outnumber the self-sustained family farms. It was not until after World War II—when policy makers made a conscious decision to seek a more efficient use of agricultural resources, and a surge of new technology made it possible for farmers to work more land than ever before—that the enterprise ethic became the dominant ethic in shaping the structure of agriculture.

There is no question that technological advances and the entrepreneurial instinct were of primary importance in developing the "bigger but fewer" farms syndrome. But public policy surely played a critical role, and, in my judgment, does so to this day.

What deeply concerns me and many others who work in or depend upon agriculture is that the trends deliberately set in motion or encouraged by public policy makers then and now may be shaping a food and agriculture structure that is not in the best interests of farmers, of the rural community, or of the nation as a whole.

I look at the growing concentration of ownership and control of farm production, farm marketing, and farm supply and I fear the coming of a time when competition in all three areas is reduced to a minimum—to everyone's disadvantage except those few who hold control. I fear the coming of a time when rural communities that are now surrounded and sustained by families operating diversified (even part-time) farms will be surrounded, instead, by empty acres, absentee owned and worked by computerized machines.

That time, thank goodness, has not yet come. But the time has come to decide whether this is what we want in the future structure of American agriculture.

The trends are there for anyone to see. In 1950, we had more than 5 million farms. Today we have fewer than 3 million. Though it has slowed, the decline in numbers continues. So too does the trend toward concentrated ownership and tenant farming. Today 40 percent of the land being farmed is rented land.

As farms dwindled in number, many grew in size. As they grew in size, the biggest came to dominate production. Today only 500.000 of our 2.7 million farms produce about 80 percent of our food and fiber.

At the same time, control of the markets where the farmer buys his machinery and supplies and sells his products has become more and more concentrated.

There was a time when farmers were almost self-sufficient. Today they have to buy 70 percent of what they need to produce. Who sells it to them?

Four companies sell three out of every four tractors sold in America. Four companies sell four out of every five combines. Only two firms sell 79 percent of all cotton pesticides. Half the corn herbicides are sold by just two companies.

There was a time when all farm products were traded on the open market, where buyers and sellers competed vigorously in their negotiations. No more. Now we have the total "vertical integration" of the broiler industry, for example. Vertical integration means that the production, processing, and marketing of broilers are all under a single company's control, with no price existing at intermediate stages of production. Pork production is swiftly following the broiler pattern. Today egg prices are determined by formula, because no central market exists. Fruit and vegetable production and marketing is becoming vertically integrated at an accelerating pace. And while grain markets are still largely traditional, contracting, hedging, and pure speculation are on the increase.

There are those who see these trends as not only inevitable and unstoppable—but desirable. They argue that maximum efficiency in the structure of agriculture has not yet been achieved and that to slow the trends toward concentration of ownership and control would frustrate the attainment of that goal and would penalize the consumer in the process.

Some of the "bigger but fewer" advocates ridicule concern that small, medium, and part-time family farm operations will in time go the way of marginal farms. They point out that the American public did not object when Mom and Pop stores were put out of business by supermarkets, that the public voices little concern that less than 3 per cent of U.S. firms now control more than 80 per cent of all industrial assets.

Still others raise the family bogey that any effort, however well-meaning, to slow the trend toward concentrated ownership and control of agricultural resources will lead inevitably to the mandatory breaking up of big farms and big agricultural supply firms.

I sense, with some degree of assurance, that they are wrong on all three counts. There is persuasive evidence that little additional savings in production cost would be gained by further expansion of farm size and further concentration of farm ownership and control. Indeed, there is mounting indication that even part-time farmers, using the right mix of methods and equipment, can be as cost efficient as some of the biggest operators.

What is more, inflation and the energy crisis could make those smaller operators even more efficient than some of their big competitors. For one thing, their smaller size finds them often located close to local markets—thus savings transportation costs. For another, their size makes them less energy and capital intensive.

Secondly, the spokesmen for "bigness" in the farm sector are wrong in my view. when they say the public regards the growing concentration of farmland ownership with the same sanguine acceptance with which they view mergers and the formation of conglomerates in the commercial and industrial sectors.

For whatever reason, most Americans, however urban, have a proprietary interest in the land and an almost mystical reverence for the intrinsic values they attach to it. In my judgment, this is why opinion samplings show widespread appreciation of "the family farm" and widespread resentment over the use of tax dollars to subsidize the income of big farm operations.

Third, it does not follow that efforts to preserve smaller family farms must include the breaking up of big farms. I surely see no justificaiton for that. In the first place, "big" is a relative term in discussing farm size, because what is a big farm of one type in one location may be considered a small farm of one type in another. In the second place, all but 2 percent of our farms are "family farms," regardless of how big they are, and in many instances, their size determines their success. And lastly, I happen to believe that the broadest possible competitive mix of farms—and that includes large as well as small—is in the best interests of everyone from farmer to town dweller to urban consumer.

The key word here is "mix." My concern is that we are losing that mix, that farms are growing fewer and larger with little further gain in production efficiency and little further benefit to the public interest.

What could this trend toward bigness signal for the future of the rural community? Thanks to development efforts, many rural communities now have a modest industrial base that provides jobs for town dwellers and part-time farmers. But what happens when the farm population shrinks under ownership consolidation to the point where it no longer helps sustain the retail stores, banks, and other small businesses that remain the economic backbone of small towns and cities? I saw what happened in Roseau during the Soil Bank years. Farmers put their land into the Soil Bank and moved out. And before long, store after store on Main Street closed down and boarded up their windows and went out of business.

What troubles me today is the suspicion that public policy is encouraging the trend by helping most those farmers who need help the least, while helping least those farmers who need help the most.

Take the matter of commodity programs. We know that program payments, which are based on volume of production and amounted to $2.03 billion in 1978, provided much greater benefits to the big producers. Ten percent of the farms participating in the programs got nearly half the total payments. They were the largest farms. The smallest farms, those making up half the total, got only 10 percent of the payments.

I see evidence, too, that tax laws, credit programs, government regulations, farm marketing arrangements, yes, even agricultural research, are skewed to favor the big farm over the small and medium sized farm.

What is more, I suspect that the combination of policies that encourage expansion of farm size and further concentration of control and ownership are impeding freedom of choice—an American ideal I cherish above nearly all others.

Federal commodity programs that stabilized farm prices and protected against disaster made it easier for aggressive farmers to borrow money to buy land and adopt cost-reducing technologies. As their holdings increased, and as land values soared, they found it easier to obtain even more credit. So they borrowed, expanded, boosted production, borrowed again, bought out their neighbors, and expanded still more. In time, rising land values and tax advantages began to attract land speculators who took their profit from the sale of the land—not from the products it produced. This, in turn, drove farm land prices even higher. Since 1967 those prices have trebled, rising 14 per cent last year alone.

This situation erodes freedom of choice for many already in farming, and many others who want to get into farming. The aggressive farmer who borrowed to expand and buy out his neighbor may find himself trapped in a Catch 22 situation. If he has passed the point of most efficient size, his profit margin per unit of production levels off and he can then only increase his total profit by increasing volume. To do this, he must continue to expand. His only other choice is to sell out and retire.

At the same time, young people who want to farm often can afford neither the price of the land nor the cost of the money they must borrow to pay for it. They, to, have lost their freedom of choice, for they can neither work at what they want nor live where they wish. Yet it need not be this way.

I still own my 600-acre farm in Roseau County. My oldest son, Steve, and my daughter Linda and her husband chose not to farm. But they did choose to live near the village of Roseau and work in town. They had this choice because rural development programs helped bring industry and jobs to that community. My daughter Diane and her husband, Steve Dall, want to farm. But with today's prices, they can't afford to buy their own, so they are farming my land. Grain farming there is not a full-time occupation, however, so Steve also holds down a full-time job in town.

Most important in terms of the issue of farm structure, that job makes it possible for him to keep on farming. He may not be able to afford his own land now, but he is doing what he wants to do, where he wants to do it. He believes this is in his best interests. I believe it is in the best interests of his community, the best interests of agriculture, and the best interests of the nation.

I hope that the review, the research, and the public discussion of farm structure that I have launched this year will show us how agriculture should be shaped, where it should be headed, how to get there, and—above all else—how to save and expand freedom of choice in rural America. If it does, we can look to a time when the farmer caught in the cycle of borrowing to expand, and expanding to survive, can get off the treadmill without getting out of farming—and young farmers—like my son-in-law—will be able to own the land they farm.●

## REPORTING DEADLINE FOR THE NATIONAL ALCOHOL FUELS COMMISSION

● Mr. McGOVERN. Mr. President, I would like to take this opportunity to express my support for an important provision of H.R. 4249, which extends the reporting deadline for the National Alcohol Fuels Commission.

As a member of the Commission, representing the Senate Agriculture Committee, it has been a pleasure to work with the Commission Chairman, Senator Birch Bayh to develop an aggressive alcohol fuels policy for our Nation.

Mr. President, the Senate has spent a great deal of time over the last several years considering our energy problems and possible solutions. We are increasingly cognizant of the need to reduce America's dependence on foreign fuels. The long gasoline lines of this summer and skyrocketing fuel prices have given us a further mandate from the public to not only develop long-term strategies, but to also develop mechanisms which will prevent shortages in the near future.

No single program will provide the answer to our energy problems. Our Nation's energy future will be dependent upon a variety of energy sources and conservation strategies. We owe it to our citizens to investigate every option possible. Many of my colleagues and I are convinced that renewable energy resources are one option that has not received adequate attention.

Although alcohol fuels, and particularly ethanol from farm products, have received increasing popularity, technical regulatory and economic barriers to widespread production continue to be prevalent.

A major goal of the National Alcohol Fuels Commission is to assist in the elimination of these barriers and create an environment in which the rapid commercialization of alcohol fuels can occur. The Commission has already initiated a number of public hearings across the country for the purpose of identifying these barriers and to obtain as much input as possible regarding the removal of these problems and to document the incentives required to create a favorable alcohol fuels production environment.

Yet considerable work remains to be accomplished. Although most of the hearings will be completed within the original timeframe of the Commission, I believe the extension of the reporting deadline is essential to assure that comprehensive policy plans and program initiatives are completed. I urge my colleagues to support this bill.●

## ADDRESS BY SENATOR MATHIAS DELIVERED AT BRETHREN SERVICE CENTER CELEBRATION

● Mr. HATFIELD. Mr. President, an outstanding speech by my good friend, Senator Mathias, has come to my attention. His compelling remarks were delivered on the occasion of the 35th anniversary celebration at the Brethren Service Center in New Windsor, Md., on October 14, 1979.

Senator Mathias is appealing for an enlarging of the constituency aware of our "common humanity as children of God," a constituency that speaks for service and self-sacrifice. He invokes Pope John Paul in his appeal for believing people to practice social justice. I wholeheartedly concur in the Senator's appeal to take the message of the Pope, the biblical message of restraint, sacrifice, and sharing, to heart so that we can build up the core of our Nation's ability to be a servant people in a broken world. It becomes increasingly apparent that we need not fear destruction from without by armed might nearly so much as we must face destruction from within because of our greed, self-centeredness and lack of spiritual and moral fiber.

Mother Teresa, honored with the Nobel Peace Prize, although small in physical stature, stands as an intensely brilliant light in her witness to faithful and fruitful service. Social work is not what she practices but rather a deep personal love for each individual who crosses her path. She has said poignantly that the worst disease in the world is "feeling unwanted, uncared for and deserted."

It is my hope that we might be inspired as a body to commit ourselves anew to the selfless philosophy purported by Senator Mathias in both our national life and foreign relationships. Mr. President, I request that Senator Mathias' speech entitled "Great Responsibilities For a Great Nation" be printed in the Record.

The address follows:

### Great Responsibilities for a Great Nation

Thank you for inviting me to share in your celebration of the 35th Anniversary of the Brethren Service Center. I am very happy to be here among those who, like our Lord, keep their eyes on the sparrow.

For the past 35 years, while so many of the citizens of this great republic have been busy "getting and spending", to use Wordsworth's phrase, you here at New Windsor have been reaching out to comfort the hungry, and the homeless, and the hurting people of the world.

There is no greater work than that, and I am proud to be a witness to your achievements.

Exactly a week ago today at just about this time of day, I stood on the tarmac at Andrews Air Force Base to say goodbye to Pope John Paul II, that remarkable human being who dominated our consciousness and our news media from the moment he set foot on American soil.

But, as the plane door closed behind the Pope concealing his dynamic figure from sight, I wondered for a moment just how long his message would remain with us once he himself had left our shores.

As a nation, we have developed a very short, a dangerously short, attention span. We turn eargerly from one media event to the next. We seek entertainment, not enlightenment. We seem unable to concentrate on the abiding question of what our humanity requires of each of us.

Yet it is precisely this question that Pope John Paul II has asked us to examine. He reminded us of our common humanity as children of God. He spoke of our traditional attachment to human values and ethical concerns. He praised us for past goodness and generosity in providing for the hungry of the world. He challenged us to contribute to a world order that will create a more just relationship between the nations of the world. And he warned us that:

"Since people are suffering under international inequality, there can be no question of giving up the pursuit of international solidarity, even if it involves a notable change in attitudes and life styles of those blessed with a larger share of the world's goods."

America has taken the Pope to its heart. But will America take that mesage to heart? A message that calls for restraint and sacrifice and sharing.

Thirty-five years ago, when this Center was founded, there was a consensus among Americans that we had a responsibility to help rebuild a war-ravaged world. We freely offered our help to friend and foe alike then. We agreed that it was the right thing to do.

Today no such consensus exists in America. The constituency that speaks for service and self-sacrifice is small. So, if we are to do the great deeds in the world that our humanity and our good fortune require of us, we must build a new consensus in America—a consensus that favors looking beyond ourselves and our parochial problems to the wider world whose future is so intimately, so inescapably entangled with our own.

When I was invited to speak today, I was urged to "challenge you to the future, to the needs that I see that you might anticipate and to the unexpected." Although I didn't admit it when I accepted the invitation, I wouldn't think of trying to tell this group, with its extraordinary record of anticipating human needs, how it should deal with the challenges of the future. You are already fine-tuned to the future. Your programs prove it.

But I would like to add another burden to your load. I would like to ask the Brethen Service Center as a unit and each one of you as individuals to help build a new consensus in America that would support dealing aggressively with the truly enormous problems that fester just beyond our doorstep on this very small, vulnerable planet.

When President Carter took office, he promised us a new foreign policy that would concentrate on the large issues of our times. He promised the Soviet-American relationship, that so long has dominated our thinking about foreign affairs, would be placed within a broader global perspective. He promised to turn America's attention to the imbalances between the developed and underdeveloped nations—to the world population explosion and to the problems it spawns—hunger, poverty, unemployment, mass migrations. In short, he promised to redefine our national interest in broad international terms.

I looked forward to supporting that new foreign policy and I have been disappointed that it has never gotten beyond the talking stage. But I do not blame President Carter entirely.

No one person—not President Carter, not the Pope, not any one of our clutch of presidential hopefuls—can accomplish miracles. People have to be willing to follow. And frankly I see no will in this country to think in broad international terms. That will must be rekindled. And that is the burden I hope you will take up.

There is a selfish motive behind my request. I sit on the Foreign Operations Subcommittee of the Senate Appropriations Committee and I find it very hard to watch our most important foreign aid programs cut year after year because the votes aren't there. This fall almost every request for funding for bilateral humanitarian programs has been cut either in Committee or on the floor. Millions of dollars were lopped off AID requests for population control, health, agriculture, food and science and technology—all programs designed to deal with the problems of the underdeveloped world.

I don't claim that no cuts would have been made if people had spoken out against cutting these programs. There probably would have been some cutting anyway because Congress is very conscious of the need to bring the federal budget into balance. But I guarantee you that the cuts would not have been as deep as they were, if members of Congress believed the American people really supported foreign aid programs.

Throughout the entire debate on the Foreign Aid Bill, I don't think I got more than two or three letters backing those programs. In the same period, I received hundreds of letters urging me to support the highest peacetime military budget in our history.

I don't think we have to trade off the military budget against foreign aid programs. But I do think we have to broaden our concept of what national security is.

Right now, Mexico, our neighbor to the south, has a population of about 65 million. That population is expected to double by the year 2000. Today, according to Kathleen Newland of Worldwatch Institute, the adult Mexican labor force amounts to only 28 percent of the population and of these only half are fully employed.

Who can say what the future employment picture will be when the Mexican population doubles? What we can say for sure is that it will bring us problems we will never again be able to ignore.

I have been appointed to the Select Commission on Immigration and Refugee Policy which has been asked to take a comprehensive look at the immigration and refugee situation in the United States and to report its findings to the President by next year. I will chair the first of 12 regional hearings in Baltimore two weeks from tomorrow—on October 29th. We will be looking into the effect refugees and immigrants—legal and illegal—have on the U.S. economy, on the labor force, on the unemployment rate. And will be trying to develop a policy suited to the realities of the 21st Century. This is another area where I would like to tap your wisdom.

One of the somber realities of the 20th Century with which you are all very familiar is the successive waves of refugees that have fled various forms of political and religious persecution. This has been a tragic fact of global life since the earliest days of our century, when pogroms in Russia forced the first large Jewish immigration to the West. As long as man's inhumanity to man persists, the problem will persist and there will be refugees who must find welcome among us.

As you know, the large numbers of Indochinese refugees being admitted to the United States have strained our capacity to resettle them. Your work with these refugees has been tremendous, but the resettlement process in this country has been haphazard at best. The fragmented nature of the existing system has created confusion, uncertainty, and antagonism, and has impeded resettlement despite valiant efforts by voluntary agencies.

I'm happy to say that in this area, at least, the Senate has taken some very positive action. This summer, in Title III of the Refugee Act of 1979, we addressed the problems of resettlement and reworked the entire program. It now provides for payments to public and private voluntary agencies for placement, resettlement and care of refugees; funding for projects to increase self-reliance of refugees (language and vocational training); support for special education; and cash and medical assistance during an initial period. I sponsored an amendment which provides for two studies which I think will concern you: one to be undertaken by the General Accounting Office to assess the efficiency of the resettlement programs; and one by the Department of Health, Education and Welfare to examine how refugees adapt to life in the United States.

According to the House Select Committee on Population, at present growth rates, there will be 8 billion people on earth in the year 2018; there will be 16 billion in 2058; and 32 billion in 2098. There is a real question whether the earth's biological systems—already strained by 4 billion people—can sustain that kind of growth. There is even more question about whether we can feed that many people.

Worldwatch Institute warns that we already have more than enough evidence that excessive demands are being placed on our biological systems. Global double-digit inflation is the most obvious sign that the supply of many of our world's basic resources has been outstripped by the demand for them. And, there are other problems, even more serious.

For instance, we will need about one billion new jobs by the year 2000 to give work to all the new entrants into the job market. And consider this: the Census Bureau tells us that by the year 2000 more than 12 percent of all Americans will be over 65 and by 2025 that figure will top 17 percent.

These demographic changes have serious implications for the future of our society. If we don't face those implications now, we won't be able to do anything about them when the future comes. That is why we are here today.

I think it is significant that the character in Chinese for crisis means both "danger" and "opportunity". We are in a period of crisis now. No one doubts it. But, we can move from the "danger" phase of crisis to the "opportunity" phase, I think, if we get together on this now and work together on it from now on.

Several years ago, at a meeting of the Congressional Clearinghouse of the Future, Herman Kahn, Director of the Hudson Institute, spoke in glowing terms about what lies ahead of us. He said:

"Two hundred years ago man was everywhere poor, everywhere scarce, everywhere at the mercy of nature. Two hundred years from now man (barring bad management and/or bad luck) will be everywhere rich, everywhere numerous, and everywhere in control of the forces of nature. We are in the middle of the most exciting 400 year period in human history."

I share Mr. Kahn's enthusiasm although the road ahead will not be easy for any of us. There are many uncertainties. But I am absolutely certain of one thing. If we can spread the spirit that animates your work here across our land, we can transform crisis to opportunity. In your work here, you epitomize Robert Louis Stevenson's wonderful observation that: To travel hopefully is better than to arrive.

Let us travel hopefully together then. That way we will surely arrive at the solutions we need for a future that already crowds us.●

## COAL MINING CAN BE SAFE

● Mr. **WILLIAMS**. Mr. President, the October 29, 1979, issue of Business Week magazine contains a thoughtful article entitled "Why Mine Fatalities Are Going Down." The article details the efforts which are being made by the coal mining industry and the unions which represent coal miners to reduce the incidence of deaths in the Nation's coal mines.

There has been, indeed, a stunning reduction in the number of deaths associated with coal mining, and the frequency of deaths expressed in terms of million man hours worked. It is gratifying to me that the article quotes many industry and union leaders as agreeing that much of this progress is the result of the 1969 Federal Coal Mine Health and Safety Act and the 1977 Federal Mine Safety and Health Act.

As the Business Week article points out, it was not until enactment of those laws, and the subsequent strong enforcement that most major coal operators set up safety departments, and started to make concerted efforts to train miners and supervisory personnel. The frequency of fatalities started to drop thereafter.

But more important, Mr. President, following the enactment of these laws, attitudes toward death and injury in the mines started to change. While tragic accidents and death had always been considered an inevitable part of coal mining, we are starting to see that both union and management no longer accept this inevitability. The substantial improvements in recent years have spurred still greater efforts. "We do not have to accept 100 deaths a year" says Ralph W. Hatch, vice president for safety of Consolidation Coal Co., a company which now spends $20 million each year in safety programs.

This is a remarkable change of attitude in an industry which saw 2,719 deaths in 1911, 1,158 in 1947, and 311 deaths in 1968.

Mr. President, this progress is laudable, and this attitude is constructive. I believe, as do the industry's leaders from both management and labor, that the Federal mine safety legislation has been instrumental in these very real improvements in inner safety in the coal industry.

In the same issue of Business Week, an editorial, entitled "Coal Mining Can Be

Safe" echoes this belief. The editorial points out also the significant improvement in reducing the number of mine fatalities, and says that "a primary factor in the improvement has been the Coal Mine Health and Safety Act of 1969 * * *." This law has encouraged the initiatives which the industry has undertaken, and Business Week points out something that I have long believed: That "better management and training techniques can (further) reduce the number of such accidents."

Data provided by the Mine Safety and Health Administration demonstrates just how dramatic the improvement in the coal mining industry has been. In 1911, the first year for which such data is provided, 2,719 miners died in mine accidents. Between 1911 and 1930, an average of 2,254 coal miners were killed each year. While there were some improvements in succeeding years, as late as 1947, our Nation still saw more than 1,000 coal mine fatalities in a single year.

In 1968, the last year before enactment of the Coal Mine Health and Safety Act, 311 miners were killed on the job. Since enactment of that law, the number of coal mine fatalities has dramatically dropped. In 1978, there were 104 coal mine fatalities, a more than 200 percent reduction.

We have indeed come a long way.

But, there is still room for improvement, and as Business Week points out, the Federal Mine Safety and Health Act can provide the foundation upon which the industry can build a program of increased miner training and management awareness which can still further reduce the incidence of death in the coal mines.

Mr. President, there is, however, a disturbing trend in the data provided by MSHA. In 1911, 75.49 percent of the mining fatalities were in the coal industry and 24.51 percent were in the noncoal mining industry. On the average, for the period 1911–30, 79.24 percent of all mine fatalities were in the coal industry, and 20.76 percent of all fatalities were in the noncoal mining industry. In 1978, however, of the 240 mining fatalities, 104 (or 43.33 percent) were in the coal industry, and 136 (or 56.67 percent) were in the noncoal mining industry.

It is obvious from these statistics that the noncoal mining industry has failed to make the same strides in improving workplace safety as the coal mining industry. Fortunately, however, the new Federal Mine Safety and Health Act of 1977 adopts many of the statutory features which have been responsible for the dramatic improvements in the coal industry and makes them applicable to the noncoal industry as well. As this new law begins to take hold, I am confident that the noncoal mining industry will be able to implement the kinds of training and management programs which will result in significant improvements in the rate of mine fatalities.

I know that the entire mining industry is committed to improving workplace safety and health. And, I am as confident, as is Business Week, that the new mine safety and health laws will provide a firm foundation upon which this vital American industry can resolve its safety and health problems, and build for the future.

Mr. President, I ask that the data on mine fatalities for the years 1911 through 1978 provided by the Mine Safety and Health Administration, and the article and editorial from Business Week magazine be printed in the RECORD.

The material follows:

*Mining fatalities 1911–78*

| Year | Coal | Metal | Total |
|---|---|---|---|
| 1911 | 2,719 | 883 | 3,602 |
| 1912 | 2,360 | 874 | 3,234 |
| 1913 | 2,785 | 866 | 3,651 |
| 1914 | 2,454 | 739 | 3,193 |
| 1915 | 2,269 | 701 | 2,970 |
| 1916 | 2,226 | 870 | 3,096 |
| 1917 | 2,696 | 983 | 3,679 |
| 1918 | 2,580 | 771 | 3,351 |
| 1919 | 2,323 | 591 | 2,914 |
| 1920 | 2,272 | 603 | 2,875 |
| 1921 | 1,995 | 350 | 2,345 |
| 1922 | 1,984 | 476 | 2,460 |
| 1923 | 2,462 | 510 | 2,972 |
| 1924 | 2,402 | 556 | 2,958 |
| 1925 | 2,234 | 520 | 2,754 |
| 1926 | 2,518 | 584 | 3,102 |
| 1927 | 2,231 | 487 | 2,718 |
| 1928 | 2,176 | 392 | 2,568 |
| 1929 | 2,187 | 476 | 2,663 |
| 1930 | 2,063 | 370 | 2,433 |
| 1931 | 1,463 | 219 | 1,682 |
| 1932 | 1,207 | 139 | 1,346 |
| 1933 | 1,064 | 154 | 1,218 |
| 1934 | 1,226 | 176 | 1,402 |
| 1935 | 1,242 | 215 | 1,457 |
| 1936 | 1,342 | 290 | 1,632 |
| 1937 | 1,413 | 296 | 1,709 |
| 1938 | 1,105 | 238 | 1,343 |
| 1939 | 1,078 | 221 | 1,299 |
| 1940 | 1,388 | 302 | 1,690 |
| 1941 | 1,266 | 306 | 1,572 |
| 1942 | 1,471 | 349 | 1,820 |
| 1943 | 1,451 | 300 | 1,751 |
| 1944 | 1,298 | 220 | 1,518 |
| 1945 | 1,068 | 174 | 1,242 |
| 1946 | 968 | 181 | 1,149 |
| 1947 | 1,158 | 220 | 1,378 |
| 1948 | 999 | 203 | 1,202 |
| 1949 | 584 | 152 | 736 |
| 1950 | 643 | 167 | 810 |
| 1951 | 785 | 175 | 960 |
| 1952 | 548 | 209 | 757 |
| 1953 | 461 | 161 | 622 |
| 1954 | 396 | 139 | 535 |
| 1955 | 420 | 157 | 577 |
| 1956 | 448 | 157 | 605 |
| 1957 | 478 | 152 | 630 |
| 1958 | 358 | 167 | 525 |
| 1959 | 293 | 173 | 465 |
| 1960 | 325 | 185 | 510 |
| 1961 | 294 | 127 | 421 |
| 1962 | 289 | 216 | 505 |
| 1963 | 284 | 173 | 457 |
| 1964 | 242 | 179 | 421 |
| 1965 | 259 | 180 | 439 |
| 1966 | 233 | 195 | 428 |
| 1967 | 222 | 181 | 403 |
| 1968 | 311 | 182 | 493 |
| 1969 | 203 | 179 | 382 |
| 1970 | 260 | 165 | 425 |
| 1971 | 181 | 164 | 345 |
| 1972 | 156 | 234 | 390 |
| 1973 | 132 | 175 | 307 |
| 1974 | 132 | 158 | 290 |
| 1975 | 155 | 123 | 278 |
| 1976 | 141 | 113 | 254 |
| 1977 | 139 | 134 | 273 |
| 1978 | 104 | 136 | 240 |

## Why Mine Fatalities Are Down

For most of this century, workers who donned a coal miner's hard hat have had to accept the fact that their chances of being killed on the job were greater than in any other industry. This began to change with enactment of a stiff federal safety law 10 years ago, and now the coal industry has reached a watershed. The days of mine disasters are largely gone, and the industry's own belated safety efforts are cutting the rate at which miners die in individual accidents. This raises the prospect that coal managements and their employees may finally be developing ways to end mine deaths in the foreseeable future, although a significant breakthrough in coal labor relations must still be made before this can happen.

These developments are occurring at a crucial time for coal companies, which are trying to drag both their management and their labor relations techniques "into the 20th century," as one industry official puts it. Safety problems have always been a source of conflict between the industry and the United Mine Workers. As the industry tries to increase production by 30 percent or more during the next decade, its ability to push mine deaths still lower will have a strong bearing on how peacefully the two will get along—and whether the industry can raise its sagging productivity.

In recent years, labor flareups over safety have become less frequent, and statistics compiled by the Mine Safety & Health Administration show why. The number of workers killed annually at mining operations dropped 47 percent—from 260 to 139—between 1970 and 1977, the last full year without a nationwide coal strike, even though coal production rose 15 percent during that period. The industry's death frequency rate, a more accurate gauge because it expresses fatalities in terms of the total hours worked in the industry each year, has declined even more sharply. It stood at 0.30 death per million work hours last year, down from one death per million in 1970, and it could go even lower this year.

### TIGHTER REGULATIONS

The question is whether these trends can continue. On the positive side, coal production is rapidly shifting to surface mining, which is much safer than underground mining, and increasing mechanization is making deep mining itself less labor intensive. Federal oversight of mine safety is tighter than ever before, reflecting amendments made in 1977 to the Coal Mine Health & Safety Act of 1969. Since the mid-1970s, most major producers have established long-overdue safety departments, and they are giving more than lip service to the goal of cutting fatalities. "We have as our goal zero accidents," says Ralph W. Hatch, vice-president of safety at Consolidation Coal Co., the industry's No. 2 producer. Consolidation claims to spend $20 million a year on its safety programs.

Still, the potential for future problems is great. As production jumps, the industry will have to lower its death rate drastically to keep the actual number of deaths from rising. This means stamping out individual fatalities that so far have proved impervious to safety laws; 109 miners have already died this year. This in turn will require much closer cooperation between miners and their foremen, who traditionally have been tough, mistrustful adversaries. Says one UMW official: "There has to be a commitment on both sides."

Nearly everyone agrees that much of the progress to date is a direct result of the 1969 Mine Safety Act. Triggered by a 1968 explosion that killed 78 workers at a Consolidation mine near Farmington, W. Va., the law for the first time set strict standards for ventilating explosive mine gas and coal dust and for preventing roof falls. Now every underground mine must be inspected at least four times a year, and safety violators are fined. These procedures have drastically reduced the number of mine disasters. (A disaster is defined as an accident that kills at least five workers.)

"The 1969 act essentially marked the beginning of the coal industry that America is going to have and the end of the type of industry America had from 1920 to 1969," says Joseph P. Brennan, president of the Bituminous Coal Operators' Assn., the coal industry's bargaining arm.

### NEW ATTITUDES

Although mine accidents had killed almost 100,000 miners since 1900, it was not until the law appeared that big companies such as Consolidation Coal Co. and Peabody Coal Co., the top producer, set up safety departments. The law also strengthened efforts by the reform administration of UMW President Arnold Miller, who was elected in late 1972, to win contractual safety protections. The agreement the union negotiated in 1974 required, for the first time, that new employees be trained before being sent into narrow mine passages where slight mistakes can result in workers being crushed by falling slate or electrocuted by the high-voltage cables that power big mining machines. And it gave individual miners the right to simply leave their posts if they feel they are in "imminent danger."

In varying degrees at different companies, these developments have been accompanied by significant changes in attitudes. In the past, coal executives—and even miners—often saw deaths as simply a cost of production in an unavoidably dangerous industry. But now, says Consolidation's Hatch, "we do not have to accept 100 deaths a year." Adds one UMW official: "There is realization by everyone that safety is here to stay." It is this change in attitude that provides the best hope that mine deaths can be wiped out altogether.

This new outlook toward safety has led some companies to take steps beyond those required either by law or by the UMW contract. Most major companies, including Consolidation and Peabody, now have at least one safety official stationed at each mine. Practically every big producer sponsors occasional safety competitions for its hourly workers and gives awards to individuals who have the fewest accidents. Westmoreland Coal Co., among others, holds union-management seminars to enhance communications between miners and foremen. Several companies started safety training for foremen after an influx of inexperienced miners and foremen into the industry in 1975 pushed deaths up temporarily. Foremen and workers at Jones & Laughlin Steel Co.'s Gateway mine in western Pennsylvania have jointly written a booklet explaining how to do each job in the mine safely.

Partly as a result of those programs, and partly because the MSHA's 985 inspectors and legions of state inspectors patrol the coalfields constantly, the death frequency rate of most major producers in this decade has fallen below the average for the industry, and in most cases the rates continue to drop. For instance, the average frequency rate for the entire industry during the four years beginning in 1975 was 0.36 death per million work hours. Over that same period, the average rate for some of the nation's largest producers was as follows: Peabody, 0.29; Consol, 0.21; AMAX (which has large surface mine production), 0.07; Island Creek, 0.30; U.S. Steel, 0.14; Bethlehem Steel, 0.30; North American Coal, 0.18; and Eastern Associated Coal, 0.26.

### LATE START

One glaring exception to this pattern is Pittston Co., the seventh-largest producer. Every year but one since 1972, Pittston's death rate has exceeded 0.4 per million, and since 1975 its average rate has been 0.46, according to MSHA statistics. Pittston officials say that many of their mines are old, and the company has few surface mines, which help lower the overall rate for many producers. Still, it was not until April, 1978, that the company established a safety division, even though it has huge reserves of cash that it earned during the profitable coal markets of the mid-1970s. Pittston has hired Jack Crawford, a former MSHA official, to direct its safety department, and he is implementing a plan such as other companies already have.

Despite the safety progress made since 1970, the industry has had limited success in eliminating less-publicized causes of the 100 or more mining deaths that still occur each year. On average, nearly half of these happen when a chunk of mine roof, usually slate, falls and crushes a miner. Another 30 percent to 40 percent of them occur when workers are either electrocuted or crushed by the huge equipment that just barely fits into underground mines. The MSHA does not usually assign blame in fatal accidents, but a study of last year's 33 roof-fall deaths identifies reasons such as failure to examine or properly analyze the condition of the mine roof, or failure to use enough roof support or to comply with a preset roof-support plan.

UMW officials point to such accidents—plus occasional disasters—as evidence that production, not safety, is still the highest priority at many companies. Last June, for instance, a federal grand jury handed down a criminal indictment against Blue Diamond Coal Co. charging that it "willfully" violated federal ventilation rules in connection with methane explosions on Mar. 9 and 11, 1976, that killed 26 men at the company's Scotia mine in Letcher County, Ky. Moreover, several companies, using a provision they negotiated last year, have persuaded their UMW locals to accept incentive plans that pay miners bonuses for higher production even if a mine's safety record deteriorates in the process.

### "AWARENESS"

Whatever part production pressures may play, industry officials contend that most individual fatalities occur because of carelessness by either miners or foremen and that the solution to this problem lies in better labor-relations techniques rather than in more rules and regulations. "Awareness is the key to the whole safety issue," says John L. Schroder, Jr., U.S. Steel's vice president for coal. Adds Latham G. Gray, general manager of coal at Bethlehem: "Safety is an attitude or philosophy."

One way to improve attitudes is with more and better training. Bethlehem, which along with U. S. Steel had an effective safety program long before most other companies, says it gives its miners twice as many hours of training as state and federal laws require. In addition to state tests, each new Bethlehem foreman must take a 20-day company course that has a "strenuous emphasis on safety," Gray says. Moreover, the company punishes both miners and foremen whose mistakes cause accidents. Gray adds: "Safety is a management responsibility, from the first level all the way up. The first-line foreman has to carry that commitment to the workers. If not, you can't get to first base."

### UNION PARTICIPATION

There is general agreement, also, that too much of the training that new miners currently get is what Pittston's Crawford calls "pro forma." David Moe, a local union president at the Laurel Run mine operated by Eastern Associated in eastern Pennsylvania, recalls his own week of instruction two years ago. "They showed us some old Bureau of Mines film, asked if we had any questions, and that was it."

Another prerequisite for reducing fatalities below current levels is stronger efforts by the UMW to make its members more safety conscious and to challenge employers who are lax on safety. In the mid-1970s, the union's lobbying and negotiating produced important safety gains for miners. But during the past two years, staff reductions brought on by internal political problems have impaired the UMW's efforts Only two members of its six-member legal staff are assigned to combatting the dozens of appeals that companies regularly file after federal inspectors cite them for safety violations. The union no longer has a research department to study safety trends. And the most powerful official in its safety department is a former bodyguard of UMW President Miller who has little experience in safety matters

Despite the progress made so far, the coal industry and the UMW will have to spend increasing amounts of time and money on safety efforts if the trend of the past few years is to be sustained and improved upon. The alternative is a continuation of senseless accidents such as the one last August that accounted for Pittston's third fatality in 1979. Two miners were riding in an electrically-powered locomotive along a mine passageway, one sitting up on the edge of the machine. As they passed a ramp used to load coal on cars that would take it to the surface, part of the ramp that extended slightly over the tracks struck the nearest miner in the head and killed him. A flag or other signal might have prevented this death, and Pittston's Crawford intends to devise such a system. But in this case the dead miner should have realized better than anyone the danger that existed: He had helped install the ramp himself.

### Coal Mining Can Be Safe

For at least a century and a half, coal mining has borne the reputation of being the most dangerous industry in the U.S. Within the past few years, it has become a classic example of what industry can do to improve safety when it really takes the assignment seriously. Although more than 100 workers a year still die in mine accidents—a figure the industry knows it must reduce—this represents a major change by comparison with the 1,250-a-year average since 1900.

A primary factor in the improvement has been the Coal Mine Health & Safety Act of 1969, which imposed tough safety standards on the mining process. But companies have taken initiatives on their own. Most major producers now have at least one management employee stationed at each mine whose primary job is to make sure that safe work practices are followed. Some companies, Bethlehem Steel Corp., for instance, provide more training than state and federal law requires.

The campaign to end coal mine deaths completely is now entering its most difficult phase. Most mine fatalities now are the result of individual carelessness—on the part of either workers or management. Only better management and training techniques can reduce the number of such accidents. More laws would be useless.

Moreover, as production rises in the coal industry, more workers will be exposed to the hazards of mining. The death rate must continue to drop rapidly if the industry is to avoid a rise in total number.

The industry's best hope of achieving its goals is that there has been a marked change in attitudes toward safety among managers and workers alike. Traditionally, coal miners and their families have regarded death as an unavoidable cost of bringing coal up from below ground. Today, they see no reason why mining cannot be safe.●

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## TRIAL OF CHARTER 77 GROUP IN CZECHOSLOVAKIA

● Mr. DOLE. Mr. President, following the arrest in Czechoslovakia, on May 29, 1979, of 10 members of Charter 77, 6 of those arrested went on trial on October 22 on subversion charges. On October 23, sentences were handed out, ranging from 4½ years in prison for playwright Vaclav Havel, to 5 years for economist Peter Uhl. A former spokesman for the Charter 77 group, Vaclav Benda, was sentenced to 4 years, former television commentator Jiri Dienstbier and Otta Bednarova, a journalist, received 3 year sentences. Dana Nemcova, a Roman Catholic dissident and mother of 7 children, had her 2 year sentence suspended. The other four members of the group arrested in May remain incarcerated, while awaiting a trial date.

Originally founded as a monitoring group of the Helsinki Accord, Charter 77 became increasingly diversified in recent years. Last year, it established a committee for "the defense of the unjustly persecuted". Its self-appointed task was to investigate alleged injustice in individual cases and abuse of power by the State.

The May arrests followed the group's publication of a study comparing economic conditions in Western Europe with those in Czechoslovakia, and charging government corruption. The publication of such a document was clearly in keeping with basket III of the Helsinki agreement dealing with the free flow of information, as well as with the language of the accord which stipulates that participating States will first, "make it their aim to facilitate the freer and wider dissemination of information of all kinds", and second, "will promote the publication and dissemination of economic and commercial information at regular intervals and as quickly as possible, in particular: statistics concerning production, national income, budget, consumption and productivity".

The charges of subversion bear no relationship to the "crime" of the defendants. The sentences that were meted are simply unjustifiable.

The Czech Government's reaction to criticism leaves no doubt that the line of demarcation between communism and fascism is thin indeed. The common denominator of totalitarianism compels rulers to treat dissention as a threat to their total power. It is only through the suppression of individualist thinkers that control of the masses can be maintained.

The nations who participated in Helsinki conference viewed the suppression of ideas and of the flow of information across borders as a threat to world peace. It is ironical to note that Czechoslovakia was a signatory of the accords that were concluded in August 1975. The timing of the trial by the Czech Government, simultaneous with the continuing debate on SALT and the Soviet government's expectations of its outcome, can only provoke serious thought and puzzled speculation.

The overall issue of universal peace may transcend humanitarian concerns, it can never diminish it. I should like to voice my strong protest at the manner in which the trial of six members of Charter 77 was conducted, free from journalistic scrutiny, as well as my outrage at the sentences that were so unjustly meted to the defenders.

Far from decreasing in size, dissident movements in Czechoslovakia and elsewhere have been growing. Their strength and the tenacity of their adherents are a testimony to men's inate craving for the principle of freedom, as well as their unflagging faith that it can triumph. As a free nation, we can do no less but lend them our continuing support.●

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## DAIRY FARMERS: LOSERS IN THE 1979 TRADE ACT

● **Mr. McGOVERN.** Mr. President, I am a supporter of the trade bill and voted for it earlier this year. By and large it represents a positive step forward that will increase our export potential. As Ambassador Strauss told the Agriculture Committee when he testified on June 27th, the Tokyo Round was particularly successful in removing barriers which restrict our ability to penetrate foreign agricultural markets.

As we begin to more fully appreciate the impact of the act however, it appears to me that dairy farmers may be the biggest losers in the 1979 Trade Act.

The Trade Act permits a 34 million pound increase in U.S. cheese imports over 1978 imports, for a total of 276 million pounds annually. This represents a 14-percent increase in milk equivalent, or 350 million pounds. The 350 million pound increase in milk equivalent imports will cost each producer 6¼ cents per hundredweight or $2,496 annually.

The attached paper by Truman Graf of the University of Wisconsin elaborates on the economic impact of the Trade Act to the dairy industry and I ask that it be printed in the RECORD.

The paper follows:

### IMPACT OF THE TRADE ACT OF 1979 ON THE DAIRY INDUSTRY

International trade negotiations, concluded in Geneva, Switzerland on April 12, 1979, are one of the most important current factors affecting the dairy industry. I view my assignment then as analyzing the impact of these trade negotiations on farm milk prices and income. To do this I will also examine the impact of the negotiations on import quotas, countervailing duties, proof of injury, and related measures designed to help protect domestic farm milk prices from subsidized imports.

#### BACKGROUND

One-sixth of everything that is grown or manufactured in the world is traded internationally, currently totaling $1.3 trillion annually. Countries throughout the world are therefore interested in expanding international trade as a way of increasing economic development, income, and the standard of living for society generally. In an effort to accomplish this goal, gradual modification of international trade restrictions have occurred. For example, in the past century and one-half, the U.S. has enacted 17 separate tariff and trade acts, gradually reducing tariffs on foreign imports from a high of about 60 percent of the value of imported products in 1833 legislation, to only about 6 percent under legislation in effect in 1978. U.S. tariffs are being reduced another 33 percent over the next eight years as a result of the Geneva international trade negotiations.

The Geneva international trade negotiations had, as their objective, an expansion in international trade. They date back over 30 years—to 1947, following a world wide depression and war, when 23 nations, including the U.S. met to negotiate and sign General Agreements on Tariffs and Trade (GATT). In the next twenty years, six GATT trade "rounds" were held, concluding with the Dillion and Kennedy rounds in the early and mid 1960's. These GATT trade rounds reduced tariffs on thousands of products traded by member countries. By the early 1970's, however, many new barriers of a non-tariff nature such as import quotas had developed, and threatened expanded world trade. GATT rules were becoming less able to deal with these new barriers. The U.S. and other interested countries therefore initiated the seventh or "Tokyo Round" of multilateral trade negotiations (MTN) at a ministerial trade conference in Toyko, Japan, in September of 1973. Actual negotiations began in February 1975 in Geneva, Switzerland, following enactment of the U.S. Trade Act of 1974, which authorized our participation in the Tokyo round of MTN. Ninety-nine countries participated in the MTN, including the U.S., EEC countries, Canada, Japan, and other countries, which together account for the bulk of world trade volume.

Agricultural exports are critical to not only U.S. agriculture, but to the entire U.S. economy. More than one-fifth of U.S. farm income comes from exports, and production of nearly one of every three harvested acres is exported. Last year, U.S. agricultural exports totaled $29.4 billion, resulting in a $14.6 billion agricultural trade surplus—which is expected to increase to $16.6 billion this year because of an increase in agricultural exports to $32.4 billion. This agricultural trade surplus is critical to the entire economy as a way of offsetting the non-agricultural trade deficit of approximately $40 billion annually, largely brought on by oil imports. Thus, the agricultural trade surplus helps ease the downward pressure on the dollar, and in the battle against inflation.

Agricultural trade was therefore of great concern to the U.S. at the Tokyo Round MTN, and we emphasized reducing barriers affecting agricultural trade, such as import quotas, export subsidies, and tariffs. We requested trade concessions on $4.7 billion annually in agricultural exports, and were granted concessions on about $4 billion. Agricultural exports are expected to increase about a half billion dollars annually as a result of these concessions. These trade concessions are on 480 items, including items valued at $1.5 billion going to Japan, and items valued at $700 million going to the EEC. In exchange we offered annual trade concessions on about $2.6 billion of agricultural imports. Our agricultural import concessions included cutting agricultural tariffs by more than 50 percent.

We reduced dairy tariffs on butter, butter products, and Swiss, Cheddar, and Italian style cheeses. However, these duty reductions are not expected to have an impact on U.S. imports of these products, since all have import quotas. It will, therefore, be quotas, not tariffs, which will determine the level of imports of these products. The tariff on casein mixtures was reduced 1.3 cents per pound, to .2 cents per pound. Since casein currently has no import quota, this duty reduction is estimated by the Administration to increase imports about $200.000 annually. In addition, we granted Australia a 4.5 million pound import quota on chocolate crumb, a butterfat product used in candy-making and as an ice cream mix. However, these were relatively minor adjustments and did not generate much opposition in the U.S. dairy industry.

We also increased import quotas on cheese, permitting a 15 percent increase in cheese imports over 1978 levels. This is the change which the U.S. dairy industry feels will hurt it most. It was primarily done in response to EEC requests, reflecting their 15% dairy surplus, which cost them about $6 billion annually. This is in sharp contrast to our milk surplus of only 2.4% last year, which cost USDA only $240 million.

Even the Administration conceded there will be losses to the U.S. dairy industry as a result of tariff and non-tariff agreements reached at Geneva, because of increases in cheese imports. Net dairy trade concessions granted exceed $[illegible]00 million annually. These losses to the dairy industry contracts to gains from MTN for almost all other sectors of U.S. agriculture, as well as U.S. industry. This helps explain why the dairy industry stands almost alone in questioning the agreements reached in the Tokyo Round of MTN.

The Geneva trade pact of April 12, 1979, was formally submitted by the President to the Congress for legislative action in mid-June. By law, Congress had 90 working days to approve or reject the bill. Also under rules spelled out in the 1974 U.S. Trade Act, the bill could not be amended by Congress—it had to be either voted up, or down, as submitted.

Congressional action was not needed on tariff reductions. Authority to cut them up to 60% was granted to the President, in the U.S. Trade Act of 1974. However, Congressional approval was required for measures to curb non-tariff barriers such as import quotas, government subsidized exports, restrictions on foreign bidding for government procurement contracts, customs valuation methods that keep foreign goods out, and standards that discriminate against foreign products. Congressional approval was also needed for changes in procedures for enforcing rules dealing with alleged unfair trade methods, such as subsidization of exports by foreign countries.

The U.S. House of Representatives approved the Trade Bill by an overwhelming margin of 395 to 7 on July 11, 1979. The U.S. Senate followed suit on July 23, 1979, overwhelmingly approving the bill 90–4. President Carter signed the bill on July 26, 1979, thus enacting it into law. The U.S. dairy industry therefore has lost in its attempt to remove or modify the increase in U.S. cheese import quotas, agreed to in the Geneva negotiations, and included in the new U.S. Trade Law—the Trade Act of 1979.

### NEW DAIRY IMPORT REGULATIONS

The U.S. Agricultural Adjustment Act of 1933 (Section 22) provides that import quotas may be imposed whenever imports interfere with the price support program for an agricultural commodity. U.S. dairy import quotas were first introduced in 1951, and are now used to regulate imports of cheese, butter, nonfat dry milk, ice cream, and most other dairy products. In 1978, quota imports totaled 1.3 billion pounds of milk equivalent—slightly over 1 percent of U.S. milk production, and applied to 57 percent of U.S. dairy imports.

Import quotas are considered the most effective device for regulating dairy imports. Yet, dairy import quotas are being increased in the new Trade Act—which explains U.S. dairy industry opposition to it.

The 1979 Trade Act permits a 34 million pound increase in U.S. cheese imports over 1978 imports, for a total of 276 million pounds annually. The Act increases annual cheese import quotas 117 million pounds, to a new level of 245 million pounds.

Sheep and goats milk cheeses, cheeses such as Bryndza, Gammelost, and Goya, and soft cured cheese such as Camembert and Brie are exempt from import quotas. Imports of these cheeses are expected to total about 31 million pounds annually, which, with the new 245 million pound quota for other cheeses, results in the new level of cheese imports of 276 million pounds. Swiss type "pricebreak" cheeses previously exempt from import quotas if priced 7 cents or more per pound above the support level for American cheese, are brought under the new increased quota.

The new Act also amends the previous countervailing duty statute which prevented damage to the cheese and other industries from subsidized imports by mandatory imposition of countervailing duties of the same magnitude as the export subsidies. Under the new Act, foreign nations would be allowed to subsidize their exports as long as the resulting prices did not undercut prices of domestically produced cheese. The domestic cheese industry and other U.S. industries would therefore be required to prove price undercutting before "countervailing" action could be taken.

Thus, domestic "injury" will have occurred before remedial action can take place. The Act does contain a "speed up" procedure in dealing with price undercutting complaints, allowing the Secretary of Agriculture no more than 65 days to make a decision on whether "price cutting" is taking place—almost five months faster than in the past. If the Secretary found a price cutting violation, the exporting country would be required to end its illegal practices or have its cheese exports banned from the U.S.

### IMPACT OF NEW DAIRY IMPORT REGULATIONS

In my opinion, dairy farmers will be losers in the 1979 Trade Act. The agreement's proponents say the loss will be "no big deal," for the increase in cheese imports to 276 million pounds under the agreement will be only 34 million pounds over last year's imports of 242 million pounds. However, the increase amounts to a 14 percent increase in milk equivalent—350 million pounds.

You may say "so what," that it is better to produce for the Class I fluid market anyway, than for the Class III cheese market. However, since cheese factory pay prices comprise about 75 percent of the Minnesota-Wisconsin manufacturing milk price (M–W), a fall in cheese prices because of added cheese imports will also result in a substantial fall in the M–W price. Since the M–W price is the base price for Class I, II, and III prices in most state and federal milk orders, a fall in the M–W price will also result in a decrease in Grade A blend prices to farmers. Manufacturing milk prices all over the U.S. will also drop, since cheese prices are its main determinant. Canadian cheese and farm milk prices will also be affected, since they are influenced by U.S. cheese prices. Thus, an increase in cheese imports would impact adversely on dairy farmers—and in turn on agriculture generally, since farm milk sales last year totaled $12.7 billion—12 percent of U.S. farm income.

How much? Every 500 million pounds of milk equivalent imports results in a 9 cents per hundredweight (cwt.) loss for each dairy producer, according to U.S. Department of Agriculture calculations. ("The Impact of Dairy Imports on the U.S. Dairy Industry," USDA Agricultural Economic Report 278, January 1975.) Therefore, the 350 million pound increase in milk equivalent imports will cost U.S. producers $76 million annually, and will cost each producer 6¼ cents per cwt., or about $378 annually (with average midwest volume).

Additionally, each dairy farmer lost 35 cents per cwt., or $2,118, because last year's milk equivalent imports exceeded exports by 1.94 billion pounds. This is $427 million annually to U.S. dairy farmers.

Total cost for each dairyman; $2,496 annually.

Proponents of the trade package say dairy losses will be only short term because increases in imports of quota-exempt Swiss type price break cheese have been occurring steadily and regularly, and would probably result in total cheese imports reaching the 276 million pounds permitted in the new Trade Act, by 1980 or 1981, anyway. Price break cheese imports increased 25 million pounds, to 108 million pounds, in 1978—45 percent of total cheese imports.

I don't think short term comparisons of cheese imports tell the whole story about the impact of quota increases. Farmers need import protection when farm milk prices are low. The argument that the new Trade Act affords as much dairy import protection as existed before, is based on the assumption of continued high prices for cheese attracting cheese imports at 7 cents over price support prices, continued increase in per capita consumption of cheeses that have been occurring, and a high level of economic activity. These developments are by no means certain, but without them, the new Trade Act offers less import protection than existed before it became law.

Under last year's import quota, a maximum of 128 million pounds of quota cheese could be imported. But under the new agreement, cheese import quotas are raised to 245 million pounds—117 million more pounds than could come in under quotas last year.

The administration says the agreement "caps the price break," because price break cheese imports will no longer be allowed. The result really is that quota imports of 1.18 billion more pounds of milk equivalent will be permitted—an increase of 91 percent in cheese import quotas. To each farmer, that represents an import quota protection loss of 21 cents per cwt., or $1,271 annually.

Another concession made by U.S. negotiators will make it harder to control imports causing harm to U.S. dairymen. Our negotiators have agreed that "price undercutting" would have to be shown before export subsidies could be banned. To "prove injury," dairymen would have to go through long proceedings of up to 65 days, even under the improved features of the new Trade Act. Thus, at the minimum, dairymen would have to absorb 65 days of price injury before remedial action could occur. Even then they might not be successful in eliminating the price cutting. Besides, the harm would already be done.

History illustrates what a combination of export subsidies by other countries and increased U.S. import quotas can mean to U.S. dairy farmers. In 1973, when EEC export subsidies were about 8¾ cents per pound on nonfat dry milk (71 cents per cwt. of milk), and 15 cents to 32 cents per pound on cheese ($1.52 to $3.23 per cwt. of milk), U.S. import quotas as a percent of U.S. production were increased from .1 percent to 9 percent for butter, from .2 percent to 28 percent for nonfat dry milk, and from 7 percent to 9 percent for American cheese. As a result, heavily subsidized dairy imports jumped to 6½ times exports—and M–W farm milk prices fell $1.86 per cwt.—23 percent in just four months (from $8.15 to $6.29 between March and July 1974).

This bit of history indicates what increased subsidized imports and lack of countervailing duties can mean to farm milk prices.

Farm milk prices rest on a very narrow fulcrum. Very small changes up or down in supply result in big changes in farm milk prices. For example, 1978 farm milk prices rose 83 cents per cwt. (8.5 percent), with a .8 percent decrease in production of about 1 billion pounds. Imagine what farm milk prices would have been if foreign imports had only offset the .8 percent drop in production. Farmers would have probably lost much of the $.83 per cwt. increase in farm milk prices—which was sorely needed to cover increased production costs as reflected in an increase of $1.90 per cwt. in the parity price for milk last year. The latest reported U.S. farm milk prices (June 1979) still average only 75 percent of parity.

Administration proponents of the agreement also say that only about 3 percent of the permitted additional cheese imports will be cheddar, so resulting competition from increased import quotas to our major cheese industry will be minimal.

The problem with that argument is that displacement of dairy products caused by imports means that surplus milk will largely go into cheddar cheese, and will therefore adversely affect the entire U.S. cheese and dairy industry anyway. Indirectly this will also affect Canada—and milk control agencies in both countries.

The U.S. already has less import protection than do countries to which we attempt to sell agricultural and other products. Our duties average only about 3 percent of the value of total U.S. agricultural imports. Over one-half of our agricultural imports are duty-free. Meanwhile, two-thirds of U.S. agricultural exports are subject to some kind of trade restriction by other nations. The proportion of agricultural production protected by non-tariff import barriers is more than twice as large in countries we attempt to sell in, than it is in the U.S. Easing import controls on dairy products as a way of maintaining or increasing other exports into countries that already have far more stringent import restrictions than we do, puts the full burden of increased exports on the U.S. dairy industry. This is something the U.S. dairy farmer feels he can ill afford.

If subsidized dairy imports can't be dumped on the U.S., and if quality standards on foreign dairy imports are as rigid as on our own, the U.S. dairy industry can compete with dairy imports from other countries. However, if an increase in U.S. cheese import quotas is not tied in with a procedure that prevents subsidized imports from undercutting domestic prices, or reimburses farmers for losses they incurred because of the subsidized imports, U.S. dairy farmers feel a minimum price support level enabling them to survive will be needed.

In summary, increased cheese imports resulting from the increased import quota in the new Trade Act will adversely affect farm milk prices. Thus, the Trade Act will result in downward pressure on farm milk prices.

On an overall basis, the 1979 Trade Act benefits the United States. Administration projections are that it will create 100,000 new U.S. jobs, strengthen the dollar, and open up new opportunities for U.S. exports of both farm and industrial products.

However, the results for the dairy industry are negative. In effect, the dairy industry became the bargaining tool to get trade concessions for other products. Increased cheese imports resulting from the increased import quota in the new Trade Act will result in downward pressure on farm milk prices. It is a fact of life you, and others in the dairy industry, will have to live with.●

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## ADDRESS BY SENATOR MATHIAS BEFORE AMERICAN PLANNING ASSOCIATION

● Mr. LUGAR. Mr. President, on October 15, 1979, Senator MATHIAS spoke before an American Planning Association meeting of the National Planning Conference. In his remarks Senator MATHIAS describes the path the planning profession should take into the eighties. He defines a role which would lend valuable assistance to the development of policy at all levels of government. Senator MATHIAS' remarks are an important contribution to the ever-changing philosophy of planning in America and I ask that they be printed in the RECORD.

The remarks follow:

### WANTED: PLANS TO STIR THE BLOOD

I am delighted to be here to take part in the National Planning Conference of the American Planning Association and I commend you on your choice of meeting places. You have come to the best urban laboratory in the nation to see a working city that really works. I've reviewed a copy of your hefty conference agenda and I know that, if you survive, you're going to leave here impressed.

I'm not a betting man but I'd give sizable odds that Mayor Schaefer and his administration; the Baltimore business community, the Baltimore neighborhoods, and the people of Baltimore—all will impress you as you've never been impressed before. There is an enthusiasm and pride in this city that is infectious. And it is the underlying reason Baltimore works so amazingly well.

It is a real pleasure to welcome you to Baltimore and to Maryland because we are proud of what we have to show you. I know your hosts here will dazzle you with their success stories. So I will leave that to them.

Instead I would like to talk with you today about your profession, about its role in national policy-making and about the Congressional perspective on planning and planning issues.

Last December Harper's magazine carried a rather disturbing essay entitled "The Urban Crisis Leaves Town". That piece stirred up a lively debate in Congress and among urban specialists across the country. Its central thesis was that the Great Society programs of the Sixties had come too late; that much of the urban decay and disinvestment in the city was already turning around—through private market forces and nonprogrammatic federal spending—by the time those programs came along.

The article went on to suggest that virtually any program conceived at the national level comes too late, because national policymakers do not see far enough down the road; do not clearly identify trends leading to problems; and therefore, respond only when a problem has assumed emergency proportions.

I don't agree with the author's central thesis that the urban crisis is now safely behind us and the fiscal health of our nation's cities is just hunky-dory. But he does raise some valid questions about our ability, at all levels of government, to forecast and predict. And that, it seems to me, presents a challenge to the planning profession.

The era of the Sixties is clearly over. In another two months, in fact, the Seventies will be behind us. But the contrast between those two decades in terms of our economy and the national mood is striking and has left a residue of tension that will be with us even in the Eighties.

The Sixties were a decade of optimism, of faith in government and of thinking big. Planning emerged as an important part of the process of government and decision-making.

The decade of the Seventies, on the other hand, has been plagued with tough economic and social problems—unemployment, inflation, a declining confidence in the ability of government to deliver. The rising expectations engendered in the booming Sixties have been disappointed and a general malaise seems to have set in.

This situation is frustrating for public officials. Decision-making is not easy in an Era of Limits. We are hamstrung by apparent tax revolts at all levels, by growing paperwork and regulations and competing demands on all our resources.

Cities are challenged to grow smaller gracefully, to tighten their belts, to improve workers' productivity and service delivery. The most obvious example of this—the New York City fiscal debacle—reached such crisis proportions it finally commanded the attention of the President and the Congress.

Now, while New York is working hard to get its financial house in order, other emerging crises loom on the horizon. For every Cleveland and every Chrysler Corporation that is highly visible, many other less public, but equally disturbing financial crises wait in the wings in towns and cities, and companies across our land.

It is in those situations, which have yet to attain national prominence, where planners have such an important role to play. And that role is to insure that festering problems do not reach crisis proportions; that they are dealt with, managed, and that hard decisions are made which will enable local governments and companies to maintain an even keel.

To do this, I need not tell you, is no small challenge.

As Harvey Perloff noted in an article in your Planning magazine in July:

". . . planning in municipal government (must) become cost-conscious and management oriented, (it must) become part of the municipal team concerned with the delicate balancing act between tax reduction and maintenance of public services and environmental protection as well as the development and redevelopment of the urban physical plant.

"For almost three quarters of a century, planning has been one of the claimants on the public budget, as planners have proposed projects and activities that would serve the master plan but have done so without concern for the financing aspects. Only in rare instances has the planning operation encompassed capital programming and capital budgeting . . . much less . . . been involved with balancing public outlays and revenues overall."

Your profession must rise to the occasion, or it will be seriously threatened by other specialities which are increasingly filling the traditional planning role. I'm referring, of course, to the economists; MBAs; engineers; accountants; systems analysts; transportation, energy and environmental engineers. I'm not alone in sounding this alarm. Melvin R. Levin, Director of the Community Planning Program at the University of Maryland in Baltimore, is more than a little apprehensive about the legal profession moving onto the planners' turf. He calls it the "Invasion of the Lawyers".

One way to forestall these competitions is to sharpen the image of your profession. If you tell a member of Congress that you are a planner, you're apt to get an "Oh, really?" and a sort of perplexed vacant stare. If the conversation doesn't end right there, you may be asked if you do much drafting or design drawing, because a lot of people seem to connect planning with architecture.

The fuzziness of the planning profession's image can be directly correlated with the decline in federal support for planning. Just look at what has happened to the appropriations for the 701 Program. They dropped from a $100 million level in 1975, to this year's $42.5 million level. That's a pretty steep decline even in a time of Congressional penny-pinching.

If you can't explain who you are, what you do, and, as I told Walt Scheiber during this year's 701 debate, how you're going to save us money, then how can you expect the federal government to fund your activities? The first thing you ought to do to sharpen your image is find the guy who's promoting those tee-shirts that say, "Planners Eschew Obfuscation". I suspect he's the same fellow who defines a planner as: (1) a person who plans, or (2) a person who cannot leave bad enough alone. Those things may get laughs but they do nothing for your image.

And it's not as if there aren't plenty of planning success stories around. You are in a city of planning success stories. A short drive down the road to Washington will bring you to Columbia, Maryland: a New Town brought into being by one of the most enterprising, creative businessmen in America—James Rouse.

Mr. Rouse is an optimist who has been a driving force in the revitalization of downtown Baltimore as well as in the successful creation of shopping malls, the restoration of Boston's Faneuil Hall Marketplace and Philadelphia's Gallery Market East.

His advice to planners is instructive:

"The worst thing planners can do is to

have a shortsighted vision of the possible. Planners—particularly the planners in city governments—have been buffeted so much, they have seen rational proposals unfulfilled so often, that they get a limited view of the possible and often tend to be the people who suffocate the big idea before it can be born. And they have the ability to suffocate it, because if they say it can't happen, the business and civic communities can get discouraged."

Doesn't that sound like the reincarnation of Daniel Burnham and his unforgettable precept "Make no little plans: they have no magic to stir men's blood."

It seems to me the planning profession must maintain the enthusiasm, inventiveness, and spirited optimism which its founders had. That positive attitude is the most important ingredient in approaching problems, sorting them out, and reaching decisions.

We, in the Congress, need your expertise in formulating national policy. The urgent issues of our times—inflation, unemployment, energy resources, environmental protection, over-regulation of the private sector, transportation, health and social welfare programs—at times seem almost unmanageable.

The kind of clear-headed thinking the planning process provides is what we most need to deal with these complex problems. Many of these issues are interrelated and cannot be addressed in a planning vacuum. Nor can we afford to ignore one because another has a high priority.

For example, one of the national trends which is attracting more and more Congressional attention is the shift of people and jobs from the so-called Frostbelt to the so-called Sunbelt. A Congressional alliance has been formed in both the House and Senate called the Northeast-Midwest Coalition. Its purpose is to look at pending legislation with a critical eye as to what its impact will be on broad geographic regions of our nation.

I have been concerned for some time about the unplanned impact federal spending, locational decisions, leasing and contracting have on our nation's cities, regions, and on the overall stability of our national economy.

Federal agencies such as the Department of Defense, General Services Administration, Federal Highway Administration and many others, daily pump millions of dollars into the national economy. They open and close bases, space centers, navy yards, and move people around without giving much thought to the employment and economic base of numerous cities and regions of our nation.

If we are really serious about having a national urban policy, we've got to put our money where are mouths are by devising federal spending practices to bolster that policy.

I am trying to do that and have recently introduced legislation which would provide the sort of "big picture" look at the impact of federal spending that we need so badly. It calls for a Cabinet-level forum for guiding non-programmatic federal spending, leasing, contracting and locational decisions.

In short, the Growth Management Council called for in my bill is a planning tool, pure and simple. But it is not aimed at instituting national economic planning with five year goals, as is done in several Western European countries. If we started talking about a five-year economic plan in the United States, the screams from business would be louder than we could bear.

Planning is a scare word in American politics and has been for some time. Businesses project over much longer periods than 12 months, but traditionally the U.S. government only looks forward 12 months. That's why many of our government programs collide with each other. Their effects haven't been projected over a long enough period.

Despite the enormous historic suspicion of planning by government, we must find a way to identify those areas in our national life that require some real look into the future.

I see the Growth Management Council as a way to do that. It can serve as a forum for beginning a necessary dialogue about our economy, about how and where it is growing, about what role we each play in it, and about how we can play our roles better. The Council will not promulgate new, complex federal regulations, for ours is basically a free economy. Rather, it will monitor the directions of the public sector of our economy and coordinate the government's role in promoting ordered growth.

Since planning is such a scare word, we probably should talk in terms of planning alternatives, of highlighting choices. But we have somehow got to see that we, as a nation, don't get into the position the auto industry was in 20 years ago. They could have read the Paley Report, which warned of an impending energy crunch, and they could have started making smaller cars then. But Detroit didn't choose to listen.

I hope we are all wiser now.

We, in the Congress, need your advice on many legislative issues. I hope that I personally will be seeing much more of the A.P.A. My door is open to you. And I hope now that the American Institute of Planners and the American Society of Planning Officials have come together to form the American Planning Association, your impact on the Congress will be broadly felt in the critical decade ahead.●

## EDISON'S INVENTION A CENTURY LATER

● Mr. GLENN. Mr. President, last Sunday in Cleveland, Ohio, the General Electric Co. hosted an event marking one of history's greatest inventions.

It was 100 years ago—October 21, 1879—when Thomas Edison and his brilliant inventive team perfected the world's first practical incandescent electric light. Within 3 years from that occasion in Menlo Park, N.J., Edison had developed the technology that would make commercial indoor lighting possible.

"I have accomplished all that I promised," Edison wrote in 1882 when the switch was thrown on his Pear Street power station in New York City. Significant as that event was, it really was merely a station along a path of genius that literally lit the world.

During Edison's lifetime, this great inventor patented 1,093 inventions, averaging a patent every other week during his peak productive phase. No American has ever come close to that record.

We in Ohio take particular pride in Edison. He was born in our State, and his birthplace, in Milan—on the Huron and Erie County line—is a major tourist attraction. It is located near the Ohio Turnpike and has served to educate many thousands each year about this great American's achievements.

Cleveland was a perfect site for the ceremony last Sunday, because that city has the distinction of having been the first whose streets were illuminated by electricity. Also, General Electric maintains an outstanding research facility at Nela Park, in east Cleveland, that carries on the Edison tradition proudly. Products designed and tested at Nela Park are used around the world to make life more pleasant, safe, and productive.

Sunday's ceremony at Severance Hall included an outstanding concert by the world-renowned Cleveland Orchestra and a reenactment by closed circuit television of the successful experiment 100 years ago in Menlo Park. The actual reenactment took place simultaneously at Greenfield Village in Dearborn, Mich., where Edison's historic workshop was moved and restored earlier this century.

The audience at Cleveland was treated to a film showing the 50th anniversary ceremony in 1929 where Thomas Edison was joined by President Hoover and Henry Ford in recalling what happened that fateful day in 1879 and in noting the impact of electric lighting on the world.

Edison was to die 2 years later, leaving a legacy that will span the ages.

The centennial this week affords us all an opportunity, I believe, to reflect on his achievements and also to look ahead to America's research potential.

If Thomas Edison were here today, I am not altogether sure he would be pleased by the state of America's inventive and research environment.

Some European and Asian countries are actually outspending us in terms of percentage of gross national product devoted to research, and we are experiencing the dangerous phenomenon of American industry actually buying technology, basic research, from other lands.

Jean-Jacques Servan-Schreiber, the French author, wrote a book in 1968 that brought this point home to me. Servan-Schreiber was writing for Europeans and extolling American achievement. Yet, his message ironically underscores American weakness today and is worth our consideration.

Servan-Schreiber theorized that the reason the United States had outcompeted the rest of the world was the unique American respect for and encouragement of basic research, of inventiveness, of search into the unknown. That trait, exemplified by individuals like Edison, had provided the springboard for American free enterprise, for capitalism, to develop industries that quickly became the envy of the world. Our high standard of living was a direct product of this marriage of research and industry.

Today, however, we have seen the past pattern reversed. In the decade since Servan-Schreiber's book, American spending for research as a percentage of our gross national product has declined about 25 percent, while nations like Japan simultaneously have increased their real spending for research by 40 to 50 percent.

The results are already showing. Major American firms are more and more coming to depend on foreign research for significant portions of their basic research and plant modernization. Technology, once a proud American export, now is an import item in increasing and dangerous amounts.

Another decade of such a trend would be ruinous. American industry has turned to foreign lands not because our scientists and technicians lack the ability to produce. Quite to the contrary, I maintain my faith in the competence and potential of America's technical might.

What we have done, however, is drain the profit incentive from basic research. Because so much of research does not result in success, companies have become increasingly reluctant in the present tax environment to invest risk capital in such basic research efforts. In short, we as a nation have not maintained the proper incentives for U.S. business to invest in basic research and development. R. & D. is beginning to atrophy in this country. Our best minds are not being used to maximum benefit.

Congress next year is likely to review the entire tax structure of the United States, and already we have witnessed some very far-reaching proposals for change. I plan to study each such legislative initiative closely, of course, and want to take this opportunity to urge that my colleagues keep in mind that encouraging research and development should be a major goal of any revisions of the tax code that are made in the near future.

Edison did not have to worry about such things, and perhaps his freedom to achieve was related to the environment of his day, an environment that encouraged creativity and development of uniquely American genius.

As we honor Edison on the centennial of his remarkable feat I think it affords us all the opportunity, and responsibility, to ponder the future as well as the past.●

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## MANDATORY BEVERAGE CONTAINER DEPOSITS

● **Mr. HATFIELD.** Mr. President, as most Senators know, I have been attempting to educate Congress to the benefits of mandatory beverage container deposits for the last 7 years. In the course of that effort, I have been continually baffled by the ability of the beverage container manufacturing industry and other opponents of beverage container deposits, to publish misleading information based on statistics taken out of context. Recently, reports began to appear in the Nation's newspapers which purported to show that deposit legislation had harmed the ability of Oregon's recycling industry to survive by depriving it of essential high quality trash. After reading these "facts" we are supposed to conclude that deposit legislation will harm our efforts to stop fouling our own nest, and that no respectable environmentalist should touch it.

Mr. President, stung by this nonsense and the potential damaging effect it might have on other States which might be considering the "deposit/return" alternative, the manager of the Oregon Department of Environmental Quality's Recycling Switchboard, Nancie Szabo, wrote to any publication which would give her space. I ask that her letter be printed in the CONGRESSIONAL RECORD, together with the attached tables, compiled by the DEQ.

The letter and tables follow:

DEPARTMENT OF
ENVIRONMENTAL QUALITY,
*Portland, Oreg., Oct. 3, 1979.*

DEAR EDITOR: Many newspapers are printing information indicating that recycling in Oregon is shrinking as a result of the Bottle Bill.

Recycling in Oregon is alive and growing, and if you believe otherwise you are being misled.

As manager of the Oregon Department of Environmental Quality's Recycling Switchboard, I am in daily contact with recyclers throughout the state and with people wanting to recycle at their depots. It is important to note that the volume of recycled material is steadily increasing, rather than decreasing.

Oregon leads the nation in recycling; we have more household recycling per capita and more participation in recycling. The Portland Recycling Team, only one of Oregon's many recycling systems, is the largest drop-off recycling system in the country. Figures for the month of August in the last three years indicate continuing growth in recycling (August '77: 773 tons; August '78: 780 tons; August '79: 868 tons). Owens Illinois' Portland glass recycling plant recycles 30,000 tons a year, or close to 600 tons a month. These figures are well above the 12,000 tons a year recycled at Northwestern Glass in Seattle, which serves twice the population base. Oregonians recycle more tin cans than residents of other states. Our statewide aluminum recovery rate is the highest in the nation. In the last year, aside from the normal growth in recycling, Oregon established 500 new oil recycling depots.

Oregon's recycling program has been well established for ten years. Individual depots will add or drop depending on economic conditions and personal interests. Some of the Oregon recyclers are youth groups and community organizations which set a recycling goal, reach it, and move on to new activities. One recycler recently dropped from the scene after fifty years of service—he felt he deserved a rest. The larger full-line recycling depots continue year after year. They not only take glass and newspapers, but tin cans, aluminum, cardboard and many times scrap paper, magazines, ledger paper, plastic, and motor oil.

Oregon recyclers handle material worth ten times that recycled as a result of the Bottle Bill. The Bottle Bill has not adversely affected their status. Most of them started after the Bottle Bill was in effect, and it has helped their efforts. Feedback from recyclers indicate that the Bottle Bill has raised the consciousness for recycling. It gets the public into the recycling habit. ("If you can return a beer bottle, why not recycle a pickle jar too?")

Claims that the Bottle Bill has put recyclers out of business are "wild". As one recycler said about these "wild stories", "That's like saying if a hot dog stand on a downtown corner goes out of business, we have to assume that the whole restaurant business is in trouble."

Well, the restaurants and the recyclers are still open in Oregon. If you have any questions or are having trouble choosing between the hundreds of recycling depots in towns throughout Oregon, just call the Recycling Switchboard. We have been answering questions about recycling in Oregon for the last years and we don't have any plans for closing.

Sincerely,

NANDIE SZABO,
*Recycling Switchboard Manager,*
*Solid Waste Division.*

1978 OREGON RECYCLING SURVEY

| Material | Percent of sites reporting[1] | Volume (tons) | 1978 average unit product value[2] (per ton) | Product value | Disposal savings[3] | Energy savings[4] | Energy value[5] |
|---|---|---|---|---|---|---|---|
| Glass cullet | 76.8 | 30,747 | $30 | $922,410 | $189,709 | 620,410 | $421,687 |
| Cans | 71.9 | 989 | 30 | 29,670 | 6,102 | 93,784 | 65,649 |
| Aluminum[6] | 70.2 | 3,653 | 480 | 1,753,397 | 22,538 | 5,725,549 | 4,007,884 |
| Paper | 68.0 | 80,124 | 30 | 2,403,720 | 494,365 | 7,535,172 | 5,274,621 |
| Bard | 91.9 | 166,217 | 35 | 5,817,595 | 1,025,559 | 8,193,612 | 5,735,528 |
| Grade paper | 75.6 | 20,838 | 66 | 1,375,308 | 128,570 | 2,681,504 | 1,877,053 |
| Scrap paper | 79.2 | 10,713 | 7 | 74,991 | 66,099 | 1,007,492 | 705,245 |
| Ferrous metals | 67.0 | 36,850 | 50 | 1,842,500 | 227,364 | 3,465,517 | 2,425,862 |
| Nonferrous metals[6] | 88.7 | 18,452 | 240 | 4,428,480 | 113,849 | 19,124,428 | 13,387,100 |
| Used motor oil | [7]99.9 | [8]4,276,193 | [9]0.03 | 128,286 | 105,512 | 4,120,695 | 2,884,487 |
| Total | 68.5 | 385,683 | 49.7 | 19,154,540 | 2,379,664 | 52,550,163 | 36,785,114 |

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[1] This is the percentage of the sites that are represented in the responses to the questionnaire out of a total number of sites accepting the particular category of material. This has no correlation whatsoever with the percentage of actual volume that the volume figures represent. No attempt has been made to estimate the percentage of actual volume that the survey figures represent.

[2] An average price for a unit (ton or gallon) in 1978 as paid by Oregon markets.

[3] Figured at $6.17 per ton, calculated from "Disposal Siting Alternatives," Metropolitan Service District, September 1978, p. S-7 table.

[4] Units are in gallons of gasoline equivalent. Energy savings figures are taken from Resource Conservation Consultants Paper C, "Energy Savings from Recycling."

[5] Taken to be 70 cents per gallon.

[6] Aluminum category consists primarily of cans, foil, and trays. Nonferrous category includes all other types of aluminum scrap as well as copper, brass, nickel, lead, zinc, bronze, etc. There may be a small amount of scrap in the aluminum category and vice versa, but the categories represent different site results.

[7] Data taken from 1979 used oil program final report to the Department of Energy by the DEQ.

[8] Gallons.

[9] Per gallon.

### BOTTLE BILL IMPACT

The Bottle Bill in 1978 was responsible for 10.6 percent of the recycled materials in Oregon. The table below lists the primary energy savings and does not account for the benefits of reduced litter and landfill space saved.

It is important to note that the figures for beer are calculated from 1978 OLCC figures using an estimated rate of return of 90 percent for bottles and 80 percent for cans. These computations agree with 1978 unclaimed deposit figures.

Soft drink sales are not maintained on a state wide basis so the following statistics are estimated with the national ratio of soft drink containers to beer containers (19/33.5) and assumes the same ratio of bottles to can as in beer (81 percent/19 percent). The soft drink return rate is computed at 95 percent for bottles and 80 percent for cans.

It has further been assumed that all soft drink bottles are refillable whereas beer bottles are 82.6 percent refillable.

VALUE OF THE BOTTLE BILL IN OREGON RECYCLING

| Item | Volume (1978) | Product value | Energy savings | Disposal savings |
|---|---|---|---|---|
| Beer | 22.560,180 cases sold |  |  |  |
| Bottles refilled | 13,149,955 cases | $8,547,471 (65 cents per case) | 2,196,640 gal (3,045 M Btu) | $567, 947 |
| Glass cullet | 20,094 tons | $602,812 ($30 per ton) | 393,685 gal (2.5 M Btu) | 123, 978 |
| Aluminum recovered | 1,723 tons | $1,013,182 ($480 per ton) | 3,432,855 gal (200 M Btu) | 10, 419 |
| Soft drinks | 12,795,326 cases sold |  |  |  |
| Bottles refilled | 9,538,832 cases[1] | $19,077,664 | 2,845,390 gal | 735. 682 |
| Glass cullet (from nonrefillable and shrinkage) | 3,688 tons (shrinkage) | $110,610 | 72,257 | 22, 755 |
| Aluminum recovered | 978 tons | $469,230 | 1,532,915 gal | 6, 034 |

[1] A case has 24 containers in it and when empty weighs 14 lb for beer (average) and 25 lb for: soft drinks (average):

Totals:

|  |  |
|---|---|
| Bottles refilled | 22,688,787 cases. |
| Product value | $27,625,135. |
| Energy savings | 5,042,030 gal of gas equivalent. |
| Disposal savings | $1,303,629. |
| Glass cullet | 23,782 tons. |
| Product value | $713,452. |
| Energy savings | 465,942 gal of gas equivalent. |
| Disposal savings | $146,733. |
| Aluminum recovered | 2,701 tons. |
| Product value | $1,482,412. |
| Energy savings | 4,965,770 gal of gas equivalent. |
| Disposed savings | $16,453. |
| Total product value | $29,820,999. |
| Total energy savings | 10,473,742 gal of gas equivalent. |
| Total disposal savings | $1,466,815. |

Note: Total "val ue" of bottle bill if gas equivalent was valued at 70 cents per gallon $38,619,433.

EMPLOYMENT

The following figures indicate the extent of the work force in 1978 according to the responses of 47 percent of the recyclers polled:

EMPLOYMENT

Employment figures (responses from 47.4 percent of sites):

|  |  |
|---|---|
| Full time employees | 272 |
| Part time employees | 184 |
| Part time hours | 79, 032 |
| Volunteer employees | 778 |
| Volunteer hours | 57, 237 |

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## MOTHER TERESA AWARDED PEACE PRIZE FOR 1979

● Mr. COHEN. Mr. President, in honoring Mother Teresa of Calcutta with the peace prize for 1979, the Nobel Committee has spoken for all in the world who acknowledge the humanity and wants of men and women living without hope, and too often, without society's compassion. But in Mother Teresa's eyes, the Nobel Committee has done the work of providence. On learning of her selection, she thanked God for "this gift to the poor." To those who know of her work among the poor and dying on the streets of Calcutta, this was a characteristic expression of her humility and faith. In response to praise in the past, she would say, "God's work, not mine."

Whether we reflect on her work, or on God's, we may derive instruction, not only for ourselves, but for our society's attempt to serve the poor, elderly, and sick. After visiting Mother Teresa in Calcutta, Malcolm Muggeridge, the British philosopher, wrote that she "is fond of saying that welfare is for a purpose * * * whereas Christian love is for a person."

Perhaps in the United States we ask that institutions do the work of individuals, believing that they, too, can express compassion to those we hope to aid. In reality, only individuals can act upon their compassion, not governments. Our loss is that of love, while in many instances we still fail to achieve our purpose, to lend dignity and fellowship to lives without them.

Our programs cannot be measured in terms of Mother Teresa's love, just as the results of her love cannot be measured by the statistics that testify to the limited success of our social work. Our ends, however, must be the same, even if our means must be different. Mother Teresa says of her work—

> It is not social work. I can give my whole heart to that person for that moment in an exchange of love. It involves emotional involvement, making people feel they are wanted.

We must at least try to give an opportunity, through our programs, to enable such an exchange.

Mother Teresa began her work in Calcutta's slums in 1948, 20 years after taking her first vows as a Catholic sister of mercy. She encountered disease and despair among the slum dwellers, India's "poorest of the poor." Others might have abandoned her self-assigned task, to comfort those who appeared to be beyond comfort, to give heed to those others ignored, and to take into her hospital others abandoned to the city's narrow lanes.

She began by giving the dying a place to die, lepers a place to rest and children a place to learn and to escape hunger. Today the order she founded, Missionaries of Charity, has 158 branches, 1,800 nuns and 120,000 coworkers in Africa, Asia, and the United States. Some may be surprised to learn that one of Mother Teresa's missions has reached into the South Bronx, where our institutions have yet to reach successfully. There, 16 nuns visit shut-ins, feed the hungry, and attend to the sick.

The greatest tribute to her life, greater even than the Peace Prize, is the wide array of her admirers in India, stretching across religions and castes. Although her beliefs may be strange to the people of her adopted country, and theirs to her, Mother Teresa's actions have overcome the obstacles of culture and custom. Because she is the recipient of the Peace Prize this year, her message will be heard by millions more people, not simply the poor and sick she has touched in Calcutta. She would want us to understand that her message is not simply to be heard, but to be acted upon.●

## MEDIGAP INSURANCE—LET US EDUCATE—NOT LEGISLATE

● Mr. WALLOP. Mr. President, on June 7, 1979, Senators BAUCUS and CULVER introduced legislation to place some State and Federal controls on companies who sell supplemental health insurance to medicare. The Senior Citizens Health Insurance Reform Act of 1979 establishes a voluntary program of certification for those companies selling "medigap" policies, requires the Department of HEW to develop minimum standards for these policies, and forbids the sale through the mail of medigap policies that are not approved by the State insurance commission.

Although the intentions of this legislation are commendable, I cannot support S. 1295. It is my feeling that the problem surrounding this issue is one which can be solved merely by education of the consumer. Mr. BAUCUS pointed out several times in his floor statement on S. 1295 that there is widespread confusion over supplemental policies and that he has received requests from senior citizens needing accurate, reliable information on how to shop for medicare supplemental policies.

Although I strongly support private advocacy groups for consumers, I do not feel it is the Federal Government's place to create further Federal controls on the insurance industry. State regulators must be held accountable for their actions. More importantly, if the same results can be achieved in this area by educating our senior citizens, then there is no need to pass another so-called protection law which may have the inadvertent affect of pricing legitimate "gap" policies beyond the reach of those who need the coverage most.

Because I am concerned with the need for accurate information on the subject of medigap policies for medicare recipients, I have done some homework on the subject. In the course of my reading I encountered a two-part series of articles on this particular subject published in View magazine. View is printed in conjunction with the Group Health Cooperative of Puget Sound, and in this two-part series it proposes a shopping list of do's and don'ts for senior citizens to use in purchasing supplemental policies to medicare insurance. Some of the advice is as complicated as recognizing interchangable terms for "custodial care" or as simple as knowing that you never make a check payable to an insurance agent for payment on your premium.

I applaud the efforts of the Puget Sound Group Health Cooperative in doing their part to educate the senior citizens on the purchase of medigap insurance. I ask, Mr. President, that the text of the following two articles be printed in the RECORD.

### WHY IS THAT NICE YOUNG MAN SMILING?

(By Nick Gallo)

Anyone who has ever opened the door to purveyors of insurance must forever feel a sense of deja vu about that voice, that sales pitch, those sheaves of facts and figures . . . just let me quote you a few statistics . . . there always seems to be facts piled on top of figures, and sometimes the arithmetic hits home; but often as not it is a moment of panic, a thought that triggers a bad association, something akin to last-second pocketing of flight insurance at a vending machine in an airport. For the elderly it's word like Cancer or Nursing Home or Inflation. Then the mind goes whirring for cover, closes off terrible realities that the agent at the door agrees are indeed terrible but whose job it is to detail them in great length . . . and in the end, buying health insurance seems not so much an issue of risk vs. protection—who there is an actuarial scientist? who can decipher exclusions and restrictions and hedging clauses? In the end it comes down to a certain rightness about the agent at the door, so often young, polite, grandson-like, not to be denied; and after all, the sales rap goes, there is no sense in being pennywise when it comes to protection; a few dollars here, a few more there . . . full coverage, sir . . . ah, to sleep easy, to rest assured, to bolt the door to disaster and ruin. . . .

Except, of course, there never is full coverage. Unfortunately there often is very little coverage at all. The U.S. House Select Committee on Aging estimates that the elderly spend about $1 billion annually on worthless or unnecessary insurance, aimed for the most part at plugging gaps in Medicare coverage. The result is a new industry in the last decade that Sen. Claude Pepper (D-Fla.) has called, "a colossal racket. Many unscrupulous agents have been preying on the fears of the elderly and selling them three, four, five, sometimes as many as 30 different health insurance policies (which are) duplicative and largely worthless. . . ."

And yet Medicare, the federal government's health insurance program for the elderly, paid only 38 percent of the elderly's health care expenses in 1976. No wonder that three out of five elderly persons have some type of Medicare supplemental policy.

At Group Health Cooperative, more than 18,000 Medicare subscribers—the overwhelming majority with the Hi-Option Plan—have purchased a comprehensive medical package. With it, GHC/Medicare consumers should have little need for additional insurance marketed as Medicare Supplemental policies. However, neither Medicare nor GHC nor virtually any private insurance company cover what has become a significant expense to the elderly: custodial care at nursing homes.

Consumers may not be aware that they must pay for custodial care out of pocket—or get help from Medicaid, a federal program for people with low incomes.

"During the past year I've noticed an increasing number of members who have insurance policies which they believe cover nursing home insurance," observes Patti Krein, a GHC administrator who assists consumers with nursing home placement. "But when I've talked to them about these policies I've found out they don't understand what is covered and what isn't."

Such was the case with Eula and James Hamlin, two GHC consumers. When 78-year-old Eula Hamlin dug into the family safe deposit box this year to examine several nursing home policies, she was not thinking much about policy provisions; in fact, she was not aware at the time of the crucial difference between skilled and custodial care at a nursing home. Her husband had just suffered a slight stroke on Mother's Day—his sixth in the past few years—raising the possibility that he might need nursing home care when he was released from the hospital. Such an eventuality clearly upset Eula Hamlin.

"I would hate to do that you know. I would hate to put him in a nursing home because it's something terrible to do to old people," she told Krein. "But what else am I going to do if he gets worse. I'm getting up there in age myself. I don't want to burden my children—they have enough responsibilities of their own."

James Hamlin is an 82-year-old retired Seattle City Light range man. Two years ago a health insurance agent came to his door. When the agent left the Hamlins had four nursing home policies totaling over $600 a year in premiums. The Hamlin's monthly income is roughly $600. Eula Hamlin remembers being in the kitchen when her husband chose the policies, so she doesn't know what was promised, what was misunderstood, what was never explained fully. She remembers, however, the phrase, "full coverage."

To the Hamlins, full coverage meant that insurance benefits would pay for all reasonable nursing home expenses. They didn't know, however, that nursing home care is divided into two types. The first is skilled care, which is performed by medical persons. It includes such things as intravenous feeding, rehabilitative care, and any acute complications that require observation and evaluation. GHC's 30-bed Progressive Care Facility (PCF) is a skilled nursing facility eligible to Medicare patients. The second type of care is custodial, involving more ordinary services that are essential to the elderly, but do not need to be performed by medical professionals. Aid in walking, dressing, bathing, and feeding are examples of custodial care. It is this type of care that the elderly most often need. The majority of America's nursing homes are primarily custodial facilities.

The problem is, consumers like the Hamlins may think they are purchasing policies that will pay for ordinary nursing homes, when in fact those policies cover skilled nursing care only. What is worse, those policies are likely to be unnecessary. With a GHC/Medicare Plan, a consumer is covered for up to 100 days per benefits period if they require care at a skilled nursing facility, such as Central's 30-bed PCF.

The lure of some Meddigap policies is that they often offer coverage for a longer stay, sometimes up to 730 days.

"That sounds good, but do you know what the average stay in the PCF is right now?" asks Krein.

According to 1978 statistics, the average length of stay was 18.3 days.

"People are covered for 100 days at Group Health Cooperative," she continues. "Out of 500 admissions yearly to the PCF only one or two stay longer than 100 days."

Therefore, such nursing home insurance policies are of doubtful value simply because the cost of the premiums outweighs the chances of ever using the benefits.

Obviously, it pays to be familiar with terms used in any contract, including phrases like "custodial care" that appear in nursing home policies. But sometimes wording can baffle the most savvy of observers. For instance, Dorothy Stragier recently came to GHC with her mother's Skilled Nursing Home Indemnity Policy. After she reviewed the first page of the contract, which advertised in great, glossy lettering—"Guaranteed issue—for everyone . . . pays up to $600 a month . . . in cash, Straiger turned to a phrase on the second page that she hadn't previously examined closely. Under "exclusions" there was a curious entry—"rest cure."

"I had no idea what 'rest cure' meant," says Straiger. "I still don't really know."

It almost sounds as if it's a Viennese treatment for 19th-century hysterics. Instead Dorothy Straiger's mother who is 78 years old, living on social security money, and likely to enter a nursing home soon, is sinking $500 a year into a policy that may never return her a dime because "rest cure," of course, is a devious way of saying "custodial care." And custodial care isn't covered by the insurance company.

To determine a nursing home policy's coverage, a consumer should ask his or her agent outright: does the policy cover custodial care? That's how Dorothy W., a 70-year-old GHC consumer discovered her policy was useless, although her questions sparked a response she hadn't anticipated.

"For two years I paid premiums on a nursing home policy I don't need," she notes. "My agent admitted that much to me. But then," says Dorothy in disblief, "he tried to sell me more of the same kind of insurance. He called it a supplement."

For the elderly the answer isn't to avoid all Medigap policies. The same Sen. Pepper who calls the Medicap industry a "colossal racket" also adds that he thinks the majority of America's insurance companies are reputable. The truth is Medicare coverage often needs supplementation (GHC has several plans for Medicare enrollees). Unfortunately, the market offers so many different kinds of policies that "the lack of standardization and the complexity of the coverage available makes comparison shopping almost impossible," reports a 1978 FTC staff policy paper.

The problem dates to 1945 when Congress enacted the McCarran-Ferguson Act which prohibited federal regulation of the insurance industry. Consequently, states were left to concoct a bewildering variety of approaches to guard against illegal practices. In the past few years the Washington State Insurance Commission has moved to force insurance companies to disclose more and more information about policies to consumers.

Such efforts are welcome, say consumer specialists in Seattle, especially by the elderly, who are so susceptible to fraud.

"You have to realize that older people can be intimidated for the simple reason that they don't get all the coverage they need from Medicare," notes Herman Leder, head of an elderly fraud project with Seattle's Department of Licenses and Consumer Affairs. "Inflation is driving up hospital costs and medical prices and older people generally don't have the opportunity to increase their income. So they make pretty good targets for high-pressure salesmen."

Next month, VIEW will detail some of the tactics used by unscrupulous insurance agents. In addition, we will provide you with a pull-out form that lists essential GHC/Medicare coverage. It will include a column for Medigap insurance agents to write down precisely how their policies will improve a consumer's protection. Enough of misunderstandings. And "full coverage."

For people who want to lodge complaints about insurance agents or companies, contact the Insurance Commission.

### CUT OFF AT MEDI-GAP

(By Nick Gallo)

For the elderly the question often isn't whether to supplement Medicare, but how to fill ever-widening gaps in the federal health insurance program. Medicare pays only 38 percent of the elderly's health care costs, according to 1976 figures, compared to 50 percent a decade earlier. For instance, Medicare pays almost nothing for nursing home care and outpatient drugs, together which account for nearly two-fifths of an older person's health bill. Thus, the elderly, in predictable fashion, have beaten a path to private health insurance companies for supplemental protection, or more accurately, they have been driven into the arms of a $4-billion-a-year business known as "Medigap." But, ironically, this newest of health insurance industries, designed to support the elderly when Medicare fails them, is being labeled by some consumer specialists as a great betrayal.

After six months of investigations and hearings last year, the U.S. House Select Committee on Aging concluded that the elderly spend as much as $1 billion on worthless or unnecessary Medigap insurance. The industry is so riddled with abuse that an angry Sen. Claude Pepper, D-Fla., called it, "a colossal racket . . . preying on the fears of the elderly."

At the heart of the matter is the complexity of Medigap insurance coverages. Contracts with 150-word sentences list so many exclusions, limitations, and special conditions, so many riders, waivers, and waiting periods, that there is no easy way to compare, say, one $200 deductible policy against another as it is possible to do with auto insurance for example.

The result is chaos. Never certain whether they have adequate coverage, some of the elderly buy and buy and buy; worse, even those with several policies may find themselves footing big health bills because of faulty coverages.

Several years ago, *Consumer Reports*—smelling a scandal—researched and compared more than a dozen Medigap policies. None satisfied the magazine's investigators, who instead recommended that the best health-insurance choice is a Health Maintenance Organization (HMO) plan with a broad range of long-term services.

Some people reason that an HMO's prepayment philosophy is better suited to paying for day-to-day health care costs than are insurance principles. Dr. William A. MacColl, active in Group Health Cooperative since its founding more than 30 years ago puts it, "Insurance principles rest on the idea that you can predict the probability of an event, such as an ocean liner sinking every so many years, but when you try to apply that concept to daily medical care the basic principles don't work."

Dave Walker, a deputy insurance commissioner with the Washington State Insurance Commission notes, "HMO's have the highest rate of return for the premium dollar. The Blues (Blue Cross and Blue Shield) come next (often returning as much as 90 percent of the premium dollar), but we have some companies that don't meet even our minimum standards . . . Our rule of thumb is that a company should be returning at least 55 percent of the premiums they take in through benefits. Some don't do that."

Why then are they permitted to continue business?

The lack of a sophisticated computerized system to analyze insurance company returns inhibits the Commission from tackling the Medigap industry as it should, says Walker. There are 26,000 agents licensed to sell various kinds of insurance in Washington, according to Walker, and only 16 deputy commissioners to keep them honest. Shortstaffed and underfunded, the Commission for the most part focuses on educating the elderly to protect themselves by making wise purchases.

"There's almost one-half million seniors in this state," notes Walker. "It's a natural market for the blue-sueders (the slick sales agents). I'd guess that 125 agents probably specialize in Medigap policies and about 40 or 50 are bad agents. When it comes to dealing with seniors some of 'em just rip, rape, burn, and pillage," he says in blistering, if somewhat exaggerated, language.

To show some examples of the scams, rip-offs, and fraud in this industry that some are calling, "Medi-scare", VIEW interviewed several consumer watchdogs in Seattle.

Following are their observations:

#### PILING ON CLEAN-SHEETING

At Seattle's Department of Licenses and Consumer Affairs downtown, Herman Leder is talking on the phone in a low-key voice. He is an investigator—head of the Fraud and the Elderly Project. Leder is in his 60s, warm-hearted and welcoming, all uncle, all smiles—a figure certainly worlds away from the hard-boiled manners of a Marlow or a Sam Spade. But on this particular day, Herman Leder suddenly abandons his thick smiles and sing-song voice. Over the phone, a merchant accused of deceptive advertising is getting tough with him.

"Whaddya mean who wants to know?" the investigator reacts. "I want to know, that's who. You listen a minute . . . Hey . . ."

Moments later he slips the phone into its cradle; a grimness settles. A consumer has been ripped off and it doesn't sit well with Leder. He turns to see me waiting, then motions to join him. A file on Medigap fraud, thick enough to serve as a bookend, dominates his desk.

"We've got cases here that I can show you as long as you don't use any of the victims' names," he stipulates. That agreed, he softens his voice, "I don't think anyone actually knows how big the Medigap problem is. No one likes to admit they've been victimized. Older people equate that kind of situation with beng senile, so they don't want to report this stuff. But my feeling is that there are a lot of unscrupulous agents out there, a lot of white-collar crime."

Leder's first piece of advice is for consumers not to "pile-on," or "over-stack" policies as it is called in the trade, which is to purchase too much insurance. Testimony before one congressional committee revealed an 87-year-old Wisconsin woman who paid $4,000 to nine insurance companies for 19 policies that were largely worthless because of the duplicate coverage. Insurance companies often coordinate benefits; only one company will pay.

The State Insurance Commission recommends, "As a general rule purchasing the most complete Medicare supplement policy that you can afford is much better than purchasing several incomplete policies."

"A person can be insurance-poor," explains Leder. "You can buy cancer policies, nursing home policies, hospitalization policies, you can buy so many different kinds of supplemental insurance that you have no money left for anything else."

Limited policies, in general, bear close scrutiny, he says. "A lot of it is scare stuff. Cancer policies often cover hospitalization only. But the big costs in cancer treatment are outpatient care, like chemotherapy. Medicare will pay a lot of cancer costs.

"Then you get these agents that tell a Mrs. Jones about a hospitalization policy that covers up to 300 days," he continues. "But the average stay in a Washington hospital is a little more than seven days. Most people don't need 300 days."

Limited policies recently came under sharp attack from a consumer agency-backed study in New York that claimed they were "high-priced in relation to their value." (New York is one of three states that has banned single-disease policies, such as cancer insurance.)

But limited policies are growing increasingly popular, say industry observers. "Think of the thing the elderly fear the most: illness," says one Medicare administrator. "And going into debt. Or going on welfare. Then you get this advertising that shows pictures of bedridden elderly or mentions the gory details of John Wayne's bout with cancer and you can see how easy it is to intimidate the elderly, especially some who can't read or hear all that well."

No only must older persons be on guard, they sometimes are called upon to act as bar-room bouncers of a sort. "I had one woman in here, a retired teacher and not the helpless type," recalls a Seattle senior rights advocate, "who finally had to scream at an agent, 'Get out, get out, leave me alone,' before he'd actually leave the house."

"Here, let me show you some of the things that older people get in the mail," says Leder, shaking his head. He pulls out what appears to be a policy, with a glossy gold seal in one corner and a flowery scroll bordering antique lettering.

"Looks like a certificate for $100,000, huh?"

It isn't a certificate. Neither is it a policy. "For $6.40 this sounds good, but this is only a brochure. You have to pay to see the policy . . . the literature of mail order policies is glowing, but the policies often aren't worth that much. It's also more difficult to file and collect on a claim if the agent is out-of-state somewhere.

"Also, never, never, make out a check to an agent," he implores. "In one case we had phony agents who weren't even licensed in this state. Usually by the time anyone can look into it, the agent is gone. Always make out the check to the company.

"Here's one more thing to watch out for," says Leder, thumbing again through his file. "Have you ever heard of 'clean-sheeting'?" That's where an agent fills in the medical history of an applicant himself. If Mrs. Smith had a heart attack in the past, a company might not accept her, so the agent, who is worried about the commission doesn't fill in the medical information. But six years later the woman gets sick and files a claim. Someone backtracks and finds out she never reported a previous sickness. The company denies the claim."

The moral of the story is for an applicant to be as complete as possible regarding medical history on an insurance application; a shortfall of candor is like counting cards at a Reno blackjack table where the decks are changed routinely.

#### WOLF IN SHEEP'S CLOTHING

Tucked away on the second floor of the Lowman Building on 1st Ave. and Cherry St., an elderly woman is rattling off tips about Medigap insurance faster than I can take notes. Ignore the scare advertising, she is saying. Beware of celebrity-endorsed insurance policies. Don't be fooled by policies with words like "consumer" or "senior citizen" in their titles. Don't believe that because a policy is advertised in your favorite religious magazine or your employee newsletter that it's reliable.

Maxine Johnson takes a breath and sits back in the office of Senior Rights Assistance (SRA), a group that offers the elderly help with law-related concerns.

"I'm not saying that these policies aren't on the up-and-up," allows Johnson, a counselor at SRA. "Just don't take any of these things for granted."

She then mentions "sucker lists"—names of susceptible, sometimes senile, elderly persons that are traded back and forth by agents who prey on retirement homes.

"Sometimes agents get names by advertising with free booklets that ask, 'Do you want to know more about Medicare?' " she says.

Or there is what is known as the "wolf in sheep's clothing" modus operandi.

"For awhile there was someone coming around with a red, white, and blue card that looked very official," she remembers. "They looked like they were government salesmen or from Medicare. Once they're inside the door . . ." her voice trails off.

### ROLLING THE CLIENTELE

Johnson lists one other trick: "This one is called 'rolling.' You see, an agent gets a higher commission for selling a new policy. Some of them will come around every year and get their clients to replace their old policies with new ones. But there are preexisting conditions and waiting periods on those policies."

Often, insurance companies include a clause in a policy that precludes any benefits being paid until a certain length of time has elapsed after purchase, ostensibly so that the person who gets cancer, for instance, cannot rush out the next day and load up on cancer insurance. But some waiting periods are for as long as two years. Furthermore, in the case of hospitalization policies, beneficiaries often must be in the hospital for a certain number of days before benefits will start.

"Several policies won't start paying until a person is in the hospital for eight days," notes Johnson. "The average stay in a hospital is about seven days, though."

As Maxine Johnson closes her looseleaf file, her voice drops almost to a whisper. "These things are unconscionable, you know. It's worse than selling someone a bum car. What happens if you get sick and you think you were covered by insurance when you're not?"

The Medigap industry, is, thus, a free-for-all, full of more promise than delivery, a thicket of misinformation and misrepresentation. "A rotten system," says State Insurance Commission's Dave Walker. "We should go in with a sledgehammer and start all over again. What we need are simple comprehensive Medigap policies, like they have in Wisconsin. Grades 1, 2, 3, 4, and 5. No phony baloney. You want the deluxe baby you know what you're getting."

Right now, certain state regulations enforced by the State Insurance Commission are introducing more responsibilty in the Medigap industry. But the best protection, of course, is to be well informed.

Complaints about questionable sales tactics used by agents should be directed to the State Insurance Commission, which also has compiled an excellent health insurance guide, available upon request.●

## MOTHER TERESA RECEIVES NOBEL PEACE PRIZE

● Mr. HATFIELD. Mr. President, I want to express my joy for Mother Teresa, the Missionaries of Charity, and for the thousands of people whom she has blessed with her love. My family and I had the opportunity to visit Calcutta in 1974 and we followed Mother Teresa on her daily rounds through the city. I saw her pick up the dying and take them to a shelter where she bathed them, fed them, and loved them so that they could die with dignity. I went with her to the leper area where the vultures sit up on the bridge waiting for someone to die, people with no fingers, no hands, no nose, no feet. Mother Teresa moved among these people, taking them by the shoulder and steadying them, touching their arms, loving them. The babies that are left and abandoned she takes in to feed. As we drove down a street we saw the body of a person who had just died only a few minutes before, still lying there waiting to be removed like garbage; and we walked through rows of cots where the elderly were perspiring on the brow, soon maybe in an hour or two, to die. Mother Teresa said to me:

> Before every single person dies we tell them about Jesus.

Mother Teresa told about a memorable time when she took rice to a family that had not eaten for 3 days. As she doled out the rice, Mother Teresa noticed the mother putting part of the rice into another container. Why? "The mother replied that there was a neighbor family which had not eaten for 3 days either. She wanted to share her rice with them. I could have given a double portion of rice," Mother Teresa told us, "but I did not want to deny this family the blessing of sharing."

Several of us in the Senate had the opportunity of meeting with this modern-day saint when she visited Washington in 1975. We were struck then that Mother Teresa's work seemed out of step with a world that emphasizes power, success, and wealth. Her route toward fulfillment is that of self-denial. She views her work not as professional social work but rather as an intimate, emotional involvement with a needy person; not as sympathy that becomes focused on welfare, but as a sustained commitment of Christian ministry.

It is typical of Mother Teresa's spirit that when she was notified of her Nobel Peace Prize, her response was that of "I am unworthy." Her response and sense of God's purpose in this world reminds us of Mary's prayer in Luke 1:46–55 where:

Mary said:

> My soul praises the Lord and my spirit rejoices in God my Savior, for he has been mindful of the humble state of his servant. From now on all generations will call me blessed, for the Mighty One has done great things for me—holy is His name. His mercy extends to those who fear him, from generation to generation. He has performed mighty deeds with his arm; he has scattered those who are proud in their inmost thoughts. He has brought down rulers from their thrones but has lifted up the humble. He has filled the hungry with good things but has sent the rich away empty. He has helped his servant Israel, remembering to be merciful to Abraham and his descendants forever, even as he said to our fathers.

Mother Teresa's gifts of service to the poorest of the poor in India do not fit our conventional definitions of peacemaking. Nor does it seem to fit with the geopolitical efforts to balance this power off against another. Mother Teresa's peace efforts start with and end with individual interaction with one another and with their God. In the end, this is the only kind of peace that will stand the test of time. So, Mr. President, it was with great enthusiasm that I, along with many others, nominated Mother Teresa for the Nobel Peace Prize in 1975 and again this year, and I wish to salute her efforts today in this great body.●

## ORDER FOR THE CONSIDERATION OF H.R. 3434 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the distinguished manager of the bill, Mr. LONG, and the minority through Mr. BAKER. I ask unanimous consent that at 12:30 p.m. tomorrow the Senate proceed to the consideration of Calendar Order No. 352, H.R. 3434, and that the pending business, Calendar Order No. 387, continue to be laid temporarily aside, and that a call for the regular order not bring back before the Senate Calendar Order No. 387 until such time as H.R. 3434 is disposed of.

The PRESIDING OFFICER. Without objection, it is so ordered.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. PROXMIRE. Mr. President, I submit a further report of the committee of conference on H.R. 4394 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

> The committee of further conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 23, 1979.)

Mr. PROXMIRE. Mr. President, the report before us today is simply a report on two items contained in the HUD-Independent Agencies appropriations bill for fiscal year 1980 which the House and Senate were unable to agree upon the first time around. A thorough explanation of that first conference agreement is set forth in the CONGRESSIONAL RECORD of September 28, with an accompanying table, at pages S13652 through S13664. I will not go over that ground again but I do intend to insert a modified table in the

Record at the conclusion of my remarks today.

As I say, Mr. President, this is a very abbreviated conference report, because it simply relates to two items contained in the HUD-independent offices appropriation bill which were not agreed to the first time around. One item relates to NASA; we provide an additional $8 million to NASA for two programs. The other relates to livable cities, which was deleted, and the conferees agreed to the deletion.

The two items that were still at issue after we completed action on the first conference report were the livable cities program and the National Aeronautics and Space Administration's research and development program. The Senate conferees reluctantly agreed to recede to the House and drop the $3 million contained in the Senate version of H.R. 4394 to initiate a livable cities program.

The House conferees, in return, agreed to Senate action to add $3 million to NASA's request for research and development funding for a variable cycle engine and to boost rotorcraft research by an additional $5 million. As a consequence NASA's variable cycle engine program will be funded at the $8 million level in fiscal year 1980 while the rotorcraft program will total $15 million in the current fiscal year. As a result of these actions $3,807,500,000 would be made available in fiscal year 1980 for NASA's research and development efforts.

The House also agreed to delete their language setting aside a $23 million reserve for the Space Shuttle as well as a provision requiring the approval of the House and Senate Appropriations Committees before NASA could proceed to purchase hardware for a split Galileo Jupiter orbiter probe mission. These issues are also discussed in some detail in the Congressional Record of September 28.

I might say that the distinguished Senator from Connecticut (Mr. Weicker) made a very powerful fight for the neighborhood programs, and deserves great credit for fighting for the Senate's position, but there was no way we could settle this without giving that up. The vote in the House was 2½ to 1, by a rollcall vote, against the neighborhood or livable cities program, and we had to let that one go.

• Mr. MATHIAS. Mr. President, the additional conference held yesterday on H.R. 4394, the HUD and Independent Agencies Appropriations Act of 1980, resulted in an agreement to drop the language added by the House which provided for a one-House veto of the Galileo project. That language was as follows:

> Provided, That no funds may be obligated for development of separate orbiter and probe missions in Project Galileo, without the prior approval of the Committees on Appropriations * * *"

This matter was not a subject of the original conference but added by the House subsequent to that conference to an amendment in disagreement. The Senate, by a vote of 49–20, deleted this language. In taking this action, however, we are nonetheless cognizant of the need for congressional review of a separate launch for the orbiter and probe missions of Galileo. I was, therefore, pleased when NASA informed us that it would be sending up a notification of its intentions with respect to the Galileo program under section 4, paragraph 3 of the authorizing legislation. This notification procedure will allow Congress the necessary input and oversight into the Galileo project without the threat of a one-House, one-committee veto over the project. Thus, while we have eliminated the House language providing for a veto over the Galileo project, we will have more than adequate input as was discussed by the distinguished chairman of the Authorizing Committee, Senator Cannon, and myself on the floor of the Senate on September 28, when we originally considered the conference report on this matter.

Mr. President, I ask unanimous consent that a copy of the NASA letter together with a copy of section 4 of Public Law 96–48 be printed in the Record.

The material follows:

National Aeronautics and Space Administration,
*Washington, D.C., October 16, 1979.*

Hon. William Proxmire,
*Chairman, Subcommittee on HUD-Independent Agencies, Committee on Appropriations, U.S. Senate, Washington, D.C.*

Dear Mr. Chairman: This letter will confirm our commitment that, immediately upon enactment of the Fiscal Year 1980 Appropriations Act for HUD–Independent Agencies, I will forward to the Speaker of the House, the President of the Senate, to you and to the Chairmen of the appropriate authorizing committees, a formal notice prepared in accordance with Section 4(3) of the National Aeronautics and Space Administration Authorization Act, 1980 (Public Law 96–58), with respect to the revised plans for the Galileo program.

This notice will detail the revisions that we plan to make and associated programmatic and budgetary impacts. We would not proceed with revised elements of the Galileo program until the expiration of the 30-day statutory period following submission of the section 4 notification.

Sincerely,

A. M. Lovelace,
*Deputy Administrator.*

Public Law 96–48

Sec. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Mr. MATHIAS. Mr. President, the conference report also provides $8 million for NASA R. & D. above the amount proposed by the House. These funds are specifically earmarked for two projects. $3 million is for the variable cycle engine program. This is in addition to the $5 million already provided in the fiscal year 1980 budget for VCE. The additional $3 million would permit NASA to undertake additional fundamental acoustical work to reduce jet noise. The conference committee has also included $5 million for advanced rotorcraft technology. As many of my colleagues know, the need for increased R. & D. in the helicopter area is becoming more and more evident as foreign concerns begin to capture a larger share of the foreign and domestic market. The $5 million will provide for research on advanced all-weather IFR systems, for the development of a methodology to predict rotorcraft performance and noise, for the prediction of helicopter airframe dynamics, for propulsion technology, for large rotorcraft development R. & D., and for augmented research in the area of high speed rotorcraft.

On amendment No. 12, Livable Cities, the House insisted upon its position and the Senate receded. My colleague, the Senator from Connecticut (Mr. Weicker), made a valiant effort to obtain funding for this program but could not prevail in the face of the House position and the fact that the administration had withdrawn its support from the program. I personally believe that a program such as Livable Cities has considerable merit in that it can provide a community with artistic and cultural experiences.

In conclusion, I would like to compliment, once again, our distinguished chairman (Mr. Proxmire) for the enormous amount of time and effort he invested in the HUD and independent agencies bill. I would also like the record to reflect the fact that the other members of this subcommittee have been extremely active and extremely helpful in concluding the business at hand and that they all individually should be commended for their work on this bill.•

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a revised tabulation of the amounts contained in the HUD-Independent Agencies appropriation bill as recommended by the conferees be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

[Fiscal years]

| | New budget authority | | | | | Conference compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Enacted 1979 | Estimates 1980 | House, 1980 | Senate, 1980 | Conference, 1980 | 1979 enacted | 1980 estimate | House bill | Senate bill |
| **TITLE I** | | | | | | | | | |
| **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | | | | | | |
| **HOUSING PROGRAMS** | | | | | | | | | |
| Annual contributions for assisted housing (contract authority) | $24,395,848,000 | $26,680,127,750 | $26,680,128,000 | $26,680,128,000 | $26,680,128,000 | +$2,284,280,000 | +$250 | | |
| Increased limitation for annual contract authority | (1,322,297,000) | (1,140,661,275) | (1,160,474,000) | (1,140,661,000) | (1,140,661,000) | (−181,636,000) | (−275) | (−19,813,000) | |
| Rent supplement | | −200,000,000 | | −200,000,000 | −200,000,000 | −200,000,000 | | −200,000,000 | |
| Housing payments (appropriation to liquidate contract authority) | (4,460,000,000) | (5,529,000,000) | (5,529,000,000) | (5,529,000,000) | (5,529,000,000) | (+1,069,000,000) | | | |
| Housing for the elderly or handicapped fund (authority to borrow) | 800,000,000 | 800,000,000 | 800,000,000 | 860,000,000 | 830,000,000 | +30,000,000 | +30,000,000 | +30,000,000 | −$30,000,000 |
| Congregates services program | 10,000,000 | | 10,000,000 | 10,000,000 | 10,000,000 | | +10,000,000 | | |
| Payments for operation of low-income housing projects | 727,000,000 | 741,500,000 | 741,500,000 | 741,500,000 | 741,500,000 | +14,500,000 | | | |
| Troubled projects operating subsidy | 74,000,000 | 82,000,000 | 77,000,000 | 82,000,000 | 79,500,000 | +5,500,000 | −2,500,000 | +2,500,000 | −2,500,000 |
| Federal Housing Administration fund | 352,290,000 | 194,850,000 | 194,850,000 | 194,850,000 | 194,850,000 | −157,440,000 | | | |
| **Government National Mortgage Association** | | | | | | | | | |
| Emergency mortgage purchase assistance: Recapture of repayments | (1,000,000,000) | | | | | (−1,000,000,000) | | | |
| Special assistance functions fund: | | | | | | | | | |
| Authority to borrow | 500,000,000 | | | | | −500,000,000 | | | |
| Recapture of repayments | (1,500,000,000) | (2,000,000,000) | (2,000,000,000) | (2,000,000,000) | (2,000,000,000) | (+500,000,000) | | | |
| Payment of participation sales insufficiencies | 20,477,000 | 16,971,000 | 16,971,000 | 16,971,000 | 16,971,000 | −3,506,000 | | | |
| Total, Government National Mortgage Association | 520,477,000 | 16,971,000 | 16,971,000 | 16,971,000 | 16,971,000 | −503,506,000 | | | |
| Total, housing programs | 26,879,615,000 | 28,315,448,750 | 28,520,449,000 | 28,385,449,000 | 28,352,949,000 | +1,473,334,000 | +37,500,250 | −167,500,000 | −3,500,000 |
| **COMMUNITY PLANNING AND DEVELOPMENT** | | | | | | | | | |
| Community development grants | 3,750,000,000 | 3,900,000,000 | 3,900,000,000 | 3,900,000,000 | 3,900,000,000 | +150,000,000 | | | |
| Urban development action grants | 400,000,000 | 675,000,000 | 400,000,000 | 675,000,000 | 675,000,000 | +275,000,000 | | +275,000,000 | |
| Comprehensive planning grants | 53,000,000 | 40,000,000 | 35,000,000 | 50,000,000 | 42,500,000 | −10,500,000 | +2,500,000 | +7,500,000 | −7,500,000 |
| Rehabilitation loan fund | 230,000,000 | 130,000,000 | 140,000,000 | 13,000,000 | 135,000,000 | −95,000,000 | +5,000,000 | −5,000,000 | +5,000,000 |
| Urban homesteading | 20,000,000 | | | | | −20,000,000 | | | |
| Total, Community Planning and Development | 4,453,000,000 | 4,745,000,000 | 4,475,000,000 | 4,755,000,000 | 4,752,500,000 | +299,500,000 | +7,500,000 | +277,500,000 | −2,500,000 |
| **NEIGHBORHOODS, VOLUNTARY ASSOCIATIONS AND CONSUMER PROTECTION** | | | | | | | | | |
| Housing counseling assistance | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | | | | |
| Neighborhood self-help development program | 5,000,000 | 15,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | +5,000,000 | −5,000,000 | | |
| Livable cities program | | 5,000,000 | | 3,000,000 | | | −5,000,000 | | −3,000,000 |
| Total, neighborhoods, voluntary associations and consumer protection | 14,000,000 | 29,000,000 | 19,000,000 | 22,000,000 | 19,000,000 | +5,000,000 | −10,000,000 | | −3,000,000 |
| **POLICY DEVELOPMENT AND RESEARCH** | | | | | | | | | |
| Research and technology | 57,500,000 | 53,000,000 | 49,000,000 | 50,300,000 | 49,650,000 | −7,850,000 | −3,350,000 | +650,000 | −650,000 |
| **FAIR HOUSING AND EQUAL OPPORTUNITY** | | | | | | | | | |
| Fair housing assistance | | 3,700,000 | 3,700,000 | 3,700,000 | 3,700,000 | +3,700,000 | | | |
| **MANAGEMENT AND ADMINISTRATION** | | | | | | | | | |
| Salaries and expenses | 269,458,000 | 296,002,000 | 288,377,000 | 281,002,000 | 284,189,000 | +14,731,000 | −11,813,000 | −4,188,000 | +3,187,000 |
| By transfer, FHA funds | (250,255,000) | (255,118,000) | (255,118,000) | (255,118,000) | (255,118,000) | (+4,863,000) | | | |
| Total, title I, Department of Housing and Urban Development: | | | | | | | | | |
| New budget (obligational) authority | 31,673,573,000 | 33,442,150,750 | 33,355,526,000 | 33,497,451,000 | 33,461,988,000 | +1,788,415,000 | +19,837,250 | +106,462,000 | −35,463,000 |
| Appropriations | 5,977,725,000 | 6,162,023,000 | 5,875,398,000 | 6,157,323,000 | 6,151,860,000 | +174,135,000 | −10,163,000 | +276,462,000 | −5,463,000 |
| Contract authority | 24,395,848,000 | 26,480,127,750 | 26,680,128,000 | 26,480,128,000 | 26,480,128,000 | +2,084,280,000 | +250 | −200,000,000 | |
| Authority to borrow | 1,300,000,000 | 800,000,000 | 800,000,000 | 860,000,000 | 830,000,000 | −470,000,000 | +30,000,000 | +30,000,000 | −30,000,000 |
| Appropriation to liquidate contract authority | (4,460,000,000) | (5,529,000,000) | (5,529,000,000) | (5,529,000,000) | (5,529,000,000) | (+1,069,000,000) | | | |
| Increased limitation for annual contract authority | (1,322,297,000) | (1,140,661,275) | (1,160,474,000) | (1,140,661,000) | (1,140,661,000) | (−181,636,000) | (−275) | (−19,813,000) | |
| Limitation on corporate funds to be expended | (250,255,000) | (255,118,000) | (255,118,000) | (255,118,000) | (255,118,000) | (+4,863,000) | | | |
| **TITLE II** | | | | | | | | | |
| **INDEPENDENT AGENCIES** | | | | | | | | | |
| **AMERICAN BATTLE MONUMENTS COMMISSION** | | | | | | | | | |
| Salaries and expenses | 7,425.000 | 7,603,000 | 8,186,000 | 7,603,000 | 7,603,000 | +178,000 | | −583,000 | |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[Fiscal years]

| | New budget authority | | | | | Conference compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Enacted 1979 | Estimates 1980 | House, 1980 | Senate, 1980 | Conference, 1980 | 1979 enacted | 1980 estimate | House bill | Senate bill |
| **TITLE II—Continued INDEPENDENT AGENCIES CONSUMER PRODUCT SAFETY COMMISSION** | | | | | | | | | |
| Salaries and expenses | $42, 940, 000 | $41, 776, 000 | $41, 250, 000 | $40, 600, 000 | $40, 600, 000 | −$2, 340, 000 | −$1, 176, 000 | −$650, 000 | |
| **DEPARTMENT OF DEFENSE—CIVIL** | | | | | | | | | |
| **Cemeterial Expenses, Army** | | | | | | | | | |
| Salaries and expenses | 5, 100, 000 | 7, 943, 000 | 8, 326, 000 | 7, 611, 000 | 8, 326, 000 | +3, 226, 000 | +383, 000 | | +$715, 000 |
| **ENVIRONMENTAL PROTECTION AGENCY** | | | | | | | | | |
| Salaries and expenses | 457, 419, 000 | 520, 319, 000 | 506, 748, 000 | 515, 319, 000 | 513, 319, 000 | +55, 900, 000 | −7, 000, 000 | +6, 571, 000 | −2, 000, 000 |
| Research and development | 218, 819, 000 | 239, 568, 000 | 233, 568, 000 | 232, 568, 000 | 233, 568, 000 | +14, 749, 000 | −6, 000, 000 | | +1, 000, 000 |
| Abatement, control, and compliance | 524, 145, 000 | 540, 688, 000 | 475, 809, 000 | 515, 592, 000 | 508, 892, 000 | −15, 253, 000 | −31, 796, 000 | +33, 796, 000 | −6, 700, 000 |
| Buildings and facilities | 1, 063, 000 | 1, 425, 000 | 1, 425, 000 | 1, 425, 000 | 1, 425, 000 | +362, 000 | | | |
| Construction grants: | | | | | | | | | |
| Appropriation | 4, 200, 000, 000 | 3, 800, 000, 000 | 3, 400, 000, 000 | 3, 400, 000, 000 | 3, 400, 000, 000 | −800, 000, 000 | −400, 000, 000 | | |
| Appropriation to liquidate contract authority | (1, 400, 000, 000) | (1, 500, 000, 000) | (1, 500, 000, 000) | (1, 500, 000, 000) | (1, 500, 000, 000) | (+100, 000, 000) | | | |
| Scientific activities overseas (special foreign currency program) | 2, 500, 000 | 4, 000, 000 | 2, 000, 000 | | | −2, 500, 000 | −4, 000, 000 | −2, 000, 000 | |
| United States Regulatory Council | | 3, 238, 000 | 2, 238, 000 | 3, 238, 000 | 3, 038, 000 | +3, 038, 000 | −200, 000 | +800, 000 | −200, 000 |
| Total, Environmental Protection Agency | 5, 403, 946, 000 | 5, 109, 238, 000 | 4, 621, 788, 000 | 4, 668, 142, 000 | 4, 660, 242, 000 | −743, 704, 000 | −448, 996, 000 | +38, 454, 000 | −7, 900, 000 |
| **EXECUTIVE OFFICE OF THE PRESIDENT** | | | | | | | | | |
| Council on Environmental Quality and Office of Environmental Quality | 3, 026, 000 | 3, 126, 000 | 3, 026, 000 | 3, 126, 000 | 3, 126, 000 | +100, 000 | | +100, 000 | |
| Office of Science and Technology Policy | 2, 496, 000 | 2, 900, 000 | 2, 725, 000 | 2, 625, 000 | 2, 625, 000 | +129, 000 | −275, 000 | −100, 000 | |
| Total, Executive Office of the President | 5, 522, 000 | 6, 026, 000 | 5, 751, 000 | 5, 751, 000 | 5, 751, 000 | +229, 000 | −275, 000 | | |
| **FEDERAL EMERGENCY MANAGEMENT AGENCY** | | | | | | | | | |
| Disaster relief, funds appropriated to the President | 386, 105, 000 | 193, 600, 000 | 193, 600, 000 | 193, 600, 000 | 193, 600, 000 | −192, 505, 000 | | | |
| Emergency planning, preparedness and mobilization | 129, 348, 000 | 139, 121, 000 | 131, 121, 000 | 129, 621, 000 | 129, 621, 000 | +273, 000 | −9, 500, 000 | −1, 500, 000 | |
| Hazard mitigation and disaster assistance | 132, 517, 000 | 125, 709, 000 | 119, 109, 000 | 118, 709, 000 | 118, 709, 000 | −13, 808, 000 | −7, 000, 000 | −400, 000 | |
| Total, Federal Emergency Management Agency | 647, 970, 000 | 458, 430, 000 | 443, 830, 000 | 441, 930, 000 | 441, 930, 000 | −206, 040, 000 | −16, 500, 000 | −1, 900, 000 | |
| **GENERAL SERVICES ADMINISTRATION** | | | | | | | | | |
| Consumer Information Center | 1, 162, 000 | 1, 364, 000 | 1, 315, 000 | 1, 315, 000 | 1, 315, 000 | +153, 000 | −49, 000 | | |
| **DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE** | | | | | | | | | |
| Office of Consumer Affairs | 1, 732, 000 | 1, 861, 000 | 1, 861, 000 | 1, 861, 000 | 1, 861, 000 | +129, 000 | | | |
| **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION** | | | | | | | | | |
| Research and development | 3, 477, 200, 000 | 3, 822, 500, 000 | 3, 799, 500, 000 | 3, 822, 500, 000 | 3, 807, 500, 000 | +330, 300, 000 | −15, 000, 000 | +8, 000, 000 | −15, 000, 000 |
| Construction of facilities | 147, 500, 000 | 157, 600, 000 | 156, 100, 000 | 156, 100, 000 | 156, 100, 000 | −8, 600, 000 | −1, 500, 000 | | |
| Research and program management | 936, 469, 000 | 964, 900, 000 | 954, 900, 000 | 964, 900, 000 | 959, 900, 000 | +23, 431, 000 | −5, 000, 000 | +5, 000, 000 | −5, 000, 000 |
| Total, National Aeronautics and Space Administration | 4, 561, 169, 000 | 4, 945, 000, 000 | 4, 910, 500, 000 | 4, 943, 500, 000 | 4, 923, 500, 000 | +362, 331, 000 | −21, 500, 000 | +13, 000, 000 | −20, 000, 000 |
| **NATIONAL COMMISSION ON AIR QUALITY** | | | | | | | | | |
| Salaries and expenses | 2, 000, 000 | 6, 000, 000 | 5, 000, 000 | 5, 500, 000 | 5, 500, 000 | +3, 500, 000 | −500, 000 | +500, 000 | |
| **NATIONAL CONSUMER COOPERATIVE BANK** | | | | | | | | | |
| Salaries and expenses | 1, 500, 000 | 8, 900, 000 | 7, 000, 000 | 8, 900, 000 | 7, 950, 000 | +6, 450, 000 | −950, 000 | +950, 000 | −950, 000 |
| Self-help development | 1, 000, 000 | 20, 000, 000 | 17, 000, 000 | 17, 000, 000 | 17, 000, 000 | +16, 000, 000 | −3, 000, 000 | | |
| Total, National Consumer Cooperative Bank | 2, 500, 000 | 28, 900, 000 | 24, 000, 000 | 25, 900, 000 | 24, 950, 000 | +22, 450, 000 | −3, 950, 000 | +950, 000 | −950, 000 |
| **NATIONAL CREDIT UNION ADMINISTRATION** | | | | | | | | | |
| Central liquidity facility (authority to borrow) | | 500, 000, 000 | 300, 000, 000 | | | | −500, 000, 000 | −30, 000, 000 | |
| **NATIONAL INSTITUTE OF BUILDING SCIENCES** | | | | | | | | | |
| Salaries and expenses | 750, 000 | 750, 000 | 718, 000 | 750, 000 | 750, 000 | | | +32, 000 | |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[Fiscal years]

| | New budget authority | | | | | Conference compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Enacted 1979 | Estimates 1980 | House, 1980 | Senate, 1980 | Conference, 1980 | 1979 enacted | 1980 estimate | House bill | Senate bill |
| **TITLE II—Continued** | | | | | | | | | |
| **NATIONAL SCIENCE FOUNDATION** | | | | | | | | | |
| Research and related activities | $827, 000, 000 | $915, 300, 000 | $896, 800, 000 | $915, 300, 000 | $906, 050, 000 | +$79, 050, 000 | −$9, 250, 000 | +$9, 250, 000 | −$9, 250, 000 |
| Science education activities | 80, 000, 000 | 84, 700, 000 | 84, 700, 000 | 84, 700, 000 | 84, 700, 000 | +4, 700, 000 | | | |
| Scientific activities overseas (special foreign currency program) | 4, 000, 000 | 6, 000, 000 | 5, 500, 000 | 5, 500, 000 | 5, 500, 000 | +1, 500, 000 | −500, 000 | | |
| Total, National Science Foundation | 911, 000, 000 | 1, 006, 000, 000 | 987, 000, 000 | 1, 005, 500, 000 | 996, 250, 000 | +85, 250, 000 | −9, 750, 000 | +9, 250, 000 | −9, 250, 000 |
| **NEIGHBORHOOD REINVESTMENT CORPORATION** | | | | | | | | | |
| Salaries and expenses | | 9, 500, 000 | 9, 500, 000 | 12, 000, 000 | 12, 000, 000 | +12, 000, 000 | +2, 500, 000 | +2, 500, 000 | |
| **SELECTIVE SERVICE SYSTEM** | | | | | | | | | |
| Salaries and expenses | 7, 830, 000 | 9, 825, 000 | 7, 830, 000 | 7, 830, 000 | 7, 830, 000 | (..........) | −1, 995, 000 | (..........) | (..........) |
| **DEPARTMENT OF THE TREASURY** | | | | | | | | | |
| Payments to State and local government fiscal assistance trust fund | 6, 854, 924, 000 | 6, 854, 924, 000 | 6, 854, 924, 000 | 6, 854, 924, 000 | 6, 854, 924, 000 | | | | |
| Office of Revenue Sharing, salaries and expenses | 7, 200, 000 | 6, 337, 000 | 6, 237, 000 | 6, 237, 000 | 6, 237, 000 | −963, 000 | −100, 000 | | |
| New York City loan guarantee program, administrative expenses | 1, 050, 000 | 1, 034, 000 | 1, 034, 000 | 1, 022, 000 | 1, 022, 000 | −28, 000 | −12, 000 | −12, 000 | |
| Investment in National Consumer Cooperative Bank | 1, 000, 000 | 60, 000, 000 | 50, 000, 000 | 48, 100, 000 | 49, 050, 000 | +48, 050, 000 | −10, 950, 000 | −950, 000 | +950, 000 |
| Total, Department of the Treasury | 6, 864, 174, 000 | 6, 922, 295, 000 | 6, 912, 195, 000 | 6, 910, 283, 000 | 6, 911, 233, 000 | +47, 059, 000 | −11, 062, 000 | −962, 000 | +950, 000 |
| **VETERANS' ADMINISTRATION** | | | | | | | | | |
| Compensation and pensions | 10, 706, 700, 000 | 11, 201, 800, 000 | 11, 201, 800, 000 | 11, 201, 800, 000 | 11, 201, 800, 000 | +495, 100, 000 | | | |
| Readjustment benefits | 2, 445, 700, 000 | 2, 278, 535, 000 | 2, 278, 535, 000 | 2, 278, 535, 000 | 2, 278, 535, 000 | −167, 165, 000 | | | |
| Veterans insurance and indemnities | 5, 750, 000 | 5, 400, 000 | 5, 400, 000 | 5, 400, 000 | 5, 400, 000 | −350, 000 | | | |
| Medical care | 5, 374, 374, 000 | 5, 659, 117, 000 | 5, 671, 119, 000 | 5, 696, 215, 000 | 5, 683, 700, 000 | +309, 326, 000 | +24, 583, 000 | +12, 581, 000 | −12, 515, 000 |
| Medical and prosthetic research | 122, 847, 000 | 122, 847, 000 | 127, 847, 000 | 122, 847, 000 | 122, 847, 000 | | | −5, 000, 000 | |
| Medical administration and miscellaneous operating expenses | 47, 058, 000 | 48, 024, 000 | 47, 606, 000 | 47, 606, 000 | 47, 606, 000 | +548, 000 | −418, 000 | | |
| General operating expenses | 631, 675, 000 | 592, 790, 000 | 584, 967, 000 | 588, 392, 000 | 587, 392, 000 | −44, 283, 000 | −5, 398, 000 | +2, 425, 000 | −1, 000, 000 |
| Construction, major projects | 365, 560, 000 | 317, 292, 000 | 317, 292, 000 | 317, 292, 000 | 317, 292, 000 | −48, 268, 000 | | | |
| Construction, minor projects | 86, 345, 000 | 73, 072, 000 | 72, 633, 000 | 72, 633, 000 | 72, 633, 000 | −13, 712, 000 | −439, 000 | | |
| Grants for construction of State extended care facilities | 10, 000, 000 | 5, 000, 000 | 5, 000, 000 | 10, 000, 000 | 7, 500, 000 | −2, 500, 000 | +2, 500, 000 | +2, 500, 000 | −2, 500, 000 |
| Grants for construction of State veterans cemeteries | | 5, 000, 000 | 5, 000, 000 | 5, 000, 000 | 5, 000, 000 | +5, 000, 000 | | | |
| Assistance for health manpower training institutions | 104, 905, 000 | | | | | −104, 905, 000 | | | |
| Grants to the Republic of the Philippines | 500, 000 | 1, 700, 000 | 1, 700, 000 | 1, 000, 000 | 1, 350, 000 | +850, 000 | −350, 000 | −350, 000 | +350, 000 |
| Total, Veterans Administration | 19, 901, 414, 000 | 20, 310, 577, 000 | 20, 318, 899, 000 | 20, 346, 720, 000 | 20, 331, 055, 000 | +429, 641, 000 | +20, 478, 000 | +12, 156, 000 | −15, 665, 000 |
| Total, title II, Independent Agencies: | | | | | | | | | |
| New budget (obligational) authority | 38, 366, 634, 000 | 39, 373, 088, 000 | 38, 607, 949, 000 | 38, 432, 796, 000 | 38, 380, 696, 000 | +14, 062, 000 | −992, 392, 000 | −227, 253, 000 | −52, 100, 000 |
| Appropriation to liquidate contract authority | (1, 400, 000, 000) | (1, 500, 000, 000) | (1, 500, 000, 000) | (1, 500, 000, 000) | (1, 500, 000, 000) | (+100, 000, 000) | | | |
| **TITLE III** | | | | | | | | | |
| **CORPORATIONS** | | | | | | | | | |
| Federal Home Loan Bank Board: | | | | | | | | | |
| Limitation on administrative expenses | (17, 650, 000) | (18, 984, 000) | (18, 359, 000) | (18, 359, 000) | (18, 359, 000) | (+709, 000) | (−625, 000) | | |
| Federal Savings and Loan Insurance Corporation (limitation on administrative expenses) | (31, 928, 000) | (33, 566, 000) | (33, 466, 000) | (33, 466, 000) | (33, 466, 000) | (+1, 538, 000) | (−100, 000) | | |
| Total, title III, Corporations | (49, 578, 000) | (52, 550, 000) | (51, 825, 000) | (51, 825, 000) | (51, 825, 000) | (+2, 247, 000) | (−725, 000) | | |
| Grand total, titles I, II, and III: | | | | | | | | | |
| New budget (obligational) authority | 70, 040, 207, 000 | 72, 815, 238, 750 | 71, 963, 475, 000 | 71, 930, 247, 000 | 71, 842, 684, 000 | +1, 802, 477, 000 | −972, 554, 750 | −120, 791, 000 | −87, 563, 000 |
| Appropriations | 44, 344, 359, 000 | 45, 035, 111, 000 | 44, 183, 347, 000 | 44, 550, 119, 000 | 44, 532, 556, 000 | +188, 197, 000 | −502, 555, 000 | +349, 203, 000 | −57, 563, 000 |
| Contract authority | 24, 395, 848, 000 | 26, 480, 127, 750 | 26, 680, 128, 000 | 26, 480, 128, 000 | 26, 480, 128, 000 | +2, 084, 280, 000 | +250 | −200, 000, 000 | |
| Authority to borrow | 1, 300, 000, 000 | 1, 300, 000, 000 | 1, 100, 000, 000 | 860, 000, 000 | 830, 000, 000 | −470, 000, 000 | −470, 000, 000 | −270, 000, 000 | −30, 000, 000 |
| Appropriations to liquidate contract authority | (5, 860, 000, 000) | (7, 029, 000, 000) | (7, 029, 000, 000) | (7, 029, 000, 000) | (7, 029, 000, 000) | (+1, 169, 000, 000) | | | |
| Increased limitation for annual contract authority | (1, 322, 297, 000) | (1, 140, 661, 275) | (1, 160, 474, 000) | (1, 140, 661, 000) | (1, 140, 661, 000) | (−181, 636, 000) | (−275) | (−19, 813, 000) | |
| Limitation on corporate funds to be expended | (299, 833, 000) | (307, 668, 000) | (306, 943, 000) | (306, 943, 000) | (306, 943, 000) | (+7, 110, 000) | (−725, 000) | | |

● Mr. STEVENSON. Mr. President, today after long and arduous negotiations with the House, the Senate, hopefully, will settle the amendments in disagreement on the HUD-Independent Agencies Appropriations Act, 1980. One of the issues in disagreement was the NASA research and development appropriation. As I understand it, the conference committee accepted the language of the House report on this bill (H.R. 4394); however, according to a colloquy between the chairman of the House Appropriations Subcommittee (Mr. BOLAND) and the chairman of the House Science and Technology Committee (Mr. FUQUA) on September 27 (page H8264 of the CONGRESSIONAL RECORD No. 127), the language of the House report is not meant to stop efforts on Space Shuttle thrust augmentation, and indeed NASA can continue to use funds for design work already in progress in this area. According to the colloquy, NASA is required only to touch base with the committee on the use of 1980 funds for this purpose in view of the fact that the House cut the full $15 million for thrust augmentation from the fiscal year 1980 appropriation.

The conference agreement on the NASA research and development appropriation for fiscal year 1980 also rids the bill of the House language which would have permitted a committee veto of the Galileo program and rids the bill of the $23 million set-aside for the Space Shuttle, some of which was not authorized. Further, I understand that the conference agreement on the fiscal year 1980 appropriation for NASA research and development provides $5 million for a program on advanced rotorcraft technology—a most important program—and $3 million for additional work on the variable cycle engine.

In dollars the conference, therefore, agreed to a total of $3,807,500,000 for NASA's research and development program for fiscal year 1980; this is $15 million less than requested by the administration.

This result, Mr. President, is one that the National Aeronautics and Space Administration can live with.

The Appropriations Committee is to be commended for its tenacity in this matter. In particular, I want to thank the chairman of the subcommittee (Mr. PROXMIRE) and the ranking minority Member of the Subcommittee (Mr. MATHIAS) for their diligence in supporting the Senate's position and bringing this fine result to the Senate.●

Mr. PROXMIRE. I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

## CONTINUATION OF ROUTINE MORNING BUSINESS

Mr. PROXMIRE. Mr. President, I understand that the conference report has been agreed to and that business has been completed.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Mr. President, I also understand that the Chair closed morning business a few moments ago. I ask unanimous consent to be permitted to speak as if in morning business for not to exceed 6 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

## FED'S FIGHT FOR LOWER INTEREST RATES

Mr. PROXMIRE. Mr. President, one of the most persistent myths in the country is that the Federal Reserve is determined, for one reason or another, to push up interest rates. Many people, including some distinguished Members of this body, have said that before the Senate.

The fact is that no one on the Board of the Federal Reserve wants high interest rates. They are a sign of the failure of our monetary policy. They are a source of concern and loss to the bankers, not of gain, as well as loss to the farmers and the small business people and others who have to pay those high interest rates.

Interest rates are not high because that is the objective of the Federal Reserve Board. The Board wants urgently to get them down. But the Board recognizes that the only way to get them down is to turn inflation around.

To understand the truth of that proposition consider a simple mathematical proposition. Suppose you have an inflation rate of 15 percent, and the public expects that 15 percent rate to continue. Now let us suppose that one way or another you get interest rates down to 10 percent and keep them there. What happens? Answer: The speculators have a field day with other people's money. You cannot stop them. How can they resist? Here is why: A speculator can borrow $1 million at 10 percent and invest it for a year. Cost of the money: $100,000. He invests the money, real estate, commodities, almost anything that is rising at the average inflation rate. With a 15-percent inflation, he enjoys a $150,000 profit. The full cost of his money was $100,000, so using the lender's money he has made himself a nice fat $50,000 profit.

Do you see why an interest rate lower than the perceived inflation rate is bound to push up inflation, is bound to push up prices, is bound to be inflationary? It will do so through the sheer force of speculation when the investors perceive a sure thing, a cannot lose bargain.

In the real world, of course, it does not work that way, and the distinguished occupant of the chair knows why it does not.

That is why the 8- or 10- or 12-percent usury laws are such a disaster. After all you cannot count on the lender being a complete idiot. And just as the borrower in the example makes a tidy $50,000 profit, the lender suffers a $50,000 loss. He lends $1 million at 10 percent interest, so at the end of a year he gets $1,100,000 back, but that is worth $50,000 less than his original million dollars in real terms—thanks to inflation.

So what does the lender do? He says, "Nix. I won't lend. I'll take my million dollars and I'll put it into commodities and real estate so that I won't take an inflation beating."

Now if you think this is all theory, just consider what has happened in Arkansas and is happening in every other State that has usury statutes that are 12 percent or less. The lenders will not lend, so the small businessman, the farmer, the home buyer who depends on credit, cannot get any credit, not any. He is out of business. He is in worse shape. At least, if interest rates are high, the borrower has the option of paying the higher rate or refusing to take the loan. With the limit on interest rates below the inflation rate, he has no option at all. In a credit economy, he is out of business.

Here is why the inflation situation has become so overwhelmingly serious and why it has become so quinessential for the Federal Reserve Board to follow the tough limitation of credit policy they are pursuing.

This policy is going to cause pain.

Anybody who says we can do it without more unemployment or more recession is just either deceiving you, Mr. President, or is deceiving himself, because there is no way you can do it without more unemployment, without some business failures you would not otherwise have, without serious farm losses and, for millions of Americans who will be affected by it, as Paul Volcker has said, who has been attacked for it but he is speaking the truth, a lower standard of living.

Mr. President, the first step in stopping the rise in prices is to recognize that there are only a few actions we can take that will help, and that whatever we do that will work will be painful, will require sacrifice and will require more sacrifice from some than from others.

If there is a better policy to stem inflation by all means let us pursue it.

This policy has been attacked by many, but nobody offers a different course. I wish there were a different course. If there were, we should follow it immediately.

As I say, this is a bad policy from the standpoint of sacrifice and it hurts many, many Americans, hundreds of thousands, millions of them. But we ought to either come up with an alternative or say that we are not interested, really, sincerely in fighting inflation and paying the tough price we have to pay, or we should support this policy and recognize and speak out on it, pointing out why it is needed.

There are other things we can do to make this policy work more effectively. We know them here in the Senate. We can hold down Government spending. We can encourage wage restraint. We have to do all we can with taxation policy and research to encourage productivity improvement.

We can eliminate our present statutory restrictions on interest paid to savers, to reward thrifty people who are fighting inflation by holding down consumption and putting their money in the bank.

We have a bill before us that is going

to enable us to make a record on that in the next few days.

Above all, we must persist through thick and thin, through recession and unemployment, until we succeed in reducing the rate of inflation.

## A CONSTANT STRUGGLE

Mr. PROXMIRE. Mr. President, yesterday was the scheduled opening of a long overdue trial in Cologne, West Germany. Accused are three men, charged with aiding and abetting in the crime of murder. Their alleged victims were 75,000 French Jews, all deported to the Auschwitz concentration camp during the Second World War.

The three men were all SS officers, stationed in Paris, who took part in the roundup and loading of Jews onto sealed boxcars bound for Poland. There is docmented evidence proving this, there are witnesses who will testify to it, and the defendants themselves freely admit that it is the truth. They do maintain their innocence, though.

They claim that they were not aware of why they were herding men, women, and children into cattle cars. They say that they were just following orders.

As depressingly familiar as this scenario is, it once again shows us that the issue of genocide can never be relegated to the past. It is something we must face and combat again and again if we are to able to be free from it. Moreover, the hollow echo of the defense in this case is a reminder that we are all responsible for our actions. Regardless of the circumstances, our conscience must be the ultimate guide for our decisions.

Closer to home, there is another example of how we must constantly pledge ourselves to the sanctity of human rights. Unfortunately, it is an example of how we are failing to do so. I am speaking of the Convention for the Prevention and Punishment of Genocide. This fundamental human rights treaty has been ratified by 83 nations, and yet the United States has neglected it for 30 years. We must finally live up to our responsibility. I urge the Senate to ratify the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## RECESS FOR 15 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, the Senate, at 3:59 p.m., recessed until 4:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEAHY).

## ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER FOR RECOGNITION OF SENATOR PROXMIRE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized under the standing order tomorrow, Mr. PROXMIRE be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER REDUCING TIME OF THE TWO LEADERS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time of the two leaders be reduced to 5 minutes each on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

## QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## DEFENSE AUTHORIZATIONS, 1980—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on S. 428 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of further conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 428) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

Mr. STENNIS. Mr. President, the last action on the floor with respect to this measure was yesterday. Due to a flaw with respect to a technical point in the measure, we asked that it be referred by the Senate back to the conference, which was done.

I will take up first the short conference we had yesterday afternoon.

I see that the Senator from North Carolina and the Senator from Virginia are in the Chamber, so I will proceed with the entire report at this time.

Mr. President, this conference report is signed by a majority of the Senate conferees—in fact, all except two, whose real objection, as I understand, was limited to one matter, involving a small amount of money, but it involved weaponry of a certain kind. Two members did not sign for that reason. Other than that, it was signed by all our conferees and I believe by all the conferees for the House of Representatives, with respect to the final report we made.

The approval of this conference report will bring to a close a long and arduous process in both Houses of Congress. Started officially in January but antedated that time in preparation by a year or two or more.

The Armed Services Committee examined the President's defense budget minutely this year, holding more than 31 committee hearings on all aspects of our defense posture. S. 428 passed the Senate on June 13; and after some delay in the other body, we began our conference on September 21.

Without any criticism, I pause to express regret that the situation was not such that we could get this bill moving in its customary way and have it finished and reported back in final agreement to this body very near July 1. It is necessary and needed greatly by the services and the Congress, for the administration of related matters including consideration by the Appropriations Committee and others.

But this has been a highly unusual year in many ways. It was preceded by a rather long but important supplemental bill for fiscal 1979, that contributed somewhat to the delay.

After the House bill was passed, the conferees met for six sessions, during more than a month, to work out the differences between the Senate and the House versions. These things are passed by readily sometimes; but there are well over 1,000 line items in this bill as assorted language items—far too many. Many times we had 200 or more differences in conference that had to be ironed out.

I express the hope—and I believe it is the hope of all the other Members—that we can reduce the number of these amendments in some way. That applies with even more insistence with respect to appropriations items which carry out this program, because they really are out of order unless properly framed in a limited way. It is mighty easy to try to use that in the form of legislation.

When this conference report was presented yesterday, it was necessary to recommit it, as I have said. We met the technicality there by merely adding two words. That was with reference to Zimbabwe-Rhodesia, which relates to the matter of chrome. I am sure that our rules now are complied with, under this added language.

Mr. President, we believe that this is an excellent conference report when aimed at the mission it is supposed to serve. It authorizes a new *Nimitz*-class carrier and two nuclear attack submarines which will make an important contribution to improving the capability of our Navy. These are the most modern and powerful weapons of their kind that money can buy. There is no other weapon in their field that can come up to it.

It includes authorization of 705 new aircraft, missiles for all the services, and a total of 416 new tanks.

The bill also covers a number of important research and development programs, including $670 million for full-scale development of the crucial MX strategic program.

The conferees agreed on end strengths for our active duty forces and for the Reserve and the National Guard. They also agreed to a number of measures relating to active and Reserve manpower problems.

The total authorized are $27.8 billion for procurement, $13.5 billion for research and development, and $107 million for civil defense—for a total of $41.4 billion.

I wish to say a special word of thanks to all members of the committee who worked so diligently on this bill and particularly to the chairman and ranking minority members of our subcommittees who bear much of the load during the long process of analyzing each proposed program: The chairman of our Subcommittee on General Procurement (Mr. HARRY F. BYRD, JR.) and the ranking minority member of that subcommittee (Mr. GOLDWATER), the chairman of our Subcommittee on Manpower and Personnel (Mr. NUNN) and the ranking minority member of that subcommittee (Mr. JEPSEN), and the chairman of our Subcommittee on Research and Development (Mr. CULVER) and the ranking minority member of that subcommittee (Mr. WARNER).

Mr. President, I say a special word of thanks for the dedication, attention, and assistance of the new members of our committee. This is not an easy committee to get the full swing of and to get into a working position with reference to much of the subject matter. As a matter of fact, it takes years to get into the merits of a great deal of it.

This year vacancies came in our committee. They were filled with men of real outstanding caliber and capabilities who were willing to work and apply themselves, which they did diligently and contributed in a very fine way in working out these problems. Some are international policies related to almost everything under the Sun. They have done an unusual amount of work in these fields.

We had one bill that I know was very difficult to handle concerning the implementation of the Panama Canal Treaty. It was a very difficult situation which has been approved finally over strong objection. But more than one of the new members worked on that bill with great diligence. I requested the Senator from Michigan (Mr. LEVIN) to give it extra special time, which he did with outstanding ability and his usual perseverence and ability. He made a real contribution.

But in every field these so-called new men represent a great deal in this field of military service and military administration. A former Secretary of the Navy is included in the group, as an illustration. They really worked and contributed to the measure here that will bear fruit for many, many years.

I am especially proud of the fine contribution of our committee staff director, Frank Sullivan and am grateful to him and the other staff members for their faithful and effective assistance. They are of untold value to the committee at every turn.

I have a great deal of faith in those in responsible positions in our military services. Also most of the members in the units of our Reserves and National Guard units are of a very high type and their work is very important indeed.

While I thank people I wish to thank especially the Senator from Texas (Mr. TOWER), the ranking minority member of our committee. He is a member of our committee well versed in military affairs. He has been an active participant for years on the committee, well versed in world affairs and related subjects and policies. He has his preferences, of course, and he has a spirit of perseverance, I will call it, but determination, also. He is worth a lot to the committee, and he is always easy and pleasant to deal with.

I do want to mention one thing. The total budget for the military is much more than that covered by this bill. This is what we call the hardware bill and deals with a lot of the policy matters.

The appropriation bill that we are going to meet on in the morning is going to have $130-odd billion. The spending of that money, the procurement, the contracts, the day-to-day administration of that money and its expenditures is an outstanding example where the Government is going to have to adopt a more frugal attitude and record of simply making a dollar go as far as possible.

It is an art that has been partly lost. It has not been practiced with insistence as in former days of our great Nation. And we can theorize and talk about balancing the budget, trying to kill off inflation, or stop inflation, all we wish to, but I do not think anything permanent, lasting, and effective is going to be done until we also go back and relearn the way to spend the money that the Government spends with frugality and with an application to the high standards of competence that should apply. Until we do that, a great number of the people and their affairs are not going to have a pattern of frugality in related matters. When the Government does do it, then a great number of people will be willing to and will follow that pattern

So, the question naturally comes to mind. Why do you not do something about it and do more about it? The committee does try, and a lot of these men in the services try. Not all maybe, but many do. The civilian appointees try, but they have a very difficult job. It is very difficult to be a Secretary of the services or one of the many Assistant Secretaries of the Department of Defense and of the services. By the nature of the matter they do not serve for very long periods of time; I do not mean they are discharged, but by the nature of it and the way our Government operates they do not stay in place too long, and that leaves them less effective. But we have to try harder. I think the administration, all administrations are making some effort along that line. The very fine highly competent people that come here to serve deserve a great deal of credit for the contribution they make.

I am thinking there in terms of letting these contracts and following them up and seeing that the money that is paid out under them is earned and good business practices are followed.

There is another thing. When we turn these bills in, I am one that firmly believes that the weak part refers to the manpower. That does not relate to all the individuals, nor to all of the units by any means. We have some that are very fine. We have many men and women that are highly superior. Conditions are grave within our services, some more than others, because of the growing inability of being able to find enough competent people who have the talent, know-how, dedication, and willingness to work to make effective military units. You just do not have an A-1 military unit unless members thereof have been trained to know what discipline is, to accept discipline as part of their day's work, and to automatically follow in those courses.

I am not trying to lecture anyone, but I am highly conscious of a failure in this field. I do not read it in books; I do not read it in papers. I see it. I am told these things by people who are in the services.

We are now making some headway in Congress. We are trying to get this message over to the people. We are trying to not just go to a dogmatic Selective Service Act. We are trying to get conditions where we will have a fair and properly administered Selective Service Act that will insure that the services have the needed personnel who are properly trained.

There I want to mention again—and I will not take any more time after that—that we have a great number of highly trained, talented men and women in our services, in our Reserves, and in the National Guard. Many of these people have rendered services for 1 year or 2 years or 3 years or 4 years, and even during wartime. Then have come back to their home communities and have some liking for the military and have a talent in that field. They do not see fit to make it a career, so here are these service units at the local level and led by local people, with talent, competence, and experience. They are actually making better records now than the Regular services are in many fields, and that is an encouraging situation.

If it was left to me, I would assign them more duties and provide them more money and make corresponding reduction than in the Regular services. Let us try that a while, not in the extreme degree. I believe that will be one of the general directions we will develop over the years, that being a more active, better trained, better supported, better equipped Reserve unit, and I commend these people. They serve at a considerable sacrifice, a lot of them, and we are failing to get these units filled up with new members which are so important.

So, Mr. President, I will not take any more time of the Senate. I hope the Senator from Texas and other members of our committee who can be on the floor will seek recognition here.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, there is very little I can add to the very fine and comprehensive presentation made by the distinguished chairman of the Armed Services Committee. I think he has described what the Congress has done, and has described its salient points as well as can be.

I would simply say that I believe the product of the conference has been one of the best authorization bills that we have produced in recent years, one that takes into consideration what our requirements are going to be over the next several years, and one that takes into consideration the deficiencies in our capability, of which we are growing more painfully aware each day.

It is a fact that the United States is inferior to the Soviet Union in terms of conventional capability, in terms of theater nuclear or Euro-strategic capability; that we cling to a rough equivalence in terms of strategic capability, and that we are likely to lose a tenuous margin of naval superiority in the next 5 to 10 years if we do not modernize our Navy at a more accelerated pace than is now the case.

We have taken some steps, some small steps, in this bill toward meeting these problems that confront us in our efforts to maintain an adequate posture of preparedness

It would be remiss of me if I failed to thank, with great profusion, my distinguished colleague from Mississippi for all the generous things he has said about me, which I can hardly believe are merited.

But I must say things about him that certainly are merited, and one of those is that it is a pleasure to work for a with a gentleman of his talent, a man of great conviction and dedication, and a man who always pursues a course of action he conceives to be right regardless of what the consequences may be to himself.

It has been a pleasure to work with Senator STENNIS over the years, and it has been a pleasure to share the work of the committee with him.

I would also like to second what he has to say about the new members of our committee. There are new members on both sides of the aisle. We do have two distinguished new Democrats on the committee who serve very well and who have taken on responsibilities beyond their years in the Senate.

I am particularly proud, however, of the four Republican freshmen who serve on the committee. Indeed, the majority of the Republican side of the aisle on the Committee on Armed Services is made up of freshmen Senators who serve with great distinction, who do their homework well, who are zealously attendant upon the meetings and the affairs of the committee, and who have discharged themselves like veterans. I am, therefore, delighted to have an opportunity to recognize the fine work they have done.

Mr. President, I urge the Senate to adopt the conference report. There is more than many of us would like to have done, but I think that, as a practical matter, we have done all we could in the two bills, the one of the House and the one of the Senate.

We have labored long and hard at this. If I might say, I think this year's conference was characterized by a great desire on the part of both the Members of the Senate and the House to come up with a bill that is best calculated to meet our needs over the next few years, and I think there was a minimum of partisan bickering and there was a minimum of self-serving activity in the conference this year, and I hope this has set an example for future conferences.

Mr. HARRY F. BYRD, JR., addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I want to say that I think the Committee on Armed Services is very fortunate in the leadership that it has, the leadership of the Senator from Mississippi (Mr. STENNIS) as chairman of the committee, and the leadership of the ranking Republican member of the committee, the Senator from Texas (Mr. TOWER).

The committee is fortunate, too, in having an excellent professional staff.

This conference report is a very important one. It provides for a new nuclear aircraft carrier; it provides for two attack submarines; it provides for 705 aircraft, new aircraft; and, of course, many missiles, tanks, and conventional arms of many types.

In regard to a new aircraft carrier, last year Congress approved such a carrier, and the President vetoed the legislation, and his veto was sustained in the House of Representatives.

Many of us felt that was a mistake, the veto that carried. This year the bill which the Senate is considering now contains a new nuclear carrier. That is a part of the conference report. It has received strong support in the House of Representatives and strong support in the Senate.

There was no question as to what the conferees would do in regard to this matter. And I think it is fair to say that the conferees, while not unanimous, were pretty close to being unanimous on the question of the new nuclear carrier.

I am hopeful that President Carter will this year realize the importance and the wisdom of going ahead with this new carrier program, and will approve the legislation which will be submitted to him very shortly.

Mr. President, this bill contains authorizations for approximately $41 billion for both procurement and for research and development.

To put that in perspective, the new obligational authority which will be approved this year for our defense purposes will total, in round figures, $142 billion. So that means, this bill being $41 billion, that less than 30 cents of each dollar will go for the combined purpose of research and development and the procurement of weapons systems. That is one of the great weaknesses, as I see it, of our defense program, that such a high percentage of the total funds will go for personnel costs and for maintenance and operational costs and such a relatively small percentage is available for new weapons systems and for research and development.

Before dealing with another phase of the conference report, I want to say, as a Virginian, that I am very pleased that my colleague for Virginia (Mr. WARNER) is a member of the Armed Services Committee. Senator WARNER took a very active and persuasive role in having included in this legislation a new *Nimitz* nuclear aircraft carrier and two new attack submarines. As his colleague representing the same State, I am very pleased that we are serving side-by-side on this committee.

Mr. President, another phase of the conference report deals with the question of sanctions against Rhodesia. That is section 818 of the conference report. Many of us felt that Congress should mandate the lifting of sanctions against Zimbabwe-Rhodesia. Others felt that this was not the bill on which the President should be mandated to lift the sanctions.

What has been worked out is, I think, of considerable significance, so I want to read section 818. The way it was finally drafted by the conferees in the second conference is this:

> It is the sense of the Congress that the United States should have unlimited access to strategic and critical materials which are vital to the defense and security of the United States and that every effort should be made to remove artificial impediments against the importation of such materials into the United States from Zimbabwe-Rhodesia.

The first conference report did not include those last three words. As a result of the perseverance of the Senator from North Carolina (Mr. HELMS), the first conference report was sent back to the committee of conference. A conference was then held a second time yesterday afternoon and it was in that conference that the conferees agreed to add the three additional words at the end of that section: "from Zimbabwe-Rhodesia."

I think that has significance because it says clearly to the American people that the Congress feels that the President should lift economic sanctions against Zimbabwe-Rhodesia. I hope that the President will act quickly to do this.

I realize that there are certain individuals, whom I believe to be extremists, in the State Department, who seem determined to force upon the new government in Rhodesia the Marxist-terrorist guerrillas who have caused such disruption in that country over a long period of time. Hopefully something worthwhile will be worked out in England at an early date. But if it is not, I think and hope that the President will accept the views of Congress and will lift the sanctions which were imposed unilaterally by President Johnson many years ago.

This section, which is now a part of the conference report which will be voted on today, clearly states it to be the sense of Congress that the President should act because Rhodesia contains many critical materials, especially chrome, that are important to the defense of the United States.

Incidentally, in regard to chrome, there are only three areas in the world where there is any appreciable or significant supply of chrome, and they are Rhodesia, South Africa, and the Soviet Union. Not having access to Rhodesia makes the United States more dependent, then, on Russia for this vital war material.

Mr. President, I support this conference report. I think it is a good conference report. I think the provisions that it has for weapons systems are good provisions, and I am particularly pleased that the aircraft carrier has been included. I think it is of significance that the conferees yesterday added the words "Zimbabwe-Rhodesia" to make clear that the Congress feels that these sanctions should be removed at the earliest possible time from that country.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HELMS. Mr. President, first of all I want to pay my respects to the distinguished members of the Armed Services Committee. As a former member of that great committee, I am particularly gratified with many aspects of the results of their work. I particularly extend my gratitude to the chairman, my former boss, Senator STENNIS, of Mississippi, who has been so patient with me with regard to the Zimbabwe-Rhodesia matter; and to my friend from Texas, the ranking Republican (Mr. TOWER), as well.

I certainly agree with the statements which have been made about the members of the committee, particularly the freshmen, such as Mr. WARNER, from Virginia, and others.

Mr. President, the Senator from North Carolina is exceedingly gratified to read in the revised conference report section 818, that the conferees have taken note of the critical need of the United States to regain access to the strategic and critical materials which exist in Zimbabwe-Rhodesia.

This is a subject to which the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) has devoted his energies and his considerable talents for many, many years, long prior to my arrival in the Senate. He has done an outstanding job. Since I have come to Washington and to the Senate it has been my privilege to work with him.

With respect to this conference report, section 818, by adding the words "from Zimbabwe-Rhodesia" the conference has made it impossible to overlook the crucial point, namely, that Zimbabwe-Rhodesia is the only country in the world where artificial restrictions are preventing the United States from obtaining a dependable supply of materials which are so critical to our national defense.

Mr. President, the approval of this report will make the third time that Congress as a whole has gone on record in support of the removal of sanctions against Zimbabwe-Rhodesia.

First, there was the Case-Javits amendment. Then came the Helms amendment. And now the Byrd amendment.

There are some spokesmen in the House who claim that the House of Representatives does not support the removal of sanctions, but they have been proved wrong two times and, with the approval of this conference report, they will have been proved wrong the third time.

Mr. President, I think it is also important to note the timing of this action. It comes at a critical moment in the London talks when the Government of Zimbabwe-Rhodesia has made important concessions.

As I discussed on this floor yesterday, Mrs. Thatcher has written to me that she wants to lift sanctions, "as soon as possible."

And yesterday, Lord Carrington announced plans to ease currency restrictions.

Mr. President, this action today by Congress will greatly assist a successful resolution of the London conference by sending the Muzorewa government a signal that the Congress of the United States has not forgotten efforts to achieve peace and security for the nation of Zimbabwe-Rhodesia, and, in particular, this should be a gratifying development for Bishop Muzorewa, the Prime Minister of Zimbabwe-Rhodesia, a fine man whom I was proud to host in this country earlier this year.

It need hardly be pointed out, Mr. President, that the survival of the Muzorewa government at this crucial time is a matter of essential security to the United States.

Zimbabwe-Rhodesia is not just some abstract piece of geography on the other side of the world. It is important to this Nation in terms of our national defense. If Zimbabwe-Rhodesia should collapse into chaos, then the line for the defense of freedom would move back from the Zambezi River to the Limpopo. South Africa itself would be open to subversion and to Soviet pressures. As my colleagues well understand, Zimbabwe and South Africa are the sources of an astounding array of critical and strategic materials that are essential to our economic and military survival.

I would also remind Senators that as a result of the amendment I sponsored, and which was approved when the Senate passed the State Department authorization bill, the President of the United States must make a decision on November 15 as to whether or not to extend sanctions. He must do it.

As I have already pointed out, Congress has repeatedly gone on record in favor of lifting sanctions.

So here we are today, about 3 weeks before that decision, and Congress is once more saying to the President of the United States, "Every effort should be made to remove artificial impediments against the importation of such materials into the United States from Zimbabwe-Rhodesia."

The least that Congress can do, is to expect the President to "make every effort." For if he does not lift sanctions, then Congress, under the expedited procedures set by the Helms amendment, is required within 30 days to decide whether or not to rescind the President's decision.

I do not know what the President will decide. There are at least three options that would be helpful. He could lift sanctions on strategic materials only. He could lift sanctions completely. He could extend recognition to Zimbabwe-Rhodesia.

However, whatever he decides to do, he now knows that Congress is maintaining its interest in this issue and will be watching very closely to see what he does.

Again, Mr. President, I compliment the distinguished chairman and the ranking Republican on the Armed Services Committee and the able members of that committee. In particular, I want to thank my dear friend from the State of Virginia, Senator HARRY F. BYRD, JR., for the great work he has done in this cause. I support the conference report.

Mr. President, today's Washington Star carries an article entitled "Conferees Back Lifting of Rhodesia Sanctions," which gives a good account of the action leading up to our debate here today.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### CONFEREES BACK LIFTING OF RHODESIA SANCTIONS

(By Lance Gay)

House and Senate conferees yesterday agreed to new language on a non-binding "sense of Congress" resolution asking the Carter administration to lift economic sanctions against Zimbabwe Rhodesia.

The language was agreed to in an hour-long closed-door session of the House and Senate armed services committees.

The Carter administration, which had fought any move to turn the resolution into a binding law, said it could live with the proposal as it is now written.

Yesterday's skirmish came over language attached to military appropriations legisla-

> tion that contains funding for a new *Nimitz*-class nuclear carrier and a vast array of submarines, missiles, tanks and other weapons.
>
> The Senate earlier this year voted to end sanctions against Rhodesia, but the House refrained from attaching any specific provision to the military bill.
>
> Earlier this month, the conferees had agreed to include non-specific language on the Rhodesia issue in the measure, thus skirting the problem. But they were forced to include the specific language in the measure yesterday after Sen. Jesse Helms, R-N.C., threatened to raise a parliamentary point and launch a floor fight to get a binding amendment attached to the measure.
>
> Helms said the legal government of Zimbabwe Rhodesia has made major concession "to rebel forces" in the current London peace conference and the continuation of sanctions against the importation of Rhodesian chromium and other materials makes no sense.
>
> "It's time to get this over with and let Zimbabwe Rhodesia resolve it themselves." Helms said. "Why should we wait? Salisbury needs a signal that they can proceed to rebuild their economy and get this over with . . . This is tampering and meddling with another country's future."
>
> Sen. Paul Tsongas, D-Mass., said a move by the United States to lift sanctions now would send the wrong signal to the parties at the London conference and stymie British efforts to encourage a peace agreement between the government, headed by Bishop Abel Muzorewa, and the Patriotic Front.
>
> The State Department opposed Helms attempt to get a tough amendment out of the Armed Services committees. J. Brian Atwood, assistant secretary of state for congressional relations, told committee members in a letter yesterday that the administration opposes "any further congressional action which would restrict its position with respect to sanctions against Rhodesia."

Mr. THURMOND. Mr. President, I rise in support of the fiscal year 1980 defense authorization conference report, which in my judgment, is one of the stronger defense bills to be considered by the Senate in recent years.

This bill authorizes expenditures of $41.3 billion, $1.2 billion above that recommended by President Carter. It contains a nuclear aircraft carrier, an additional submarine, and additional tactical aircraft, all long overdue and essential to our defense posture. Although it is an improvement over previous defense bills, I still feel it is inedaquate to meet the Soviet threat.

### NO VETO EXPECTED

The Senate may recall that last year we added the nuclear aircraft carrier, only to see the bill vetoed by the President. It is our understanding that the President will not veto the nuclear carrier again.

In my judgment, the earlier Senate position to build a 20-year-old *Kennedy*-class oil-fired carrier was a mistake. The *Nimitz*-class nuclear carrier has much greater operational capability, and its reactors can propel the ship for 13 years without refueling. Furthermore, the Nation would save about 620 million gallons of oil which the *Kennedy*-class carrier would have required.

### SECOND ATTACK SUB

In addition, the conference accepted the House position of two nuclear attack submarines, instead of the one requested by the administration. We must begin building 2 to 3 attack submarines annually if we are to maintain our minimum force level of 90 attack submarines. I urge that the administration increase this procurement level in the fiscal year 1981 budget, which the Senate has supported, by endorsing a level of 5-percent real growth increase over this year.

The Soviets have been outbuilding the United States by 3 to 1 in submarines for the past few years, and if we are to control the sealanes over which so many vital materials travel, we must increase this building rate.

### INCREASED PLANE BUY

In the aircraft account the conference insisted on procurement of a number of needed aircraft which were not included in the administration budget. These included 12 A-7K aircraft, which are two-seat trainers for the Air National Guard; 6 Navy A-6E aircraft, which are our only all-night, all-weather attack planes; C-130 transport aircraft and AH-1S helicopters for the Guard and C-12A transport planes for the Army. In addition, we increased the buy of the Navy's F-18 and F-14 fighters. These increased rates of procurement are necessary to our force structure, and will enable us to buy the aircraft at a lower cost.

Another major add-on by the conference was the decision to continue procurement of the MARK-48 torpedo. My amendment to add $75 million to buy 144 MARK-48's in fiscal year 1980 was accepted by the conference, and will enable us to maintain a needed quantity of these weapons further out into the 1980's.

### TANK AND MISSILE PROGRAMS

The conference also approved procurement of 351 XM-1 tanks, the new battle tank, as well as 64 of the new model of M-60 tanks. In this area we provided $14.2 million for an advanced diesel tank engine, to assure against failure of the turbine engine. Procurement was also allowed on the Roland low-level air defense missile system, and the Patriot high-level air defense system.

### STRATEGIC PROGRAMS

Of great importance, Mr. President, the conference allowed the full funding requested for the cruise missile and MX missile programs. I feel these programs have not been expedited enough in past years, but hopefully the administration is getting the message that Congress is determined to modernize our strategic forces rapidly.

This bill also contains $13.5 billion for research, development, test and evaluation. In this account we have the unique situation where the conference approved testing and evaluation of a low-cost close air support plane developed by private industry. I have reference to the Enforcer aircraft, which is a small, heavily armored plane with a turbo-prop jet engine. It can operate off forward fields, perform at speeds slower and faster than the A-10 and carry the same payload from these forward fields. If this concept tests out favorably, we could greatly expand our support of ground troops in NATO at one-sixth the cost we are now paying.

Mr. President, this bill obviously contains many other programs. It is a compromise bill on which the House and the Senate worked out strong differences. Although there were some decisions in the conference with which I did not agree, on balance I believe it is one of the stronger bills we have fashioned in a number of years, and I urge it be approved by the Senate.

The PRESIDING OFFICER (Mr. GLENN). The Senator from Virginia.

Mr. WARNER. Mr. President, I yield to the distinguished Senator from Massachusetts.

Mr. TSONGAS. Mr. President, let me extend my appreciation to the committee for the action taken yesterday in the conference. It is clear that the committee is sensitive to what has happened in London and sensitive to the progress being made today. However, there are not too many people here to acknowledge what has taken place. I would submit, however, that the conference, and its willingness to adopt language that gives peace a chance, as they say, will be remembered as one of the most significant things we have done in terms of the world order.

I have just one comment. That is that noted earlier was the success of the Mozurewa government in Zimbabwe-Rhodesia to American national interests. I would suggest that is not the case. What is in our national interest is a peaceful revolution in Zimbabwe-Rhodesia that includes all the parties, that does not end in violence and bloodshed, and that does not provide entry to the Soviets who at this point are waiting in the wings.

I will read from the letter of Mrs. Thatcher sent to the Senator from North Carolina in which she says:

> What Rhodesians need above all is a settlement which will bring them international acceptance. They are looking to the Conference to achieve this.

That is exactly what our language does. It looks to the London conference to achieve that equilibrium.

She goes on to say:

> But we are determined to bring about a solution which will bring Rhodesia to legal independence and enable us and others to lift sanctions with the widest possible international acceptance. I am confident that we are making progress in that direction.

I endorse those sentiments and I congratulate the Senator from Mississippi and the Senator from Texas on their leadership in this proposal.

I yield back the remainder of my time.

Mr. WARNER. Mr. President, may I ask my distinguished colleague from Massachusetts if he will insert Mrs. Thatcher's letter in its entirety into the RECORD? I think it is important that that be done.

Mr. TSONGAS. I say to the Senator that the letter is in yesterday's CONGRESSIONAL RECORD. Otherwise, I would have done that.

Mr. WARNER. Perhaps it would be wise—it is a short letter—in view of the fact that two excerpts were quoted today, that it be included.

Mr. TSONGAS. Fine, I shall do that.

I ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE PRIME MINISTER,
*10 Downing Street.*

DEAR SENATOR HELMS: I was grateful for your letter of 12 September about Rhodesia. I am sorry not to have replied earlier, but I thought that before doing so it would be best to wait to judge the progress made in the Constitutional Conference.

As you know, I want to see sanctions against Rhodesia lifted as soon as possible. I am now confident that the Conference in which we are engaged will help us to achieve this aim. We regard adequate safeguards for the white minority as an essential part of the independence Constitution. We have provided for this in the constitutional proposals we have put forward. (I enclose a copy.) As you will know, Bishop Muzorewa has announced his acceptance in principle of our constitutional proposals.

What Rhodesians need above all is a settlement which will bring them international acceptance. They are looking to the Conference to achieve this: it would provide the strongest encouragement to them to remain in the country. We shall not allow anyone to exercise a veto over a settlement we believe to be fair and reasonable. But we are determined to bring about a solution which will bring Rhodesia to legal independence and enable us and others to lift sanctions with the widest possible international acceptance. I am confident that we are making progress in that direction.

Warm regards.

MARGARET THATCHER.

Mr. WARNER. Mr. President, I rise in behalf of the freshmen members of the Senate Committee on Armed Services to express our profound appreciation to the distinguished chairman from Mississippi and the ranking minority member from Texas. I think—I know—the freshmen have been treated with total equality and have had every opportunity to contribute to the work of this committee. I urge the Senate to accept this conference report.

I also want to take special note of the contributions by the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) and the distinguished Senator from North Carolina (Mr. HELMS) and the manner in which they exercised statesmanship and restraint yesterday on a subject that was very important to them; nevertheless, they recognized that the paramount importance was that the Senate proceed at the earliest possibility to the consideration of this bill.

Mr. President, I close my remarks with the observation that, in the coming fiscal year, one of the paramount responsibilities of the Armed Services Committee will be to examine the All-Volunteer Force and, indeed, the overall personnel programs of our military. We learned with considerable distress just recently that all the services failed this year to recruit the numbers of young men and women needed to fill their authorized strengths. Those of us who have the opportunity to serve on the Subcommittee for Manpower under the able leadership of Senator NUNN of Georgia will shortly be having hearings on this subject.

In my own personal opinion, four things are necessary to bring about a solution to our recruiting shortfalls. We have a responsibility to keep our Armed Forces up to strength, but we also have a responsibility to those men and women who serve our Nation on active duty. We are losing, right today, far too many well-trained, middle-career individuals, both enlisted and officers. They cannot be expected to continue to deprive their families and their lifestyles of the basics which they deserve and which their abilities would enable them to provide their families in the civilian economy. If we do not meet these minimum requirements, competition from free enterprise is such that they will be lured away from the services in ever increasing numbers.

Mr. President, I am, therefore, going to recommend, in the coming fiscal year, an across-the-board pay raise for all persons on active duty; secondly, that we increase the educational benefits for those young men and women who complete a term of enlistment in an honorable way; and, third, that we improve health care for all individuals on active duty and, indeed, those in the retired category as well. We cannot expect persons to consider the military as a career if, in fact, at the end of that career, they do not receive those entitlements that were promised as a part of the contract they undertook in good faith with the United States of America.

Last, Mr. President, I urge every single American in his or her own way to stop and pause and congratulate those who do honorably serve in the uniform of our country. A little word of encouragement very often is worth a great deal more than added pay and perquisites. Our service men and women deserve our respect and admiration—we should give it to them.

I thank the Chair. I yield back the floor to the distinguished chairman of the Committee on Armed Services, Mr. President.

Mr. STENNIS. Mr. President I did want to get the floor for just a few additional minutes. One reason was to thank with even more emphasis the Senator from Virginia (Mr. WARNER) for his active and willing service to our committee. He has an inexhaustible supply of energy. He works hard and knows the subject matter. He has been former Secretary of the Navy as I said, but he knew a lot about it before then. We thank him for his service.

Also, I heard part of what he said here about our personnel matters. Certainly, there is not a graver matter resting before the American people than this matter of what we are going to do about getting enough of the quality type people to make our military units effective. Our committee has been on it. I am not just bragging about them, but they do have an interest in a broad field of activity. These bills every year cover it.

We shall have the appropriation bill before the full Committee on Appropriations tomorrow, bottomed on this bill that we are passing. I am sure that we shall have it ready early next week to come to the floor. There will be good debate on that. I hope we can be prepared to take part in it, too.

We did not ask for a rollcall on this conference report. It is late in the afternoon. It has been so thoroughly debated here in the course of the year, and an opportunity is going to come on the appropriations bill, anyway, if anybody wants to challenge any of these matters.

Mr. WARNER. Will the Senator yield?

Mr. STENNIS. Yes, I yield.

Mr. WARNER. First, I want to thank the Senator for his thoughtful remarks on my behalf, but I say that, among the freshmen, the first prize for the year would go to Senator LEVIN, who took on that impossible task the chairman gave him on the Panama Canal legislation.

Mr. STENNIS. Surely that is true for what he gave, too, in doing that midnight work.

Mr. President, we shall not ask for a rollcall for the reasons I said. I see the Senator from Arizona over there. He is a valuable member of our committee.

● Mr. HATFIELD. Mr. President, passage of the 1979 defense authorization bill as reported will bring us one step closer to the much-despised military draft. While this old idea is dressed in a new package, it still reflects the involuntary servitude mentality that this body has suffered since we instituted the All-Volunteer Force in 1973.

I am referring, of course, to section 811 of the bill that requires the President to prepare and send to Congress a plan for fair and equitable reform of law providing for registration and induction into the Armed Forces. Mr. President, I cannot understand the necessity of such action, especially since the President already has the authority to reactivate the Selective Service System and launch a mass registration of our young people. A simple announcement from the President and some additional funding are all it takes to bring back registration. Furthermore, the President, the Secretary of Defense, and the Secretary of the Army have all stated publicly that they are satisfied with the progress of the volunteer system and oppose registration.

Nevertheless, Congress continues to force the President's hand by insisting that he conduct yet another study that usurps current manpower mobilization procedures.

In addition to the fact that this new study is unnecessary, the possibility of compiling a comprehensive report on our military manpower by January 15, 1980, is highly unlikely at best.

Mr. President, I strongly oppose this move on the part of the House and the armed services conferees to prolong the issue of registration and undermine the reputation of the All-Volunteer Force and I ask unanimous consent that an article I recently prepared on this subject entitled "The Case Against Peacetime Registration," be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### THE CASE AGAINST PEACETIME REGISTRATION

The calls for a return to peacetime registration, the cornerstone of the draft, reflect the saber rattling of the Cold War era and have little relationship to our true defense requirements. Such action is expensive, inefficient, unnecessary and unfair. If the United States is not at war, there is absolutely no justification for a return to military conscription.

The same people who fought against ending the draft and opposed the All Volunteer Force are now trying to focus our attention on such issues as manpower for our active duty forces, the quality of person entering the armed forces, racial mix, our reserve strength, medical facilities and personnel, and the lack of infantry, armor and chemical warfare specialists. All of these are significant issues. However, they fail to address tremendous difficulties which would follow a return to peacetime registration, difficulties that in the Vietnam era threatened to tear apart the social fabric of the country.

Registration, classification and drafting are all totally alien to our American principles of freedom. The late Senator Robert Taft said: "Military conscription is far more typical of totalitarian nations than of democratic nations. It is absolutely opposed to the principles of individual liberty, which have always been considered part of American Democracy." It seems to me that the principles of which Senator Taft spoke are not only part of our democracy, but its very foundation.

And yet, looking over the record of criticism of those bent on returning to a compulsory draft, I find very few statements dealing with the basic assumptions of a peacetime military draft, its domestic and foreign implications, and, most importantly, its implications for the individual men and women in our society.

As a peace-professing country, we should consider the likelihood for domestic turmoil as well as the military aspects. Anyone who favors a return to registration and the draft should give careful thought to the kind of Presidential power such a system grants. A pool of eligible young people registered for the purpose of military service gives the Congress and the president of the United States unlimited and automatic person power. One need only to look back to the bloody years of Vietnam to be reminded of this horrible situation. If John F. Kennedy, Lyndon Johnson or Richard Nixon had employed their Vietnam War policy without the assistance of a draft, we could not have continued so long and lost so many Americans in the quicksand of Southeast Asia. With a huge manpower pool of potential conscripts it would be just as easy to slip into military action in Africa, Latin America, or the Persian Gulf. We should therefore avoid a situation that would encourage a "presidential war" or force our young people into making difficult decisions involving conscience, family responsibilities, and patriotism.

I am surprised at the refusal of so many draft proponents to address the issue of women and their probable role. Current Congressional activity in both Houses completely ignores the question. If your son is required to register for the draft, should your daughter have to register as well? If she should choose an Armed Forces career, should she have the same chance as men for the combat assignments which lead to promotion—or to being killed in action? The answers to these questions are difficult at best, but they must at least be confronted and dealt with. Ignoring or eliminating women from the registration requirement will undoubtedly result in constitutional challenges and court battles.

Alleged threats of manpower shortages are combined with assertions that the all-volunteer army isn't working.

The fact is the all-volunteer army is a success. A Pentagon report commissioned by Congress and released last December concludes:

"Since the end of the draft, the active forces have remained within 1.5% of Congressionally authorized levels. More importantly, the quality of those serving on active duty, as measured by the education levels of active duty personnel, and the average test scores of new recruits, has not declined as popularly believed but has markedly and steadily improved since the end of the draft."

Furthermore, compared to the Department of Defense's current requirement of the first inductions within 30 days after mobilization, a November, 1978, Congressional Budget Office study concludes that with a credible, effective post-mobilization plan, the Selective Service System could have the first inductee within 25 days of mobilization. This is wholly adequate to projected manpower needs. The Department of Defense has found no need for inductees until 30 days after mobilization.

The President and the Secretary of Defense, as well as the Secretary of the Army, have all rejected out of hand the prospect of a return to peacetime registration. This is particularly significant since the President has the power to reinstate registration at any time without the Congress forcing his hand.

Put into historical context, we survived and prospered for about 160 years of our 200 year life with a voluntary military system. When a genuine crisis of national security presents itself, the American people will respond as they did in the Revolution of 1776 or the attack on Pearl Harbor. In the two months following the outbreak of World War II, 300,000 Americans voluntarily enlisted. It is interesting that current defense manpower projections do not even include emergency volunteer response as a factor. This is an appalling oversight.

One of the war games the Pentagon plays, and often cites to substantiate its increasing manpower needs, is called "Nifty Nugget." In this projected exercise, conducted last fall, a surprise Soviet-backed "blitzkrieg" attack was assumed to take place in Europe which, in turn, touched off a conventional Warsaw Pact-NATO war. The Pentagon claims that this demonstrates the need for peacetime registration and that without it a draft could not be cranked up fast enough.

Before a scenario such as this can be taken for granted, however, it is essential to realize that it was engineered solely by the military establishment. In "Nifty Nugget," for example, 500,000 U.S. soldiers are killed or wounded in just six weeks of hypothetical combat. This massive death toll far surpasses the total of 55,000 dead and 300,000 wounded U.S. soldiers during the entire course of the Vietnam War.

Pro-draft forces have the audacity to advance the notion that a return to registration will somehow make nuclear war in Europe less likely by strengthening conventional forces. This is a dangerous exercise in self-delusion.

By the Department of Defense's own dangerous design, our war-fighting strategy in Europe envisions the possible use of thousands of tactical nuclear weapons as soon as the tide of battle turns against the allies. This would happen in days—not in the three months it would take to get the first registrant to Europe. The neutron bomb, for example, has been specifically designed to be used against Warsaw Pact conventional tank invasion early in the assault. Component production of that weapon continues. To again force involuntary servitude on the American public based principally on a drawn-out conventional conflict in Western Europe, flies directly in the face of our plans for defending the NATO allies.

The American people, the Congress and the military community should all have grave concerns about a return to peacetime registration. It is a practice that encourages involvement in regional conflicts and reflects a nation constantly braced for war.

Recruitment goals are being met and our Armed Forces increasingly constitute a representative cross-section of our society. Rising manpower costs, that can be controlled by better management and appropriate reforms, are no excuse for a new peacetime draft. A voluntary program of service is characteristic of the free and democratic republic that we enjoy and are striving to protect.

Those who serve in military organizations are certainly performing a duty to our country. But those who are teaching in our schools, building our cities and highways, providing medical services and farming our land are also providing equally vital contributions to our nation. By respecting the roles of Americans in and out of the service, and allowing them to operate in an atmosphere of freedom, we are twice armed against our enemies.●

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the conference report was adopted.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## NAVAL PETROLEUM AND OIL SHALE RESERVES

Mr. STENNIS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 3354.

The PRESIDING OFFICER (Mr. GLENN) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. STENNIS. Mr. President, this is a relatively small bill regarding certain naval oil resources.

I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. GLENN) appointed Mr. HART, Mr. JACKSON, Mr. CANNON, Mr. THURMOND and Mr. TOWER conferees on the part of the Senate.

Mr. STENNIS. I thank the Chair and I yield the floor.

## DEPOSITORY INSTITUTIONS DEREGULATION ACT

The PRESIDING OFFICER. The Chair now lays before the Senate the pending business, which the clerk will state.

The assistant legislative clerk read as follows:

> Calendar No. 387, H.R. 4986, an act to amend the Federal Reserve Act to authorize the automatic transfer of funds, and so forth, and for other purposes.

The Senate resumed the consideration of the bill.

## NAVAJO AND HOPI INDIANS RELOCATION AMENDMENTS ACT OF 1979

**Mr. ROBERT C. BYRD.** Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 392 for the rest of this calendar day.

**The PRESIDING OFFICER.** Without objection, it is so ordered. The bill will be stated by title.

The assistant legislative clerk read as follows:

Calendar Order No. 392 (S. 751), a bill relating to the relocation of the Navajo Indians and the Hopi Indians, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Select Committee on Indian Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Navajo and Hopi Indians Relocation Amendments Act of 1979".

Sec. 2. Paragraph (4) of section 5(a) of the Act of December 22, 1974 (88 Stat. 1714), is repealed.

Sec. 3. Section 10 of the Act of December 22, 1974, is amended by adding at the end thereof the following new subsections:

"(c) The Secretary of the Interior shall take such action as may be necessary in order to assure the protection, until relocation, of the rights and property of individuals subject to relocation pursuant to this Act, or any judgment of partition pursuant thereto, including any individual authorized to reside on land covered by a life estate conferred pursuant to subsection (d) of section 14 of this Act.

"(d) With respect to any individual subject to relocation, the Secretary of the Interior shall take such action as may be necessary to assure that such individuals are not deprived of benefits or services by reason of their status as an individual subject to relocation.

"(e) During the pendency of litigation in the United States District Court for the District of Arizona brought pursuant to section 8 of this Act, including the case of Sekaquaptewa against MacDonald (74–842–P.C.T.–W.P.C.), any new use or development of the lands contained within those lands lying west of the Executive Order Reservation of December 16, 1882, and bounded on the north and south by westerly extensions to the reservation line of the northern and southern boundaries of said 1882 Executive Order Reservation and on the west by the Colorado and Little Colorado Rivers, shall be carried out only upon the written consent of the two tribes or upon the written approval of the Secretary: *Provided,* That if the Secretary approves such use or development over the objection of one of the tribes, that tribe may petition the district court having jurisdiction over the litigation for an order or orders prohibiting such use or development, including an order staying any such use until such matter is finally resolved by the court. In reaching a final decision regarding such petition the court shall consider the matter de novo to determine whether the proposed use or development would adversely affect the ultimate legal right of either tribe to partition based on use of land.".

Sec. 4. Section 11 of the Act of December 22, 1974, is amended by striking out all of subsection (b) and inserting in lieu thereof the following new subsections:

"(b) The Navajo-Hopi Relocation Commission is authorized to purchase or otherwise acquire, except by eminent domain, not to exceed two hundred thousand acres of land contiguous to, or adjacent and within six miles of, the Navajo Reservation for the benefit of the Navajo Tribe to facilitate relocation. Such lands shall be taken by the United States in trust for the Navajo Tribe and shall be a part of the Navajo Reservation.

"(c) The Commission shall have the authority to enter into negotiations with the Navajo and Hopi Tribes with a view to arranging and carrying out land exchanges or leases, or both, between such tribes, and lands which may be acquired by the Commission under subsection (b) of this section may, with Commission approval, be included in any land exchanges between the tribes authorized under section 8(c) or section 23 of this Act.".

Sec. 5. Section 12 of the Act of December 22, 1974, is amended by—

(1) inserting, in paragraph (1) of subsection (g), the phrase "an independent legal counsel," after the phrase "Executive Director,";

(2) amending subsection (h) to read as follows:

"(h) The Commission is authorized to provide for its own administrative, fiscal and housekeeping services."; and

(3) redesignating subsection (i) as subsection (j) and inserting new subsection (i) as follows:

"(i)(1) The Commission is authorized to call upon any department or agency of the United States to assist the Commission in implementing its relocation plan and completing relocation within the time required by law, except that the control over and responsibility for completing relocation shall remain in the Commission. In any case in which the Commission calls upon any such department or agency for assistance under this section, such department or agency shall provide any reasonable assistance so requested.

"(2) On failure of any agency to provide reasonable assistance as required under paragraph (1) of this subsection, the Commission shall report such failure to the Congress.

Sec. 6. Clause (5) of section 13(c) of the Act of December 22, 1974, is amended by striking the word "thirty" and inserting in lieu thereof the word "ninety".

Sec. 7. (a) Section 14(b)(1) of the Act of December 22, 1974 (88 Stat. 1712, 1718), is amended by deleting "$5,000" and inserting in lieu thereof "$10,000".

(b) Section 14(b)(2) of such Act is amended by deleting "$4,000" and inserting in lieu thereof "$8,000".

(c) Section 14(b)(3) of such Act is amended by deleting "$3,000" and inserting in lieu thereof "$6,000".

(d) Section 14(b)(4) of such Act is amended by deleting "$2,000" and inserting in lieu thereof "$4,000".

(e) Subsection (b) of section 14 is further amended by adding paragraph (5) at the end thereof as follows:

"(5) The amendment made to paragraph (1) of this subsection on the date of enactment of the Navajo and Hopi Indians Relocation Amendments Act of 1979 shall be applicable with respect to any head of a household who would have been entitled to the $10,000 payment under section 14(b)(1) of this Act but for the fact that such head relocated prior to the date of the enactment of the Navajo and Hopi Indians Relocation Amendments Act of 1979.".

Sec. 8. Section 14 of the Act of December 22, 1974, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding any other provision of this Act, the Commission shall make available to an eligible applicant, on timely application as set forth in paragraph (3) of this subsection, a limited tenure of such land as the Commission determines necessary in order to avoid the necessity of relocating such applicant, and his or her spouse and dependents, if residing with such applicant. The Commission shall grant up to one hundred and sixty life estates and shall give first priority to disabled applicants. Second priority shall be awarded on the basis of age with the oldest applicants given preference over younger applicants and among such older applicants, first priority shall be given to those residing in the Big Mountain area. Such tenure shall consist of the right of use and occupancy of one hundred and fifty acres of land in order to enable such applicant to raise livestock not to exceed twenty-five sheep units per year or equivalent livestock. The Commission upon the issuance of a life estate shall fence the boundaries of lands assigned for use by the recipient of such life estates. The life estate tenure shall end by voluntary relinquishment, or at the death of the applicant or the death of the spouse of the applicant, whichever last occurs: *Provided,* That such survivorship rights shall apply only to those persons who were married on or before the date of the enactment of this subsection. Nothing in this Act or any other law shall preclude such applicant from making improvements within the area covered by such tenure.

"(2) As used in this subsection, the term—

"(A) 'eligible applicant' means, with respect to a Navajo or Hopi individual, an individual—

"(i) who on December 22, 1974, and continuously thereafter has maintained a place of abode, and has been actually domiciled therein, in an area from which such applicant, but for this subsection, would be required to relocate; and

"(ii) who on or before the date of enactment of this subsection was at least forty-five years of age, or who is found by the Commission to be mentally or physically disabled.

"(B) 'dependent' means—

"(i) those members of the applicant's household who derive more than one-half of their support from the applicant; or

"(ii) those relatives, members of the immediate family, or other persons who are necessarily and customarily present to provide for the care of the life estate applicant.

"(3) In any case in which a Navajo or Hopi individual believes that he or she can qualify as an eligible applicant (as defined by paragraph (2) of this subsection), such individual is authorized to file an application with the Commission requesting that he or she be granted a life estate in lands in accordance with this section. Such application shall be submitted in such manner, and contain such information as the Commission shall prescribe by regulation, such regulation to be promulgated by the Commission within ninety days of the enactment of this subsection. Such application must be filed on or before January 1, 1981: *Provided,* That in exceptional cases the Commission may accept later applications where necessary to avoid inequity or hardship.

"(4) Within ninety days following the date of the enactment of this subsection, the Secretary, in consultation with the Commission, shall promulgate such regulations as may be necessary to assure that in the case of a life estate granted pursuant to this subsection, no person may reside on the land covered by such life estate other than the applicant, his or her spouse, and the applicant's dependents, except that such regulations shall provide that in case of illness or disability persons necessary to attend upon and care for such applicant, spouse, or dependent may reside on such lands during such illness or disability. Such regulations shall further provide for the right of all residents and visitors to the lands covered by such life estate to have access thereto by use of all established roads or ways leading thereto.

"(5) The Secretary shall make available to applicants receiving a life estate under this subsection such assistance, during that tenure, as may be necessary to enable such applicant to feed and maintain that applicant's livestock at an adequate nutritional level. Within ninety days of enactment of this subsection, the Secretary shall promulgate such rules and regulations as may be necessary to carry out the provisions of this subsection.

"(6) Any eligible applicant, and his or her spouse and dependents, so living on the Navajo Reservation shall be subject to the jurisdiction of the Navajo Tribe, and any such eligible applicant, and his or her spouse and dependents, so living on the Hopi Reservation shall be subject to the jurisdiction of the Hopi Tribe, except that the land laws of the Navajo Tribe shall not be applicable to any tenure granted to a member of the Hopi Tribe, and the land laws of the Hopi Tribe shall not be applicable to any tenure granted to a member of the Navajo Tribe.

"(7) Nothing in this subsection shall be construed as prohibiting any such applicant who receives a life estate under this subsection from relinquishing, prior to its termination, such estate at any time and voluntarily relocating. Upon voluntary relinquishment of such estate, by such means or instrument as the Secretary of the Interior shall prescribe, such applicant shall be entitled to relocation benefits from the Secretary comparable to those provided by section 15 of this Act. For life estates terminated by the death of the life tenant or his or her surviving spouse, compensation shall be paid to the estate of the deceased life tenant based on the fair market value of the habitation and improvements at the time of the expiration of such tenure and not before. Such payment shall be in lieu of any other payment pursuant to subsection (a) of section 15 of this Act. Assistance similar to section 15(b) of ths Act shall be paid to the estate of such life tenant by the Secretary. Such compensation and assistance shall be paid and distributed in accordance with the last will and testament of the life tenant, or in the event no valid last will and testament is left, compensation shall be paid and distributed to his or her heirs in accordance with the laws of the tribe of which such life tenant is a member. Upon the termination of a life estate by whatever means, the dependents residing with the individuals having such life estate so terminated shall have ninety days following such termination within which to relocate.".

SEC. 9. Section 15 of the Act of December 22, 1974, is amended by adding at the end thereof a new subsection (f) as follows:

"(f) Notwithstanding any other provision of law to the contrary, the Commission shall on a preferential basis provide relocation assistance and relocation housing under subsections (b), (c), and (d) of this section to the head of each household of members of the Navajo Tribe who were evicted from district numbered 6 of the Hopi Indian Reservation in 1972: Provided, That such heads of households have not already received equivalent assistance from Federal agencies.".

SEC. 10. Section 16 of the Act of December 22, 1974, is amended by adding the following new subsections:

"(c) The Secretary is authorized and directed to receive, consider, and pay any claim received by him from the Navajo Tribe or Hopi Tribe for compensation for the reasonable rental value, losses or other expenses incurred by the tribe by reason of such life estates conferred by the Commission pursuant to section 14(d) of this Act. Such claims shall be submitted at such time, in such manner, and contain such information, as the Secretary may prescribe. Any payment made pursuant to a claim filed under this subsection shall be in lieu of rental payments from the tribes under subsections (a) and (b) of this section with respect to lands covered by such claim.

"(d) (1) In lieu of rental payments under the provisions of subsection (a), (b) or (c) of this section, the tribe upon whose reservation a life estate has been created may elect to accept compensation in lieu of lands out of the lands acquired by the Commission under section 11(b) of this Act. In any case in which a Navajo individual receives a life estate under this Act in lands of the Hopi Tribe, the Commission shall make available to the Hopi Tribe land of equivalent economic value out of the lands acquired for the Navajo under section 11(b) and shall permit the use of such land by the Hopi Tribe for a period ending upon the expiration of the ninety-day period following the termination of such life estate. Upon the expiration of such ninety-day period, the United States shall hold such land in trust for the benefit and use of the Navajo Tribe.

"(2) In the event a tribe elects to accept compensation in lieu of lands under this subsection, the Commission shall make diligent efforts to make such compensatory land available in consolidated parcels which will provide the greatest economic return.".

SEC. 11. Section 19 of the Act of December 22, 1974, is amended by adding a new subsection (c) as follows:

"(c) (1) Conservation practices, including grazing control and range restoration activities in the joint use area as required by subsection (a) of this section, shall be coordinated and executed with the concurrence of the tribe to whom the particular lands in question have been partitioned, and all such grazing and range restoration matters on Navajo Reservation lands shall be administered by the Bureau of Indian Affairs, Navajo Area Office, and on Hopi Reservation lands shall be administered by the Bureau of Indian Affairs, Phoenix Area Office, under applicable laws and regulations.

"(2) Surveying, monumenting, and fencing as required by subsection (b) of this section shall be completed within twelve months after the date of enactment of this subsection with respect to lands partitioned pursuant to section 4 of this Act and within twelve months after a final order of partition with respect to any lands partitioned pursuant to section 8 of this Act.

"(3) The livestock reduction program required under subsection (a) of this section shall be completed within eighteen months after the date of enactment of this subsection.".

SEC. 12. Section 23 of the Act of December 22, 1974, is amended by adding the following sentence at the end thereof: "In the event that the tribes should negotiate and agree on an exchange of lands pursuant to authority granted herein, the Commission shall make available 125 per centum of the relocation benefits provided in sections 14 and 15 of this Act to members of either tribe living on land to be exchanged to other than his or her own tribe, except that such benefits shall be available only if, within ninety days of the agreement, a majority of the adult members of the tribe who would be eligible to relocate from exchanged lands sign a contract with the Commission to relocate within twelve months of the agreement or such later time as determined by the Commission and such additional benefits shall only be paid to those who actually relocate within such period.

SEC. 13. (a) Section 25(a) (4) of the Act of December 22, 1974, is amended to read as follows:

"(4) For the purpose of carrying out the provisions of section 14(b) for the period prior to October 1, 1980, there is authorized to be appropriated not to exceed $5,500,000. For the purposes of carrying out such provisions for the period commencing October 1, 1980, there is authorized to be appropriated an additional amount of not to exceed $10,500,000."

(b) Section 25(a) (5) of the Act of December 22, 1974, as amended by the Act of July 30, 1979 (Public Law 9640), is further amended by striking the figure $1,000,000" and inserting, in lieu thereof, the figure "$5,000,000": Provided, That no new budget authority for fiscal year 1980 is authorized to be appropriated.

(c) Section 25(a) of the Act of December 22, 1974, is further amended by adding at the end thereof the following new subsections:

"(7) For the fiscal year beginning October 1, 1980, and for each of the two next following fiscal years, there is authorized to be appropriated such sum, not to exceed $1,000,000, as may be necessary to carry out the provisions of subsection (c) of section 16 of this Act.

"(8) For the fiscal year beginning October 1, 1980, there is authorized to be appropriated such sum, not to exceed $350,000, as may be necessary to carry out the provisions of subsection (d) (5) of section 14 of this Act. For the fiscal year beginning October 1, 1981, and the next following fiscal year, there is authorized to be appropriated for each such fiscal year such sum, not to exceed $600,000, as may be necessary to carry out such provisions.

"(9) For the purpose of carrying out the provisions of subsection (b) of section 11 of this Act, there are authorized to be appropriated, for the period beginning October 1, 1980, such sums not to exceed, in the aggregate, $31,250,000, as may be necessary.".

SEC. 14. The Act of December 22, 1974, is amended by adding at the end thereof the following new sections:

"SEC. 27. (a) In any litigation or court action between or among the Hopi Tribe, the Navajo Tribe, and the United States or any of its officials, departments, agencies, or instrumentalities, arising out of the interpretation or implementation of this Act, as amended, the Secretary shall pay, subject to the availability of appropriations, attorney's fees, costs, and expenses as determined by the Secretary to be reasonable. For each tribe, there is hereby authorized to be appropriated not to exceed $120,000 in fiscal year 1981, $130,000 in fiscal year 1982, $140,000 in fiscal year 1983, $150,000 in fiscal year 1984, and $160,000 in fiscal year 1985.

"(b) Upon the entry of a final judgment in any such litigation or court action, the court shall award reasonable attorney's fees, costs and expenses to the party, other than the United States or its officials, departments, agencies, or instrumentalities, which prevails or substantially prevails, where it finds that any opposing party has unreasonably initiated or contested such litigation. Any party to whom such an award has been made shall reimburse the United States out of such award to the extent that it has received payments pursuant to subsection (a) of this section.

"(c) To the extent that any award made to a party against the United States pursuant to subsection (b) of this section exceeds the amount paid to such party by the United States pursuant to subsection (a) of this section, such difference shall be treated as if it were a final judgment of the Court of Claims under section 2517 of title 28, United States Code.

"(d) This section shall apply to any litigation or court action pending upon the date of enactment of this section in which a final order, decree, or judgment has not been entered, but shall not apply to any action authorized by section 8 or 18(a) of this Act.

> "SEC. 28. The Secretary of the Interior and the Secretary of Health, Education, and Welfare, as appropriate, shall assign the highest priority, in the next fiscal year after the date of enactment of this subsection, to the funding and construction of the Hopi high school and a Hopi medical center consistent with any plans already completed and approved by appropriate agencies of the respective departments.".

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, S. 751 is a bill to provide needed amendments for the Navajo and Hopi Land Settlement and Relocation Act which was passed in a previous Congress.

We have dealt in this country for many decades, almost 100 years, with the question of the proper assignment of the reservation for the Hopi Indians. In fact, it was in 1882 that President Chester A. Arthur set aside, through an Executive order, a reservation for the Hopi Indians where they had lived for several centuries, but he included in that Executive order the language:

> "Such other Indians as the Secretary of the Interior may see fit to settle thereon" in lands lying west of the then existing Navajo Reservation in northeast Arizona. Over the years the population of the Navajo expanded and their traditional lifestyle of grazing sheep caused their migration to most parts of the 1882 Hopi Reservation and surrounding areas.
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> In 1943, the entire 1882 Hopi Reservation was surrounded by the present Navajo Reservation. The Department of the Interior set aside grazing district No. 6 lying entirely within the 1882 reservation for the exclusive use of the Hopi Tribe. Title to the surrounding land up to the borders of the 1882 Executive Order Reservation was left uncertain. In 1962, in the case of *Healing* v. *Jones*, the U.S. District Court determined that this land was held jointly and equally by the two tribes.
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> In its decision, the court determined that even though the Government did not have and officially settled Navajos on the 1882 reservation, a 1931 Department of the Interior internal communication had this effect. Thus, the court found that while the Department of the Interior had not directly and officially settled Navajos on the 1882 lands, it had done so by implication, indirection and neglect.

This eventually led to a very strained situation between the two tribes. The Navajo were much greater in numbers and the Hopi were very much the minority.

Finally, Congress sought to rectify this strained situation by passing the act of December 22, 1974. Among other things, the act set up the Navajo and Hopi Indian Relocation Commission.

Since 1974, the efforts of the Commission have not been entirely successful in drawing the boundaries between where the Navajos could live and the Hopis could reside.

It is because of this that we are faced today here in Congress with amendments to that act of 1974. While it has become apparent to us in the last few days that the administration opposes the key sections in the bill before us, S. 751, it should be noted by all Members of the Senate that we are doing this to resolve problems. We are seeking compromises between the two tribes. The Relocation Commission has sought these types of compromises. The fact that the administration opposes the key parts of S. 751 should not in any way delay the passage of this bill. It is sorely needed.

We recognize that when we ask Navajo families to move off land they have, in many cases, resided on for several generations, it, indeed, does impose hardships. The families have to have land on which they can relocate.

The Commission found itself in a position where it could not adequately handle the relocation of Navajo families. The amendments we have placed in the bill will correct that situation. They will provide more incentives for the Navajo families to move and will provide lands to be acquired by the Commission for those families to live on.

I think it is fair to say that these amendments to the Relocation Act of 1974 which are embodied in S. 751 do not completely satisfy either tribe. Within the spirit of compromise, we have arrived at what we think is the most equitable settlement under all the conditions that were presented to us.

We hope the Senate will agree to S. 751 and that final decision in the conference will be agreed to by both the House and the Senate. The House is working on a companion bill with several differences, and we hope we can resolve those differences in conference and that, when presented to the President, the bill will receive his signature so that it can become law.

Without these agreements, these compromises, we will have continual strife between the two tribes. These are equitable settlements, so far as the committee can tell, and I recommend them to the Senate.

Mr. GOLDWATER. Mr. President, I congratulate and thank Senator MELCHER for his outstanding work on this problem, which has involved two Indian tribes in my State for a hundred years.

I have lived intimately close with this problem. I was a Navajo Indian trader, and I have lived among the Hopi Indians. I sided with the Hopi in this case because they are a much smaller tribe. The Navajo Tribe is the largest tribe in the United States, constituting about 20 percent of all the Indians we have in the continental United States.

The Hopi have lived on their mesas and in their villages more than 2,500 years, in northern Arizona; and while the Navajo are latecomers, judging time in that frame, having arrived about 450 years ago, they did have treaty lands created by the United States in 1868 which were a few miles to the east of the land we are talking about.

The 1882 lands set aside for the use of the Hopi Indians contained this language:

> For the use of the Hopi Indians and other tribes.

That is where we got into trouble. Why that language is there, none of us knows, and we never will know, but it is there.

As the Navajo Tribe began to grow and grow and grow from 1868, when it was down to about 6,000 people, to today—they comprise a tribe of about 160,000 people, living mostly in Arizona, as well as Utah, a little in Colorado, and New Mexico—they had to branch out.

That reservation, which originally was 1,500 acres in size, is now 16 million acres. It is larger than many States east of the Mississippi.

Mr. President, the problem that really brought this to a head was that in 1974, when the bill was on the floor and it was obvious that it was going to pass, an amendment nobody knew about was suddenly brought up on the floor. It involved what we call the Moenkopi Indians of the Navajo Tribe. These are the people who live on what we call Big Mountain. These Navajos have lived there, as an entity, probably longer than the Navajos have lived in any other one place. I would say there might be 200 of them, if we could count them all. They are mostly older people. It is on Hopi tribal land.

To show how well the Hopis have accepted them, the Indian trading post that supplies the Navajo, located on the Hopi reservation, is licensed by the Navajo Tribe, approved by the Hopi Tribe. These are the Indians who were going to suffer because of an amendment that was submitted at the last minute, about which we knew nothing. Former Senator Fannin and I argued that this was a wrong amendment, that it involved people who were entitled to live where they were living, and that we did not want to see anything happen to it.

As a result of that, the Relocation Commission got into a terrific argument with the chief of the Hopis and the head of the Navajo Tribal Council, and once again it went to court; and once again, as four times before, the court ruled in favor of the Hopi, but the Navajo did not pay any attention to the ruling.

So this bill, written with the great help of my junior colleague, Senator DECONCINI, whose knowledge of the Indian problem there is as great as mine, is a bill which, although it is not completely acceptable to everybody involved, as Senator MELCHER has said, at least will end this 100-year-old argument and will give the Commission and the Government some guidelines and some roads down which to travel in order to bring this squabble to an end.

Mr. President, I do not care to comment any further on this matter, except to say thank God we now have a vehicle to climb on which will take us to the end of an argument that is causing great concern among both people—one tribe, a very old, very sedate, very conservative group of people who literally live in the past, who retain their same dress, their same religious customs, and everything about them is as it was thousands of years ago. They speak a very, very difficult language and do not particularly care for the company of the white man, but they do get along with their brother Indians.

The Navajo, on the other hand, are a very, very progressive tribe. They have excellent leadership, even though the leadership and I have disagreed rather vehemently in politics. They do have a good tribal government, good law, are well policed. Their young people are going to school in increasing numbers. I think I can say now that we have more than 1,000 graduates in the two tribes with master's degrees and probably close to 50 with their doctorate degrees.

So we are dealing with two tribes, one of which is perfectly happy living as they have for 3,000 years, and the other tribe anxious to get going. I think that with their leadership and with the industry that is coming to their part of the reservation, we will see that.

So I urge that we accept this bill. Again, I thank my junior colleague from Arizona, Senator DeConcini, and Senator Melcher for the great work they have done on this matter. They have actually given us something that none of us thought we would ever see.

Mr. DeCONCINI. Mr. President, I extend my compliments to my distinguished colleague from Arizona. He has been involved in this much longer than I.

I assure my senior colleague that in the course of venturing into this effort when I came to this body, it never was the intent to cast any criticism on the fine work accomplished by the senior Senator from Arizona and by our mutual good friend, former Senator Fannin. During the almost 3 years I have been in the Senate, I have come to realize what a struggle this problem has been.

Indeed, Senator Melcher has approached it in that way of taking a serious look at trying to find equities and to try to do what is least harmful to the least amount of people.

I thank the Senator from Arizona for his cooperation and his staff for continuously working on it.

I might add that this bill is no panacea. It has been considerably compromised since I first introduced it as S. 1714 in the 95th Congress. Hopefully it will help to reduce the anxiety and other adverse impacts that have been thrust upon some of the people in this particular area.

It is of interest to me to know the history that I have learned from my senior colleague and also from my own research and visit in the area that we are talking about in northern Arizona.

I hope that with enactment of this bill we can demonstrate to our brothers living in the particular area, the joint-use area, that our efforts here are not to dictate and to mandate things that are unreasonable, but that we are only human beings and that we struggle with good intentions to find solutions to problems that have lasted for hundreds of years. In doing so man indeed is fallible. We do make mistakes.

I think the purpose of S. 751 is a corrective measure, fine-tuning, if you like to use that word, to try to bring a little bit or more equity to the particular Public Law 93–531.

Mr. President, this bill, S. 751, will modify Public Law 93–531, the Navajo-Hopi Settlement Act, which was designed to resolve the Navajo-Hopi joint-use land dispute.

The intent of the law, Public Law 93–531, to resolve a century-old land dispute is admirable. However, since enactment, problems have arisen that could thwart implementation of this law. The dilemma is that the Federal agency responsible for relocating those Navajo and Hopi Indians who must move has not been able to identify suitable sites for relocation. Quite a few voluntary relocatees have been moved to urban areas, such as Gallop and Flagstaff—a significant number of these relocatees have experienced difficulties in their new environment. Further, those potential relocatees presently living on the Hopi side of the partition are the most traditional of all the Navajos—many have no skills that would allow them to become productive members of an urban population—to move them to such an environment would be disastrous.

The Senate Committee on Interior and Insular Affairs, in its report which accompanied H.R. 10337, as amended, now Public Law 93–531, recognized the serious impact relocation would have if not handled properly:

> The Committee believes it vitally important, that the plan take into account all social, economic, cultural and other adverse impacts of relocation on persons involved in the relocation and be developed to avoid or minimize, to the extent possible, such impacts. The plan must also identify the sites to which such households are to be relocated and assure that housing and related community facilities are available at the relocation sites. The Committee believes this requirement is particularly important in effecting the purpose of minimizing the adverse impacts of relocation.

In view of the fact that proper sites have not been found for most of the relocatees, the committee's intent of "minimizing the adverse impacts of relocation" will not be fulfilled unless the law is amended. I would go one step further and say that if the law is not amended, relocation will, in all probability, not take place.

The Navajos residing on the former joint-use area, awaiting relocation, have lived there for decades. Their ancestors are buried on the land that the relocatees know as their only home. I have visited the former joint-use area and talked with many of those who will be required to relocate. This personal contact has further convinced me that the Congress has no choice but to help these people.

This bill is no panacea—it has been considerably compromised since I first introduced it as S. 1714 in the 95th Congress—but hopefully it will help to reduce the anxiety and other adverse impacts that have been thrust upon these Navajo people. The bill contains two major provisions to accomplish these goals. First, it will provide life estates for 160 families with older heads of households—thus, those most adversely affected by relocation will not have to move. Second, it provides the Navajo-Hopi Indian Relocation Commission with the authority to purchase up to 200,000 acres of private land for relocation purposes—thus, those having to relocate will know where their new home will be and will be able, to some extent, to continue their traditional life style.

Mr. President, S. 751 will provide for a more humane relocation than is called for in present law. I urge my colleagues to support it.

I join with my senior colleague in thanking the chairman of the Select Committee on Indian Affairs for his willingness to sit through several days of hearings, for his willingness to sit through several days of markup, to work with Senator Goldwater and myself and members of the respective tribes and the people to put this together.

I also thank the staff of the select committee for the many hours, including John Mulkey, assigned to me for this purpose, the many, many hours of work that has been put into this. People will consider this an inconsequential piece of legislation, of no real importance, but when you look into the people's eyes that have to live with laws that we pass some 2,200 miles away, and they indicate that there are problems with the laws, and there may be problems even with this, you realize that it takes a lot of time to learn a subject and try to do what is in the best interest.

I urge the adoption of the legislation and again thanks to the chairman of the committee.

Mr. MELCHER. Mr. President, I point out to the Senate that the bill was introduced several months ago. The bill whose number we are retaining is Senator DeConcini's bill, S. 751. A similar bill, S. 1077, introduced by Senator Goldwater in May of this year, was considered along with S. 751, and we reconciled the two bills.

In reporting out the bill by unanimous vote, on September 26, we felt that any objections that the administration might have would be timely received and would be incorporated in the report. However, when we filed the report on October 17 we had not received any communication from the administration. On October 19 a letter from the Department of the Interior was received by the committee.

Mr. President, I ask unanimous consent that this letter, dated October 19, 1979, from the Department of the Interior to me be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
*Washington, D.C., October 19, 1979.*

Hon. John Melcher,
*Chairman, Select Committee on Indian Affairs, U.S. Senate, Washington, D.C.*

Dear Mr. Chairman: This provides our views on S. 751, the "Navajo and Hopi Indian Relocation Amendments Act of 1979" as amended and ordered reported by your Committee on September 26, 1979. The following comments are in line with and supplement our more detailed August 3 report on S. 751 as introduced.

The Administration is strongly opposed to:

(1) The 200,000 acre land purchase by the Relocation Commission authorized by the amendment in Section 4 of the bill and for which $31,250,000 is authorized to be appropriated by the an amendment in Section 13;

(2) The independent "legal counsel" and "administrative fiscal and housekeeping services" newly authorized for the Relocation Commission in Section 5 of the bill, and for which $5,000,000 (an increase of $4,000,000) is authorized to be appropriated annually by an amendment in Section 13, because it is not fiscally or administratively prudent to establish such separate staffs for a temporary agency;

(3) The amendment in Section 8 of the bill authorizing fenced 150 acre life estate areas for persons who may be as young as 45 years of age (and for the lives of their sur-

viving spouses) and who apparently need not be a head of household;

(4) requirement that the Secretary of the Interior provide each life tenant (and their successor spouses) with feed and water for their livestock during the term of the life estates as provided by an amendment in Section 8 of the bill for which Section 13 would authorize appropriation of $350,000 in FY 1981 and $600,000 in each of FY 1982 and FY 1983;

(5) The requirement in Section 10 of the bill that the Secretary of the Interior pay rent and other compensation to the Tribe whose land is subjected to the life estates mentioned above and for which $1 million is authorized to be appropriated in each of Fiscal Years 1981, 1982, and 1983;

(6) The requirement in Section 14 of the bill that the Secretary of the Interior pay "attorney's fees, costs, and expenses" for the Hopi and Navajo Tribes for which $700,000 is authorized to be appropriated during the five year period of Fiscal Years 1981–1985; and

(7) The provision in Section 14 which requires the assigning of the "highest priority" to certain construction projects for the Hopi Tribe without regard to the needs of other tribes.

We note also that we may provide you with additional views on the applicability of the Federal Land Policy and Management Act (FLPMA) of October 26, 1976 (90 Stat. 2744; 43 U.S.C. 1701 *et seq.*).

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program, and that the enactment of S. 751 would not be in accord with the program of the President.

Sincerely,

Larry E. Meierotto,
*Assistant Secretary.*

Mr. MELCHER. The Department of the Interior opposes the key provisions in the bill.

I might point out that if there had not been an original error in the Executive order of 1882, we would not have been led to the situation that has since followed.

If the Department had had complete success under the act of December 22, 1974, relating to the Relocation Commission for the two tribes, it would not be necessary to have these amendments.

S. 751 is a compromise that contains amendments to alleviate the problems that exist. When the Department of the Interior criticizes, as they do in their letter of October 19, the 200,000 acre land purchase by the Relocation Commission authorized in S. 751, they do not offer us a solution to the problem. It is just plain criticism.

When criticism is leveled at the provision in the bill that would permit independent legal counsel and administrative, fiscal, and housekeeping services, and authorizes funds for those purposes, as is provided in the bill in section 13, there is no alternative recommended by the administration.

Section 8 of the bill authorizes 150-acre life estates for persons who may be 45 years of age or older who are going to be relocated. In opposing that particular section, which is a key section of the bill, the administration is in effect shrugging off the problem. While they might prefer that the life estate be a very small acreage of, say, 10 acres, and that the age of anyone eligible for a life estate would be 65 or older, they fail to recognize the true circumstances that exist and the compassion that the committee has chosen to follow. I think it is only ordinary human compassion to allow up to 150 acres for a life estate and to recognize that a head of a household at 45 years of age can be considered for such life estate.

S. 751 is only recognizing the problems that exist for the Navajo families that are involved and would have to be relocated. It imposes strenuous, tough conditions as to when a life estate should be allowed for certain families. This is a compromise that the committee finds equitable.

We do recognize that the Navajo or Hopi families, who may qualify for life estates should not be confined to a very small acreage. They should have the opportunity to continue their lifestyles as they have done traditionally, not just for generations but for centuries. They should have the opportunity to have some livestock, probably sheep, on their own life estate of 150 acres, that requires something else that the administration and the Department of Interior object to. That is, that S. 751 provides for adequate nutrition for those sheep or other livestock that might be permitted on the 150-acre life estate.

I suggest that if we do not provide the funds for livestock feeding, it would be inhumane in the most gross manner.

However, in S. 751, the livestock that will be allowed on the life estate will be restricted to no more than 25 sheep units or comparable units of other livestock if the family with a life estate chooses other than sheep.

In summary, I think the Department of the Interior's objections are not very timely. All of those points were very thoroughly discussed and considered within the committee prior to our enactment and reporting out of S. 751 from the committee.

I believe we have done as good a job as could be done under the circumstances, and I look forward to acceptance of the bill as presented by the committee and by the Senate. I hope a conference committee can work out the differences between the House version and the Senate version rather quickly.

The PRESIDING OFFICER. Does anyone seek recognition?

Mr. MELCHER. Mr. President, I request a third reading.

The PRESIDING OFFICER. The question first is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? (Putting the question.)

The bill (S. 751), as amended, was passed as follows:

**S. 751**

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Navajo and Hopi Indians Relocation Amendments Act of 1979".

SEC. 2. Paragraph (4) of section 5(a) of the Act of December 22, 1974 (88 Stat. 1714), is repealed.

SEC. 3. Section 10 of the Act of December 22, 1974, is amended by adding at the end thereof the following new subsections:

"(c) The Secretary of the Interior shall take such action as may be necessary in order to assure the protection, until relocation, of the rights and property of individuals subject to relocation pursuant to this Act, or any judgment of partition pursuant thereto, including any individual authorized to reside on land covered by a life estate conferred pursuant to subsection (d) of section 14 of this Act.

"(d) With respect to any individual subject to relocation, the Secretary of the Interior shall take such action as may be necessary to assure that such individuals are not deprived of benefits or services by reason of their status as an individual subject to relocation.

"(e) During the pendency of litigation in the United States District Court for the District of Arizona brought pursuant to section 8 of this Act, including the case of Sekaquaptewa against MacDonald (74–842–P.C.T.–W.P.C.), any new use or development of the lands contained within those lands lying west of the Executive Order Reservation of December 16, 1882, and bounded on the north and south by westerly extensions to the reservation line of the northern and southern boundaries of said 1882 Executive Order Reservation and on the west by the Colorado and Little Colorado Rivers, shall be carried out only upon the written consent of the two tribes or upon the written approval of the Secretary: *Provided,* That if the Secretary approves such use or development over the objection of one of the tribes, that tribe may petition the district court having jurisdiction over the litigation for an order or orders prohibiting such use or development, including an order staying any such use until such matter is finally resolved by the court. In reaching a final decision regarding such petition the court shall consider the matter de novo to determine whether the proposed use or development would adversely affect the ultimate legal right of either tribe to partition based on use of land.".

SEC. 4. Section 11 of the Act of December 22, 1974, is amended by striking out all of subsection (b) and inserting in lieu thereof the following new subsections:

"(b) The Navajo-Hopi Relocation Commission is authorized to purchase or otherwise acquire, except by eminent domain, not to exceed two hundred thousand acres of land contiguous to, or adjacent and within six miles of, the Navajo Reservation for the benefit of the Navajo Tribe to facilitate relocation. Such lands shall be taken by the United States in trust for the Navajo Tribe and shall be a part of the Navajo Reservation.

"(c) The Commission shall have the authority to enter into negotiations with the Navajo and Hopi Tribes with a view to arranging and carrying out land exchanges or leases, or both, between such tribes, and lands which may be acquired by the Commission under subsection (b) of this section may, with Commission approval, be included in any land exchanges between the tribes authorized under section 8(c) or section 23 of this Act.".

SEC. 5. Section 12 of the Act of December 22, 1974, is amended by—

(1) inserting, in paragraph (1) of subsection (g), the phrase "an independent legal counsel," after the phrase "Executive Director,";

(2) amending subsection (h) to read as follows:

"(h) The Commission is authorized to provide for its own administrative, fiscal and housekeeping services."; and

(3) redesignating subsection (i) as subsection (j) and inserting new subsection (i) as follows:

"(i) (1) The Commission is authorized to call upon any department or agency of the United States to assist the Commission in implementing its relocation plan and completing relocation within the time required by law, except that the control over and responsibility for completing relocation shall remain in the Commission. In any case in which the Commission calls upon any such department or agency for assistance under this section, such department or agency shall provide any reasonable assistance so requested.

"(2) On failure of any agency to provide reasonable assistance as required under paragraph (1) of this subsection, the Commission shall report such failure to the Congress.

Sec. 6. Clause (5) of section 13(c) of the Act of December 22, 1974, is amended by striking the word "thirty" and inserting in lieu thereof the word "ninety".

Sec. 7. (a) Section 14(b) (1) of the Act of December 22, 1974 (88 Stat. 1712, 1718), is amended by deleting "$5,000" and inserting in lieu thereof "$10,000".

(b) Section 14(b) (2) of such Act is amended by deleting "$4,000" and inserting in lieu thereof "$8,000".

(c) Section 14(b) (3) of such Act is amended by deleting "$3,000" and inserting in lieu thereof "$6,000".

(d) Section 14(b) (4) of such Act is amended by deleting "$2,000" and inserting in lieu thereof "$4,000".

(e) Subsection (b) of section 14 is further amended by adding paragraph (5) at the end thereof as follows:

"(5) The amendment made to paragraph (1) of this subsection on the date of enactment of the Navajo and Hopi Indians Relocation Amendments Act of 1979 shall be applicable with respect to any head of a household who would have been entitled to the $10,000 payment under section 14(b) (1) of this Act but for the fact that such head relocated prior to the date of the enactment of the Navajo and Hopi Indians Relocation Amendments Act of 1979.".

Sec. 8. Section 14 of the Act of December 22, 1974, is amended by adding at the end thereof the following new subsection:

"(d) (1) Notwithstanding any other provision of this Act, the Commission shall make available to an eligible applicant, on timely application as set forth in paragraph (3) of this subsection, a limited tenure of such land as the Commission determines necessary in order to avoid the necessity of relocating such applicant, and his or her spouse and dependents, if residing with such applicant. The Commission shall grant up to one hundred and sixty life estates and shall give first priority to disabled applicants. Second priority shall be awarded on the basis of age with the oldest applicants given preference over younger applicants and among such older applicants, first priority shall be given to those residing in the Big Mountain area. Such tenure shall consist of the right of use and occupancy of one hundred and fifty acres of land in order to enable such applicant to raise livestock not to exceed twenty-five sheep units per year or equivalent livestock. The Commission upon the issuance of a life estate shall fence the boundaries of lands assigned for use by the recipient of such life estates. The life estate tenure shall end by voluntary relinquishment, or at the death of the applicant or the death of the spouse of the applicant, whichever last occurs: *Provided*, That such survivorship rights shall apply only to those persons who were married on or before the date of the enactment of this subsection. Nothing in this Act or any other law shall preclude such applicant from making improvements within the area covered by such tenure.

"(2) As used in this subsection, the term—

"(A) 'eligible applicant' means, with respect to a Navajo or Hopi individual, an individual—

"(i) who on December 22, 1974, and continuously thereafter has maintained a place of abode, and has been actually domiciled therein, in an area from which such applicant, but for this subsection, would be required to relocate; and

"(ii) who on or before the date of enactment of this subsection was at least forty-five years of age, or who is found by the Commission to be mentally or physically disabled.

"(B) 'dependent' means—

"(i) those members of the applicant's household who derive more than one-half of their support from the applicant; or

"(ii) those relatives, members of the immediate family, or other persons who are necessarily and customarily present to provide for the care of the life estate applicant.

"(3) In any case in which a Navajo or Hopi individual believes that he or she can qualify as an eligible applicant (as defined by paragraph (2) of this subsection), such individual is authorized to file an application with the Commission requesting that he or she be granted a life estate in lands in accordance with this section. Such application shall be submitted in such manner, and contain such information as the Commission shall prescribe by regulation, such regulation to be promulgated by the Commission within ninety days of the enactment of this subsection. Such application must be filed on or before January 1, 1981: *Provided*, That in exceptional cases the Commission may accept later applications where necessary to avoid inequity or hardship.

"(4) Within ninety days following the date of the enactment of this subsection, the Secretary, in consultation with the Commission, shall promulgate such regulations as may be necessary to assure that in the case of a life estate granted pursuant to this subsection, no person may reside on the land covered by such life estate other than the applicant, his or her spouse, and the applicant's dependents, except that such regulations shall provide that in case of illness or disability persons necessary to attend upon and care for such applicant, spouse, or dependent may reside on such lands during such illness or disability. Such regulations shall further provide for the right of all residents and visitors to the lands covered by such life estate to have access thereto by use of all established roads or ways leading thereto.

"(5) The Secretary shall make available to applicants receiving a life estate under this subsection such assistance, during that tenure, as may be necessary to enable such applicant to feed and maintain that applicant's livestock at an adequate nutritional level. Within ninety days of enactment of this subsection, the Secretary shall promulgate such rules and regulations as may be necessary to carry out the provisions of this subsection.

"(6) Any eligible applicant, and his or her spouse and dependents, so living on the Navajo Reservation shall be subject to the jurisdiction of the Navajo Tribe, and any such eligible applicant, and his or her spouse and dependents, so living on the Hopi Reservation shall be subject to the jurisdiction of the Hopi Tribe, except that the land laws of the Navajo Tribe shall not be applicable to any tenure granted to a member of the Hopi Tribe, and the land laws of the Hopi Tribe shall not be applicable to any tenure granted to a member of the Navajo Tribe.

"(7) Nothing in this subsection shall be construed as prohibiting any such applicant who receives a life estate under this subsection from relinquishing, prior to its termination, such estate at any time and voluntarily relocating. Upon voluntary relinquishment of such estate, by such means or instrument as the Secretary of the Interior shall prescribe, such applicant shall be entitled to relocation benefits from the Secretary comparable to those provided by section 15 of this Act. For life estates terminated by the death of the life tenant or his or her surviving spouse, compensation shall be paid to the estate of the deceased life tenant based on the fair market value of the habitation and improvements at the time of the expiration of such tenure and not before. Such payment shall be in lieu of any other payment pursuant to subsection (a) of section 15 of this Act. Assistance similar to section 15(b) of this Act shall be paid to the estate of such life tenant by the Secretary. Such compensation and assistance shall be paid and distributed in accordance with the last will and testament of the life tenant, or in the event no valid last will and testament is left, compensation shall be paid and distributed to his or her heirs in accordance with the laws of the tribe of which such life tenant is a member. Upon the termination of a life estate by whatever means, the dependents residing with the individuals having such life estate so terminated shall have ninety days following such termination within which to relocate.".

Sec. 9. Section 15 of the Act of December 22, 1974, is amended by adding at the end thereof a new subsection (f) as follows:

"(f) Notwithstanding any other provision of law to the contrary, the Commission shall on a preferential basis provide relocation assistance and relocation housing under subsections (b), (c), and (d) of this section to the head of each household of members of the Navajo Tribe who were evicted from district numbered 6 of the Hopi Indian Reservation in 1972: *Provided*, That such heads of households have not already received equivalent assistance from Federal agencies.".

Sec. 10. Section 16 of the Act of December 22, 1974, is amended by adding the following new subsections:

"(c) The Secretary is authorized and directed to receive, consider, and pay any claim received by him from the Navajo Tribe or Hopi Tribe for compensation for the reasonable rental value, losses or other expenses incurred by the tribe by reason of such life estates conferred by the Commission pursuant to section 14(d) of this Act. Such claims shall be submitted at such time, in such manner, and contain such information, as the Secretary may prescribe. Any payment made pursuant to a claim filed under this subsection shall be in lieu of rental payments from the tribes under subsections (a) and (b) of this section with respect to lands covered by such claim.

"(d) (1) In lieu of rental payments under the provisions of subsection (a), (b), or (c) of this section, the tribe upon whose reservation a life estate has been created may elect to accept compensation in lieu of lands out of the lands acquired by the Commission under section 11(b) of this Act. In any case in which a Navajo individual receives a life estate under this Act in lands of the Hopi Tribe, the Commission shall make available to the Hopi Tribe land of equivalent economic value out of the lands acquired for the Navajo under section 11(b) and shall permit the use of such land by the Hopi Tribe for a period ending upon the expiration of the ninety-day period following the termination of such life estate. Upon the expiration of such ninety-day period, the United States shall hold such land in trust for the benefit and use of the Navajo Tribe.

"(2) In the event a tribe elects to accept compensation in lieu of lands under this subsection, the Commission shall make diligent efforts to make such compensatory land available in consolidated parcels which will provide the greatest economic return.".

SEC. 11. Section 19 of the Act of December 22, 1974, is amended by adding a new subsection (c) as follows:

"(c) (1) Conservation practices, including grazing control and range restoration activities in the joint use area as required by subsection (a) of this section, shall be coordinated and executed with the concurrence of the tribe to whom the particular lands in question have been partitioned, and all such grazing and range restoration matters on Navajo Reservation lands shall be administered by the Bureau of Indian Affairs, Navajo Area Office, and on Hopi Reservation lands shall be administered by the Bureau of Indian Affairs, Phoenix Area Office, under applicable laws and regulations.

"(2) Surveying, monumenting, and fencing as required by subsection (b) of this section shall be completed within twelve months after the date of enactment of this subsection with respect to lands partitioned pursuant to section 4 of this Act and with twelve months after a final order of partition with respect to any lands partitioned pursuant to section 8 of this Act.

"(3) The livestock reduction program required under subsection (a) of this section shall be completed within eighteen months after the date of enactment of this subsection.".

SEC. 12. Section 23 of the Act of December 22, 1974, is amended by adding the following sentence at the end thereof: "In the event that the tribes should negotiate and agree on an exchange of lands pursuant to authority granted herein, the Commission shall make available 125 per centum of the relocation benefits provided in sections 14 and 15 of this Act to members of either tribe living on land to be exchanged to other than his or her own tribe, except that such benefits shall be available only if, within ninety days of the agreement, a majority of the adult members of the tribe who would be eligible to relocate from exchanged lands sign a contract with the Commission to relocate within twelve months of the agreement or such later time as determined by the Commission and such additional benefits shall only be paid to those who actually relocate within such period.

SEC. 13. (a) Section 25(a) (4) of the Act of December 22, 1974, is amended to read as follows:

"(4) For the purpose of carrying out the provisions of section 14(b) for the period prior to October 1, 1980, there is authorized to be appropriated not to exceed $5,500,000. For the purposes of carrying out such provisions for the period commencing October 1, 1980, there is authorized to be appropriated an additional amount of not to exceed $10,500,000."

(b) Section 25(a) (5) of the Act of December 22, 1974, as amended by the Act of July 30, 1979 (Public Law 96–40), is further amended by striking the figure "$1,000,000" and inserting, in lieu thereof, the figure "$5,000,000": *Provided*, That no new budget authority for fiscal year 1980 is authorized to be appropriated.

(c) Section 25(a) of the Act of December 22, 1974, is further amended by adding at the end thereof the following new subsections:

"(7) For the fiscal year beginning October 1, 1980, and for each of the two next following fiscal years, there is authorized to be appropriated such sum, not to exceed $1,000,000, as may be necessary to carry out the provisions of subsection (c) of section 16 of this Act.

"(8) For the fiscal year beginning October 1, 1980, there is authorized to be appropriated such sum, not to exceed $350,000, as may be necessary to carry out the provisions of subsection (d) (5) of section 14 of this Act. For the fiscal year beginning October 1, 1981, and the next following fiscal year, there is authorized to be appropriated for each such fiscal year such sum, not to exceed $600,000, as may be necessary to carry out such provisions.

"(9) For the purpose of carrying out the provisions of subsection (b) of section 11 of this Act, there are authorized to be appropriated, for the period beginning October 1, 1980, such sums not to exceed, in the aggregate, $31,250,000, as may be necessary.".

SEC. 14. The Act of December 22, 1974, is amended by adding at the end thereof the following new sections:

"SEC. 27. (a) In any litigation or court action between or among the Hopi Tribe, the Navajo Tribe, and the United States or any of its officials, departments, agencies, or instrumentalities, arising out of the interpretation or implementation of this Act, as amended, the Secretary shall pay, subject to the availability of appropriations, attorneys' fees, costs, and expenses as determined by the Secretary to be reasonable. For each tribe, there is hereby authorized to be appropriated not to exceed $120,000 in fiscal year 1981, $130,000 in fiscal year 1982, $140,000 in fiscal year 1983, $150,000 in fiscal year 1984, and $160,000 in fiscal year 1985.

"(b) Upon the entry of a final judgment in any such litigation or court action, the court shall award reasonable attorneys' fees, costs and expenses to the party, other than the United States or its officials, departments, agencies, or instrumentalities, which prevails or substantially prevails, where it finds that any opposing party has unreasonably initiated or contested such litigation. Any party to whom such an award has been made shall reimburse the United States out of such award to the extent that it has received payments pursuant to subsection (a) of this section.

"(c) To the extent that any award made to a party against the United States pursuant to subsection (b) of this section exceeds the amount paid to such party by the United States pursuant to subsection (a) of this section, such difference shall be treated as if it were a final judgment of the Court of Claims under section 2517 of title 28, United States Code.

"(d) This section shall apply to any litigation or court action pending upon the date of enactment of this section in which a final order, decree, or judgment has not been entered, but shall not apply to any action authorized by section 8 or 18(a) of this Act.

"SEC. 28. The Secretary of the Interior and the Secretary of Health, Education, and Welfare, as appropriate, shall assign the highest priority, in the next fiscal year after the date of enactment of this subsection, to the funding and construction of the Hopi high school and a Hopi medical center consistent with any plans already completed and approved by appropriate agencies of the respective departments.".

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MELCHER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## REQUEST FOR COMMITTEE MEETINGS

### COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the sessions of the Senate today and Thursday, October 25, 1979 beginning at 2 p.m. to hold markup sessions on the SALT II treaty.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, October 25, 1979, beginning at 2 p.m. to hold a markup session on the SALT II treaty.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

## THE ANGUISH OF CENTRAL BANKING

Mr. JAVITS. Mr. President, day by day it becomes more evident that the No. 1 problem afflicting our economy is inflation. The stubborn persistence with which inflation has gripped this Nation has led us all to search for solutions to eliminate this phenomenon which saps our strength in terms of growth and productivity. As we look for the roots of this economic disease in order to deal with it at its source, it becomes frustratingly apparent that the causes of inflation are structurally imbedded in our economy. Over time, it becomes clear that our way out of this inflationary spiral will not be any magical, quick-fix formula. Rather, what is required is a reassessment of the fundamental precepts regarding restraint in Government spending and regulation, private factor economic programs and expectations, and the action of national monetary authorities to control inflation through the use of traditional monetary tools.

As the Nation debates the wisdom of pursuing monetary policies which result in restrictive money supplies and sky-high interest rates we would do well to consider the dilemma that central bank authorities around the world confront as a result of the unrelenting forces of inflation.

The active participation of central bank authorities is critical to any coordinated anti-inflation plan. In our case, the ability of the Federal Reserve to consistently apply anti-inflationary monetary policies has been weakened by the country's seeming lack of resolve to take the requisite long-term steps to deal with the underlying structural problems of domestic productivity and job training, protectionist trade and agricultural laws, some inhibiting governmental regulations, and international uncompetitiveness of some U.S. products, without which we cannot hope to arrest inflation.

This is in part what has led Chairman Volcker to seize the reins of monetary policy so forcefully. In one sense, these dramatic actions have given the economy and especially the administration some breathing space with which to address the inflationary problems before us. Yet, more importantly, through these actions, the Federal Reserve is attempting to establish the first leg of a three-way partnership among the White House and Congress, whereby a frontal assault on inflation may be devised.

Clearly the latest actions by the Fed cannot succeed alone. They must be supported and complemented by the administration and the Congress with anti-inflationary initiatives in the areas of energy, private sector performance, unnecessary regulation, and Federal fiscal and monetary policies among others.

I commend to my colleagues the words of one of America's most eminent central bankers, Arthur Burns, who delivered the 1979 Per Jacobsson Lecture on this subject. Entitled "The Anguish of Central Bankers," Dr. Burns' remarks delivered last month in Belgrade, address not only the root causes of inflation and the tools available to government to abate it, but also why the U.S. Federal Reserve System and central bankers generally have failed effectively to combat inflation. Dr. Burns points out, one of the distinguishing features of inflation today, and one of the most alarming, is its self-sustaining momentum.

It is a momentum that feeds on inflationary expectations bred by the experience of inflation witnessed throughout the course of the business cycle. Dr. Burns' perception is that there is a strong inflationary bias built in to the U.S. economy that will be difficult to break, given our "gradualist" approach to addressing inflation.

Among the proposals that Dr. Burns advances are a "binding endorsement" of anti-inflationary monetary policies which would allow the Fed to implement a consistent long-term strategy. Also, Dr. Burns recommends a series of business tax reductions to boost productivity and thus hold down prices. I disagree with the former Federal Reserve Board chairman on some points but overall his remarks are an incisive comment on this greatest of dangers—inflation—facing our economy and our way of life. I ask unanimous consent that Arthur Burns' remarks appear in their entirety in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

### THE ANGUISH OF CENTRAL BANKING

(By Arthur F. Burns)

When I was invited several months ago to deliver this year's Per Jacobsson Lecture, I found it easy to give my consent. Per Jacobsson was a financial statesman whose efforts in behalf of world economic order deserve to be remembered by this distinguished audience. I feel I can honor his memory best by presenting on this occasion some straightforward thoughts on central banking.

The international monetary system, which has been in almost constant turmoil during this decade, has benefited recently from several developments. Under the amended Articles of Agreement, the International Monetary Fund can exercise firm surveillance over the exchange rate policies of its members, and is therefore now in a position to move the nations of the world toward a rule of law in international monetary affairs. Another promising development is the establishment of the European Monetary System with the aim of maintaining relatively stable exchange rates within the Common Market.

A third positive development is recognition by the United States that the persisting deficits in its international current account must be eliminated, and that in the meantime decisive intervention to protect the external value of the dollar may well be needed. The conventional theory that a depreciating currency is beneficial to a nation's foreign trade and to its over-all economic activity has lost its appeal within the American government. The officials concerned with economic policy have learned that whatever merit may in some circumstances attach to this theory, it is a dangerous guide for a country whose currency is still the centerpiece of the international monetary system. "Benign neglect" of the external value of the dollar came to an end dramatically, and I would hope irrevocably, last November.

This and other constructive developments suggested earlier this year that a closer approach to international equilibrium was under way and calm returned for a while to foreign exchange markets. But uneasiness about the monetary system, particularly about the future of the dollar, has continued and in fact intensified this summer. There have been ample reasons for concern—among them, the political convulsions in Iran, the enormous new increases in oil prices by OPEC, the narrowing at times of interest-rate differentials between New York and foreign money-market centers, and the limited progress in developing an effective energy policy in the United States. While all these factors contributed to nervousness, what has been most disturbing to foreign exchange markets in recent months is the reacceleration of inflation in the United States and in much of the rest of the world. Even Germany and Switzerland no longer qualify as islands of stability.

This unhappy development is one more indication, if any were needed, that the current instability in international finance is largely a consequence of the chronic inflation of our times and that stability will not return to the international monetary system until reasonably good control over inflationary forces has been achieved in the major industrial nations—and especially in the United States. This critical consideration at once raises serious questions: Why is the worldwide disease of inflation proving so stubborn? Why is it not yielding to the various efforts of the affected nations, including some determined efforts, to bring it to an end? Why, in particular, have central bankers, whose main business one might suppose is to fight inflation, been so ineffective in dealing with this world-wide problem?

To me, as a former central banker, the last of these questions is especially intriguing. One of the time-honored functions of a central bank is to protect the integrity of its nation's currency, both domestically and internationally. In monetary policy central bankers have a potent means for fostering stability of the general price level. By training, if not also by temperament, they are inclined to lay great stress on price stability, and their abhorrence of inflation is continually reinforced by contacts with one another and with like-minded members of the private financial community. And yet, despite their antipathy to inflation and the powerful weapons they could wield against it, central bankers have failed so utterly in this mission in recent years. In this paradox lies the anguish of central banking.

My aim today is to consider the causes of this paradox and its implications for the future.

Much of what I say will inevitably reflect lessons that I learned during my service as Chairman of the Federal Reserve Board over an eight-year period that ended about eighteen months ago. This may be a good time to reflect on that experience; a year ago I was probably too close to it to have the necessary perspective, and a year from now the sharpness of my impressions may have begun to fade.

I shall focus mainly, although not exclusively, on the United States. That is the area that I know best, and I also believe the American experience—despite some unique aspects—is fairly representative of that of other industrial countries. The developing nations have their own characteristic sources and patterns of inflation. Nevertheless, in our interdependent world, economic conditions in the United States and other industrial countries are bound to have a significant bearing on the fortunes of developing countries.

By way of introduction, I might note that during much of the period since the end of World War II, over-all economic developments were, in the main, satisfactory. By prewar standards, recessions were brief and mild through the mid-1960's, both in the United States and in other industrial countries; world trade expanded rapidly under a beneficent regime of stable exchange rates; and living standards rose impressively throughout the developed world. In most industrial countries inflationary pressures were troublesome from time to time—as in the immediate postwar years, during the Korean hostilities, and for a couple of years after the mid-1950's. These pressures were more substantial in some countries than in the United States, but in none did inflation appear to be out of control.

From 1958 through 1964, the United States enjoyed a remarkable degree of price stability. During that stretch of six years, the wholesale price index remained virtually unchanged and the consumer price index rose at an annual rate of only a little more than one percent. And then the inflation that has ever since been plaguing the American economy got under way. Average wholesale prices rose at an annual rate of 2 percent from 1964 to 1968, 4 percent from 1968 to 1972, and 10 percent from 1972 to 1978. This pattern of accelerating price increases is found in other countries also, although rates of increase have varied widely, and in most industrial nations the acceleration began later—typically in 1969 or 1970.

Analyses of the inflation that the United States has experienced over the past fifteen years frequently proceed in three stages. First are considered the factors that launched inflation in the mid-1960's, particularly the governmental fine tuning inspired by the New Economics and the loose financing of the war in Vietnam. Next are considered the factors that led to subsequent strengthening of inflationary forces, including further policy errors, the devaluations of the dollar in 1971 and 1973, the world-wide economic boom of 1972–73, the crop failures and resulting surge in world food prices in 1973–74, the extraordinary increases in oil prices that became effective in 1974, and the sharp deceleration of productivity growth from the late 1960's onward. Finally, attention is turned to the process whereby protracted experience with inflation has led to wide-spread expectations that it will continue in the future, so that inflation has acquired a momentum of its own.

I have no quarrel with analyses of this type. They are distinctly helpful in explaining the American inflation and, with changes here and there, that in other nations also. At the same time, I believe that such analyses overlook a more fundamental factor: the persistent inflationary bias that has emerged from the philosophic and political currents that have been transforming economic life in the United States and elsewhere since the 1930's. The essence of the unique inflation of our times and the reason central bankers have been ineffective in dealing with it can be understood only in terms of those currents of thought and the political environment they have created.

Historically, Americans have had deep faith in the concept of progress—in the idea that it was realistic to expect to better one's own lot and that of one's family in the course of a lifetime. During the greater part of America's history, government intervention in economic life was only peripheral. Personal progress was generally viewed as a reward for personal effort—assisted, perhaps, by good fortune. Provision for bad times or other contingencies of life was deemed prudent, but that was a private responsibility. The American's way through life lay along the road of self-reliance; only in extremity did he look to government or his neighbors for economic assistance.

This tradition of individualism was shattered by the cataclysmic events of the 1930's and 1940's. The breakdown of economic order during the Great Depression was unprecedented in its scale and scope, and it strained the precept of self-reliance beyond the breaking point. With one-quarter of the labor force unemployed, personal courage and moral stamina could guarantee neither a job nor a livelihood. Succor finally came through a political idea that was novel to a majority of the American people but compelling nonetheless—namely, that the Federal government had a far larger responsibility in the economic sphere than it had hitherto assumed.

Under the New Deal the Federal government undertook extensive projects of public construction and offered work relief as well. It gave direct relief to the needy—a function previously performed only by local authorities or private charity. It established unemployment insurance and old-age pensions. It took steps to raise wages and prices with a view to fostering economic recovery. And beyond these innovative actions, the Federal government greatly extended the range of its regulatory activities. It intervened massively in the securities market, in banking, in the public utilities industry, in the housing market, and in the farm sector; and it gave labor unions broad new rights and powers. Together, these and other New Deal measures laid the foundations of an activist government—a government responsible not only for relieving suffering and insuring against economic adversity, but also for limiting "harmful" competition, subsidizing "worthwhile" activities, and redressing unequal balances of market power. In less than a decade the government became a leading actor on the economic stage.

Just as Americans were persuaded during the depression that the Federal government should help the unemployed, so they were taught by the experience of World War II to look to government to prevent unemployment in the first place. Under the compulsions of war, the government had demonstrated that it could assure gainful employment for every willing hand. It therefore seemed reasonable, and not only to the followers of Keynes, to expect government to do the same in a time of peace. In 1944, when President Roosevelt set forth the basis of his postwar domestic program in an "Economic Bill of Rights", he put "the right to a useful and remunerative job" at the head of the list. With the war ended, the Employment Act of 1946 explicitly proclaimed the Federal government's responsibility to promote "maximum employment", and this came to mean "full employment" as a matter of law as well as popular usage.

Armed with the Employment Act, the government sought to demonstrate that it could combat unemployment with preventive as well as curative measures. In fact, the period from World War II to the mid-1960's was marked not only by a dampening of the business cycle but also by persistent increases in the prosperity of American families. On the one side, rising incomes, reflecting substantial gains in labor productivity, made possible rising consumption, greater leisure, and better provision for retirement. On the other side, a steady stream of new and often improved consumer goods tended to sustain the growth of aggregate demand. The extensive development of consumer credit institutions made it easier for people to acquire automobiles, household appliances, and other goods and services, the desire for which was continually being whetted by alluring advertisements and the illustrations of potential life styles broadcast by television and the movies. The seemingly inexorable rise in living standards for the bulk of the population was reflected in upward trends in the proportion of families that owned their own home, that owned a summer home, that possessed one, two and even three automobiles, that had telephones, that owned television sets, clothes washers, and food freezers; also in the proportion of the population that had graduated from high school and from college, that traveled abroad, that owned corporate stock, that carried life insurance, and so on.

This experience of economic progress strengthened the public's expectations of progress. What had once been a quiet personal feeling that the long future would be better than the past, particularly for one's children, was transformed during the postwar years into an articulate and widespread expectation of steady improvement in living standards—indeed, to a feeling of entitlement to annual increases in real income.

But the rapid rise in national affluence did not create a mood of contentment. On the contrary, the 1960's were years of social turmoil in the United States, as they were in other industrial democracies. In part, the unrest reflected discontent by blacks and other minorities with prevailing conditions of social discrimination and economic deprivation—a discontent that erupted during the "hot summers" of the middle 1960's in burning and looting. In part, the social unrest reflected growing feelings of injustice by or on behalf of other groups—the poor, the aged, the physically handicapped, ethnics, farmers, blue collar workers, women, and so forth. In part, the unrest reflected a growing rejection by middleclass youth of prevailing institutions and cultural values. In part, it reflected the more or less sudden recognition by broad segments of the population that the economic reforms of the New Deal and the more recent rise in national affluence had left untouched problems in various areas of American life—social, political, economic, and environmental. And interacting with all these sources of social disturbance were the heightening tensions associated with the Vietnam War.

In the innocence of the day, many Americans came to believe that all of the new or newly discovered ills of society should be addressed promptly by the Federal government. And in the innocence of the day, the administration in office attempted to respond to the growing demands for social and economic reform while waging war in Vietnam on a rising scale. Under the rubric of the New Economics, a more activist policy was adopted for the purpose of increasing the rate of economic growth and reducing the level of unemployment. Under the rubrics of the New Frontier and the Great Society, broad-scale efforts were made to stitch up open seams in the fabric of affluence—inadequate or unequal education, housing, medical care, nutrition. Under the rubrics of civil rights and citizen participation, minorities and other disadvantaged groups were given political weapons to maintain, consolidate, and extend their gains.

The interplay of governmental action and private demands had an internal dynamic that led to their concurrent escalation. When the government undertook in the mid-1960's to address such "unfinished tasks" as reducing frictional unemployment, eliminating poverty, widening the benefits of prosperity, and improving the quality of life, it awakened new ranges of expectation and demand. Once it was established that the key function of government was to solve problems and relieve hardships—not only for society at large but also for troubled industries, regions, occupations, or social groups—a great and growing body of problems and hardships became candidates for governmental solution. New techniques for bringing pressure on Congress—and also on the State legislatures and other elected officials—were developed, refined, and exploited. Congress responded by pouring out a broad stream of measures that involved government spending, special tax relief, or regulations mandating private spending. Every demonstration of a successful tactic in securing rights, establishing entitlements, or extracting other benefits from government led to new applications of that tactic. Various groups found a powerful ally in the Federal courts, which repeatedly struck down legislative or administrative limitations on access to government benefits. Even government employees, particularly at the state and municipal levels, discovered the pecuniary rewards of shedding genteel notions of public service and pressing economic demands with a strident militancy.

Many results of this interaction of government and citizen activism proved wholesome. Their cumulative effect, however, was to impart a strong inflationary bias to the American economy. The proliferation of government programs led to progressively higher tax burdens on both individuals and corporations. Even so, the willingness of government to levy taxes fell distinctively short of its propensity to spend. Since 1950 the Federal budget has been in balance in only five years. Since 1970 a deficit has occurred in every year. Not only that, but the deficits have been mounting in size. Budget deficits have thus become a chronic condition of Federal finance; they have been incurred when business conditions were poor and also when business was booming. But when the government runs a budget deficit, it pumps more money into the pocketbooks of people than it withdraws from their pocketbooks; the demand for goods and services therefore tends to increase all around. That is the way the inflation that has been raging since the mid-1960's first got started and later kept being nourished.

The pursuit of costly social reforms often went hand in hand with the pursuit of full employment. In fact, much of the expanding range of government spending was prompted by the commitment to full employment. Inflation came to be widely viewed as a temporary phenomenon—or, provided it remained mild, as an acceptable condition. "Maximum" or "full" employment, after all, had become the nation's major economic goal—not stability of the price level. That inflation ultimately brings on recession and otherwise nullifies many of the benefits sought through social legislation was largely ignored. Even conservative politicians and businessmen began echoing Keynesian teachings. It therefore seemed only natural to Federal officials charged with economic responsibilities to respond quickly to any slackening of economic activity—at times, in fact, as in the early days of 1977, to sheer illusions of such slackening—but to proceed very slowly and cautiously in responding to evidence of increasing pressure on the nation's resources of labor and capital. Fear of immediate unemployment—rather than fear of current or eventual inflation—thus came to dominate economic policy making.

This weighing of the scales of government policy inevitably gave an inflationary twist to the economy, and so too did the expanding role of government regulation. Traditional ways of protecting particular groups against competition—such as raising farm price supports, increasing minimum wages, and imposing import quotas—did not lose their appeal as inflation kept soaring. On the contrary, all these devices of raising costs and prices were liberally employed even in the face of accelerating inflation during 1977 and 1978. Also troublesome were the newer social regulations—those concerned with health, safety, and the environment—that kept multiplying during the 1970's. However laudable in purpose, much of this regulatory apparatus was conceived in haste and with little regard to the costs being imposed on producers. Substantial amounts of capital that might have gone into productivity-enhancing investments by private industry were thus diverted into uses mandated by the regulators. Improvements in productivity were also slowed by the discouragement of business investment that resulted from the increasing burden of income and capital-gains taxes. Progress in equipping the work force with new plant and equipment proceeded much less rapidly during the 1970's than during the 1950's or 1960's, and this shortfall contributed to the productivity slump and thus to the escalation of costs and prices.

Additional forces on the side of supply contributed to the inflationary bias. As the income maintenance programs established by government were liberalized, incentives to work tended to diminish. Some individuals, both young and old, found it agreeable to live much of the time off unemployment insurance, food stamps, and welfare checks—perhaps supplemented by intermittent jobs in an expanding underground economy. Even enterprising and ambitious individuals who sought permanent jobs could be more leisurely or more discriminating in their search when the government, besides pursuing a full employment policy, provided a protective income umbrella during jobless periods. In such an environment, employed workers could demand and often achieve longer vacations with pay and more frequent holidays and sick leave, besides enjoying coffee breaks and other social rites on the job. In such an environment, they could afford to reject a pay cut or a small wage increase when their employer pleaded serious financial difficulties. Thus the number of individuals counted as unemployed could rise even at times when job vacancies, wages, and the consumer price level were rising.

The philosophic and political currents that transformed economic life and brought on secular inflation in the United States have run strong also in other industrial countries. Rising economic expectations of people, wider citizen participation in the political arena, governmental commitments to full employment, liberal income maintenance programs, expanding governmental regulations, and increasingly pressing demands on government for the solution of economic and social problems—all these became common features of the industrial democracies. And just as the rapid expansion of government activities in the United States was accompanied by persistent budget deficits and inflation, that too happened in other industrial countries. Indeed, other countries have often practiced loose governmental finance and inflation on a more intensive scale than has the United States.

And so I finally come to the role of central bankers in the inflationary process. The world-wide philosophic and political trends on which I have been dwelling inevitably affected their attitudes and actions.

In most countries, the central bank is an instrumentality of the executive branch of government—carrying out monetary policy according to the wishes of the head of government or the ministry of finance. Some industrial democracies, to be sure, have substantially independent central banks and that is certainly the case in the United States. Viewed in the abstract, the Federal Reserve System had the power to abort the inflation at its incipient stage fifteen years ago or at any later point, and it has the power to end it today. At any time within that period, it could have restricted the money supply and created sufficient strains in financial and industrial markets to terminate inflation with little delay. It did not do so because the Federal Reserve was itself caught up in the philosophic and political currents that were transforming American life and culture.

The Employment Act prescribes that "it is the continuing policy and responsibility of the Federal government to . . . utilize all its plans, functions, and resources . . . to promote maximum employment." The Federal Reserve is subject to this provision of law, and that has limited its practical scope for restrictive actions—quite apart from the fact that some members of the Federal Reserve family had themselves been touched by the allurements of the New Economics. Every time the government moved to enlarge the flow of benefits to the population at large, or to this or that group, the assumption was implicit that monetary policy would somehow accommodate the action. A similar tacit assumption was embodied in every pricing decision or wage bargain arranged by private parties or the government. The fact that such actions could in combination be wholly incompatible with moderate rates of monetary expansion was seldom considered by those who initiated them, despite the frequent warnings by the Federal Reserve that new fires of inflation were being ignited. If the Federal Reserve then sought to create a monetary environment that fell seriously short of accommodating the upward pressures on prices that were being released or reinforced by governmental action, severe difficulties could be quickly produced in the economy. Not only that, the Federal Reserve would be frustrating the will of Congress to which it was responsible—a Congress that was intent on providing additional services to the electorate and on assuring that jobs and incomes were maintained, particularly in the short run.

Facing these political realities, the Federal Reserve was still willing to step hard on the monetary brake at times—as in 1966, 1969, and 1974—but its restrictive stance was not maintained long enough to end inflation. By and large, monetary policy came to be governed by the principle of undernourishing the inflationary process while still accommodating a good part of the pressures in the marketplace. The central banks of other industrial countries, functioning as they did in a basically similar political environment, appear to have behaved in much the same fashion.

In describing as I just have the anguish of central banking in a modern democracy, I do not mean to suggest that central bankers are free from responsibility for the inflation that is our common inheritance. After all, every central bank has some room for discretion, and the range is considerable in the more independent central banks. As the Federal Reserve, for example, kept testing and probing the limits of its freedom to undernourish the inflation, it repeatedly evoked violent criticism from both the Executive establishment and the Congress and therefore had to devote much of its energy to warding off legislation that could destroy any hope of ending inflation. This testing process necessarily involved political judgments, and the Federal Reserve may at times have overestimated the risks attaching to additional monetary restraint.

Any such errors of political judgment are extremely hard to identify; but I believe, in any event, that errors of economic or financial judgment have in practice been far more significant. In a rapidly changing world the opportunities for making mistakes are legion. Even facts about current conditions are often subject to misinterpretation. Statistics on unemployment in the United States provide a good example. Even before World War II ended, some economists were trying to determine how much frictional and structural unemployment would exist when the demand for labor and the supply of labor were in balance; in other words, the rate of unemployment that would reflect a state of full employment. Before long, a broad consensus developed that an unemployment rate of about 4 percent corresponded to a practical condition of full employment, and that figure became enshrined in economic writing and policy making. Conditions in labor markets, however, did not stand still. A huge influx of women and young people into the labor force, the liberalization of unemployment insurance, the spread of welfare programs, the progressive lifting of statutory minimum wages, the increasing proportion of families having more than one worker, and the increase of national affluence itself—all these changes in the economic and social environment served to render the conventional 4 percent figure obsolete. The unemployment rate corresponding to full employment is now widely believed to be about 5½ or 6 percent, and this year's report of the Council of Economic Advisers appears to concur in that judgment. But governmental policy makers, while generally aware of what was happening in the labor market, were slow to recognize the changing meaning of unemployment statistics, whether viewed as a measure of economic performance or as a measure of hardship. The Federal Reserve did not escape this lag of recognition and, once again, I believe that other central banks at times have made similar mistakes.

While misinterpretations of unemployment statistics or other current information have consequences for all public policy making, there are other problems of interpretation to which the central banker's calling is peculiarly subject. Monetary theory is a controversial area. It does not provide central bankers with decision rules that are at once firm and dependable. To be sure, every central banker has learned from the world's experience that an expanding economy requires expanding supplies of money and credit, that excessive creation of money will over the longer run cause or validate inflation, and that declining interest rates will tend to stimulate economic expansion while rising interest rates will tend to restrict it; but this knowledge stops short of mathematical precision.

Partly as a result of the chronic inflation of our times, central bankers have been giving closer attention to the money supply than did their predecessors; but they continue to be seriously concerned with the behavior of interest rates. They face difficult questions about the relative weight to be given to measures of money and interest rates in the short run and long run; about the concept or concepts of money that are most significant for policy purposes; about the interpretation of such developments as the growth of Eurocurrency deposits and credits; about the length and regularity of the lags with which changes in monetary growth rates influence business activity and prices; about the likely changes in monetary velocity as a consequence of institutional innovations and business-cycle developments; and so on and on—as any student of central banking and monetary theory well knows. And there are more fundamental problems about potential conflicts between domestic and international objectives, about the appropriate response to exceptional events not encompassed by theory, and about the precise relevance of any theory based on past experience to a world where behavioral patterns are continually evolving.

It is clear, therefore, that central bankers can make errors—or encounter surprises—at practically every stage of the process of making monetary policy. In some respects, their capacity to err has become larger in our age of inflation. They are accustomed, as are students of finance generally, to think of high and rising market interest rates as a restraining force on economic expansion. That rule of experience, however, tends to break down once expectations of inflation become widespread in a country. At such a time, lenders expect to be paid back in cheaper currency, and they are therefore apt to demand higher interest rates. Since borrowers have similar expectations, they are willing to comply. An "inflation premium" thus gets built into nominal interest rates. In principle, no matter how high the nominal interest rate may be, as long as it stays below or only slightly above the inflation rate, it very likely will have perverse effects on the economy; that is, it will run up costs of doing business but do little or nothing to restrain overall spending. In practice, since inflationary expectations, and therefore the real interest rates implied by any given nominal rate, vary among individuals, central bankers cannot be sure of the magnitude of the inflation premium that is built into nominal rates. In many countries, however, these rates have at times in recent years been so clearly below the ongoing inflation rate that one can hardly escape the impression that, however high or outrageous the nominal rates may appear to observers accustomed to judging them by a historical yardstick, they have utterly failed to accomplish the restraint that central bankers sought to achieve. In other words, inflation has often taken the sting out of interest rates—especially, as in the United States, where interest payments can be deducted for income tax purposes.

In addition to these direct efforts of inflation, there are other effects that raise doubts about the meaning of particular growth rates of the monetary aggregates. I have in mind changes in financial practices that evolved in the United States during the 1960's—particularly during the bouts with tight money in 1966 and 1969—and that culminated in an explosion of financial innovations in the 1970's.

Many of these changes were facilitated by regulatory actions or the development of new computer technology. But the driving force behind them was the incentive that sharply rising market interest rates gave to financial institutions and their customers to change their ways of doing business. Commercial banks responded to rising rates by economizing on non-interest-bearing reserves, and their customers responded by economizing on non-interest-bearing demand deposits. Both banks and large corporations developed new sources of funds in the Euro-dollar market and the domestic commercial paper market. Banks developed new techniques of liability management by exploiting these sources as well as the vast potential of the Federal funds market and the market for negotiable certificates of deposit. Other financial institutions—including savings banks, savings and loan associations, credit unions, and money market mutual funds—developed new transactions services in connection with customer accounts on which they paid interest. Banks fought this competition for transactions balances by offering large depositors special services that reduced the average level of balances they had to carry and by employing various ingenious means to pay interest on balances that were held in large part for transactions purposes.

Developments of these kinds have had profound consequences for the environment in which American monetary policy operates. Not long ago, the thrust of monetary restraint was conveyed more by reductions in the availability of credit—particularly residential mortgage credit—than by rising interest rates; at present, rising interest rates are the primary channel of restraint. This means that a higher level of interest rates is required to achieve any given degree of restraint—quite apart from the effects of inflation premiums that I discussed earlier. But how much higher is not clear; only time will tell. Not long ago, changes in M–1, the familiar monetary aggregate confined to currency and demand deposits, reflected reasonably well changes in the aggregate volume of transactions balances; at present, with new alternatives to bank demand deposits emerging all the time, a lower rate of growth in M–1 is required to achieve any given degrees of restraint. But how much lower is not clear; only time will tell. Nor is it clear what other monetary aggregate, if any, would be more serviceable than the traditional M–1 as a monetary indicator. As a result of these effects of inflation, central banking has not only lost its moorings in interest rates; that has happened to a large extent also in the case of the monetary aggregates—certainly in the United States and perhaps in other countries as well.

There is no need to expand further on the opportunities for misjudgment that in recent years have surrounded policy making at central banks. Some uncertainty, of course, has always characterized monetary policy, just as it has characterized policy decisions generally, whether in public or private life. It should be noted, however, that lags in recognizing some of the developments I have been discussing—with respect to unemployment rates, interest rates, and growth rates of the monetary aggregates—would tend to bias policy toward monetary ease. Moreover, the emergence of an inflationary psychology in industrial countries has imparted an asymmetry to the consequences of monetary errors, even if the errors themselves occurred as often in one direction as the other.

There is a profound difference between the effects of mistaken judgments by a central bank in our age of inflation and the effects of such judgments a generation or two ago. In earlier times, when a central bank permitted excessive creation of money and credit in times of prosperity, the price level would indeed tend to rise. But the resulting inflation was confined to the expansion phase of the business cycle; it did not persist or gather force beyond that phase. Therefore, people generally took it for granted that the advance of prices would be followed by a decline once a business recession got under way. That is no longer the case.

Nowadays, businessmen, farmers, bankers, trade union leaders, factory workers, and housewives generally proceed on the expectation that inflation will continue in the future, whether economic activity is booming or receding. Once such a psychology has become dominant in a country, the influence of a central bank error that intensifies inflation may stretch out over years, even after a business recession has set in. For in our modern environment, any rise in the general price level tends to develop a momentum of its own. It stimulates higher wage demands which are accommodated by employers who feel they can recover the additional costs through higher prices; it results in labor agreements in key industries that call for substantial wage increases in later years without regard to the state of business then; and through the use of indexing formulas, it leads to automatic increases in other wages as well as in social security payments, various other pensions, welfare benefits, also in rents on many properties and in the prices of many commodities acquired under long-term contracts. On the other hand, unintended central bank effects of a restrictive type do not ramify in similar fashion.

To develop any significant momentum in unwinding inflation, they would need to be both large and repetitive—a combination that can hardly occur under prevailing conditions in the industrial democracies.

If my analysis of central banking in the modern environment is anywhere near the mark, two conclusions immediately follow. First, central banks have indeed been participants in the inflationary process in which the industrial countries have been enmeshed, but their role has been subsidiary. Second, while the making of monetary policy requires continuing scrutiny and can stand considerable improvement, it is vain to look to technical reforms as a way of eliminating the inflationary bias of industrial countries. What is unique about our inflation is its stubborn persistence, not the behavior of central bankers. This persistence reflects the fundamental forces on which I dwelt earlier in this address—namely, the philosophic and political currents of thought that have impinged on economic life since the Great Depression and particularly since the mid-1960's.

My conclusion that it is illusory to expect central banks to put an end to the inflation that now afflicts the industrial democracies does not mean that central banks are incapable of stabilizing actions; it simply means that their practical capacity for curbing an inflation that is continually driven by political forces is very limited. Historically, central banks have helped to slow down the pace of economic activity at certain times and to stimulate economic activity at other times. They have also contributed to economic stability by serving as lenders of last resort or even going beyond that traditional function. During this decade alone, the Federal Reserve moved on at least two occasions to prevent financial crises that otherwise could easily have occurred. I have in mind particularly the failure of the Penn Central Transportation Company in June 1970 and the failure of the Franklin National Bank in October 1974. In the former case the inability of Penn Central to refinance its outstanding commercial paper caused consternation among holders of commercial paper generally. To prevent a financial panic the Federal Reserve put aside its monetary targets for a while, opened the discount window wide, and changed its regulations so that commercial banks could raise funds in the open market to finance firms unable to renew their maturing commercial paper. In the Franklin National case, the Federal Reserve loaned to that troubled international bank almost 2 billion dollars; and while these advances were outstanding it was possible to arrange a takeover by another bank that protected the interests of Franklin's depositors and customers. These actions were influenced by a feeling of responsibility for the financial system as a whole—international as well as domestic. The central banks of some other countries, notably the Bank of England, have likewise discharged constructively the function of serving as lenders of last resort, and the entire concept of central bank responsibility has been both widened and clarified through discussions in recent years at the Bank for International Settlements.

All this and much more deserves to be noted about central banks—especially their tireless efforts to awaken the citizens of their respective countries to the economic and social dangers posed by inflation. But whatever the virtues or shortcomings of central banks may be, the fact remains that they alone will be able to cope only marginally with the inflation of our times. The persistent inflation that plagues the industrial democracies will not be vanquished—or even substantially curbed—until new currents of thought create a political environment in which the difficult adjustments required to end inflation can be undertaken.

There are some signs, as yet tenuous and inconclusive, that such a change in the intellectual and political climate of the democracies is getting under way. One of the characteristic features of a democracy is that it encourages learning from experience. Recent disturbing trends in economic and social life, particularly the persistence and acceleration of inflation, have led to much soul-searching by leaders of thoughts and opinion. Among economists, the Keynesian school has lost much of its erstwhile vigor, self-confidence, and influence. Economists are no longer focusing so exclusively on unemployment and governmental management of aggregate demand. They are paying more attention to the management of aggregate supply—to the need to strengthen incentives to work and innovate, to ways of stimulating saving and investment, to the importance of eliminating barriers to competition, to ways of reducing the regulatory burdens imposed on industry, and to other means of bolstering business confidence. Many economists now recognize that much of reported unemployment is voluntary, that curbing inflation and reducing involuntary unemployment are complementary rather than competitive goals, that persistent governmental deficits and excessive creation of money tend to feed the fires of inflation, that the high savings rate that usually prevails in the early stages of inflation is eventually succeeded by minimal savings, and that when this stage is reached it becomes very much harder to bring inflation under control.

The intellectual ferment in the world's democracies is having its influence not only on businessmen and investors, but also on politicians, trade union leaders, and even housewives; for all of them have been learning from experience and from one another. In the United States, for example, people have come to feel in increasing numbers that much of the government spending sanctioned by their compassion and altruism was falling short of its objectives; that urban blight was continuing, that the quality of public schools was deteriorating, that crime and violence were increasing, that welfare cheating was still widespread, that collecting unemployment insurance was becoming a way of life for far too many—in short, that the relentless increases of government spending were not producing the social benefits expected from them and yet were adding to the taxes of hard-working people and to the already high prices they had to pay at the grocery store and everywhere else. In my judgment, such feelings of resentment and frustration are largely responsible for the conservative political trend that has developed of late in the United States. And I gather from the results of recent elections elsewhere that concern about inflation and disenchantment with socialist solutions are increasing also in other industrial countries. Fighting inflation is therefore being accorded a higher priority by policy makers in Europe and in much of the rest of the world.

In the United States a great majority of the public now regard inflation as the Number One problem facing the country, and this judgment is accepted by both the Congress and the Executive establishment. Some steps have therefore been taken within the past year to check the rapid rise of Federal spending, to lower certain taxes in the interest of encouraging business investment, and yet bring down the still large budget deficit. Pressures to augment the privileges of trade unions have been resisted by the Congress. Some government regulations—as in the case of airlines and crude oil—have been eased. And even restrictive moves by the Federal Reserve, which not long ago would have stirred anger and anxiety in government circles, have been accepted with equanimity. Symbolic of the changed political atmosphere was the announcement of an increase in the Federal Reserve discount rate on the very day this July when a sizable decline of the nation's over-all production was being reported for the spring quarter.

The present widespread concern about inflation in the United States is an encouraging development, but no one can yet be sure how far it will go or how lasting it will prove. The changes that have thus far occurred in fiscal, monetary, and structural policies have been marginal adjustments. American policy makers tend to see merit in a gradualist approach because it promises a return to general price stability—perhaps with a delay of five or more years but without requiring significant sacrifices on the part of workers or their employers. But the very caution that leads politically to a policy of gradualism may well lead also to its premature suspension or abandonment in actual practice. Economic life is subject to all sort of surprises and disturbances—business recessions, labor unrest, foreign troubles, monopolistic shocks, elections, and governmental upsets. One or another such development, especially a business recession, could readily overwhelm and topple a gradualist timetable for curbing inflation. That has happened in the past and it may happen again.

If the United States and other industrial countries are to make real headway in the fight against inflation it will first be necessary to rout inflationary psychology—that is, to make people feel that inflation can be, and probably will be, brought under control. Such a change in national psychology is not likely to be accomplished by marginal adjustments of public policy. In view of the strong and widespread expectations of inflation that prevail at present, I have therefore reluctantly come to believe that fairly drastic therapy will be needed to turn inflationary psychology around.

The precise therapy that can serve a nation best is not easy to identify, and what will work well in one country may work poorly in another. In the case of the American inflation, which has become a major threat to the well-being of much of the world as well as of the American people, it would seem wise to me at this juncture of history for the government to adopt a basic program consisting of four parts. The first of these would be a legislative revision of the Federal budgetary process that would make it more difficult to run budget deficits and that would serve as the initial step toward a constitutional amendment directed to the same end.

The second part would be a commitment to a comprehensive plan for dismantling regulations that have been impeding the competitive process and for modifying others that have been running up costs and prices unnecessarily. The third part would be a binding endorsement of restrictive monetary policies until the rate of inflation has become substantially lower. And the fourth part would consist of legislation scheduling reductions of business taxes in each of the next five years—the reduction to be quite small in the first two years but to become substantial in later years. This sort of tax legislation would release powerful forces to improve the nation's productivity and thereby exert downward pressure on prices; and it would also help in the more immediate future to ease the difficult adjustments forced on many businesses and their employees by the adoption of the first three parts of the suggested program.

I wish I could close this long address by expressing confidence that a program along the lines I have just sketched, or any other constructive and forceful program for dealing with inflation, will be undertaken in the near future in the United States or elsewhere. That I cannot do today. I am not even sure that many of the central bankers of the world, having by now become immured to gradualism, would be willing to risk the painful economic adjustments that I fear are ultimately unavoidable. I would therefore not be surprised if the return to reasonable price stability in the industrial democracies and thereby to an orderly international monetary system is postponed by more false starts. But if political patience in individual countries is severely tested as that happens, the learning process will also be speeded. The conservative trend that now appears to be under way in many of the industrial democracies will then gather strength; and unless political leadership falls into irresponsible hands, the inflationary bias that has been sapping the economic and moral vitality of the democracies can finally be routed.

Mr. JAVITS. Mr. President, we have an eminent central banker's view of inflation, our No. 1 problem, in the shape of this speech delivered by Mr. Burns in Belgrade some days ago, September 30 to be exact.

While I do not agree with some of the points in the speech, his overall remarks are so incisive on this greatest of all dangers facing us economically that I urge my colleagues to read his statement.

I yield the floor.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. JAVITS. Of course, I yield.

Mr. BAKER. I only take a brief moment to commend the Senator from New York for his remarks about the speech in Belgrade by the former chairman of the Federal Reserve, Dr. Burns.

I have read that speech, and I think it is extraordinary in its breadth and in its detail. As the Senator from New York says, while everyone will not agree with every proposal made by Dr. Burns in that speech, I think it is a significant contribution to the literature on economic policy in the United States.

Mr. JAVITS. Mr. President, if the Senator will allow me to say just one other word, you know, it is amazing to me that we take these great minds like that of Arthur Burns, and when they are out of office it is like a pebble dropped in an ocean. You would think they never existed, and it is ridiculous. Here is a man who is brilliant, as I say, and I do not agree with a number of the things he said. So what? The fact is that he is one of the best minds we have, and I think that more and more we ought to learn in the Senate to treasure these great national treasures, whether they are in office or out, and that is the reason why I am doing what I am doing about this speech.

Mr. BAKER. Mr. President, I entirely agree, and I once again commend the Senator from New York for bringing this to our attention today.

### ORDER FOR THE CONSIDERATION OF H.R. 3434 TO COMMENCE AT 1 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for starting consideration of H.R. 3434 tomorrow be moved from 12:30 p.m. to 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

### ORDER FOR CONVENING OF SENATE AT 12:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate convene at 12:30 p.m. instead of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

### PROGRAM

Mr. ROBERT C. BYRD. Now, Mr. President, on tomorrow the Senate will have before it H.R. 3434, the child welfare and social services bill. The Senate will proceed to the consideration of that bill at 1 p.m. There is a time agreement on the bill. There will be, I would think, some rollcall votes in relation to the bill and amendments and/or motions in regard thereto tomorrow.

There may be other matters, conference reports, and so forth, if such are cleared for action.

### RECESS UNTIL 12:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business now to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 12:30 p.m. tomorrow.

The motion was agreed to; and at 5:59 p.m., the Senate recessed until Thursday, October 25, 1979, at 12:30 p.m.

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# HOUSE OF REPRESENTATIVES—*Wednesday, October 24, 1979*

The House met at 10 a.m.

Rabbi Melvin L. Goldstine, the Temple Aliyah, Woodland Hills, Calif., offered the following prayer:

Our God and God of our fathers, Creator of Heaven and Earth, Inspirer of the human being, Author of liberty: to Thee do we turn our hearts in reverence and humility.

Prayer points in two directions. It is a reaching outward and a searching inward at one and the same time. It is a questing and a questioning.

We seek the wisdom to fathom and to help resolve the complex problems that beset our Nation and the world; we seek the strength to reject unjust solutions; and we seek the courage to stand always for the right.

We continually search our souls to determine whether we represent the people of this great country with integrity and compassion.

Bless these, Thy chosen servants, dear God, as they exercise their awesome responsibilities.

Grant America and all mankind the blessings of mutual understanding and peace. Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. ASHBROOK. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 354, nays 19, answered "present" 1, not voting 59, as follows:

[Roll No. 592]

YEAS—354

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Derrick
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Hawkins
Heckler
Hightower
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—19

Aspin
AuCoin
Bereuter
Burton, John
Coughlin
Derwinski
Goodling
Hall, Ohio
Harkin
Jacobs
Lloyd
Lott
Lowry
Madigan
Mitchell, Md.
Quayle
Schroeder
Traxler
Walker

ANSWERED "PRESENT"—1

Neal

NOT VOTING—59

Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Applegate
Beard, R.I.
Boggs
Bolling
Bonker
Breaux
Brooks
Brown, Calif.
Chisholm
Corcoran
de la Garza
Dellums
Diggs
Dixon
Dodd
Dougherty
Eckhardt
Evans, Ga.
Flood
Forsythe
Fountain
Gaydos
Gephardt
Gilman
Harsha
Hefner
Heftel
Hinson
Holtzman
Jones, N.C.
Leach, La.
McDonald
McEwen
McHugh
Mathis
Minish
Montgomery
Rose
Runnels
Scheuer
Seiberling
Skelton
Stockman
Swift
Thompson
Treen
Ullman
Vander Jagt
Waxman
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Young, Alaska

□ 1020

So the Journal was approved.

The result of the vote was announced as above recorded.

## A WELCOME TO RABBI MELVIN L. GOLDSTINE

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute.)

Mr. GOLDWATER. Mr. Speaker, it is my privilege and pleasure this morning to introduce to my colleagues Rabbi Melvin L. Goldstine, spiritual leader of the Temple Aliyah in Woodland Hills, Calif.

Rabbi Goldstine is a summa cum laude graduate of Northwestern University and was ordained at the Jewish Theological Seminary of America, which awarded him a master's degree in Hebrew literature and a doctor of divinity degree. Rabbi Goldstine has a long history of involvement in the concerns of southern California, serving as an officer of the Western States region of the Rabbinical Association and as a member of the executive committee of Southern California Board of Rabbis.

The 20th District of California is fortunate to have the rabbi as a vigorous contributing member of the community. May we, as Members of this Congress, have the strength and understanding of this man to not only speak of peace, but truly take an active role in the creation of peace.

As we begin the day's session, I am proud on behalf of all the Members of the House to welcome Rabbi Goldstine and his charming wife Bella to our midst.

## AN OPEN INVITATION TO ECONOMIC DISASTER

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, New York banks today announced they are raising the prime interest rate to an unprecedented 15 percent—the highest in American history.

This is the result of a misbegotten policy of the Federal Reserve Board. In my opinion it is an open invitation to economic disaster.

The Federal Reserve seems to think that raising interest rates is an effective way to curb inflation.

That, I submit, is like pouring gasoline on the fire. The two elements which have run ahead of and paced the rise in the cost of living are the cost of energy and the cost of money.

For the past 6 months we have watched the inflation rate follow the interest rate up and up. High interest rates are clearly price inflationary, not deflationary. They have become, quite clearly, one of the principal causes of the inflation.

But they do run the serious risk of stalling out the economy, creating rising unemployment to exacerbate the ills of rising prices.

That is exactly what they did in the early 1970's.

High interest is the proven formula for creating both inflation and recession in the same economy.

High interest rates always have cruelly hurt the poor and moderate-income Americans.

People with money always have had an advantage over people without money. The interest rate is the precise measure of the degree of that advantage which a society is willing to tolerate and institutionalize.

The skyrocketing interest rate already this year has made it impossible for literally millions of American families to afford a home.

Since the first of this year, the increase in interest alone has added some $41,000 to the ultimate cost of paying for a $50,000 home on a 30-year mortgage.

It has added $115 a month to the payments a young family would have to make to purchase such a home. That is a $115 monthly hidden hand in the pocket. It robs that young family of that much of its income while giving nothing whatever in return.

Since the first of this year, the skyrocketing interest rate has added $4 billion to the annual cost of servicing the national debt. That is $4 billion more the American people will have to pay in taxes, and for which we will get exactly nothing.

In the early 1950's, President Harry Truman ordered the Federal Reserve to disgorge itself of an ill-gotten interest rate increase which it had ordered. The Federal Reserve did so. It is time, and past time, for that kind of leadership again.

## THE PARADE OF BIG OIL PROFITS: A SAD TIME FOR THE AMERICAN PEOPLE

(Mr. HARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARRIS. Mr. Speaker, the international oil companies have begun to reveal their third-quarter earnings. The parade of profits is led by the largest oil company, Exxon. Exxon's profits in the third quarter soared 118 percent over the same period last year. In dollar terms, Exxon earned $1.14 billion in the last 3 months. "It was a good quarter," commented Exxon Comptroller Ulysses Grange.

No, it was not. It was not a good quarter for the millions of American consumers who are paying for Exxon's $1.14 billion profit. It was not a good quarter for the elderly who began to take deliveries on Exxon home heating oil, which now costs around 99 cents a gallon. It was not a good quarter for families of limited income who have no idea how they will pay for these skyrocketing energy prices. It was not a good quarter for the American people who continue to be victimized by these international profiteers.

And it was not a good quarter for Congress. Because we had the opportunity to stop this ripoff and we did not do it. We had the opportunity to reimpose controls on petroleum prices and we failed. The oil lobbyists railroaded the American people once again. But it was a good quarter for Exxon.

Of course, Exxon is not the only international oil company to have a "good quarter." Arco's profits were up 45 percent. Amoco's rose 49 percent. And today the parade of profits will continue as the other oil companies unveil their earnings. The American people are suffering under double-digit inflation and triple-digit oil profits. It is almost pornographic.

Presumably it is a happy day in the high buildings that house the oil executives. There is backslapping and congratulations in the stately board rooms.

But in America's homes, the people are angry because the ripoff continues. Angry because this week the oil companies are again warning of another mysterious shortage. They are angry because the real shortage is a shortage of courage on Capitol Hill, a shortage of courage in the House of Representatives where we cannot find a majority of Members to stand up to the self-interested oil companies on behalf of the American consumer.

Yes, it was a good quarter for Exxon. But a tragic day for the American people.

## PERMISSION FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO MEET TODAY AND FRIDAY, OCTOBER 26, 1979, WHILE HOUSE IS IN SESSION

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs be permitted to sit today and Friday, October 26, 1979, past 10 a.m., in order to conduct hearings on the Chrysler Corp.'s financial situation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman from Michigan (Mr. BLANCHARD) assure the House that this is for hearings only and that there would be no markup of any bill?

Mr. BLANCHARD. If the gentleman will yield, there will be absolutely no markup yet.

Mr. ROUSSELOT. Mr. Speaker, during those days of hearings, there will be no markup of any bill?

Mr. BLANCHARD. Mr. Speaker, there

will be no markup. We have consulted with minority members of the Committee on Banking, Finance and Urban Affairs on this matter.

Mr. ROUSSELOT. I appreciate the gentleman's comments, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan (Mr. BLANCHARD)?

There was no objection.

## PERMISSION FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be permitted to sit today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, would the gentleman from New York (Mr. HANLEY) assure the House there would be no markup?

Mr. HANLEY. Mr. Speaker, I cannot give the gentleman that assurance. I do not believe we have a problem. I do not believe we have a controversy. We do have some legislation that is very important, but that is noncontroversial.

Mr. ROUSSELOT. Mr. Speaker, is the gentleman going to mark up bills then?

Mr. HANLEY. Mr. Speaker, the gentleman is correct.

Mr. ROUSSELOT. Mr. Speaker, what bills is the gentleman marking up?

Mr. HANLEY. Mr. Speaker, this is a bill, incidentally, that the gentleman from California (Mr. ROUSSELOT) is intensely interested in its enactment.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, it is not whether the gentleman is intensely interested or not. We have a lot of legislation here on the floor.

I would ask the gentleman, is this just for 1 day?

Mr. HANLEY. Mr. Speaker, this is for 1 day.

Mr. ROUSSELOT. Mr. Speaker, I would ask the gentleman, is this for tomorrow?

Mr. HANLEY. Mr. Speaker, we would be finished this morning.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York (Mr. HANLEY)?

There was no objection.

## PERMISSION FOR COMMITTEE ON VETERANS' AFFAIRS TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may be permitted to sit tomorrow, Thursday, October 25, 1979, during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, would the gentleman from Texas (Mr. ROBERTS) assure the House there would be no markup of any bill?

Mr. ROBERTS. Mr. Speaker, really, there is no legislation. It is more of an investigation into the administration policy of the VA hospitals.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas (Mr. ROBERTS)?

There was no objection.

□ 1030

## AMENDMENT ON DOE AUTHORIZATION REQUIRING OIL COMPANIES TO SUPPLY INFORMATION SHOULD RECEIVE "YES" VOTE

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I merely take this time to call attention of the Members to the fact that the first order of business when the DOE is taken up in the committee this morning is going to be the amendment dealing with providing information to the DOE from the oil companies and bringing about the action of the DOE to inform the Congress immediately of the results of the oil companies' refining capabilities, their storage and so forth. I am convinced that the membership today, having seen the recent reports and outrageous profits that have been run up by the oil companies, are going to be most interested in voting on this amendment.

## EXXON OIL CO.—U.S. PROFITS DOWN

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, as I listened to television news, I wanted to confirm the extent of oil company profits. I checked Exxon, which is the largest U.S. oil company, and found that their operating earnings from the U.S. petroleum and natural gas operations were up only 2.7 percent during the first 9 months of 1979. Considering the fact that our Nation has 14-percent inflation, Exxon is falling way behind the inflation rate. With all the talk in Congress about refinery profits and what oil companies are making in service stations, I was interested to see that Exxon U.S. earnings were down 17.1 percent from the year earlier period. Exxon reported that higher prices for domestic products were more than offset by higher costs of both imported and domestic crude oil, as well as higher operating costs.

The American consumer has seen Exxon profit margins decline in the refinery and the U.S. service station where he buys gasoline.

Fortunately, the company had strong foreign earnings including refining and marketing earnings abroad, tax relief in England, and worldwide chemical operations were most profitable.

We must encourage Exxon to increase its profits in the United States. They are reinvesting capital for exploration and development. Six years ago the United States was importing $3 billion in oil. This year the United States is going to import $60 billion in oil. It is essential that the U.S. oil companies make and retain more earnings so they will have the capital for exploration in new U.S. fields as well as in U.S. secondary and tertiary recoveries in old fields in the United States.

## EXXON'S PROFITS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, as the elected representative for the one-half million citizens of rural western Massachusetts, I am compelled to stand and speak on their behalf when I hear the third-quarter profits for some of the major oil companies. I do not care what the gentleman from Texas (Mr. COLLINS) says. We have to look at the bottom line. The world's largest oil company, Exxon, reported its earnings yesterday. They soared from $525 million for the June to September 1978 period to $1.14 billion for the same period in 1979. This translates into a profits picture of some 118 percent, more than double last year's figure and nearly 100 percent points above the second-quarter profits this year of 20 percent.

Mr. Speaker, the American consumers have been besieged with negative economic news all year. They have waited patiently in gas lines during the hot summer months. They hear reports of possible dislocations of home heating oil for this winter; a winter already upon some regions of the country, such as New England. They are hit in the pocketbook whenever the oil ministers decide to raise prices on their precious export—crude oil.

Our 220 million citizens, many of which have worked hard for all their lives and have retired on fixed incomes, deserve better than the insensitivity displayed by the big oil companies. Many are now fearful that they may have to choose between eating and heating. They have been ripped off for too long now. These profit figures should be the clearest signal to the Nation that passage of a stiff windfall profits tax is necessary in order for the American public to recoup some of their hard-earned money.

## REPRESENTATIVE REGULA INTRODUCES BILL TO MONITOR "CONTRACT BUREAUCRACY"

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, according to a recent National Journal study, the civilian Government payroll grew from $29 billion to $45 billion between 1970 and 1978. Yet, during that same period, the number of civilian employees remained fairly constant at 2.1 million. It is becoming apparent that this growth in Government spending is due chiefly to the increase in the "contract bureaucracy."

It is estimated that approximately $150 billion of Federal outlays in 1978 were for Government grants and contracts with private firms and individuals. The National Journal study revealed that as many as 8 million people may be employed indirectly by the Federal Government.

Two and a half years ago, the President directed the Office of Management and Budget to find out how many consultant contracts the Federal Government awarded and the names of the consulting firms. Today, we still do not have that information.

As the contract bureaucracy grows in numbers, its influence increases over the entire governmental network. The potential for misplaced power exists as the consulting industry continues to reach into every department and agency in the Government. There are no checks and balances over this "branch" of our Government, yet the cost to the American taxpayers for consulting services is tremendous.

The use of consultants for Government services can be necessary in certain instances. But, we have no way of knowing which contracts are properly awarded and will be a benefit to the country and which are a waste of the taxpayers' money.

In an attempt to uncover the "hidden employees" of the Federal Government and to monitor this contract bureaucracy, I am today introducing a bill amending the Administrative Procedures Act to require public notice of Federal contracts, grants, and loans. This proposal has consistently been endorsed by the Administrative Conference of the United States and by the American Bar Association.

Requiring public notice of the contracts awarded by Federal departments and agencies will enable us to find out what contracts are being awarded and by which agencies. This is an important first step in our investigation into this hidden contract bureaucracy.

## REPRESENTATIVE MARTIN REQUESTS REDUCTION IN PAY

(Mr. MARTIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN. Mr. Speaker, I know not what course Exxon may take, but as for me, in accordance with title 2, United States Code, section 39, I make a unanimous-consent request that my pay be reduced for the 3 days during which I was not in attendance at sessions of the House on October 9, 11, and 12.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## HUD "SUCCESS" STORY

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

**Mr. COUGHLIN.** Mr. Speaker, Members have surely been reading with great interest the Washington Post series on the alleged diversion and misappropriation of at least $600,000 from the Department of Housing and Urban Development and low-income tenants by officials of a real estate spinoff of Pride, Inc. Post readers were treated to related articles not 3 months ago detailing the failure of HUD-subsidized housing projects in Prince Georges County, Md. One cannot help but wonder how many more HUD "success" stories exist, and how HUD officials allow such things to happen in the first place.

The current Post stories tell how HUD sold the Clifton Terrace apartments complex in Washington, D.C., with a "unique, no-downpayment HUD mortgage." Even though this was an experimental program, reportedly only four monthly mortgage payments were made, partial taxes and utility bills were paid, and security and maintenance were reduced in the 3 years before foreclosure. In the words of one of the participants:

> Nothing was ever correct that was sent to HUD. They never got a true picture. I don't think they were really interested.

The Department of Housing and Urban Development was, and continues to be, interested in bullying local governmental officials, harassing community groups, and tormenting planners who attempt legitimately to use federally assisted housing and community development programs for the benefit of their areas. Furthermore, HUD officials often scream that that are not enough "monitors" among the 16,000 employees to prosecute those who refuse to knuckle under. There is a better way to achieve the goal of safe, decent, and affordable housing for all. If HUD would concentrate on designing simple, good, and workable programs, and investigating possible participants to insure their eligibility and potential for success, even more could be done for those the Department was established to serve.

## REPRESENTATIVE ROTH SHARES VIEWS OF AGRICULTURAL CONSTITUENTS

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROTH. Mr. Speaker, more than two-thirds of my district is rural, and the interests of farmers and small-town people are very important to me. Therefore, I would like to take some time today to share the views of some of my agricultural constituents who are members of my agricultural advisers committee. This committee is designed to provide me with suggestions and reactions on agricultural and rural issues as they arise in Congress. It is fair to say that they closely represent the views of the agricultural community in my district.

Despite the presence of many controversial farm related issues, a survey of our committee found that inflation and the energy crisis are the foremost concerns. These two problems are so serious that they far outrank any usual "farm issues." With production prices skyrocketing, inflation is hitting the farmer harder than ever. They are also concerned that heating and diesel supplies will not get them through the winter and the following spring planting season. Clearly, farmers must have sufficient fuel to plant and harvest their crops. And it is absolutely essential that others who live in rural areas are not deprived of their transportation.

Of the "farm related issues," the Farm Credit Act, which expands the ability of co-ops to participate in international trade, was also ranked high. In this same general area, the agricultural advisers committee considers the multilateral trade agreement as it affects agriculture of major importance also.

In the dairy sector, the increased importation of casein and its use in food products dominates discussion along with milk price supports.

The issues I have just mentioned were ranked most important by my agriculture advisory board. However, many other issues are on my constituents' minds. Among these are the carryover basis, farm installment sales, and foreign investment in American farmland.

The following is a ranking of farm related issues by the agriculture advisory board in order of importance:

1. Inflation;
2. Diesel fuel supply;
3. Heating fuel oil supply;
4. Multilateral Trade Agreement (as it affects agriculture);
5. Farm Credit Act;
6. Casein (the increased importation and use in food products);
7. Carryover basis;
8. Milk price supports;
9. Farm installment sales;
10. Foreign investment in American farmland;
11. "Wheat for Oil";
12. Water resource planning; and
13. Revisions in federal crop insurance.

## SOMETHING SHOULD BE DONE ABOUT RIPOFF OF FEDERAL FUNDS IN HUD

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, to follow up the remarks of the gentleman from Pennsylvania (Mr. COUGHLIN), I think it is an outrage that something is not being done about this ripoff of Federal funds through the failures of the HUD organizations.

The Washington Post has carried a series of stories having to do with Clifton Terrace, and somebody ought to go to jail if there is anything to those stories. They talk about Mary Treadwell. I do not know anything about her except they say she uses street language and intimidates the people in HUD and they are afraid to do anything about it.

□ 1040

We are talking about literally hundreds and hundreds and hundreds of thousands of dollars of taxpayers' money. No wonder many of us do not support HUD programs.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to my colleague from Ohio.

Mr. ASHBROOK. Mr. Speaker, my colleague will recall a few years ago when our late colleague from Iowa, Mr. Kyle, and others, including myself, pointed out what Pride was doing. We were attacked as not being fair to a poor group that was trying to develop this city. The gentleman remembers that very well.

Mr. DEVINE. I would suggest that the Committee on Banking, Finance and Urban Affairs exercise its oversight responsibility to follow through on this to make sure that there is not a ripoff of the taxpayers' funds, and also the Justice Department get involved.

## RIGHTS OF HOUSE MEMBERS AGAIN DIMINISHED

(Mr. BAUMAN asked and was given permission to address the House for 1 minute.)

Mr. BAUMAN. Mr. Speaker, once again it grieves my heart to take the floor of the House and inform the Members that their rights have been diminished still further. Yesterday the House Committee on Rules, following the trend of the majority leadership, of the majoritarian, authoritarian, totalitarian dictatorship that has now taken over direction of this House, reported out a closed rule on a major welfare bill, a multibillion-dollar bill. No amendments are in order—no amendments by the minority, no amendments by the majority, save one. There will be one amendment offered by the gentleman from Vermont (Mr. JEFFORDS) which was said to improve the lot of the lonesome, the poor, the elderly. It passed just that quickly, so that is the only amendment in order, despite the fact that many Members appeared and asked to have amendments made in order.

We will be confronted with a major issue, a major policy area, where the hands of the House will be tied. It is sad to see the decline of a once great institution.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, will that lone amendment increase or decrease?

Mr. BAUMAN. It will increase. That is why it passed.

## CONFERENCE REPORT ON H.R. 4394, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT — INDEPENDENT AGENCIES APPROPRIATIONS, 1980

Mr. BOLAND. Mr. Speaker, pursuant to the order of the House on October 23, 1979, I call up the conference report on the bill (H.R. 4394) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1980, and for other purposes.

The Clerk read the title of the bill.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 23, 1979.)

Mr. BOLAND (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The gentleman from Massachusetts (Mr. BOLAND) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. COUGHLIN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we bring before the House today a further conference report on the amendments in disagreement on the 1980 HUD-independent agencies appropriation bill.

The Members will recall that a conference report on H.R. 4394 was approved by the House on September 27 and by the Senate on September 28. However, two amendments originally reported in disagreement from the committee of conference remained unresolved at that time. The issues in dispute were the Department of Housing and Urban Development's livable cities program and the National Aeronautics and Space Administration's research and development account.

Mr. Speaker, I am glad to be able to report that during a further conference on the amendments in disagreement a compromise—hopefully acceptable to both Houses—was reached. The Senate conferees receded to the House position on the livable cities program. The Senate had included $3 million for the program, but agreed to provide no funding in this bill. I sympathize with the objectives of the livable cities program and respect the views of those who want to fund the endeavor. We have been over this ground many times before so I will not belabor the issue. The House position is simply that existing programs in other agencies should be the vehicle for encouraging artistic opportunities in our cities.

The complicated NASA research and development issue has also been resolved. The only changes from the original House reduction of $23 million are recommendations of an additional $3 million for variable cycle engine work and $5 million for advanced rotorcraft technology. This represents a good compromise. The House gave up the $23 million Shuttle reserve and Project Galileo oversight language adopted September 27. The Senate agreed to funding only two projects—against the eight that were originally added by the other body.

Although no funds are included in the bill specifically for Space Shuttle thrust augmentation, I want to reassure my good friend from Florida, the chairman of the Science and Technology Committee (Mr. FUQUA), that we have no objection to NASA using some funding for design work already in progress in this area.

Mr. Speaker, I want to follow up on some of the comments made this morning concerning the Clifton Terrace Apartments series which has appeared in the Washington Post over the last 4 days.

I want to make clear that I share the concerns expressed by Mr. COUGHLIN, the distinguished ranking minority member of the HUD-Independent Agencies Appropriations Subcommittee. The allegations made in the Post articles are serious—and they will not be treated lightly by the subcommittee which I chair. It is alleged that at least $600,000 was diverted, misappropriated, or stolen from low-income tenants and the U.S. Government according to a year-long inquiry conducted by the Washington Post. The Post and the two fine reporters who wrote the articles, Lewis Simons and Ron Shaffer, are to be congratulated for their diligence in bringing this matter to public attention.

The Department of Housing and Urban Development (HUD) sold the Clifton Terrace Apartments in Washington, D.C., to P. I. Properties, Inc., in 1975 under a special experimental program designed to promote minority housing ownership and management. During the next 3 years P. I. Properties, Inc., made only four mortgage payments to HUD—one of which was not covered by sufficient funds. The Post articles detail the mismanagement and misappropriation of funds that resulted in P. I. Properties, Inc., becoming $350,000 overdue in payments owed to HUD before the Department finally took action to foreclose on the mortgage. In addition, the District of Columbia Government spent $100,000 for utilities for the Clifton Terrace Apartments and HUD advanced P. I. Properties, Inc., nearly $200,000 for utilities and taxes.

I realize that HUD has a very difficult mission to accomplish and must manage thousands of trouble-prone properties nationwide. The Department's objectives are very hard to meet under the best of circumstances. But they are made immeasurably more difficult if the process is subverted, as appears to be the case at Clifton Terrace.

However, I believe the distress signals at Clifton Terrace were sufficiently clear to warrant corrective action by HUD long before it actually occurred.

I want to assure my colleague on the HUD-Independent Agencies Appropriations Subcommittee, the gentleman from Pennsylvania (Mr. COUGHLIN), and the Members of the House that the subcommittee intends to pursue this situation. I have asked that HUD's Inspector General brief the staff on the current status of the Clifton Terrace situation.

I do not believe this unfortunate development pervades all of HUD's housing programs—but determining how pervasive the problem is will be a high priority of the appropriations subcommittee.

Mr. Speaker, I will include in the remarks a table comparing the conference agreement with the amounts for 1979 and the actions of the House and Senate. I urge the adoption of the conference report.

### COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—INDEPENDENT AGENCIES APPROPRIATION BILL, 1980 (H.R. 4394)

[Note.—All amounts are in the form of appropriations unless otherwise indicated.]

| | | | | | | Conference action compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| Agency and item | New budget (obligational) authority fiscal year 1979 [1] | Budget estimates of new budget (obligational) authority fiscal year 1980 [2] | New budget (obligational) authority recommended in House bill | New budget (obligational) authority recommended in Senate bill | Conference action | New budget (obligational) authority fiscal year 1979 | Budget estimates of new budget (obligational) authority fiscal year 1980 | House bill | Senate bill |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| **TITLE I** | | | | | | | | | |
| **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | | | | | | |
| **Housing Programs** | | | | | | | | | |
| Annual contributions for assisted housing (contract authority) | $24, 395, 848, 000 | $26, 680, 127, 750 | $26, 680, 128, 000 | $26, 680, 128, 000 | $26, 680, 128, 000 | +$2, 284, 280, 000 | +$250 | | |
| Increased limitation for annual contract authority | (1, 322, 297, 000) | (1, 140, 661, 275) | (1, 160, 474, 000) | (1, 140, 661, 000) | (1, 140, 661, 000) | (−181, 636, 000) | (−275) | (−$19, 813, 000) | |
| Rent supplement | | −200, 000, 000 | | −200, 000, 000 | −200, 000, 000 | −200, 000, 000 | | −200, 000, 000 | |
| Housing payments (appropriation to liquidate contract authority) | (4, 460, 000, 000) | (5, 529, 000, 000) | (5, 529, 000, 000) | (5, 529, 000, 000) | (5, 529, 000, 000) | (+1, 069, 000, 000) | | | |
| Housing for the elderly or handicapped fund (authority to borrow) | 800, 000, 000 | 800, 000, 000 | 800, 000, 000 | 860, 000, 000 | 830, 000, 000 | +30, 000, 000 | +30, 000, 000 | +30, 000, 000 | −$30, 000, 000 |
| Congregate services program | 10, 000, 000 | | 10, 000, 000 | 10, 000, 000 | 10, 000, 000 | | +10, 000, 000 | | |
| Payments for operation of low-income housing projects | 727, 000, 000 | 741, 500, 000 | 741, 500, 000 | 741, 500, 000 | 741, 500, 000 | +14, 500, 000 | | | |
| Troubled projects operating subsidy | 74, 000, 000 | 82, 000, 000 | 77, 000, 000 | 82, 000, 000 | 79, 500, 000 | +5, 500, 000 | −2, 500, 000 | +2, 500, 000 | −2, 500, 000 |
| Federal Housing Administration fund | 352, 290, 000 | 194, 850, 000 | 194, 850, 000 | 194, 850, 000 | 194, 850, 000 | −157, 440, 000 | | | |
| **Government National Mortgage Association** | | | | | | | | | |
| Emergency mortgage purchase assistance: Recapture of repayments | (1, 000, 000, 000) | | | | | (−1, 000, 000, 000) | | | |
| Special assistance functions fund: | | | | | | | | | |
| Authority to borrow | 500, 000, 000 | | | | | −500, 000, 000 | | | |
| Recapture of repayments | (1, 500, 000, 000) | (2, 000, 000, 000) | (2, 000, 000, 000) | (2, 000, 000, 000) | (2, 000, 000, 000) | (+500, 000, 000) | | | |
| Payment of participation sales insufficiencies | 20, 477, 000 | 16, 971, 000 | 16, 971, 000 | 16, 971, 000 | 16, 971, 000 | −3, 506, 000 | | | |
| Total, Government National Mortgage Association | 520, 477, 000 | 16, 971, 000 | 16, 971, 000 | 16, 971, 000 | 16, 971, 000 | −503, 506, 000 | | | |
| Total, Housing Programs | 26, 879, 615, 000 | 28, 315, 448, 750 | 28, 520, 449, 000 | 28, 385, 449, 000 | 28, 352, 949, 000 | +1, 473, 334, 000 | +37, 500, 250 | −167, 500, 000 | −32, 500, 000 |
| **Community Planning and Development** | | | | | | | | | |
| Community development grants | 3, 750, 000, 000 | 3, 900, 000, 000 | 3, 900, 000, 000 | 3, 900, 000, 000 | 3, 900, 000, 000 | +150, 000, 000 | | | |
| Urban development action grants | 400, 000, 000 | 675, 000, 000 | 400, 000, 000 | 675, 000, 000 | 675, 000, 000 | +275, 000, 000 | | +275, 000, 000 | |
| Comprehensive planning grants | 53, 000, 000 | 40, 000, 000 | 35, 000, 000 | 50, 000, 000 | 42, 500, 000 | −10, 500, 000 | +2, 500, 000 | +7, 500, 000 | −7, 500, 000 |
| Rehabilitation loan fund | 230, 000, 000 | 130, 000, 000 | 140, 000, 000 | 130, 000, 000 | 135, 000, 000 | −95, 000, 000 | +5, 000, 000 | −5, 000, 000 | +5, 000, 000 |
| Urban homesteading | 20, 000, 000 | | | | | −20, 000, 000 | | | |
| Total, Community Planning and Development | 4, 453, 000, 000 | 4, 745, 000, 000 | 4, 475, 000, 000 | 4, 755, 000, 000 | 4, 752, 500, 000 | +299, 500, 000 | +7, 500, 000 | +277, 500, 000 | −2, 500, 000 |
| **Neighborhoods, Voluntary Associations and Consumer Protection** | | | | | | | | | |
| Housing counseling assistance | 9, 000, 000 | 9, 000, 000 | 9, 000, 000 | 9, 000, 000 | 9, 000, 000 | | | | |
| Neighborhood self-help development program | 5, 000, 000 | 15, 000, 000 | 10, 000, 000 | 10, 000, 000 | 10, 000, 000 | +5, 000, 000 | −5, 000, 000 | | |
| Livable cities program | | 5, 000, 000 | | 3, 000, 000 | | | −5, 000, 000 | | −3, 000, 000 |
| Total, Neighborhoods, Voluntary Associations and Consumer protection | 14, 000, 000 | 29, 000, 000 | 19, 000, 000 | 22, 000, 000 | 19, 000, 000 | +5, 000, 000 | −10, 000, 000 | | −3, 000, 000 |
| **Policy Development and Research** | | | | | | | | | |
| Research and technology | 57, 500, 000 | 53, 000, 000 | 49, 000, 000 | 50, 300, 000 | 49, 650, 000 | −7, 850, 000 | −3, 350, 000 | +650, 000 | −650, 000 |
| **Fair Housing and Equal Opportunity** | | | | | | | | | |
| Fair Housing Assistance | | 3, 700, 000 | 3, 700, 000 | 3, 700, 000 | 3, 700, 000 | +3, 700, 000 | | | |
| **Management and Administration** | | | | | | | | | |
| Salaries and expenses | 269, 458, 000 | 296, 002, 000 | 288, 377, 000 | 281, 002, 000 | 284, 189, 000 | +14, 731, 000 | −11, 813, 000 | −4, 188, 000 | +3, 187, 000 |
| By transfer, FHA funds | (250, 255, 000) | (255, 118, 000) | (255, 118, 000) | (255, 118, 000) | (255, 118, 000) | (+4, 863, 000) | | | |
| Total, title I, Department of Housing and Urban Development: | | | | | | | | | |
| New budget (obligational) authority | 31, 673, 573, 000 | 33, 442, 150, 750 | 33, 355, 526, 000 | 33, 497, 451, 000 | 33, 461, 988, 000 | +1, 788, 415, 000 | +19, 837, 250 | +106, 462, 000 | −35, 463, 000 |
| Appropriations | 5, 977, 725, 000 | 6, 162, 023, 000 | 5, 875, 398, 000 | 6, 157, 323, 000 | 6, 151, 860, 000 | +174, 135, 000 | −10, 163, 000 | +276, 462, 000 | −5, 463, 000 |
| Contract authority | 24, 395, 848, 000 | 26, 480, 127, 750 | 26, 680, 128, 000 | 26, 480, 128, 000 | 26, 480, 128, 000 | +2, 084, 280, 000 | +250 | −200, 000, 000 | |
| Authority to borrow | 1, 300, 000, 000 | 800, 000, 000 | 800, 000, 000 | 860, 000, 000 | 830, 000, 000 | −470, 000, 000 | +30, 000, 000 | +30, 000, 000 | −30, 000, 000 |
| Appropriation to liquidate contract authority | (4, 460, 000, 000) | (5, 529, 000, 000) | (5, 529, 000, 000) | (5, 529, 000, 000) | (5, 529, 000, 000) | (+1, 069, 000, 000) | | | |
| Increased limitation for annual contract authority | (1, 322, 297, 000) | (1, 140, 661, 275) | (1, 160, 474, 000) | (1, 140, 661, 000) | (1, 140, 661, 000) | (−181, 636, 000) | (−275) | (−19, 813, 000) | |
| Limitation on corporate funds to be expended | (250, 255, 000) | (255, 118, 000) | (255, 118, 000) | (255, 118, 000) | (255, 118, 000) | (+4, 863, 000) | | | |

**Footnotes at end of table.**

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD —INDEPENDENT AGENCIES APPROPRIATION BILL, 1980 (H.R. 4394)—Continued

[Note.—All amounts are in the form of appropriation unless otherwise indicated.]

| | | | | | | Conference action compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| Agency and item | New budget (obligational) authority fiscal year 1979 ¹ | Budget estimates of new budget (obligational) authority fiscal year 1980 ² | New budget (obligational) authority recommended in House bill | New budget (obligational) authority recommended in Senate bill | Conference action | New budget (obligational) authority fiscal year 1979 | Budget estimates of new budget (obligational) authority fiscal year 1980 | House bill | Senate bill |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| **TITLE II** | | | | | | | | | |
| **INDEPENDENT AGENCIES** | | | | | | | | | |
| **AMERICAN BATTLE MONUMENTS COMMISSION** | | | | | | | | | |
| Salaries and expenses | $7,425,000 | $7,603,000 | $8,186,000 | $7,603,000 | $7,603,000 | +$178,000 | | −$583,000 | |
| **CONSUMER PRODUCT SAFETY COMMISSION** | | | | | | | | | |
| Salaries and expenses | 42,940,000 | 41,776,000 | 41,250,000 | 40,600,000 | 40,600,000 | −2,340,000 | −$1,176,000 | −650,000 | |
| **DEPARTMENT OF DEFENSE—CIVIL** | | | | | | | | | |
| **Cemeterial Expenses, Army** | | | | | | | | | |
| Salaries and expenses | 5,100,000 | 7,943,000 | 8,326,000 | 7,611,000 | 8,326,000 | +3,226,000 | +383,000 | | +$715,000 |
| **ENVIRONMENTAL PROTECTION AGENCY** | | | | | | | | | |
| Salaries and expenses | 457,419,000 | 520,319,000 | 506,748,000 | 515,319,000 | 513,319,000 | +55,900,000 | −7,000,000 | +6,571,000 | −2,000,000 |
| Research and development | 218,819,000 | 239,568,000 | 233,568,000 | 232,568,000 | 233,568,000 | +14,749,000 | −6,000,000 | | +1,000,000 |
| Abatement, control and compliance | 524,145,000 | 540,688,000 | 475,809,000 | 515,592,000 | 508,892,000 | −15,253,000 | −31,796,000 | +33,083,000 | −6,700,000 |
| Buildings and facilities | 1,063,000 | 1,425,000 | 1,425,000 | 1,425,000 | 1,425,000 | +362,000 | | | |
| Construction grants: | | | | | | | | | |
| Appropriation | 4,200,000,000 | 3,800,000,000 | 3,400,000,000 | 3,400,000,000 | 3,400,000,000 | −800,000,000 | −400,000,000 | | |
| Appropriation to liquidate contract authority | (1,400,000,000) | (1,500,000,000) | (1,500,000,000) | (1,500,000,000) | (1,500,000,000) | (+100,000,000) | | | |
| Scientific activities overseas (special foreign currency program) | 2,500,000 | 4,000,000 | 2,000,000 | | | −2,500,000 | −4,000,000 | −2,000,000 | |
| United States Regulatory Council | | 3,238,000 | 2,238,000 | 3,238,000 | 3,038,000 | +3,038,000 | −200,000 | +800,000 | −200,000 |
| Total, Environmental Protection Agency | 5,403,946,000 | 5,109,238,000 | 4,621,788,000 | 4,668,142,000 | 4,660,242,000 | −743,704,000 | −448,996,000 | +38,454,000 | −7,900,000 |
| **EXECUTIVE OFFICE OF THE PRESIDENT** | | | | | | | | | |
| Council on Environmental Quality and Office of Environmental Quality | 3,026,000 | 3,126,000 | 3,026,000 | 3,126,000 | 3,126,000 | +100,000 | | +100,000 | |
| Office of Science and Technology Policy | 2,496,000 | 2,900,000 | 2,725,000 | 2,625,000 | 2,625,000 | +129,000 | −275,000 | −100,000 | |
| Total, Executive Office of the President | 5,522,000 | 6,026,000 | 5,751,000 | 5,751,000 | 5,751,000 | +229,000 | −275,000 | | |
| **FEDERAL EMERGENCY MANAGEMENT AGENCY** | | | | | | | | | |
| Disaster relief, funds appropriated to the President | 386,105,000 | 193,600,000 | 193,600,000 | 193,600,000 | 193,600,000 | −192,505,000 | | | |
| Emergency planning, preparedness and mobilization | 129,348,000 | 139,121,000 | 131,121,000 | 129,621,000 | 129,621,000 | +273,000 | −9,500,000 | −1,500,000 | |
| Hazard mitigation and disaster assistance | 132,517,000 | 125,709,000 | 119,109,000 | 118,709,000 | 118,709,000 | −13,808,000 | −7,000,000 | −400,000 | |
| Total, Federal Emergency Management Agency | 647,970,000 | 458,430,000 | 443,830,000 | 441,930,000 | 441,930,000 | −206,040,000 | −16,500,000 | −1,900,000 | |
| **GENERAL SERVICES ADMINISTRATION** | | | | | | | | | |
| Consumer Information Center | 1,162,000 | 1,364,000 | 1,315,000 | 1,315,000 | 1,315,000 | +153,000 | −49,000 | | |
| **DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE** | | | | | | | | | |
| Office of Consumer Affairs | 1,732,000 | 1,861,000 | 1,861,000 | 1,861,000 | 1,861,000 | +129,000 | | | |
| **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION** | | | | | | | | | |
| Research and development | 3,477,200,000 | 3,822,500,000 | 3,799,500,000 | 3,822,500,000 | 3,807,500,000 | +330,300,000 | −15,000,000 | +8,000,000 | −15,000,000 |
| Construction of facilities | 147,500,000 | 157,600,000 | 156,100,000 | 156,100,000 | 156,100,000 | +8,600,000 | −1,500,000 | | |
| Research and program management | 936,469,000 | 964,900,000 | 954,900,000 | 964,900,000 | 959,900,000 | +23,431,000 | −5,000,000 | +5,000,000 | −5,000,000 |
| Total, National Aeronautics and Space Administration | 4,561,169,000 | 4,945,000,000 | 4,910,500,000 | 4,943,500,000 | 4,923,500,000 | +362,331,000 | −21,500,000 | +13,000,000 | −20,000,000 |
| **NATIONAL COMMISSION ON AIR QUALITY** | | | | | | | | | |
| Salaries and expenses | 2,000,000 | 6,000,000 | 5,000,000 | 5,500,000 | 5,500,000 | +3,500,000 | −500,000 | +500,000 | |

See footnotes at end of table.

| | | | | | | Conference action compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| Agency and item (1) | New budget (obligational) authority fiscal year 1979 [1] (2) | Budget estimates of new budget (obligational) authority fiscal year 1980 [2] (3) | New budget (obligational) authority recommended in House bill (4) | New budget (obligational) authority recommended in Senate bill (5) | Conference action (6) | New budget (obligational) authority fiscal year 1979 (7) | Budget estimates of new budget (obligational) authority fiscal year 1980 (8) | House bill (9) | Senate bill (10) |
| TITLE II—Continued | | | | | | | | | |
| NATIONAL CONSUMER COOPERATIVE BANK | | | | | | | | | |
| Salaries and expenses | $1, 500, 000 | $8, 900, 000 | $7, 000, 000 | $8, 900, 000 | $7, 950, 000 | +$6, 450, 000 | −$950, 000 | +$950, 000 | −$950, 000 |
| Self-help development | 1, 000, 000 | 20, 000, 000 | 17, 000, 000 | 17, 000, 000 | 17, 000, 000 | +16, 000, 000 | −3, 000, 000 | | |
| Total, National Consumer Cooperative Bank | 2, 500, 000 | 28, 900, 000 | 24, 000, 000 | 25, 900, 000 | 24, 950, 000 | +22, 450, 000 | −3, 950, 000 | +950, 000 | −950, 000 |
| NATIONAL CREDIT UNION ADMINISTRATION | | | | | | | | | |
| Central liquidity facility (authority to borrow) | | 500, 000, 000 | 300, 000, 000 | | | | −500, 000, 000 | −300, 000, 000 | |
| NATIONAL INSTITUTE OF BUILDING SCIENCES | | | | | | | | | |
| Salaries and expenses | 750, 000 | 750, 000 | 718, 000 | 750, 000 | 750, 000 | | | +32, 000 | |
| NATIONAL SCIENCE FOUNDATION | | | | | | | | | |
| Research and related activities | 827, 000, 000 | 915, 300, 000 | 896, 800, 000 | 915, 300, 000 | 906, 050, 000 | +79, 050, 000 | −9, 250, 000 | +9, 250, 000 | −9, 250, 000 |
| Science education activities | 80, 000, 000 | 84, 700, 000 | 84, 700, 000 | 84, 700, 000 | 84, 700, 000 | +4, 700, 000 | | | |
| Scientific activities overseas (special foreign currency program) | 4, 000, 000 | 6, 000, 000 | 5, 500, 000 | 5, 500, 000 | 5, 500, 000 | +1, 500, 000 | −500, 000 | | |
| Total, National Science Foundation | 911, 000, 000 | 1, 006, 000, 000 | 987, 000, 000 | 1, 005, 500, 000 | 996, 250, 000 | +85, 250, 000 | −9, 750, 000 | +9, 250, 000 | −9, 250, 000 |
| NEIGHBORHOOD REINVESTMENT CORPORATION | | | | | | | | | |
| Salaries and expenses | | 9, 500, 000 | 9, 500, 000 | 12, 000, 000 | 12, 000, 000 | +12, 000, 000 | +2, 500, 000 | +2, 500, 000 | |
| SELECTIVE SERVICE SYSTEM | | | | | | | | | |
| Salaries and expenses | 7, 830, 000 | 9, 825, 000 | 7, 830, 000 | 7, 830, 000 | 7, 830, 000 | | −1, 995, 000 | | |
| DEPARTMENT OF THE TREASURY | | | | | | | | | |
| Payments to State and local government fiscal assistance trust fund | 6, 854, 924, 000 | 6, 854, 924, 000 | 6, 854, 924, 000 | 6, 854, 924, 000 | 6, 854, 924, 000 | | | | |
| Office of Revenue Sharing, salaries and expenses | 7, 200, 000 | 6, 337, 000 | 6, 237, 000 | 6, 237, 000 | 6, 237, 000 | −963, 000 | −100, 000 | | |
| New York City loan guarantee program, administrative expenses | 1, 050, 000 | 1, 034, 000 | 1, 034, 000 | 1, 022, 000 | 1, 022, 000 | −28, 000 | −12, 000 | −12, 000 | |
| Investment in National Consumer Cooperative Bank | 1, 000, 000 | 60, 000, 000 | 50, 000, 000 | 48, 100, 000 | 49, 050, 000 | +48, 050, 000 | −10, 950, 000 | −950, 000 | +950, 000 |
| Total, Department of the Treasury | 6, 864, 174, 000 | 6, 922, 295, 000 | 6, 912, 195, 000 | 6, 910, 283, 000 | 6, 911, 233, 000 | +47, 059, 000 | −11, 062, 000 | −962, 000 | +950, 000 |
| VETERANS ADMINISTRATION | | | | | | | | | |
| Compensation and pensions | 10, 706, 700, 000 | 11, 201, 800, 000 | 11, 201, 800, 000 | 11, 201, 800, 000 | 11, 201, 800, 000 | +495, 100, 000 | | | |
| Readjustment benefits | 2, 445, 700, 000 | 2, 278, 535, 000 | 2, 278, 535, 000 | 2, 278, 535, 000 | 2, 278, 535, 000 | −167, 165, 000 | | | |
| Veterans insurance and indemnities | 5, 750, 000 | 5, 400, 000 | 5, 400, 000 | 5, 400, 000 | 5, 400, 000 | −350, 000 | | | |
| Medical care | 5, 374, 374, 000 | 5, 659, 117, 000 | 5, 671, 119, 000 | 5, 696, 215, 000 | 5, 683, 700, 000 | +309, 326, 000 | +24, 583, 000 | +12, 581, 000 | −12, 515, 000 |
| Medical and prosthetic research | 122, 847, 000 | 122, 847, 000 | 127, 847, 000 | 122, 847, 000 | 122, 847, 000 | | | −5, 000, 000 | |
| Medical administration and miscellaneous operating expenses | 47, 058, 000 | 48, 024, 000 | 47, 606, 000 | 47, 606, 000 | 47, 606, 000 | +548, 000 | −418, 000 | | |
| General operating expenses | 631, 675, 000 | 592, 790, 000 | 584, 967, 000 | 588, 392, 000 | 587, 332, 000 | −44, 283, 000 | −5, 398, 000 | +2, 425, 000 | −1, 000, 000 |
| Construction, major projects | 365, 560, 000 | 317, 292, 000 | 317, 292, 000 | 317, 292, 000 | 317, 292, 000 | −48, 268, 000 | | | |
| Construction, minor projects | 86, 345, 000 | 73, 072, 000 | 72, 633, 000 | 72, 633, 000 | 72, 633, 000 | −13, 712, 000 | −439, 000 | | |
| Grants for construction of State extended care facilities | 10, 000, 000 | 5, 000, 000 | 5, 000, 000 | 10, 000, 000 | 7, 500, 000 | −2, 500, 000 | +2, 500, 000 | +2, 500, 000 | −2, 500, 000 |
| Grants for construction of State veterans cemeteries | | 5, 000, 000 | 5, 000, 000 | 5, 000, 000 | 5, 000, 000 | +5, 000, 000 | | | |
| Assistance for health manpower training institutions | 104, 905, 000 | | | | | −104, 905, 000 | | | |
| Grants to the Republic of the Philippines | 500, 000 | 1, 700, 000 | 1, 700, 000 | 1, 000, 000 | 1, 350, 000 | +850, 000 | −350, 000 | −350, 000 | +350, 000 |
| Total, Veterans Administration | 19, 901, 414, 000 | 20, 310, 577, 000 | 20, 318, 899, 000 | 20, 346, 720, 000 | 20, 331, 055, 000 | +429, 641, 000 | +20, 478, 000 | +12, 156, 000 | −15, 665, 000 |
| Total, title II, Independent Agencies: | | | | | | | | | |
| New budget (obligational) authority | 38, 366, 634, 000 | 39, 373, 088, 000 | 38, 607, 949, 000 | 38, 432, 796, 000 | 38, 380, 696, 000 | +14, 062, 000 | −992, 392, 000 | −227, 253, 000 | −52, 100, 000 |
| Appropriations | 38, 366, 634, 000 | 38, 873, 088, 000 | 38, 307, 949, 000 | 38, 432, 796, 000 | 38, 380, 696, 000 | +14, 062, 000 | −492, 392, 000 | 72, 747, 000 | −52, 100, 000 |
| Authority to borrow | | 500, 000, 000 | 300, 000, 000 | | | | −500, 000, 000 | −300, 000, 000 | |
| Appropriation to liquidate contract authority | (1, 400, 000, 000) | (1, 500, 000, 000) | (1, 500, 000, 000) | (1, 500, 000, 000) | (1, 500, 000, 000) | (+100, 000, 000) | | | |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY, HUD—INDEPENDENT AGENCIES APPROPRIATION BILL, 1980 (H.R. 4394)—Continued

[Note.—All amounts are in the form of appropriation unless otherwise indicated.]

| | | | | | | Conference action compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| Agency and item (1) | New budget (obligational) authority fiscal year 1979 [1] (2) | Budget estimates of new budget (obligational) authority fiscal year 1980 [2] (3) | New budget (obligational) authority recommended in House bill (4) | New budget (obligational) authority recommended in Senate bill (5) | Conference action (6) | New budget (obligational) authority fiscal year 1979 (7) | Budget estimates of new budget (obligational) authority fiscal year 1980 (8) | House bill (9) | Senate bill (10) |
| TITLE III | | | | | | | | | |
| CORPORATIONS | | | | | | | | | |
| FEDERAL HOME LOAN BANK BOARD | | | | | | | | | |
| Limitation on administrative expenses | ($17,650,000) | ($18,984,000) | ($18,359,000) | ($18,359,000) | ($18,359,000) | (+$709,000) | (−$625,000) | | |
| Federal Savings and Loan Insurance Corporation, (limitation on administrative expenses) | (31,928,000) | (33,566,000) | (33,466,000) | (33,466,000) | (33,466,000) | (+1,538,000) | (−100,000) | | |
| Total, title III, Corporations | (49,578,000) | (52,550,000) | (51,825,000) | (51,825,000) | (51,825,000) | (+2,247,000) | (−725,000) | | |
| RECAPITULATION | | | | | | | | | |
| Grand total, titles I, II and III: | | | | | | | | | |
| New budget (obligational) authority | 70,040,207,000 | 72,815,238,750 | 71,963,475,000 | 71,930,247,000 | 71,842,684,000 | +1,802,477,000 | −972,554,750 | −$120,791,000 | −$87,563,000 |
| Appropriations | 44,344,359,000 | 45,035,111,000 | 44,183,347,000 | 44,550,119,000 | 44,532,556,000 | +188,197,000 | −502,555,000 | +349,209,000 | −57,563,000 |
| Contract authority | 24,395,848,000 | 26,480,127,750 | 26,680,128,000 | 26,480,128,000 | 26,480,128,000 | +2,084,280,000 | +250 | −200,000,000 | |
| Authority to borrow | 1,300,000,000 | 1,300,000,000 | 1,100,000,000 | 860,000,000 | 830,000,000 | −470,000,000 | −470,000,000 | −270,000,000 | −30,000,000 |
| Appropriations to liquidate contract authority | (5,860,000,000) | (7,029,000,000) | (7,029,000,000) | (7,029,000,000) | (7,029,000,000) | (+1,169,000,000) | | | |
| Increased limitation for annual contract authority | (1,322,297,000) | (1,140,661,275) | (1,160,474,000) | (1,140,661,000) | (1,140,661,000) | (−181,636,000) | (−275) | (−19,813,000) | |
| Limitation on corporate funds to be expended | (299,833,000) | (307,668,000) | (306,943,000) | (306,943,000) | (306,943,000) | (+7,110,000) | (−725,000) | | |

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[1] Includes all supplementals.

[2] Includes the following budget amendments:

| | |
|---|---|
| H. Doc. 96–108: Department of Housing and Urban Development: Urban development action grants | $275,000,000 |
| H. Doc. 96–124: National Aeronautics and Space Administration: Research and development | 220,000,000 |
| H. Doc. 96–156: Environmental Protection Agency: Salaries and expenses | $2,571,000 |
| Abatement, control and compliance | 19,429,000 |
| H. Doc. 96–164: Federal Emergency Management Agency: Hazard mitigation and disaster assistance | 6,114,000 |
| H. Doc. 96–168: Veterans Administration: Medical care | 64,378,000 |

Mr. COUGHLIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this further conference report represents a resolution of the remaining items that were in disagreement between the House and the Senate. Those items have been resolved in this further conference report, and I think in a very equitable fashion. I urge adoption of the conference report.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, in view of the fact that a portion of this bill is an appropriation for HUD bill. Could the gentleman state what the status is at this juncture?

Mr. COUGHLIN. We adopted the conference report earlier on September 27. These are amendments that were in disagreement, two amendments specifically that were in disagreement that have been resolved by the House and the Senate conferees now, and we bring back this further conference report.

Mr. ROUSSELOT. Since we are all concerned about some of these inappropriate funding actions of HUD, how much are we giving to HUD in this bill?

Mr. COUGHLIN. There is about $33 billion going to HUD in the bill, but that is not involved in this particular conference report.

Mr. ROUSSELOT. I understand that, but this is an appropriation for HUD?

Mr. COUGHLIN. No, this is not an appropriation for HUD itself on this particular conference report. One of the items involved, HUD's livable cities program, was denied funding.

Mr. ROUSSELOT. We denied funding?

Mr. COUGHLIN. We denied funding. The other amendment involves the National Aeronautics and Space Administration.

Mr. ROUSSELOT. I thank the gentleman.

### GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report under consideration, and that I may be permitted to include tables, charts, and other extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

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### GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 3000, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

## DEPARTMENT OF ENERGY AUTHORIZATION ACT FOR FISCAL YEARS 1980 AND 1981—CIVILIAN APPLICATIONS

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. FUQUA).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3000, with Mr. STUDDS, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Tuesday, October 18, title VIII was open to amendment at any point.

Pending was an amendment offered by the gentleman from New York (Mr. PEYSER).

It was also agreed that all time for debate on the bill and all amendments thereto would be limited to 15 minutes. At this point, the Chair would like to ascertain those Members wishing to be recognized in the allocation of the remaining 15 minutes of debate.

□ 1050

### PARLIAMENTARY INQUIRY

Mr. COURTER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state the parliamentary inquiry.

Mr. COURTER. Mr. Chairman, there are, I believe, two Members, perhaps even three, who have amendments printed in the Record, printed I believe last week. Under the rules, are we given 5 minutes despite the fact that we use up the 15 minutes that are left for debate?

The CHAIRMAN pro tempore (Mr. Studds). The Chair will advise the gentleman that at the conclusion of the allocated time of 15 minutes remaining, those Members with amendments printed in the Record—and the Chair believes there are three of them—will be entitled to 5 minutes in support of these amendments.

Mr. COURTER. I thank the Chairman.

The CHAIRMAN pro tempore. Members standing at the time the motion was agreed to, amongst whom the time will be allocated, will be recognized for approximately 50 seconds each.

Are there any amendments to the pending amendment offered by the gentleman from New York (Mr. Peyser)?

### AMENDMENT OFFERED BY MR. CAMPBELL TO THE AMENDMENT OFFERED BY MR. PEYSER

Mr. CAMPBELL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. Campbell to the amendment offered by Mr. Peyser: In the matter of the amendment to the amendment to H.R. 3000, as reported, strike out "third" in section 901 and insert "tenth" in lieu thereof; and
>
> In section 902, strike "sixth" and insert "fifteenth" in lieu thereof.

Mr. CAMPBELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. DINGELL. Mr. Chairman, reserving the right to object, I reserve a point of order.

The CHAIRMAN pro tempore. Does the gentleman from Michigan object to the request that the amendment be considered as read?

Mr. DINGELL. I do, Mr. Chairman, until I know what it is. I do not have a copy of the amendment.

The CHAIRMAN pro tempore. The Clerk will report the amendment.

The Clerk concluded reading the amendment.

The CHAIRMAN pro tempore. The Chair will inquire of the gentleman from South Carolina (Mr. Campbell) whether or not he chooses to utilize the 5 minutes which he has been guaranteed under the rule by virtue of his amendment having been printed in the Record. The Chair will advise the gentleman he is entitled to those 5 minutes, but if he chooses to use them now, it will come out of the 15 minutes allocated to the remaining Members.

Mr. CAMPBELL. Mr. Chairman, I do choose to use a portion of the 5 minutes. I do not think I will use all of it.

Mr. CAMPBELL. Mr. Chairman, this is a very simple amendment. Quite frankly, the Peyser amendment which seeks to get some information publicized concerning the oil companies in my opinion is going in the right direction in many instances, but I think it is much too tight. I think it is unreasonable. The amendment said that they must file their reports by the 3d of each month and they must be made public by the 6th of each month. I just think that is an unreasonable time, and I think by changing that to the 10th of the month before the information is made available and the 15th of the month before it is published will put it in a much more reasonable context. That is why I have offered the amendment.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

The reason I used the time frame that I did in the amendment was basically because this is a time that the oil companies presently report to the American Petroleum Institute. I realize they probably have a far more efficient operation than the Department of Energy has. I had hoped that maybe the Department of Energy could reach that level; however, if in the opinion of the gentleman that creates a problem, because of the time that the gentleman has given here, I would be inclined to accept the amendment that he has offered. I still think and hope that the Department of Energy should be able to conform with what we have originally offered.

Mr. CAMPBELL. I appreciate the gentleman's comments. I do think that the times that the gentleman has set in his amendment were too restrictive. I do not think they could be complied with, and I think that we will create a great deal of problems by it, but by lengthening the time available, since the information is already being given to the American Petroleum Institute, it does give the time necessary to compile information to make available to the Congress.

Mr. PEYSER. Will the gentleman yield again?

Mr. CAMPBELL. I yield to the gentleman.

Mr. PEYSER. I gather then that if the gentleman's amendment passes, certainly then he is supportive of this effort to give the Congress the right of knowing on a prompt basis—not perhaps as prompt but on a prompt basis—the information that they should have in order to act intelligently on the problems facing us.

Mr. CAMPBELL. The gentleman is correct. It is my understanding that we have available now to us a weekly report. I think that this would make it a little more concise, and I think that probably with this amendment I could support the gentleman's amendment. Without it, I do not think that I could.

Mr. Chairman, I yield back the remainder of my time.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The Chair will advise the gentleman from Michigan (Mr. Dingell) that under the rule he is entitled to 5 minutes in opposition to the amendment and that it will come out of the 15 minutes.

Mr. DINGELL. Mr. Chairman, this is a good amendment to a bad amendment and as such, both the amendment offered by our friend, the gentleman from South Carolina (Mr. Campbell) and also the basic amendment offered by our good friend, the gentleman from New York (Mr. Peyser), should be rejected.

Mr. Chairman, I commend my colleague, the gentleman from New York (Mr. Peyser) for his interest in improving energy information. It has been a matter of great concern to me for a long time. I would call to the attention of the House the fact that there are laws on the books which deal with this question more than adequately. While the administration of these statutes has not fully satisfied me, and I can understand it has not fully satisfied the gentleman from New York (Mr. Peyser), the simple fact of adding more legislation on these good laws not properly administered is not going to do much to solve our information problem with regard to oil production and other questions covered in the amendment.

Mr. Chairman, the two statutes for dealing with information are section 11 of the Energy Supply and Environmental Coordination Act (ESECA) and the FEA Administration Act. The provisions of those laws are similar and, indeed, are stronger than the amendment offered by the gentleman from New York (Mr. Peyser). The consequences of adopting the amendment offered by the gentleman from New York (Mr. Peyser) are that we simply add confusion rather than certainty to the administration of our information-gathering activities. The consequences would be the enactment of three statutes at open variance which may permit the Department of Energy to shift back and forth as it might choose and to disregard those statutes which happen to least coincide with the concerns that it might have in the field at that particular time. It must be understood that ESECA requires the collection of every bit of information that the gentleman has suggested should be done and requires every action that the amendment offered by the gentleman from New York (Mr. Peyser) would mandate in the Department of Energy.

There are certain other problems which must be addressed here and which must be before the House and the committee as it considers this. We just have received from the Department of Justice a letter which points out that there are strong anticompetitive consequences from the action of the amendment offered by the gentleman from New York (Mr. Peyser). The gentleman from New York would make all papers, all records received under that section, open to the public. The Department of Justice has pointed out as follows:

> Congressman Peyser's proposed amendment to H.R. 3180, if enacted, would require the public dissemination of competitively sensitive company specific information. The publication of such information has the potential for severely restricting competition.

This is quoting from a letter from the Department of Justice.

> For example, the availability of such data could enable rival firms to detect attempts to increase market share and could thus serve as a basis for policing unlawful collusive activity. Not only would the dissemination of such data enhance the likelihood and feasibility of overt collusion, but it would also increase the possibility that in reliance upon such information, oil industry firms would alter their individual competitive behavior in the expectation of similar response by their rivals. Access to competitively sensitive information could, for example, signal to oil industry firms the marketing plans of their competitors prompting less than competitive market responses on their part. Thus, the ready availability of such competitively sensitive information, even in the absence of express collusion, may greatly reduce the incentives for vigorous competition.

The Department of Justice goes on to indicate that they are opposed to the amendment and cite the case of United States against Container Corporation of America, in which the Supreme Court has held that under certain circumstances exchanges of competitively sensitive information among competitors are not lawful but are per se unlawful.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I have to yield first to the gentleman from Ohio (Mr. Brown) and then I will yield to the gentleman from New York (Mr. Peyser).

Mr. BROWN of Ohio. I thank the gentleman for yielding. I do not know whether the Department of Justice has advised the gentleman from Michigan (Mr. Dingell) or the gentleman from New York (Mr. Peyser), or whether in fact either one of the gentlemen has inquired, but the fact of the matter is that most of the requests for information under the Freedom of Information Act come from private companies, that is, people who want to know what their competitors are doing so that the big companies can knock the socks off the little companies in a competitive situation.

□ 1100

Now, we already see in the oil industry a lot of oil companies withdrawing from markets where they cannot be competitive. What does that do? It leaves the consumer with less choices from which to purchase and it makes for monopoly situations.

Mr. DINGELL. Mr. Chairman, the answer to the disclosure issue is neither total secrecy nor total disclosure. It is a middle ground, adopted in ESECA, which requires disclosure of data to agencies such as Justice and the FTC.

I recognize that the gentleman would like to see the data collected in a more timely fashion. I would, too. But mandating the date of the month for reporting will probably do nothing more than increase a large body of highly unreliable data, which is certain to be criticized and considered to be of small value. The problems of verification will continue.

The subcommittee receives weekly reports on refinery capacity, utilization, and stock levels. The very recent data are API numbers, and other data are based upon DOE reports. I frankly have doubts about both sets of figures since the numbers are based upon unverified industry submissions, but I have strong doubts that one more information provision, which is similar to previous law, is going to add much to our knowledge, and it may have potential anticompetitive effects.

(By unanimous consent, Messrs. Roth, Lewis, Courter, and Rousselot yielded their time to Mr. Loeffler.)

The CHAIRMAN pro tempore. The gentleman from Texas (Mr. Loeffler) is recognized for 2 minutes.

Mr. LOEFFLER. Mr. Chairman, I would like to associate myself with the remarks of the distinguished chairman of the Energy and Power Subcommittee and the distinguished ranking minority member of the Energy and Power Subcommittee.

I would like to point out the fact we already receive pursuant to the Federal Administration Act, Public Law 93-275, on a weekly basis, information which brings forth refinery runs, crude input, imports, stocks, products, et cetera. It is published in a weekly publication provided by the Department of Energy. I believe that the requirements of the particular amendment pending, as offered by the gentleman from New York (Mr. Peyser), and the amendment to the amendment offered by the gentleman from South Carolina (Mr. Campbell), is basically unnecessary. We have the information already available. There is no need to provide yet another means for receipt of information which is available to the Department of Energy.

In addition, Mr. Chairman, I, too, am concerned about the disclosure of confidential trade secret data which would allow in essence the stimulation of anticompetitive situations. We would, by the passage of this amendment, be allowing collusion which does, in fact, impact on all of us as consumers because it will bring about anticompetitive activities.

In short then, Mr. Chairman, I urge the defeat of the amendments pending before the House at this time. They are unnecessary. We have information available at this time and the Department of Energy does provide us on a weekly basis all the data and more data than is required by the amendment.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. LOEFFLER. I will be happy to yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I thank the gentleman for yielding.

I believe all the Members should be clear. I appreciate the gentleman's pointing out that this report is sent to every Member every week. Last week it was 44 pages long, full of charts, graphs, facts and figures of every type, and description about the petroleum situation in our country. I do not know what more information we could possibly use. This is done every week based on the facts available from the week past.

Now, how much more information can we have on this than is presented in this report? The gentleman's amendment is a good one, but we are already doing it.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Chairman, the weekly information we get does come from the American Petroleum Institute which then the DOE acts on.

In the second place, when I hear the argument of competition being offered, that means competition to what? Every bit of oil and refined products that can be produced today by oil companies is sold. There is no competition in the oil industry and, therefore, we ought to have this information, we ought to have it promptly. Members of Congress do not have it today.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Chairman, I would like to notify the House, as soon as this amendment is disposed of it will be my privilege to ask unanimous consent to reconcile some figures that as a result of the adoption of the Murtha amendment and the Neal amendment, both of which were accepted by the committee, but inadvertently they were printed wrong and I will ask unanimous consent to correct that language on page 2, line 8.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas (Mr. Collins).

Mr. COLLINS of Texas. Mr. Chairman, I want to emphasize two things. We have talked about the Exxon Oil Co. Exxon during the first 9 months of this year, earnings were down 17 percent in the refinery end of their business.

Another thing, Mr. Chairman. Last year, liberals suggested divestiture within the large oil companies. I found out everyone working in a major oil company wanted to stay out of the refinery business. No one in the oil business wants to be transferred into refineries.

Why we are talking about cutting back on refineries, I do not understand. The United States needs more refineries. Yet earnings in Exxon are down 17 percent in refineries. Now this amendment on the floor calls for more paperwork, more headaches for the oil companies.

Mr. Chairman, I rise in opposition to the Peyser amendment. We all know there is too much paperwork required by the Government.

It addresses itself to oil refineries and their profits. Everyone in the energy business knows that we have a shortage of oil refineries in this country. It is an unprofitable operation, and there has been a reluctance to go into the refinery business. Yesterday's newspaper reported that the first 9 months of 1979 showed Exxon was 17 percent lower in profits on refining and marketing in the United States.

Two years ago there were divestiture advocates of breaking up the oil companies. Among the employees in the oil industry, there was tremendous apprehension, because they were afraid they would either be assigned to refineries or to the marketing divisions.

On a month-by-month report there are no definite ascertained facts. If you took a 6-month report, you would get an averaging cross section. But there are too many temporary distributions or special production schedules that would throw a monthly operation out of balance.

Last year I was ranking Republican on the Oversight and Investigations Subcommittee of the Interstate and Foreign Commerce Committee. The chairman of our subcommittee was convinced that we should investigate all major oil companies that had any offshore gas reserves. The subcommittee issued a mandatory subpena for all of these records. The oil companies complied and brought in truckload after truckload of records. Several committee staff members were assigned to study them. Absolutelv nothing of any consequence developed from this expensive study.

This amendment is also defective in not providing complete protection for these most important secret documents. Oil companies invest millions and millions of dollars trying to find oil reserves. The information they gain from these geological studies are most valuable in future drilling.

One further point is the excessive amount of paperwork we require by Government decree. I was talking to a major oil company located in Texas and they said they are now filing 453 reports. Whatever information is required in this particular amendment is already on some report. The oil companies are spending millions and millions of dollars filing reports. Let us not require this unnecessary paperwork.

Let us vote down the amendment.

(By unanimous consent, Mr. DEVINE yielded his time to Mr. MILLER of Ohio.)

Mr. MILLER of Ohio. Mr. Chairman, the amendment states that information shall be obtained from each oil companv not later than the third dav of each calendar month on the amount and location of all crude oil to be held or stored by this company. This information also includes the inventory and location of refined petroleum products of the company.

Mr. Chairman, it appears that the gentleman from New York offering the amendment feels that this information is easily available on the shelf in some warehouse. In reality the amount of oil is in the well, it is in the pipeline, it is in tankers on the high seas. It is in pipelines going to and from refineries. It is in a fluid state. It is next to impossible to calculate these figures in a precise manner each month.

The amendment requires an estimated inventory of the company's refined petroleum products by category and location. It appears that under this requirement each company would have to monitor each of its gasoline service stations, holding tanks, and tank trucks.

This amendment will drive the price of the refined products even higher. It is not needed. The cost to the consumer through the price of higher oil products due to these reports greatly outweighs the benefits derived from obtaining these statistics.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from New Mexico (Mr. LUJAN).

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Chairman, I am deeply concerned about the gentleman's amendment. If the amendment is adopted, how will it affect the Savannah River plant near Barnwell, S.C.?

Mr. LUJAN. Mr. Chairman, the amendment calls for primary consideration given to those lands which have a suitable hydrology and geology. It is my understanding that in that particular area the environmental impact statement on military waste says that the hydrology and geology are not suitable so it would not apply.

The CHAIRMAN pro tempore. The gentleman from South Carolina (Mr. CAMPBELL) is recognized.

Mr. CAMPBELL. Mr. Chairman, I would like to continue this colloquy very briefly.

Then the gentleman's opinion is that the area would not be suitable. Due to the fact there is a fault in this area and due to the fact the water supply for the lower part of Georgia and South Carolina comes under here, the gentleman's amendment would not affect the Savannah River plant?

Mr. LUJAN. That is my understanding, that it would not affect.

Mr. CAMPBELL. That it would not affect the Barnwell area in its entirety, basically?

Mr. LUJAN. Because the geology and hydrology are not suitable.

Mr. CAMPBELL. I thank the gentleman.

Mr. HARRIS. Mr. Chairman, I rise in support of the amendment offered by Mr. PEYSER, and urge my colleagues to adopt it as a step toward making the Department of Energy more accountable to the American people. This amendment, which requires DOE to make public on a monthly basis information it collects relating to oil companies' crude and refined supplies and utilization of refining capacity, would enable the Congress to more effectively deal with our Nation's energy problems.

When the Congress established DOE in 1977, one of our major objectives was to have an agency of the Federal Government that was knowledgeable about the operations of the major oil companies. Our hope was that we could rely on this agency of Government to provide Congress and the American people with factual information on our energy supplies, rather than depending on the American Petroleum Institute, which represents the major oil companies.

Unfortunately, DOE has not fully achieved this objective. I would like to share with my colleagues the difficulty I have experienced in gathering answers to this past summer's gasoline shortage in the Washington area, an experience which illustrates the importance of adopting this amendment.

In an effort to determine what was really happening with gasoline supplies in the Washington area, I asked DOE on June 19, 1979, to audit gasoline delivered through the Colonial and Plantation pipelines to storage tanks in northern Virginia. Together these pipelines account for over 85 percent of the Washington area's gasoline supply.

On September 17, I met with DOE auditors for an oral briefing on their investigation. I was pleased that as requested, DOE provided detailed supply information on a company-by-company basis. DOE concluded, after analyzing both the company records and the pipeline records, that Exxon, the largest supplier of gasoline to the Washington area, cut deliveries by 34 percent in June and by 20 percent in July, while other companies supplied as much as 95 to 98 percent of 1978 deliveries.

I was assured this information would be included in the final written report, but when I received it from DOE on October 1, there was no reference to Exxon's cut in gasoline deliveries. Instead, the report attributes the crisis "more to panic buying bv motorists in the area" and "evidence of tank topping during the latter part of May and for the month of June."

Mr. Chairman, the DOE report is an incomplete and misleading assessment of the gasoline shortage in the Washington area last summer. It covers up the fact that Exxon shorted the market by 34 percent in June and 20 percent in July. I know, and DOE knows, that this was a primary cause of the crisis, not panic buying and tank topping.

Because the report covers up crucial data on gasoline deliveries compiled bv DOE's own auditors, I returned it to DOE Secretary Charles Duncan. In a letter on October 18, I asked Secretarv Duncan to release the Exxon gasoline delivery data and to explain why the DOE report contained none of the supply information broken down by company that was discussed during the preliminary briefing with DOE auditors on September 17. I also asked Mr. Duncan to explain why Exxon dramatically cut deliveries, yet other companies were able to supply nearlv as much gasoline as they delivered in 1978.

I have not received an official response from Secretary Duncan, but DOE spokesmen have been quoted in the press as saying the data was withheld from the report because it was "proprietary" to the oil companies and might "hurt competition." For example:

DOE spokesman Ed Volade was quoted in the Potomac News, October 19, 1979, as saying the report was not intended to be "a comprehensive statement on gasoline supplies in the Washington area." Volade said the report is "not valid in that respect—we gave Harris composite figures because the DOE has a proprietary relationship with the individual oil companies," adding that if "exact figures on these companies were released, it would hurt competitions."

In an Associated Press article in the Richmond News Leader, October 19, 1979, DOE spokesman Carl Gustin said "information on individual company supplies was not included in the final report because such data is considered privileged and not for public dissemination."

The Washington Post, October 19, 1979, quoted "a DOE spokesman" as saying Exxon's role in the gasoline shortage was not mentioned in the report "because individual data is proprietary, protected by law from disclosure."

Mr. Chairman, I do not accept the DOE's rationale that they have a "proprietary" relationship with the major oil companies that prohibits them from releasing gasoline supply information. Congress specifically created DOE to gather independent data on the oil companies, including supply and distribution information. Despite these powers, DOE continues to rely on, and protect, data from the oil companies' own organization, the API. It continues to maintain a "sweetheart" relationship with the very industry it is supposed to regulate.

We cannot accept the DOE's cries about "privileged" and "proprietary" information. The information I requested has already been compiled by DOE but is not being released because Big Oil does not want it released. It is time to stop letting Big Oil tell us what information we can and cannot see. It is time to make DOE more responsive to consumer's needs than to industry's demands. I urge my colleagues to support the Peyser amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from South Carolina (Mr. CAMPBELL) to the amendment offered by the gentleman from New York (Mr. PEYSER).

The amendment to the amendment was agreed to.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER), as amended.

The question was taken, and the chairman announced that the noes appeared to have it.

Mr. PEYSER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1120

The CHAIRMAN pro tempore. The Chair announces that a quorum of the Committee of the Whole has not appeared. A regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence.

The Chair further announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 593]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1130

The CHAIRMAN pro tempore. Three hundred and ninety-nine Members have answered to their names, a quorum is present, and the Committee will resume its business.

☐ 1140

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from New York (Mr. PEYSER) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 264, noes 143, not voting 26, as follows:

[Roll No. 594]

AYES—264

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Buchanan
Burgener
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Coleman
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dixon
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Calif.
Emery
Erdahl
Ertel
Evans, Del.

Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goodling
Gore
Gradison
Grassley
Gray
Guarini
Gudger
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Kastenmeier
Kildee
Kogovsek
Kostmayer

LaFalce
Leach, Iowa
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lowry
Luken
McCloskey
McDade
Madigan
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Petri
Peyser
Price
Pritchard
Pursell
Quayle
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond

Rinaldo
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Santini
Schroeder
Schulze
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stark
Stenholm
Stewart
Stokes
Studds
Tauke
Thompson
Traxler
Trible
Udall
Van Deerlin
Vanik
Vento
Walgren
Walker
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wolff
Wolpe
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—143

Albosta
Archer
Ashbrook
Ashley
Badham
Bafalis
Bauman
Beard, Tenn.
Benjamin
Bouquard
Bowen
Brown, Calif.
Brown, Ohio
Broyhill
Burlison
Butler
Carney
Cheney
Clausen
Cleveland
Clinger
Collins, Tex.
Conable
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
Deckard
Devine
Dingell
Dornan
Duncan, Oreg.
Edwards, Ala.
Edwards, Okla.

English
Erlenborn
Fascell
Foley
Forsythe
Frenzel
Fuqua
Goldwater
Gonzalez
Gramm
Green
Grisham
Guyer
Hall, Tex.
Hansen
Hightower
Hillis
Hinson
Holland
Holt
Huckaby
Hyde
Ichord
Jeffries
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.

Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Lundine
Lungren
McClory
McCormack
McDonald
McEwen
McKay
McKinney
Marriott
Martin
Mattox
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murtha
Myers, Ind.
Nedzi
O'Brien
Paul
Pickle
Preyer
Quillen
Regula
Rhodes
Robinson

Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Sebelius
Sensenbrenner
Shumway
Shuster
Stanton

Steed
Stratton
Stump
Swift
Symms
Synar
Taylor
Thomas
Ullman
Vander Jagt
Volkmer

Wampler
Watkins
White
Whittaker
Whitten
Wirth
Wright
Wyatt
Wydler
Wylie
Young, Alaska

NOT VOTING—26

Anderson, Ill.
Andrews, N.C.
Aspin
Boggs
Bolling
Bonker
Breaux
Corcoran
de la Garza

Diggs
Dodd
Eckhardt
Flood
Hefner
Leach, La.
McHugh
Minish
Perkins

Roberts
Scheuer
Stockman
Treen
Whitehurst
Wilson, Bob
Wilson, Tex.
Winn

Mr. DERRICK and Mr. STANGELAND changed their votes from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair will advise Members that under the time limitation agreement there are 2 minutes and 50 seconds remaining, and that time has been allocated. The Chair will recognize those Members to whom the time has been allocated.

AMENDMENT OFFERED BY MR. COURTER

Mr. COURTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COURTER: On page 79 at the end of title VIII: Strike out the last three words.

Mr. COURTER. Mr. Chairman, what I would like to do is talk just a few minutes on the entire bill, specifically directing everyone's attention to an amendment that will probably be brought up again when we move from the Committee into the House.

First of all, of course, my amendment was passed by three votes. In press releases some people indicated that my amendment would raise the price of gasoline up to $2 or $2.50 or even $3.

What I would like to do, Mr. Chairman, is take a couple of moments to bury some myths under the floor of this House, hopefully for the last time. The first myth is that if you decontrol the price of gasoline and dump the allocation system, the price of gasoline will shoot up to $2, $2.50, or even $3. There are a couple of things to look at. First of all, inventories are up this year over last year. Inventories of gasoline over September 14, 1978, are up by approximately 13 million barrels. To be specific, on September 14, 1978, there was an inventory of approximately 217 million barrels of gasoline; today approximately 230 million barrels of gasoline.

Consumption is down over 1978. Consumption is down by approximately half a million barrels of gasoline a day.

My point is that if we are going to decontrol, and everyone knows we are going to decontrol eventually, we might as well do it now when we have a situation where inventories are up and consumption is low.

Also, a study conducted by the DOE a little while ago, which studied basically what happened to the cost of diesel fuel when it was decontrolled, indicated that had price controls remained on diesel fuel during the past 3 years—as we know, there are no controls on any type of product from crude oil except for gasoline—the cost of diesel today would have been the same basically as it was 3 years ago. Controls do not increase or decrease the prices and they do not stop prices from increasing.

I would also like to reference a statement by Mr. C. Roger Glassey, Assistant Administrator of the Applied Analysis Section of the EIA. Mr. Glassey testified just a few days ago, and I am sure he was asked certain questions based upon a vote that will come up in the Whole House just in a few moments from now, that the price increase would not be very great if any at all. All of the evidence indicates that this particular amendment that passed by three votes will not, in fact, drive up the price of gasoline whatsoever.

Also, the second myth is the fact that controls keep down the prices of gasoline. If we really look at the price of gasoline in this country and the price of gasoline in some other countries such as Japan or West Germany, and if we cut away the taxes, we will find that the price of gasoline in this country is the same as in other countries where there is absolutely no control whatsoever.

Also as everyone knows, there are controls now on gasoline, no controls on heating oil. The price of gasoline increased from January to August 1979 by approximately 38.1 percent. The price increase of home heating oil during that same period of time increased 37.6 percent, just about exactly the same as the price increase of gasoline. No controls on heating oil, controls on gasoline and, therefore, it is obvious that controls do not effect the price of gasoline.

What, in fact, will this amendment do? First of all, it will eliminate gasoline lines. That was suggested in the Washington Post as it was suggested in many other newspapers throughout the country. Those people that spent hours in gas lines this past summer wasting gasoline to get gasoline will not have to do that if this amendment, which really eliminates the allocation system that caused some of the problems this past summer, is sustained in the full House.

Also, I might add, that the pressure that is now in existence forcing up the price of heating oil because of controls on gasoline, would be eliminated with the elimination of price controls on gasoline. Today we have the very strange and ridiculous situation of having controls and an allocation formula on gasoline, no controls, no allocation formula on home heating oil. As the Washington Post said a number of days ago:

> If Mr. Carter wants to help the people who are confronted with those enormous bills for oil heat, he might usefully begin immediately by decontrolling gasoline.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I rise in opposition to the Courter amendment.

Mr. Chairman, when the House adopted the Courter amendment last week, I was among those who supported that amendment. I did so because the amendment seemed to be the only option available to express the frustration and deep dissatisfaction I have had with the operation of the administration of motor gasoline pricing and allocation regulations. I was and remain convinced that the implementation of those regulations has been a contributing factor to the gasoline shortages which hit parts of the United States this past summer.

However, since that vote was taken last week and discussion has focused on the revote we are about to take on the amendment, I have done a considerable amount of talking about this amendment—both with people here in Washington and in my district in Kansas—and have given the implications of the amendment extensive thought. That deliberation has reenforced my support for phased decontrol of crude oil prices.

I am convinced that that is absolutely essential if we are serious about developing energy reserves in this country which are becoming increasingly difficult and expensive to develop. But, on this amendment to immediately remove controls from motor gasoline, I have come to a different conclusion. While I still feel that we should be moving away from controls on motor gasoline and, in the meantime, working to be sure that they are administered in such a way as to minimize their negative impacts, I have decided to cast this second vote on this question in opposition to the Courter amendment. Before I do so, I would like to take a moment to outline on the record the concerns which have led me to reverse my previous position.

First, I think we need to look at this in the framework of our overall energy policy—unfortunately that is something we have not been doing with all too many aspects of our energy policies. On the surface, talk of decontrolling motor gasoline prices would seem to be a logical expansion of our crude oil decontrol policy. However, there is a significant difference in the administration's crude oil decontrol policy and that which the Courter amendment proposes for motor gasoline. The crude oil decontrol is being phased in; the Courter amendment would decontrol gasoline immediately.

There is considerable likelihood that that would result in gasoline prices—at least in some areas—rising artificially and unnaturally quickly. Such increases would not only raise questions of price gouging but would also place an undue economic burden on many working Americans. A sudden escalation in gasoline prices would also have a very negative impact on efforts to turn around our inflationary spiral. Finally, I would remind my colleagues that, while there has been considerable attention to providing relief to those individuals who cannot afford the cost of escalating home heating fuel prices, there has been no serious consideration given to providing such relief to help people pay their motor fuel bills at least to this point.

Second, the Government does have a responsibility to help consumers protect themselves from price gouging, and this becomes increasingly important at a time when inflation is as high as it is today. The Department of Energy indicates that it has pending billions of dollars in price violation allegations, but—under the broadly worded Courter amendment—the administration would be blocked from following through on those investigations. By adopting this amendment, we would be saying to those firms against which investigations are now underway that we have decided that they should not be prosecuted for violating Federal laws. That is certainly not a good precedent for the House to advocate.

Third, since adoption of the Courter amendment, I have become aware of considerable concern expressed by independent oil jobbers about the impact on their operations of automatic gasoline decontrol. There is an obvious tendency for firms to take care of their own first, and that would mean that the majors are likely to assure the availability of gasoline first to their own stations and then to supply independents. Present regulations protect the right of those independents to at least some proportional allocation of supplies, but that would be impossible under the Courter amendment. The independent sector has traditionally provided some price competition in what is a highly concentrated industry, from top to bottom. By removing those protections at a time when supplies are tight—and still largely under the control of the majors—we would be adding to the potential for further concentration of gasoline marketing. That is certainly not the direction in which we should be headed.

Finally, after the House approved the Courter amendment last week, we adopted a number of other amendments. One of those, offered by our colleague from Texas (Mr. GRAMM), would have allowed controls for motor gasoline needed for agriculture and other priority users. He was right that we need to make sure that those needs are assured of adequate fuel, and I supported that amendment. But, in hindsight, I realized that that put the Courter amendment in a different light. With the Gramm amendment adopted, decontrolling other motor gasoline would only present the potential of disruptive and confusing regulations governing motor gasoline pricing and availability. In effect, we would have replaced one system of controls with a potentially worse one.

I have not made this decision hastily. I do not very often shift my position on votes taken in the House. However, I have decided in this instance that, while I continue to philosophically agree that price controls should be removed, in light of the practical implications of the Courter amendment as worded at this point in time, I must allow this authority to be retained. I do hope the administration will begin to phase these controls out on a timetable along the lines of that adopted for crude oil decontrol.

Mr. DINGELL. Mr. Chairman, the discussion right at this minute is really about the Courter amendment. My colleague, the author of that amendment, has just spoken about his reasons for offering the amendment. I would like to discuss the reasons why the House should reject that amendment.

First, the President has a program which will phase out controls over crude oil and phase out controls over gasoline. That phaseout will be completed at the end of September 1981.

The second reason the amendment should be rejected is that it is not well thought out. While there was a great complaint about the allocation system when we considered the amendment, my colleagues should know that the complaint was not answered by the amendment as it was finally adopted with the Gramm amendment. Although the Courter amendment eliminated both allocation and price regulations, the Gramm amendment restored allocation regulations. Thus, the Courter amendment merely eliminates price controls.

The way that was done raises substantial questions as to whether or not in requiring allocations to a rancher or a farmer, or to a small retailer or a jobber, that the allocation action of the Government can, in fact, include handling the question of price. Although I think price regulation could occur under the amendment, it may be that while a supplier might be compelled to allocate supplies of gasoline, there is some question whether, in fact, the Government can tell him at what price that gasoline will be allocated, with the consequence that we may very well find the allocation of gasoline to a person who is scheduled as a priority purchaser, but at a price much higher than market price, because the Government's capacity to insure prices in regard to allocated gasoline is cast into question by the amendment now before us.

What are the other reasons to oppose this amendment? This amendment could retroactively forgive both civil and criminal actions taken by the Federal Government with regard to price overcharges on gasoline by major oil companies and by other suppliers. That is intolerable because there are literally billions of dollars of overcharges which have been identified by the Federal Government.

□ 1200

The next reason: Under title III of the Petroleum Marketing Practices Act, enacted last year, the Federal Trade Commission and the Department of Energy are required to report on how we are going to preserve competition in the retailing, wholesaling, and the refining marketing areas. This amendment would prejudge the results of that study and will deny us the availability of the information at the time we make the judgment, a very bad step.

The next argument against the amendment: The two principal organizations of dealers and jobbers in the Nation, the National Congress of Petroleum Retailers and the National Oil Jobbers Council, have come out against precipitous decontrol of this kind, of the kind which we have before us. Let me read to the Members what the National Congress of Petroleum Retailers say:

> Decontrol of gasoline under present circumstances will aid and assist refiners and resellers in taking over the retail market. Fewer gasoline outlets will mean lines, and longer lines at the remaining outlets.

A similar comment is made by NOJC. I previously have inserted both these letters into the Record for the information of the Members.

Let us deal with some other questions that are important. All of us are aware of the fact that our oil companies are making outstanding profits at this time. Exxon just indicated $1 billion a quarter, up 120 percent from last year. We should see to it that if there is a shutoff of supplies, as could very well occur, from Iran, Kuwait, Saudi Arabia, or some further difficulties in the Middle East somewhere, that we have in place the ability of the President to impose controls to see to it that the people are protected from the kind of disorderly market that would exist and permit even greater profits.

The CHAIRMAN pro tempore. Without objection, the pro forma amendment of the gentleman from New Jersey (Mr. Courter) is withdrawn.

There was no objection.

Mr. FUQUA. Mr. Chairman, I ask unanimous consent that on page 2, line 8, the figure be corrected to read, "$94,550,000".

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

● Mr. FISHER. Mr. Chairman, I believe that in being asked to vote on the Courter amendment to the Department of Energy authorization bill for fiscal year 1980, the House is being presented with an unfortunate choice. The amendment would prevent the authorization of any funds to enforce price controls on gasoline and to carry out a mandatory gasoline allocation system.

On the one hand, we are being asked to end the disruptive effect which price controls and the allocation system have had on the supply and distribution of gasoline products throughout the country. In general, I support the free market mechanism as the most efficient means of pricing and allocating our energy resources. It is for this reason that I have supported the phased decontrol of the price of domestic crude oil. Simply stated, in my view price controls and an allocation system may occasionally be necessary as interim measures, but they are not long-term solutions.

On the other hand, I do not believe that our gasoline supplies are now so plentiful or competition in the oil industry so complete that we can risk the immediate decontrol of gasoline prices. The proponents of immediate decontrol contend that it would not result in substantial gasoline price increases overnight. They assume that there will be a sufficient supply of gasoline available to foster competition and hold down prices. However, when pressed, they admit that if the supply should suddenly be reduced, there would be the very real potential for substantial gasoline price increases. Given our current rate of inflation, I do not believe that we can afford to legislate this risk into existence.

The House, then, is faced with a dilemma: whether to decontrol gasoline prices immediately and risk a sharp runup in their prices or whether to retain controls for another 2 years. I do not believe that it had to be this way. Over the past few days I have attempted with several of my colleagues to fashion a compromise which would have provided for the phasing out of price controls over gasoline through September 30, 1981, when, under current law they will be terminated. This would have made the treatment of gasoline consistent with the price control phaseout which is now in effect with respect to domestic crude oil prices.

I would have been satisfied with this modification of price controls over gasoline, which would have provided the Department of Energy with the flexibility to loosen up price controls, while at the same time forestalling the possibility of price gouging. Allocations, I believe, would not have been needed under this scenario of gradual decontrol unless an extreme gasoline shortage had occurred, in which case the recently enacted emergency rationing authority could have been instituted. Unfortunately, a compromise could not be reached.

Therefore, we are presented with an up-or-down vote on the Courter amendment. I will vote against the Courter amendment, as I did during its initial consideration, for two reasons. First, I do not believe that we can risk the potential spurt in gasoline prices that might accompany the immediate lifting of controls. Second, I would like to see gasoline price controls phased out contemporaneously with the phaseout of price controls on domestic crude oil, which will be completed September 30, 1981. I would prefer that the phaseout begin now under this authorization bill. However, the Congress will still have the opportunity to provide for the phasing out of gasoline price controls in the fiscal year 1981 authorization for DOE 1 year hence. Although it would have been better to phase out controls over a 2-year period, a phaseout during the 1981 fiscal year ought to be adequate to ease the transition from controls to decontrol.

In conclusion, let me say that I wish I could vote for the Courter amendment. I agree with Mr. Courter's statement during the initial debate on his amendment that our gasoline pricing system is "an anachronism in today's world of gradual decontrol." Where we disagree is that I believe immediate decontrol is also inconsistent with today's world of gradual decontrol. That is why I must vote against his amendment.●

● Mr. PATTEN. Mr. Chairman, recently I had the opportunity to meet with a high-ranking member of the Department of Energy regarding a situation that is very near and dear to me. That situation is the development of a strategic petroleum reserve in the Northeast or, should that not be possible, the development of a regional reserve of heating oil in the Northeast.

This meeting came about primarily due to the Department's last-minute cancellation of the strategic petroleum reserve solicitation for Turnkey proposals. In early September, six or eight proposals were sitting on an Under Secretary's desk for final approval. It was nearly a fait accompli that all of the final proposals would be approved. The day before the announcement was to be made, the cancellation was announced. One of these final proposals was for the use of a site in my own congressional district for the storage of 20 million barrels of crude, a plan which enjoyed the support of the local and State governments, and a plan which was flexible, in that it allowed for the production of gasoline or home heating oil from the crude, depending on seasonal needs.

The reasons for the cancellation were not made clear immediately and to this date I am still not completely sure that I either understand or agree with the stated reasons. But aside from that I am perhaps even more concerned about the fact that a private business concern has spent years developing this proposal, has met constantly with DOE officials over the last 10 months in an effort to meet their every concern and requirement and have spent an estimated $1 million on this project, only to have it canceled, just when the fruits of their labors were about to be recognized. Congressman Guarini and I, along with the staff members of most of the New Jersey congressional delegation, spent an unproductive 2½ hours in an attempt to resurrect this proposal or to have this site considered for a regional reserve of home heating oil—something which has been promised by both the President and Secretary Duncan for development in the Northeast as quickly as possible.

As quickly as possible apparently means another several years of solicitation, open bidding, and waiting for the revenues from a windfall profit tax which is presently on Senator Long's butcher block. And perhaps the most frustrating part of the whole thing is that the high-ranking official with whom we met told us that he was the sixth person to hold that job in DOE—an agency which is only 2 years old—and that with the new Secretary in office, he is only acting for another 2 weeks. Midway through the meeting, I recalled the headline of last week's U.S. News & World Report's analysis: "DOE: Infancy to Senility in 2 Short Years."

Many of you have not had the experience of living through two World Wars. I well remember "Coalless Mondays" in World War I, and ration stamps for 3 gallons of gasoline a week during World War II. I do not want to see our people suffer so again. We need a reserve, whether it be a strategic petroleum reserve or a regional reserve of heating oil—we need it in the Northeast in particular, the region first to suffer from a shortage—and we need it now. Any plan for tank storage is automatically a couple of years off, because of the construction time and permit requirements, and so forth. Our people should not be forced to wait longer than that.●

● Mr. ATKINSON. Mr. Chairman, in the consideration of H.R. 3000, the Department of Energy authorization bill, Representative Courter proposed an amendment which would have prevented the Department from spending any funds on the allocation of gasoline. I supported this amendment because I found the gasoline allocation program to be iniquitous and full of failures. I have also felt that the archaic system of allocation which the Department used was particularly harmful to my home State of Pennsylvania. The shortage of gasoline we experienced this summer was a very serious problem; the Department of Energy was a large part of that problem. Their system of allocation was, in part, responsible for much of the panic.

I recently spoke at the "stop big oil day" rally on October 17. I do not like the fact that heating oil and gasoline prices have risen astronomically. I particularly do not like the fact that these increases have outpaced the increases in crude oil prices dictated by OPEC. This is even more disturbing to me in light of the incredible profits recently announced by the major oil companies. I stand for lower energy prices. I believe the rights of the consumers must be protected from rapacious companies reaping excessive profits and from the harmful allocation programs of the Department of Energy.●

The CHAIRMAN pro tempore. All time has expired.

Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Studds, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes, pursuant to House Resolution 379, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. DINGELL. Mr. Speaker, I demand a separate vote on the so-called Courter amendment on page 40, after line 23.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 40, add at the end of line 23 the following new subsection (c): No funds authorized to be appropriated pursuant to this Act may be used to promulgate, administer or enforce any regulation or to issue or enforce any order which would continue any mandatory allocation or price control of motor gasoline.

### PARLIAMENTARY INQUIRY

Mr. FUQUA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. FUQUA. Mr. Speaker, did the Speaker put the question on the other amendments en bloc?

The SPEAKER. The Chair did.

Mr. FUQUA. I thank the Chair.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the noes appeared to have it.

### RECORDED VOTE

Mr. COURTER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 189, noes 225, not voting 19, as follows:

[Roll No. 595]

AYES—189

Abdnor
Alexander
Anderson, Calif.
Andrews, N. Dak.
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Bedell
Bereuter
Bethune
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Oreg.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Forsythe
Frost
Gibbons
Gingrich
Goldwater
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Hightower
Hillis
Hinson
Holland
Holt
Horton
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lehman
Lent
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lungren
McClory
McCloskey
McDonald
McEwen
McKay
McKinney
Madigan
Marriott
Martin
Mattox
Michel
Miller, Ohio
Mineta
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nelson
O'Brien
Pashayan
Paul
Petri
Pickle
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Iowa
Smith, Nebr.
Spence
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whittaker
Wilson, Tex.
Wirth
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—225

Addabbo
Akaka
Albosta
Ambro
Annunzio
Anthony
Applegate
Ashley
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hanley
Harris
Harsha
Hawkins
Heckler
Heftel
Hollenbeck
Holtzman
Hopkins
Howard
Hubbard
Hughes
Hutto
Jenkins
Jenrette
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Leland
Levitas
Lloyd
Luken
Lundine
McCormack
McDade
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Snowe
Snyder
Solarz
Solomon
Spellman
St Germain
Stack
Staggers
Stark
Stewart
Stokes
Studds
Swift
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—19

Anderson, Ill.
Andrews, N.C.
Boggs
Bonker
Corcoran
de la Garza
Diggs
Flood
Frenzel
Hefner
Leach, La.
McHugh
Minish
Scheuer
Stockman
Treen
Whitehurst
Wilson, Bob
Winn

□ 1220

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Anderson of Illinois.

Mr. Minish with Mr. Stockman.

Mr. de la Garza with Mr. Corcoran.

Mr. Diggs with Mr. Bob Wilson.

Mr. Hefner with Mr. Whitehurst.

Mr. Flood with Mr. Frenzel.

Mr. McHugh with Mr. Andrews of North Carolina.

Mr. Bonker with Mr. Winn.

Mr. Leach of Louisiana with Mr. Scheuer.

Mr. DAVIS of South Carolina and Mr. KELLY changed their votes from "no" to "aye."

Mr. BEARD of Tennessee changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the votes was announced as above recorded.

The SPEAKER. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

### MOTION TO RECOMMIT OFFERED BY MR. LOEFFLER

Mr. LOEFFLER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LOEFFLER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. LOEFFLER moves to recommit the bill, H.R. 3000, to the Committee on Interstate and Foreign Commerce.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 263, nays 150, not voting 20, as follows:

[Roll No. 596]

YEAS—263

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bouquard
Bowen
Brademas
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Butler
Carney
Carr
Carter
Chappell
Chisholm
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Derrick
Dickinson
Dicks
Dingell
Dixon
Dodd
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Grassley
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Hawkins
Heftel
Hightower
Holland
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Hughes
Hutto
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, Md.
Lowry
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McEwen
McKay
McKinney
Madigan
Matsui
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Ratchford
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Sabo
Seiberling
Sharp
Simon
Skelton
Smith, Iowa
Snowe
Snyder
Solarz
Solomon
Spellman
Stack
Staggers
Stewart
Stokes
Stratton
Swift
Synar
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Waxman
White
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—150

Archer
Ashbrook
Badham
Bafalis
Barnes
Bauman
Beard, Tenn.
Bereuter
Bonior
Breaux
Brodhead
Broomfield
Burgener
Burton, Phillip
Byron
Campbell
Cavanaugh
Cheney
Clausen
Cleveland
Collins, Tex.
Conable
Conyers
Coughlin
Courter
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Deckard
Dellums
Derwinski
Devine
Donnelly
Dornan
Downey
Edwards, Okla.
English
Erdahl
Erlenborn
Fenwick
Findley
Forsythe
Frenzel
Gingrich
Goldwater
Goodling
Gramm
Grisham
Guyer
Hagedorn
Hance
Hansen
Heckler
Hillis
Hinson
Holt
Holtzman
Huckaby
Hyde
Ichord
Jacobs
Jeffries
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Long, La.
Lott
Lungren
McClory
McDonald
Maguire
Markey
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Michel
Moakley
Moffett
Moore
Moorhead, Calif.
Myers, Ind.
Nolan
O'Brien
Pashayan
Paul
Petri
Quayle
Quillen
Rangel
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Spence
St Germain
Stangeland
Stanton
Stark
Steed
Stenholm
Studds
Stump
Symms
Tauke
Taylor
Thomas
Vander Jagt
Walker
Watkins
Weaver
Weiss
Whittaker
Williams, Ohio
Wyatt
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—20

Anderson, Ill.
Andrews, N.C.
Boggs
Bonker
Corcoran
Crane, Daniel
de la Garza
Diggs
Flood
Hefner
Leach, La.
McHugh
Marks
Minish
Scheuer
Stockman
Treen
Whitehurst
Wilson, Bob
Winn

□ 1240

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Scheuer.
Mr. Minish with Mr. Bob Wilson.
Mr. McHugh with Mr. Corcoran.
Mr. Hefner with Mr. Marks.
Mr. de la Garza with Mr. Winn.
Mr. Diggs with Mr. Stockman.
Mr. Bonker with Mr. Daniel B. Crane.
Mr. Flood with Mr. Anderson of Illinois.
Mr. Leach of Louisiana with Mr. Treen.
Mr. Andrews of North Carolina with Mr. Whitehurst.

Mr. MAVROULES changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980, and for other purposes."

A motion to reconsider was laid on the table.

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## AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3000, DEPARTMENT OF ENERGY AUTHORIZATION ACT FOR FISCAL YEARS 1980 AND 1981—CIVILIAN APPLICATIONS

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill H.R. 3000, the Clerk be authorized to correct punctuation, spelling, cross-references, designations of provisions, and the arrangement of provisions within a title, and to make such other technical and clerical amendments as may be necessary.

The SPEAKER pro tempore (Mr. RUSSO). Is there objection to the request of the gentleman from Florida?

There was no objection.

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## CONFERENCE REPORT ON S. 975, INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES AUTHORIZATION ACT, FISCAL YEAR 1980

Mr. BOLAND. Mr. Speaker, I call up the conference report on the Senate bill (S. 975) to authorize appropriations for fiscal year 1980 for intelligence activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 12, 1979.)

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. BOLAND) will be recognized for 30 minutes, and the gentleman from Virginia (Mr. ROBINSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the fiscal year upon which we are now embarked will be an important one for the foreign policy of this country.

During that time, the demands placed on the intelligence-gathering capabilities of this Nation will undoubtedly increase in order to support such policymakers as the President and the National Security Council.

Similarly, the evolving military posture of the United States will require increased and better intelligence support.

It is with this likelihood well in mind that all of the House managers on the intelligence authorization conference report make their recommendation that the House adopt the conference report.

I believe it is fair to say that it is our belief that the conference report will authorize all those programs and activities needed to provide this Nation, with the outstanding intelligence support it must receive to maintain its preeminent position in today's world.

As Members are aware, the actual numbers and program descriptions involved, and the agreements reached by the conferees, are contained in the classified schedule of authorizations and the classified annex to the statement of the managers.

These materials have been available to Members in the offices of the committee since the conference report was filed.

Mr. Speaker, the final composition of the conference agreement, its emphasis, and direction are a credit to the Subcommittee on Program and Budget Authorization and particularly its chairman, the Honorable Bill Burlison, and ranking minority member, the Honorable Kenneth Robinson.

Also serving on the subcommittee were Congressman Norm Mineta, Clem Zablocki, and Bill Whitehurst.

Their hard work and over 50 hours of hearings prepared the House conferees very well for the discussions leading to the conference agreement.

I believe that the House owes them a debt of gratitude for a hard job well done.

At this point, Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Subcommittee on Program and Budget Authorization, the gentleman from Missouri (Mr. Burlison).

Mr. BURLISON. Mr. Speaker, I thank the subcommittee chairman for his words and for his considerable effort and support throughout the development of our bill culminating in this conference report. I join the gentleman in extending thanks to Clem Zablocki, Norm Mineta, Ken Robinson, and William Whitehurst of our subcommittee and to chairmen Price and Ichord and ranking minority member Bob Wilson of the Committee on Armed Services.

Mr. Speaker, with regard to title I of the bill, intelligence activities, there were 37 matters at difference with the Senate. Careful review of the differences coupled with an attitude of cooperation resulted in sensible compromises. On matters of fiscal authority, the differences divided rather evenly between House and Senate. This is not to say, however, that the conferees split the difference on each issue simply to achieve agreement. All parties recognize that many programs are not logically subject to division. Our compromises result in a sensible and consistent program.

Title II provides for the intelligence community staff which supports the Director of Central Intelligence in the conduct of his coordinating and budgetary role in the national foreign intelligence program. The House bill had reduced funding authorization for external contracts by $1.1 million, a reduction of about 35 percent. The Senate agreed to this position.

There were no differences between the two Houses regarding title III, the CIA retirement and disability system. Both Houses authorizes the full request.

Title IV of the House bill provided supplemental authorization in fiscal year 1979 for intelligence and intelligence-related activities. The Senate agreed to this position.

The Senate bill contained an educational travel benefits provision to which the House agreed. It is section 502 of the conference report. Existing law provides that State Department and USIA employees may be reimbursed for the expense of one round trip per year for children attending secondary school or college in the United States while the parents serve overseas. Section 502 extends this benefit to employees of the Central Intelligence Agency and the National Security Agency. While the provision provides legal authority to pay benefits, no additional budget authority is included. Thus, if CIA or NSA want to use the new authority, they will finance the cost within their existing budget.

Mr. Speaker, I endorse this conference report and urge its adoption by the House.

Mr. ROBINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on S. 975.

This bill would authorize appropriations for intelligence activities of the United States and is the result of many months of exhaustive examination of the intelligence needs of our Government.

Title I of the bill deals with intelligence and intelligence-related activities. As has been mentioned, with the exception of funding authorized for domestic terrorism activities of the Federal Bureau of Investigation, funding and program details for the intelligence activities authorized under title I are classified and I can, therefore, not discuss specific conference actions. However, details of these actions are contained in a classified schedule of authorizations and the annex to the joint explanatory statement and have been available to all Members since the 12th of October.

The conference recommendation is a compromise which I believe represents the best judgment of both sides. The House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence conferees worked to provide an authorization for national foreign intelligence activities that I consider to be a nearly optimum reconciliation of the two authorization bills. In arriving at this compromise, some program funding levels originally authorized by the House were reduced and others were increased. The net overall authorization level for these classified activities fell about halfway between the levels originally authorized by the House and Senate.

For those programs contained within the defense budget request to provide direct intelligence support to military operations—referred to as intelligence-related activities—the House Permanent Select Committee on Intelligence shares jurisdiction with the Armed Services Committee. Accordingly, the differences between the House and Senate on these activities were worked out by a conference group consisting of both Intelligence and Armed Services Committee members. The amounts listed for those intelligence-related activities subject to annual authorization and contained in the Department of Defense authorization bill represent funding levels jointly agreed to by the conferees for this bill and the House and Senate conferees for the fiscal year 1980 Department of Defense authorization bill.

Title II authorizes $11.5 million in funding and establishes a personnel ceiling for the intelligence community staff. The conference recommendation adopts the House position.

Title III, to authorize funding levels for the CIA Retirement and Disability System, was not at difference between the House and Senate.

Title IV is a fiscal year 1979 supplemental authorization for intelligence activities. The conference is recommending the House position. As with title I, authorizations recommended for additional appropriations are reflected in the classified Schedule of Authorizations and detailed in the committee's classified annex.

Under title V, the conference is recommending a Senate provision which would extend to overseas employees of the Central Intelligence Agency and National Security Agency authorization currently available to Department of State and U.S. Information Agency—now International Communications Agency—employees for the payment of dependent travel to and from schools in the United States once per year.

Overall, I believe the conference committee's recommendation for fiscal year 1980 provides sufficient resources to effectively meet our near-term intelligence needs as well as providing for some growth to modernize existing capabilities and to begin some new initiatives required to keep pace with our intelligence needs in the 1980's.

I urge the Members of the House to adopt this conference report.

Mr. BOLAND. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

□ 1250

### PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, when a rule for consideration of legislation has been reported from the Committee on Rules and has been pending before the House for more than 7 days, is it not proper for any member of the Committee on Rules to call it up?

The SPEAKER pro tempore. The gentleman is correct.

The gentleman from Illinois (Mr. MURPHY) is present.

## MILITARY CONSTRUCTION AUTHORIZATION ACT, 1980

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 332 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 332

*Resolved*, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) and clause 2 (1) (5) (B) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3947) to authorize certain construction at military installations for fiscal year 1980, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against section 802 of the bill for failure to comply with the provisions of clause 5, rule XXI, are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 332 is an open rule providing for the consideration of H.R. 3947 authorizing appropriations for military installation construction. The rule provides for 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

The resolution provides that the bill shall be read for amendment under the 5-minute rule by titles instead of by sections. The rule also waives points of order against the bill as reported for failure to comply with section 402(a) of the Congressional Budget Act. Section 402(a) provides that it shall not be in order to consider any bill which authorizes new budget authority for a fiscal year unless the bill has been reported by May 15 preceding the beginning of such fiscal year.

Section 802 of the bill, as reported, authorizes appropriations effective upon enactment and since the bill was not reported by May 15, 1978, it would have been subject to a point of order had it been considered prior to October 1, 1979. When this rule was originally reported from the Committee on Rules on June 22, the committee was advised that the Committee on Armed Services intended to offer an amendment providing that section 802 of the bill would take effect on October 1, 1979, thereby curing the Budget Act violation. However, since we are now in the new fiscal year, the Budget Act violation has been cured by the date the House is considering H.R. 3947.

Further points of order are waived against section 802 for failure to comply with the provisions of clause 5, rule XXI, which prohibits appropriations in a legislative bill. Section 802 amends existing law to extend the ability of private contractors to develop refuse derived energy sources for military installations on private lands as well as on the military installation. Since this new authority creates a new class of appropriations and obligations, the waiver is required.

House Resolution 332 makes a technical waiver of clause 2(1) (5) (B) of rule XI which outlines what information must be printed in a committee report. Due to a printing error, House Report 96-149 does not bear on its face the required statement indicating that the report includes the cost estimate of the Congressional Budget Office. While the Committee on Armed Services has complied with the rules of the House by including the CBO estimate in the body of the report, the waiver is still necessary because of the printing error.

Mr. Speaker, H.R. 3947 authorizes appropriations of $3,786,449,000 in fiscal year 1980 for military construction, including family housing, which is $82,387,000 less than the administration's request. As my colleagues will recall, the House has already passed the military construction appropriation without benefit of its authorization.

Mr. Speaker, House Resolution 332 is a simple open rule and I would urge my colleagues to adopt it so that we may proceed to the consideration of H.R. 3947. It is especially important that the House consider this legislation so that the appropriation approved in June may be properly authorized.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution provides for the consideration of H.R. 3947, Military Construction Authorization Act for fiscal year 1980. It is an open rule, providing 2 hours of debate to be divided between the chairman and ranking minority member of the Committee on Armed Services. The bill is to be read by titles rather than sections for amendment, and one motion to recommit is provided.

The rule also waives clause 2(1) (5) (B) of rule XI—lack of recital on cover of committee report that it contains a cost estimate of the Congressional Budget Office—against consideration of the bill.

In addition, clause 5 of rule XXI is waived against section 802 of the bill. Clause 5 of that rule relates to appropriations in a legislative measure.

Mr. Speaker, H.R. 3947 provides military construction authorization and related authority for fiscal year 1980 in the amount of $3,786,449,000. One item of special interest is that the bill includes $32.6 million for projects in Panama which involve the relocation of existing troops and the rehabilitation of certain buildings for housing troops and equipment until the year 2000.

The Armed Services Committee reported the bill on May 10 by a vote of 38 to 1. I suggest that we approve this rule and move directly to consideration of the bill, H.R. 3947.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. NEDZI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3947) to authorize certain construction at military installations for fiscal year 1980, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3947, with Mr. PICKLE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Michigan (Mr. NEDZI) will be recognized for 30 minutes, and the gentleman from Tennessee (Mr. BEARD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today the House Committee on Armed Services presents H.R. 3947, the military construction authorization bill for fiscal year 1980.

The purpose of the bill is to provide

new military construction authorization and related authority in support of the military departments and defense agencies. At this point, Mr. Chairman, I want to thank the ranking member of the Subcommittee on Military Installations and Facilities, the distinguished gentleman from Virginia, the Honorable G. WILLIAM WHITEHURST, and all of the members of the subcommittee for their tireless efforts during the hearings and markup sessions on the bill.

Overall, we believe that H.R. 3947 is a good bill. It is a balanced measure that meets the most pressing requirements. It is a bill that reflects the efforts and judgment of the House Armed Services Committee.

The Defense Department requested new authorization in the amount of $3,721,536,000 for fiscal year 1980. In addition, the Department of Defense submitted as amended fiscal year 1979 supplemental authorization request which contained a total request of $147,480,000. Combined, the two requests provided new authorization in the amount of $3,868,836,000.

Instead of reporting out a separate supplemental bill, the committee decided to add items from that bill to the fiscal 1980 bill. Therefore, H.R. 3947 is a combination of the two bills. The bill as approved by the committee totals $3,786,449,000 in new authorization. This total is $82,387,000 or 2 percent below the requested authorizations.

After extensive hearings in nine separate sessions and close review of each requested project, the committee was able to determine those proposals that in its view could be deferred without impairing the operational effectiveness of the armed services.

Our committee did not cut projects just for the sake of cutting, but deleted projects that it felt could be deferred without impairing our national security. In certain instances, we added projects where it was determined either by testimony or supporting documentation that the priority was great enough to warrant inclusion in the bill. As such, the construction proposals for the Active Forces cover approximately 725 projects at approximately 340 major military installations within the United States and overseas.

In perspective, this bill is one of the smallest military construction authorization bills in some time. Even with the addition of items totaling $101,047,000 from the supplemental, the recommended authorization of $3,786,449,000 is only $65,093,000 above the original fiscal year 1980 request. It is $341,863,000 less than the $4,128,312,000 authorization enacted into law in fiscal year 1979.

For the individual services, the committee reduced the Army request of $819,924,000 to $780,514,000, increased the Navy request from $480,543,000 to $489,745,000 and reduced the Air Force request from $500,267,000 to $486,438,000.

Turning to the individual titles, the Army in title I requested $819,924,000. The committee is recommending $780,514,000. Under this title, the committee approved $52,029,000 for operational and training facilities, $122,100,000 for housing and community facilities, $109,470,000 for maintenance facilities, and $195,910,000 for air and water pollution control and energy conservation.

In addition, the committee after thorough evaluation approved $32,560,000 to cover Panama Canal Treaty related construction. The projects involve rehabilitation and a minimum of new construction for relocating and housing our troops and equipment at defense sites that will remain under the control of the United States until the year 2000.

In title II, the Navy portion of the bill, there was a total request of $480,543,000. The committee approved $489,745,000. Major items included $82,296,000 for housing and community facilities, $65,300,000 for maintenance and production projects, $133,600,000 for air and water pollution control and energy conservation efforts, and $26,000,000 for real estate acquisitions.

In title III, the Air Force portion of the bill, $500,267,000 was requested. The committee approved $486,438,000. Major items include $126,600,000 for operational facilities, $103,100,000 for research and development facilities, including $64,700,000 for the Space Shuttle program, $73,800,000 for housing and community support projects and $40,040,000 for pollution control and energy conservation efforts.

In title IV, for the Defense agencies, the total request was $232,377,000. The committee approved $214,707,000. The largest authorization requested in this title is $150,000,000 for the NATO infrastructure program. Because of dollar devaluation and a more rapid processing of projects eligible for infrastructure funding, the committee approved a deficiency authorization of $20,000,000 so that the United States will be able to meet its obligation during the rest of fiscal year 1979.

In title V, military family housing, there was a total request of $1,757,574,000. The subcommittee recommends approval of $1,736,894,000. Authorization of $1,716,494,000 is for operation and maintenance, leasing and debt payment, and currency revaluation. Because of currency exchange problems, the committee approved $26,969,000 for currency revaluation. Also approved was authorization of $11,500,000 for 200 units of family housing.

In title VI, administrative provisions, the committee extended the cost variation authorities and increased the per square foot cost of barracks and unaccompanied officer quarters to $48 and $52 respectively. The present cost limitations are $45 and $48, respectively.

In title VII, Guard and Reserve Forces facilities, the committee approved the total amount requested, $78,151,000. The committee also approved an amendment to clarify Department of Defense policy covering Federal contributions to armory construction. A recent Defense Department reinterpretation of existing authority does not permit Federal contributions to armory construction unless there is a Federal burden on the State, primarily in the nature of a federally directed reorganization. Under the total force concept, the committee felt that all Guard units have a Federal function. Therefore, the amendment provides the Secretary of Defense with discretionary authority to authorize a Federal contribution covering 75 percent of the construction cost of armories for units where facilities need to be replaced to support training even though they have not been impacted by reorganization.

In title VIII, general provisions, the committee authorized four land conveyances, extension of exclusive military use of the Bolling/Anacostia complex, revision of the solar energy system program to include operation and maintenance costs in life cycle analyses, and language prohibiting closure of certain military installations until the service secretary involved has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act. The impact statement will place special emphasis on the socioeconomic factors of the areas surrounding the installations.

The committee believes that it is presenting a balanced measure that meets the most pressing requirements. We are prepared to answer any Member's questions regarding the committee action and our recommendation. Overall, we believe our recommendation to you is a good one, and one which the House should support.

□ 1310

Mr. BEARD of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to rise in support of H.R. 3947, the Military Construction Authorization Act for fiscal year 1979.

I believe we have brought to you a bill that provides necessary construction at our military bases at home and abroad and at the same time recognizes the call for economy in the Federal budget. As the gentleman from Michigan noted, the bill is more than $82 million below the amount requested by the Defense Department.

The committee carefully assessed each project to assure that only those items which are essential to our national defense interests would be approved. Substantial reductions to the Department of Defense requests were made without depriving the services of any projects considered vital to maintaining a strong defense posture.

Perhaps the most controversial issue in this bill involves construction projects in the Panama Canal Zone. Each project was carefully reviewed to make certain that in all cases the construction effort would be directed into defense sites which will remain under U.S. control until the year 2000. In most cases the construction will consist of altering and rehabilitating existing structures in an austere way to house U.S. forces and equipment being relocated within the Canal Zone. Very little new construction is necessary.

The committee approved $32,560,000 for construction projects to carry out treaty-mandated relocations of our forces in Panama. The committee reduced the Department of Defense request by $3,060,000. The largest single project denied by the committee was a request for $2,600,000 by the Defense Mapping Agency to relocate within Panama its Inter-American Geodetic Survey activities which are not essential to the defense of the canal.

Support for these projects should not be equated with support for the Panama Canal Treaty. These projects are needed for the well-being of American service men and women and civilians who are carrying out the U.S. obligation to defend the canal. Without this construction, they would be forced to live and work in crowded, substandard facilities. This construction will meet our critical relocation requirements in the short term and at the same time provide the long-term support to those U.S. forces and their dependents who will be stationed in Panama until December 31, 1999.

Mr. Chairman, we are prepared to answer any questions the Members may have. I believe we have brought a good bill to the floor, and I urge the passage of H.R. 3947.

Mr. DICKINSON. Mr. Chairman, would the gentleman yield?

Mr. BEARD of Tennessee. Certainly I yield to my colleague from Alabama.

Mr. DICKINSON. Mr. Chairman, I would just like to establish as best we can for the record what we are doing now in Panama and what we anticipate will be the needs in Panama.

As I recall, last year the Secretary of Defense, out of his contingency fund, spent some $29 million in military construction. This year there was a request for some $30 million or approximately that amount. But it was anticipated, if I understand it correctly, that there will be additional military construction funds next year, and we do not at this point—I do not know what the total might be. I wonder if the gentleman has any figures on that.

Mr. BEARD of Tennessee. I am not sure. The gentleman from Michigan, the chairman of the committee, might have those figures available.

I will say we turned down some of their requests this year and certainly will be looking very critically at increased construction costs for an area we are not going to be in for more than another 20 years.

Mr. DICKINSON. If the gentleman will yield further, that is one of the things I think that should be made clear, is that the military construction money we are spending here is for the relocation.

For instance, one was a radar receiving antenna. We either had to abandon it or else relocate it. There had to be funds in there to relocate. I believe that was around a million bucks. Then there was one area that bordered the area or the part of the land we were giving up, and in the testimony, as I recall, it was said the cost of building a fence, which was rather expensive and rather comprehensive, would amortize itself by doing away with the need for guards and guard dogs over the next 2 or 3 years.

For the most part the projects in this bill are of that nature. One was to repair a helicopter taxi strip, but really there is nothing in here that will not be used by our servicemen, that is not actually needed by them, for not only their comfort, but for their safety.

I was just wondering if the chairman knew, looking ahead, what was anticipated to be the total military expenditure before we are finished building anything new there.

Mr. NEDZI. Will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the Chairman.

Mr. NEDZI. If the gentleman will yield, the chair wishes to assure the gentleman that the subcommittee scrutinized the problem the chairman is alluding to very, very carefully. The total amount through 1984, in addition to what we are authorizing in this legislation, is some $34 million at the present time.

Mr. DICKINSON. If the gentleman will yield further, I thank the chairman for those figures. As a member of the subcommittee I am cognizant of some of the expenditures that have been and will be needed. But I did want to make a part of the record here by voting for this portion of the military construction, which happens to be located in Panama, that in no way does it make a person voting for this go on record in support of the Panama Canal Treaty. It is a fait accompli, a fact, it is done; it is the law of the land; there is nothing we can do to change it, and the only thing we can do is make the best of a bad situation. Would the Chairman agree with that?

Mr. NEDZI. If the gentleman will yield, I do not think any reasonable person could construe it in that fashion. The fact of the matter is these are moneys that are going to be spent for our people in Panama and if we do not spend these moneys we are not imposing a burden upon the Panamanians, we are imposing a burden upon our own people.

Mr. DICKINSON. If I may. If the gentleman will continue to yield, let me just say I have urged General McAuliffe while he was commander in chief of the south, and the other military witnesses that have come before either our full committee or the subcommittee to seriously look at the possibility of reducing our presence there. The threat there is no greater than it has ever been; perhaps it is less. Whether it is an internal threat or an external threat, I do not know we need the troops there in the numbers that are projected to be continued to be based there, and I am going to continue to urge the military to examine our needs there to see if perhaps we can reduce some of our expenditures anticipated in the future under military construction by reducing some of our troops there. I think probably this might be a good solution.

Mr. NEDZI. If the gentleman will yield further, I would like to assure the gentleman of my cooperation with him in that regard. Certainly we will look to minimize our presence there, because obviously that will minimize our costs.

Mr. DICKINSON. I thank the Chair.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 2 minutes to my colleague from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I rise to engage in a colloquy with the gentleman from Michigan, the chairman of the subcommittee (Mr. NEDZI). I know that the committee has deferred the request for $13.5 million to change a launch pad approved by Congress last year at Vandenberg Air Force Base to handle a shuttle that now requires a single strap and solid rocket motor to be attached to each of the main solid rocket boosters. It is said by the Air Force that these augmentation thrusters are necessary to enable the shuttle to carry a 32,000 pound payload which defense missions require.

I ask the gentleman if the situation with regard to the thrust augmentation proposal has changed since the committee report was written in May.

Mr. NEDZI. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman.

Mr. NEDZI. The gentleman will perhaps recall that at the time of the subcommittee hearings the design level of the space shuttle thrust augmentation was at 30 percent, which is below the 35 percent which the committee looks to as a guideline for funding new projects.

That design level we are now advised is at 100 percent, and the Air Force has assured the subcommittee that it will be able to accommodate any booster system which the National Aeronautics and Space Administration decides upon.

I can assure the gentleman from California that these facts will be kept in mind during the conference when this project is considered.

Mr. LAGOMARSINO. I thank the gentleman and yield back the balance of my time.

Mr. BEARD of Tennessee. Mr. Chairman, I yield back the balance of my time.

Mr. NEDZI. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. I thank the chairman and ask him to join me in a colloquy.

Mr. Chairman, I rise to commend the gentleman from Michigan on his thorough preparation and development of this comprehensive bill.

I also take this time to inquire if I am correct in understanding that under permanent minor construction authority, certain repairs are to be made at the Naval Reserve Training Center in Gary, Ind.?

Mr. NEDZI. That is correct. A maximum of $100,000 is authorized to make only those repairs necessary to protect the health and safety of the service personnel and visitors who will use the present facility pending new construction.

Mr. BENJAMIN. I appreciate the chairman's concern for those who use the training center. I further thank the gentleman for his desire to limit this year's spending to prevent the unnecessary expenditure of Federal funds.

While no authority for the construction of a new Naval Reserve Center in

Gary is provided for in fiscal year 1980, it is my understanding that the Department of Defense has confirmed the need for new construction, but deferred it until fiscal year 1980 and possibly fiscal year 1986. Is that correct?

Mr. NEDZI. That is my understanding. While the Department has not assigned the construction of a new Naval Reserve Training Center for Gary, Ind., a priority and design status for fiscal year 1980, they have indicated to the Subcommittee on Military Installations and Facilities that new construction is necessary. However, they do not anticipate making a request for construction authority until at least fiscal year 1984.

Mr. BENJAMIN. In view of the Department's recognition that a new facility is needed, I have serious reservations regarding the wisdom of deferring construction for another 4 to 6 years. I am particularly concerned about the delay since the Reserve facilities at Michigan City and Benton Harbor have been closed and the nearest training centers are now situated in South Bend and Fort Wayne, Ind.

Would it be possible for the committee to review the Department's decision on this construction and examine the possibility of including new construction authority in the committee's Military Construction Authorization Act for fiscal year 1981?

Mr. NEDZI. We would be pleased to reexamine the priority given to the construction of a new Naval Reserve training center in Gary, Ind., for fiscal year 1981, and to consider the merits of the project. In the event that our examination determines that the construction schedule should be advanced to fiscal year 1981, we will so advise the Department of Defense and ask that it govern itself accordingly.

Mr. BENJAMIN. I would be pleased to assist in undertaking such a review.

I thank the chairman for his cooperation and for the continued courtesy and help he and his staff have extended to me in this matter.

□ 1320

Mr. BEARD of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

I would like to establish a colloquy with the chairman also regarding some items we inserted in the bill dealing with the Naval and Marine Corps Air Reserve units, Naval Air Station, Memphis, Tenn. That is at page 48 of our report.

The decision has been made after extensive studies to retain those Reserve units down there. There have been pointed out great shortcomings or critical problems as to runways and the deficient state of repair of these runways. In the Senate authorization bill, they have included $3.3 million to improve that. In our bill, we have strong language stating that designs should be prepared in time for the 1981 bill.

I have talked to the Navy. It appears that there is a good chance that they could begin construction immediately on repairing these runways, which pose a very serious and dangerous hazard. I would hope that in conference we could give that strong consideration.

I personally would have liked to have offered an amendment today to our bill, understanding that we have held hearings on it, but understanding also the chairman's feeling and respecting his feeling regarding last minute amendments, I will refrain from doing so. But, I would hope that in conference we could definitely give strong consideration to the acceptance of this $3.3 million from the Senate authorization bill.

Mr. NEDZI. If the gentleman will yield, I would like to say that I share the gentleman's understanding of the problem, and assure the gentleman the further understanding that in the course of the conference—and of course the gentleman is going to be a conferee so that he will not let me forget.

Mr. BEARD of Tennessee. I thank the gentleman.

● Mr. WON PAT. Mr. Chairman, I am pleased to support legislation I voted for in the House Armed Services Committee—H.R. 3947, the 1980 Military Construction Authorization Act.

This is an excellent bill that seeks to strengthen our base needs while keeping a tight reign on inflation.

The measure is highly important to those of us in the Pacific who look on the U.S. military as our only means of defense against foreign intervention. I have often said that we have overlooked the need for a strong defense in the Pacific. History has taught this country not to forget we are a Pacific power and not just an Atlantic power.

This bill provides for $3.7 million in new construction at the Guam Naval Public Works Facility and an additional $440,000 for new firefighting equipment at the SAC base on Guam. These funds I fully support.

Further, this measure seeks to assure that the United States will continue to have access to important missile testing sites at the Kwajalein Range in the Marshall Islands. This is an important provision that will give us the facilities we need to keep America strong.

Finally, I commend my colleagues on the Armed Services Committee for standing firm against those who would close military bases purely on the grounds of budgetary needs. My constituents know the heartache of losing a job because some bureaucrat in Washington says that job can no longer be afforded. This bill puts the committee and myself on record that we want the Pentagon to fully study the impact of a base closing and be prepared for close scrutiny on the Hill before they act.

I urge my colleagues to support this measure and thank you.●

● Mr. FLORIO. Mr. Chairman, I rise in support of the amendment offered in behalf of the gentleman from New Jersey (Mr. THOMPSON).

Members closely involved with efforts to preserve the Fort Dix Army Training Center received welcomed news earlier this month when Secretary of the Army Clifford Alexander announced that plans to close the center have been placed in abeyance pending a further review of Army recruit training needs over the next 12 to 18 months. The Secretary's decision, which was supported by Deputy Defense Secretary Graham Claytor, was based on findings that the Fort Dix training facilities will be needed to process the increased recruit training load the Army anticipates for the coming year. During the past several months fears have been raised both in the Congress and the Department of Army that the dismantling of Fort Dix would impair the Army's ability to train incoming recruits. I am pleased that the Defense Department has decided not to go forward with any reductions at Fort Dix pending a further assessment of the number of recruits entering the Army and the requirements placed on the training installations.

As a Representative from New Jersey, I am also concerned over the large social and economic impact the closing of Fort Dix would have on my district and the entire central and southern New Jersey area. The most recent projections show that the removal of the Fort Dix Army Training Center would result in the loss of at least $157 million by area businesses in just 1 year's time; 10,000 to 15,000 workers employed in the area would be expected to lose their jobs if the proposed Fort Dix realinement was implemented.

Mr. Chairman, it is clear that policies designed to improve our Nation's military readiness should never be judged up or down according to their effects on local economies. However, decisions to reduce or eliminate large military installations must be made with a precise understanding of their effect on the communities involved.

Last year I joined many of my colleagues in writing a letter to the President, expressing reservations concerning the Defense Department's base realinement proposals. The President responded that Defense Department evaluations of base realinement proposals "should take into account not only the military missions and total Federal cost savings, but also the environmental and economic impacts on the affected communities."

The amendment before us would implement the President's position by requiring the Department of the Army to prepare an environmental impact statement before action could be taken to close or realine the military mission of Fort Dix. The findings contained in the statement would be valuable to the Army and the Congress in reviewing any proposals offered in the future which would substantially alter the Fort Dix mission. I urge the amendment to be adopted.●

● Mr. ERTEL. Mr. Chairman, I rise in support of this amendment. I want to say that in the case of both of these facilities, Fort Indiantown Gap and the New Cumberland Army Depot, the Department of the Army has had since April 1, 1976, to determine if the proposed realinements are economically justified, that is, are these realinements going to save us taxpayer some money?

Well, the Army completed its determination last March 29 and recommended that both Fort Indiantown Gap and the New Cumberland Army Depot be realined. I asked the Comptroller General of the United States to review the Army's data for recommending realinement. The report on Fort Indiantown Gap is completed and here is how GAO characterizes the Army's 3½ year exhaustive study of the justification for realining this facility:

Our (that is GAO's) review of the study disclosed data, changes, errors, omissions, and questionable procedures that caused us (GAO) to challenge the use of the study as a basis for the decision.

So, after 3½ years, the Army has produced a report which GAO says is not adequate to base a decision. I met with the Assistant Secretary of the Army in late August to discuss this matter and he conceded that more work would have to be done. But, he intends to have it completed by next week. After 3½ years, the Army was unable to justify the realinement of Fort Indiantown Gap, but now expects to do it in only 2 months.

WASHINGTON, D.C.,
*August 23, 1979.*

Subject: Review of Planned Realinement of Fort Indiantown Gap, Pennsylvania (LCD–79–329).

Hon. ALLEN E. ERTEL,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. ERTEL: This is in response to your January 16, 1979, request to review the economic justification for the Department of Defense's decision of March 29, 1979, to terminate active Army use of Fort Indiantown Gap, Pennsylvania, and to pass control of the installation to the Commonwealth of Pennsylvania. The garrison at Fort Meade, Maryland, would assume the area support mission from Fort Indiantown Gap.

The Chairman, Subcommittee on Military Installations and Facilities, House Committee on Armed Services, also requested us on April 10, 1979, to review the economic justification. In order to brief the Subcommittee on May 18, 1979, we limited our review to the most significant cost and savings items. The following appraisal is provided within the context of the limited scope and time frame of our reivew.

The basis for the realinement decision was an Army study performed in 1976. The results of the study were provided to us in the official format of an Army case study and justification folder.

Our review of the study disclosed data changes, errors, omissions, and questionable procedures that caused us to challenge the use of the study as a basis for the decision. According to the Army's estimates, the change in the status of the fort would result in one-time costs of about $2.2 million, annual savings of about $2.9 million, and elimination of 310 civilian and 128 military positions.

### REDUCED NUMBER OF POSITIONs SHOULD HAVE REDUCED ESTIMATED SAVINGS

Due to reductions of authorized civilian positions at Fort Indiantown Gap after the 1976 study, but prior to the March 1979 decision, it appears that 212 rather than 310 civilian positions would be eliminated by the proposed realinement. This significantly reduces the estimated annual savings.

The 1976 study showed that 612 authorized civilian positions at the fort would be affected by the proposed realinement and that 331 positions would be eliminated. Thus, after realinement, the authorized strength would be 281 positions. Of these, 270 would be assigned to Fort Meade and 11 would remain at Fort Indiantown Gap.

Since the 1976 study, and prior to the March 1979 decision, the number of authorized civilian positions in the affected units had been reduced from 612 to 514. The reduced authorized positions of 514, minus the after-realinement strength of 281, results in an elimination of 233 positions from the affected units. Because 21 of the positions were rehired, the net elimination would be 212 rather than 310.

### BUDGETED COSTS EXCEEDED ACTUAL COSTS BY $1 MILLION

The study documentation showed that fiscal year 1976 budgeted costs of about $24 million were compared to estimated after-realinement costs to determine the estimated annual savings. This is reasonable as long as the actual costs do not vary significantly from the budgeted costs. At the time of the decision, however, the Army knew that for the affected units, the fiscal year 1976 actual costs were about $1 million less than the budgeted costs. Nonetheless, it directed that the study be updated in 1977 using the higher budgeted costs. Thus, the Army knew that the savings shown in the study could be significantly overstated. Its rationale was that to have used the actual costs for the base year would have required a complete revision of the study rather than a simpler updating.

The annual savings were estimated to be about $2.9 million on the basis of budgeted costs. We believe it would have been prudent to have determined the cause of the variance between budgeted and actual costs and disclosed any significant effect on the estimated annual savings.

### THE STUDY UNDERSTATED AFTER-REALINEMENT COSTS

The base year costs contained in the study included costs for support of the Command and General Staff Officers School, the Military Occupational Specialty School, and the Noncommissioned Officer Academy. The study indicates that the after-action workload excludes these schools because they would be relocated to other installations. Army Forces Command officials stated the study shows no costs after realinement for these schools because a decision has not been made as to where the schools would be located.

Army officials agreed the costs to operate, after realinement, were understated because some adjustment should have been made to reflect the costs to support the schools. They stated, however, that the amount of such costs would depend upon where the schools were located. Therefore, they did not attempt to estimate the costs.

### INAPPROPRIATE DETERMINATION OF PROJECTED ENGINEERING COSTS

To project the after-realinement costs for the Adjutant General of Pennsylvania to operate the base, Army officials determined the base operations costs per staff-year for 1976 based on 1975 costs, adjusted for inflation. They then applied this figure to the estimated training staff-years to be supported by the Adjutant General of Pennsylvania after realinement. This procedure appears acceptable except for the following questionable actions:

Pennsylvania National Guard units on base were included in the total 1976 workload units in determining the engineering cost. However, these units were excluded in the determination of total after-realinement costs to be incurred by the Adjutant General of Pennsylvania.

Fort Indiantown Gap garrison activities were included in the 1976 workload units (as above), but the Adjutant General units expected to perform the garrison functions after the realinement were excluded in the computation of after-realinement costs.

The Adjutant General of Pennsylvania provides most of its own engineering services and therefore did not receive a proportionate share of the engineering support provided in 1976. Additionally, the Adjutant General reimbursed the Army for utilities—the primary engineering support received. Therefore, we believe the Adjutant General workload and the reimbursement for utilities should have been excluded from the staff-year cost determination. Also, to reflect the total engineering costs to be incurred by the Adjutant General after the realinement, the 182 additional Adjutant General employees taking over the garrison function should be included in the after-realinement cost determination.

The effect of these actions were to underestimate the costs to operate after the realinement and consequentially overstate the estimated annual savings by about $1.3 million.

### OTHER MATTERS WHICH COULD AFFECT ESTIMATED SAVINGS

Our review also disclosed several other cost factors on which the Army and the Adjutant General of Pennsylvania have not agreed. The differences should be resolved to provide a sound basis for a decision on the proposed realinement. Some of the factors are:

The number of civilian employees needed by the Adjutant General of Pennsylvania to assume responsibility for the garrison function at the fort. The Army Inspector General recommended 214 positions. The Army, however, allowed only 182 positions.

The number of civilian employees needed at Fort Meade. Fort Indiantown Gap officials believe that the estimated costs at Fort Meade after realinement are not adequate for the part-time employees needed to support the annual training workload. Fort Meade officials have already indicated they need at least 27 additional employees to handle the projected workload.

The cost of troops' rations after realinement. Fort Indiantown Gap officials believe that elimination of the Troop Issue Commissary will result in more than $1 million in costs for troops to obtain rations on the local economy. The Army has acknowledged that about $201,000 in additional costs may result, but it did not include that amount in the after-realinement costs.

The exclusion of various miscellaneous costs. Fort Indiantown Gap officials said that various miscellaneous costs totaling approximately $400,000 annually have not been included in after-realinement costs.

On May 18, 1979, we briefed your staff and advised them that we believed the Army study should be revised before committing additional resources to the question of whether the decision was economically justified. We also discussed these matters with Department of the Army officials who acknowledged the need for significant revisions to the study. Pending revisions, they have suspended action on the move. They also voided previously ordered reductions in authorized spaces at the fort which were to have been made by the end of fiscal year 1979 in anticipation of the realinement.

Army officials informed us on July 23, 1979, that they were still assessing the Fort Indiantown Gap situation and that you will be informed of their decision through their established congressional liaison procedures.

This letter report is also being sent today to the Chairman, Subcommittee on Military Installations and Facilities, House Committee on Armed Services.

We will be glad to discuss these matters further with you if you wish.

Sincerely yours,
ELMER B. STAATS,
*Comptroller General*
*of the United States.*●

● Mr. EDGAR. Mr. Chairman, as chairman of the Northeast-Midwest Congressional Coalition, I am vitally interested in and committed to the effective implementation of this administration's **urban** policies. It is a matter of grave concern to me that the Defense Department continues to disregard the importance of these urban initiatives to the detriment of this Nation's economic health and its military preparedness.

Of particular concern to me is the way in which the Defense Department has disregarded the administration's policy which directs Federal agencies to locate and maintain facilities in central cities, and whenever possible, in distressed cities. Out of the recognition that the Defense Department must consider national security as its first concern, the Defense Department is exempt from complying with the General Services Administration's regulations implementing Executive Order 12072, "Federal Space Management." The Defense Department, however, has been directed to comply with this policy whenever possible. In other words, the administration—and up until now—Congress have relied on the Defense Department to comply with these policies given the constraints and priorities of national defense.

The priorities set by the administration in these years of serious inflation and impending recession were designed to recognize that the long-term consequences of abandoning urban centers and distressed cities for new locations, based on short-term cost considerations, were disastrous not only to the economy but indirectly to the Federal Government as well. The Federal Government, as well as State and local governments, pay increased income maintenance costs in terms of unemployment compensation, food stamps, and housing subsidies. Yet despite the importance of this urban initiative requiring agencies to place facilities in areas of high unemployment and central cities, and despite clear instances where national security issues were not involved, the Defense Department has shown virtually a complete disregard for the importance of this policy to the Nation.

In March of this year the Defense Department announced a list of proposed base realinements which represented a loss of 8,717 military and civilian jobs from our region. They totaled 62.5 percent of all job losses announced by the Defense Department. More significantly, these job losses continue a trend that began stripping our region of military personnel and installations in the early 1950s. This pattern of declining defense jobs. payroll, and construction in the northeast-midwest region has increased unemployment and exacerbated economic problems. President Carter assured the chairman of the Northeast-Midwest Congressional Coalition in June of 1978 that—

> Every decision concerning mission consolidation must be based on thorough, impartial and well reasoned evaluation of the merits of each case.

And that—

> The evaluations should take into account not only the military missions and total federal cost savings, *but also the environmental and economic impacts on the affected communities*. (Emphasis added.)

Despite this commitment from President Carter on behalf of his administration, the Defense Department has not been following these established impact assessment procedures required for base realinements. The Committee on Appropriations, for example, in their report accompanying the military construction appropriations bill, fiscal year 1980 (H.R. 4391) pointed out numerous deviations from these established procedures. The committee specifically noted the Defense Department's "failure to file the environmental impact statement required under existing law and general provision in the military construction appropriations acts."

The Military Construction Authorization Act of 1980 specifically requires the Defense Department to prepare environmental impact statements for a number of announced base realinements. However, the existing language does not include the requirements that the impact statement place special emphasis on socioeconomic factors in the affected area for Fort Dix, as it does in the case of other realinements.

Representative FRANK THOMPSON is prepared to introduce an amendment to H.R. 3947 which would correct this deficiency. We urge you to support the Thompson amendment to the military construction authorization bill.

This is just one example out of many, of Defense Department's failure to seriously consider the impact of their realinement and location decisions on the socioeconomic fabrics of our Nation. Some of the realinement decisions announced in March of 1979, which will leave a trail of underutilized and abandoned facilities throughout the Northeast and Midwest, were undoubtedly justified on national security grounds, some, perhaps many of them, were not. Taken together they parallel similar patterns of civilian agency and industry's decisions to locate facilities on the basis of shortrun cost savings—policies that this administration has committed itself to reversing. Rather than maintaining and upgrading many Northern and Midwestern facilities, the Defense Department has neglected them and then used their deteriorated condition to justify expansion of facilities elsewhere. In some cases, "the preferred alternative" of a Southern climate and proximity of friends has been the determining factor.

The clearest example of this refusal to take the urban policy of locating and maintaining facilities in distressed central cities into consideration is the Defense Logistics Agency's decision to consolidate the Atlanta and Philadelphia Defense Contract Services Administration's regional offices in Atlanta.

This consolidation is being undertaken:

Despite the fact that the Philadelphia office employs 406 persons in its regional office, 31 percent of which are minorities and 61 percent of which are women, compared to Atlanta's work force of 257:

Despite the fact that the Philadelphia office has the highest efficiency rating of the existing nine offices, compared with Atlanta, which has the least efficient rating in three out of five mission areas;

Despite the fact that the Philadelphia office administers two-thirds of the present contracts, most of which are in the Philadelphia area; and

Despite the fact that the Philadelphia office is located in a distressed central city—the Atlanta office is located in a suburb outside of Atlanta, with no public transportation system from the central area of Atlanta to the office.

The Defense Logistics Agency justified its decision to locate the office at Atlanta for three reasons, none of which concern military preparedness or national security: First, merger at Atlanta results in a greater 6-year discounted cost savings, second, Atlanta is centrally located; and third, Atlanta has better facilities and a lower consumer price index.

On closer examination, however, these reasons reflect several inconsistencies:

First. The original cost-analysis showed that consolidation in Atlanta would result in a $600,000 savings over merger at Philadelphia. The cost-analysis, however, was so riddled with errors that correction of them resulted in a cost advantage of $924,000 to Philadelphia. As a result, the Defense Logistics Agency agreed to revise the original cost-analysis. The revision corrected the errors, but concluded that Atlanta represented a savings of $5 million to the Federal Government. After another round of protests from the Philadelphia office, Congressman DOUGHERTY, and me, the revision was changed and two major errors corrected. But the cost-savings showed a higher savings represented by Atlanta—in this case, $149,000. We have again found errors in the final re-analysis and have asked the General Accounting Office to evaluate the validity and objectivity of the final figures.

Correction for just one of these errors would show a net savings to Philadelphia. The first cost-analysis had used actual grade levels at the offices to derive the civilian personnel savings, the final revision used an average of civilian personnel savings rates in New York, Philadelphia, and Atlanta. This biased the figures in Atlanta's favor since Atlanta has the highest average and Philadelphia has the lowest average grade. If the Defense Logistics Agency had not averaged the civilian personnel figures, its latest study would show Philadelphia having an annual cost advantage of about $275,000 rather than Atlanta having a $9,000 advantage.

Second. Atlanta is centrally located. If geography is the sole consideration, Atlanta is more centrally located, but it is an irrelevant factor. When considering the distribution of workload, Philadelphia is more centrally located, as two-thirds of the proposed new region's workload are located within a 200-mile radius of Philadelphia.

Third. Atlanta has better facilities and a lower consumer price index. The Atlanta office is located in former Lockheed plant in Marietta, Ga., a suburb of Atlanta. The facilities in Philadelphia, which are located in that distressed city, are adequate but not as desirable, according to the Defense Logistics Agency.

The Defense Logistics Agency set forth as one of its reasons for choosing Atlanta over Philadelphia precisely the bias for the "preferred alternative" that this administration has committed itself to reverse. Not only that, it proposes to do so by sacrificing the efficiency of its mission by abandoning its most efficient office for one of its least efficiently run offices. Although the cost-analysis does not reflect it, the office with the lowest average grade will be closed down and the office with the highest average grade of civilian personnel will be expanded. Furthermore by deciding to consolidate the offices in a suburban location "with a relatively low unemployment rate," the Defense Logistics Agency faces problems in filling the 200 positions necessary to staff the expanded office. No public transportation is available from downtown Atlanta to the Marietta site. In contrast to Atlanta, Philadelphia has had an average unemployment rate of 11.6 percent over the last 2 years.

Although the Defense Logistics Agency maintains that the decision will be made on the basis of the cost-analysis—which officially favors consolidation at Atlanta—this cost-analysis has lost credibility and appears to be a justification for a "preferred alternative" rather than an objective appraisal. Revised twice, so far, and currently under the General Accounting Office's investigation, the savings attributed to Atlanta has dropped from a high of $5 million to a mere $200,000 for the 6-year period.

As chairman of the Northeast-Midwest Congressional Coalition, I urge my colleagues to bear in mind the Defense Department's irresponsible and cavalier disregard for policies designed to protect and strengthen this country. The Defense Department must no longer be allowed to disregard our administration's own recognition of the costs to the Federal Treasury of such actions. When national security issues are not compelling, the Defense Department must not be allowed to justify preferences as to location under the guise of saving the government money or under a smokescreen of "national security" issues, which will not bear up under congressional scrutiny. Military construction authorization and appropriations should receive the closest attention. The time to reverse the long-standing trend of abandonment of existing facilities is now.●

● Mr. CORRADA. Mr. Chairman, we are considering today H.R. 3947, the Military Construction Authorization Act, a bill to authorize certain constructions at military installations for fiscal year 1980.

On June 18, 1979, the House passed H.R. 4391, the military construction appropriation bill, 1980. In the committee report for this bill and in the State list for the military construction program for fiscal year 1980, three projects were included for the district of Puerto Rico, to wit:

First. Navy: Naval Station, Roosevelt Roads: Solar.

Second. Army National Guard: Arecibo 150-person armory.

Third. Air National Guard: Puerto Rico IAP: Alter fuel system maintenance dock.

I fully support and endorse the construction of these projects. Furthermore, in the summary of the construction authority approved for fiscal year 1980, as it appears in the committee report for H.R. 3947, military construction authorization bill, these projects were also included. I am pleased by the action taken by the committee.

To my surprise, I have been advised that the National Guard Bureau (NGB) is planning to defer to fiscal year 1981 the already approved and above mentioned 150-person armory in Arecibo.

With the legislative background of this bill as well as that of H.R. 4391, the appropriation bill, it is clear that Congress has mandated that these projects be constructed during fiscal year 1980, if not then they would have been deleted from these lists.

This is a problem that I believe the NGB is in good position of solving. Some expectations have been created and I should say that the city of Arecibo has leased the land, in which this 150-person armory will be constructed, and has been paying for it for over 2 years. It is not fair that at the last minute and after various efforts were placed to expedite the final approval of this construction project, the NGB has reversed itself and now wants to postpone it once more. This project has been deferred by the NGB on a previous occasion.

The Puerto Rico National Guard, as I have been advised, has complied with all of the Bureau's requirements, including the time schedules for submitting plans and specifications. For these reasons I, in all fairness, believe that the NGB should reconsider their decision and should order the approval of this 150-person armory for fiscal year 1980. The House has already appropriated the necessary funds for this project and after this bill is passed the NGB will have the necessary authority to go ahead with the construction projects.

As I have stated, I support and endorse these projects and in particular the 150-person armory for the city of Arecibo, Puerto Rico.

I urge you to vote for this bill.●

Mr. NEDZI. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the bill by titles.

The Clerk read as follows:

### H.R. 3947

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Military Construction Authorization Act, 1980".

### TITLE I—ARMY

### AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

### INSIDE THE UNITED STATES

### UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $2,900,000.
Fort Campbell, Kentucky, $16,550,000.
Fort Drum, New York, $690,000.
Fort Greely, Alaska, $820,000.
Fort Hood, Texas, $12,000,000.
Fort Hunter Liggett, California, $2,900,000.
Fort Lewis, Washington, $7,400,000.
Fort Meade, Maryland, $18,500,000.
Fort Ord, California, $17,380,000.
Fort Polk, Louisiana, $26,810,000.
Fort Richardson, Alaska, $4,450,000.
Fort Riley, Kansas, $28,350,000.
Fort Sheridan, Illinois, $1,200,000.
Schofield Barracks, Hawaii, $2,750,000.
Fort Stewart/Hunter Army Air Field, Georgia, $39,900,000.
Yakima Firing Center, Washington, $1,100,000

### UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Camp Perry, Ohio, $1,000,000.
Fort Belvoir, Virginia, $2,420,000.
Fort Benning, Georgia, $7,500,000.
Fort Bliss, Texas, $30,000,000.
Fort Eustis, Virginia, $6,410,000.
Fort Benjamin Harrison, Indiana, $4,450,000.
Fort Knox, Kentucky, $9,750,000.
Fort Leavenworth, Kansas, $1,690,000.
Fort Lee, Virginia, $3,960,000.
Fort Rucker, Alabama, $5,580,000.
Fort Story, Virginia, $2,450,000.
Fort Leonard Wood, Missouri, $6,350,000.

### UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $8,400,000.
Anniston Army Depot, Alabama, $4,850,000.
Badger Army Ammunition Plant, Wisconsin, $650,000.
Crane Army Ammunition Activity, Indiana, $2,490,000.
Detroit Arsenal, Michigan, $4,400,000
Harry Diamond Laboratories, Maryland, $2,800,000.
Dugway Proving Ground, Utah, $520,000.
Indiana Army Ammunition Plant, Indiana, $1,010,000.
Iowa Army Ammunition Plant, Iowa, $2,060,000.
Joliet Army Ammunition Plant, Illinois, $5,800,000.
Kansas Army Ammunition Plant, Kansas, $650,000.
Lake City Army Ammunition Plant, Missouri, $3,800,000.
Letterkenny Army Depot, Pennsylvania, $1,200,000.
Lexington-Blue Grass Army Depot, Kentucky, $1,500,000.
McAlester Army Ammunition Plant, Oklahoma, $1,470,000.
Michigan Army Missile Plant, Michigan, $2,550,000.
Fort Monmouth, New Jersey, $1,650,000.
Newport Army Ammunition Plant, Indiana, $1,550,000.
Picatinny Arsenal, New Jersey, $7,950,000.
Radford Army Ammunition Plant, Virginia, $6,100,000.
Red River Army Depot, Texas, $8,600,000.
Redstone Arsenal, Alabama, $8,500,000.
Riverbank Army Ammunition Plant, California, $1,100,000.
Rock Island Arsenal, Illinois, $5,900,000.
Rocky Mountain Arsenal, Colorado, $6,500,000.
Scranton Army Ammunition Plant, Pennsylvania, $3,750,000.
Seneca Army Depot, New York, $8,350,000.
Sharpe Army Depot, California, $1,650,000.
Sierra Army Depot, California, $770,000.
Tobyhanna Army Depot, Pennsylvania, $10,410,000.
Tooele Army Depot, Utah, $1,050,000.
Volunteer Army Ammunition Plant, Tennessee, $810,000.
Watervliet Arsenal, New York, $1,300,000.
White Sands Missile Range, New Mexico, $5,750,000.
Yuma Proving Ground, Arizona, $4,300,000.

### AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $830,000.
Indiana Army Ammunition Plant, Indiana, $10,490,000.

Lake City Army Ammunition Plant, Missouri, $140,000.

Lone Star Army Ammunition Plant, Texas, $1,890,000.

Longhorn Army Ammunition Plant, Texas, $170,000.

Louisiana Army Ammunition Plant, Louisiana, $670,000.

Milan Army Ammunition Plant, Tennessee, $450,000.

Radford Army Ammunition Plant, Virginia, $67,350,000.

Riverbank Army Ammunition Plant, California, $280,000.

Scranton Army Ammunition Plant, Pennsylvania, $720,000.

### UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $570,000.

Fort Ritchie, Maryland, $7,850,000.

### UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $13,350,000.

### UNITED STATES ARMY HEALTH SERVICES COMMAND

Walter Reed Army Medical Center, District of Columbia, $650,000.

### MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Terminal, New Jersey, $920,000.

Oakland Army Base, California, $1,100,000.

Sunny Point Terminal, North Carolina, $32,540,000.

### OUTSIDE THE UNITED STATES

### KWAJALEIN MISSILE RANGE

National Missile Range, $2,900,000.

### UNITED STATES ARMY FORCES COMMAND

Panama Area, Canal Zone, $26,060,000.

### UNITED STATES ARMY, JAPAN

Okinawa, $2,700,000.

### UNITED STATES ARMY, EUROPE

Germany, various locations, $126,630,000.

### UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND

Various locations, $2,800,000.

### EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Army or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire on October 1, 1980, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

### MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $52,620,000.

### FOREIGN CURRENCY FLUCTUATIONS

SEC. 104. If the estimated cost to complete any construction or acquisition outside the United States authorized for the Army in this Act or in a Military Construction Authorization Act enacted before the date of the enactment of this Act has increased above the amount authorized for such construction or acquisition because of fluctuations in foreign currency exchange rates, the amount authorized shall be deemed increased by the amount necessary to accommodate increased costs for such construction or acquisition resulting from fluctuations in foreign currency exchange rates. The total amount of increases in authorizations under the authority of this section may not exceed $31,434,000.

Mr. NEDZI (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any amendments to title I? If not, the Clerk will read title II.

The Clerk read as follows:

## TITLE II—NAVY

### AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

### INSIDE THE UNITED STATES

### MARINE CORPS

Marine Corps Base, Camp Lejeune, North Carolina, $24,630,000.

Marine Corps Base, Camp Pendleton, California, $14,200,000.

Marine Corps Air Station, Cherry Point, North Carolina, $4,450,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $4,800,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $4,500,000.

Marine Corps Development and Education Command, Quantico, Virginia, $7,300,000.

Marine Corps Air Station, Tustin, California, $3,400,000.

Marine Corps Base, Twentynine Palms, California, $5,700,000.

Marine Corps Air Station, Yuma, Arizona, $4,000,000.

### CHIEF OF NAVAL OPERATIONS

Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $20,330,000.

### COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $150,000.

Naval Amphibious Base, Little Creek, Virginia, $1,670,000.

Naval Submarine Base, New London, Connecticut, $15,850,000.

Naval Station, Norfolk, Virginia, $5,500,000.

Naval Air Station, Oceana, Virginia, $14,700,000.

### COMMANDER IN CHIEF, PACIFIC FLEET

Naval Station, Adak, Alaska, $19,950,000.

Naval Amphibious Base, Coronado, California, $1,600,000.

Naval Air Station, Lemoore, California, $6,300,000.

Naval Magazine, Lualualei, Hawaii, $16,000,000.

Naval Air Station, Miramar, California, $4,050,000.

Naval Air Station, North Island, California, $1,450,000.

Naval Station, San Diego, California, $9,200,000.

Navy Submarine Support Facility, San Diego, California, $3,200,000.

Naval Air Station, Whidbey Island, Washington, $2,650,000.

### CHIEF OF NAVAL EDUCATION AND TRAINING

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $720,000.

Naval Training Center, Great Lakes, Illinois, $6,300,000.

Naval Air Station, Memphis, Tennessee, $1,400,000.

Fleet Antisubmarine Warfare Training Center, Atlantic, Norfolk, Virginia, $1,200,000.

Naval Air Station, Pensacola, Florida, $820,000.

Fleet Training Center, San Diego, California, $8,300,000.

### BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Center, Camp Pendleton, California, $2,050,000.

Naval Regional Medical Center, San Diego, California, $5,900,000.

### CHIEF OF NAVAL MATERIAL

Naval Air Rework Facility, Alameda, California, $3,500,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $2,545,000.

Puget Sound Naval Supply Center, Bremerton, Washington, $1,000,000.

Charleston Naval Shipyard, Charleston, South Carolina, $2,250,000.

Naval Weapons Station, Charleston, South Carolina, $5,000,000.

Polaris Missile Facility Atlantic, Charleston, South Carolina, $7,500,000.

Naval Air Rework Facility, Cherry Point, North Carolina, $750,000.

Naval Weapons Center, China Lake, California, $4,350,000.

Naval Weapons Station, Concord, California, $3,950,000.

Naval Weapons Support Center, Crane, Indiana, $690,000.

Naval Weapons Station, Earle, New Jersey, $7,100,000.

Naval Air Rework Facility, Jacksonville, Florida, $3,600,000.

Navy Fuel Depot, Jacksonville, Florida, $1,400,000.

Portsmouth Naval Shipyard, Kittery, Maine, $6,250,000.

Long Beach Naval Shipyard, Long Beach, California, $8,250,000.

Naval Air Engineering Center, Lakehurst, New Jersey, $700,000.

Navy Ship Parts Control Center, Mechanicsburg, Pennsylvania, $2,400,000.

Naval Supply Center, Norfolk, Virginia, $25,960,000.

Naval Air Rework Facility, North Island, California, $3,200,000.

Naval Air Test Center, Patuxent River, Maryland, $4,540,000.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $7,300,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $1,000,000.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $510,000.

Naval Construction Battalion Center, Port Hueneme, California, $1,200,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $22,650,000.

Naval Ocean Systems Center, San Diego, California, $8,800,000.

Navy Supply Center, San Diego, California, $11,600,000.

Naval Weapons Station, Seal Beach, California, $960,000.

Naval Surface Weapons Center, Solomons Island, Maryland, $860,000.

Mare Island Naval Shipyard, Vallejo, California, $16,220,000.

Naval Weapons Station, Yorktown, Virginia, $2,270,000.

### NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $6,505,000.

### OUTSIDE THE UNITED STATES

### MARINE CORPS

Marine Corps Base, Camp Smedley B. Butler, Okinawa, Japan, $11,700,000.

### OFFICE OF NAVAL RESEARCH

Al Ghardaqa Marine Laboratory, Hurgada, Arab Republic of Egypt, $30,000.

### COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Bermuda, $860,000.

Naval Station, Keflavik, Iceland, $17,650,000.

Naval Station, Roosevelt Roads, Puerto Rico, $1,300,000.

### COMMANDER IN CHIEF, PACIFIC FLEET

Naval Air Facility, Midway Island, $3,900,000.

### NAVAL FORCES EUROPE

Naval Station, Rota, Spain, $6,600,000.

Naval Air Facility, Sigonella, Italy, $9,700,000.

### CHIEF OF NAVAL MATERIAL

Navy Public Works Center, Guam, Mariana Islands, $3,700,000.

### NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Station, Harold E. Holt, Exmouth, Australia, $2,500,000.

### NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, $1,400,000.

### EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire on October 1, 1980, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

### MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $33,325,000.

### AL GHARDAQA MARINE LABORATORY, EGYPT

SEC. 204. The Secretary of the Navy is authorized to expend excess foreign exchange funds in the amount of $580,000 for the construction of a multipurpose marine biological laboratory at the Al Ghardaqa Marine Laboratory, Hurgada, Arab Republic of Egypt.

Mr. NEDZI (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any amendments to title II? If not, the Clerk will read title III.

The Clerk read as follows:

## TITLE III—AIR FORCE

### AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

### INSIDE THE UNITED STATES

### AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $3,740,000.

Kelly Air Force Base, Texas, $6,350,000.

Newark Air Force Station, Ohio, $860,000.

Robins Air Force Base, Georgia, $7,236,000.

Tinker Air Force Base, Oklahoma, $12,100,000.

Wright-Patterson Air Force Base, Ohio, $13,200,000.

### AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $6,500,000.

Eglin Air Force Base, Florida, $5,100,000.

Hanscom Air Force Base, Massachusetts, $8,600,000.

Johnson Space Center, Texas, $12,400,000.

Maui Optical Site, Hawaii, $3,650,000.

White Sands Missile Range, New Mexico, $2,100,000.

### AIR TRAINING COMMAND

Keesler Air Force Base, Mississippi, $840,000.

Lackland Air Force Base, Texas, $5,400,000.

Laughlin Air Force Base, Texas, $4,500,000.

Mather Air Force Base, California, $1,650,000.

Maxwell Air Force Base, Alabama, $6,600,000.

Sheppard Air Force Base, Texas, $2,050,000.

Vance Air Force Base, Oklahoma, $1,500,000.

### ALASKAN AIR COMMAND

Elmendorf Air Force Base, Alaska, $13,400,000.

### MILITARY AIRLIFT COMMAND

Andrews Air Force Base, Maryland, $1,190,000.

Kirtland Air Force Base, New Mexico, $1,500,000.

Little Rock Air Force Base, Arkansas, $510,000.

McChord Air Force Base, Washington, $4,100,000.

Richards-Gebaur Air Force Base, Missouri, $1,100,000.

Scott Air Force Base, Illinois, $10,060,000.

Travis Air Force Base, California, $6,300,000.

### STRATEGIC AIR COMMAND

Castle Air Force Base, California, $5,300,000.

Ellsworth Air Force Base, South Dakota, $17,000,000.

Grand Forks Air Force Base, North Dakota, $4,900,000.

Griffiss Air Force Base, New York, $7,150,000.

Grissom Air Force Base, Indiana, $4,700,000.

K. I. Sawyer Air Force Base, Michigan, $5,200,000.

March Air Force Base, California, $6,600,000.

Minot Air Force Base, North Dakota, $5,100,000.

Offutt Air Force Base, Nebraska, $2,190,000.

Vandenberg Air Force Base, California, $52,300,000.

Various Locations, $14,200,000.

### TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $7,850,000.

Cannon Air Force Base, New Mexico, $5,750,000.

Davis-Monthan Air Force Base, Arizona, $5,540,000.

England Air Force Base, Louisiana, $6,390,000.

George Air Force Base, California, $18,350,000.

Holloman Air Force Base, New Mexico, $4,200,000.

Homestead Air Force Base, Florida, $8,370,000.

MacDill Air Force Base, Florida, $2,350,000.

Moody Air Force Base, Georgia, $4,140,000.

Mountain Home Air Force Base, Idaho, $60,000.

Nellis Air Force Base, Nevada, $3,690,000.

Shaw Air Force Base, South Carolina, $2,780,000.

### AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $1,950,000.

### OUTSIDE THE UNITED STATES

### AEROSPACE DEFENSE COMMAND

Thule Air Base, Greenland, $3,150,000.

### AIR FORCE SYSTEMS COMMAND

Mahe Tracking Station, Seychelle Islands, $550,000.

Various locations, $2,350,000.

### MILITARY AIRLIFT COMMAND

Roberts International Airport, Liberia, $4,950,000.

### PACIFIC AIR FORCES

Kadena Air Base, Japan, $1,100,000.

Kunsan Air Base, Korea, $4,010,000.

Osan Air Base, Korea, $20,080,000.

Taegu Air Base, Korea, $510,000.

### TACTICAL AIR COMMAND

Howard Air Force Base, Canal Zone, $6,185,000.

### UNITED STATES AIR FORCES IN EUROPE

Germany, various locations, $16,640,000.

United Kingdom, various locations, $14,920,000.

Various locations, $40,370,000.

### EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. The authorization will expire on October 1, 1980, except for those public works projects concerning which the Committees on Armed

Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

### MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $28,960,000.

### FOREIGN CURRENCY FLUCTUATIONS

SEC. 304. If the estimated cost to complete any construction or acquisition outside the United States authorized for the Air Force in this Act or in a Military Construction Authorization Act enacted before the date of the enactment of this Act has increased above the amount authorized for such construction or acquisition because of fluctuations in foreign currency exchange rates, the amount authorized shall be deemed increased by the amount necessary to accommodate increased costs for such construction or acquisition resulting from fluctuations in foreign currency exchange rates. The total amount of increases in authorizations under the authority of this section may not exceed $4,067,00.

SEC. 305. (a) Section 301 of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 555), is amended by striking out "$74,738,000" in the item relating to the authorization for acquisition and construction at various locations for the United States Air Forces in Europe and inserting in lieu thereof "$61,838,000".

(b) Section 602(3) of such Act is amended by striking out "$102,846,000" and "$485,869,000" and inserting in lieu thereof "89,946,000" and "$472,969,000", respectively.

SEC. 306. (a) Section 301 of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1357), is amended—

(1) by striking out "$38,000,000" in the item relating to the authorization for acquisition and construction at various locations for the United States Air Forces in Europe and inserting in lieu thereof "$31,600,000"; and

(2) by striking out "$13,180,000" in the item relating to Nuclear Weapons Security and inserting in lieu thereof "$12,480,000".

(b) Section 602(3) of such Act is amended by striking out "$56,650,000" and "$736,409,000" and inserting in lieu thereof "$49,550,000" and "$729,309,000", respectively.

Mr. NEDZI (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

### COMMITTEE AMENDMENTS

Mr. NEDZI. Mr. Chairman, I offer committee amendments, and I ask unanimous consent that the committee amendments be considered en bloc, and that they be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

Committee amendments: Page 23, after line 15, insert the following new section:

SEC. 307. Section 301 of the Military Construction Authorization Act, 1975 (Public Law 93–552; 88 Stat. 1754), is amended by striking out "$9,000,000" in the item relating to the authorization for acquisition and construction for the Aerospace Corporation at Los Angeles, California, and inserting in lieu thereof "$20,500,000."

Page 29, line 16, strike out "and in no case" and all that follows through "authority," on line 18.

Page 32, line 18, strike out "exchange of Government-owned,".

Page 49, strike out lines 5 through 7 and insert in lieu thereof the following:

"The authority of the Secretary to obligate funds under this section shall be effective only to the extent that appropriated funds are available for that purpose.".

Page 53, line 11, insert "both places it appears" before "and inserting".

Page 53, strike out lines 13 and 14 and insert in lieu thereof the following:

### PREPARATION OF ENVIRONMENTAL IMPACT STATEMENTS WITH RESPECT TO CERTAIN BASE CLOSURES

Page 53, line 17, insert "(a)" after "Sec. 810.".

Page 53, after line 22, insert the following:

(b) No action with repsect to the closure of, or the realinement of, the Air Training Command at Goodfellow Air Force Base, San Angelo, Texas, may be taken unless and until the Secretary of the Air Force has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement. Such environmental impact statement shall place special emphasis on socio-economic factors in San Angelo, Texas, and the surrounding area.

(c) No action with respect to the closure of, or the realinement of, Fort Indiantown Gap, Annvillle, Pennsylvania, may be taken unless and until the Secretary of the Army has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement. Such environmental impact statement shall place special emphasis on socio-economic factors in the affected area.

(d) No action with respect to the closure of, or the realinement of, New Cumberland Army Depot, New Cumberland, Pennsylvania, may be taken unless and until the Secretary of the Army has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement. Such environmental impact statement shall place special emphasis on socio-economic factors in the affected area.

(e) No action with respect to the closure of, or the realinement of, Fort Monroe, Hampton, Virginia, may be taken unless and until the Secretary of the Army has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement. Such environmental impact statement shall place special emphasis on socio-economic factors in the affected area.

The committee amendments were agreed to.

### AMENDMENTS OFFERED BY MR. PRICE

Mr. PRICE. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. PRICE: Page 19, line 6, strike out "$52,300,000" and insert in lieu thereof "$109,300,000".

Page 33, line 10, strike out "$338,596,000" and insert in lieu thereof "$395,596,000".

Page 33, line 12, strike out "$486,438,000" and insert in lieu thereof "$543,438,000".

Mr. PRICE. Mr. Chairman, this amendment authorizes $57 million for the construction of four MX system test facilities at Vandenberg Air Force Base.

The President has determined that we should have an initial operating capability (IOC) of the MX by mid-1986, and an initial testing of the MX in January 1983. To meet these objectives, it is necessary that authorization and funds be made available in this calendar year for the four projects.

Advertisement and award of construction contracts need to begin in February 1980 so that construction, equipment installation and checkout are completed before the first scheduled flight test in January 1983. Otherwise, the schedule will slip and the Department of Defense will be faced with either making a production decision on the missile without the benefit of adequate testing or delaying the production decision beyond mid-1983. Such a delay would result in the mid-1986 IOC being slipped by 7 months.

The national security requirements of the United States argue strongly against any further slip in the MX IOC. The Congress passed legislation earlier this year stating that deployment of an MX system at the earliest practicable date is vital to the security of the United States. This amendment carries out the intent of the statement by Congress.

The amendment has been requested by the Department of the Air Force, concurred in by the Department of Defense, and submitted to the House Armed Services Committee. Following a hearing by the Subcommittee on Military Installations and Facilities, it is now being brought to the House for consideration.

The $57 million authorization is for the construction of integrated test facilities, a missile assembly building, a mechanical maintenance facility and related roads and utilities. All of the projects are at adequate design levels; therefore, cost estimates are considered solid.

I want to stress that these projects were originally planned for inclusion in the fiscal year 1981 military construction program, because the 1980 program was submitted before the President made his MX decision. The projects are being advanced to the fiscal year 1980 program. A corresponding reduction of $57 million is being made in the fiscal year 1981 program that will be submitted to Congress.

There is no increase in the total cost over the life of the MX program. Construction authorization for four test facilities is merely being moved up 1 year to avoid a slip in the planned IOC of the system.

Even with the $57 million addition, the total authorization in H.R. 3947 will remain $25,587,000 below the requested authorization of $3,868,836,000.

The amendment adjusts the Vandenberg Air Force Base installation total by $57 million and makes a corresponding adjustment in the Air Force title total.

I urge its adoption.

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Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the

gentleman for yielding. I want to express my support for the amendment offered by the gentleman from Illinois (Mr. Price). The President has asked for an operational capability for the MX missile system by 1986, which means we will have to start test flights in 1983. With debate scheduled soon on the SALT II treaty in the Senate, we should be forthright in indicating our intent to proceed with this system right now. The Air Force feels it can handle the tests at Vandenberg on the schedule requested by the President; I urge my colleagues to vote for the amendment.

Mr. PRICE. I appreciate the gentleman's support, and the gentleman's statement is absolutely correct.

Mr. NEDZI. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Michigan.

Mr. NEDZI. I thank the gentleman for yielding. On behalf of the subcommittee, I would like to say we have held the hearings on this problem and have no objection to the amendment.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Alabama.

Mr. DICKINSON. I thank the gentleman for yielding.

Mr. Chairman, I would just like to say that I support the amendment. This is in large measure for buildings to accommodate the building of the MX missile. But in the testimony that came before our committee, there was an indication that the Air Force might ultimately take money out of the research and development account to fund this shortfall. I made the statement at the time that as the ranking member of the Research and Development Subcommittee, I would oppose that being the source to fund this. If the Air Force needs military construction funds and they believe they have to reduce funds in some other account so that they don't raise the overall budget, then let them choose another source. I just want to go on record right now as saying I do not favor and would oppose funding this additional sum by taking it out of research and development. We have already scrubbed the R. & D. program as much as any program can be and still be a viable and effective program.

I support the amendment, but I want the Air Force to be on notice that it is not coming out of R. & D., if I can help it.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words. I rise just briefly in opposition to the amendment. I do not think we need the MX missile. I think we have got enough weapons to kill everybody in the world 100 times over. And to embark on this program, for those who worry about Government spending and inflation, we are talking about a long-range program that is going to cost billions upon billions upon billions of dollars. The only way we know it will work if it ends up killing somebody, so I will vote no on the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois (Mr. Price).

The amendments were agreed to.

The CHAIRMAN. Are there further amendments to title III? If not the Clerk will read.

The Clerk read as follows:

## TITLE IV—DEFENSE AGENCIES

### AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

Sec. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition or construction:

### Inside the United States

### DEFENSE LOGISTICS AGENCY

Defense Depot, Memphis, Tennessee, $670,000.

Fuel Terminal Ozol, California, $3,650,000.

Fuel Terminal, Escanaba, Michigan, $600,000.

### DEFENSE MAPPING AGENCY

Defense Mapping Agency Hydrographic/Topographic Center, Bethesda, Maryland, $825,000.

### OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Fort Belvoir, Virginia, $2,800,000.

### Outside the United States

### DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Wake Island Air Force Base, $11,400,000.

### Office of the Secretary of Defense

### DEPARTMENT OF DEFENSE OFFICE OF DEPENDENTS' EDUCATION

Alconbury Royal Air Force, United Kingdom, $2,340,000.

Atsugi Naval Air Facility, Japan, $580,000.

Bad Hersfeld, Germany, $770,000.

Baumholder, Wetzel Housing Area, Germany, $1,920,000.

Grafenwoehr, Germany, $1,640,000.

Keflavik Naval Air Station, Iceland, $1,700,000.

Ludwigsburg, Germany, $570,000.

Pruem Air Station, Germany, $1,000,000.

Schwaebisch Gmuend, Germany, $575,000.

Seoul, Yongsan, Korea, $3,290,000.

Soesterberg, Camp New Amsterdam, Netherlands, $3,300,000.

Yokota East Air Base, Japan, $2,450,000.

### NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

Various locations: For the United States' share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area, $150,000,000. Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States for the United States' share of the cost of such multilateral programs.

### EMERGENCY CONSTRUCTION

Sec. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000. The Secretary of Defense, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public works undertaken under this section, including real estate actions pertaining thereto.

### MINOR CONSTRUCTION

Sec. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $5,250,000.

### FOREIGN CURRENCY FLUCTUATIONS

Sec. 404. If the estimated cost to complete any construction or acquisition outside the United States authorized for the defense agencies in this Act or in a Military Construction Authorization Act enacted before the date of the enactment of this Act has increased above the amount authorized for such construction or acquisition because of fluctuations in foreign currency exchange rates, the amount authorized shall be deemed increased by the amount necessary to accommodate increased costs for such construction or acquisition resulting from fluctuations in foreign currency exchange rates. The total amount of increases in authorizations under the authority of this section may not exceed $9,377,000.

### DEFICIENCY AUTHORIZATION FOR HIGH ENERGY LASER FACILITY, WHITE SANDS, NEW MEXICO

Sec. 405. (a) Section 401 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358), is amended by striking out "$33,449,000" in the item relating to the High Energy Laser Facility at White Sands, New Mexico, and inserting in lieu thereof "$40,749,000".

(b) Section 602(4) of such Act is amended by striking out "$55,909,000" and inserting in lieu thereof "$63,209,000".

Sec. 406. (a) Section 401 of the Military Construction Authorization Act, 1979 (Public Law 95–356; 92 Stat. 576), is amended by striking out "$120,000,000" in the item relating to North Atlantic Treaty Organization Infrastructure and inserting in lieu thereof "$140,000,000".

(b) Section 602(4) of such Act is amended by striking out "$217,610,000" and inserting in lieu thereof "$237,610,000".

Mr. NEDZI (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any amendments to title IV? If not, the Clerk will read.

The Clerk read as follows:

## TITLE V—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

### AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

Sec. 501. (a) The Secretary of Defense, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if he, or his designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units: Fort MacArthur, California, two hundred units, $11,500,000.

(d) The amount specified in this section may, at the discretion of the Secretary of Defense, or the Secretary's designee, be increased by 10 per centum, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, design, supervision, inspection, overhead, land acquisition, site preparation, and installation of utilities.

### LEASING OF FAMILY HOUSING

Sec. 502 (a) Section 2686(c) of title 10, United States Code, relating to leases for military family housing, is amended by striking out "$300" in paragraph (1) and inserting in lieu thereof $310".

(b) Section 2675(d) of title 10, United States Code, relating to leases in foreign countries, is amended—

(1) by striking out "$485" and "$850" in the first sentence of paragraph (1) and inserting in lieu thereof "$550" and "$970", respectively; and

(2) by striking out "18,000" in paragraph (2) and inserting in lieu thereof "20,000".

### AUTHORIZATION OF APPROPRIATIONS

Sec. 503. (a) There is authorized to be appropriated for fiscal year 1980 for use by the Secretary of Defense, or the Secretary's designee, for military family housing as authorized by law for the following purposes:

(1) For construction of, or acquisition of sole interest in, family housing, including minor construction, an amount not to exceed $14,500,000, and for planning, an amount not to exceed $900,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payments to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m), an amount not to exceed $1,716,494,000.

(3) For homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), including acquisition of properties, an amount not to exceed $5,000,000.

(b) The amounts authorized to be appropriated in subsection (a) may be increased to the extent additional funds are appropriated to defray increased pay costs associated with actions taken pursuant to law.

Mr. NEDZI (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any amendments to Title V? If not, the Clerk will read.

The Clerk read as follows:

## TTILE VI—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

### WAIVER OF RESTRICTIONS

Sec. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, exchange of Government-owned, purchase, exchange of Government-owned land, or otherwise.

### AUTHORIZATION OF APPROPRIATIONS

Sec. 602. There are authorized to be appropriated for fiscal year 1980 such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V shall not exceed—

(1) for title I: inside the United States $535,370,000; outside the United States $192,524,000; minor construction $52,620,000; for a total of $780,514,000.

(2) for title II: inside the United States $397,080,000; outside the United States $59,340,000; minor construction $33,325,000; for a total of $489,745,000.

(3) for title III: inside the United States $338,596,000; outside the United States $118,882,000; minor construction $28,960,000; for a total of $486,438,000.

(4) for title IV: a total of $214,707,000, including $5,250,000 for minor construction.

(5) for title V: military family housing and homeowners assistance program, $1,736,894,000, including $3,000,000 for minor construction.

### COST VARIATIONS

Sec. 603. (a) Overall Title Total Limitation.—Notwithstanding the provisions of subsections (b), (c), (d), and (g), the total cost of all construction and acquisition in each of titles I, II, III, and IV may not exceed the total amount authorized to be appropriated in that title.

(b) Variations in Installation Totals—Unusual Variations in Cost.—Except as provided in subsections (c) and (d), any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 per centum when inside the United States (other than Alaska or Hawaii), and by 10 per centum when outside the United States or in Alaska or Hawaii, if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) Variations in Installation Totals—Only One Project at an Installation.—When the amount named for any construction or acquisition in title I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (b), the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(d) Variations in Installation Totals—Reports by the Secretary of Defense.—When the Secretary of Defense determines that any amount named in title I, II, III, or IV of this Act must be exceeded by more than the percentages permitted in subsections (b) and (c) to accomplish authorized construction or acquisition, the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from the date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Acts, the provisions of this subsection shall apply to such prior Acts.

(e) Cost and Scope Variations of Individual Projects; Reports to Congress.—No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installation for which the current working estimate is greater than the statutory upper limit for minor construction projects, may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either thirty days have elapsed from the date of submission of such report, or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(f) Annual Report to Congress.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

(g) COST AND FLOOR AREA VARIATIONS—SOLAR ENERGY.—The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In order to equip any project authorized by this Act with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary of Defense may authorize increases in the cost limitations or floor area limitations for such project by such amounts as may be necessary for such purpose. Any increase under this section in the cost or floor area of a project authorized by this Act shall be in addition to any other increase in such cost or variation in floor area limitations authorized by this or any other Act.

### CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; the Naval Facilities Engineering Command, Department of the Navy; or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction authorized in this Act. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business the names of such firms, the total number of separate contracts awarded each firm, and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

### REPEAL OF PRIOR YEAR AUTHORIZATIONS; EXCEPTIONS

SEC. 605. (a) As of October 1, 1980, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment, or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Military Construction Authorization Act, 1979 (Public Law 95-356; 92 Stat. 565), and all such authorizations contained in Acts approved before September 8, 1978, and not superseded or otherwise modified by a later authorization, are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisitions, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1980, and authorizations for appropriations therefor.

(b) Notwithstanding the provisions of subsection (a) of this section and of section 605 of the Military Construction Authorization Act, 1979 (Public Law 95-356, 92 Stat. 583), authorizations for the following items shall remain in effect until October 1, 1981:

(1) Barracks Complex—Trainee construction in the amount of $14,967,000 at Fort Benning, Georgia, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 358).

(2) Brooke Army Medical Center Hospital Alteration in the amount of $10,000,000, at Fort Sam Houston, Texas, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 358).

(3) Reception Station construction in the amount of $5,886,000 at Fort Benning Georgia, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 358).

(4) POMCUS Maintenance Complexes in the amount of $33,768,000 at Kaiserslautern, Pirmasens, Germersheim, Gerzweski Barracks, Mannheim, Miesau, Nahbollenbach, and Neureut Kaserne, all in Germany, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 360).

(5) Morse Training Building construction in the amount of $2,400,000 at Naval Technical Training Center, Pensacola, Florida, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 362).

(6) Medical/Dental Branch Clinic construction in the amount of $4,350,000 at the Navy Regional Medical Center, Pearl Harbor, Hawaii (Naval Station, Midway Island), authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 362).

(7) Relocation of the weapons range from the Culebra Complex in the amount of $12,000,000 for the Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, authorized in section 204 of the Military Construction Authorization Act, 1974 (Public Law 93-166; 87 Stat. 668) and extended in section 605(b) (H) of the Military Construction Authorization Act, 1976 (Public Law 94-107; 89 Stat. 565) and in section 605(b) (4) of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 376).

(8) Municipal Sewer Connection in the amount of $4,150,000 for the Navy Public Works Center, Norfolk, Virginia, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 363).

(9) High Energy Laser Facility construction in the amount of $33,449,000 at White Sands, New Mexico, authorized in section 401 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 369).

### UNIT COST LIMITATIONS

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction project inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $48 per square foot for permanent barracks; or

(2) $52 per square foot for unaccompanied officer quarters;

unless the Secretary of Defense, or the Secretary's designee, determines that, because of special circumstances, application to such project of the limitations on unit cost contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of the enactment of this Act.

### EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 607. Titles I, II, III, IV, and V of this Act shall take effect on October 1, 1979.

Mr. NEDZI (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any amendments to title VI? If not, the Clerk will read.

The Clerk read as follows:

## TITLE VII—GUARD AND RESERVE FORCES FACILITIES

### AUTHORIZATION FOR FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $14,537,000; and

(B) for the Army Reserve, $19,824,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $12,790,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $23,500,000; and

(B) for the Air Force Reserve, $7,500,000.

### WAIVER OF CERTAIN RESTRICTIONS

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

### CONTRIBUTIONS FOR GUARD AND RESERVE FORCES FACILITIES

SEC. 703. (a) Section 2233 of title 10, United States Code, is amended—

(1) by striking out "and" after clause (3);

(2) by striking out the period at the end of clause (4) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(5) contribute to any State or Territory, Puerto Rico, or the District of Columbia, such amounts for the acquisition, construction, expansion, rehabilitation, or conversion by the failure of existing facilities to meet the purposes of this chapter. A contribution made for an armory may not be more than 75 percent of the cost of construction of which it is applied.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

INCREASE IN MAXIMUM CONTRIBUTION FOR GUARD AND RESERVE FORCES FACILITIES WITHOUT NOTIFICATION TO CONGRESS

SEC. 704. Paragraph (1) of section 2233a of title 10, United States Code, is amended by striking out "$100,000" and inserting in lieu thereof "$175,000".

Mr. NEDZI (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any amendments to title VII? If not, the Clerk will read.

The Clerk read as follows:

TITLE VIII—GENERAL PROVISIONS

REVISIONS TO MINOR CONSTRUCTION AUTHORITY

SEC. 801. Section 2674 of title 10, United States Code, relating to minor construction, is amended—

(1) by adding at the end of subsection (b) the following new sentence: "Approvals under the preceding sentence are not required for projects at specified locations that have been identified in the annual military construction program submitted by the Department of Defense to the Committees on Armed Services of the Senate and the House of Representatives."; and

(2) by adding at the end of subsection (f) the following new sentence: "Such notice is not required for projects at specified locations that have been identified in the annual military construction program submitted by the Department of Defense to the Committees on Armed Services of the Senate and the House of Representatives.".

AMENDMENT WITH RESPECT TO DEVELOPMENT OF SOURCES OF ENERGY ON MILITARY LANDS

SEC. 802. Section 803 of the Military Construction Authorization Act, 1979 (30 U.S.C. 1002a), is amended as follows:

(1) The section heading is amended to read as follows:

"DEVELOPMENT OF SOURCES OF ENERGY ON OR FOR MILITARY INSTALLATIONS."

(2) Subsection (b)(1) is amended by inserting "or on private property" after "jurisdiction".

AMENDMENT WITH RESPECT TO USE OF SOLAR ENERGY SYSTEMS

SEC. 803. (a) Section 804 of the Military Construction Authorization Act, 1979 (42 U.S.C. 5504a), is amended by striking out "facilities" and inserting in lieu thereof "buildings that are to be heated or cooled".

(b) Subsections (b) and (c) of such section are amended to read as follows:

(b) The Secretary of Defense shall require that all family housing constructed by the Department of Defense under the authority of this Act or any Act enacted after the date of the enactment of this Act shall include solar energy systems to the extent that engineering analyses demonstrate that the inclusion of such systems is cost effective.

(c) For the purposes of this section, the cost effectiveness of a solar energy system shall be determined by life cycle cost analyses that take into account original investment cost and estimated operation and maintenance over the expected life of the building. Notwithstanding the results of such life cycle cost analyses, solar energy systems shall be installed when the benefit/cost ratio exceeds .80.".

USE OF ROI-NAMUR ISLAND

SEC. 804. (a) The Secretary of Defense may pay to the owners of the land of Roi-Namur Island, Marshall Islands District of the Trust Territories of the Pacific Islands, such amount as the Secretary of Defense determines to be in the public interest for the use after 1960 of Roi-Namur Island by the Government of the United States.

(b) Subsection (a) shall take effect on October 1, 1979, and shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

LAND CONVEYANCE, SAN DIEGO, CALIFORNIA

SEC. 805. (a) The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to acquire, by condemnation or otherwise, all right, title, and interest of the city of San Diego, California (hereinafter in this section referred to as the "city"), in and to a tract of land consisting of 40 acres, more or less, in the Balboa Park in San Diego, California. Land acquired pursuant to this section shall be used as the site for construction of any new Navy hospital or medical center that is authorized to be constructed in the greater San Diego area after the date of the enactment of this Act and for related purposes.

(b) The Secretary is authorized to convey to the city, in consideration for the acquisition under subsection (a), all right, title, and interest of the United States in and to all or any part of the real property (including improvements thereon) of the Naval Regional Medical Center, San Diego, that has been conveyed, leased, or otherwise made available to the United States by the city.

(c) The exact acreage and legal description of any land acquired or conveyed under this section shall be determined by surveys which are satisfactory to the Secretary.

(d) This section shall take effect on October 1, 1979. The authority of the Secretary to enter into contracts under this section shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

LAND CONVEYANCE, TUSTIN, CALIFORNIA

SEC. 806 (a) Subject to subsection (b) the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Irvine Company, a Michigan corporation, all right, title, and interest of the United States in and to a parcel of land consisting of approximately 84 acres located in the northeastern portion of the Marine Corps Air Station (Helicopter), Tustin, California, together with the improvements on such land. Such conveyance shall be made subject to such terms and conditions as the Secretary considers to be in the public interest.

(b) In consideration for the conveyance by the Secretary under subsection (a), the Irvine Company shall—

(1) convey to the United States land and interests in land that the Secretary considers to be equivalent in value to the land conveyed by the Secretary under subsection (a) and that are otherwise acceptable to the Secretary.

(2) pay the costs of relocating the Military Affiliate Radio Station (MARS) radio facilities and the skeet range facilities located on the land conveyed under subsection (a), and

(3) pay all costs of surveys, appraisals, and evidence of title involved in both such conveyances

(c) The exact acreages and legal descriptions of the lands to be conveyed under subsections (a) and (b) shall be determined by surveys which are satisfactory to the Secretary.

(d) The Secretary is authorized to accept any land conveyed under subsection (b), and any such land shall be administered by the Secretary.

LAND CONVEYANCE, HUNTSVILLE, ALABAMA

SEC. 807. (a) Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey, without monetary consideration, to the Alabama Space Science Exhibit Commission (an agency of the State of Alabama) all right, title, and interest of the United States in and to the real property described in subsection (c). Any real property conveyed under the preceding sentence shall be conveyed for use as a permanent site, in addition to the real property conveyed under Public Law 90-276, for the Alabama Space Science Exhibit.

(b) The conveyance authorized by subsection (a) shall be subject—

(1) to the condition that the real property so conveyed shall be used by the State of Alabama as a permanent site for an Alabama Space Science Exhibit to display suitable public exhibits of United States weaponry and allied subjects, developments of the National Aeronautics and Space Administration, and space-oriented exhibits of other United States Government departments, agencies, and instrumentalities and that if such property is not used for such purpose, all right, title, and interest in and to such real property shall revert to the United States, which shall have the right of immediate entry thereon, and

(2) to such other conditions as the Secretary may prescribe to protect the interest of the United States.

(c) (1) The real property referred to in subsection (a) is a certain tract or parcel of land containing 300 acres more or less (less that land occupied on the date of the enactment of this Act by the Department of the Navy), lying within range 1 west, township 4 south, parts of sections 8 and 9, and more particularly described as beginning at the established northeast corner of the Alabama Space and Rocket Center, running east along the Redstone Arsenal northern boundary, thence south along the Redstone Arsenal eastern boundary to a point north of the northwest corner of the intersection of Patton Road and Goss Road, thence west parallel to the north site of Goss Road to MacDonald Creek thence northwesterly parallel to the east bank of the creek to the northern line of the Tennessee Valley Authority easement, thence west along the easement to the Alabama Space and Rocket Center established corner, thence north and east along the Alabama Space and Rocket Center boundary to point of beginning.

(2) The exact description of such property is to be determined by an accurate survey approved by the Secretary.

LAND CONVEYANCE, CHARLESTON, SOUTH CAROLINA

SEC. 808. (a) The Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to acquire by exchange all right, title, and interest of the Charleston County Aviation Authority (hereinafter in this section referred to as the "Authority") in and to a replacement hazardous cargo handling area to be constructed by the Authority at the Charleston County Airport, South Carolina, for the Air Force.

(b) As consideration for the acquisition under subsection (a), the Secretary is authorized to convey to the Authority all right, title, and interest of the United States in and to land (and improvements thereon) having a fair market value not more than the fair market value of the property to be acquired.

(c) The exact acreage and legal descriptions of the properties to be acquired or conveyed under this section shall be determined by surveys which are satisfactory to the Secretary and to the Authority.

### BOLLING AIR FORCE BASE EXTENSION

SEC. 809. Section 607(b) of the Military Construction Authorization Act, 1966 (Public Law 89-188; 79 Stat. 818), is amended by striking out "January 1, 1980" and inserting in lieu thereof "October 1, 1984".

### CLOSURE OF ARMY TRAINING COMMAND AT FORT DIX, NEW JERSEY

SEC. 810. No action with respect to the closure of, or the realinement of, the Army Training Command at Fort Dix, New Jersey, may be taken unless and until the Secretary of the Army complies with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement.

### TECHNICAL AMENDMENTS TO THE MILITARY CONSTRUCTION AUTHORIZATION ACT, 1979

SEC. 811. The Military Construction Authorization Act, 1979 (Public Law 95-356; 92 Stat. 565) is amended as follows:

(1) Sections 102, 202, and 302 are amended by striking out "upon the date of enactment of the Military Construction Authorization Act for fiscal year 1980" and inserting in lieu thereof "on October 1, 1979".

(2) Section 603(a) is amended by striking out "(a), (b), (c)" and inserting in lieu thereof "(b), (c), (d)".

Mr. NEDZI (during the reading). Mr. Chairman, I ask unanimous consent that title VIII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

### AMENDMENT OFFERED BY MR. NEDZI

Mr. NEDZI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NEDZI: Page 53, beginning on line 20, strike out "complies with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement." and insert in lieu thereof "has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realignment. Such environmental impact statement shall place special emphasis on socio-economic factors in the affected area.".

Mr. NEDZI. Mr. Chairman, this merely conforms paragraph (a) of section 810 with paragraphs (b), (c), (d), and (e) and makes the same conditions applicable to Fort Dix as it does to the other installations that have been proposed for deactivation by the Secretary of Defense.

The CHAIRMAN. Are there any further requests for time with respect to the amendment offered by the gentleman from Michigan (Mr. NEDZI)? If not, the question is on the amendment offered by the gentleman from Michigan (Mr. NEDZI).

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to title VIII? If not, under the rule, the Committee rises.

□ 1340

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. PICKLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3947) to authorize certain construction at military installations for fiscal year 1980, and for other purposes, pursuant to House Resolution 332, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it .

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 381, nays 26, not voting 26, as follows:

[Roll No. 597]

YEAS—381

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oberstar
Obey
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—26

Bedell
Bingham
Burton, John
Carr
Chisholm
Derrick
Downey
Edwards, Calif.
Forsythe
Garcia
Holtzman
Kastenmeier
Leland
Maguire
Miller, Calif.
Mitchell, Md.
Moffett
Nolan
Ottinger
Paul
Rangel
Richmond
Roybal
Shannon
Stark
Weiss

NOT VOTING—26

Anderson, Ill.
Andrews, N.C.
Boggs
Bonker
Clay
Conyers
Corcoran
de la Garza
Dellums
Diggs
Flood
Hefner
Leach, La.
McCloskey
Minish
Oakar
Panetta
Rosenthal
Runnels
Scheuer
Stockman
Treen
Whitehurst
Wilson, Bob
Wilson, C. H.
Winn

□ 1350

The Clerk announced the following pairs:

On this vote:

Mr. McCloskey for, with Mr. Dellums against.

Until further notice:

Mrs. Boggs with Mr. Anderson of Illinois.

Mr. Minish with Mr. Stockman.

Mr. Charles H. Wilson of California with Mr. Corcoran.

Mr. Panetta with Mr. Andrews of North Carolina.

Ms. Oakar with Mr. Whitehurst.

Mr. de la Garza with Mr. Conyers.

Mr. Runnels with Mr. Bob Wilson.

Mr. Flood with Mr. Treen.

Mr. Rosenthal with Mr. Scheuer.

Mr. Bonker with Mr. Winn.

Mr. Hefner with Mr. Diggs.

Mr. Clay with Mr. Leach of Louisiana.

Mr. JENRETTE changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. NEDZI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1319) to authorize certain construction at military installations, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

□ 1400

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

### S. 1319

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Military Construction Authorization Act, 1980".

### TITLE I

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

### INSIDE THE UNITED STATES

#### UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $1,250,000.

Fort Campbell, Kentucky, $18,200,000.

Fort Drum, New York, $690,000.

Fort Greely, Alaska, $820,000.

Fort Hood, Texas, $13,650,000.

Fort Hunter Liggett, California, $1,550,000.

Fort Lewis, Washington, $7,400,000.

Fort Meade, Maryland, $18,500,000.

Ford Ord, California, $17,380,000.

Fort Polk, Louisiana, $26,810,000.

Fort Richardson, Alaska, $5,250,000.

Fort Riley, Kansas, $28,350,000.

Fort Sheridan, Illinois, $1,200,000.

Schofield Barracks, Hawaii, $2,750,000.

Fort Stewart/Hunter Army Air Field, Georgia, $39,900,000.

Yakima Firing Center, Washington, $1,100,000.

#### UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Camp Perry, Ohio, $1,000,000.

Fort Belvoir, Virginia, $2,420,000.

Fort Benning, Georgia, $12,800,000.

Fort Bliss, Texas, $30,000,000.

Fort Eustis, Virginia, $6,410,000.

Fort Benjamin Harrison, Indiana, $4,450,000.

Fort Knox, Kentucky, $22,815,000.

Fort Leavenworth, Kansas, $540,000.

Fort Lee, Virginia, $3,960,000.

Fort Rucker, Alabama, $2,080,000.

Fort Story, Virginia, $2,450,000.

Fort Leonard Wood, Missouri, $6,350,000.

#### UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $2,700,000.

Anniston Army Depot, Alabama, $4,850,000.

Badger Army Ammunition Plant, Wisconsin, $650,000.

Corpus Christi Army Depot, Texas, $1,560,000.

Crane Army Ammunition Activity, Indiana, $2,490,000.

Detroit Arsenal, Michigan, $4,400,000.

Harry Diamond Laboratories, Maryland, $2,800,000.

Dugway Proving Ground, Utah, $520,000.

Indiana Army Ammunition Plant, Indiana, $1,010,000.

Iowa Army Ammunition Plant, Iowa, $2,060,000.

Joliet Army Ammunition Plant, Illinois, $5,800,000.

Kansas Army Ammunition Plant, Kansas, $650,000.

Lake City Army Ammunition Plant, Missouri, $3,800,000.

Letterkenny Army Depot, Pennsylvania, $1,200,000.

Lexington-Blue Grass Army Depot, Kentucky, $1,500,000.

McAlester Army Ammunition Plant, Oklahoma, $1,470,000.

Michigan Army Missile Plant, Michigan, $2,550,000.

Fort Monmouth, New Jersey, $1,650,000.

Newport Army Ammunition Plant, Indiana, $1,550,000.

Picatinny Arsenal, New Jersey, $9,750,000.

Radford Army Ammunition Plant, Virginia, $6,100,000.

Red River Army Depot, Texas, $8,600,000.

Redstone Arsenal, Alabama, $7,200,000.

Riverbank Arsenal Ammunition Plant, California, $1,100,000.

Rock Island Arsenal, Illinois, $5,900,000.

Rocky Mountain Arsenal, Colorado, $6,500,000.

Scranton Army Ammunition Plant, Pennsylvania, $3,750,000.

Seneca Army Depot, New York, $8,350,000.

Sharpe Army Depot, California, $1,650,000.

Sierra Army Depot, California, $770,000.

Tobyhanna Army Depot, Pennsylvania, $10,410,000.

Tooele Army Depot, Utah, $1,050,000.

Volunteer Army Ammunition Plant, Tennessee, $810,000.

Watervliet Arsenal, New York, $1,300,000.

White Sands Missile Range, New Mexico, $5,750,000.

Yuma Proving Ground, Arizona, $4,300,000.

#### AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $830,000.

Indiana Army Ammunition Plant, Indiana, $10,490,000.

Lake City Army Ammunition Plant, Missouri, $140,000.

Lone Star Army Ammunition Plant, Texas, $1,890,000.

Longhorn Army Ammunition Plant, Texas, $170,000.

Louisiana Army Ammunition Plant, Louisiana, $670,000.

Milan Army Ammunition Plant, Tennessee, $450,000.

Radford Army Ammunition Plant, Virginia, $67,350,000.

Riverbank Army Ammunition Plant, California, $280,000.

Scranton Army Ammunition Plant, Pennsylvania, $720,000.

#### UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $1,150,000.

Fort Ritchie, Maryland, $7,850,000.

#### UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $13,350,000.

#### UNITED STATES ARMY HEALTH SERVICES COMMAND

Walter Reed Army Medical Center, District of Columbia, $650,000.

#### MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Terminal, New Jersey, $920,000.

Oakland Army Base, California, $1,100,000.

Sunny Point Terminal, North Carolina, $31,290,000.

### OUTSIDE THE UNITED STATES

#### KWAJALEIN MISSILE RANGE

National Missile Range, $2,900,000.

#### UNITED STATES ARMY FORCES COMMAND

Panama Area, Canal Zone, $26,160,000.

#### UNITED STATES ARMY, EUROPE

Germany, Various Locations, $117,990,000.

#### UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND

Various Locations, $2,800,000.

#### EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations; (2) new weapons developments; (3) new and unforeseen research and development requirements; (4) improved production schedules; or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1981, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

#### MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $51,970,000.

### TITLE II

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction.

### INSIDE THE UNITED STATES

#### MARINE CORPS

Marine Corps Logistics Base, Barstow, California, $3,900,000.

Marine Corps Base, Camp Lejeune, North Carolina, $24,630,000.

Marine Corps Base, Camp Pendleton, California, $14,200,000.

Marine Corps Air Station, Cherry Point, North Carolina, $8,410,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $4,800,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $4,500,000.

Marine Corps Development and Education Command, Quantico, Virginia, $7,300,000.

Marine Corps Air Station, Tustin, California, $3,400,000.

Marine Corps Base, Twentynine Palms, California, $5,700,000.

Marine Corps Air Station, Yuma, Arizona, $9,700,000.

### CHIEF OF NAVAL OPERATIONS

Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $14,970,000.

Naval Support Activity, Mare Island, California, $1,050,000.

Trident Submarine Support, Thames River, Connecticut, $5,500,000.

### COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Station, Charleston, South Carolina, $3,600,000.

Naval Amphibious Base, Little Creek, Virginia, $1,670,000.

Naval Submarine Base, New London, Connecticut, $15,850,000.

Naval Air Station, Oceana, Virginia, $14,700,000.

### COMMANDER IN CHIEF, PACIFIC FLEET

Naval Station, Adak, Alaska, $19,950,000.

Naval Amphibious Base, Coronado, California, $1,600,000.

Naval Air Station, Lemoore, California, $6,300,000.

Naval Air Station, Miramar, California, $4,050,000.

Naval Air Station, Moffett Field, California, $860,000.

Naval Air Station, North Island, California, $1,450,000.

Naval Station, San Diego, California, $9,200,000.

Navy Submarine Support Facility, San Diego, California, $3,200,000.

Naval Air Station, Whidbey Island, Washington, $2,650,000.

### CHIEF OF NAVAL EDUCATION AND TRAINING

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $720,000.

Naval Training Center, Great Lakes, Illinois, $6,000,000.

Naval Air Station, Memphis, Tennessee, $4,700,000.

Fleet Anti-Submarine Warfare Training Center, Atlantic, Norfolk, Virginia, $1,200,000.

Naval Air Station, Pensacola, Florida, $820,000.

Fleet Training Center, San Diego, California, $8,300,000.

### BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Center, Camp Pendleton, California, $2,050,000.

### CHIEF OF NAVAL MATERIAL

Naval Air Rework Facility, Alameda, California, $3,500,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $2,545,000.

Puget Sound Naval Supply Center, Bremerton, Washington, $1,000,000.

Charleston Naval Shipyard, Charleston, South Carolina, $2,250,000.

Naval Weapons Station, Charleston, South Carolina, $5,000,000.

Polaris Missile Facility Atlantic, Charleston, South Carolina, $7,500,000.

Naval Air Rework Facility, Cherry Point, North Carolina, $750,000.

Naval Weapons Center, China Lake, California, $4,350,000.

Naval Weapons Station, Concord, California, $3,950,000.

Naval Weapons Support Center, Crane, Indiana, $690,000.

Navy Fuel Depot, Jacksonville, Florida, $1,400,000.

Portsmouth Naval Shipyard, Kittery, Maine, $6,250,000.

Long Beach Naval Shipyard, Long Beach, California, $8,250,000.

Naval Air Engineering Center, Lakehurst, New Jersey, $700,000.

Naval Ordnance Station, Louisville, Kentucky, $1,850,000.

Navy Ship Parts Control Center, Mechanicsburg, Pennsylvania, $2,400,000.

Naval Supply Center, Norfolk, Virginia, $25,960,000.

Naval Air Rework Facility, North Island, California, $3,200,000.

Naval Air Test Center, Patuxent River, Maryland, $4,540,000.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $7,300,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $1,000,000.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $510,000.

Naval Construction Battalion Center, Port Hueneme, California, $1,200,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $12,500,000.

Naval Ocean Systems Center, San Diego, California, $8,800,000.

Navy Supply Center, San Diego, California, $11,600,000.

Naval Weapons Station, Seal Beach, California, $960,000.

Naval Surface Weapons Center, Solomons Island, Maryland, $860,000.

Mare Island Naval Shipyard, Vallejo, California, $16,220,000.

Naval Weapons Station, Yorktown, Virginia, $2,270,000.

### NAVAL TELECOMMUNICATIONS COMMAND

Naval Communications Unit, Cutler, Maine, $950,000.

### NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $6,505,000.

## OUTSIDE THE UNITED STATES

### MARINE CORPS

Marine Corps Base, Camp Smedley D. Butler, Okinawa, Japan, $11,700,000.

### OFFICE OF NAVAL RESEARCH

Al Ghardaqa Marine Laboratory, Hurgada, Arab Republic of Egypt, $30,000.

### COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Bermuda, $860,000.

Naval Station, Keflavik, Iceland, $17,650,000.

Naval Station, Roosevelt Roads, Puerto Rico, $1,300,000.

### NAVAL FORCES EUROPE

Naval Station, Rota, Spain, $6,600,000.

Naval Air Facility, Sigonella, Italy, $9,700,000.

### CHIEF OF NAVAL MATERIAL

Navy Public Works Center, Guam, Mariana Islands, $3,700,000.

### NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Station, Harold E. Holt, Exmouth, Australia, $2,500,000.

### NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, $1,400,000.

### EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations; (2) new weapons developments; (3) new and unforeseen research and development requirements; (4) improved production schedules; or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1981, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

### MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $33,080,000.

### AL GHARDAQA MARINE LABORATORY, EGYPT

SEC. 204. The Secretary of the Navy is authorized to expend excess foreign exchange funds in the amount of $580,000 for the construction of a multipurpose marine biological laboratory at the Al Ghardaqa Marine Laboratory, Hurgada, Arab Republic of Egypt.

## TITLE III

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

## INSIDE THE UNITED STATES

### AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $6,990,000.

Kelly Air Force Base, Texas, $6,350,000.

Newark Air Force Station, Ohio, $860,000.

Robins Air Force Base, Georgia, $10,750,000.

Tinker Air Force Base, Oklahoma, $15,600,000.

Wright-Patterson Air Force Base, Ohio, $15,500,000.

### AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $6,500,000.

Eglin Air Force Base, Florida, $5,100,000.

Hanscom Air Force Base, Massachusetts, $8,600,000.

Johnson Space Center, Texas, $12,400,000.

Maui Optical Site, Hawaii, $3,650,000.

White Sands Missile Range, New Mexico, $2,100,000.

### AIR TRAINING COMMAND

Keesler Air Force Base, Mississippi, $840,000.

Lackland Air Force Base, Texas, $5,400,000.

Laughlin Air Force Base, Texas, $4,500,000.

Mather Air Force Base, California, $1,650,000.

Sheppard Air Force Base, Texas, $2,050,000.

Vance Air Force Base, Oklahoma, $1,500,000.

### ALASKAN AIR COMMAND

Elmendorf Air Force Base, Alaska, $13,400,000.

### MILITARY AIRLIFT COMMAND

Andrews Air Force Base, Maryland, $1,190,000.

Kirtland Air Force Base, New Mexico, $3,470,000.

Little Rock Air Force Base, Arkansas, $510,000.

McChord Air Force Base, Washington, $4,100,000.

Pope Air Force Base, North Carolina, $5,400,000.

Richards-Gebaur Air Force Base, Missouri, $1,100,000.

Scott Air Force Base, Illinois, $10,060,000.

Travis Air Force Base, California, $6,300,000.

### STRATEGIC AIR COMMAND

Castle Air Force Base, California, $3,850,000.

Ellsworth Air Force Base, South Dakota, $17,530,000.

Grand Forks Air Force Base, North Dakota, $4,900,000.

Griffis Air Force Base, New York $8,080,000.

Grissom Air Force Base, Indiana, $4,700,000.

K. I. Sawyer Air Force Base, Michigan, $5,200,000.

March Air Force Base, California, $6,600,000.

Minot Air Force Base, North Dakota, $5,100,000.

Offutt Air Force Base, Nebraska, $2,190,000.

Vandenberg Air Force Base, California, $65,800,000.

Various Locations, $14,200,000.

### TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $7,850,000.

Cannon Air Force Base, New Mexico, $6,480,000.

Davis-Monthan Air Force Base, Arizona, $5,540,000.

England Air Force Base, Louisiana, $6,390,000.

George Air Force Base, California, $18,350,000.

Holloman Air Force Base, New Mexico, $2,600,000.

Homestead Air Force Base, Florida, $9,870,000.

Langley Air Force Base, Virginia, $2,500,000.

MacDill Air Force Base, Florida, $3,120,000.

Moody Air Force Base, Georgia, $1,990,000.

Mountain Home Air Force Base, Idaho, $60,000.

Myrtle Beach Air Force Base, South Carolina, $970,000.

Nellis Air Force Base, Nevada, $3,690,000.

Seymour Johnson Air Force Base, North Carolina, $2,650,000,

Shaw Air Force Base, South Carolina, $2,780,000.

### AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $1,950,000.

### OUTSIDE THE UNITED STATES

### AEROSPACE DEFENSE COMMAND

Thule Air Base, Greenland, $3,150,000.

### AIR FORCE SYSTEMS COMMAND

Mahe Tracking Station, Seychelle Islands, $550,000.

Various Locations, $2,350,000.

### PACIFIC AIR FORCES

Kadena Air Base, Japan, $1,100,000.

Kunsan Air Base, Korea, $4,010,000.

Osan Air Base, Korea, $20,080,000.

Taegu Air Base, Korea, $510,000.

### TACTICAL AIR COMMAND

Howard Air Force Base, Canal Zone, $4,500,000.

### UNITED STATES AIR FORCES IN EUROPE

Germany, Various Locations, $13,990,000.

United Kingdom, Various Locations, $22,520,000.

Various Locations, $7,170,000.

### EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations; (2) new weapons developments; (3) new and unforeseen research and development requirements; (4) improved production schedules; or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1981, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

### MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $29,310,000.

SEC. 304. (a) Section 301 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 368), is amended by striking out "$97,905,000" in the item relating to the authorization for acquisition and construction at various locations under the heading "United States Air Forces in Europe" and inserting in lieu thereof "$77,905,000".

(b) Section 602(3) of such Act is amended by striking out "$147,942,000" and "$421,249,000" and inserting in lieu thereof "$127,942,000" and "$401,249,000", respectively.

### DEPARTMENT OF DEFENSE SHARE FOR WATER POLLUTION CONTROL FACILITIES

SEC. 305. There is authorized to be appropriated, in accordance with section 808 of this Act, the sum of $2,400,000 for the Department of Defense share for the upgrading of the waste treatment facility that serves Little Rock Air Force Base, Little Rock, Arkansas.

## TITLE IV—DEFENSE AGENCIES

### AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition or construction:

### INSIDE THE UNITED STATES

### DEFENSE LOGISTICS AGENCY

Defense Depot, Memphis, Tennessee, $670,000.

### DEFENSE MAPPING AGENCY

Defense Mapping Agency Hydrographic/Topographic Center, Bethesda, Maryland, $825,000.

### OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Fort Belvoir, Virginia, $2,800,000.

### OUTSIDE THE UNITED STATES

### DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Wake Island Air Force Base, $11,400,000.

### DEFENSE MAPPING AGENCY

Various Locations, Panama Canal Zone, $2,600,000.

### OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE OFFICE OF DEPENDENTS SCHOOLS

Atsugi Naval Air Facility, Japan, $580,000.

Keflavik Naval Air Station, Iceland, $1,700,000.

Misawa Air Base, Japan, $5,070,000.

Seoul, Yongsan, Korea, $3,290,000.

Yokota East Air Base Japan, $2,450,000.

### NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

Various Locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area, $200,000,000: Within thirty days after the end of each calendar year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States for the United States share of the cost of such multilateral programs.

### EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of Defense, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public works undertaken under this section including real estate actions pertaining thereto.

### MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $5,250,000.

### DEFICIENCY AUTHORIZATION

SEC. 404. (a) Public Law 95–82 is amended under the heading "INSIDE THE UNITED STATES" in section 401 as follows:

With respect to White Sands, New Mexico, strike out "$33,449,000" and insert in place thereof "$40,749,000".

(b) Public Law 95–82 is amended by striking out in clause 4 of section 602, "$55,909,000" and inserting in place thereof, "$63,209,000".

SEC. 405. (a) Public Law 95–356 is amended under the heading "OUTSIDE THE UNITED STATES" in section 401 as follows: With respect to "North Atlantic Treaty Organization Infrastructure" strike out "$120,000,000" and insert in place thereof "$140,000,000".

(b) Public Law 95–356 is amended by striking out in clause (4) of section 602, "$217,610,000," and inserting in place thereof, "$237,610,000,".

## TITLE V—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

### LEASING OF FAMILY HOUSING

SEC. 501. (a) The Secretary of Defense, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if he, or his designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units: Tinker Air Force Base, Oklahoma, three hundred thirty-two units, $12,000,000.

(d) The amount specified in this section may, at the discretion of the Secretary of Defense, or the Secretary's designee, be increased by 10 per centum, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, design, supervision, inspection, overhead, land acquisition, site preparation, and installation of utilities.

Sec. 502. (a) Section 2686(c) of title 10, United States Code, relating to leases for military family housing, is amended by striking out "$300" in paragraph (1) and inserting in lieu thereof "$310".

(b) Section 2675(d) of title 10, United States Code, relating to leases in foreign countries, is amended—

(1) by striking out "$485" and "$850" in the first sentence of paragraph (1) and inserting in lieu thereof "$550" and "$975", respectively; and

(2) by striking out "18,000" in paragraph (2) and inserting in lieu thereof "17,000".

### AUTHORIZATION OF APPROPRIATIONS

Sec. 503. (a) There is authorized to be appropriated for fiscal year 1980 for use by the Secretary of Defense, or the Secretary's designee, for military family housing as authorized by law for the following purposes:

(1) For construction or acquisition of sole interest in family housing, including minor construction, $15,000,000 and for planning an amount not to exceed $900,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m), an amount not to exceed $1,662,525,000.

(3) For homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), including acquisition of properties, an amount not to exceed $5,000,000.

(b) The amounts authorized to be appropriated in sections 502(a) (1), (2), and (3) may be increased to the extent additional funds are appropriated to defray increased pay costs associated with actions taken pursuant to law.

## TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

### WAIVER OF RESTRICTIONS

Sec. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

### AUTHORIZATION OF APPROPRIATIONS

Sec. 602. There are authorized to be appropriated for fiscal year 1980 such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: inside the United States $545,875,000; outside the United States $149,850,000; minor construction $51,970,000; for a total of $747,695,000.

(2) for title II: inside the United States $373,690,000; outside the United States $55,440,000; minor construction $33,080,000; for a total of $462,210,000.

(3) for title III: inside the United States $373,210,000; outside the United States $79,930,000; minor construction $29,310,000; for a total of $482,450,000.

(4) for title IV: a total of $256,635,000, including $5,250,000 for minor construction.

(5) for title V: military family housing and homeowners assistance program, $1,683,425,000, including $3,000,000 for minor construction.

### COST VARIATIONS

Sec. 603. (a) Overall Title Total Limitation.—Notwithstanding the provisions of subsections (a), (b), (c), and (g), the total cost of all construction and acquisition in each of titles I, II, III, and IV may not exceed the total amount authorized to be appropriated in that title.

(b) Variations in Installation Totals—Unusual Variations in Cost.—Except as provided in subsections (c) and (d), any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 per centum when inside the United States (other than Alaska or Hawaii), and by 10 per centum when outside the United States or in Alaska or Hawaii, if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) Variations in Installation Totals—Only One Project at an Installation.—When the amount named for any construction or acquisition in title I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (b), the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(d) Variations in Installation Totals—Reports by the Secretary of Defense.—When the Secretary of Defense determines that any amount named in title I, II, III, or IV of this Act must be exceeded by more than the percentages permitted in subsections (b) and (c) to accomplish authorized construction or acquisition, the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committee on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from the date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Acts, the provisions of this subsection shall apply to such prior Acts.

(e) Cost and Scope Variations of Individual Projects; Reports to Congress.—No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installation for which the current working estimate is greater than the statutory upper limit for minor construction projects, may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either thirty days have elapsed from the date of submission of such report, or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(f) Annual Report to Congress.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

(g) Cost and Floor Area Variations—

SOLAR ENERGY.—The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In order to equip any project authorized by this Act with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary of Defense may authorize increases in the cost limitations or floor area limitations for such project by such amounts as may be necessary for such purpose. Any increase under this section in the cost or floor area of a project authorized by this Act shall be in addition to any other increase in such cost or variation in floor area limitations authorized by this or any other Act.

### CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; the Naval Facilities Engineering Command, Department of the Navy; or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business; the names of such firms; the total number of separate contracts awarded each firm; and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

### REPEAL OF PRIOR YEAR AUTHORIZATIONS: EXCEPTIONS

SEC. 605. (a) As of October 1, 1980, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Military Construction Authorization Act, 1979 (Public Law 95–356; 92 Stat. 565), and all such authorizations contained in Acts approved before September 8, 1978, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1980, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1979 (Public Law 95–356, 92 Stat. 583), authorizations for the following items shall remain in effect until October 1, 1981:

(1) Barracks Complex—Trainee construction in the amount of $14,967,000 at Fort Benning, Georgia, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(2) Brooke Army Medical Center Hospital alteration in the amount of $10,000,000, at Fort Sam Houston, Texas, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(3) Reception Station construction in the amount of $5,886,000 at Fort Benning, Georgia, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(4) POMCUS Maintenance Complexes in the amount of $33,768,000 at Kaiserslautern, Pirmasens, Germersheim, Gerzweski Barracks, Mannheim, Miesau, Nahbollenbach, and Neureut Kaserne, all in Germany, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 360).

(5) Morse Training Building construction in the amount of $2,400,000 at Naval Technical Training Center, Pensacola, Florida, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 362).

(6) Medical/Dental Branch Clinic construction in the amount of $4,350,000 at the Navy Regional Medical Center, Pearl Harbor, Hawaii, (Naval Station, Midway Island), authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 362).

(7) Relocation of the weapons range from the Culebra Complex in the amount of $12,000,000 for the Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, authorized in section 204 of the Military Construction Authorization Act, 1974 (Public Law 93–166; 87 Stat. 668) and extended in section 605(b)(H) of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 565) and in section 605(b)(4) of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 376).

(8) Industrial Waste Collection in the amount of $2,650,000 at the Naval Torpedo Station, Keyport, Washington, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 363).

(9) Municipal Sewer Connection in the amount of $2,100,000 for the Long Beach Naval Shipyard, Long Beach, California, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 363).

(10) Municipal Sewer Connection in the amount of $4,150,000 for the Navy Public Works Center, Norfolk, Virginia, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 363).

(11) Municipal Sewer Connection in the amount of $2,200,000 for the Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 363).

(12) Alter Sewage Treatment and Disposal Facilities in the amount of $631,000 at King Salmon Airport, Alaska, authorized in section 301 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 366).

(13) Small Aircraft Maintenance Facility in the amount of $1,928,000 for Moody Air Force Base, Georgia, authorized in section 301 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 367).

(14) High Energy Laser Facility construction in the amount of $33,449,000 at White Sands, New Mexico, authorized in section 401 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 369).

(15) CIDC Field Operations Building at Fort Hood, Texas, in the amount of $890,000 authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(16) Radar Operations Facility at Redstone Arsenal, Alabama, in the amount of $962,000 authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

### UNIT COST LIMITATIONS

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $48 per square foot for permanent barracks; or

(2) $52 per square foot for unaccompanied officer quarters;

unless the Secretary of Defense, or the Secretary's designee, determines that, because of special circumstances application to such project of the limitations on unit cost contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

## TITLE VII—GUARD AND RESERVE FORCES FACILITIES

### AUTHORIZATION FOR FACILITIES

SEC. 701. Subject to chapter 133, of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army:

(a) Army National Guard of the United States, $18,237,000.

(b) Army Reserve, $24,824,000.

(2) For the Department of the Navy: Naval and Marine Corps Reserves, $16,090,000.

(3) For the Department of the Air Force:

(a) Air National Guard of the United States, $29,500,000.

(b) Air Force Reserve, $9,500,000.

### WAIVER OF CERTAIN RESTRICTIONS

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 703. Paragraph (1) of section 2233a of title 10, United States Code, is amended by striking out "$100,000", and inserting in lieu thereof, "$175,000".

## TITLE VIII—GENERAL PROVISIONS

### REVISIONS TO MINOR CONSERVATION AUTHORITY

SEC. 801. Section 2674 of title 10, United States Code, is amended as follows:

(a) At the end of subsection (b) add the following: "*Provided*, That such approvals are not necessary for projects at specified locations that have been identified in the annual military construction program submitted by the Department of the Defense to the Committees on Armed Services of the Senate and the House of Representatives.".

(b) At the end of subsection (f) add the following: "*Provided*, That such notice is not necessary for projects at specified locations that have been identified in the annual military construction program submitted by the Department of Defense to the Committees on Armed Services of the Senate and the House of Representatives.".

### DEVELOPMENT OF SOURCES OF ENERGY ON MILITARY LANDS AMENDMENT

SEC. 802. Section 803 of the Military Construction Authorization Act, 1979 (Public Law 95-356) is amended as follows:

(a) Delete the title and in lieu thereof insert: "DEVELOPMENT OF SOURCES OF ENERGY ON OR FOR MILITARY INSTALLATIONS".

(b) In subsection (b)(1) after the word "jurisdiction" insert "or on private property".

### USE OF ROI-NAMUR ISLAND

SEC. 803. The Secretary of Defense, or the Secretary's designee, is authorized to pay to the land owners of Roi-Namur Island, Marshall Islands District of the Trust Territories of the Pacific Islands, such an amount as the Secretary of Defense determines to be in the public interest for the use after 1960 Roi-Namur Island by the Government of the United States to the extent or in such amounts as may be provided in appropriation Act.

### LAND EXCHANGE, KING COUNTY, WASHINGTON

SEC. 804. (a) The Secretary of the Air Force (hereinafter referred to as the "Secretary") is authorized to convey to King County, Washington, all right, title, and interest of the United States in and to the land and improvements which comprise the 143d Combat Squadron, Washington Air National Guard, leased site located at Boeing Field, Seattle, Washington. Such conveyance shall be made subject to such terms and conditions pursuant to an Exchange Agreement as the Secretary considers appropriate, but may not be made until a replacement facility for such Air National Guard unit is available in accordance with subsection (b).

(b) In consideration for such conveyance by the Secretary under subsection (a), King County shall—

(1) make available to the Secretary a leasehold interest in land and funds for the purchase or making of improvements on such land which are acceptable to the Secretary as a replacement facility for such Air National Guard unit pursuant to an Exchange Agreement; or

(2) convey to the United States unencumbered fee simple title to land in the area of Seattle, Washington, which contains improvements acceptable to the Secretary as a replacement facility for such Air National Guard location.

(c) Funds made available under subsection (b)(1) or (2), and land conveyed under subsection (b)(1), shall be subject to terms and conditions which shall be agreed upon by the Secretary and King County and which the Secretary considers to be in the public interest. If the cost of the replacement facility is less than the fair market value or the appraised value dated February 20, 1978, by Roland James Hoefer and Associates of the existing facility for the Air National Guard unit, King County shall pay the amount of the difference between such costs to the United States, and such amount shall be deposited in the Treasury as miscellaneous receipts.

### CONTRIBUTION TO THE INTERNATIONAL INSTITUTE OF STRATEGIC STUDIES

SEC. 805. The Secretary of Defense may authorize the expenditure of up to $500,000 from funds authorized to be appropriated for minor construction in title I, II, III, or IV for the purpose of a capital contribution to the International Institute of Strategic Sudies.

### USE OF FORMER ENT AIR FORCE BASE BY THE OLYMPIC COMMITTEE

SEC. 806. Notwithstanding the provisions of the Federal Property and Administration Services Act of 1949, as amended, the Administrator of General Services is authorized to convey the excess 5.6 acres of land and improvements on the remaining portion of the former Ent Air Force Base, Colorado Springs, Colorado, to the United States Olympic Committee without compensation. The Committee may accept and administer such property in furtherance of the United States Olympic amateur athletic activities. If the property ceases to be utilized by the United States Olympic Committee for conduct of such activities, it shall be returned to the Administrator of General Services for disposition.

### USE OF MASS TRANSIT ON MILITARY INSTALLATIONS

SEC. 807. (a) Notwithstanding any other provision of law, the Secretary of Defense may authorize the use of mass transit vehicles on any military installation if the use of such vehicles on such installation is determined, in accordance with regulations issued by the Secretary of Defense, to be efficient, practical, and in the best interest of the United States. In determining whether the use of mass transit vehicles on any military installation is in the best interest of the United States, the Secretary of Defense shall require that careful consideration be given to the potential for saving energy and reducing air pollution.

(b) All costs of operating and maintaining mass transit vehicles on military installations shall be borne by the users of the vehicles by means of a fare schedule established in accordance with regulations issued by the Secretary of Defense. Funds accruing under the fare schedule shall be retained by the military installation to the extent necessary to offset operating and maintenance costs. Any funds accruing under the fare schedule that are in excess of such costs shall be transferred to the Treasury as miscellaneous receipts.

(c) Mass transit vehicles used on any military installation under authority of this section may be Government-owned vehicles operated by Federal employees or contractor-owned and operated vehicles, whichever is more cost efficient, as determined under regulations issued by the Secretary of Defense.

(d) This section shall not apply to the transportation of personnel by mass transit vehicles on any military installation if the transportation of such personnel is incident to training or other operational activities on such installation.

### PAYMENT OF DEPARTMENT OF DEFENSE SHARE FOR UPGRADING WASTE TREATMENT FACILITIES UTILIZED BY MILITARY INSTALLATIONS

SEC. 808. (a) Subject to the provisions of subsection (b), in any case in which a waste treatment facility is being altered, remodeled, improved, or extended for the purpose of complying with the provisions of section 201(b) of the Federal Water Pollution Control Act (33 U.S.C. 1281) and such facility treats the waste from any military installation under a contract arrangement with the Department of Defense, the Secretary of Defense shall pay to the appropriate authority, as the Department of Defense's share for the upgrading of such facility, an amount agreed upon by the Secretary of Defense and the appropriate authority.

(b) Funds may be used for the purpose of paying the Department of Defense's share in connection with the alteration, remodeling, improvement, or extension of a waste treatment facility, as authorized by subsection (a), only if such funds have been specifically authorized to be used for such purpose by legislation enacted on or after the date of enactment of this Act.

### PROHIBITION ON THE REALINEMENT OF LORING AIR FORCE BASE

SEC. 809. With respect to the base realignment decisions announced by the Secretary of the Air Force in March 1979, no funds authorized to be appropriated by this or any other Act shall be obligated or expended for the purpose of the realignment of the Strategic Air Command's (SAC) Loring Air Force Base.

### DAVIS-BACON WAIVER

SEC. 810. Subsection (a) of the first section of the Act of March 3, 1931 (46 Stat. 1494; 40 U.S.C. 276a(a)), commonly referred to as the Davis-Bacon Act, is amended by striking out "in excess of $2,000 to which the United States or the District of Columbia is a party for construction, alteration and/or repair, including painting and decorating of public buildings or public works of the United States or the District of Columbia within the geographical limits of the States of the Union or the District of Columbia," and inserting therefor the following language: "to which the United States or the District of Columbia is a party, in excess of:

"(1) Except as provided in paragraphs (2) and (3), $10,000 for construction of public buildings or public works of the United States or the District of Columbia;

"(2) $2,000 for any construction on existing public buildings or public works, including but not limited to alteration and/or repair, painting and decorating, and new additions to such buildings or works; and

"(3) $2,000 where such contract is for a part of a construction project in excess of $10,000;

within the geographic limits of the States of the Union or the District of Columbia,".

### ALABAMA SPACE AND ROCKET CENTER

SEC. 811. (a) Section 2 of Public Law 90-276 is amended—

(1) by inserting "(1)" immediately before "A certain tract or parcel of land containing 35.69 acres";

(2) by striking out the period immediately after "Secretary of the Army" and substituting "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(2) A certain tract or parcel of land containing approximately 300 acres, less that land occupied by the Department of the Navy on the date of enactment of this paragraph, lying within range 1 west, township 4 south, parts of sections 8 and 9, more particularly described as beginning at the established northeast corner of the Alabama Space and Rocket Center, running east along the Redstone Arsenal northern boundary, thence south along the Redstone Arsenal eastern boundary to a point north of the northwest corner of the intersection of Patton Road and Goss Road, thence west parallel to the north side of Goss Road to MacDonald Creek, thence northwesterly parallel to the east bank of the creek to the northern line of the Tennessee Valley Authority easement, thence west along the easement to the Alabama Space and Rocket Center established corner, thence north and east along the Alabama Space and Rocket Center boundary to point of beginning. The exact description of such property is to be determined by an accurate survey and approved by the Secretary of the Army.".

(b) Section 3 of Public Law 90–276 is amended by—

(1) inserting "and related educational and recreational purposes" after "instrumentalities"; and

(2) striking "purpose" and substituting "purposes".

### PROPOSED CLOSURE OR THE REALIGNMENT OF FORT INDIANTOWN GAP AND NEW CUMBERLAND ARMY DEPOT IN PENNSYLVANIA

SEC. 812. No action with respect to the proposed closure or the realignment of Fort Indiantown Gap, Annville, Pennsylvania, or New Cumberland Army Depot, New Cumberland, Pennsylvania, shall be taken until the Secretary of the Army has conducted a study of the economic impact on central Pennsylvania of (1) the proposed closure or realignment, as the case may be, of each such military installation, and (2) the recent nuclear accident that occurred at Three Mile Island, Middletown, Pennsylvania.

### MOTION OFFERED BY MR. NEDZI

Mr. NEDZI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NEDZI moves to strike out all after the enacting clause of the Senate bill, S. 1319, and to insert in lieu thereof the provisions of the bill, H.R. 3947, as passed, as follows:

That this Act may be cited as the "Military Construction Authorization Act, 1980".

## TITLE I—ARMY

### AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

### INSIDE THE UNITED STATES

### UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $2,900,000.

Fort Campbell, Kentucky, $16,550,000.

Fort Drum, New York, $690,000.

Fort Greely, Alaska, $820,000.

Fort Hood, Texas, $12,000,000.

Fort Hunter Liggett, California, $2,900,000.

Fort Lewis, Washington, $7,400,000.

Fort Meade, Maryland, $18,500,000.

Fort Ord, California, $17,380,000.

Fort Polk, Louisiana, $26,810,000.

Fort Richardson, Alaska, $4,450,000.

Fort Riley, Kansas, $28,350,000.

Fort Sheridan, Illinois, $1,200,000.

Schofield Barracks, Hawaii, $2,750,000.

Fort Stewart/Hunter Army Air Field, Georgia, $39,900,000.

Yakima Firing Center, Washington, $1,100,000.

### UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Camp Perry, Ohio, $1,000,000.

Fort Belvoir, Virginia, $2,420,000.

Fort Benning, Georgia, $7,500,000.

Fort Bliss, Texas, $30,000,000.

Fort Eustis, Virginia, $6,410,000.

Fort Benjamin Harrison, Indiana, $4,450,000.

Fort Knox, Kentucky, $9,750,000.

Fort Leavenworth, Kansas, $1,690,000.

Fort Lee, Virginia, $3,960,000.

Fort Rucker, Alabama, $5,580,000.

Fort Story, Virginia, $2,450,000.

Fort Leonard Wood, Missouri, $6,350,000.

### UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $8,400,000.

Anniston Army Depot, Alabama, $4,850,000.

Badger Army Ammunition Plant, Wisconsin, $650,000.

Crane Army Ammunition Activity, Indiana, $2,490,000.

Detroit Arsenal, Michigan, $4,400,000.

Harry Diamond Laboratories, Maryland, $2,800,000.

Dugway Proving Ground, Utah, $520,000.

Indiana Army Ammunition Plant, Indiana, $1,010,000.

Iowa Army Ammunition Plant, Iowa, $2,060,000.

Joliet Army Ammunition Plant, Illinois, $5,800,000.

Kansas Army Ammunition Plant, Kansas, $650,000.

Lake City Army Ammunition Plant, Missouri, $3,800,000.

Letterkenney Army Depot, Pennsylvania, $1,200,000.

Lexington-Blue Grass Army Depot, Kentucky, $1,500,000.

McAlester Army Ammunition Plant, Oklahoma, $1,470,000.

Michigan Army Missile Plant, Michigan, $2,550,000.

Fort Monmouth, New Jersey, $1,650,000.

Newport Army Ammunition Plant, Indiana, $1,550,000.

Picatinny Arsenal, New Jersey, $7,950,000.

Radford Army Ammunition Plant, Virginia, $6,100,000.

Red River Army Depot, Texas, $8,600,000.

Redstone Arsenal, Alabama, $8,500,000.

Riverbank Army Ammunition Plant, California, $1,100,000.

Rock Island Arsenal, Illinois, $5,900,000.

Rocky Mountain Arsenal, Colorado, $6,500,000.

Scranton Army Ammunition Plant, Pennsylvania, $3,750,000.

Seneca Army Depot, New York, $8,350,000.

Sharpe Army Depot, California, $1,650,000.

Sierra Army Depot, California, $770,000.

Tobyhanna Army Depot, Pennsylvania, $10,410,000.

Tooele Army Depot, Utah, $1,050,000.

Volunteer Army Ammunition Plant, Tennessee, $810,000.

Watervliet Arsenal, New York, $1,300,000.

White Sands Missile Range, New Mexico, $5,750,000.

Yuma Proving Ground, Arizona, $4,300,000.

### AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $830,000.

Indiana Army Ammunition Plant, Indiana, $10,490,000.

Lake City Army Ammunition Plant, Missouri, $140,000.

Lone Star Army Ammunition Plant, Texas, $1,890,000.

Longhorn Army Ammunition Plant, Texas, $170,000.

Louisiana Army Ammunition Plant, Louisiana, $570,000.

Milan Army Ammunition Plant, Tennessee, $450,000.

Radford Army Ammunition Plant, Virginia, $67,350,000.

Riverbank Army Ammunition Plant, California, $280,000.

Scranton Army Ammunition Plant, Pennsylvania, $720,000.

### UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $570,000.

Fort Ritchie, Maryland, $7,850,000.

### UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $13,350,000.

### UNITED STATES ARMY HEALTH SERVICES COMMAND

Walter Reed Army Medical Center, District of Columbia, $650,000.

### MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Terminal, New Jersey, $920,000.

Oakland Army Base, California, $1,100,000.

Sunny Point Terminal, North Carolina, $32,540,000.

### OUTSIDE THE UNITED STATES

### KWAJALEIN MISSILE RANGE

National Missile Range, $2,900,000.

### UNITED STATES ARMY FORCES COMMAND

Panama Area, Canal Zone, $26,060,000.

### UNITED STATES ARMY, JAPAN

Okinawa, $2,700,000.

### UNITED STATES ARMY, EUROPE

Germany, various locations, $126,630,000.

### UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND

Various locations, $2,800,000.

### EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by preceding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire on October 1, 1980, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

### MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $52,620,000.

### FOREIGN CURRENCY FLUCTUATIONS

SEC. 104. If the estimated cost to complete any construction or acquisition outside the United States authorized for the Army in this Act or in a Military Construction Authorization Act enacted before the date of the enactment of this Act has increased above the amount authorized for such construction or acquisition because of fluctuations in foreign currency exchange rates, the amount authorized shall be deemed increased by the amount necessary to accommodate increased costs for such construction or acquisition resulting from fluctuations in foreign currency exchange rates. The total amount of increases in authorizations under the authority of this section may not exceed $31,434,000.

## TITLE II—NAVY

### AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

### INSIDE THE UNITED STATES

#### MARINE CORPS

Marine Corps Base, Camp Lejeune, North Carolina, $24,630,000.

Marine Corps Base, Camp Pendleton, California, $14,200,000.

Marine Corps Air Station, Cherry Point, North Carolina, $4,450,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $4,800,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $4,500,000.

Marine Corps Development and Education Command, Quantico, Virginia, $7,300,000.

Marine Corps Air Station, Tustin, California, $3,400,000.

Marine Corps Base, Twentynine Palms, California, $5,700,000.

Marine Corps Air Station, Yuma, Arizona, $4,000,000.

#### CHIEF OF NAVAL OPERATIONS

Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $20,330,000.

#### COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $150,000.

Naval Amphibious Base, Little Creek, Virginia, $1,670,000.

Naval Submarine Base, New London, Connecticut, $15,850,000.

Naval Station, Norfolk, Virginia, $5,500,000.

Naval Air Station, Oceana, Virginia, $14,700,000.

#### COMMANDER IN CHIEF, PACIFIC FLEET

Naval Station, Adak, Alaska, $19,950,000.

Naval Amphibious Base, Coronado, California, $1,600,000.

Naval Air Station, Lemoore, California, $6,300,000.

Naval Magazine, Lualualei, Hawaii, $16,000,000.

Naval Air Station, Miramar, California, $4,050,000.

Naval Air Station, North Island, California, $1,450,000.

Naval Station, San Diego, California, $9,200,000.

Navy Submarine Support Facility, San Diego, California, $3,200,000.

Naval Air Station, Whidbey Island, Washington, $2,650,000.

#### CHIEF OF NAVAL EDUCATION AND TRAINING

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $720,000.

Naval Training Center, Great Lakes, Illinois, $6,300,000.

Naval Air Station, Memphis, Tennessee, $1,400,000.

Fleet Antisubmarine Warfare Training Center, Atlantic, Norfolk, Virginia, $1,200,000.

Naval Air Station, Pensacola, Florida, $820,000.

Fleet Training Center, San Diego, California, $8,300,000.

#### BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Center, Camp Pendleton, California, $2,050,000.

Naval Regional Medical Center, San Diego, California, $5,900,000.

#### CHIEF OF NAVAL MATERIAL

Naval Air Rework Facility, Alameda, California, $3,500,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $2,545,000.

Puget Sound Naval Supply Center, Bremerton, Washington, $1,000,000.

Charleston Naval Shipyard, Charleston, South Carolina, $2,250,000.

Naval Weapons Station, Charleston, South Carolina, $5,000,000.

Polaris Missile Facility, Atlantic, Charleston, South Carolina, $7,500,000.

Naval Air Rework Facility, Cherry Point, North Carolina, $750,000.

Naval Weapons Center, China Lake, California, $4,350,000.

Naval Weapons Station, Concord, California, $3,950,000.

Naval Weapons Support Center, Crane, Indiana, $690,000.

Naval Weapons Station, Earle, New Jersey, $7,100,000.

Naval Air Rework Facility, Jacksonville, Florida, $3,600,000.

Navy Fuel Depot, Jacksonville, Florida, $1,400,000.

Portsmouth Naval Shipyard, Kittery, Maine, $6,250,000.

Long Beach Naval Shipyard, Long Beach, California, $8,250,000.

Naval Air Engineering Center, Lakehurst, New Jersey, $700,000.

Navy Ship Parts Control Center, Mechanicsburg, Pennsylvania, $2,400,000.

Naval Supply Center, Norfolk, Virginia, $25,960,000.

Naval Air Rework Facility, North Island, California, $3,200,000.

Naval Air Test Center, Patuxent River, Maryland, $4,540,000.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $7,300,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $1,000,000.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $510,000.

Naval Construction Battalion Center, Port Hueneme, California, $1,200,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $22,650,000.

Naval Ocean Systems Center, San Diego, California, $8,800,000.

Navy Supply Center, San Diego, California, $11,600,000.

Naval Weapons Station, Seal Beach, California, $960,000.

Naval Surface Weapons Center, Solomons Island, Maryland, $860,000.

Mare Island Naval Shipyard, Vallejo, California, $16,220,000.

Naval Weapons Station, Yorktown, Virginia, $2,270,000.

#### NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $6,505,000.

### OUTSIDE THE UNITED STATES

#### MARINE CORPS

Marine Corps Base, Camp Smedley D. Butler, Okinawa, Japan, $11,700,000.

#### OFFICE OF NAVAL RESEARCH

Al Ghardaqa Marine Laboratory, Hurgada, Arab Republic of Egypt, $30,000.

#### COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Bermuda, $860,000.

Naval Station, Keflavik, Iceland, $17,650,000.

Naval Station, Roosevelt Roads, Puerto Rico, $1,300,000.

#### COMMANDER IN CHIEF, PACIFIC FLEET

Naval Air Facility, Midway Island, $3,900,000.

#### NAVAL FORCES EUROPE

Naval Station, Rota, Spain, $6,600,000.

Naval Air Facility, Sigonella, Italy, $9,700,000.

#### CHIEF OF NAVAL MATERIAL

Navy Public Works Center, Guam, Mariana Islands, $3,700,000.

#### NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Station, Harold E. Holt, Exmouth, Australia, $2,500,000.

#### NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, $1,400,000.

#### EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire on October 1, 1980, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

#### MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $33,325,000.

#### AL GHARDAQA MARINE LABORATORY, EGYPT

SEC. 204. The Secretary of the Navy is authorized to expend excess foreign exchange funds in the amount of $580,000 for the construction of a multipurpose marine biological laboratory at the Al Ghardaqa Marine Laboratory, Hurgada, Arab Republic of Egypt.

## TITLE III—AIR FORCE

#### AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

### INSIDE THE UNITED STATES

#### AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $3,740,000.

Kelly Air Force Base, Texas, $6,350,000.

Newark Air Force Station, Ohio, $860,000.

Robins Air Force Base, Georgia, $7,236,000.

Tinker Air Force Base, Oklahoma, $12,100,000.

Wright-Patterson Air Force Base, Ohio, $13,200,000.

#### AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $6,500,000.

Eglin Air Force Base, Florida, $5,100,000.

Hanscom Air Force Base, Massachusetts, $8,600,000.

Johnson Space Center, Texas, $12,400,000.

Maui Optical Site, Hawaii, $3,650,000.

White Sands Missile Range, New Mexico, $2,100,000.

#### AIR TRAINING COMMAND

Keesler Air Force Base, Mississippi, $840,000.

Lackland Air Force Base, Texas, $5,400,000.

Laughlin Air Force Base, Texas, $4,500,000.

Mather Air Force Base, California, $1,650,000.

Maxwell Air Force Base, Alabama, $6,600,000.

Sheppard Air Force Base, Texas, $2,050,000.

Vance Air Force Base, Oklahoma, $1,500,000.

#### ALASKAN AIR COMMAND

Elmendorf Air Force Base, Alaska, $13,400,000.

### MILITARY AIRLIFT COMMAND

Andrews Air Force Base, Maryland, $1,190,000.

Kirkland Air Force Base, New Mexico, $1,500,000.

Little Rock Air Force Base, Arkansas, $510,000.

McChord Air Force Base, Washington, $4,100,000.

Richards-Gebaur Air Force Base, Missouri, $1,100,000.

Scott Air Force Base, Illinois, $10,060,000.

Travis Air Force Base, California, $6,300,000.

### STRATEGIC AIR COMMAND

Castle Air Force Base, California, $5,300,000.

Ellsworth Air Force Base, South Dakota, $17,000,000.

Grand Forks Air Force Base, North Dakota, $4,900,000.

Griffiss Air Force Base, New York, $7,150,000.

Grissom Air Force Base, Indiana, $4,700,000.

K. I. Sawyer Air Force Base, Michigan, $5,200,000.

March Air Force Base, California, $6,600,000.

Minot Air Force Base, North Dakota, $5,100,000.

Offutt Air Force Base, Nebraska, $2,190,000.

Vandenberg Air Force Base, California, $109,300,000.

Various Locations, $14,200,000.

### TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $7,850,000.

Cannon Air Force Base, New Mexico, $5,750,000.

Davis-Monthan Air Force Base, Arizona, $5,540,000.

England Air Force Base, Louisiana, $6,390,000.

George Air Force Base, California, $18,350,000.

Holloman Air Force Base, New Mexico, $4,200,000.

Homestead Air Force Base, Florida, $8,370,000.

MacDill Air Force Base, Florida, $2,350,000.

Moody Air Force Base, Georgia, $4,140,000.

Mountain Home Air Force Base, Idaho, $60,000.

Nellis Air Force Base, Nevada, $3,690,000.

Shaw Air Force Base, South Carolina, $2,780,000.

### AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $1,950,000.

### OUTSIDE THE UNITED STATES

### AEROSPACE DEFENSE COMMAND

Thule Air Base, Greenland, $3,150,000.

### AIR FORCE SYSTEMS COMMAND

Mahe Tracking Station, Seychelle Islands, $550,000.

Various locations, $2,350,000.

### MILITARY AIRLIFT COMMAND

Roberts International Airport, Liberia, $4,950,000.

### PACIFIC AIR FORCES

Kadena Air Base, Japan, $1,100,000.

Kunsan Air Base, Korea, $4,010,000.

Osan Air Base, Korea, $20,080,000.

Taegu Air Base, Korea, $510,000.

### TACTICAL AIR COMMAND

Howard Air Force Base, Canal Zone, $6,185,000.

### UNITED STATES AIR FORCES IN EUROPE

Germany, various locations, $16,640,000.

United Kingdom, various locations, $14,920,000.

Various locations, $40,370,000.

### EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire on October 1, 1980, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

### MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $28,960,000.

### FOREIGN CURRENCY FLUCTUATIONS

SEC. 304. If the estimated cost to complete any construction or acquisition outside the United States authorized for the Air Force in this Act or in a Military Construction Authorization Act enacted before the date of the enactment of this Act has increased above the amount authorized for such construction or acquisition because of fluctuations in foreign currency exchange rates, the amount authorized shall be deemed increased by the amount necessary to accommodate increased costs for such construction or acquisition resulting from fluctuations in foreign currency exchange rates. The total amount of increases in authorizations under the authority of this section may not exceed $4,067,000.

SEC. 305. (a) Section 301 of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 555), is amended by striking out "$74,738,000" in the item relating to the authorization for acquisition and construction at various locations for the United States Air Forces in Europe and inserting in lieu thereof "$61,838,000".

(b) Section 602(3) of such Act is amended by striking out "$102,846,444" and "$485,869,000" and inserting in lieu thereof $89,946,000" and "$472,969,000", respectively.

SEC. 306. (a) Section 301 of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1357), is amended—

(1) by striking out "$38,000,000" in the item relating to the authorization for acquisition and construction at various locations for the United States Air Forces in Europe and inserting in lieu thereof "$31,600,000"; and

(2) by striking out "$13,180,000" in the item relating to Nuclear Weapons Security and inserting in lieu thereof "$12,480,000".

(b) Section 602(3) of such Act is amended by striking out "$56,650,000" and "$736,409,000" and inserting in lieu thereof "$49,550,000" and "$729,309,000", respectively.

SEC. 307. Section 301 of the Military Construction Authorization Act, 1975 (Public Law 93–552; 88 Stat. 1754), is amended by striking out "$9,000,000" in the item relating to the authorization for acquisition and construction for the Aerospace Corporation at Los Angeles, California, and inserting in lieu thereof "$20,500,000".

## TITLE IV—DEFENSE AGENCIES

### AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition or construction:

### INSIDE THE UNITED STATES

### DEFENSE LOGISTICS AGENCY

Defense Depot, Memphis, Tennessee, $670,000.

Fuel Terminal, Ozol, California, $3,650,000.

Fuel Terminal, Escanaba, Michigan, $600,000.

### DEFENSE MAPPING AGENCY

Defense Mapping Agency Hydrographic/Topographic Center, Bethesda, Maryland, $825,000.

### OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Fort Belvoir, Virginia, $2,800,000.

### OUTSIDE THE UNITED STATES

### DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Wake Island Air Force Base, $11,400,000.

### OFFICE OF THE SECRETARY OF DEFENSE

### DEPARTMENT OF DEFENSE OFFICE OF DEPENDENTS' EDUCATION

Alconbury Royal Air Force, United Kingdom, $2,340,000.

Atsugi Naval Air Facility, Japan, $580,000.

Bad Hersfeld, Germany, $770,000.

Baumholder, Wetzel Housing Area, Germany, $1,920,000.

Grafenwoehr, Germany, $1,640,000.

Keflavik Naval Air Station, Iceland, $1,700,000.

Ludwigsburg, Germany, $570,000.

Pruem Air Station, Germany, $1,000,000.

Schwaebisch Gmuend, Germany, $575,000.

Seoul, Yongsan, Korea, $3,290,000.

Soesterberg, Camp New Amsterdam, Netherlands, $3,300,000.

Yokota East Air Base, Japan, $2,450,000.

### NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

Various locations: For the United States' share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area, $150,000,000. Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States for the United States' share of the cost of such multilateral programs.

### EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000. The Secretary of Defense, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public works undertaken under this section, including real estate actions pertaining thereto.

### MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $5,250,000.

### FOREIGN CURRENCY FLUCTUATIONS

SEC. 404. If the estimated cost to complete any construction or acquisition outside the United States authorized for the defense agencies in this Act or in a Military Construction Authorization Act enacted before the date of the enactment of this Act has increased above the amount authorized for such construction or acquisition because of fluctuations in foreign currency exchange rates, the amount authorized shall be deemed increased by the amount necessary to accommodate increased costs for such construction or acquisition resulting from fluctuations in foreign currency exchange rates. The total amount of increases in authorizations under the autority of this section may not exceed $9,377,000.

### DEFICIENCY AUTHORIZATION FOR HIGH ENERGY LASER FACILITY, WHITE SANDS, NEW MEXICO

SEC. 405. (a) Section 401 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358), is amended by striking out "$33,449,000" in the item relating to the High Energy Laser Facility at White Sands, New Mexico, and inserting in lieu thereof "$40,749,000".

(b) Section 602(4) of such Act is amended by striking out "$55,909,000" and inserting in lieu thereof "$63,209,000".

SEC. 406. (a) Section 401 of the Military Construction Authorization Act, 1979 (Public Law 95–356; 92 Stat. 576), is amended by striking out "$120,000,000" in the item relating to North Atlantic Treaty Organization Infrastructure and inserting in lieu thereof "$140,000,000".

(b) Section 602(4) of such Act is amended by striking out "$217,610,000" and inserting in lieu thereof "$237,610,000".

## TITLE V—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

### AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

SEC. 501. (a) The Secretary of Defense, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if he, or his designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units: Fort MacArthur, California, two hundred units, $11,500,000.

(d) The amount specified in this section may, at the discretion of the Secretary of Defense, or the Secretary's designee, be increased by 10 per centum, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, design, supervision, inspection, overhead, land acquisition, site preparation, and installation of utilities.

### LEASING OF FAMILY HOUSING

SEC. 502. (a) Section 2686(c) of title 10, United States Code, relating to leases for military family housing, is amended by striking out "$300" in paragraph (1) and inserting in lieu thereof "$310".

(b) Section 2675(d) of title 10, United States Code, relating to leases in foreign countries, is amended—

(1) by striking out "$485" and "$850" in the first sentence of paragraph (1) and inserting in lieu thereof "$550" and "$970", respectively; and

(2) by striking out "18,000" in paragraph (2) and inserting in lieu thereof "20,000".

### AUTHORIZATION OF APPROPRIATIONS

SEC. 503. (a) There is authorized to be appropriated for fiscal year 1980 for use by the Secretary of Defense, or the Secretary's designee, for military family housing as authorized by law for the following purposes:

(1) For construction of, or acquisition of sole interest in, family housing, including minor construction, an amount not to exceed $14,500,000, and for planning, an amount not to exceed $900,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m), an amount not to exceed $1,716,494,000.

(3) For homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), including acquisition of properties, an amount not to exceed $5,000,000.

(b) The amounts authorized to be appropriated in subsection (a) may be increased to the extent additional funds are appropriated to defray increased pay costs associated with actions taken pursuant to law.

## TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

### WAIVER OF RESTRICTIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

### AUTHORIZATION OF APPROPRIATIONS

SEC. 602. There are authorized to be appropriated for fiscal year 1980 such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V shall not exceed—

(1) for title I: inside the United States $535,370,000; outside the United States $192,524,000; minor construction $52,620,000; for a total of $780,514,000.

(2) for title II: inside the United States $397,080,000; outside the United States $59,340,000; minor construction $33,325,000; for a total of $489,745,000.

(3) for title III: inside the United States $395,596,000; outside the United States $118,882,000; minor construction $28,960,000; for a total of $543,438,000.

(4) for title IV: a total of $214,707,000, including $5,250,000 for minor construction.

(5) for title V: military family housing and homeowners assistance program, $1,736,894,000, including $3,000,000 for minor construction.

### COST VARIATIONS

SEC. 603. (a) OVERALL TITLE TOTAL LIMITATION.—Notwithstanding the provisions of subsections (b), (c), (d), and (g), the total cost of all construction and acquisition in each of titles I, II, III, and IV may not exceed the total amount authorized to be appropriated in that title.

(b) VARIATIONS IN INSTALLATION TOTALS—UNUSUAL VARIATIONS IN COST.—Except as provided in subsections (c) and (d), any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 per centum when inside the United States (other than Alaska or Hawaii), and by 10 per centum when outside the United States or in Alaska or Hawaii, if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) VARIATIONS IN INSTALLATION TOTALS—ONLY ONE PROJECT AT AN INSTALLATION.—When the amount named for any construction or acquisition in title I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (b), the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(d) VARIATIONS IN INSTALLATION TOTALS—REPORTS BY THE SECRETARY OF DEFENSE.—When the Secretary of Defense determines that any amount named in title I, II, III, or IV of this Act must be exceeded by more than the percentages permitted in subsections (b) and (c) to accomplish authorized construction or acquisition, the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from the date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Acts, the provisions of this subsection shall apply to such prior Acts.

(e) COST AND SCOPE VARIATIONS OF INDIVIDUAL PROJECTS; REPORTS TO CONGRESS.—No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installation for which the current working estimate is greater than the statutory upper limit for minor construction projects, may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either thirty days have elapsed from the date of submission of such report, or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(f) ANNUAL REPORT TO CONGRESS.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

(g) COST AND FLOOR AREA VARIATIONS—SOLAR ENERGY.—The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In order to equip any project authorized by this Act with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary of Defense may authorize increases in the cost limitations or floor area limitations for such project by such amounts as may be necessary for such purpose. Any increase under this section in the cost or floor area of a project authorized by this Act shall be in addition to any other increase in such cost or variation in floor area limitations authorized by this or any other Act.

### CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; the Naval Facilities Engineering Command, Department of the Navy; or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious and cost-effective accomplishment of the construction authorized in this Act. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees' charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business, the names of such firms, the total number of separate contracts awarded each firm, and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

### REPEAL OF PRIOR YEAR AUTHORIZATIONS; EXCEPTIONS

SEC. 605. (a) As of October 1, 1980, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Military Construction Authorization Act, 1979 (Public Law 95–356; 92 Stat. 565), and all such authorizations contained in Acts approved before September 8, 1978, and not superseded or otherwise modified by a later authorization, are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1980, and authorizations for appropriations therefor.

(b) Notwithstanding the provisions of subsection (a) of this section and of section 605 of the Military Construction Authorization Act, 1979 (Public Law 95–356, 92 Stat. 583), authorizations for the following items shall remain in effect until October 1, 1981:

(1) Barracks Complex—Trainee construction in the amount of $14,967,000 at Fort Benning, Georgia, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(2) Brooke Army Medical Center Hospital Alteration in the amount of $10,000,000, at Fort Sam Houston, Texas, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(3) Reception Station construction in the amount of $5,886,000 at Fort Benning, Georgia, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 358).

(4) POMCUS Maintenance Complexes in the amount of $33,768,000 at Kaiserslautern, Pirmasens, Germersheim, Gerzweski Barracks, Mannheim, Miesau, Nahbollenbach, and Neureut Kaserne, all in Germany, authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 360).

(5) Morse Training Building construction in the amount of $2,400,000 at Naval Technical Training Center, Pensacola, Florida, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 362).

(6) Medical/Dental Branch Clinic construction in the amount of $4,350,000 at the Navy Regional Medical Center, Pearl Harbor, Hawaii (Naval Station, Midway Island), authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 362).

(7) Relocation of the weapons range from the Culebra Complex in the amount of $12,000,000 for the Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, authorized in section 204 of the Military Construction Authorization Act, 1974 (Public Law 93–166; 87 Stat. 668) and extended in section 605(b)(H) of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 565) and in section 605(b)(4) of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 376).

(8) Municipal Sewer Connection in the amount of $4,150,000 for the Navy Public Works Center, Norfolk, Virginia, authorized in section 201 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 363).

(9) High Energy Laser Facility construction in the amount of $33,449,000 at White Sands, New Mexico, authorized in section 401 of the Military Construction Authorization Act, 1978 (Public Law 95–82; 91 Stat. 369).

### UNIT COST LIMITATIONS

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction project inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index (based on the following unit cost limitations where the area construction index is 1.0:

(1) $48 per square foot for permanent barracks; or

(2) $52 per square foot for unaccompanied officer quarters:

unless the Secretary of Defense, or the Secretary's designee, determines that, because of special circumstances, application to such project of the limitations on unit cost contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of the enactment of this Act.

### EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 607. Titles I, II, III, IV, and V of this Act shall take effect on October 1, 1979.

## TITLE VII—GUARD AND RESERVE FORCES FACILITIES

### AUTHORIZATION FOR FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $14,537,000; and

(B) for the Army Reserve, $19,824,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $12,790,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $23,500,000; and

(B) for the Air Force Reserve, $7,500,000.

### WAIVER OF CERTAIN RESTRICTIONS

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

### CONTRIBUTIONS FOR GUARD AND RESERVE FORCES FACILITIES

SEC. 703. (a) Section 2233 of title 10, United States Code, is amended—

(1) by striking out "and" after clause (3);

(2) by striking out the period at the end of clause (4) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(5) contribute to any State or Territory, Puerto Rico, or the District of Columbia, such amounts for the acquisition, construction, expansion, rehabilitation, or conversion by the failure of existing facilities to meet the purposes of this chapter. A contribution made for an armory may not be more than 75 percent of the cost of construction of which it is applied.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

### INCREASE IN MAXIMUM CONTRIBUTION FOR GUARD AND RESERVE FORCES FACILITIES WITHOUT NOTIFICATION TO CONGRESS

SEC. 704. Paragraph (1) of section 2233a of title 10, United States Code, is amended by striking out "$100,000" and inserting in lieu thereof "$175,000".

## TITLE VIII—GENERAL PROVISIONS

### REVISIONS TO MINOR CONSTRUCTION AUTHORITY

SEC. 801. Section 2674 of title 10, United States Code, relating to minor construction, is amended—

(1) by adding at the end of subsection (b) the following new sentence: "Approvals under the preceding sentence are not required for projects at specified locations that have been identified in the annual military construction program submitted by the Department of Defense to the Committees on Armed Services of the Senate and the House of Representatives."; and

(2) by adding at the end of subsection (f) the following new sentence: "Such notice is not required for projects at specified locations that have been identified in the annual military construction program submitted by the Department of Defense to the Committees on Armed Services of the Senate and the House of Representatives.".

### AMENDMENT WITH RESPECT TO DEVELOPMENT OF SOURCES OF ENERGY ON MILITARY LANDS

SEC. 802. Section 803 of the Military Construction Authorization Act, 1979 (30 U.S.C. 1002a), is amended as follows:

(1) The section heading is amended to read as follows:

"DEVELOPMENT OF SOURCES OF ENERGY ON OR FOR MILITARY INSTALLATIONS"

(2) Subsection (b)(1) is amended by inserting "or on private property" after "jurisdiction".

### AMENDMENT WITH RESPECT TO USE OF SOLAR ENERGY SYSTEMS

SEC. 803. (a) Section 804 of the Military Construction Authorization Act, 1979 (42 U.S.C. 5504a), is amended by striking out "facilities" and inserting in lieu thereof "buildings that are to be heated or cooled".

(b) Subsections (b) and (c) of such section are amended to read as follows:

"(b) The Secretary of Defense shall require that all family housing constructed by the Department of Defense under the authority of this Act or any Act enacted after the date of the enactment of this Act shall include solar energy systems to the extent that engineering analyses demonstrate that the inclusion of such systems is cost effective.

"(c) For the purposes of this section, the cost effectiveness of a solar energy system shall be determined by life-cycle cost analyses that take into account original investment cost and estimated operation and maintenance over the expected life of the building. Notwithstanding the results of such life cycle cost analyses, solar energy systems shall be installed when the benefit/cost ratio exceeds .80.".

### USE OF ROI-NAMUR ISLAND

SEC. 804. (a) The Secretary of Defense may pay to the owners of the land of Roi-Namur Island, Marshall Islands District of the Trust Territories of the Pacific Islands, such amount as the Secretary of Defense determines to be in the public interest for the use after 1960 of Roi-Namur Island by the Government of the United States.

(b) Subsection (a) shall take effect on October 1, 1979, and shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

### LAND CONVEYANCE, SAN DIEGO, CALIFORNIA

SEC. 805. (a) The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to acquire, by condemnation or otherwise, all right, title, and interest of the city of San Diego, California (hereinafter in this section referred to as the "city"), in and to a tract of land consisting of 40 acres, more or less, in the Balboa Park in San Diego, California. Land acquired pursuant to this section shall be used as the site for construction of any new Navy hospital or medical center that is authorized to be constructed in the greater San Diego area after the date of the enactment of this Act and for related purposes.

(b) The Secretary is authorized to convey to the city, in consideration for the acquisition under subsection (a), all right, title, and interest of the United States in and to all or any part of the real property (including improvements thereon) of the Naval Regional Medical Center, San Diego, that has been conveyed, leased, or otherwise made available to the United States by the city.

(c) The exact acreage and legal description of any land acquired or conveyed under this section shall be determined by surveys which are satisfactory to the Secretary.

(d) This section shall take effect on October 1, 1979. The authority of the Secretary to obligate funds under this section shall be effective only to the extent that appropriated funds are available for that purpose.

### LAND CONVEYANCE, TUSTIN, CALIFORNIA

SEC. 806. (a) Subject to subsection (b), the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Irvine Company, a Michigan corporation, all right, title, and interest of the United States in and to a parcel of land consisting of approximately 84 acres located in the northeastern portion of the Marine Corps Air Station (Helicopter), Tustin, California, together with the improvements on such land. Such conveyance shall be made subject to such terms and conditions as the Secretary considers to be in the public interest.

(b) In consideration for the conveyance by the Secretary under subsection (a), the Irvine Company shall—

(1) convey to the United States land and interests in land that the Secretary considers to be equivalent in value to the land conveyed by the Secretary under subsection (a) and that are otherwise acceptable to the Secretary,

(2) pay the costs of relocating the Military Affiliate Radio Station (MARS) radio facilities and the skeet range facilities located on the land conveyed under subsection (a), and

(3) pay all costs of surveys, appraisals, and evidence of title involved in both such conveyances.

(c) The exact acreages and legal descriptions of the lands to be conveyed under subsections (a) and (b) shall be determined by surveys which are satisfactory to the Secretary.

(d) The Secretary is authorized to accept any land conveyed under subsection (b), and any such land shall be administered by the Secretary.

### LAND CONVEYANCE, HUNTSVILLE, ALABAMA

SEC. 807. (a) Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey, without monetary consideration, to the Alabama Space Science Exhibit Commission (an agency of the State of Alabama) all right, title, and interest of the United States in and to the real property described in subsection (c). Any real property conveyed under the preceding sentence shall be conveyed for use as a permanent site, in addition to the real property conveyed under Public Law 90-276, for the Alabama Space Science Exhibit.

(b) The conveyance authorized by subsection (a) shall be subject—

(1) to the condition that the real property so conveyed shall be used by the State of Alabama as a permanent site for an Alabama Space Science Exhibit to display suitable public exhibits of United States weaponry and allied subjects, developments of the National Aeronautics and Space Administration, and space-oriented exhibits of other United States Government departments, agencies, and instrumentalities and that if such property is not used for such purpose, all right, title, interest in and to such real property shall revert to the United States, which shall have the right of immediate entry thereon, and

(2) to such other conditions as the Secretary may prescribe to protect the interest of the United States. (c)(1) The real property referred to in subsection (a) is a certain tract or parcel of land containing 300 acres more or less (less that land occupied on the date of the enactment of this Act by the Department of the Navy), lying within range 1 west, township 4 south, parts of sections 8 and 9, and more particularly described as beginning at the established northeast corner of the Alabama Space and Rocket Center, running east along the Redstone Arsenal northern boundary, thence south along the Redstone Arsenal eastern boundary to a point north of the northwest

corner of the intersection of Patton Road and Goss Road, thence west parallel to the north site of Goss Road to MacDonald Creek, thence northwesterly parallel to the east bank of the creek to the northern line of the Tennessee Valley Authority easement, thence west along the easement to the Alabama Space and Rocket Center established corner, thence north and east along the Alabama Space and Rocket Center boundary to point of beginning.

(2) The exact description of such property is to be determined by an accurate survey approved by the Secretary.

### LAND CONVEYANCE, CHARLESTON, SOUTH CAROLINA

SEC. 808. (a) The Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to acquire by exchange all right, title, and interest of the Charleston County Aviation Authority (hereinafter in this section referred to as the "Authority") in and to a replacement hazardous cargo handling area to be constructed by the Authority at the Charleston County Airport, South Carolina, for the Air Force.

(b) As consideration for the acquisition under subsection (a), the Secretary is authorized to convey to the Authority all right, title, and interest of the United States in and to land (and improvements thereon) having a fair market value not more than the fair market value of the property to be acquired.

(c) The exact acreages and legal descriptions of the properties to be acquired or conveyed under this section shall be determined by surveys which are satisfactory to the Secretary and to the Authority.

### BOLLING AIR FORCE BASE EXTENSION

SEC 809. Section 607(b) of the Military Construction Authorization Act, 1966 (Public Law 89–188; 79 Stat. 818), is amended by striking out "January 1, 1980" both places it appears and inserting in lieu thereof "October 1, 1984".

### PREPARATION OF ENVIRONMENTAL IMPACT STATEMENTS WITH RESPECT TO CERTAIN BASE CLOSURES

SEC. 810. (a) No action with respect to the closure of, or the realinement of, the Army Training Command at Fort Dix, New Jersey, may be taken unless and until the Secretary of the Army has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realignment. Such environmental impact statement shall place special emphasis on socio-economic factors in the affected area.

(b) No action with respect to the closure of, or the realinement of, the Air Training Command at Goodfellow Air Force Base, San Angelo, Texas, may be taken unless and until the Secretary of the Air Force has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement. Such environmental impact statement shall place special emphasis on socio-economic factors in San Angelo, Texas, and the surrounding area.

(c) No action with respect to the closure of, or the realinement of, Fort Indiantown Gap, Annville, Pennsylvania, may be taken unless and until the Secretary of the Army has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement. Such environmental impact statement shall place special emphasis on socio-economic factors in the affected area.

(d) No action with respect to the closure of, or the realinement of, New Cumberland Army Depot, New Cumberland, Pennsylvania, may be taken unless and until the Secretary of the Army has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement. Such environmental impact statement shall place special emphasis on socio-economic factors in the affected area.

(e) No action with respect to the closure of, or the realinement of, Fort Monroe, Hampton, Virginia, may be taken unless and until the Secretary of the Army has prepared an environmental impact statement in accordance with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realinement. Such environmental impact statement shall place special emphasis on socio-economic factors in the affected area.

### TECHNICAL AMENDMENTS TO THE MILITARY CONSTRUCTION AUTHORIZATION ACT, 1979

SEC. 811. The Military Construction Authorization Act, 1979 (Public Law 95–356; 92 Stat. 565) is amended as follows:

(1) Sections 102, 202, and 302 are amended by striking out "upon the date of enactment of the Military Construction Authorization Act for fiscal year 1980" and inserting in lieu thereof "on October 1, 1979".

(2) Section 603(a) is amended by striking out "(a), (b), (c)" and inserting in lieu thereof "(b), (c), (d)".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3947) was laid on the table.

### APPOINTMENT OF CONFEREES ON S. 1319

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill (S. 1319) to authorize certain construction at military installations, and for other purposes, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and appoints the following conferees: Messrs. PRICE, NEDZI, CHARLES H. WILSON of California, BRINKLEY, DAVIS of South Carolina, WON PAT, FAZIO, BOB WILSON, WHITEHURST, and BEARD of Tennessee.

### AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF HOUSE AMENDMENTS TO S. 1319

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendments to the Senate bill (S. 1319) the Clerk be authorized to make necessary technical corrections including section numbers, punctuation, and cross-references as may be necessary to reflect the action of the House in amending the bill, H.R. 3947.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS

Mr. JONES of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3683) to amend the Consolidated Farm and Rural Development Act.

The SPEAKER. The question is on the motion offered by the gentleman from Tennessee (Mr. JONES).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3683, with Mr. LEHMAN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, October 19, 1979, all time for general debate on the bill had expired.

Pursuant to the rule, the Clerk will now read the Committee amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

### H.R. 3683

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Consolidated Farm and Rural Development Act is amended by—

(1) in section 303(b), deleting paragraph (1) and inserting in lieu thereof—

"(1) the term 'improving farms' includes, but is not limited to, the acquisition, installation, and modification of any qualified nonfossil energy system located on a family farm; and";

(2) in section 306(a)(7) deleting "ten thousand" and inserting in lieu thereof "twenty thousand"; and

(3) in section 310B(a), inserting at the end of the first sentence immediately before the period "and reducing the reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems, including the modification of existing systems. For the purposes of this subsection the term 'solar energy' means energy derived from sources (other than fossil fuels) and technologies included in the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended";

(4) in section 312(a), deleting "and" immediately before clause (10) and inserting immediately before the period at the end of clause (10) "and, (11) assisting farmers and ranchers in reducing their dependence on nonrenewable resources by encouraging the development and construction of solar energy system, including the modification of existing systems";

(5) in section 321, inserting immediately after the term "United States" the first two times it appears, the phrase "or aliens legally admitted for permanent residence"; and

(6) in section 346, inserting "(a)" after "SEC. 346." and adding a new subsection (b):

"(b)(1) Loans for each of the fiscal years 1980, 1981, and 1982 are authorized to be insured, or made to be sold and insured, or guaranteed under the Agricultural Credit Insurance Fund as follows: (A) real estate loans, $1,615,000,000, including $1,500,000,000 for farm ownership loans of which $1,400,000,000 may be for insured loans and $100,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories and $100,000,000 for water development, use, and conservation loans of which $90,000,000 may be for insured loans and $10,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories; (B) operating loans, $1,200,000,000 of which $1,150,000,000 may be for insured loans and $50,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories; and (C) emergency insured and guaranteed loans in amounts necessary to meet the needs resulting from natural disasters. Not more than 75 per centum of the insured loans authorized for farm ownership purposes and not more than 75 per centum of the insured loans authorized for farm operating purposes may be for persons other than low income limited resource borrowers.

"(2) Loans for each of the fiscal years 1980, 1981, and 1982, are authorized to be insured, or made to be sold and insured, or guaranteed, under the Rural Development Insurance Fund as follows: insured water and sewer facility loans, $1,000,000,000; industrial development loans, $1,500,000,000 of which $100,000,000 may be for insured loans and $1,400,000,000 may be for guaranteed loans with authority to transfer amounts between such categories; and insured community facility loans, $500,000,000.

"(3) The authority for each program provided in this subsection shall apply only for such period as the applicable program is administered by the Secretary of Agriculture.".

Mr. JONES of Tennessee (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

### AMENDMENT OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Madigan: On page 4, line 10, strike the phrase "a new subsection (b)" and insert in lieu thereof the phrase "new subsections (b) and (c)".

On page 5, line 19, strike the quotation marks and the second period and add the following:

"(c) The Secretary shall develop long-term cost projections for the loan programs authorized by subsection (b) of this section. Such projections shall include an analysis of the long-term costs for the levels of loans requested to be authorized by this section and the long-term costs for increases in such levels beyond those requested to be authorized based upon increments of $10 million or such other levels as the Secretary deems appropriate. Long-term cost projections for the three-year period beginning with fiscal year 1983 and for each three-year period thereafter shall be submitted to the House Committees on Agriculture and on Appropriations and the Senate Committees on Agriculture, Nutrition, and Forestry and on Appropriations at the time the requests for authorizations for those periods are submitted to the Congress. Not later than February 15, 1980, the Secretary shall submit to such Committees long-term cost projections covering fiscal years 1981 and 1982 for such programs.".

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADIGAN. Mr. Chairman, my amendment to H.R. 3683 is to require the Secretary of Agriculture to develop and submit to the appropriate committees of each body, the House and the Senate, long-term crop projections for the major FRA loan programs for which we are establishing loan levels in this bill.

These projections would be submitted for each 3-year period beginning with fiscal year 1983 and each 3-year period thereafter at the time the departmental request for those periods is submitted to Congress.

This is a recommendation of the Comptroller General's Office issued in April of this year, and I understand the amendment is supported by both the majority and minority spokesmen on the bill.

Mr. Chairman, if that understanding is correct and if there are no questions, I would urge support for the amendment.

Mr. JONES of Tennessee. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as my colleague and good friend, the ranking minority member of the subcommittee, mentioned, this has been discussed by us before. If I am not mistaken, we had this matter before us in the subcommittee to begin with, and later it was also discussed in the full committee.

Mr. Chairman, as far as I am concerned, we have no real problem with this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Madigan).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. HEFTEL

Mr. HEFTEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Heftel: Page 4, line 8, strike out "and".

Page 5, at the end of line 19, strike out the period and insert in lieu thereof "; and".

Page 5, after line 19, add the following:

(7) in section 343, striking out ", and (4)" and inserting in lieu thereof the following: ", (3) the term 'owner-operator' shall include in the State of Hawaii the lessee-operator of real property in any case in which the Secretary determines that such real property cannot be acquired in fee simple by such lessee operator, that adequate security is provided for the loan with respect to such real property for which such lessee-operator applies under this Act, and that there is a reasonable probability of accomplishing the objectives and repayment of such loan, (4)".

Mr. HEFTEL. Mr. Chairman, this language was in the bill during the period, 1966 to 1970, and through oversight was not omitted from the bill since then.

This pertains to the large areas of land in Hawaii which cannot be owned in fee, which are actually farmed, and for which there is adequate security. Further, the Secretary of Agriculture makes the determination of whether or not it is in fact a secure loan and whether or not the property cannot be owned in fee.

Mr. JONES of Tennessee. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my good friend, the gentleman from Hawaii (Mr. Heftel), and I have discussed this amendment before. The Department of Agriculture has accepted the amendment without any difficulty whatsoever.

As the gentleman said, the amendment was previously in the bill and for some reason was dropped at the end of 1970.

So, Mr. Chairman, as far as this side is concerned, we have no problem with accepting the amendment, and I suggest that it be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Hawaii (Mr. Heftel).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. THOMAS

Mr. THOMAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Thomas: On page 4, line 8, strike "and" and insert the following, and on line 9 change "(6)" to "(7)":

"(6) in section 324, adding at the end thereof the following new sentence:

'Any limitation on the amount of loans under this subtitle to any one borrower which may be imposed by the Secretary by regulation shall take into consideration the operations and financial status of each borrower.'; and".

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Mr. THOMAS. Mr. Chairman, last Friday the Subcommittee on Conservation and Credit of the Committee on Agriculture held a hearing on the emergency loan program. Many suggestions as to the improvements in the program were offered, not just by the Farmers Home Administration, but by the General Accounting Office, the Inspector General, and other Department of Agriculture officials. Many of those suggested remedies are much needed and will go into effect by regulation.

One specific regulation which the Department said that it was going to place into effect was an arbitrary limit on the amount of money that may be loaned under the program. My concern during the subcommittee and the reason for this particular amendment is that farming practices throughout the United States differ greatly. The types of crops raised and the amounts of money necessary to raise particular types of crops differ enormously per acre. My concern is that, in making these loans, when following all of the proper administrative procedures, that no arbitrary limit be placed prior to the consideration of an individual farmer's operations and financial status and, thus, the reason for the amendment.

Mr. JONES of Tennessee. Mr. Chairman, the gentleman from California (Mr. Thomas) and I have discussed this amendment. There is no problem on this side with it. I accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Thomas).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Panetta: Page 4, strike out lines 5 through 8 and insert in lieu thereof, the following:

"(5) in section 343, striking out "and (6)" and inserting in lieu thereof "(6) the term 'citizens of the United States' includes aliens legally admitted for permanent residence, and (7)".

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, as a member of the Agriculture Committee and the Subcommittee which reported this legislation, I rise to offer an amendment to make a minor change in a provision that was adopted during markup. Presently, legal permanent residents are eligible to participate in a wide range of Farmers Home Administration programs with the exception of a couple of the loan programs authorized by the Act before us today. This oversight was pointed out by my friend and colleague, the gentleman from California (Mr. Coelho) during markup of the bill. At that time we unanimously adopted an amendment to correct this situation.

After the measure was passed by our committee, however, I discovered that it failed to achieve the coverage that we had intended. I am therefore offering the amendment presently at the desk to strike the language adopted in committee and to substitute language to extend this coverage to all of the Farmers Home Administration programs authorized by this act.

It is my understanding that the amendment is acceptable to both sides. I would urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Panetta).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Madigan: On page 4, line 8, insert the following after "and" and on line 9 change "(7)" to "(8)":

"(6) in section 324(a), changing the period at the end of the first sentence to a comma and inserting the following: 'except that for guaranteed loans exceeding the amount of the actual loss, the interest rate shall be such rate as may be agreed upon by the borrower and the lender but not in excess of a rate as may be determined by the Secretary. No loan or portion of a loan exceeding the amount of the actual loss may be made or insured under this subtitle unless the Secretary determines that the applicant is unable to obtain from a private or cooperative lending agency a loan which would be guaranteed under this subtitle sufficient to finance his actual needs. In determining whether an applicant is unable to obtain sufficient credit elsewhere to finance his actual needs at reasonable rates and terms, the Secretary shall require at least one written indication of declination of credit from a legally organized lending institution within reasonable proximity to the applicant which specifies the reasons for the refusal: *Provided*, That in the case of loans over $300,000, the Secretary shall require at least two such written declinations: *And provided further*, That in the case of loans not exceeding $300,000 the Secretary may waive the requirements of this sentence if he determines it would impose an undue burden on any applicant.' ".

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADIGAN. Mr. Chairman, last Friday the Subcommittee on Conservation and Credit of the Committee on Agriculture held a hearing on the emergency loan program. That hearing, and additional information recently made public, has indicated that there are a number of problems with the current Farmers Home Administration emergency loan program.

A number of recommendations were made by witnesses, which included the General Accounting Office, the Inspector General of the Department of Agriculture, and other Agriculture Department officials. It is clear from this hearing and subsequent discussions with the Department that some of the problems with the program will be handled administratively. However, there are several changes which I believe should be provided in the statute. They are incorporated in the amendment that I have offered.

This amendment would basically make three changes in the emergency loan program. It would authorize guaranteed loans at negotiated interest rates. It would require loan applicants to seek a guaranteed loan for operating and adjustment purposes before being eligible for an insured loan from the Farmers Home Administration for such purposes. It would also tighten the credit-elsewhere test by requiring the Secretary to obtain at least one written turndown of credit in the case of all loans unless waived by the Secretary and two such turndowns in the case of loans over $300,000.

Some of these changes are going to be made anyway by the Department of Agriculture, as I understand their communications with us. Others I think are necessary to address the mounting criticism of the emergency loan programs as they are presently being administered.

Most of the Members are aware of the publicity that this program received on the CBS "60 Minutes" television program a week ago Sunday night. The three-phase amendment that I am offering here is for the purpose of responding to the legitimate criticisms that were aired on that program. All of those criticisms cannot be responded to in an intelligent way because not all of the criticisms were well founded, but some were, and we are here trying to respond to those that were legitimate. I think that this amendment does it. I would urge support of the amendment from the committee.

Mr. JONES of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I yield to the gentleman from Iowa (Mr. Smith).

Mr. SMITH of Iowa. Mr. Chairman, I would like to ask the gentleman from Illinois (Mr. Madigan) a question or two.

If I understand, the gentleman is talking about the disaster loans.

Mr. MADIGAN. Emergency disaster loans, that is correct.

Mr. SMITH of Iowa. Did the gentleman say a $300,000 cap?

Mr. MADIGAN. No, sir. What I said was that on loans that would exceed $300,000 it would be necessary as a procedure in approving that loan that there be at last two written turndowns from commercial banks as a condition of the eligibility for the borrower.

Mr. SMITH of Iowa. Mr. Chairman, what I am really wondering, if the gentleman will permit me, is this: As the gentleman knows, we have in conference, which I hope will be out in a few days, changes in the disaster loan program that will make the FmHA program consistent with the SBA program, and I believe the language we have agreed on there will correct almost every legitimate criticism set forth on the "60 Minutes" program. It puts a cap on, which it did not have before, it reduces length of loan to the time necessary to absorb the shock of the disaster which gets to the needs problem in an effective way, and it limits the loans to the amount of the net loss, which was not true before. The gentleman's amendment would not affect that?

Mr. MADIGAN. Mr. Chairman, there is no inconsistency between the gentleman's bill and the amendment that I am offering to this bill.

Mr. SMITH of Iowa. I thank the gentleman.

I think it should be pointed out that Congress has already taken action to correct these problems by making the FmHA disaster loan eligibility provisions the same as SBA has been using.

(On request of Mr. Madigan and by unanimous consent, Mr. Jones of Tennessee was allowed to proceed for 2 additional minutes.)

Mr. JONES of Tennessee. Mr. Chairman, I thank my colleague, the ranking minority member on the subcommittee.

Mr. Chairman, the reason I am in opposition to this amendment is that it came at a late hour. I am aware of the fact that we had hearings last week, because I chaired the subcommittee hearings, and I am aware of the fact that there are some problems. Yet I want to point out that this amendment which has been offered here by my good friend, the gentleman from Illinois (Mr. Madigan), will add much redtape to the Farmers Home Administration program; it will add an additional burden to the bankers who are working with the Farmers Home Administration and it really does not resolve the problem that we have.

What I propose is that we continue

oversight hearings—that we get into the real meat of the problem that we have and give it the serious review and consideration it deserves.

I would like to point out that right now in a conference on the Small Business Act a $500,000 cap on the loans is being proposed.

Mr. HANCE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Texas.

Mr. HANCE. I think there is no doubt that the "60 Minutes" program probably brought a lot of attention to the Farmers Home Administration loans across the country. But if you look at the more than 98 percent of the loans that are legitimate loans, you cannot overreact and completely change the structure of the loan system on the floor.

I think one thing we need to look at is that last week when we had those committee hearings, I agree with the gentleman from Illinois (Mr. MADIGAN) that there is a lot of opposition to the fraudulent type of loans we saw on "60 Minutes," and that problem should be addressed.

I think the proper way to do it is in subcommittee and let the Farmers Home Administration come out with some new guidelines.

I do not think it would be the proper way to amend this bill on the floor. Therefore, I would be in opposition to the gentleman's amendment.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding.

I would just comment in response, first of all, that the gentleman is a very valuable member of the Committee on Agriculture and works very hard there. I understand his interest in this program. I assure the gentleman I do not want to do anything to jeopardize the proper and legitimate and effective activities of the Farmers Home Administration.

The fact of the matter is that there are loans in excess of $15 million being made to farmers who have tennis ranches, who have show horses, who have garages full of Cadillac automobiles and Rolls Royce automobiles.

We discussed in the committee hearing the other day the attorney from California who made over $900,000 in legal fees in 1 year obtaining these loans for people into the millions of dollars, when they did not even offer any evidence first, that they needed the loans or, second, that they had been turned down by any commercial lender.

Obviously something like that ought to be tightened up unless this Government has decided to be in the business of creating a whole new class of millionaires in the United States.

The recommendations that I am making for tightening it up are those coming from the Comptroller General and from the U.S. Department of Agriculture.

I thank the gentleman for yielding.

Mr. HANCE. I appreciate the gentleman's comments very much, but in opposition to that, I would say, first of all, the present law should be enforced. This can be taken care of by the Department of Agriculture, but in speaking of the farmer who owns the tennis ranch, I have to think of the people in my district who have suffered one hailstorm that was 180 miles long and 40 miles wide and just wiped them out.

If the gentleman's guideline or if the gentleman's amendment comes in and hurts the 99 percent who are trying to get actual loans to stay in the farming business, it is a bad amendment.

Mr. MADIGAN. There is nothing in my amendment that would affect those people in any way.

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. JONES) has expired.

(By unanimous consent, Mr. JONES of Tennessee was allowed to proceed for 2 additional minutes.)

Mr. JONES of Tennessee. Mr. Chairman, let me say this, that I realize that the "60 Minutes" program focused attention on a lot of problems in this program. We cannot correct all these problems today.

The gentleman from Illinois (Mr. MADIGAN) knows that I am willing to do that. I have already said that I think there are some corrections that should have been made, but I think that we should force the Department of Agriculture to go ahead and administer the program like it ought to be administered. It is something that I have long advocated.

There is no Member of this House who is more interested in seeing the Farmers Home Administration program administered as it should be for the good of all people who need help than the Member who is speaking at this point.

I ask that we do defeat this amendment.

Mr. COELHO. Mr. Chairman, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from California.

Mr. COELHO. I thank the gentleman for yielding.

As the chairman knows, there is a lot of controversy right now in regards to shopping around for low-interest loans as opposed to what they pay in the open market. This has caused a great deal of the problems that "60 Minutes" talks about and everything else.

The gentleman is saying in effect that he is prepared to address this question in the committee and try to work with the administration to make the necessary changes and also legislatively, if necessary, in order to correct the problem; is that correct?

Mr. JONES of Tennessee. The gentleman is exactly correct. In fact, no sooner than we had finished the hearings was I in touch with the Department telling them that something had to be done, and done quickly, and that we were going to hold some additional hearings.

I do not feel that we can do it here today. We will make some mistakes if we are not careful.

Mr. COELHO. I thank the gentleman.

Mr. HOPKINS. Mr. Chairman, I rise in support of the Madigan amendment.

I believe that I speak for most of the Members on this side of the aisle. There are, according to Secretary Bergland, 320 emergency loans of over $1 million each, which total $1 billion.

It seems to me that the Department has already had an opportunity to correct this situation, and they have not done it; and it seems to me that the Madigan amendment is meaningful, and it is time that we start making an attempt to correct that situation. This amendment would provide integrity to the program at a time that it is needed.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. HOPKINS. I yield to the gentleman from California.

Mr. THOMAS. I thank the gentleman for yielding.

In terms of just where we are in revising the program extensively, I think it is important to note that in the subcommittee hearing on Friday, the Farmers Home Administration recommended in its testimony presented to the subcommittee, "The test required to determine whether an applicant can secure adequate credit should be strengthened."

That is done in the Madigan amendment.

"Guaranteed emergency farm loan interest rates should be allowed to be negotiated."

That is done in the Madigan amendment.

From the Inspector General: "Limit loss loans to actual dollar loss."

The Madigan amendment limits direct loans to actual dollar loss.

It says, "Tighten up the test for credit."

As indicated, that is done in the Madigan amendment.

"Require 'Treasury Formula' instead of 'Money Market' interest * * *"

The interest rate is modified from previous practice in the Madigan amendment.

The GAO report indicated that "* * * we recommend the FmHA administrator clarify the test for credit elsewhere for all county supervisors and review all production loss loans made in fiscal year 1978 * * *"

The "credit elsewhere" is strengthened in the Madigan amendment.

The Madigan amendment incorporates suggested changes drawn from the GAO, the Inspector General, and Farmers Home Administration and attempts to put them into effect as soon as possible.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. HOPKINS. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I compliment both the gentleman from Kentucky (Mr. HOPKINS) and the gentleman from California (Mr. THOMAS) for their remarks that they have brought out here. I think that the amendment of the gentleman from Illinois (Mr. MADIGAN), does deserve our support.

I think it has been pointed out here or someone made the statement earlier here on the floor in listening to the debate that the "60 Minutes" program that they are referring to, the CBS television program caused some problems for the program.

The way I saw the program, they did not cause any problems for it. They just reported some of the things that had been happening. There is a big difference.

I think that these programs have to be analyzed. I think the amendment of the gentleman from Illinois (Mr. MADIGAN) could do a great deal toward making some corrections and needed reforms in these ever expanding programs, that it is just like a payoff to go out here and try to buy bullets with somebody else's money by just opening floodgates of money. That is why we have all this printing press money floating around the country at 14- or 15-percent inflation.

I thank the gentleman for his time.

Mr. HOPKINS. Mr. Chairman, I yield back the balance of my time.

Mr. BEDELL. Mr. Chairman, I move to strike the requisite number of words.

I have some questions that I would like to clear up in my own mind.

I should say first off that I am in general agreement with what has been offered by the gentleman from Illinois (Mr. MADIGAN). I think it makes a great deal of sense, but I would like to ask the chairman of the committee a question. He has indicated we would hold hearings to try to give this proper consideration. I think that is a legitimate statement to be made.

My question is, if we were to do that, and were to pass legislation to correct this, how quickly would that come into effect and take effect? Are we talking about a 1-year delay by doing so, or would it take effect as soon as the legislation were passed?

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Tennessee.

Mr. JONES of Tennessee. As I have already said, last Friday, we did have hearings by a number of witnesses on this very subject. I must admit to the gentleman that the hearings were scheduled——

Mr. BEDELL. The gentleman is well aware of that.

Mr. JONES of Tennessee (continuing). Before I had any knowledge of the fact that "60 Minutes" was coming up. We knew some of these were problems with the program. We felt we ought to hear about them. But I can assure the gentleman, just as soon as we can get to it—we will take corrective action.

□ 1430

Mr. BEDELL. I understand that. My question is if we were to do that and we were to come back with language that were to pass both Houses and become law, would that then be for the following year or would that immediately take effect?

Mr. JONES of Tennessee. Of course I do not dictate to the subcommittee but we will do whatever has to be done.

Mr. BEDELL. We will have the authority if we wish to do so to it immediately?

Mr. JONES of Tennessee. That is correct.

Mr. BEDELL. I guess the only question I would have is if that is the case I would likewise assume if we were to accept the Madigan amendment, which I agree is rather hurriedly drawn and we are considering rather quickly, if we were to accept it I would assume we would also have the oppotunity in the committee to come back and change it as we saw fit and see that it was corrected. Is that right, Mr. Chairman?

Mr. JONES of Tennessee. I think I would have to answer that in the affirmative. I think that is correct.

Mr. BEDELL. I guess the only thing I would feel, if that is true, it was clearly stated in those hearings that the Farmers Home Administration felt that they need better language in regard to the credit elsewhere provision in order to adequately inforce the credit elsewhere provision, which I understand the Madigan amendment does. I realize it requires two banks rather than just the one and says it has to be a bank near where the loan is made. To me that does not seem to be particularly onerous to the person applying for one of these sizable loans. As I understand it, that is only for loans of over $300,000. I for one feel it needs to be corrected. If it is true that we can change it, whenever we need to change in committee, then it would appear to me that to adopt the Madigan amendment and then go back to the committee and try to correct it if it is wrong would be more sensible than simply sitting here and doing nothing.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I will be glad to yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I want to thank the gentleman for yielding and acknowledge that the gentleman from Iowa (Mr. BEDELL), is also a member of this subcommittee and understands this subject very well.

We have not proposed anything in the Madigan amendment that is not either included in the recommendations of the Comptroller General or is not something that the Department of Agriculture says it is going to do administratively in any event. What this amendment attempts to that the Department of Agriculture says it is going to do anyway. The reason for doing that is because, as was evidenced in the Comptroller General's report, the people in the field, the county offices and the State offices obviously admittedly have been ignoring the regulations. I do not think they are doing it to ignore the law with the same abandon with which they have been ignoring the regulations. All I am doing is proposing we put into the law the thing that the Department of Agriculture says they are going to do by regulation anyway.

If there is going to be any negative effect from this, and I do not think there is, it is going to happen anyway because these are Department of Agriculture recommendations.

Mr. BEDELL. Is it not also correct that these amendments in no way affect the loans covering actual losses in case of a disaster?

Mr. MADIGAN. If the gentleman will yield further, that is absolutely correct.

Mr. BEDELL. I thank the gentleman.

Mr. COELHO. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from California.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent Mr. BEDELL was allowed to proceed for 2 additional minutes.)

Mr. COELHO. I thank the gentleman for yielding and would like to address a question, if he does not mind, to the gentleman from Illinois (Mr. MADIGAN).

The gentleman from Illinois made the statement that the Department intends to implement these provisions anyway. I am not aware of that. The Department has indicated that they are interested in some of these provisions. The interest rate question is one that I am particularly concerned about and the Department at this point is still opposed to it. The Inspector General and the GAO have indicated some interest in this area. But in the proposal that the Department intends to submit to the Federal Register, which I have seen, that is not listed in that proposal. I am not aware of any indication that they are proceeding in that area. If they are, I would appreciate knowing it.

Mr. MADIGAN. Mr. Chairman, will gentleman yield to me?

Mr. BEDELL. I am glad to yield to the gentleman.

Mr. MADIGAN. I thank the gentleman for yielding. I believe I said these are either recommendations of the Comptroller General or are things that the Department of Agriculture intends to do. With regard to the interest rate, there has been a considerable amount of discussion that what we really are confronting here is people who do not need the money that they are borrowing, that are borrowing it to take advantage of the fact that this program has a lower rate of interest than the debts they presently have outstanding. So they are getting into this program and refinancing their debt through the Government at a lower rate of interest.

Obviously the way to get away from that is to make those restructuring loans, not loans for full losses, but loans for restructuring to be at some kind of prevailing rate of interest so that the attractiveness of that has been eliminated. I think in the process of doing that we would eliminate some of the $15 million and $17 million borrowers and some of the people with Cadillacs and Rolls Royces and show horses. We would also eliminate the $800,000-a-year lawyers who are making all of that kind of money just by processing these multimillion-dollar loans.

Mr. MATHIS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, having examined the amendment offered by the gentleman from Illinois, who is a very valued member of the full Agriculture Committee, as well as a ranking member of the Subcommittee on Conservation and Credit, I find it difficult to pick apart the amendment or the intention of the gentleman. I also find it a little ironic that those of us on this side of the aisle are defending or appearing to defend those big corporate farms that generally we are attacking. Maybe it ought to be the other way around here today. I am not exactly sure about the position in which we find ourselves.

But I am concerned, after looking at the amendment, as to what other implications might be here. I think the gentleman from Tennessee (Mr. Jones) has said that he is willing to hold a series of further hearings on this proposal. I think I would suggest to members of the committee that that probably is the way we should proceed.

We know what we are going to do by the adoption of this amendment. Certain things we will do; but I am not sure we know all of the things we will do or what other effect we may have that is unintended. I think that is why there is a necessity to examine this through the normal legislative procedure. I feel very confident that the gentleman from Tennessee, the distinguished chairman of the subcommittee (Mr. Jones) will work with the gentleman from Illinois (Mr. Madigan) in bringing back legislation that will, in fact, avoid the kind of expose, hopefully, that we saw in "60 Minutes."

But, we do not need to overreact to that situation. I am not suggesting that the gentleman from Illinois is motivated by anything except the purest of motivations, because he always is. But let us not come to this House today and overreact to a situation that has been blown out of proportion by a muckraking journalist. I think we ought not do that. We ought to go through the normal channels of the legislative procedures and allow the committee to work its will and find a way to legitimately correct the problem if, in fact, it does exist.

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I am delighted to yield to the gentleman.

Mr. JONES of Tennessee. Mr. Chairman, I thank my dear friend for yielding. I want to associate myself with the gentleman's statement.

I want to point out that I am in no way defending the big borrowers. But I want to say to this body that just a few moments ago did this side of the House see this amendment. I do not believe that is the way to write legislation when we spent a long time on H.R. 3683. I think we ought to take some time, gentlemen. There are some other problems that I want to discuss in some hearings involving this program. I want to talk about interest rates also.

I appreciate what the gentleman has said and I appreciate his yielding.

Mr. MATHIS. I appreciate the comments and the support of the chairman. I want to make it very clear if there is a $1 million loan that has been made to a farmer in my district, I am not aware of it. If there has been, he is probably a Republican anyway.

Mr. DASCHLE. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I am happy to yield to my friend from South Dakota.

Mr. DASCHLE. Mr. Chairman, I want to associate myself with the gentleman's remarks as well. I think there are a couple of things that we want to clarify here.

First, I do not think anyone on this side of the aisle is any less abhorred by the kind of distortions that have occurred and which we have seen through the hearings and the reports in the media. But the fact is in the hearing we had last Friday there were a whole range of suggestions made for ways in which this can be overcome. The Comptroller General, the Department of Agriculture, and various other witnesses proposed numerous solutions to this particular problem.

I think the gentleman from Illinois has done very well in proposing some of those solutions, but we have no indication at all that those are the ones we want to select. We may even want to go further than the proposals made by the author of this amendment.

□ 1440

There may be another four or five solutions which we may want to implement which deal with this matter much better than the proposed amendment.

Mr. MATHIS. I thank the gentleman for his comments.

I would pledge to both the chairman of the subcommittee and the gentleman who is the maker of the amendment my full efforts to attempt to find a way to cure this problem, because I think there have been abuses. I do not think any of us could be naive enough to stand up on the floor of the House and say that there have not been abuses, but let us follow the normal channels. Let us give the committee and the subcommittee an opportunity to work its will and find a way to defeat these abuses.

Mr. THOMAS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am amazed at the majority party's sensitivity to the "60 Minutes" program. The subcommittee hearing that was held was not just on that particular basis, but in fact the whole farmers home program was already being scrutinized.

As to the Madigan amendment, I also find it somewhat amazing that the reaction of the majority party is in fact an overreaction. The amendment itself is not an overreaction. As the gentlemen from Iowa (Mr. Bedell) indicated, the particular measures in the Madigan amendment are very prudent. The credit elsewhere test in terms of a stiffening of that particular test was asked for by every one of the individuals who testified. The credit elsewhere test has provided for a legal confirmation of lack of credit, and if it is over $300,000, two written statements. I think that is reasonable and appropriate.

What might the committee amend it to if it decided to look at that particular test later? To write two letters under $300,000 and three over, or three under $300,000 and four over? I think the one letter under $300,000 and two letters over is reasonable and prudent.

What else does the Madigan amendment propose? It proposes that if you want a loan, you get a direct or an insured loan from Farmers Home for actual loss. If you want a loan beyond actual loss, either for adjustment or operational costs, you will be required to first seek a guaranteed loan from a private financial institution at negotiated interest rates. One of the chief causes of our concern was that operational and adjustment loans carried with them subsidized interest rates. Here, the requirement to seek a guaranteed loan requires negotiated interest rates.

But, there may be some areas of the country where the local financial institutions would not be able to supply a guaranteed loan. The Madigan amendment then provides that in case of an individual's inability to get a guaranteed loan, Farmers Home can then offer a direct or an insured loan—at what rates? Prevailing interest rates. That is all the Madigan amendment does.

If there are other areas that need to be addressed, certainly the committee can address them, but in terms of the basic embodiment of the problems that were discussed at the subcommittee hearing, the Madigan amendment addresses the key problems in what I consider to be a sensible fashion. I would urge the committee to support the Madigan amendment, and then any other areas that have not been handled can certainly be handled by the committee.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Missouri.

Mr. COLEMAN. Mr. Chairman, we have heard two stories this afternoon as to why we cannot buy the Madigan amendment. One is that the committee has been working for 2 years to turn this bill out, and had not found the problems that "60 Minutes" did in a couple of minutes that they portrayed on TV. The other is that it is too hastily drawn.

It seems to me that those are inconsistent positions. Maybe what it is is a lack of our committee being able to find out these problems. I think it is incumbent upon us to restore confidence in this program for the 99 percent of the farmers who do need the program. We have got to realize that there are less than 5 percent of the American people who are farmers. We ought to restore confidence in it for the future. The amendment is not anything radical. It simply is addressing a problem.

We can overturn it and hold hearings and go on and on and on, but the fact is that it is our responsibility as Members of Congress to legislate. I do not think the floor of the House of Representatives is a bad place to legislate.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. Bethune and by unanimous consent, Mr. Thomas was allowed to proceed for 2 additional minutes.)

Mr. BETHUNE. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Chairman, not being a member of the committee, and listening to the gentleman from Missouri, it seems that the reaction and hostility to this proposed amendment is not so much on merits as it is somewhat of an embarrassment that this has been brought up and not dealt with. It seems to me that the gentleman put his hand right on it when he said these are prudent provisions.

I cannot read anything here that is going to disturb the Farmers Home Administration programs, at least in my knowledge of those programs, having practiced law in a rural community, so I am very supportive of the amendment.

Mr. THOMAS. I appreciate the gentleman's statement.

Let me say in closing that the primary criticism, as I see it, is that the Madigan amendment is not all-inclusive of all the possible changes that could have been made. Those changes it does address itself to, I think, are reasonable and prudent. I ask for support of the Madigan amendment.

Mr. FOUNTAIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of H.R. 3683, Consolidated Farm and Rural Development Act Amendments of 1979. This important legislation establishes for the first time specific annual lending levels for the Farmers Home Administration's farm and rural development loan programs. In the past, the nonspecified levels have been left in a state of limbo due to the uncertainties of the regular appropriations process.

FmHA provides valuable assistance for our farmers and for others who live in small towns and rural areas. FmHA loan programs include the following essential categories: real estate, farm operations, water and sewer facilities, community facilities, business and industry, and emergency natural disasters.

An important provision of this legislation increases the size of communities eligible for water, sewer, and community facility loans from 10,000 to 20,000 population. This move will benefit several communities in my home State of North Carolina—communities which have recently experienced business and industrial expansion or which have annexed new housing subdivisions. Many such communities, despite growth, have maintained their traditional rural character and flavor—and their citizens ought to retain their eligibility for FmHA services. I hope FmHA will continue to provide essential services to our growing small towns and communities.

Now is a good opportunity for many of us from rural and agricultural districts to express publicly once again our opposition to any administrative reorganization plan which might transfer certain FmHA loan programs to other agencies. The loan authorizations contained in this legislation are effective only for such period as the programs are administered by the Secretary of Agriculture. This provision ought to be seen as an expression of opposition to the proposed transfers of FmHA functions.

The legislation clarifies FmHA's authority to make loans for the furtherance of gasohol and solar energy technologies—new energy sources of interest to all of us.

Mr. Chairman, this is a good bill, designed to aid the economic development and stability of rural areas by providing needed credit where it is otherwise not readily available. I urge my colleagues to join me in supporting this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MADIGAN).

□ 1450

The question was taken; and on a division (demanded by Mr. SYMMS) there were—ayes 18, noes 21.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 326, noes 84, not voting 23, as follows:

[Roll No. 598]

AYES—326

Abdnor
Addabbo
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boland
Bonior
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Cheney
Chisholm
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fithian
Florio
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Hubbard
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Obey
Panetta
Pashayan
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Robinson
Rodino
Roe
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—84

Akaka
Albosta
Alexander
Anthony
Aspin
Bailey
Blanchard
Boggs
Bolling
Boner
Bouquard
Bowen
Breaux
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Chappell
Collins, Ill.
Corman
Davis, S.C.
Dellums
Derrick
Dixon
Edwards, Ala.
Evans, Ga.
Fascell
Fisher
Flippo
Foley
Ford, Mich.
Fuqua
Gaydos
Ginn
Gonzalez
Harris
Harsha
Hawkins
Heftel
Holland
Howard
Huckaby
Hutto
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kazen
Lehman
Leland
Long, La.
Lundine
Mathis
Mitchell, Md.
Mollohan
Moorhead, Pa.
Murtha
Nichols
Oberstar
Ottinger
Patten
Pepper
Price
Rahall
Rangel
Reuss
Richmond
Roberts
Rose
Skelton
Solarz
St Germain
Steed
Stewart
Stokes
Taylor
Ullman
White
Whitley
Williams, Mont.
Wilson, C. H.
Yates
Zablocki

NOT VOTING—23

Anderson, Ill.
Andrews, N.C.
Bonker
Brademas
Carter
Clausen
Conable
Conyers
de la Garza
Diggs
Flood
Hefner
Horton
Leach, La.
Maguire
Minish
Rosenthal
Scheuer
Treen
Whitehurst
Wilson, Bob
Winn
Wydler

□ 1500

Messrs. LLOYD, GLICKMAN, DOWNEY, BINGHAM, COTTER, McCORMACK, HANCE, HANLEY, MURPHY of Illinois, WEISS, CARR, LEATH of Texas, GARCIA, ECKHARDT, DINGELL, JONES of Oklahoma, KILDEE, WATKINS, SHELBY, ENGLISH, SLACK, PREYER, DASCHLE, ROTH, and AMBRO changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1510

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: Page 5, after line 19, add the following new section:

SEC. 2. (a) Section 322 of the Consolidated Farm and Rural Development Act is amended

> by adding at the end thereof the following new sentence: "For the purpose of determining whether to make or insure any loan under this subtitle, the Secretary shall take into consideration the net worth of the applicant involved, including all of the assets and liabilities of such applicant.".

Mr. GLICKMAN. Mr. Chairman, this section of the bill that I am seeking to amend adds a provision which we should consider.

Mr. Chairman, currently only farm assets and liabilities of an individual are included in the determination of eligibility for many of these Farmers Home Administration loans that are covered under this bill, and particularly the disaster loan provisions. That leaves open the possibility of a farmer with both a conventional farm operation and a nonfarm operation like a tennis farm, for example, being able to qualify for a generous amount of disaster assistance, without having to declare the worth of his tennis farm.

The purpose of the amendment which goes along with the amendment the gentleman from Illinois just offered, requires that the Secretary shall take into account the total net worth of the applicant involved, including both his farm assets and nonfarm assets.

It does not make any further requirements on the Secretary to in any way categorize those. It just requires him to take into consideration all of the applicant's assets, whether farm or nonfarm assets.

I think that is the intent of this committee. I know the gentleman from Tennessee (Mr. JONES) has been pursuing this matter most diligently. I think that is the intent of what we want to have, except under current law, I would again say, only farm assets are included in the determination of eligibility.

This leaves broad discretion to the Secretary, but all it says is that he must take into consideration farm and nonfarm assets.

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to my colleague, the gentleman from Tennessee.

Mr. JONES of Tennessee. Mr. Chairman, I thank the gentleman.

Mr. Chairman, there is no problem with this amendment. We have already discussed it and this side accepts it without any problem.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. FASCELL: Page 5, line 16, insert close quotation marks and a period at the end of such line, and strike out lines 17, 18, and 19.

Mr. FASCELL. Mr. Chairman, this amendment is offered to delete a provision which would have the effect of exempting these programs from any reorganization of the Federal Government. Section 3 of the bill states that the authority for each program provided for in the bill applies only so long as that program is administered by the Secretary of Agriculture. Thus, transfer of any of these programs to another executive branch agency would cause that program's authority to lapse.

On March 29, 1977, this House approved the Reorganization Act of 1977 (Public Law 95-17) by an overwhelming vote of 395 to 22. This grant to the President of carefully limited authority to undertake reorganizations within the executive branch was an affirmation of the need to provide an opportunity for structural flexibility to the President. In the words of the committee report:

> We are living in a period of rapid change which inevitably affects the programs and responsibilities of the Federal Government. Organizational structures should be modified to efficiently carry out the laws which Congress enacts.

The Government Operations Committee has jurisdiction over executive branch reorganizations. Provisions such as section 3 of H.R. 3683 make reorganizations more difficult and can serve to unsettle the proper procedure for conducting such reorganizations. It is my understanding that the administration has no plans to reorganize any of the programs involved in this particular legislation, but the problem is that this provision creates a very mischievous precedent insofar as Government organization is concerned.

I urge support of this amendment deleting section 3.

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Tennessee.

Mr. JONES of Tennessee. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we have discussed the amendment on numerous occasions.

Mr. Chairman, I would like to ask one question to the author of the amendment. Since reorganization has been discussed, it seems to me, Mr. Chairman, that we really have no problem with this any more, because I think that this part of the organization program has been laid aside, anyway.

Mr. FASCELL. I know of no plans to do anything about these programs, I would say to the chairman.

Mr. JONES of Tennessee. I thank the gentleman.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. Yes, I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I thank the gentleman for yielding.

This was a proposal that I included in this bill and that I offered at the time.

Mr. FASCELL. I did not know that, or I would have talked to the gentleman about it at length.

Mr. PANETTA. I understand the gentleman would do that.

I wanted to express the concerns at that time that we feared that these programs were going to be moved from the Department of Agriculture to the Department of HUD. We felt that the Department of Agriculture had handled these programs adequately and wanted to protect them.

I would like the assurance of the gentleman that the gentleman shares in that feeling, prior to accepting this amendment, because I agree that we ought to let them have that flexibility. I do not want to interfere with that, but I also do not want to see these programs moved from the Department of Agriculture to HUD.

Mr. FASCELL. Mr. Chairman, I have no desire to do that, I can assure the gentleman. I share the gentleman's concern, and I can assure the gentleman that any such proposal probably would have a hard time.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I would be glad to yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman for yielding.

Let me say, as one of the ranking members on the Committee on Government Operations, that I want to congratulate the gentleman on offering this amendment. Apparently it is not controversial at this time, although it may have been earlier. I would hope that the amendment would be unanimously adopted.

Mr. FASCELL. Mr. Chairman, I thank the gentleman.

Mr. HOPKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we on this side of the aisle have made inquiries of Department of Agriculture representatives today and I am informed that President Carter has abandoned his plans to transfer the business and industrial loan program to the Department of Commerce and the transfer of certain of the FmHA housing programs to the Department of Housing and Urban Development. For that reason, we have no objection on this side to the amendment.

□ 1520

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FASCELL).

The amendment was agreed to.

### AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HARKIN: Page 5, after line 19, add the following new section:
>
> SEC. 2. Section 310B(d) of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following new paragraph:
>
> "(7) No financial or other assistance shall be extended under any provision of this section to any individual, or to any private or cooperative organization, to facilitate any private business activity, or the development of any private business enterprise, involving the acquisition of an ownership interest in, handling, or processing livestock, poultry, or agricultural commodities obtained directly from producers if such individual or such private or cooperative organization engages in the production of any variety of the kind of livestock, poultry, or agricultural commodity so acquired, so handled, or so processed.".

Mr. HARKIN. Mr. Chairman, the amendment that I have offered addresses one of the growing problems that we who represent agriculture face everyday as we move ahead in the agricultural industry of this Nation. That problem has to do with the vertical integration of agriculture. It has to do with those operations that are now taking over more and more of the production, the processing, the distribution, and the marketing end of agriculture.

This is one area that is of growing importance, and I think it should alarm all of us, whether we represent agriculture or whether we represent consumers.

My amendment goes to the business and industrial loan program of the Farmers Home Administration. This program was one of the major new programs authorized by the Rural Development Act of 1972 to round out the Federal Government's credit and rural development programs already in existence.

The law contained a number of new and revised programs to strengthen State and Federal efforts to assist and encourage rural development. The overall goal was to encourage economic development in rural areas, provide jobs and income required to support better rural facilities and services, and improve the quality of rural life on a self-sustaining basis.

The Farmers Home Administration, under the business and industrial loan section, guarantees loans for a number of different purposes, but one of the things that it does not guarantee loans for is agricultural production. That is absolutely forbidden under the business and industrial loan program of the Farmers Home Administration, except for one phase, and that has to do with this—and I will read this to the Members from the regulations—They can provide guarantees for the processing and marketing facilities, hatcheries, commercial nurseries, integrated poultry operations, and commercial custom feedlot operations. Loans are provided for processing or marketing facilities, hatcheries, commercial nurseries, and integrated poultry operations, but it does not include loans for agricultural production.

However, applicants who are in the business of processing, marketing, and packaging, as well as production, may be eligible for loan assistance for that portion of the business other than agricultural production, provided that it is separate from the rest of the business. In other words, if I am vertically integrated, if I have production, if I have the processing, if I have the marketing, I can get a B. & I. loan, let us say, for my marketing facilitiy, for my processing, or for something else, but I cannot get it for the production end.

Can anyone here deny the fact that if I am a vertically integrated operator and I get the loans to help me out on the marketing end or the processing end, that does not in effect benefit my production end? Of course it does.

As a member of the subcommittee—and I have been one for the 5 years that I have been in Congress, I know the Members might raise this question: Why did I not bring this up in subcommittee, and why did we not act in subcommittee?

The bill we are working on right now is the one we worked on in subcommittee earlier this year, and it was reported out in May. Most of the data and statistics we have on the B. & I. program have come to us since that time.

In fact, just today Gordon Cavanaugh, Administrator of the Farmers Home Administration, testified before the Senate Select Committee on Small Business, and he talked about this very subject, the B. & I. loan program for vertical operations, and I will read what he testified. I think this is most important to Members who just cast their votes on the last amendment. I am quoting now from Mr. Cavanaugh's testimony:

> The policy—

And the policy to which he is referring is the policy of providing B. & I. loans—

> does not distinguish between vertically integrated and non-vertically integrated operations. Agricultural production is not a qualifying purpose under either system of operation.

However, he points out—

> There have been 14 loans to date—

That is, since 1973—

> for a total of $26,574,000 made to vertically integrated livestock producers and custom feedlot operators under the business and industry guaranteed program of the Farmers Home Administration.

The loan guarantees for integrated operations have been used, he says, for the processing and marketing aspects of those businesses.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has expired.

(By unanimous consent, Mr. HARKIN was allowed to proceed for 3 additional minutes.)

Mr. HARKIN. But, Mr. Chairman, again my point is that in getting these big loans for the processing or the marketing end, it does in fact redound back to helping in the production end, and it discriminates against those producers who are not vertically integrated, who may have a small feedlot, a small hatchery, or something like that, and they cannot get those kinds of B. & I. loans.

So all my amendment says is that again the B. & I. loans cannot go to agricultural production, and this is as it has been ever since 1973.

Furthermore, if you are a vertically integrated operation, you will not be eligible for B. & I. loans on any of the other segments of your operation other than production, if you are involved in those areas. That is really all my amendment does.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Texas.

Mr. KAZEN. In other words, Mr. Chairman, what the gentleman is saying is that if you are vertically integrated, you can only apply for an industrial loan on one of the other phases aside from production?

Mr. HARKIN. That is as it is right now.

Mr. KAZEN. Then, will the gentleman tell me what his amendment does?

Mr. HARKIN. My amendment says they cannot get any B. & I. loans for that end of their operation. It is just like saying I am a producer, I am not big enough for a processing plant and marketing facilities, so I do not get a loan. I am a producer, so I cannot get the loan.

Mr. KAZEN. Why do we not have it so the producers can get a loan?

Mr. HARKIN. Because what we are saying is that there is sufficient credit under the other programs for producers. That is not true of vertically integrated operators at all. As far as the producers are concerned, they can go and get operating loans, emergency disaster loans, and all these other things. Then on the other part of their business they get other loans. They double up on the Farmers Home Administration, and under this the producers can only get loans from one source.

Mr. KAZEN. Will there still be a source for B. & I. loans to the other segments?

Mr. HARKIN. There will be B. & I. loans available for all other nonproduction businesses in a rural area, yes.

Mr. KAZEN. Mr. Chairman, I thank the gentleman.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I will be glad to yield to the gentleman from Kentucky.

Mr. HOPKINS. Mr. Chairman, I thank the gentleman for yielding.

In the gentleman's amendment he speaks of "handling, or processing livestock." What does "handling" mean, and what would that cover?

Mr. HARKIN. Mr. Chairman, that is a generic term, talking about the other aspects involved. For example, let us take livestock production other than production facilities themselves, where, let us say you have an interest in that trucking operation or you are a processor or something other than your operation when you are handling livestock. Let us say you have an auction barn. Maybe you have an auction barn or something like that.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has again expired.

(On request of Mr. HOPKINS, and by unanimous consent, Mr. HARKIN was allowed to proceed for 2 additional minutes.)

Mr. HOPKINS. Mr. Chairman, will the gentleman yield further?

Mr. HARKIN. I yield to the gentleman from Kentucky.

Mr. HOPKINS. Mr. Chairman, I thank my colleague for yielding.

Let me ask, would a hog confinement operation be eligible for a B. & I. loan under the gentleman's amendment?

Mr. HARKIN. Mr. Chairman, a hog confinement operation, if it was part of a vertically integrated operation, would be a good example, and that vertically integrated operation would not be able to get the loan.

☐ 1530

Hog confinement operations right now are not eligible for B. & I. loans. Loans are only for the processing and marketing facilities. That is all. Only for the processing and marketing facilities. If you have a feedlot operation right now—in fact, that is a good question that the gentleman has raised—if I am feeding hogs on my farm in a small confinement facility, I cannot get a B. & I. loan. If, however, I happen to be a big operator and I not only have the confinement feedlots for the hogs but I grow the feed, I do the marketing, I do the processing, I sell them in the grocery stores, I can get the B. & I. loans for everything else other than the feedlot operation itself.

I will give the gentleman just one ex-

| | |
|---|---|
| 1605(b) | 19(j)(2) CNA |
| 1605(c) | 19(j)(3) CNA |
| 1606 | 19(d)(5) CNA |
| 1607(a) | 19(f)(1) CNA |
| 1607(b) | 19(f)(3) CNA |
| 1607(c) | 19(f)(4) CNA |
| 1608 | 19(f)(2) CNA |
| 1609 | 19(h)(1)(2) CNA |
| 1610 | 19(h)(3) CNA |
| 1611 | 19(g)(2) CNA |
| 1701 | 6(a)(3) NSLA |
| 1702 | 18(a) CNA |
| 1703 | 10 CNA |
| 1801(a) | 12(a), 13m NSLA<br>17(f)(5), 19(g)(1), 16 CNA |
| 1801(b) | 17(q) NSLA |
| 1901 | 12(g) NSLA |
| 1902(a) | 13(o)(1) NSLA |
| 1903(b) | 13(o)(2) NSLA |
| 1902(c) | 13(o)(3) NSLA |
| 2001 | 15 NSLA |
| 2002 | 17(k) CNA |
| 2101 | 10 CNA; 19(e) CNA |
| 2201 | 3 NSLA |
| 2202 | 4(a) CNA |
| 2203 | 3 CNA |
| 2204 | 13(p) NSLA |
| 2205 | 17(r) NSLA |
| 2206 | 5(a) CNA |
| 2207(a) | 7(a) CNA |
| 2207(b) | 7(i) CNA |
| 2208 | 17(g) CNA |
| 2209 | 14(c) NSLA |
| 2210 | 19(j)(2) CNA |
| 2211 | 18(b) CNA |
| 2212 | 3 NSLA |
| 2213 | 3 NSLA |
| 2214(a) | 6(a) NSLA |
| 2214(b) | 14 CNA |
| 2301 | 13 CNA |
| 2302 | 4(a) CNA |
| 2401 | 7 NSLA |
| 2402 | 6 CNA |

TABLE 3.—*Omitted provisions*

GENERAL

All obviously obsolete provisions relating to a prior year.

References to section 10, NSLA, or to Secretary as an alternate to State. See, for example, section 5(f), (1) CNA. It would not seem necessary to refer to operation by the Secretary in view of the express language of provisions authorizing the Secretary to act. See title XII of the new "Act." Also, if references are to be made to the Secretary as an alternate program administrator, the references to operation by the Secretary should be made much more frequently.

A reference to "grants-in-aid" is made only in the "Declaration of Policy." The various program provisions are specific as to the type of program to be conducted.

NATIONAL SCHOOL LUNCH ACT

§ 5 and all references to § 5.

§ 6(a)(2).

Reference in § 7 to agreements between Secretary and States.

The provisos at the end of § 11(a).

§ 11(c).

§ 11(d).

§ 12(b).

§ 12(d)(4) & (5).

The proviso at the end of § 13(b)(1).

The reference to the study at the end of § 13(b)(3).

§ 13(b)(4).

The first sentence of the last ¶ of § 14(d).

§ 18.

§ 19.

§ 20(a), (b), (c).

§ 21.

CHILD NUTRITION ACT OF 1966

The third sentence of § 4(c).

The last sentence of § 4(g).●

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By Mr. SARBANES:

S. 1899. A bill to amend the Chesapeake and Ohio Canal Development Act to change the termination date of the Chesapeake and Ohio Canal National Historical Park Commission from the date 10 years after the effective date of such act to the date 20 years after such effective date; to the Committee on Energy and Natural Resources.

● Mr. SARBANES, Mr. President, I am pleased to introduce this legislation which would extend the life of the C. & O. Canal Citizen Advisory Commission beyond its current expiration date in 1981. The intent of this bill is that the outstanding work of the Commission, one of the most effective and useful citizen panels ever created by Federal law, be continued for an additional 10 years. This legislation is being advanced in the House of Representatives by my colleagues Congressman MICHAEL BARNES and Congresswoman BEVERLY BYRON, where congressional districts encompass the Maryland portion of the national park.

The Chesapeake and Ohio Canal National Historical Park Commission, as it is officially known, was created in 1971 at the same time that the canal was designated a national park. The Commission was established in recognition of the unique character of the canal. Unlike most other national parks, the C. & O. Canal is situated close by thriving urban and suburban communities in the District of Columbia and Maryland. Because of this close proximity, the Citizen Advisory Commission has been an important instrument in providing a voice for the concerns of the members of these communities.

During the past 8 years, volunteer representatives from Montgomery, Frederick, Washington, and Allegany Counties in Maryland have joined with other citizens from the District of Columbia, Virginia, and West Virginia in providing valuable advice regarding the operation and maintenance of the canal. With the guidance of the Commission, the Department of the Interior developed a comprehensive master plan for the long-range management of the canal. The result of this activity has been greater use and enjoyment of this national treasure by thousands of Americans. It is my hope that Congress will act to insure the continued success of the C. & O. Canal as a national park by retaining this very worthwhile citizen advisory group, the Chesapeake and Ohio Canal National Historical Park Commission.●

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## ADDITIONAL COSPONSORS

S. 300

At the request of Mr. KENNEDY, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 300, the Antitrust Enforcement Act of 1979.

S. 1619

At the request of Mr. MATHIAS, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 1619, a bill to provide that motion picture films and video tapes which are produced for sale or rent as training films are to be treated as educational films for purposes of the investment credit.

S. 1865

At the request of Mr. KENNEDY, the Senator from Nevada (Mr. LAXALT) was added as a consponsor of S. 1865, the Radiation Exposure Compensation Act of 1979.

S. 1884

At the request of Mr. HART, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of S. 1884, a bill to provide that legislation appropriating funds for payment of salaries to federal employees shall be enacted separately from other legislation.

AMENDMENT NO. 518

At the request of Mr. HUDDLESTON, the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of amendment No. 518 intended to be proposed to the resolution of ratification of the treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms (Ex. Y, 96–1).

AMENDMENT NO. 520

At the request of Mr. HUDDLESTON, his name was added as a cosponsor of amendment No. 520 proposed to H.R. 4930, the Interior appropriations bill.

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## SENATE RESOLUTION 257—ORIGINAL RESOLUTION REPORTED WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on the Budget.

S. RES. 257

*Resolved,* That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1012, a bill to provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tennessee, in 1982, and for other purposes. Such a waiver is necessary to allow the authorization of $20,800,000 in additional budget authority for fiscal year 1980 to carry out United States participation in this exposition.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1979, deadline, because of a delay in the presentation of the Administration's position on this legislation.

The effect of defeating consideration of this supplemental authorization will be a disruption of U.S. efforts to prepare for this exposition.

The desired authorization will not delay the appropriations process.

Home Administration for only making those big B. & I. loans. What happens now if a small producer or a group of small producers want to band together in a cooperative to go in and try to make a B. & I. loan and they are actively involved in production? Would the gentleman deny them the right to do that with the passage of his amendment?

Mr. HARKIN. Not necessarily.

Mr. MATHIS. Not necessarily?

Mr. HARKIN. Not necessarily. It would depend again on how much vertical integration was involved. If the gentleman is talking about the small people getting together to build a plant, I could care less.

□ 1540

What I am talking about is a person who controls the production, the processing and marketing from the beginning to the end.

Mr. MATHIS. In that regard, Mr. Chairman, I agree with the gentleman from Iowa. We should do it. What I do not want to do is put a prohibition against a small producer or group of small producers banding together to attempt to vertically integrate their operations and finding themselves ineligible for B. & I. loans.

Mr. HARKIN. If the gentleman will continue to yield, the gentleman raises these hypotheticals that do not exist in reality.

Mr. MATHIS. If I may reclaim my time, I would say to the gentleman we are not talking about hypotheticals. We are talking about a real world where there are any number of small producers who seek vertical integration for economic survival.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from California.

Mr. THOMAS. I thank the gentleman for yielding.

My understanding from the gentleman from Iowa was he was talking about vertical integration, producing, handling, and processing. His amendment, as written, does not include vertical integration, because he has "or" in there, rather than "and", so the amendment itself is imperfect in terms of handling the vertically integrated structure he talks about.

Mr. MATHIS. I thank the gentleman for his observation.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

That is what I wanted to find out, what the gentleman's amendment was saying.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. MATHIS) has expired.

(At the request of Mr. JOHN L. BURTON and by unanimous consent, Mr. MATHIS was allowed to proceed for 2 additional minutes.)

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I agree with the dangers of having vertical integration where you have people controlling food from the land to the grocery shelf, but I think every point that the gentleman talked about may be hypothetical, but unless something exists at this minute, it is hypothetical. We do not know if any big conglomerate is going to get a B. & I. loan in the future, because that is hypothetical.

I do not think the amendment is drafted in such a way to get at the big problem.

I would ask the gentleman what are the limits, or what are the eligibility requirements for B. & I. loans?

Mr. MATHIS. I would say to the gentleman there is a regulation book that looks like a spring and fall Sears & Roebuck catalog relative to all of the eligiblity for B. & I. loans, but there are no producers who are now eligible.

Mr. JOHN L. BURTON. I am aware the producers are not eligible.

As I understand, you could probably build a shoe factory in a rural area under B. & I. and not do anything for producers.

Mr. MATHIS. We encourage that.

Mr. JOHN L. BURTON. We do not do it in the Northeast.

The point I am making, I would ask the gentleman from Iowa (Mr. HARKIN), and I agree with the thrust of his amendment, but it seems to be in some kind of trouble, because there is a great deal of confusion and, as we all know, the floor of the House is a bum place to legislate. It might be better to have the subcommittee do it in a proper legislative forum, because I think everybody is in general agreement.

Certainly we would not want a peanut farmer getting money for a peanut warehouse.

Mr. MATHIS. Certainly not, I would say to my friend from California.

Mr. JOHN L. BURTON. And I love the gentleman.

Mr. MATHIS. I thank the gentleman.

Mr. Chairman, I reluctantly urge opposition to this amendment based on the fact we do not fully understand what the implications might be. Let us let the subcommittee take a look at it, and defeat it at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The amendment was rejected.

● Mr. GRASSLEY. Mr. Chairman, the increase in the prime lending rate to an unprecedented 15 percent will place added pressures on many farm families who are already finding it difficult to cope with the inflationary increases of all the things they have to buy to carry out their farming operations.

In the farming business credit is as important an input as seed or fertilizer or machinery. Adequate credit at reasonable cost is a key element for the success of most farming enterprises. That is why the Federal Government got into the agricultural credit business as a lender of last resort. For the most part these programs have worked well in helping farm families who, for various reasons, are confronted with a lack of normal credit resources.

There have been problems, of course, but they have been the exception rather than the rule. The "Sixty Minutes" program the other night highlighted one set of problems. Corrective amendments will be offered during consideration of this bill today, and I will certainly support them. It is important that we move to correct the situation as soon as possible.

The principal purpose of this legislation is to authorize lending levels for fiscal years 1980 through 1982 for the Farmers Home Administration farm and rural development loan programs. This is a new procedure required by the Agricultural Credit Act of 1978. Until now the loan program authority levels have been set only in appropriations legislation. Because these programs have grown so much and affect the lives and livelihoods of so many people, it is important that the Congress exercise greater oversight responsibility to assure that they are doing the job they are designed to do. That is one important objective of this new procedure.

This bill sets lending levels for farm ownership, operating and emergency loans, for soil and water, and irrigation or drainage loans, for community water and sewer loans, loans for community facilities, and rural business and industrial loans. The levels of all categories have been increased over the fiscal year 1979 amounts in order to help meet the growing need for these types of assistance. In addition, this measure would increase the size of communities eligible for water and sewer and community facility loans from 10,000 to 20,000 population.

Another important feature of this legislation is the clarification of the authority of the Farmers Home Administration to make farm ownership, business, and industrial and operating loans for the acquisition, development, construction, modification, or operation of solar energy systems, including the production of alcohol for fuel and the utilization of biomass. This provision should put to rest any questions that have been raised about the extent to which farmers and rural residents may use Farmers Home programs for energy production purposes. Every dollar invested in a way that will reduce the amount of oil that must be imported into this country is a blow against inflation and an investment in our future as a nation. The potential for development of renewable energy resources on farms and in rural areas is tremendous. We have just recently approved major gasohol legislation in the Agriculture Committee, and we have another bill with a significant gasohol provision awaiting action on the House floor—H.R. 3580. I hope it will receive consideration soon.

In conclusion, Mr. Chairman, I will just say that the bill before us is worthy of the support of every Member of this body, and I urge its favorable consideration by my colleagues in the House.●

● Mr. GILMAN. Mr. Chairman, I rise in support of the amendment introduced by our distinguished colleague from Tennessee (Mr. JONES) and especially wish to express my support for the provision therein allowing towns with a population of up to 20,000 to become eligible for Farmers Home Administration loans for water-sewer and community facility projects.

Too many communities in my own congressional district and across the Nation are caught in a regulatory "no man's land"—too large to be considered rural and too small to be considered urban. Unfortunately, these communities have had to watch neighbors receive government funds for badly needed projects and yet could not apply themselves.

This amendment redefines the upper limit of a rural community and thus lets many towns across the Nation out of the no-man's land and now makes FmHA assistance available to them.

Six towns in my 26th Congressional District of New York—the towns of Highlands, Montgomery, New Windsor, Wallkill, and Warwick in Orange County, and the town of Stony Point, in Rockland County—immediately become eligible for FmHA assistance as a result of the passage of these amendments into law. In addition, a number of communities now eligible, which may have become ineligible under the old law once the 1980 census figures are released, need not worry now for the forseeable future.

I am delighted to support this legislation which will do much to expand the jurisdiction of the FmHA loan program.●

The CHAIRMAN. Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEHMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3683) to amend the Consolidated Farm and Rural Development Act, pursuant to House Resolution 304, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the Committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HARKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 393, nays 14, not voting 26, as follows:

[Roll No. 599]

YEAS—393

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bouquard
Bowen
Breaux
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—14

Archer
Broomfield
Collins, Tex.
Crane, Daniel
Crane, Philip
Dannemeyer
Hansen
Kelly
Lungren
McDonald
Mottl
Paul
Schroeder
Symms

NOT VOTING—26

Anderson, Ill.
Bonior
Bonker
Brademas
Brodhead
Carter
Clay
Conable
de la Garza
Diggs
Erdahl
Flood
Frost
Gephardt
Gradison
Hefner
Leach, La.
Lujan
Minish
Rosenthal
Scheuer
Treen
Whitehurst
Wilson, Bob
Wilson, C. H.
Winn

☐ 1600

The Clerk announced the following pairs:

Mr. Rosenthal with Mr. Anderson of Illinois.

Mr. Scheuer with Mr. Winn.

Mr. Minish with Mr. Lujan.

Mr. Frost with Mr. Bob Wilson.

Mr. Charles H. Wilson of California with Mr. Whitehurst.

Mr. Hefner with Mr. Gradison.

Mr. Gephardt with Mr. Conable.

Mr. de la Garza with Mr. Carter.

Mr. Brademas with Mr. Clay.

Mr. Bonior of Michigan with Mr. Bonker.

Mr. Brodhead with Mr. Erdahl.

Mr. Leach of Louisiana with Mr. Diggs.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. JONES of Tennessee. Mr. Speaker, pursuant to the provisions of House Resolution 304, I call up from the Speaker's table the Senate bill (S. 985) to amend the Consolidated Farm and Rural Development Act, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

### MOTION OFFERED BY MR. JONES OF TENNESSEE

Mr. JONES of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Jones of Tennessee moves to strike out all after the enacting clause of the Senate bill, S. 985, and to insert in lieu thereof the provisions of the bill H.R. 3683, as passed, as follows:

That the Consolidated Farm and Rural Development Act is amended by—

(1) in section 303(b), deleting paragraph (1) and inserting in lieu thereof—

"(1) the term 'improving farms' includes, but is not limited to, the acquisition, installation, and modification of any qualified nonfossil energy system located on a family farm; and";

(2) in section 306(a)(7) deleting "ten thousand" and inserting in lieu thereof "twenty thousand"; and

(3) in section 310B(a), inserting at the end of the first sentence immediately before the period "and reducing the reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems, including the modification of existing systems. For the purposes of this subsection the term 'solar energy' means energy derived from sources (other than fossil fuels) and technologies included in the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended";

(4) in section 312(a), deleting "and" immediately before clause (10) and inserting immediately before the period at the end of clause (10) "and, (11) assisting farmers and ranchers in reducing their dependence on nonrenewable resources by encouraging the development and construction of solar energy system, including the modification of existing systems";

(5) in section 343, striking out "and (6)" and inserting in lieu thereof "(6) the term 'citizens of the United States' includes aliens legally admitted for permanent residence, and (7)";

(6) in section 324, adding at the end thereof the following new sentence:

"Any limitation on the amount of loans under this subtitle to any one borrower which may be imposed by the Secretary by regulation shall take into consideration the operations and financial status of each borrower."; and

"(7) in section 324(a), changing the period at the end of the first sentence to a comma and inserting the following: "except that for guaranteed loans exceeding the amount of the actual loss, the interest rate shall be such rate as may be agreed upon by the borrower and the lender but not in excess of a rate as may be determined by the Secretary. No loan or portion of a loan exceeding the amount of the actual loss may be made or insured under this subtitle unless the Secretary determines that the applicant is unable to obtain from a private or cooperative lending agency a loan which would be guaranteed under this subtitle sufficient to finance his actual needs. In determining whether an applicant is unable to obtain sufficient credit elsewhere to finance his actual needs at reasonable rates and terms, the Secretary shall require at least one written indication of declination of credit from a legally organized lending institution within reasonable proximity to the applicant which specifies the reasons for the refusal: *Provided*, That in the case of loans over $300,000, the Secretary shall require at least two such written declinations: *And provided further*, That in the case of loans not exceeding $300,000 the Secretary may waive the requirements of this sentence if he determines it would impose an undue burden on any applicant.

(8) in section 346, inserting "(a)" after "Sec. 346." and adding new subsections (b) and (c):

"(b)(1) Loans for each of the fiscal years 1980, 1981, and 1982 are authorized to be insured, or made to be sold and insured, or guaranteed under the Agricultural Credit Insurance Fund as follows: (A) real estate loans, $1,615,000,000, including $1,500,000,000 for farm ownership loans of which $1,400,000,000 may be for insured loans and $100,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories and $100,000,000 for water development, use, and conservation loans of which $90,000,000 may be for insured loans and $10,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories; (B) operating loans, $1,200,000,000 of which $1,150,000,000 may be for insured loans and $50,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories; and (C) emergency insured and guaranteed loans in amounts necessary to meet the needs resulting from natural disasters. Not more than 75 per centum of the insured loans authorized for farm ownership purposes and not more than 75 per centum of the insured loans authorized for farm operating purposes may be for persons other than low income limited resource borrowers.

"(2) Loans for each of the fiscal years 1980, 1981, and 1982 are authorized to be insured, or made to be sold and insured, or guaranteed, under the Rural Development Insurance Fund as follows: insured water and sewer facility loans, $1,000,000,000; industrial development loans, $1,500,000,000 of which $100,000,000 may be for insured loans and $1,400,000,000 may be for guaranteed loans with authority to transfer amounts between such categories; and insured community facility loans, $500,000,000.

"(c) The Secretary shall develop long-term cost projections for the loan programs authorized by subsection (b) of this section. Such projections shall include an analysis of the long-term costs for the levels of loans requested to be authorized by this section and the long-term costs for increases in such levels beyond those requested to be authorized based upon increments of $10 million or such other levels as the Secretary deems appropriate. Long-term cost projections for the three-year period beginning with fiscal year 1983 and for each three-year period thereafter shall be submitted to the House Committees on Agriculture and on Appropriations and the Senate Committees on Agriculture, Nutrition, and Forestry and on Appropriations at the time the requests for authorizations for those periods are submitted to the Congress. Not later than February 15, 1980, the Secretary shall submit to such Committees long-term cost projections covering fiscal years 1981 and 1982 for such programs.".

(9) in section 343, striking out ", and (4)" and inserting in lieu thereof the following: ", (3) the term 'owner-operator' shall include in the State of Hawaii the lessee-operator of real property in any case in which the Secretary determines that such real property cannot be acquired in fee simple by such lessee-operator, that adequate security is provided for the loan with respect to such real property for which such lessee-operator applies under this Act, and that there is a reasonable probability of accomplishing the objectives and repayment of such loan, (4)".

Sec. 2. Section 322 of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following new sentence: "For the purpose of determining whether to make or insure any loan under this subtitle, the Secretary shall take into consideration the net worth of the applicant involved, including all of the assets and liabilities of such applicant.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3683) was laid on the table.

## GENERAL LEAVE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed, H.R. 3683.

The SPEAKER pro tempore (Mr. Rostenkowski). Is there objection to the request of the gentleman from Tennessee?

There was no objection.

## ENDANGERED SPECIES ACT AUTHORIZATIONS

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2218) to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1980, 1981, and 1982.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Murphy).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committe of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2218, with Mr. Flippo in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, October 22, 1979, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

H.R. 2218

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the first sentence of section 7(q) of the Endangered Species Act of 1973 (16 U.S.C. 1536(q)) is amended to read as follows: "There are authorized to be appropriated to the Secretary to assist review boards and the Committee in carrying out their functions under subsections (e), (f), (g), and (h) of this section not to exceed $600,000 for each of fiscal years 1979, 1980, 1981, and 1982.".

Sec. 2. Section 15 of the Endangered Species Act of 1973 (16 U.S.C. 1542) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 15. Except as authorized in sections 6 and 7 of this Act, there are authorized to be appropriated—

"(1) not to exceed $23,000,000 for fiscal year 1979, and not to exceed $25,000,000 for each of fiscal years 1980, 1981, and 1982, to enable the Department of the Interior to carry out such functions and responsibilities as it may have been given under this Act; and

"(2) not to exceed $2,500,000 for fiscal year 1979, and not to exceed $3,000,000 for each of fiscal years 1980, 1981, and 1982, to enable the Department of Commerce to carry out such functions and responsibilities as it may have been given under this Act.".

Sec. 3. Subsection (f) of section 10 of the Endangered Species Act of 1973 (16 U.S.C. 1539(f)) is amended—

(1) in paragraph (4), by inserting "unless such exemption is renewed under paragraph (8)" after "certificate" in subparagraph (C); and

(2) by adding at the end thereof the following new paragraphs:

"(8) (A) Any person to whom a certificate of exemption has been issued under paragraph (4) of this subsection may apply to the Secretary for a renewal of such exemption for a period not to exceed three years beginning on the expiration date of such certificate. Such application shall be made in the same manner as the application for exemption was made under paragraph (3), but without regard to subparagraph (A) of such paragraph.

"(B) If the Secretary approves any application for renewal of an exemption under this paragraph, he shall issue to the applicant a certificate of renewal of such exemption which shall provide that all terms, conditions, prohibitions, and other regulations made applicable by the original certificate shall remain in effect during the period of the renewal.

"(C) No exemption or renewal of such exemption made under this subsection shall have force and effect after the expiration date of the certificate of renewal of such exemption issued under this paragraph.".

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. In lieu of the amendment recommended by the Committee on Merchant Marine and Fisheries now printed in the bill, it shall be in order to consider an amendment printed in the Congressional Record of September 20, 1979, by Representative Breaux.

The Clerk will report the amendment.

The Clerk read the amendment made in order under the rule, as follows:

Page 3, after line 2 insert the following:

Sec. 3. Section 3(11) of the Endangered Species Act of 1973 (16 U.S.C. 1532(11)) is amended by striking out "(A)" and all that follows thereafter and inserting in lieu thereof "violate section 7(a) (2).".

Sec. 4. Section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533) is amended—

(1) by amending subsection (f) (2) (B) (i) to read as follows:

"(i) not less than 60 days before the effective date of the regulation, publish—

"(I) the text of the proposed regulation in the Federal Register, and

"(II) if the propcsed regulation specifies any critical habitat, general notice of the regulation (including a summary of the text) in a newspaper of general circulation within or adjacent to such habitat;";

(2) by amending subsection (f) (2) (C) (ii)—

(A) by striking out "subsection (b) (A), (B), and 'C)" and inserting in lieu thereof "subsection (b) (1) (A),(B), and (C)",

(B) by striking out "120-day period" each place it appears therein and inserting in lieu thereof "225-day period", and

(C) by inserting at the end thereof the following new sentence: "If at any time after issuing an emergency regulation the Secretary determines, on the basis of the best scientific and commercial data available to him, that substantial evidence does not exist to warrant such regulation, he shall withdraw it."; and

(3) by adding at the end thereof the following new subsection:

"(h) Guidelines and Procedures.—The Secretary shall develop and implement guidelines and procedures to ensure that the purposes of this section are achieved efficiently and effectively. Such guidelines and procedures shall include, but are not limited to—

"(1) procedures for recording the receipt and the disposition of petitions submitted under subsection (c) (2) of this section;

"(2) criteria for making the findings required under such subsection with respect to petitions;

"(3) a ranking system to ensure that species facing a high degree of threat receive priority review for listing; and

"(4) a system for developing and implementing, on a priority basis, recovery plans under subsection (g) of this section.".

Sec. 5. Section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) is further amended—

(1) by amending subsection (a)—

(A) by striking out "(a) Consultation.—" and inserting in lieu thereof "(a) Federal Agency Actions and Consultations.—(1)";

(B) by striking out the third sentence thereof; and

(C) by adding at the end thereof the following:

"(2) Each Federal agency shall, in consultation with and with the assistance of the Secretary, insure that any action authorized, funded, or carried out by such agency (hereinafter in this section referred to as an 'agency action') is not likely to jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of habitat of such species which is determined by the Secretary, after consultation as appropriate with affected States, to be critical, unless such agency has been granted an exemption for such action by the Committee pursuant to subsection (h) of this section. In fulfilling the requirements of this paragraph each agency shall use the best scientific and commercial data available.

"(3) For the purposes of paragraph (2) the term 'endangered species and threatened species' includes every species of fish or wildlife or plant that is listed or proposed to be listed under section 4; except that paragraph (2) shall cease to apply for purposes of an agency action to any species so proposed for listing unless, within 90 days after consultation regarding the agency action is concluded, the Secretary publishes in the Federal Register a final regulation listing such species.";

(2) by amending each of subsections (b), (c), (d), (e) (2), (f), (g) (1) and (5), (h) (1), and (m) by striking out "subsection (a)" wherever it appears therein and inserting in lieu thereof "subsection (a) (2)".

(3) by further amending subsection (c)—

(A) by inserting "(1)" immediately after "Biological Assessment.—", and

(B) by adding at the end thereof the following new paragraph:

"(2) Any person who may wish to apply for an exemption under subsection (g) of this section for that action may conduct a biological assessment to identify any endangered species or threatened species which is likely to be affected by such action. Any such biological assessment must, however, be conducted in consultation with the Secretary and under the supervision of the appropriate Federal agency.";

(4) by further amending subsection (g) (1) by striking out "may jeopardize" and all that follows thereafter in the first sentence thereof and inserting in lieu thereof "would violate subsection (a) (2).";

(5) by amending subsection (g) (2) (A) by striking out "process." and inserting in lieu thereof "process; or, in the case of an agency action involving a permit or license applicant, not later than 90 days after the date on which the Federal agency concerned takes final agency action, for purposes of chapter 7 of title 5, United States Code, with respect to the issuance of the permit or license.";

(6) by amending subsection (g) (3) by redesignating subparagraph (B) as subparagraph (C), and by inserting immediately after subparagraph (A) the following new subparagraph:

"(B) If more than one application for exemption is filed for the same agency action, the same review board shall be convened for each application and shall consider each such application in the manner set forth in paragraph (5).";

(7) by amending subsection (g) (5)—

(A) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively,

(B) by striking out "such exemption applicant" in clause (B) (as so redesignated) and inserting in lieu thereof "the Federal agency or exemption applicant, as the case may be", and

(C) by redesignating subclauses (A), (B), and (C) as subclauses (i), (ii), and (iii), respectively; and

(8) by amending subsection (h)—

(A) by amending paragraph (2) (A) to read as follows:

"(2) (A) Except as provided in subparagraph (B), an exemption for an agency action granted under paragraph (1) shall constitute, but only if a biological assessment has been conducted under subsection (c) with respect to such agency action, a permanent exemption with respect to all endangered or threatened species for the purposes of completing such agency action, regardless whether the species was identified in the biological assessment."; and

(B) by amending the first sentence of paragraph (2) (B) to read as follows: "An exemption shall not be permanent under subparagraph (A) if the Secretary finds, on the basis of the best scientific and commercial data available to him, that the exemption will result in the extinction of a species that was not the subject of the consultation under subsection (a) (2) relating to the agency action concerned and was not identified in any biological assessment that was prepared under subsection (c) before, or in conjunction with, the Committee consideration relating to the exemption.".

Sec. 6. The Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) is further amended—

(1) by striking out subsection (e) of section 8;

(2) by adding immediately after section 8 the following new section:

"CONVENTION IMPLEMENTATION

"Sec. 8A. (a) Management Authority and Scientific Authority.—The Secretary of the Interior (hereinafter in this section referred to as the 'Secretary') is designated as the Management Authority and the Scientific Authority for purposes of the Convention and the respective functions of each such Authority shall be carried out through the United States Fish and Wildlife Service.

"(b) Management Authority Functions.—For purposes of the Convention, the Management Authority shall carry out, but is not limited to carrying out, the following functions:

"(1) Issue permits and certificates as required by the Convention.

"(2) Apply to each permit or certificate that authorizes the importation, exportation, or introduction from the sea of a specimen of any species included in Appendix I of the Convention appropriate conditions and restrictions so that—

"(A) the importation will be for purposes that are not detrimental to the survival of the species of which the specimen is a member;

"(B) the exportation or introduction from the sea will not be detrimental to the survival of such species; and

"(C) in the case of importation or introduction from the sea, the specimen will not be used primarily for commercial purposes.

"(3) Apply to each permit or certificate that authorizes the exportation or introduction from the sea of a specimen of any species included in Appendix II of the Convention appropriate conditions and restrictions so that trade in other species listed in either—

"(A) Appendix I of the Convention; or

"(B) Appendix II of the Convention pursuant to paragraphs 2(a) of Article II thereto;

will be brought under effective control.

"(4) Apply to each permit or certificate that authorizes the exportation or introduction from the sea of a specimen of any species included in Appendix II of the Convention pursuant to paragraph 2(a) of Article II thereto appropriate conditions and restrictions so that the exportation or introduction from the sea will not be detrimental to the survival of the species of which the specimen is a member.

"(c) Scientific Authority Functions.—For purposes of the Convention, the Scientific Authority shall carry out only the following functions:

"(1) Advise the Management Authority—

"(A) whether the importation of a specimen of any species included in Appendix I of the Convention will be for purposes that are not detrimental to the survival of the species of which the specimen is a member; and

"(B) if such specimen is a living specimen, whether the proposed recipient of the specimen is suitably equipped to house and care for the specimen.

"(2) Advise the Management Authority whether the exportation or introduction from the sea of a specimen of any species included in Appendix I or II of the Convention (except species included pursuant to paragraph 2(b) of Article II thereto) will not be detrimental to the survival of the species of which the specimen is a member.

"(3) Recommend to the Management Authority conditions and restrictions appropriate to carry out paragraphs (3) and (4) of subsection (b).

"(4) Monitor export permits referred to in paragraphs (3) and (4) of subsection (b) and the actual exports of specimens made under the authority of such permits and, if the Scientific Authority determines that the exportation of any species included in Appendix II of the Convention should be limited in order to maintain such species at a level well above the level at which the species might become eligible for inclusion in Appendix I, recommend to the Management Authority suitable measures that should be considered in the granting of export permits for specimens of any such species. The Scientific Authority shall base the advice and recommendations required of it under this subsection on the best available scientific and commercial data. Advice given by the Scientific Authority under paragraphs (1) or (2) may not be conditioned upon the acceptance of recommendations made by it under paragraph (3) with respect to the species concerned.

"(d) Advisory Panel.—(1) There is established the Endangered Species Advisory Panel (hereinafter in this subsection referred to as the 'Panel').

"(2) The Panel shall be composed of the Director of the United States Fish and Wildlife Service, who shall also serve as the chairman of the Panel, and an even number (but not more than 8) of other members appointed by, and who serve at the pleasure of, the Secretary. No individual is eligible for appointment as a member of the Panel unless that individual is knowledgeable or experienced in the conservation of wild fauna or flora.

"(3) The Panel shall meet at the call of the chairman.

"(4) The Secretary shall provide to the Panel necessary staff and administrative support.

"(5) The members of the Panel, who are not employed by the Federal Government or any State or local government, shall receive compensation at the daily rate for GS-18 of the General Schedule when engaged in the actual performance of duties of the Panel. Each member of the Panel shall be reimbursed for actual expenses incurred in the performance of such duties.

"(6) The Panel shall provide technical advice to the Management Authority and to the Scientific Authority on matters arising in the administration of their respective functions under the Convention.

"(7) The Federal Advisory Committee Act does not apply to the activities of the Panel.

"(e) Wildlife Preservation in Western Hemisphere.—The President shall designate those agencies of the Federal Government that shall act on behalf of, and represent, the United States in all regards as required by the Convention on Nature Protection and Wilderness Preservation in the Western Hemisphere."; and

(3) by amending the table of contents by inserting immediately after the section title for section 8 the following:

"Sec. 8A. Convention implementation.".

Sec. 7. Section 10(f) of the Endangered Species Act of 1973 (16 U.S.C. 1539(f)) is amended—

(1) in paragraph (4), by inserting "unless such exemption is renewed under paragraph (8)" after "certificate" in subparagraph (C); and

(2) by adding at the end thereof the following new paragraphs:

"(8)(A) Any person to whom a certificate of exemption has been issued under paragraph (4) of this subsection may apply to the Secretary for a renewal of such exemption for a period not to exceed three years beginning on the expiration date of such certificate. Such application shall be made in the same manner as the application for exemption was made under paragraph (3), but without regard to subparagraph (A) of such paragraph.

"(B) If the Secretary approves any application for renewal of an exemption under this paragraph, he shall issue to the applicant a certificate of renewal of such exemption which shall provide that all terms, conditions, prohibitions, and other regulations made applicable by the original certificate shall remain in effect during the period of the renewal.

"(C) No exemption or renewal of such exemption made under this subsection shall have force and effect after the expiration date of the certificate of renewal of such exemption issued under this paragraph.".

Mr. BREAUX (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

### AMENDMENT OFFERED BY MR. BREAUX TO THE AMENDMENT MADE IN ORDER UNDER THE RULE

Mr. BREAUX. Mr. Chairman, I offer an amendment to my amendment made in order under the rule.

The Clerk read as follows:

Amendment offered by Mr. Breaux to the amendment made in order under the rule: Page 7, strike out line 12 and all that follows down through and including line 24 on page 11, and inserting the following:

"CONVENTION IMPLEMENTATION

"Sec. 8A. (a) Management Authority and Scientific Authority.—The Secretary of the Interior (hereinafter in this section referred to as the 'Secretary') is designated as the Management Authority and the Scientific Authority for purposes of the Convention and the respective functions of each such Authority shall be carried out through the United States Fish and Wildlife Service.

"(b) Management Authority Functions.—The Secretary is authorized and directed to do all things necessary and appropriate to carry out the functions of the Management Authority under the Convention.

"(c) Scientific Authority Functions.—The Secretary is authorized and directed to do all things necessary and appropriate to carry out the functions of the Scientific Authority under the Convention.

"(d) Endangered Species Scientific Authority Commission.—(1) There is hereby established within the U.S. Fish and Wildlife Service the Endangered Species Scientific Authority Commission (hereinafter in this section referred to as the 'Commission').

"(2) The Commission shall be composed of scientifically qualified agency representatives. Each of the following shall designate one such representative from his agency:

"(A) The Secretary of the Interior, whose representative shall be the Chairman.

"(B) The Secretary of Agriculture.

"(C) The Secretary of Commerce.

"(D) The Secretary of Health, Education, and Welfare.

"(E) The Director of the National Science Foundation.

"(F) The Chairman of the Council on Environmental Quality.

"(G) The Secretary of the Smithsonian Institution is invited to designate a representative.

"(3) The Commission shall make recommendations to the Director of the U.S. Fish and Wildlife Service on all matters pertaining to the responsibilities of the Scientific Authority under the terms of the Convention.

"(4) In the discharge of its responsibilities, the Commission shall, to the extent practicable, ascertain the views of, and utilize the expertise of, the governmental and non-governmental scientific communities, State agencies responsible for the conservation of wild fauna or flora, humane groups, zoological and botanical institutions, recreational and commercial interests, the conservation community and others as appropriate.

"(5) The Secretary shall designate an Executive Secretary for the Commission, and shall provide the necessary staff and administrative support for the Commission.

Mr. BREAUX (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BREAUX. Mr. Chairman, the 1978 amendments to the Endangered Species

Act were passed by the House on the second to last day of the session. The conference report was adopted on the last day of the session. Obviously, very little time was available to insure absolute technical consistency throughout all of the new provisions. This year, in our oversight hearings, the committee received a number of suggestions for changes in various portions of the 1978 amendments. Some of these changes were suggested by the administration, which has tested the new exemption process in two separate instances. Others were suggested by the General Accounting Office which has just completed an extensive study of the endangered species program.

This amendment incorporates a number of these suggestions and adds some others that reflect information developed during the oversight hearings. We believe that all of these changes will measurably improve the administration of the act and the exemption process created last year.

### SECTION 3

The first portion of the amendment (section 3) makes a technical amendment to the definition of "irresolvable conflict" in the act. This amendment is necessary to make several provisions of the act relating to the exemption process consistent. Under the 1978 amendments the review board must determine whether there is an irresolvable conflict before proceeding to consider the merits of an exemption application. The act currently defines this term as an action that "would jeopardize" the continued existence of an endangered species. Other portions of last year's amendments, however, refer to actions that may or are likely to jeopardize a species. In order to make these provisions consistent these various sections are keyed to the standard described in section 7 of the act.

### SECTION 4

Section 4 of the amendment amends the notice provisions of the 1978 amendment to allow the Secretary to publish a summary of proposed critical habitat proposals in local newspapers rather than the complete text.

This section also amends the emergency regulation provisions of the act to allow emergency listings of species to remain in effect for 225 days. The statute currently limits the time for emergency listings to 120 days. The extension of time is necessary because of the procedural requirements, including the preparation of an economic impact statement, added to the act last year.

Section 4 of the amendment also requires the Secretary to develop guidelines and procedures for disposing of petitions to list and delist species, and for ranking listing and recovery proposals. These amendments were originally suggested by colleague Robin Beard. The amendments are taken directly from the findings of the General Accounting Office. The GAO found that the endangered species office failed to develop and implement systems for recording petitions and ranking the priority of listing and recovery proposals. This amendment will insure that the deficiency cited by the GAO is corrected.

### SECTION 5

The next section of the amendment amends section 7 of the act to require Federal agencies to insure that their actions are "not likely" to jeopardize the continued existence of endangered or threatened species or adversely modify or destroy the critical habitat of such species. The act currently requires Federal agencies to insure that any action does not jeopardize a listed species.

The language of the amendment reflects the commonsense interpretation of the requirements of section 7 by the wildlife agencies of the Federal Government in most of the issued biological opinions. These agencies recognize that in some instances the absence of complete data on a species may make it impossible to know with complete certainty the potential impact of an agency action on a listed species. Thus, the wildlife agencies originally proposed that their biological opinions would simply indicate whether an agency action was likely or not likely to jeopardize a listed species.

The amendment to section 7(a), which would require all Federal agencies to insure that their actions are not likely to jeopardize endangered species, simply brings the language of the statute into conformity with existing regulations, agency practice, and judicial decisions, such as the opinion in National Wildlife Federation against Coleman.

The joint regulations published by the Fish and Wildlife Service and the National Marine Fisheries Service at part 402 of title 50 of the Code of Federal Regulations, require those agencies to render biological opinions which advise whether or not proposed agency actions are likely to jeopardize an endangered species. Courts have given substantial weight to these biological opinions as evidence of an agency's compliance with section 7(a). My amendment would not alter this state of the law. It is not intended to lessen in any way an agency's obligation under section 7(a) to avoid taking an action where it cannot insure, after consultation with the wildlife agencies, that the action is not likely to result in jeopardy to a listed species or in the adverse modification of designated critical habitat.

Although the wildlife agencies adopted this commonsense interpretation of section 7, I am concerned that the Fish and Wildlife Service and the National Marine Fisheries Service may be tempted to issue negative biological opinions whenever not enough information is known about a particular species. This amendment will require the wildlife agencies to frame their biological opinion on the evidence that is available and will require them to evaluate the likelihood of jeopardy as a result of the agency action. In some cases, it will be difficult, if not impossible, for a Federal agency to make certain that its action does not jeopardize a listed species or adversely modify its critical habitat. No matter how many precautions are taken, there may be a small chance that the agencies' action will end up jeopardizing the species. No agency can or should be expected to give a 100-percent guarantee of no adverse impact.

I am concerned that the language of the existing statute could be interpreted to require this guarantee. The language I have proposed would continue to give the benefit of the doubt to the species, and it would continue to place the burden on the action agency to demonstrate that its action will not violate the standard of the act. The language, however, allows Federal agencies to consider the probability or likelihood of jeopardizing a listed species in deciding whether to go ahead with a particular action.

In an imperfect world I believe that the best that we can ask of Federal agencies is that they be sensitive to the potential adverse impacts of their actions, that they give considerable weight to the biological opinions of the wildlife agencies, and that they make sure that their actions are not likely to jeopardize a listed species. To require more would not only be asking the impossible, it would lead to dozens of unnecessary exemption applications.

Unfortunately, there will be many instances when not enough information is available on a particular species to evaluate the potential impact of an action with certainty. This language is not intended to absolve Federal agencies from the responsibility of cooperating with the wildlife agencies in developing needed information. In many cases the most prudent and responsible action a Federal agency can take is to attempt to gather more information about a species so that unnecessary conflicts can be avoided.

Section 5 of the amendment also requires consultation on proposed species. This amendment was suggested by the General Accounting Office. It is intended to get the development agency and the wildlife agency talking about endangered species problems at the earliest opportunity—before the problem becomes unresolvable.

This section also clarifies the permanent exemption provision of the 1978 amendments to provide that exemptions granted by the Endangered Species Committee will apply to all endangered and threatened species that are identified in the biological assessment or are the subject of the consultation process.

### SECTION 6

Section 6 of my amendment restores a measure of order and accountability to U.S. trade policy in endangered and threatened wildlife. It is an entirely separate issue from the controversies we have encountered in the administration of the act. The amendment is necessary because the system for carrying out our obligations under the Convention on International Trade in Endangered Flora and Fauna has completely broken down and needs to be restored to working order.

Under the Convention the United States designates two agencies—a Management Authority and a Scientific Authority, to administer trade regulations regarding species whose survival is threatened by commercial exploitation. The U.S. Management Authority resides in the Interior Department and the Scientific Authority, composed of seven natural scientists from various executive departments, is uniquely autonomous. This arrangement was created by an Executive order authorized by section 8 of the Endangered Species Act.

A full day of hearings held by the Subcommittee on Fisheries, and Wildlife Conservation and the Environment uncovered some rather startling facts about the Scientific Authority which I believe Members interested in accountability in Government will be concerned about. The ESSA, as the Scientific Authority is referred to, publishes regulations, interprets the Convention, sets its own operating procedures and limits trade in listed species at its discretion with no official policy guidance from Congress or the executive branch. It is an unaccountable, extra governmental organization capable of overriding official Interior Department decisions and disrupting wildlife management and trade pol'cy at its discretion. The Scientific Authority is not only unaccountable to any single governmental official, its members have decided that they are not even required to represent the views of the agency that appointed them. To my knowledge the ESSA is the only agency of the Federal Government where unelected and unappointed Federal civil servants are allowed to promulgate rules and regulations without review by a higher authority. It creates enormous confusion and unpredictability which has resulted, on at least one occasion, in the publication of regulations by the ESSA completely negating the U.S. Fish and Wildlife Service regulations regarding trade in the same species. I find the spectacle of two separate agencies canceling out each other's regulations unacceptable and more than a bit ridiculous.

The amendment which I offer today simply makes the ESSA accountable to the Secretary of the Interior and gives it the same status as the management authority under the Convention. It leaves the ESSA intact with full authority to administer its obligations under the Convention, but makes it responsible to the Secretary like any other unit of the Department of the Interior.

My amendment fills a vacuum created by a complete lack of congressional direction in this area. In fact, we discovered that the Convention received the barest attention imaginable when it was ratified by the Senate. The Senate ratified the Convention without debate by a voice vote and without a hearing. The Library of Congress, when asked to research the question of the origin and limits of the ESSA's authority, reported that no information exists other than the record of the hearing held by my subcommittee on July 16 of this year.

Now some might argue that my amendment somehow violates the spirit of the Convention. Nothing could be more false. The amendment explicitly gives the Secretary of the Interior all of the authority granted the Scientific Authority by the Endangered Species Convention.

Nothing in the Convention requires the Scientific Authority to be a completely independent, multiheaded agency, as is now the case. All the Convention requires is that the signatory nations designate a Management Authority and a Scientific Authority. The Convention leaves it completely up to each individual nation to decide how that is to be done. In Canada, for example, many of the Convention responsibilities have been delegated to the individual provinces. This would be the same as delegating our responsibilities to the individual States. I do not propose that we do this, although I should point out that State fish and wildlife conservation agencies are the ones primarily responsible at the working level for making the Endangered Species Convention work.

My amendment is wholeheartedly supported and endorsed by the Association of Fish and Wildlife Agencies which represents all of the State departments of fish and game. They see this amendment as a necessary change which will return some order to the U.S. management of this program without weakening the Convention on Endangered Species.

The amendment before the House, which resulted from our hearings, creates a reasonable system of carrying out U.S. obligations under the Convention. It affirms an important principle of good government, namely—that any agency which publishes regulations, interprets the law and creates policy should be accountable to the executive branch and subject to the expressed will of Congress. The ESSA, without my amendment today, is accountable only to itself.

□ 1610

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I would be glad to yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding. In making the legislative history on this amendment and the intention of the amendment, the only question that I would ask the gentleman is this: When the Convention was adopted, it was clearly the intention of the parties to the Convention and their intent that the Scientific Authority make independent scientific judgments.

If I understand the gentleman's amendment correctly and what it replaces, there is no intention of this amendment to cause the scientific judgments of the Scientific Authority or the Secretary acting in that capacity to be other than independent; am I correct?

Mr. BREAUX. I would say to the gentleman in response to his question that I see nothing in the International Convention on Endangered Species that requires the creation of a completely separate independent authority. They are required to make scientific biological decisions, and they should have the freedom to make those decisions within the structure of their organization. This amendment allows them to have the same members appointed that they have under the existing authority, allows them to take every action that they are guaranteed authority to take under the CITES Convention. My amendment simply places that organization within the Department of the Interior so that they will fit within the boundaries and confines of the Department of the Interior as the Management Authority is operating today.

Mr. McCLOSKEY. All right. I have no problem, if I can finish this question. Clearly the Management Authority that the Secretary will exercise is a policy-making decision that Government policy would govern. In his capacity as the Scientific Authority, I take it he is free to make scientific judgments as opposed to policy judgments that may be different from policy judgments.

Mr. BREAUX. I would say to the gentleman, the gentleman I think is basically correct, with the explanation that it is my intent in offering this amendment to say that they are the ones who are initially responsible for looking at the scientific and biological data and making the decision based independently on their finding as a Scientific Authority. That Scientific Authority must operate within the Department of the Interior under the Fish and Wildlife Service. They are a part of that under this amendment, and they would be under the same restrictions and obligations that any other subagencies of the Fish and Wildlife Service would be.

Mr. McCLOSKEY. Let me draw an example if I can, because we have a similar situation with respect to the International Whaling Commission where we have been successful because our scientists who reached opinions as to whether whale stocks were declining, diminishing, or increasing were making independent scientific judgments. That is what I mean by scientific judgment, that this is a scientific judgment independent of political persuasion that the Scientific Authority would be making. Am I correct?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. BREAUX was allowed to proceed for 5 additional minutes.)

Mr. BREAUX. I yield to the gentleman.

Mr. McCLOSKEY. Am I correct in that?

Mr. BREAUX. Their ability to make an independent biological scientific decision is not affected.

Mr. McCLOSKEY. It is independent of policy decisions? It is a scientific judgment made on a scientific basis?

Mr. BREAUX. It is based on science and the biology of the species they are asked to look for. I do not want to give the gentleman any incorrect impression. They are part of the Fish and Wildlife Service. They are part of the Department of the Interior, and those agencies and officials look at their actions, and if they see that they are outside of or exceeding their authority, or are in violation of their rules in the Department of the Interior, then they point out that that is not the way they should be operating. Then they would have that authority, as they have with Management Authority.

Mr. McCLOSKEY. I think I understand, but I just want to say that the Secretary of the Interior had a dual responsibility on rattlesnakes, one of which was a scientific opinion that they were diminishing, and one was a political opinion as to whether they ought to be removed from the menu of a local restaurant. I just want to make clear that the legislative history of this act makes a distinction between the scientific opinions of scientists, which are independent and must be under the Convention, and the policy decisions that, of course, should be accountable under the Management Authority.

Mr. BREAUX. I think the gentleman and I are correct in our understanding that the intent is not to delineate in any way or take in any way the responsibility that is guaranteed to them under the CITES Convention.

Mr. McCLOSKEY. That is, the independence of scientific judgment?

Mr. BREAUX. That is correct, but it is not the intent, and I think the amendment very clearly does not allow them to do anything that the Convention does not allow them to do.

Mr. McCLOSKEY. I thank the gentleman.

Mr. BREAUX. I would merely conclude, Mr. Chairman, that my amendment is wholeheartedly supported and endorsed by the Association of Fish and Wildlife Agencies throughout the United States. The bill is a compromise package. It is not unanimous with everybody's support. Many groups are not completely satisfied with it, but I think many groups have come to the correct conclusion, as many Members of Congress have, that the only way we are going to make this process work is to work together and work in a spirit of compromise in order to allow the Endangered Species Act to survive.

Mr. Chairman, I yield back the remainder of my time.

□ 1620

The CHAIRMAN. The question is on the amendment to the amendment made in order under the rule.

The amendment to the amendment made in order under the rule was agreed to.

Mr. FORSYTHE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to support the Breaux amendment and the modification just agreed to.

Mr. Chairman, the Endangered Species Act of 1973 represents the most far-reaching wildlife conservation statute ever enacted. It established a clear national policy to ensure the survival of those species of fish and wildlife which have become endangered because of natural causes or because of man's activities. To effectuate this policy, the act prohibits any Federal agency from taking any action which would adversely affect an endangered species or its critical habitat.

The passage of the Endangered Species Act preceded the oil embargo, rampaging inflation, and the increasing shortage of natural resources in this country. In the years following 1973, there was a growing awareness that the needs of this Nation's fish and wildlife resources would have to be balanced against society's needs for nonliving resources. The absolute prohibitions of the Endangered Species Act began to be called into question. These questions led to the passage, in 1978, of a series of amendments establishing a special Endangered Species Committee which was authorized to permit the completion of various projects when the benefits of the project outweighed the conservation needs of the endangered species involved.

I believe these amendments were a major step forward in introducing a necessary balance into the Endangered Species Act. In fact, it is my firm belief that without the passage of these amendments, the act would have been lost. The Endangered Species Act is an important statement of national policy, and I believe it must be preserved.

Since the passage of the 1978 amendments, we have discovered several problems associated with their implementation. Most of the amendments being offered by the gentleman from Louisiana seek to resolve these problems. For example, when the conferees met to resolve the differences between the House and Senate bills during the last Congress, it was our intent that exemptions granted by the Endangered Species Committee should be permanent. The legislative history, however, is less than clear. To clarify congressional intent, one of the gentleman's amendments provides that if an exemption has been granted, that exemption shall be permanent with respect to all listed species. But the gentleman's amendment contains a safeguard. If the species was not identified in a biological assessment and if the Secretary finds that the completion of the project will cause the extinction of the species, the Endangered Species Committee may reconsider whether to grant an exemption for the project.

The 1978 amendments provide that either a Federal agency or a permit or license applicant can apply to the Endangered Species Committee for a project exemption. Prior to filing for such an exemption, a biological assessment must be completed by the party seeking the project exemption. However, the act only authorizes a Federal agency to do an assessment and, therefore, a permit or license applicant is effectively blocked from filing for an exemption. The gentleman's amendments remedy this inconsistency in the act by specifically providing that permit and license applicants may conduct biological assessments.

Another amendment adopts a recommendation of the General Accounting Office that project sponsors consult regarding the impact of the project on species which are proposed for listing as endangered. Currently, the consultation requirement extends only to species which have actually been listed. The purpose of requiring consultation on proposed species is to minimize potential conflicts with the Endangered Species Act. If, as a result of the consultation, it is determined that the project will have a negative impact on the proposed species, the Secretary of the Interior must list the species within 90 days or withdraw the proposed listing.

The pending amendment also clarifies the requirements which section 7 of the act places on Federal agencies. Under this section, Federal agencies must insure that any action taken by them does not jeopardize the continued existence of any listed species or result in the destruction or adverse modification of that species critical habitat. The operative word is "insure." That is an unrealistic and unachievable standard since it is impossible to "insure" that an action will have no adverse effect. A more reasonable standard would be to require that Federal agencies not take any action which is likely to adversely affect an endangered species or its critical habitat. This is precisely what the pending amendment does. The amendment modifies the existing insure standard by requiring that Federal agencies only insured their actions are not likely to have adverse effects on endangered species or their critical habitats.

There are several other sections of the gentleman's amendment which clarify the 1978 amendments and I believe these represent an improvement over the 1978 efforts.

Finally, the amendment now before us contains language implementing the International Convention on Trade in Endangered Species. This section of the amendment designates the Secretary of the Interior as the Scientific Authority under the Convention and delineates the functions of both the Scientific Authority and the Management Authority.

Mr. Chairman, the Endangered Species Act amendments which were passed in the last Congress introduced a necessary balance into the act. The amendments under discussion today resolve many of the technical deficiencies of the 1978 amendments and clarify the policy of those amendments by insuring that the need to conserve this Nation's fish and wildlife is balanced against this Nation's need for nonliving natural resources.

Mr. EVANS of Delaware. Mr. Chairman, I strongly support the authorization of appropriations to carry out the purposes of the Endangered Species Act of 1973 for another 3 years. America's beleaguered wildlife, with its ever-shrinking habitats, needs strong protection if it is to thrive—much less survive—in the coming years.

In the 95th Congress, the Merchant Marine and Fisheries Committee, of which I am a member, and others considered at length the Endangered Species Act and the various criticisms which had been leveled since passage of the original act. In 1978, the House approved amendments to the 1973 act which responded to those criticisms by providing some flexibility and a means for balancing environmental and economic interests. I think the act we now have is a fair and good law, and we should keep it intact.

Mr. Chairman, I note that today we have before us not only an authorization bill, but various amendments, including one offered by the chairman of the Subcommittee on Fisheries, Wildlife Conservation and the Environment. As a member of that subcommittee, I must say that I would have very much preferred having had a chance to review and consider these amendments in subcommittee and full committee, since some were substantive in nature and not purely technical.

The fact that these substantive amendments were not considered in committee, where such matters are best considered, is water over the dam, and I will not mention it further here.

To focus now on the amendment offered by the gentleman from Louisiana (Mr. BREAUX) I have been particularly concerned with section 6, regarding the implementation of the Convention on International Trade in Endangered Species (CITES). The gentleman's amendment as printed in the RECORD on September 20 transferred the Endangered Species Scientific Authority to the U.S. Fish and Wildlife Service and restricted their functions and responsibilities. I understand that the effect of that original amendment was to place the United States in violation of both the letter and spirit of CITES. The implementation of an international treaty should not be taken lightly, especially one which the United States initiated and has taken the lead in implementing. For this reason I would have opposed the gentleman's amendment in its original form.

However, I appreciate the fact that Mr. BREAUX, in his pending amendment, has taken steps to address some of the concerns that have been expressed. I think Mr. BREAUX's amendment to his amendment is a move in the right direction and I will not oppose it's adoption.

In conclusion, I must note for the record that by transferring the Scientific Authority to the U.S. Fish and Wildlife Service one can raise serious question as to the "independence" of that Authorities' subsequent determinations. While this action apparently does not violate the letter of the CITES, it does seem inconsistent with the spirit of the treaty. It is my hope that to the extent they are able, the Scientific Authority continues to make its judgment in an independent fashion.

### AMENDMENT OFFERED BY MR. BOWEN TO THE AMENDMENT MADE IN ORDER UNDER THE RULE, AS AMENDED

Mr. BOWEN. Mr. Chairman, I offer an amendment to the amendment made in order under the rule, as amended.

The Clerk read as follows:

Amendment offered by Mr. Bowen to the amendment made in order under the rule, as amended: Page 1, between lines 8 and 9, insert the following:

(1) by amending subsection (b)(1) by striking out "him" and inserting in lieu thereof the following: "him after conducting a review of the status of the species";

Page 1, line 9, strike out "(1)" and insert "(2)".

Page 1, line 12, insert "shall" before "publish".

Page 1, line 13, strike out "text" and insert "general notice and the complete text".

Page 1, line 17, strike out "text" and insert in lieu thereof "text, and a map of the proposed critical habitat".

Page 1, between lines 19 and 20, insert the following:

(3) by amending subsection (f)(2)(B)(iv)(II) by striking out "if requested," and inserting in lieu thereof "if requested within 15 days after the date on which the public meeting is conducted,".

Page 1, strike out line 20 and all that follows down through line 12 on page 2 and insert the following:

(4) by amending subsection (f)(2)(C)(ii) by inserting at the end thereof the following new sentence: "If at any time after issuing an emergency regulation the Secretary determines, on the basis of the best scientific and commercial data available to him, that substantial evidence does not exist to warrant such regulation, he shall withdraw it."; and

Page 2, line 13, strike out "(3)" and insert "(5)".

Page 2, line 15, strike out "GUIDELINES AND" and insert "AGENCY".

Page 2, line 16, strike out "develop and implement guidelines and" and insert "by regulation establish agency".

Page 2, line 18, strike out "guidelines and".

Page 4, strike out lines 3 through 11, inclusive, and insert in lieu thereof the following:

"(3) Each Federal agency shall confer with the Secretary on any agency action which may jeopardize the continued existence of any species proposed to be listed under section 4 or result in the destruction or adverse modification of critical habitat proposed to be designated for such species. This paragraph does not require a limitation on the commitment of resources as described in subsection (d).".

Page 5, line 1, strike out "consultation" and insert "cooperation".

Page 6, strike out line 20 and all that follows down through line 6 on page 7 and insert in lieu thereof the following:

(B) by amending paragraph (2)(B) to read as follows:

"(2)(B) An exemption shall be permanent under subparagraph (A) unless—

"(i) the Secretary finds, based on the best scientific and commercial data available, that such exemption would result in the extinction of a species that was not the subject of consultation or was not identified in any biological assessment conducted under subsection (c), and

"(ii) the Committee determines within 60 days that the exemption should not be permanent.".

Mr. BOWEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BOWEN. Mr. Chairman, I would like to congratulate the gentleman from Louisiana (Mr. BREAUX) for the outstanding job he has done in preparing the amendments to the legislation which we developed last year. These are amendments which I think make significant improvements in our legislation based upon the year's experience we have had in administering that act. I have met at length with the gentleman from Louisiana.

We have discussed some of the aspects of his amendment and ways that it might be clarified in certain instances. I have at the same time discussed the amendments I am offering with the environmental organizations represented here in the capital, and I have discussed them with the Fish and Wildlife Service. They found no objection to them, and I think my amendments will preserve the spirit and purpose of the Endangered Species Act and the Breaux amendment.

These amendments, Mr. Chairman, involve several areas and in most cases simply make small changes in language. In one instance it is a matter of changing the words "consult and consultation" to "confer and cooperate" simply to clarify the intent of the act.

In another instance, we have a recommendation from the GAO which indicates that the Fish and Wildlife Service should proceed with a status review before proposing an actual listing itself. In many cases they have failed to do this. Although they have stated in testimony before our committee that they would do this, they have, in fact, not done it in several instances.

In one case, for example, they proposed the listing of an endangered species, the green pitcher plant in Alabama, and upon proposing it they discovered that 2 weeks earlier they had signed a contract with a botany professor at Mississippi State University in my district to do a year's study to determine whether or not they should propose it. I think that this requirement for status review will make a constructive change in the legislation.

In another instance, we intended in our legislation last year that there be both public meetings and public hearings before a listing. Some of the administrative regulations issued by the Fish and Wildlife Service have confused that goal and have made it impossible to have clearly established the two separate processes and, in fact, roll them into one. This amendment would clarify language of the Endangered Species Act.

There are other technical changes, Mr. Chairman, which I will not go into, but I know of no opposition to these amendments.

Mr. BREAUX. Mr. Chairman, would the gentleman yield?

Mr. BOWEN. I will be happy to yield to the gentleman from Louisiana.

Mr. BREAUX. I would like to interrupt the gentleman's presentation on the amendments to say the amendments are basically very keyed into the amendments I have offered. The gentleman from Mississippi is to be commended for his presentation. The gentleman was the floor manager, I think, on representing the subcommittee in the last Congress on the 1978 amendments to the Endangered Species Act and the gentleman made a remarkable contribution to the statute.

Mr. Chairman, while I do not want to give anyone the impression there is unanimous consent in Washington or anywhere else on supporting my amendment or the amendments of the gentleman from Mississippi, I do want to commend the gentleman and say to the members of this committee that the amendments are acceptable. I think they are improvements to the amendments we are presenting here today. We would ask that they be supported and adopted.

□ 1630

Mr. FORSYTHE. Mr. Chairman, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from New Jersey.

Mr. FORSYTHE. Mr. Chairman, we have reviewed these amendments, and as the chairman of the subcommittee has pointed out, we believe that they are all very good amendments and should be approved.

Mr. BOWEN. Mr. Chairman, I thank the gentleman from New Jersey. The gentleman certainly also has made an outstanding contribution to the perfection of this legislation.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would ask my distinguished friend, from Louisiana, Mississippi, New York, Delaware, New Jersey, or Alaska, what are they doing to me with these amendments, anything?

Mr. BREAUX. Mr. Chairman, if the gentleman will yield, I would say to the gentleman that the gentleman is not on the endangered species list and is not affected in any way by any of the amendments that we are offering here today.

Mr. JOHN L. BURTON. The gentleman knows my affinity for those on the endangered species list.

Mr. BREAUX. We do not change the affinity of the gentleman for the animals and plants that are on the endangered species list, of which the gentleman from California is not a member.

Mr. JOHN L. BURTON. Mr. Chairman, I yield to the distinguished chairman from the sovereign State of New York.

Mr. MURPHY of New York. Mr. Chairman, I would like to assure my distinguished colleague from California that since the committee visited his district, that none of the plants in which the gentleman has a particular interest are included within this legislation.

Mr. JOHN L. BURTON. They are not in danger, but I am being serious, the gentleman from Louisiana stated that there was no unanimous support for the gentleman's amendment; but by and large, how do the environmentalists feel about it?

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I would be happy to yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Chairman. I would say that the initial amendments that we proposed were controversial, a great deal more controversial than what we are presenting here today. After a series of meetings with the environmental groups and with the administration, we now have reached the point where we can support these amendments. The administration does support the amendments we are offering today.

While some environmental groups would like phrases changed in some manner, I think by and large we can say that we are moving forward together on this. While they might prefer some different language, I do not think anyone is concerned that any grave damage is being done. The spirit and the integrity of the bill is preserved.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman. There are a few words in the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. BOWEN) to the amendment made in order under the rule, as amended.

The amendment to the amendment made in order under the rule, as amended, was agreed to.

The CHAIRMAN. Are there other amendments to the amendment made in order under the rule?

### AMENDMENT OFFERED BY MR. FORSYTHE TO THE AMENDMENT MADE IN ORDER UNDER THE RULE, AS AMENDED

Mr. FORSYTHE. Mr. Chairman, I offer an amendment to the amendment made in order under the rule, as amended.

The Clerk read as follows:

Amendment offered by Mr. FORSYTHE to the amendment made in order under the rule, as amended: After the last line of the amendment offered by Mr. BREAUX, insert the following:

SEC. 8. The Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) is further amended as follows:

(1) Section 2(a)(5) is amended by striking out "fish and wildlife." and inserting in lieu thereof "fish, wildlife, and plants.".

(2) Section 4(f)(2)(C)(ii) is amended—

(A) by striking out "fish or wildlife." and inserting in lieu thereof "fish or wildlife or plants,"; and

(B) by striking out "fish and wildlife," and inserting in lieu thereof "fish, wildlife, and plants,".

(3) Section 8(b) is amended—

(A) by inserting "and plants" immediately after "fish or wildlife" in paragraph (1); and

(B) by inserting "or plants" immediately after "fish or wildlife" each place it appears in paragraph (3).

(4) Section 15 (as amended by section 2 of this Act) is amended by striking out "Act." at the end of paragraph (2) and inserting in lieu thereof "Act; and"; and by adding immediately after such paragraph the following new paragraph:

"(3) not to exceed $1,500,000 for fiscal year 1980, not to exceed $1,750,000 for fiscal year 1981, and not to exceed $1,850,000 for fiscal year 1982, to enable the Department of Agriculture to carry out its functions and responsibilities with respect to the enforcement of this Act and the Convention which pertain to the importation or exportation of terrestrial plants."

Mr. FORSYTHE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FORSYTHE. Mr. Chairman, I am offering this amendment in order to give the Department of Agriculture the resources it needs to carry out its responsibilities under the Endangered Species Act. Pursuant to that act and the Convention on International Trade in Endangered Species, the United States has embarked on a program to protect plants which are threatened with extinction.

The Department of Agriculture has been charged with the responsibility for enforcing the provisions of the Endangered Species Act and the International Treaty as they relate to plants. The act makes it unlawful for any person to deliver, receive, sell, or transport in interstate or foreign commerce any plant listed as endangered unless that person has a permit from the Secretary of the Interior. It is the Secretary of Agriculture, however, who enforces these provisions. Unfortunately, the Department's efforts have been rendered almost completely ineffective because of a lack of manpower and funds.

In fiscal year 1978, 6.85 million plants were imported into the United States through 84 ports of entry. Because of a lack of adequate funding and manpower, the Department of Agriculture has inspectors in only 14 ports of entry.

With such an inadequate level of enforcement, there is virtually no deterrent to the illegal import and export of plants. In addition, plants are inadequately inspected for disease or pests which they may be carrying.

In preparing this amendment, members of the committee staff met with acknowledged plant smugglers who detailed the ease with which they can import and export plants. The smugglers said it was so easy because of the almost nonexistent enforcement of the Endangered Species Act and the International Convention. This illegal trade in endangered plants must be stopped because the uncontrolled trade in endangered plants is having serious and adverse effects on this Nation's plant conservation program.

It is important that endangered plants be conserved for future uses. Plants serve man in many ways. Many species are used directly by man as timber, industrial raw materials, components of drugs, or as ornaments. These plants of proven economic value are particularly vulnerable to overexploitation for commercial purposes. Should they be driven to extinction, their valuable properties would be lost.

To adequately monitor the importation of almost 7 million plants and to effectively enforce regulations designed to protect endangered plants, the Department of Agriculture needs additional funds. My amendment authorizes the appropriation of $1.5 million in fiscal year 1980 and $1.75 million in fiscal year 1981 and $1.85 million in fiscal year 1982.

In addition, my amendment adds language to the congressional findings so that plants are included in the congressional finding that States and other interested parties should be encouraged to develop and maintain conservation programs for endangered species. My amendment also adds the word "plants" to section 8(b) of the act, thereby enabling the Secretary of State to enter into agreements with foreign nations for the conservation of endangered plants. Finally, my amendment gives the Secretary of the Interior authority to take temporary action to conserve plants when there is an emergency posing a significant risk to the species. The Secretary already has such authority for fish and wildlife but lacks the emergency authority to conserve plants.

Mr. Chairman, this amendment has

the support of the administration and of the environmental community, it will permit the Department of Agriculture to carry out its responsibilities under the act, and it will help stop the illegal trade in endangered species of plants. For these reasons, I urge its adoption.

Mr. MURPHY of New York. Mr. Chairman, I rise in strong support of the Forsythe amendment. It certainly is a necessary amendment.

Mr. Chairman, this amendment will substantially improve the efforts to control the international illegal trade in endangered species of plants. The amendment is very simple. It authorizes appropriations to the Department of Agriculture to carry out their important responsibilities under the Endangered Species Act. In addition, the amendment authorizes the Secretary to encourage foreign nations to develop conservation programs for endangered plant species.

This amendment closes a very unfortunate omission in the original Endangered Species Act. Under that act, the Department of Agriculture has the responsibility to regulate the importation and exportation of endangered plants. At the working level of the Department this function has been delegated to the Animal and Plant Health Inspection Service. The Service received this authority because they already operate a nationwide system of inspection stations to prevent the introduction of dangerous pests into this country.

The problem is that although the Animal and Plant Health Inspection Service operates inspection stations and is supposed to insure that endangered plants have the appropriate import permits, they have never received funds for this task and as a practical matter are not fulfilling their obligations.

By the Department's own admission, plant inspectors are not adequately inspecting importations of plants for violations of the Endangered Species Act and the International Endangered Species Convention. In fact, in 1977, the Department informed its regional directors that because the Department had not received funds to enforce the Endangered Species Act, no shipment of plants could be detained or refused entry because of a failure to comply with the act or the convention.

The basic problem is that there is a very high level of plant importations into this country. When Agriculture began enforcing the trade regulations in midsummer 1978, it seized 200 shipments containing over 20,000 plants within 11 weeks. Department records suggest that the total volume of the trade numbers in the millions. Some former plant dealers have openly admitted to the committee that they often obtained extremely rare plants by smuggling them into the United States right through the Agriculture inspection stations. The existing inspection personnel cannot hope to properly inspect plant importations for violations of the Endangered Species Act. First, the inspectors are largely trained to look for insects on the plants. They are essentially bug men. They are not trained to identify illegally imported endangered plants. Second, the inspection personnel have to carry out their endangered species duties in addition to all of their other duties. The Department has recently written me asking that H.R. 2218 be amended to provide an authorization to permit the Department to seek a moderate increase in their inspection personnel. This amendment conforms to the departmental request.

This amendment will help stem the alarming trade in illegal plants. A number of individual States in this country have passed strong laws to protect their native species, but the State actions will never be truly effective until the Federal Government implements a strong inspection system at the various ports of entry.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. FORSYTHE) to the amendment made in order under the rule, as amended.

The amendment to the amendment made in order under the rule, as amended, was agreed to.

The CHAIRMAN. Are there other amendments to the amendment made in order under the rule?

The question is on the amendment made in order under the rule, as amended.

The amendment made in order under the rule, as amended, was agreed to.

The CHAIRMAN. Are there other amendments to the bill?

### AMENDMENT OFFERED BY MR. YOUNG OF ALASKA

Mr. YOUNG of Alaska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Alaska: Page 3, after line 2, insert the following new Section 3 and renumber subsequent sections accordingly:

"SEC. 3. Section 3(8) of the Endangered Species Act of 1973 is amended by striking the words 'mollusk, crustacean, arthropod or other invertebrate,'."

□ 1640

Mr. YOUNG of Alaska. Mr. Chairman, the amendment that I am offering today will remove from the definition of "fish and wildlife" under the Endangered Species Act all invertebrate animals, such as snails, insects, spiders, clams, et cetera. This will conform the act with the original intent of Congress.

I first entered the Congress when the Endangered Species Act was being debated. At that time, our goals were clear, to prevent extinction of those birds and animals which were truly endangered by man's activities. The intent was not to save every last beetle and butterfly on Earth that was disappearing through natural processes of evolution; and it certainly was not our intent to call a halt to every activity in which man could engage.

Unfortunately, the interpretation of this act by well-meaning but misguided individuals has come to the point where man may be endangered if the act is fully enforced. In fact, as I look at the list of criteria for determining endangerment, I note that Alaskans meet 3 of the 5: our range is curtailed, we suffer under inadequate regulatory mechanisms, and other manmade factors affect our continued existence. Perhaps this Congress will agree to declare Alaska as critical habitat and get the Federal Government off our backs.

Finally, in Hawaii, the cave wolf spider is found only in one cave, which is listed as a civil defense shelter. If the shelter is ever needed, anyone who takes refuge there will be violating the Endangered Species Act.

Mr. Chairman, I could continue this for quite some time but I think I have made my point. The United States is in trouble, partially due to natural causes but mostly due to our own stupidity and short-sightedness. Our country needs energy and it needs transportation if we are to survive. We cannot continue to regulate and preserve ourselves out of existence. We can have a clean environment, a healthy, balanced population of fish and wildlife and plants, and still produce enough energy and enough minerals to keep us going. All I am saying is: give us a chance to do so. Do not hamper us with laws and regulations that prevent us from continuing our lives. My amendment may not be the best solution, but it is a start.

In regard to my amendment, however, let me point out some of the problems that have been caused by invertebrates alone:

On the Duck River in Tennessee, completion of the Colombia dam was halted due to the listing of seven species of mussels, including the Cumberland monkeyface and the tan riffleshell. Only after the hard work of our colleague from that State—Robin Beard—did the Fish and Wildlife Service examine the area and discover that the mussels involved had been extinct in the Duck River for many years, thus allowing the dam to be finished.

On the Little Tennessee River, we are all aware of the conflict between Tellico dam and the snail darter. However, even if the snail darter did not exist, the project still would have been halted by the Anthony's river snail.

In Florida, the Florida tree snail threatens construction of a needed airport. In California, the El Segundo blue butterfly is hampering expansion of the Los Angeles jetport.

Again in California, the New Melones dam was halted by the discovery of the cave harvestman spider. Only after further searches found other healthy populations was the dam completed.

At this time, Mr. Chairman, I would like to request that the chairman of the subcommittee, who has done so well on this bill, engage in a little colloquy with me.

Mr. Chairman, my main intent in offering this amendment is to make sure that those who enforce the Endangered Species Act do not enforce it to the detriment of people but that they enforce the act as it was intended by Congress.

If the gentleman wishes to ask me any questions, I would be glad to answer them.

Mr. BREAUX. Mr. Chairman, if the gentleman will yield, I appreciate the gentleman's purpose in offering the amendment, and I thank him for his comments and for making his suggestions.

As the gentleman full well knows, we did make some changes last year in the

1978 amendments which prohibited the listing of endangered species individually, and now we have to look at them as a whole class of invertebrates.

We cannot pick out one and say, "Now, this particular invertebrate species is going to be in the endangered species classification," but we have now to look at the whole class of the species that fall in that category and make that determination.

I know the gentleman is trying to come up with a reasonable approach. I just want to say to the gentleman that the committee has not had an opportunity to hold hearings or to look into any of the problems we are having with invertebrate species.

The CHAIRMAN. The time of the gentleman from Alaska (Mr. Young) has expired.

(By unanimous consent, Mr. Young of Alaska was allowed to proceed for 2 additional minutes.)

Mr. BREAUX. Mr. Chairman, if the gentleman will yield further, I am very hesitant to support his amendment, and I will have to say that I oppose the gentleman's amendment.

There are some invertebrates that are very important, some that we want to protect. We want to be able to say that they are in the endangered species classification, and I can think of several, including shrimp species, mollusks, and some crustaceans in the invertebrate class. They are invertebrates, but yet they are very important to our food cycle, and there are some that should be in the category of species to be protected.

Mr. YOUNG of Alaska. Mr. Chairman, it is my understanding, under the bill as proposed by the gentleman and the committee, that if there is any action concerning invertebrates that does not make real sense, we still have oversight privileges under the bill as members of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, of which the gentleman is chairman?

Mr. BREAUX. Mr. Chairman, the gentleman from Alaska is absolutely correct. If we find during the course of the next 3-year authorization under this bill that they are not following the law as Congress intended, I give the gentleman from Alaska my commitment—and I know the gentleman from New York does also—that we will proceed very aggressively, as we have in the last Congress, to have oversight hearings and allow anyone to come in and say that this is not what Congress intended. We pledge that to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, with the assurance of my good friend, the chairman of the subcommittee, and further, with a full understanding of the hard work and effort he and the gentleman from New Jersey (Mr. Forsythe) have put into this bill, I ask unanimous consent that I may be permitted to withdraw my amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

● Mr. BONKER. Mr. Chairman, the distinguished chairman of the Merchant Marine and Fisheries Subcommittee on Fisheries, Wildlife Conservation and the Environment has proposed an amendment to H.R. 2218 which raises some questions about the timing, manner, and potential effect if adopted by the committee. I welcome the spirit of consultation represented by this compromise and intend to vote in favor of the amendment. But I wish to make it clear that I do so reluctantly.

The compromise amendment to the endangered species authorization bill offered by Mr. Breaux is an improvement over the original amendment to be sure, but this amendment places the United States in violation of the spirit of the Convention on International Trade in Endangered Species (CITES) to which the United States is a party. Indeed, the Department of State has commented that Mr. Breaux's compromise would not be "an express violation of CITES".

Let me briefly discuss the reasons for which I believe Mr. Breaux's amendment is not in strict conformity with U.S. international legal obligations under CITES. The convention intends that the Endangered Species Scientific Authority (ESSA), which each country party to the treaty is required to establish, make independent scientific determinations on whether international trade will threaten the existence of an animal or plant species. The purpose and function of ESSA are clear: It is to act as a check and balance with the Management Authority. Although CITES does not specifically require the Scientific Authority to be independent, the Executive order that established ESSA designated it as a semi-independent body. Contrary to the will of the Executive order, Mr. Breaux would have the Secretary of the Interior serve as both the Scientific and Management Authorities, thereby removing the autonomy of ESSA and raising questions as to the independent scientific judgment of ESSA.

Mr. Chairman, the United States has traditionally exercised a strong and positive influence in international activities concerning endangered species. CITES was initially drafted by us, and was negotiated in Washington, D.C., in 1973. We were the first country to ratify the convention in 1975, and were, therefore, a party when the treaty entered into force on July 1, 1975.

In summary, placing the Scientific Authority under the jurisdiction of the Secretary of the Interior could indicate to the 53 other countries now party to the treaty a weakening of our commitment to protect endangered species, and undermine our leadership in international efforts to conserve the world's endangered animals and plants. Moreover, curtailing ESSA's independence could negatively affect any future attempts to improve American implementation of CITES.

I will, therefore, not oppose the amendment offered by Mr. Breaux, but hope that my colleagues will recognize the possible negative international implications of its passage.●

The CHAIRMAN. Are there other amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Flippo, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2218) to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1980, 1981, and 1982, pursuant to House Resolution 417, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1980, 1981, and 1982, and for other purposes".

A motion to reconsider was laid on the table.

Mr. MURPHY of New York. Mr. Speaker, pursuant to the provisions of House Resolution 417, I call up a similar Senate bill (S. 1143) to extend the authorization for appropriations for the Endangered Species Act of 1973, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

### MOTION OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Murphy of New York moves to strike out all after the enacting clause of the Senate bill, S. 1143, and to insert in lieu thereof the provisions of the bill, H.R. 2218, as passed, as follows:

That the first sentence of section 7(q) of the Endangered Species Act of 1973 (16 U.S.C. 1536(q)) is amended to read as follows: "There are authorized to be appropriated to the Secretary to assist review boards and the Committee in carrying out their functions under subsections (e), (f), (g), and (h) of this section not to exceed $600,000 for each of fiscal years 1979, 1980, 1981, and 1982.".

Sec. 2. Section 15 of the Endangered Species Act of 1973 (16 U.S.C. 1542) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 15. Except as authorized in sections 6 and 7 of this Act, there are authorized to be appropriated—

"(1) not to exceed $23,000,000 for fiscal year 1979, and not to exceed $25,000,000 for each of fiscal years 1980, 1981, and 1982, to enable the Department of the Interior to carry out such functions and responsibilities as it may have been given under this Act; and

"(2) not to exceed $2,500,000 for fiscal year 1979, and not to exceed $3,000,000 for each of fiscal years 1980, 1981, and 1982, to enable the Department of Commerce to carry out such functions and responsibilities as it may have been given under this Act.".

Sec. 3. Section 3(11) of the Endangered Species Act of 1973 (16 U.S.C. 1532(11)) is amended by striking out "(A)" and all that follows thereafter and inserting in lieu thereof "violate section 7(a)(2).".

Sec. 4. Section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533) is amended—

(1) by amending subsection (b)(1) by striking out "him" and inserting in lieu thereof the following: "him after conduct-

ing a review of the status of the species";

(2) by amending subsection (f)(2)(B)(i) to read as follows:

"(i) not less than 60 days before the effective date of the regulation, shall publish—

"(I) the general notice and the complete text of the proposed regulation in the—Federal Register, and

"(II) if the proposed regulation specifies any critical habitat, general notice of the regulation (including a summary of the text, and a map of the proposed critical habitat) in a newspaper of general circulation within or adjacent to such habitat;";

(3) by amending subsection (f)(2)(B)(iv)(II) by striking out "if requested," and inserting in lieu thereof "if requested within 15 days after the date on which the public meeting is conducted,".

(4) by amending subsection (f)(2)(C)(ii) by inserting at the end thereof the following new sentence: "If at any time after issuing an emergency regulation the Secretary determines, on the basis of the best scientific and commercial data available to him, that substantial evidence does not exist to warrant such regulation, he shall withdraw it."; and

(5) by adding at the end thereof the following new subsection:

"(h) Agency Procedures.—The Secretary shall by regulation establish agency procedures to ensure that the purposes of this section are achieved efficiently and effectively. Such procedures shall include, but are not limited to—

"(1) procedures for recording the receipt and the disposition of petitions submitted under subsection (c)(2) of this section;

"(2) criteria for making the findings required under such subsection with respect to petitions;

"(3) a ranking system to ensure that species facing a high degree of threat receive priority review for listing; and

"(4) a system for developing and implementing, on a priority basis, recovery plans under subsection (g) of this section.".

Sec. 5. Section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) is further amended—

(1) by amending subsection (a)—

(A) by striking out "(a) Consultation.—" and inserting in lieu thereof "(a) Federal Agency Actions and Consultations.—(1)";

(B) by striking out the third sentence thereof; and

(C) by adding at the end thereof the following:

"(2) Each Federal agency shall, in consultation with and with the assistance of the Secretary, insure that any action authorized, funded, or carried out by such agency (hereinafter in this section referred to as an 'agency action') is not likely to jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of habitat of such species which is determined by the Secretary, after consultation as appropriate with affected States, to be critical, unless such agency has been granted an exemption for such action by the Committee pursuant to subsection (h) of this section. In fulfilling the requirements of this paragraph each agency shall use the best scientific and commercial data available.

"(3) Each Federal agency shall confer with the Secretary on any agency action which may jeopardize the continued existence of any species proposed to be listed under section 4 or result in the destruction or adverse modification of critical habitat proposed to be designated for such species. This paragraph does not require a limitation on the commitment of resources as described in subsection (d).";

(2) by amending each of subsections (b), (c), (d), (e)(2), (f), (g)(1) and (5), (h)(1), and (m) by striking out "subsection (a)" wherever it appears therein and inserting in lieu thereof "subsection (a)(2)".

(3) by further amending subsection (c)—

(A) by inserting "(1)" immediately after "Biological Assessment.—", and

(B) by adding at the end thereof the following new paragraph:

"(2) Any person who may wish to apply for an exemption under subsection (g) of this section for that action may conduct a biological assessment to identify any endangered species or threatened species which is likely to be affected by such action. Any such biological assessment must, however, be conducted in cooperation with the Secretary and under the supervision of the appropriate Federal agency.";

(4) by further amending subsection (g)(1) by striking out "may jeopardize" and all that follows thereafter in the first sentence thereof and inserting in lieu thereof "would violate subsection (a)(2).";

(5) by amending subsection (g)(2)(A) by striking out "process." and inserting in lieu thereof "process; or, in the case of an agency action involving a permit or license applicant, not later than 90 days after the date on which the Federal agency concerned takes final agency action, for purposes of chapter 7 of title 5, United States Code, with respect to the issuance of the permit or license.";

(6) by amending subsection (g)(3) by redesignating subparagraph (B) as subparagraph (C), and by inserting immediately after subparagraph (A) the following new subparagraph:

"(B) If more than one application for exemption is filed for the same agency action, the same review board shall be convened for each application and shall consider each such application in the manner set forth in paragraph (5).";

(7) by amending subsection (g)(5)—

(A) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively,

(B) by striking out "such exemption applicant" in clause (B) (as so redesignated) and inserting in lieu thereof "the Federal agency or exemption applicant, as the case may be", and

(C) by redesignating subclauses (A), (B), and (C) as subclauses (i), (ii), and (iii), respectively; and

(8) by amending subsection (h)—

(A) by amending paragraph (2)(A) to read as follows:

"(2)(A) Except as provided in subparagraph (B), an exemption for an agency action granted under paragraph (1) shall constitute, but only if a biological assessment has been conducted under subsection (c) with respect to such agency action, a permanent exemption with respect to all endangered or threatened species for the purposes of completing such agency action, regardless whether the species was identified in the biological assessment."; and

"(2)(B) An exemption shall be permanent under subparagraph (A) unless—

"(i) the Secretary finds, based on the best scientific and commercial data available, that such exemption would result in the extinction of a species that was not the subject of consultation or was not identified in any biological assessment conducted under subsection (c), and

"(ii) the Committee determines within 60 days that the exemption should not be permanent.".

Sec. 6. The Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) is further amended—

(1) by striking out subsection (e) of section 8;

(2) by adding immediately after section 8 the following new section:

"CONVENTION IMPLEMENTATION

"Sec. 8A. (a) Management Authority and Scientific Authority.—The Secretary of the Interior (hereinafter in this section referred to as the 'Secretary') is designated as the Management Authority and the Scientific Authority for purposes of the Convention and the respective functions of each such Authority shall be carried out through the United States Fish and Wildlife Service.

"(b) Management Authority Functions.—The Secretary is authorized and directed to do all things necessary and appropriate to carry out the functions of the Management Authority under the Convention.

"(c) Scientific Authority Functions.—The Secretary is authorized and directed to do all things necessary and appropriate to carry out the functions of the Scientific Authority under the Convention.

"(d) Endangered Species Scientific Authority Commission. (1) There is hereby established within the U.S. Fish and Wildlife Service the Endangered Species Scientific Authority Commission (hereinafter in this section referred to as the 'Commission').

"(2) The Commission shall be composed of scientifically qualified agency representatives. Each of the following shall designate one such representative from his agency:

"(A) The Secretary of the Interior, whose representative shall be the Chairman.

"(B) The Secretary of Agriculture.

"(C) The Secretary of Commerce.

"(D) The Secretary of Health, Education, and Welfare.

"(E) The Director of the National Science Foundation.

"(F) The Chairman of the Council on Environmental Quality.

"(G) The Secretary of the Smithsonian Institution is invited to designate a representative.

"(3) The Commission shall make recommendations to the Director of the U.S. Fish and Wildlife Service on all matters pertaining to the responsibilities of the Scientific Authority under the terms of the Convention.

"(4) In the discharge of its responsibilities, the Commission shall, to the extent practicable, ascertain the views of, and utilize the expertise of, the governmental and nongovernmental scientific communities, State agencies responsible for the conservation of wild fauna or flora, humane groups, zoological and botanical institutions, recreational and commercial interests, the conservation community and others as appropriate.

"(5) The Secretary shall designate an Executive Secretary for the Commission, and shall provide the necessary staff and administrative support for the Commission.

"(e) Wildlife Preservation in Western Hemisphere.—The President shall designate those agencies of the Federal Government that shall act on behalf of, and represent, the United States in all regards as required by the Convention on Nature Protection and Wilderness Preservation in the Western Hemisphere."; and

(3) by amending the table of contents by inserting immediately after the section title for section 8 the following: "Sec. 8A. Convention implementation.".

Sec. 7. Section 10(f) of the Endangered Species Act of 1973 (16 U.S.C. 1539(f)) is amended—

(1) in paragraph (4), by inserting "unless such exemption is renewed under paragraph (8)" after "certificate" in subparagraph (C); and

(2) by adding at the end thereof the following new paragraphs:

"(8)(A) Any person to whom a certificate of exemption has been issued under paragraph (4) of this subsection may apply to the Secretary for a renewal of such exemption for a period not to exceed three years beginning on the expiration date of such certificate. Such application shall be made in the same manner as the application for exemption was made under paragraph (3), but without regard to subparagraph (A) of such paragraph.

"(B) If the Secretary approves any application for renewal of an exemption under this paragraph, he shall issue to the applicant a certificate of renewal of such exemption which shall provide that all terms, conditions, prohibitions, and other regulations made applicable by the original certificate shall remain in effect during the period of the renewal.

"(C) No exemption or renewal of such exemption made under this subsection shall have force and effect after the expiration date of the certificate of renewal of such exemption issued under this paragraph.".

Sec. 8. The Endangered Species Act of 1973 (16 U.S.C. 1631 et seq.) is further amended as follows:

(1) Section 2(a)(5) is amended by striking out "fish and wildlife." and inserting in lieu thereof "fish, wildlife, and plants.".

(2) Section 4(f)(2)(C)(ii) is amended—

(A) by striking out "fish or wildlife." and inserting in lieu thereof "fish or wildlife or plants."; and

(B) by striking out "fish and wildlife," and inserting in lieu thereof "fish, wildlife, and plants,".

(3) Section 8(b) is amended—

(A) by inserting "and plants" immediately after "fish or wildlife" in paragraph (1); and

(B) by inserting "or plants" immediately after "fish or wildlife" each place it appears in paragraph (3).

(4) Section 15 (as amended by section 2 of this Act) is amended by striking out "Act." at the end of paragraph (2) and inserting in lieu thereof "Act; and"; and by adding immediately after such paragraph the following new paragraph:

"(3) not to exceed $1,500,000 for fiscal year 1980, not to exceed $1,750,000 for fiscal year 1981, and not to exceed $1,850,000 for fiscal year 1982, to enable the Department of Agriculture to carry out its functions and responsibilities with respect to the enforcement of this Act and the Convention which pertain to the importation or exportation of terrestrial plants."

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1980, 1981, and 1982, and for other purposes".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2218) was laid on the table.

## GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

## PROVIDING FOR CONSIDERATION OF H.R. 5269, PANAMA CANAL AUTHORIZATION—FISCAL YEAR 1980

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 415, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 415

*Resolved,* That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) and clause 2 (1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5269) to authorize appropriations for the fiscal year beginning October 1, 1979, for the maintenance and operation of the Panama Canal, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on Merchant Marine and Fisheries now printed in the bill, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

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The SPEAKER. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the usual 30 minutes for the purpose of debate to the gentleman from Maryland (Mr. BAUMAN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 415 is the rule providing for the consideration of the bill H.R. 5269, Panama Canal authorization for fiscal year 1980. It is an open rule, providing for 1 hour of general debate and including three waivers of points of order. First is a waiver of section 402(a) of the Budget Act. Section 402(a) requires that the authorization bills for a fiscal year be reported out of committee by May 15 of the preceding year. For obvious reasons—including the fact that until adoption of the conference report on Panama it was not completely clear whether an authorization would be necessary—this bill was not reported from committee by the May 15 deadline.

The second waiver is of clause 2(l)(6) of rule XI. That clause simply provides that a bill may not be considered on the floor of the House within 3 days from the time it is reported from committee. At the time the Rules Committee granted this rule, we were hoping that the bill could be brought to the floor almost immediately. That did not happen; we are now well beyond 3 days since the bill was reported from committee, so this waiver no longer has any real meaning.

Finally, there is a waiver of clause 7, rule XVI to protect the committee amendment that is printed in the bill from any germaneness points of order. Section 4 of the bill as originally introduced made certain stipulations with respect to the fiscal year beginning October 1, 1979. The committee amendment applies the stipulations to any fiscal year and, as a result, is technically not germane.

Mr. Speaker, H.R. 5269 authorizes appropriations for the maintenance and operation of the Panama Canal for the fiscal year beginning October 1, 1979. The legislation we passed recently to implement the Panama Canal treaties required that operations in the Canal Zone be on an annual authorization/appropriation basis. The House insisted on that provision in order to insure better oversight of activities in the Canal Zone. Now, since the annual authorization provision has been agreed to, this bill contains the required authorization for fiscal year 1980. In a sense, this bill is necessary to implement the implementing legislation we passed.

It is important legislation, Mr. Speaker, and I urge the adoption of House Resolution 415 in order that the bill might be considered.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts (Mr. MOAKLEY) has given an absolutely superb description of the rule.

I have no requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON HOUSE JOINT RESOLUTION 430, SUPPLEMENTAL APPROPRIATIONS FOR LOW-INCOME ENERGY ASSISTANCE FOR FISCAL YEAR 1980

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on House Joint Resolution 430, making urgent supplemental appropriations for low-income energy assistance for fiscal year 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 430, SUPPLEMENTAL APPROPRIATIONS FOR LOW-INCOME ENERGY ASSISTANCE FOR FISCAL YEAR 1980

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 96-547) on the resolution (H. Res. 464) providing for the consideration of the joint resolution (H.J. Res. 430) making urgent supplemental appropriations for low-income energy assistance for the fiscal year ending September 30, 1980, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## PANAMA CANAL AUTHORIZATION—FISCAL YEAR 1980

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5269) to authorize appropriations for the fiscal year beginning October 1, 1979, for the maintenance and operation of the Panama Canal, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY).

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5269, with Mr. PANETTA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York (Mr. MURPHY) will be recognized for 30 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on September 27, 1979, the President signed the enrolled enactment of H.R. 111, the bill to provide for operation of the Panama Canal for the next 20 years under the provisions of the 1977 treaty with Panama. Among the major features of this act, for which the House is primarily responsible, are the provisions which require the Panama Canal to operate on a self-sustaining basis with the requirement that all expenses be recovered from tolls and other canal revenues. The mechanism provided by the act to accomplish this result is the basic requirement that all expenditures be authorized by the Congress and paid from funds appropriated by the Congress. Under the provisions of the act, appropriations cannot exceed either the amount of canal revenues or the amount of the authorization, whichever is lower. This converts the canal financial management from the off-budget, almost autonomous operation of recent years before the 1977 treaty, to the close controls applicable to U.S. Government agencies generally with full disclosure and congressional regulation of all expenditures.

The procedures now required under H.R. 111 are fully in accord with the provisions and objectives of the Congressional Budget Act of 1974.

H.R. 5269, the Panama Canal Appropriations Authorization Act, fiscal year 1980, is the first step in the series of congressional actions necessary to make effective the spending controls set up by H.R. 111. This bill will authorize appropriations for the operation of the canal in this fiscal year with necessary capital replacements and additions.

For these purposes H.R. 5269 authorizes appropriations of $427,262,000 for operating expenses and $40,400,000 for capital expenditures of which $13,200,000 is for the payment of obligations incurred by the Panama Canal Company and Canal Zone Government prior to October 1, 1979.

These amounts are based on estimates furnished to the Panama Canal Subcommittee at hearings on the authorization in July of this year, supplemented by additional data furnished to the subcommittee and full committee after the hearings were concluded. These data are published in the printed hearings of the subcommittee. (Panama Canal Commission Authorization and Oversight—1980, serial No. 96–7.)

After careful examination of the estimates submitted to the committee and comparison with the estimates submitted in January in the President's budget both the subcommittee and full committee are satisfied that the amounts of the authorization included in the bill are realistic and will provide an appropriate benchmark for further consideration in the appropriation process and review by the legislative committee in the exercise of its oversight functions.

Furthermore, in accordance with the provisions of the basic legislation and the requirement of section 4 of H.R. 5269, the estimates furnished to the committee indicate that appropriation of the amounts authorized will be covered by Panama Canal revenues paid into the Treasury, so that in the end, the appropriations authorized will not result in any cost to the U.S. taxpayer.

Section 5 of H.R. 5269 provides that any program authorized in this act may be prosecuted by continuing contracts to be funded from appropriations in annual appropriation acts, not to exceed, in the aggregate, the total amount for each program specified in the bill.

This section is based on a similar provision in section 621 of title 33 of the United States code authorizing continuing contracts for public works projects under which the corps of engineers may obligate the full price of continuing contracts subject to appropriations in advance for the accomplishment of projects specifically authorized by the Congress. The obvious purpose of section 5 of H.R. 5269 is to extend similar authority to the Panama Canal Commission, thereby making it unnecessary to appropriate the full amount of a large continuing contract in the first year of the project.

Section 6 of H.R. 5269 follows the language prescribed by section 401(a) of the Congressional Budget and Improvement Control Act of 1974 to the effect that any new spending authority provided in the bill is effective for any fiscal year only to the extent or in such amounts as are provided in advance in appropriation acts. A technical amendment to correct the citation in this section will be offered at the appropriate time.

During consideration of H.R. 111 last month I stressed the urgent necessity for prompt action by the House on that bill in view of the fact that the 1977 treaty would enter into force on October 1. The House, the other body, and the President, all responded to that situation by the prompt enactment of that basic and essential legislation before the October 1 deadline. Unfortunately, the requirement for prompt action on H.R. 5269 is accompanied by an equal degree of urgency because, with the commencement of the new fiscal year, the Panama Canal is wholly dependent on the appropriations authorized by this bill. Although a temporary stop-gap joint resolution enacted on October 12 provides funding for a 30-day period, the canal is dependent on appropriations authorized in H.R. 5269 for the funds required to pay its employees and keep the canal open and operating during the year. As previously noted, all these appropriated funds will be repaid to the treasury in full. The enactment of this vital bill does not admit of delay and I urge its prompt passage.

At this time, Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky (Mr. HUBBARD), the very distinguished chairman of the Subcommittee on the Panama Canal.

Mr. HUBBARD. Mr. Chairman, I want to express my appreciation to the distinguished chairman of the Committee on Merchant Marine and Fisheries, the gentleman from New York (Mr. MURPHY), for yielding this time to me.

Mr. Chairman, I rise today to urge strongly that this House support and approve the bill H.R. 5269, an authorization for appropriations for the operation and maintenance of the Panama Canal for the fiscal year 1980. This legislation merits rapid approval.

Approval of H.R. 5269 is crucial for the continued operation of the canal under the legislative framework recently enacted into law.

The bill contains ample funding for the execution of the requirements laid upon the Panma Canal Commission while at the same time it causes continuing operation of the waterway to be prosecuted in an efficient, businesslike manner.

And, significantly, H.R. 5269 protects the funds of our Treasury and our constituent taxpayers.

I urge my colleagues to focus their careful attention on this pivotal legislation, which is the first of some 20 annual authorization bills expected to be brought before the Congress for the purpose of funding the canal prior to the expiration of U.S. control in the year 2000. These funding bills will be the benchmarks demonstrating the manner in which the United States intends to meet its high obligations and underscore its rights, in the last and perhaps most arduous years of U.S. control of the canal operation.

In explaining the provisions of this legislation today I ask the indulgence of my colleagues for consent to depart from direct description and analysis of the contents of the bill in order to provide some background that will aid in exposition of some major issues and challenges. For we know the Panama Canal Commission has some unique and sensitive concerns based on the treaty and establishing legislation.

As for its accounting standards, the Commission is required to establish a system to account for the funds appropriated to it, but it will also utilize accrual accounting in determining costs for its tolls payers.

As for its decisionmaking structure, while the Commission will receive annual appropriations approved by the Congress, its supervisory board will also make important management decisions.

As to its identity, it will be a U.S. agency, operating under U.S. law, but within the framework of a bilateral agreement stressing use of Panamanian personnel and allocating a certain number of positions on the supervisory board to nationals of Panama.

Mr. Chairman, the importance and even necessity of this authorizing legislation for a very important and unique agency was demonstrated by the unanimous support it collected when considered by the Committee on Merchant Marine and Fisheries on September 19. The legislation had been introduced on September 13 when it became clear that the establishing legislation for the Panama Canal Commission would render it a noncorporate agency of our Government. I am pleased to be a cosponsor of H.R. 5269. The chief sponsor of the bill is the gentleman from New York (Mr. MURPHY), the distinguished chairman of our committee on Merchant Marine and Fisheries, who displayed great determination, courage and judgment in his leadership on H.R. 111.

The groundwork for this bill was laid out well before its introduction. Even though the committee had no basis to approve authorization legislation for fiscal year 1980 until September, the committee through its subcommittee on the Panama Canal had foreseen the prospects for such a need when H.R. 111 was passed by the House on June 21. Accordingly, the subcommittee held hearings on July 16 and subsequently received a revised budget from the Panama Canal organization in line with the needs of a noncorporate agency. This August submission formed the basis for the amounts included in this legislation, and, in fact, the overall amount authorized is derived from those recommendations of the canal organization submitted at that time.

A total of $467,681,000 is authorized in H.R. 5269. This amount is ample, perhaps generous, for the first year of canal operation under the Panama Canal Commission. This was the amount deemed necessary and recommended to this body in the light of the new requirements restrictions, and changed circumstances facing the U.S. agency tasked with operating the canal. We recognized throughout the consideration of this authorization, as I urge my colleagues to now consider, that the United States has a reputation for fair and efficient operation of the canal. We must insure that the amounts authorized in fiscal year 1980 will not permit our reputation to be diminished at this crucial time when the world's interoceanic commerce will be watching closely the new canal regime.

Since the committee reported H.R. 5269 to this body on September 19, the executive has submitted a budget amendment which, exclusive of the fiscal year 1980 emergency fund that has already been authorized in the implementing legislation, requests $4 million more than the amount authorized in this legislation, H.R. 5269. The subcommittee and committee have not formally deliberated on this new estimate, and as I indicated we are concerned particularly that there be sufficient funding for the first year of the commission. However, those of us who have studied the 1980 canal budget believe the level of funding in this authorization legislation can accommodate all the elements described in the budget amendment.

As my colleagues will recall, the recent legislation that established the Panama Canal Commission contained a taxpayer protective feature limiting appropriations of the Panama Canal Commission to amounts of anticipated revenues. There is every reason to expect that the Panama Canal Commission can comply with this protective feature of the implementing legislation. However, to emphasize that protection, its text is repeated in this bill H.R. 5269. The revenues anticipated to cover amounts appropriated pursuant to this authorization were expected to total more than $470 million, according to the August estimate submitted by the canal organization. That estimate was based on an increase in tolls of 29.3 percent, which was effective this past October 1, and which is expected to yield an additional $67,838,000 in revenues. The overall estimate also includes a transfer of $71 million in funds to the Panama Canal Commission fund from the predecessor Panama Canal Company fund.

The requirement that limits appropriations to estimated revenues necessitates a brief review of the status of appropriations for the Panama Canal for fiscal year 1980.

In H.R. 4440, the Department of Transportation and related agencies appropriations for fiscal year 1980, passed by this body on September 18, there was contained an appropriation of $254,529,000, to remain available until March 31, 1980, for the Commission and its payment of the obligations of the former Panama Canal Company and Canal Zone Government. This appropriation for only half a fiscal year was tendered because of the absence of a timely statement from the executive branch on fiscal year 1980 funding requirements for a noncorporate version of the Panama Canal Commission. Until August, the executive held that a corporate form of organization for the Commission should be adopted.

This authorization, unlike the appropriation in H.R. 4440, provides for the entire fiscal year. H.R. 5269 authorizes more than $467 million for the entire fiscal year 1980. Based on the submission by the executive of an official budget amendment listing amounts needed by the Panama Canal Commission for the entire fiscal year, and based on discussions with the Appropriations Committees, it appears likely that subsequent revisions of the transportation appropriations measure will, in the case of the Commission, operate for the entire fiscal year. Thus, H.R. 5269 is consistent with this prospect.

Approximately 20 percent of the total amount authorized in H.R. 5269 is not needed for the prospective commitments of the new canal operating agency, the Panama Canal Commission. Rather, nearly $90 million of the authorized funding will cover the remaining obligations and commitments of the former Panama Canal organization that ceased to exist as of October 1.

Section 2 of H.R. 5269 authorizes operating funds for the crucial first year of operation by the Panama Canal Commission. The $427,262,000 authorized provides for the entire expanse of Panama Canal Commission operating responsibilities. This amount also includes more than $76 million for the funding of non-capital commitments of the former Panama Canal Company and Canal Zone Government, which ceased to exist on October 1.

Administratively, the operating expenses of the Panama Canal Commission are divided as amounts for transit operations, supporting services, and administrative and general expenses.

The Panama Canal Commission is the agency designated by the United States to continue to control such functions as the movement of vessels, operation, and maintenance of the canal locks, dredging, and utilization of aids to navigation. Within the scope of transit operations fall many of those operating functions that are little changed from previous fiscal years. However, one major requirement for funding of transit operations not previously borne by the canal operation and recompensated by the users of the waterway involves the payments to Panama for U.S. operating rights and for certain public services performed by Panama in the canal area.

Unlike those activities directly involved in the physical dimensions of transiting vessels, some of the activities included under transit operation and in the nature of auxiliary services have new diminished scopes of operation, in comparison to previous years. Such areas include launch services and repair and maintenance services, for example.

Operating expenses for transit operations also include, for fiscal year 1980, amounts for the continuation of jurisdictional services formerly provided by the Canal Zone Government and authorized to be continued for a 30-month transition period under the Panama Canal Treaty. For example, the fiscal year 1980 budget of the Commission lists over $9 million for the former Canal Zone police force. Over $3½ million is included for fire protection services which will continue to be provided by the Commission for as long as is necessary.

The supporting services for the Panama Canal Commission are also key functions which, if not properly executed, would impact negatively on the efficient operation of the canal. Slightly less than $50 million is required for the funding of these activities, which include supply and logistical services, utilities, and other services of the Commission.

Several of the supporting services of

the Commission are altered in the fiscal year 1980 budget in comparison to their scope and role in the previous canal organization. However, the operation of the S.S. *Cristobal*, the sole remaining oceangoing vessel from the several that were once operated by the canal organization, will continue its resupply role without significant modification.

The important utility services to which I made reference include power generation, a water purification and distribution system, and a communications system, all of which have been important not only to operation of the canal but to the necessities of urban life in Panama.

The general and administrative expenses of the Panama Canal Commission are necessary to proper organization for action. These expenses are affected by the commencement of a new regime for canal service, principally by the need to employ administrators to plan and manage the transition to a new agency and the need for coordination with Panama and other United States agencies.

Within the general and administrative expenses of the Panama Canal Commission are included amounts for the executive direction of the Commission; an amount for its financial management, which is absolutely essential for proper accountability and preservation of its financial viability and value; and an amount for employment costs which are necessary to the retention of skilled employees.

In general, it is important to recognize that although the United States retains control of the transit of vessels, the major changes in the environment for operation have caused considerably greater necessity for coordination. Much of this is reflected in the general expenses of the Commission.

As I indicated earlier, all of the operating and capital costs of the Commission will be offset to a net budgetary effect of zero due to the requirements of the Rudd amendment. But, the critical nature of the initial budget for the Panama Canal Commission and the accompanying estimate of the tolls offset is evident in the present uncertainty of canal managers with respect to the manner in which the users of the canal will greet the most recent increase in tolls, which is the largest increase since the opening of the canal.

Effective October 1, in order to transit the canal it will cost canal users $1.67 per Panama Canal net ton for laden vessels, $1.33 per ton for vessels in ballast, and $0.93 per displacement ton for naval vessels. This is considerably higher than the $0.90, $0.72, and $0.50 that applied until July 8, 1974. In little more than 5 years three hikes in tolls and one change in measurement rules have nearly doubled the cost for a transit through the canal. This upward spiral of rates has caused some diversion of traffic and may prompt other diversions, presenting a major challenge to the Commission and the Congress for the planning of expenditures so as to make unnecessary further increases that may cause a deterioration in the traffic base for the canal.

Mr. Chairman, a crucial component of the running of the Panama Canal involves a capital program, including improvements and replacements, necessary for use of the waterway in the years ahead. In addition to the requirements that a capital program must meet due to the prospective increases in canal traffic, it is incumbent to recall that we have entered into a treaty promise to convey the canal "in operating condition and free of liens and debts" in the year 2000.

Clearly, then, the capital program is of decisive importance to the canal operation, and for this reason the subject consumes a major portion of the text of H.R. 5269. All projects specifically authorized in the bill are limited to the amount budgeted by the Panama Canal organization in the August 1979, submission to the committee. The imposition of specific limitations on each capital project demonstrates the desire of the committee, and we believe, of this body to place in focus the substantial capital needs of the waterway and to spur accuracy in predicting the costs of those projects.

A significant portion of the capital program of the Panama Canal Commission has the objective of making those changes necessary to render the canal adequate for the increasing number of larger vessels transiting the waterway; $5,000,000 for channel improvements, $4,320,000 for procurement of additional towing locomotives, and $3,500,000 for replacement and addition of tugboats, are all major capital projects based on this objective.

The 110-feet wide locks of the Panama Canal may accommodate vessels of beams up to 106 feet. A vessel with a beam wider than 80 feet is considered to present handling problems of greater significance, and consequently the canal authority devotes more resources to its transit, and traffic is restricted to one-way passage at critical transit points.

During fiscal year 1978, over 40 percent of the vessels transiting the canal possessed beams of greater than 80 feet. In that same fiscal year, the average size of the oceangoing commercial vessels transiting the canal rose fully 10.4 percent over the previous year.

However, even the 40 percent figure is not indicative of the critical impact of these vessels on the finances and engineering of the Panama Canal.

These vessels, of course, represent far more than 40 percent of total Panama Canal tonnage and far more than 40 percent of 1978 revenues.

They bear a greater risk of being involved in a major accident that would cause a blockage of the canal, thus severely decreasing the revenues of the canal and in fact endangering the value of the waterway itself.

Finally, within the category of vessels whose beams measure more than 80 feet are included tankers bearing North Slope Alaskan oil. These tankers in the Alaska to gulf coast trade are expected to generate 1,075 transits and $31.8 million in canal revenues in fiscal year 1980, the dollar figure being more than 10 percent of all anticipated canal revenues.

In addition to projects for accommodating larger vessels, another significant portion of the capital funds contained in H.R. 5269 is devoted to the replacement with modern equipment of worn-out machinery, tools or their parts.

Most of the canal's replacement projects are conducted on a recurring basis. The Panama Canal has had a remarkable and even world-renowned reputation for the preservation and continued use of very old equipment. Some of this equipment dates to the very opening of the canal in 1914, and is today simply unusable even with the most diligent of maintenance; $3,860,000 for replacement of dump scows, $600,000 for replacement and addition of transit equipment, $600,000 for replacement of launches and launch engines, and $450,000 for replacement of motor vehicles are examples of some of the more important replacement projects to be undertaken. Such recurring projects are routine but essential.

To summarize, in understanding the background for the funding of the Panama Canal Commission and this legislation recognition must be made of the diverse considerations that shape the allocation of resources and the overall amounts needed for the Commission. The funding for the first year of the Panama Canal Commission is a particularly unique situation because of the incidence of that expense not expected to recur in significant sums in subsequent years, such as payment of the liabilities of the canal organization, the expense of services provided during the transition period and those services expected to be phased out in the future. Thus, while H.R. 5269 is a relatively straightforward bill, the interrelationships between its component parts are quite sensitive. The committee has studied these interrelationships and recommends H.R. 5269 in the form before you. Again I urge its adoption without substantive amendment.

As chairman of the Panama Canal Subcommittee, I ask for support for this measure even though I had a record of firm resistance to the Canal Treaties now in force. I ask you for support to apply the terms of implementing legislation that I could not support even though it had significant strengths. With that legislation enacted, we have defined roles to play and the interests of the United States depend upon fulfilling these roles.

We must approve the legislation not only because it contains appropriate amounts for the administrative and logistical requirements of continuing a presence in Panama, and not only because it discharges our responsibilities in the first phase of our new implicit contract with our loyal and faithful employers who operate the waterway. We must approve the legislation not only because it applies the standards of taxpayer protection to the first of the annual funding measures for the Commission, but also because it recognizes a high responsibility of the United States to perform faithfully in accordance with our given word in the operation of a major waterway affecting the interoceanic commerce of the world.

☐ 1700

The CHAIRMAN. The gentleman from New York (Mr. MURPHY) has consumed 10 minutes.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to my colleague from Idaho.

Mr. HANSEN. Mr. Chairman, I would like to ask the gentleman from New York, on page 3 of the bill, we talk about a capital outlay of $27,244,000, which says:

> There is authorized to be appropriated to the Panama Canal Commission not to exceed . . .

This amount of money.

From where is this appropriated, Mr. Chairman?

Mr. MURPHY of New York. This $27,244,000 under section 3 capital outlay, would come from tolls.

Mr. HANSEN. If I may further inquire of the chairman, why is the language different there than it is under section 2, where it says:

> There is authorized to be appropriated from the Panama Canal Commission Fund for the use of the Panama Canal Commission, for the fiscal year beginning October 1, 1979, not to exceed $427,262,000 . . .

We are talking about "from" in one and "to" in the other, section 3, and if they are both coming from tolls, why is the language different? It appears we are appropriating money to the Commission under one and appropriating money from the Commission under the other.

Mr. MURPHY of New York. There is basically no difference in the intent. The $427,262,000 is from tolls. That is section 2 under "Operating expenses;" the "Capital outlay," section 3, is $27,244,000, and that revenue comes from tolls, also.

I appreciate the gentleman clarifying this point, however.

Mr. HANSEN. If I may inquire further, is there any money in this particular bill that is coming from appropriations which would be from the taxpayers of the United States, from the Treasury of the United States?

Mr. MURPHY of New York. No funds here. The mechanism set up in H.R. 111, and the gentleman was very instrumental in final passage of the language that we insisted on, that is all tolls would come into the Treasury; and this is the appropriation process that we are now embarking on to authorize those expenditures from tolls, and tolls only.

Mr. HANSEN. If I might ask one further question, or I might just like to at least make an analogy. Earlier today we had the military construction bill before us, and of course there I think there was some $29,879,000 which does come from funds appropriated from the taxpayers of the United States.

I felt it was important for us, because this has been some part of the controversy of the transfer of the Panama Canal, to know exactly where funds are coming from in this legislation before us now.

I appreciate the clarification of the gentleman from New York.

Mr. MURPHY of New York. I thank my colleague from Idaho. As the gentleman knows, during the debate on H.R. 111, we specifically stated that all operational expenses would come from tolls, but that U.S. military expenses really should not come from the users and that they were basically unrelated to the operation and maintenance of that waterway.

I appreciate the gentleman's statement.

☐ 1710

Mr. HANSEN. I think that was a matter of controversy during the previous debate, but at least that is over now so we are talking about the matter before us, and I appreciate the indulgence of the chairman and the gentleman from New York.

Mr. BAUMAN. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I rise in support of the legislation now pending. I will make a few remarks just so there is no misunderstanding on the part of our colleagues about this bill. The money involved in this authorization is as follows: $227,262,000 for operating expenses and $40,400,000 for capital expenditures, of which $13,200,000 is for the payment of obligations of the Panama Canal Company and the Canal Zone Government which expired on October 1.

All of the amounts I have just described do not come out of the funds of the American taxpayers, they do not in any way constitute expenditures of our tax money or Treasury funds obtained from U.S. taxpayers. All of the amounts of money involved in this legislation come directly from the toll revenues collected in the Panama Canal by the new Panama Canal Commission, which are paid by the shippers and the others who in one way or another become indebted to the Canal Commission for services rendered, or transits of the canal. So we are not voting on taxpayers' dollars. I just want to make that very clear. Indeed, if we were, I would be very much concerned.

The reason we have this legislation before us is because of the legislation passed only a few weeks ago, the Panama Canal Act of 1979, which specifically required that each year the Congress of the United States, until the treaty expires in the year 2000, must enact authorizing legislation and appropriations in order to allow the canal to operate. This bill is not a vote on the treaties, it is not a vote on the implementing legislation, it is not a vote on anything except whether or not the Panama Canal will continue to operate at the funding levels we have described.

Our subcommittee held hearings several months ago on these amounts. There has been some readjustment based on projected revenues and toll increases that will occur. The money will allow the canal to operate throughout fiscal year 1980. I can assure the Members the Subcommittee on the Panama Canal and the Merchant Marine and Fisheries Committee, as well as the Appropriations Committee will use the coming year as a time to watch closely the developments in Panama and the manner in which the new jointly operated Commission conducts its business.

I would say for my own part I have been disturbed by the statements on the part of several Panamanian officials, including President Royo, which followed shortly after the passage of the implementing legislation, that indicated that there will be attempts by the Government of Panama to change the implementing legislation, particularly as it pertains to the appropriations and the degree of control that the U.S. Congress retains over this operation.

I will certainly resist those changes.

I know that I can speak for my colleagues, many of them on both sides of this aisle on this committee in saying we think we have put together a mechanism that will protect both the interests of the U.S. taxpayers, to the degree that is possible, and the continued operation of the canal, which is important both economically and militarily.

This authorization bill was reported from the Merchant Marine and Fisheries Committee after the May 15 deadline required by the Budget Impoundment and Control Act because the legislation implementing the Panama Canal treaties was not signed into law until last month. Until the last moment, there was considerable uncertainty as to whether the tighter controls which this bill represents would prevail in the House-Senate conference. An appropriate Budget Act waiver has been provided by the Rules Committee.

The total $467,681,000 authorized is to be spent in the following ways: $427,262,000 is to be used for operating expenses of the Canal Commission. This includes maintenance and operation of locks and supporting facilities, the payment of outstanding liabilities of the predecessor Panama Canal Company and Canal Zone Government, employees' salaries, early retirement benefits for U.S. personnel who may be replaced, and $73.2 million for the annual payments to Panama that are required by the Panama Canal treaties; $27,244,000 will be spent for the acquisition, construction, and replacement of capital facilities. In order to control capital allocations as closely as possible, the bill enumerates 36 specific projects and establishes definite dollar ceilings for each. Since the treaties require that the canal itself be turned over to Panama in 20 years, this enumeration will help insure that elaborate new facilities are not constructed.

Finally, $13,175,000 is provided to pay for the liabilities of the predecessor Panama Canal Company and Canal Zone Government for capital projects which were outstanding as of September 30, 1979.

It does not give me pleasure to ask the House to authorize funds for a canal which has been, in many respects, turned over to Panama. However, this bill provides tight controls over the canal's funding, and under the circumstances is the best we can do. I ask all Members to join me in supporting it.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Idaho.

Mr. HANSEN. I thank the gentleman for yielding. I would say that notwithstanding the fact many of us were very disappointed the Panama Canal treaties were finally implemented, this is probably the first of the fruits of the handiwork of what turned out to be a relatively tight implementation legislation in the sense that here we are having to authorize before this House, as well we should, the use of funds for the Panama Canal.

The accountability is here in this legislation, which I think all of us wanted to be sure we will retain for the next 20 years. So I do commend the gentleman from Maryland, the gentleman from New York, and the gentleman from Kentucky, who is the chairman of the subcommittee, for their good work in at least making sure that if we had to transfer the canal that the legislation is tight enough that we retain control here in the Congress of the United States.

I might mention one thing, though, so we do not get too eurphoric about this, that the money we are talking about today does come out of the tolls and the tolls are being increased. So the American consumer, even if the taxpayer is not, is being dealt a blow in order to pay for these authorizations. The country of Panama, of course, is getting a big benefit with the appropriations being turned over to them.

Mr. BAUMAN. I would respond to my colleague from Idaho by saying he is quite correct, that a large portion of the increased tolls that have been imposed on an interim basis by President Carter only in the last few weeks, has been made necessary directly by the terms of the treaty which will give the Government of Panama approximately $75 million to $100 million a year as skimming off the top, if you will, payments to them which they have not had in the past. This is due to the terms of the treaty and not anything this House did. Both the gentleman from Idaho and I, and a great many others, wish it were different.

I also want to say, without the unrelenting position taken by the gentleman from Idaho we would not have as strong a legislative position as we have in the House.

The House and the country owe him a debt for the activities in which he has engaged, because they certainly have served to fashion this legislation.

I would also like to extend an invitation to him, perhaps, to join us in our oversight hearings that will be conducted by our subcommittee in the coming year when the new authorizations are considered. I am sure that it may even require a return to what was once the Canal Zone. I am not at all sure that the gentleman from Idaho and the gentleman from Maryland will be able, under the new terms of the Panama treaty, to receive a visa to permit us into the area to investigate how the canal is operating, but we can face that question at that time.

● Mr. DERWINSKI. Mr. Chairman, H.R. 5269, the Panama Canal Appropriations and Authorizations Act, Fiscal Year 1980, represents an historic step by the Congress to exercise its control and oversight of the operation and maintenance of the Panama Canal.

Legislation which placed our operating control of the canal under an appropriated funds agency, established the need for annual authorizations throughout the life of the canal treaties. This first funding bill provides us with the vehicle to protect our rights and privileges under the treaties and demonstrates the Congress' commitment to the continued operating of the canal with the same traditional high standards as in the past.

One of the major features of the implementing legislation was the requirement that the canal operate on a self-sustaining basis with all expenses to be recovered from tolls and other revenues. While related military costs are represented in the separate overall military budget, the passage of H.R. 5269 provides the necessary authorizations to continue the operation of the canal without taxpayer's expense.

During this first critical year, it is extremely important that we carry out our responsibilities in such a manner that will reassure our canal employees of our continuing concern for their well-being. In addition, we must continue operation of the canal in great traditions of the past and fulfill our pledge to keep the canal open to the world's shipping.

Passage of this legislation is needed, not to alter the treaties or redefine their implementation, but to authorize the continued operation of the canal on a self-sustaining basis.

I strongly support passage of H.R. 5269 and urge all of my colleagues to join me in responsibly exercising this new authority for which we fought so long and hard to protect.●

Mr. MURPHY of New York. Mr. Chairman, I have no further requests for time.

Mr. BAUMAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

### H.R. 5269

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this act may be cited as the "Panama Canal Appropriations Authorization Act, Fiscal Year 1980."

#### OPERATING EXPENSES

SEC. 2. There is authorized to be appropriated from the Panama Canal Commission Fund for the use of the Panama Canal Commission, for the fiscal year beginning October 1, 1979, not to exceed $427,262,000 for all expenditures requisite for and incident to the maintenance and operation of the Panama Canal, pursuant to the Panama Canal Act of 1979, including—

(1) hiring of passenger motor vehicles and aircraft;

(2) uniforms or allowances therefor, as authorized by sections 5901 and 5902 of title 5, United States Code;

(3) official reception and representation expenses;

(4) operation of guide services;

(5) residence for the Administrator;

(6) contingencies of the Administrator;

(7) procurement of expert and consultant services as provided by section 3109 of title 5, United States Code;

(8) maintenance and alteration of facilities of other United States Government agencies in the Republic of Panama used by the Panama Canal Commission;

(9) maintenance and alteration of facilities of the Government of the Republic of Panama, used by the Panama Canal Commission, of which the United States retains use pursuant to the Panama Canal Treaty of 1977 and related agreements; and

(10) payment of liabilities of the Panama Canal Company and Canal Zone Government outstanding as of September 30, 1979, or liabilities that may accrue thereafter, including accounts payable for capital projects.

#### CAPITAL OUTLAY

SEC. 3. (a) There is authorized to be appropriated to the Panama Canal Commission not to exceed $27,244,000, to remain available until expended, for acquisition, construction, and replacement of improvements, facilities, structures, and equipment required by the Panama Canal Commission, including—

(1) the purchase of not to exceed forty-eight passenger motor vehicles, of which twenty-eight are for replacement only;

(2) the recruitment of expert and consultant services, as authorized by section 3109 of title 5, United States Code;

(3) the improvement of facilities of other United States Government agencies in the Republic of Panama used by the Panama Canal Commission; and

(4) the improvement of facilities of the Government of the Republic of Panama, used by the Panama Canal Commission, of which the United States retains use pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) Of the sums appropriated pursuant to subsection (a) of this section, not more than the following amounts shall be available for the following purposes:

(1) $5,000,000 for channel improvements;

(2) $4,320,000 for procurement of additional towing locomotives;

(3) $3,860,000 for replacement of dump scows;

(4) $3,500,000 for replacement and addition of tugboats;

(5) $2,404,000 for relocation costs in connection with canal support operations;

(6) $2,000,000 for construction of launch repair facilities at Mount Hope;

(7) $600,000 for replacement and addition of transit equipment;

(8) $600,000 for replacement of launches and launch engines;

(9) $369,000 for miscellaneous improvements to transit facilities;

(10) $265,000 for improvements to wing-wall-knuckle fendering system for all locks;

(11) $130,000 for construction of locomotive crane repair pits for all locks;

(12) $56,000 for installation of chamber lighting for all locks;

(13) $10,000 for replacement of major buoys;

(14) $226,000 for replacement of the engine of the dredge Mindi;

(15) $144,000 for construction of a concrete apron at Miraflores;

(16) $44,000 for installation of emergency power at the Gatun and Petro Miguel locks;

(17) $18,000 for replacement of telemetering systems;

(18) $450,000 for replacement of motor vehicles;

(19) $435,000 for phase II improvements to communication facilities;

(20) $370,000 for minor improvements to quarters;

(21) $336,000 for replacement of roofing for employee quarters;

(22) $328,000 for water system improvements;

(23) $243,000 for replacement and addition of equipment for supporting services;

(24) $217,000 for insulation of quarters;

(25) $75,000 for modernization of existing quarters;

(26) $65,000 for improvements and replacements to electrical power and communication systems;

(27) $42,000 for improvements to supporting services facilities;

(28) $107,000 for expansion of generating capacity;

(29) $35,000 for replacement of employee quarters;

(30) $250,000 for advanced engineering planning and design;

(31) $212,000 for replacement of and improvements to Commission buildings;

(32) $182,000 for minor capital additions and improvements;

(33) $30,000 for costs of retirement and removal of capital items;

(34) $21,000 for replacement and addition of employee training equipment;

(35) $50,000 for replacement of dredge pipe; and

(36) $253,000 for continuation of prior year projects.

(c) There is authorized to be appropriated to the Panama Canal Commission, for the fiscal year beginning October 1, 1979, not to exceed $13,175,000 for payment of liabilities of the Panama Canal Company and Canal Zone Government incurred or outstanding for capital projects as of September 30, 1979.

GENERAL PROVISION

SEC. 4. No funds may be appropriated to or for the use of the Panama Canal Commission for the fiscal year beginning October 1, 1979, in excess of the amount, as estimated by the Secretary of Defense and certified by the Comptroller General of the United States before the enactment of the appropriation, of the revenues to be deposited in the Panama Canal Commission Fund during that fiscal year.

CONTINUING CONTRACTS

SEC. 5. Any program authorized in this Act may be prosecuted by continuing contracts to be funded from appropriations made by law in annual appropriation Acts, not to exceed in the aggregate the total amount for each program specified herein.

NEW SPENDING AUTHORITY

SEC. 6. Any spending authority (as defined in section 402(c)(2) of the Congressional Budget Act of 1974) provided by this Act is effective for any fiscal year only to the extent or in such amounts as are provided in advance in appropriation Acts.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 7, strike lines 10 through 16 and insert in lieu thereof the following:

SEC. 4. No funds may be appropriated to or for the use of the Commission for any fiscal year in excess of (A) the amount of revenues deposited in the Panama Canal Commission Fund during such fiscal year, as such amount is estimated by the Secretary of Defense and certified by the Comptroller General of the United States at the time the budget request for the Commission for such fiscal year is submitted to the Congress, plus (B) the amount of revenues deposited in such Fund prior to such fiscal year and remaining unexpended at the beginning of such fiscal year. Not later than thirty days after the end of such fiscal year, the Secretary of the Treasury shall report to the Congress the actual amount of revenues deposited in the Panama Canal Commission Fund during such fiscal year.

Mr. MURPHY of New York. Mr. Chairman, the committee amendment to H.R. 5269 incorporates the identical language in section 4 of the bill as presently exists in section 1302(c)(2) of the Panama Canal Act of 1979, the so-called Rudd amendment.

The language that is proposed to be replaced is an earlier and less technically acceptable version of the Rudd amendment as it developed in the course of considering H.R. 111. The language proposed to be inserted is identical to that worked out by the conference committee on H.R. 111 and signed into law on September 27.

It is the purpose of this section of the bill, section 4, to insure that there is no taxpayer cost in the operation of the canal for fiscal year 1980. In effect, the language already in the Panama Canal Act precludes a taxpayer cost in the canal operation between the present and the year 2000. With this section we have, for every Member who will cast a vote on H.R. 5269, an assurance to his or her constituents that expenditures at the Panama Canal are being controlled and that no taxpayer funds are being used for either payments to Panama or any canal expenses.

Mr. BAUMAN. Mr. Chairman, we concur in the amendment.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

☐ 1720

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 3, line 12, after the word "appropriated" add the phrase "from the Panama Canal Commission Fund".

Mr. BAUMAN. Mr. Chairman, I believe this amendment is concurred in by the majority. It is simply an insertion of the language that appears in section 2, making it clear that the amount of money in section 3 is to be appropriated from the Panama Canal Commission Fund.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the majority agrees with the statement of the gentleman from Maryland and has no objection to the amendment.

Mr. BAUMAN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: On page 8, lines 13 and 14, strike "section 402(c)(2)" and insert in lieu thereof "section 401(c)(2)".

Mr. MURPHY of New York. Mr. Chairman, this is purely a technical amendment. It is to correct the citation in section 6 referring to the provision in the Congressional Budget Act on new spending authority.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOLLING) having assumed the chair, Mr. PANETTA, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 5269) to authorize appropriations for the fiscal year beginning October 1, 1979, for the maintenance and operation of the Panama Canal, and for other purposes, pursuant to House Resolution 415, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation just passed, H.R. 5269.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

## U.S. GOVERNMENT BIGGEST SPECULATOR IN GOLD

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PAUL. Mr. Speaker, recently the Treasury announced a change in the rules on gold sales. Today the policy of gold sales is totally unknown. They claim the reason for this is to prevent speculation in the gold markets, but I claim the Government is now the biggest speculator and with one of America's most valuable assets.

I would like to call attention of my colleagues to an article that appeared in the Houston Chronicle written by a liberal writer, Hobart Rowen. He says in part in this article that:

> But if gold, contrary to our wishes, in fact has a monetary role of some significant kind,

then another option is to quit selling any of it, and maintain the stockpile as a "last resort" store of value. . . .

If gold is not money (as we argue officially), then the government should quit worrying about the price. . . .

But if gold is money, or like money, then why don't we close the door at Fort Knox, and hang onto what's left?

I might also add; rather than dumping the gold into the hands of the European central bankers or the hands of the Arabs, if we must insist on selling gold, why not sell the gold to the American people in one and one-half ounce medallions and let them hold onto this valuable asset.

### GOLD STARTING TO LOOK LIKE MONEY

(By Hobart Rowen)

More than 300 years ago, gold expert Charles Stahl reminds us, there was a tulip bulb craze in which the price of one "Viceroy" bulb soared to 2,500 Dutch florins.

As detailed in a book by Charles Mackay, Extraordinary Popular Delusions and the Madness of Crowds, 1,500 florins was enough to buy four fat oxen, eight fat swine, a half-ton of cheese and a host of other goods, including one suit of clothes and a silver drinking cup.

"The current worldwide gold fever may be considered by some as being better founded than the 17th century bull market in tulips, but the final effect has to be the same—a lot of people will lose a lot of money," Stahl said in one of his newsletters.

"Every bull market in history has come to an end, and so will this one. That applies also to the two other precious metals, silver and platinum."

The spectacular rise of gold in the past few months has been fed by rising oil prices and double-digit inflation all around the world. It represents not only a flight from the dollar—but from all paper money. Gold has jumped 60 percent against the mighty Swiss franc.

In essence, gold hovering near $400 an ounce represents the conviction of many that the economic managers of the international monetary system have lost control—that even if they want to, they can't whip inflation.

It represents a belief, among others, that economic power has swung heavily to the Organization of Petroleum Exporting Countries, which not only calls the tune on oil prices but is building up such large financial surpluses that the cartel states—especially Arab countries—will look to gold as the best store of value.

And finally, there is evidence, as German Central Bank President Otmar Emminger put it in an interview, that gold "has sneaked back" into the monetary system, despite the efforts to "demonetize" the yellow metal. "You just can't make hundreds of billions in gold disappear," Emminger said.

Not only do almost all central banks count their gold reserves at a market-related price, instead of the puny $42 official price, but the new European monetary system has given gold a big boost by pooling 20 percent of national gold holdings at current high prices as part of the backing for its embryonic common currency.

So if gold is not exactly "money" once again because central banks don't hand it over for their own paper currencies, it is reacquiring monetary characteristics. It is being prized by central banks as a valuable reserve asset, and an insurance policy of last resort. Even Treasury Secretary G. William Miller, in a slip of the tongue at Belgrade, put a value on U.S. gold holdings by using a market-related value.

The fact of the matter is that there is now more gold in the international monetary system—if you count it at its market value—than all of the currencies and other paper assets put together.

This poses a dilemma for the United States, because skyrocketing gold prices further shake confidence in the dollar. The gold craze discourages long-term dollar investments, and probably has contributed to sky-high interest rates.

This past week, the U.S. Treasury took the advice of many outside advisers, and put a little uncertainty into its gold-sales policy: Instead of feeding the speculative fever with a regular monthly sale, it will keep the markets guessing on times and amounts. And at long last, some modest curbs will be put on gold futures speculation on the commodity exchanges.

But sooner or later, the United States will have to decide once and for all whether gold is just a commodity like copper, or whether it is also money. If it's a commodity, and we don't care about the price, we can sell it all—soaking up excess dollars abroad and helping reduce the trade deficit.

But if gold, contrary to our wishes, in fact has a monetary role of some significant kind, then another option is to quit selling any of it, and maintain the stockpile as a "last resort" store of value.

As economist Edward Bernstein says, whatever we do or don't do about gold won't solve this country's basic economic problems. But at least we ought to have a rational approach to gold. If gold is not money (as we argue officially), then the government should quit worrying about the price. It can even be quoted, as Stahl mischievously suggests, at so many tulip bulbs per ounce.

But if gold is money, or like money, then why don't we close the door at Fort Knox, and hang onto what's left?

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## U.S. OIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 30 minutes.

Mr. COLLINS of Texas. Mr. Speaker, energy prices go up because of excessive imports of OPEC oil and because of shortage of materials; but the public chooses to blame it on the oil companies.

Let us look at the vote today demanding monthly refinery reports. Congress voted for this. The debate by the proponents kept repeating big profits of oil companies as reported on television. Many references were made to Exxon as the largest oil company with big gains in profits.

The facts are that Exxon in the first 9 months of 1979 reported U.S. earnings from refining and marketing were down 17 percent from last year. Refinery profits were down 17 percent because of higher U.S. operating costs. Exxon profits were up in foreign business where chemicals, heating oil, and an English tax adjustment were favorable. So the oil companies get another Government report to add to the 450 they now file.

But do we tax foreign OPEC companies? The windfall tax of the Democrats taxes 60 percent on U.S. oil companies but zero percent on foreign OPEC oil companies.

The need for oil deregulation is essential for America's energy independency in producing its own energy. Today, half of the oil consumed in the United States is imported. Six years ago the United States was importing $3 billion in oil and today the United States is importing $60 billion in oil.

In order to have adequate operating capital, the U.S. oil companies need to receive the "replacement price" for their old oil.

There is not a person in this room that would sell their home for the price they paid for it. Take a home you bought 20 years ago and paid $18,000 for it. If you were moving to another town you would object to a price control limit of $18,000, because it would cost you $90,000 to buy a similar home in the next town. If oil companies had a well that cost $180,000 20 years ago, they would spend $900,000 today if they moved into a new oilfield to drill a new well.

In order to replace the old oil, oil must be priced based on the world replacement market price.

Every barrel of oil that comes into the United States from the Arab OPEC countries is paid the full world market price. Today OPEC oil under long-term contract lands in Philadelphia for $25 a barrel. If you happen to need immediate oil in the spot market, you may be paying $40 a barrel.

We have staggered tiers of prices under price control here in the United States. But average them all together and the average price paid for U.S. oil is less than $11. Price control limits a barrel of old U.S. oil to $5.91 a barrel, but has no limit on foreign oil and can import OPEC oil at $40 a barrel.

Let us all remember one basic fact, and that is when you drill wildcat wells, nine will be dry and one will be a producer. How can the independent oilman pay for drilling based on inadequate oil prices to provide his new cash flow for investment.

We must also remember that the new oil we are recovering today is deeper and in more expensive geological formations. The easy oil has been discovered. The gas we are getting today is mostly coming from below 15,000 feet and many of the best new gas fields are 25,000 feet. Oil is coming from hard rocks to produce.

There are great recovery opportunities in this country from secondary and tertiary recovery. Of all the oil fields that have been discovered in the United States, only 30 percent of the crude oil has been recovered. We realize that the last 40 percent will be very expensive and very difficult to produce. But we can get 30 percent more from these same wells by means of secondary recovery. This will give us as much additional oil as the total amount we have produced in the past 100 years. Producers will go after it with water flood, chemicals, and special drilling; but this is expensive. At $22 a barrel, many productive means are available to produce secondary and tertiary oil. Why not use American labor. American pipes, American machinery, American chemicals, and American transportation, and pay Americans the same price as Arab OPEC oil. Keep the dollars here at home, instead of sending $60 billion each year of American money to pay for OPEC imported oil.

We hear all of this talk about profit of oil companies. Out of the dollars generated in the oil business, 70.2 percent goes in Government taxes. The stockholder gets 5.3 percent. This means that the Government gets over 13 times as much of the oil business dollar as the stockholder who owns the oil company.

Oil taxes begin from severance time when oil leaves the well, taxed again at the pipeline, the workers' wages are fully taxed, the oil properties are taxed, and oil is taxed at the gasoline pump. Shareholders are taxed and oil companies pay corporate 48-percent tax.

This is a confused Congress. President Carter recommended a special windfall/tax on U.S. oil companies of 60 percent and Arab OPEC zero percent; and Congress voted for it.

Let us review a tax survey that is made annually for Energy Week by Ernestine Adams and Abbott Sparks. Out of $81.655 billion in total oil revenues, the dividend after taxes received by the stockholder was $4.823 billion, whereas taxes paid in by the oil companies, shareholders, employees, and oil consumers totaled $64.331 billion. Think it over. You can buy stock and be a stockholder in an oil company; but every time you receive a dividend of $1, the Government taxes will be getting over $13 in the big tax bite on oil.

The facts are when U.S. oil prices go up, most of the money is going for taxes to pay for the big government of big spending liberals in Washington. Yet, there is no comparable tax on imported OPEC foreign oil, which is half the oil consumed in the United States.

Oil companies are reinvesting all their profits back into oil and gas exploration and drilling. Capital expenditures in the first half of 1979 were 50 percent greater than profits in the period.

Let us compare oil company profitability. Taking the 10 years of 1969–78, the 10-year weighted average of oil companies showed a return on stockholders equity of 13.9 percent for oil companies compared to 13.7 percent for all total manufacturing companies.

Let us compare four larger oil companies on net income as a percent of stockholders equity. In 1978, Exxon was 13.7 percent, Mobil was 12.6 percent, Texaco was 9.0 percent, and Standard Oil was 13.4 percent. Compare these to the earnings of media that have challenged the oil companies' profit. We find in 1978 that CBS profit was 21 percent, NBC profit was 18.4 percent, ABC profit was 21.6 percent, and the Washington Post was 28 percent.

Profit analysis of oil company earnings for the first half of 1979 shows most of the increase from foreign earnings. Domestic earnings were up 26 percent while foreign earnings were up 82 percent. North Sea earnings were strong and Europe's coldest winter in 15 years gave a big boost in foreign earnings. Foreign income was also boosted by worldwide chemicals.

The U.S. oil producer operates under a confused multiprice tier which has risen from $6.74 a barrel in 1974 to $11 a barrel in mid-1979 for U.S. oil. This is an increase of 63 percent in price whereas total drilling costs average is up to 104 percent.

Price control imposed on oil and gas in the United States encourages world prices to skyrocket. When U.S. oil was placed under price control in 1974, the world price of oil was $5.50 a barrel. Today we see spot price of world oil as high as $40 a barrel.

The Congress controlled natural gas in 1954 at 9 cents mcf. Today gas in the United States has climbed to $2.40 mcf. while the United States has welcomed gas from Mexico at $3.63 mcf.

All price control does is produce more paperwork, more bureaucrats, more imports, and makes it more difficult for much needed competitive alternative fuels to enter the energy market.

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□ 1730

## UPWARD MOBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 10 minutes.

● Mr. WEAVER. Mr. Speaker, with the exorbitant and obscene profits being revealed by oil companies, the following article in Oregon magazine, April 1979 issue, which relates ways of using these profits highly unethical if not illegal, related by a former employee of Mobil Oil Co. is of interest.

Inside his garage in a quiet, middle-class Eugene neighborhood, John Hanks keeps an almost compulsively thorough filing cabinet of documents, inter-office memoranda and other souvenirs from his 14-year career with the Mobil Oil corporation.

"If I were a good, loyal Mobil man," Hanks says carefully, examining an invoice, "I would have burned this stuff."

Hanks, 37, is a self-described right-wing Republican with an abundant shock of strawberry hair, enough faith in America's future to collect vintage wines, and a full-time interest in organizing political campaigns for conservative candidates.

Last December, Hanks walked away from his $30,000-plus job in Mobil's mid-Willamette industrial sales division after balking at a transfer to Corpus Christi, Texas. When gas lines began forming late this spring, Hanks decided to come forward with his story of life inside the oil industry during the last energy crisis.

Congress had empowered the Federal Energy Administration to allocate petroleum products and freeze prices for every class of distillate fuel. Under a program to control profits, May 15, 1973, was the magic date. The FEA instructed the oil companies to compute an average price for gas, diesel and heating oil at every one of thousands of U.S. delivery points, using May 15 sales receipts. Whatever the price had been on May 15—or the nearest date before—became the "base price," and only costs such as increased taxes or higher wages could be added to that price.

Hanks says he helped set "75 percent of the base prices in the Northwest for industrial consumers," then adds: "It's not a duty that I'm proud of."

Hanks spent weeks "flying between Mobil's Portland delivery terminal, Seattle division office, Los Angeles accounting center and Dallas region headquarters to review sales receipts, documents and guidelines." Finally, base pricing for the Pacific Northwest states was finished in November, 1974.

So far, so good, Hanks says, until mid-level management executives gerrymandered the definition of "distribution points" to serve Mobil's bottom line.

Take Eugene, for example. The way diesel prices were established in Eugene ended up costing consumers tens of thousands of dollars extra.

There was only one May 15, 1973, diesel sale in Eugene on the books—at 13.55 cents per gallon. However, 46 miles to the east, in the mill town of Oakridge, an unauthorized shipment to a logging contractor was made on the same date—but at a price that was 8.2 cents a gallon higher.

For the purposes of establishing a base price, Mobil decided to treat the Oakridge transaction as a basis for Eugene pricing—an apparent case of the tail wagging the dog. As a result, the price of Mobil No. 2 diesel to Eugene-area farmers, contractors, industrial users and governmental agencies was more than half again higher than it otherwise would have been.

Hanks objected to the decision, as did at least one other Mobil employee, J. Scott Erbe, on the grounds that it was inconsistent to merge Eugene and Oakridge for price basing when Mobil had divided Seattle and Tacoma prices—terminals only 30 miles apart. Furthermore, the merging mixed apples with oranges, since the Oakridge delivery had been made by a small (and more expensive per gallon) "tankwagon" truck.

Back from Mobil's Office of General Counsel came a "reaction"—not a legal opinion, the memo stressed—to Hanks' and Erbe's objection. According to Mobil's legal team, the Oakridge sale (from a 14,000-gallon tank on major customer Pope and Talbot's property) didn't have to be counted as a separate base price from Eugene because it was "no more than additional storage for Mobil's convenience on deliveries originating from Eugene."

To figure out how much this informal "reaction" may have cost Eugene customers of No. 2 diesel for about two years until price controls were removed from diesel fuel is no simple task. The Oregon Department of Energy has no figures on how much diesel flows out of the Eugene terminal on a month-by-month basis. Mobil Northwest Division Manager Larry Larson, at the company's Portland terminal, says his office has no way of computing Eugene's total Mobil deliveries of diesel.

Hanks, however, notes that Mobil's share of the industrial market alone was about 15 to 20 percent, and that one Eugene-area lumber company alone used 800,000 gallons a year in the early 70s. The total for the town may have been twice that. At 8.2 cents per gallon in padded profits, the disputed overcharge could easily have reached $25,000 a year.

Splitting hairs over a legal definition is one thing, but in the case of Mt. Vernon, Washington, Mobil actually back-dated an invoice to establish a higher base price, contends Hanks, and he has the "pink" slip copy of the invoice in question to prove it.

Here's what happened. During a cold snap in the winter of 1973, the city of Mt. Vernon took a delivery of light No. 1 heating oil because it was simply too cold to use the heavier No. 2 heating oil originally contracted for. The city was subsequently billed at Mobil's posted price difference of 1.9 cents a gallon higher for No. 1 fuel. Mt. Vernon paid the bill.

When it came time to set base prices, however, nearly a year and a half later, Hanks was told that the old invoice must be changed. Since no heating oil price differential was specified in Mt. Vernon's contract, the highest market price for No. 1 fuel would be charged. Hanks balked. "We should have lived with it," he says. "I refused to raise the price." So, Irwin Wayne (I. W.) Jordan, the western commercial region manager in Dallas, gave instructions that the invoice was to be changed. The West Coast controller, Norm Mendenhall, carried out those instructions.

Because of the altered billing, a new base price for No. 1 diesel fuel was established in Mt. Vernon—at 6.7 cents a gallon higher.

In another case, complaints to Hanks' boss, Jim Kimner, that Mobil was selling diesel to U.S. Plywood in Lebanon at about a penny a gallon over the base price did no good, even after Hanks pointed out that the sales were putting Mobil "into a ticklish situation."

Kimner fired back an unambiguous memo in August, after two more prods from Hanks: "John, once & for all forget this Problem and go on to working on new business, or something else. N.Y. says last and final time, No Change—Leave It Alone."

Of course, in as complicated a bureaucratic scheme as fixing the price of petroleum by distribution point, by product, and by mode of transport, some errors were inevitable. Mobil's official policy was that if base prices were found to be incorrect, the consumer's money would be refunded. Hanks says that is "one of the few times I believe Mobil deliberately lied. They knew no one could interpret federal guidelines, so no money ever would be returned."

"Some customers," wrote I. W. Jordan in a 1976 memo to mid-level managers, "may be due refunds for overcharges as a result of an adjustment to a base price. It will be some time before we know who [is] entitled to refunds at each of our more than 1,700 source points. You will be advised on this subject in future communications."

By the time Hanks left Mobil in December 1978, such a "communication" had never been made. However, says Hanks, the ideal opportunity to rebate consumer cash presented itself in North Bend—over the issue of 18 months of Mobil-admitted overcharges.

Mobil employees had established two separate base prices in August 1974 for the adjoining towns of Coos Bay and North Bend. This decision, which penalized North Bend a few cents a gallon for gas, kerosene, heating oil and diesel, contradicted a Mobil pricing guideline that "commission truck routes . . . making deliveries out of terminals should be included in the price survey as an integral part of the terminal complex." North Bend was served by such a truck route.

Hanks first raised this issue in a November 23, 1974, letter. His file shows seven more memos on the subject over the next year, most of them ignored, before the question was sent to New York headquarters for resolution. Sure enough, on February 19, 1976, base prices at the two locations were combined.

"I stressed then that Mobil must rebate money for the 18-month period," Hanks says. "We admitted our mistake on pricing, but when I brought up the subject of rebates I was told by the pricing manager, the regional manager and everybody else involved to drop the subject and never bring it up again."

And the money rolled in. Mobil bought Montgomery Ward and Container Corporation. Hanks remembers: "They were making so much money they gave every employee a month's salary as a bonus. I thought it was really nice of them to give it to us instead of the government." Apparently, Mobil's huge profits created tax problems.

Hanks still maintains that, on major issues, Mobil was characterized by liberal and enlightened policy decisions. But executives within the giant corporation, he adds, could be surprisingly petty and cheap when it came to relatively small matters.

Salesmen were sometimes instructed not to let customers know about potential savings. Hanks complained that the information should be getting out. Despite his annoying role as corporate gadfly, however, no one argued with his job performance. Among Hanks' garage file of memorabilia is one folder prominently displaying the Mobil logo and labeled "Extra Effort Recognition." Inside is a photo of Hanks, smiling broadly, sandwiched between Kimner and Jordan, in the act of accepting a national sales award.

Hanks' increasing objection to Mobil pricing policies peaked in February of 1975. One evening that month Hanks found himself, over dinner at Eugene's Coburg Inn with Kimner and Jordan, airing his doubts. As he was wont to do, Hanks took the opportunity to quote back to his bosses Mobil's ethics policy. All Mobil employees are required to sign it. "The maintenance of the highest reputation for integrity is essential," the last sentence reads, "and is not in any circumstances to be sacrificed for the sake of results."

According to Hanks, the dinner came to an unpleasant end when Jordan "turned red, jumped up from the table, shook his finger three inches from my nose and said, 'Resign, you ——— ———, resign! I want no more of this ——— ———. I run this region. Shut up, resign, or I'll fire you.' "

"Needless to say," Hanks adds, "Mr. Kimner turned white."

Jordan, through his secretary in Dallas, after repeated calls refused to answer any questions about his role in the establishment of base prices and referred all questions to Mobil's public relations specialists in Los Angeles.

Kimner, however, when reached at his home in Darien, Connecticut, only a short commute from New York City, where he serves as Mobil's international sales training manager, denied that he heard such an outburst. "I remember dinner at the Coburg Inn, but I was not in the room nor was I at the table during the incident," Kimner said. "I was off in another part [of the inn] for awhile making phone calls. I just remember John saying next morning that the evening hadn't gone as well as he'd planned." Kimner added that the whole matter of overpricing in the mid-'70s is "ancient history in the light of today's situation."

Mobil's official five-sentence reaction to Hanks' allegations echoes that theme, conceding that "there has been some confusion within the oil industry concerning price control regulations," but that, as far as particulars go, "we do not think it appropriate or meaningful to comment on individual cases."

But Hanks doesn't see it that way. For one thing, he argues, "If one person ran into this stuff setting industrial base prices for three states, think about the rest of the country."

Today, with the United States on the verge of a rationing program, and Congress talking about a windfall profits tax to catch up with oil decontrol, Hanks sees a moral in the story: "Watch out for middle management," he warns. "They'll always find some way to soak America."

## THE WATER RESOURCES DEVELOPMENT ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of California. Mr. Speaker, our Committee on Public Works and Transportation has recently filed its report on H.R. 4788, the Water Resources Development Act of 1979. This bill contains many significant and innovative provisions designed to meet this Nation's water and related resources needs in a responsible and balanced manner. Because of the importance of this legislation, I feel it would be of value to bring some of the provisions of this bill to the attention of the House Members.

H.R. 4788, as is traditional with water resources development bills, contains project authorizations, authorizations of water resources studies, project modifications, and general provisions affecting the overall water resources program of the U.S. Army Corps of Engineers. This bill also continues the practice of refining the manner in which the water resources program is carried out, along with its scope and direction, to meet our constantly changing water resources needs. As a result, the bill contains a number of features addressing water supply needs, environmental concerns, energy needs, and project study procedures, in addition to the traditional provisions addressing flood control, navigation, recreation and the like.

### WATER SUPPLY

Water supply has long been a concern of our committee, and we have warned for years that a severe water supply crisis will occur unless timely steps are taken to begin the long process which leads to selection and construction of facilities and implementation of other measures, both to increase the efficiency with which we use existing supplies and to develop new sources of supply. The water supply problem is growing more serious all of the time. Not only do we still have the present and anticipated shortages in the Southwest and West, but now the eastern and northeastern parts of the country are experiencing problems. This is brought about primarily by two factors—the increasing pollution of available water and the deterioration of antiquated distribution facilities. The Federal interest in pollution control has been established. The Federal interest in the repair of water distribution facilities has not. Yet it is a problem we must address in some fashion.

In order to better understand the nature and scope of the problem we face in insuring adequate and well-maintained distribution facilities, the committee, in section 219 of the bill, provides for the authorization by committee resolution of studies of single purpose water supply projects, including conveyance and distribution facilities. The carrying out of such studies, on a selective basis, is the necessary first step in determining whether general Federal assistance is appropriate and, if so, the extent of such assistance.

### ENERGY

Section 167 of the Water Resources Development Act of 1976 authorized the Corps of Engineers to study the most efficient methods of utilizing the hydroelectric power resources at water resources development projects under the jurisdiction of the Secretary of the Army. Section 212 of H.R. 4788 extends the study authority and increases the authorization for appropriations. In addition, section 218 of the bill directs the Corps of Engineers to make a study of the possibility of developing the hydroelectric potential at former industrial sites, mill races, and similar types of facilities. It also authorizes the Corps to provide technical assistance to local public agencies and cooperatives for the development of hydropower at such facilities. These provisions are designed to increase the supply of hydroelectric power in order to help meet our increasing energy needs.

Hydroelectric power development was rapid during the first half of the 20th century, but by the mid-1960's its contribution to the total amount of power generated had diminished. This came about primarily because of three factors: The most favorable hydropower sites were developd early and other sites appeared less attractive when compared to other energy sources. The overall demand for electricity increased and the percentage of hydropower as a part of the total amount of power generated decreased as new generating facilities were constructed. Finally, the low cost of fossil fuels and optimistic forecasts concerning nuclear technology created a feeling that our energy future was secure.

This is no longer the case. Nuclear power has not been developed as originally forecast. Perhaps most importantly, the dramatic rise in oil prices, and those of other fossil fuels, have made previously undeveloped hydroelectric power potential much more attractive economically.

The studies of hydropower potential, both at corps projects and at other inplace facilities, will identify the amount of hydropower which can be economically developed and will assist in meeting our overall power needs with a larger source of clean, nonpolluting power.

### THE ENVIRONMENT

H.R. 4788 contains a number of precedent-setting provisions for the consideration of and protection of the environment in connection with the development and conservation of our water resources.

Section 360 authorizes the Corps of Engineers to modify any of its water resources development projects to provide for mitigation of damages to fish and wildlife if the estimated cost of the modification does not exceed 10 percent of the total cost of the project or $7,500,000, whichever is the lesser. The modification must be approved by resolutions adopted by our committee and the Committee on Environment and Public Works of the Senate. This procedure will expedite the provision of needed mitigation measures at projects by providing for a more simple and less time-consuming means of securing congressional approval. For the larger mitigation plans, the committee feels that it is appropriate to retain the requirement for authorization by act of Congress.

Section 220 of the bill directs the Corps of Engineers to study the feasibility of conserving wildlife and wildlife habitat where the habitat may be expected to be adversely affected by the action of a Federal agency. The study is to include the use of engineering or construction capabilities to create alternative habitats or to improve, enlarge, or develop existing habitats. The section also authorizes the corps to conduct demonstration projects of alternative or beneficially modified habitats for wildlife. Up to $10 million a year is authorized to be appropriated for the demonstration projects.

Many Federal projects result in the destruction of, or damage to, fish and wildlife habitat. Also, such projects often offer the opportunity to enhance and improve such habitat. Many techniques have traditionally been used for fish and wildlife mitigation and enhancement, including land acquisition, intensified management practices, special project operation and maintenance techniques, and establishment of wetland areas. The committee feels that there is considerable merit in studying and demonstrating a broad range of engineering and construction practices to preserve and create habitat and to enhance fish and wildlife resources. This could include such measures, for example, as artificial impoundments, creation of wetland areas, creation of habitats and nesting areas, modified operation of projects, and the like. The study authorized by this section, in conjunction with the demonstration of various measures, will provide the needed information on the feasibility and desirability of implementing such a mitigation and enhancement program on a general basis.

H.R. 4788 also addresses the problem of justification of measures undertaken in connection with a water resources project for the protection of the environment. Projects traditionally are evaluated on the basis of national economic benefits and costs. This effectively limits measures for protection or enhancement of the environment to those which are demonstrably cost effective. The committee believes that this should not be the case. Environmental benefits are not quantifiable in strict economic terms. We have, therefore, provided in the case of a very few projects that the environmental benefits associated with certain project features shall be deemed to be at least equal to their cost. One example is the navigation project for Gulfport Harbor, Miss. The environmentally preferred means of spoil disposal for this project is disposal into deep waters of the gulf.

However, the costs of this type of disposal are much higher than alternative methods and could result in the project being less justified from a strictly economic point of view. In order to avoid having the preferred disposal method rejected because of its high cost, the authorization for the Gulfport project provides that any benefits associated with the gulf disposal shall be deemed to at least equal the costs.

Another related feature of the bill, section 409, directs the Corps of Engineers to include specific information on the benefits and costs attributable to enhancing regional economic development, the quality of the total environment including its protection and improvement, the well-being of the people, and national economic development in any report relating to a water resources development project. This will insure that Congress, as well as others, has information on all of the benefits and costs associated with a water resources project in order to make a better informed decision with regard to the project. This will enable us to determine, for example, on a project-by-project basis whether or not measures for the protection or enhancement of the environment are desirable and should be included in the project authorization regardless of their economic costs.

### PROJECT PLANNING

Section 401 of the bill establishes new requirements for studies of potential water resources projects undertaken by the Corps of Engineers. It provides that in the case of any such study, the Secretary of the army, acting through the chief of Engineers, shall prepare a feasibility report. This feasibility report shall define with reasonable certainty the engineering features (including hydrologic and geologic information), the environmental benefits and detriments, the costs and benefits including the objectives set forth in section 209 of the Flood Control Act of 1970, the public acceptability, and the purpose, scope and scale of the recommended project. The feasibility report shall also define the Federal and non-Federal participation in the project and demonstrate that States and Federal agencies have been consulted and coordinated with in the development of the recommended project. The report shall contain information of sufficient detail on which to base an authorization for construction of any recommended project. The requirement for preparation of a feasibility report does not apply to any study with respect to which a report has been submitted to Congress before the date of enactment of H.R. 4788.

In the Water Resources Development Act of 1974, the committee adopted a new two-stage authorization procedure for the larger water resources projects which had unresolved or potentially unresolveable issues, such as the extent of adverse effects on fish and wildlife and suitable mitigation measures, adverse environmental impacts, and the like. Such projects were authorized only through the phase I stage of advanced engineering and design, so that the committee would have the more detailed information contained in a phase I study prior to considering a project for construction authorization. While this procedure has its merits, it also has its disadvantages.

The time required by two authorization actions and two studies adds substantially to the total time required for study, authorization and construction of a project—the average time is now at least 19 years. Not only does this delay the realization of project benefits, it results in increased project costs caused by inflation. In addition, if it is anticipated that only a phase I authorization will result from a study performed by the Corps of Engineers, requiring yet another study, there is a tendency to reduce the amount of detail included in the original study and to do enough only to justify the conclusion that a potential project warrants more detailed study.

The procedure set forth in section 401 avoids these difficulties while maintaining the major advantage of a phase I study authorization—the preparation of a report of sufficient detail to provide the Congress with adequate information on which to base a construction authorization.

Section 401 contemplates one report and one authorization—for construction. There may, of course, be cases where the committee determines that a report does not contain sufficient information on which to base a construction authorization. In such a case the committee retains the option of authorizing only more detailed studies, either of the entire project or of particular aspects thereof, such as fish and wildlife mitigation provisions. The determination of whether a feasibility report meets the requirements of section 401 is one which will be made by the Congress when it decides whether or not to authorize construction of a project.

Many reports on proposed projects currently being prepared by the Corps of Engineers satisfy the requirements of section 401. In the case of these reports it will not be necessary to modify them or redo the study. They can simply be allowed to continue through the customary review process. For those reports which do not meet the requirements of section 401, it will be necessary to supplement them with information necessary to meet the requirements.

Section 401 is intended to result in better, more detailed reports on proposed water resources projects and to reduce the time required for implementation of such projects. This will produce a more responsive and more efficient water resources program.

Mr. Speaker, in addition to the items I have mentioned, H.R. 4788 also includes projects and provisions which address critical water resources needs of our Nation for flood control, navigation, fish and wildlife, recreation, water supply, and hydroelectric power. It is a good bill; it is a responsible bill; it is an innovative bill. We hear far too much about supposedly undesirable features of water resources development and far too little of the enormous economic and environmental benefits associated with such development. One prime example of the good things brought about by water resources development is the McClellan-Kerr navigation project. There is a very interesting and informative article on this project which appeared in the July 30, 1979, issue of U.S. News & World Report. I include this article as a part of my remarks:

### TAMING THE ARKANSAS: A PORK BARREL PAYS OFF

Has America's era of building massive water projects—dams, barge canals, power-generating plants and irrigation systems—come to an end?

Some observers conclude that public pressure to hold down government spending and increased concern over the environment mean precisely that. The time has come and gone, these experts insist, for undertakings such as the Tennessee Valley Authority, Hoover Dam and other schemes that have changed the face of the country in the lifetimes of many Americans.

In an effort to put the pluses and minuses of huge water projects in focus, Paul Recer of *U.S. News & World Report's* Houston bureau traveled through Arkansas and Oklahoma along the Arkansas Waterway—an endeavor that was once condemned by opponents as an expensive boondoggle and a classic example of pork-barrel politics. His report:

CATOOSA, OKLA.—In its natural state, the Arkansas River was moody and unpredictable—turning by season from a brackish, timid stream into a marauder that jumped its banks, chewed away fields, drowned cattle and inundated whole towns.

The river's waters were too salty to drink, its flow was too erratic for dependable navigation, and it was a poor habitat for fish.

All that was before the federal government spent 1.2 billion taxpayer dollars to turn the truant stream into the carefully controlled McClellan-Kerr Arkansas River Navigation System.

The project, which was named after the late Senators Robert Kerr of Oklahoma and John McClellan of Arkansas, was completed in 1971 in one of the most massive public-works projects ever undertaken by the Army Corps of Engineers.

The engineers changed the character of the river and, in so doing, have helped change the character of an entire region.

#### RESERVOIR OF SUPPORT

Contrary to the ill feelings accompanying many large-scale water projects, the Arkansas River endeavor drew spirited opposition only from a few displaced landowners. Nearly everyone else has cheered the resurrection of what was commonly regarded as an ugly and troublesome stream.

Today the Arkansas is tame and predictable. Seventeen locks and dams have created calm pools that enable barges to float 448 miles from Oklahoma across the state of Arkansas to the Mississippi River.

Seven reservoirs on the river's watershed keep water in the canal at a constant level of 9 feet, as well as provide flood control.

#### FINANCIAL FLOW

More important to many is the fact that the waterway has brought a modest economic boom to the once-impoverished Arkansas River Valley. Some 10 million tons of barge cargo moved through the waterway last year. Factories and warehouses are springing up on what were flood-prone plains. Rich harvests of grain are riding low-cost barges to New Orleans. Landlocked coal mines are open to the markets of the world.

Environmentalists, too, are content. Water quality in the river—once so bacteria-infested that swimming was forbidden—has improved substantially. More than 13 million persons enjoyed water sports and fishing along the watershed last year. Numbers and varieties of wildlife have increased. Even the threatened bald eagle has found a new home.

Still the question remains: Do all these benefits outweigh the tremendous cost of the project?

During construction, backers forecast a return of $1.50 for every federal dollar spent over a 100-year period.

That estimate now appears conservative. Studies by the Corps of Engineers and by independent business-research groups show that investments along the waterway already exceed the cost of its construction. Almost 2 billion dollars has been spent for new plants and for expansions, creating an estimated 50,000 jobs.

The canal is credited with keeping a Reynolds Metals aluminum plant at Benton, Ark., from shutting down by making it economical to ship imported bauxite up the river. The plant now employs 3,000 workers.

#### BOON FOR MINING

The waterway at the same time has pumped new life into the coal-mining industry along its shores. Arkansas has about 9 billion tons of coal reserves and Oklahoma twice that. But about half the fuel is metallurgical coal that must have access to international markets. The waterway has provided that.

Declares E. S. Stephens of the Garland Coal Company in Little Rock: "We'd be out of business without the waterway."

A half-dozen coal-handling facilities have been built along the river, and more are planned. Some coal operators have doubled their production and their work forces. More than a half-million tons of coal moved on the river last year. An independent study predicts that the annual total will increase to 7.5 million tons by the year 2000.

"The river opens up world coal markets to the Arkansas Valley that would not be opened otherwise," observes coal consultant Bill Rogers.

Farmers may have benefited most from the tamed river. The river ports of Catoosa, Muskogee, Fort Smith, Little Rock and Pine Bluff handle tons of grain flowing from the wheat and soybean fields of Oklahoma, Kansas, Colorado, and Arkansas. In all, more than 609,000 tons of grain was barged down the Arkansas last year, destined for ships docked at New Orleans.

Guthrie Cotton Oil Company, a major grain shipper on the river, has tripled in size since 1971. Company President John Pearson says farmers in the Arkansas Valley "can now ship their grain by barge for about half the rail rate."

The impact on business in general is harder to trace, but one official claims that the river is the "economic nucleus" that has awakened the farm-based economy of the whole region.

Most port cities have established industrial parks beside the waterway that are steadily attracting new warehouses and plants, many of which have only a minor need for the river.

Navigation on the waterway starts at a place called Tulsa Port of Catoosa. Located 20 miles from Tulsa on the Verdigris River, a major Arkansas tributary, the port is 448 miles from the Mississippi and boasts of being the nation's northernmost ice-free river shipping point.

Tulsa's port handles a steady flow of grain, coal, liquid fertilizer, oil, chemicals and dry cargo. Westinghouse has built a facility to transport power-plant equipment to Kansas. Another manufacturer routinely ships out industrial air ducts weighing up to 200 tons. About 25 firms have located in an industrial park operated by the port.

Just downstream, where the Verdigris and Arkansas join, the port of Muskogee ships oil, grain, fertilizer and dry cargo. The waterway has attracted two large companies to Muskogee—Fort Howard Paper, which will employ 2,000 people in a decade, and International Harvester, which will assemble trucks and ship them through the port.

In Arkansas, the port of Fort Smith handles coal, grain and some heavy cargo.

Bauxite for the Reynolds plant is the major commodity shipped through the Little Rock port. More than 200,000 tons of the ore moved through there last year. Little Rock also has a foreign-trade-zone building in the port's 1,500-acre industrial park. The zone permits a shipper to store imports under U.S. Customs protection without paying duty or meeting import quotas.

Pine Bluff's port is the busiest on the river—and the closest to the Mississippi. It handled more than 2.5 million tons of grain, chemicals, steel and dry cargo last year. It's also a center for the production of barges, towboats, cryogenic tanks and agricultural products.

#### MILLIONS SAVED

Besides providing low-cost transportation, the waterway prevented more than 12 million dollars in flood losses last year alone, the Corps of Engineers estimates.

Eight of the federal dams in the system generate power, producing more than 2.1 trillion kilowatt-hours of electricity last year and earning 18 million dollars for the government. The power plants are expected to bring 1 billion in revenue by the year 2030.

While economic benefits of the waterway are enormous, its human impact is even more impressive.

Dams and levees have turned the formerly turgid river into an azure ribbon offering fishing, water skiing and boating. Thousands of weekend skippers roar over the waters of the lakes and down the river itself. Any vessel, from a large cabin cruiser to the smallest canoe, can be locked through the dams without charge. Some inland sailors have journeyed the entire length of the waterway.

On weekends, fishermen stand shoulder to shoulder along choice stretches of the waterway, angling for the bass and catfish that now prowl the stilled waters.

Yet despite all the obvious benefits, many observers believe the waterway could be the last of its kind.

Noting the lawsuits and controversy that have accompanied the construction of new projects such as the Tennessee-Tombigbee Waterway in Alabama and Mississippi, a Corps of Engineers official says: "If we were starting today, I doubt that we could get it built." ●

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## CONFERENCE REPORT ON H.R. 4387

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 4387) making appropriations for the Agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes.

### CONFERENCE REPORT (H. REPT. No. 96–553)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4387) "making appropriations for the Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1980, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 17, 24, 29, 30, 32, 33, 35, 36, 37, 39, 43, 45, 47, 51, 52, 53, 54, 55, 59, 71, 73, 75, 82, 86, 89, 91, 94, 95, 96, 98, 99, and 100.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 7, 8, 21, 25, 27, 31, 34, 38, 41, 56, 63, 87, 88, and 93, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,470,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$11,000,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,122,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$370,573,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "California, construction of a greenhouse/headhouse at Stillwater, Oklahoma, construction of a feedmill at El Reno, Oklahoma,"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$118,566,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,785,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$32,548,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$16,000,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$650,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$6,000,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$189,045,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$189,331,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$278,994,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$245,631,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$86,070,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$47,643,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

### PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,600,000.

And the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$186,586,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$338,975,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,979,000,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,070,000,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,000,000"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,500,000"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$230,518,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$264,747,000"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,487,000"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,500,000"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$167,524,000"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,500,000"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: ", of which $390,000 shall be for the authorization of 6 new areas"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,114,301,000"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$20,000,000"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$82,000,000"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$56,427,000"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$312,796,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 6, 19, 60, 72, 77, 79, 80, 81, 83, 84, and 85.

Jamie L. Whitten,
Bill D. Burlison,
Bob Traxler,
Bill Alexander,
Matthew F. McHugh,
William H. Natcher,
Jack Hightower,
John W. Jenrette, Jr.,
Mark Andrews,
J. Kenneth Robinson,
John T. Myers,
Silvio O. Conte,
*Managers on the Part of the House.*
Thomas F. Eagleton,
John C. Stennis,
William Proxmire,
Birch Bayh,
Lawton Chiles,
Quentin N. Burdick,
Jim Sasser,
Warren G. Magnuson,
Henry Bellmon,
Milton R. Young,
James A. McClure,
Jake Garn,
Harrison H. Schmitt,
*Managers on the Part of the Senate.*

## Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4387) making appropriations for Agriculture, Rural Development and Related Agencies programs for the fiscal year ending September 30, 1980, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

## TITLE I—AGRICULTURAL PROGRAMS

### Office of the Secretary

Amendment No. 1: Appropriates $4,470,000 for the Office of the Secretary instead of $4,400,000 as proposed by the House and $4,534,000 as proposed by the Senate.

### DEPARTMENTAL ADMINISTRATION

Amendment No. 2: Earmarks $3,196,000 for Budget, Planning, Evaluation and Public Participation as proposed by the Senate instead of $2,757,400 as proposed by the House.

Amendment No. 3: Combines Operations and Finance line item with Personnel, Equal Opportunity, Safety and Health Management and Management Analysis as proposed by the Senate.

Amendment No. 4: Earmarks $8,455,000 for the items combined in Amendment No. 3 as proposed by the Senate, instead of a comparable total of $8,454,600 as proposed by the House.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment earmarking $7,772,000 for Governmental and Public Affairs instead of $8,397,000 as proposed by the House and $8,072,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The requested $300,000 to implement centralized informational programs at the regional level is not approved. Included in the conference agreement is the reduction of $625,000 proposed by the Senate for reimbursements to the GSA for Consumer Information Center publications. The conferees do not anticipate that the number of publications will be significantly reduced.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $19,423,000 for Departmental Administration instead of $19,609,000 as proposed by the House and $19,723,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate Report requested several detailed, specific revisions in the format and nature of the fiscal 1981 budget justification material, as well as special analyses and other material relating to mission budgeting. The conferees agree that these and similar details should be evolved through continuing discussions with both the House and Senate Appropriations Committees.

The conferees direct USDA to conduct a study of section 32 of the Act of August 24, 1935, and report its findings to the House and Senate Appropriations Committees by February 1980. The study should include the purpose and legislative intent of section 32, what its benefits have been over the years, how it functions and how those functions relate to its purpose, and a review of whether any alternative mechanism might be feasible or advisable.

Amendment No. 7: Provides a limitation of $750,000 for reimbursement to the GSA for Consumer Information Center publications as proposed by the Senate.

### Office of the Inspector General

Amendment No. 8: Appropriates $25,527,000 for the Office of the Inspector General as proposed by the Senate instead of $24,727,000 as proposed by the House.

### Office of the General Counsel

Amendment No. 9: Appropriates $11,000,000 for the Office of the General Counsel instead of $10,786,000 as proposed by the House and $11,136,000 as proposed by the Senate.

While not specifying an exact number of additional positions by type of location, the conferees direct that proper attention be given to the need for legal positions in the actual field work of the agencies.

### Federal Grain Inspection Service

Amendment No. 10: Appropriates $23,122,000 for the Federal Grain Inspection Service instead of $22,872,000 as proposed by the House and $23,372,000 as proposed by the Senate.

The conferees remain concerned over the failure of the Department of Agriculture to move expeditiously in eliminating sub-class grading of Hard Red Winter wheat. A provision to prohibit the use of funds to administer this grading scheme was deleted in the FY 1978 Agriculture and Related Agencies Appropriations Act with the understanding that actions to terminate this unreliable and obsolete grading standard were underway. In the two years since that time, however, this inaccurate means of grading Hard Red Winter wheat has continued to the detriment of farmers, others in the grain industry and ultimately, the consumers. The conferees, therefore, direct the Department to implement, without further delay, proposed reforms which will prohibit sub-class grading of this wheat by Federal and federally licensed agencies.

### Science and Education Administration

The conferees are in agreement on the importance of a well-managed and well-coordinated agricultural research program that maintains and strengthens the long-term partnership between the in-house resources of the Department and the expertise of agricultural experiment stations at colleges and universities throughout the country. The challenges facing the agricultural research establishment of the nation are great, considering the leveling off of productivity increases that occurred during the "green revolution," (declining yields in certain key crops), the loss of prime farmland, and the continuing pressures of population growth on global food supply. A strong research program is essential in meeting these challenges. The recent reorganization and upgrading of Science and Education within the USDA may be evidence that the Department is aware of the need for increased attention to this matter. But, more than just reorganization is needed. Tangible financial commitments are crucial.

The recommendations contained in the President's budget for a 2.6 percent reduction in outlays for agricultural research were especially disturbing. At a time when additional research inputs in agriculture are needed, it is inconsistent to propose growth in the research programs of virtually every other major Federal agency except USDA. Accordingly, the conference agreement provides for an overall increase in the research and development budget over comparable fiscal 1979 figures.

In making this recommendation, the conferees were guided by several basic imperatives:

The need to maintain an appropriate balance in the Federal-State partnership by providing for appropriate levels of Hatch Act and

Smith-Lever formula funding. This "core" support is crucial in retaining existing capabilities and attracting new high caliber talent into agriculture.

The need to maintain important Federal scientific teams at in-house facilities, and insure that their work is fully coordinated with State experiment station efforts.

The need to provide for diversity in research methodologies and funding mechanisms by channeling some funding into various grant programs. These programs can be highly valuable in focusing attention on high priority areas of basic and applied research, enlarging the cadre of scientists contributing to agricultural development, and increasing the support of new and nontraditional ideas and approaches.

However, in making this recommendation, the conferees were also mindful of the need for a number of actions designed to increase the quality and efficiency of agricultural research and the competence of USDA research leadership and management, as follows:

Placing national research goals and priorities into sharper focus, and addressing key national problems such as energy, plant nitrogen fixation, environmental stress, and animal productivity.

Improving coordination between the Department and universities to insure the establishment of research priorities and program plans which are mutually compatible and which optimize the use of limited resources.

Utilizing peer review processes for both in-house, formula and special research funds. Peer review, if properly handled, can be a highly constructive mechanism for improving scientific quality and relevance of programs once research priorities have been established.

Improving productivity through sound program evaluation, and, where necessary, appropriate changes in the scope and orientation of research programs.

The conferees are in agreement that meeting the needs and implementing the actions outlined above are challenges that can be effectively addressed by USDA only in conjunction with the other parts of the agricultural research and education establishment.

### AGRICULTURAL RESEARCH

Amendment No. 11: Appropriates $370,573,000 for Agricultural Research instead of $363,142,000 as proposed by the House and $372,479,000 as proposed by the Senate.

For research on improving energy efficiency in crop and animal production the conferees have agreed to $4,139,000 instead of $3,139,000 as proposed by the House and $5,139,000 as proposed by the Senate.

For research on aquatic weeds the conference agreement provides $450,000 instead of $100,000 as proposed by the House and $650,000 as proposed by the Senate. These additional funds are to be divided equally between intramural and extramural research activities.

For research on yellow star thistle the conference agreement provides $100,000 instead of $200,000 as proposed by the Senate.

For staffing the Nutrition Laboratory at Tufts University the conference agreement provides $2,000,000 as proposed by the House instead of $1,000,000 as proposed by the Senate. For equipping a stable isotope facility at the Children's Nutrition Laboratory at Baylor College of Medicine the conference agreement includes $1,000,000 as proposed by the House. The conferees will expect the USDA and the directors of the nutrition centers to ensure that there is close cooperation and coordination with the National Institutes of Health.

For the updating of Pork Handbook No. 8 on nutrition standards of pork the conference agreement provides $263,000 instead of $200,000 as proposed by the House and $325,000 as proposed by the Senate. The conferees believe these funds are adequate to keep the program on a three-year completion schedule.

For research on Contagious Equine Metritis the conference agreement provides $500,000 as proposed by the Senate.

For research on the category of "Other Animal Disease and Production Research" the conference agreement provides $41,793,000 instead of $42,308,000 as proposed by the House and $41,278,000 as proposed by the Senate.

For staffing and equipment for the Appalachian Fruit Research Station at Kearneysville, West Virginia, the conference agreement provides $1,371,000 as proposed by the Senate instead of $521,000 as proposed by the House.

For research on rural housing the conference agreement includes $389,000 as proposed by the House.

For research on wool and mohair the conference agreement includes $1,748,000 as proposed by the House instead of $524,000 as proposed by the Senate.

For tanning research the conference agreement provides an additional $150,000 instead of an additional $300,000 as proposed by the Senate.

For additional funds for citrus production research the conference agreement provides $108,000 instead of an additional $215,000 as proposed by the Senate.

For small farms research the conferees agree to provide a total of $3,750,000 as proposed by the House instead of $3,000,000 as proposed by the Senate. The conferees are also in agreement that of the amount provided, $850,000 shall be available for establishment of a South Central small farms research center in Booneville, Arkansas, under a cooperative Federal-State relationship, utilizing facilities at Fayetteville and Booneville. A small number of Federal personnel will be located at the Center. The existing buildings and acreage at Booneville will be an integral part of a research program emphasizing through practical demonstration solutions to small farm problems. Additional State scientists are to be physically located at Booneville. The Senate receded from Senate report language which would have transferred $2,500,000 of small farms research funds to Booneville.

For research on plant stress and soil moisture conservation to be carried out at Texas Tech University the conference agreement provides $200,000 as proposed by the House.

For tropical and subtropical research the conference agreement provides $2,800,000 instead of $2,200,000 as proposed by the House and $3,200,000 as proposed by the Senate.

For construction of a greenhouse-headhouse at Stillwater, Oklahoma, the conference agreement includes $1,700,000 instead of $2,500,000 as proposed by the Senate.

For tick research the conference agreement provides $813,000 instead of $638,000 as proposed by the House and $988,000 as proposed by the Senate.

For mint research the conference agreement provides $280,000 instead of $230,000 as proposd by the House and $410,000 as proposed by the Senate.

The conferees have agreed not to delete $40,000 in connection with regional information centers as had been proposed by the Senate.

In connection with moving costs associated with the Soil and Water Conservation Laboratory at Beckley, West Virginia, the conference agreement includes $200,000 as proposed by the Senate.

The conference agreement deletes $2,000,000 for the laboratory at Purdue University which the Senate had proposed.

The conferees have agreed to provide $1,000,000 for the feedmill at El Reno, Oklahoma instead of $2,200,000 as had been proposed by the Senate.

The conferees have agreed to provide $1,000,000 for nutrition research at the Letterman Institute of Research instead of no funds as proposed by the House and $1,800,000 as proposed by the Senate.

The conferees will expect the Department of the Army to transfer to the USDA 19 positions at the Institute currently dedicated to nutrition research. USDA is to develop a program for a Western nutrition center, taking into account the nutritional expertise available in the San Francisco area, and including those parts of the University of California system that are located within reasonable distance of Letterman. The effort at the Western nutrition center will be oriented toward nutritional intervention as well as nutritional requirements, and will utilize portions of the Letterman research facility, including the metabolic unit designed for that specific purpose, associated analytical facilities, and necessary laboratory and office space for the 19 personnel being transferred to USDA. Appropriate reimbursement arrangements are to be negotiated with the Department of the Army. The conferees will expect the USDA to formulate an integrated plan for the development of the Western nutrition center, utilizing the resources outlined above.

The conferees concur in the Senate report language which earmarks $80,000 of base funds for conservation research at the Columbia Basin Research Center. The conferees do not concur in the Senate report language earmarking $55,000 of base funds for pear research at the Mid-Columbia Station at Hood River, Oregon. However, the conferees do wish to point out that $37,500 is included in the base project for extramural pear research at that location.

Amendment No. 12: Exempts from the limitation on cost of construction the greenhouse-headhouse complex to be constructed at Stillwater, Oklahoma, and a feedmill at El Reno, Oklahoma. The Senate amendment had proposed to exempt from the limitation on construction a greenhouse-headhouse at Stillwater, Oklahoma, a feedmill at El Reno, Oklahoma, and a laboratory at West Lafayette, Indiana.

Amendment No. 13: Provides that the Special Fund is to be used by the "director, Agricultural Research" as proposed by the House instead of the "Director, Science and Education Administration" as proposed by the Senate.

### COOPERATIVE RESEARCH

Amendment No. 14: Earmarks $118,566,000 for payments to Agricultural Experiment Stations under the Hatch Act and for penalty mail instead of $115,066,000 as proposed by the House and $119,566,000 as proposed by the Senate.

Amendment No. 15: Earmarks $10,000,000 for grants for cooperative forestry research instead of $9,500,000 as proposed by the House and $10,165,000 as proposed by the Senate.

Amendment No. 16: Earmarks $17,785,000 for payments to the 1890 Land-Grant Colleges including Tuskegee Institute for research instead of $17,260,000 as proposed by the House and $17,934,000 as proposed by the Senate.

Amendment No. 17: Earmarks $1,500,000 for rural development research as proposed by the House.

Amendment No. 18: Earmarks $32,548,000 for contracts and grants for agricultural research instead of $32.420,000 as proposed by the House and $33,023,000 as proposed by the Senate.

The conference agreement includes an additional $500,000 for soybean research as proposed by the Senate. The conferees have agreed to delete the $500,000 for pest management and $300,000 for genetic vulnerability research as proposed by the Senate. The conferees have also agreed to $50,000 for bean and beet research as proposed by the House.

For special grants for animal health research the conferees have agreed to $7,000,000 instead of $10,000,000 as proposed by the House.

For energy research the conferees have agreed to $1,900,000 as proposed by the Senate instead of $2,400,000 as proposed by the House. The conferees have agreed to this action since the $500,000 has been included under Amendment No. 19 for alcohol fuels research as a line item.

The conferees have also agreed to $150,000 for aquaculture research and $35,000 for dairy photoperiod research as proposed by the House.

The conference agreement deletes $15,000,000 for special grants and contracts for plant sciences and human nutrition research, which had been proposed by the House, and includes $2,500,000 to be targeted to high priority agricultural research.

For mushroom by-product utilization research the conference agreement includes $38,000 as proposed by the Senate. Also included in the conference agreement is $100,000 for bean flour research.

For soil and water research to be carried on in Alaska, the conference agreement includes $290,000 instead of $1,600,000 as proposed by the Senate. The conferees recognize the special and unique circumstances surrounding research and agriculture in Alaska. The $290,000 is the amount of money needed to fund the first year of a five-year program.

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment earmarking $16,548,000 for special research grants instead of $8,023,000 as proposed by the Senate. The House bill contained no earmarking for these funds. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 20: Earmarks $16,000,000 for competitive research grants instead of $25,000,000 as proposed by the Senate. None of the funds are to be used for social behavioral research projects, including research in human food preferences resulting from external stimuli.

These funds are to be used in the following research areas, in the approximate amounts shown:

| | |
|---|---|
| Biological stress of plants | $3,500,000 |
| Genetic mechanisms of plants | 3,500,000 |
| Plant photosynthesis | 3,000,000 |
| Plant nitrogen fixation | 3,000,000 |
| Human nutrient requirements | 3,000,000 |

Amendment No. 21: Earmarks $500,000 for grants in accordance with section 1419 of Public Law 95–113 as proposed by the Senate.

Amendment No. 22: Earmarks $650,000 for research authorized by the Native Latex Commercialization and Economic Development Act of 1978, instead of $800,000 as proposed by the Senate.

Amendment No. 23: Earmarks $6,000,000 for animal health and disease research authorized by section 1433 of Public Law 95–113 instead of $10,000,000 as proposed by the Senate.

Amendment No. 24: Deletes Senate language earmarking $5,000,000 for the support of animal health and disease programs authorized by section 1434 of Public Law 95–113.

Amendment No. 25: Earmarks $1,496,000 for administrative expenses of Cooperative Research as proposed by the Senate instead of $1,781,000 as proposed by the House.

Amendment No. 26: Appropriates a total of $189,045,000 for Cooperative Research instead of $177,527,000 as proposed by the House and $198,484,000 as proposed by the Senate.

It has come to the attention of the conferees that several States may plan to decrease their monetary commitment to Hatch Act and McIntyre-Stennis programs in an amount equal to any increased appropriations granted by Congress. This is clearly not the intent of Congress regarding the use of such funds. When additional funds are appropriated for a program, such increases are not meant to relieve the States of their responsibility. This is applicable whether the States' share of the program comes from in-State funds or from revenue sharing funds. The conferees hope this will suffice as an adequate expression of their feeling on this matter.

Amendment No. 27: Deletes House language earmarking $500,000 for the Native Latex Commercialization and Economic Development Act of 1978, since funds for this program are provided in Amendment No. 22.

### EXTENSION ACTIVITIES

Amendment No. 28: Earmarks $189,331,000 for cooperative Extension work under the Smith-Lever Act instead of $185,831,000 as proposed by the House and $195,331,000 as proposed by the Senate.

Amendment No. 29: The conference agreement restores House language which earmarks $51,810,000 for payments for the nutrition and family education program for low-income areas under section 3(d) of the Smith-Lever Act.

Amendment No. 30: Restores House language which earmarks $3,000,000 for the urban gardening program.

Amendment No. 31: Deletes House language which earmarks $1,000,000 for rural development work. The conferees will expect the same level of support for rural development to be maintained with available funds.

Amendment No. 32: Earmarks $6,435,000 for payments for the pest management program as proposed by the House instead of $5,935,000 as proposed by the Senate.

Amendment No. 33: Restores House language earmarking $1,020,000 for the farm safety program.

Amendment No. 34: Deletes House language earmarking $1,300,000 for the nonpoint source pollution program. The conferees have taken this action since Smith-Lever funds are available for this purpose.

Amendment No. 35: The conference agreement deletes Senate language which would have earmarked $50,560,000 for food and human nutrition education under section 1425 of Public Law 95–113. The conferees have taken this action since work of this type is provided for under Amendment No. 29.

Amendment No. 36: Restores House language earmarking $2,500,000 for Rural Development Education.

Amendment No. 37: Earmarks $11,500,000 for grants under the Bankhead-Jones program as proposed by the House instead of $3,000,000 as proposed by the Senate in Amendment No. 39. The conferees will expect that, to the maximum extent possible, these grants will be used only in support of agricultural education as discussed in the Senate report.

The conferees will also expect the Department, along with appropriate nongovernmental representatives, to conduct a detailed review of the Bankhead-Jones program, including the original intent of the legislation, and report their findings to the appropriate committees of Congress by March 1, 1980.

Amendment No. 38: Deletes House language providing for competitive education grants as proposed by the Senate.

Amendment No. 39: Deletes Senate language providing $3,000,000 for Bankhead-Jones education grants since these grants have been provided for in Amendment No. 37.

Amendment No. 40: Appropriates $278,994,000 for Extension activities (excluding Federal administration and coordination) instead of $279,044,000 as proposed by the House and $268,224,000 as proposed by the Senate.

It has come to the attention of the conferees that several States may plan to decrease their monetary commitment to Smith-Lever programs in an amount equal to any increased appropriations granted by Congress. This is clearly not the intent of Congress regarding the use of such funds. When additional funds are appropriated for a program, such increases are not meant to relieve the States of their responsibility. This is applicable whether the States' share of the program comes from in-State funds or from revenue sharing funds. The conferees hope this will suffice as an adequate expresssion of their feeling on this matter.

The conferees do not concur with the Senate report language specifying that $1,000,000 of Smith-Lever funds be used for development and testing of the "Green Thumb" project. However, the conferees feel that this program does hold a great deal of promise for the future and, therefore, the conferees will expect the Department to continue to support developmental work on the "Green Thumb" project.

The conferees do not concur in the Senate report language which specified that Smith-Lever funds be used for rural health education in each State. The conferees will expect the Department to review the need for this type of program, taking into account the programs of the Public Health Service and others, and report their findings to the Appropriations Committees of the House and Senate.

Amendment No. 41: Appropriates $6,543,000 as proposed by the Senate for Federal administration and coordination of Extension activities instead of $6,791,000 as proposed by the House.

### ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Amendment No. 42: Appropriates $245,631,000 for the Animal and Plant Health Inspection Service instead of $237,583,000 as proposed by the House and $248,241,000 as proposed by the Senate.

The conference agreement includes the following program amounts:

| | House | Senate | Conference |
|---|---|---|---|
| Imported fire ant | $2,000,000 | $1,000,000 | $2,000,000 |
| Japanese beetle | 412,000 | 112,000 | 212,000 |
| Noxious weeds | 500,000 | 1,700,000 | 1,700,000 |
| Range caterpillar | 0 | 2,006,000 | 1,006,000 |
| Tri-fly in Hawaii | 824,000 | 0 | 424,000 |
| West Indian sugarcane root borer | 500,000 | 0 | 200,000 |
| Cattle ticks | 4,730,000 | 3,705,000 | 4,730,000 |
| Diagnostic assistance | 500,000 | 1,000,000 | 0 |
| Poultry diseases | 1,325,000 | 0 | 1,325,000 |
| Scabies eradication | 5,290,000 | 4,290,000 | 4,290,000 |
| Swine disease surveillance | 2,264,000 | 2,264,000 | 3,264,000 |
| Screwworm | 35,653,000 | 35,395,000 | 35,395,000 |
| Tuberculosis eradication | 6,848,000 | 5,032,000 | 6,848,000 |
| Brucellosis eradication | 70,195,000 | 85,195,000 | 77,695,000 |
| Mediterranean fruit fly | 6,512,000 | 7,312,000 | 7,312,000 |
| Citrus blackfly | 4,041,000 | 3,041,000 | 3,041,000 |
| Multiflora Rose | 0 | 200,000 | 200,000 |

Included in the $1,700,000 for noxious weeds is $200,000 for the Florida hydrilla program, up to $500,000 for a California hydrilla program, and not less than $1,000,000 for a nationwide regulatory program.

In agreeing not to earmark any funds for diagnostic assistance, the conferees do not foreclose future consideration of a more comprehensive proposal on multi-project, overhead-type costs.

The conferees have agreed to decrease scabies eradication by $1,000,000 as proposed by the Senate, and to increase swine disease surveillance by the same amount in response to Departmental reestimates of program requirements which arose subsequent to submittal of the President's budget.

The conferees have provided funding for

the tri-fly eradication program in the expectation that negotiations for a cooperative Federal-State program will soon be completed. No funds shall be expended for this activity until the affected States and USDA have reached agreement on the details.

Amendment No. 43: Earmarks $1,000,000 of fire ant program funds to be reserved for State matching as proposed by the House.

### Economics, Statistics and Cooperatives Service

Amendment No. 44: Appropriates $86,070,000 for Economics, Statistics and Cooperatives Service instead of $86,050,000 as proposed by the House and $86,090,000 as proposed by the Senate. Included in the conference agreement is $420,000 for work in connection with food safety, quality and nutrition as proposed by the Senate instead of $670,000 as proposed by the House. Also included in the conference agreement is $4,135,000 for funds for cooperatives as proposed by the House. The conference agreement includes $3,733,000 for work in connection with remote sensing instead of $2,963,000 as proposed by the House and $3,842,000 as proposed by the Senate. The conference agreement also provides $2,063,000 for arts and graphics as proposed by the Senate instead of $2,563,000 as proposed by the House, and also provides that this decrease shall be allocated as a general reduction. The conference agreement also restores the $40,000 reduction proposed by the Senate in connection with regional information offices.

The conferees will also expect the Department to retain the mink estimates program.

### Agricultural Marketing Service

#### MARKETING SERVICES

Amendment No. 45: Restores language deleted by the Senate which provides for the administration and coordination of payments to States.

Amendment No. 46: Appropriates $47,643,000 for marketing services instead of $48,302,000 as proposed by the House and $45,586,000 as proposed by the Senate. The conference agreement includes $2,057,000 for wholesale market development work as proposed by the House, and $12,712,000 for market news reporting as proposed by the Senate instead of $13,371,000 as proposed by the House.

Within the funding provided for market news services, the conferees will expect the Agricultural Marketing Service to continue to operate the eight offices proposed for closure at the same level at which they were operated in fiscal 1979.

Amendment No. 47: Restores House language earmarking $2,057,000 for the wholesale market development program.

#### PAYMENTS TO STATES AND POSSESSIONS

Amendment No. 48: Restores language deleted by the Senate which provides for the payments to States and Possessions under the Agricultural Marketing Act of 1946. The conference agreement provides $1,600,000 for these payments instead of the $2,000,000 proposed by the House.

### Farm Income Stabilization

#### AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

*Salaries and expenses*

Amendment No. 49: Appropriates $186,586,000 for salaries and expenses for the Agricultural Stabilization and Conservation Service instead of $190,586,000 as proposed by the House and $182,546,000 as proposed by the Senate. The conference agreement reduces funds for commodity programs carried out by the county offices because of the higher commodity prices which will thereby result in a reduced workload. In addition, the conference agreement restores the Senate reduction of $40,000 related to the regional information offices.

The bill, as recommended by the conferees, continues section 610 which was contained in previous appropriations acts to allow the Secretary of Agriculture to utilize county office employees to the fullest extent possible. Recent commodity price improvements indicate a decreasing workload level in Agricultural Stabilization and Conservation Service county offices and while such reductions are reflected in the budget, it is anticipated that seasonal and regional workload fluctuations will enable utilization of part-time and intermittent assistance by other agencies within the Department of Agriculture.

The Secretary is directed to implement a concerted policy of interagency county personnel utilization and to report to the Appropriations Committees of the House and Senate, on a quarterly basis, the extent to which this authority has been exercised. The conferees note that this authority has been available to the Secretary for the past two fiscal years. There is little evidence that it has been used. The conferees will expect full implementation of this provision.

Amendment No. 50: Provides a total $338,975,000 for the Agricultural Stabilization and Conservation Service instead of $342,975,000 as proposed by the House and $334,935,000 as proposed by the Senate.

#### DAIRY AND BEEKEEPER INDEMNITY PROGRAMS

Amendment Nos. 51, 52 and 53: Restores House language appropriating $3,290,000 for Dairy and Beekeeper Indemnity Programs instead of $400,000 for a Dairy Indemnity Program as proposed by the Senate.

The conferees have agreed to restore these funds pending completion of the detailed review of the beekeeper indemnity program now underway, which is due to be completed in January 1980.

### Corporations

#### FEDERAL CROP INSURANCE CORPORATION

*Federal Crop Insurance Corporation Fund*

Amendment No. 54: Limits the administrative and operating expenses which may be paid from premium income to $16,500,000 as proposed by the House instead of $16,480,000 as proposed by the Senate.

#### COMMODITY CREDIT CORPORATION

*Limitation on administrative expenses*

Amendment No. 55: Provides a limitation of $50,700,000 on administrative expenses of the Commodity Credit Corporation as proposed by the House instead of $50,690,000 as proposed by the Senate.

Amendment No. 56: Provides a limitation of $500,000,000 on the amount of loans that can be guaranteed by the Commodity Credit Corporation for the production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products as proposed by the Senate.

## TITLE II—RURAL DEVELOPMENT PROGRAMS

### Rural Development Assistance

#### FARMERS HOME ADMINISTRATION

*Rural Housing Insurance Fund*

Amendment No. 57: Provides $3,979,000,000 for insured loans as authorized by title V of the Housing Act of 1949, as amended, instead of $4,059,000,000 as proposed by the House and $3,766,000,000 as proposed by the Senate. The conference agreement includes $2,280,000,000 for section 502 low-income housing loans as proposed by the House instead of $2,067,000,000 as proposed by the Senate. Also included in the agreement is $868,000,000 for section 515 rural rental housing loans as proposed by the Senate instead of $948,000,000 as proposed by the House.

Amendment No. 58: Earmarks $3,070,000,000 for subsidized interest loans to low-income borrowers instead of $3,150,000,000 as proposed by the House and $2,857,000,000 as proposed by the Senate.

#### RURAL DEVELOPMENT INSURANCE FUND

*Industrial development loans*

Amendment No. 59: Deletes Senate language which would provide that industrial development loans be guaranteed loans.

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: "of which $10,000,000 shall be for insured loans and $1,090,000,000 shall be for guaranteed loans".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The agreement provides that of the funds available for industrial development loans $10,000,000 shall be for insured loans and $1,090,000,000 shall be for guaranteed loans. The House version of the bill had provided $50,000,000 for insured loans and $1,050,000,000 for guaranteed loans. The Senate version of the bill struck the House language.

The conferees will expect that up to $2,000,000 of the insured loan authority will be made available to assist small businesses in the area around the Boundary Water Canoe Area in accordance with section 19(a) of P.L. 95–495.

The conferees are concerned with recent reports that applications for industrial development loan guarantees are becoming larger, several of which could deplete a significant portion of the authorization for this program.

While not foreclosing large loans, the conferees feel that the agency should exercise caution and restraint in approving large applications which significantly impair its ability to serve a broad range of smaller qualified borrowers. In addition, very large loans of questionable value to true rural development efforts could well jeopardize the future of the program.

Furthermore, some of the large loans made so far have appeared to be more appropriate as a Small Business Administration loan or an Economic Development Administration loan. Because of this, the conferees considered placing a limit on the size of loans allowed under the program but agreed to take no action at this time.

The conferees direct the Department to conduct a full review of the scope, intent, and administration of this program and to report its findings, along with recommended administrative or legislative changes, to the appropriate committees of Congress not later than February 1, 1980.

#### RURAL DEVELOPMENT PLANNING GRANTS

Amendment No. 61: Appropriates $7,000,000 for rural development planning grants instead of $5,000,000 as proposed by the House and $9,000,000 as proposed by the Senate. The conferees will expect that not to exceed $1,000,000 out of this total will be for rural information and assistance centers.

#### RURAL HOUSING SUPERVISORY ASSISTANCE GRANTS

Amendment No. 62: Appropriates $1,500,000 for rural housing supervisory assistance grants instead of $2,500,000 as proposed by the House and $1,200,000 as proposed by the Senate. The conferees will expect that these grants will be used primarily for counseling low-income borrowers.

#### RURAL DEVELOPMENT GRANTS

Amendment No. 63: Corrects a typographical error as proposed by the Senate.

*Salaries and expenses*

Amendment No. 64: Appropriates $230,518,000 for salaries and expenses of the Farmers Home Administration instead of

$232,318,000 as proposed by the House and $228,278,000 as proposed by the Senate.

The conferees will also expect that a significant portion of the loan and grant funds for rural water and waste disposal programs will be used for the expansion of existing systems and will also expect the Department to carry out a program that provides for maximum area coverage, including consolidation of existing systems and grants to financially sound existing systems where necessary in order to serve uneconomic areas.

In connection with making loans and grants for water systems, the conferees will expect the Department to give high priority to those communities that are in jeopardy of losing their water supply system because of the requirements of the Safe Drinking Water Act.

The conferees are concerned over reports that the new District offices of the Farmers Home Administration may be slowing down the processing of loan applications rather than serving as a means of expediting the approval of loans. District offices have historically broken the contact between the applicant and the Department. The conferees expect an early report from the Department on delays in processing requests and applications, time of waiting for attention, and what action is taken to correct this problem.

The conferees are concerned over very serious abuses in the emergency loan program of the Farmers Home Administration. Some of these were aired by the news media recently, and involved the making of multimillion dollar loans to individuals at interest rates significantly below commercially available loan rates. Little attention was paid to the "credit elsewhere" requirement in the law.

Reports and statements by farm credit agencies, banks and others indicate that abuses in the three percent, now 5 percent, loans jeopardize other sources of regular loans. From reports to date, it appears that the Department has been negligent in administering this program both in requiring submission of budget proposals for farming operations and in graduating loans to commercial credit sources, when appropriate. Inappropriate attention appears to have been paid to rentals paid, equipment purchased, and the soundness of any claims of disaster which would require a matching of the loss against the size of the operation.

While the basic authorizing legislation does not place limits on the size of these loans, the conferees feel that with or without a limitation in the law the Department should have imposed reasonable limitations as an essential business practice.

The conferees take note of the recent proposal by the Department to establish, by regulation, limits on the size of individual emergency loans, strengthening the test on whether the applicant can secure adequate credit elsewhere, and better administration of the graduation review requirement. Also, the Administration has proposed limiting to two years the availability of "follow on" loans after a disaster.

The conferees commend the Department for proposing these steps and expect their immediate implementation since controls clearly are needed to save the program. The conferees would also point out that the Rural Electrification Administration in prior years took similar actions to bring programs under control and in line with established business principles.

The Committee does realize that some of this problem may have arisen because year after year the Office of Management and Budget has imposed personnel ceilings considerably below the number of persons for which funds were provided by Congress and badly needed.

The conferees have, therefore, provided for 469 additional personnel and direct that they be added to enable the Farmers Home Administration to review existing loans and to strengthen FmHA practices and procedures.

The conferees will also expect the Department to review all outstanding loans in excess of $750,000 for the possibility of graduating some of the loans as provided by Sec. 1983 of Title 7 of the U.S. Code. In addition, the conferees will also expect that the loans be reviewed to assure that the loan proceeds have been used in the farming operation and not for some non-farm purpose, for if so used, such an action would be substantial evidence that the borrower should be able to obtain credit elsewhere.

The additional staff recommended by the conferees should be more than adequate to carry out the above review.

The conferees further call attention to the language of the Statement of the Managers on the Continuing Resolution (Public Law 96-86) regarding funds for official travel. In line with that language, the conferees will expect the Department to provide adequate travel funds for the supervision and servicing of the loan portfolio.

The conferees note that legislation is in conference amending the Consolidated Farm and Rural Development Act. The House version includes a tightening of the law with respect to this program. The conferees commend this action, and are hopeful that effective and appropriate controls can be implemented legislatively.

Accordingly, the conferees will expect the Department to hold in abeyance the approval of all large loans relating to the Emergency Disaster program pending clarification of Congressional intent.

### CONSERVATION

#### SOIL CONSERVATION SERVICE

*Conservation operations*

Amendment No. 65: Appropriates $264,747,000 for conservation operations instead of $259,747,000 as proposed by the House and $272,043,000 as proposed by the Senate. The conferees have recommended a $5,000,000 increase over the House bill in order to support the current level of permanent staff. The conferees have been advised of the Department's pending proposal to turn the plant material centers over to non-Federal entities. The conferees are extremely concerned that a reduced Federal involvement in the plant material centers may significantly narrow the national perspective from which the centers operate. Therefore, prior to taking any action with respect to the centers, the conferees will expect the Department to first notify the Congress of alternative support mechanisms it is considering for the centers and how they will insure the continuation of a national plant materials program.

The conference agreement includes an increase of $250,000 to expedite work on the bank caving/foothill erosion research project now underway. These additional funds were in both the House and Senate bills.

*River basin surveys and investigations*

Amendment No. 66: Appropriates $16,487,000 for river basin surveys and investigations instead of $17,061,000 as proposed by the House and $15,801,000 as proposed by the Senate.

*Watershed planning*

Amendment No. 67: Appropriates $10,500,000 for watershed planning instead of $12,293,000 as proposed by the House and $6,023,000 as proposed by the Senate. The funds provided by the conference agreement will continue the program at last year's rate of completion. The Soil Conservation Service is to continue revising State watershed planning workloads.

*Watershed and flood prevention operations*

Amendment No. 68: Appropriates $167,524,000 for watershed and flood prevention operations instead of $172,524,000 as proposed by the House and $162,524,000 as proposed by the Senate.

Amendment No. 69: Earmarks $18,500,000 for Public Law 534 projects instead of $23,500,000 as proposed by the House and $13,500,000 as proposed by the Senate. The conferees will expect the Department to provide the appropriate committees of Congress with a budget plan for completing the remaining Public Law 534 projects.

*Resource conservation and development*

Amendment No. 70: Provides for the authorization of 6 new resource conservation and development areas instead of 10 as proposed by the House. The Senate bill proposed no new area authorizations. The conferees are extremely concerned over the lack of cooperation shown by the Department on this program, as evidenced by their delaying for 11½ months the authorization of the 6 new areas mandated in the fiscal 1979 bill.

The conferees will expect the General Accounting Office to conduct a full and complete review of the resource conservation and development program, taking into account both the costs and the benefits of the program.

Amendment No. 71: Deletes Senate language that funds be used to meet current project commitments.

#### AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

*Rural clean water program*

Amendment No. 72: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

RURAL CLEAN WATER PROGRAM

For necessary expenses for carrying out an experimental Rural Clean Water Program, $50,000,000, to remain available until expended and to be targeted at areas with identified and significant agricultural nonpoint source water pollution problems to be selected by the Secretary: *Provided*, That practices under the above program shall be recommended by the County Committees, approved by the State Committees and the Secretary, with the concurrence of the Administrator of the Environmental Protection Agency, or recommended by the Secretary, with the concurrence of the Administrator of the Environmental Protection Agency, and approved by the State Committees and the County Committees: *Provided further*, That such program shall be in addition to the regular Agricultural Conservation Program, and coordinated therewith, with the Soil Conservation Service and others providing technical assistance and the Agricultural Stabilization and Conservation Service providing administrative services for the program, including, but not limited to, the negotiation and administration of contracts and the disbursement of payments: *Provided further*, That such funds as may be required shall be transferred to the Soil Conservation Service, or others, for necessary technical assistance.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $50,000,000 for an experimental rural clean water program instead of $75,000,000 as proposed by the Senate.

Agriculture has a great responsibility in the use of water, for land is the great gathering place and reservoir for storage of water. Just a few years from now, we will need significantly more water than we use today, all of which points up the need to protect and manage the quality and quantity of our water supply.

The conferees have agreed to provide funds in an effort to intensify participation in soil and water conservation programs in areas of urgent need by building on existing programs and organizations. Federal cost sharing has been available for many years under the Agricultural Conservation Program to meet the problems the rural clean water program also seeks to correct. Therefore, in order to promote maximum conservation efforts, the conferees have agreed to an experimental rural clean water program to provide conservation programs in those areas that have not made full use of the Agricultural Conservation Program, or where the need for conservation to improve water quality is acute. The conferees will also expect that the approved funds will be used only for highest priority projects in geographical areas to be selected primarily from applications previously submitted to the Secretary and approved by him in consultation with the Administrator of the Environmental Protection Agency. In addition, where practical, the Agricultural Stabilization and Conservation Service and its State and local committees shall seek the advice and assistance of conservation districts, State soil and water conservation agencies or State water quality agencies.

Included within the total are funds for additional permanent employees of the Soil Conservation Service to carry out technical assistance under the program.

### AGRICULTURAL CONSERVATION PROGRAM

Amendment No. 73: Deletes Senate language which would have provided that participants in long-term agreements were exempt from the $3,500 payment limitation. In addition, the conferees have agreed that funds for the salinity control projects in Colorado and the Uintah Basin should not be taken out of the State allocation.

The conferees will expect the Secretary of Agriculture to give consideration to allowing, as an approved practice of the Agricultural Conservation Program, a nonstructural flood prevention program, including ring dikes, in the Red River Basin of North Dakota and Minnesota.

### EMERGENCY CONSERVATION PROGRAM

Amendment No. 74: Appropriates $15,000,000 for the emergency conservation program instead of $20,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

Amendment No. 75: Deletes Senate language which would have made funds for the emergency conservation program available upon enactment of the bill.

## TITLE III—DOMESTIC FOOD PROGRAMS

### FOOD AND NUTRITION SERVICE

### CHILD NUTRITION PROGRAMS

Amendment No. 76: Provides $3,114,301,000 for child nutrition programs instead of $3,165,301,000 as proposed by the House and $3,110,301,000 as proposed by the Senate. This derives from the agreement reached by the conferees on Amendment Nos. 78 and 83.

The conferees will expect USDA to analyze reports of fraud and abuse in the child nutrition programs and provide a complete report on the problem to both the House and Senate Appropriations Committees no later than November 1980.

Amendment No. 77: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment specifying that "$1,279,215,000 is hereby appropriated," instead of $1,275,215,000 as proposed by the Senate.

The House bill specified a combined figure for a program level, which included transfers, use of prior balances and an appropriation, but did not separately identify the amount appropriated.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 78: Earmarks $20,000,000 for the food service equipment assistance program instead of $24,000,000 as proposed by the House and $16,000,000 as proposed by the Senate.

The 1979 conference report directed that a detailed survey be performed of requirements and inventory of school food service equipment. This information necessary for program evaluation has not yet been developed and the conferees have deferred agreeing to major changes in this program pending receipt of the necessary information.

Amendment No. 79: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to require that claims for meals served in fiscal 1980 must be made within three months of September 1980.

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to make the availability of State administrative expenses contingent upon State cooperation in studies directed by Congress and requested by the Secretary.

Amendment No. 81: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to provide for a sanctioning and administrative review system for the child nutrition programs.

The conferees expect that this provision will significantly aid the Department in encouraging administrative improvements and curtailing deficiencies in the programs.

Amendment No. 82: Deletes the Senate provision that no funds shall be available to provide direct Federal administration of summer food service operations in States. The conferees agree to give this matter future consideration.

Amendment No. 83: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate to limit eligibility for the summer food service program to six specific categories of organizations.

The conferees are extremely concerned over fraud, abuse and waste which are reported to be rampant in the summer feeding program. While it would be most proper for the authorizing committee to aggressively and promptly address these matters, the conferees do not rule out special hearings on the conduct of this program and the possibility of including in the fiscal 1981 Appropriations Bill such additional provisions as may then be necessary to responsibly correct fraud, abuse and waste.

The conferees take note of the expressed concern of the Department over the reported abuses in this program, and observe that existing law and regulation provide a wide array of tools with which to curtail such abuses. Rather than beseech the Congress to so restrict sponsor eligibility as to foreclose program benefits to a large number of worthy recipients, the Executive Branch might do well to look to its own existing authority and responsibility, as reinforced by the language in the bill.

The conferees will expect that, in accordance with the guidelines prescribed in the conference agreement, the Department will expedite its efforts toward the aggressive pursuit of eliminating fraud, abuse and waste from this program. Accordingly, the conferees agreed to a Senate proposed reduction of $47,000,000 in the summer food service program.

### SPECIAL SUPPLEMENTAL FOOD PROGRAMS (WIC)

Amendment No. 84: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following: "of which $757,700,000 is hereby appropriated and $13,800,000 is to be derived from prior-year balances,".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The agreement provides for funding $13,800,000 of program costs from prior-year balances instead of $22,000,000 as proposed by the Senate. The amount agreed upon includes $21,500,000 for the commodity supplemental food program, a WIC appropriation of $736,200,000, and the availability of at least $13,800,000 in prior-year balances for the WIC program.

Amendment No. 85: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which amends the Child Nutrition Act to reduce the WIC program entitlement to $750,000,000.

The conferees direct that WIC funds be used only for food costs, evaluations, appropriate administrative costs, and appropriate nutrition education costs.

### FOOD STAMP PROGRAM

Amendment No. 86: Appropriates $6,188,600,000 for the food stamp program as proposed by the House instead of $6,187,600,000 as proposed by the Senate.

Prior to the conference, the President transmitted an amendment to his budget request for food stamps. The additional $1,411,454,000 requested brings the total request for fiscal 1980 to $8,337,974,000. Since the authorization "cap" will remain at $6,188,600,000 until the completion of legislation that has been passed by the Senate and is now pending in the House, the conferees were constrained not to appropriate in excess of that amount. Further authorizing legislation will presumably require program management improvements. These savings will partially offset whatever additional amounts may be needed to finance the added cost of higher food stamp allotments and increased participation. Current estimates clearly indicate that program requirements will far exceed what the conferees have been able to include in this bill. Timely review and disposition of program funding requirements is anticipated upon the enactment of new legislative authorization. In the interim, the Department will be expected to continue program operations at the current level of benefits.

The conferees take note of the historic inability of the Department to estimate food stamp program requirements accurately and will expect improvements to be forthcoming. The Department will also be expected to take every reasonable action to eliminate the fraud and abuse for which this program has become notorious, before going out to search actively for new participants.

The bill includes language so that up to 5 percent of the amount provided may be placed in reserve pursuant to the Anti-Deficiency Act, for use in such amounts and at such times as may become necessary to carry out program operations. This will provide the Department and the Office of Management and Budget with an additional tool with which to achieve program savings.

Amendment No. 87: Provides for one-year availability of funds as proposed by the Senate instead of two years as proposed by the House.

Amendment No. 88: Strikes the reference to "entitlement" and substitutes the word "amount" as proposed by the Senate to maintain consistency with current law.

### FOOD DONATIONS PROGRAMS

Amendment No. 89: Provides for one-year availability of funds as proposed by the House instead of two years as proposed by the Senate.

In addition to the nutrition for the elderly program funded in this bill, the Older Americans Act contains authorization for an elderly feeding program of cash grants operated by HEW's Administration on Aging. Since approximately 70 percent of the USDA program is now cash payments rather than distribution of commodities, the conferees direct the Department of Agriculture, in conjunction with the HEW-Administration on Aging, to analyze and report to the House and Senate Appropriations Committees by January 1, 1980, on the advisability and feasibility of continuing to operate these as separate programs, or combining the cash payment portion of the USDA commodity program into the title III-part C nutrition authorization, Administration on Aging.

### FOOD PROGRAM ADMINISTRATION

Amendment No. 90: Appropriates $82,000,000 for food program administration instead of $80,000,000 as proposed by the House and $84,382,000 as proposed by the Senate.

Amendment No. 91: Earmarks $5,000,000 for savings-related activities as proposed by the House instead of no earmarking as proposed by the Senate.

## TITLE IV—INTERNATIONAL PROGRAMS

### FOREIGN AGRICULTURAL SERVICE

Amendment No. 92: Appropriates $56,427,000 for the Foreign Agricultural Service instead of $56,129,000 as proposed by the House and $56,807,000 as proposed by the Senate. The conference agreement provides $400,000 to offset increased costs resulting from the devaluation of the dollar overseas instead of $800,000 as proposed by the Senate. The conference agreement restores $20,000 for regional information offices which the Senate had proposed to delete. In addition, the conference agreement deletes $102,000 associated with the cost of the agricultural attaché stationed in Taiwan as proposed by the Senate since funds for this item are now included in appropriations for the State Department.

### OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

Amendment No. 93: Appropriates $1,864,000 for the Office of International Cooperation and Development as proposed by the Senate instead of $2,964,000 as proposed by the House.

Amendment No. 94: Deletes Senate language which would specify that $150,000 be used for expenses of the International Science and Education Council in coordinating exchanges. The conferees will expect the Department to use not to exceed $150,000 of available funds for this purpose.

### PUBLIC LAW 480

Amendment No. 95: Provides $901,730,000 for titles I and III of the Public Law 480 program as proposed by the House instead of $843,004,000 as proposed by the Senate.

Amendment No. 96: Appropriates $280,776,000 for titles I and III of the Public Law 480 program as proposed by the House instead of $222,050,000 as proposed by the Senate.

A budget amendment of $205,800,000 for the P.L. 480 program was received after the bill had passed both the House and the Senate and has, therefore, been deferred for later consideration.

Within the $556,000,000 provided in the bill for title II, sufficient funds are available to carry out humanitarian aid to Cambodia. The conferees have agreed to act expeditiously on the pending request for additional funds.

## TITLE V—RELATED AGENCIES

### FOOD AND DRUG ADMINISTRATION

### *Salaries and expenses*

Amendment No. 97: Appropriates $312,796,000 for FDA salaries and expenses instead of $316,296,000 as proposed by the House and $307,796,000 as proposed by the Senate. This is a general reduction of $3,500,000 below the budget request.

The bill includes, and the agency shall earmark, at least $1,500,000 for research generating new epidemiological information by comparing the health of humans with extensive exposure to animals, and/or their products, receiving antibiotics at the subtherapeutic level with the health of comparable individuals not so exposed. This provision was included in both the House and Senate reports.

### *Buildings and facilities*

Amendment No. 98: Appropriates $4,372,000 for FDA buildings and facilities as proposed by the House instead of $29,372,000 as proposed by the Senate.

The conferees considered and passed over without prejudice the proposed FDA headquarters facility included in the Senate bill. It is noted that serious health and safety problems are reported to exist in current facilities, that FDA's capacity to support regulatory policies with sound scientific analysis may be decreasing, and that recruiting problems are said to have developed due to inadequate facilities. The conferees call these matters to the attention of the Office of Management and Budget in recognition that OMB had given assurances of future funding requests prior to Congressional funding of an architectural and engineering study last year. Any future budget requests to fund new construction shall be accompanied by an analysis of alternative geographic locations.

The agency will be expected to consider the contracting for laboratory services with other governmental or non-governmental entities. Provision for such contracting is made by the Economy Act of 1932 (31 U.S.C. 686). The conferees note that such contracting might assist in relieving the burden of personnel ceilings, permit more flexible responses to emerging new problems, and provide a further source of expertise and advice.

### *General provisions*

Amendment No. 99: Restores House language which makes funds available to ASCS county committees "available until expended." The conferees have agreed that the Department should estimate bank account balances not needed for fiscal year programs annually, and apply such balances to offset any additional statutory requirements.

Amendment No. 100: Deletes Senate language which would prohibit GSA from locating county offices in inner-city locations unless adequate parking facilities were available for farm vehicles.

### CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1980 recommended by the Committee of Conference, with comparisons to the fiscal year 1979 amount, the 1980 budget estimates, and the House and Senate bills for 1980 follow:

| | |
|---|---|
| New budget (obligational) authority, fiscal year 1979 | $19,413,136,000 |
| Budget estimates of new (obligational) authority, fiscal year 1980 | 18,323,534,000 |
| House bill, fiscal year 1980 | 16,700,815,000 |
| Senate bill, fiscal year 1980 | 16,658,651,000 |
| Conference agreement | 16,697,854,000 |
| Conference agreement compared with: | |
| New budget (obligational) authority, fiscal year 1979 | −$2,715,282,000 |
| Budget estimates of new (obligational) authority, fiscal year 1980 | −1,625,680,000 |
| House bill, fiscal year 1980 | −2,961,000 |
| Senate bill, fiscal year 1980 | +39,203,000 |

JAMIE L. WHITTEN,
BILL D. BURLISON,
BOB TRAXLER,
BILL ALEXANDER,
MATTHEW F. MCHUGH,
WILLIAM H. NATCHER,
JACK HIGHTOWER,
JOHN W. JENRETTE, Jr.,
MARK ANDREWS,
J. KENNETH ROBINSON,
JOHN T. MYERS,
SILVIO O. CONTE,
*Managers on the Part of the House.*

THOMAS F. EAGLETON,
JOHN C. STENNIS,
WILLIAM PROXMIRE,
BIRCH BAYH,
LAWTON CHILES,
QUENTIN N. BURDICK,
JIM SASSER,
WARREN G. MAGNUSON,
HENRY BELLMON,
MILTON R. YOUNG,
JAMES A. MCCLURE,
JAKE GARN,
HARRISON H. SCHMITT,
*Managers on the Part of the Senate.*

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MINISH (at the request of Mr. WRIGHT), for today and the balance of the week, on account of a death in the family.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ROTH) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 30 minutes, today.

Mr. SHUSTER, for 20 minutes, today.

(The following Members (at the request of Mr. BEILENSON) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. JOHNSON of California, for 5 minutes, today.

Mr. DINGELL, for 60 minutes, on October 30, 1979.

Mr. PEASE, for 60 minutes, on October 30, 1979.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HARRIS, to extend his remarks prior to the vote on the Peyser amendment.

Mr. EVANS of Delaware, to revise and

extend his remarks after Mr. Forsythe in the committee today on the bill, H.R. 2218.

(The following Members (at the request of Mr. Roth) and to include extraneous matter:)

Mr. Whitehurst.
Mr. Williams of Ohio.
Mr. Findley.
Mr. Paul.
Mr. Horton.
Mr. Gilman.
Mr. Daniel B. Crane in two instances.
Mr. Lagomarsino.
Mr. Collins of Texas in two instances.
Mr. Dornan.
Mr. Marks.
Mr. Dougherty.
Mr. Goodling.
Mr. Grassley.
Mr. Evans of Delaware.

(The following Members (at the request of Mr. Beilenson) and to include extraneous matter:)

Mr. Nolan.
Mr. Roe in two instances.
Mr. Gudger.
Mr. Hamilton.
Mr. Carr.
Mr. Wirth.
Mr. Edgar.
Mr. Solarz.
Mr. Ford of Michigan in three instances.
Mr. Hall of Ohio.
Mr. Zeferetti.
Mr. Mazzoli in two instances.
Mr. Won Pat.
Mr. Drinan.
Mr. Dixon.
Mr. Applegate.
Mr. Dingell.
Mrs. Chisholm in two instances.
Mr. Atkinson.

## SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 975. An act to authorize appropriations for fiscal year 1980 for intelligence and intelligence-related activities of the U.S. Government for the Intelligence Community Staff, and for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1979 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes.

## BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on October 23, 1979, present to the President, for his approval, bills of the House of the following titles:

H.R. 3923. An Act to amend chapter 25 of title 44, United States Code, to extend for 1 year the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes;

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 5386. An act to amend the Higher Education Act of 1965 to provide that any reduction in the amount appropriated for fiscal year 1980 pursuant to section 101(a) of such act from the amount so appropriated for fiscal year 1979 shall be borne equally by all the States.

## ADJOURNMENT

Mr. BEILENSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 38 minutes p.m.) the House adjourned until tomorrow, Thursday, October 25, 1979, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2692. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment and services to the Republic of Korea (Transmittal No. 80–10), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2693. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Israel (Transmittal No. 80–11), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2694. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Forces proposed sale of certain defense equipment to the Republic of Korea (Transmittal No. 80–16), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2695. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Black Lung Benefits Act, pursuant to section 426(b) of the Federal Coal Mine Safety and Health Act of 1977; to the Committee on Education and Labor.

2696. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Barbara W. Newell, U.S. Permanent Representative-Delegate to the United Nations Educational, Scientific and Cultural Organization, with rank of Ambassador, and by members of her family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2697. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by William J. vanden Heuvel, Deputy Representative-designate to the United Nations, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2698. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports prepared by the International Bank for Reconstruction and Development, and two reports prepared by the former Group of Controllers and a "special study" prepared by the External Review and Evaluation Office of the Inter-American Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2699. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the estimated number of officers and employees of the United States Government and U.S. civilian contract personnel in foreign countries for assignment in implementation of sales and commercial exports under the Arms Export Control Act, pursuant to section 36(a)(7) of the act; to the Committee on Foreign Affairs.

2700. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and service to the Republic of Korea (Transmittal No. 80–10), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2701. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 80–11), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2702. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Saudi Arabia (Transmittal No. 80–13), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2703. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to the Republic of Korea (Transmittal No. 80–16), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2704. A letter from the Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2705. A letter from the Under Secretary of the Interior, transmitting notice of the bidding systems to be used and the tracts to be offered in OCS Lease Sale No. 58A, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended (92 Stat. 640); to the Committee on Interior and Insular Affairs.

2706. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the Court's judgment order in Docket No. 283–B, *Colorado River Indian Tribes, et al.* v. *The United States;* to the Committee on Interior and Insular Affairs.

2707. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of July 1979, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2708. A letter from the Secretary of Transportation, transmitting the annual report on highway safety improvement programs, covering fiscal year 1978, pursuant to section 203(e) of the Highway Safety Act of 1973 and sections 151(g) and 152(g) of title 23, United States Code (Rept. No. 96–210); to the Committee on Public Works and Transportation and ordered to be printed.

2709. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period January 1 through June 30, 1979, pursuant to 10 U.S.C. 2304(e); to the Committee on Science and Technology.

2710. A letter from the Comptroller General of the United States, transmitting a report on the Department of the Interior's implementation of the Inspector General Act of 1978 (CED–80–4, October 24, 1979); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

2711. A letter from the Director, Administrative Office of the U.S. Courts, transmitting reports on the studies, together with recommendations, on the need for creation of new judicial districts from portions of the Central District of California and the Eastern District of New York, pursuant to section 5 of Public Law 95–573; to the Committee on the Judiciary.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOAKLEY: Committee on Rules. House Resolution 464. Resolution providing for the consideration of the joint resolution (H.J. Res. 430) making urgent supplemental appropriations for low-income energy assistance for the fiscal year ending September 30, 1980, and for other purposes (Rept. No. 96–547). Referred to the House Calendar.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 3343. A bill to permit civil suits under section 1979 of the Revised Statutes (42 U.S.C. 1983) against any person acting under color of any law or custom of the District of Columbia who subjects any person within the jurisdiction of the District of Columbia to the deprivation of any right, privilege, or immunity secured by the Constitution and laws (Rept. No. 96–548). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 4546. A bill to amend the District of Columbia Redevelopment Act of 1945, and for other purposes (Rept. No. 96–549). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 5537. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia (Rept. No. 96–550). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 5645. A bill to grant to the Little Sisters of the Poor all right, title, and interest of the United States in the land comprising certain alleys in the District of Columbia; without amendment (Rept. No. 96–549). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee on Appropriations. House Joint Resolution 430. Joint resolution making urgent supplemental appropriations for low-income energy assistance for the fiscal year ending September 30, 1980, and for other purposes; with an amendment (Rept. No. 96–552). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee of conference. Conference report on H.R. 4387 (Rept. No. 96–553). Ordered to be printed.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ZABLOCKI (for himself, Mr. Wolff, Mr. Fascell, Mr. Diggs, Mr. Rosenthal, Mr. Hamilton, Mr. Bingham, Mr. Studds, Mr. Solarz, Mr. Bonker, Mr. Pease, Mr. Ireland, Mr. Barnes, Mr. Gray, Mr. Wolpe, Mr. Bowen, Mr. Broomfield, Mr. Derwinski, Mr. Findley, Mr. Buchanan, Mr. Gilman, Mr. Goodling, Mrs. Fenwick, Mr. Pritchard, Mr. Young of Florida, and Mr. Anderson of Illinois):

H.R. 5689. A bill to authorize the President to furnish assistance to alleviate the human suffering in Cambodia caused by famine; to the Committee on Foreign Affairs.

By Mr. AMBRO:

H.R. 5690. A bill to amend section 112 of title 28 of the United States Code to divide the eastern judicial district of New York into two divisions; to the Committee on the Judiciary.

H.R. 5691. A bill to amend title 28, United States Code, to move the place for holding court for the district court of the Eastern District of New York to Brooklyn and Hempstead, and for other purposes; to the Committee on the Judiciary.

By Mr. CAMPBELL:

H.R. 5692. A bill to amend the Fair Labor Standards Act of 1938 to provide a special minimum wage for the employment for limited periods of time of youth aged nineteen and under and to broaden the authority for the employment of full-time students at a special minimum wage; to the Committee on Education and Labor.

By Mr. GIBBONS:

H.R. 5693. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who are participants in employer pension plans a credit for their contributions to such plans or for their contributions to individual retirement plans; to the Committee on Ways and Means.

By Mr. GUDGER (for himself, Mr. Andrews of North Carolina, Mr. Bevill, Mr. Broyhill, Mr. Phillip Burton, Mr. Carter, Mr. Corcoran, Mr. Derwinski, Mr. Duncan of Tennessee, Mr. Fountain, Mr. Ginn, Mr. Gore, Mr. Hefner, Mr. Hubbard, Mr. Jenkins, Mr. Jones of North Carolina, Mr. Martin, Mr. Neal, Mr. Nichols, Mr. Preyer, Mr. Quillen, Mr. Seiberling, Mr. Simon, Mr. Synar, Mr. Udall, Mr. Watkins, and Mr. Yates):

H.R. 5694. A bill to amend the National Trails Systems Act, to authorize a study of the Trail of Tears, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND:

H.R. 5695. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain missionary services; to the Committee on Ways and Means.

By Mr. LEVITAS:

H.R. 5696. A bill to amend title 28 of the United States Code to require the Attorney General to transmit reports to the Congress summarizing any position of the Attorney General that any provision of law is unconstitutional and is not to be enforced or defended by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 5697. A bill to amend title 28 of the United States Code to establish two divisions for the central judicial district of California; to the Committee on the Judiciary.

By Mr. REGULA:

H.R. 5698. A bill to amend title 5 of the United States Code, to require public notice on matters relating to Federal contracts, grants and loans; to the Committee on the Judiciary.

By Mr. SENSENBRENNER:

H.R. 5699. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for amounts paid or incurred for fuel oil and natural gas for principal residences in excess of the average cost of fuel oil and gas in 1978; to the Committee on Ways and Means.

By Mr. WATKINS (for himself, Mr. Hanley, and Mr. Leach of Iowa):

H.R. 5700. A bill to amend the Bank Holding Company Act of 1956 to provide that the Board of Governors of the Federal Reserve System shall not follow any practice or policy in the consideration of any application for the formation of a one-bank holding company if following such practice or policy would result in the rejection of such application solely because the transaction to form such one-bank holding company involves a bank stock loan for a period of not more than 25 years; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NATCHER:

H.J. Res. 430. Joint resolution making urgent supplemental appropriations for low-income energy assistance for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FUQUA introduced a bill (H.R. 5701) for the relief of Dr. John Gamble and Ursula Gamble, which was referred to the Committee on Ways and Means.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1918: Mr. Donnelly and Mr. Wolpe.

H.R. 2191: Mr. Evans of Indiana.

H.R. 3245: Mr. Bennett, Mr. Barnes, Mr. Coughlin, Mr. Daniel B. Crane, Mr. Dougherty, Mr. Fithian, Mr. Frost, Mr. Hinson, Mr. Kemp, Mr. Lee, Mr. Livingston, Mr. Moore, Mr. Natcher, Mr. Nelson, Mr. Pritchard, Mr. Smith of Iowa, Mr. Treen, Mr. Wampler, Mr. Ginn, Mr. Emery, Mr. Lent, Mr. Foley, and Mr. Swift.

H.R. 3439: Mr. Hyde, Mr. Stark, Mr. Frenzel, Mr. Daschle, Mr. Neal, Mr. Corrada, Mr. McCloskey, Mr. Coelho, Mrs. Schroeder, and Mr. Bonior of Michigan.

H.R. 3766: Mr. Dornan.

H.R. 4084: Mr. Dornan.

H.R. 4624: Mr. Synar.

H.R. 4631: Mr. Roybal and Mr. Addabbo.

H.R. 4881: Mr. Conte.

H.R. 4905: Mr. Gilman.

H.R. 4990: Mr. Goldwater, Mr. Frost, Mr. Coelho, Mrs. Bouquard, Mr. LaFalce, Mr. Donnelly, Mr. Roe, and Mr. Blanchard.

H.R. 5071: Mr. Richmond, Mr. Dornan, and Mr. Murphy of Pennsylvania.

H.R. 5362: Mr. McKinney, Mr. Clinger, Mr. Minish, Mr. Rinaldo, and Mr. Horton.

H.R. 5384: Mr. Butler, Mr. Badham, Mr. Sebelius, Mr. Royer, and Mr. Charles Wilson of Texas.

H.R. 5396. Mr. Carter, Mr. Rahall, Mr. Murphy of Pennsylvania, and Mr. McDonald.

H.R. 5539: Mr. Clinger, Mr. Horton, Mr. Emery, Mr. Charles Wilson of Texas, Mr. Forsythe, Mr. Pepper, Mr. Cleveland, Mr. Carter, Mr. Yatron, Mr. Murphy of Pennsylvania, Mr. Scheuer, and Mr. Murtha.

H.R. 5561: Mr. Lagomarsino, Mr. Miller of Ohio, Mr. Jeffords, Mr. Duncan of Tennessee, Mr. Butler, and Mr. Solomon.

H.R. 5660: Mr. Kogovsek, Mr. Markey, Mr. Maguire, Mr. Neal, Mr. Conable, Mr. Sebelius, Mr. Mineta, Mr. Edwards of Oklahoma, Mr. Beilenson, Mr. Dodd, Mrs. Fenwick, Mr. Fish, Mr. Florio, Mr. Gore, Mr. Harris, Mr. Jeffords, Mr. Lowry, Mr. McCloskey, Ms. Mikulski, Mr. Matsui, Mr. Nolan, Mr. Panetta, Mr. Richmond, Mr. Swift, Mr. Walgren, Mr. Waxman, Mr. Williams of Montana, Mr. Marriott, Mr. Lagomarsino, Mr. Fazio, Mr. Scheuer, Mr. Patterson, Mr. Bonior of Michigan, Mr. Downey, Mr. Stark, Mr. Brown of California, Mr. Gingrich, Mr. Dornan, Mr. Fowler, Mr. Drinan, Mr. Kostmayer, Mr. Dellums, Mr. AuCoin, Mrs. Spellman, Mr. Bingham, Mr. Coelho, Mr. Wolpe, Mr. Shannon, Mr. Howard, Mr. Charles H. Wilson of California, Mr. Kildee, and Mr. Vento.

H. Con. Res. 183: Mr. Dornan.

H. Con. Res. 200: Mr. Leach of Iowa, Mr. Findley, Mr. Gray, and Mr. Wolpe.

H. Res. 382: Mr. Goodling.

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## PETITIONS, ETC.

Under clause 1 of rule XXII,

213. The SPEAKER presented a petition of the Nassau County Board of Supervisors, Mineola, N.Y., relative to home heating fuels, which was referred jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

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## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

### H.R. 1885

By Mr. KILDEE:

—Page 15, line 11, insert "or" immediately after the semicolon; on line 15, strike out "; or" and insert in lieu thereof a period; and strike out line 16 and everything that follows through line 20.

Page 15, line 22, strike out "subparagraph (A), (B), (C), or (D)" and insert in lieu thereof "subparagraph (A), (B), or (C)".

### H.R. 2608

By Mr. WEISS:

(Page and line numbers refer to H.R. 5297.)

—Page 11, after line 15, add the following new section:

Sec. 303. (a) Section 170(a) of the Atomic Energy Act of 1954 is amended—

(1) in subsection (a), by striking out the second sentence;

(2) in subsection (b), by amending the first sentence to read as follows: "The amount of financial protection required shall be the maximum amount of liability insurance available from private sources. Such amount shall be redetermined periodically by the Commission on the basis of the cost of living (including the cost of health care).";

(3) in subsection (b), by amending the third sentence to read as follows: "All licensees required to maintain financial protection under this section shall also be required, without regard to the manner in which they obtained other types or amounts of financial protection, to participate in an industry retrospective rating plan. Such plan shall provide for premium charges deferred in whole or in major part until public liability from a nuclear incident exceeds or appears likely to exceed the sum of—

"(1) the level of primary financial protection required of the licensee involved in the nuclear incident, and

"(2) the amount otherwise available from such licensee for the satisfaction of such liability (including all real and personal property of the licensee and any amounts available pursuant to applicable bankruptcy proceedings).

The deferred premium which shall be charged following any nuclear incident under such a plan shall be such amount as is required under rules promulgated by the Commission not later than 60 days after the date of the enactment of the Nuclear Liability Reform Amendments of 1979. Such amount required under such rules shall be determined according to a formula based on—

"(A) the licensee's generating capacity,

"(B) the degree of risk of nuclear incident associated with the licensee,

"(C) the licensee's total assets, and

"(D) such other factors as the Commission deems appropriate.";

(4) in subsection (b), by striking out the fifth sentence and all that follows and substituting: "If any licensee is unable to meet any assessment of deferred premiums within a reasonable time following any nuclear incident without impairing the provision of electric utility service by such licensee, the Commission may loan such licensee the amount by which such assessment exceeds the amount which the licensee is able to pay without such impairment. The loan shall be made upon such terms and conditions as may be established by the Commission except that such loan shall be secured by the liens on assets of such licensee and on the revenues derived therefrom and shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the making of such loan.";

(5) by repealing subsection (c);

(6) in subsection (d), by striking out ", in the amount of $500,000,000" and all that follows down to the period at the end thereof;

(7) by repealing subsections (e), (f), (g), and (h);

(8) in subsection (i), by striking out "which will probably require" and all that follows down through "$560,000,000";

(8) by repealing subsections (k) through (m);

(9) by amending paragraph (1) of subsection (n) to read as follows:

"(1) With respect to any nuclear incident with respect to which financial protection is required under this section and which—

"(A) arises out of, or results from, or occurs in the course, of the construction, possession, operation of a production or utilization facility, or

"(B) arises out of, or results from, or occurs in the course of transportation of, source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

"(C) during the course of the contract activity arises out of, or results from, the possession, operation, or use by a Commission contractor or subcontractor of a device utilizing special nuclear material or byproduct material,

the Commission shall require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue or defense as to conduct of the claimant or fault of persons required to obtain financial protection, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforcible in accordance with their terms by the claimant. Such waivers shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant.";

(10) in paragraph (2) of subsection (n), by striking out "extraordinary nuclear occurrence" each place it appears and substituting "nuclear incident"; and

(11) by amending the section heading to read as follows:

"Sec. 170. Liability for Nuclear Incidents.—".

(b) The item relating to section 170 in the table of contents is amended to read as follows:

"Sec. 170. Liability for nuclear incidents.".

(c) Section 53(e) of the Atomic Energy Act of 1954 is amended by striking out paragraph (8), by striking out "; and" in paragraph (7) and substituting a period, and by inserting "and" at the end of paragraph (6).

(d) Section 2(i) of the Atomic Energy Act of 1954 is amended by striking out ", and may limit the liability of those persons liable for such losses".

(e) Section 11 of the Atomic Energy Act of 1954 is amended—

(1) by repealing subsection (t);

(2) in subsection (m), by striking out "; and (3)" and all that follows down to the period at the end thereof and by inserting "and" before "(2)";

(3) in subsection (w), by striking out "indemnified" and substituting "required to obtain financial protection under section 170"; and

(4) in subsection (p), by striking out "as the term is used in subsection 170(1), it shall include any such occurrence outside the United States: *And provided further*,".

(f) This section may be cited as the "Nuclear Incident Liability Reform Amendments of 1979".

(g) The amendments made by this section shall take effect on the date 60 days after the date of the enactment of this Act and shall apply with respect to all contracts referred to in section 170(d) of the Atomic Energy Act of 1954 and to all licenses referred to in section 170(a) of such Act without regard to whether such contracts were entered into, or such licenses were issued, before, on, or after the date of the enactment of this section.

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### H.R. 4985

By Mr. LUJAN:

Strike out page 46, line 1 and all that follows down through line 12 on page 49 and substitute:

"ENFORCEMENT OF PROJECT DECISION SCHEDULE

"Sec. 185. (a)(1) If the Board determines, pursuant to its monitoring under section 183, that an agency has failed, or is reasonably likely to fail, to make an agency decision within the time required by the Project Decision Schedule, the Board shall provide notice of its determination to the appropriate agency, the person responsible for filing on behalf of the Priority Energy Project the application or other petition for the agency decision involved, any parties to the agency proceeding concerned, and the Governor of each State affected by that project. After a period of at least 45 days after such notification, the Board shall promptly conduct on an expedited basis an informal hearing for the purpose of determining the cause of the delay and the actions taken to achieve compliance. A transcript shall be kept of any such hearing.

"(2) Within 30 days after any hearing under paragraph (1), the Board may, in furtherance of the purposes of this part—

"(A) modify the Project Decision Schedule to the extent necessary to provide an extension of time for that agency to make the agency decision involved if—

"(i) such agency has exercised all due diligence in attempting to comply with the Schedule and is unable to comply with such Schedule, and it would be impracticable for the agency to reach a decision or to complete the required action within the specified time, and

"(ii) a previous extension has not been provided under this subsection for that agency decision;

"(B) issue an order under subsection (b) providing for a decision under that subsection in lieu of the agency decision involved; or

"(C) make a recommendation under subsection (c) for a waiver under that subsection in the case of any Federal requirement applicable to any agency.

No determination by the Board under paragraph (1) and no modification of a Project Decision Schedule by the Board under subparagraph (A) of this paragraph shall be subject to judicial review, except as may be required by the Constitution of the United States. If, following modification of the Project Decision Schedule under subparagraph (A), the agency fails to make the agency decision concerned in compliance with such modified Schedule, the Board may take action under subparagraph (B) or (C), as appropriate, without conducting a further hearing under paragraph (1).

"(b)(1) The Board may issue an order referred to in subsection (a)(2)(B) to have a decision under this subsection be made in lieu of the agency decision. Notice of any such order shall be published in the Federal Register and transmitted to the agency, the person responsible for filing on behalf of the Priority Energy Project the application or other petition for the agency decision involved, the President, the Governor of each State affected and the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Any order under this paragraph shall not be subject to judicial review, except as may be required by the Constitution of the United States.

"(2)(A) Upon receipt of notice of an order under paragraph (1), the agency involved shall transmit forthwith all records in the possession of the agency pertinent to that decision or action. The Board shall take whatever additional action authorized under this part as may be necessary to obtain an adequate record for a final decision.

"(3)(A) The Board shall promptly issue a recommended decision under this subsection after obtaining an adequate record for the decision. The recommended decision shall be published in the Federal Register, shall be submitted to the President, together with the record on which it is based, and shall be transmitted to the Governor of each State affected by the project.

"(B) Any recommended decision of the Board under this subsection shall be consistent with any requirement established by, or pursuant to, Federal, State, or local law which would be applicable in the absence of an order under this subsection.

"(4)(A) Within 45 days after any recommended decision has been submitted to the President under paragraph (3), the President shall—

"(i) make a decision to affirm the recommended decision, in which case the recommended decision shall be considered final, or

"(ii) shall remand it to the Board with instructions to modify the recommended decision to the extent the President determines to be appropriate and consistent with any requirement established by, or pursuant to, Federal, State, or local law.

Following any remand under clause (ii), the Board shall promptly issue a final decision in accordance with such instructions. If the President fails to affirm or remand such decision within such 45-day period, the Board's recommended decision shall be considered final.

"(B) Any final decision under subparagraph (A) shall be considered a final decision in lieu of the agency decision involved. Except as provided in section 187(b), such final decision shall be subject to judicial review in the same manner and to the same extent as would apply to the agency decision involved.

"(c)(1) After designation of a Priority Energy Project and before compliance with the Project Decision Schedule by the agencies to which such Schedule applies, or pursuant to subsection (a), the Board may recommend to the President the waiver, in whole or in part, of any Federal requirement which it finds presents a substantial procedural or substantial substantive impediment—

"(A) to the making of an agency decision, or

"(B) to the making of such agency decision in a manner which will permit implementation of the project.

A recommendation may not be made to the President for a waiver under this subsection and a recommendation may not be made under subsection (b) if the agency has made the agency decision involved at the time of such recommendation.

"(2)(A) Any waiver recommended under this subsection may be conditioned on the imposition of a less stringent requirement or other alternative to the requirement which is to be waived. Such waiver shall also include such terms and conditions as the Board, in consultation with the agencies responsible for the administration of the requirements proposed to be waived, deems necessary to mitigate any adverse effects (including effects on public health, welfare, or the environment) associated with such waiver and to further enhancement efforts for aspects adversely affected by the energy project.

"(B) A recommendation under this subsection for the waiver of any requirement shall be published in the Federal Register, together with a statement of the reasons on which the recommendation is based. Any agency affected by such waiver and any other concerned person may submit views respecting such recommendation to the President and may make such views public during the thirty-day period specified in paragraph (3).

"(3) Not earlier than thirty days after publication in the Federal Register of a recommendation for a waiver under this subsection, and after considering public and agency comments, may, in furtherance of the purposes of this part, transmit such recommendation to the Congress, if he determines—

"(A) such a waiver to be in the national interest,

"(B) that there is substantial evidence to support the Board's determination and recommendation, and

"(C) that such a waiver would not unduly endanger the public health and safety.

Any recommendation so transmitted shall be accompanied by a detailed identification of the requirement to be waived, a statement of the extent to which such waiver would apply, and a statement of the President's reasons for making such recommendation, together with a summary of the agency views on such waiver. Any recommendation transmitted under this paragraph may be conditioned on the imposition of a less stringent requirement or other alternative to the requirement which is to be waived together with provisions for the enforcement of such less stringent requirement or other alternative by the agency responsible for the administration of the requirement proposed to be waived. Such waiver shall also include such terms and conditions (and provisions for their enforcement by the agency responsible for the administration of the requirement proposed to be waived) as the President deems necessary to mitigate any adverse effects (including effects on public health, welfare, or the environment) associated with such waiver and to further enhancement efforts for aspects adversely affected by the Project. The President's transmittal under this subsection shall also set forth any differences between the waiver recommended by the Board and the waiver transmitted to the Congress.

"(4)(A) Any waiver with respect to which the President has made a recommendation which is transmitted to Congress under this subsection shall take effect at the expiration of the first period of sixty calendar days of continuous session of Congress after the date of its receipt by the Senate and House of Representatives if, before the expiration of such sixty-day period, such recommendation is approved by each House of the Congress in the same manner as is provided for approval of energy conservation contingency plans under section 552 of this Act, except that in applying the provisions of section 552 of this Act to a recommendation of the President transmitted under this subsection, any reference in such section 552 to an energy conservation contingency plan shall be treated as a reference to a recommendation of the President transmitted under this subsection any reference in such section 552 to twenty calendar days shall be treated as a reference to thirty calendar days and subsections (b), (d)(2)(B), and (d)(7) of section 552 shall not apply.

"(B) A recommendation transmitted under this section may take effect at any time subsequent to the date specified in subparagraph (A) if such subsequent time is set forth in such recommendation.

"(5) Each agency responsible for the administration of any requirement waived under this section shall monitor compliance by the Project with the terms and conditions of such waiver.

"(d)(1) The Board, on its own motion or upon an application of any person acting on behalf of a Priority Energy Project, shall determine if any requirement of Federal, State, or local law which has been enacted or promulgated after establishment of the Project Decision Schedule, but before commencement of commercial operation of any facility (as determined by the Board) which is part of the Project, would present a substantial impediment to implementation of the Project. Such application shall identify the requirement with respect to which the application is made. If the Board determines that any such requirement will present such an impediment, the Board may in furtherance of the purposes of this part—

"(A) order the temporary suspension of the application of such requirement to such facility for only such time as necessary to allow such person to make good faith efforts to comply with such requirement, but not in excess of 5 years after the date on which commercial operation of such facility commences; or

"(B) submit a recommendation to the President that such requirement be waived in whole or in part.

No determination of the Board under this subsection shall be subject to judicial review except as may be required by the Constitution of the United States.

"(2) No order temporarily suspending the application of any requirement to any facility may be issued under paragraph (1)(A) unless the Board, in consultation with the agency responsible for implementing the requirement, finds that, during the period of such suspension, the facility will make a good faith effort to meet the requirement suspended.

"(3) A recommendation submitted to the President under paragraph (1)(B) for the waiver of any requirement shall take effect as provided in, and shall be subject to the same provisions as apply in, the case of recommendations for waiver set forth in subsection (c).

"(e)(1) Not later than 45 days after the establishment of a Project Decision Schedule for a Priority Energy Project, the Board and any agencies which may be covered by such Project Decision Schedule shall identify and publish notice in the Federal Register of the requirements of Federal, State, and local law applicable to such Project which may present any substantial procedural or substantial substantive impediment to the implementation of the Project. Such notice shall include an analysis of the impact of such requirements on the Project. The Board may extend the 45-day period in appropriate cases.

"(2) If the Board finds, after publication of the notice under paragraph (1) and based upon the analysis required under paragraph (1), that—

"(A) any requirement identified under paragraph (1) may present any substantial procedural or substantial substantive impediment to the implementation of the project; and

"(B) there is no opportunity under applicable law for an agency decision in a manner which would overcome such impediment and permit implementation of the Project,

the Board shall submit a copy of its analysis under paragraph (1), together with appropriate recommendations concerning the requirement, to the President (in the case of a requirement of Federal law), the Governor (in the case of a requirement of State or local law), to the affected agencies, and to the appropriate committees of Congress. Any recommendation under this subsection to the President may include a recommendation in accordance with subsection (c). The Governor and such affected agencies shall take into consideration the Board's recommendation and shall report to the Board within such time as may be specified by the Board. Such report shall state whether or not the Governor or agency accepts or rejects the recommendations of the Board, together with the reasons for such acceptance or rejection. If the Governor or agency accepts such recommendations in whole or in part, such report shall include an explanation of the actions the Governor or agency will take and when such actions will be taken.

"(f) In bringing any civil action in any court (other than the Supreme Court) to enforce any order or requirement under this part, the Board shall be represented by the General Counsel of the Board (or any attorney employed by the Board), notwithstanding the provisions of title 28 of the United States Code. Such General Counsel (or attorney employed by the Board) shall supervise, conduct, and argue any civil litigation in any such action.

Page 45, line 6, after "182" insert "or 185 (a)(2)(A)".

Page 49, line 19, after "182" insert "or 185 (a)(2)(A)".

By Mr. SANTINI:

—Strike out page 46, line 1 and all that follows down through line 12 on page 49 and substitute:

"ENFORCEMENT OF PROJECT DECISION SCHEDULE

"SEC. 185. (a)(1) If the Board determines, pursuant to its monitoring under section 183, that an agency has failed, or is reasonably likely to fail, to make an agency decision within the time required by the Project Decision Schedule, the Board shall provide notice of its determination to the appropriate agency, the person responsible for filing on behalf of the Priority Energy Project the application or other petition for the agency decision involved, any parties to the agency proceeding concerned, and the Governor of each State affected by that project. After a period of at least 45 days after such notification, the Board shall promptly conduct on an expedited basis an informal hearing for the purpose of determining the cause of the delay and the actions taken to achieve compliance. A transcript shall be kept of any such hearing.

"(2) Within 30 days after any hearing under paragraph (1), the Board may, in furtherance of the purposes of this part—

"(A) modify the Project Decision Schedule to the extent necessary to provide an extension of time for that agency to make the agency decision involved if—

"(i) such agency has exercised all due diligence in attempting to comply with the Schedule and is unable to comply with such Schedule, and it would be impracticable for the agency to reach a decision or to complete the required action within the specified time, and

"(ii) a previous extension has not been provided under this subsection for that agency decision;

"(B) issue an order under subsection (b) providing for a decision under that subsection in lieu of the agency decision involved; or

"(C) make a recommendation under subsection (c) for a waiver under that subsection in the case of any Federal requirement applicable to any agency.

No determination by the Board under paragraph (1) and no modification of a Project Decision Schedule by the Board under subparagraph (A) of this paragraph shall be subject to judicial review, except as may be required by the Constitution of the United States. If, following modification of the Project Decision Schedule under subparagraph (A), the agency fails to make the agency decision concerned in compliance with such modified Schedule, the Board may take action under subparagraph (B) or (C), as appropriate, without conducting a further hearing under paragraph (1).

"(b)(1) The Board may issue an order referred to in subsection (a)(2)(B) to have a decision under this subsection be made in lieu of the agency decision. Notice of any such order shall be published in the Federal Register and transmitted to the agency, the person responsible for filing on behalf of the Priority Energy Project the application or other petition for the agency decision involved, the President, the Governor of each State affected and the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Any order under this paragraph shall not be subject to judicial review, except as may be required by the Constitution of the United States.

"(2)(A) Upon receipt of notice of an order under paragraph (1), the agency involved shall transmit forthwith all records in the possession of the agency pertinent to that decision or action. The Board shall take whatever additional action authorized under this part as may be necessary to obtain an adequate record for a final decision.

"(3)(A) The Board shall promptly issue a recommended decision under this subsection after obtaining an adequate record for the decision. The recommended decision shall be published in the Federal Register, shall be submitted to the President, together with the record on which it is based, and shall be transmitted to the Governor of each State affected by the project.

"(B) Any recommended decision of the Board under this subsection shall be consistent with any requirement established by, or pursuant to, Federal, State, or local law which would be applicable in the absence of an order under this subsection.

"(4)(A) Within 45 days after any recommended decision has been submitted to the President under paragraph (3), the President shall—

"(i) make a decision to affirm the recommended decision, in which case the recommended decision shall be considered final, or

"(ii) shall remand it to the Board with instructions to modify the recommended decision to the extent the President determines to be appropriate and consistent with any requirement established by, or pursuant to, Federal, State, or local law.

Following any remand under clause (ii), the Board shall promptly issue a final decision in accordance with such instructions. If the President fails to affirm or remand such decision within such 45-day period, the Board's recommended decision shall be considered final.

"(B) Any final decision under subparagraph (A) shall be considered a final decision in lieu of the agency decision involved. Except as provided in section 187(b), such final decision shall be subject to judicial review in the same manner and to the same extent as would apply to the agency decision involved.

"(c)(1) After designation of a Priority Energy Project and before compliance with the Project Decision Schedule by the agencies to which such Schedule applies, or pursuant to subsection (a), the Board may recommend to the President the waiver, in whole or in part, of any Federal requirement which it finds presents a substantial procedural or substantial substantive impediment—

"(A) to the making of an agency decision, or

"(B) to the making of such agency decision in a manner which will permit implementation of the project.

A recommendation may not be made to the President for a waiver under this subsection and a recommendation may not be made under subsection (b) if the agency has made the agency decision involved at the time of such recommendation.

"(2)(A) Any waiver recommended under this subsection may be conditioned on the imposition of a less stringent requirement or other alternative to the requirement which is to be waived. Such waiver shall also include such terms and conditions as the Board, in consultation with the agencies responsible for the administration of the requirements proposed to be waived, deems necessary to mitigate any adverse effects (including effects on public health, welfare, or the environment) associated with such waiver and to further enhancement efforts for aspects adversely affected by the energy project.

"(B) A recommendation under this subsection for the waiver of any requirement shall be published in the Federal Register, together with a statement of the reasons on which the recommendation is based. Any agency affected by such waiver and any other concerned person may submit views respecting such recommendation to the President and may make such views public during the thirty-day period specified in paragraph (3).

"(3) Not earlier than thirty days after publication in the Federal Register of a recommendation for a waiver under this subsection, and after considering public and agency comments, may, in furtherance of the purposes of this part, transmit such recommendation to the Congress, if he determines—

"(A) such a waiver to be in the national interest,

"(B) that there is substantial evidence to support the Board's determination and recommendation, and

"(C) that such a waiver would not unduly endanger the public health and safety.

Any recommendation so transmitted shall be accompanied by a detailed identification of the requirement to be waived, a statement of the extent to which such waiver would apply, and a statement of the President's reasons for making such recommendation, together with a summary of the agency views on such waiver. Any recommendation transmitted under this paragraph may be conditioned on the imposition of a less stringent requirement or other alternative to the requirement which is to be waived together with provisions for the enforcement of such less stringent requirement or other alternative by the agency responsible for the administration of the requirement proposed to be waived. Such waiver shall also include such terms and conditions (and provisions for their enforcement by the agency responsible for the administration of the requirement proposed to be waived) as the President deems necessary to mitigate any adverse effects (including effects on public health, welfare, or the environment) associated with such waiver and to further enhancement efforts for aspects adversely affected by the Project. The President's transmittal under this subsection shall also set forth any differences between the waiver recommended by the Board and the waiver transmitted to the Congress.

"(4) (A) Any waiver with respect to which the President has made a recommendation which is transmitted to Congress under this subsection shall take effect at the expiration of the first period of sixty calendar days of continuous session of Congress after the date of its receipt by the Senate and House of Representatives if, before the expiration of such sixty-day period, such recommendation is approved by each House of the Congress in the same manner as is provided for approval of energy conservation contingency plans under section 552 of this Act, except that in applying the provisions of section 552 of this Act to a recommendation of the President transmitted under this subsection, any reference in such section 552 to an energy conservation contingency plan shall be treated as a reference to a recommendation of the President transmitted under this subsection any reference in such section 552 to twenty calendar days shall be treated as a reference to thirty calendar days and subsections (b), (d) (2) (B), and (d) (7) of section 552 shall not apply.

"(B) A recommendation transmitted under this section may take effect at any time subsequent to the date specified in subparagraph (A) if such subsequent time is set forth in such recommendation.

"(5) Each agency responsible for the administration of any requirement waived under this section shall monitor compliance by the Project with the terms and conditions of such waiver.

"(d) (1) The Board, on its own motion or upon an application of any person acting on behalf of a Priority Energy Project, shall determine if any requirement of Federal, State, or local law which has been enacted or promulgated after establishment of the Project Decision Schedule, but before commencement of commercial operation of any facility (as determined by the Board) which is part of the Project, would present a substantial impediment to implementation of the Project. Such application shall identify the requirement with respect to which the application is made. If the Board determines that any such requirement will present such an impediment, the Board may in furtherance of the purposes of this part—

"(A) order the temporary suspension of the application of such requirement to such facility for only such time as necessary to allow such person to make good faith efforts to comply with such requirement, but not in excess of 5 years after the date on which commercial operation of such facility commences; or

"(B) submit a recommendation to the President that such requirement be waived in whole or in part.

No determination of the Board under this subsection shall be subject to judicial review except as may be required by the Constitution of the United States.

"(2) No order temporarily suspending the application of any requirement to any facility may be issued under paragraph (1) (A) unless the Board, in consultation with the agency responsible for implementing the requirement, finds that, during the period of such suspension, the facility will make a good faith effort to meet the requirement suspended.

"(3) A recommendation submitted to the President under paragraph (1) (B) for the waiver of any requirement shall take effect as provided in, and shall be subject to the same provisions as apply in, the case of recommendations for waiver set forth in subsection (c).

"(e) (1) Not later than 45 days after the establishment of a Project Decision Schedule for a Priority Energy Project, the Board and any agencies which may be covered by such Project Decision Schedule shall identify and publish notice in the Federal Register of the requirements of Federal, State, and local law applicable to such Project which may present any substantial procedural or substantial substantive impediment to the implementation of the Project. Such notice shall include an analysis of the impact of such requirements on the Project. The Board may extend the 45-day period in appropriate cases.

"(2) If the Board finds, after publication of the notice under paragraph (1) and based upon the analysis required under paragraph (1), that—

"(A) any requirement identified under paragraph (1) may present any substantial procedural or substantial substantive impediment to the implementation of the project; and

"(B) there is no opportunity under applicable law for an agency decision in a manner which would overcome such impediment and permit implementation of the Project,

the Board shall submit a copy of its analysis under paragraph (1), together with appropriate recommendations concerning the requirement, to the President (in the case of a requirement of Federal law), the Governor (in the case of a requirement of State or local law), to the affected agencies, and to the appropriate committees of Congress. Any recommendation under this subsection to the President may include a recommendation in accordance with subsection (c). The Governor and such affected agencies shall take into consideration the Board's recommendation and shall report to the Board within such time as may be specified by the Board. Such report shall state whether or not the Governor or agency accepts or rejects the recommendations of the Board, together with the reasons for such acceptance or rejection. If the Governor or agency accepts such recommendations in whole or in part, such report shall include an explanation of the actions the Governor or agency will take and when such actions will be taken.

"(f) In bringing any civil action in any court (other than the Supreme Court) to enforce any order or requirement under this part, the Board shall be represented by the General Counsel of the Board (or any attorney employed by the Board), notwithstanding the provisions of title 28 of the United States Code. Such General Counsel (or attorney employed by the Board) shall supervise, conduct, and argue any civil litigation in any such action.

Page 45, line 6, after "182" insert "or 185 (a) (2) (A)".

Page 49, line 19, after "182" insert "or 185(a) (2) (A)".

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H.J. Res. 341

By Mr. LELAND:

(To the amendment in the nature of a substitute by Mr. Florio.)

—Strike section 6; delete reference to section 6 contained in section 9(c); and strike the first sentence of section 9(e) and substitute the following:

Any rail carrier, after having taken any action required or authorized by the civil rights laws, court orders, or agency actions related to hiring, shall comply with the following provisions: if any rail carrier during the 20-day period after a compilation of position is mailed, receives one or more bids on any employment position listed by such rail carrier in such compilation said carrier shall offer such employment position to the employee who submitted a bid on such position during such period who has the most seniority in the class or craft within which such position is listed.

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# EXTENSIONS OF REMARKS

## EMERGENCY ENERGY PLANNING—ANOTHER STEP FORWARD

### HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. FISHER. Mr. Speaker, I would like to take this opportunity to express my support for the action taken by the House in passing S. 1030 which establishes procedures for the formulation and implementation of a standby gasoline rationing plan. Now that the House has acted, only the President's signature is required for this legislation to be enacted and for the planning to begin.

This bill represents, I believe, a balanced approach between the need for congressional approval of a standby plan and the need for expeditious implementation of the plan if a severe supply shortage arises. The Department of Energy would have 120 days to draft the plan, with a possible further extension of 90 days, and the Congress would have 30 days to act on the plan once it is proposed. The plan would be subject to a veto by a majority of each house through a joint resolution of disapproval. However, that joint resolution itself could be vetoed by the President, subject to his action being overturned by a subsequent vote of two-thirds of both Houses of the Congress.

Although on the surface this may appear to be an excessively cumbersome procedure, I believe that it is actually an ingenious compromise which seeks to immunize a standby plan from being defeated by a coalition of parochial interests. Nevertheless, it would prevent a standby plan to which there is massive opposition from being drafted and put on the shelf for later implementation.

Similarly, if there is a projected shortfall of 20 percent in gasoline supplies, the President will have the power to propose implementing the standby plan, and his action will take effect within 15 days, except if either House has voted against implementation. Furthermore, the President could implement the standby plan even if there is less than a 20 percent shortfall projected if both Houses of Congress vote in favor of implementation within 60 days of his request. Here again, this legislation allows the President and the Congress to coordinate their actions in a considered, yet expeditious manner.

As I indicated when I supported legislation in May of this year to authorize a standby gasoline rationing plan, I believe that the only prudent course of action is to have a standby plan on the shelf and ready to be implemented in the event that a severe gasoline supply shortage develops. The gasoline crisis during the summer demonstrated in stark terms the chaos which could result from a restriction in our gasoline supply. Having seen the economic and social dislocations which resulted from that shortfall of 5 percent, the Congress would have been foolhardy not to have passed this legislation, which is primarily designed to deal with even more severe supply shortfalls. I wish that the Congress had acted sooner, but I am pleased that it finally has acted.●

## NO NEED FOR THIS

## HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. FINDLEY. Mr. Speaker, as Allan A. Seiler, editor of the Pike Press, Pittsfield, Ill., observes, there is no justification for the latest bureaucratic creation—the Office of Families. Seiler puts the case against it succinctly in the October 17 issue of the Pike Press:

[From the Pike Press, Oct. 17, 1979]

NO NEED FOR NEW OFFICE OF FAMILIES

What this country doesn't need is a new Office of Families in the Department of Health, Education, and Welfare.

Nevertheless, President Carter has announced its creation.

That's the declaration he made Monday in Kansas City, explaining that it would "provide the focal point for the development of policies and programs affecting families."

A noble goal and lofty sentiments. What has more appeal than something relating to the American family, whether you're selling politics or breakfast cereal? Besides, as the President explained, Lillian, Rosalynn, and Amy are all behind it.

Here we go again. One more federal bureaucracy turning out reams of press releases, issuing advice, imparting knowledge, hiring employees, spending taxpayers' money. And all totally unneeded.

This is a function already being performed very well indeed by the Cooperative Extension Services.

It's only by coincidence and not relating to Carter's message that Farm Adviser Harry Wright's news column this week on page 18 of the issue is on the very same subject—how the extension service aids Pike county families.

It provides "timely information on a broad range of topics: family economics, agriculture, 4-H and youth involvement, nutrition, housing, farm management."

The services of Home Economics Adviser Cheryl Bielema are equally valuable and equally available to both town and country families.

As Harry further explains, it's free. There's no charge for seeking the information and advice. It's part of the off-campus educational mandate of the University of Illinois. Anyone is welcome at the meetings. Anyone can get on the mailing list.

When you take various other youth groups, the churches, the already existing governmental aids to family living, you'd conclude that the family needs of America are being pretty well met by those who desire the service, without the need for another federal bureaucracy.

The important thing to remember are the words, "those who desire the service." That's the key. It's there now to those who want to avail themselves of it. If they don't, that's their privilege.

But with another federal agency it's going to be there anyway—needed or not, used or not, desired or not. And guaranteed to get bigger all the time.

That's a big difference. That's why the country doesn't need a new federal Office for Families.●

## DR. C. E. SOUTHERN: COUNTRY DOCTOR

## HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. PICKLE. Mr. Speaker, when people talk about the country doctor, they must have had Dr. C. E. Southern in mind. For many years, he helped the poor and afflicted throughout a wide area of central Texas. Last month, Dr. Southern died at the age of 72. He leaves a legacy of love and respect on the part of thousands of friends and former patients.

Dr. Southern enjoyed a full, varied medical career. After graduating from Baylor Medical School in Dallas, he moved to Burton, Tex., where, at the age of 27, he built the Burton Hospital. People from surrounding communities drove the distance to get treated by Dr. Southern. Eighteen years later, he moved to Brenham, Tex., where he established a clinic. Then in 1975, Dr. Southern gave up his practice and became the first medical director of the new Brenham State School.

Dr. Southern was a country doctor, but he was no country bumpkin. Throughout his carrer, he continued his studies at Harvard Medical School, the Mayo Clinic, the Columbia Presbyterian Medical Center in New York and other institutions. He was an active community servant, having served on the staffs of both Brenham hospitals.

With little fanfare, Dr. Southern served the poor and afflicted. He understood all people, especially those who needed the most help. He was a compassionate doctor.

Besides being an excellent physician, Dr. Southern found time to be active in civic and political affairs. It was in this role of the doctor's that I first met him and his wife, Carra.

Dr. Southern developed friendly ties to then Congressman Lyndon B. Johnson. The Southerns played host to many political gatherings. I was in on some of those meetings and got to know the Southerns well. I remember one occasion in the late 1930's when three of us spent the night at the Southern's modest home. The hospitality was remembered for a long time by that trio: Lyndon Johnson, John Connally and myself. It was an unusual time and circumstance, especially when one considers the future roles of the three of us. All through the years, each of us kept up our close ties with Dr. Southern. Later, President Johnson never went to Washington County without stopping off to say hello to Dr. Southern.

Dr. C. E. Southern was not only a fine host to us, but as a healer, civic leader and builder of medical facilities and services, played host and provided care to generations of central Texans. His example of leadership and caring for all people leaves us sad at his passing, appreciative of his accomplishments and inspires all of us to realize the rewards of serving mankind.●

## HOW TO ACHIEVE AN AMERICAN MIRACLE

## HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. PAUL. Mr. Speaker, my good friend Ambassador Albert B. Fay of Houston recently brought an excellent article on wage and price controls to my attention. I would like to share it with my colleagues.

As the Ambassador indicated to me, "If the President and Congress can have the good judgment to deregulate in accordance with (C. Jackson) Grayson's ideas, there would be no limit to the height our economy could reach."

The article follows:

[From Business Week, July 16, 1979]

HOW TO ACHIEVE AN AMERICAN MIRACLE

(By C. Jackson Grayson, Jr.)

The most frightening aspect of the current gasoline crunch is not the long lines. Nor the price. Nor OPEC. It is not even the shootouts at the service stations.

It's the almost total absence of serious consideration and open support by businessmen, politicians, and economists for a return to the market system to ration demand and increase supplies.

The answer to our problems has to be complete decontrol—decontrol not only of oil, but also of gasoline—and elimination of the price and wage "guidelines" program along with it: a complete dismantling of the increasingly complicated, inefficient, inequitable, and unworkable machinery of energy and wage-price controls.

I recommend this not from blind ideological faith in the market system, but from (1) a reading of the history of the failures of wage-price and allocation controls for over 40 centuries, (2) an observation of the current failures of energy and wage-price guidelines, and (3) my own personal experience in directing controls, during Phase II of President Nixon's wage-price program.

The gasoline situation is a good example. The President blames Congress and scolds the public. The Congress blames the President and lectures the oil companies. Endless and fruitless disputes, investigations, and hearings drain the nation's energies to find out who's to blame: "Is there a shortage? Where is the gasoline?"

At the gas pumps there are hired guards, shootings, thefts, and scamps. Hundreds of thousands of hours are spent nonproductively in long lines when the nation's productivity growth is already alarmingly low. New allocation schemes are cooked up almost daily: odd-even days, numbered windshield stickers, minimum purchase amounts, state conservation quotas, coupons. Such controls organize and prolong shortages. And in the process the poor, those with low incomes, and the weak are hurt the most.

### BACK TO A MARKET ECONOMY

A good account of the history of controls is chronicled in a recent book by Robert L. Schuettinger and Eamonn F. Butler, Forty Centuries of Wage and Price Controls (The Heritage Foundation, Washington, D.C., 1979). It is tragicomic that 40 centuries of price and wage controls and governmentally directed allocation systems for such commodities as flour, corn, wheat, and housing show a record of repeated failures.

Not only do the guidelines violate the basic economic laws of supply and demand, they also violate the basic political laws of consensus, power, and equity. The program has no power base, no real support by business or organized labor, and it is rife with inequities. The program is not fading fast—it is dead. No scraping, painting over, or review is going to change it from being bad law, bad economics, and bad politics.

"We have to continue," says Barry Bosworth, director of the Council on Wage and Price Stability. "There is no alternative."

Yes there is. I offer these recommendations:

Remove all price and allocation controls over gasoline and other fuels.

Remove all wage and price controls.

Abolish the Council on Wage and Price Stability.

Return to a market economy.

A "political impossibility," the conventional wisdom runs. It can't be done. Congress, the President, and the public would never stand for it. Believing this, many businessmen and legislators fail to fight for a return to the market system. Instead, they remain silent or concentrate on compromises and accept what Representative Al Ullman calls "the political equation." That's a mistake, both economically and politically.

Economically, controls are a disaster. As chairman of the Price Commission during Phase II (1971–73), I saw this firsthand. After an initial appearance of gains, the inevitable erosion and inefficiencies began. No matter how good our intentions, how hard we worked, what models we employed, or how ingeniously we designed the regulations, the controls could never handle as efficiently or as effectively the millions of decisions made daily in the marketplace to adjust to the changing conditions of supply and demand. The controls did not reduce shortages or inflation. They increased both.

### POLITICAL COURAGE

Bad economics is also bad politics. A very recent example is Britain. Margaret Thatcher rode to power on pledges to reduce much of the governmental economic management, to decontrol prices and wages, and to revive the market system.

The classic example, of course, is West Germany. In July, 1948, virtually all economic controls were removed, including price and wage controls. The Allied powers, then in control, were fearful that it would lead to greater inflation, unemployment, political instability, and more problems for the poor. The bold move was controversial even among those closest to its architect, the economist (later Chancellor) Ludwig Erhard.

The fears proved unfounded. There was higher employment, higher real wages, rising productivity, a disappearance of black markets, an abundance of goods in the shops, and—after an initial spurt in prices—a great reduction in inflation. Apathy and despair turned to hope and energy.

In truth, the "economic miracles" that have followed decontrol were not miracles. They were no more than an end to the economic paralysis and disorder caused by the control mechanisms and a return to the market economy.

President Carter speaks of the need for "political courage" in facing these problems. It's time for an act of political courage that makes both political and economic sense: decontrol.●

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## EXCITING TIMES IN SCIENCE AND TECHNOLOGY

### HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. FUQUA. Mr. Speaker, with the arrival of the 1980's, Americans will experience the most exciting times imaginable due to science and technology. Out of the laboratories are coming advances that point to expansive changes in the way we work and live on Earth and in space.

Mr. Speaker, the U.S. News & World Report published an article in their October 15, 1979, issue entitled, "Exciting Times in Science and Technology," outlining several key forecasts for the subsequent article; and, as chairman of the Science and Technology Committee, I would like to stress the importance of basic research and development which ultimately leads to these and other scientific and technological innovations.

The material follows:

### Science—Key Forecasts

Home computers: Inexpensive ones will become a reality for many families.

Lasers: Doctors will use high-intensity lasers for cancer surgery.

Medicine: Research will focus on the human cell. Cheaper insulin will become available for diabetics.

Space: U.S. space shuttles will put into orbit a broad range of new satellites for communications, astronomy, research.

Energy: This country's first synthetic-fuel plants will appear.

### Exciting Times in Science and Technology

Science and Technology in the 1980's will change every aspect of American life—in offices, factories and homes.

During the next decade, the average American will rely far more on computers and other electronic marvels to provide a wealth of information—and to improve the quality of life. Genetic research and computers both will provide new medical treatments, and laser beams will finally come of age in medicine, commerce and industry.

Dramatic alterations are in store for global communications patterns because of advanced orbiting satellites that also will help scientists study the earth's geological formations and oceans—and speed the search for new energy sources. Far-reaching probes will scan the universe beyond the solar system as man looks outward for clues to his own origins.

### Space and Astronomy

The re-usable manned space shuttle will be the centerpiece of the U.S. space program in the 1980's.

Scheduled to be launched for the first time in 1980, the first shuttles will be used mainly to place earth-circling satellites into orbit—saving millions of dollars in expendable rockets now used to blast satellites into the sky.

Satellites placed by the shuttles will be able to pinpoint resources on land and under the sea more accurately than can be done today. There also will be a broader range of commercial satellites that will bring a wider selection of television programs and a tremendous improvement to business communication, newspaper publishing, medical diagnosis and disaster relief.

A space telescope, to be placed in orbit in 1983, will provide astronomers with a valuable new tool for scanning the heavens beyond the solar system. Because of its position high above the earth's hazy atmosphere, the telescope will help scientists gaze into parts of the universe previously beyond the range of man's vision.

One of the two unmanned Voyager spacecraft already is on the way to deep space and will hurtle out of the solar system after visiting its outlying planets. The craft contains numerous human artifacts—among them, for instance, a photograph of a woman raking leaves—that could eventually find their way to other intelligent creatures on the fringes of the universe and help tell them the story of the planet Earth.

### ENERGY

The 1980s will bring important new developments in energy production, including greater use of solar energy in both homes and industry, and the first U.S. plants for making synthetic fuels.

These plants will make liquid fuel from natural gas, petroleum products from coal and extract oil from shale.

The nation also will look to increasingly diverse sources of energy to fuel its plants and automobiles but is not likely to find the final answer to its energy shortage.

There will be more coal production during the next 10 years but the environmental problems of coal will remain. Nuclear plants will increase in number too, with tighter safety standards, but will not contribute a much greater proportion of the nation's electrical supply than they do today.

To keep even with the nation's increasing thirst for energy, controls on domestic oil and gas production will finally come to an end, while the uncertainties of imported oil will continue. Conservation and recycling will become far more active parts of the nation's energy policy and of daily life than they are today.

Fusion, the great energy hope of the next century, will move a step or two closer to reality with the first attempt by Princeton University scientists in 1981 to reach "break-even"—the point at which a fusion reactor puts out as much energy as it requires to run it.

An energy-saving car, powered by an electrochemical process using aluminum, also is in the works.●

## RECOGNITION OF LIBBY FILL, MUSICIAN

### HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. WILLIAMS of Ohio. Mr. Speaker, on Sunday, October 28, Mrs. Libby Fill, a well-known and popular tamburitza musician, will be honored by friends and admirers in Youngstown, Ohio.

Mrs. Fill has actively promoted Yugoslav and Balkan culture through her music. She hosts two tamburitza radio programs in the Youngstown area, has made several records, and on October 14 she had the honor of being inducted into the Tamburitza Hall of Fame at the annual extravaganza in St. Paul, Minn., the only woman to be so honored.

Ljubica "Libby" Fill's life goal has been to brighten people's lives through her music. She has performed throughout Ohio, Pennsylvania, Michigan, Indiana, and Canada. Among her fondest memories are an appearance in Washington, D.C., in 1976 for the Nation's Bicentennial celebration, and her invitation to perform at President Carter's Inaugural Ball.

She is also well known for her charitable performances for nursing homes, disabled veterans, retarded children, senior citizens, and promotions, and telethons for numerous charitable causes.

Only her family is more important to her than her music. She is especially proud of her close-knit family which consists of husband Cas, daughter Sally and daughter Stacie Vesolich, son-in-law Steve Vesolich, and granddaughter Stephanie Vesolich.

Perhaps the best indication of her attitude toward life is this quote from her: "Bez Tamburasi, nema zivot (without music there is no life)." As long as Ljubica has life, there will be music. It is a pleasure to add my congratulations to those from hundreds of friends who know her not only as an outstanding musician, but also as a public-spirited American who takes immense pleasure in giving the world the benefit of her talents.●

## CONGRESSIONAL SALUTE TO HON. MARGARET H. SEPEDE, DISTINGUISHED CITIZEN OF NEW JERSEY

### HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. ROE. Mr. Speaker, on Friday, October 26, the people of Passaic County, my congressional district, and State of New Jersey will gather in testimony to the exemplary public service career of the Honorable Margaret H. Sepede who is retiring as deputy clerk of our county of Passaic.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in sending our warmest greetings and felicitations to this wonderful lady whose standards of excellence and untiring efforts on behalf of county administrative affairs are applauded by all of us. We share the pride of her husband Frank and their children, daughters Mary and Jane, and son Joseph and his wife Kathy and grandson Michael Francis on her distinguished record of achievements.

Margaret Sepede is an outstanding individual who throughout her lifetime has earned the respect and esteem of all of us who have had the good fortune to know her. She is a native of Passaic County having been born in the city of Paterson and now residing in my hometown of Wayne.

Mr. Speaker, in seeking ways to express the esteem of her associates for her many, many accomplishments—the richness of her wisdom, the warmth of her friendship, and sincerity of purpose in everything she set out to do—the board of chosen freeholders of the county of Passaic have adopted the following resolution in proclamation of their deepest appreciation for her profound dedication and devotion to the needs of the people of the county of Passaic. With your permission I would like to insert this testimonial at this point in our historic journal of Congress, as follows:

PROCLAMATION

Whereas Margaret H. Sepede, the well-known Administrative Secretary in the Clerk to the Board of Chosen Freeholders' Office of the County of Passaic, will be retiring on October 26, 1979, after having served the County of Passaic with distinction and honor as a faithful employee for a period of approximately twenty-one years; and

Whereas she first began her public service career as a Clerk Typist on April 1, 1958; and

Whereas approximately nine years later in 1968, she assumed the title of Principal Clerk, and in 1970 the title of Administrative Secretary, and has since served under the leadership of the following Clerks to the Board: Basil McMichael, Walter Keeley, Donald E. Van Hoomst, Ronald Dooney, and Ralph P. Gambatese; and

Whereas on January 2, 1970, she was permanently appointed to her present position as Administrative Secretary and has served to date in such capacity; and

Whereas in 1969 she additionally received the honorary title of Deputy Clerk due to the unfortunate illness of Walter Keeley; and

Whereas the Board of Chosen Freeholders of the County of Passaic wishes to express its gratitude and appreciation by honoring and recognizing Margaret H. Sepede for her exemplary service, which she unselfishly devoted to the citizenry of Passaic County;

Now therefore be it proclaimed by the Board of Chosen Freeholders of the County of Passaic that it publicly acknowledges the distinguished public service career of Margaret H. Sepede and expresses to her its best wishes for a happy and fruitful retirement from active public service; and

Be it further proclaimed that this Proclamation be spread upon the minutes of this Board as a fitting tribute to Margaret H. Sepede's contribution to the welfare of the County of Passic; and

Be it further proclaimed that a certified copy of this Proclamation be forwarded to Margaret H. Sepede and to the press.

Dated: October 17th, 1979.

Frank Fahy, Joseph Lobosco, S. M. Terry LaCorte, Edward G. O'Byrne, James W. Roe, Joseph R. Russo, Cyril Yannarelli, Ralph P. Gambatese, Clerk to the Board.

Mr. Speaker, as Margaret Sepede retires from her public service career, I appreciate the opportunity to seek this national recognition of all of her good works on behalf of our people. Her lifetime of friendship and good will that she has so willingly and lovingly given over these many years—her personal care and and commitment—is one of the greatest treasures that one could attain in seeking life's purpose and fulfillment. We do indeed salute a grand lady, an outstanding citizen, and great American—the Honorable Margaret H. Sepede.●

## ABOLISH THE DEPARTMENT OF ENERGY

### HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. DANIEL B. CRANE. Mr. Speaker, as we debate the authorization bill for the Department of Energy (DOE), I must pause and wonder why we should give them any funds at all.

A recent article in the Sunday Chicago Tribune Magazine noted that the DOE budget surpasses the profits of seven of the largest oil companies. If one breaks the DOE budget down and divides the current appropriation with the number of employees, the budget figure represents about $500,000 per employee. This represents a tax of more than $50 on every person in this country.

And what do we get for this extravagant amount of free spending? I wish I knew. I wish someone knew. But the fact is, as the Tribune article reveals, no one knows.

The money could be used to buy 700 million barrels of oil, drill more than 200 million feet of new wells, or explore and drill about 40,000 new oil and gas wells. But it is not. In fact, our energy situation is worse today than when the Department of Energy was created on October 1, 1977.

Because of these reasons, I am proud to be a cosponsor of H.R. 4329, to terminate the Department of Energy on January 15, 1982. The bill was introduced on June 5, 1979, by my illustrious colleague from Virginia, Congressman WILLIAM WHITEHURST.

As Congressman WHITEHURST noted at the time of introduction of his bill, numerous departments, created by Congress, have taken it upon themselves to promulgate regulations that have gone far beyond the intent of Congress. Since the Tribune article, "Who Needs It?" by Mr. Herb Daniels, clearly shows the lack of need for a Department of Energy, I commend it to the attention of my colleagues at this point.

[From the Chicago Tribune, June 10, 1979]

WHO NEEDS IT?

The word "obscene"—its root comes from the Latin word for filth, *caenum*,—is also used to connote offensive excess. Thus one of our noisy demagogs some time ago roused the rabble by calling oil profits obscene.

Tit for tat. In the context of oil, the Almanac offers a collector's example of the obscenity of outrageous excess—the new bureaucracy, the Department of Energy.

The DOE began operations last year with a budget of $10 billion and 20,000 employes. Those were only starters. The budget is now up to about $12.3 billion, and the employes number 23,000. To me, that's really obscene.

The DOE budget surpasses the profits of those seven naughty oil companies that were labeled obscene. That budget figure represents about $500,000 per year per employe. It is a tax of more than $50 on every person in the U.S. For what?

No one knows. But we do know what we could get for our DOE money. It would drill more than 200 million feet of new wells. It would buy about 700 million barrels of oil at today's prices. It's more than the entire oil industry spends in a year to explore and drill about 40,000 new oil and gas wells.

While we don't know much of what those 23,000 bureaucrats do, we do know they generate paperwork. My modest guess of an average 12 pieces per head per day for 220 days a year adds to more than 60 million pieces of paper a year. That makes a stack a mile high.

To this must be added the millions of pieces of paper (and the millions of man hours) needed for reports and replies to DOE's demands.

This is no defense of the oil companies; in any event they can take care of themselves all too well. It's just a reminder that when obscenity is quantified in dollars, the oil companies are Little League substitute rightfielders compared with the all-time champion of obscene waste, our own government bureaucracy.

There's a story about the last-place ballteam's pitcher who threatened to quit if he wasn't given a hefty raise. "Go ahead," said the manager. "We finished in last place with you. We could do as well without you." So it goes with energy and DOE.

The energy "program" is a shambles. Gas is short or it is not, but it's $1 a gallon. We could have done at least that well without DOE. Don't tell me about obscenity and the moral equivalent of war. I know.●

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## H.R. 5660—THE UDALL-CLAUSEN-WIRTH ENERGY MOBILIZATION BOARD SUBSTITUTE

### HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. WIRTH. Mr. Speaker, during the past several months, the House and the Senate have devoted many hours to consideration of the proposals President Carter sent to Congress after his July energy address. The first major decision on those proposals will be facing the full House within the next several weeks: The establishment of an Energy Mobilization Board designed to speed Government decisionmaking on critical energy projects.

Creating an effective "fast-track" process for key energy decisions at all levels of Government is an important step for Congress to make toward the rapid development of new energy resources. There is no doubt in my mind—nor, I believe, among any of my colleagues here today—that legislation creating an Energy Mobilization Board will be enacted before the end of this session. The Senate has already approved a bill, and two versions have been reported by committees of the House. The Rules Committee is scheduled tomorrow to clear these for floor action with the next 2 weeks.

The issue facing the House is not whether there will be an Energy Mobilization Board. The question here is a far greater one—a basic question that goes to the heart of the challenge of our energy problems:

Can we create an effective, coordinated reponse to our energy crisis without destroying the balance of responsibilities and authority in our 200-year-old federalist system of government?

INTERIOR AND COMMERCE COMMITTEE BILLS

The two versions of Energy Mobilization Board legislation before the House now—one reported from the Commerce Committee, the other from the Interior Committee—present us with what I and a growing number of my colleagues view as a difficult and unnecessary choice.

The Commerce Committee legislation would grant a five-member appointed Federal body the authority to waive virtually any existing or future Federal, State, or local law subject only to Presidential approval and a one-House veto. Such an unprecedented expansion of executive branch authority within the Federal Government, and of Federal authority over States and localities, is repugnant to me, to my colleagues, to a large majority of the Nation's Governors, and to State and local officials across the country.

It is also absolutely unnecessary.

Not only is waiver power unnecessary, it is the only tool the Board has under the Commerce Committee bill. The only way the Board could order two agencies to consolidate hearings would be to recommend a waiver of law, subjecting the entire process to Presidential approval and the added delay of a waiting period for one-House congressional veto. This is hardly a flexible and effective process.

In addition—and even more disturbing—while the Board's power to waive laws is described by its supporters as a weapon for enforcing timely decisions by agencies, that power is in fact not tied to deadlines or timetables at all: The Board is granted the authority to waive virtually any law it decides is an impediment to "implementation" of a priority energy project.

UDALL-CLAUSEN-WIRTH SUBSTITUTE

The bill we have introduced was developed through weeks of bipartisan effort. H.R. 5660 will create a strong Board with effective enforcement powers but without jeopardizing the essential balance of responsibilities among Federal, State, and local governments.

During the Commerce Committee's consideration of its Energy Mobilization Board legislation, I offered a series of amendments which would have left the basic elements of that Board intact while eliminating its powers to waive Federal, State, and local laws. However, as we began to work on developing alternative legislation, my colleagues and I realized that a more comprehensive approach was needed to provide the Board with both the authority and the flexibility to deal with a wide variety of possible delays by Government agencies.

Consequently, we developed the following principles which guided our work in drafting H.R. 5660:

First. The Energy Mobilization Board must have the authority to set binding timetables for agencies at all levels of government and to streamline agency procedures.

Second. The Board's enforcement authority must not depend on methods—like waivers of law—which rest on shaky constitutional ground; the proven method of expedited court enforcement, backed up by clear penalties, is far more reliable and appropriate.

Third. While the Board must have the power to force agencies to make decisions in a timely manner, except in the rarest of circumstances, the substance of those decisions must rest with the agencies themselves, protecting the right and responsibility of State and local governments to administer their own laws.

Fourth. The Energy Mobilization Board will be most effective if it encourages cooperation among agencies; consultation must be built into its procedures and adequate public participation must be guaranteed.

The specific provisions of the legislation are outlined in materials which have been handed out to all of you, and I will not recite them here, except to say that in each we have endowed the Board with the greatest independent powers possible consistent with the rights of other levels of government.

THE PRESIDENT'S POSITION

This legislation gives the President a Board with the extensive procedural authority he requested to speed energy decisionmaking. The bill addresses every fundamental principle of the President's: First, no substantive waiver authority; second, enforceable deadlines for energy project decisions by all levels of government; third, procedural streamlining authority, including consolidated environmental impact statements, for the Board to exercise on its own; fourth, special treatment of new requirements imposed after construction begins; and fifth, expedited judicial review. The President can support this bill. I hope he will.

During Commerce Committee consideration of the legislation there was considerable confusion about the administration's position on the issue of waivers of Federal, State, and local law. Administration representatives lobbied in favor of waiver powers, although the President had not requested them and has personally and repeatedly restated that position. White House and Department of Energy representatives later explained that they sought waiver powers for "tactical" reasons, expecting the Senate to approve a weak version of the legislation.

I was pleased to see that the administration took a unified stand during Senate deliberations on the Energy Mobilization Board, playing a major role in defeating a floor amendment which would have authorized waivers of law.

I trust that administration representatives will now take a position similarly consistent with the President's views during House consideration of this legislation. The Senate adopted an Energy Mobilization Board measure of which the White House has expressed its strong approval; there is no longer any justification for a "tactical" position in favor of legislation which authorizes waiver powers—particularly in face of the bill being offered here today, which offers far greater flexibility and authority to the Board to act on its own. By clearly and carefully defining the Board's powers, H.R. 5660 eliminates the additional delays present in the Commerce Committee bill, which endows the Board with such unlimited powers that constant congressional acquiescence in its actions is required.

### CONCLUSION

My colleagues should take particular note of the leadership role Chairman UDALL has played on this issue from the very beginning. It was he who first originated the "fast track" idea, and I understand, suggested it to the administration. He has devoted many hours to development of both the original Interior version of the Energy Mobilization Board legislation and now to this bill. Although there have probably been times when he rued the day he first floated the "fast track" concept, I hope that the House will ultimately prove that it can act on his good idea without making a monster of it.

### OUTLINE OF THE UDALL-CLAUSEN-WIRTH SUBSTITUTE

#### A. BASIC PRINCIPLES

The fundamental theme of the substitute is to provide the Energy Mobilization Board with the authority and flexibility necessary to speed decision-making on key energy projects at all levels of government. Broadly stated, the legislation:

(1) establishes a Board to select Priority Energy Projects;

(2) empowers the Board to set and enforce decision timetables for federal, state and local agencies;

(3) empowers the Board to streamline, federal agency procedures; and

(4) preserves the rights and responsibilities of each level of government for administration of the laws it has enacted.

The goal of the legislation is to create an effective "fast track" process, forcing agencies to make expedited decisions—without eliminating the decisions themselves, or the laws on which they are based.

By specifically defining the Board's powers, the substitute eliminates both the danger of delay through constitutional challenges to the Board's authority and the need for constant Congressional approval of the Board's actions envisioned in the Commerce Committee's version of the EMB legislation.

#### B. DESIGNATION OF PRIORITY ENERGY PROJECTS

After considering a list of criteria, the Board grants or denies priority designation to a particular energy project. Drawing a balance between an unlimited number of projects which could be "fast-tracked" (thereby causing no real fast track) and too few (which would limit the Board's eligibility to expedite nationally significant energy projects), the bill allows the Board to give priority designation to a total of 75 projects, no more than 20 of which may be designated in any one year. Before naming a Priority Energy Project, the Board must notify the Governors of affected states, the appropriate federal, state, and local agencies, and other interested parties, and consider their comments.

#### C. ESTABLISHMENT OF DECISION DEADLINES

Following designation of a Priority Energy Project, all federal, state and local agencies from which decisions on some aspect of the project are required must submit to the Board a list of those decisions, the personnel and financial resources available to them to make those decisions, and a proposed action schedule.

After receiving this information, the EMB is required to convene meetings with those agencies seeking mutual agreement (in writing, if possible) on a master timetable. Governors and heads of Indian Tribes are given non-voting representation on the Board for consideration of projects affecting them. Following this process (with or without agreement) the EMB issues a project decision schedule which is binding on all agencies: federal, state or local.

#### D. STREAMLINING OF PROCEDURES

The bill gives all federal agencies a list of procedures—"streamlining measures"—that they can use to meet expedited time tables, and grants the EMB the authority to impose these measures if necessary to meet the expedited timetable. These include the consolidation of hearings, replacing formal trial-type hearings with legislative-type ones, and skipping levels of review within an agency. The bill also allows the EMB to require a single federal environmental impact statement.

#### E. ENFORCEMENT OF DEADLINES

The key to "fast track" is enforcement of decision deadlines. The substitute bill uses the proven method of court enforcement as the primary enforcement tool, instead of either waiving the affected laws or taking decisions away from the responsible agencies.

After finding that an agency has failed or is reasonably likely to fail to meet a deadline, the EMB can have a U.S. district court order the agency to act in compliance with the original decision schedule, or a modified one if the court finds the original was, or has become, unreasonable. The court may order an agency to use streamlined procedures, to add more staff, or to take other actions to enable it to comply with the deadline. It may impose penalties on the responsible agency officials individually. Courts are instructed to expedite enforcement actions in every way. Fifteen day court filing deadlines are imposed on the parties, for example. In the rare circumstance where an agency chooses to violate a court order, this substitute provides that the President may make the decision in place of the agency, following fifteen days notice of his intention to do so. The President may also take jurisdiction if the court fails to act quickly.

#### F. NEW REQUIREMENTS

The bill provides that the EMB, on its own, may postpone the imposition of any new requirements enacted at the federal, state, or local level after construction begins for up to five years if it finds that (1) imposing the new requirement would prevent the timely completion or operation of the priority project, and (2) the postponement would not present a significant threat to public health or safety. The bill thus recognizes the disruptions that new requirements can cause, but balances this concern with our present lack of knowledge of the problems synthetic fuels and other new energy technologies may pose.

#### G. JUDICIAL REVIEW

All court review of Board and agency decisions is limited or expedited. Judicial review of the EMB decisions on timetables and procedures is prohibited at the time they are issued. Courts may consider the reasonableness of timetables and procedures only when the EMB goes to court to enforce them, or when they review a challenge to a final agency decision.

Judicial review of other EMB decisions, and of all agency decisions on a priority project over which Federal courts could have jurisdiction occurs directly in federal courts of appeals and is expedited in every way. For example, suits must be filed within 60 days after a decision.

#### H. OTHER ATTRIBUTES OF THE EMB

To avoid a proliferation of bureaucracy, the size of the Board's staff is limited to 60 people. Moreover, a seven year sunset provision is incorporated. Prior to going out of business, the EMB is directed to submit a comprehensive report to Congress including a description of those federal, state, or local requirements which it has found to be the causes of unnecessary delays to energy projects, along with its recommendations for changes in any such requirements.●

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## SOLAR ENERGY—A CAUTIOUS APPROACH

## HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. DANIEL B. CRANE. Mr. Speaker, the recent problems in the availability of energy have characteristically united Americans in the search for new and cheaper energy sources. One alternative deserving of serious research is solar energy.

It is our responsibility to do all we can in the quest for alternative energy sources. This responsibility carries with it the obligation to be prudent and thorough in investigating claims for any sources of energy.

In this regard, the ACU Education and Research Institute, one of the Nation's premiere public policy research organizations, has prepared a study of solar energy and its prospects for the future. I commend this study, written by Tom Humber and David Williams, to the attention of my colleagues:

AUGUST 22, 1979.

### SOLAR ENERGY—PROSPECTS AND PROBLEMS

The subject of solar energy is attracting public interest in the light of the Three Mile Island incident and the reduction of oil supplies from Iran since the Ayatollah Khomeini came to power. Numerous spokesmen are suggesting that solar power would be an effective replacement for fossil fuels and nuclear power alike. Newly appointed Federal solar "czar" Denis Hayes, for instance, argued in an April 1978 paper to Worldwatch Institute that with large government support programs, solar power could meet ⅚ of the anticipated world energy "budget" by the year 2025.[1] Congress, for its part, allocated more than $320 million for solar research and development in FY 1978, a threefold increase since 1976.[2]

On Thursday, June 21, President Carter unveiled a proposed solar energy program, including $646 million for solar research in FY 1980. The plan would be funded in part by expected revenues from the windfall tax on oil company profits after deregulation. The plan would authorize a $100 million Solar Energy Development Bank to subsidize low-interest loans to finance the purchase of solar equipment.

The program would also offer a 20 percent tax credit up to a $2000 maximum for installation of solar systems. In multifamily and commercial buildings a credit would be granted of $20 for every million B.T.U.s saved per year above the Government's energy performance standard.

At present, about 6 percent of our energy needs are met by solar power, broadly defined to include such forms as hydroelectric power. Without Carter's plan, observers predict, the figure will reach 13 percent by the end of this century. Carter expects that, with his plan, the figure would rise to 29–30 percent by the year 2000.

Despite such optimism, solar energy faces a number of serious hurdles. Foremost among these is the fact that solar power is an extremely dilute source of energy. As Dr. Petr Beckman, editor of Access to Energy, observes, "The sun will never give more than 1kw per square meter. . . . The large collecting areas needed to provide sizable amounts of power are one of the great (and permanent) handicaps of solar power. A 10mw solar plant has a maximum capacity of 10mw, but is able to supply them when the sun cooperates, i.e., when it stands high in a cloudless sky. For a conventional plant, the average power supplied depends only upon the demand; for a solar plant it depends on both the demand and the sun and therefore its plant factor is far lower than the roughly 50 to 75 percent usual in conventional plants. To characterize a solar plant by its maximum capacity is entirely misleading, because that maximum could (and usually will) be achieved when it is not needed.[3]

Because of these factors, enormous collecting areas would be required to capture the sun's energy—even if solar equipment reached 100 per cent efficiency. Running an ordinary pressing iron, for instance, would require more than 100 square feet of collector area when the sun was shining brightly. To meet the total energy needs of our country in 1980 by this method would require covering 8,000 square miles of land (about the size of Massachusetts or New Jersey) with solar devices. The solar collectors could be concentrated in one large land area ("off-site") or situated on the rooftops of buildings ("on-site"), but the technological constraints would require in either case that enormous land areas be used for large-scale energy production.

### ON-SITE TECHNOLOGY

The most practical on-site solar application at present is in hot water heating. Solar energy collectors located on the roofs of homes or other buildings can provide warm water for small-scale use. Such systems work on the same principles as leaving a long garden hose in the sun for a few hours. The sun's heat is absorbed by water tanks mounted on the roof or south wall of a building, and the water is then pumped to an insulated storage tank where it is kept until needed.[4]

According to a report prepared in June 1978 by the Office of Technology Assessment, the major barrier to the widespread use of solar water heating is its high cost.[5] The cheapest solar water heating units run between $1,000 and $1,500, with installation costing another $300 to $500 (as of 1978).[6]

A January 1978 Department of Energy (DOE) study found that the time required for the anticipated fuel savings to repay the full cost of the solar-based system was in most cases prohibitively high. Even in the most favorable circumstances, competing with electric hot water heaters, the fuel savings did not repay the cost of the solar system in less than eleven years. When the solar-based technology replaced water heaters fueled by oil or natural gas, it took between 14 and 24 years before the fuel savings recouped the cost of the systems.[7]

DOE concluded from these data that in none of the cities tested (Los Angeles, Grand Junction, Colorado, Boston, and Washington, D.C.) was solar water heating competitive with fuel oil or natural gas. In only two cities, Los Angeles and Grand Junction, were solar systems competitive with electric water heaters.[8] In short, solar water heating was found to be competitive for home use only in the most favorable climatic areas of the country and only when compared against electric power.

Solar water heating appears to be even less economical for multi-unit apartment buildings. A recently installed system for a 64-unit apartment building in New York City illustrates the point. The solar system cost approximately $140,000 (of which HUD financed $110,000) and will provide fuel savings of less than $5,000 a year.[9] At that rate it will take 28 years before the cost of the system is recouped. Since solar systems have a 20 to 30 year lifespan and significant maintenance expense, the possibility of recovering the cost of this system is doubtful at best.

Solar water heating could be competitive in some sections of the country by the mid-1980's, if the costs of conventional fuels rise relative to solar energy and if mass production reduces the cost of solar collectors.[10] Solar researchers Aden B. and Marjorie P. Meinel of the University of Arizona have raised doubt, however, that such optimistic forecasts can be realized. Since the manufacture of solar systems is energy-intensive, they say, conventional energy price increases will pull up the costs of solar energy systems as well. As a result, the researchers conclude, "the gap between solar energy apparatus and conventional energy prices is only slowly narrowed as technology progresses." [11]

Cost reductions from mass production of solar collectors, it appears, are also likely to be severely limited. According to the OTA, the price of solar devices is unlikely to fall dramatically with mass production because the cost of materials—a significant factor in the total cost of solar equipment—is not expected to drop significantly.[12] Additionally, a large portion of the total cost of a solar system is due to installation charges, including wages for plumbers, carpenters, and other laborers—costs which are unlikely to decrease with mass production of solar equipment.[13]

Combined solar space and water-heating units are beyond the financial reach of most homeowners. Part of the costs include a 9-foot by 5-foot storage tank with a concrete foundation. Such a system is similar to solar water heating except that a larger storage tank is required (typically about 1,500 gallons), more collector area is needed, and warm air is produced in addition to warm water. A combined solar unit would cost from $6,000 to $20,000 depending on climate and model.[14] Add on another $5,000 to adapt the solar system to an existing house and you have a system far more expensive than the $20 or $30 in electric bills it would save.

Despite the high costs involved, many people support on-site solar facilities because they are reputed to be energy-conserving, pollution-free, and safe. Recent studies call all three tenets into question. Solar energy may not achieve much energy conservation since large amounts of energy are consumed in constructing the solar systems. Both space and water-heating solar systems employ large quantities of steel, concrete, aluminum, copper, plastic and glass—materials which require a large amount of energy to manufacture. Dr. S. Baron of Burns and Roe, Inc., an energy engineering and construction firm, explains the implication for energy conservation:

> "If solar energy applications are to be successful, the energy consumed for fabrication, construction, and operation of these plants must be less than the energy recovered by these solar systems over their operating life. If the cumulative consumption of non-renewable resources of natural gas, oil, coal, and uranium to build and operate solar energy plants is significantly large compared to the recovered energy, there is no purpose in developing the technology unless designs are forthcoming which are less energy-intensive.[15]

According to an Office of Technology Assessment report issued in June 1978, "the process of manufacturing solar energy devices creates substantially more pollution than the operation of an equivalent conventional energy plant." [16] They also found that solar energy involves risks of "leakage or explosion from excessive temperatures, high pressures, corrosion, and component failures . . . human contact with hot surfaces or broken glass, with toxic coolants if plumbing is not properly installed, and damage to collectors from high winds or heavy snowfalls." [17]

No energy source, of course, is completely safe, but conventional energy plants may have compelling safety advantages over solar power from on-site equipment. The concentration of pollution, hazards, and safety risks at one site by large-scale conventional energy plants makes health hazards easier to monitor and control. In comparison, on-site solar systems allow the safety risks to proliferate in homes all over America, making them harder to manage. According to Beckmann, massive solar production "means square miles of collectors of one type or another for each load-based large-scale facility: furnaces, reflectors, storage involving square miles of molten metal, and the like. Dangers diluted over a large area are very difficult to guard against." [18]

### SOLAR THERMAL ELECTRIC PLANTS

Off-site solar systems try to avoid some of these problems by concentrating production and distribution in one large area. Solar thermal electric plants would mass-produce electric power at a central location. DOE and Southern California Edison are currently building a 10 megawatt solar electric plant in Barstow, California. The plant will have 1,760 identical slightly curved mirrors that will focus sunlight onto a central absorber more than 250 feet above ground. Cold water pumped up the tower will return as steam at 960 degrees Fahrenheit to generate electric power by turning power turbines.[19]

The major problem with the power tower, as it is called, is its cost—$100 million. This is for a plant of 130 acres producing only 10 mw. Conventional power plants producing more than 1,300 mw need only 30 acres. It would cost $13 billion for the solar tower to match the 1300 mw figure, ten times the $1.3 billion price tag of the conventional electric plants.

A solar thermal plant providing Washington, D.C.'s present electric needs would cover between 77 and 144 square miles of land with solar devices.[20] Obviously this large collector area would be physically impossible to find in a city itself measuring less than 70 square miles.

For solar energy to meet our electricity needs in the year 2000 we would have to cover 40,000 square miles with solar collecting devices. Such a large land area might be

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Footnotes at end of article.

found in the desert land of the Southwest—say, ⅓ of the state of Arizona—but transmitting the power to major urban centers thousands of miles away would present major economic and technical problems of its own; transmission costs might be prohibitively high, particularly since much of the energy would be lost along the way.[21]

### PHOTOVOLTAICS

Of all solar technologies none causes more excitement and more controversy than photovoltaics. Photovoltaics are silicon semiconductor cells which convert sunlight into electricity. Spacecraft are powered by this method.[22]

The chief barrier to photovoltaics is, again, the problem of cost. The NASA space station, Skylab, used photovoltaic technology for its power needs, which were about the same as an average home's requirements. The cost of the system was $20 million.

Photovoltaic electricity now costs between $1.50 and $2.00 per kw, compared to a few cents per kw for conventional sources. The high cost is due to the need for manufacturing silicon crystals. American and British scientists are currently working to produce a cheaper film of amphorous silicon.[23] These new methods may reduce costs up to 90% by 1982. Even at this level photovoltaic electricity would be several times as expensive as conventional electricity.[24]

According to the Energy Research Group at M.I.T. energy from photovoltaics will not contribute significantly to our energy supply for many decades, providing not more than ¼ to ½ of one percent of U.S. electrical demand by the year 2000.[25] A Mitre Corporation report, Nuclear Power: Issues and Choices, found that photovoltaic electricity will remain too expensive to compete with coal or nuclear power in the coming decades.[26]

Even if the cost of solar photovoltaic cells dropped to a fraction of the present cost tomorrow, the technology would still face problems of space, complexity, and skilled maintenance. Like solar thermal electric plants, photovoltaics require vast collector areas.

In New York City, according to Lawrence Rocks and Richard Runyon in The Energy Crisis, "assuming a 10 percent conversion efficiency, we would need a panel about seven by seven feet to light a 100-watt bulb." [27] According to Rocks and Runyon, if U.S. electrical needs by 1980 rise to 500 billion watts, we would require about 8.000 square miles of sunshine-collecting surface to supply the necessary power.[28] Far less energy-intensive methods to manufacture photovoltaics must be found before the technology can contribute significantly to our energy needs.

### EXOTICS

There are other solar technologies that may contribute significantly to our energy needs, but probably not until well into the 21st century. Ocean Thermal Energy Conversion (OTEC) would take advantage of the oceans' vast reservoir of solar energy. The oceans act as a storehouse of energy because their upper layers are warm while their depths remain cold. The difference, about 20° in tropical waters, is enough to evaporate a liquid with a low boiling point, such as ammonia.

Currently, estimated costs of OTEC electricity range from $5000 to $3000 per kilowatt—three to four times the cost of power from a conventional electric plant, which is $1000 per kw of capacity. The goal is to cut the cost to $1200 per kilowatt by the mid-1980's.[29] Three companies—TRW, Lockheed, and Westinghouse—are working on a government contract to build a 25 megawatt OTEC plant.[30]

The next few years will make the OTEC picture much clearer. However, even the optimists doubt that OTEC can provide more than 4% of national energy needs by the year 2000.

Solar energy can play a role in solving America's energy problems. But it must be a cost-effective one. By being many times more expensive than its nearest competitors, solar energy prices itself out of the market and therefore cannot become the cure-all for our energy woes that some of its enthusiasts suggest.—Tom Humbert and David Williams, Policy Research Staff.

### FOOTNOTES

[1] Dennis Hayes, *Worldwatch Paper 19: The Solar Energy Timetable*, Worldwatch Institute, April 1978, p. 5.

[2] Dr. S. Baron, Senior Vice President, Burns and Roe, Inc., Oradell, N.J. "Solar Energy—Will it Conserve Our Non-renewable Resources?" (paper), 1978, p. 2.

[3] *Access to Energy* (newsletter), December 20, 1976.

[4] *Access to Energy*, December 1973.

[5] Office of Technology Assessment (OTA), *Application of Solar Technology to Today's Energy Needs*, June 1978.

[6] *National Parks and Conservation*, April 1978, p. 19.

[7] U.S. Department of Energy (DOE), *An Analysis of the Current Economic Feasibility of Solar Water and Space Heating*, January 1978, Table 3, p. 11.

[8] Ibid, p. 10.

[9] *New York*, May 8, 1978.

[10] Dr. Aden Meinel and Marjorie Meinel, paper from the Optical Science Center, September 22, 1977.

[11] *Ibid.*

[12] *Ibid.*

[13] Daniel W. Kane, *Soft vs. Hard Energy Paths*, Charles Yulish Associates, Inc., 1977.

[14] *National Parks and Conservation*, April 1978, p. 18. See also Energy Research Group, *New Energy Sources: Dreams and Promises*, March 1, 1976.

[15] *Ibid.*

[16] Baron, p. 2.

[17] OTA, *Applications of Solar Technology*.

[18] *Ibid.*

[19] *Access to Energy*, November 1, 1974.

[20] *Science News*, April 22, 1978.

[21] Figures (for year ending 1978) from Potomac Electric Power Company (PEPCO), 1978.

[22] *Access to Energy*, November 1, 1974, p. 1.

[23] OTA, *Application of Solar Technology*.

[24] *Access to Energy*, December 26, 1976.

[25] OTA, *Application of Solar Technology*, p. 393.

[26] Energy Research Group, p. 35.

[27] *Nation*, January 21, 1978.

[28] Lawrence Rocks and Richard Runyon, *The Energy Crisis*, 1972, p. 50.

[29] Rocks and Runyon, p. 51.

[30] McKelvey, p. 168.●

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## MORAL IMPERATIVES

## HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. SOLARZ. Mr. Speaker, I would like to call to the attention of my colleagues a speech recently delivered by Congressman RICHARD OTTINGER of New York. This address, delivered to the Brotherhood/B'nai B'rith breakfast of the Westchester Jewish Center on October 21, is an eloquent reaffirmation of the moral imperative of America's commitment to Israel and a persuasive argument for the necessity of reducing our dependence on OPEC.

The text of the speech follows:

OCTOBER 21, 1979.

I am pleased to have the opportunity to appear before you this morning to address some issues of preeminent concern to me. Put in a nutshell, our problem is that America's commitment to social equity at home and to the cause of democracy and human rights abroad is being jeopardized by our increasing reliance on imported oil. Our dependence on OPEC for half of our petroleum has brought us economic instability and threatened our security and the security of our friends abroad.

American integrity is being challenged as it never has been before. The longer we tolerate the weakening of our economy by the oil-producing nations, the greater will become their ability to influence our domestic and foreign policy decisions.

There is, in other words, a fundamental moral imperative in confronting and solving our nation's energy crisis. Regrettably, moral imperatives are not in vogue today. We can see this in the growth of special-interest politics and we can see this in the apparent weakening of some of our nation's commitments.

Special-interest, one-issue type politics have become the hallmark of the Seventies. Rather than asking whether a decision is right or wrong, too many leaders ask what the exact political equation of the issue is. Too many leaders follow the polls and do not even attempt to lead. Well, I believe that this is a time that crys for leadership—a time to stand tall for our moral principles and commitments.

I believe that our nation's commitment to Israel represents a fundamental moral imperative, not merely a transitory foreign policy position. Yet the strength of that commitment seems somehow less than definitive today.

We continue to pour our devalued dollars into the coffers of the OPEC nations, the very nations that are the sworn enemies of our ally Israel. Prudence requires us to wonder when some in our country will see our interest in oil as superseding our interest in Israel. Yet I am convinced that our support for Israel extends far beyond our interest in their strategic location. Our support is based on principle. If America is to mean anything to itself and to the world, it must uphold its principles and commitments made out of moral responsibility.

I do not have to justify for you the legitimate right of Jews to a homeland in Israel. Israel was not created by the UN in 1947, it is the result of many years of nation-building by devoted Zionists. Since the 19th century, Zionist pioneers settled an undeveloped land and turned an untamed desert into a verdant, productive land. Against all odds, the State of Israel has persevered to become a model of democracy and economic achievement, all the while surrounded by hostile and turbulent neighbors. Israeli courage and tenacity should be an inspiration to us all.

To found a nation, develop it to its greatest potential, defend it, yet always aggressively pursue peace can only be viewed as an extension of the finest traditions and virtues of our own nation. To support Israel is in the highest tradition of morality and democratic principles.

Israel is not a pawn in a game of power

politics. Rather, it is a viable, vibrant example of what can be accomplished if a people decides on a great objective and never loses sight of their principles or objectives.

To jeopardize our national interest for the benefit of the OPEC nations is sheer insanity. We must do everything in our power to halt the erosion of American democratic values and strength at home and abroad. The security of the world's democracies is too high a stake to gamble in a game of oil roulette.

It is time we finally make the commitment to freeing ourselves from OPEC's stranglehold over our energy supplies, for as long as OPEC controls our energy future, they will continue to threaten the stability of our economy and the security of our nation and our allies.

As Chairman of the House Energy Development and Applications Subcommittee, I am acutely aware of the impact that the energy crisis is having on our domestic stability and international world order. While there are no "quick fix" solutions to the long run problem of dwindling oil supplies, there are measures we can take, right now, to ease the crisis. The key step is conservation. Conservation, the more efficient use of energy, accompanied by greater use of renewable resources, is clearly recognized as our best energy investment option.

The Harvard Business School, the Ford Foundation, the Council on Environmental Quality all agree: conservation and renewable resources are our best option for reducing our reliance on imported oil.

According to these studies, we could reduce our energy consumption by 40 percent without sacrificing our life style. We need not remain hostage to OPEC if we commit ourselves to energy efficiency. The choice should not be a difficult one to make.

Listen to these recent remarks of Energy Secretary Duncan:

"Energy conservation is my highest priority. It is the cheapest and quickest way to improve our energy security, to strengthen our economy, and to reduce our public, corporate and family budgets. Conservation improves the quality of our environment and enhances our position of international leadership. I believe in energy conservation—it is the foundation of our energy policy—both now and in the future."

Some suggest that increased reliance on nuclear power is the secret to reducing our dependence on OPEC. This is simply not the case. Electric generation represents only 9 percent if our petroleum consumption, only 4½ percent of imports. It is a misleading and false illusion to suggest that nuclear can significantly reduce our reliance on OPEC oil.

Some suggest that synfuels are the answer to breaking OPEC's grip on our economy. This ignores the fact that synfuel technology is largely experimental. The truth is that it will take roughly five years to build pilot plants, ten years to get the first significant commercial production and fifteen years or longer to significantly impact existing energy systems.

If indeed we are truly committed to reducing our dependence on OPEC in the next decade, we must be committed to conservation, for it is the only option available that can bring significant, immedate returns.

In response to the great need for legslation that will accelerate our progress in energy conservation, I have introduced the Conservation and Renewable Energy Resource Act of 1979 which is aimed at bringing into more widespread use the nation's enormous conservation and solar potential by making these options more attractive to consumers.

My bill would make it easy for homeowners and commercial establishments to obtain financing and maintain energy saving and solar devices. Present law makes it possible for consumers to have their utility conduct an energy audit of their home. This bill authorizes the utility to also arrange for independent contractors to install energy saving or renewable energy devices; provide or arrange financing; audit the home after installation to assure high quality work and provide maintenance, the same way the phone company fixes your phone.

The hardships suffered by the American public at the hands of OPEC are numerable: rampant inflation, deepening recession, rising unemployment—not to mention the threat of a cold winter for the poor who cannot afford to pay their heating bills.

While moral imperatives may not be in vogue, our nation's future depends on our commitment to them. Commitment to an energy policy that will be effective in reducing our reliance on OPEC oil. Commitment to our allies around the world, and a commitment to help those among us who are most disadvantaged by our current economic hard times. To me, these imperatives are inseparable. I will not cease in my efforts to pursue these objectives.●

## KODAK'S FALLON TALKS ABOUT PRODUCTIVITY

### HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. HORTON. Mr. Speaker, while we in this House may not always agree on the causes of the problems confronting our Nation today, I do believe there is a growing consensus that one of our economic woes can be attributed to diminishing productivity. Because we have witnessed a decline in productivity in the economies of our trading partners in Western Europe, I think it is particularly important to draw attention to this problem in our own country.

Mr. Walter A. Fallon, chairman of the board and chief executive officer of Eastman Kodak in Rochester, N.Y., recently addressed the Society of Manufacturing Engineers on the subject of productivity. His speech, "The Commonsense of Productivity," provides an interesting insight into the success of one firm in this area, and I commend it to my colleagues. The text follows:

THE COMMONSENSE OF PRODUCTIVITY

(By Walter A. Fallon)

Good morning. One hundred and eighty years ago, in 1799, the man for whom this city was named lay dying. He was afflicted by a disease his doctors knew well, but could neither treat nor cure.

The symptoms of acute tonsilitis were obvious: An increasingly sore throat . . . swelling of the glands in the neck . . . difficulty in breathing. Following accepted medical practice, the best doctors in the capital drained his blood, a pint or so every day. They applied wheat bran poultices to his legs and feet and tried to make him drink a mixture of molasses, vinegar and butter. Though the patient never complained, he grew steadily worse. Three days after the doctors had been summoned, George Washington was dead.

One of his more enlightened doctors later speculated that "had we taken no more blood from him, our good friend might be alive now."

While we will never know for certain if the disease that killed George Washington was diphtheria or an acute strep infection, we do know that nothing any 18th century doctor could have done would have saved him.

Happily, that is not the case with the patient who has lost so much blood in recent months: the U.S. economy. We have a remedy. Productivity. If others could see that as clearly as you do, we could be well on the way to a permanent cure.

At Kodak, we've worked very hard to improve productivity over the last five years.

But I didn't come here with a magic wand or an earthshaking new management technique. There is nothing radically new about productivity. Most of it is no more than plain comomn sense. Most techniques we use are no different from the ones you use or could easily be using if you wanted to. It doesn't matter if you're a 7-billion-dollar business or a 7-million-dollar business. I think you'll see as we go along that the basic rules remain the same.

Kodak has always recognized the importance of productivity, but the push intensified in 1974 and '75. Then, as now, the nation was in a recession. Then, as now, business results were reflecting extraordinary escalation in labor and raw material costs.

Five years ago at Kodak, new product programs were requiring enormous capital investment. At our film manufacturing facility in Rochester, New York, we were building some of the most sophisticated manufacturing equipment in the world—high-speed assembly machines to make the instant film we would market in April 1976. The design engineers and toolmakers at our apparatus division were busy, too. They were preparing to make instant cameras for the new film. And they are also working on major new copier products we would announce in the spring of 1976. We had added people. And we were spending tens of millions of dollars.

For years, it had been very clear that the only way we could build for the future, and return a fair dividend to our shareowners, was to become more productive. The recession brought the lesson home hard.

We began by putting a lid on hiring. We would hire new people *only* where absolutely necessary. When someone retired or quit, we asked management to do its best to fill the job from within. Still, there were some shocks to a lot of people. But as one manager said to me only last week, "Limiting the head count was the best thing that ever happened to our operation. It made people realize they had to really get smart to handle the increased volume. And that was when they started thinking productively."

The results, I think, speak for themselves. Over the past ten years, productivity gains at Kodak have averaged four percent per year, nearly twice the national average for industry and three times the national improvement. In 1978, Kodak productivity increased by more than 12 percent, about four times the rate of manufacturing companies.

We learned a lot during this time. I can sum it up in seven simple statements.

The first lesson is the most important. Productivity is a science. "Science," of course, is simply the Latin word for "knowledge." There is a science to every job. Nearly every job can be made more productive by studying it scientifically and applying what you learn.

Take office administration. Kodak employs about 50,000 people in Rochester and more than 4,000 work at our corporate headquarters.

A small town of 4,000 people needs a lot to keep it going. Kodak Office does, too. The cost of keeping the building open, heating it, cleaning it, getting the mail delivered, and running the phone systems is not small.

Office administration does not produce a single product for sale. Yet for most companies it takes as many as ten dollars in sales to make one dollar available to run the business. So when we began looking for gains, we charged administrative people with the same responsibility as any other operating unit. Deal with more work, but hold down costs, especially "people costs."

It worked. We studied closely how we handled mail. We made it better. We streamlined the service and we were able to withstand a volume increase of some 80 percent. During the last ten years, we've only added two people, yet we handle more than 25 thousand additional pieces of mail each day.

We closely examined the value of office landscaping. It works. We moved department after department from classic walled offices to landscape areas. We cut the cost of moving an average office from $10 a square foot to 80 cents. And cleaning costs for landscaped offices were reduced by one-third.

We didn't have to study the price of energy to know we had to manage it better. Nobody did. We caulked the windows. We used computers to adjust our heating and cooling systems. We adjusted the lighting. We made dozens of other small innovations. They worked. We reduced energy consumption over six years by 53 percent. Although costs skyrocketed during the same period, we actually are paying only 20% more now for energy than we did before the crunch came.

We studied internal printing costs. We installed our own copiers and a two-sided automatic duplicating system in the reproduction department. We realized time and cost savings of 10% on a volume increase of 3.5 million copies.

I could cite other examples but the point is clear: If you want costs cut, you have to be smart about every aspect of your operation, not just manufacturing, or building construction, or data processing. You must look at every expense, then ask yourself: Can this be done better? The moment you know it can, you owe it to your shareowners to do it.

Productivity is a science, but the second rule of productivity goes to the heart of the matter. You need everybody's commitment. It's OK to be smart about improvements, but your good ideas won't get you far unless people want to make them work. And people will work toward productivity only when they know why it is needed and how much their effort contributes.

We asked the people at Kodak Park, our manufacturing site for films and papers, to look at tens of thousands of jobs—managers, supervisors, production workers. Since we hadn't done this for several years, we could consolidate operations and eliminate duplication. At the same time, we decided to restrain hiring and fill openings from within where possible. As a result, we could take advantage of natural attrition—about 3 percent per year—and redeployment of people, to improve the effectiveness of the workplace. Overall sales advanced faster than employment, and we realized those substantial productivity gains I referred to earlier.

The major benefit became visible in 1978, when Kodak profits advanced 40 percent after 4 years of what we might call discomforting stability.

Productivity and profits work together, of course, to provide the funds needed for investment in new and better products, in new and better ways to make and market what we develop in the laboratory. To complete the cycle, those new products generate the demand that justifies more and more jobs. Productivity, then, supports real growth, and real growth should be the only source of additional employment.

A new financial information system was important to productivity improvements at Kodak Park. It wasn't set up to give data to top management. Rather, it was designed to help manufacturing "clients" establish productivity goals and monitor progress. By establishing a flexible, simple measuring and reporting system, we could translate productivity needs into data both supervisors and workers could understand. Where dollars or units were important, we rated work in those terms. Where labor hours per 1,000 square feet of film or paper was effective, we used that. In every case, we made our standards fit the job.

In every case, we told supervisors and workers they "owned" a productivity opportunity. We also told them their performance would be judged in part on how well they took advantage of it.

Here, for example, is a work team whose job it is to spool and inspect 35 mm amateur film. The team supervisor regularly tells the team leaders their effectiveness in terms of the output per machine per shift. We then tell the different work crews the full shift rates of production. Each team strives to get the most work out with the least amount of watse and at the lowest cost to the company. The competition keeps people motivated. A typical team increased its productivity gains, in a way that cut costs by more than $35,000 a year. There are hundreds of a similar teams. Many departments run three shifts a day, seven days a week. When they all become more productive, you begin to pick up some remarkable cost efficiencies.

This second rule cannot be overemphasized. The man or woman on the line remains the best and most flexible source of productivity improvements. If you put productivity challenges to them in plain words and real numbers, people will become committed and stay committed.

There's much more to it, however, than working smart and working hard. When the sales and earnings report comes due, no one cares how smart you are or how hard you work. The only thing that counts then is results, and those results are being measured in increasingly inflated dollars.

So following our first two rules, we add a third. You must *emphasize programs that will contribute directly to sales.*

Consider the impact of inflation on prices. Inflation is a funny thing. It builds in cost pressures, sure. And it builds in both consumer resignation to some price increases and consumer resistance to others. In some industries, it's possible to pass your costs along. If consumers badly need your product (gasoline, for example), they seem resigned to paying whatever it costs to get it. But many products won't bear that strain.

Prints and slides can be as important as people's favorite memories. Yet picture-takers are less forgiving of passed-along costs than motorists. They don't care that silver now costs $18 an ounce (up from $6 a year ago). They don't care that Kodak must find 50 million dollars each time the price goes up a dollar an ounce. They don't care that our labor costs have risen steadily at about 10 percent per year over the last 10 years. There is a certain price they will pay for a camera or for a color print, and they have a powerful psychological resistance to paying much more.

When a woman with five grandchildren goes Christmas shopping with a $20 limit on each gift, she may consider a camera the perfect present for her favorite 12-year-old. But if she can't get a $20 camera, she may head for the clothing department or the record store.

The manufacturing challenge, then, comes from marketing. Sales people want a camera that sells for $20 because that's the highest price millions of people will pay. That price point creates a cost point. Over the past ten years, we have had to manufacture cameras, lenses, film and paper at a total cost that doesn't change despite inflation. And we've done it. The camera you see here sold for under $20 in 1970. We made a pocket camera with more features in 1973 and it sold for about the same price. And the comparable cameras now on the market lists for less than $18.

We must meet a cost point for *all* our cameras—conventional and instant. To do it in an inflationary recession meant more productive design, engineering and assembly. Our people came through. They used computers to design a plastic lens. They repeatedly designed one plastic part to do the work of several metal ones, eliminating springs, cams, gears and others parts formerly added by hand on the assembly line. They designed automated manufacturing units to handle simple though precise assembly jobs. They designed streamlined QC functions like this one that simultaneously checks four different characteristics of an electronic flash unit.

Technology has been applied with comparable zeal to the manufacture of Kodak films and papers.

The color prints you got back from Kodak laboratories cost 30 cents each in 1972. In 1979, they cost 33 cents apiece, and picture quality is better than ever. Keeping our costs down keeps our prices down. Cost control on your key products is indispensable to the unit volume increases any company must get to increase its real productivity.

When you realize that, a fourth rule becomes very important. To get productivity increases, you must *keep score in productivity terms*. Many companies yield to the temptation of playing all kinds of statistical games. It can be tempting to content yourself with market share data, return on equity, profitability standards, and profit centers. But for a company to stay healthy and grow, it must produce more and it must produce it more effectively.

I'd add here that what's true for companies is equally true for the public sector. It strikes me as one of the great "cop-outs" of our time that so many public institutions and service organizations claim they can't develop their own productivity standards. Of course, "total factor productivity" data that includes the cost of labor, capital and materials is very difficult to measure—especially on an international scale. But pockets of productivity can be measured. And each productivity gain benefits everyone involved. At Kodak, we have developed some very accurate productivity audits—but none so sophisticated that other manufacturing companies couldn't design equally effective methods for themselves. Such audits give us an excellent picture of our productivity. We constantly refer to that picture when analyzing our performance and planning future programs. If we can do it, any sizable organization can.

For my fifth commandment, I'd point out only one thing. You can't get productivity by short-changing the future. Some hard-nosed people think the smart, short road to profitability is to postpone new product introductions, slash R&D spending, cut training programs and eliminate support activity. But the really hardnosed people know better. When well run, these programs, particularly the research and development programs, are indispensable. At Kodak, R&D costs have run at about 6 percent of sales in good years and bad. To cut these programs would be to limit some remarkable long-term growth opportunities. We must afford the future, no matter what it costs today.

As much as 20% of our research money goes to making our plant run better. The machines that coat our films and papers with layer upon layer of emulsion are the heart of our manufacturing operation. The higher their yields, the more efficient Kodak becomes. Over the past three years, we have steadily increased coating machine speeds by as much as 50% for some products while improving their quality. Research into improving the efficiency of your equipment can be tedious, frustrating and, to some, not very glamorous. But believe me, there is real glamour in the economies that result when the job is done right.

The sixth commandment of increased productivity is something every manufacturing engineer already knows very well. Your work will only be as good as your tools. The tools in the productivity game come in hundreds of shapes and thousands of flavors. I'll mention just one: The computer.

At Kodak, we have been able to use data processing technology in hundreds of applications. We use computer-aided drawing for product illustrations and office layouts. Drawings go out in one-third the time they would take if done entirely by hand. In this area alone, savings in personnel time should come to at least $1 million a year.

We use minicomputer-based text and data processing in our marketing and distribution locations as well as in the field. We look for savings here of between $2 and $4 million a year.

Over the next five years, we expect to increase by a factor of ten our use of computers to display graphic information to market research analysts. When combined with the use of some Kodak IMT microimage terminals for low-cost document storage, we look for annual savings of around $2 million.

We're using an on-line computer system to dispatch service people and record their work. They are thus freed from writing up call reports and can use their time more productively. We could see savings in this area of more than $3 million annually.

I could give you a dozen more examples in the marketing and distribution areas, but I think you can see how innovative uses of computers can drastically affect our costs. For many large companies, a million-dollar savings may not have a visible impact on earnings. But to paraphrase the late Senator Dirksen, "A million here, a couple of million there—pretty soon you're talking about real money."

The last lesson we learned from our productivity push might work a kind of magic if applied across our society. It's simple. People enjoy working more productively.

In the last three years, we have held our workforce steady—both in Rochester and around the world—while increasing our sales by 30%. You can't drive a good workforce 30% harder. But we found we could often work 30% or 50% or even 150% smarter. And our industrial relations people noticed that in case after case morale improved as productivity improved. People like working. They like to shoot for a goal and hit it. Most of us like being part of a winning team; people like the sense of accomplishment that comes from doing a good job even better.

I don't know if the fight for productivity is the "moral equivalent of war" or not. But meaningful productivity gains can create the economic equivalent of peace, and a sense of real personal accomplishment.

Leaving Kodak aside, I would like to offer one more thought this morning. There has been a great deal of talk in the press about productivity, and there has been a lot of finger pointing at government people, teachers, lawyers, professionals and other groups. Manufacturing people have traditionally been exempt from such criticism because for many years their productivity increases were consistently above those of other economic sectors. But the current downturn in investment and capital spending suggests that the trend cannot be continued unless we become willing to assert our belief in the future by planning for—and spending for—production now.

I think we can all do better. But I don't think we will do better unless we stop using the idea of productivity as a weapon to point out the other person's problems. Instead, we should each examine what it will really mean for ourselves, our jobs and our nation, if we become more productive. Every attempt at being more efficient—using resources conservatively . . . saving time . . . becoming better organized . . . eliminating waste . . . and managing our work better—produces an incremental gain in productivity. We can't get people to realize this by casting blame, pointing fingers and accusing each other.

Productivity is an absolute good. It increases the national and world economic product. But, there is nothing magic about it. We don't need magic anyway. We need common sense and the will to work. Common sense today consists of using tools that technology has created to work smarter still on the complex social and economic challenges before us. The motivation to work can only come when people see the opportunities the productivity challenge affords.

Thank you. ●

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## GENERAL ACCOUNTING OFFICE DEFINES EXPORT "SUSPENSION"

## HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. NOLAN. Mr. Speaker, on August 1, 1979, the Secretary of Agriculture announced that a "mutual understanding" had been reached with the Soviet Union regarding further sales of corn. According to Secretary Bergland's announcement, the Soviets would be allowed to purchase no more than 5 million tons of corn between August 1, 1979 and the regular October meeting with the Soviets.

On October 14, 1979, I asked the General Accounting Office to provide me with an opinion on whether or not the Agriculture Department's action constituted a suspension of exports as defined under section 1002 of the Food and Agriculture Act of 1977. GAO concluded that the Agriculture Department's August 1, 1979 action did not constitute a suspension.

The GAO response follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
*Washington, D.C., October 23, 1979.*

HON. RICHARD NOLAN,
*House of Representatives.*

DEAR MR. NOLAN: This is in response to your request for our opinion on whether the current sale of corn by the United States to the Soviet Union, which you suggest limits the amount of corn the Soviet Union may purchase from the United States to 5 million tons, constitutes a suspension of export sales under the Food and Agriculture Act of 1977 (Public Law No. 95-113, § 1002, 7 U.S.C. § 1310 (Supp. I 1977)). If this is the case, you maintain that the Secretary of Agriculture is apparently in violation of the Act because it requires him to establish the loan level at 90 percent of parity for any commodity for which export sales are suspended, and he has not done so for corn.

We have determined that section 1002 of the Food and Agriculture Act of 1977 is not applicable to the present situation. The statute provides:

"(a) Notwithstanding any other provision of law, whenever the President or any other member of the executive branch of the Federal Government causes to be suspended, based upon a determination of short supply, the commercial export sales of any commodity [defined to include corn], * * * to any country or area with which the United States otherwise continues commercial trade, the Secretary of Agriculture shall, on the day the suspension is initiated, set the loan level for such commodity under the Agricultural Act of 1949, as amended, if a loan program is in effect for the commodity, at 90 per centum of the parity price for the commodity, as such parity price is determined on the day the suspension is initiated."

The central issue here is whether the United States has actually suspended export sales of corn to the Soviet Union, based on a determination that corn is in short supply. If so, then the Secretary of Agriculture would have to establish the loan level at 90 percent of parity for corn in order to comply with section 1002.

Neither the statute itself nor the legislative history defines the term suspension. Because of this, we have examined the definition contained in Black's Law Dictionary, p. 1615 (rev. 4th ed. 1968). There the term "suspend" means:

"To interrupt; to cause to cease for a time; to postpone; to stay, delay, or hinder; to discontinue temporarily, but with an expectation of resumption * * *."

Applying this definition to the present situation, it is clear that the United States would have to discontinue in some way the supply of corn to the Soviet Union in order to require the Secretary of Agriculture to fulfill the conditions of section 1002.

We asked the Secretary of Agriculture to describe the circumstances of the purchase. He indicated that the current sale relates to a five-year agreement between the two countries which commits the Soviet Union to buy a minimum of 6 million metric tons of wheat and corn annually from the United States. The Soviet Union may buy up to 8 million metric tons without consultation unless the United States' total grain supply is less than 225 million metric tons. The agreement also provides that before the Soviet Union buys a total volume of wheat and corn exceeding 8 million metric tons in any one year, the countries must consult with each other and agree upon a higher level of supply. In the Secretary's opinion:

"The intent of the provision requiring prior agreement before trading more than 8 million tons in a single year is mainly to ensure stability of trade between both countries and to avoid surprises which could have an extremely disruptive effect on world markets."

The legislative history of section 1002 supports the Secretary of Agriculture's position that the statute does not apply to the present situation. It states:

"This provision is intended to discourage embargoes or the suspension of export sales by the Executive Branch of government. It does not of course prevent such action where an overriding national interest exists. However, the committee feels that if the public interest is served by such drastic and disruptive action, then the public, not just grain producers, should pay for that public policy. If there is a true short supply of the commodity, then this provision should not prove costly to the government since short supplies should cause market prices for the commodity to be at or above the parity price for the commodity. It is not considered that there would be suspension of sales by the Executive Branch if there were to be consultations with a foreign government and as a result of such consultation the foreign government decided not to purchase commodities. Similarly, this section would not apply to a situation where there was a short supply of a commodity and the Executive Branch were to allocate the available supply to customers abroad in an orderly manner."

H.R. Rep. No. 348, 95th Cong., 1st Sess. 31, reprinted in [1977] U.S. Code Cong. & Ad. News 1704, 1732. Thus, the Subcommittee on Livestock and Grains, House Committee on Agriculture, meant to place limitations on suspensions because it "had seen the bad effects of past embargoes and wanted to prevent similar circumstances from occurring in the future." *Id.*, 1854.

According to the Secretary of Agriculture, the agreement between the United States and the Soviet Union has not been used to limit exports of corn or wheat to the Soviet Union from the United States in any way. It merely requires that the two parties consult with each other to determine an appropriate, new level of supply.

Seen in this context, the statement you cite in the Secretary's August 1 statement, that "there was the mutual understanding [between the United States and the Soviet Union] that 5 million tons of corn may be purchased for delivery during the fourth year of the agreement," does not, in our view, describe a suspension of exports. Rather, it represents the agreement of the parties on an appropriate level of supply.

That the 5 million tons does not represent a suspension of export of additional amounts is borne out by the next sentence of the August 1 statement:

"The possibility of additional purchases of U.S. corn * * * will be discussed during the regular meeting of the two governments in early October. By that time, we will have more precise information on the size of this year's corn and other feed grain crops and the Soviets will have a better estimate of their import needs."

This conclusion—that the 5 million ton agreement is not a suspension of exports—also finds support in the Secretary's explanation to us that "[s]hipments of U.S. corn to the U.S.S.R. are proceeding at a pace which is believed to be at or very near the capability of physical handling facilities on both sides."

It should also be noted that in order for the statute to apply a determination must have been made by the President or another member of the executive branch of the Federal Government that corn is in short supply. (See, in this connection, 50 U.S.C. § 2403 (1976), which permits the President to prohibit or curtail exports of agricultural commodities under certain conditions including when the Secretary of Agriculture determines them to be in short supply.) No such determination has been made in this case.

We are therefore unable to find that export sales of corn to the Soviet Union have been suspended because of short supply and that the Secretary of Agriculture is in violation of section 1002 of the Food and Agriculture Act of 1977.

We hope that this information has been helpful to you.

Sincerely yours,
MILTON J. SOCOLAR,
*Acting Comptroller General of the United States.*●

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## SALT II: THE DEBATE CONTINUES

### HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 24, 1979*

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, October 24, 1979.

SALT II: THE DEBATE CONTINUES

The outlook for Senate approval of the second strategic arms limitation treaty (SALT II) is still in doubt. There is firm opposition to the treaty, but there is also strong support for it.

Support for SALT II in the Senate can be explained by three main factors. First, all the problems of national security that worry opponents of the treaty would not be solved if SALT II were repudiated. Second, all the defense projects that might be credibly proposed to enhance our national security could be pursued under SALT II. Third, the treaty would make a number of significant contributions to our national security. We can understand the first two factors better if we take a close look at current objections to SALT II:

"The treaty would give the Soviets an unfair advantage in heavy missiles." Under the treaty the Soviets would be allowed 308 heavy missiles, each of which could be armed with ten warheads. We would be allowed none. Without SALT II, however, the Soviets could produce more of these missiles and could fit them with up to 30 warheads each. Thus, under the treaty the Soviets would not be able to exploit their heavy missiles fully. Because of our superior technology, we have consciously chosen not to build heavy missiles.

"The treaty would not include the Soviet Backfire bomber within overall limits." Under the treaty the Backfire bomber would not be counted as a strategic delivery system. The reason for the exclusion is the bomber's limited range. However, the Soviets have agreed not to increase the bomber's range and not to produce more than 30 bombers per year. Without SALT II there would be no restrictions whatever on improvements in or production of the Backfire.

"Compliance with the treaty could not be verified." Experts note that the treaty would not be based on mere trust, for in addition to our national technical means of surveillance the Soviets would be obliged to aid us in the acquisition of data on their strategic forces. Moreover, the treaty would prohibit any deliberate effort by the Soviets either to interfere with surveillance or to conceal strategic forces. In the absence of SALT II unaided surveillance would be our only source of information on the Soviet threat.

"The treaty would do nothing to protect our land-based missiles." Because of technological improvements in the Soviet strategic arsenal, most experts say that our land-based missiles will be vulnerable in the early 1980s. While the treaty would not eliminate the problem, it would open the door to various solutions. By limiting the number of Soviet missiles and freezing the number of warheads on the missiles, the treaty would reduce the Soviet threat. Also, our new system of mobile deployment (the MX) would make our land-based missiles less vulnerable only if the treaty's restrictions on delivery systems and warheads were in force.

The case for SALT II does not rest on counterarguments alone. The treaty would make many significant contributions to our national security. The following are just a few of those contributions:

SALT II would help to preserve the military balance between us and the Soviets. With the treaty in effect both sides would be limited to 2,250 strategic delivery systems. The Soviets would have to dismantle 10 percent of their existing systems to reach that level (the first actual reduction ever negotiated in the history of nuclear arms), but we would not have to dismantle any of ours. Furthermore, the treaty would limit the number of warheads each delivery system could carry. The carefully considered limits of SALT II would break the momentum of the nuclear arms race and would give us a clear picture of the Soviet military threat through the 1980s. There would be greater stability at less expense.

SALT II would support the principal objectives of our foreign policy. The central element of stability in our relationship with the Soviets is the mutual effort to control nuclear arms. The treaty would strengthen that effort. If the treaty were to fail in the Senate, we would almost certainly enter a period of unbridled and dangerous military competition with the Soviets. Also, our closest allies have strongly endorsed SALT II. They see it as a way to stabilize relationships between East and West in many areas. Failure to approve the treaty would diminish their confidence in us as a reliable ally. Finally, rejection of the treaty would put our credibility as a world leader on the line. It would show us suddenly and strangely unwilling to follow through with one of our most important foreign policy initiatives.

SALT II would perpetuate a framework for progress in arms control The treaty would not go as far as we want in controlling nuclear arms, but it makes no sense to refuse to take a step forward with SALT II just because the step might not be the fullest. We are now pursuing the broadest agenda of negotiations in history to limit arms. If the process which gave rise to SALT II were to break down, the prospects for agreement in any of the critical negotiations would be seriously compromised. For the immediate future, at least, arms control, whether nuclear or conventional, would be practically impossible.

The paramount question, then, is whether we are at all better off with SALT II. If we are, the treaty should be ratified. Our response cannot turn on what an ideal accord might be, but whether we are better off with the treaty or without any constraints on the strategic weapons of either side. I believe that we are better off with the treaty.●

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## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations, or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, October 25, 1979, may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

### OCTOBER 26

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 829 and 1644, bills to provide for Federal management of a 20-year coordinated program in weather modification within the Department of Commerce.

235 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

*Finance

To continue consideration of H.R. 3464 and 3236, bills to remove certain work disincentives for the disabled recipients of supplemental security income benefits.

2221 Dirksen Building

Judiciary

To resume hearings on S. 1763, to reform the immigration laws and policies, to improve the efficiency of the Immigration and Naturalization Service, and to provide an increase in the annual number of visas available to Canada and Mexico.

2228 Dirksen Building

Joint Economic

To resume hearings on the Consumer Price Index figures and inflationary trends.

5302 Dirksen Building

10:30 a.m.

*Foreign Relations

To hold hearings on proposals for the reform of the United Nations.

4221 Dirksen Building

### OCTOBER 29

8:00 a.m.

*Veterans' Affairs

To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.

5110 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 1905 and S.J. Res. 114, measures to provide for the orderly restructuring of the Milwaukee Railroad.

235 Russell Building

10:00 a.m.

Environment and Public Works

Water Resources Subcommittee

To resume consideration of S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the U.S. and trust territories.

4200 Dirksen Building

Select on Indian Affairs

To hold hearings on the nomination of William E. Hallett, of Colorado, to be Commissioner of Indian Affairs.

1202 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Joint Economic

To hold hearings in observance of the 50th anniversary of the beginning of the Great Depression of 1929, focusing on the causes and effects of depression.

318 Russell Building

### OCTOBER 30

9:30 a.m.

Judiciary

Business meeting, to resume consideration of S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons; and to begin consideration of S. 1246, to protect against the growth of a monopoly power among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development; and pending nominations.

2228 Dirksen Building

10:00 a.m.

*Agriculture, Nutrition, and Forestry

Agricultural Research and General Legislation Subcommittee

To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 1408 and 1650, bills to provide for the development of aquaculture in the United States.

6226 Dirksen Building

Commerce, Science, and Transportation

To hold joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry, on S. 1408 and 1650, bills to provide for the development of aquaculture in the United States.

6226 Dirksen Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works

Water Resources Subcommittee

To continue consideration of S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the U.S. and trust territories.

4200 Dirksen Building

### OCTOBER 31

9:30 a.m.

Commerce, Science, and Transportation

To hold joint oversight hearings with the Select Committee on Small Business and the House Committees on Small Business and Science and Technology to review proposed techniques in the field of industrial development.

1202 Dirksen Building

Select on Small Business

To hold joint oversight hearings with the Committee on Commerce, Science, and Transportation and the House Committees on Small Business and Science and Technology to review proposed techniques in the field of industrial development.

1202 Dirksen Building

Select on Small Business

To hold hearings to review the impact of private and commercial credit reporting services on small business, to focus on the accuracy, reliability, and assessability of information released by such services.

424 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Environment and Public Works

Water Resources Subcommittee

To continue consideration of S. 703, to provide for the study, advanced engineering, and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the U.S. and trust territories.

4200 Dirksen Building

Rules and Administration

To hold hearings on S. 392 and 597, bills to assure access for the elderly and handicapped to polling and registration locations for Federal elections; and other legislative and administrative business.

301 Russell Building

Joint Economic

To resume hearings on the economic impact of racial discrimination on minority communities.

210 Cannon Building

2:30 p.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 246, 1488, and 1846, bills to allow taxpayers to exclude interest income earned from a savings account from gross income; S. 1638, to permit owners of new businesses to write off their initial expenditures; S. 1703, to provide a tax exclusion from personal income earned abroad from charitable services; S. 541, to provide that the election to use the the alternate valuation date may be made on an estate tax return that is filed late; S. 999, to exempt taxpayers who file late tax payments from interest penalties; S. 555, to permit the owners of independent local newspapers to make tax deductible contributions to trusts established for the eventual payment of estate tax; and S. 1543, to defer current Federal income tax on dividends reinvested in original issue stock of a company.

2221 Dirksen Building

### NOVEMBER 1

9:30 a.m.

Judiciary

Constitution Subcommittee

To resume hearings on proposals advocating a balanced Federal budget or restricting in some way the growth of Federal outlays which include S.J. Res. 2, 4, 5, 6, 7, 9, 10, 11, 13, 16, 18, 36, 38, 45, 46, and 56.

6226 Dirksen Building

Select on Small Business

To continue hearings to review the impact of private and commercial credit reporting services on small business to focus on the accuracy, reliability, and assessibility of information released by such services.

424 Russell Building

Select on Small Business

To continue oversight hearings with the House Committees on Small Business and Science and Technology to review proposed technical methods for industrial development.

2318 Rayburn Building

2:00 p.m.

Conferees

On S. 239, authorizing funds through fiscal year 1981 for programs under the Domestic Volunteer Service Act.

S-206, Capitol

### NOVEMBER 2

9:30 a.m.

Judiciary

To resume hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on a proposal to transfer the functions of the Cost Accounting Standards Board to the General Accounting Office.

5302 Dirksen Building

2:30 p.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on S. 1691, to create an appellate court with exclusive jurisdiction over all federal civil tax appeals.

2221 Dirksen Building

### NOVEMBER 6

9:00 a.m.

Agriculture, Nutrition and Forestry

Agricultural Credit and Rural Electrification Subcommittee

To hold oversight hearings to examine the current operations of the Farmers Home Administration, focusing on recent problems relating to the outstanding debt to the agency and personnel problems associated with loan supervisions and counseling; also to examine the implementation of the guaranteed agricultural loan programs and the economic disaster loan program; and to review the installation of a management information system at the agency.

324 Russell Building

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To resume hearings on S. 1108, to provide relocation assistance and guidelines for displacement of individuals who are forced to leave their homes and neighborhoods because of Federally funded projects.

3302 Dirksen Building

Labor and Human Resources

Handicapped Subcommittee

To hold oversight hearings on the implementation of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 (P.L. 95-602).

4232 Dirksen Building

Select on Small Business

To resume hearings to examine the economic outlook for the small business.

424 Russell Building

### NOVEMBER 7

9:30 a.m.

Government Affairs

Intergovernmental Relations Subcommittee

To continue hearings on S. 1108, to provide relocation assistance and guidelines for displacement of individuals who are forced to leave their homes and neighborhoods because of Federally funded projects.

1318 Dirksen Building

Labor and Human Resources

To hold hearings on S. 1089, to revise the reporting and recordkeeping requirements under the Employee Retirement Income Security Act (ERISA) and to enforce the IRS Code requirement with respect to pension plans.

4232 Dirksen Building

Labor and Human Resources

Handicapped Subcommittee

To continue oversight hearings on the implementation of the Rehabilitation, Comprehensive Service, and Developmental Disabilities Amendments of 1978 (P.L. 95-602).

457 Russell Building

2:30 p.m.

Finance

Taxation and Debt Management Generally Subcommitee

To hold hearings on H.R. 2797, making technical, clerical, conforming, and clarifying amendments to provisions of the Revenue Act of 1978.

2221 Dirksen Building

### NOVEMBER 8

10:00 a.m.

Environment and Public Works

Environmental Pollution Subcommittee

To hold hearings on S. 1136, to develop an integrated program of financial assistance to provide States and local governments with greater flexibility in handling various environmental programs.

4200 Dirksen Building

Labor and Human Resources

Education, Arts, and the Humanities Subcommittee

To mark up S. 1386, authorizing funds through fiscal year 1985 for the National Endowment for the Arts, the National Endowment for the Humanities, and Institute of Museum Services; and S. 1429, authorizing funds through fiscal year 1982 for programs under the Museum Services Act.

4232 Dirksen Building

10:30 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To mark up S. 988, authorizing funds through fiscal year 1983 to increase the effectiveness of research in biomedical sciences.

155 Russell Building

### NOVEMBER 14

9:30 a.m.

*Commerce, Science, and Transportation

To resume oversight hearings to review proposed techniques in the field of industrial development.

235 Russell Building

Foreign Relations

To hold hearings on the following international treaties proposing human rights; the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

### NOVEMBER 15

9:30 a.m.

Foreign Relations

To continue hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

Government Affairs

Intergovernmental Relations Subcommittee

To resume oversight hearings to examine the scope of the general revenue sharing policy.

3302 Dirksen Building

### NOVEMBER 16

9:30 a.m.

Foreign Relations

To continue hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

10:00 a.m.

Finance

Public Assistance Subcommittee

To hold oversight hearings on alleged fraud and mismanagement practices in HEW directed toward erroneous State payments to recipients of the Aid to Families with Dependent Children and Medicaid programs under the Social Security Act.

2221 Dirksen Building

### NOVEMBER 20

9:30 a.m.

*Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.

5110 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of the U.S. maritime policy.

235 Russell Building

## CANCELLATIONS

### OCTOBER 29

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1335 and 1336, bills to establish a program of financial assistance to improve the energy efficiency of residential heating systems.

3110 Dirksen Building

10:00 a.m.

Governmental Affairs

Civil Service and General Services Subcommittee

To resume hearings on the use of consultant services by the Federal Government.

1318 Dirksen Building